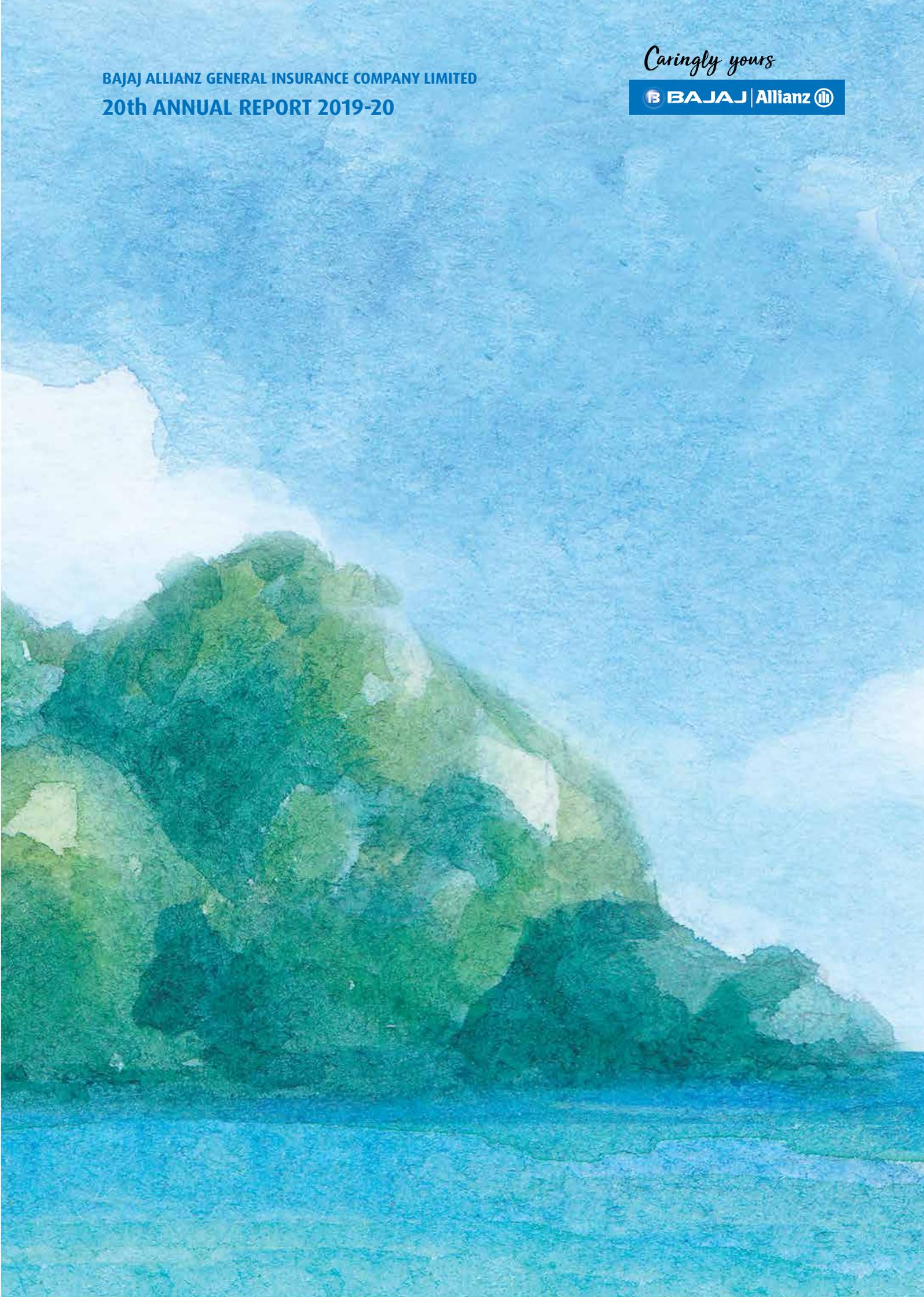
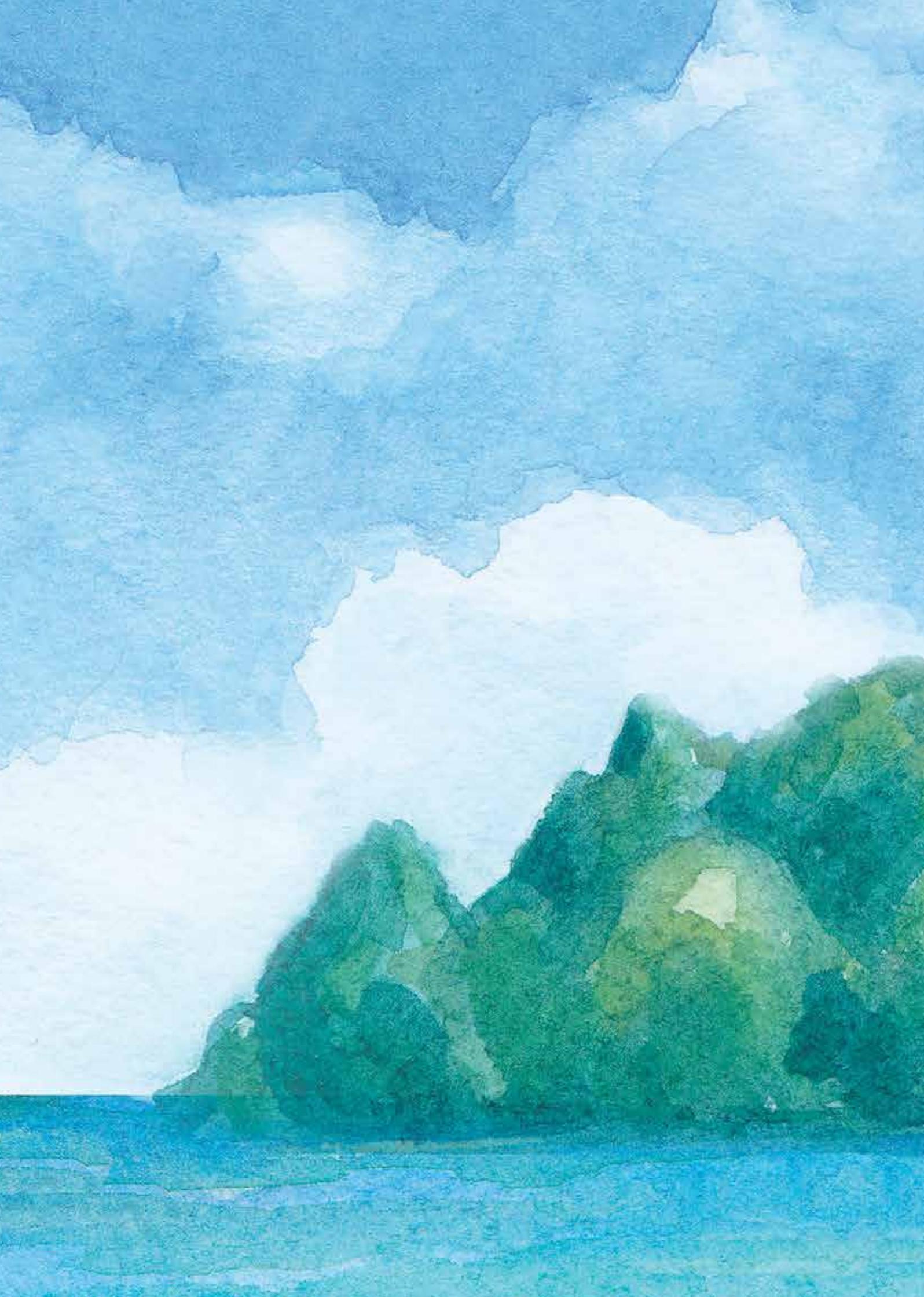


BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED
20th ANNUAL REPORT 2019-20

Caringly yours

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CORPORATE INFORMATION

Board of Directors

Sanjiv Bajaj

Chairman

Solmaz Altin

(up to 8 October 2019)

Ritu Arora

Sanjay Asher

(up to 5 March 2020)

Niraj Bajaj

Rahul Bajaj

(up to 31 March 2020)

Sergio Balbinot

Dipak Poddar

(up to 31 March 2020)

Meleveetil Damodaran

(from 16 October 2019)

Ranjit Gupta

Suraj Mehta

Nanoo Pamnani

(Deceased on 22 February 2020)

Lila Poonawalla

Anami Roy

(from 13 March 2020)

Shashi Kant Sharma

(from 13 March 2020)

S Sreenivasan

(from 1 April 2020)

T S Vijayan

(from 1 April 2020)

Avais Karmali

Alternate Director for Sergio Balbinot

Tapan Singhel

Managing Director and Chief Executive Officer

Audit Committee

Lila Poonawalla

Chairperson

Ritu Arora

Sanjay Asher

(up to 5 March 2020)

Sanjiv Bajaj

Ranjit Gupta

Suraj Mehta

Nanoo Pamnani

(Deceased on 22 February 2020)

Anami Roy

(from 13 March 2020)

Shashi Kant Sharma

(from 13 March 2020)

Investment Committee

Sanjiv Bajaj

Chairman

Ritu Arora

Ranjit Gupta

Tapan Singhel

Milind Choudhari

(up to 30 April 2020)

Amit Joshi

Rajeev Kumar

Gaurav Malhotra

Ramandeep Singh Sahni

(From 1 May 2020)

Corporate Social Responsibility Committee

Sanjiv Bajaj

Chairman

Ritu Arora

Ranjit Gupta

Nanoo Pamnani

(Deceased on 22 February 2020)

Anami Roy

(from 13 March 2020)

Tapan Singhel

Nomination and Remuneration Committee

Lila Poonawalla

Chairperson

(Designated as Chairperson from 13 March 2020)

Nanoo Pamnani

Chairman

(Deceased on 22 February 2020)

Ritu Arora

Sanjay Asher

(up to 5 March 2020)

Sanjiv Bajaj

Ranjit Gupta

Suraj Mehta

(from 13 March 2020)

Anami Roy

(from 13 March 2020)

Policyholders' Protection Committee

Sanjiv Bajaj

Chairman

Ritu Arora

Ranjit Gupta

Tapan Singhel

Risk Management Committee

Sanjiv Bajaj

Chairman

Ritu Arora

Ranjit Gupta

Tapan Singhel

Chief Financial Officer

Milind Choudhari

(up to 30 April 2020)

Ramandeep Singh Sahni

(from 1 May 2020)

Company Secretary & Compliance Officer

Onkar Kothari

Joint Statutory Auditors

S R Batliboi & Co. LLP

Chartered Accountants

BSR & Co LLP

Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye

Practising Company Secretary

Registered Office & Head Office

Bajaj Allianz House, Airport Road,

Yerawada, Pune 411006. IRDA Reg No.: 113.

www.bajajallianz.com

CIN: U66010PN2000PLC015329



Sanjiv Bajaj

Chairman



Ramandeep Singh Sahni
Chief Financial Officer



Sasikumar Adidamu
Chief Distribution Officer
- Institutional Sales



T A Ramalingam
Chief Technical Officer



Ashish Sapra
Chief Distribution Officer
- Retail Sales



K S V S Murthy Naidu
Country Head - Products



Aditya Sharma
Head - Motor Business



Sourabh Chatterjee
Head - IT, Websales, Travel



Aashish Sethi
Head - Bancassurance
(Private Banks & NBFCs)



K V Dipu
Head - Operations &
Customer Service



Vikramjeet Singh
President and Chief
Human Resources Officer



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



Ashish Agrawal
Head Agri. Business & CSC



Gurneesh Singh Khurana
Head - Motor LOB and
New OEM acquisition



Sriram Srinivasan Iyer
National Head - Health Insurance



Chetan Prakash
Country Head - Agency



Amarnath Saxena
National Head - Corporate Business



Amit Joshi
Chief Investment Officer

THE TORCHBEARERS



Tapan Singhel

Managing Director and Chief Executive Officer

MD & CEO'S MESSAGE

Dear Friends

The last financial year has been quite challenging for India with us witnessing economic headwinds and muted growth across the sectors, subsequently having a direct impact on the insurance industry as well. The entire economy was in a strong hope of recovery in the last quarter, but the coronavirus outbreak presented fresh challenges, causing a disruptive impact on all businesses. Despite these unfavourable circumstances, at Bajaj Allianz General Insurance, our prudent underwriting policies, customer-centric approach and our digital readiness helped us register a successful year wherein we grew above industry.

Throughout the year, we were committed to work towards our aim of making general insurance a pull rather than a push product. Introduction of innovative products and services thus acted as a key differentiator for us in FY2020. With the launch of 'Health Infinity', we are the only ones in the Indian industry who offer unlimited sum insured to customers for their health insurance policies. We launched 'Farmitra' mobile app, a one stop shop that provides insurance solutions along with a range of other information and advisories that cater to the day to day activities of one of our largest customer base – our farmers. We enhanced our operational efficiencies by launching 'Saarthi' mobile app for agents on-boarding, issued more than 30,000 policies through 'Raftar' that leverages Robotic Process Automation (RPA) and with 'Maximus' we embarked on the journey of core transformation and in Phase-I we successfully moved the Travel LOB to this new policy administration system. We rolled out 'BAGICARE – CRM', which helps in enhancing customer experience through quick query resolution while also improving the quality of sales by providing all relevant data about the customer in one go. During this period, we also forged new partnerships with established players like Can Fin Homes Ltd., new-age players like PhonePe and GOQii, and motor tie-ups with MG Motors, KIA Motors, JAWA Motorcycles amongst others, allowing us to be present across various platforms and catering to specific needs of our customers. Giving a boost to our innovative ideas, IRDAI under its Regulatory Sandbox framework approved our four proposals, namely 'Co-pay model' under health insurance, 'Pay as you consume' and 'V-Pay' under motor insurance, and 'Total Business Protection' under commercial property insurance. These approvals will enable us to test the feasibility of our ideas thus helping us to embark on the journey of transformation in the way insurance is perceived today in our country.

Our efforts paid off with customers appreciating our products & services, directly reflecting in our growth which stood at a significant 15.6%, while the sector grew at 11.7%. Our intent to simplify insurance solutions for our customers and our prudent underwriting practices played a crucial role in maintaining our brand stance of being one of the best companies in the Indian General Insurance industry. Some of our key performance indicators are highlighted below:

- The Gross Written Premium Grew to 12,833 crore, which is a growth of 15.6%
- The company continues to be one of the most profitable insurers in the industry, with a Combined Ratio of 100.8% and Profit Before Tax of 1,376 crore, which is a growth of 19.5%
- Over the year, we issued over 26 million policies and settled close to 6 million claims
- The company maintained a credit rating of iAAA awarded by ICRA for the 13th year in a row, signifying our highest claims paying ability
- We received an ISO 9001:2015 certification for operations

Alongside the performance metrics, our customer centric initiatives and best practices were recognized across various platforms, not just within India, but on a global scale. A few major recognitions we received during the year:

- We won the coveted Porter Prize award under the category of Creating Distinct Value from a pool of 120 Indian companies from across the sectors
- IDC Financial Insights recognized us as one of the 20 Best Insurers across Asia/Pacific
- We were recognized as Prompt General Insurance Company for our claim settlement initiatives and efforts at the 6th ET Insurance Summit & Awards 2019

MD & CEO's Message

- We were honoured as a Gold Winner for Non-Life Insurance Provider of the Year at the prestigious Outlook Money Awards 2020
- We won the Celent Model Insurer award automated Talent Acquisition Portal – Tal.Port for best practices of technology usage in different areas critical to success in insurance
- We won the prestigious Asia Insurance Technology Awards 2019 for our 'Digitization of Pre-Insurance Medical Check-up Process' under the Operational Excellence category
- We won Domestic General Insurer of Year – India award and Claims Initiative of the Year – India Award for Motor OTS at the Insurance Asia Awards 2019
- We won the Best Travel Insurance award at the prestigious Outlook Traveler Awards 2020
- Business Today - Money Today Financial Services awards recognized us as the Best Motor Insurance Provider of the Year
- We won the Company of the year – General Insurance category, Customer Service Provider of the Year, and Best Cyber Team of the Year award at the 4th Annual Insurance Summit & Awards

Amidst these trials and triumphs, the COVID-19 lockdown knocked our doors towards mid-March 2020. I believe that it's always during such times, that a true value of your sustainability and preparedness is gauged. We started testing efficiencies 2-weeks before the lockdown was officially announced, this foresight helped us understand where we stand and how we can improve in terms of a complete work from home scenario. This was also to ensure the safety of our biggest asset - our employees, further extended to their families through dedicated COVID-19 related help-lines and reach-out programs for lockdown induced anxiety and stress. Subsequently, all our investment into enhancing our digital capabilities built over the past few years, helped us move from 'crises' to 'business as usual' in just a matter of couple of days. Right from issuing policies to renewing them and to settling claims, we ensured that we were able to serve our customers digitally and in a seamless manner. In order to create awareness about Covid-19 amongst customers and steps that they need to take to safeguard themselves, we launched unique features like Social Trackback, Doctor on Chat, Self Insta Check on our customer facing mobile app 'Caringly yours'.

As we enter into the new financial year, which has transformed drastically due to this lockdown, new opportunities await us. Although there have been some challenges in premium collections, we see increase in awareness about insurance as a social security tool, which in turn will contribute towards increase in penetration of insurance. This lockdown will not only change our operating models and how we underwrite risks, but will also help us introduce new-age products & services considering the changing risk scenarios. There will certainly be some challenges as business won't bounce back to normal in an instant, but I'm sure that gradually we will see the demand picking up as soon as we see reviving signs in the economy. All through this, we remain committed towards being there for our customers and addressing their worries in their times of need by offering them best in class insurance solutions. While our grievance ratio stood at 0.006% which is amongst the Industry's lowest, our Net Promoter Score was amongst the highest in the industry, i.e. 52% and 51%, for Motor and Health respectively. During the lockdown phase between 19th March to 31st March 2020, we issued 569,461 policies and settled 271,772 claims along with maintaining an all-time low grievance ratio, albeit amongst the lowest in the insurance industry. This further boosts our confidence in our ability to serve our customers in the direst circumstances even without the physical presence of our employees/intermediaries in any of our offices.

I believe, every dark cloud has a silver lining, and during these unprecedented times where we battle a pandemic globally, we would extend our gratitude to all our customers, employees, partners, regulator and each and every stakeholder for their continued support and trust in our brand. We look forward to serving and working closely with all of you throughout, and in a renewed world post the COVID-19 phase where we continue to be your preferred choice of risk management experts.

Wishing all of you sound physical and financial health.

Caringly yours,

Tapan Singhel

Managing Director and Chief Executive Officer

Caringly yours

BAJAJ | Allianz

When your care knows no limits, why should your insurance?

#CareUnlimited for your loved ones,
with the Health Infinity Policy by
Bajaj Allianz General Insurance.

- Unlimited Sum Insured
- Wellness Discounts on Renewal
- Preventive Health Check-up every 3 years

Bajaj Allianz
**HEALTH
INFINITY**
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Contact Bajaj Allianz Care Advisor | 1800 209 0144 | bajajallianz.com

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Bajaj Allianz General Insurance Co. Ltd., Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006. IRDA Reg No.: 113. CIN: U66010PNZ000PLC015329 | UIN: BAJHLIP21005V022021 | For more details on risk factors and Terms and Conditions, please read the sales brochure before concluding a sale. | BJAZ-0-1807/13-Jun-2020

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• Policy Renewals • Registering Claims • Policy Management • Locate Network Hospital & Preferred Garages



MANAGEMENT DISCUSSION AND ANALYSIS



A. Macroeconomic overview

The economy of India is characterised as a developing market economy. It is the world's fifth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP).

Even without the terrible effects of the COVID-19 pandemic, India's GDP growth had shown clear signs of slowing down. It was 5.9% in Q4 FY2019; then fell to 5.6% in Q1 FY2020; then yet again to 5.1% in Q2 FY2020; followed by 4.7% growth in Q3 FY2020. At the time of writing this Management Discussion and Analysis, we do not have the official data for GDP growth in the fourth quarter of FY2020. However, we do know that the last eight days of March 2020 were under a full national lockdown and, therefore, would have posted close to zero output and value added. Hence, there is no reason to believe that there was a bump up in the growth rate in Q4 FY2020. If anything, it may have been lower.

Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistical Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in February 2020, and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing. In a similar vein, the second advance estimates of national income for FY2020 released by the CSO on 28 February 2020 was substantially lower: GDP growth for FY2020 was pegged at 5% compared to 6.1% in FY2019; and growth in gross value added was estimated at 4.9% in FY2020 versus 6% in FY2019.

If anything, the effects of the lockdown on the last eight days of FY2020, may possibly bring down the growth rate a bit further. And we should be expecting real GDP growth for FY2020 to be somewhere between 4.9% and 5%.

Post Covid-19 pandemic and Lockdowns: The relatively slow GDP growth of around 5% in FY2020 now sounds like a miracle after being engulfed in the COVID-19 pandemic. On 24 March 2020, India went on to initiate the largest nation-wide lockdown in the world involving 1.3 billion people. The full lockdown lasted up to 3 May 2020. Thereafter, varying forms of hard lockdowns have continued in states that have had large number of COVID-19 cases — be these across the states, or in what are called the 'red' districts or across containment zones in various cities.

The 40-days continuous lockdown across India has probably played a significant role in limiting the number of COVID-19 infections as of 30 April 2020, India has reported 33,304 confirmed infections. While this may be an underestimate on account of the lack of sufficient testing, it is still true that, for its huge population, India has thankfully reported relatively few infections. Having said so, nobody really knows whether the infection rate will spike or not; if it does, at what rate; and when might we as a nation be out of this scourge.

What we do know with some certainty is that the economy will take a massive hit in FY2021. Estimates of economists who are recognised for their soundness and care with which they do empirical work suggest that India's real GDP will fall from around 5% in FY2020 to around (-)0.5% in FY2021. If it were so, this will be the deepest contraction that India has seen since the downturn that occurred in 1979-80, when real GDP growth plummeted from 5.7% in the previous year to (-)5.2%. According to these economists, Q1 FY2021 will see a wasted first quarter (April-June 2020), a tortuously limping second quarter (July-September), followed by some recovery in the latter half of the fiscal year.

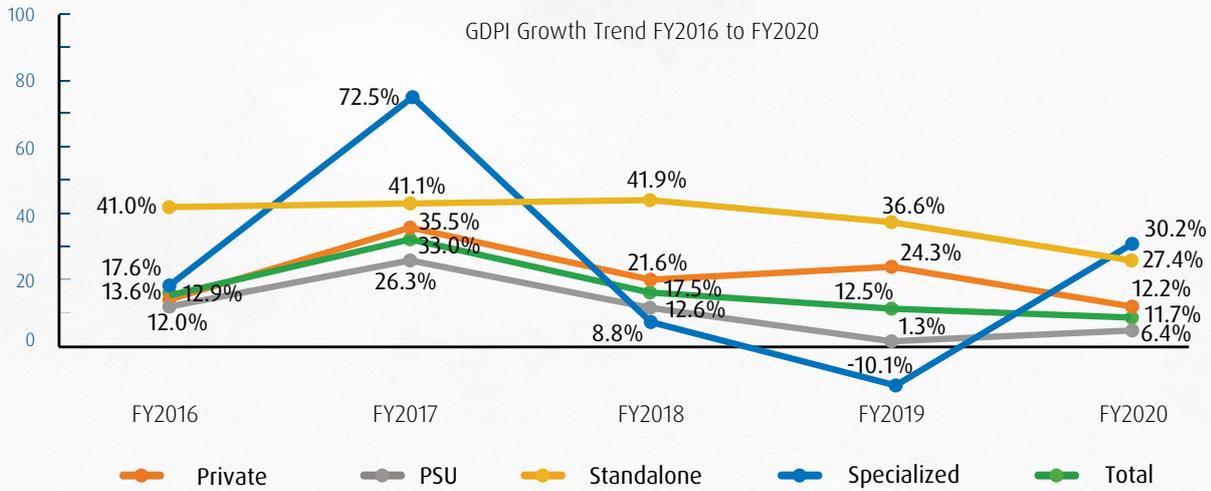
Insurance industry overview

The insurance industry of India consists of 58 insurance companies of which 24 are in life insurance business and 34 are non-life insurers. Government's policy of insuring the uninsured has been pushing insurance penetration in the country and proliferation of insurance schemes.

Gross Direct Premium (GDPI) underwritten in India by private and public insurers general insurers grew at 9.5% in FY2020 and reached Rs. 164,218 crore. Including standalone Health Companies and Specialised Companies the industry grew 11.7% and reached Rs. 189,302 crore. Overall non-life insurance penetration (premium as % of GDP) in India was at 0.97% in FY2018. (Source: General Insurance Council, IRDAI)

i. Premium growth and relative performance of insurers

Gross Domestic Premium Income (GDPI) growth (in %)

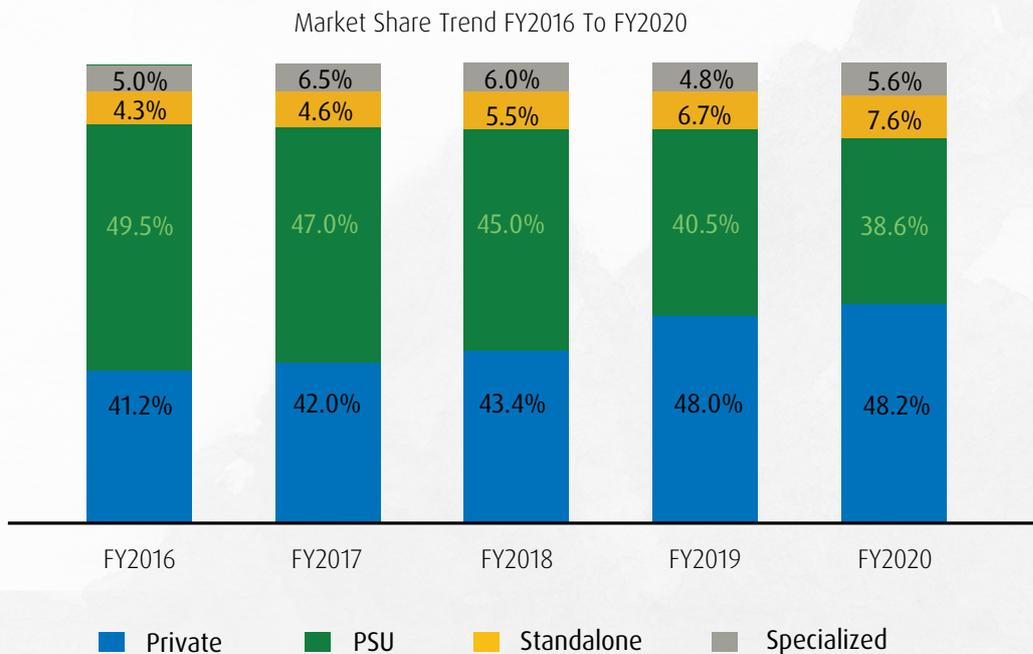


Source: IRDAI and General Insurance Council statistics

Over the period of FY2016 to FY2020, on GDPI:

- The industry registered a growth of 18.4% (CAGR)
- Private insurers registered a growth of 23.1% (CAGR)
- Public players registered a growth of 11.2% (CAGR).

Market share based on GDPI (in %)

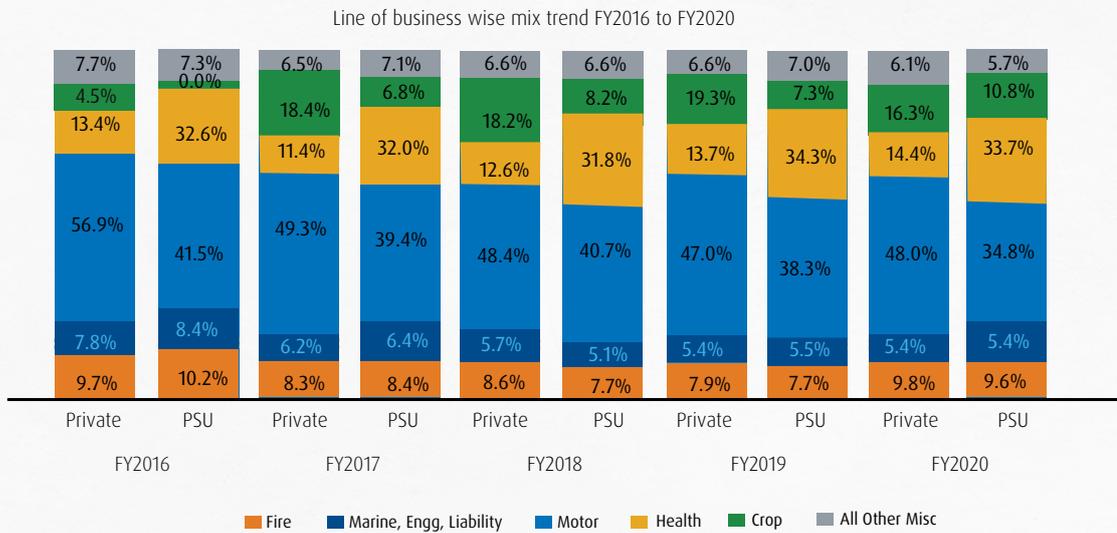


Source: IRDAI and General Insurance Council statistics

- Over the period of FY2016 to FY2020, the market share of private players increased from 41.2% to 48.2% and corresponding decrease observed in PSU players from 49.5% to 38.6%

ii. Shift in business mix

Line of business wise mix



Based on GDPI of private and public general insurers excluding monoline/specialised insurers.
Source: IRDAI and General Insurance Council statistics

Private players

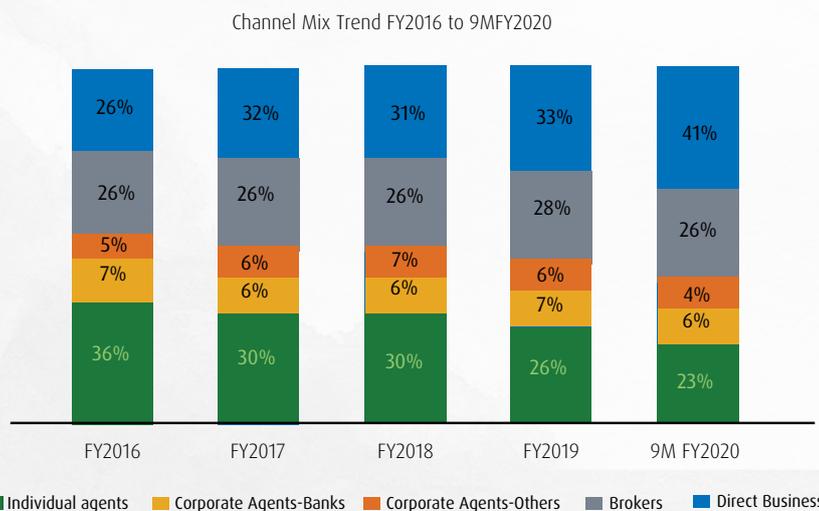
As seen above, there has been a substantial reduction in business mix of motor from 56.9% in FY2016 to 48.0% in FY2020 backed by increase in mix of crop insurance from 4.5% in FY2016 to 16.3% in FY2020

PSU players

As seen above, there has been a substantial reduction in business mix of motor from 41.5% in FY2016 to 34.8% in FY2020 backed by increase in mix of crop insurance from 0.01% in FY2016 to 10.8% in FY2020

iii. Distribution mix

GDPI distribution channel mix



Based on GDPI for private and public general insurers excluding monoline/specialised insurers.
Source: Public disclosures

As can be seen above, substantial shift observed in business mix of direct business from 26% in FY2016 to 41.0% in 9MFY2020. Agency mix is down from 36% in FY2016 to 23% in 9MFY2020.

iv. Regulatory changes and implications thereof

Some of the key regulatory initiatives taken by IRDAI during the year are summarised below:

Information to the Insurance policyholder / claimants about various insurance policy services:

Through these Guidelines, timely intimation to policyholders / claimants about various stages of policy servicing through SMS and emails has been mandated.

Preparation of Solvency Certificate:

Through this circular, depreciation of IT assets / software, consideration of Intellectual Property Rights , hypothecated assets, etc. have been clarified and timelines for submission of solvency certificate on quarterly basis have been set out.

Premium rates for Motor TP Insurance for the FY2020:

Through this circular, Motor TP rates for the FY2020 were prescribed with effect from 16 June 2019, along with Motor TP rates for long term policies.

Standalone Motor Own Damage Cover:

Through this circular, annual motor standalone OD insurance policies were allowed for Private Cars and Two Wheelers, as per pricing for OD component of existing package policies.

Issuing long term products - Private Car and Two Wheelers:

Through this circular, it was clarified that 3 and 5 Year Motor TP Insurance policies were only for New Cars and New Two wheelers.

IRDAI (Regulatory Sandbox Regulation) 2019:

Through these Regulations, final guidelines on operational issues pertaining to Regulatory Sandbox were issued and applications were invited by October 2019.

Guidelines on Filling of Minor Modification in the approved individual insurance products offered by general and standalone health insurance on certification basis:

Through these Guidelines, insurers were allowed to undertake minor modifications in approved individual products on a certification basis, including addition of distribution channels, change of +/- 5% in annual premium rates, change in minimum / maximum age, collection of premium in installments, etc.

Guideline on appointment of Postmen and Grameen Dak Sevaks of Dept. of Posts as POSPs by India Post Payment Bank (IPPB):

Through these guidelines, IPPB was allowed to enter into a single contact with Department of Posts and engage all postmen as POSPs.

