

22<sup>ND</sup>

ANNUAL  
REPORT

2021-2022

*Caringly yours*

 **BAJAJ** | Allianz 



**Rahul Bajaj**  
(1938 - 2022)



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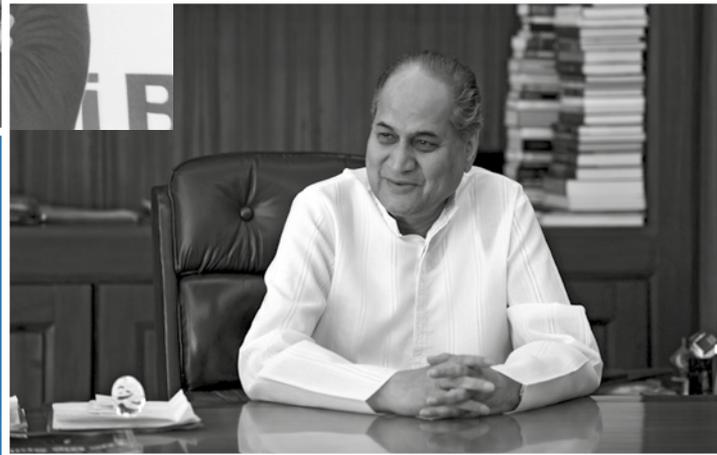
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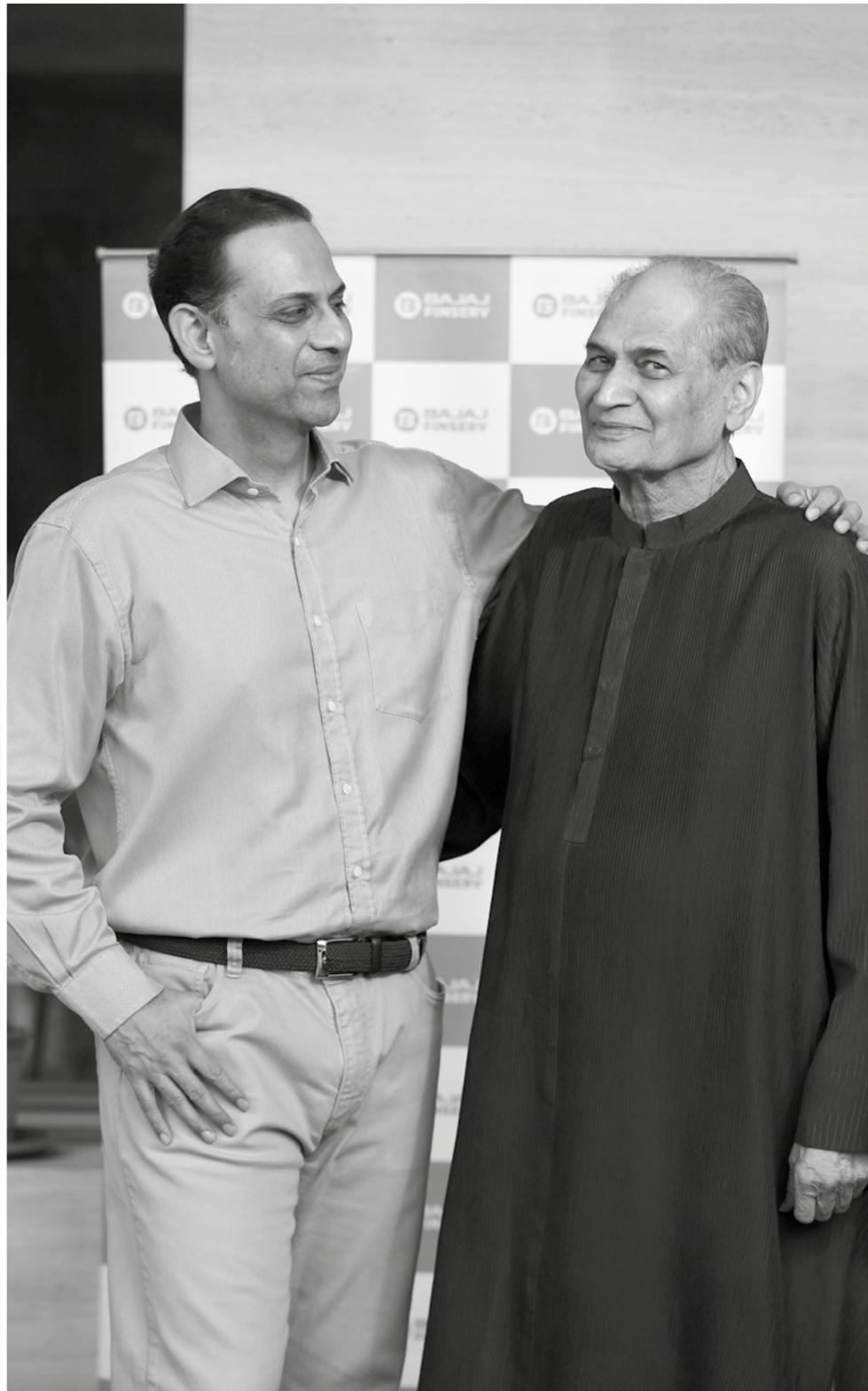
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“Earlier organisations made individuals, today individuals make an organisation.”





# CORPORATE INFORMATION

## Board of Directors

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**Sanjiv Bajaj**

Chairman

**Ritu Arora****Niraj Bajaj****Sergio Balbinot****Meleveetil Damodaran****Ranjit Gupta****Suraj Mehta****Lila Poonawalla****Anami Roy****Nilesh Sathe****Shashi Kant Sharma**

(up to 11 April 2022)

**S Sreenivasan****Avais Karmali**

Alternate Director for Sergio Balbinot

**Tapan Singhel**

Managing Director and Chief Executive Officer

## Audit Committee

---

**Lila Poonawalla**

Chairperson

**Ritu Arora****Sanjiv Bajaj****Ranjit Gupta****Suraj Mehta****Anami Roy****Shashi Kant Sharma**

(Up to 11 April 2022)

## Investment Committee

---

**Sanjiv Bajaj**

Chairman

**Ritu Arora****Ranjit Gupta****Tapan Singhel****Ramandeep Singh Sahni****Amit Joshi****Rajeev Kumar****Gaurav Malhotra**

## Corporate Social Responsibility Committee

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**Sanjiv Bajaj**  
Chairman

**Ritu Arora**

**Ranjit Gupta**

**Anami Roy**

**Tapan Singhel**

## Nomination and Remuneration Committee

---

**Lila Poonawalla**  
Chairperson

**Ritu Arora**

**Sanjiv Bajaj**

**Ranjit Gupta**

**Suraj Mehta**

**Anami Roy**

## Policyholders' Protection Committee

---

**Sanjiv Bajaj**  
Chairman

**Ritu Arora**

**Ranjit Gupta**

**Tapan Singhel**

## Chief Financial Officer

---

**Ramandeep Singh Sahni**

## Company Secretary & Compliance Officer

---

**Onkar Kothari**

## Joint Statutory Auditors

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**S R Batliboi & Co. LLP**

Chartered Accountants

**BSR & Co LLP**

Chartered Accountants

## Secretarial Auditor

---

**Shyamprasad D Limaye**

Practising Company Secretary

## Registered Office & Head Office

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**Bajaj Allianz House**

Airport Road, Yerawada,

Pune 411006. IRDA Reg No.: 113

[www.bajajallianz.com](http://www.bajajallianz.com)

CIN: U66010PN2000PLC015329



**Sanjiv Bajaj**  
Chairman



**Tapan Singhel**

Managing Director and Chief Executive Officer

# MD & CEO'S MESSAGE

## Dear Friends,

The last financial year has been a very special year for us as this was the year where we completed 2 decades of operations. It was a year full of challenges and learning. As we emerged out of the shadows of the COVID-19 pandemic, we saw opportunity and optimism in the market. With vaccination in full swing, it was a year where we wanted to proceed affirmatively but with prudence. There were however new challenges from new COVID variants, including further lockdowns and restrictions that were imposed intermittently across the country, inflation and number of natural calamities have been on the rise, and a slowdown in auto sales was observed. Despite the uncertainty, volatility, and global political headwinds, we were able to once again deliver best-in-class growth and profitability!

A deep focus on customer centricity and our obsession with making our customers feel special is what propels us ahead and will remain a driving force behind everything that we do. Our key differentiator remains our ability to provide best-in-class service to our customers. We endeavour to take this ahead by looking to offer the best value to our customers with every policy that we sell. We have always seen ourselves as worry solvers for our customers and with this in mind, we launched the health prime rider, where our intention is to provide a 360 degree total wellness ecosystem and encourage a preventive rather than curative approach by offering a range of solutions centered around tele-consultation, doctor consultation, investigations, and annual preventive health check-up. We also launched the Criticare product, a fully configurable critical illness policy that covers 43 critical illnesses, which include both initial and advanced stages. Our product platform took a giant leap by launching a fully modular Travel insurance product called Travel ACE. This has 42 optional covers, 5 extensions and is 100% modular, giving BAGIC and our partners the opportunity to co-create products by choosing covers and pricing, as per the needs of various consumer segments. We enhanced our operational efficiencies further by moving to a close to 100 percent digital onboarding process for our advisors. We were able to further enhance the BAGIC CARE CRM for a seamless and digital servicing experience for our customers. We also took the next step on the voice front by implementing the "Voice" bot which has been implemented for Agriculture business to reach out to our CSC partners, automation of calls & messages to employees, partners, and customers on various occasions and we also enhanced the voice capability on Caringly Yours mobile app for facilitating better customer service. Through robotic process automation, we were able to enhance productivity by 157% when it came to policy issuance for our farmer friends. Our quest for paperless experience was further facilitated with the enablement of the "Go-Green" option for customers, along with digital policy delivery with close to 95% policies delivered digitally. With our BOING chatbot and an integrated WhatsApp experience we were able to enhance service and with close to 3 crore messages exchanged and over 600,000 unique users serviced, we also added multilingual capabilities along with 6 new self-service features. Our mobile applications also have continued to be the preferred way for our customers to interact with us; our Caringly Yours app crossed 20 lakh downloads and our Farmitra - Caringly Yours app crossed 6 lakh downloads. Our cloud-based core transformation journey of Maximus crossed another landmark, and now Travel, Retail health, and Motor Third party insurance new business are live on the platform, & in the coming year, we will see the entire health and motor portfolio transition to this platform. During this period, we also forged new partnerships with established players like Bank of India, Small Industries Development Bank of India (SIDBI), Pune District Central Cooperative Bank (PDCC), Aadhar Housing Finance, Tropogo, TVS Motor Company, Yamaha Motor India, Volvo Cars, FCA India (Jeep), SML Isuzu & Tata Hitachi amongst others, allowing us to be present across various platforms and catering to specific needs of our customers. We also retained majority of our relationships at the time of renewals, with the most important ones being Canara Bank, Union Bank, Central Bank of India and Jammu and Kashmir Bank.

Our learning from these tough times is that if an organization is customer-centric, obsessed with solving worries for them, and focused on paying claims at hyper speed, business is incidental. For us every customer, every partner, every employee is special, and we will continue to care for them and make their life simpler.

Our customer-centric ideology and prudent underwriting approach has once again given us the edge when it comes to results. Some of our key performance indicators have been highlighted below:

- The Gross Written Premium Grew to 13,788 crores, which is a growth of 9.2%
- The Company continues to be one of the most profitable insurers in the industry, with a Combined Ratio of 99.6% and Profit Before Tax of 1,793 crore, which saw a growth of 1.3%
- Over the year, we issued over 2 crore policies and settled more than 43 lakh claims
- The company maintained a credit rating of [ICRA]AAA(Stable) awarded by ICRA, signifying our highest claims paying ability
- We received an ISO 9001:2015 certification for operations

Our innovation led mindset, our robust business model, and our often industry first initiatives were recognized across various platforms across the industry. A few major recognitions we received during the year were,

- We won the **Gold Award in the Non-Life Insurance Provider of the Year category** at the 20<sup>th</sup> edition of the Outlook Money Awards 2020
- We won **four prestigious awards at Quantic's BFSI Excellence Awards 2021:**
  - Fraud Intelligence Insurance Company of the Year 2020-21
  - Customer Service Provider of the Year 2020-21
  - General Insurance Company of the Year 2020-21
  - Best Data Management Project 2020 for Project- Saksham (FY 2019-20)
- We were awarded with the **Certificate of Merit** at the 33<sup>rd</sup> CFBP - Jamnalal Bajaj Awards for Fair Business Practices - 2020-21, under the Service Enterprises (Large) category
- We were felicitated as one of the **50 Most Trusted BFSI Brands in India** at an award ceremony organized by Team Marksmen along with its media partner NDTV 24x7 and research partner Allegiant
- We won the prestigious 'Best in Future of Work' award for SkillCity and was announced as the country winner at the first-ever IDC Future Enterprise Awards India, 2021
- We were announced as the **General Insurance Company of the Year** at the prestigious India Insurance Summit & Awards 2022
- We were announced as the winner in the **Best Risk Management Initiative** (for Project Anveshak) and **Best Digital Transformation Initiative** (for MAXIMUS) categories at the InsureNext Summit & Awards 2022 organized by Banking Frontiers.

Once again, we remain committed towards being there for our customers in their direst times of need and offering them the best value through our products and services. While our grievance ratio stood at 1.06 % which is amongst the Industry's lowest, our Net Promoter Score was amongst the highest in the industry, i.e. 65% and 63%, for Motor and Health respectively. We continued to participate strongly in Government schemes and make a difference to society and our country at large. We participated in the PMFBY programme in Haryana, Rajasthan, Karnataka, Chhattisgarh, Maharashtra, and Manipur & we implemented the AB PMJAY scheme in 18 districts of Gujarat. We also concluded the AB PMJAY - Sehat, a universal health insurance programme covering more than 21 lakh families for Jammu & Kashmir and Ladakh. Adoption of our flagship assets continued to rise in the year with our website, which is now available in 7 languages, now serves over 24 lakh unique customers every month. Our flagship portal and app, iMitra for our Agents, has now more than 90 products, and our agent and VSO app, Ezeetab for our agents, has now over 87 products. Digital Issuance has moved up, clocking close to 2 crore policies issued on these digital platforms.

The COVID-19 pandemic has been devastating in multiple ways and supporting our employees and their families has been our utmost priority since the beginning. Ensuring the safety of our employees during the

second and third wave of COVID where the number of cases was a concern, was our main priority. Apart from maintaining complete safety measures in our office premises and providing necessary support, we also launched Doctor 24x7 for our employees and their 5 dependents. Through Doctor 24x7, employees had the flexibility to consult specialist doctors under 10 categories including COVID-19 specialists anytime and anywhere from the comfort of their home. Unlimited COVID leaves were also introduced for all employees. A COVID-19 Group Vaccination drive was launched in 15 cities at a group level to assist employees and their dependents for taking the vaccination. We also did local tie-ups for multiple other smaller cities, to enable a smooth experience for employees. Close to 100% vaccination of employees was achieved. We also launched a COVID Family Care policy. The aim of this policy is to support the families of our employees in this hour of need by extending immediate financial assistance to reduce their burden and provide financial stability. Bajaj Allianz General Insurance in collaboration with Jankidevi Bajaj Gram Vikas Sanstha also distributed 17 advanced life support ambulances in 17 cities as a part of the Company's Saving Lives initiative. The Covid-19 pandemic, especially in its second wave, led to a crunch in healthcare facilities. The idea behind distributing ambulances is to make a sustainable contribution to healthcare facilities across locations. Thus, enabling appropriate care in the hours critical for saving lives. From the ever-evolving scenario of the work landscape, we felt it was great to further promote the gig work culture which we have emphasised on. With this in mind, we launched project economy 2.0, under which we introduced 9 new projects with a substantial business impact, open for all employees.

The Company continued to sustain a high level of brand visibility and engagement on social media through several innovative and relevant campaigns. The repositioned brand essence 'Caringly Yours,' spanning across all touchpoints, continues to reinforce BAGIC's promise of delivering caring solutions. Backed with empathetic customer experience delivery, the brand aspires to translate insurance from being a push to pull product category, delivering a "special" experience to each customer. We rolled out the new Corporate Brand Film, demonstrating our unmatched simplified Claim experience embedded in products and technology, reflected in the magnitude of claim settlement done over the last twenty years. To enable Hockey at the grassroots level, BAGIC launched the #Care4Hockey campaign to provide equipment and coaching support to economically disadvantaged kids from the remotest corners of India. Rani Rampal, the captain of the Indian Hockey team has been the face of the campaign, and the initiative is being implemented through a CSR Partner, 1000 Hockey Legs (OTHL). Leveraging AI and ML, BAGIC has uniquely launched personalised video messaging targeting customers, agents and employees. The brand continues to sustain a high level of engagement on Social Media through innovative campaigns including #HarGharCaringlyYours & #WohSambhaalLegi. Videos have clocked a total watch time of 13 lakh hours.

As we move ahead into the new year, we do so with renewed vigour and optimism. We believe that the time is right to increase our footprint to every household in India by ensuring we are able to fully utilise the potential of our current relationships in every corner of the country and identify and capture profitable pools of business. We extend our gratitude to all our customers, employees, partners, regulator, and each and every stakeholder for their continued support and trust in our brand! You are Special to us and make us the successful organisation that we are! We look forward to serving and working closely with all of you to ensure that we continue to set new benchmarks and continue to work towards the betterment of our environment, our society, and our country.

Caringly yours  
**Tapan Singhel**  
MD & CEO

# The Torchbearers



**Ramalingam T A**  
Chief Technical Officer



**Sasikumar Adidamu**  
Chief Distribution Officer-  
Institutional Sales



**Ramandeep Singh Sahni**  
Chief Financial Officer



**Aditya Sharma**  
Chief Distribution Officer-  
Retail Sales



**Alpana Singh**  
Senior President & Head -  
Bancassurance - PSUs,  
RRBs & Co-Banks



**Sourabh Chatterjee**  
Sr. President IT, Travel  
& Websales



**KV Dipu**  
Sr. President - Operations  
& Customer Service



**Vikramjeet Singh**  
President & Chief Human  
Resources Officer



**Aashish Sethi**  
Head - Bancassurance  
(Private Banks & NBFCs)



**Amit Joshi**  
Chief Investment Officer



**Murthy K S V V S Naidu**  
Country Head - Products



**Amarnath Saxena**  
National Head Corporate  
Business



**Ashish Agrawal**  
Head Agri. Business & CSC



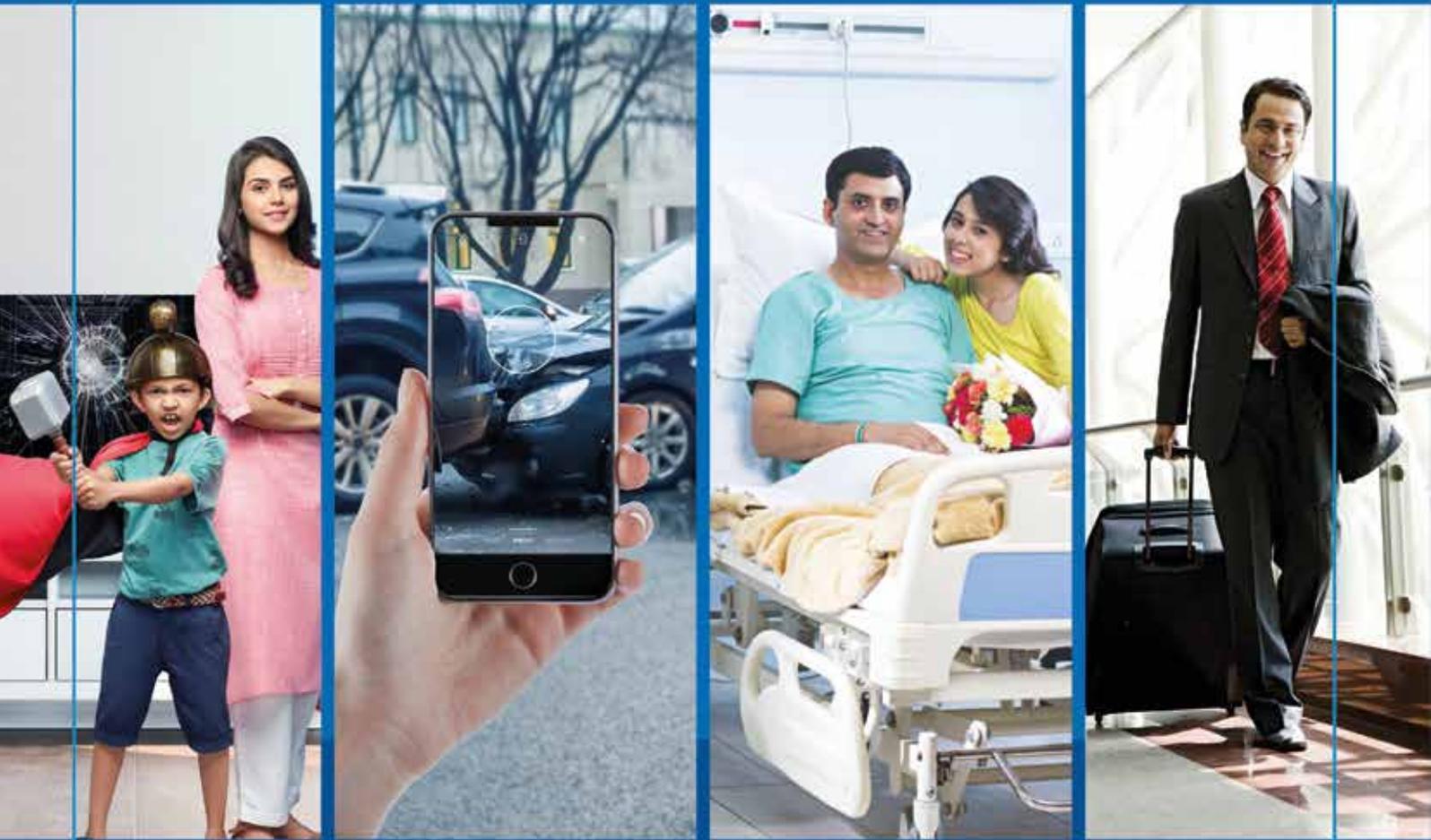
**Dwiraj Bose**  
Head Analytics



**Avinash Naik**  
President IT - Digital  
Transformation and  
Innovation

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Travel



Home



Pet

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Bajaj Allianz General Insurance Co. Ltd., Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006. IRDAI Reg No.: 113.

CIN: U66010PN2000PLC015329 | BJAZ-0-2281/05-Jul-21

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Available on  



# MANAGEMENT DISCUSSION AND ANALYSIS

## A. Economic and Industry performance

### 1. Macroeconomic overview

#### Global Economy

The war in Ukraine has triggered a costly humanitarian crisis that, without a swift and peaceful resolution, could become overwhelming. Global growth is expected to slow significantly in 2022, largely as a consequence of the war. The global economic and financial environment has worsened with the escalation of geopolitical conflict and accompanying sanctions. Commodity prices have shot up substantially across the board amidst heightened volatility, with adverse fallouts on net commodity importers. Financial markets have exhibited increased volatility. Crude oil prices jumped to 14- year high in early March; despite some correction, they remain volatile at elevated levels. Supply chain pressures, which were set to ease, are rising again. The broad-based jump in global commodity prices has exacerbated inflationary pressures across advanced economies and emerging economies alike causing a sharp revision in their inflation projections. The International Monetary Fund (IMF) has revised down its forecast of global output growth for 2022 by 0.8 percentage point to 3.6 per cent, in a span of less than three months. The World Trade Organization has scaled down projection of world trade growth for 2022 by 1.7 percentage points to 3.0 per cent.

Several central banks, especially systemic ones, continue to be on the path of normalisation and tightening of monetary policy stances. Resultantly, sovereign bond yields in major advanced economies have been hardening. Bullion prices had buoyed to near 2020 highs on safe haven flows, with some recent correction as bond yields rose. Global equity markets fell, although more recently they have recovered some ground. In recent weeks, strong capital outflows from the emerging market economies have moderated thus curbing the downward pressures on their currencies, even as the US dollar has strengthened. Overall, the global economy faces major headwinds from several fronts, including continuing uncertainty about the pandemic's trajectory.

Heightened uncertainty surrounds the inflation trajectory, which is heavily contingent upon the evolving geopolitical situation. Global commodity price dynamics are driving the path of food inflation in India, including prices of inflation sensitive items that are impacted by global shortages due to output losses and export restrictions by key producing countries. International crude oil prices remain high but volatile, posing considerable upside risks to the inflation trajectory through both direct and indirect effects. Core inflation is likely to remain elevated in the coming months. All these factors impart significant risks to the inflation trajectory.

#### Domestic Economy

Domestic economic activity stabilised with the ebbing of the third wave of COVID-19 and the easing of restrictions. Urban demand appears to have maintained expansion, but some weakness persists in rural demand. Investment activity seems to be gaining traction. Merchandise exports recorded double digit expansion for the fourteenth consecutive month in April. Non-oil non-gold imports also grew robustly on the back of improving domestic demand. Overall system liquidity remained in large surplus. Bank credit rose (y-o-y) by 11.1 per cent as on April 2022. India's foreign exchange reserves declined by US\$ 6.9 billion (up to April 2022) to US\$ 600.4 billion. In March 2022, headline CPI inflation surged to 7.0 per cent from 6.1 per cent in February, largely reflecting the impact of geopolitical spill overs. The rapid rise in inflation is occurring in an environment in which inflationary pressures are broadening across the world. The IMF projects inflation to increase by 2.6 percentage points to 5.7 per cent in advanced economies in 2022 and by 2.8 percentage points to 8.7 per cent in emerging market and developing economies.