Guideline on Migration and Portability of Health Insurance Policies:

Through these guidelines:

- Portability was allowed under all Individual Indemnity health insurance policies including family floater.
- Option of migration was made available to every Individual policyholder to (1) Individual Health Insurance Policy or a Family Floater; or (2) a Group health Insurance policy.
- Option of migration should be provided in case of modification of the group policy or at the time of exit from a group policy or withdrawal of the policy to migrate to an Individual health Insurance policy or a family floater.

Marketing Standard Individual Health Insurance Products through POSP:

Through this circular, "Arogya Sanjeevani Policy" was allowed to be marketed by Point of Sales Persons (POSP)

Guidelines on Group Health Insurance Policies upon merger of PSBs':

Through this circular (applicable for group insurance policies only):

- Underlying group health Insurance policies of the customers of the merged bank should continue to be serviced by the respective insurance companies, which issued the policy till the end of the policy period.
- The acquiring bank could also offer insurance coverage given to its customer to the customer of the merged bank with the consent of its insurer.

Guidelines on filling of Re-Insurance Arrangement with the IRDAI:

Through this circular, it was directed that alternate risk transfer / non-traditional structured solutions, financial reinsurance, etc. could be done only with prior approval of IRDAI.

General instructions on Covid-19 related issues:

Through this circular, detailed guidelines were issued to the insurer in terms of handling scenarios arising from outbreak of Covid-19 pandemic, business continuity planning, communicating with stakeholders, policy servicing and claims, reporting to the board, etc.

v. Industry outlook

India is the 4th largest non-life insurance market in Asia and 15th largest globally and Non-life Insurance penetration in India is around a third of Global average in 2018 (Source: Swiss Re Sigma Report 2018).

While the insurance industry like most other industries globally will see a significant impact from COVID-19, this may be an inflection point for the industry with customers realising the importance and need for Insurance, especially health.

The first half of FY2021 is likely to be significantly impacted by COVID-19 as activities come to a grinding halt due to the nation-wide lockdown in Q1 FY2021.

The future for the insurance industry in India however looks promising with (a) the extent of under-penetration in India, (b) people becoming even more aware of the insurance gap and (c) Companies learn from the lockdown and change the way they function and engage with distributors, customers and other stakeholders.

Factors that will help insurance industry grow include:

- Very low insurance penetration at 0.97% as against other developed/developing countries,
- Growing middle class/affluent population which is exhibited through growth in per capita GDP,
- Growing population and within that higher share of young insurable population and
- Growing awareness for the need of insurance.

vi. Opportunities

Economic growth: While there would be a slowdown on account of Covid-19, the Indian economy with its strong fundamentals is still likely to remain amongst the strongest. As per the World Economic Forum, by 2030, the economies of top 5 cities in India will be comparable to those of middle-income countries today (like Vietnam, Philippines, Malaysia).

High middle-income and high consumption economy: As per the World Bank "As the world's third largest economy in purchasing parity terms, India aspires to better the lives of all its citizens and become a high-middle income country by 2030". Rising income levels will result in demand for better living habitat, water, sanitation, education, healthcare and the need for insurance.

Demographic advantage and low insurance penetration: Demographic factors such as large and growing population, growing middle class, high mix of working population and young insurable population and growing awareness of the need for insurance will support the growth of Indian insurance space. Further, very low premium per capita versus other developed/developing economies indicates significant opportunities for the insurance sector to expand. India's non-life insurance sector is amongst the top 15 in the world and is expected to increase at a CAGR of 12-15% over the next five years (pre Covid-19 assessment). India currently accounts for less than 1.1% of the world's total non-life insurance premiums despite being the second most populous nation. (Source: IRDAI Annual Report and IBEF).

Government thrust: Governments are going push on insurance through various schemes such as the National Health Protection Scheme that was launched under Ayushman Bharat or the Pradhan Mantri Fasal Bima Yojana (PMFBY) that was launched for farmers, continues to give a thrust to insurance penetration.

vii. Risks and threats

Continued low insurance awareness and penetration: Insurance industry could continue to face challenge of low awareness and the need for insurance resulting in low insurance penetration.

Extended impact of COVID-19: An unexpected outcome of the ongoing Pandemic could have far reaching implications through stresses on businesses leading to job losses that could lead to slowdown in consumption. While COVID-19 could positively impact health insurance in long term it could have a negative impact on insurance sales linked to consumption such as car sales, etc.

Impact of change in Crop scheme in FY2021: Government has recently announced significant changes in the Crop insurance scheme. These could significantly impact the premium which the Company writes under the schemes in the years to come. As the states are still to finalise their adoption plans, the actual impact of the same would be known only in due course on actual roll out by the respective states during the year.

Disruption of business models by technology and data driven companies: World over, large scale distribution models (such as insurance) are facing disruption from entities that maximize the use of data. Data backed by analytics and use of technology is expected to change the distribution landscape in the years to come. With the traditional business models being used by most insurers in India, it is likely that the competitive landscape will change significantly thus warranting Companies to strategize in such a way that they can provide the best value proposition to the largest set of customers in the most convenient manner.

B. Business overview

i. Company strategy

(a) Growth with profitability

The Company has always focussed on growing profitably rather than compromising on profitability at the cost of maintaining market leadership on top line. It does so consistently through, (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.

Accordingly, the Company has been amongst the top performing general insurers consistently on both top and bottom line amongst the private players, over the past decade.

(b) Diversified and largest distribution and diverse business mix with a diversified product portfolio

The Company endeavours and continues to maintain a healthy mix of business across various distributors and product lines. This helps the company tide over business cycles that may impact one line of business or distribution.

The Company has one of the largest distribution across the industry with a large network of institutional partners like banks, NBFC's, motor dealers and individuals including agents, POS and our proprietary Virtual Sales Officers.

In addition, we continue to maintain a diversified product portfolio to address varying insurance needs of the customers while maximizing value to our three key stakeholders i.e. Customer, Distributor and the Shareholders.

(c) Retail orientation

While the Company continues to invest in all available market opportunities, the endeavour is to always maintain a high proportion of retail business mix to avoid over dependence on any customer segment and to maintain high level of profitability.

(d) Robust underwriting and risk practices

We manage risk as culture which encompasses across the organisation. Our rewards programs across the organisation ensure the sufficient weightage is given to both top line and bottom line hence ensuring a well-balanced and idle risk reward structure. The Company maintains a very effective 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 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. Any catastrophe risk is mitigated by a separate non-proportional reinsurance treaty, which limits the Company's exposure to any single covered event. The reinsurers chosen are most highly rated and rated few notches above the regulatory mandate. Our robust underwriting and reinsurance guidelines prevent any over-exposure to a single loss event and exposure to claim payments for perils that were never intended to be insured. Detailed reserving guidelines are in place and the adequacy of reserves is tested from time to time and monitored by the Reserving Committee.

(e) Best in class customer service

We endeavour to and maintain best in class customer service which is continuously tracked through our highest Net Promoter Scores, amongst highest claims settlement ratio and claims settlement efficiency ratio and lowest grievance percentages.

(f) Endeavor to continuously invest in new engines of growth

With the objective of being ahead of the market we continue to reinvent the wheel and challenge our distribution to identify newer engines for growth such as the Virtual Sales Office model that we pioneered and is now close to a thousand crore Gross Written Premium model. Other such models include the POS and the Health vertical.

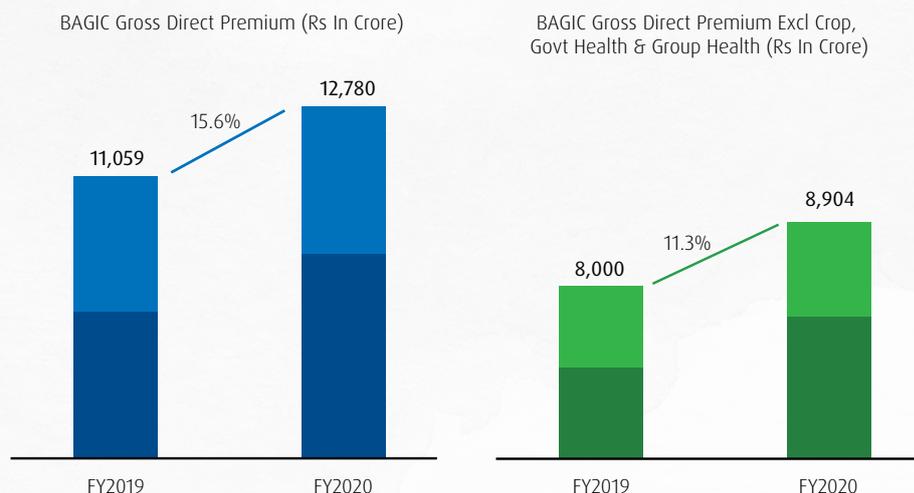
(g) Digitalization to maintain competitive edge

Digital assets and smart process enabled business delivery are the DNA of the Company. We have been operating in a two-speed model (running BAU and Transformation parallelly ensuring agile, innovative initiatives move forward quickly without being hampered by the checks and balances that are needed to maintain business-critical and BAU IT and operations). RUN, TRANSFORM and INNOVATE is our operating model for delivery of technology and operational processes. In RUN, we have focused on creating an array of digital assets for ease of use for the end user. These range from our self-service BOT, apps such as Caringly Yours, Farmitra, community portals such as caringlyyours.com, NPS feedback tool across ten different languages, portals such as Ezeetab and iMitra for sales & partners and our paperless agent licensing tool such as Saarthi. In TRANSFORM, our journey to transform our core policy administration platform and re-engineer our processes end-to-end will provide us the platform for the future to serve all segments of our customers, partners and employees. We have also enabled our omnichannel environment by shifting to an enterprise grade CRM tool and connected it across our service and sales functions for a single view of the customer. In INNOVATE, we continue to experiment and roll out solutions with the latest in cloud technologies, AI /ML models for instant claims settlement, renewal propensity, fraud detection, cross sell and customer churn. We believe technology and operational agility will be the drivers of competitive differentiation for any organization in the future. The Company is continuously evolving to ensure that we stay at the top of our game.

(ii) Performance overview: FY2020

(a) Business growth and market ranking

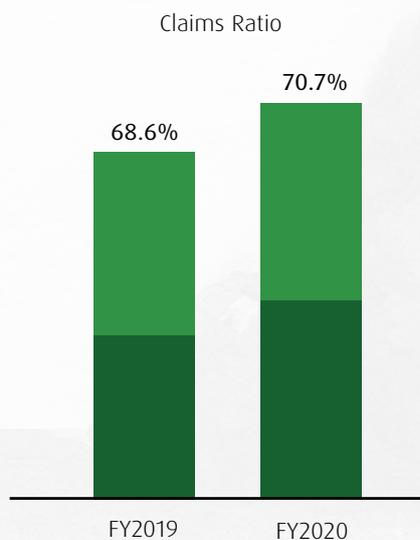
In terms of GWP, the Company's growth was at 15.6% as against the market growth of 11.7% (Private and Public multiline players). The Company maintained its 2nd rank during FY2020 with a market share of 6.8% which moved up from 6.5% in FY2019. Excluding the bulky Crop, Government health and Group Health business the growth for the Company was at 11.3% as against the market growth of 9.8%.



(b) Claims ratio

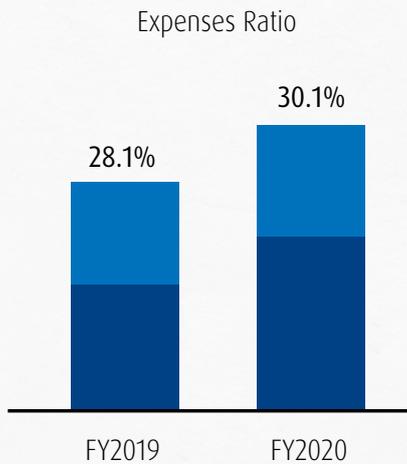
Claims ratio for the Company for FY2020 was 70.7% as compared to 68.6% in FY2019. Excluding NATCAT claims, claim ratio is at 69.4% (PY 67.9%). Despite the increase, we would have amongst the lowest claims ratio in the industry.

Worsening claims ratio is attributable to (a) Losses from a few natural catastrophies such as Fani cyclone, Heavy extended monsoons in Maharashtra and Gujarat and floods in Kerala and (b) higher crop claims ratio from 74.9% in FY2019 to 92.0% in FY2020 largely attributable to higher Kharif season claims in FY2020.



Claim Ratio = Net Claims Incurred / Net Earned Premium

(c) Expense ratio



Expense Ratio = (Net Commission + Operating Expenses)/Net Written Premium

Increase in Expense ratios is largely attributable to the investments being made by the Company in new channels of growth, including new bank tie ups and investments in technology.

(d) Grievance ratio

During the year, number of complaints increased by 15.0% from 1,103 registered in FY2019 to 1,268 in FY2020 with corresponding increase in number of policies from 21 million in FY2019 to 27.5 million in FY2020. Accordingly, the grievances per 10,000 new policies issued stood at 0.61 in FY2020 as against 0.53 in FY2019, this is amongst the lowest grievances across all general insurance companies in the country.

(e) Profitability – COR, Profit after Tax and ROE

The Company’s COR moved up from 96.7% in FY2019 to 100.8% in FY2020 largely on account of the impact of multiple catastrophies and extended monsoons. Excluding NATCAT claims, COR was at 99.5% in FY2020.

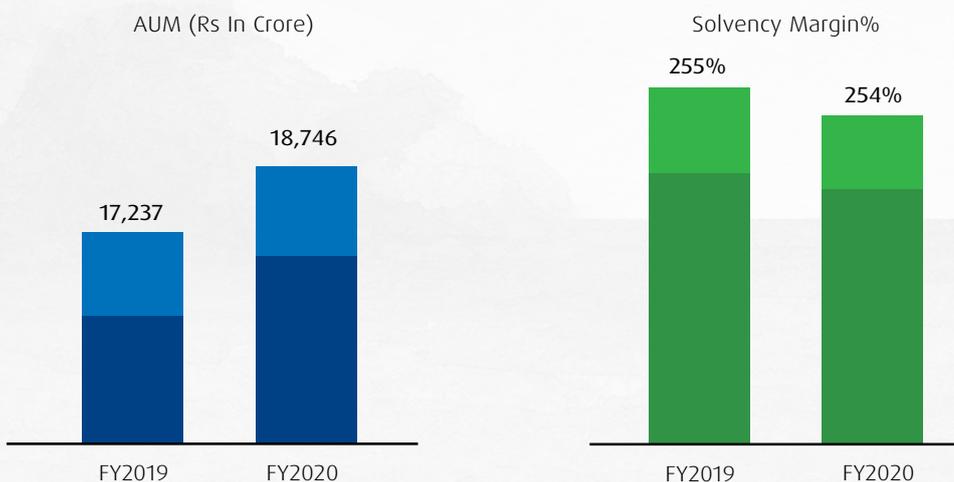
The Company earned a profit after tax of Rs. 999 crore during FY2020 as compared to the profit of Rs. 780 crore for the previous year; a growth of 28%.

Consequently, the ROE of the Company moved up from 16.2% in FY2019 to 18.5% in FY2020.

(f) Strong Assets Under Management (AUM) and Solvency

The Company remains well capitalised and maintained very high levels of solvency throughout the year. The solvency ratio as at 31 March 2020 stood at 254% (31 March 2019: 255%) which is well in excess of the required solvency margin of 150%.

The AUM for the Company grew by 8.8% in FY2020 to end at Rs. 18,746 crore at 31 March 2020 up from Rs. 17,237 crore at 31 March 2019.



(g) Brand performance - Brand Transition: Caringly yours

To build an emotional engagement with the customers, BAGIC initiated the brand transformational journey by repositioning it as “Caringly Yours” With an aim to shift the business category from push to a pull, the positioning is anchored on differentiated products and services of BAGIC that solves daily worries of customers. BAGIC protects and offers caring solutions to solve financial worries of customers’ most prized possessions - their health, home & content, vehicles and businesses.

BAGIC’s Funnel Improvement Index, a measure of brand health score, moved up to 228 points in FY2020, from 191 in the previous year, as per the independent consumer research agency evaluating the Brand Performance Measure. The brand maintains lead position on brand awareness, consideration and advocacy scores in the General Insurance industry.

One of the significant brand initiatives during the year has been the launch of brand property BAGIC Care Heroes. As an extension of brand philosophy, the Care Heroes initiative seeks to recognise individuals across various walks of life who through acts of selfless care are making positive impacts on several lives around them. The initiative is amplified extensively through social media platforms. Several offline and online initiatives including Bajaj Allianz Marathon, Bagic4Fitness and programmes around mental and spiritual well-being were initiated to position BAGIC as a holistic health enabler brand.

On digital marketing initiatives, BAGIC website saw an increase of 12% over the previous year, garnering 4.5 crore website visitors. The online campaigns impacted a reach of 42 crore (including repeat, unique would be a quarter of these) with 19% increase in time session. BAGIC has a lead position in number of followers and subscribers across all social media platforms aggregating to over 26 Lacs across Facebook, Instagram, LinkedIn, Twitter and YouTube.

Through strong PR efforts, BAGIC’s various milestones during the year have been publicised in media. Thus, increasing our brand recall value amongst all stakeholders. The Company has a strong editorial presence in the general insurance industry and has been ranked Number 1 for its SOV in print media as per an independent PR monitoring agency for 2019 (*9 month ranking for 2019-20, final ranking awaited).

(h) Internal control and its adequacy

The company has in place adequate systems of internal control commensurate with its size and nature of business.

Board oversees the internal control governance structure. Head of departments (HOD) ensure control activities are performed at all levels within their functions, at various stages within business processes, and over the technology environment.

Observations of statutory, internal and concurrent auditors are presented before the audit committee for corrective and preventive actions. A pre-audit committee is in place to go through, in great detail, each aspect impacting the control environment. The Audit Committee deliberates upon auditors’ views on the adequacy of internal control systems and monitors the progress of open items through action taken report. The risk management process identifies risks surrounding the Company’s activities. Risk management is integrated into the Company’s culture by way of an effective policy and a program led by the senior management.

Departmental policies and procedures are an effective way to maintain a strong system of internal controls. All the departments have documented policies and procedures of critical processes in their respective functions and ensure operating level controls through clear delegation of authority and segregation of duties.

The financial reporting control framework reasonably assures that the Company’s financial statements are reliable and prepared in compliance with the accounting standards as prescribed in the Companies Act, 2013, in accordance with the provisions of the Insurance Act, 1938 and the practices prevailing in the insurance industry in India.

As required under the Companies Act, 2013, Company has implemented Internal Financial Control (IFC) considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

The Company also has established a Governance & Controls Committee (GCC) to promptly address process improvement decisions and support in enhancing business resiliency for embracing change and create opportunities.

Various other policies and committees support a robust internal control structure which include the Whistle Blower policy, Whistle Blower Committee, etc.

(i) Material developments in Human Resources - Constantly driving towards a better future

At BAGIC, our people are curious, bold and resilient. We see challenges as opportunities and are excited by the possibilities they offer. With a hypercompetitive external job market and growing employee career development expectations we have rapidly upped our game through planned investment in People processes and technology. Undeniably, FY2020, has been one of the remarkable years for Human resources function in BAGIC where we have re-defined the entire approach towards employee lifecycle in the organization.

We have paved our way to achieve greater heights and have continued to raise the benchmark with a vision of creating a culture through our EVP (Employee Value Proposition) statement - “Live Ambition. Breathe Care”. With ever-increasing complexity, competitive market and widely spread talent, one of the biggest challenges we had was to have greater sense of ‘purpose’ inculcated in each of our employees. This certainly required reinforcement through Talent Acquisition, development, and engagement strategies.

We have made some massive transformation in our People processes to build the culture of ‘Workforce of One’

1. Talent Attraction: We launched an industry first Robotic Video Behavioral Interview, 3 click application and Job recommendation engine. This is represented by ‘Eve’ the first virtual employee of BAGIC. Indeed, this intervention has also enabled us to be environment friendly through 100% paperless onboarding process.
2. Development: Stemming from driving a culture of capability building and innovation, human resources function launched an array of learning interventions around three major learning tracks i.e. building capability, workplace effectiveness and functional proficiency. Building Capability track focused on building complex and critical skills required to become an all-round leader. Workplace Effectiveness focused on the development of key work skills required for employees to maximize productivity and to better performance in their current role. Functional Proficiency track focused on development of core knowledge and thus building functional expertise. Another big leap in the learning intervention was the pilot launch of our Digital Learning Experience Platform for some of the programs. The platform aims at creating a digitally enabled personalized learning culture anywhere, anytime. The architecture of the platform is based on the skill development inputs coming from an enterprise wide scalable technical competency framework (TCF). The framework not only fuels the capability development engine for BAGIC but also helps in empowering employees to take charge of own career through understanding of skill requirement for their role.
3. Engagement: With the changing talent landscape and entrance of GenZ at workplace, we have redefined the ‘Engagement’ to ‘Fulfillment’. At BAGIC, we define fulfillment as a feeling employee have when their work and motivations are aligned, and they gain a sense of meaning and purpose as result. We have rolled out various initiatives to walk towards this journey i.e. (a) Social impact projects - Platform for employee to contribute towards the social projects, (b) Wellness initiatives - Promoting wellness for employees and families for wellbeing of mind and body and (c) Social club - Pursue and acquire new hobbies.

C. Financial statements

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

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

(₹ in Crore)

Particulars	FY2020	FY2019
Gross written premium (GWP)	12,833	11,097
Less: Premium ceded	4,817	3,323
Net written premium (NWP)	8,016	7,774
Less/(add): Adjustment for change in reserve for unexpired risks	(190)	765
Net earned premium (NEP)	8,206	7,010
Income from investments (net)	1,408	1,146

(₹ in Crore)

Particulars	FY2020	FY2019
Other income (excluding EOM funding)	24	19
Total income	9,638	8,174
Claims incurred (net)	5,805	4,810
Commissions (net)	92	375
Operating expenses related to insurance business	2,320	1,807
Other expenses (excluding EOM funding)	46	30
Total outgo	8,263	7,023
Profit before tax	1,376	1,152
Provision for taxes	377	372
Profit after tax	999	780

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

i. Premium income

(₹ in Crore)

Particulars	FY2020	FY2019	Growth
Premium from direct business written (GDPI) (net of GST)	12,780	11,059	15.6%
Premium on reinsurance accepted	53	38	41.7%
Gross written premium (GWP)	12,833	11,097	15.6%
Less premium on Reinsurance ceded	4,817	3,323	45.0%
Net written premium (NWP)	8,016	7,774	3.1%
Less: Adjustment for change in reserve for unexpired risks	(190)	765	-124.9%
Premium earned (net) (NEP)	8,206	7,010	17.1%

Segmental NEP

(₹ in Crore)

Particulars	FY2020	FY2019	Growth
Fire	268	188	42.8%
Marine Cargo	117	104	13.0%
Marine Hull	0	0	27.8%
Marine Total	117	104	13.0%
Motor OD	2,024	1,984	2.0%
Motor TP	2,865	2,232	28.3%
Motor Total	4,889	4,216	15.9%
Workmen's Compensation	48	42	13.8%
Public Liability	13	15	-8.5%
Engineering	29	26	14.2%
Aviation	10	3	294.7%
Personal Accident	244	200	22.2%
Health Insurance	1,734	1,666	4.1%
Credit Insurance	0	0	29.0%
Crop Insurance	538	288	86.9%
Others	316	264	19.9%
Grand Total	8,206	7,010	17.1%

ii. Investment income

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

(₹ in Crore)

Particulars	FY2020	FY2019	Growth
Interest, dividend and rent*	1,260	1,108	13.7%
Profit /(loss) on sale of investments (net)	278	95	193.6%
Impairment loss	(129)	(56)	128.1%
Total income/(loss) on investments	1,408	1,146	22.9%

* includes accretion of discount/amortisation of premium

The total income on investments is analysed as follows:

(₹ in Crore)

Particulars	FY2020	FY2019	Growth
Interest (including accretion of discount/amortisation of premium)	1,124	1,039	8.1%
Dividend	15	10	44.5%
Total	1,138	1,049	8.5%

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As can be seen above, interest income increased by 8.1% up from Rs.1,039 crore in FY2019 to Rs. 1,124 crore in FY2020 due to increase in average debt assets under management partly offset by lower yields during the year. The table below indicates average debt investments and average yield earned in the respective years.

Particulars	FY2020		FY2019	
Average interest earning assets	16,339		14,367	
Average yield	6.8%		7.2%	

(₹ in Crore)

Profit and loss on sale on investments

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

Impairment

Impairment provisions made of Rs 129 Cr (Previous year Rs. 56 Cr) are towards various debt exposures to a few stressed NBFC's. The value on book represents the realisable value of such stressed exposures.

Total investment yield including impairment:

Particulars	FY 2020		FY 2019	
Market value yield including impairment	7.9%		8.3%	

iii. Other income

Other income mainly includes interest on income tax refund of Rs. 8.2 Cr and interest income other than investment Rs. 13 Cr.

iv. Claims

Claims incurred (net) are the total claims incurred by the Company during the year including both paid and outstanding and including Incurred but not reported (IBNR)/Incurred but not enough reported (IBNER) reserves, net of claims recovered from reinsurance ceded. The statement below summarises the Claims incurred (net).

Particulars	FY2020			FY2019			Growth		
Claims paid	6,737		5,765	16.9%					
Claims paid on reinsurance accepted	6		7	-11.8%					
Gross claims paid	6,743		5,771	16.8%					
Less: Claims recovered from reinsurance ceded	2,449		1,891	29.5%					
Net claims paid	4,294		3,880	10.7%					
Add: Increase/(decrease) in claims outstanding (net)	1,511		930	62.4%					
Total claims incurred (net)	5,805		4,810	20.7%					

(₹ in Crore)

The table below summarises the claims ratio for key lines of businesses:

Particulars	FY2020		FY2019	
Fire	68.0%		74.4%	
Marine Cargo	67.3%		94.0%	
Motor OD	67.7%		60.0%	
Motor TP	64.5%		64.5%	
Engineering	52.8%		43.5%	
Personal Accident	56.0%		50.2%	
Health Insurance	85.6%		89.5%	
Crop Insurance	92.0%		74.9%	
Total claims ratio	70.7%		68.6%	

As can be seen above the increase in claims ratio is largely in the motor and Crop business.

v. Expenses (including commission)

Particulars	(₹ in Crore)		
	FY2020	FY2019	Growth
Commission	92	375	-75.5%
Operating expenses related to insurance business	2,320	1,807	28.4%
Other expenses	46	30	53.3%
Total expenses	2,458	2,212	11.1%

The total expenses are further analysed below:

Commission expenses

Particulars	(₹ in Crore)		
	FY2020	FY2019	Growth
Commission paid-Direct	828	830	-0.3%
Commission paid on reinsurance accepted	5	3	63.8%
Gross Commission paid	833	833	0.0%
Less: Commission received from reinsurance ceded	741	458	61.7%
Commission paid (net)	92	375	-75.5%

As can be seen above, the lower commission paid (net) is largely attributable to higher commission on reinsurance ceded.

Increase in expenses has largely been driven by higher wage costs due to higher investments in people to staff new tie ups and higher Business development and promotion and Marketing and support services.

Other expenses largely include CSR expenses and CEO's remuneration.

vi. Profit

Based on the above, the underwriting loss was at Rs. 11 Cr (excluding NATCAT profit of Rs. 98 Cr) for FY2020 and at profit of Rs. 18 Cr (excluding NATCAT profit of Rs. 68 Cr) for FY2019. The segmental results were as follows:

Particulars	(₹ in Crore)	
	FY2020	FY2019
Fire	(12)	(3)
Marine	(8)	(31)
Miscellaneous	9	52
Total	(11)	18

Profit before tax (PBT) increased to Rs. 1,376 Cr in FY2020 from Rs. 1,152 Cr in FY2019, an increase of 19.4%.

As a result of the above, Profit after tax (PAT) increased to Rs. 999 Cr in FY2020 from Rs. 780 Cr in FY2019, an increase of 28.1%. Higher growth in PAT vis-à-vis PBT is attributable to the lower Corporate tax rates from FY2020.

b. Financial condition

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

(₹ in Crore)

Particulars	At 31 March 2020	At 31 March 2019
Sources of funds		
Equity capital	110	110
Reserves and Surplus	5,841	4,976
Fair value change account	(310)	78
Total Equity	5,642	5,164
Current liabilities	11,973	10,077
Provisions	4,250	4,484
Total	21,866	19,725
Application of funds		
Investments		
- Shareholders'	3,213	3,649
- Policyholders'	15,091	13,138
Fixed assets	430	344
Deferred tax assets	64	154
Cash & Bank balances	576	456
Advances & other assets	2,492	1,984
Total	21,866	19,725

Sources of funds

i. Equity capital and reserves

Equity capital

Shareholding pattern and transfer of shares

The shareholding pattern of the Company is as follows:

Particulars	At 31 March 2020		At 31 March 2019	
	No. of shares	Percentage of holding	No. of shares	Percentage of holding
Bajaj Finserv Limited	81,568,165	74%	81,568,165	74%
Allianz SE	28,659,085	26%	28,659,085	26%
Total	110,227,250	100%	110,227,250	100%

There has been no transfer of shares during the year and the shareholding pattern is in accordance with the statutory and regulatory requirements. The share capital stood at Rs. 110 crore.

The Company is required to maintain minimum solvency margin (i.e. excess of value of assets over value of insurance liabilities) at 150% as prescribed by IRDAI. The solvency margin was 254% at 31 March 2020 as against 255 % at 31 March 2019.

Reserves and surplus

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

Particulars	(₹ in Crore)	
	At 31 March 2020	At 31 March 2019
Share premium	167	167
Balance of profit in Profit and Loss account	5,675	4,809
Fair value change account	(310)	78
Total	5,532	5,054

The increase in Profit and Loss Account balance represents the profit generated during the year.

Fair value change account represents unrealised gain/(loss) as on the Balance Sheet date on equity and mutual fund investments. Such mark to market treatment of equity and mutual fund securities as on the reporting date is in line with requirements of IRDAI (Preparation of Financial Statements and Auditor's report of Insurance Companies) Regulations, 2002 which require equity and mutual fund assets to be reflected at their current fair value in the Balance Sheet and the mark to market adjustment being reflected under "Fair value change account" on the liability side of the Balance Sheet. Movement in fair value change account is a function of performance of the equity markets and the mix of equity and mutual funds in the portfolio.

The net-worth of the Company grew by 9.3% to Rs. 5,642 crores at 31 March 2020 up from Rs. 5,164 crore at 31 March 2019.

ii. Current liabilities and provisions

Current liabilities

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

Particulars	(₹ in Crore)	
	At 31 March 2020	At 31 March 2019
Amount pertaining to Policyholders'		
- Unclaimed amount of Policyholders'	7	7
- Policyholders' claims payable	8,358	6,847
- Unallocated premium	453	379
- Premium received in advance	1,139	657
- Payable to Policyholders	1	2
Sundry creditors and payables for expenses	355	368
Solatium fund	14	11
Payables for unsettled investment contracts	77	120
Payable to agents (Agents balances)	114	155
Statutory dues and Taxes (including GST) payable	107	137
Balances due to other insurance companies	1,213	1,388
Other liabilities	135	6
Total	11,973	10,077

- The unclaimed amount to policyholder balance are on account of claims settled but not paid (except under litigation) and cheques issued but not encashed by policy holders / Insured.
- Policyholders' claims payable represent amounts payable to the policyholders that are intimated to the Company and are outstanding as a part of the normal claims process or pending due to incomplete documentation from the policyholders or pending investigations or may be under litigation.
- Unallocated premium mainly includes amount received toward proposed insurance contract that will be recognised as premium post underwriting or fulfilment of requirements by the customer. This also includes

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monies kept with the Company by Group policyholders to take care of ongoing additions to the Group policy.

- (d) Premium received in advance is held in accordance with the IRDAI guidelines and as per file and use and will be recognised as premium income on the due date of the policy.
- (e) Payable to policyholders indicates amount due to the policyholder which is under regular process of being disbursed.
- (f) Sundry creditors and payables for expenses represent amounts payable to various service providers towards goods and services availed by the Company along with the provision for the services availed/ goods received but bills not received.
- (g) Solatium fund - the Company provides for contribution to Solatium fund at 0.10% of total Third Party Premium of direct business as per requirements of IRDAI.
- (h) Payable for unsettled investment contracts represents amount outstanding towards investment trades of last few days that are not due for settlement.
- (i) Agents' balances represent amount payable to agents towards commission as on the Balance Sheet date.
- (j) Taxes payable represent tax deducted and payable under various tax rules and regulations, such taxes will be paid in due course within their due dates.
- (k) Balances due to other insurance companies primarily indicates payables to reinsurers under various reinsurance arrangements.
- (l) Other liabilities primarily include bank overdraft as per the books of accounts.

Provisions

A summary of provisions is provided in the table below:

Particulars	(₹ in Crore)	
	At 31 March 2020	At 31 March 2019
Reserve for unexpired risk	4,185	4,375
Premium deficiency	0	0
Income tax	20	69
Provision for leave encashment, long term incentive plan and gratuity	45	40
Total	4,250	4,484

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

Application of funds

i. Investments

A statement of total investments made by the Company is given below:

Particulars	(₹ in Crore)	
	At 31 March 2020	At 31 March 2019
Investments		
- Shareholders'	3,213	3,649
- Policyholders'	15,091	13,138
Total	18,305	16,786

Total investments grew by 9.0% from Rs. 16,786 crore as at 31 March 2019 to Rs. 18,305 crore as at 31 March 2020.

ii. Fixed Assets

A statement of movement of fixed assets is given below

Particulars	(₹ in Crore)	
	At 31 March 2020	At 31 March 2019
Gross block	694	565
Less: Accumulated depreciation	275	242
Net block	420	324
Add: Capital work in progress	10	21
Net fixed assets	430	344

iii. Deferred Tax asset (net)

Deferred tax assets carried in the books comprise of:

Particulars	(₹ in Crore)	
	At 31 March 2020	At 31 March 2019
Deferred tax asset		
Timing difference on account of -		
Reserve for unexpired risks	22	142
Employee Benefits	3	4
Long Term Incentive Plan	9	10
Provision for doubtful debts	1	1
Solatium fund	4	4
Provision for diminution in value of Investments	47	20
Total	85	180
Deferred tax liability		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	(21)	(26)
Net deferred tax asset	64	154

iv. Cash, bank, advances & other assets

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

Particulars	(₹ in Crore)	
	At 31 March 2020	At 31 March 2019
Cash and bank balances	576	456
Advance tax and TDS	71	101
Income accrued on investments	483	404
Assets held to cover unclaimed funds	10	10
Outstanding premium	1,271	1,047
Dues from entities carrying on insurance business	242	228
Unsettled investment contract receivable	74	0
GST/Service tax unutilized credit	191	24
Deposits	32	31
Prepayments	10	16
Other advances and receivables	107	123
Total	3,068	2,440

- (a) Cash and bank balances represent amounts collected during last few days of the financial year and includes cheques on hand and cheques deposited but not cleared.
- (b) Advance tax and TDS (net of provisions) indicates advance tax paid and amounts paid to the Tax Authorities under protest for matters in Appeal.
- (c) Income accrued on investments represents interest income accrued but not due as at 31 March 2020. This largely pertains to interest on fixed deposits, Government securities and debentures. The increase is attributable to the increase in the debt investments of the Company.
- (d) Assets held to cover unclaimed funds are assets segregated for unclaimed policyholders and invested in money market instruments in line with the IRDAI regulations.
- (e) Outstanding premium represents premium income accrued and due. These largely pertain to the Crop business where monies are due from the Central and State governments.
- (f) Dues from entities carrying on insurance business include dues from coinsurers and reinsurers
- (g) Unsettled investment contract receivable represents amount receivable from counter-parties for investment trades done on the last few days of the year where settlement is not due.
- (h) GST/Service tax unutilized credits represent the credit of GST/service tax available with the Company which can be used to offset the GST/service tax liability of the Company. Most dues pertain to GST dues by vendors that have not been updated on the GST portal.
- (i) Deposits represent deposits placed for premises taken on lease as well as for leased accommodations for employees. It also includes deposits to service providers for electricity, telephone and other utilities services.
- (j) Prepayments includes amounts paid in advance as per contractual terms with vendors for services to be utilised in the future.
- (k) Other advances and receivables primarily include advances made in the ordinary course of business for services to be availed in the future and recoverable from reinsurers and recoverables from Agents.

Caringly yours

BAJAJ | Allianz



COMPENSATION WITHIN 20 MINUTES,* UPLOAD IMAGES OF YOUR DAMAGED CAR WITH MOTOR ON THE SPOT

Simply use our app Caringly Yours to upload images of your damaged car from the accident spot and file claims up to Rs. 30,000.*



Enter Policy and Claim Details
on Caringly Yours App



Verify the Registered
Claim via OTP



Click Pictures of
Damaged Vehicle



Agree on the
Claim Amount via SMS



Claim Amount Gets
Credited to your Account

*Terms and conditions apply

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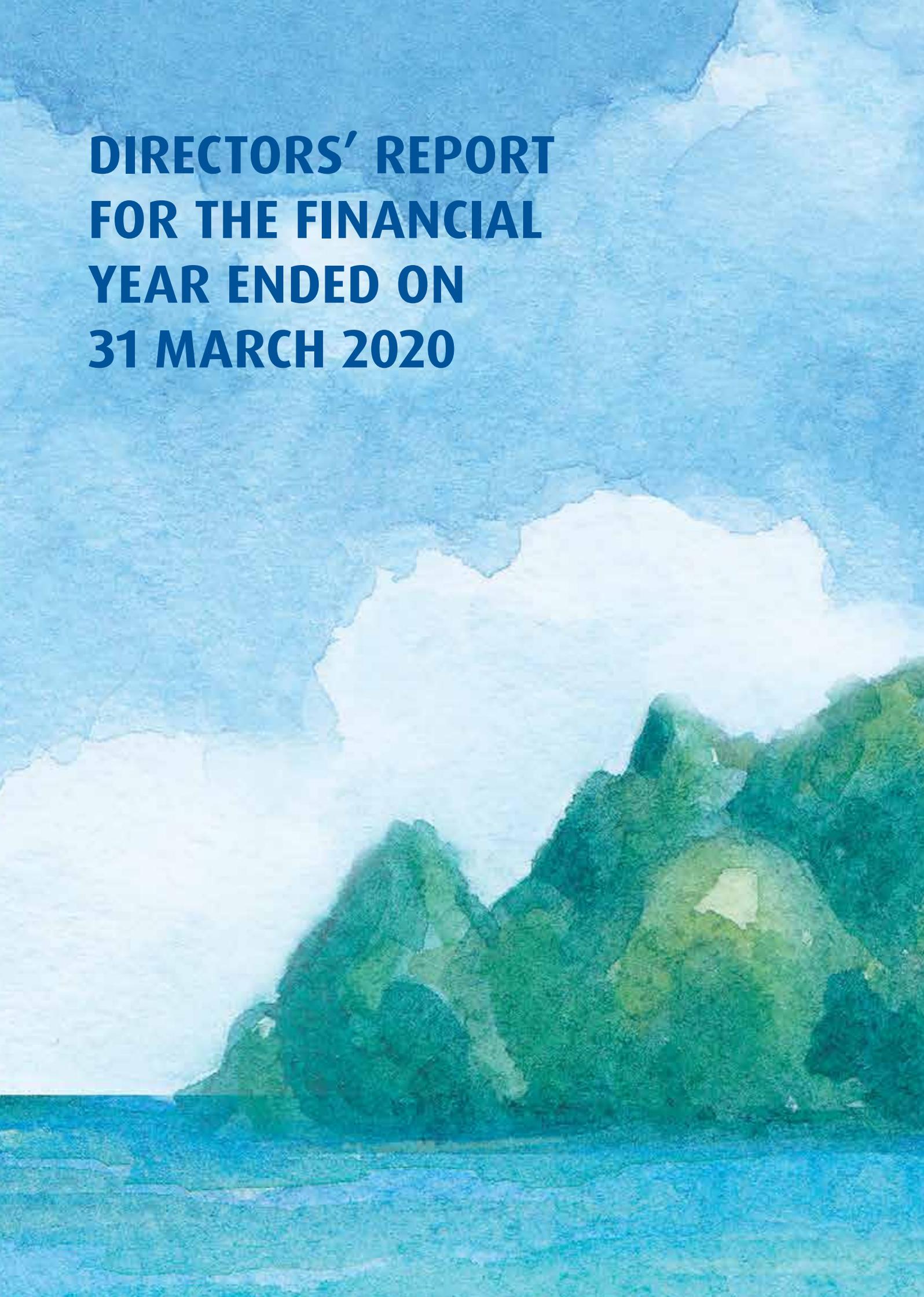
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Bajaj Allianz General Insurance Co. Ltd., Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006. IRDA Reg No.: 113.
CIN: U66010PN2000PLC015329 | Private Car Package Policy - UIN: IRDAN113RP0025V01200102 | For more details on risk factors
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**DIRECTORS' REPORT
FOR THE FINANCIAL
YEAR ENDED ON
31 MARCH 2020**



Your Directors have pleasure in presenting their Twentieth annual report and audited financial statements for the financial year ended 31 March 2020 (FY2020).

Industry update

While the general insurance industry has seen a decent amount of growth in the last five years with a CAGR of 18.4%, FY2020 was a challenging year due to several reasons, some of which were:

- Economic slowdown backed by a global slow-down in motor sales,
- Multiple catastrophes and prolonged monsoons leading to wide-spread losses across the country in retail as well as commercial lines,
- Slashed credit ratings and write-down of certain fixed income securities and
- Lastly, the impact of COVID-19.

Despite this challenging backdrop, the industry posted a reasonable growth of 11.7% for FY2020. This was largely driven by growth in Property, Motor TP, Health and Crop insurance. Your Company did very well, posting an industry beating growth rate of 15.6%.

The growth rates in gross direct premium in India (Gross written premium less reinsurance accepted) for the industry and for your Company, are shown in the following Table:

Gross direct premium in India - the general insurance industry

(₹ In Crore)

Particulars	Gross Premium		
	FY2020	FY2019	Growth%
BAGIC	12,780	11,059	15.6%
Private Sector	91,177	81,287	12.2%
Public Sector	73,042	68,659	6.4%
Industry	164,218	149,946	9.5%
Standalone Health Insurers (SAHI)	14,470	11,354	27.4%
Industry Including SAHI	178,689	161,300	10.8%
Specialized Insurers	10,613	8,148	30.2%
Industry All	189,302	169,448	11.7%

*Source: : GI Council figures, IRDA website and IRDA.

Excluding the bulky crop, government health and group health insurance, your Company grew by 11.3% compared to the industry growth of 9.8%.

The Company increased its market share from 6.5% in FY2019 to 6.8% in FY2020.

Key events impacting the industry

Change in Crop Insurance Guidelines

The crop insurance guidelines have undergone a significant change which comes in effect from 1 April 2020. The key changes include (a) Scheme being made voluntary for loanee farmers, (b) Each district / cluster would be mandatorily allotted for three years and (c) Restriction in subsidy to states from the Centre. This could impact the crop insurance business volumes in the years to come.

Impact of COVID-19

Your Company carries on business operations through a wide network of its branches and branches of its distribution partners, hence the lock-down in the second half of March' 2020 led to disruption of normal business operations as the entire economy came to standstill. Having a robust IT infrastructure enabled the employees to work from home and support the needs of customers, distributors and other functions of the Company, which was also required for arresting further spread of the deadly virus. Best efforts were put in to channelize business flow and operational activities to online modes. While your Company could meet the service expectations of its existing customers, the lock-down hampered new and renewal business during the second half of March 2020. In terms of COVID-19 health claims, we only had a handful of reported cases till 31 March 2020.

The extent to which COVID-19 pandemic will impact the Company depends on future spread of the virus and related developments, which are highly uncertain, including, among other things, period of lockdown and its repercussions on the economy, development of a vaccine, government intervention to provide financial support to the stressed sections, etc. Your Company is however highly capitalized with a solvency ratio of 254% as against the required solvency ratio of 150% to withstand various stress scenarios that have been estimated by the Company on its investment portfolio and expected claims.

Business update

BBAGIC has a strong focus on growing its retail business. While the total portfolio of the Company includes motor insurance, health insurance for individuals, other personal lines of insurance, insurance for commercial entities like shops, SMEs, etc. BAGIC also participates in annual tender-driven businesses like crop insurance and government health schemes. Your Company continued its journey of growing profitably. It did so through robust and prudent underwriting practices, generation of cash flows through strong retention of premium and judicious investments of the proceeds and focus on high quality customer service.

Floods across multiple states in 2020 and cyclone Fani resulted in losses to the extent of Rs. 179 crore. After reinsurance and reinstatement of reinsurance treaties, the profit and loss account was negatively impacted by Rs.109 crore. BAGIC also had exposure to fixed income securities issued by entities which saw credit rating downgrade and had to take an impairment loss of Rs. 129 crore. Our health claims were also impacted through extended monsoons.

Notwithstanding these unexpected losses, BAGIC continues to be among the more profitable general insurers vis-a-vis peers in the public and private sectors of comparable size. Combined ratio of 100.8% in FY2020 is still expected to be one of the lowest in the industry, reflecting a sound balance between growth and profitability.

Motor and retail health insurance are the major focus areas, with 46.3% of gross premium coming from these lines. BAGIC's online sales channel, which offers 24x7 ease of buying and ideally suited for off-the-shelf retail products, grew by 22.8% during FY2020.

Your Company maintains one of the largest distribution network through tie ups with banks, NBFCs, individual agents, MISPs, POSPs and the Company's proprietary Virtual Sales Officers. 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 FY2020, your Company tied up with 24 new corporate agents including the likes of Tata Capital, several co-operative and medium sized commercial banks and NBFCs and new age financial intermediaries such as PhonePe, one of India's leading digital payments platform.

Business performance during the year

Your Company's Gross Written Premium (GWP), including reinsurance accepted, for FY2020 was Rs. 12,833 crore as compared to Rs. 11,097 crore during the previous year, growth of 15.6%. Excluding the bulky crop, group health and government health insurance, GWP grew by 11.3%. The Net Earned Premium, which measures the premium retained after reinsurance and reserves for unexpired risks, grew by 17.1% at Rs. 8,206 crore as against Rs. 7,010 crore during the previous year. The Combined Ratio for FY2020, as defined by Master Circular on 'Preparation of Financial Statements of General Insurance Business' issued by the IRDAI, stood at 100.8%.

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, to 6.8% in FY2020 compared to 6.5% a year earlier. Your Company continues to pursue efforts to retain renewal business, without compromising quality of risk and minimum profitability benchmarks. Your Company sold over 2.69 crore policies during FY2020 as compared to 2.07 crore during the previous financial year. The number of claims reported in FY2020 were 57.7 lakh as against 26.83 lakh reported during FY2019.

Investments and Investment 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.

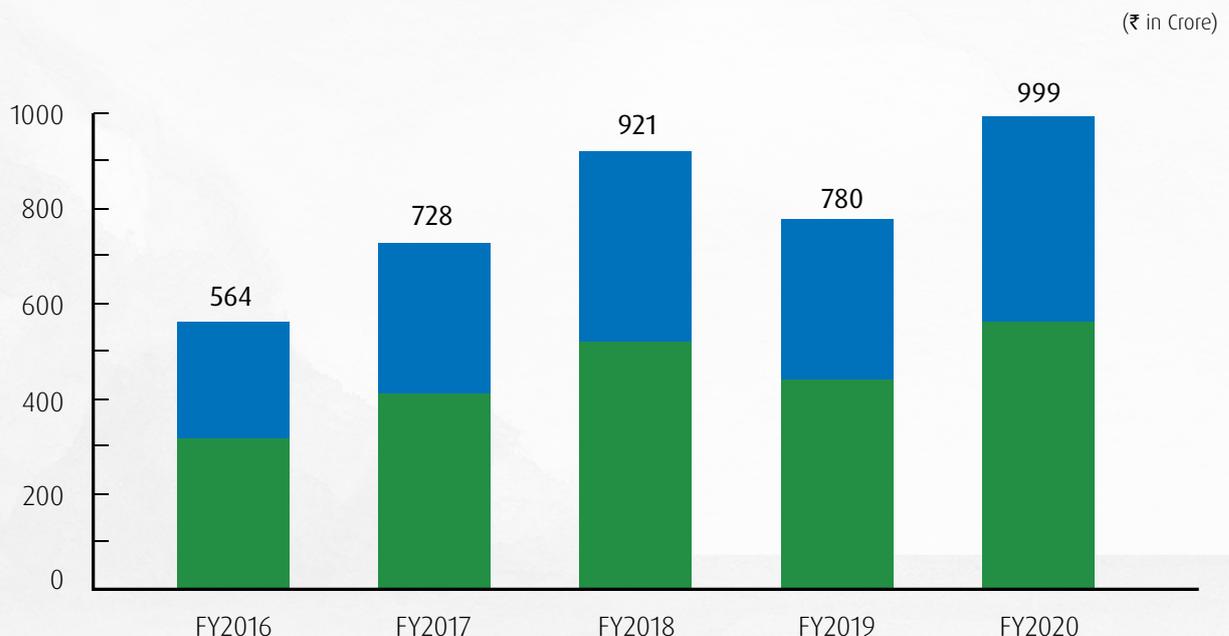
In line with the Company's policy, provision has been created for impairment of the Company's investment in the commercial papers and bonds of a few large NBFCs on account of downgrading of its credit rating, default in repayment on maturity and financial stress these Companies are going through.

The assets under management as at 31 March 2020 stood at Rs. 18,746 crore as against Rs. 17,237 crore as at 31 March 2019, an increase in investible surplus by Rs. 1,509 crore or 8.8%. The investment and other income for FY2020 was Rs.1,386 crore as against Rs. 1,134 crore in the previous year.

Profits

Profit before tax (PBT) during FY2020 was Rs. 1,376 crore as compared to Rs. 1,152 crore during the previous financial year. The profit after tax (PAT) for FY2020 was Rs. 999 crore as compared to Rs. 780 crore during the previous financial year. The growth in PAT was mainly on account of higher realized investment gains and lower Corporate tax rate..

Profit after tax over the last five years



Dividend

While your Company continues to be highly capitalised, no dividend has been recommended for FY2020 in line with the directive from IRDAI on prudent management of financial resources of insurers in the context of Covid-19 pandemic vide circular dated 24 April 2020.

Summary of Financials

(₹ In Crore)

Particulars	FY2020	FY2019	% Change
Gross written premium (GWP)	12,833	11,097	15.6%
Net earned premium	8,206	7,010	17.1%
Underwriting results	(11)	18	-161.1%
Profit before tax	1,376	1,152	19.1%
Profit after tax	999	780	27.6%
Claims ratio	70.7%	68.6%	-2.1%
Combined ratio*	100.8%	96.7%	-4.1%
Return on average equity	18.5%	16.2%	2.3%

* - 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. Without the natural catastrophe, Combined ratio for FY2020 would have been 99.5%.

Capital, Solvency and Shareholders' Funds

The Shareholders' equity of your Company stood at Rs. 5,642 crore as at 31 March 2020 as against Rs. 5,164 crore as at 31 March 2019. Your Company has completed 12 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 254% as at 31 March 2020, which is well above the regulatory requirement of 150%.

Return on Equity

The return on average equity for your Company during FY2020 was 18.5% as against 16.2% in the previous year.

Digital transformation

Your Company had launched a campaign "Caringly Yours", which was in line with philosophy of taking its service levels beyond just insurance and converting it from a "Push" product to "Pull". The self-servicing app of your Company, insurance wallet, has also been transformed to "Caringly Yours" app and it saw phenomenal acceptance from patrons. It makes insurance purchase and servicing like inspection, claim processing and other self-service functionalities across the insurance value chain extremely simple-easy-convenient for the customers, partners and employees. It is remarkable to mention that it has got play store rating of 4.2.

The robustness of your Company's IT infrastructure has stood the test of constrained working environment during COVID-19 outbreak. Mobile computer assets were arranged for over 2,000 employees, including shifting the desktop computers to some of the employees' residences so that they could continue to provide services by accessing various systems and database while working from home. It also put unprecedented stress on the systems, which showed flexibility and scalability of IT architecture of your Company.

The unique 20-minute settlement for motor insurance and health insurance reimbursement claims has proven its immense utility as it was found most useful in bringing relief to the customers during toughest times. Using the Ezeetab app, your Company issued over 26 lakh policies during FY2020 which is one more step towards enabling self-sufficiency for its distribution partners..

Recognition & Awards

Your Company won numerous awards during FY2020, out of which here is a brief highlight of some of the major awards:

1. "Company of the year-General Insurance Award" at the 4th Annual Insurance Summit & Awards
2. "Domestic General Insurer of Year - India" at Insurance Asia Awards
3. "General Insurance Company of the Year" at India Insurance Summit & Awards
4. "Porter Prize Award" under the category of Creating Distinct Value
5. "Gold Winner for Non-Life Insurance Provider of the Year" at the Outlook Money Awards
6. "Prompt General Insurance Company" at the Economic Times Insurance Summit

Tapan Singhel, MD & CEO, featured as one of the top voices in LinkedIn Top Voices 2019 List for India second time in a row.

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 FY2021 as specified by the IRDA (Registration of Indian Insurance Companies) Regulations, 2000.

Directors and key managerial personnel

The details of the Directors/ Board are given in the Corporate Governance Report annexed to this report.

Key changes in the Board are however highlighted below:

Solmaz Altin resigned as Director with effect from 9 October 2019. Nanoo Pamnani passed away on 22 February 2020. Sanjay Asher ceased to be Independent Director with effect from 6 March 2020 on expiry of the term of appointment. Rahul Bajaj and Dipak Poddar resigned as Director with effect from 1 April 2020.

Meleveetil Damodaran (DIN 02106990) was appointed as Additional Director with effect from 16 October 2019. Anami Roy (DIN 01361110) and Shashi Kant Sharma (DIN 03281847) were appointed as Additional Directors (Independent Directors) with effect from 13 March 2020. T S Vijayan (DIN 00043959) and S Sreenivasan (DIN 03206811) were appointed as Additional Directors (Non-independent Non-executive Directors) with effect from 1 April 2020.

Avais Karmali (DIN 07565946) ceased to be Alternate Director for Sergio Balbinot with effect from 16 July 2019 and was appointed as an Alternate Director for Sergio Balbinot (DIN 01629245) with effect from 18 July 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, Niraj Bajaj (DIN 00028261) and Ranjit Gupta (DIN 00139465), Directors, retire by rotation and, being eligible, have offered themselves for re-appointment as Directors at the ensuing 20th AGM. Meleveetil Damodaran, Anami Roy, Shashi Kant Sharma, T S Vijayan and S Sreenivasan will hold office as Additional Directors up to the date of the ensuing AGM. The Company has received notices under section 160 of the Companies Act, 2013 proposing candidature of the said individuals as Director liable to retire by rotation at the ensuing AGM. Being eligible, they have offered themselves for such appointment.

Number of meetings of the Board

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

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 regards 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' 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 2020 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.

Remuneration policy

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

During the year under review, the policy was amended to provide for payment of profit related commission to Independent Directors as may be approved by the Board of Directors upon recommendation of the Nomination and Remuneration Committee within the overall limit prescribed under the Companies Act, 2013 and Insurance Regulatory and Development Authority of India (Remuneration of Non-executive Directors of Private Sector Insurers) Guidelines, 2016, as amended.

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 Rs. 137.69 crore

Expenditure in foreign currency Rs. 369.87 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 FY2020, 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.

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 Companies Act, 2013. 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 (ELC), 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 set out in the Annexure. 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, five cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and enquiries were conducted. All 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.

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. IRDAI/F&A/CIR/ACTS/023/01/2020 dated 21 January 2020 deferred implementation of Ind AS sine die from originally planned year i.e. FY2021.

Disclosures under the Companies Act, 2013 / rules thereunder

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

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 Companies Act, 2013.

Secretarial auditor

Pursuant to section 204 of the Act, the Board has re-appointed Shyamprasad Limaye, Company Secretary in Practice (FCS No. 1587, CP No. 572) to undertake the Secretarial Audit of the Company for 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, 15 May 2020

Caringly yours

BAJAJ | Allianz

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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

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Bajaj Allianz General Insurance Co. Ltd., Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006. IRDA Reg No.: 113.
CIN: U66010PN2000PLC015329 | UIN: IRDAN13RP0003V01201718 | For more details on risk factors and Terms and Conditions,
please read the sales brochure before concluding a sale. | BJAZ-0-1806/13-Jun-2020

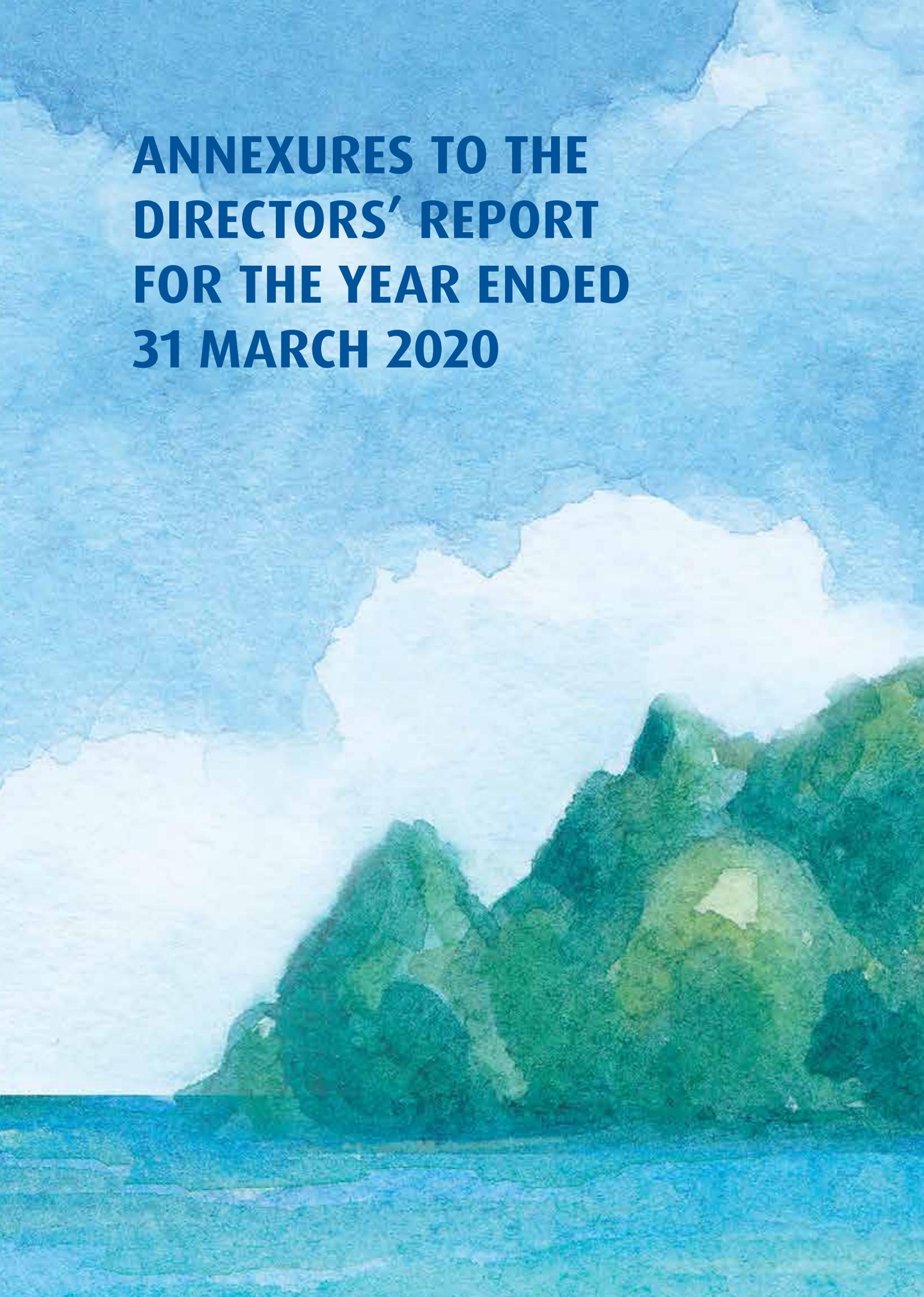
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**ANNEXURES TO THE
DIRECTORS' REPORT
FOR THE YEAR ENDED
31 MARCH 2020**



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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 Policy has been approved by the Board of Directors and the same is placed on the Company's website (<https://www.bajajallianz.com/download-documents/other-information/CSR-Policy.pdf>)

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) Ritu Arora, Director
- 3) Ranjit Gupta, Director
- 4) Anami Roy
- 5) Tapan Singhel, Managing Director & Chief Executive Officer

Note: Nanoo Pamnani passed away and hence ceased to be member with effect from 22 February 2020.

3. Average net profit of the Company for last three financial years: ₹1,194 crore.

4. Prescribed CSR Expenditure (2% of amount as in Item No. 3 above): ₹ 23.88 crore.

5. Details of CSR spent during FY2019:

- a. Total amount to be spent for the financial year: ₹ 23.93 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 was our founding father – Shri Jamnalal Bajaj’s commitment and we continue to live by this commitment. Shri Jamnalal Bajaj embodied these values in our business philosophy, laying the foundation of our Group CSR activities – concentrating on giving back to society.

‘Empowering the society’ is at the core of our CSR program – Finserv Activate. We concentrate on four major areas – Healthcare, Education, Employability and Protection. We work closely with quality service providers and partners to provide solutions – actively and affordability.

OUR FOCUS AREAS

Healthcare

Healthcare has always been a concern in the country. From the last 4 years, we have partnered with various organizations to provide accessible and affordable to all sections of the society. We have setup grants for hospital equipment, financial support for treatments and medicines – ensuring that people, specially in remote areas get access to good quality healthcare at affordable prices.

Our focus area is ‘Children’ in the areas of congenital heart disease, cleft, and palate reconstruction surgeries, treatment for childhood cancers, epilepsy, Type II diabetes, vision care, etc.

Protection

There has always been a concern in the country about children, specially from the lower strata and from less privileged backgrounds. They not only have access to protected atmosphere but battle a lot of hardships with include impoverishment, malnutrition, illness, dysfunctional families, and illiteracy. These are creating a roadblock in the child’s future, if tackled or removed the children can have to opportunity to better their life’s. We support various partners that provide shelter, education, as well as care for street children, abandoned children, and children in vulnerable communities. With the aim of creating an inclusive environment that channelizes the energies of these children towards productive purposes.

Employability

There is always a gap in graduate employability – this is more prominent in first-generation graduates. We believe that there is vast potential in the student population India, but most of them do not get opportunities to live up to that. We run a Certificate Programme in Banking, Finance and Insurance (‘CPBFI’), to enhance skills and improve knowledge to graduates in tier 2 and below locations. We have partnered with 102 colleges in 7 states to conduct CPBFI for final year graduation and post-graduation students.

Education

Access to basic education is a challenge for a strata of our society. 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 2020

(₹ 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.	The Akanksha Foundation	Funding support for Pujya Kasturba Gandhi English Medium Schools	Eradication of poverty, Promotion of education	Pune, Maharashtra	1.5	1.4	1.4
2.	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	0.25	0.74
3.	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	0.63
4.	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	0.5	1.5
5.	Jeevoday Education Society	Funding support for Jeevoday Special School over a period of 27 months	Eradication of poverty, Promotion of education	Nagpur, Maharashtra	2.6	1.05	2.6
6.	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	0.3	2
7.	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	0.05	0.55
8.	Lata Mangeshkar Medical Foundation's Deenanath Mangeshkar Hospital	Expansion of Bajaj Allianz Center for Epilepsy to cater the increasing needs of patients	Promoting health care including preventive health care	Pune, Maharashtra	5	3.51	3.51
9.	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	1.69	0.35	1.65
10.	Mumbai Mobile Crèche	Funding support for comprehensive daycare programme for children living on construction sites	Eradication of poverty, Promotion of education	Mumbai, Maharashtra	0.6	0.25	0.55

Annexures to the Directors' Report for the year ended 31 March 2020

(₹ 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:		Cumulative expenditure up to the reporting period
						(1) Direct Expenditure on projects or programs	(2) Overheads	
11.	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	7		21
12.	Snehalaya	Funding support for operating expenses of the adoption center	Setting up homes and hostels for women and orphans	Ahmednagar, Maharashtra	1.5	0.5		1.25
13.	Snehalaya	Funding of operating expenses for Snehankur	Setting up homes and hostels for women and orphans	Ahmednagar, Maharashtra	0.35	0.1		0.3
14.	Tata Memorial Center	Funding support for medical treatment of cancer affected children	Promoting health care including preventive health care	Mumbai, Maharashtra	3	1		3
15.	Tata Memorial Center	Funding support for Pediatric Cancer Support Staff Project	Promoting health care including preventive health care	Mumbai, Maharashtra	2	0.50		1.75
16.	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	3.2		6.25
17.	M S Swaminathan Research Foundation	"Every Village a Bio Village" - A Programme to achieve sustainable human development goals	Eradication of poverty, Promotion of education	Odisha	1	0.9		0.9
18.	Parivartan Trust	Develop innovative, participatory and durable services for individuals with mental health problems and for vulnerable community groups	Eradication of poverty, Promotion of education	Pune, Maharashtra	1.69	0.7		0.7
19.	Professional Assistance for Development Action (PRADAN)	Promotion of comprehensive farm-based livelihoods through collectives in a sustainable manner	Setting up homes and hostel for women and orphans	Rajasthan	2.95	0.53		0.53

(₹ 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:		Cumulative expenditure up to the reporting period
						(1) Direct Expenditure on projects or programs	(2) Overheads	
20.	Samarthanam	Skill ability for the disabled	Eradication of poverty, Promotion of education	Pune, Maharashtra	0.2	0.1		0.1
21.	Yuva Mitra	"Sustainable livelihood" enhancement of poor and marginalized women through goat rearing	Eradication of poverty, Promotion of education	Sinner, Nashik	3.9	1.27		1.27
22.	Institute of Psychological Health	Triveni-A school Mental Health Initiative	Eradication of poverty, Promotion of education	Pune, Maharashtra	0.33	0.2		0.2
23.	CSR Overheads	Professional fees paid to the CSR consultant	CSR Overhead	-	0.3	0.06		0.3
Total							23.93	

Note: All amounts mentioned above as spent are spent through implementing agency.

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

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

Date: 15 May 2020

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Report on Corporate Governance

This report outlines the compliance of the Company to the Corporate Governance Guidelines of Insurance Regulatory and Development Authority of India (IRDAI) and the Companies' Act, 2013 in so far as it relates to Corporate Governance.