As regard the outlook for domestic economic activity, the forecast of a normal southwest monsoon brightens the prospects for kharif production. The recovery in contact-intensive services is expected to be sustained, with the ebbing of the third wave and the growing vaccination coverage. Investment activity should get an

uplift from robust government capex, improving capacity utilisation, stronger corporate balance sheets and congenial financial conditions. On the other hand, the worsening external environment, elevated commodity prices and persistent supply bottlenecks pose formidable headwinds, along with volatility spill overs from monetary policy normalisation in advanced economies. On balance, the Indian economy appears capable of weathering the deterioration in geopolitical conditions, but it is prudent to continuously monitor the balance of risks.

Against this background, while economic activity is navigating the vortex of forces confronting the world with resilience on the strength of underlying fundamentals and buffers, the risks to the near-term inflation outlook are rapidly materialising, as reflected in the inflation print for March and the developments thereafter. In this milieu, the inflation is expected to rule at elevated levels, warranting resolute and calibrated steps to anchor inflation expectations and contain second round effects. Accordingly, the Monetary Policy Committee (MPC) decided to increase the policy repo rate by 40 basis points to 4.40 per cent. The MPC also decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

### **Real GDP growth to moderate to 7.2% in FY2023, with elevated commodity prices posing downside risks**

Following the protracted geo-political conflict, forecast of the real GDP growth in FY2023 revised to 7.2% from 8.0%. Higher prices of fuels and items such as edible oils are likely to compress disposable incomes in the mid to lower income segments, constraining their demand revival. In the mid to upper income segments, normalisation of behaviours after the third wave are set to result in a pivot of consumption towards the contact-intensive services that were avoided during the pandemic, again constraining the growth in demand for goods in FY2023. Even though exports of some items will pick-up to meet global demand amidst the supply crunch, ICRA expects a gradual rise in capacity utilisation to ~74-75% in Q3 FY2023 from ~71-72% in Q4 FY2022, leading to a potential mild delay in the awaited broad basing of private sector capacity expansion. An early kick-off of the Government of India's (Gol's) budgeted capex programme remains crucial to boost investment activity in H1 FY2023. However, a considerable portion of the step-up in the Gol's budgeted capital spending is coming through the enlargement in the size of interest-free capex loan to the state governments to ₹ 1.0 trillion in FY2023 from ₹ 0.15 trillion in FY2022, shifting the execution risk to the latter. Regardless, protracted geopolitical tensions and high commodity prices pose downside risks to the growth outlook, with margin compression set to squeeze value added growth during the period of the conflict. (Source: ICRA)

## **2. Insurance industry overview**

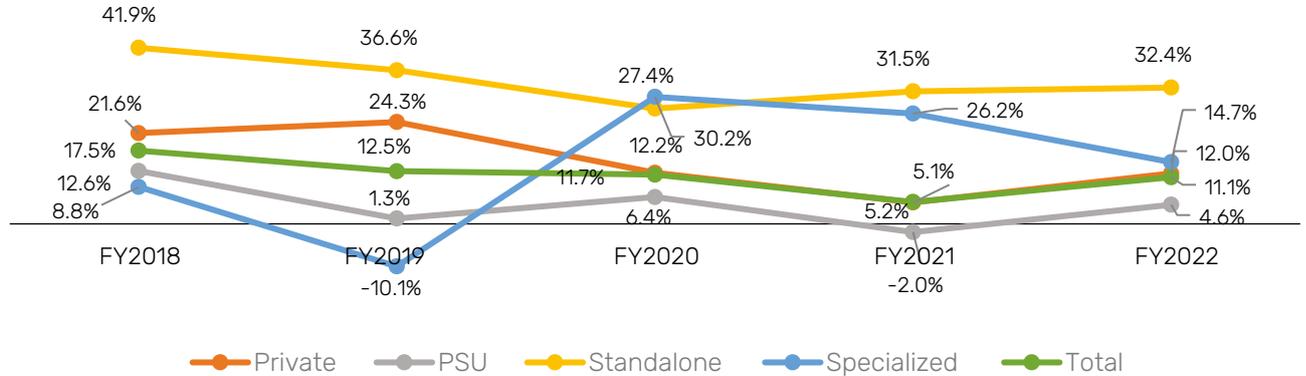
The insurance industry of India consists of 55 insurance companies of which 24 are in life insurance business and 31 are non-life insurers. Government's policy of insuring the uninsured has been pushing insurance penetration in the country and proliferation of insurance schemes. The enhancement in the FDI limits in the Insurance sector to 74% is likely to attract even more insurers especially on the General Insurance front given the low capital requirements, high valuations and low penetration experienced in the industry.

Gross Direct Premium (GDPI) underwritten in India by private and public insurers general insurers grew at 8.8% in FY2022 and reached ₹ 184,865 crore. Including Standalone Health Companies and Specialised Companies the industry grew 11.1% and reached ₹ 220,772 crore this is as against a low single digit growth of 5.2% in FY2021, the first full year of Covid-19. Growth in the non-life sector is reinstated to pre-Covid levels of FY2020 where the industry had grown at 11.7%. Overall non-life insurance penetration (premium as % of GDP) in India was still low at 1.0% in FY2021. (Source: General Insurance Council, IRDAI).

### a. Premium growth and relative performance of insurers

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

##### GDPI Growth Trend FY2018 to FY2022



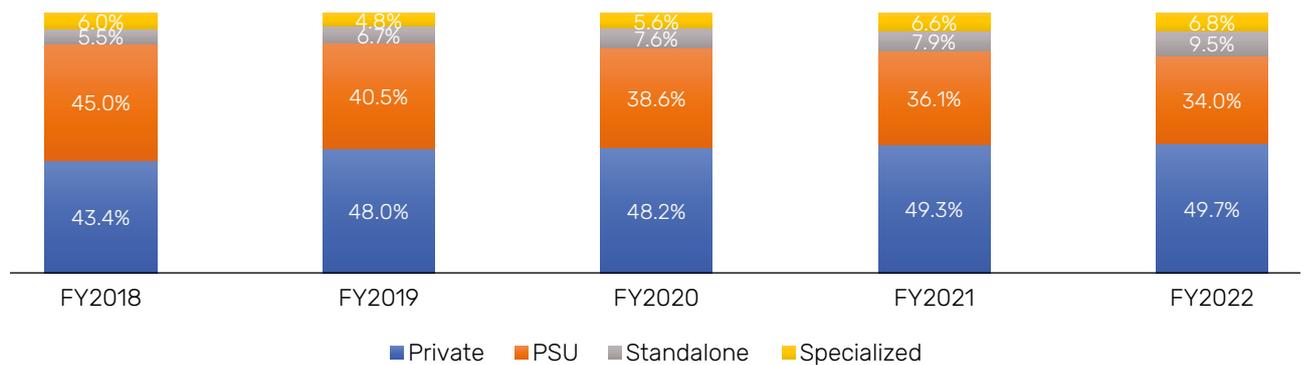
Source: IRDAI and General Insurance Council statistics

Over the period of last five years (i.e. FY2018 to FY2022), on GDPI basis:

- The industry including monoline and specialised insurers registered a CAGR of 10.0%. Within the industry, Private multiline insurers registered a CAGR of 13.8% and Public multiline players registered a growth of 2.6% (CAGR).
- Both Standalone health and Specialized segments have delivered a pretty healthy growth in last few years. However, Crop business saw a slowdown in FY2022 while the Standalone health segment continued to do well given the impact from the Pandemic.

#### Market share based on GDPI (in %)

##### Market Share Trend FY2018 to FY2022



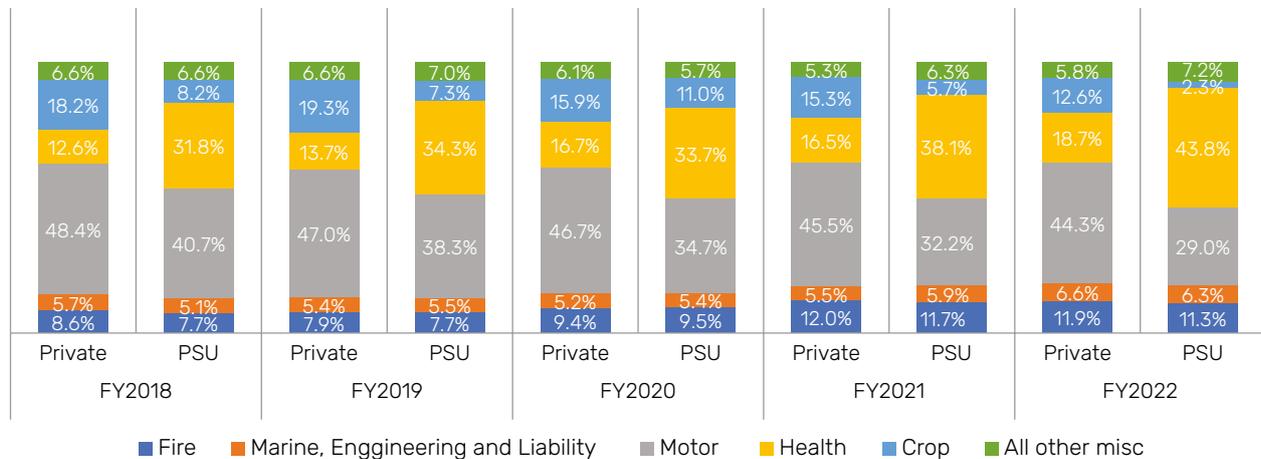
Source: IRDAI and General Insurance Council statistics

- Over the period of FY2018 to FY2022, the market share of private multiline players increased from 43.4% to 49.7% and of Standalone health players increased from 5.5% to 9.5% with a corresponding decrease in market share of PSU players from 45.0% to 34.0%.

**b. Shift in business mix**

**Line of business (LOB) wise mix**

**Line of Business Wise Mix Trend FY2018 To FY2022**



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

**LOB mix: Private players**

As seen above, there has been a substantial reduction in business mix of motor from 48.4% in FY2018 to 44.3% in FY2022 and Crop from 18.2% in FY2018 to 12.6% in FY2022, this reduction has been backed by an increase in mix of health insurance business from 12.6% in FY2018 to 18.7% in FY2022 and fire insurance from 8.6% in FY2018 to 11.9% in FY2022.

**LOB mix: PSU players**

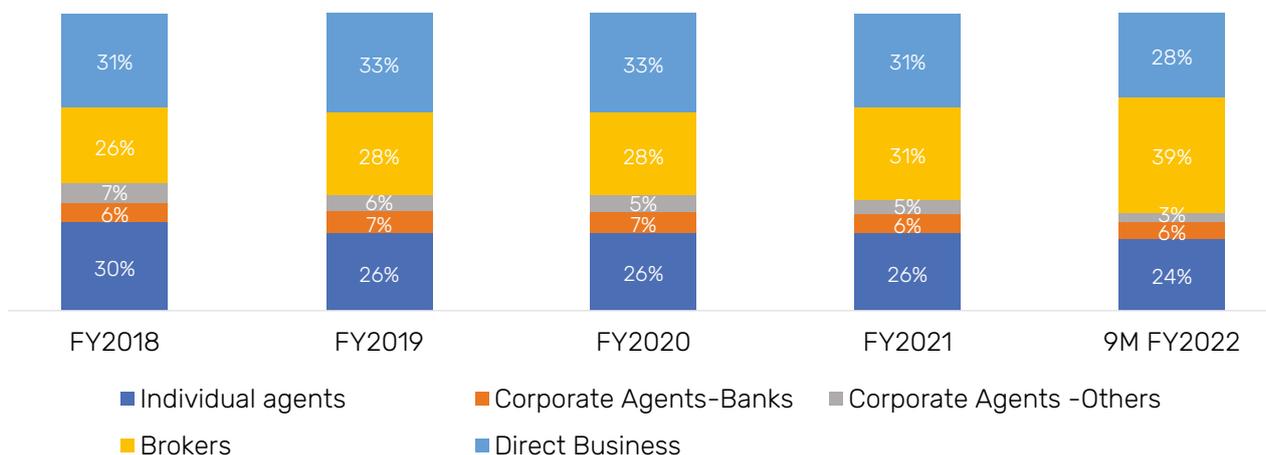
As seen above, similar to the trend for private players, there has been a substantial reduction in business mix of motor from 40.7% in FY2018 to 29.0% in FY2022 and Crop from 8.2% in FY2018 to 2.3% in FY2022, this reduction has been backed by an increase in mix of fire insurance from 8.6% in FY2018 to 11.3% in FY2022 and health insurance business from 31.8% in FY2018 to 43.8% in FY2022.

Motor as a segment saw some stress on new sales due to the semiconductor issues, low growth in two-wheeler sales and low uptake on passenger carrying commercial vehicles (school busses). Health growth was largely driven by the consequential impact of the pandemic.

**c. Distribution channel mix**

Based on GDPI for private and public general insurers excluding monoline/specialised insurers.

**Channel Mix Trend FY2018 to 9MFY2022**



Source: Public disclosures

As can be seen above, substantial shift has been observed in distribution mix towards broker driven business with mix going up from 26% in FY2018 to 39% in 9MFY2022. Agency mix was down from 30% in FY2018 to 24% in 9MFY2022.

#### **d. Regulatory changes and implications thereof**

Some of the key regulatory changes undertaken by IRDAI during the year are summarised below:

##### **Investments in Debt Securities of InvITs and REITs**

The Circular has laid down conditions for Insurers to follow while investing in debt securities issued by listed Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs).

##### **Norms on settlement of COVID-19 health insurance claims and handling of COVID-19 claims under health insurance policies**

Insurers were directed to maintain requisite turnaround time while communicating with Network Providers with regards to decision on authorization for cashless treatment for COVID-19 claims and decision on final discharge of patients covered in COVID-19 claims.

Insurers were advised to ensure that all repudiation cases are invariably referred to the claims review committee before taking any decision on the repudiation. Further, the Insurers were directed to put in place effective systems to thoroughly validate the claims before disallowing any amount other than deductibles and co-pay as per terms and conditions of policy contract

Insurers were advised that each health product related proposal should be critically analyzed and health insurance for COVID-19 recovered persons should not be denied or deferred just because they had COVID-19 earlier. Further, Insurers can impose specific waiting period if the proposer has suffered residual damage to any organ due to COVID-19, but it should be the last resort based on medical evidence.

Insurers were advised to undertake publicity activity on settlement of COVID-19 cashless claims. It was advised to put in place an effective publicity campaign through various channels of media in order to make policyholders aware of the turnaround times followed by the respective insurers.

##### **Guidelines on Standard Domestic Travel Insurance Product**

Insurers were advised to offer the standard travel product which has been designed with uniform features. The standard product was to have the basic mandatory covers as specified in the guidelines. Only such optional covers as specified in the guidelines were to be offered along with the standard product.

##### **Implementation of provisions of MHCA-2017 in Health Insurance Policies**

Insurers were directed that the terms and conditions of policy contract of every insurance product shall be in consonance with the provisions of the Mental Healthcare Act, 2017. Further, the underwriting policy of every insurer should include provisions for proper evaluation of proposals from persons with Mental Illness.

##### **Guidelines on Standard Professional Indemnity Policy for Intermediaries**

Insurers were advised to offer the standard professional indemnity policy from 01 July 2022 that should have mandatory covers as specified in these guidelines to ensure uniformity across the market.

##### **IRDAI (Trade Credit Insurance) Guidelines, 2021**

New guidelines on Trade Credit Insurance 2021 has been introduced enabling the Insurers to issue policy to Banks / Financial Institutions and para government buyers. Further, Insurers intending to underwrite trade credit insurance should have a board approved underwriting policy & risk management policy and the claim comprehensive manual.

**Title Insurance Products**

Through this Circular, Insurers were encouraged to file the following two products with regards to Title Insurance viz. Promoter Legal Expenses (Defence Cost) Policy and Allottee / Individual Buyer Retail Policy as per the procedure required under the extant product filling guidelines.

**Involvement of Unlicensed persons by Corporate Surveyors & Loss Assessors**

Insurers have been directed to ensure that the survey and loss assessment for each claim must be done by an individual authorized to survey for that particular department. Further, Insurers are required to ensure that every survey report is given sign-off by the licensed surveyor only and a confirmation from every corporate surveyor that no unlicensed person is involved in the survey job.

**Public Disclosures by Insurers**

Revised instructions on Public Disclosures by Insurers have been issued. Insurers were advised to upload disclosures on website on quarterly basis from 30 September 2021 while publishing the same in Newspapers on half yearly basis from 30 September 2021. Various new forms have been added to detail minute information on insurers performance.

**Maintenance of Current Accounts in multiple banks by Insurers**

Insurers have been allowed to maintain current accounts in multiple banks for premium collection, management expenses, policy payments, investment operations, etc. for convenience of policyholders and ease of doing business. The Audit Committee would be required to annually review the need for having multiple current accounts.

**Terrorism Premium Applicable for Add-On Covers**

Insurers have been directed that if any of the add-on covers as listed in the Circular are opted by the insured with the main policy, appropriate terrorism premium should be applied mandatorily on the sum insured for the add on covers as well.

**Premium refund on the death of the insured person**

Insurers were provided with the uniform practices with regards to the refund of premium in the event of death of the insured person in the middle of policy year / during the course of the policy year in respect of health insurance policies.

**IRDAI (Surety Insurance Contracts) Guidelines, 2022**

IRDAI having considered the necessity to promote and regulate sustainable and healthy development of Surety Insurance Business and Surety Bond Market, has issued the guidelines to regulate and develop Surety Insurance business that will come into force with effect from 1 April 2022.

**Obligatory Cession for FY2023**

The percentage of obligatory cession for FY2023 of the sum insured has been revised to 4% down from 5%.

**Survey questionnaire for rating the hospitals in the provider network**

IRDAI has started an initiative to monitor the quality outcomes of the insured patients at the point of treatment and obtain feedback from policyholders on services rendered by the network providers during the course of treatment. A standardized survey questionnaire has been designed for the abovementioned purpose and data gathered on basis of feedback received, needs to be further submitted to IIB on quarterly basis.

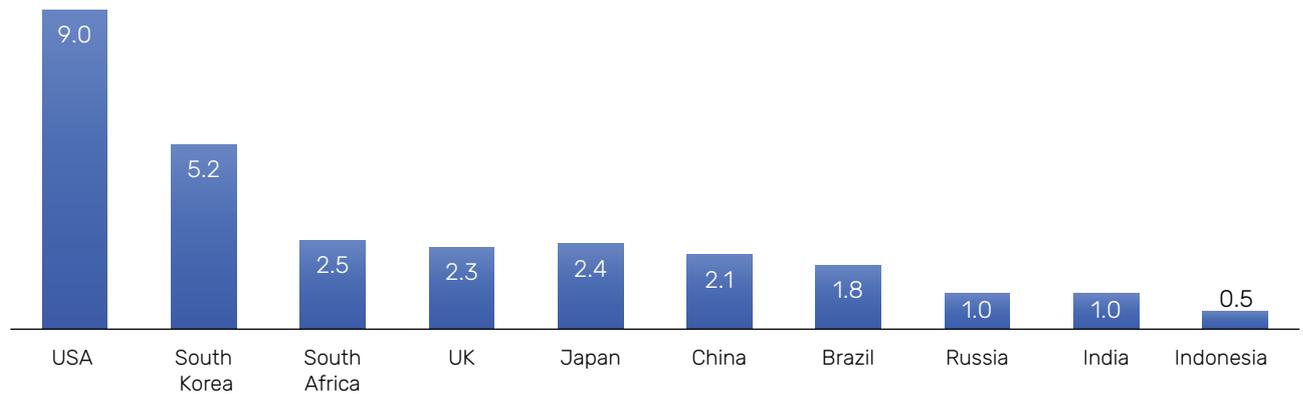
**Motor Vehicle Accident Fund Rules, 2022**

The new Rules underline establishment of Motor Vehicle Accident Fund and a Trust to oversee this Fund, to ensure that the adequate compensation is paid to the victims of accidents caused by insured vehicles, uninsured vehicles and due to hit and run accident cases. These shall come into force with effect from the 1 April 2022.

### e. Industry outlook

In non-life insurance business, India is ranked fourteenth in the world, improved by one rank from last year. The non-life insurance penetration has gone up from 0.94 per cent in 2019 to 1.00 per cent in 2020. The penetration in India was around 1/4<sup>th</sup> of global average of 2020.

#### Significantly underpenetrated Premium as a % of GDP (CY2020)



- Economic recovery is set to gradually slow as supply-side shocks constrain growth and lift inflation:** The world economy is making a strong recovery from the COVID-19 shock and the outlook is positive. However, peak growth is behind us and this cyclical recovery is not a structural one. The global real economic growth is expected to be 5.6% in 2021, 4.1% in 2022 and 3.0% in 2023. The recovery will be uneven, with risks tilted to the downside. Supply-side shocks, including global supply chain issues, labour shortages and energy shortages, may persist, while monetary policy is becoming less accommodative. Inflation is near-term macro risk and is expected to be elevated for some time, stemming from the same supply-side factors that are constraining growth. These headwinds are expected to weigh on the outlook for FY2023, making reversal of the permanent negative impacts of the pandemic on the economy difficult. (Source: Swiss re Sigma Report No. 5/2021)

In the domestic context too, the International Monetary Fund has recently cut India's GDP forecast for FY2023 to 8.2% as against 9% forecasted earlier and for FY2024 to 6.9%. RBI GDP growth forecast for FY2023 is even lower at 7.2%.

As the non-life industry moves in tandem with the GDP growth, the outlook for the coming year seems to be stressed due to the headwinds highlighted herein.

- Insurance demand should grow at above-trend rates in the coming years:** We expect growth to benefit from rising risk awareness in both the life and non-life segments, as consumers and businesses alike seek protection following the shock of the COVID-19 pandemic and above-average natural catastrophes.
- Insurance profitability should improve next year after a challenging pandemic era:** Insurance sector profitability has come under pressure in past two years, as the industry absorbs COVID-19-related claims, above-average catastrophe losses and high inflation. We expect that non-life underwriting profitability should recover fast as the impact of the pandemic settles.

However, uncertainty around the emergence of more transmissible COVID-19 variants and the ability of vaccines to keep the pandemic under control suggests that the recovery may be more uneven and protracted. Insurance demand will benefit from the growth momentum, but a firmer inflation environment is a concern.

**The pandemic and economic recovery have provided key lessons for the insurance industry:**

- Supply chain disruptions to business and society show that better protection is required
- Rising risk awareness is generating demand for more insurance protection
- Increasing inequality risks exacerbating social inflation
- The insurance industry remains a vital risk absorber in times of crisis

While FY2021 and part of FY2022 was majorly focused on the pandemic, the Indian insurance industry is expected to focus more on the growth story going forward. Low penetration, strong GDP growth vs. other markets, younger population driving high consumption, increased awareness levels, enabling digitalized payments infrastructure, advent of ecosystems, big data, journey simplification and overall digital enablement will be some broad items which will drive the growth story going forward. We however remain cautiously optimistic given the overhang of the pandemic, intense competitive activity and the stress in the automobile sector.

**f. Opportunities**

**Economic growth:** While there was slowdown over last two years on account of COVID-19, the Indian economy with its strong fundamentals is still likely to remain amongst the fastest growing and possibly the least affected by global turmoil. India's robust economy is expected to sustain the growth in insurance premiums written. Higher personal disposable incomes would result in higher household savings. Per capita GDP of India is expected to reach US\$ 3,274 in 2023 from US\$ 2,135 in 2018. GDP growth backed by higher disposable incomes could facilitate growth in the non-life insurance industry.

**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 currently accounts for close to 1% of the world's total non-life insurance premiums despite being the second most populous nation.

**Innovation and efficiency:** The scope of IoT in Indian insurance market continues to go beyond telematics and customer risk assessment. Currently, there are 110+ Insuretech start-ups operating in India. According to S&P Global Market Intelligence data, India is the second largest insurance technology market in Asia-Pacific, accounting for 35% of the US\$ 3.66 billion insuretech-focused venture investments made in the country. This ecosystem could on one hand increase potential insurance customers - individuals and companies across different industries, small and medium enterprises, multinational companies and on the other hand lead to significant amount of efficiencies.

**Growth in specific segments:** Increase in micro insurance due to increased focus of Government on financial inclusion. Increase in demand of motor insurance in the future on account of emergence of electric vehicles. Rising demand for health insurance products amid COVID-19 surge. These are some segments we believe will drive growth in the coming years.

**Favourable policy measures aid the sector:** In August 2021, the government amended the Foreign Exchange Management (non-debt instruments) Rules, 2019, to raise the foreign direct investment limit to 74% in the insurance sector. On December 26, 2020, Prime Minister Mr. Narendra Modi launched the 'Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) SEHAT' scheme to extend health insurance coverage to all residents of Jammu and Kashmir. These are some of the policy measures being undertaken by the government to aid growth.

**Ecosystems and Sachet products:** Ecosystems as a strategy has been gaining traction, both in the life and non-life spaces. Tie-ups with internet ecosystems, such as e-commerce, health-tech logistics, etc., may bring further traction, going forward. Insurance companies will be assessing these ecosystems for

embedding their products, which would typically follow a simplified construct and would be issued as well as serviced in a seamless manner, as a part of the larger ecosystem of offerings. Products such as on-demand insurance, event-based insurance, covers for purchases, etc. would gain prominence.

#### g. Risks and threats

**The business of insurance, which once was stable and predictable, is not that way anymore:**

Growth without sacrificing profitability is challenging, climate change is irrevocably impacting certain risk profiles, distribution needs have become truly omnichannel, and customers expect products tailored just for them. Technology continues its relentless advance and an emerging player ecosystem is threatening to shake up customer acquisition. As a result of these complexities, the industry needs to make an array of deliberate and aggressive strategic choices to succeed.

**Insurers face mounting bottom-line challenges beyond pandemic resurgence:** Rising inflation could turn out to be major obstacle in improving insurers results. Also, climate risk and sustainability efforts are still a work in progress. Financial losses from climate risks are likely to continue cutting into non-life insurers profitability and drawing heightened attention from sustainability advocates.

**Insurers are increasingly dependent on emerging technologies and data sources** to drive efficiency, enhance cybersecurity, and expand capabilities across the organization. However, most should also focus on improving the customer experience by both streamlining processes with automation, as well as providing customized service where needed and preferred.