As can be seen from this report, the Company's governance practices and disclosures often go well beyond the complying with the minimum statutory requirements stipulated in applicable law.

The various elements of the Corporate Governance framework, along with relevant details are described below:

Philosophy

The commitment of the Company and its promoters to the highest standards of corporate governance practices predates the Companies Act and the insurance regulations. Ethical dealings, transparency, fairness, disclosure and empowered accountability are the main thrust of the working of the Company.

Board of Directors

In keeping with good governance practice, the Company's policy is to have an appropriate blend of executive, non-executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

Composition of the 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.

The Managing Director, who is the only executive director, is a professional with vast experience in insurance and he is unrelated to the promoters. There are two women directors on the Board.

Brief profiles of the Directors are as follows:

- 1. Sanjiv Bajaj**, Chairman, 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 Chairman and 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. He is widely regarded as being among the top business leaders in India's financial services sector.
- 2. Solmaz Altin**, Non-executive and Non-independent Director (Please refer note 1), Graduate degree in Business Administration and Economics from Gerhard-Mercator-University in Duisburg, Germany. He was 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**, Non-executive and Non-independent Director, 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 Lady Gold medalist from Osmania University in Bachelor of Commerce (Hons). She 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 24 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.
- 4. Sanjay Asher**, Independent Director (Please refer note 2), Bachelor's degree in Commerce and a Bachelor's Degree in Law from the University of Bombay, Qualified Chartered Accountant and a Solicitor. He has over thirty 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**, Non-executive and Non-independent Director, Bachelor's degree in Commerce from Sydenham College of Commerce and 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. He was the President of Indian Merchants' Chamber, Alloy Steel Producer's Association and Indian Stainless Steel Development Association.
- 6. Rahul Bajaj**, Non-executive and Non-independent Director (Please refer note 3), Honours Graduate in Economics and 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. Dipak Poddar**, Non-executive and Non-independent Director (Please refer note 4), Engineering graduate from Massachusetts Institute of Technology, U.S.A. He serves as an Executive Chairman of Poddar Developers Limited. He is also the Chairman of Monotona Securities Limited and Monotona Tyres Limited.
- 8. Sergio Balbinot**, Non-executive and Non-independent Director, 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 and Western Europe and Asia at Allianz SE.
- 9. Meleveetil Damodaran**, Non-executive and Non-independent Director (Please refer note 5), Graduate with distinction in Economics and in Law from the Universities of Madras and Delhi respectively. He has in a career spanning over 40 years, worked with the Union and the State governments in India, regulatory bodies, investment institutions, banks, development financial institutions and with the private sector. He has held regulatory and developmental positions in the Government and in India's financial sector, before demitting office as Chairman, Securities and Exchange Board of India. He was elected Chairman of the International Organization of Securities Commissions (IOSCO)'s 80 member Emerging Markets Committee. He was the Chairman of Unit Trust of India and Industrial Development Bank of India, where he successfully led their turnaround efforts.
- 10. Ranjit Gupta**, Non-executive and Non-independent Director, Fellow of the Institution of Engineering and Technology, London. He is currently working as President - Insurance, at Bajaj Finserv Ltd. He has rich experience in the automotive and financial services sectors.

- 11. Suraj Mehta**, Independent Director, Honours Graduate in Economics from Calcutta University. 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 Ltd., the largest private sector bank in Nepal.
- 12. Nanoo Pamnani**, Independent Director (Please refer note 6), 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 had rich experience in the banking, auto and financial services sectors.
- 13. Lila Poonawalla**, Independent Director, Bachelor's Degree in Mechanical Engineering from COEP, Pune. 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 Ahmedabad. She is the Chairperson of Lila Poonawalla Foundation and also former Chairperson and Managing Director of Alfa Laval-Tetra Pak India. 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 and Royal Order of the Polar Star – Commander 1st Class from the King of Sweden along with numerous other national and international awards.
- 14. Anami Roy**, Independent Director (Please refer note 7), Master's degree in Arts and Master of Philosophy. He is a distinguished former civil servant, having served in the Indian Police Service in Maharashtra and the Government of India for over 38 years. He held a wide variety of assignments both in Maharashtra and the Central Government including Commissioner of Police, Aurangabad, Pune and Mumbai, and retired as Director General of Police, Maharashtra, commanding a 225,000 strong Force. He was appointed as an Advisor to the Governor of Andhra Pradesh when the State was under President's rule in 2014.
- 15. Shashi Kant Sharma**, Independent Director (Please refer note 7), Bachelor of Science degree from University of Allahabad, an M. A. in Political Science from Agra University and M. Sc. in Administrative Science and Development Problems from the University of York (the UK). He served as the Comptroller and Auditor General (CAG) of India from 23 May 2013 to 24 September 2017. Before taking office as the CAG, he was the Defense Secretary, Government of India. He was also the Secretary, Department of Financial Services (Ministry of Finance) and Secretary, Department of Information Technology (Ministry of Telecommunication), in the Government of India. In all, he has over forty years of experience in public policy and management. He was elected by the General Assembly of the United Nations as a Member of UN Board of Auditors in July, 2014, and was chairing the UN Board of Auditors up to September, 2017. He was also active on the Governing Boards of the International Organization of Supreme Audit Institutions and the Asian Organization of Supreme Audit Institutions.
- 16. T S Vijayan**, Non-executive and non-independent director (Please refer note 8), Special Graduate Degree from Kerala University and Diploma in Management. He had a career spanning over three decades. He was the Chairman of IRDAI and also the Chairman of LIC of India. As the Chairman, IRDAI, he was also there on the Board of Institute of Insurance and Risk Management. He represented the Asian Region on the Executive Committee of the International Association of Insurance Supervisors (IAIS), Basel, apart from being a member of its Technical and Implementation Committees.
- 17. Avais Karmali**, Non-executive and non-independent director Alternate Director for Mr. Sergio Balbinot, Master of Science in Actuarial Science from HEC Lausanne Switzerland. He is currently working at the Allianz SE Board Office responsible for Southern and Western Europe and Asia.

18. S Sreenivasan, Non-executive and Non-independent Director (Please refer note 9), B Sc (Physics, Mathematics & Statistics) Chartered Accountant, Cost Accountant, Chartered Financial Analyst (CFA Institute, Virginia, USA) and MBA from the Indian Institute of Management, Calcutta. He is currently CFO of Bajaj Finserv Limited and overseeing the insurance subsidiaries of Bajaj Finserv Limited. He is a member of the Institute of Chartered Accountants of India, holds an MBA from Indian Institute of Management Calcutta and is a member of the CFA Institute, Virginia USA. He has overall experience of over 33 years spanning functional and general management roles in insurance, corporate finance, taxation, portfolio management and investor relations.

19. Tapan Singhel, Managing Director & Chief Executive Officer, Banaras Hindu University alumnus M Sc in Physics (Gold medalist). He started his career with a prominent PSU insurer as a direct Officer in 1991 before joining the Company in 2001. He has been with the Company since its inception in 2001 and a part of the core team formed to plan and execute the retail market strategy of the Company.

Notes (Changes in the Board of Directors):

1. Solmaz Altin resigned as Director with effect from 9 October 2019.
2. Sanjay Asher ceased to be Independent Director with effect from 6 March 2020 on expiry of the term of appointment.
3. Rahul Bajaj resigned as Director with effect from 1 April 2020.
4. Dipak Poddar resigned as Director with effect from 1 April 2020.
5. Meleveetil Damodaran was appointed as Additional Director with effect from 16 October 2019.
6. Nanoo Pamnani passed away on 22 February 2020.
7. Anami Roy and Shashi Kant Sharma were appointed as Additional Directors with effect from 13 March 2020
8. T S Vijayan was appointed as Additional Director with effect from 1 April 2020.
9. S Sreenivasan has been appointed as Additional Director (non-independent non-executive director) with effect from 1 April 2020.

Changes in the committees of the Board of Directors

1. Ramandeep Singh Sahni was appointed as Chief Financial Officer of the Company w.e.f. 1 May 2020 and as member of Investment Committee with effect from that date.
2. Lila Poonawalla, member of Nomination and Remuneration Committee, was designated as Chairperson thereof with effect from 13 March 2020 in place of Nanoo Pamnani.
3. Anami Roy was inducted as member of the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee with effect from 13 March 2020.
4. Shashi Kant Sharma was inducted as member of the Audit Committee with effect from 13 March 2020.
5. Suraj Mehta was inducted as member of the Nomination and Remuneration Committee with effect from 13 March 2020.

Board Meetings

The Board met five times during FY2020 as compared to the minimum statutorily required 4 meetings including one meeting dedicated to strategy, planning and annual budget. The Board meets once in every quarter, to, inter alia, review the Company's quarterly and periodical financial results, regulatory issues, risks, business plans and their implementation, solvency margin, etc. The gap between Board meetings is less than 120 days as required by law.

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, bonus to policyholders, investment performance, approval / reviews of company policies, formation / reconstitution of Board Committees, etc.

Directors have separate and independent access to officers of the Company. The Independent Directors, in their meeting held on 15 January 2020, have expressed satisfaction on the quantity, quality and timeliness of the information supplied to the Board.

Board Meetings held during FY2020

The Board of Directors met five times during FY2020 on 8 May 2019, 17 July 2019, 16 October 2019, 16 January 2020 and 13 March 2020. Following table sets out the details of attendance of Directors at the aforesaid Board meetings.

Name of Director	Designation / Status	No. of meetings attended
Sanjiv Bajaj	Chairman, Non-Executive and Non-Independent Director	5/5
Solmaz Altin (up to 8 October 2019)	Non-Executive and Non-Independent Director	0/2
Ritu Arora	Non-Executive and Non-Independent Director	3/5
Sanjay Asher (up to 5 March 2020)	Independent Director	4/4
Niraj Bajaj	Non-Executive and Non-Independent Director	3/5
Rahul Bajaj (up to 31 March 2020)	Non-Executive and Non-Independent Director	4/5
Sergio Balbinot	Non-Executive and Non-Independent Director	1/5
Meleveetil Damodaran (w.e.f. 16 October 2019)	Non-Executive and Non-Independent Director	2/2
Dipak Poddar	Non-Executive and Non-Independent Director	5/5
Ranjit Gupta	Non-Executive and Non-Independent Director	5/5
Suraj Mehta	Independent Director	5/5
Nanoo Pamnani (up to 22 February 2020)	Independent Director	4/4
Lila Poonawalla	Independent Director	5/5
Anami Roy (w.e.f. 13 March 2020)	Independent Director	0/0
Shashi Kant Sharma (w.e.f. 13 March 2020)	Independent Director	0/0
T S Vijayan (w.e.f. 1 April 2020)	Non-Executive and Non-Independent Director	0/0
Avais Karmali	Alternate Director, Non-Executive and Non-Independent	3/4
Tapan Singhel	Managing Director and Chief Executive Officer	5/5

Independent Directors

The Board has 4 Independent Directors with rich and diverse experience in the relevant fields. The Independent Directors conduct a separate meeting pursuant to the provisions of the Companies Act, 2013. Additionally, the Independent Directors periodically meet the senior management team.

Committees of the Board of Directors: Constitution & Composition

The Board of Directors has committees consisting of Directors having required expertise. The Committees also invite other senior managers to its meetings to seek clarification and, thereby improving the effectiveness. Audit Committee, Investment Committee, Risk Management Committee, Policyholders' Protection 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. Further, the Company has also formed Corporate Social Responsibility Committee of the Board of Directors as required pursuant to Section 135 of the Companies Act, 2013.

Audit Committee

The Audit Committee of the Board of Directors oversees the internal audit function and conducts a detailed review of the internal, concurrent, systems and other audit reports including reports of the statutory auditors whereby detailed management responses and action plans are reviewed. The Committee further reviews periodic financial reporting before submission to the Board, disclosure processes, legal compliances, functioning of the internal financial control framework and the internal audit department whistle blower and sexual harassment complaints. The Committee also reviews and approves the related party transactions. Statutory auditors attend the meetings of the Audit Committee to present their findings and reports. 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 (IRMS) auditors. The Audit Committee reviews and sets the internal audit plan for the year. The senior management personnel are invited to the meetings of the Audit Committee for providing clarifications on the audit matters, along with the Head of Internal Audit, who presents his report and update to the audit plan to the Committee at every meeting thereof.

The Chairperson of the Audit Committee conducts pre-audit committee meeting about one week before the Audit Committee meeting with the senior management to review the audit observations, action taken reports on previous reports, and regulatory issues, if any.

Lila Poonawalla, Independent Director, is the Chairperson of the Audit Committee with Suraj Mehta, Anami Roy and Shashi Kant Sharma, 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, with majority of them being Independent Directors.

The Audit Committee met four times during FY2020 on 7 May 2019, 16 July 2019, 15 October 2019 and 15 January 2020. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Designation / Status	No. of meetings attended
Lila Poonawalla	Chairperson, Independent Director	4/4
Ritu Arora	Non-Executive and Non-Independent Director	3/4
Sanjay Asher (up to 5 March 2020)	Independent Director	3/4
Sanjiv Bajaj	Non-Executive and Non-Independent Director	4/4
Ranjit Gupta	Non-Executive and Non-Independent Director	4/4
Suraj Mehta	Independent Director	4/4
Nanoo Pamnani (up to 22 February 2020)	Independent Director	4/4
Anami Roy (w.e.f. 13 March 2020)	Independent Director	0/0
Shashi Kant Sharma (w.e.f. 13 March 2020)	Independent Director	0/0

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. The information provided to the Committee is rich in content and discussions are extensive on key issues related to performance, risk, regulatory compliance, systems and structure of investment teams.

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

The Committee met four times during FY2020 on 7 May 2019, 16 July 2019, 15 October 2019 and 15 January 2020. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Designation / Status	No. of meetings attended
Sanjiv Bajaj	Chairman, Non-Executive and Non-Independent Director	4/4
Ritu Arora	Non-Executive and Non-Independent Director	3/4
Ranjit Gupta	Non-Executive and Non-Independent Director	4/4
Tapan Singhel	Managing Director and Chief Executive Officer	4/4
Gaurav Malhotra	Appointed Actuary	4/4
Milind Choudhari	Chief Financial Officer	4/4
Rajeev Kumar	Chief Risk Officer	4/4
Amit Joshi	Chief Investment Officer	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. Service turnaround times, status of grievances and their resolution, root cause analysis of complaints, benchmarking with peer group, status of cases in consumer court and ombudsmen are some of the matters reviewed on a regular basis.

Annexures to the Directors' Report for the year ended 31 March 2020

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 FY2020 on 7 May 2019, 16 July 2019, 15 October 2019 and 16 January 2020. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Designation / Status	No. of meetings attended
Sanjiv Bajaj	Chairman, Non-Executive and Non-Independent Director	4/4
Ritu Arora	Non-Executive and Non-Independent Director	3/4
Ranjit Gupta	Non-Executive and Non-Independent Director	4/4
Tapan Singhel	Managing Director and Chief Executive Officer	4/4

Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013, 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 persons and other employees, etc.

Lila Poonawalla, Independent Director, is the Chairperson of the Committee with Suraj Mehta and Anami Roy, Independent Directors, Sanjiv Bajaj, Ritu Arora and Ranjit Gupta, Directors being the other members thereof.

The Committee met four times during FY2020 on 8 May 2019, 16 October 2019, 15 January 2020 and 13 March 2020. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Designation / Status	No. of meetings attended
Lila Poonawalla	Chairperson, Independent Director	4/4
Ritu Arora	Non-Executive and Non-Independent Director	4/4
Sanjay Asher (up to 6 March 2020)	Independent Director	3/3
Sanjiv Bajaj	Non-Executive and Non-Independent Director	4/4
Ranjit Gupta	Non-Executive and Non-Independent Director	4/4
Nanoo Pamnani (up to 22 February 2020)	Independent Director	3/3
Suraj Mehta (w.e.f. 13 March 2020)	Independent Director	0/0
Anami Roy (w.e.f. 13 March 2020)	Independent Director	0/0

Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013, 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. The CSR team also provides updates on various projects.

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

The Committee met three times during FY2020 on 17 July 2019, 16 October 2019 and 15 January 2020. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended	No. of Meetings Attended
Sanjiv Bajaj	Chairman, Non-Executive and Non-Independent Director	3/3
Ritu Arora	Non-Executive and Non-Independent Director	2/3
Ranjit Gupta	Non-Executive and Non-Independent Director	3/3
Nanoo Pamnani (up to 22 February 2020)	Independent Director	3/3
Anami Roy (w.e.f. 13 March 2020)	Independent Director	0/0
Tapan Singhel	Managing Director and Chief Executive Officer	3/3

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 were paid sitting fees of Rs. 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 FY2020, as all other members of the Board are non-executive.

Elements of remuneration package (including incentives) of MD & CEO and Key Management Persons, along with the break-up of amount of remuneration awarded to MD for FY2020 into fixed, variable, etc. is given in the Annexure to this report..

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 fraud;
- 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 (ERC).

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 FY2020 on 7 May 2019, 16 July 2019, 15 October 2019 and 16 January 2020. Following table sets out the particulars and attendance of members of the Committee at the aforesaid meetings:

Name of member	Designation / Status	No. of meetings attended
Sanjiv Bajaj	Chairman, Non-Executive and Non-Independent Director	4/4
Ritu Arora	Non-Executive and Non-Independent Director	3/4
Ranjit Gupta	Non-Executive and Non-Independent Director	4/4
Tapan Singhel	Managing Director and Chief Executive Officer	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.
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, risk control assessments 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 new business, renewals, expenses, claims ratio and monitor actuals.
6. The Company has a Disaster recovery (DR) site in a different seismic zone and a business continuity plan to mitigate Business Continuity risk.

Intentionally left blank

Certification for compliance of the Corporate Governance Guidelines

I, Onkar Kothari, Company Secretary 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

15 May 2020
Pune

Onkar Kothari
Company Secretary & Compliance 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, 2020

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"). Subject to limitation of physical interaction and verification of records caused by Covid 19 Pandemic lock down while taking review after completion of financial year, the 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 31st March, 2020, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place 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 31st March, 2020, 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 unlisted 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 and Standards mentioned above.

Annexures to the Directors' Report for the year ended 31 March 2020

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 notices were 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: 15 May 2020
UDIN : F001587B000244313

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

Caringly yours

BAJAJ | Allianz



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With FAMILY HEALTH CARE (Gold) Group Health Plan By Bajaj Allianz General Insurance.



A comprehensive product with competitive premium in terms of no capping



Ayurvedic/Homeopathic Hospitalization Expenses



Sum Insured Reinstatement Benefit



Hospital Cash Benefit



Preventive Health Check up



Organ Donor Expenses

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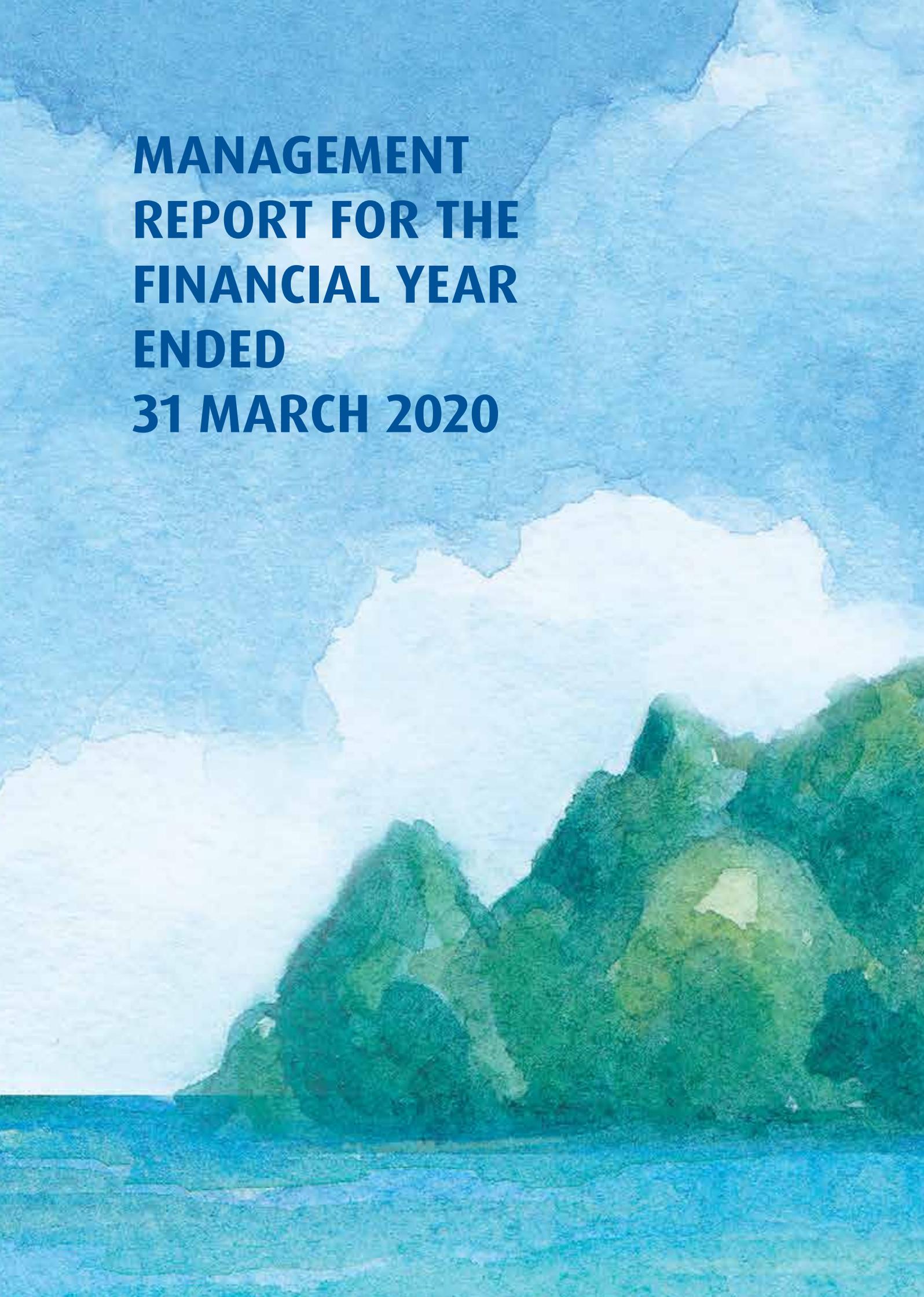
To know more,
scan this QR code



Bajaj Allianz General Insurance Co. Ltd., Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006. IRDA Reg No.: 113.
CIN: U66010PN2000PLC015329 | UIN: IRDAI/HLT/BAGI/P-H/VI/65/2016-17 | For more details on risk factors and Terms and Conditions,
please read the sales brochure before concluding a sale. | BJAZ-0-1816/25-Jun-2020

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• Policy Renewals • Registering Claims • Policy Management • Locate Network Hospital & Preferred Garages

**MANAGEMENT
REPORT FOR THE
FINANCIAL YEAR
ENDED
31 MARCH 2020**



The Management Report has been prepared in accordance with the Insurance Regulatory and Development Authority ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, and circulars/guidelines issued by IRDAI thereafter, for the financial year ended 31 March 2020.

With respect to the operations of Bajaj Allianz General Insurance Company Limited ("the Company") for the year ended 31 March 2020 and results thereof, the Management of the Company confirms and declares that:

1. Certificate of registration

The Company has paid to the Insurance Regulatory and Development Authority of India (IRDAI) the annual fees for FY2021 as specified by the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, as amended and the registration certificate granted by IRDAI is in force as on the date of this report.

2. Statutory liabilities

All dues payable to the statutory authorities have been duly paid except those under dispute where the Company has preferred appeals.

3. Shareholding pattern and transfer of shares

The shareholding pattern is in accordance with the statutory and regulatory requirements and no shares have been transferred during the year.

The shareholding pattern of the Company is as follows:

Particulars	31 March 2020	31 March 2019
Bajaj Finserv Limited	74%	74%
Allianz SE	26%	26%
Total	100%	100%

4. Investments outside India

The Management has not invested any funds of holders of policies in India, directly or indirectly, outside India.

5. Solvency margin

We hereby confirm that the Company has maintained adequate assets to cover both its liabilities and required solvency margin as prescribed under Section 64VA of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) and the IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016. The solvency position of the Company is as follows:

Particulars	31 March 2020	31 March 2019
Actual solvency ratio	254%	255%
Required solvency ratio	150%	150%

6. Valuation of assets in the Balance Sheet

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 - "investments", "agents' balances", "outstanding premiums", "income accrued on investments", "dues from other entities carrying on insurance business, including reinsurers (net)", "cash and bank balances" and several other items specified under "advances recoverable" except debt securities.

At 31 March 2020 the market and book value of these debt investments were as follows:

(₹ '000)

Particulars	Value as per Balance Sheet		(Book value) Market value*	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Debt investments	166,435,739	151,755,948	171,171,553	152,452,189

* Market value for government securities is the price obtained from FIMMDA and for debt securities other than government securities is determined using bond valuer from FIMMDA, basis the yield of the security.

7. Overall risk exposure and strategy adopted to mitigate the same

The Enterprise Risk Management (ERM) framework of Company inculcates a rigorous, proactive, responsible and balanced enterprise-wide risk management to support in informed decision making. The Company considers and embeds the Corporate Governance Guidelines and other practices guided by IRDAI from time to time. The Company's ERM also draws upon the ISO 31000:2018 standard which is a world recognised methodology for risk management. 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 been certified for its Operational Risk Framework process in conformation to the globally recognised ISO 9001:2015 standard that signifies the processes are benchmarked against international as well as domestic practices and are efficiently implemented within the Company.

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.

Risk governance

The Company has a dedicated and independent risk management department headed by the Chief Risk Officer who reports on status of risks to the Executive Risk Committee (“ERC”) and Risk Management Committee (“RMC”) of the Board. The quarterly Committee meetings allow dedicated evaluation and review of existing strategies to mitigate the risks. The Company also has established a Governance & Controls Committee (“GCC”) to promptly address process improvement decisions and support in enhancing business resiliency for embracing change and create opportunities. The RMC advises the Board on the risk exposures and the actions taken to manage the same. The ERC consisting of various departmental representatives, convened by the Chief Risk Officer, reviews risks as well as the risk processes and procedures with the Board approved Risk Management Policy. The Company has an independent 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. Valuation of policy liabilities is independently done by the Actuary and the methodologies are also reviewed by IRDAI apart from the peer-review mechanism.

Risk management process

The Company has adopted the three lines-of-defence model for fostering proactive and risk-aware culture. Heads and functional teams constitute the first line of defence that actively ensure effectiveness and relevance of the mitigation controls, process improvements and system capabilities and subject to Internal Financial Control mechanism. The second line of defence includes the risk management, compliance, fraud investigation team followed by Audit & Assurance teams in the third line of defence.

Risk Management Cycle is applied as base for identification and solution tool that entails:

Operations & Monitoring

- a) Risk Identification
- b) Risk Assessment & Control
- c) Risk Treatment & Management Action Plan
- d) Monitoring & Reviewing

Controls & Compliance

- a) Standard Operating Procedures
- b) Internal Audit
- c) External Audit
- d) Periodic Risk Management Review

Risk Control Assessments that factor in multiple sources of risk related inputs are conducted periodically to enrich and build on the previous risk registers in consideration of the changes to functional process. Risk Review process involves segregating between control types, undertaking control testing for key areas to evaluate mitigation effectiveness, understanding the level of residual risks, examining loss events and assigning Key Risk Indicators towards a comprehensive risk rating mechanism and aggregated risk repository for profiling based on likelihood and impact. Risk assessment methodology applied to report on the systemic and correlated risks is based on Occurrence Likelihood x Probable Financial Impact x Outrage (Reputation, public perception).

The Company follows the Top Risk Assessment (“TRA”) methodology to identify, measure and assess residual risks along with Bottoms-Up Approach from conducting periodic Risk Control Assessments.

Key risks: As a general (non-life) 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. Key risks include:

Risks accepted from our customers	Risks from our investments	Risks arising from our business operations
<p>In Non-Life Insurance majority of products are offered for a 1 year period exposing to pricing & reserving risks, underwriting (risk selection), claims experience, risks from lower growth rate for new and renewal business.</p> <p>Product bouquet include Non-Motor (like Property, Engineering, Marine, Misc. etc.), Motor, Health, Crop and Travel.</p> <p>Some of the products like workmen’s compensation, third-party motor claims and liability insurance usually have a long tail claims experience and as per court orders, requires providing for funds accordingly to meet the contractual obligations arising from the policies.</p>	<p>Income generated through approved investments has been the prime source for insurance companies in ensuring settlement of policyholder claims. We hence ensure the exposure to the capital markets is managed prudently by the investment strategy and portfolio management.</p> <p>Investing in different assets to meet our obligations to our customers in respect to Risk-to-Return balance we are exposed to credit default risk and market risks (interest-rate movements, portfolio value fluctuations and mis-match in assets & liabilities).</p> <p>Liquidity risk is the inability to pay claims as and when they fall due, on account of insufficient funds or investments tied up in illiquid asset class.</p>	<p>Operational risk is the losses arising from inadequate or failed internal processes, people and systems or external events including legal risk and regulatory changes.</p> <p>Operational failures of severe nature may impact our customers directly leading to reputational damage amongst the customers, intermediaries, partners and regulators.</p> <p>This includes business continuity management and fraud risks.</p>

The key risks faced by the Company can broadly be categorized as below:

Risk type	Risk preference	Mitigations
A. Insurance risk		
<ul style="list-style-type: none"> Premium pricing Reserving Underwriting Claims management Catastrophe Business mix – acquisition and retention Capital structure Solvency Liquidity 	<ul style="list-style-type: none"> Channel and Line of Business wise analysis is conducted to monitor business mix Periodic reserving calculations and assumptions are validated for relevance and accuracy for predicting claims severity and frequency Portfolio level insurance are preferred in underwriting corporate programs We maintain adequate Actual Solvency Margin over the 150% regulatory requirement 	<ul style="list-style-type: none"> Risk segmentation for identifying profitable segments Monitoring key performance indicators Specifying deductibles for high risk Tracking concentration and accumulation Run Nat Cat models on exposures for different perils Stringent policy terms & conditions Appropriate treaty and facultative coverage’s in Reinsurance program Asset-Liability modelling Stress Testing and Sensitivity analysis for liquidity scenarios Solvency and Capital Management

Risk type	Risk preference	Mitigations
B. Credit Risk		
<ul style="list-style-type: none"> • Default • Reinsurance • Recoveries 	<ul style="list-style-type: none"> • Prudent investment strategy to diversify credit risk exposure • Adequate predictability modelling of future cash inflows and outflows allows us to allocate funds in durations that allow for better return over periods • Reinsurance decisions based on risk retention appetite and capacity determined from business growth plans 	<ul style="list-style-type: none"> • We have a well-diversified investment portfolio and healthy asset quality • Investment limits and thresholds • Assets invested in either sovereign or AAA/ AA rated instruments. • Reinsurance protection from reinsurers with good credit rating (A- and above) • Risks are passed to multiple reinsures in order to avoid accumulation of risk
C. Market Risk		
<ul style="list-style-type: none"> • Unfavourable movement in interest rates, currency rates and equity • Volatility in market prices • Reinvestment 	<ul style="list-style-type: none"> • Assets and Liabilities of the Company are well matched based on duration • We have exposure to market risk but the expertise of the investment management team and conservative approach to investments allows the risk to be fairly well managed 	<ul style="list-style-type: none"> • Investments are carried out within the regulatory threshold limits • We have very limited exposure to equity and foreign currency • Majority of the investments comprise of fixed interest securities • Adequate liquid and reserves are maintained • Asset class diversification

Risk type	Risk preference	Mitigations
D. Operational Risk		
<ul style="list-style-type: none"> • People • (incl. conduct) • Process • Systems • Regulatory • Legal • Reputation • Business resilience • Security – Cyber & Data • IT General Controls (ITGC) • Third-Party • Frauds • External threats 	<ul style="list-style-type: none"> • We continue to develop system-based risk tools in-house for a move towards integrated risk management methodology • To continue to lower operational risk is priority that allows for taking opportunity and curb preventable losses • We work on preventing frauds through the fraud risk management framework that includes fraud analytics model & tracking mechanism to reduce insurance frauds • We have a strong Information Technology Governance Controls model to address Technology risks, data and information security measures and safety mechanisms against cyber-threat • We select our vendors based on their resiliency to support us in ensuring we meet and exceed customer expectations • We attend to customer issues promptly through our customer focus channels • We transfer specific insurable risks to the insurance market for adequate coverage’s and optimal premium. 	<ul style="list-style-type: none"> • Dedicated Operational Risk Management framework for continued Enterprise-wide resilience • Mapping of department RCAs, KRIs and internal Loss Event database for corrective action and preventive treatment • Event based root cause analysis for design level flaw or operating level failure • Fraud Strategy encompasses Prevention; Detection; Deterrence, Response and awareness plan whilst maintaining an ethical culture and conduct code in investigations • System based triggers for fraud detection and prevention • Help determine Risk Appetite / tolerance limits to develop “alert systems” for senior management • Risks rating based on movements and maturity levels for proactive risk management rather than reactive • Business Continuity Management Systems in place and drills for various scenarios are conducted • We have an offsite disaster recovery centre for its data backups • We assess our counterparties and key vendors to avoid disruption and help them inculcate best internal control practices • Teams monitor for possible reputational risks across various media channels including print, social media etc.

The Company was exposed to an unprecedented risk of COVID-19 pandemic outbreak in March 2020. The pandemic has had significant impact almost all countries across the world. The Company, in anticipation of possible interruption to its business services across locations in India, had activated business continuity plans (BCP) and procedures to ensure stakeholder expectations and requirements are suitably addressed. Having a robust BCP and awareness in place helped the Company to continue operating business functions without interruption. Furthermore, the Company has been focussing on enhancing the plans based on developments and in consideration to government orders as well as regulatory advisories.

8. Operations outside of India

The Company does not have operations in any other country.

9. Claims

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. Valuation of Investments

As required by IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, all investments are valued as stated below:

- 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).
- Money market instruments (including treasury bills, certificate of deposits, commercial papers, collateralized borrowing & lending obligation - CBLO and Tri-Party Repo - TREPs) are valued at historical cost and adjusted for amortization of premium or accretion of discount, as may be the case, over the period of maturity/holding on a straight-line basis.
- Equity shares: 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.
- 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.
- Loans - In the nature of Investments 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 and Policyholders' funds, as the case may be, in the Balance Sheet but not available for distribution as dividend.

11. Review of asset quality and performance of investments

All investments are made in accordance with the regulatory norms, the Investment Policy and the asset liability management guidelines.

(a) Asset composition

Most of the Company's investments are in fixed income securities, deposits and equities. 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. Based on the past track record, the Management has reasonable confidence in the quality and expected performance of all the investments.

The asset composition of investment assets of the Company as at 31 March 2020 is as follows:

(₹ '000)

Asset class	Total investments	
	Amount	%
Government securities	79,833,606	43.6%
Debenture and bonds		
- AAA	76,465,824	41.8%
- AA / AA+	1,282,489	0.7%
- AA - & Below	1,804,404	1.0%
Money Market Instruments	6,066,663	3.3%
Fixed Deposits	250,000	0.1%
Equities	10,549,183	5.8%
AT1 Bonds	4,185,096	2.3%
Equity ETF	1,875,576	1.0%
Others ¹	732,752	0.4%
Total	183,045,594	100.0%

¹ Includes investment in Preference Shares

The Company has invested in well diversified investment portfolio. Substantial portion of the investments are readily marketable thereby extending good liquidity support.

The Company maintains a strong quality of fixed income portfolio at all point of time. 98% of the fixed income portfolio is held in highest credit rated securities (Sovereign/AAA or equivalent). 83% of the total equity investments are held in Nifty 50 index stocks.

The Company has during the year made an impairment provision of Rs. 128.66 crore as per Impairment Policy. These exposures pertain to certain stressed NBFCs.

(b) Investment performance

The performance of investments for FY2020, is as follows:

Particulars	FY2020		FY2019	
	Book value yields	Market value yields	Book value yields	Market value yields
Including impairment	7.94%	7.87%	7.54%	8.34%
Excluding impairment	8.66%	8.58%	7.91%	8.72%

Notes:

* Market Value yields computed as investment income/monthly average investment

Book value yields computed as investment income/monthly average investment

12. Payments made to parties in which Directors are interested

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.

13. Management responsibility statement

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.

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited

CIN U66010PN2000PLC015329

Sanjiv Bajaj

Chairman

DIN : 00014615

Lila Poonawalla

Chairperson of

Audit Committee

DIN : 00074392

Tapan Singhel

Managing Director &

Chief Executive Officer

DIN : 03428746

Ramandeep Singh Sahni

Chief Financial Officer

Onkar Kothari

Company Secretary &

Compliance Officer

Pune

Date: 15 May 2020

Annexure I: Average Claims Settlement Time during Preceding 5 Years

(₹ In Lacs)

Particulars	FY2016		FY2017		FY2018		FY2019		FY2020	
	No of Claims	Amount	No of Claims	Amount						
01 FIRE										
Upto 30 days	2,797	969	1,405	838	1,537	673	3,791	4,327	3,106	6,863
30 days to 6 months	6,874	9,050	1,496	7,011	1,557	4,332	2,745	9,756	2,609	10,711
>6 months to 1 year	2,954	5,854	845	9,065	500	8,468	705	10,592	672	9,967
>1 year to 5 years	1,038	21,185	2,305	8,385	2,293	8,120	1,325	11,040	483	10,773
>5 years and above	38	176	47	91	66	334	134	387	55	1,302
02 MARINE										
Upto 30 days	6,519	1,009	9,982	1,139	9,242	955	35,435	1,857	15,094	2,598
30 days to 6 months	4,598	3,636	4,806	3,509	4,234	3,362	6,278	5,269	4,275	4,694
>6 months to 1 year	645	2,657	751	2,798	514	1,421	635	4,256	729	2,477
>1 year to 5 years	283	2,151	388	1,906	545	5,152	305	1,815	258	851
>5 years and above	17	16	48	103	113	82	35	43	43	75
03 MOTOR OD										
Upto 30 days	420,337	65,770	430,446	69,834	397,773	57,909	513,745	70,467	493,517	77,324
30 days to 6 months	87,509	60,187	72,732	53,200	92,215	46,913	71,186	44,895	63,136	47,647
>6 months to 1 year	5,266	5,612	4,049	6,469	4,571	6,808	4,041	6,972	3,501	6,060
>1 year to 5 years	1,765	1,488	1,435	1,362	1,391	1,229	1,317	1,425	740	1,180
>5 years and above	331	129	392	201	548	145	1,342	300	217	249
04 MOTOR TP										
Upto 30 days	5,007	292	5,674	63	4,567	75	5,042	190	285	120
30 days to 6 months	6,951	3,083	5,717	1,601	5,311	1,004	6,140	1,153	6,938	2,151
>6 months to 1 year	5,028	5,591	4,338	4,243	5,370	3,690	4,563	3,381	4,742	6,410
>1 year to 5 years	17,058	29,048	13,623	24,087	18,135	27,107	13,789	36,095	12,798	39,999
>5 years and above	7,109	10,126	7,301	11,354	9,464	14,412	8,796	22,164	6,526	20,299
05 HEALTH										
Upto 30 days	121,711	36,687	249,051	43,598	448,722	62,210	1,563,984	109,664	1,061,397	137,915
30 days to 6 months	44,574	19,030	65,643	26,600	80,046	27,787	135,098	53,727	133,919	51,419
>6 months to 1 year	3,015	1,605	4,198	1,753	4,521	1,701	8,783	3,158	6,812	3,129
>1 year to 5 years	982	716	1,496	938	1,759	770	2,980	1,269	1,692	1,472
>5 years and above	146	(2)	194	22	401	32	85	70	41	80
06 OTHER										
Upto 30 days	53,692	56,235	36,914	6,748	73,906	82,228	240,213	86,823	3,120,901	162,405
30 days to 6 months	27,680	22,246	54,042	25,065	100,679	31,459	85,173	52,737	468,221	48,356
>6 months to 1 year	6,079	4,033	9,243	4,882	10,401	5,019	6,200	20,203	29,569	8,320
>1 year to 5 years	2,047	3,639	2,601	6,939	7,488	6,617	5,216	11,130	1,811	6,429
>5 years and above	537	621	514	294	829	514	643	975	318	679

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 Period	Fire		Marine		Motor OD		Motor TP		Health		Other		Total	
	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
As at 31 March 2020														
Upto 30 days	183	1,986	1,209	489	6,735	5,469	934	4,849	13,987	3,802	95,685	5,692	118,733	22,287
30 days to 6 months	401	6,290	305	1,422	5,512	11,629	5,954	38,746	10,257	1,589	53,552	6,332	75,981	66,008
>6 months to 1 year	395	2,382	287	446	762	2,394	5,001	34,692	332	383	13,492	2,728	20,269	43,025
>1 year to 5 years	1,160	3,388	1,273	1,867	1,288	3,387	20,732	121,922	528	1,814	4,330	5,021	29,311	137,400
>5 years and above	896	3,088	323	1,301	996	2,324	16,165	34,732	134	410	2,522	3,305	21,036	45,160
As at 31 March 2019														
Upto 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
30 days to 6 months	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 months to 1 year	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 years	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 years and above	356	2,478	240	947	847	1,893	16,527	24,901	108	194	2,081	2,832	20,159	33,245
As at 31 March 2018														
Upto 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
30 days to 6 months	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 months 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 years	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 years and above	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 31 March 2017														
Upto 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
30 days to 6 months	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 months 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 years	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 years and above	228	1,901	189	900	703	1,380	17,026	18,724	119	281	1,669	2,359	19,934	25,546
As at 31 March 2016														
Upto 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
30 days to 6 months	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 months 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 years	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 years and above	161	1,323	133	814	596	1,020	14,863	17,047	100	124	1,356	2,061	17,209	22,389

Annexure III to the Management Report

Particulars of Payments made to entities where Directors are interested for the year ended 31 March 2020

(₹ In Lacs)

Sr. No.	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year	
				FY2020	FY2019
1	Bajaj Finserv Limited	Rahul Bajaj	Member	858	659
		Sanjiv Bajaj	Director & Member		
		Niraj Bajaj	Member		
		Nanoo Pamnani	Director		
		Anami Roy	Director		
2	Bajaj Auto Limited	Rahul Bajaj	Director & Member	165	230
		Niraj Bajaj	Director & Member		
		Sanjiv Bajaj	Director & Member		
		Nanoo Pamnani	Director		
		Anami Roy	Director		
		Lila Poonawalla	Director		
3	Bajaj Electricals Limited	Rahul Bajaj	Member	34	158
		Niraj Bajaj	Member		
		Sanjiv Bajaj	Member		
4	Bajaj Finance Limited	Rahul Bajaj	Director & Member	9,819	6,626
		Sanjiv Bajaj	Director & Member		
		Dipak Poddar	Director		
		Anami Roy	Director		
		Nanoo Pamnani	Director		
5	Bajaj Allianz Life Insurance Company Limited	Rahul Bajaj	Director	1,324	2,308
		Sanjiv Bajaj	Director		
		Niraj Bajaj	Director		
		Ranjit Gupta	Director		
		Ritu Arora	Director		
		Sergio Balbinot	Director		
		Nanoo Pamnani	Director		
		Suraj Mehta	Director		
		Sanjay Asher	Director		
		Lila Poonawalla	Director		
		M. Damodaran	Director		
Anami Roy	Director				

Management Report for the financial year ended 31 March 2020

(₹ In Lacs)

Sr. No.	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year	
				FY2020	FY2019
		Shashi Kant Sharma	Director		
		Avais Karmali	Alternate Director		
6	Bajaj Housing Finance Limited	Sanjiv Bajaj	Director	2	-
		Nanoo Pamnani	Director		
		Lila Poonawalla	Director		
7	Bajaj Holdings and Investments Limited	Rahul Bajaj	Member	4	3
		Sanjiv Bajaj	Director & Member		
		Niraj Bajaj	Director & Member		
		Nanoo Pamnani	Director		
		Anami Roy	Director		
8	Mukand Engineers Limited	Rahul Bajaj	Member	26	33
		Sanjiv Bajaj	Member		
		Niraj Bajaj	Director & Member		
9	Mukand Limited	Rahul Bajaj	Member	87	61
		Sanjiv Bajaj	Member		
		Niraj Bajaj	Director & Member		
10	Hind Musafir Agency Limited	Rahul Bajaj	Member	1,047	2,248
		Niraj Bajaj	Member		
11	Corel Traders Private Limited	Rahul Bajaj	Relative is Director	0	1
		Sanjiv Bajaj	Relative is Director		
12	Hercules Hoists Limited	Rahul Bajaj	Member	2	26
		Niraj Bajaj	Member		
		Sanjiv Bajaj	Member		
13	Maharashtra Scooters Limited	Sanjiv Bajaj	Director	0	1
		Lila Poonawalla	Director		
14	Bajaj Allianz Financial Distributors Limited	Ritu Arora	Director	1,522	1,568
		Avais Karmali	Director		
15	Bajaj Allianz Staffing Solutions Limited	Ritu Arora	Director	10,752	10,296
		Avais Karmali	Director		

Includes payments in the nature of expenses and claims paid. Does not include capital transactions like Dividend payment, deposit payments, etc.

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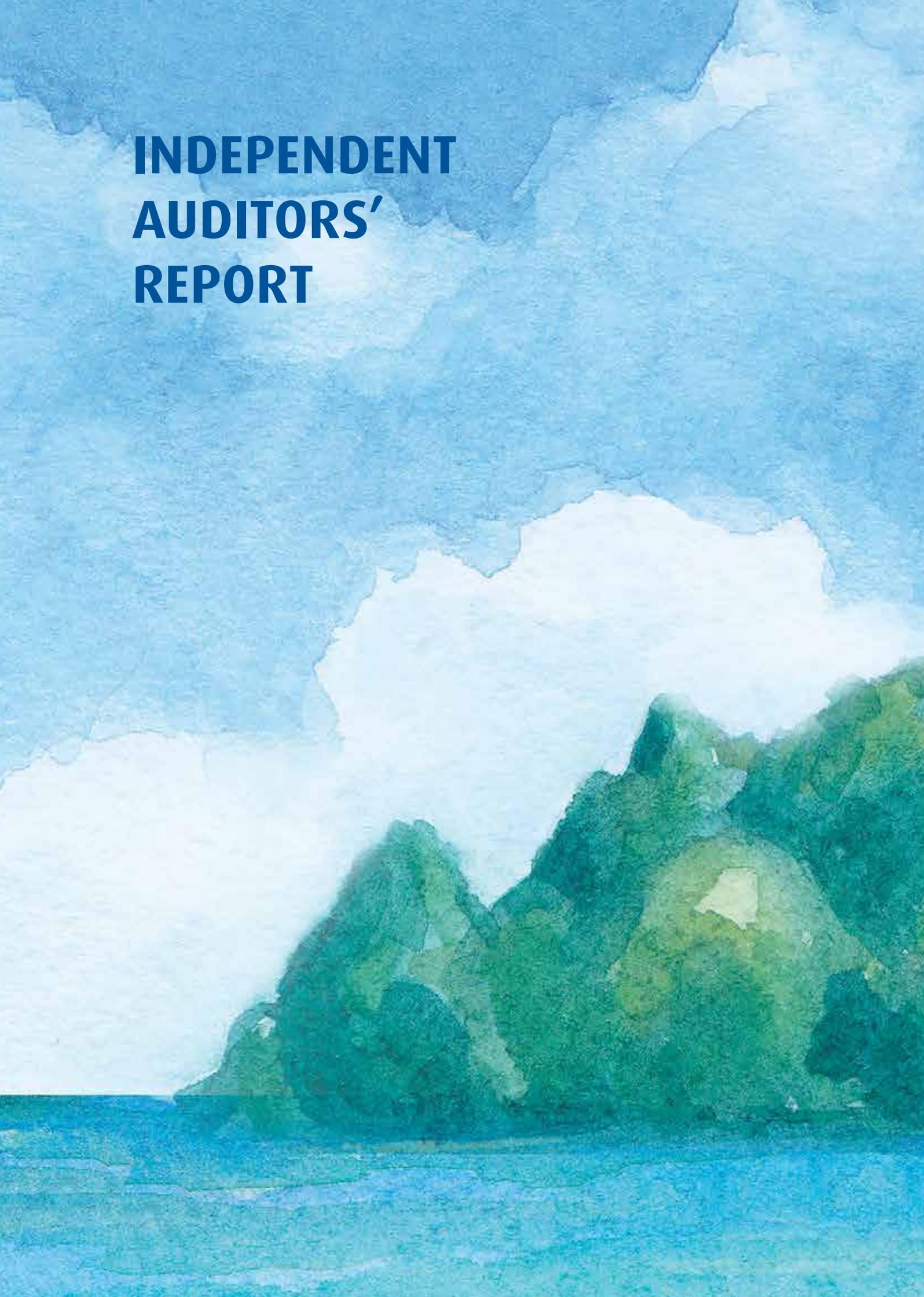
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INDEPENDENT AUDITORS' REPORT



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 31 March 2020, 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, 2020;
- (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 2020 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 the IRDAI and the 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 15 May 2020 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 to the extent they are not inconsistent 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 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2020 from being appointed as a Director in terms of Section 164 (2) of the Act;

Independent Auditors' Report

- (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 2020 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; and
 - 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.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (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 read with Section 34A of the Insurance Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act read with Section 34A of the Insurance Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For S. R. BATLIBOI & CO. LLP

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

per **Vaibhav Gupta**

Partner
Membership No. 213935
ICAI UDIN: 20213935AAAAAR6387
Place: Pune
Dated: 15 May 2020

For B S R & Co. LLP

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

Sagar Lakhani

Partner
Membership No. 111855
ICAI UDIN: 20111855AAAADX2977
Place: Mumbai
Dated: 15 May 2020

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 15 May 2020

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 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), 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 and maintenance of books of accounts and the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid and applying an appropriate basis of preparation that are reasonable in the circumstances and providing all relevant information to the IRDAI.

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, explanations and representations given to us and to the best of our knowledge and belief and based on our joint examination of the books of account and other records maintained by the Company for the year ended 31 March 2020, we certify that:
 - a. We have reviewed the Management Report attached to the financial statements for the year ended 31 March 2020, and on the basis of our review, there is no apparent mistake or material inconsistency with the financial statements;

Independent Auditors' Report

- 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 the IRDAI;
- c. Due to COVID-19 pandemic and the subsequent lockdown announced by the Government of India, for sample branches, we have observed over video call the cash/cheque count undertaken by the Company's personnel and verified the cash/cheque deposit slips submitted to the banks. Further, we have also relied upon the management's certificate for cash/cheque balances as at 31 March 2020. In respect of securities relating to the Company's loans and investments as at 31 March 2020, we have verified confirmations received over email 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

ICAI Firm's Registration Number:
301003E/E300005

per **Vaibhav Gupta**

Partner

Membership No. 213935

ICAI UDIN: 20213935AAAAAT9986

Place: Pune

Dated: 15 May 2020

For **B S R & Co. LLP**

Chartered Accountants

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

Sagar Lakhani

Partner

Membership No. 111855

ICAI UDIN: 20111855AAAADY1488

Place: Mumbai

Dated: 15 May 2020

Annexure A to the Independent Auditors' Report of even date to the members of Bajaj Allianz General Insurance Company Limited, on the financial statements for the year ended 31 March 2020

(Referred to in paragraph 2 (i) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of Bajaj Allianz General Insurance Company Limited (the "Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Other Matter

The actuarial valuation for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), has been duly certified by the Company's Appointed Actuary in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (the "Authority") and the Institute of Actuaries of India in concurrence with the Authority, and has been relied upon by us, as mentioned in "Other Matter" paragraph of our audit report on the financial statements of the Company as at and for the year ended 31 March 2020. Accordingly, our opinion on the internal financial controls with reference to financial statements does not include reporting on the design and operating effectiveness of internal controls over such actuarial liabilities. Our opinion is not modified in respect of this matter.

For S. R. BATLIBOI & CO. LLP

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

per Vaibhav Gupta

Partner
Membership No. 213935
ICAI UDIN: 20213935AAAAAR6387

Place: Pune
Dated: 15 May 2020

For B S R & Co. LLP

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

Sagar Lakhani

Partner
Membership No. 111855
ICAI UDIN: 20111855AAAADX2977

Place: Mumbai
Dated: 15 May 2020

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Bajaj Allianz General Insurance Co. Ltd., Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006. IRDA Reg No.: 113. CIN: U66010PN2000PLC015329 | For more details on risk factors and Terms and Conditions, please read the sales brochure before concluding a sale. | BJAZ-0-1833/3-Jul-2020

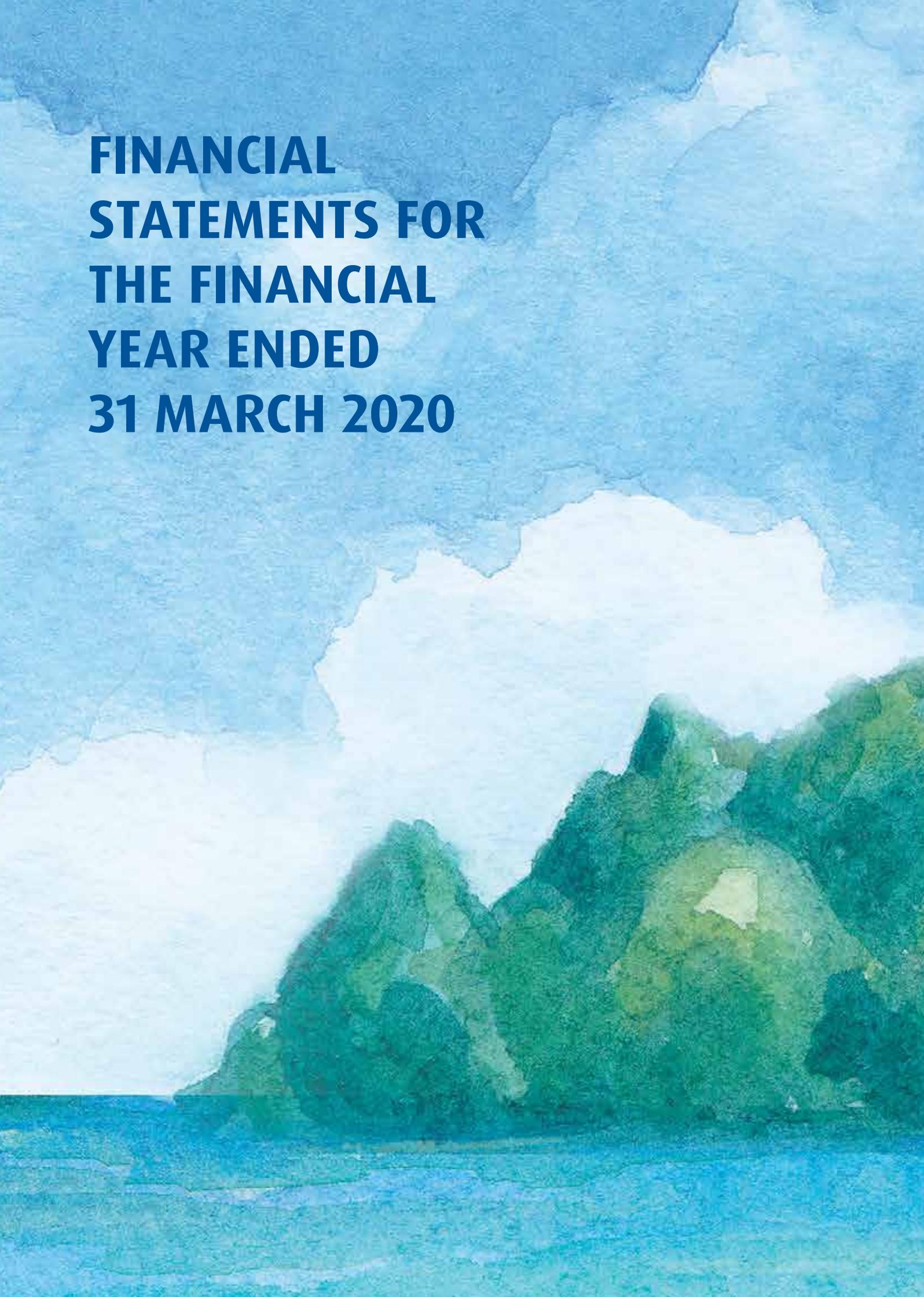
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**FINANCIAL
STATEMENTS FOR
THE FINANCIAL
YEAR ENDED
31 MARCH 2020**



BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No 113. dated 2 May 2001

Revenue Accounts for the year ended 31 March 2020

(₹ in '000)

Particulars	Schedule	For the year ended 31 March 2020				For the year ended 31 March 2019			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
Premiums earned - (Net)	1	2,679,557	1,173,990	78,208,275	82,061,822	1,876,444	1,038,593	67,182,732	70,097,769
Profit/(Loss) on sale/redemption of investments (Refer note 2.3 (iv) and (v) of Schedule 16)		67,563	24,380	1,696,252	1,788,195	26,158	9,741	665,089	700,988
Interest, dividend and rent-Gross (Refer note 2.3 (ii) of Schedule 16)		384,505	138,749	9,653,501	10,176,755	320,826	119,480	8,157,289	8,597,595
Other income - Miscellaneous income		2,797	2,186	150,941	155,924	142,159	2,341	41,809	186,309
Contribution from Shareholders Funds towards excess EoM		-	52,100	394,600	446,700	-	-	-	-
Sub total		454,865	217,415	11,895,294	12,567,574	489,143	131,562	8,864,187	9,484,892
Total (A)		3,134,422	1,391,405	90,103,569	94,629,396	2,365,587	1,170,155	76,046,919	79,582,661
Claims incurred (Net) (Refer note 2.10 and 2.11 of Schedule 16)	2	1,822,329	788,366	55,437,194	58,047,889	1,396,888	974,951	45,732,265	48,104,104
Commission (Refer note 2.3 (vi) and 2.6 of Schedule 16)	3	(1,442,355)	151,058	2,207,634	916,337	(183,568)	146,433	3,784,286	3,747,151
Contribution to solatium fund (Refer note 2.20 of Schedule 16)		-	-	31,311	31,311	-	-	27,542	27,542
Change in premium deficiency (Refer note 2.9 and 10 of Schedule 16)		-	-	-	-	-	-	(44,071)	(44,071)
Operating expenses related to insurance business (Refer note 2.12 and 41 of Schedule 16)	4	2,417,584	316,688	20,468,682	23,202,954	695,640	228,936	17,146,514	18,071,090
Total (B)		2,797,558	1,256,112	78,144,821	82,198,491	1,908,960	1,350,320	66,646,536	69,905,816
Operating profit/(loss) (C)=(A)-(B)		336,864	135,293	11,958,748	12,430,905	456,627	(180,165)	9,400,383	9,676,845
Appropriations									
Transfer to shareholders' account		336,864	135,293	11,958,748	12,430,905	456,627	(180,165)	9,400,383	9,676,845
Transfer to catastrophe reserve		-	-	-	-	-	-	-	-
Transfer to other reserves		-	-	-	-	-	-	-	-
Total (C)		336,864	135,293	11,958,748	12,430,905	456,627	(180,165)	9,400,383	9,676,845

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 and on behalf of the Board of Directors of

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

Bajaj Allianz General Insurance Company Limited
CIN U66010PN2000PLC015329

Sanjiv Bajaj
Chairman
DIN : 00014615

Lila Poonawalla
Chairperson of
Audit Committee
DIN : 00074392

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Sagar Lakhani
Partner
Membership No. 111855
Mumbai
Date: 15 May 2020

Vaibhav Gupta
Partner
Membership No. 213935
Pune
Date: 15 May 2020

Ramandeep Singh Sahni
Chief Financial Officer

Onkar Kothari
Company Secretary &
Compliance Officer

Pune
Date: 15 May 2020

BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No 113. dated 2 May 2001

Profit and Loss Account for the year ended 31 March 2020

(₹ in '000)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Operating profit as per Revenue Accounts of		
(a) Fire insurance	336,864	456,627
(b) Marine insurance	135,293	(180,165)
(c) Miscellaneous insurance	11,958,748	9,400,383
	12,430,905	9,676,845
Income from investments (Refer note 2.3 (ii), (iii), (iv), (v) and 2.13 of Schedule 16)		
(a) Interest, dividends and rent - Gross	2,554,135	2,540,513
(b) Amortization of discount/(premium)	(135,064)	(62,880)
(c) Profit on sale/redemption of investments	1,188,341	354,353
Less:- Loss on sale/redemption of investments	(201,049)	(110,141)
	3,406,363	2,721,845
Other income -Miscellaneous income	83,335	-
Total (A)	15,920,603	12,398,690
Provisions (other than taxation)		
(a) For diminution in the value of investments (Refer note 2.15 of Schedule 16)	1,286,559	563,949
(b) For doubtful debts	9,891	13,807
(c) Others	-	-
Other expenses		
(a) Expenses other than those related to the insurance business	177,705	94,434
(b) Bad debts written off	-	-
(c) Fines & penalties (Refer note 23 of Schedule 16)	900	-
(d) Corporate Social Responsibility (Refer note 29 of Schedule 16)	239,340	211,336
(e) Contribution to Policyholders Funds towards excess EoM	446,700	-
(f) Others	-	-
Total (B)	2,161,095	883,526
Profit before tax	13,759,508	11,515,164
Provision for taxation (Refer note 2.21 and note 18 of Schedule 16)		
Current tax	2,866,644	4,728,274
Deferred tax Expense/(Income)	905,094	(1,011,693)
	3,771,738	3,716,581
Profit after tax	9,987,770	7,798,583
Profit available for appropriation	9,987,770	7,798,583
Appropriations		
(a) Final dividends paid	1,102,273	1,102,273
(b) Proposed final dividend (Refer note 32 of Schedule 16)	-	-
(c) Dividend distribution tax	226,575	226,575
(d) Transfer to reserve/other accounts	-	-
Balance of Profit brought forward from last year	48,089,148	41,619,413
Less: Transitional adjustment of depreciation (net of deferred tax) as per Companies Act, 2013	-	-
Balance carried forward to Balance Sheet	56,748,070	48,089,148

Significant accounting policies and notes to the Financial Statements 16

Earning per share: Basic (Refer note 17 of Schedule 16)

90.61

70.75

Earning per share: Diluted (Refer note 17 of Schedule 16)

90.61

70.75

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. LLPChartered Accountants
Firm Registration Number
101248W/W-100022**For S. R. Batliboi & Co. LLP**Chartered Accountants
Firm Registration Number
301003E/E300005For and on behalf of the Board of Directors of
Bajaj Allianz General Insurance Company Limited
CIN U66010PN2000PLC015329**Sanjiv Bajaj**
Chairman
DIN : 00014615**Lila Poonawalla**
Chairperson of
Audit Committee
DIN : 00074392**Tapan Singhel**
Managing Director &
Chief Executive Officer
DIN : 03428746**Sagar Lakhani**Partner
Membership No. 111855
Mumbai
Date: 15 May 2020**Vaibhav Gupta**Partner
Membership No. 213935
Pune
Date: 15 May 2020**Ramandeep Singh Sahni**
Chief Financial Officer**Onkar Kothari**
Company Secretary &
Compliance Officer
Pune, Date: 15 May 2020

BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No 113. dated 2 May 2001

Balance Sheet as at 31 March 2020

(₹ in '000)

Particulars	Schedule	As at 31 March 2020	As at 31 March 2019
SOURCES OF FUNDS			
Share capital	5	1,102,273	1,102,273
Reserves and surplus	6	58,414,267	49,755,345
Fair value change account			
Shareholders' funds		(905,121)	259,718
Policyholders' funds		(2,190,353)	522,745
Borrowings	7	-	-
Total		56,421,066	51,640,081
APPLICATION OF FUNDS			
Investments - Shareholders'	8	32,131,766	36,485,711
Investments - Policyholders'	8A	150,913,828	131,378,718
Loans	9	-	-
Fixed assets	10	4,295,572	3,443,909
Deferred tax asset (Refer note 18 of Schedule 16)		637,957	1,543,051
Current assets			
Cash and bank balances	11	5,759,677	4,557,572
Advances and other assets	12	24,918,301	19,838,610
Sub-Total (A)		30,677,978	24,396,182
Current liabilities			
Provisions	13	119,732,192	100,765,221
	14	42,503,843	44,842,269
Sub-Total (B)		162,236,035	145,607,490
Net current liabilities (C) = (A - B)		(131,558,057)	(121,211,308)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and loss account		-	-
Total		56,421,066	51,640,081

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 and on behalf of the Board of Directors of

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

Bajaj Allianz General Insurance Company Limited
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Managing Director &
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Sagar Lakhani
Partner
Membership No. 111855
Mumbai
Date: 15 May 2020

Vaibhav Gupta
Partner
Membership No. 213935
Pune
Date: 15 May 2020

Ramandeep Singh Sahni
Chief Financial Officer

Onkar Kothari
Company Secretary &
Compliance Officer
Pune , Date: 15 May 2020

Schedule - 1 Premium earned (Net)

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	For the year ended 31 March 2020				For the year ended 31 March 2019					
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Premium from direct business written (net of service tax and GST)	12,256,592	1,660,336	106,130	113,774,654	127,797,712	9,461,430	1,506,763	102,985	99,522,934	110,594,112
Add: Premium on reinsurance accepted	472,918	-	-	60,026	532,944	306,534	-	-	69,500	376,034
Less: Premium on reinsurance ceded	11,291,736	539,041	103,492	36,236,763	48,171,032	6,866,858	429,597	99,746	25,829,339	33,225,540
Net Premium	1,437,774	1,121,295	2,638	77,597,917	80,159,624	2,901,106	1,077,166	3,239	73,763,095	77,744,606
Adjustment for change in reserve for unexpired risk										
Reserve created during the year	2,797,967	289,155	2,637	38,758,819	41,848,578	4,039,750	338,610	3,239	39,369,177	43,750,776
Less: Reserve created during the previous year written back	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
Change in the unexpired risk reserve (Refer note 2.8 of Schedule 16)	(1,241,783)	(49,455)	(602)	(610,358)	(1,902,198)	1,024,662	41,109	703	6,580,363	7,646,837
Total premium earned (Net)	2,679,557	1,170,750	3,240	78,208,275	82,061,822	1,876,444	1,036,057	2,536	67,182,732	70,097,769
Note :										
Premium income earned from business concluded:										
In India	2,679,557	1,170,750	3,240	78,208,275	82,061,822	1,876,444	1,036,057	2,536	67,182,732	70,097,769
Outside India	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	2,679,557	1,170,750	3,240	78,208,275	82,061,822	1,876,444	1,036,057	2,536	67,182,732	70,097,769