**Enhanced competitive action through consolidation and enhanced FDI limits:** The market structure of the insurance sector indicates that the top few players control a key portion of the market while there is a significantly longer tail. This has led several consolidation activities in the industry over the last year or two. This trend is expected to continue with market leaders keenly assessing players with niche capabilities of market presence in geographies which would add value to their larger portfolio. Further, with the enhancement in FDI limits for insurance sector in India to 74% with and the limited capital requirements within the non-life industry, we could see a spurt of new entrants which may enhance competition.

## B. Business overview

### 1. Company strategy

#### a. Growth with profitability

The Company has always focussed on growing profitably rather than compromising on profitability at the cost maintaining market leadership on top line. It does so consistently through, (a) robust and prudent underwriting practices, (b) profitable & diversified portfolio of products & solutions, (c) generation of cash flows through strong retention of premium and judicious investments of the proceeds and (d) focus on high quality and efficient customer service and claims experience through use of technology.

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 two decades.

#### b. Diversified and largest distribution, with a diverse business mix and 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 force 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 & commercial 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 (across all segments i.e. mass, mass affluent & HNI) to avoid over dependence on any customer segment and to maintain high level of profitability. Endeavour is also to focus commercial segments (SME & MSMEs) while maintaining strong position in large corporates & government business.

**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**

Our theme of "Caringly yours" lays the foundation of customer obsession through innovations in customer experience and we strive to be the best claims paying general and health insurer. Our best in class customer service is continuously tracked through our highest Net Promoter Scores, amongst highest claims settlement ratio and claims settlement efficiency ratio and lowest grievance ratios.

**f. Digitalization to maintain competitive edge**

Simplification and accessibility are in the DNA of the Company. We keep on enabling & enhancing our digital assets periodically with a simplified journey to give a better experience to our customers, partners and employees. To maintain our leadership position, it is important to be agile enough by balancing the day to day needs of the business and at the same time keep on innovating at a rapid pace and creating capacity for the future. We follow a two-speed model i.e. running BAU (business as usual) and Transformation parallelly ensuring agile, innovative initiatives move forward quickly. RUN, TRANSFORM and INNOVATE is our operating model for delivery of technology and operational processes.

Our digital strategy has been significantly scaled up in the past few years and the pandemic has accelerated the speed by few multipliers:

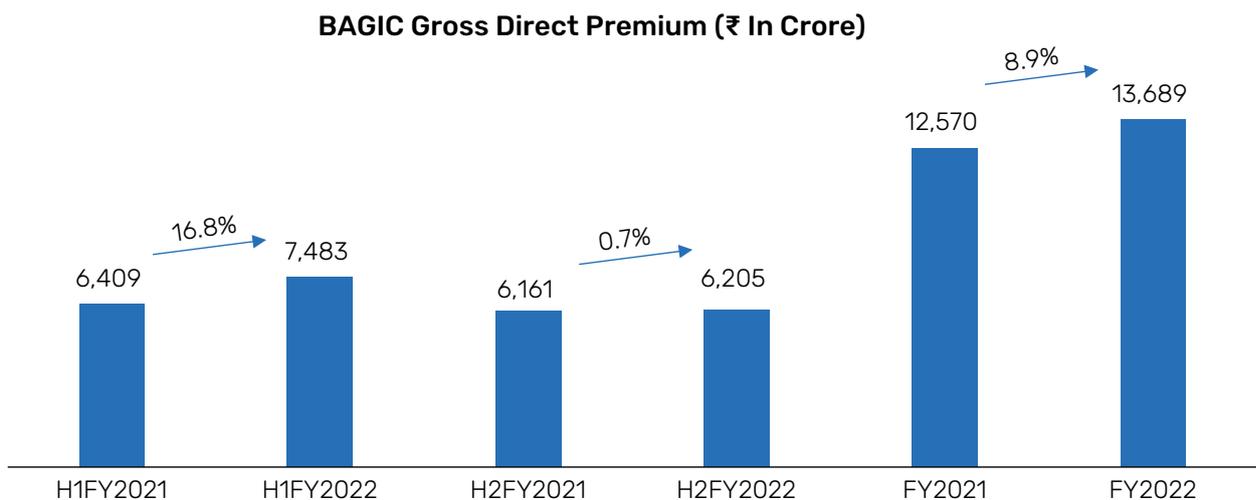
- Investments made in the last few years in digital capabilities for various customer journeys like buy process, policy contract issuance, renewal of insurance, claims and other servicing process resulted in exponential uptake in the adoption of these capabilities across our Customer, Intermediaries and Employees.
- During FY2022, our Core Transformation program has accelerated the speed post successful implementation of Travel line of business, we moved our retail health and Motor TP line of business to our new policy administration system (TCS BaNCS on AWS Cloud).
- Our Cloud transformation was accelerated to move critical workloads to cloud. This has provided the much needed agility, scalability along with the power to innovate at a rapid pace.

- Cyber security for both on premise and cloud deployments continues to be a big area of focus for us, including our investments in tools, processes and people awareness.
- Data and Analytics journey took big strides in terms of deployment of an omnichannel CRM platform across different touch points of service and sales. Leveraging our Data Lake for creation of a single BAGIC Customer and Household ID, enabling of analytics workbench with several new AI/ML models across fraud management, claims, renewals, customer churn, underwriting etc. were some of the other achievements during the year.
- API factory is one of its kind of initiative to enable our ecosystem partners to plug and play our APIs in a matter of days, thereby significantly improving go to market time.
- There are thousands of employees, intermediaries and partners and to keep the growing force accessible, more productive & efficient we need to keep enhancing the tools such as CRM for single view of the customer providing omnichannel services, BOING – our AI enabled self-service BOT across popular mediums like WhatsApp, Customer app - Caring Yours App, our Intermediary app and portal - Ezeetab and iMitra were some of the capabilities which were widely adopted and used through the year.
- BAGIC continued to innovate at scale with capabilities like AI enabled BOT BOING which serviced 7.55 lakhs unique customers with 12 lakhs+ conversations, our customer facing app Caring Yours App crossed 1.92 million downloads (9 L active users in FY21-22), our app for the farming community Farmitra scaled new heights (5.34 lakhs downloads, 1.34 lakhs farmer claims processed through the app).

## 2. Performance overview: FY2022

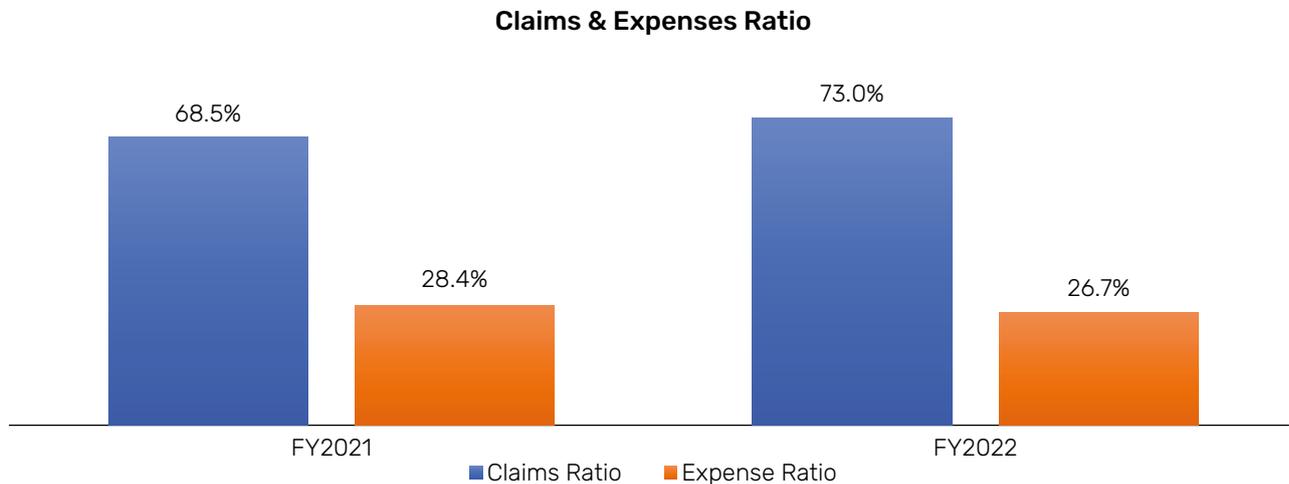
### a. Business growth and market ranking

In terms of GDPI, the Company's growth was at 8.9% as against the market growth of 8.8% (Private and Public multiline players). However, as depicted below, the Company in H2FY2022 grew by 0.7% which mainly impacted due to lower growth in motor business on account of shortage of semiconductor chips which impacted new four-wheeler sales and due to Maruti shifting to the market-place model. H2 FY2022 was also impacted due to de-growth in the tender driven Crop business. However, commercial lines continued to do well in H2FY2022 as well. The Company maintained its 2<sup>nd</sup> rank amongst private players during FY2022 with a market share of 6.2% which moved down from 6.3% in FY2021.



**b. Claims ratio**

Claims ratio for the Company for FY2022 was 73.0% as compared to 68.5% in FY2021. Higher claims ratio was attributable to (a) Higher motor OD claims which reached to pre COVID levels during FY2022 (b) Higher health segment claim ratio due to increase in severity of non COVID health claims as well as higher COVID claims than previous year (c) Higher crop claims in Kharif season of FY2022.



$$\text{Expense Ratio} = (\text{Net Commission} + \text{Operating Expenses}) / \text{Net Written Premium}$$

**c. Expense ratio**

Decrease in expense ratio is largely attributable to lower net commissions on account of higher commissions on reinsurance ceded.

**d. Grievance ratio and Net Promoter Score (NPS)**

Grievance ratio for FY2022 was 1.05 per 10,000 policies issued (expected to be amongst the best in the industry vs. comparable peers).

We also continue to maintain amongst the highest NPS of 65 for Motor and 63 for Health, which we believe is the highest in the industry.

**e. Profitability – COR, Underwriting profits, Profit after Tax and ROE**

The Company's COR moved up from 96.9% in FY2021 to 99.6% in FY2022 largely on account of the higher claims partially offset by lower expenses as explained above.

The Company registered an underwriting profit of ₹ 33 crore in FY2022 as against profit of ₹ 237 crore during FY2021. Underwriting profits were reported by the Company despite NATCAT (natural catastrophe) claims of ₹ 68 crore and Covid claims of ₹ 330 crore in FY2022. The fall in underwriting profits vs. FY2021 are attributable to (a) higher motor OD claims which reached pre COVID levels during FY2022, lockdown benefits of Q1 FY2021 did not accrue in FY2022 (b) Higher health segment claim ratio due to increase in severity of non COVID health claims as well as higher COVID claims than previous year and (c) Higher crop claims in Kharif season of FY2022 due to drought followed by unseasonal rainfall in Rajasthan.

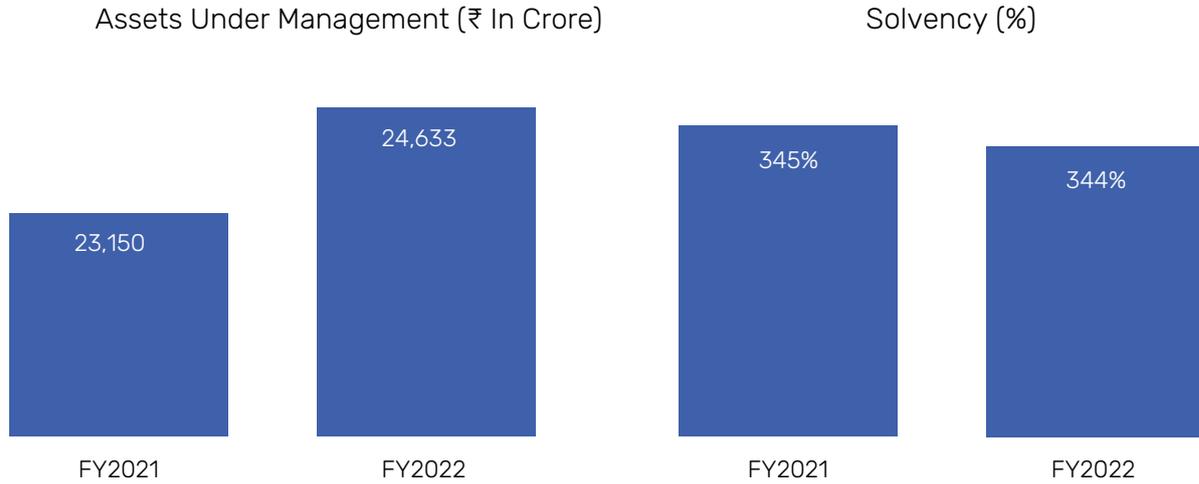
FY2022 PAT grew to ₹ 1,339 crore – highest ever profit for BAGIC in any financial year. This growth was despite a lower underwriting profit in FY2022 as compared to FY2021 on account of higher realised investment gains.

Consequently, the ROE (excluding fair value) of the Company moved down from 20.3% in FY2021 to 17.3% in FY2022. Excluding the impact of COVID & NATCAT claims, ROE (ex-fair value) for FY2022 stood at 20.1%.

#### 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 2022 stood at 344% (31 March 2021: 345%) which is well in excess of the required solvency margin of 150%.

The AUM for the Company grew by 6.4% in FY2022 to end at ₹ 24,633 crore at 31 March 2022 up from ₹ 23,150 crore at 31 March 2021.



#### g. Brand performance

- The repositioned brand essence 'Caringly Yours,' spanning across all touch points, continues to reinforce BAGIC promise of delivering caring solutions. Backed with empathetic customer experience delivery, the brand aspires to translate insurance from push to pull product category.
- Rolled out the new Corporate Brand Film, demonstrating BAGICs unmatched simplified Claim experience embedded in products and technology, reflected in the magnitude of over ₹ 50,000 crore claim settlement amount over the last twenty years.
- To enable Hockey at the grassroots level, launched #Care4Hockey to provide equipment and coaching support to economically disadvantaged kids from remotest corner of India. Rani Rampal, the captain of Indian Hockey team has been the face of campaign, and the initiative is being implemented through a CSR Partner, 1000HockeyLegs.
- Leveraging AI and ML, BAGIC has uniquely launched personalized video messaging targeting at customers, agents and employees.
- Building on vernacularisation theme catering to Tier2 and Tier2 audiences, BAGIC website now is now available in 7 languages - Hindi, Marathi, Gujarati, Bengali, Tamil, Telugu & Malayalam.
- Brand continues to sustain a high level of engagement on Social Media through innovative campaigns including #HarGharCaringlyYours & #WohSambhaalLegi. Videos have clocked a total watch time of 1.3 million hours. We have the largest digital reach with more than 2.7 million social media followers and more than 1 lakh likes highest in the industry.
- Company launched 'You are Special' which aims to drive the message of value that BAGIC provides to its customers, intermediaries and employees. Under this campaign, Company will continue to serve the BAGIC family with care and provide them value added and priority services, across different domains. Some of the initiatives such as Relationship Manager at hospital, building a training academy for our agents, B care WhatsApp bot for query resolution for those who are associated with the BAGIC brand, etc.

#### **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, people are at the heart of our strategy. We are always on a lookout for new avenues of personnel growth and to provide a platform for our people on new ways of working. We have always been on the forefront leveraging technology to simplify HR processes. At BAGIC we offer our employees with a wide range of opportunities in order to utilize their true potential and make BAGIC a place where they write their own story.

During the second wave of pandemic we stood strong with our employees helping them navigate through the changing, ambiguous and evolving environment. People at BAGIC have swiftly transformed to new ways of working that has helped us sail through the last year.

We have further re-incarnated HR processes keeping accessibility and scalability in mind, not compromising on the robustness of these processes.

#### **Following are few interventions that has helped us in being stable yet agile:**

- i. Learning Intervention:** Learning today is at the cusp of evolution and the future of learning is experience based. Our focus has always been on democratizing and personalizing learning to

employees' needs thereby building a future ready workforce. With this vision, we launched SkillSity – an AI driven, intuitive learning experience platform, integrating work and learning more closely with each other. SkillSity today is the default learning solution for current and future skill development in the organization.

- ii. Project Economy:** In order to build the right capability and deliver the projects more efficiently, we launched 'Project Economy' – A unique intervention to promote Internal GIG culture. It is an intervention where cross functional teams come together to work on a live business project and get recognized and rewarded based on the business outcome.
- The journey of Project Economy started in 2020 when we launched our first pilot program. 54 Gigsters became the torch bearer of 8 different projects in the first phase.
  - With the scale up plan of Phase 2.0, which we launched in May 2021, we introduced 9 new projects with a substantial business impact, open for all employees. We have witnessed great appreciation and response across Zones, Channels and Functions for this intervention.
  - This initiative unfolds various prospects along with it, such as an Opportunity to positively impact the business outcome and exposure and learning of business outside the core area along with Project management certification.
- iii. Performance management:** As a performance driven organization, we believe in continuous feedback process and high performance culture. We formalized it with quarterly evaluations and incentives. This has helped align business strategy with goals on a continuous basis. As the market dynamics change, we are able to replicate that into quarterly goals. This change positively drove transparency, requisite change in behaviors aligned to business objectives, that helped enhance productivity and rigor for employees. This policy promotes 'Do More, Earn More' philosophy and entails metrics oriented KPI assessment on individual performance. Managers are able to observe positive behavior from employees, as the new structure empowers employees and provides clarity of earning potential based on the level of performance. This initiative will serve as a powerful driver in productivity enhancement, business alignment and retention of talent.
- iv. COVID management:** The COVID-19 pandemic has been devastating in multiple ways and supporting our employees and their families has been our utmost priority since the beginning. Ensuring the safety of our employees during the second and third wave of COVID where number of cases were quite high, was our main priority. Apart from maintaining complete safety measures in our office premises and providing necessary support, we also launched Doctor 24x7 for our employees + 5 dependents. Through Doctor 24x7, employees had the flexibility to consult specialist doctors under 10 categories including COVID-19 specialists anytime and anywhere from the comfort of their home. Unlimited COVID leaves were also introduced for all employees.

A COVID-19 Group Vaccination drive was launched in 15 cities at a group level from June 2021 onwards to assist employees and their dependents for taking the vaccination. BAGIC also did a local tie-up for an additional 16+ smaller cities to enable a smooth experience for employees. As on 31 March 2022, 99.89% of our employees have already taken their first dose and 99.70% employees across India are fully vaccinated.

BAGIC has also launched a COVID Family Care policy. The aim of this policy is to support the families of our employees in this hour of need by extending immediate financial assistance to reduce their burden and provide financial stability. This Policy applies to all the BAGIC onroll employee's family to support them in the unfortunate event of employee demise due to COVID-19. Key features of the policy as below:

- Fixed Ex-Gratia Support for 24 Months: Financial support will be provided to the families of the employee for 24 months.

- Education support for children: Education support for maximum of two children upto graduation or 21 years, whichever is higher.
- Family Medclaim support: Medclaim benefit provided for 5 years by the company to the family of deceased employee as per existing coverage. Family Medclaim support will be extended to spouse and 2 children.

## 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:

Particulars	(₹ in crore)	
	FY2022	FY2021
Gross written premium (GWP)	13,788	12,624
Less: Premium ceded	6,025	5,207
Net written premium (NWP)	7,763	7,417
Less/(add): Adjustment for change in reserve for unexpired risks	(17)	(19)
Net earned premium (NEP)	7,779	7,436
Income from investments (net)	1,786	1,557
Other income (excluding contribution from Shareholders' to Policyholders' account)	23	18
<b>Total income</b>	<b>9,589</b>	<b>9,012</b>
Claims incurred (net)	5,676	5,090
Commissions (net)	(94)	49
Operating expenses related to insurance business	2,165	2,060
Other expenses (excluding contribution from Shareholders' to Policyholders' account)	49	43
<b>Total outgo</b>	<b>7,795</b>	<b>7,243</b>
<b>Profit before tax</b>	<b>1,793</b>	<b>1,769</b>
Provision for taxes	454	439
<b>Profit after tax</b>	<b>1,339</b>	<b>1,330</b>

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

#### i. Premium income

Premium income has been analysed as follows:

Particulars	(₹ in crore)		
	FY2022	FY2021	Growth
Premium from direct business written (GDPI) (net of GST)	13,689	12,570	8.9%
Premium on reinsurance accepted	99	55	80.9%
<b>Gross written premium (GWP)</b>	<b>13,788</b>	<b>12,624</b>	<b>9.2%</b>
Less premium on Reinsurance ceded	6,025	5,207	15.7%
<b>Net written premium (NWP)</b>	<b>7,763</b>	<b>7,417</b>	<b>4.6%</b>
Less: Adjustment for change in reserve for unexpired risks	(17)	(19)	-12.9%
<b>Premium earned (net) (NEP)</b>	<b>7,779</b>	<b>7,436</b>	<b>4.6%</b>

Premium income has further been analysed below at a segmental level.

**Segmental GWP**

Particulars	(₹ in crore)		
	FY2022	FY2021	Growth
Fire	2,003	1,706	17.4%
Marine	212	166	27.6%
Motor OD	2,019	2,011	0.4%
Motor TP	2,826	2,715	4.1%
Motor Total	4,845	4,726	2.5%
Workmen's Compensation	45	46	-1.7%
Public Liability	59	40	47.7%
Engineering	265	226	17.1%
Aviation	14	18	-19.7%
Personal Accident	202	202	0.0%
Health Insurance	3,179	2,100	51.4%
Credit Insurance	12	13	-11.0%
Crop Insurance	2,081	2,556	-18.6%
Others	871	825	5.6%
<b>Grand Total</b>	<b>13,788</b>	<b>12,624</b>	<b>9.2%</b>

As can be seen above, the growth was largely driven by the Health and Commercial lines of business i.e. Fire, Marine, Engineering and Liability portfolio whereas consumption driven segments such as Motor, Personal Accident dragged due to the market conditions such as shortage of semiconductor chips, Maruti shifting to market-place model and slowdown in new two-wheeler sales and passenger carrying commercial vehicles (largely school buses). Crop being a tender driven line de-grew on account of a loss of a tender in one district in Maharashtra.

**Segmental NEP**

Particulars	(₹ in crore)		
	FY2022	FY2021	Growth
Fire	252	269	-6.3%
Marine	120	107	12.2%
Motor OD	1,909	1,818	5.0%
Motor TP	2,517	2,543	-1.0%
Motor Total	4,426	4,361	1.5%
Workmen's Compensation	43	43	-2.1%
Public Liability	17	13	28.4%
Engineering	28	24	18.5%
Aviation	0	8	-100.9%
Personal Accident	196	214	-8.4%
Health Insurance	1,977	1,609	22.9%
Credit Insurance	0	0	-9.2%
Crop Insurance	403	472	-14.7%
Others	318	315	0.8%
<b>Grand Total</b>	<b>7,779</b>	<b>7,436</b>	<b>4.6%</b>

The premium on reinsurance ceded can be analysed through the retention ratios as depicted below:

### Retention Ratio

Particulars	FY2022	FY2021	Change
Fire	13.8%	16.4%	-2.6%
Marine	61.0%	65.0%	-4.0%
Motor OD	87.8%	94.4%	-6.6%
Motor TP	90.6%	89.7%	0.9%
Motor Total	89.4%	91.7%	-2.3%
Workmen's Compensation	93.1%	94.1%	-1.0%
Public Liability	33.0%	35.8%	-2.8%
Engineering	11.0%	10.9%	0.1%
Aviation	-0.4%	1.4%	-1.8%
Personal Accident	92.2%	92.5%	-0.3%
Health Insurance	63.7%	78.5%	-14.7%
Credit Insurance	1.0%	1.0%	0.0%
Crop Insurance	18.6%	18.7%	0.0%
Others	38.5%	36.7%	1.8%
<b>Grand Total</b>	<b>56.3%</b>	<b>58.8%</b>	<b>-2.5%</b>

The decrease in retention is attributable to change in business mix and treaty changes made in FY2022.

### ii. Investment income

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

Particulars	FY2022	FY2021	Growth
Interest, dividend and rent*	1,376	1,288	6.8%
Impairment loss/Reversal	17	34	
<b>Interest, dividend and rent (net of impairment)</b>	<b>1,393</b>	<b>1,322</b>	<b>5.4%</b>
Profit /(loss) on sale of investments (net)	393	236	67.0%
<b>Total income/(loss) on investments</b>	<b>1,786</b>	<b>1,557</b>	<b>14.7%</b>

\* includes accretion of discount/amortisation of premium

Investment income is analysed further as follows:

Particulars	(₹ in crore)		
	FY2022	FY2021	Growth
Interest, dividend and rent (gross of impairment)*	1,376	1,288	6.8%
Less: Dividend, etc.	25	22	13.6%
Interest Income from investments	1,351	1,266	6.7%

\* includes accretion of discount/amortisation of premium

As can be seen above, interest income increased by 6.7% up from ₹1,266 crore in FY2021 to ₹ 1,351 crore in FY2022 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	(₹ in crore)	
	FY 2022	FY 2021
Average interest earning assets	20,860	18,896
Average current yields	6.48%	6.70%

#### 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 provision of ₹ 8 crore made (previous year NIL) towards exposure pertain to certain unlisted equity offset by reversal of impairment provision of ₹ 25.0 crore (previous year ₹ 34 crore) towards debt exposure in a stressed NBFC.

#### iii. Other income

Other income mainly includes interest income other than investment on terror retrocession pool of ₹ 17.7 crore (Previous year ₹ 13.5 crore) and coinsurance admin charges income of ₹ 4.6 crore (Previous year ₹ 4.2 crore).