*Refer Schedule 1(A) for detailed segmental information for Miscellaneous lines of businesses

Refer note 2.3 (i) and 2.5 of schedule 16 for accounting policy related to Premium income and Reinsurance accepted

Schedule - 1(A) Premium earned (Net)

Schedules to and forming part of the Financial Statements

(₹ in '000)

For the year ended 31 March 2020

Particulars	Motor OD	Motor TP	Motor Total	Workmen's		Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
				Compensation / Employers' Liability	Public/ Product Liability								
Premium from direct business (net of service tax and GST)	20,993,836	31,311,365	52,305,201	509,576	427,826	1,526,628	260,480	2,734,018	22,014,030	119,451	24,813,790	9,063,654	113,774,654
Add: Premium on reinsurance accepted	-	-	-	-	-	58,409	-	-	-	-	-	1,617	60,026
Less: Premium on reinsurance ceded	1,137,261	1,610,973	2,748,234	33,443	294,982	1,309,488	153,160	162,451	5,331,369	118,256	19,588,855	6,496,525	36,236,763
Net Premium	19,856,575	29,700,392	49,556,967	476,133	132,844	275,549	107,320	2,571,567	16,682,661	1,195	5,224,935	2,568,746	77,597,917
Adjustment for change in reserve for unexpired risk													
Reserve created during the year	10,342,744	15,264,108	25,606,852	185,899	67,103	145,597	79,074	1,553,156	7,983,052	351	246,496	2,891,239	38,758,819
Less: Reserve created during the previous year written back	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
Change in the unexpired risk reserve (Refer note 2.8 of Schedule 16)	(380,606)	1,052,370	671,764	(1,075)	(1,945)	(16,978)	8,299	126,889	(653,215)	(49)	(150,416)	(593,632)	(610,358)
Total premium earned (Net)	20,237,181	28,648,022	48,885,203	477,208	134,789	292,527	99,021	2,444,678	17,335,876	1,244	5,375,351	3,162,378	78,208,275
Note :													
Premium income earned from business concluded:													
In India	20,237,181	28,648,022	48,885,203	477,208	134,789	292,527	99,021	2,444,678	17,335,876	1,244	5,375,351	3,162,378	78,208,275
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	20,237,181	28,648,022	48,885,203	477,208	134,789	292,527	99,021	2,444,678	17,335,876	1,244	5,375,351	3,162,378	78,208,275

Financial Statements for the financial year ended 31 March 2020

(₹ 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
Premium from direct business (net of service tax)	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 (Refer note 2.8 of Schedule 16)	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

*Refer note 2.3 (i) and 2.5 of Schedule 16 for accounting policy related to Premium income and Reinsurance accepted

Schedule - 2 Claims Incurred (Net)

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	For the year ended 31 March 2020				For the year ended 31 March 2019					
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Claims Paid										
Direct	3,918,133	1,020,179	1,176	62,429,761	67,369,249	3,403,545	1,323,608	19,992	52,899,014	57,646,159
Add: Re-insurance Accepted	41,894	5,704	-	12,607	60,205	64,186	1,724	-	2,344	68,254
Less: Re-insurance Ceded	2,406,584	254,361	1,168	21,830,000	24,492,113	2,449,481	501,226	18,320	15,945,130	18,914,157
Net Claims paid	1,553,443	771,522	8	40,612,368	42,937,341	1,018,250	824,106	1,672	36,956,228	38,800,256
Claims Outstanding (including IBNR and IBNER)										
Add : Claims Outstanding at the close of the year (net of Re-insurance)	1,777,548	699,250	15,153	81,089,030	83,580,981	1,508,662	683,089	14,478	66,264,204	68,470,433
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	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
Change in Claims Outstanding	268,886	16,161	675	14,824,826	15,110,548	378,638	149,486	(313)	8,776,037	9,303,848
Total Claims Incurred (Net)	1,822,329	787,683	683	55,437,194	58,047,889	1,396,888	973,592	1,359	45,732,265	48,104,104
Claims incurred										
In India	1,822,329	787,683	683	55,437,194	58,047,889	1,396,888	973,592	1,359	45,732,265	48,104,104
Outside India	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred (Net)	1,822,329	787,683	683	55,437,194	58,047,889	1,396,888	973,592	1,359	45,732,265	48,104,104

*Refer Schedule 2(A) for detailed segmental information for Miscellaneous lines of businesses

Refer note 2.10 and 2.11 of Schedule 16 for Claims incurred and Claims incurred but not reported and claims incurred but not enough reported

Schedule - 2 (A) Claims Incurred (Net)

Schedules to and forming part of the Financial Statements

(₹ in '000)

For the year ended 31 March 2020													
Particulars	Motor OD	Motor TP	Motor Total	Workmen's		Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
				Compensation / Employers' Liability	Public/ Product Liability								
Claims paid													
Direct	13,460,133	6,935,038	20,395,171	133,617	132,768	497,637	155,704	1,098,538	19,455,016	44,128	17,922,628	2,594,554	62,429,761
Add: Reinsurance accepted	-	-	-	-	-	10,099	-	-	2,508	-	-	-	12,607
Less: Reinsurance ceded	729,334	1,358,532	2,087,866	6,977	128,831	398,038	93,454	111,805	4,074,197	43,687	13,617,246	1,267,899	21,830,000
Net claims paid	12,730,799	5,576,506	18,307,305	126,640	3,937	109,698	62,250	986,733	15,383,327	441	4,305,382	1,326,655	40,612,368
Claims outstanding (including IBNR and IBNER)													
Add : Claims outstanding at the close of the year (net of reinsurance)	3,216,845	67,743,810	70,960,655	244,764	88,157	252,860	120,483	1,154,558	2,567,306	1,182	4,068,249	1,630,816	81,089,030
Less: Claims outstanding at the beginning 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	1,363,801	66,264,204
Change in claims outstanding	974,263	12,900,232	13,874,495	61,277	5,624	44,783	90,940	381,181	(538,441)	398	637,554	267,015	14,824,826
Total claims incurred (Net)	13,705,062	18,476,738	32,181,800	187,917	9,561	154,481	153,190	1,367,914	14,844,886	839	4,942,936	1,593,670	55,437,194
Claims incurred													
In India	13,705,062	18,476,738	32,181,800	187,917	9,561	154,481	153,190	1,367,914	14,844,886	839	4,942,936	1,593,670	55,437,194
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
Total claims incurred (Net)	13,705,062	18,476,738	32,181,800	187,917	9,561	154,481	153,190	1,367,914	14,844,886	839	4,942,936	1,593,670	55,437,194

Financial Statements for the financial year ended 31 March 2020

(₹ in '000)

For the year ended 31 March 2019

Particulars	Motor OD	Motor TP	Workmen's Compensation / Employers' Liability		Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
			Motor Total	Liability									
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

*Refer note 2.10 and 2.11 of Schedule 16 for Claims incurred and Claims incurred but not reported and claims incurred but not enough reported

Schedule - 3 Commission

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	For the year ended 31 March 2020				For the year ended 31 March 2019					
	Fire	Marine	Miscellaneous*	Total	Fire	Marine	Miscellaneous*	Total		
		Cargo	Others			Cargo	Others			
Commission paid direct	1,074,635	205,459	2,368	6,992,744	8,275,206	848,736	182,652	1,300	7,266,989	8,299,677
Add: Reinsurance accepted	44,308	-	-	8,079	52,387	23,249	-	-	8,735	31,984
Less: Commission on reinsurance ceded	2,561,298	48,361	8,408	4,793,189	7,411,256	1,055,553	34,614	2,905	3,491,438	4,584,510
Net commission	(1,442,355)	157,098	(6,040)	2,207,634	916,337	(183,568)	148,038	(1,605)	3,784,286	3,747,151
Break-up of commission paid direct :										
Agents	154,839	77,953	412	2,061,518	2,294,722	151,850	88,449	118	2,714,322	2,954,739
Brokers	401,116	122,252	1,856	2,702,089	3,227,313	208,839	91,394	968	2,638,204	2,939,405
Corporate agency	517,853	5,235	100	2,031,167	2,554,355	487,121	2,752	214	1,732,814	2,222,901
Referral	-	-	-	-	-	-	-	-	-	-
Others	827	19	-	197,970	198,816	926	57	-	181,649	182,632
Total	1,074,635	205,459	2,368	6,992,744	8,275,206	848,736	182,652	1,300	7,266,989	8,299,677
Commission paid										
In India	(1,442,355)	157,098	(6,040)	2,207,634	916,337	(183,568)	148,038	(1,605)	3,784,286	3,747,151
Outside India	-	-	-	-	-	-	-	-	-	-
Net commission	(1,442,355)	157,098	(6,040)	2,207,634	916,337	(183,568)	148,038	(1,605)	3,784,286	3,747,151

*Refer Schedule 3(A) for detailed segmental information for Miscellaneous lines of businesses

Schedule - 3 (A) Commission

Schedules to and forming part of the Financial Statements

(₹ in '000)

For the year ended 31 March 2020													
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	3,429,803	292,816	3,722,619	63,056	29,493	121,618	5,669	313,603	1,640,757	1,691	1,062	1,093,176	6,992,744
Add: Re-insurance accepted	-	-	-	-	-	7,926	-	-	-	-	-	153	8,079
Less: Commission on re-insurance ceded	(6,579)	79,220	72,641	5,040	25,041	226,826	6,338	20,530	1,166,970	8,247	977,486	2,284,070	4,793,189
Net commission	3,436,382	213,596	3,649,978	58,016	4,452	(97,282)	(669)	293,073	473,787	(6,556)	(976,424)	(1,190,741)	2,207,634
Commission paid													
In India	3,436,382	213,596	3,649,978	58,016	4,452	(97,282)	(669)	293,073	473,787	(6,556)	(976,424)	(1,190,741)	2,207,634
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
Net commission	3,436,382	213,596	3,649,978	58,016	4,452	7,927	(669)	293,073	473,787	(6,556)	(976,424)	(1,190,741)	2,207,634

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
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: Re-insurance accepted	-	-	-	-	-	7,846	-	-	-	-	-	889	8,735
Less: Commission on re-insurance 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

Schedule - 4 Operating Expenses Related to Insurance Business

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	For the year ended 31 March 2020				For the year ended 31 March 2019					
	Fire	Marine	Miscellaneous*	Total	Fire	Marine	Miscellaneous*	Total		
		Cargo	Others			Cargo	Others			
Employees' remuneration, benefits and other manpower costs (Net) (Refer note 2.16 and 19 of Schedule 16)	1,121,807	110,010	5,742	8,324,373	9,561,932	318,678	99,706	592	7,885,135	8,304,111
Travel, conveyance and vehicle running expenses	14,160	4,558	22	380,100	398,840	20,304	6,730	39	514,366	541,439
Training expenses	562	202	-	14,426	15,190	352	131	-	8,962	9,445
Rents, rates and taxes	13,881	4,997	12	353,184	372,074	12,422	4,612	14	315,852	332,900
Repairs and maintenance	4,835	1,741	4	129,957	136,537	4,021	1,493	4	102,239	107,757
Printing and stationery	9,503	1,426	1	237,110	248,040	11,090	1,950	1	216,290	229,331
Communication	13,185	1,979	1	323,796	338,961	15,956	3,783	8	341,875	361,622
Legal and professional charges	5,136	1,849	4	132,173	139,162	5,918	2,197	7	150,477	158,599
Auditors' fees, expenses, etc. (Refer note 39 of Schedule 16)										
(a) as auditors	302	109	-	7,589	8,000	284	105	-	7,211	7,600
(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	12	-	854	900
(c) In any other capacity	119	43	-	2,988	3,150	7	2	-	167	176
(d) Out of pocket expenses	76	27	-	1,904	2,007	35	13	-	897	945
Advertisement and publicity	20,632	7,428	17	633,002	661,079	28,284	10,502	32	719,136	757,954
Interest and bank charges	9,866	3,552	8	252,790	266,216	6,816	2,531	8	173,312	182,667
Business development and promotion	206,396	26,921	1,721	1,402,344	1,637,382	34,514	12,815	39	877,535	924,903
Marketing and support services	895,870	116,850	7,469	6,086,921	7,107,110	151,347	56,194	169	3,848,116	4,055,826
Service Charges	-	-	-	-	-	-	-	-	-	-
Other acquisition costs	35,120	1,810	289	198,184	235,403	6,217	2,308	7	158,070	166,602
Others										
Exchange (gain) /loss (net)	(749)	(270)	(1)	(18,814)	(19,834)	449	167	1	11,404	12,021
Miscellaneous expenses	20,338	7,215	19	562,594	590,166	26,356	9,604	32	672,604	708,596
Loss/(Profit) on disposal of assets (net)	(126)	(45)	-	(3,185)	(3,356)	(140)	(52)	-	(3,560)	(3,752)
Information technology	27,829	4,177	2	669,579	701,587	31,782	5,389	3	613,809	650,983
Depreciation (refer note 2.14 of Schedule 16)	18,808	6,771	16	478,359	503,954	16,244	6,031	18	413,016	435,309
GST /Service tax	-	-	-	298,454	298,454	4,670	1,734	5	118,747	125,156
Total	2,417,584	301,362	15,326	20,468,682	23,202,954	695,640	227,957	979	17,146,514	18,071,090

(Refer note 2.12 and 41 of Schedule 16)

* Refer Schedule 4(A) for detailed segmental information for Miscellaneous lines of businesses

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 2020

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Product/ Public/ Liability Liability		Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Employees' remuneration, benefits and other manpower costs (Net) (Refer note 2.16 and 19 of Schedule 16)	1,973,763	2,885,212	4,858,975	36,515	25,241	97,528	14,646	256,079	2,015,804	6,470	220,682	792,433	8,324,373
Travel, conveyance and vehicle running expenses	88,983	130,675	219,658	1,889	554	1,230	439	12,707	76,801	17	49,913	16,892	380,100
Training expenses	3,584	5,360	8,944	86	24	50	19	464	3,011	-	1,256	572	14,426
Rents, rates and taxes	88,490	132,359	220,849	2,122	592	1,228	478	11,460	74,528	5	27,798	14,124	353,184
Repairs and maintenance	30,826	46,108	76,934	739	206	428	167	3,992	26,168	2	16,400	4,921	129,957
Printing and stationery	32,055	47,808	79,863	244	22	96	37	25,775	39,252	-	41,875	49,946	237,110
Communication	44,474	66,331	110,805	338	31	133	52	35,761	50,833	1	56,545	69,297	323,796
Legal and professional charges	32,744	48,977	81,721	785	219	454	177	4,241	28,713	2	10,633	5,228	132,173
Auditors' fees, expenses, etc. (Refer note 39 of Schedule 16)													
(a) as auditor	1,927	2,882	4,809	46	13	27	10	250	1,619	-	507	308	7,589
(b) as advisor or in any other capacity in respect of:	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Tax Audit	217	324	541	5	1	3	1	28	182	-	57	36	854
(c) In any other capacity	759	1,135	1,894	18	5	11	4	98	637	-	200	121	2,988
(d) Out of pocket expenses	483	723	1,206	12	3	7	3	63	406	-	127	77	1,904
Advertisement and publicity	131,531	196,737	328,268	3,154	880	1,825	711	17,034	111,401	8	148,727	20,994	633,002
Interest and bank charges	62,897	94,078	156,975	1,508	421	873	340	8,146	57,586	4	16,897	10,040	252,790
Business development and promotion	340,394	507,682	848,076	8,262	6,937	25,700	4,223	44,329	315,895	1,937	-	146,985	1,402,344
Marketing and support services	1,477,491	2,203,612	3,681,103	35,863	30,109	111,551	18,332	192,413	1,371,154	8,407	-	637,989	6,086,921
Other acquisition costs	13,019	19,473	32,492	15	139	2,578	6,792	7,666	48,837	-	89,522	10,143	198,184
Others													
Exchange (gain) /loss (net)	(4,777)	(7,146)	(11,923)	(115)	(32)	(66)	(26)	(619)	(4,014)	-	(1,257)	(762)	(18,814)
Miscellaneous expenses	131,875	195,515	327,390	3,052	856	1,790	690	16,971	107,762	10	82,635	21,438	562,594
Loss/(Profit) on disposal of assets (net)	(800)	(1,197)	(1,997)	(19)	(5)	(11)	(4)	(104)	(672)	-	(244)	(129)	(3,185)
Information technology	93,869	140,002	233,871	714	65	281	109	75,479	94,677	1	118,120	146,262	669,579
Depreciation (refer note 2.14 of Schedule 16)	119,906	179,349	299,255	2,875	802	1,664	648	15,529	101,428	7	37,012	19,139	478,359
GST /Service tax	62,783	93,908	156,691	-	-	-	-	1,073	22,148	-	1,17,617	925	298,454
Total	4,726,493	6,989,907	11,716,400	98,108	67,083	247,380	47,848	728,835	4,544,156	16,871	1,035,022	1,966,979	20,468,682

Financial Statements for the financial year ended 31 March 2020

(₹ 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
				Liability	Liability									
Employees' remuneration, benefits and other manpower costs (Net) (Refer note 2.16 and 19 of Schedule 16)	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. (Refer note 39 of Schedule 16)														
(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 note 2.14 of Schedule 16)	111,393	146,412	257,805	2,431	806	1,485	535	13,438	104,179	6	15,338	16,993	413,016	
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	

*(Refer note 2.12 and 41 of Schedule 16)

Schedule - 5 Share Capital

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised capital		
125,000,000 (previous year :125,000,000) Equity shares of Rs 10 each	1,250,000	1,250,000
Issued capital		
110,227,250 (previous year :110,227,250) Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
Subscribed capital		
110,227,250 (previous year :110,227,250) Equity Shares of Rs 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 Rs 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 2020		As at 31 March 2019	
	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 2020	As at 31 March 2019
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	56,748,070	48,089,148
Total	58,414,267	49,755,345

Schedule - 7 Borrowings

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2020	As at 31 March 2019
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 2020	As at 31 March 2019
Long term investments		
1 Government securities and		
Government guaranteed bonds including Treasury bills	16,538,010	20,231,606
2 Other approved securities	-	-
3 Approved Investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	4,831,625	3,061,545
- Fair Value Change Accretion/(Diminution)	(905,121)	259,094
(bb) Preference Shares	-	-
(b) Mutual funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	225,080	1,712,734
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
Less : Accumulated depreciation	-	-
4 Investments in Infrastructure and Housing Sector	7,787,683	6,831,432
5 Other investments		
(a) Shares		
(aa) Equity	127,500	127,500
- Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference	-	-
(b) Debenture/Bonds	374,800	771,709
(c) Other securities - Loan	-	-
Sub-Total (A)	28,979,577	32,995,620
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
- Fair Value Change Accretion/(Diminution)	-	624
(c) Derivative instruments	-	-
(d) Debenture/Bonds	497,424	290,003
(e) Other securities (Note no 6)	-	-
(f) Subsidiaries	-	-
4 Investments in Infrastructure and Housing Sector	2,636,015	1,600,470
5 Other Investments		
(a) Shares	-	-
(b) Mutual Funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Debenture/Bonds	18,750	1,029,194
Sub-Total (B)	3,152,189	3,490,091
Total	32,131,766	36,485,711
Investments		
In India	32,131,766	36,485,711
Outside India	-	-
Total	32,131,766	36,485,711

*Investments are segregated into Policyholders' and Shareholders' fund as per the directions from IRDAI - Refer note no. 2.15 of Schedule 16 NOTES:

- All the above investments are performing assets.
- Investments maturing within next 12 months are Rupees 3,152,189 thousand (Previous year Rupees 3,490,091 thousand)
- Investment other than Equities and Derivative instruments
Aggregate value of Investments as at 31 March 2020 Rupees 28,077,762 thousand (Previous year Rupees 32,467,148 thousand)
Market value as at 31 March 2020 Rupees 28,928,778 thousand (Previous year Rs 32,631,050 thousand)
- Value of contracts in relation to investments where deliveries are pending Rupees Nil thousand (Previous year Rupees 565,981) and in respect of Sale of investments where payments are due Rupees 744,770 thousand (Previous year Rupees Nil thousand).
- Equity includes investments qualifying for Infra and Housing sector Rupees 301,785 thousand (Previous year Rupees 129,486 thousand)
- Short term other approved securities includes Fixed Deposit of Rupees Nil (Previous year Rupees Nil thousand)
- Investments in subsidiary/holding Company Rupees Nil thousand (Previous year Rupees Nil thousand)
- Investments in other related entities Rupees Nil thousand (Previous year Rupees Nil thousand) - refer note 15 of Schedule 16 for related party transactions
- Investments in Catastrophe reserve Rupees Nil thousand (Previous year Rupees Nil thousand)
- Debt securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any
- Refer note 2.3 (ii), (iii), (iv), (v), 2.13 and 2.15 of Schedule 16 for accounting policy related to Investments and income on investments

Schedule - 8A Investments - Policyholders

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2020	As at 31 March 2019
Long term investments		
1 Government securities and		
Government guaranteed bonds including Treasury bills	63,285,995	51,895,445
2 Other approved securities	-	-
3 Approved investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	14,448,705	10,164,973
- Fair Value Change Accretion/(Diminution)	(2,190,354)	521,709
(bb) Preference shares	-	-
(b) Mutual funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	16,665,696	18,447,295
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
Less : Accumulated depreciation	-	-
4 Investments in Infrastructure and Housing Sector	29,911,743	34,727,423
5 Other Investments		
(a) Shares		
(aa) Equity	297,500	297,500
- Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference	330,252	732,500
(b) Debenture/Bonds	1,367,104	426,713
(c) Other securities - Loan	-	-
Sub-Total (A)	124,116,641	117,213,558
Short term investments		
1 Government securities and		
Government guaranteed bonds including Treasury bills	4,644,986	2,299,559
2 Other approved securities	-	-
3 Approved investments		
(a) Shares		
(aa) Equity Shares	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference shares	-	350,000
(b) Mutual funds	-	1,104,700
- Fair Value Change Accretion/(Diminution)	-	1,035
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	8,460,790	4,043,146
(e) Other securities (Note no 6)	250,000	450,000
(f) Subsidiaries	-	-
4 Investments in Infrastructure and Housing Sector	12,995,161	5,564,347
5 Other Investments		
(a) Shares		
(aa) Equity Shares	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference Shares	402,500	-
(b) Mutual funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Debenture/Bonds	43,750	185,701
(d) Other securities - Loan	-	166,672
Sub-Total (B)	26,797,187	14,165,160
Total	150,913,828	131,378,718
Investments		
In India	150,913,828	131,378,718
Outside India	-	-
Total	150,913,828	131,378,718

*Investments are segregated into Policyholders' and Shareholders' fund as per the directions from IRDAI - Refer note no. 2.15 of Schedule 16

NOTES:

- All the above investments are performing assets.
- Investments maturing within next 12 months are Rupees 26,797,186 thousand (Previous year Rupees 14,165,160 thousand)
- Investment other than Equities and Derivative instruments
Aggregate value of Investments as at 31 March 2020 Rupees 138,357,976 thousand (Previous year Rupees 119,288,800 thousand)
Market value as at 31 March 2020 Rupees 142,242,775 thousand (Previous year Rs 119,821,139 thousand)
- Value of contracts in relation to investments where deliveries are pending Rupees 769,327 (Previous year Rupees 636,218 thousand) and in respect of sale of investments where payments are due Rupees Nil (Previous year Rupees Nil thousand).
- Equity includes investments qualifying for Infra and Housing sector Rupees 704,032 thousand (Previous year Rupees 302,134)
- Short term other approved securities includes Fixed Deposit of Rupees 250,000 thousand (Previous year Rupees 450,000)
- Investments in subsidiary/holding Company Rupees Nil thousand (Previous year Rupees Nil thousand).
- Investments in other related entities Rupees 8,504,018 thousand (Previous year Rupees 4,405,378 thousand) - refer note 15 of Schedule 16 for related party transactions
- Investments in Catastrophe reserve Rupees Nil thousand (Previous year Rupees Nil thousand)
- Debt securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.
- Refer note 2.3 (ii), (iii), (iv), (v), 2.13 and 2.15 of Schedule 16 for accounting policy related to investments and income on investments.

Schedule - 9 Loans

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2020	As at 31 March 2019
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	-	-

Note:
Short-term loans include those, which are repayable within 12 months from the date of Balance Sheet. Long term loans are the loans other than short-term loans.

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 2019	Additions during the year	Deductions during the year	As at 31 March 2020	As at 1 April 2019	For the Year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	
Goodwill	-	-	-	-	-	-	-	-	-	
Intangibles - Computer Softwares	638,736	349,475	1,500	986,711	437,700	124,749	1,500	560,949	425,762	201,036
Land - Freehold	-	846,212	-	846,212	-	-	-	-	846,212	-
Leasehold Improvements	196,038	19,813	10,381	205,470	128,712	40,005	9,134	159,583	45,887	67,326
Freehold Improvements	24,177	-	75	24,102	24,177	-	75	24,102	-	-
Buildings*	2,687,834	-	-	2,687,834	384,483	43,996	-	428,479	2,259,355	2,303,351
Furniture and Fittings	604,716	35,282	29,329	610,669	435,347	68,541	26,685	477,203	133,466	169,369
Information Technology Equipment	1,033,739	134,912	95,074	1,073,577	648,536	163,992	94,863	717,665	355,912	385,203
Vehicles	46,644	41,453	3,508	84,589	19,788	14,386	2,555	31,619	52,970	26,856
Office Equipment	421,886	42,447	38,971	425,362	338,769	48,285	38,034	349,020	76,342	83,117
Others	-	-	-	-	-	-	-	-	-	-
Total	5,653,770	1,469,594	178,838	6,944,526	2,417,512	503,954	172,846	2,748,620	4,195,906	3,236,258
Capital work-in-progress & advances									99,666	207,651
Grand Total	5,653,770	1,469,594	178,838	6,944,526	2,417,512	503,954	172,846	2,748,620	4,295,572	3,443,909
Previous year	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

(Refer note 2.14 of Schedule 16)

* Include share of undivided portion of Land, along with office premises, at an estimated cost of Rs.19,177 thousand (Previous year Rs. 19,177 thousand)
None of the software are internally generated

Schedule 11 - Cash and bank balances

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2020	As at 31 March 2019
1. Cash and stamps on hand	9,646	42,539
2. Cheques on hand	811,784	803,907
3. Bank balances		
(a) Deposit accounts		
(aa) Short term (due within 12 months)	1,820,520	640,463
(bb) Others	-	-
(b) Current accounts	3,117,727	3,070,663
(c) Others	-	-
4. Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	-	-
5. Others	-	-
Total	5,759,677	4,557,572
Balance with non-scheduled Banks included in (3) above	260,059	113,420
Cash and bank balances		
In India	5,499,618	4,444,152
Outside India	260,059	113,420
Total	5,759,677	4,557,572

Schedule - 12 Advances and other assets

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances		
1. Reserve deposits with ceding companies	-	-
2. Application money for investments	-	-
3. Prepayments	103,610	160,651
4. Advances to Directors / Officers	-	-
5. Advance tax paid and taxes deducted at source	709,150	1,013,118
6. Others		
(a) Advance to employees	842	1,704
(b) Advances recoverable	615,580	1,133,369
Less: Provision for doubtful advances	(1,556)	(1,741)
	614,024	1,131,628
(c) Unutilised Tax Credit carried forward		
- Service Tax	-	-
- Goods and service Tax (GST)	1,909,873	241,340
(d) Unsettled investment contract receivable	744,770	-
Total (A)	4,082,269	2,548,441
Other assets		
1. Income accrued on investments	4,828,895	4,044,318
2. Outstanding premiums	12,709,430	10,466,006
3. Agents' balances	502,360	125,683
Less: Provision for doubtful recoveries	(44,516)	(34,440)
	457,844	91,243
4. Foreign agencies balances	-	-
5. Due from other entities carrying on insurance business, including reinsurers (net)	2,421,341	2,275,303
Less : Provision for doubtful amounts	-	-
	2,421,341	2,275,303
6. Due from subsidiary / holding companies	-	-
7. Others		
a) Other Deposits	319,068	308,848
b) Investment of Unclaimed amounts of Policyholders' (Refer note 24 of Schedule 16)	99,454	104,451
Total (B)	20,836,032	17,290,169
Total (A + B)	24,918,301	19,838,610

Schedule - 13 Current liabilities

Schedules to and forming part of the Financial Statements

Particulars	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
1. Agents' balances	1,136,182	1,552,059
2. Balances due to other insurance companies including reinsurers (net)	12,132,834	13,882,103
3. Premiums received in advance	11,390,057	6,567,583
4. Unallocated premium	4,532,671	3,790,599
5. Sundry creditors (Refer note 22 of Schedule 16)	3,547,047	3,679,474
6. Claims outstanding (Net)	83,580,981	68,470,433
7. Solatium fund (Refer note 2.20 of Schedule 16)	139,782	108,470
8. Due to policyholders/ insured	12,243	15,013
9. Unclaimed amount of Policyholders' (Refer note 24 of Schedule 16)	71,946	66,915
10. Others		
(a) Goods and Service tax payable (GST)	849,478	988,576
(b) Statutory dues	222,421	386,836
(c) Unsettled investment contract payable	769,327	1,202,199
11. Temporary Overdraft as per the books of accounts only	1,347,223	54,961
Total	119,732,192	100,765,221

Schedule - 14 Provisions

Schedules to and forming part of the Financial Statements

Particulars	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
1. Reserve for unexpired risk (Refer note 2.8 of Schedule 16)	41,848,578	43,750,776
2. Premium deficiency (Refer note 2.9 and note 10 of Schedule 16)	-	-
3. Provision for income tax (Refer note 2.21 and note 18 of Schedule 16)	203,089	690,036
4. Provision for Standard Asset (Refer note 37 of Schedule 16)	-	667
5. Others (Refer note 2.16 and note 19 of Schedule 16):		
For employee benefits		
(a) Gratuity	-	-
(b) Compensated absences	108,611	103,332
(c) Long term incentive plan	343,565	297,458
Total	42,503,843	44,842,269

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 2020	As at 31 March 2019
Discount allowed in issue of shares/debentures	-	-
Others	-	-
Total	-	-

Schedule – 16

Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2020

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 (including Motor, Health, etc.) 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. The management evaluates all newly issued or revised accounting pronouncements on an ongoing basis to ensure due compliance.

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 rupees 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 goods and service tax), 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 instalment cases, it is recognized on instalment due dates.

In case of long term motor insurance policies, premium is recognized on a yearly basis as mandated by IRDAI.

Any subsequent revisions to premium, as and when occur, are recognized in the year 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.

Crop insurance premium under government schemes are recognized 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 debt securities

Profit or loss on sale/redemption of debt securities is the difference between the net sale consideration and the amortized cost computed on weighted average basis as on the date of sale.

v) Profit / loss on sale of Equity shares and Mutual fund

Profit or loss on sale/redemption of equity shares and mutual fund units is the difference between the net sale consideration and the weighted average cost in the books of the Company. Profit or loss on sale/redemption of such securities is recognized on trade/redemption date and includes effects of accumulated fair value changes, as applicable and previously recognized.

vi) 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. In case of long term motor insurance policies, commission is expensed at the applicable rates on the premium allocated for the year.

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 lines 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. As per IRDAI circular IRDA/F&A/CIR/FA/126/07/2013, dated 3 July 2013 (Corrigendum to Master Circular IRDA/F&I/CIR/F&A/231/10/2012, dated 5 October 2012), premium deficiency, if any, has been recognized at Segmental Revenue Account Level. The expected claim costs are 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

As required by IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, the Company has a Board approved policy for allocation and apportionment of expenses of management amongst various business segments. The expenses of management 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 driver of apportionment (including gross written premium, net written premium, number of policies, etc.) for respective functions. Operating expenses which are not attached to specific functions are apportioned based on the most suitable driver (including gross written premium, net written premium, number of policies, etc.) of apportionment at Company level.

2.13 Income from Investments: Segregation between Policyholders' and Shareholders' funds

Income earned from investments and 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. 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 Rs. Twenty thousand are depreciated fully in the year of acquisition.

Subsequent expenditure incurred on tangible assets is expensed out except where such expenditure results in an increase in future benefits from the existing assets beyond its previously assessed standard of performance.

In respect of liabilities incurred in acquisition of fixed assets in foreign exchange, the net gain or loss arising on conversion/settlement is charged to the Revenue Account.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Revenue Account when the asset is de-recognized.

Depreciation on 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

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

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

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. Significant expenditure on improvements to software are capitalized when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent expenditures are amortized over the remaining useful life of original software. The management has estimated the useful life for such software as three years except in case of the newly implemented Policy Administration System where the useful life is estimated as ten years (as against the maximum useful life of ten years prescribed under AS 26 for intangible assets).

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.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Revenue Account when the asset is de-recognized.

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

- i) 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.
- ii) 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 made and accounted for in accordance with the Insurance Act, 1938, as amended from time to time including the amendment brought by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority of India (Investments) Regulations, 2016 as amended from time to time, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and various other circulars/notifications issued by the IRDAI in this context from time to time.

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 - 4 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". The Company continues to follow the practice of segregating 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. The said practice has been communicated to IRDAI.

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 considered to be a part of Equity, are valued at applicable Market Yield Rates published by any rating agency registered with Securities Exchange Board of India (SEBI).

Money market instruments (including treasury bills, certificate of deposits, commercial papers, collateralized borrowing & lending obligation - CBLO and Tri-Party Repo - TREPs) are valued at historical cost and adjusted for amortization of premium or accretion of discount, as may be the case, over the period of maturity/holding on a straight-line basis.