#### 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).

(₹ in crore)

Particulars	FY2022	FY2021	Growth
Claims paid	7,900	6,063	30.3%
Claims paid on reinsurance accepted	16	19	-17.7%
<b>Gross claims paid</b>	<b>7,916</b>	<b>6,082</b>	<b>30.2%</b>
Less: Claims recovered from reinsurance ceded	3,159	2,674	18.1%
<b>Net claims paid</b>	<b>4,757</b>	<b>3,408</b>	<b>39.6%</b>
Add: Increase/(decrease) in claims outstanding (net)	919	1,682	-45.4%
<b>Total claims incurred (net)</b>	<b>5,676</b>	<b>5,090</b>	<b>11.5%</b>

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

Particulars	FY2022	FY2021
Fire	57.1%	54.5%
Marine Cargo	64.0%	66.0%
Motor OD	65.1%	54.0%
Motor TP	71.2%	78.1%
Engineering	49.7%	36.1%
Personal Accident	35.7%	44.2%
Health Insurance	96.1%	81.7%
Crop Insurance	72.5%	68.0%
<b>Total claims ratio</b>	<b>73.0%</b>	<b>68.5%</b>

As can be seen above, the increase in claims ratio is largely attributable to segments such as Motor OD, Health and Crop segment. (i) Motor OD claims ratio reached to pre COVID levels in FY2022, also the FY2021 claims ratio was depressed due to the impact of nationwide lockdowns in Q1FY2021. (ii) Increase in Health segment due to increase in severity of non COVID health claims and higher COVID claims in FY2022 (iii) Increase in crop insurance segment impacted due to increase in claims of Kharif season of FY2022 mainly from Rajasthan.

#### v. Expenses (including commission)

(₹ in crore)

Particulars	FY2022	FY2021	Growth
Commission	(94)	49	-
Operating expenses related to insurance business	2,165	2,060	5.1%
Other expenses	49	43	13.8%
<b>Total expenses</b>	<b>2,120</b>	<b>2,152</b>	<b>-1.5%</b>

The total expenses are further analysed below:

### Commission expenses

Particulars	(₹ in crore)		
	FY2022	FY2021	Growth
Commission paid-Direct	867	795	9.0%
Commission paid on reinsurance accepted	12	6	101.6%
Gross Commission paid	879	801	9.7%
Less: Commission received from reinsurance ceded	973	752	29.4%
Commission paid (net)	(94)	49	-

Gross commission ratio has been stable as detailed below:

Particulars	FY2022	FY2021
Commission paid-Direct to GWP	6.3%	6.3%

As can be seen above, while the gross commission ratio has been flattish, the lower commission paid (net) is largely attributable to higher commission received on reinsurance ceded due to higher ceding.

The overall operating expenses grew by only 5.1% during the year due to the various expense initiatives undertaken over past few years.

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

### vi. Profit

Based on the above, the underwriting profit was at ₹ 33 crore for FY2022 and at ₹ 237 crore for FY2021. The segmental results were as follows:

Particulars	FY2022	FY2021
Fire	44	(1)
Marine	(2)	1
Miscellaneous	(8)	237
<b>Total</b>	<b>33</b>	<b>237</b>

During FY2021, within the miscellaneous segment the profitability was largely driven by Crop and Motor partly offset by COVID claims. Motor underwriting profits in FY2021 were largely attributable to the impact of nationwide lockdowns in Q1 FY2021.

Profit before tax (PBT) increased to ₹ 1,793 crore in FY2022 from ₹ 1,769 crore in FY2021, an increase of 1.4%.

As a result of the above, Profit after tax (PAT) increased to ₹ 1,339 crore in FY2022 from ₹ 1,330 crore in FY2021, an increase of 1% attributable to lower underwriting profits partly offset by higher realised investment gains.

**b. Financial condition**

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

(₹ in crore)

Particulars	At 31 March 2022	At 31 March 2021
<b>Sources of funds</b>		
Equity capital	110	110
Reserves and Surplus	8,238	7,023
Fair value change account	474	392
<b>Total Equity</b>	<b>8,822</b>	<b>7,524</b>
Current liabilities	14,483	14,226
Provisions	4,177	4,221
<b>Total</b>	<b>27,482</b>	<b>25,972</b>
<b>Application of funds</b>		
Investments		
- Shareholders'	6,092	5,786
- Policyholders'	18,136	16,692
Fixed assets	424	427
Deferred tax assets	18	126
Cash & Bank balances	475	683
Advances & other assets	2,337	2,258
<b>Total</b>	<b>27,482</b>	<b>25,972</b>

**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 2022		At 31 March 2021	
	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%
<b>Total</b>	<b>110,227,250</b>	<b>100%</b>	<b>110,227,250</b>	<b>100%</b>

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 ₹ 110 crore (same as previous year).

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 344% at 31 March 2022 as against 345% at 31 March 2021.

## Reserves and surplus

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

Particulars	(₹ in crore)	
	At 31 March 2022	At 31 March 2021
Share premium	167	167
Balance of profit in Profit and Loss account	8,072	6,856
Fair value change account	474	392
<b>Total</b>	<b>8,712</b>	<b>7,414</b>

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

Fair value change account represents unrealised gain/(loss) as on the Balance Sheet date on equity, mutual fund and AT1 bond investments. Such mark to market treatment of equity, mutual fund securities and AT1 bonds 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 such investments 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 17.2% to ₹ 8,822 crores at 31 March 2022 up from ₹ 7,524 crore at 31 March 2021.

## ii. Current liabilities and provisions

### Current liabilities

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

Particulars	(₹ in crore)	
	At 31 March 2022	At 31 March 2021
Amount pertaining to Policyholders'		
- Unclaimed amount of Policyholders'	5	6
- Policyholders' claims payable	10,959	10,040
- Unallocated premium	593	460
- Premium received in advance	1,114	1,105
- Payable to Policyholders	0	1
Sundry creditors and payables for expenses	445	461
Solatium fund	20	17
Payables for unsettled investment contracts	0	140
Payable to agents (Agents balances)	144	124
Statutory dues and Taxes (including GST) payable	135	109
Balances due to other insurance companies	997	1,753
Other liabilities	70	11
<b>Total</b>	<b>14,483</b>	<b>14,226</b>

- (a) The unclaimed amount to policyholder balance is on account of excess collection due to policyholders and cheques issued but not encashed by policyholders / Insured.
- (b) Policyholders' claims payable represents 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. A large part of claims outstanding also pertains to estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER'). 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 IBNER. The said liability (IBNR and IBNER) is determined by Appointed Actuary based on actuarial estimate derived in accordance with relevant IRDAI regulations and guidance notes issued by the Institute of Actuaries of India. After uplifting of regional lockdowns, almost all courts have now opened. We have taken initiatives which has helped us to settle more than 19,000 claims due to National Lok Adalat arranged by courts for compromise which was not held last year. The increase in claims payable is mainly attributable to the fact that in FY2021 the number of claims reported was on the lower side especially on the motor front due to nation level lockdowns in Q1 FY2021.
- (c) Unallocated premium mainly includes amount received toward proposed insurance contract that will be recognised as premium post underwriting or fulfilment of requirements by the customer. Large sums however pertain to float 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. The advances largely pertain to long term motor policies.
- (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 as on the Balance Sheet date. The increase in balance is attributable to higher growth as against previous year.
- (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 (₹ 885 crore) largely pertaining to crop insurance, deposits held on reinsurance ceded (₹ 96 crore) and payable to other insurers towards coinsurance contracts (₹ 16 crore). The reduction in payables is largely attributable to settlement of Crop reinsurance balances.
- (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 2022	At 31 March 2021
Reserve for unexpired risk	4,149	4,166
Income tax	2	14
Provision for leave encashment, long term incentive plan and gratuity	25	42
<b>Total</b>	<b>4,177</b>	<b>4,221</b>

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 1/365<sup>th</sup> method on the unexpired period of respective policies.

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. The fall in liability is attributable to the transition from cash based long term incentive plan to employee stock options.

## Application of funds

### i. Investments

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

Particulars	(₹ in crore)	
	At 31 March 2022	At 31 March 2021
Investments		
- Shareholders'	6,092	5,786
- Policyholders'	18,136	16,692
<b>Total</b>	<b>24,228</b>	<b>22,477</b>

Total investments grew by 7.8% from ₹ 22,477 crore as at 31 March 2021 to ₹ 24,228 crore as at 31 March 2022.

### ii. Fixed Assets

A statement of movement of fixed assets is given below:

Particulars	(₹ in crore)	
	At 31 March 2022	At 31 March 2021
Gross block	703	700
Less: Accumulated depreciation	299	298
<b>Net block</b>	<b>404</b>	<b>402</b>
Add: Capital work in progress	20	25
<b>Net fixed assets</b>	<b>424</b>	<b>427</b>

**iii. Deferred Tax asset (net)**

Deferred tax assets carried in the books comprise of:

Particulars	(₹ in crore)	
	At 31 March 2022	At 31 March 2021
<b>Deferred tax asset</b>		
Timing difference on account of -		
Reserve for unexpired risks	24	94
Employee Benefits	3	3
Long Term Incentive Plan	3	8
Provision for doubtful debts	1	1
Solatium fund	5	4
Provision for diminution in value of Investments	4	38
<b>Total</b>	<b>40</b>	<b>148</b>
<b>Deferred tax liability</b>		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	(22)	(21)
<b>Net deferred tax asset</b>	<b>18</b>	<b>126</b>

**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 2022	At 31 March 2021
Cash and bank balances	475	683
Advance tax and TDS	93	42
Income accrued on investments	522	549
Assets held to cover unclaimed funds	10	10
Outstanding premium	1,113	1,235
Dues from entities carrying on insurance business	271	92
GST/Service tax unutilized credit	160	190
Deposits	27	27
Prepayments	40	22
Other advances and receivables	102	91
<b>Total</b>	<b>2,812</b>	<b>2,941</b>

- (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. The decrease mainly pertains to current account balances which reduced by ₹ 133 crore and reduction in short term deposits by ₹ 78 crore.
- (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 2022. This largely pertains to interest on fixed deposits, Government securities and debentures.

The decrease is attributable to the decrease in the coupon rate pertaining to Gsec and Corporate bonds and also increase in mutual fund investments during the year.

- (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 and Government Health business where monies are due from the Central and State governments.
- (f) Dues from entities carrying on insurance business include dues from coinsurers (₹ 92 crore) and reinsurers (₹ 179 crore). The increase is largely attributable to reinsurance balances on account of certain new treaties executed by the Company in the Motor and Government Health segment.
- (g) 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.
- (h) Deposits represent deposits placed for premises taken on lease as well as for leased accommodations for employees. It also includes deposits to service providers for electricity, telephone and other utilities services and margin money placed with CCIL.
- (i) Prepayments includes amounts paid in advance as per contractual terms with vendors for services to be utilised in the future. The increase is attributable to ESOP cost (intrinsic value) paid upfront and amortized over the vesting period.
- (j) Other advances and receivables primarily include advances made in the ordinary course of business for services to be availed in the future. It also includes other tax receivables (paid under protest) and recoverable from agents.

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# DIRECTORS' REPORT

Your Directors have pleasure in presenting their 22<sup>nd</sup> annual report and audited financial statements for the financial year ended 31 March 2022 (FY2022).

At the outset, your Directors express their profound grief on sad demise of Shri. Rahul Bajaj, the founding Chairman of the Company, who passed away on 12 February 2022. He was the Chairman of the Company till 31 March 2013 and continued as Non-executive Director up to 31 March 2020.

He lived an extraordinary life. He was the architect of one of the most respected business groups in the country, a vocal proponent of entrepreneurship and a voice of the industry at large. He stood for what he believed, a man driven by values, and bold in both expression and action. He was the torchbearer of the family legacy that dates back to the founding days of our country and championed the creation of a new India. While his passing away has left a void amongst us, he leaves behind an unparalleled foundation for all of us to build upon.

The Board places on record its whole-hearted appreciation of the invaluable contribution made by him to the spectacular success of the Company over the last two decades.

## Industry update

The past two years have been amongst the most challenging years the industry has evidenced over the last two decades. The pandemic, backed by a large number of natural calamities and the ongoing stress in the automobile industry has put immense pressure on both the topline and the bottom line performance of most General Insurance Companies in India in FY2022.

Fortunately, as we stand today, the impact of the pandemic is considered to be behind us as life returns to normalcy. The travel industry that had almost come to a standstill during the pandemic period, saw tremendous turn-around. Some amount of buoyancy was also evidenced in health insurance through the fear-factor of COVID-19. However, production and sales of automobiles across all segments continue to be impacted due to the shortage in supply of semi-conductor chips which has plagued the automobile sector during large part of FY2022 which has led to waiting periods for certain models stretch beyond even a year. The war in Ukraine in the last quarter of the year has not yet directly impacted the general insurance industry in the country, but may cast its shadow by way of sanctions clauses getting invoked by the reinsurers, extreme volatility in stock markets, wild swings in oil prices, high inflation and currency exchange rates and wavering sources of supplies.

On the claims front, large number of COVID-19 claims (₹ 16,212 crore paid by the industry in FY2022 - considering the penetration levels of health insurance in the country, this is remarkable support from the insurance industry in taking up medical treatment costs and support to governmental efforts), increased severity of non-COVID health claims and large number of natural calamities (Cyclone Tauktae & Yaas and heavy rains in Maharashtra, Uttarakhand, etc.) led to significant stress on bottom line of most insurers.

Faced with these challenges, the general insurance industry (Private and Public multiline players) recorded a fairly low GDPI (Gross Direct Premium income) growth of 8.8% for FY2022 despite a lower than normal base of FY2021.

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		
	FY2022	FY2021	Growth%
<b>BAGIC</b>	<b>13,689</b>	<b>12,570</b>	<b>8.9%</b>
Private Sector	109,748	98,001	12.0%
Public Sector	75,117	71,844	4.6%
Industry total	184,865	169,845	8.8%
Standalone Health Insurers (SAHI)	20,866	15,755	32.4%
Industry Including SAHI	205,731	185,600	10.8%
Specialized Insurers	15,041	13,115	14.7%
<b>Industry including all</b>	<b>220,772</b>	<b>198,715</b>	<b>11.1%</b>

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

As can be seen in the table above your Company grew in line with the growth of multiline players and registered a market share of 6.2% for FY2022 as compared to 6.3% in FY2021.

### Business update

Your Company continues to have strong focus on growing its retail and commercial businesses. 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., it also continues to participate in annual tender-driven businesses like crop insurance and government health schemes, which may cause some volatility in reported gross premiums. Motor, property and retail health insurance are the major focus areas, with approximately 60% of gross premium coming from these lines.

Your Company continued its journey of growing profitably. Even in the most difficult year, it did so through robust and prudent underwriting practices, generation of positive cash flows through strong retention of premium and judicious investments of the proceeds and focus on high quality customer service. Your Company continues to be among the most profitable general insurers vis-a-vis peers in the public and private sectors of comparable size while delivering premium growth in line with the industry. Combined ratio of 99.6% in FY2022 is expected to be one of the lowest in the industry, reflecting a sound balance between growth and profitability.

Your Company maintains one of the largest distribution networks through tie ups with banks, NBFCs, individual agents, MISPs, POSPs and the Company's proprietary Virtual Sales Offices. 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. Your 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 FY2022, your Company tied up with 20 new banks and NBFC's, renewed its long-standing relationships with HDFC Bank, Central Bank of India, J&K Bank, Canara Bank (to name a few) and several other co-operative and medium sized commercial banks and NBFCs and also secured entry into many automobile brands in two-wheelers, four-wheelers as well as commercial vehicles segments.

In these testing times, your Company emerged stronger on most key metrics, as summarized below:

- Premium growth in line with the industry
- Highest level of profitability – Combined ratio of 99.6% and ROE of 17.3%

- Amongst the lowest loss and cost ratios vs. peers
- Highest Net Promoter Score in key retail segments i.e. Health and Motor
- Lowest grievance ratio amongst comparable peers.

Your Company will be working on the following aspects over the next few quarters to further strengthen its position in the retail segments:

- Seeking to grow faster in the retail health segment
- Strengthening retail distribution by adding full-time individual retail agents and/or Point-of-Sale persons
- Expanding geographically into smaller towns of the country.

## Business performance during the year

Your Company's GWP, including reinsurance accepted, for FY2022 was ₹ 13,788 crore as compared to ₹ 12,624 crore during the previous year, growth of 9.2%. Excluding the bulky tender driven crop and government health insurance, GWP grew by 9.5%. The Net Earned Premium, which measures the premium retained after reinsurance and reserves for unexpired risks, grew by 4.6% at ₹ 7,779 crore as against ₹ 7,436 crore during the previous year. The Combined Ratio for FY2022, as defined by Master circular on 'Preparation of Financial Statements of General Insurance Business' issued by the IRDAI, stood at 99.6%.

Your Company continued to retain the second position in terms of the top-line in the private sector. The market share in the industry was 6.2% in FY2022 compared to 6.3% a year earlier. Your Company continues to pursue efforts to retain renewal business, without compromising on quality of risk and minimum profitability benchmarks. Your Company sold around 2.2 crore policies during FY2022 as compared to about 2.5 crore during the previous financial year. The number of claims reported in FY2022 were 45.6 lakh as against 37.7 lakh reported during FY2021.

## 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 aligning the same with the 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.

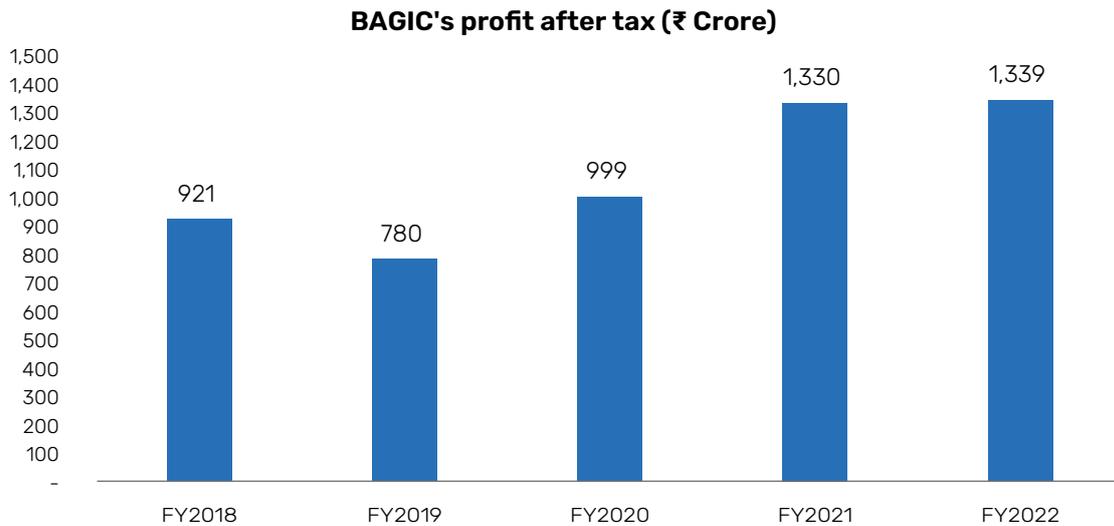
Your Company's investment portfolio remains strong and where there has been delays in repayment, the Company had made provisions for impairment in previous years.

The assets under management as at 31 March 2022 stood at ₹ 24,633 crore as against ₹ 23,150 crore as at 31 March 2021, an increase in investible surplus by ₹ 1,483 crore. The investment income (net of impairment) for FY2022 was ₹ 1,786 crore as against ₹ 1,557 crore in the previous year.

## Profit

Profit before tax (PBT) during FY2022 was ₹ 1,793 crore as compared to ₹ 1,769 crore during the previous financial year. The profit after tax (PAT) for FY2022 was ₹ 1,339 crore as compared to ₹ 1,330 crore during the previous financial year.

## Profit after tax over the last five years



## Summary of financials

	FY2022	FY2021	% Change
			(In ₹ Crore)
Gross written premium (GWP)	13,788	12,624	9.2%
Net earned premium	7,779	7,436	4.6%
Underwriting results	33	237	-86.1%
Profit before tax	1,793	1,769	1.3%
Profit after tax	1,339	1,330	0.7%
Claims ratio	73.0%	68.5%	-4.5%
Combined ratio*	99.6%	96.9%	-2.7%
Return on average equity	17.3%	20.3%	-3.0%

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

## Capital, Solvency and Shareholders' Funds

The Shareholders' equity of your Company stood at ₹ 8,822 crore as at 31 March 2022 as against ₹ 7,524 crore as at 31 March 2021. Your Company has completed 14 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 344% as at 31 March 2022, which is well above the regulatory requirement of 150%.

## Dividend

Your Company has registered healthy financial and operational performance consistently for last few years. Your Company also enjoys a very healthy solvency position at 344%.

Considering your Company's capital, solvency and liquidity positions as well as adherence to the limits on expenses of management, the Board of Directors, at its meeting held on 20 October 2021, declared an interim dividend of ₹ 11.20 per equity share of face value of ₹ 10 (112%) amounting to ₹ 123.45 crore.

The Board has recommended to the Shareholders confirmation of the aforesaid interim dividend and declaration of final dividend of ₹ 9.80 per equity share (98%), including special dividend of ₹ 6 per equity share (60%) for FY2022 at the ensuing Annual General Meeting (AGM). Accordingly, total dividend for FY2022 would be ₹ 21 per equity share of ₹ 10 (210%) amounting to ₹ 231.48 crore (previous year ₹ 13.50 per equity share of ₹ 10 (135%), amounting to ₹ 148.81 crore).

## Return on Equity

The return on average equity for your Company during FY2022 was 17.3% as against 20.3% in the previous year.

## Information and cyber security

To ensure safeguards against information and cyber security threats, your Company's information assets are always housed behind secured perimeter and application firewalls inside the data centre. All critical information systems are configured with contingency plans and tested periodically for the availability of services. Strong authentication and authorization controls have been implemented across the systems ensuring only authorised persons and devices get access from trusted and secure network. Data leakage prevention system is in place to monitor, detect and prevent in all possible communication channels. 24\*7 Security event monitoring and digital risk monitoring are in place as part of cyber and information security management. Regular risk assessments, risk reviews, red teaming, vulnerability, and penetrating testing program are some preventive measures followed in the organization to proactively detect and correct if any found. Cyber and Information security awareness is given to employees, IT teams and Senior Management separately.

Pursuant to IRDAI's Guidelines on Information and Cyber Security, your Company undertakes annual information system audit of information and cyber security through an external CERT-in empaneled audit firm. During FY2022, the aforesaid audit was carried out covering critical business applications of the Company and areas including access control, business continuity management, information security in supplier relationships, information security incident management, cloud security, system acquisition, development and maintenance. There were no major observations arising out of the aforesaid audit. Further, as per IRDAI's Guidelines on Insurance E-commerce, your Company undertakes annual audit of information self-networking platform provided by the Company for insurance e-commerce activities through an external CERT-in empaneled audit firm. During FY2022, the aforesaid audit was carried out in respect of covering various controls, systems, procedures, and safeguards put in place by the Company. There were no major observations arising out of the aforesaid audit.

## Recognition & Awards

Here is a brief highlight of some of the major awards your Company won during FY2022:

1. 'Gold Award in the Non-Life Insurance Provider of the Year category' at 20<sup>th</sup> edition of the Outlook Money Awards 2020.
2. 'Certificate of Merit at 33<sup>rd</sup> CFBP - Jamnalal Bajaj Awards for Fair Business Practices - 2020-21, under the Service Enterprises (Large) category
3. 'General Insurance Company of the Year' at prestigious India Insurance Summit & Awards 2022.

Tapan Singhel, MD & CEO, was recognised as the Personality of the year at Quantic's BFSI Excellence Awards, 2021, CEO of the year Award – Asia-Pacific for the year 2021 at the first-ever IDC Future Enterprise Awards India, 2021 and Lifetime Achievement of the year Award at 25<sup>th</sup> Asia Insurance Industry Awards 2021.

## Credit Rating

Your Company maintained its credit rating of "[ICRA]AAA(Stable)" awarded by ICRA. This is the highest issuer rating.

## IRDAI registration

Your Company has paid the annual fees for FY2023 to the Insurance Regulatory and Development Authority of India ('IRDAI') as specified by the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, as amended.

## Directors and key managerial personnel

During the year under review, pursuant to the approval of the Board of Directors and IRDAI, Tapan Singhel, having term of office as Managing Director and Chief Executive Officer (MD & CEO) up to 31 March 2022, was re-appointed as MD & CEO for five years with effect from 1 April 2022.

Nilesh Sathe (DIN 02372576), was appointed as Director (Non-independent Non-executive Director) on 16 July 2021. Shashi Kant Sharma (DIN 03281847), Independent Director, ceased to be Director of the Company upon his resignation effective 11 April 2022.

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

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

Pursuant to the provisions of the Act, Ritu Arora (DIN 07019164), 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 22<sup>nd</sup> AGM. Accordingly, resolutions seeking approval of the Shareholders for the aforementioned re-appointment form part of notice convening the 22<sup>nd</sup> AGM. Necessary details regarding their re-appointment as required under the Companies Act, 2013 are also given in the aforesaid notice.

## Annual Return

Pursuant to section 92(3) of the Companies Act, 2013, a copy of the Annual Return as at 31 March 2022 is hosted on the Company's website and can be accessed at <https://www.bajajallianz.com/about-us.html>

## Number of meetings of the Board

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

## Remuneration policy

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

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

## Performance evaluation of the Board, its Committees and Directors

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

- a) Survey was arranged through digital platform for each of the Directors with regard to evaluation of performance of the Board, its Committees and individual Directors (except for the Director being evaluated) for the year under review.

- b) A consolidated summary of the ratings given by each of the Directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors.
- c) The report of performance evaluation so arrived at was then discussed in the meeting of the Board of Directors. Directors were individually communicated of their respective rating by the Chairman of the Company.
- d) The Nomination and Remuneration Committee reviewed the implementation and compliance of the process of performance evaluation.

## Directors' 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 2022 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.

## 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

Your 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 such as the following:

- a) LED lights installed across 133 offices
- b) Energy efficient Variable Refrigerator Flow (VRF) air conditioning system installed at 84 locations.

We have also installed a Solar unit of 40 Kwh capacity at our Head Office premises to use natural energy and conserve electricity.

In the year gone by, your Company made significant progress in delivery of projects as part of its digital transformation roadmap. Foundational capabilities like the new core policy admin platform, hybrid cloud infrastructure platform, API's and microservices architecture, data and analytics platform along with several

user facing omnichannel tools and services were taken live. Your Company continued its journey towards cloud adoption by migrating major lines of businesses like Retail Health and Motor Third Party liability insurance to the cloud by leveraging the microservices based architecture. This has provided the much-needed agility and scalability to the business. New core policy admin platform now takes care of about 10% of policies. The hybrid cloud infra now has over 50% of enterprise workloads of the Company, providing faster time to market, better availability of systems and scale up / scale down capabilities for variable loads. Your Company took 56 new Insurance partners live through the launch of API factory model and tool, taking the overall number of partners integrated with us through API's to 191. A bunch of infrastructure projects like Office365 rollout, Cloud email, telephony, IP telephony helped your Company deliver services with faster turn-around times for its customers and internal users.

Several tools and services were launched during the year under review to help provide fast, efficient and straight through policy issuance, claims payout, renewals along with ease of doing business with your Company. Several BOTS were launched and scaled up during the year, continuing the journey towards enabling 'self-service', for instance AI enabled chatbot on WHATSAPP for hospitals to check real time insurance claim status, AI powered BOT for Partners / Intermediaries for ease of servicing, employee support HR BOT and IT support BOT, enhancements with more services on customer BOT – BOING, etc. Multiple customer servicing tools were launched like CRM for single view of the customer at the point of service and sales, enhancements / new products issuance and renewals launch on the website, flagship customer facing Caringly Yours App, Ezeetab and iMitra for Agents, etc.

During the past year, your Company focused on enabling 'vernacular', voice and video on several of its digital assets. One such instance was launching its website in 7 languages, other than in English (i.e. Hindi, Marathi, Gujarati, Bengali, Tamil, Telugu and Malayalam). Your Company's website now has 2.4 million unique Customers every month and has issued over 4.2 lac policies.

On Renewals front, your Company has integrated with over 480 service providers, payment platforms and e-commerce partners. This has provided the customers the ease and availability of policy renewal on the platform of their choice. Several of our innovation projects continued to scale beyond the pilot phase, including the flagship bot BOING, having 28 self-service features and having supported 2.48 crore messages for over 6 lac users, OCR capability stack was extended to Motor claims invoice processing automation, NEFT automation, health invoice automation, etc.

Your Company's data and analytics projects scaled up with several models getting into production after multiple iterations like Motor and Health Claims fraud scoring, Motor 2W theft claims model, health profile scoring, etc. In addition, foundational data projects like single customer, Household and Prospect mart were created and started getting used through the use of single Customer id.

## Foreign exchange earnings and expenditure

Earnings in foreign currency ₹ 242.02 crore

Expenditure in foreign currency ₹ 218.67 crore

## Risk management policy

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

## Business continuity management

Your Company has a Business Continuity Policy (BCP) and a detailed exhaustive Business Continuity Plan to mitigate Business Continuity risk. The Company has in place BCP Core Committee and Crisis Management Team with regional coordinators. A detailed Disaster Recovery (DR) plan covers critical processes, strategies adopted for DR invocation and recovery, which eventually helps in minimising financial impact to the organization, continue to serve customer and mitigate the negative effects of disruptions that could affect

your Company's brand, operations and market position. The Company maintains the availability of critical IT applications, with defined Recovery Time Objectives and Recovery Point Objectives monitored with DR drill conducted at least annually and test results documented. DR servers for critical applications are integrated in security incident and event management tool. Based on the defined strategy, your Company successfully handled the continuity of business during current pandemic situation with no disruption.

## Corporate social responsibility (CSR)

Report on Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during FY2022 pursuant to sections 134 and 135 of the Act is given in annexure to this report. The same provides details of the amount spent on CSR projects during the year. The funding for ongoing projects was delayed/reduced as some of these projects were affected by the COVID-19 pandemic and lockdowns and some pertaining to COVID-19 relief did not require anticipated funds as the third wave was not as severe as estimated. Unspent amount pertaining to the commitments made by the Company towards multi-year ongoing projects in progress has been transferred to a separate Unspent CSR bank account of the Company. The amount transferred to the aforesaid Unspent CSR account will be spent for the said projects within the permissible time limit. Accordingly, the Company has duly complied with section 135 of the Act read with rules thereunder and the CSR policy of the Company. The Chief Financial Officer has certified that the funds spent during FY2022 for CSR projects have been utilised for the purpose and in the manner approved by the Board.

The Policy including the composition of the CSR Committee is uploaded on the website of the Company <https://www.bajajallianz.com/about-us.html> The CSR projects approved by the Board for FY2023 will be displayed on the said website.

## Directors & Officers liability insurance policy

The Company has a Directors & Officers Liability Insurance Policy with adequate quantum and coverage of risk.

## Significant and material orders passed by the Regulators or Courts

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

## Internal Audit

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

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

## Adequacy of Internal Financial Controls

Your Company has established an Internal Financial Control Framework as per the requirements of the Companies Act, 2013. 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 to this Report.

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

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 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.

## Disclosures under the Companies Act, 2013 / rules thereunder

- The Company is not required to maintain cost records pursuant to section 148 of the Companies Act, 2013 read with rules thereunder.
- section 186 of the Companies Act 2013 relating to loans, guarantees and investments, requiring, inter alia, disclosure thereof in the financial statements does not apply to the Company.
- The Company does not have any subsidiary, joint venture or associate company.
- The Company has not accepted any deposits during the year under review.
- Neither any application was made during FY2022 nor any proceeding is pending as at the end of the said financial year under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).
- Neither any loan was taken from any bank or financial institution nor any settlement was done with any bank or financial institution during FY2022.

## Secretarial Standards of ICSI

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

## Statutory auditors

S R Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E/E300005), the joint statutory auditors, hold office up to the conclusion of the 23<sup>rd</sup> AGM of the Company and BSR & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022), the joint statutory auditors, hold office up to the conclusion of the ensuing AGM of the Company. The Board of Directors recommends to the shareholders the appointment of Khimji Kunverji & Co LLP, Chartered Accountants (FRN: 105146W/W-100621) as the joint statutory auditors from conclusion of the ensuing annual general meeting till conclusion of the 27<sup>th</sup> AGM.

The Company has received from Khimji Kunverji & Co LLP, Chartered Accountants, a certificate to the effect that their appointment shall be in accordance with the prescribed conditions and they are not disqualified under the Act and guidelines issued by IRDAI to act as statutory auditors of the Company.

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

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

## Secretarial auditor

Pursuant to section 204 of the Act, the Board has re-appointed Shyamprasad Limaye, Company Secretary in Practice (FCS No. 1587, CP No. 572) to undertake the Secretarial Audit of the Company for FY2022.

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

## Appreciation & Acknowledgment

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

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

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

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

**Sanjiv Bajaj**

Chairman

(DIN 00014615)

Pune, 22 April 2022

# CSR AT BAJAJ ALLIANZ GENERAL INSURANCE AND BAJAJ FINSERV GROUP COMPANIES

## Introduction

The very foundation of Bajaj Group was laid by the philanthropic instinct of Shri Jamnalalji Bajaj, our Group's founding father, who took the bold and unprecedented step of using business to serve society. He had advised that – 'all business activities should look for opportunities for philanthropy and that these philanthropic contributions to the society should be above any thought of business gains.'



### COVID-19 RESPONSE Need of the Hour

Our community outreach programmes are crafted to serve the emergent needs of the lesser advantaged beneficiaries of society. In fact, as a Group, we have always taken pride in being accountable not just to our own people but also to the communities around which we operate. In FY 2021, the Bajaj Group contributed Rs 170 crore towards the fight against COVID-19 to alleviate the immediate on-ground challenges, build capabilities, mobilise resources and upgrade healthcare infrastructure facilities in the surrounding communities. This included the



installation of 12 oxygen plants to provide more than 5,000 LPM of oxygen supply to rural and urban hospitals along with respiratory support equipment to help augment their capacity in treating COVID-19 patients. The Group's COVID-19 Response Fund was further utilized to set-up Pune's largest COVID-19 Care Centre in Viman Nagar with a capacity of 2,800 beds. During FY 2022, the Bajaj Group joined forces with the local government authorities to conduct large scale inoculation drives for communities in Pune and Aurangabad. More than 1 million doses of the COVID-19 vaccines were administered during those drives.



### HEALTHCARE Enabling Easy Access for Disadvantaged Communities

Enabling access and affordability of healthcare treatment for children is an important area of Bajaj Finserv's CSR activities, wherein, we extend our financial support to families of children in need of treating curable diseases or ailments that require prolonged treatment support, including cleft lips and palates, pediatric cancer, congenital heart disease, pediatric diabetes and epilepsy. We also support the medical expenses of specially-abled children. Recognizing infant mortality as a significant issue in rural and tribal areas, our Group launched several preventive healthcare projects, including pre-natal and post-natal care for mothers, proper nutrition care for children, mothers and teenagers, and raising awareness on prevalent health issues in these communities, particularly amongst teenage girls and women. In addition, our equipment grants provide the economically disadvantaged areas with the much-needed access to quality healthcare facilities.





### BAJAJ FINSERV 'BEYOND' Our Flagship Employability Initiative

Our employability initiative 'BEYOND' is aimed at upskilling the first-generation graduates from smaller towns and cities, to gain the right aptitude and attitude for making a mark in the financial services industry. The employability programme, started way back in 2015, has so far benefitted more than 20,000 fresh graduates across the country. This year, BEYOND touched a milestone of up-skilling a record number of 10,000 students with the fitting capabilities and a winning edge to compete for the limited job opportunities in the BFSI industry. Unlike the conventional skilling programmes, it prepares the students for more than 10 roles in the financial services industry. The programme also produces a unique talent pool of 'industry trained graduates' for the entire BFSI industry, which offers an excellent balance between cost and productivity, as compared to their traditional target segments.



of migrant workers, mining workers, construction workers, etc., makes education accessible for the underserved communities. In order to improve the overall effectiveness of school education, the Group also facilitates additional training programmes for teachers through external instructors. To support kids with intellectual or physical challenges, the Group supports special education projects.



### LIVELIHOOD & SKILLING Income Generation for Tribal and Rural Households

Our community-based livelihood and skilling programmes help enhance the household income of rural, tribal and migrant populations. Through various programmes like farming, animal husbandry, fishery; forest-based activities like beekeeping; commons-based activities like goat and sheep farming, the Group provides self-help organisations and people with opportunities to generate income. It also supports youth skill-building initiatives to help them achieve financial independence through secure employment.



### EDUCATION Quality Education for All

Education is one of the most important drivers of the socio-economic prosperity and stability of a self-reliant nation, and our child education programmes aim to make quality education available to all children. Our support for school buildings and schools that cater to the children



## Annexure to the Directors' Report

### Annual Report on Corporate Social Responsibility Activities

#### 1. Brief outline of Company's CSR Policy:

The Company's Corporate Social Responsibility (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, etc. The CSR Policy of the Company outlines the approach and direction given by the Board of Directors of the Company taking into account the recommendations of its CSR Committee and guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan. The Company would carry out its CSR activities with the objective of overall National and Community Development taking into account the legal provisions contained in section 135 and Schedule VII of the Companies Act, 2013 and the rules made thereunder. Focus would also be placed on lives, living and livelihood.

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, overall scope and area of implementation, 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:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee attended during the year	Number of meetings of CSR Committee held during the year
1.	Sanjiv Bajaj	Chairman, Non-executive Non-independent Director	4	4
2.	Ritu Arora	Non-executive Non-independent Director	4	3
3.	Ranjit Gupta	Non-executive Non-independent Director	4	4
4.	Anami Roy	Independent Director	4	4
5.	Tapan Singhel	Managing Director & Chief Executive Officer	4	4

#### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://www.bajajallianz.com/about-us/corporate-policy.html>

#### 4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: None

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

#### 6. Average net profit of the Company as per section 135(5): ₹ 14,322,566,693

#### 7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 286,451,316

#### (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

#### (c) Amount required to be set off for the financial year, if any: Nil

#### (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 286,451,316

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
197,806,724	89,000,000	16 April 2022	-	-	-

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII	Local area (Yes/No)	Location of the project		Project duration (in months)	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Skill building and enterprise development for tribal community and rural poor	Promoting education	Yes	Rajasthan, Gujarat	Jodhpur, Sirahi Rajsamand Udaipur Dungarpur Banswara Pratapgarh Chittorgarh Surat Ahmedabad	39	46,500,000	5,500,000	-	No	Aajeevika Bureau Trust	CSR00003350
2.	Skill building and enterprise development for alpine shepherd communities in higher Himalayas	Promoting education	Yes	Uttarakhand	Pithoragarh	39	14,300,000	550,000	1,900,000	No	Center for Pastoralism (Sahajeevan)	CSR00002357
3.	Ensuring education and protection for children from vulnerable community	Promoting education	Yes	Maharashtra, Chhattisgarh, Rajasthan, Madhya Pradesh, Jammu & Kashmir, Assam, Telengana	Osmanabad, Latur, Nandurbar, Mahasamund, Ajmer, Vidisha, Baramula, Ganderbal, Dhubri, Khammam	38	143,900,000	6,200,000	30,000,000	No	Child Rights and You (CRY)	CSR00000805
4.	Skill building and enterprise development for tribal community and rural poor	Promoting education	Yes	Maharashtra	Yavatmal	36	44,200,000	6,466,083	10,600,000	No	Dilasa Sanstha	CSR00001305
5.	Sponsoring the education of meritorious and financially needy medical students from Maharashtra.,	Promoting education	Yes	Maharashtra	Pune	59*	10,500,000	2,100,000	-	No	Foundation for Excellence India Trust	CSR00002053
6.	Skill building and enterprise development for rural poor	Promoting education	Yes	Uttarakhand	Pithoragarh	15	3,600,000	700,000	-	No	Himal Prakriti-A Trust for Nature	CSR00019174
7.	Triveni-A school Mental Health Initiative	Promoting health care including preventive health care	Yes	Maharashtra	Pune	22	3,250,000	250,000	-	No	Institute for Psychological Health	CSR00002456

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII	Local area (Yes/No)	Location of the project			Project duration (in months)	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR project as per section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District							Name	CSR Registration Number
8.	Promotion of Comprehensive Farm based Livelihoods through Collectives in a Sustainable Manner	Promoting education	Yes	Rajasthan	Sirohi	40	9,500,000	7,700,000	4,000,000	No	Professional Assistance for Development Action	CSR00000973	
9.	Promotion of Women Entrepreneurs in Rural Sirohi(POWERS)	Promoting education	Yes	Rajasthan	Sirohi	39	29,500,000	4,300,000	-	No	Professional Assistance for Development Action	CSR00000973	
10.	SEHER-School Mental Health program	Promoting health care including preventive health care	Yes	Maharashtra	Pune	38	14,500,000	2,055,000	-	No	Sangath	CSR00006714	
11.	Program For Livelihood regeneration and sustainability	Promoting education	Yes	Maharashtra	Aurangabad	39	29,300,000	7,000,000	-	No	Mahile Sewa Trust	CSR00002616	
12.	Supporting Free Cleft Reconstructive Surgeries of Underprivileged Cleft Patients	Promoting health care including preventive health care	Yes	Maharashtra, Rajasthan, Uttar-Pradesh, Bihar	Mumbai Pune, Latur, Nashik, Jalgaon, Akola, Kolhapur, Wardha, Aurangabad Jaipur, Kota, Sri Ganahnagar, Jodhpur, Mount Abu Gorakhpur, Azamgarh Patna	14	52,500,000	6,500,000	-	No	Smile Train	CSR00000842	
13.	Rescue and restoration of runaway and separated children	Promoting health care including preventive health care	Yes	Maharashtra	Pune	14	7,500,000	1,956,338	2,500,000	No	Society for Assistance to Children in Difficult Situation (SATHI)	CSR00002743	
14.	EHSAS (Empowerment Health and Sexuality of Adolescents)	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	18	10,000,000	584,000	-	No	Society for Nutrition Education and Health Action (SNEHA)	CSR00002137	
15.	Social inclusion in mental health	Promoting health care including preventive health care	Yes	Maharashtra	Ratnagiri	38	32,600,000	15,000,000	5,000,000	No	The Banyan	CSR00001155	

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII	Location of the project			Project duration (in months)	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing Agency	
			Local area (Yes/ No)	State	District						Name	CSR Registration Number
16.	Enable poor women to align with new farming techniques.	Promoting education	Yes	Rajasthan	Udaipur	26	14,300,000	714,400	-	No	Udyogini	CSR00001487
17.	Sustainable livelihood enhancement of poor and marginalized women through Goat rearing	Promoting education	Yes	Maharashtra	Nashik	38	39,000,000	3,600,000	5,000,000	No	Yuva Mitra	CSR000000080
18.	1000 hockey legs	Promoting education	Yes	Delhi	New Delhi	15	5,000,000	2,500,000	-	No	Hockey Citizen Group	CSR00021690
19.	Skill Building and Enterprise Development for Rural Poor.	Promoting education	Yes	Chhattisgarh	Mahasamund	23	93,000,000	0	30,000,000	No	Bandhan Konnagar	CSR00001463
20.	School bus for BYMHS Ramban	Promoting education	Yes	Jammu & Kashmir	Ramban	3	2,500,000	2,388,000	0	No	Bhartiya Shiksha Samiti	CSR00006547
<b>Total</b>						<b>605,450,000</b>	<b>76,063,821</b>	<b>89,000,000</b>				

\* The project mentioned at sr. no. 5 has been approved before 22 January 2021 i.e. the date when the Companies (Corporate Social Responsibility Policy) Amendment, Rules, 2021 came into force. The amended rules restrict the duration of ongoing project to three years excluding the financial year in which it was commenced. The tenure of the aforesaid project is up to 30 September 2022 which is within the maximum permissible time limit of up to three financial years excluding the financial year 2020-21 in which it is considered as ongoing project within the meaning of the amended rules.

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Location of the project		Amount spent for the project (In ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency		
			Local area (Yes/ No)	State			District	Name	CSR Registration Number
1.	BAGIC Ambulance Project	Promoting health care including preventive health care	Yes	Maharashtra	Pune	48,040,673	No	Jankidevi Bajaj Gram Vikas Sanstha	CSR000001725
2.	BAGIC Vaccination Project	Promoting health care including preventive health care	Yes	Maharashtra	Pune	702,230	Yes	NA	NA
3.	Purchase of 2 lakh vaccine for mass vaccination drive in PMC, PCMC and other locations	Promoting health care including preventive health care	Yes	Maharashtra	Aurangabad, Pune	73,000,000	No	Jankidevi Bajaj Gram Vikas Sanstha	CSR000001725
<b>Total</b>						<b>121,742,903</b>			

**(d) Amount spent in Administrative Overheads: NIL****(e) Amount spent on Impact Assessment, if applicable: Not Applicable****(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 197,806,724****(g) Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	286,451,316
(ii)	Total amount spent for the Financial Year	197,806,724
(iii)	Excess amount spent for the financial year [(ii) - (i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY2019	Not Applicable	-	-	-	-	-
2	FY2020	Not Applicable	-	-	-	-	-
3	FY2021	-	-	-	-	-	-

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project Duration	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (In ₹)	Cumulative amount spent at the end of reporting Financial Year (In ₹)	Status of the Project- Completed / Ongoing Name
1	FY31.03.2021_1	The School Project	2018-19	15	15,000,000	0	15,000,000	Completed
2	FY31.03.2021_2	Bajaj- Rainbow Street children Project	2017-18	36	97,500,000	0	55,700,000	Completed
3	FY31.03.2021_3	Bajaj Majhi City Swachh City Phase 2 Bajaj Swachh Maharashtra Mission	2017-18	36	9,400,000	0	9,400,000	Completed
4	FY31.03.2021_4	Sponsoring the education of meritorious and financially needy medical students from Maharashtra	2017-18	30	10,500,000	2,100,000	10,500,000	Completed
5	FY31.03.2021_5	Triveni-A school Mental Health Initiative	2020-21	15	3,250,000	250,000	3,250,000	Completed
6	FY31.03.2021_6	Construction of Rehabilitation Centre For Street Children	2018-19	27	22,500,000	0	22,500,000	Completed
7	FY31.03.2021_7	Comprehensive daycare programme for children living on construction area.	2018-19	15	6,000,000	0	6,000,000	Completed
8	FY31.03.2021_8	Promotion of Comprehensive Farm based Livelihoods through Collectives in a Sustainable Manner	2019-20	40	29,500,000	7,700,000	22,600,000	Ongoing
9	FY31.03.2021_9	SEHER-School Mental Health program	2018-19	39	14,500,000	2,400,000	11,400,000	Ongoing
10	FY31.03.2021_10	Program For Livelihood regeneration and sustainability	2018-19	36	29,300,000	7,000,000	24,600,000	Completed
11	FY31.03.2021_11	Supporting Free Cleft Reconstructive Surgeries of Underprivileged Cleft Patients	2020-21	15	52,500,000	6,500,000	52,500,000	Completed
12	FY31.03.2021_12	EHSAS (Empowerment Health and Sexuality of Adolescents)	2020-21	15	10,000,000	584,000	9,584,000	Completed
13	FY31.03.2021_13	Funding on operating expenses for Snehadar	2018-19	15	3,500,000	0	3,500,000	Completed
14	FY31.03.2021_14	Snehankur Adoption Center	2017-18	36	15,000,000	0	15,000,000	Completed

Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project Duration	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (In ₹)	Cumulative amount spent at the end of reporting Financial Year (In ₹)	Status of the Project- Completed / Ongoing Name
15	FY31.03.2021_15	Financial Adoption of Cancer affected children	2017-18	15	20,000,000	0	20,000,000	Completed
16	FY31.03.2021_16	Enable poor women to align with new farming techniques.	2018-19	27	14,300,000	714,000	12,214,400	Completed
17	FY31.03.2021_17	Bajaj Drishti Project	2017-18	36	90,000,000	0	90,000,000	Completed
18	FY31.03.2021_18	Sustainable livelihood enhancement of poor and marginalized women through goat rearing	2019-20	39	39,000,000	3,600,000	33,900,000	Ongoing
19	FY31.03.2021_19	Promotion of Women Entrepreneurs in Rural Sirahi(POWERS)	2020-21	36	9,500,000	4,300,000	8,000,000	Ongoing
<b>Total</b>					<b>491,250,000</b>	<b>35,148,000</b>	<b>425,648,400</b>	

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil**

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

The funding for ongoing projects was delayed/reduced as some of these projects were affected by the COVID-19 pandemic and lockdowns and some pertaining to COVID-19 relief did not require anticipated funds as the third wave was not as severe as estimated. Unspent amount pertaining to the commitments made by the Company towards multi-year ongoing projects in progress has been transferred to a separate Unspent CSR bank account of the Company. The amount transferred to the aforesaid Unspent CSR account will be spent for the said projects within the permissible time limit. Accordingly, the Company has duly complied with section 135 of the Act read with rules thereunder and the CSR policy of the Company.

**Sanjiv Bajaj**  
(DIN 00014615)  
Chairman of  
CSR Committee

Date: 22 April 2022

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

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## Annexure to the Directors' Report

# REPORT ON CORPORATE GOVERNANCE

Corporate Governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting business. This report outlines the compliance of the Company with 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 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:

### Our Corporate Governance Philosophy

Corporate Governance is a reflection of principles entrenched in our values and policies and also embedded in our day to day business practices, leading to value driven growth. 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.

### Key elements of Corporate Governance in the Company include the following:

- Seeking to conform to applicable laws, at all times
- Number of Board meetings more than the statutory requirement, including a meeting dedicated to discussing strategy and operating plan
- Board is composed of directors from diverse backgrounds and with substantial experience, who are able to provide appropriate guidance to the executive management as required
- Independent directors with outstanding track record and reputation
- Pre-Audit Committee meetings of Chairperson of Audit Committee with Statutory auditors, Internal auditor and members of executive management who are the process owners
- Separate meeting of independent directors without presence of non-independent directors or executive management
- Confidential Board evaluation process where each Board member evaluates the performance of every other Director, Committees of the Board, the Chairman of the Board and the Board
- Complete and detailed information provided to Board members, sufficiently before the meetings, to enable them to evaluate matters brought to the Board carefully so that discussions are meaningful
- Adoption of governance policies by the Board which are in line with the best practice
- Regular meetings between Company Secretaries of all the group companies in the form of a Governance Council, in order to share the best practices across group companies as well as to arrive at common processes for compliance with regulations.

## 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

As on 31 March 2022, 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 unrelated to the promoters. Two of the Directors are women.

A brief profile of the Directors is as follows:

Name of the Director	Qualification	Field of specialization
<b>Sanjiv Bajaj,</b> Chairman, Non-executive and Non-Independent Director	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 the Chairman and Managing Director of Bajaj Finserv Ltd. holding group company for all the financial service businesses of the Bajaj Group, which is one of the oldest and largest conglomerates of India. Under his leadership, Bajaj Finserv has emerged as one of India's leading diversified financial services companies with solutions across lending, insurance and wealth advisory category. Since April 2013, he has been non-executive Chairman of the Company. He was elected as Chairman of the Confederation of Indian Industry (CII) Western Region for 2019-20. He was also President Designate of CII for 2021-22. He has been honoured with prestigious awards including Economic Times – ET Business Leader of the Year award 2018, Ernst & Young – EY Entrepreneur of the Year award 2017, India Today-Top 50 Power List 2017-18 and Business World – India's Most Valuable CEOs in 2015 & 2016. 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 one of the top business leaders in India's financial services sector.
<b>Ritu Arora,</b> 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 25 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.