Equity Shares

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.

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.

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 but not available for distribution as dividend.

Impairment of investment

The Company assesses at each Balance Sheet date whether there is any evidence of impairment of any investments. In case of impairment, the carrying value of such investment is reduced to its fair value and the impairment loss is recognized in the Profit and Loss Account after adjusting it with previously recognized revaluation reserve/fair value change account. However, at the Balance Sheet date if there is any indication that a previously recognized impairment loss no longer exists, then such loss is reversed and the investment is restated 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. All short term employee benefits are accounted on undiscounted basis.

ii) Long Term post-employment benefits - defined benefit plan

The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972 or the Company's gratuity plan, whichever is higher. The Company accounts for liability for future gratuity benefits based on independent actuarial valuation under revised Accounting Standard 15 (AS 15) on 'Employee Benefits'. Contributions towards gratuity liability of the Company are made to the Bajaj Allianz General Insurance Company Limited Employees Group Gratuity cum Life Assurance Scheme Trust, which is administered by the Company. The gratuity liability of the Company is actuarially determined at the Balance Sheet date using the 'projected unit credit method'.

The Company contributes towards net liabilities to the Bajaj Allianz General Insurance Company Limited, Employees Group Gratuity cum Life Assurance Scheme. The Company recognizes the net obligation of the Scheme in Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS 15) (revised 2005), 'Employee benefits'. The discount rate used for estimation of liability is based on Government securities yield. Gain or loss arising from change in actuarial assumptions/ experience adjustments is recognized in the Revenue Account for the period in which they emerge. Expected long term rate of return on assets has been determined based on historical experience and available market information.

iii) Long Term post-employment benefits - defined contribution plans

“Superannuation: The Company has established a defined contribution scheme for superannuation to provide retirement benefits to its employees. This superannuation scheme (Bajaj Auto Employee Superannuation Scheme) has been established along with the Company’s promoter group. Contributions to this scheme are made by the Company on an annual basis and charged to the Revenue Account, as applicable. The expenses are booked on an undiscounted basis. The Company has no further obligation beyond the monthly contribution.”

Provident fund: Each eligible employee and the Company make contribution at a percentage of the basic salary specified under the Employee Provident Funds and Miscellaneous Provisions Act, 1952. The Company recognizes contributions payable to the Provident fund scheme as an expenditure when the employees render the related service. The Company has no further obligations under the plan beyond its periodic contributions.

National Pension Scheme contributions: For eligible employees, the Company makes contributions to National Pension Scheme. The contributions are charged to the Revenue Account, as relevant, in the year the contributions are made.

Other contributions: The Company makes contributions to Employee Labour Welfare Fund, Employee’s State Insurance Corporation and Employee Deposit Linked Insurance Schemes. The contributions are charged to the Profit and Loss and Revenue Account, as relevant, in the year the contributions are made.

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.

vi) Employee Stock Option plan (ESOP)

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, which is the difference between market price of the underlying stock and the exercise price on the grant date is amortized over the vesting period with a charge to the Revenue Account. Options that lapse are reversed by a credit to Revenue Account equal to the amortized portion of the value of the lapsed options. The Company administers its ESOP scheme through the Bajaj Finserv ESOP Trust, as the settler of the trust for its part.

2.17 Foreign currency transactions

“In accordance with the requirements of Accounting Standard (AS) 11, “The Effects of Changes in Foreign Exchange Rates”, transactions, foreign currency transactions are initially recognized in Indian Rupees, by applying the exchange rate between the Indian Rupee and the foreign currency at the date of the transaction.”

Subsequent conversion on reporting date of foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences are recognized as income or as expenses in the period in which they arise.

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 Rupees 20,000,000 thousand (Previous year Rupees 20,000,000 thousand) 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" applicable with effect 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 immediately preceding financial year.

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.

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 breakup 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.

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 2020	31 March 2019
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	1,759,147	1,439,163
6	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

Notes:

1. Includes a demand from the tax authorities towards recovery of amount of Cenvat credit availed by the Company. The matter is in appeal before CESTAT. The Company is in conformity with various legal and judicial pronouncements / opinions and believes its position is tenable under the respective regulations. During the year an additional demand of Rs. 319,984 thousand has been made by the tax authorities on the same matter.
2. The requirement to disclose any amount transferred to Senior Citizen Welfare Fund (SCWF) has been withdrawn vide IRDAI circular no. IRDA/F&A/CIR/MISC/105/07/2018, dated 11 July 2018.

4. Additional Disclosures on Expenses

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 2020	31 March 2019
Outsourcing expenses	3,691,720	2,280,855
Business development	1,637,282	924,903
Marketing support	7,107,110	4,055,826

5. Capital commitments

Commitments made and outstanding for acquisition of fixed assets amount to Rupees 592,154 thousand (Previous year Rupees 542,697 thousand).

6. Actuarial methodology

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 credible data is available, the Actuary has chosen to adopt the Chain Ladder Method. The Chain Ladder Method has accordingly been applied to Motor excluding Standalone CPA, Fire, Marine Cargo, Engineering, Package, Rural, Extended Warranty, Personal Accident excluding PMSBY, Workmen's Compensation, Health excluding govt Scheme,

Travel, Motor CVTP Pool and Miscellaneous lines of business. These constitute almost 91.5% of the Company's total Net IBNR Reserves as on 31 March 2020. Other than this, frequency-severity method, expected ultimate loss ratio method or fixed IBNR method have also been used. These IBNR reserves include Margin for Adverse Deviation and reserves for Unallocated Loss Adjustment Expenses (ULAE) for the claims up to 31 March 2020.

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

- Claims settled and outstanding for more than six months – Rupees Nil (Previous year – Rupees Nil).
- Claims made in respect of contracts exceeding four years – Rupees Nil (Previous year – Rupees Nil)

8. Premium with varying risk pattern

Extent of premium income recognized based on varying risk pattern – Rupees Nil (Previous year – Rupees Nil).

9. Computation of managerial remuneration

(₹ in '000)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Mr. Tapan Singhel		
• Salary, allowances and bonus (Including contributions to funds)	116,266	95,135
• Perquisites	1,570	1,717

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.

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 Rupees 15,000 thousand has been charged to Profit and Loss Account.

10. Premium deficiency

The Company has provided Premium Deficiency Rupees Nil thousand (Previous year – Rupees 44,071 thousand) as per IRDAI regulatory guideline - refer Schedule 16 note 2.9.

11. Rural and Social obligation

Percentage of business sector – wise (Based on gross direct premium):

(₹ in '000, Count – numbers)

Business sector	For the year ended 31 March 2020				For the year ended 31 March 2019			
	GDP	No. of Policies	No of Lives	% of GDP	GDP	No. of Policies	No of Lives	% of GDP
Rural	10,122,333	1,880,163	-	7.92	8,950,682	2,446,745	-	8.09
Social	4,050	447	4,696,948	0.00	11,882	998	4,284,720	0.01
Urban	117,671,329	24,994,588	-	92.08	101,631,548	18,272,585	-	91.90
Total	127,797,712	26,875,198	18,758,407	100	110,594,112	20,720,328	22,769,357	100

As against the rural contribution of 7% of GDP mandated by IRDAI, the Company's rural contribution is 7.92%. As against the requirement of 5% of the total lives written in previous year, the Company has written 20.63% of total lives written in previous year under the social sector.

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 2020 % age of business written	For the year ended 31 March 2019 % age of business written
Risk Retained	64%	72%
Risk Insured	36%	28%
Total	100%	100%

13. Contribution to Environment Relief Fund

The Company has collected an amount of Rupees 5,400 thousand (Previous year - Rupees 5,299 thousand) towards Environment Relief Fund from public liability policies. The Company has paid all the funds collected towards Environment Relief Fund up to 29 February 2020 to United India Insurance Company, the implementing agency for the fund. The balance payable amounting to Rupees 286 thousand (Previous year Rupees 330 thousand) has been disclosed under the head current liabilities in schedule 13.

14. Segmental reporting

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

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. Operating lease payments

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	31 March 2020	31 March 2019
Payable not later than one year	43,093	51,130
Payable later than one year but not later than five years	32,065	51,414
Payable later than five years	-	-

- Amount charged to Revenue Accounts in respect of all lease arrangements aggregates Rupees 365,575 thousand (Previous year Rupees 325,402 thousand).
- 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	FY 2020	FY 2019
Profit after Tax		
Basic earnings before extra-ordinary items [A] ₹	9,987,770	7,798,583
Basic earnings after extra-ordinary items [B] ₹	9,987,770	7,798,583
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] ₹	₹ 90.61	₹ 70.75
Basic and diluted earnings per share after extraordinary items [B/C] ₹	₹ 90.61	₹ 70.75

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 Taxation Laws (Amendment) Act, 2019 has amended the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019 by inserting section 115BAA which provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. The Company has elected to exercise the option and has accordingly recognized Provision for Income Tax for the year ended 31 March 2020. Owing the said change, the Company has re-measured the opening balance of Deferred Tax Assets as at 1 April 2019 at the lower tax rate prescribed in the said section leading to a reversal of Rs. 431,687 thousand for the year ended 31 March 2020.

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	31 March 2020	31 March 2019
Timing difference on account of -		
Reserve for unexpired risks	220,293	1,416,834
Employee Benefits	27,335	36,108
Long Term Incentive Plan	86,469	103,944
Provision for doubtful debts	11,595	12,643
Solatium fund	35,180	37,904
Provision for diminution in value of Investments	465,737	197,066
Total	846,609	1,804,499
Deferred tax liability		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	-208,652	-261,448
Net deferred tax asset	637,957	1,543,051
Deferred Tax (income) / expense recognized in the Profit and loss account	905,094	-1,011,693

During the financial year ended 31 March 2020, the current tax includes reversal of income tax provision of Rupees Nil thousand (Previous year – Rupees 33,472 thousand) for earlier years being difference between tax liability as per return of income and tax liability provided in books of account.

The Current tax for the financial year ended 31 March 2020 includes provision of income tax of Rupees 11,578 thousand (Previous year – Rupees Nil) for earlier years.

19. Employee benefit plans

i. Defined contribution plan

The Company has recognized following amounts in the Revenue and the Profit and Loss account, as relevant, for the year in respect of contribution towards defined contribution plans:

(₹ in '000)

Particulars	31 March 2020	31 March 2019
Provident fund*	161,129	120,362
Superannuation scheme	5,052	4,243
Employees state insurance corporation	5,163	7,012
Labour welfare fund	390	370
Contribution to National Pension Scheme	21,305	15,653
Total	193,039	147,640

*Note: In February 2019, the Supreme Court had delivered ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Company has implemented the above ruling w.e.f. 1 April 2019. The Company, in the interest of its employees, further awaits clarity on the complexities revolving around the retrospective 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.

ii. Defined benefit plan (gratuity)

The Gratuity plan of the Company provides for a lump-sum payment to vested employees at retirement/termination/death or on resignation from employment. The payment is based on employee's last drawn salary and number of years of employment with the Company. The actuarial valuation of gratuity liability of the Company is determined at each Balance Sheet date using projected unit cost method. 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 2020	31 March 2019
Current service cost	56,932	47,110
Interest cost on defined benefit obligation	30,203	26,886
Expected return on plan assets	(-26,715)	(-23,689)
Net actuarial loss recognized in the year	(-12,483)	33,391
Net benefit expense	47,937	83,698
Actual return on plan assets	37,278	22,369

II. Balance Sheet

(i) Details of provision for gratuity

(₹ in '000)

Particulars	31 March 2020	31 March 2019
Defined benefit obligation	498,581	437,009
Fair value of plan assets	-505,472	-445,557
Net liability/(asset) recognized in the Balance Sheet	-6,891	-8,548

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

(₹ in '000)

Particulars	31 March 2020	31 March 2019
Opening defined benefit obligation	437,009	366,834
Interest cost	30,203	26,886
Current service cost	56,932	47,110
Benefits paid	(-23,643)	(-35,892)
Actuarial losses/(gains) on obligation	(-1,920)	32,071
Closing defined benefit obligation	498,581	437,009

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

(₹ in '000)

Particulars	31 March 2020	31 March 2019
Opening fair value of plan assets	445,557	371,599
Expected return	26,715	23,689
Contributions by employer	46,280	87,480
Benefits paid	(-23,644)	(-35,892)
Actuarial (losses)/gains	10,564	(-1,320)
Closing fair value of plan assets	505,472	445,557

The Company expects to contribute Rupees 90,000 thousand to gratuity in FY 2021

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

Particulars	31 March 2020 %	31 March 2019 %
Investments with insurer	100	100
Asset allocation:		
Government securities	67	56
Debentures and bonds	19	37
Fixed deposits	2	2
Money market instruments	2	0
Others	10	5

- (v) The principal assumptions used in determining the benefit obligations for the Company's gratuity plans are shown below:

Particulars	31 March 2020	31 March 2019
	%	%
Discount rate	5.45	6.80
Expected rate of return on assets	5.50	6.75
Increase in compensation cost	7	10

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:

Particulars	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Defined benefit obligation	498,581	437,009	366,834	304,976	198,707
Plan assets	505,472	445,557	371,599	304,976	198,707
Surplus / (deficit)	6,891	8,548	4,765	-	-
Experience adjustments on plan liabilities	34,067	37,820	35,834	57,349	8,992
Experience adjustments on plan assets	10,562	-1,320	-4,835	7704	861

(₹ in '000)

iii) Other long-term benefits

Compensated absence

Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Particulars	31 March 2020	31 March 2019
Defined benefit obligation	108,611	103,332
Expenses Recognized in the Profit and Loss Account and Revenue Account During the year	105,159	71,543
Actuarial assumptions used		
Discount rate	5.45%	6.80%
Salary escalation rate*	7.00%	10.00%
Mortality Table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

(₹ in '000)

* Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Long-term incentive plans

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Particulars	(₹ in '000)	
	31 March 2020	31 March 2019
Defined benefit obligation	343,565	297,458
Expense recognized in income statement during the year	136,198	125,421
Actuarial assumptions used		
Discount rate	5.45%	6.80%
Attrition rate	5.00%	5.00%

Employee Stock Options Plans

The Company has allotted stock options to eligible employees under Employee Stock Option Scheme 2018 (ESOP 2018) and Employee Stock Option Scheme 2019 (ESOP 2019). These grants have 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 (holding company). Details of each scheme is as follows:

Particulars	ESOP 2019 No of options	ESOP 2018 No of options
Date of Grant	16 May 2019	19 July 2018
No. of Options Granted	45,200	16,625
Exercise Price	₹ 7,454.70	₹ 6,365.70
Graded Vesting Period:		
1st Year	34%	34%
2nd Year	33%	33%
3rd Year	33%	33%

This scheme is administered by the Bajaj Finserv Employee Stock Option Trust with the company as the settler for its scheme. The exercise price under the scheme is based on the fair value (Market Value) of the shares on the grant date.

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 recognized in the books.

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

Particulars	FY 2020		FY 2019	
	ESOP 2019	ESOP 2018	ESOP 2019	ESOP 2018
Outstanding at the beginning of the year	-	15,900	-	-
Granted during the year*	45,200	1,725	-	16,625
Forfeited/lapsed during the year	825	182	-	725
Exercised during the year	-	130	-	-
Outstanding at the end of the year	44,375	17,313	-	15,900
Exercisable at the end of the year	-	5,879	-	-

* Including transfer in within group companies

Had the Company followed the fair value method for valuing its options, the charge to the Revenue Account for the year would have been higher by Rs. 61,028 thousand (Previous year Rs.10,678 thousand) and the profit after tax would have been lower by Rs. 44,351 thousand (Previous year Rs 7,200 thousand). Consequently, Company's basic and diluted earnings per share would have been Rs. 90.21 (Previous year: Rs.70.68).

The fair value of options has been calculated using the Black-Scholes model. The fair value on the date of grant and the key assumptions used in Black-Scholes model for calculating fair value of each option are as follows:

Particulars	(₹ in '000)	
	31 March 2020	31 March 2019
Weighted average fair value on the date of grant	₹ 2,240.09	₹ 1,930.46
Risk-free interest rate	7.56%	8.07%
Expected life	One year after Vesting	One year after Vesting
Expected Volatility	30.40%	29.65%
Expected dividend yield	₹ 1.75 Per share	₹ 1.75 Per share

* Based on historical stock prices using annualized standard deviation of daily change in stock price.

20. Summary financial statements

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 related to Policyholders' and Shareholders' investments

Expenses directly identifiable with investment activity of Shareholders' funds amounting to Rupees 18,070 thousand (previous year Rupees 14,304 thousand) 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 Rupees 50,645 thousand (previous year Rupees 38,398 thousand) which could be apportionable towards investments activity of Policyholders' funds. Out of the said, expenses amounting to Rupees 13,010 thousand (previous year Rupees 15,487 thousand) has been computed on the basis of number of documents, income or staff cost as appropriate.

22. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

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 2020 as follows:

Sr. No.	Particulars	(₹ in '000)	
		31 March 2020	31 March 2019
i)	The principal amount remaining unpaid to any supplier as at the end of the year	38,588	25,449
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. Fines and Penalties

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	FY2020	Penalty for non-compliance of certain provisions of Insurance Act 1938 and Regulations / Guidelines issued by IRDA	900	900	-
		FY2019		-	-	-
2	Service Tax Authorities	FY2020		-	-	-
		FY2019		-	-	-
3	Income Tax Authorities	FY2020		-	-	-
		FY2019		-	-	-
4	Any Other Tax Authorities	FY2020		-	-	-
		FY2019		-	-	-
5	Enforcement Directorate / Adjudicating Authority/ Tribunal or any authority under FEMA	FY2020		-	-	-
		FY2019		-	-	-
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act-1956	FY2020		-	-	-
		FY2019		-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	FY2020		-	-	-
		FY2019		-	-	-
8	Securities and Exchange Board of India	FY2020		-	-	-
		FY2019		-	-	-
9	Competition Commission of India	FY2020		-	-	-
		FY2019		-	-	-
10	Any other Central / State /Local Govt./ Statutory Authority (Tariff Advisory Committee)	FY2020		-	-	-
		FY2019		-	-	-

24. Unclaimed funds

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 2020

(₹ in '000)

Particulars		Total	0-6	7-12	13-18	19-24	25-30	31-36	Beyond 36
		Amount *	months						
Claims settled but not paid to the policy holders/ insured due to any reasons except under litigation from the insured/ policyholders	FY2020	-	-	-	-	-	-	-	-
	FY2019	-	-	-	-	-	-	-	-
Sum due to the insured/ policy holders on maturity or otherwise	FY2020	-	-	-	-	-	-	-	-
	FY2019	-	-	-	-	-	-	-	-
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	FY2020	37,737	5,070	5,357	4,142	4,177	4,502	3,206	11,283
	FY2019	32,561	5,645	4,866	5,084	3,802	3,387	3,094	6,683
Cheques issued but not encashed by the policy holder/ insured	FY2020	34,209	-	-	-	-	-	-	34,209
	FY2019	34,353	-	-	-	-	-	-	34,353
Total	FY2020	71,946	5,070	5,357	4,142	4,177	4,502	3,206	45,492
	FY2019	66,914	5,645	4,866	5,084	3,802	3,387	3,094	41,036

As per IRDAI circular no. IRDA/F&A/CIR/Mis/173/07/2017 dated 25 Jul 2017 which required disclosure of the following information on unclaimed amount of policy holders.

Details of Unclaimed Amount & Investment Income

(₹ in '000)

Particulars	FY2020	FY2019
Opening Balance	66,914	71,105
Add: Amount transferred to unclaimed fund	13,623	15,874
Add: Cheques issued but not encashed by the policyholder (To be included only when cheques are stale)	-	-
Add: Investment income on unclaimed fund	3,502	4,852
Less : Amount of claims paid during the year	10,368	20,271
Less : Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	1,725	4,605
Closing balance of unclaimed Amount fund	71,946	66,914

25. Details of Non-renewed Policies during lockdown Period

IRDAI vide circular no. IRDAI/HLT/CIR/MISC/078/04/2020 and IRDAI/NL/CIR/MOT/079/04/2020 dated 2 April 2020 and IRDAI/NL/CIR/MOT/090/04/2020 and IRDAI/HLT/ CIR/MISC/091/04/2020 dated 16 April

2020 has stipulated that, the Policyholders whose motor vehicle third party insurance policies and health insurance policies fell due for renewal during the period on and from 25 March 2020 up to 3 May 2020 and who are unable to make payment of their renewal premium on time in view of the prevailing situation in the country as a result of COVID-19 are allowed to make premium payment for renewal of policies to their insurers on or before 15 May 2020 to ensure continuity of the statutory motor vehicle third party insurance and health insurance cover from the date on which the policy fell due for renewal, so that any valid claim triggered during the grace period can be paid.

Further, in accordance with Circulars IRDAI/NL/CIR/MOT/081/04/2020 and IRDAI/HLT/CIR/MISC/082/04/2020 dated 3 April 2020 and subsequent intimation, following details are disclosed below. The said premium due but not received has not been recognized in the books in line with the Company's accounting policy. We confirm that the impact of such non recognition of premium due but not received, on profits of the Company, is not material for the year ended 31 March 2020.

(₹ in '000, Count - numbers)

Sr. No.	Particulars	Motor Third Party Insurance Renewal		Health Insurance Renewal	
		No. of Policies	Amount of Premium	No. of Policies	Amount of Premium
(A)	Policies due for renewal from 25 March 2020 to 31 March 2020	186,722	1,168,666	39,532	721,575
(B)	Of the (A) above, Policies renewed up to 31 March 2020	48,725	324,853	19,395	290,534
(C)	Of the (A) above, Policies renewed between 1 April 2020 to 3 May 2020	5,529	47,760	2,013	39,402

26. Pending litigations

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).

During the year, the Company has received a show cause cum demand notice towards service tax under reverse charge mechanism on reinsurance contracts on weather based crop insurance policies (WBCIS) and Modified National Agricultural Insurance schemes (MNAIS). Based on Company's assessment and on the basis of independent opinion sought from external tax consultants, the Company is of the belief that the liability is not expected to materialize. Further, the matter being an industry wide issue with significant impact on the viability of the WBCIS and MNAIS, the same has been represented by the General Insurance Council to the Central Board of Indirect Taxes and Customs for clarification.

27. Long term contracts

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 2020 the Company did not have any outstanding derivative contracts.

28. Contribution to Investor Education and Protection Fund

For the year ended 31 March 2020, there is no amount that needs to be transferred to the Investor Education and Protection Fund.

29. Corporate Social Responsibility

During the year, as per provisions of section 135 of Companies Act, 2013, the Company was required to spend Rupees 238,837 thousand (previous year: Rupees 213,500 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 Rupees 239,340 (previous year: Rupees 214,077) 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 2020	31 March 2019
1)	Construction / acquisition of any asset	Nil	Nil
2)	On purposes other than (i) above	239,340	214,077
	Total	239,340	214,077

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 2020
Securities Sold under repo (At cost)					
1. Government Securities	FY2020	-	-	-	-
	FY2019	-	-	-	-
2. Corporate Debt Securities	FY2020	-	-	-	-
	FY2019	-	-	-	-
Securities purchased under reverse repo (At cost)					
1. Government Securities	FY2020	50,107	3,836,382	5,324	-
	FY2019	2,169,157	2,169,157	11,886	-
2. Corporate Debt Securities	FY2020	-	-	-	-
	FY2019	-	-	-	-

31. Solvency Margin

(₹ in '000)

Solvency Margin	As at 31 March 2020	As at 31 March 2019
Required solvency margin under IRDAI Regulations (A)	20,782,410	18,617,184
Available solvency margin (B)	52,825,010	47,485,545
Solvency ratio actual (times) (B/A)	2.54	2.55
Solvency ratio prescribed by Regulation	1.5	1.5

32. Dividend

IRDAI through its circular on Prudent management of financial resources of insurers in the context of Covid-19 pandemic Ref. No: IRDA/F&A/CIR/MISC/099/04/2020 dated 24 April 2020, in view of the emerging market conditions, and to conserve capital with the insurance companies in the interests of the policyholders and of the economy at large, has directed insurers to take a conscious call to refrain from dividend pay-outs from profits pertaining to the financial year ending 31 March 2020, till further instructions. The circular also states that this position shall be reassessed by the Authority based on financial results of insurers for the quarter ending 30 September 2020.

The Board of Directors has accordingly not recommended any dividend for FY2020 (Previous year: Rs.10 per equity share of face value of Rs. 10, 100% of face value. Previous year dividend value Rs. 1,102,273 thousand and dividend distribution tax on the same amounting to Rs. 226,575 thousand).

33. Encumbrance of Assets

The assets of the Company are free from all encumbrances except to the extent assets or monies are required to be deposited as margin contributions for investment trade obligations of the Company as detailed below:

Assets encumbered with Clearing Corporation of India Limited (CCIL)

The following cash deposit have been placed with CCIL towards margin requirement / default fund for settlement of trades in the securities and Tri-Party Repo segment:

(₹ in '000)

Particulars	31 March 2020	31 March 2019
Margin Money Deposits	50,100	50,100
Default Fund	15,400	15,400

Nature of pledge: These deposits can be invoked by CCIL in case of any default by the Company in settlement of trades in securities and Tri-Party Repo segment.

34. Non-performing investments

The Company has debt exposures in two NBFCs where the financial position and credit ratings indicated the carrying amount of such exposures to be higher than the recoverable amount and has accordingly classified the said exposure as Non-performing Assets (NPA) as per the IRDAI investment classification requirement. Accordingly, against the carrying cost of Rupees 2,374,566 thousand the recoverable amount has been assessed as of Rupees 1,112,711 thousand during the year (Previous year impairment: carrying cost Rs 988,949 thousand and recoverable amount assessed as Rupees 425,000 thousand).

There are no assets subject to restructuring (31 March 2019: Nil) initiated by the company as a result of stress faced by the investee Companies. Assets where restructuring is being considered by the Joint lender forums, resolution professionals or regulators is mentioned in Note 36 below.

35. Value of investment contracts where settlement or delivery is pending as at year end is as follows:

(₹ in '000)

Particulars	31 March 2020	31 March 2019
Purchases where deliveries are pending	769,327	1,202,199
Sales where receipts are due	744,770	-

There are no investment contracts where securities have been sold but payments are overdue at the Balance Sheet date.

36. Participation in Joint Lenders Forum (JLF) / Inter Creditor Agreement (ICA) formed under RBI Guidelines

The RBI vide its notification RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7 June 2019 has prescribed the Prudential Framework for Resolution of Stressed Assets and accordingly, the Joint Lenders' Forum (JLF) as a mandatory institutional mechanism for resolution of stressed accounts stands discontinued.

The notification provides for lenders of a stressed asset to initiate a resolution plan even before default or on default. In cases where resolution plan is to be implemented, all lenders are now required to enter into an inter-creditor agreement (ICA).

The following table provides details of ICA's entered into by the Company:

(₹ in '000)

Nos.	Name of the entity	Date of Insurer entry into ICA	Exposure as on date of insurer entry into ICA	Additional exposure as decided in ICA	% of exposure in excess of IRDAI(INV) Regulations	Date of approval by the Insurers Board	Comments of Board on additional exposure permitted
1	DHFL	26 August 2019	123,084	Nil	Nil	Nil	Nil

37. Provision for Standard assets for debt portfolio

In accordance with the 'Guidelines on Prudential norms for income recognition, Asset classification, Provisioning and other related matters in respect of Debt portfolio' as specified by IRDAI vide the Master Circular dated 11 December 2013, provision for standard assets at 0.40% of the value of the asset has been recognized as follows :

(₹ in '000)

Particulars	31 March 2020	31 March 2019
Provision towards Standard Assets	Nil	667

38. Foreign exchange gain/loss

The foreign exchange gain (net) credited to Revenue Account for the year ended 31 March 2020 is Rs.19,834 thousand (31 March 2019 exchange loss (net) Rs.12,021 thousand).

39. Disclosures on other work given to auditors

Pursuant to Corporate Governance guidelines issued by IRDAI dated May 18, 2016, the additional works (other than statutory/ internal audit) given to the auditors are detailed below:

(₹ in '000)

Name of Audit firm	Services rendered	31 March 2020	31 March 2019
B S R & Co. LLP	Other audit fees	1,500	1,500
S. R. Batliboi & Co. LLP	Other audit fees	1,100	1,100

40. Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under section 11 (3) of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015)

(₹ in '000)

Particulars	From 1 April 2019 to 31 March 2020
Name of person in-charge	Tapan Singhel
Designation of person in-charge	Managing Director and Chief Executive Officer
Occupation of person in-charge	Service
Directorships held by person in-charge	Member of the Board of The Indo German Chamber of Commerce

41. Change in expense allocation/apportionment process

Change in business mix and functions/geographical structures within the Company has warranted the Company to refine its expense allocation and apportionment process. Accordingly, the Company has during the current financial year, reviewed and revised its Board approved methodology on the allocation and apportionment of expenses.

The key changes are as follows:

- Expenses of uni-segment functions/channels that have become significant for the Company are now hence identified separately and allocated to the respective lines of businesses as against the earlier practice of apportioning them basis Company level Net Written Premium (NWP).
- Several heads of expenses of functions that were apportioned basis Company level Net Written Premium (NWP) are now captured at a more granular level and hence accordingly apportioned at functions level Gross Written Premium (GWP).

As required by IRDAI (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016, the impact of such change at segment level is as under:

(₹ in '000)

Segment	Fire	Marine	Miscellaneous
Old Method	908,045	282,691	22,012,218
New Method	2,417,584	316,688	20,468,682

Accordingly, to the extent of such change the expenses allocated to various segments of business in the financials for previous periods are not strictly comparable.

42. Potential impact of uncertainties relating to COVID-19

In preparing the accompanying financial statements, the Company management has been required to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, at the date of adopting the financial statements, are based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances.

Business impact

COVID-19 outbreak has been declared as a Pandemic by World Health Organization in March 2020. Since the outbreak, COVID-19 continues to spread across the globe bringing economic activities to a grinding halt leading to significant volatility in global and Indian financial markets.

The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors.

The extent to which COVID-19 pandemic will impact the Company depends on future spread of the virus and related developments, which are highly uncertain, including, among other things, period of lockdown and its repercussions on the economy, development of a vaccine, government intervention to provide financial support to the stressed sections, etc. The Company will continue to closely monitor developments as they unfold.

The nation-wide lockdown required the Company to activate its Business Continuity Plan to enable operations to run with minimal disruption. The disruption was largely mitigated through the facility to Work from Home (WFH). WFH was enabled through use of portable devices through the Company's Virtual private Network (VPN) ensuring requisite data security controls. Accordingly, the operations of the Company were performed at remote locations (WFH) through secured servers.

As the processes of the Company are mostly automated/system driven, WFH has not led to any material change in the controls or processes. The Company has an Internal Financial Control framework that has been independently tested covering all the material controls over financial reporting and found them to be operating effectively at 31 March 2020.

Valuation of investments and Impairment testing

The Company has invested in a well diversified investment portfolio. Substantial portion of the investments are readily marketable thereby extending good liquidity support. The investment portfolio, composition of which is largely governed by regulations, comprises of 91% Debt and 9% Equity. 98% of the debt portfolio comprises of highest credit rated securities (i.e. sovereign and AAA or equivalent rated). 83% of the Equity portfolio comprises of Nifty 50 stocks.

The Company has used internal and external sources of information including credit reports, economic forecasts and consensus estimates from market sources on the expected future performance of the underlying companies in developing the estimates and assumptions to assess the fair value of the investments as at March 31, 2020. Further, the Company has carried out detailed evaluation of the investment portfolio considering the current market prices vis-à-vis acquisition cost and the potential impact of COVID-19 on business models of investee companies. In accordance with the impairment policy of the Company, diminution in the value of investments which is not temporary in nature has been evaluated on the Balance Sheet date and provisions for the same, as considered necessary have been made in these financial statements. Refer note 34.

The Company has performed sensitivity analysis on the investment portfolio and in specific on a few potentially stressed exposures and believes that such sensitivities/stresses have no material impact on the Solvency position of the Company which stood strong at 254% as against the regulatory requirement of 150%.

The Company has evaluated the recoverability of all its investments and expects to recover the carrying amount of these assets.

Actuarial reserving

The nation-wide lockdown has resulted in significantly low commercial activity thus positively impacting the loss ratios during the period of lockdown. However, we believe that some of these claims will be reported in future, therefore, a margin on actual loss ratios have been maintained to account for delayed reporting in future.

Covid-19 could impact our Health portfolio adversely. However, as at 31 March 2020 the number of Covid-19 claims reported to the Company are negligible. On the basis of the available information of likely Covid-19 positive cases in the country, the likely hospitalization rate based on the demographics of Indian population, the health insurance penetration, and the Company's share therein and the high severity of such claims, the Company has also projected the likely claims and does not believe the same to be significant.

As at 31 March 2020 the carrying amount of liabilities were not lower than projected liability using current estimates of future cash flow under its insurance contracts for any line of business.

Recoverability of other current assets

The Company has evaluated the recoverability of its current assets and expects to recover the carrying amount of all these assets.