Name of the Director	Qualification	Field of specialization
<b>Niraj Bajaj,</b> 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 also Chairman of Bajaj Auto Ltd. and Vice Chairman of Bajaj Holdings & Investment Ltd. He is also Chairman of Jamnalal Sons Pvt Ltd and Bachhraj & Company Pvt Ltd. He is one of the Promoters of the Bajaj Group. His career spans more than 35 years. He was the President of Indian Merchants' Chamber, Alloy Steel Producer's Association and Indian Stainless Steel Development Association. A three time All India Table Tennis Champion, has represented the Country for 7 years of which 4 years as Captain. He has been recipient of several prestigious awards including the Arjuna Award, Shiv Chhatrapati Award and Maharashtra Gaurav Puraskar.
<b>Sergio Balbinot,</b> Non-executive and Non-independent Director	Degree in Economics and Business Administration from University of Bologna. He holds an honorary degree from St. John's University in New York.	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, Asia Pacific and Greece at Allianz SE. He was the Chairman of Insurance Europe from 2011 to 2018. He has held various senior management positions in Generali Group for almost three decades before joining Allianz SE. He was awarded the Order of Merit of the Italian Republic.
<b>Meleveetil Damodaran,</b> Non-executive and Non-independent Director	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.
<b>Ranjit Gupta,</b> Non-executive and Non-independent Director	Fellow of the Institution of Engineering and Technology, London, UK	He is currently working as President – Insurance, at Bajaj Finserv Ltd. He has rich experience of more than five decades in manufacturing, automotive and financial services sectors.
<b>Suraj Mehta,</b> 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.
<b>Lila Poonawalla,</b> 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 1 <sup>st</sup> Class from the King of Sweden along with numerous other national and international awards.

Name of the Director	Qualification	Field of specialization
<b>Anami Roy,</b> Independent Director	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.
<b>Nilesh Sathe,</b> Non-executive and Non-independent Director	Rank holder with distinction in Masters of Commerce from Nagpur University and a Certified Associate of Indian Institute of Bankers.	He was a Member-Life, Insurance Regulatory and Development Authority of India (IRDAI) from 2015 to 2019. Before joining IRDAI, he was CEO and Director of LIC Nomura Mutual Fund Asset Management Company for a period of three years. Before that he headed the Northern Zone of LIC of India as Zonal Manager, New Delhi as in-charge of Marketing and Administration. He held various positions in LIC of India, such as Executive Director of a Marketing Channel, Chief (Pension & Group Schemes Dept.) and Sr. Divisional Manager of two prestigious Divisions of Mumbai. He worked with Bank of India and Canara Bank for over 5 years before joining LIC of India as a Direct Recruit Officer. He brings with him a rich experience of over 4 decades in the banking, insurance & mutual fund Industry.
<b>Shashi Kant Sharma,</b> Independent Director (Resigned w.e.f. 11 April 2022)	Bachelor of Science degree from University of Allahabad, Masters of Art degree in Political Science from Agra University and Masters of Science 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.
<b>S Sreenivasan,</b> Non-executive and non-independent	Bachelor's Degree of Science (Physics, Mathematics and Statistics) from the University of Kerala, a Chartered Accountant, a Cost Accountant, a Chartered Financial Analyst (CFA Institute, Virginia, USA), MBA from the Indian Institute of Management, Calcutta. He was the first rank in Kerala University in B Sc. (Physics) and featured in the All India Merit list for CA Intermediate and final examinations.	Since 1 October 2014, he is the Chief Financial Officer of Bajaj Finserv Limited, the holding company of the Company. Previously, he has held leadership roles in Bajaj Allianz General Insurance Company Limited (as CFO from July 2004 to September 2010) Bahrain National Holding Company (a holding company for general and life insurance businesses) and Bajaj Finserv Limited (as President Finance) overseeing Corporate Finance, Planning, Management, Accounting and Taxation functions. Prior to his tenure at Bahrain National Holding Company, he has worked in the finance function in Thermax Devibiss Limited and Bajaj Auto Limited. In his role as CFO of Bajaj Finserv Limited and Director of the Company, he oversees the insurance subsidiaries of Bajaj Finserv Limited. He has over 35 years' experience, including over 3 decades in insurance. His areas of expertise cover a wide gamut of areas including finance, portfolio management, long-term strategy, planning and general management.

<b>Name of the Director</b>	<b>Qualification</b>	<b>Field of specialization</b>
<b>Avais Karmali,</b> Non-executive and non-independent director Alternate Director for Mr. Sergio Balbinot	Master of Science in Actuarial Science from HEC Lausanne Switzerland and Bachelor of Arts from College of Wooster, Wooster Ohio	He has more than 15 years of experience across audit, risk management and insurance services in Europe and United States of America. He is currently working at the Allianz SE Board Office overseeing business development activities in Southern and Western Europe and Asia since August 2017. He has been appointed as Head of Business Division Western & Southern Europe in September 2021.
<b>Tapan Singhel,</b> Managing Director & Chief Executive Officer	Banaras Hindu University alumnus Masters in Science 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. He has been recipient of numerous awards and recognitions, including CEO of the Year award for 2021 at the IDC Future Enterprise Awards Asia Pacific, 2021 and 'Lifetime Achievement of the Year' Award at 25 <sup>th</sup> Asia Insurance Industry Awards 2021.

**Note:** Mr. Nilesh Sathe (DIN 02372576), was appointed as Director (Non-independent Non-executive Director) on 16 July 2021.

## Board Meetings

The Board met 5 times during FY2022 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 annual financial results, regulatory issues, risk, business plans and their implementation, solvency margin, etc. The gap between two consecutive Board meetings was 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 budgets, quarterly / annual financial results, financial condition report, investment performance, approval / reviews of company policies, formation / reconstitution of Board Committees, etc.

The Company on an ongoing basis endeavors to keep all the Directors abreast of the industry in which Company operates, business models, risk metrics, mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc. During the year under review –

- a) The Directors were updated extensively at the Board and Risk Management Committee meetings on impact of COVID-19, risks arising out of it and countermeasures.
- b) The Company had organised a separate session for the Directors to apprise them of the digital innovation initiated by the Company to improve its customer experience in sales and service delivery.
- c) Non-independent Directors participated in orientation programme conducted by National Insurance Academy, Pune.
- d) A separate session was held to apprise the Directors about the initiatives taken by the Company and the group for sustainable development considering environmental, social and governance factors.

Directors have separate and independent access to officers of the Company. The Independent Directors, in their meeting held on 13 January 2022, have expressed satisfaction on the quantity, quality and timeliness of the information supplied to the Board.

## Board Meetings held during FY2022

The Board of Directors met five times during FY2022 on 23 April 2021, 16 July 2021, 20 October 2021, 14 January 2022 and 10 March 2022. Following table sets out the details of attendance of Directors at the aforesaid Board meetings.

Name of Director	Nature of Directorship (Independent /ED/ Non-ED)	Designation	Meeting dated				
			23 April 2021	16 July 2021	20 October 2021	14 January 2022	10 March 2022
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Present	Present
Ritu Arora	Non-Executive Director	Director	Absent	Present	Present	Present	Present
Niraj Bajaj	Non-Executive Director	Director	Present	Present	Present	Present	Present
Sergio Balbinot	Non-Executive Director	Director	Present	Present	Present	Present	Present
Meleveetil Damodaran	Non-Executive Director	Director	Present	Present	Absent	Present	Present
Ranjit Gupta	Non-Executive Director	Director	Present	Present	Present	Present	Present
Suraj Mehta	Independent Director	Director	Present	Present	Present	Present	Present
Lila Poonawalla	Independent Director	Director	Present	Present	Present	Present	Present
Nilesh Sathe	Non-Executive Director	Director	NA	Present	Present	Present	Present
Anami Roy	Independent Director	Director	Present	Present	Present	Present	Present
Shashi Kant Sharma	Independent Director	Director	Present	Present	Present	Present	Present
S Sreenivasan	Non-Executive Director	Director	Present	Present	Present	Present	Present
Avais Karmali	Non-Executive Director	Alternate Director*	NA	NA	NA	NA	NA
Tapan Singhel	Executive Director	MD and CEO	Present	Present	Present	Present	Present

\* Alternate Director for Sergio Balbinot

NA - Not Applicable since Mr. Sergio Balbinot was present at the meeting.

## 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 to, inter alia, discuss the following:

- i) Review of the performance of non-independent directors and the Board as a whole,
- ii) Review of the performance of the Chairman of the Company; and
- iii) Assessment of the quality, quantity and timeliness of flow of information to the Board.

Additionally, the Independent Directors periodically meet the statutory auditors separately without presence of management.

## Committees of the Board of Directors: Constitution & Composition

The Board of Directors has committees consisting of Directors having required expertise and experience. 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 the 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 and 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 on 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 Sanjiv Bajaj, Ritu Arora 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 FY2022. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Nature of Directorship (Independent /ED/Non-ED)	Designation	Meeting dated			
			22 April 2021	15 July 2021	19 October 2021	13 January 2022
Lila Poonawalla	Independent Director	Chairperson	Present	Present	Present	Present
Ritu Arora	Non-Executive Director	Member	Absent	Present	Present	Present
Sanjiv Bajaj	Non-Executive Director	Member	Present	Present	Present	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present	Present
Suraj Mehta	Independent Director	Member	Present	Present	Present	Present
Anami Roy	Independent Director	Member	Present	Present	Present	Present
Shashi Kant Sharma	Independent Director	Member	Present	Present	Present	Present

## 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, monitor the progress of projects approved, etc. The CSR team provides updates on various projects to the Committee.

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 four times during FY2022. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Nature of Directorship (Independent /ED/Non-ED)	Designation	Meeting dated			
			23 April 2021	16 July 2021	20 October 2021	14 January 2022
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Present
Ritu Arora	Non-Executive Director	Member	Absent	Present	Present	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present	Present
Anami Roy	Independent Director	Member	Present	Present	Present	Present
Tapan Singhel	Executive Director (MD and CEO)	Member	Present	Present	Present	Present

### 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, Managing Director and Chief Executive Officer (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 FY2022. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Nature of Directorship (Independent /ED/Non-ED)	Designation	Meeting dated			
			22 April 2021	15 July 2021	19 October 2021	13 January 2022
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Present
Ritu Arora	Non-Executive Director	Member	Absent	Present	Present	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present	Present
Tapan Singhel	Executive Director (MD and CEO)	Member	Present	Present	Present	Present
Gaurav Malhotra	NA (Appointed Actuary)	Member	Present	Present	Present	Present
Ramandeep Sahni	NA (Chief Financial Officer)	Member	Present	Present	Present	Present
Amit Joshi	NA (Chief Investment Officer)	Member	Present	Present	Present	Present
Rajeev Kumar	NA (Chief Risk Officer)	Member	Present	Present	Present	Present

### 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 personnel 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 three times during FY2022. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Nature of Directorship (Independent /ED/Non-ED)	Designation	Meeting dated		
			22 April 2021	15 July 2021	14 January 2022
Lila Poonawalla	Independent Director	Chairperson	Present	Present	Present
Ritu Arora	Non-Executive Director	Member	Absent	Present	Present
Sanjiv Bajaj	Non-Executive Director	Member	Present	Present	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present
Suraj Mehta	Independent Director	Member	Present	Present	Present
Anami Roy	Independent Director	Member	Present	Present	Present

### 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.

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 for meetings of the Committee.

The Committee met four times during FY2022. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	Nature of Directorship (Independent /ED/Non-ED)	Designation	Meeting dated			
			22 April 2021	15 July 2021	19 October 2021	13 January 2022
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Present
Ritu Arora	Non-Executive Director	Member	Absent	Present	Present	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present	Present
Tapan Singhel	Executive Director (MD and CEO)	Member	Present	Present	Present	Present

## Enterprise Risk Management (ERM) framework

### Risk objectives

Your Company operates in an environment that is continuously evolving, burdened with external pressures to quickly adapt to new regulations and competitive action. Any business strategy entails risk. In all types of undertaking, there is the potential for events and consequences that constitute opportunities and threats.

At your Company, ERM deals with risks and opportunities to create and preserve value. ERM is an ongoing process, effected by people (Board of Directors, Management, Employees, Distributors, Customers, etc.) and technology, which sets strategy across the Company, designed to identify potential events (risks and opportunities) and manage the risks thereby providing reasonable assurance on the robustness of process and mitigation of threats, whilst the Company endeavors to achieve its business 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 / threat on the value of the organisation in addition to 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 mitigation strategy within a predetermined risk appetite for the Company's business, which is derived from and is aligned 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, the Executive Risk Committee (ERC) and Governance & Compliance Committee (GCC) at the executive level.

The risk strategy of the Company is to identify actual and potential threats, internal and external to the Company over a short and long-term horizon 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 and 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 FY2022. Following table sets out the particulars and attendance of members of the Committee at the aforesaid meetings:

Name of member	Nature of Directorship (Independent /ED/Non-ED)	Designation	Meeting dated			
			23 April 2021	16 July 2021	20 October 2021	14 January 2022
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Present
Ritu Arora	Non-Executive Director	Member	Absent	Present	Present	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present	Present
Tapan Singhel	Executive Director (MD and CEO)	Member	Present	Present	Present	Present

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 centralised 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.

Risk management function works in tandem with the defined three lines of defence mechanism, which enables the organization to appropriately address and manage risks at various levels. 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 along with Disaster Recovery Plan (DRP) and Business Continuity Policy with a detailed Business Continuity Plan to mitigate Business Continuity risk.
7. The Company's robust Business Continuity Management system has been effective towards delivering uninterrupted services to all stakeholders during the period adversely affected by outbreak of Covid-19 pandemic. The Company introduced various initiatives and safety protocols for employees and business partners to include pathological testing, medical kits, increased and enhanced healthcare insurance coverage, access to psychological counselling, work-from-home policy, free vaccination drives, ambulance services, oxygen concentrators, COVID impacted family assistance policy among others. The Company continues to support all stakeholders by adapting and making available optimised digital platforms for seamless transactions.
8. In view of the growing concern and importance given by the different stakeholders and regulators to Environment, Social & Governance (ESG) related issues, the company initiated the process of identification of various ESG related risks, their assessment, and mitigates. Strategies are being devised to embark on a journey to mitigate these risks over a time horizon.
9. Risk related to Climate Change has been evolving and impact can be seen in terms of floods, droughts, etc. and these have been effectively mitigated through reinsurance arrangements.
10. All regulatory related risks are assessed and monitored continuously at the organizational level and ensure its compliance with respective guidelines.

## 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, claw back, 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 ₹ 100,000 per meeting. Independent Directors are also entitled for profit related commission at the rate of ₹ 100,000 per meeting of the Board or committee

thereof, excluding Corporate Social Responsibility Committee, attended by them, subject to maximum of ₹ 1,000,000 per annum per director which is within the maximum limit (1% of net profits) under the Companies Act, 2013. None of the Non-Executive and Non-Independent Directors of the Company is entitled to / paid any remuneration during FY2022.

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 FY2022 into fixed, variable, etc. is given in the Annexure to this report.

## Annexure to the report:

### Elements of Remuneration of MD & Key Management Persons for FY2022

(Amount in ₹ '000)

Particulars	Amount
Basic salary	62,072
Performance bonus, long-term incentive plan & joining bonus	117,899
Other allowances	53,111
Company's contribution to retirement benefits	10,434
Company's contribution to medi-claim	51
Car running expenses	865
<b>Gross Remuneration*</b>	<b>244,434</b>

\* Gross remuneration excludes taxable perquisites

### Break-up of amount of remuneration awarded to MD during FY2022

(Amount in ₹ '000)

Particulars	Amount
Total fixed remuneration paid during the year (a)	67,260
Total variable remuneration (Bonus & Leave balance) paid during the year (b)	47,451
Total remuneration (non-deferred) paid during the year (a) + (b)	114,711
Joining bonus paid	-
Deferred remuneration paid during the year	37,804
Deferred remuneration awarded during the year	-
Non-deferred remuneration awarded during the year*	53,810
Total outstanding deferred remuneration, payable in cash in subsequent years	31,567

\* Includes bonus provision for FY2022

### Details of Stock options granted and exercised during FY2022

Particulars	No. of Options
No. of options granted during the year	31,650
No. of options exercised during the year	-

## 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**

Date: 22 April 2022  
Place: Pune

**Onkar Kothari**  
Company Secretary & Compliance Officer

## **Annexure to the Directors' Report**

### **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 2022

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 31 March 2022, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022, 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, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. The changes in the composition of the Board

of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate 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: 22 April 2022  
UDIN: F001587D000182977

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

## Annexure

To,  
The Members,  
**Bajaj Allianz General Insurance Company Limited,**  
Bajaj Allianz House, Airport Road,  
Yerawada, Pune- 411006

My Secretarial Audit Report for Financial Year ended on 31<sup>st</sup> March 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune  
Date: 22 April 2022

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

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# MANAGEMENT REPORT

## for the Financial Year ended 31 March 2022

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 2022.

With respect to the operations of Bajaj Allianz General Insurance Company Limited ("the Company") for the year ended 31 March 2022 and results thereof, the Management of the Company confirms and declares that:

### 1. Certificate of registration

The Company has paid to the IRDAI the annual fees for FY2023 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 2022	31 March 2021
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 2022	31 March 2021
Actual solvency ratio	344%	345%
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 2022 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 2022	31 March 2021	31 March 2022	31 March 2021
	Debt investments	220,622,115	206,562,389	222,524,820

\* 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 the Company encompasses a robust, 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 framework and guidelines 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 as well as at the line of business level. 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 these 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 and is also approved by the Board.

### 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 risks and existing strategies to mitigate them. 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 heads & representatives, Chief Executive Officer (CEO), convened by the Chief Risk Officer, reviews risks as well as the risk processes and procedures with the Board approved Risk Management Policy. These committee meetings both at executive and Board level takes place on a quarterly basis. 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 in addition 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
- e) Recording & Reporting
- f) Communication & Consultation

### **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 risk registers including on changes to processes. 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 is applied to report on the systemic and correlated risks 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 one year period exposing to pricing &amp; reserving risks, underwriting (risk selection), claims experience, risks from lower growth rate for new and renewal business.</p> <p>Product bouquet includes Non-Motor (like Property, Engineering, Marine, Misc. etc.), Motor, Health, Crop and Travel.</p>	<p>Income from approved investments and safety of investments are important to the Company's ability to be able to meet its obligations towards claims, expenses, etc. and to also meet shareholders expectations. We hence ensure our investment exposures are managed prudently by the investment team through a pre-approved framework/strategy. Balancing our investment risks and rewards exposes us to credit default and market risks (interest-rate movements, portfolio value fluctuations and mismatch in assets &amp; liabilities) and Liquidity risks.</p>	<p>Operational risk is the risk of material losses arising from inadequate or failed internal processes, people and systems or external events including legal and regulatory risk. Such Operational failures could impact our ability to effectively service our customers resulting in reputational damage.</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><b>Liquidity risk</b> 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>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 response	Mitigations and Management
<b>A. Insurance risk</b>		
<ul style="list-style-type: none"> <li>Premium pricing</li> <li>Reserving</li> <li>Underwriting</li> <li>Claims management</li> <li>Catastrophe</li> <li>Business mix – acquisition and retention</li> <li>Capital structure</li> <li>Solvency</li> <li>Liquidity</li> </ul>	<ul style="list-style-type: none"> <li>Channel and Line of Business wise analysis is conducted to monitor business mix</li> <li>Periodic reserving calculations and assumptions are validated for relevance and accuracy for predicting claims severity and frequency</li> <li>Portfolio level insurance are preferred in underwriting corporate programs</li> <li>We maintain adequate Actual Solvency Margin over the 150% regulatory requirement</li> </ul>	<ul style="list-style-type: none"> <li>Risk segmentation for identifying profitable segments</li> <li>Monitoring key performance indicators</li> <li>Specifying deductibles for high risk</li> <li>Tracking concentration and accumulation</li> <li>Run Nat Cat models on exposures for different perils</li> <li>Stringent policy terms &amp; conditions</li> <li>Appropriate treaty and facultative coverage's in Reinsurance program</li> <li>Asset-Liability modelling</li> <li>Stress Testing and Sensitivity analysis for liquidity scenarios</li> <li>Solvency and Capital Management</li> </ul>
<b>B. Credit Risk</b>		
<ul style="list-style-type: none"> <li>Default</li> <li>Reinsurance</li> <li>Recoveries</li> </ul>	<ul style="list-style-type: none"> <li>Prudent investment strategy to diversify credit risk exposure</li> <li>Adequate predictability modelling of future cash inflows and outflows allows us to allocate funds in durations that allow for better return over periods</li> <li>Reinsurance decisions based on risk retention appetite and capacity determined from business growth plans</li> </ul>	<ul style="list-style-type: none"> <li>We have a well-diversified investment portfolio and healthy asset quality</li> <li>Investment limits and thresholds</li> <li>Assets invested in either sovereign or AAA/AA rated instruments</li> <li>Reinsurance protection from reinsurers with good credit rating (A- and above)</li> <li>Risks are passed to multiple reinsures in order to avoid accumulation of risk</li> </ul>

Risk type	Risk response	Mitigations and Management
<b>C. Market Risk</b>		
<ul style="list-style-type: none"> <li>Unfavourable movement in interest rates, currency rates and equity</li> <li>Volatility in market prices</li> <li>Reinvestment</li> </ul>	<ul style="list-style-type: none"> <li>Assets and Liabilities of the Company are well matched based on duration</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Investments are made within the regulatory threshold limits supported by adequate system controls</li> <li>We have very limited exposure to equity and foreign currency</li> <li>Within equity, majority of holdings are in BSE 100 stocks</li> <li>Majority of the investments comprise of fixed interest securities and within that in Government securities</li> <li>Adequate liquidity and reserves are maintained</li> <li>Asset class diversification is also adopted as a strategy to the extent possible</li> </ul>
<b>D. Operational Risk</b>		
<ul style="list-style-type: none"> <li>People (incl. conduct)</li> <li>Process</li> <li>Systems</li> <li>Regulatory</li> <li>Legal</li> <li>Reputation</li> <li>Business resilience**</li> <li>Security – Cyber &amp; Data</li> <li>IT General Controls (ITGC)</li> <li>Third-Party Frauds</li> <li>External threats</li> </ul>	<ul style="list-style-type: none"> <li>Our Code of Conduct and other internal policies and processes set the tone for high level of governance from our staff</li> <li>We continue to develop system-based risk tools in-house moving towards an integrated risk management methodology</li> <li>To continue to lower operational risk is a priority which allows us to take advantage of latent opportunities whilst curbing preventable losses</li> <li>We work on preventing frauds through the fraud risk management framework that includes fraud analytics model &amp; tracking mechanism to reduce insurance frauds</li> <li>All compliance with legal and regulatory related risks are managed through appropriately designed systems and are assessed and monitored continuously at the organizational level to ensure its compliance with respective guidelines</li> <li>We have a strong Information Technology Governance Controls model to address Technology risks, data and information security measures and safety mechanisms against cyber-threat.</li> <li>Our Disaster recovery systems and processes are periodically tested for relevance and effectiveness, through recovery drills</li> <li>We select our vendors based on their resiliency to support us in ensuring we meet and exceed customer expectations</li> <li>We attend to customer issues promptly through our customer focus channels</li> <li>We transfer specific insurable risks to the insurance market for adequate coverage's and optimal premium.</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated Operational Risk Management framework for continued Enterprise-wide monitoring and response</li> <li>Mapping of department RCAs, KRIs and internal Loss Event database for corrective action and preventive treatment</li> <li>Event based root cause analysis for design level flaw or operating level failure</li> <li>Fraud Strategy encompasses Prevention; Detection; Deterrence, Response and awareness plan whilst maintaining an ethical culture and conduct code in investigations</li> <li>System based triggers for fraud detection and prevention</li> <li>Help determine Risk Appetite / tolerance limits to develop "alert systems" for senior management</li> <li>Risks rating based on movements and maturity levels for proactive risk management rather than reactive</li> <li>Business Continuity Management Systems in place and drills for various scenarios are conducted</li> <li>We have an offsite disaster recovery centre for its data backups</li> <li>We assess our counterparties and key vendors to avoid disruption and help them inculcate best internal control practices</li> <li>All compliance with legal and regulatory requirements are monitored centrally through a designated compliance function and are assessed and monitored continuously at the organizational level to ensure its compliance with respective regulations</li> <li>Teams monitor chatter across various media channels including print, social media etc. to identify any statements/ comments/ etc. which is potentially damaging to our reputation</li> <li>Cyber threats are monitored proactively by the Certified Information Systems Officer through use of various tools and consultants.</li> </ul>

\*\*Business Resilience

The Company's robust Business Continuity Management system has been very effective towards delivering uninterrupted services to all stakeholders during the period adversely affected by outbreak of Covid-19 pandemic. The Company introduced various initiatives and safety protocols for employees to include pathological testing, medical kits, increased and enhanced healthcare insurance coverage,

access to psychological counselling, work-from-home policy, free vaccination drives, ambulance services, oxygen concentrators, COVID impacted family assistance policy, among others. The Company continues to support all stakeholders by adapting and making available optimised digital platforms for seamless transactions.

## 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 liability insurance claims) tend to have longer settlement times, which are beyond the control of the Company. During large parts of FY2022, the spurt in the health insurance claims on account of COVID-19 treatments continued on account of sequential waves of multiple variants of the corona virus. These claims have been processed as per the regulatory norms and reported to the Authority as required from time to time. The year also saw courts open up after a period of lull, due to the pandemic, and accordingly larger motor third party claims were settled during the year.

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 including government securities and non-convertible preference shares are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortisation 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.
- Additional Tier 1 (Basel III Compliant) Perpetual Bonds (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 amortisation 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.
- Fair Value Change Account: Fair value change account represents unrealized gains or losses in respect of investments in equity securities, 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 2022 is as follows:

Asset class	Total investments	
	Amount	%
Government securities	123,063,241	50.8%
Debenture and bonds		
- AAA	74,753,021	30.9%
- AA / AA+	821,370	0.3%
- AA - & Below	749,598	0.3%
Money Market Instruments	20,574,704	8.5%
Fixed Deposits	500,000	0.2%
Equities	21,235,311	8.8%
AT1 Bonds	252,228	0.1%
Others (preference shares)	330,095	0.1%
<b>Total</b>	<b>242,279,567</b>	<b>100%</b>

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. 99% of the fixed income portfolio is held in highest credit rated securities (Sovereign/AAA or equivalent). 91% of the total equity investments are held in Nifty 50 index stocks. The Company has during the year made an impairment provision of ₹ 8.1 crore in line with the Impairment Policy. This exposure pertains to certain unlisted equity.