(For more details pertaining to risk please refer Management Report Section 7 for "Overall risk exposure and strategy adopted to mitigate the same")

As per our report of even date attached

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

Sagar Lakhani
Partner
Membership No.111855
Mumbai
Date: 15 May 2020

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

Vaibhav Gupta
Partner
Membership No.213935
Pune
Date: 15 May 2020

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited
CIN U66010PN2000PLC015329

Sanjiv Bajaj
Chairman
DIN : 00014615

Ramandeep Singh Sahni
Chief Financial
Officer

Lila Poonawalla
Chairperson of
Audit Committee
DIN : 00074392

Tapan Singhel
Managing Director
& Chief Executive Officer
DIN : 03428746

Onkar Kothari
Company Secretary &
Compliance Officer

Pune, Date: 15 May 2020

Ratios for the year ended 31 March 2020

Sr. No.	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
1	Gross Direct Premium Growth Rate	15.56%	17.09%
	Motor	7.69%	16.96%
	Motor OD	-0.16%	-0.79%
	Motor TP	13.69%	35.48%
	Fire	29.54%	15.24%
	Marine Cargo	10.19%	14.44%
	Marine Others	3.05%	74.67%
	Workmen's Compensation / Employers' Liability	10.17%	6.91%
	Public/Product Liability	13.96%	2.70%
	Engineering	8.11%	20.88%
	Aviation	10.58%	474.76%
	Personal Accident	5.10%	32.44%
	Health	-5.80%	56.14%
	Credit Insurance	11.87%	-22.93%
	Crop Insurance	69.77%	-20.36%
	Others	16.59%	31.56%
2	Gross Direct Premium to Net Worth Ratio	2.15	2.17
3	Growth Rate of Net Worth	17.03%	14.58%
4	Net Retention Ratio	62.46%	70.06%
	Motor	94.75%	94.80%
	Motor OD	94.58%	94.61%
	Motor TP	94.85%	94.94%
	Fire	11.29%	29.70%
	Marine Cargo	67.53%	71.49%
	Marine Others	2.49%	3.15%
	Workmen's Compensation / Employers' Liability	93.44%	93.89%
	Public/Product Liability	31.05%	38.33%
	Engineering	17.38%	17.96%
	Aviation	41.20%	40.54%
	Personal Accident	94.06%	92.25%
	Health	75.78%	79.62%
	Credit Insurance	1.00%	1.01%
	Crop Insurance	21.06%	18.74%
	Others	28.34%	39.02%
5	Net Commission Ratio	1.14%	4.82%
	Motor	7.37%	8.40%
	Motor OD	17.31%	18.13%
	Motor TP	0.72%	1.00%
	Fire	-100.32%	-6.33%
	Marine Cargo	14.01%	13.74%
	Marine Others	-228.96%	-49.55%
	Workmen's Compensation / Employers' Liability	12.18%	13.58%
	Public/Product Liability	3.35%	6.26%
	Engineering	-35.30%	-48.23%
	Aviation	-0.62%	4.49%
	Personal Accident	11.40%	11.48%
	Health	2.84%	4.04%
	Credit Insurance	-548.62%	-431.60%
	Crop Insurance	-18.69%	-30.69%
	Others	-46.35%	-6.96%
6	Expenses of Management to Gross Direct Premium Ratio	24.63%	23.84%
7	Expenses of Management to Net Written Premium Ratio	39.27%	33.92%
8	Net Incurred Claims to Net Earned Premium	70.74%	68.62%
9	Combined Ratio	100.83%	96.69%
10	Technical Reserves to Net Premium Ratio	1.53	1.60
11	Underwriting Balance Ratio	0.00	0.00
	Fire	-0.04	-0.02
	Marine	-0.07	-0.30
	Miscellaneous	0.00	0.01
12	Operating Profit Ratio	14.45%	13.54%
13	Liquid Assets to liabilities ratio	0.27	0.20
14	Net Earning Ratio	12.46%	10.03%
15	Return on Net worth	16.78%	15.33%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	2.54	2.55
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 2020

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	Crop	Miscellaneous	Total
			Insurance	Insurance					
			Cargo	Others					
Premium Earned (Net)	FY 2020	26,79,557	11,70,750	3,240	4,88,85,203	1,73,35,876	53,75,351	66,11,845	8,20,61,822
	FY 2019	18,76,444	10,36,057	2,536	4,21,62,532	1,66,58,812	28,76,259	54,85,129	7,00,97,769
Premium Received in Advance	FY 2020	30,372	3,793	(13)	93,69,063	1,83,365	-	18,03,477	1,13,90,057
	FY 2019	34,715	5,235	(13)	12,16,877	1,70,895	-	15,47,156	30,11,057
Claims Outstanding (Net)	FY 2020	17,77,548	6,99,250	15,153	7,09,60,655	25,67,306	40,68,249	34,92,820	8,35,80,981
	FY 2019	15,08,662	6,83,089	14,478	5,70,86,160	31,05,747	34,30,695	26,41,602	6,84,70,433
Reserve for Unexpired Risk	FY 2020	27,97,967	2,89,155	2,637	2,56,06,852	79,83,052	2,46,496	49,22,420	4,18,48,578
	FY 2019	40,39,750	3,38,610	3,239	2,49,35,088	86,36,267	3,96,912	54,00,910	4,37,50,776
Outstanding premiums	FY 2020	1,826	14,140	-	60,863	67,948	1,24,61,247	1,03,406	1,27,09,430
	FY 2019	39,042	1,676	-	41,303	5,75,587	96,93,183	1,15,215	1,04,66,006
Solatium Fund	FY 2020	-	-	-	1,39,782	-	-	-	1,39,782
	FY 2019	-	-	-	1,08,470	-	-	-	1,08,470

Summary of Financial Statements for the year ended 31 March 2020

(Refer Note 20 of Schedule 16)

(₹ in '000)

Particulars	2020	2019	2018	2017	2016
OPERATING RESULTS					
Gross Written Premium	128,330,656	110,970,146	94,865,414	76,870,636	59,006,488
Net Premium Income (net of Reinsurance)	80,159,624	77,744,606	67,325,358	53,008,839	45,723,819
Income from Investments (net of losses)	11,964,950	9,298,583	8,837,656	7,374,934	6,201,791
Miscellaneous Income	155,924	186,309	171,870	148,081	154,889
Total Income	92,280,498	87,229,498	76,334,884	60,531,854	52,080,499
Commissions (net including brokerage)	916,337	3,747,151	3,180,711	356,263	939,289
Operating Expenses	23,202,954	18,071,090	14,051,321	13,614,489	11,407,097
Net Incurred Claims	58,079,200	48,087,575	40,490,133	34,777,947	30,550,073
Change in Unexpired Risk Reserve	-1,902,198	7,646,837	6,739,669	3,638,384	3,487,345
Operating Profit/Loss	12,430,905	9,676,845	11,873,050	8,144,771	5,696,695
NON OPERATING RESULTS					
Total income under Shareholder's Account	(1,328,603)	(1,838,319)	(1,656,083)	(2,636,408)	2,017,986
Profit before Tax	13,759,508	11,515,164	13,529,133	10,781,178	7,714,681
Provision for Tax	(3,771,738)	(3,716,581)	(4,316,721)	(3,502,795)	(2,072,433)
Profit after Tax	9,987,770	7,798,583	9,212,412	7,278,383	5,642,248
MISCELLANEOUS					
Policyholder's Account					
Total Funds					
Total Investments					
Yield on Investments					
Shareholder's Account					
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	56,421,066	51,640,081	44,663,631	35,346,258	27,897,088
Total Assets (Gross of current liabilities and provisions)	218,657,101	197,247,571	169,376,216	127,288,406	105,087,813
Yield on Total Investments	8.40%	7.16%	7.69%	9.86%	9.36%
Earning Per Share	90.61	70.75	83.58	66.03	51.19
Book value per Share	511.86	468.49	405.20	320.67	253.09
Total Dividend	1,102,273	1,102,273	-	-	-
Dividend per share	10.00	10.00	-	-	-

Not Applicable being General Insurance Company

Receipts and Payments Statement for the year ended 31 March 2020

Particulars	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash Flows from the operating activities:		
1. Premium received from policyholders, including advance receipts	147,885,351	126,351,256
2. Other receipts	82,047	21,533
3. Payments to the re-insurers, net of commissions and claims	(17,514,119)	(9,579,103)
4. Payments to co-insurers, net of claims recovery	1,328,357	1,834,135
5. Payments of claims	(68,711,958)	(59,287,796)
6. Payments of commission and brokerage	(9,109,761)	(8,076,459)
7. Payments of other operating expenses	(24,192,294)	(17,025,131)
8. Preliminary and pre-operative expenses	-	-
9. Deposits, advances and staff loans	(10,220)	(23,537)
10. Income taxes paid (Net)	(3,049,622)	(4,072,075)
11. Service tax paid / GST Paid	(17,141,044)	(16,575,911)
12. Other payments	-	-
13. Cash flows before extraordinary items	9,566,737	13,566,912
14. Cash flow from extraordinary operations	-	-
15. Net cash flow from operating activities (A)	9,566,737	13,566,912
B. Cash flows from investing activities:		
1. Purchase of fixed assets	(1,363,555)	(763,073)
2. Proceeds from sale of fixed assets	9,134	6,497
3. Purchases of investments	(184,643,105)	(119,523,349)
4. Loans disbursed	-	-
5. Sales of investments	165,816,707	89,817,491
6. Repayments received	-	-
7. Rent / interest / dividend received	12,082,209	10,133,980
8. Investment in money market instruments and liquid mutual funds (net)	(620,124)	4,289,226
9. Expenses related to investments	(76,442)	(14,304)
10. Net cash flow from investing activities (B)	(8,795,176)	(16,053,532)
C. Cash flows from financing activities:		
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)	(1,102,273)
5. Dividend distribution tax	(226,575)	(226,575)
6. Net Cash Flows from financing activities (C)	(1,328,848)	(1,328,848)
D. Effect of foreign exchange rates on cash and cash equivalents, net (D)	24,576	1,387
E. Net increase in cash and cash equivalents (E) = (A)+(B)+(C)+(D)	(532,711)	(3,814,081)
Add: Cash and cash equivalents at the beginning of the year	4,462,676	8,276,757
Cash and cash equivalents at the end of the year	3,929,965	4,462,676
F. Components of cash and cash equivalents at the end of the year		
(a) Cash (including Stamps on hand)	9,646	42,539
(b) Cheques on hand	811,784	803,907
(c) Bank balances and money at call and short notice	4,455,758	3,671,191
(d) Temporary overdraft as per books of accounts	(1,347,223)	(54,961)
Cash and cash equivalents at the end of the year (a)+(b)+(c)+(d)	3,929,965	4,462,676

For Cash and cash equivalents – Refer note 2.25 of schedule 16

The above Receipts and Payments Account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 under the 'Direct method' in accordance with Accounting Standard 3 on Cash Flow Statements notified under the Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2016.

As per our report of even date attached

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

Sagar Lakhani
Partner
Membership No. 111855
Mumbai
Date: 15 May 2020

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

Vaibhav Gupta
Partner
Membership No. 213935
Pune
Date: 15 May 2020

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited
CIN U66010PN2000PLC015329

Sanjiv Bajaj
Chairman
DIN : 00014615

Lila Poonawalla
Chairperson of
Audit Committee
DIN : 00074392

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Ramandeep Singh Sahni
Chief Financial Officer

Onkar Kothari
Company Secretary &
Compliance Officer

Related parties and nature of relationship where transactions made during the year

Annexure to Schedule 15 Notes to Accounts and forming Part of Financial Statements for the year ended 31 March 2020

Nature of relationship	Name of the related party
Holding Company	Bajaj Finserv Limited
	Allianz SE
Co-promoter	Bajaj Auto Limited
	Bajaj Holdings and Investments Limited
Significant influence and fellow subsidiaries	Bajaj Allianz Financial Distributors Limited
	Bajaj Allianz Staffing Solutions Limited
	Bajaj Electricals Limited
	Bajaj Finance Limited
	Bajaj Allianz Life Insurance Company Limited
	Bajaj Financial Securities Limited
	Bajaj Auto Holdings Limited
	Bajaj Finserv Direct Limited
	Bajaj Housing Finance Limited
	Bajaj Finserv Health Limited
	Mukand Engineers Limited
	Mukand Limited
	Hind Musafir Agency Limited
	Allianz Cornhill Information Services Private Limited
	AGCS Marine Insurance Company
	Allianz Insurance Management Asia Pacific (Allianz Singapore)
	Allianz Global Risks US Insurance Company
	Allianz Global Corporate & Speciality SE, UK
	Allianz Global Corporate & Speciality SE, Italy
	Allianz Global Corporate & Speciality SE, Munich
	Allianz Global Corporate & Speciality SE, India Branch
	Allianz SE Reinsurance, branch Asia Pacific
	Allianz Global Corporate & Speciality SE, Singapore (Previously Known Allianz Insurance Company of Singapore - PTE)
	Allianz Global Corporate & Speciality SE, France
	Allianz Risk Transfer AG
	Euler Hermes - Singapore Branch
	Allianz Fire and Marine Insurance Japan Ltd
	Allianz Technology SE (Previously Allianz Managed Operations & Services SE)
	Allianz Technology SE, India (Previously Allianz Managed Operations & Services SE India)
	AWP Assistance (India) Private Limited (Previously AGA Assistance (India) Private Limited)
AWP Services (India) Private Limited (AGA Services (India) Private Limited)	
Euler Hermes Services India Private Limited	
AWP P&C SA Saint Ouen Paris	
Key managerial personnel (KMP)	Tapan Singhel, Managing Director and Chief Executive Officer

Relatives of Key management personnel as per AS-18 disclosure -

Tapan Singhel, Managing Director and Chief Executive Officer:

Nature of Relationship	Relative's Name
Wife	Sangeeta Singhel
Daughter	Neelashma Singhel
Daughter	Tushita Singhel
Father	Ran Bahadur Singhel
Mother	Shobha Singhel

Related Party Disclosures under AS 18 FY2020

Annexure to Schedule 15 Notes to Accounts and forming Part of Financial Statements for the year ended 31 March 2020

(₹ in '000)

Sr. No.	Name of the related party	Description	For the year ended 31 March 2020	For the year ended 31 March 2019
1	Bajaj Finserv Limited	Expenditure		
		Rent, Rates and Taxes	21,394	20,280
		Legal and Professional charges	33,304	28,860
		Billable expenses reimbursed		
		-Advertisement and publicity	3,436	5,880
		-Travel, Conveyance and vehicle running	-	20
		-Legal and Professional charges	27,700	10,865
		Income		
		Insurance Premium	(11,970)	(3,759)
		Other		
		Security deposit paid/(returned)	-	2,674
		Dividend paid	815,682	815,682
		Outstanding Balance- Assets/(Liabilities)		
Share Capital	(815,682)	(815,682)		
Other Assets (Deposit paid against Leased Premises)	21,394	21,394		
Unallocated Premium	(580)	(3,738)		
2	Bajaj Auto Limited	Expenditure		
		Claims Incurred	16,464	23,018
		Income		
		Insurance Premium	(112,889)	(121,764)
Outstanding Balance- Assets/(Liabilities)				
Unallocated Premium	(80,053)	(46,338)		
3	Bajaj Holdings and Investments Limited	Expenditure		
		Billable Expenses Reimbursed		
		- Miscellaneous Expenses (Insurance)	365	265
		Income		
		Billable Expenses Recovery		
		-Legal and Professional charges	(35)	-
		Insurance Premium	(4,587)	(78)
Outstanding Balance- Assets/(Liabilities)				
Unallocated Premium	(8,872)	(5,653)		
4	Bajaj Allianz Financial Distributors Limited	Expenditure		
		Commission Paid	152,169	156,753
		Income		
		Insurance Premium	(1,035)	(1,087)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(82)	(38)
Agents Balances	(12,921)	(17,379)		

Financial Statements for the financial year ended 31 March 2020

(₹ in '000)

Sr. No.	Name of the related party	Description	For the year ended 31 March 2020	For the year ended 31 March 2019		
5	Bajaj Allianz Staffing Solutions Limited	Expenditure				
		Employees' remuneration, benefits & other manpower costs	1,074,624	1,029,555		
		Claims Incurred	540	-		
		Income				
		Insurance Premium	(7,688)	(10,089)		
		Outstanding Balance- Assets/(Liabilities)				
		Advances recoverable in cash or in kind	70	-		
		Unallocated Premium	(169)	(502)		
6	Bajaj Electricals Limited	Expenditure				
		Claims Incurred	3,436	15,758		
		Income				
		Insurance Premium	(87,689)	(80,872)		
		Outstanding Balance- Assets/(Liabilities)				
		Unallocated Premium	(62,154)	(1,285)		
7	Bajaj Finance Limited	Expenditure				
		Claims Incurred	4,858	14,829		
		Commission Paid	883,557	616,342		
		Interest and Bank Charges	74,335	31,393		
		Employees' remuneration, benefits & other manpower costs	19,115	-		
		Income				
		Insurance Premium	(2,230,228)	(1,866,513)		
		Interest, Dividends and Rent -Gross	(225,641)	(74,392)		
		Other				
		Redemption of Debentures	(500,000)	-		
		Outstanding Balance- Assets/(Liabilities)				
				Unallocated Premium	(31,964)	(29,943)
				Agents Balances	(14,764)	(70,983)
				Outstanding Premium (Receivable against Bank Guarantee)	48,477	65,758
		Investment Held (Book Value)	7,004,059	4,405,378		
		Advances recoverable in cash or in kind	2,604	3,364		
8	Bajaj Allianz Life Insurance Company Limited	Expenditure				
		Claims Incurred	2,539	2,382		
		Employees' remuneration, benefits & other manpower costs	61,666	96,597		
		Rent, Rates and Taxes	30,635	31,181		
		Billable Expenses Reimbursed				
		- Communication expenses	1,052	-		
		- Employees' remuneration, benefits & other manpower costs	27	-		
		- Information Technology expenses	34,911	98,585		
		- Maintenance and Repairs	150	662		
		- Rent, Rates and Taxes	1,407	1,394		
		Income				
		Insurance Premium	(144,351)	(103,040)		
		Billable Expenses Recovery				
		- Communication expenses	(1,624)	-		

Financial Statements for the financial year ended 31 March 2020

(₹ in '000)

Sr. No.	Name of the related party	Description	For the year ended 31 March 2020	For the year ended 31 March 2019
		-Legal and Professional Charges	(150)	-
		-Maintenance & Repairs	(1,596)	(489)
		-Miscellaneous Expenses (Electricity Expenses)	(5,135)	(5,687)
		-Rent, Rate and Taxes	(1,042)	(684)
		-CWIP Computers	-	(3,008)
		Other		
		Security Deposit Paid/(Returned)	1,815	2,062
		Combi Product Premium Paid	29	-
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(5,570)	(8,843)
		Other Assets (Deposit paid against Leased Premises)	15,751	13,935
		Sundry creditors	(17)	(54,297)
		Advances recoverable in cash or in kind	533	-
9	Bajaj Financial Securities Limited	Income		
		Insurance Premium	(57)	-
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(1)	-
10	Bajaj Auto Holdings Limited	Income		
		Insurance Premium	(6)	(1)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(2)	(4)
11	Bajaj Finserv Direct Limited	Expenditure		
		Commission Paid	12,659	2,980
		Claims Incurred	522	-
		Income		
		Insurance Premium	(17,716)	(5,512)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(107)	(389)
		Agents Balances	(3,033)	(625)
12	Bajaj Housing Finance Limited	Expenditure		
		Claims Incurred	206	-
		Income		
		Insurance Premium	(158,850)	(116,718)
		Interest, Dividends and Rent -Gross	(2,561)	-
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(222)	(1,984)
		Investment Held (Book Value)	1,499,959	-
		Outstanding Premium (Receivable against Bank Guarantee)	1,655	3,562
13	Bajaj Finserv Health Limited	Income		
		Insurance Premium	(2,990)	-
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(703)	-

Financial Statements for the financial year ended 31 March 2020

(₹ in '000)

Sr. No.	Name of the related party	Description	For the year ended 31 March 2020	For the year ended 31 March 2019
14	Mukand Engineers Limited	Expenditure		
		Claims Incurred	2,619	3,267
		Income		
		Insurance Premium	(5,123)	(7,307)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(2,962)	(72)
15	Mukand Limited	Expenditure		
		Claims Incurred	8,745	6,071
		Income		
		Insurance Premium	(41,786)	(10,218)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(5,072)	(117)
16	Hind Musafir Agency Limited	Expenditure		
		Travel, Conveyance and vehicle running	104,712	224,835
		Income		
		Insurance Premium	(350)	(198)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(33)	(12)
		Sundry creditors	(22)	(12,286)
		Advances recoverable in cash or in kind	914	-
17	Allianz Cornhill Information Services Private Limited	Income		
		Insurance Premium	(21)	(29)
18	Allianz SE, Germany	Expenditure		
		Billable Expenses Reimbursed		
		-Software Expenses	360	-
		Other		
		Dividend Paid	286,591	286,591
		Outstanding Balance- Assets/(Liabilities)		
		Share Capital	(286,591)	(286,591)
19	Allianz Insurance Management Asia Pacific (Allianz Singapore)	Outstanding Balance- Assets/(Liabilities)		
		Sundry creditors	(449)	(449)
20	AGCS Marine Insurance Company	Income		
		Claims on Reinsurance Ceded	-	(261)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(27)	261
21	Allianz Global Risks US Insurance Company	Expenditure		
		Premium on Reinsurance Ceded	1,704,455	327
		Income		
		Commission on Reinsurance Ceded	(180,184)	(234)
		Claims on Reinsurance Ceded	(449,195)	(108)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(379,572)	(374)

Financial Statements for the financial year ended 31 March 2020

(₹ in '000)

Sr. No.	Name of the related party	Description	For the year ended 31 March 2020	For the year ended 31 March 2019
22	Allianz Global Corporate & Speciality SE, UK	Expenditure		
		Premium on Reinsurance Ceded	825	(1,339)
		Income		
		Commission on Reinsurance Ceded	(117)	(82)
		Claims on Reinsurance Ceded	(9)	(114,994)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(13,623)	15,132
23	Allianz Global Corporate & Speciality SE, Italy	Expenditure		
		Premium on Reinsurance Ceded	254	203
		Income		
		Commission on Reinsurance Ceded	(107)	-
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(763)	(615)
24	Allianz Global Corporate & Speciality SE, Munich	Expenditure		
		Premium on Reinsurance Ceded	165	6,694
		Income		
		Commission on Reinsurance Ceded	(41)	(2,191)
		Claims on Reinsurance Ceded	(127,836)	(364,992)
		Outstanding Balance- Assets/(Liabilities)		
		Sundry creditors	-	(315)
		Balances due to Other Insurance Companies	(31,946)	197,214
25	Allianz Global Corporate & Speciality SE, India Branch	Expenditure		
		Premium on Reinsurance Ceded	970,908	86,119
		Income		
		Insurance Premium	(1,046)	(662)
		Commission on Reinsurance Ceded	(134,428)	(16,396)
		Claims on Reinsurance Ceded	(16,059)	-
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(2,764)	(12)
		Balances due to Other Insurance Companies	(56,526)	(62,607)
26	Allianz SE Reinsurance, branch Asia Pacific	Expenditure		
		Premium on Reinsurance Ceded	208,195	51,985
		Premium on Reinsurance Ceded (CAT XOL Premium Paid)	3,238	2,730
		Income		
		Commission on Reinsurance Ceded	(33,240)	(14,326)
		Claims on Reinsurance Ceded	5,994	(47,382)
		Claims on Reinsurance Ceded (CAT XOL Claim Recovery)	(7,843)	(20,401)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(14,107)	12,701

Financial Statements for the financial year ended 31 March 2020

(₹ in '000)

Sr. No.	Name of the related party	Description	For the year ended 31 March 2020	For the year ended 31 March 2019
27	Allianz Global Corporate & Speciality SE, Singapore (Previously known as Allianz Insurance Company of Singapore - PTE)	Expenditure		
		Premium on Reinsurance Ceded	(2,133)	46,390
		Income		
		Billable Expenses Recovery		
		-Employees' remuneration, benefits & other manpower costs	-	(503)
		Commission on Reinsurance Ceded	171	(8,979)
		Claims on Reinsurance Ceded	(2,844)	(6,648)
		Outstanding Balance- Assets/(Liabilities)		
		Advances recoverable in cash or in kind	-	503
		Balances due to Other Insurance Companies	7,257	4,940
28	Allianz Global Corporate & Speciality SE, France	Expenditure		
		Premium on Reinsurance Ceded	(1,354)	8
		Income		
		Commission on Reinsurance Ceded	102	(199)
		Claims on Reinsurance Ceded	(1,000)	(34,963)
		Outstanding Balance- Assets/(Liabilities)		
Balances due to Other Insurance Companies	(3,901)	(6,127)		
29	Allianz Risk Transfer AG	Income		
		Claims on Reinsurance Ceded	-	(5,027)
30	Euler Hermes Singapore Branch	Expenditure		
		Premium on Reinsurance Ceded	106,288	95,639
		Income		
		Commission on Reinsurance Ceded	(6,959)	(7,220)
		Claims on Reinsurance Ceded	(39,274)	(37,832)
		Billable expenses recovery		
		- Employees' remuneration, benefits & other manpower costs	(25,035)	(22,833)
Outstanding Balance- Assets/(Liabilities)				
Due from other entities carrying on insurance business,including reinsurers (net)	4,026	18,541		
Balances due to Other Insurance Companies	12,703	12,096		
31	Allianz Fire and Marine Insurance Japan Ltd	Expenditure		
		Premium on Reinsurance Ceded	164,988	-
		Income		
		Commission on Reinsurance Ceded	(17,981)	-
		Claims on Reinsurance Ceded	(89)	-
		Outstanding Balance- Assets/(Liabilities)		
Balances due to Other Insurance Companies	(146,918)	-		

Financial Statements for the financial year ended 31 March 2020

(₹ in '000)

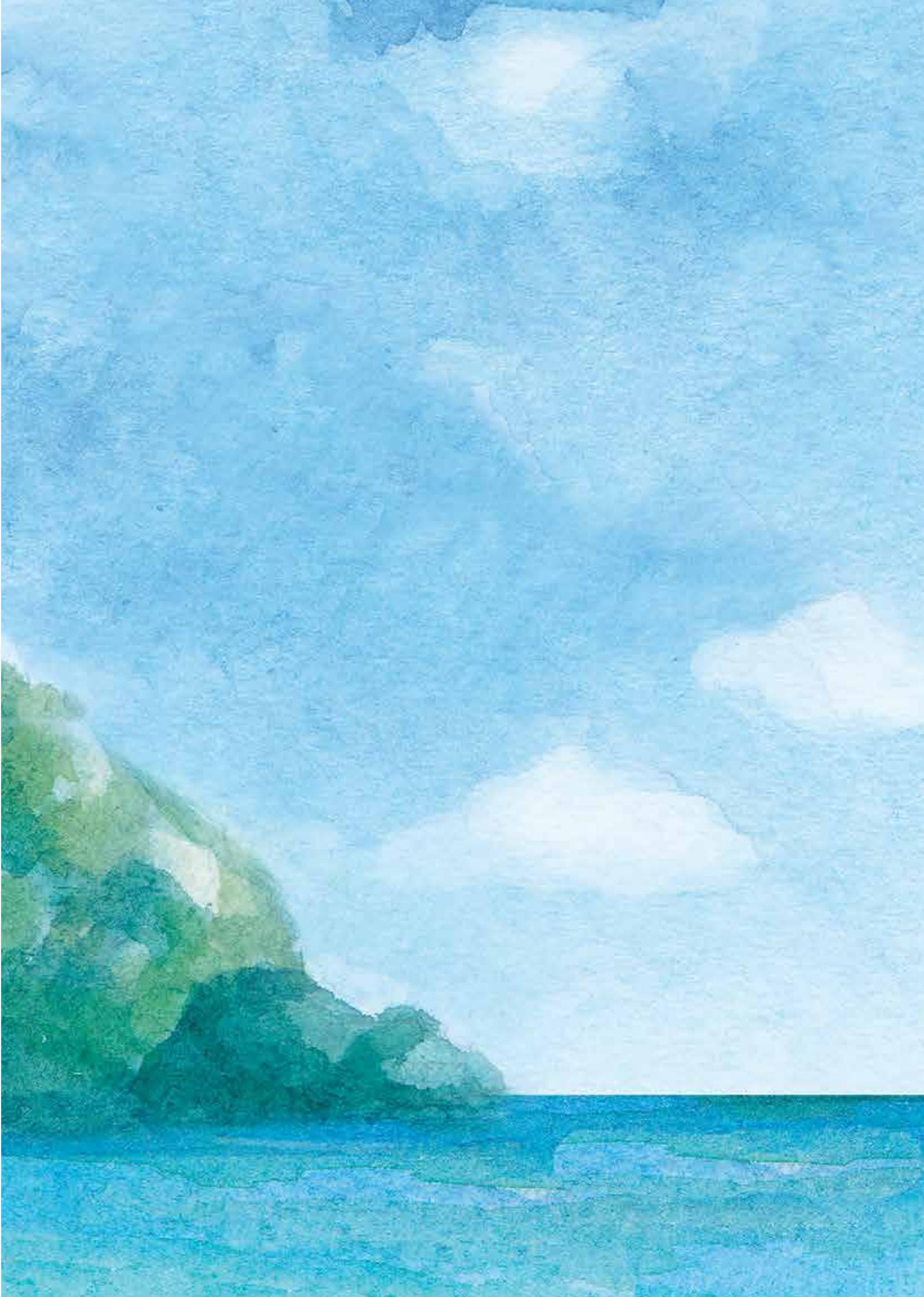
Sr. No.	Name of the related party	Description	For the year ended 31 March 2020	For the year ended 31 March 2019
32	Allianz Technology SE (Previously Allianz Managed Operations & Services SE)	Expenditure		
		Information Technology Expenses		
		- Opus License Fees	13,344	8,582
		- ResQ License Fees	1,089	-
		Billable Expenses Reimbursed		
		- Information Technology Expenses - SAS License Fees	4,938	-
		Outstanding Balance- Assets/(Liabilities)		
		Sundry creditors	(36,634)	(19,318)
33	Allianz Technology SE, India (Previously Allianz Managed Operations & Services SE India)	Income		
		Insurance Premium	(59)	(87)
34	AWP Assistance (India) Private Limited (Previously AGA Assistance (India) Private Limited)	Expenditure		
		Claims Incurred	81,930	127,619
		Insurance Commission	12,441	16,051
		Income		
		Insurance Premium	-	(40)
		Billable Expenses Recovery		
		- Maintenance and Repairs	(120)	(226)
		Outstanding Balance- Assets/(Liabilities)		
		Agents Balances	991	5,757
		Advances recoverable in cash or in kind	142	266
35	AWP Services (India) Private Limited (AGA Services (India) Private Limited)	Expenditure		
		Claims Incurred	103,992	198,716
		Marketing and Support Services Expenses	44,068	52,248
		Outstanding Balance- Assets/(Liabilities)		
		Sundry creditors	(4,405)	(26,486)
36	Euler Hermes Services India Private Limited	Expenditure		
		Other Acquisition Cost	22,059	20,567
37	AWP P&C SA Saint Ouen Paris	Expenditure		
		Premium on Reinsurance Ceded	2,731,874	1,683,057
		Income		
		Commission on Reinsurance Ceded	(1,731,862)	(1,044,671)
		Claims on Reinsurance Ceded	(719,761)	(178,423)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(169,512)	(295,693)

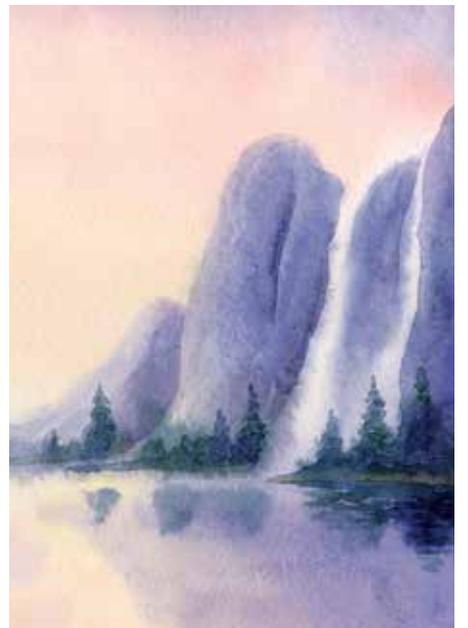
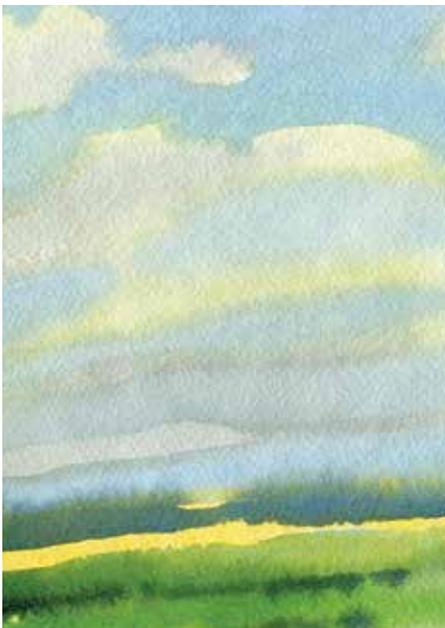
(₹ in '000)

Sr. No.	Name of the related party	Description	For the year ended 31 March 2020	For the year ended 31 March 2019
38	Tapan Singhel, MD & Chief Executive Officer	Expenditure		
		Employees' remuneration, benefits & other manpower costs	117,835	96,857
		Income		
		Insurance Premium	(90)	(61)

Notes:

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





Caringly yours



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