**(b) Investment performance**

The performance of investments for FY2022, is as follows:

Particulars	FY2022		FY2021	
	Book value yields	Market value yields	Book value yields	Market value yields
Including impairment	7.68%	6.37%	7.66%	12.20%
Excluding impairment	7.60%	6.27%	7.49%	12.04%

Notes:

- Market Value yields computed as investment income including unrealised gains / losses / monthly average investment
- Book value yields computed as realised 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:

- The financial statements of the Company have been prepared in accordance with the applicable Accounting Standards and principles and policies with no material departures;
- 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;
- 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;
- The financial statements have been prepared on a going concern basis;
- 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****Bajaj Allianz General Insurance Company Limited**

CIN U66010PN2000PLC015329

**Sanjiv Bajaj**

Chairman  
DIN:00014615

**Lila Poonawalla**

Chairperson of  
Audit Committee  
DIN:00074392

**Ritu Arora**

Director  
DIN: 07019164

**Tapan Singhel**

Managing Director &  
Chief Executive Officer  
DIN:03428746

**Ramandeep Singh Sahni**

Chief Financial Officer

**Onkar Kothari**

Company Secretary &  
Compliance Officer

Place: Pune

Date: 22 April 2022

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

(Amount in ₹ Lakhs)

01 FIRE	FY2018		FY2019		FY2020		FY2021		FY2022		
	Period	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
	30 days	1,537	672.60	3,791	4,326.52	3,106	6,862.91	2,897	5,385.00	3,189	5,891.00
	30 days to 6 months	1,557	4,332.21	2,745	9,756.17	2,609	10,711.09	2,083	8,578.00	2,490	13,184.00
	6 months to 1 year	500	8,467.52	705	10,592.20	672	9,966.51	529	14,056.00	670	15,565.00
	1 year to 5 years	2,293	8,120.29	1,325	11,040.10	483	10,773.49	373	9,594.00	414	14,046.00
	5 years and above	66	333.74	134	387.43	55	1,302.33	57	797.00	26	36.00
<b>02 MARINE</b>											
	30 days	9,242	954.65	35,435	1,856.87	15,094	2,597.63	13,409	2,632.00	14,069	2,367.00
	30 days to 6 months	4,234	3,361.83	6,278	5,269.35	4,275	4,693.92	2,931	3,683.00	2,955	4,211.00
	6 months to 1 year	514	1,420.75	635	4,255.80	729	2,476.84	318	1,177.00	334	1,345.00
	1 year to 5 years	545	5,151.57	305	1,814.75	258	851.29	299	3,189.00	274	510.00
	5 years and above	113	81.93	35	43.10	43	74.54	13	101.00	47	316.00
<b>03 MOTOR OD</b>											
	30 days	397,773	57,909.39	513,745	70,466.94	493,517	77,324.37	377,660	59,026.00	439,955	74,737.00
	30 days to 6 months	92,215	46,913.49	71,186	44,894.89	63,136	47,646.62	48,525	38,479.00	53,355	46,473.00
	6 months to 1 year	4,571	6,808.26	4,041	6,971.70	3,501	6,060.14	4,302	7,884.00	3,547	6,949.00
	1 year to 5 years	1,391	1,229.39	1,317	1,425.12	740	1,179.91	1,278	2,402.00	1,062	1,923.00
	5 years and above	548	144.58	1,342	299.81	217	249.27	139	129.00	197	312.00
<b>04 MOTOR TP</b>											
	30 days	4,567	74.54	5,042	189.80	285	119.92	354	193.00	731	345.00
	30 days to 6 months	5,311	1,003.80	6,140	1,152.73	6,938	2,150.63	3,985	1,738.00	7,994	7,891.00
	6 months to 1 year	5,370	3,690.24	4,563	3,381.23	4,742	6,409.60	3,283	2,531.00	5,145	13,249.00
	1 year to 5 years	18,135	27,106.88	13,789	36,094.92	12,798	39,998.71	9,337	21,052.00	14,908	55,651.00
	5 years and above	9,464	14,411.51	8,796	22,164.38	6,526	20,299.20	4,364	11,418.00	7,865	27,287.00
<b>05 HEALTH</b>											
	30 days	448,722	62,210.31	1,563,984	109,664.29	1,061,397	137,915.44	580,907	75,210.00	761,770	155,389.00
	30 days to 6 months	80,046	27,786.68	135,098	53,727.20	133,919	51,418.70	102,034	60,546.00	234,496	105,991.00
	6 months to 1 year	4,521	1,701.19	8,783	3,157.61	6,812	3,129.27	7,908	3,635.00	9,071	5,910.00
	1 year to 5 years	1,759	770.23	2,980	1,269.09	1,692	1,472.07	3,073	2,118.00	2,164	1,364.00
	5 years and above	401	32.10	85	69.88	41	79.69	64	135.00	82	130.00
<b>06 OTHER</b>											
	30 days	73,906	82,228.11	240,213	86,822.55	3,120,901	162,404.93	1,831,523	186,053.00	2,214,994	159,951.00
	30 days to 6 months	100,679	31,458.83	85,173	52,736.59	468,221	48,355.68	533,074	52,087.00	559,986	47,344.00
	6 months to 1 year	10,401	5,018.77	6,200	20,202.68	29,569	8,319.74	73,174	10,891.00	7,890	7,886.00
	1 year to 5 years	7,488	6,616.65	5,216	11,130.28	1,811	6,429.22	9,411	18,005.00	14,978	14,387.00
	5 years and above	829	513.76	643	975.01	318	679.21	215	2,731.00	300	781.00

**Notes:**

1. The above includes partially settled claims and on-account payments made and excludes salvage and other recoveries
2. Average Claims Settlement Time is considered from claim registration date to latest payment date

## Annexure II : Ageing analysis of Claims registered and not settled

(Amount in ₹ Lakhs)

Line of Business	FIRE		MARINE		MOTOR OD		MOTOR TP		HEALTH		OTHER		TOTAL	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
<b>As at March 2022</b>														
0 - 30 Days	328	1,319	601	707	3,729	4,480	1,133	10,771	62,839	12,086	32,707	2,663	101,337	32,026
31 days-6 Months	554	4,736	386	1,709	3,213	7,685	5,129	48,274	55,941	8,519	54,768	5,869	119,991	76,793
6 Months to 1 Year	272	2,451	189	890	744	2,253	4,137	39,050	14,261	969	15,083	3,151	34,686	48,765
1 year to 5 Year	1,183	6,363	1,144	1,821	1,747	5,673	20,163	170,277	689	1,210	77,835	10,382	102,761	195,726
> 5 year	1,196	3,774	506	1,765	1,228	3,196	15,662	65,150	280	699	2,892	4,418	21,764	79,003
Grand Total	3,533	18,644	2,826	6,892	10,661	23,287	46,224	333,523	134,010	23,483	183,285	26,482	380,539	432,312
<b>As at 31 March 2021</b>														
0 - 30 Days	311	1,329	189	580	3,638	4,580	1,736	13,446	27,641	6,316	50,332	2,849	83,847	29,101
31 days-6 Months	415	4,803	184	1,035	3,137	7,065	5,135	43,725	3,877	2,058	104,821	7,190	117,569	65,876
6 Months to 1 Year	323	3,765	207	992	520	1,379	1,975	14,806	256	247	24,624	2,378	27,905	23,567
1 year to 5 Year	994	5,312	1,059	1,499	1,580	4,614	25,255	178,176	640	1,218	45,917	6,737	75,445	197,555
> 5 year	1,134	3,558	376	1,694	1,177	2,740	16,888	53,960	191	586	2,769	3,975	22,535	66,513
Grand Total	3,177	18,767	2,015	5,800	10,052	20,378	50,989	304,113	32,605	10,425	228,463	23,129	327,301	382,612
<b>As at 31 March 2020</b>														
0 - 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
31 days-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 Year	1,160	3,388	1,273	1,870	1,288	3,387	20,732	121,922	528	1,814	4,330	5,021	29,311	137,403
> 5 year	896	3,088	323	1,301	996	2,324	16,165	34,732	134	410	2,522	3,305	21,036	45,160
Grand Total	3,035	17,134	3,397	5,528	15,293	25,204	48,786	234,941	25,238	7,998	169,581	23,078	265,330	313,885
<b>As at 31 March 2019</b>														
0 - 30 Days	179	1,466	347	669	4,331	4,438	1,113	5,161	39,332	6,430	34,802	2,791	80,104	20,955
31 days-6 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 Year	1,730	2,733	751	1,457	1,113	2,641	21,339	109,413	423	1,693	2,711	3,703	28,067	121,641
> 5 year	356	2,478	240	947	847	1,893	16,527	24,901	108	194	2,081	2,832	20,159	33,245
Grand Total	2,956	14,491	2,614	5,778	9,630	16,733	48,085	185,685	52,381	13,688	52,586	15,587	168,252	251,963
<b>As at 31 March 2018</b>														
0 - 30 Days	192	1,151	420	572	3,726	3,507	1,069	4,883	12,121	4,639	5,591	1,707	23,119	16,459
31 days-6 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 Year	1,897	2,844	763	1,449	1,180	2,622	21,756	99,665	433	1,639	2,896	4,235	28,925	112,455
> 5 year	300	2,123	250	1,074	781	1,645	17,597	21,163	124	254	1,917	2,558	20,969	28,818
Grand Total	2,913	10,773	1,710	4,766	8,892	15,157	49,157	166,104	19,043	10,430	16,745	15,461	98,460	222,690

## Annexure III to the Management Report: Particulars of Payments made to entities where Directors are interested for the year ended 31 March 2022

(In ₹ Lakhs)\*

Sr. No.	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year in	
				FY2022	FY2021
1	Bajaj Finserv Limited	Sanjiv Bajaj	Director & Member	6,177	3,303
		Niraj Bajaj	Director & Member		
		Anami Roy	Director		
2	Bajaj Auto Limited	Niraj Bajaj	Director & Member	1,356	55
		Sanjiv Bajaj	Director & Member		
		Anami Roy	Director		
		Lila Poonawalla	Director		
3	Bajaj Electricals Limited	Niraj Bajaj	Member	20	33
		Sanjiv Bajaj	Member		
4	Bajaj Finance Limited	Sanjiv Bajaj	Director & Member	2,680	3,072
		Anami Roy	Director		
5	Bajaj Allianz Life Insurance Company Limited	Sanjiv Bajaj	Director	2,450	1,630
		Niraj Bajaj	Director		
		Ranjit Gupta	Director		
		Ritu Arora	Director		
		Sergio Balbinot	Director		
		Suraj Mehta	Director		
		Lila Poonawalla	Director		
		M. Damodaran	Director		
		Anami Roy	Director		
		Shashi Kant Sharma	Director		
Avais Karmali	Director				
6	Bajaj Housing Finance Limited	Sanjiv Bajaj	Director	1	9
		Lila Poonawalla	Director		
		Anami Roy	Director		
7	Bajaj Holdings and Investments Limited	Sanjiv Bajaj	Director & Member	5	4
		Niraj Bajaj	Director & Member		
		Anami Roy	Director		

(In ₹ Lakhs)\*

Sr. No.	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year in	
				FY2022	FY2021
8	Mukand Engineers Limited	Sanjiv Bajaj	Member	10	10
		Niraj Bajaj	Director & Member		
9	Mukand Limited	Sanjiv Bajaj	Member	242	98
		Niraj Bajaj	Director & Member		
10	Hind Musafir Agency Limited	Niraj Bajaj	Member	306	68
11	Hercules Hoists Limited	Niraj Bajaj	Member	16	7
		Sanjiv Bajaj	Member		
12	Maharashtra Scooters Limited	Lila Poonawalla	Director	-	0
13	Bajaj Allianz Financial Distributors Limited	Avais Karmali	Director	-	172
14	Bajaj Allianz Staffing Solutions Limited	Avais Karmali	Director	7,915	8,586
15	Indo German Chamber of Commerce	Tapan Singhel	Director	0	8
16	Rij Engineering Private Limited	Ranjit Gupta	Relatives are Directors	3	-
17	Policy Bazaar Insurance Broker Private Limited**	Nilesh Sathe	Director	706	-
18	Crisil Limited	M. Damodaran	Director	13	18

**Notes:**

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

\*\* Transactions for part of the financial year during which Director had common interest

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# **FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S 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 2022, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, the schedules annexed thereto, notes to financial statements and a summary of significant accounting policies and other explanatory information (herein referred to as financial statements).

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, 2022;
- (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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors 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 2022 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 22 April 2022 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI 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. The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) as at 31 March 2022 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;

- F. 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;
- G. 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;
- H. 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;
- I. On the basis of the written representations received from the Directors as on 31 March 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2022 from being appointed as a Director in terms of Section 164 (2) of the Act;
- J. 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;
- K. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements – Refer schedule 16 note 25 to the financial statements;
  - b) 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
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Schedule 16 note 27 to the financial statements.
  - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- L. With respect to the matter to be included in the Auditor's 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 year is in accordance with the provisions of Section 197 of the Act read with Section 34A of the Insurance Act, 1938. 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, 1938. 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 Kumar Gupta**

Partner  
Membership No. 213935  
ICAI UDIN: 22213935AHPJXG4509

Place: Pune

Dated: 22 April 2022

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

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

**Sagar Lakhani**

Partner  
Membership No. 111855  
ICAI UDIN: 22111855AHOWM03942

Place: Mumbai

Dated: 22 April 2022

## 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 22 April 2022**

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 2022, we certify that:
  - a. We have reviewed the Management Report attached to the financial statements for the year ended 31 March 2022, and on the basis of our review, there is no apparent mistake or material inconsistency with the financial statements;
  - b. Based on information and explanations received during the normal course of our audit, management representations and compliance certificates submitted to the Board of Directors by the officers of

the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by the IRDAI;

- c. We have verified the cash balances, to the extent considered necessary and securities relating to the Company's loans and investments as at 31 March 2022, by actual inspection or on the basis of certificates / confirmations received from the Custodian and/ or Depository Participants appointed by the Company, as the case may be. Further, we have also relied upon the management's certificate for cash/cheque balances as at 31 March 2022;
- d. We have been given to understand by the management that the Company is not a trustee of any trust; and
- e. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

### Restriction on Use

7. This certificate is issued at the request of the Company solely for use of the Company for inclusion in the annual accounts in order to comply with the provisions of paragraph 3 and 4 of Schedule C of the IRDA Financial Statements Regulations read with Regulation 3 of the IRDA Financial Statements Regulations and is not intended to be and should not be used for any other purpose without our prior consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

#### For S.R. Batliboi & CO. LLP

Chartered Accountants  
Firm's Registration Number  
301003E/E300005

#### per Vaibhav Kumar Gupta

Partner  
Membership No. 213935  
ICAI UDIN: 22213935AHPJXG4509

Place: Pune

Dated: 22 April 2022

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

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

#### Sagar Lakhani

Partner  
Membership No. 111855  
ICAI UDIN: 22111855AHOWMO3942

Place: Mumbai

Dated: 22 April 2022

## **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 2022**

(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 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are 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 2022, 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 2022. 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  
Firm's Registration Number  
301003E/E300005

### **per Vaibhav Kumar Gupta**

Partner  
Membership No. 213935  
ICAI UDIN: 22213935AHPJXG4509

Place: Pune

Dated: 22 April 2022

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

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

### **Sagar Lakhani**

Partner  
Membership No. 111855  
ICAI UDIN: 22111855AHOWM03942

Place: Mumbai

Dated: 22 April 2022

## Bajaj Allianz General Insurance Company Limited

IRDAI Registration No 113. dated 2 May 2001

## Revenue Accounts for the year ended 31 March 2022

Particulars	Schedule	For the year ended 31 March 2022				For the year ended 31 March 2021			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
		Rupees ('000)							
Premiums earned - (Net)	1	2,522,421	1,198,309	74,072,951	77,793,681	2,691,988	1,068,110	70,601,204	74,361,302
Profit/(Loss) on sale/redemption of investments (Refer note 2.3 (iv) and (v) of Schedule 16)		95,648	44,761	2,549,988	2,690,397	61,636	23,840	1,563,478	1,648,954
Interest, dividend and rent-Gross (Refer note 2.3 (ii) of Schedule 16)		396,048	185,343	10,558,737	11,140,128	384,408	148,680	9,750,935	10,284,023
Other income - Miscellaneous income		8,068	3,775	215,069	226,912	6,804	2,632	171,424	180,860
Contribution from Shareholders Funds towards excess EoM & Rewards (Refer note 39 of Schedule 16)		-	-	-	-	-	-	334,505	334,505
<b>Sub total</b>		<b>499,764</b>	<b>233,879</b>	<b>13,323,794</b>	<b>14,057,437</b>	<b>452,848</b>	<b>175,152</b>	<b>11,820,342</b>	<b>12,448,342</b>
<b>Total (A)</b>		<b>3,022,185</b>	<b>1,432,188</b>	<b>87,396,745</b>	<b>91,851,118</b>	<b>3,144,836</b>	<b>1,243,262</b>	<b>82,421,546</b>	<b>86,809,644</b>
Claims incurred (Net) (Refer note 2.10 and 2.11 of Schedule 16)	2	1,439,267	765,590	54,555,031	56,759,888	1,466,284	703,425	48,732,582	50,902,291
Commission (Refer note 2.3 (vi) and 2.6 of Schedule 16)	3	(2,579,061)	128,469	1,508,129	(942,463)	(1,623,445)	84,661	2,032,510	493,726
Contribution to solatium fund (Refer note 2.20 of Schedule 16)		-	-	28,257	28,257	-	-	27,152	27,152
Change in premium deficiency (Refer note 2.9 and 10 of Schedule 16)		-	-	-	-	-	-	-	-
Operating expenses related to insurance business (Refer note 2.12 of Schedule 16)	4	3,225,807	328,843	18,093,628	21,648,278	2,860,693	275,427	17,461,593	20,597,713
<b>Total (B)</b>		<b>2,086,013</b>	<b>1,222,902</b>	<b>74,185,045</b>	<b>77,493,960</b>	<b>2,703,532</b>	<b>1,063,513</b>	<b>68,253,837</b>	<b>72,020,882</b>
<b>Operating profit/(loss) (C)=(A)-(B)</b>		<b>936,172</b>	<b>209,286</b>	<b>13,211,700</b>	<b>14,357,158</b>	<b>441,304</b>	<b>179,749</b>	<b>14,167,709</b>	<b>14,788,762</b>
Appropriations									
Transfer to shareholders' account		936,172	209,286	13,211,700	14,357,158	441,304	179,749	14,167,709	14,788,762
Transfer to catastrophe reserve		-	-	-	-	-	-	-	-
Transfer to other reserves		-	-	-	-	-	-	-	-
<b>Total (C)</b>		<b>936,172</b>	<b>209,286</b>	<b>13,211,700</b>	<b>14,357,158</b>	<b>441,304</b>	<b>179,749</b>	<b>14,167,709</b>	<b>14,788,762</b>
<b>Significant accounting policies and notes to the Financial Statements</b>	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  
**Bajaj Allianz General Insurance Company Limited**  
 CIN U66010PN2000PLC015329

**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

**Sanjiv Bajaj**  
 Chairman  
 DIN : 00014615

**Lila Poonawalla**  
 Chairperson of  
 Audit Committee  
 DIN : 00074392

**Ritu Arora**  
 Director  
 DIN: 07019164

**Sagar Lakhani**  
 Partner  
 Membership No. 111855

**Vaibhav Kumar Gupta**  
 Partner  
 Membership No. 213935

**Tapan Singhel**  
 Managing Director &  
 Chief Executive Officer  
 DIN : 03428746

**Ramandeep Singh Sahni**  
 Chief Financial Officer

**Onkar Kothari**  
 Company Secretary &  
 Compliance Officer

Mumbai  
 Date: 22 April 2022

Pune  
 Date: 22 April 2022

Pune  
 Date: 22 April 2022

## Bajaj Allianz General Insurance Company Limited

IRDAI Registration No 113. dated 2 May 2001

### Profit and Loss Account for the year ended 31 March 2022

Particulars	Rupees ('000)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Operating profit as per Revenue Accounts of</b>		
(a) Fire insurance	936,172	441,304
(b) Marine insurance	209,286	179,749
(c) Miscellaneous insurance	13,211,700	14,167,709
	14,357,158	14,788,762
<b>Income from investments</b> (Refer note 2.3 (ii), (iii), (iv), (v) and 2.13 of Schedule 16)		
(a) Interest, dividends and rent - Gross	2,878,610	3,071,216
(b) Amortization of discount/(premium)	(261,293)	(477,999)
(c) Profit on sale/redemption of investments	1,300,506	977,940
Less:- Loss on sale/redemption of investments	(56,838)	(271,295)
	3,860,985	3,299,862
Other income -Miscellaneous income	844	3,635
<b>Total (A)</b>	<b>18,218,987</b>	<b>18,092,259</b>
<b>Provisions (other than taxation)</b>		
(a) For diminution in the value of investments (Refer note 2.15 of Schedule 16)	(1,353,768)	(340,409)
(b) For doubtful debts	(33,787)	(14,370)
(c) Others	-	-
<b>Other expenses</b>		
(a) Expenses other than those related to the insurance business	207,278	159,937
(b) Bad debts written off	-	-
(c) Investment written off	1,180,874	-
(d) Fines & penalties (Refer note 23 of Schedule 16)	1,000	-
(e) Corporate Social Responsibility (Refer note 28 of Schedule 16)	286,451	259,571
(f) Contribution to Policyholders Funds towards excess EoM & Rewards (Refer note 39 of Schedule 16)	-	334,505
(g) Others	-	-
<b>Total (B)</b>	<b>288,048</b>	<b>399,234</b>
<b>Profit before tax</b>	<b>17,930,939</b>	<b>17,693,025</b>
Provision for taxation (Refer note 18 of Schedule 16)		
Current tax	3,455,364	5,016,744
Deferred tax Expense/(Income)	1,084,296	(624,603)
	4,539,660	4,392,141
<b>Profit after tax</b>	<b>13,391,279</b>	<b>13,300,884</b>
<b>Profit available for appropriation</b>	<b>13,391,279</b>	<b>13,300,884</b>
<b>Appropriations</b>		
(a) Final dividends paid	-	-
(b) Interim dividends paid (Refer note 31 of Schedule 16)	1,234,545	1,488,068
(c) Dividend distribution tax	-	-
(d) Transfer to reserve/other accounts	-	-
Balance of Profit brought forward from last year	68,560,886	56,748,070
<b>Balance carried forward to Balance Sheet</b>	<b>80,717,620</b>	<b>68,560,886</b>
<b>Significant accounting policies and notes to the Financial Statements</b>	<b>16</b>	
Earning per share: Basic and Diluted (Refer note 17 of Schedule 16)	121.49	120.67

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

**Bajaj Allianz General Insurance Company Limited**

CIN U66010PN2000PLC015329

**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

**Sanjiv Bajaj**  
Chairman  
DIN : 00014615

**Lila Poonawalla**  
Chairperson of  
Audit Committee  
DIN : 00074392

**Ritu Arora**  
Director  
DIN: 07019164

**Sagar Lakhani**  
Partner  
Membership No. 111855

**Vaibhav Kumar Gupta**  
Partner  
Membership No. 213935

**Tapan Singhel**  
Managing Director &  
Chief Executive Officer  
DIN : 03428746

**Ramandeep Singh Sahni**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Mumbai  
Date: 22 April 2022

Pune  
Date: 22 April 2022

Pune  
Date: 22 April 2022

**Bajaj Allianz General Insurance Company Limited**  
**IRDAI Registration No 113. dated 2 May 2001**  
**Balance Sheet as at 31 March 2022**

Particulars	Schedule	Rupees ('000)	
		As at 31 March 2022	As at 31 March 2021
<b>SOURCES OF FUNDS</b>			
Share capital	5	1,102,273	1,102,273
Reserves and surplus	6	82,383,817	70,227,083
Fair value change account (Refer note 2.15 of Schedule 16)			
Shareholders' funds		1,484,412	1,166,839
Policyholders' funds		3,251,658	2,748,420
Borrowings	7	-	-
<b>Total</b>		<b>88,222,160</b>	<b>75,244,615</b>
<b>APPLICATION OF FUNDS</b>			
Investments - Shareholders'	8	60,921,709	57,858,550
Investments - Policyholders'	8A	181,357,858	166,915,752
Loans	9	-	-
Fixed assets	10	4,241,604	4,271,058
Deferred tax asset (Refer note 18 of Schedule 16)		178,264	1,262,560
Current assets			
Cash and bank balances	11	4,751,619	6,833,941
Advances and other assets	12	23,370,717	22,578,481
<b>Sub-Total (A)</b>		<b>28,122,336</b>	<b>29,412,422</b>
Current liabilities	13	144,833,101	142,261,803
Provisions	14	41,766,510	42,213,924
<b>Sub-Total (B)</b>		<b>186,599,611</b>	<b>184,475,727</b>
<b>Net current liabilities (C) = (A - B)</b>		<b>(158,477,275)</b>	<b>(155,063,305)</b>
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and loss account		-	-
<b>Total</b>		<b>88,222,160</b>	<b>75,244,615</b>
For Contingent liabilities - (Refer note 2.23 and 3 of schedule 16)			
<b>Significant accounting policies and notes to the Financial Statements</b>	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  
**Bajaj Allianz General Insurance Company Limited**  
CIN U66010PN2000PLC015329

**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

**Sanjiv Bajaj**  
Chairman  
DIN : 00014615

**Lila Poonawalla**  
Chairperson of  
Audit Committee  
DIN : 00074392

**Ritu Arora**  
Director  
DIN: 07019164

**Sagar Lakhani**  
Partner  
Membership No. 111855

**Vaibhav Kumar Gupta**  
Partner  
Membership No. 213935

**Tapan Singhel**  
Managing Director &  
Chief Executive Officer  
DIN : 03428746

**Ramandeep Singh Sahni**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Mumbai  
Date: 22 April 2022

Pune  
Date: 22 April 2022

Pune  
Date: 22 April 2022

## Receipts and Payments Statement for the year ended 31 March 2022

Particulars	Rupees ('000)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Cash flows from the operating activities:</b>		
1. Premium received from policyholders, including advance receipts	156,715,428	140,403,316
2. Other receipts	-	-
3. Payments to the re-insurers, net of commissions and claims	(25,828,749)	(10,192,400)
4. (Payments)/recoveries to/from co-insurers, net of claims recovery	1,574,498	2,597,069
5. Payments of claims	(81,004,852)	(62,799,165)
6. Payments of commission and brokerage	(8,402,428)	(7,692,329)
7. Payments of other operating expenses	(21,486,600)	(19,176,477)
8. Preliminary and pre-operative expenses	-	-
9. Deposits, advances and staff loans	(2,439)	53,326
10. Income taxes paid (Net)	(4,084,886)	(4,794,401)
11. Service tax paid / GST Paid	(18,225,913)	(15,518,743)
12. Other payments	(9,186)	(7,685)
<b>13. Cash flows before extraordinary items</b>	<b>(755,127)</b>	<b>22,872,511</b>
14. Cash flow from extraordinary operations	-	-
<b>15. Net cash flow from operating activities (A)</b>	<b>(755,127)</b>	<b>22,872,511</b>
<b>B. Cash flows from investing activities:</b>		
1. Purchase of fixed assets	(471,346)	(497,512)
2. Proceeds from sale of fixed assets	12,706	9,823
3. Purchases of investments	(218,763,710)	(215,066,259)
4. Loans disbursed	-	-
5. Sales of investments	217,886,982	183,409,931
6. Repayments received	-	-
7. Rent / interest / dividend received	14,859,313	13,246,907
8. Investment in money market instruments and liquid mutual funds (net)	(14,150,025)	299,845
9. Expenses related to investments	(72,739)	(43,722)
<b>10. Net cash flow from investing activities (B)</b>	<b>(698,819)</b>	<b>(18,640,987)</b>
<b>C. Cash flows from financing activities:</b>		
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	(1,234,545)	(1,488,068)
5. Dividend distribution tax	-	-
<b>6. Net Cash Flows from financing activities (C)</b>	<b>(1,234,545)</b>	<b>(1,488,068)</b>
<b>D. Effect of foreign exchange rates on cash and cash equivalents, net (D)</b>	<b>5,474</b>	<b>(2,720)</b>
<b>E. Net increase in cash and cash equivalents (E) = (A)+(B)+(C)+(D)</b>	<b>(2,683,017)</b>	<b>2,740,736</b>
Add: Cash and cash equivalents at the beginning of the year	6,670,701	3,929,965
<b>Cash and cash equivalents at the end of the year</b>	<b>3,987,684</b>	<b>6,670,701</b>
<b>F. Components of cash and cash equivalents at the end of the year</b>		
(a) Cash (including Stamps on hand) - (Refer Schedule 11 forming part of financial statements)	4,682	3,628
(b) Cheques on hand - (Refer Schedule 11 forming part of financial statements)	459,557	432,155
(c) Bank balances - (Refer Schedule 11 forming part of financial statements)	2,809,286	4,140,853
(d) Money at call and short notice (only due within 3 months) - (Refer Schedule 11 forming part of financial statements)	1,416,535	2,200,270
(e) Temporary overdraft as per books of accounts - (Refer Schedule 13 forming part of financial statements)	(702,376)	(106,205)
<b>Cash and cash equivalents at the end of the year (a)+(b)+(c)+(d)+(e)</b>	<b>3,987,684</b>	<b>6,670,701</b>
Add: Fixed Deposits maturing after 3 Months	61,559	57,035
Add: Temporary overdraft as per books of accounts - (Refer Schedule 13 forming part of financial statements)	702,376	106,205
Cash and Bank balance as per Balance Sheet (Refer Schedule 11 forming part of financial statements)	<b>4,751,619</b>	<b>6,833,941</b>
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 and on behalf of the Board of Directors of  
**Bajaj Allianz General Insurance Company Limited**  
 CIN U66010PN2000PLC015329

**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

**Sanjiv Bajaj**  
 Chairman  
 DIN : 00014615

**Lila Poonawalla**  
 Chairperson of  
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**Ritu Arora**  
 Director  
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 Managing Director &  
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**Ramandeep Singh Sahni**  
 Chief Financial Officer

**Onkar Kothari**  
 Company Secretary &  
 Compliance Officer

Mumbai  
 Date: 22 April 2022

Pune  
 Date: 22 April 2022

Pune  
 Date: 22 April 2022

## Schedule - 1 Premium earned (Net)

## Schedules to and forming part of the Financial Statements

Rupees ('000)

Particulars	For the year ended 31 March 2022				For the year ended 31 March 2021					
	Fire	Marine	Miscellaneous*	Total	Fire	Marine	Miscellaneous*	Total		
		Cargo	Others			Cargo	Others			
<b>Premium from direct business written (net of service tax and GST)</b>	<b>19,133,541</b>	<b>1,913,603</b>	<b>203,929</b>	<b>115,634,855</b>	<b>136,885,928</b>	<b>16,565,498</b>	<b>1,558,369</b>	<b>105,105</b>	<b>107,466,318</b>	<b>125,695,290</b>
Add: Premium on reinsurance accepted	900,437	-	-	94,276	994,713	492,170	-	-	56,328	548,498
Less: Premium on reinsurance ceded	17,273,846	624,774	201,069	42,152,739	60,252,428	14,267,366	481,163	103,087	37,219,623	52,071,239
<b>Net Premium</b>	<b>2,760,132</b>	<b>1,288,829</b>	<b>2,860</b>	<b>73,576,392</b>	<b>77,628,213</b>	<b>2,790,302</b>	<b>1,077,206</b>	<b>2,018</b>	<b>70,303,023</b>	<b>74,172,549</b>
Adjustment for change in reserve for unexpired risk										
Reserve created during the year	3,133,992	393,428	2,858	37,964,079	41,494,357	2,896,281	300,889	2,017	38,460,638	41,659,825
Less: Reserve created during the previous year written back	2,896,281	300,889	2,017	38,460,638	41,659,825	2,797,967	289,155	2,637	38,758,819	41,848,578
Change in the unexpired risk reserve (Refer note 2.8 of Schedule 16)	237,711	92,539	841	(496,559)	(165,468)	98,314	11,734	(620)	(298,181)	(188,753)
<b>Total premium earned (Net)</b>	<b>2,522,421</b>	<b>1,196,290</b>	<b>2,019</b>	<b>74,072,951</b>	<b>77,793,681</b>	<b>2,691,988</b>	<b>1,065,472</b>	<b>2,638</b>	<b>70,601,204</b>	<b>74,361,302</b>
<b>Note:</b>										
<b>Premium income earned from business concluded:</b>										
In India	2,522,421	1,196,290	2,019	74,072,951	77,793,681	2,691,988	1,065,472	2,638	70,601,204	74,361,302
Outside India	-	-	-	-	-	-	-	-	-	-
<b>Total premium earned (Net)</b>	<b>2,522,421</b>	<b>1,196,290</b>	<b>2,019</b>	<b>74,072,951</b>	<b>77,793,681</b>	<b>2,691,988</b>	<b>1,065,472</b>	<b>2,638</b>	<b>70,601,204</b>	<b>74,361,302</b>

\* 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

Rupees ('000)

For the year ended 31 March 2022

Particulars	Motor OD	Motor TP	Motor Total	For the year ended 31 March 2022									Total
				Workmens' Compensation /Employers' Liability	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	
<b>Premium from direct business (net of service tax and GST)</b>	<b>20,187,928</b>	<b>28,257,228</b>	<b>48,445,156</b>	<b>452,278</b>	<b>590,930</b>	<b>2,568,634</b>	<b>144,589</b>	<b>2,020,794</b>	<b>31,791,822</b>	<b>115,757</b>	<b>20,812,908</b>	<b>8,691,987</b>	<b>115,634,855</b>
Add: Premium on reinsurance accepted	-	-	-	-	-	77,395	-	58	-	-	-	16,823	94,276
Less: Premium on reinsurance ceded	2,465,956	2,667,291	5,133,247	31,182	396,029	2,354,627	145,235	157,096	11,533,061	114,599	16,936,009	5,351,654	42,152,739
<b>Net Premium</b>	<b>17,721,972</b>	<b>25,589,937</b>	<b>43,311,909</b>	<b>421,096</b>	<b>194,901</b>	<b>291,402</b>	<b>(646)</b>	<b>1,863,756</b>	<b>20,258,761</b>	<b>1,158</b>	<b>3,876,899</b>	<b>3,357,156</b>	<b>73,576,392</b>
Adjustment for change in reserve for unexpired risk													
Reserve created during the year	9,768,082	14,610,403	24,378,485	178,992	109,912	164,017	408	1,178,930	8,855,773	416	145,473	2,951,673	37,964,079
Less: Reserve created during the previous year written back	11,138,805	14,187,495	25,326,300	183,746	81,030	154,685	306	1,278,455	8,367,972	400	297,503	2,770,241	38,460,638
Change in the unexpired risk reserve (Refer note 2.8 of Schedule 16)	(1,370,723)	422,908	(947,815)	(4,754)	28,882	9,332	102	(99,525)	487,801	16	(152,030)	181,432	(496,559)
<b>Total premium earned (Net)</b>	<b>19,092,695</b>	<b>25,167,029</b>	<b>44,259,724</b>	<b>425,850</b>	<b>166,019</b>	<b>282,070</b>	<b>(748)</b>	<b>1,963,281</b>	<b>19,770,960</b>	<b>1,142</b>	<b>4,028,929</b>	<b>3,175,724</b>	<b>74,072,951</b>
<b>Note:</b>													
<b>Premium income earned from business concluded:</b>													
In India	19,092,695	25,167,029	44,259,724	425,850	166,019	282,070	(748)	1,963,281	19,770,960	1,142	4,028,929	3,175,724	74,072,951
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total premium earned (Net)</b>	<b>19,092,695</b>	<b>25,167,029</b>	<b>44,259,724</b>	<b>425,850</b>	<b>166,019</b>	<b>282,070</b>	<b>(748)</b>	<b>1,963,281</b>	<b>19,770,960</b>	<b>1,142</b>	<b>4,028,929</b>	<b>3,175,724</b>	<b>74,072,951</b>

Rupees ('000)

For the year ended 31 March 2021

Particulars	Motor OD	Motor TP	Motor Total	Workmens' Compensation /Employers' Liability	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
<b>Premium from direct business (net of service tax and GST)</b>	<b>20,111,584</b>	<b>27,151,735</b>	<b>47,263,319</b>	<b>463,931</b>	<b>400,953</b>	<b>2,208,109</b>	<b>176,934</b>	<b>2,015,864</b>	<b>21,001,526</b>	<b>130,702</b>	<b>25,563,816</b>	<b>8,241,164</b>	<b>107,466,318</b>
Add: Premium on reinsurance accepted	-	-	-	-	-	48,129	-	-	-	-	-	8,199	56,328
Less: Premium on reinsurance ceded	1,135,982	2,799,220	3,935,202	31,210	257,710	2,009,049	174,473	146,487	4,525,180	129,395	20,790,619	5,220,298	37,219,623
<b>Net Premium</b>	<b>18,975,602</b>	<b>24,352,515</b>	<b>43,328,117</b>	<b>432,721</b>	<b>143,243</b>	<b>247,189</b>	<b>2,461</b>	<b>1,869,377</b>	<b>16,476,346</b>	<b>1,307</b>	<b>4,773,197</b>	<b>3,029,065</b>	<b>70,303,023</b>
Adjustment for change in reserve for unexpired risk													
Reserve created during the year	11,138,805	14,187,495	25,326,300	183,746	81,030	154,685	306	1,278,455	8,367,972	400	297,503	2,770,241	38,460,638
Less: Reserve created during the previous year written back	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
Change in the unexpired risk reserve (Refer note 2.8 of Schedule 16)	796,061	(1,076,613)	(280,552)	(2,153)	13,927	9,088	(78,768)	(274,701)	384,920	49	51,007	(120,998)	(298,181)
<b>Total premium earned (Net)</b>	<b>18,179,541</b>	<b>25,429,128</b>	<b>43,608,669</b>	<b>434,874</b>	<b>129,316</b>	<b>238,101</b>	<b>81,229</b>	<b>2,144,078</b>	<b>16,091,426</b>	<b>1,258</b>	<b>4,722,190</b>	<b>3,150,063</b>	<b>70,601,204</b>
<b>Note :</b>													
<b>Premium income earned from business concluded:</b>													
In India	18,179,541	25,429,128	43,608,669	434,874	129,316	238,101	81,229	2,144,078	16,091,426	1,258	4,722,190	3,150,063	70,601,204
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total premium earned (Net)</b>	<b>18,179,541</b>	<b>25,429,128</b>	<b>43,608,669</b>	<b>434,874</b>	<b>129,316</b>	<b>238,101</b>	<b>81,229</b>	<b>2,144,078</b>	<b>16,091,426</b>	<b>1,258</b>	<b>4,722,190</b>	<b>3,150,063</b>	<b>70,601,204</b>

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

Rupees ('000)

Particulars	For the year ended 31 March 2022					For the year ended 31 March 2021				
	Marine			Miscellaneous*	Total	Marine			Miscellaneous*	Total
	Fire	Cargo	Others			Fire	Cargo	Others		
<b>Claims Paid</b>										
Direct	4,747,575	865,813	342	73,388,552	79,002,282	3,591,541	1,074,193	3,301	55,958,984	60,628,019
Add: Re-insurance Accepted	157,552	-	-	1,826	159,378	185,026	374	-	8,357	193,757
Less: Re-insurance Ceded	3,377,984	209,887	17	28,003,093	31,590,981	2,544,872	416,358	3,280	23,776,738	26,741,248
Net Claims paid	1,527,143	655,926	325	45,387,285	47,570,679	1,231,695	658,209	21	32,190,603	34,080,528
<b>Claims Outstanding (including IBNR and IBNER)</b>										
Add : Claims Outstanding at the close of the year (net of Re-insurance)	1,924,261	853,691	15,246	106,798,755	109,591,953	2,012,137	743,830	15,768	97,631,009	100,402,744
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	2,012,137	743,830	15,768	97,631,009	100,402,744	1,777,548	699,250	15,153	81,089,030	83,580,981
Change in Claims Outstanding	(87,876)	109,861	(522)	9,167,746	9,189,209	234,589	44,580	615	16,541,979	16,821,763
<b>Total Claims Incurred (Net)</b>	<b>1,439,267</b>	<b>765,787</b>	<b>(197)</b>	<b>54,555,031</b>	<b>56,759,888</b>	<b>1,466,284</b>	<b>702,789</b>	<b>636</b>	<b>48,732,582</b>	<b>50,902,291</b>
Claims incurred										
In India	1,439,267	765,787	(197)	54,555,031	56,759,888	1,466,284	702,789	636	48,732,582	50,902,291
Outside India	-	-	-	-	-	-	-	-	-	-
<b>Total Claims Incurred (Net)</b>	<b>1,439,267</b>	<b>765,787</b>	<b>(197)</b>	<b>54,555,031</b>	<b>56,759,888</b>	<b>1,466,284</b>	<b>702,789</b>	<b>636</b>	<b>48,732,582</b>	<b>50,902,291</b>

\* 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

Rupees ('000)

For the year ended 31 March 2022													
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
<b>Claims paid</b>													
Direct	13,180,623	10,458,920	23,639,543	185,921	91,438	468,583	502,829	886,194	26,830,129	14,208	17,726,896	3,042,811	73,388,552
Add: Re-insurance Accepted	-	-	-	-	-	1,826	-	-	-	-	-	-	1,826
Less: Re-insurance Ceded	1,041,076	1,610,168	2,651,244	9,771	83,321	399,096	451,808	57,785	8,633,950	14,066	13,755,126	1,946,926	28,003,093
Net claims paid	12,139,547	8,848,752	20,988,299	176,150	8,117	71,313	51,021	828,409	18,196,179	142	3,971,770	1,095,885	45,387,285
<b>Claims outstanding (including IBNR and IBNER)</b>													
Add: Claims outstanding at the close of the year (net of reinsurance)	3,023,770	93,520,417	96,544,187	311,333	143,463	178,531	135,909	1,179,498	4,454,359	925	1,861,866	1,988,684	106,798,755
Less: Claims outstanding at the beginning of the year (net of reinsurance)	2,740,200	84,462,451	87,202,651	284,782	120,940	109,579	189,251	1,306,609	3,652,898	800	2,912,705	1,850,794	97,631,009
Change in claims outstanding	283,570	9,057,966	9,341,536	26,551	22,523	68,952	(53,342)	(127,111)	801,461	125	(1,050,839)	137,890	9,167,746
<b>Total claims incurred (Net)</b>	<b>12,423,117</b>	<b>17,906,718</b>	<b>30,329,835</b>	<b>202,701</b>	<b>30,640</b>	<b>140,265</b>	<b>(2,321)</b>	<b>701,298</b>	<b>18,997,640</b>	<b>267</b>	<b>2,920,931</b>	<b>1,233,775</b>	<b>54,555,031</b>
Claims incurred													
In India	12,423,117	17,906,718	30,329,835	202,701	30,640	140,265	(2,321)	701,298	18,997,640	267	2,920,931	1,233,775	54,555,031
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total claims incurred (Net)</b>	<b>12,423,117</b>	<b>17,906,718</b>	<b>30,329,835</b>	<b>202,701</b>	<b>30,640</b>	<b>140,265</b>	<b>(2,321)</b>	<b>701,298</b>	<b>18,997,640</b>	<b>267</b>	<b>2,920,931</b>	<b>1,233,775</b>	<b>54,555,031</b>

Rupees ('000)

## For the year ended 31 March 2021

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
<b>Claims paid</b>													
Direct	10,927,389	3,865,117	14,792,506	142,256	238,615	656,910	222,513	852,209	14,198,366	45,635	21,379,348	3,430,626	55,958,984
Add: Re-insurance Accepted	-	-	-	-	-	4,865	-	3,489	-	-	-	3	8,357
Less: Re-insurance Ceded	640,327	715,069	1,355,396	7,219	235,332	432,484	99,653	60,095	2,133,405	45,179	17,014,524	2,393,451	23,776,738
Net claims paid	10,287,062	3,150,048	13,437,110	135,037	3,283	229,291	122,860	795,603	12,064,961	456	4,364,824	1,037,178	32,190,603
<b>Claims outstanding (including IBNR and IBNER)</b>													
Add : Claims outstanding at the close of the year (net of reinsurance)	2,740,200	84,462,451	87,202,651	284,782	120,940	109,579	189,251	1,306,609	3,652,898	800	2,912,705	1,850,794	97,631,009
Less: Claims outstanding at the beginning 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
Change in claims outstanding	(476,645)	16,718,641	16,241,996	40,018	32,783	(143,281)	68,768	152,051	1,085,592	(382)	(1,155,544)	219,978	16,541,979
<b>Total claims incurred (Net)</b>	<b>9,810,417</b>	<b>19,868,689</b>	<b>29,679,106</b>	<b>175,055</b>	<b>36,066</b>	<b>86,010</b>	<b>191,628</b>	<b>947,654</b>	<b>13,150,553</b>	<b>74</b>	<b>3,209,280</b>	<b>1,257,156</b>	<b>48,732,582</b>
<b>Claims incurred</b>													
In India	9,810,417	19,868,689	29,679,106	175,055	36,066	86,010	191,628	947,654	13,150,553	74	3,209,280	1,257,156	48,732,582
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total claims incurred (Net)</b>	<b>9,810,417</b>	<b>19,868,689</b>	<b>29,679,106</b>	<b>175,055</b>	<b>36,066</b>	<b>86,010</b>	<b>191,628</b>	<b>947,654</b>	<b>13,150,553</b>	<b>74</b>	<b>3,209,280</b>	<b>1,257,156</b>	<b>48,732,582</b>

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

Rupees ('000)

Particulars	For the year ended 31 March 2022					For the year ended 31 March 2021				
	Marine				Total	Marine				Total
	Fire	Cargo	Others	Miscellaneous*		Fire	Cargo	Others	Miscellaneous*	
Commission paid direct	1,469,879	183,219	110	7,014,796	8,668,004	1,329,364	139,078	(500)	6,485,947	7,953,889
Add: Re-insurance accepted	107,539	-	-	12,948	120,487	52,504	-	-	7,261	59,765
Less: Commission on reinsurance ceded	4,156,479	44,810	10,050	5,519,615	9,730,954	3,005,313	49,318	4,599	4,460,698	7,519,928
<b>Net commission</b>	<b>(2,579,061)</b>	<b>138,409</b>	<b>(9,940)</b>	<b>1,508,129</b>	<b>(942,463)</b>	<b>(1,623,445)</b>	<b>89,760</b>	<b>(5,099)</b>	<b>2,032,510</b>	<b>493,726</b>
Break-up of commission paid direct :										
Agents	181,964	104,357	22	1,928,499	2,214,842	181,532	70,353	17	1,839,305	2,091,207
Brokers	700,027	75,315	14	3,498,906	4,274,262	585,508	64,920	(586)	2,987,421	3,637,263
Corporate agency	587,744	3,509	74	1,455,919	2,047,246	558,042	3,554	69	1,458,979	2,020,644
Referral	-	-	-	-	-	-	-	-	-	-
Others	144	38	-	131,472	131,654	4,282	251	-	200,242	204,775
<b>Total</b>	<b>1,469,879</b>	<b>183,219</b>	<b>110</b>	<b>7,014,796</b>	<b>8,668,004</b>	<b>1,329,364</b>	<b>139,078</b>	<b>(500)</b>	<b>6,485,947</b>	<b>7,953,889</b>
Net commission										
In India	(2,579,061)	138,409	(9,940)	1,508,129	(942,463)	(1,623,445)	89,760	(5,099)	2,032,510	493,726
Outside India	-	-	-	-	-	-	-	-	-	-
<b>Net commission</b>	<b>(2,579,061)</b>	<b>138,409</b>	<b>(9,940)</b>	<b>1,508,129</b>	<b>(942,463)</b>	<b>(1,623,445)</b>	<b>89,760</b>	<b>(5,099)</b>	<b>2,032,510</b>	<b>493,726</b>

\*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

Rupees ('000)

For the year ended 31 March 2022

Particulars	Motor OD	Motor TP	Motor Total	Workmen's	Public/	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
				Compensation /Employers' Liability	Product Liability								
Commission paid direct	3,450,399	358,530	3,808,929	61,503	57,634	192,169	10,879	222,030	1,884,392	10,027	96	767,137	7,014,796
Add: Re-insurance accepted	-	-	-	-	-	10,411	-	-	-	-	-	2,537	12,948
Less: Commission on reinsurance ceded	612,598	718,812	1,331,410	5,226	37,973	368,953	6,656	20,420	1,784,471	14,369	1,057,788	892,349	5,519,615
<b>Net commission</b>	<b>2,837,801</b>	<b>(360,282)</b>	<b>2,477,519</b>	<b>56,277</b>	<b>19,661</b>	<b>(166,373)</b>	<b>4,223</b>	<b>201,610</b>	<b>99,921</b>	<b>(4,342)</b>	<b>(1,057,692)</b>	<b>(122,675)</b>	<b>1,508,129</b>
Net commission													
In India	2,837,801	(360,282)	2,477,519	56,277	19,661	(166,373)	4,223	201,610	99,921	(4,342)	(1,057,692)	(122,675)	1,508,129
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net commission</b>	<b>2,837,801</b>	<b>(360,282)</b>	<b>2,477,519</b>	<b>56,277</b>	<b>19,661</b>	<b>(166,373)</b>	<b>4,223</b>	<b>201,610</b>	<b>99,921</b>	<b>(4,342)</b>	<b>(1,057,692)</b>	<b>(122,675)</b>	<b>1,508,129</b>

Rupees ('000)

For the year ended 31 March 2021

Particulars	Motor OD	Motor TP	Motor Total	Workmen's	Public/	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
				Compensation /Employers' Liability	Product Liability								
Commission paid direct	3,287,961	306,864	3,594,825	59,025	33,352	155,963	8,261	234,933	1,685,028	7,579	1,340	705,641	6,485,947
Add: Re-insurance accepted	-	-	-	-	-	6,204	-	-	-	-	-	1,057	7,261
Less: Commission on re-insurance ceded	166,874	1,090,698	1,257,572	4,845	26,455	313,076	7,992	17,305	874,472	11,768	1,141,878	805,335	4,460,698
<b>Net commission</b>	<b>3,121,087</b>	<b>(783,834)</b>	<b>2,337,253</b>	<b>54,180</b>	<b>6,897</b>	<b>(150,909)</b>	<b>269</b>	<b>217,628</b>	<b>810,556</b>	<b>(4,189)</b>	<b>(1,140,538)</b>	<b>(98,637)</b>	<b>2,032,510</b>
Net commission													
In India	3,121,087	(783,834)	2,337,253	54,180	6,897	(150,909)	269	217,628	810,556	(4,189)	(1,140,538)	(98,637)	2,032,510
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net commission</b>	<b>3,121,087</b>	<b>(783,834)</b>	<b>2,337,253</b>	<b>54,180</b>	<b>6,897</b>	<b>(150,909)</b>	<b>269</b>	<b>217,628</b>	<b>810,556</b>	<b>(4,189)</b>	<b>(1,140,538)</b>	<b>(98,637)</b>	<b>2,032,510</b>

## Schedule - 4 Operating expenses related to insurance business

### Schedules to and forming part of the Financial Statements

Rupees ('000)

Particulars	For the year ended 31 March 2022					For the year ended 31 March 2021				
	Marine				Total	Marine				Total
	Fire	Cargo	Others	Miscellaneous*		Fire	Cargo	Others	Miscellaneous*	
Employees' remuneration, benefits and other manpower costs (Net) (Refer note 2.16 and 19 of Schedule 16 )	1,205,957	79,914	5,446	6,266,006	7,557,323	1,179,337	82,923	4,363	6,720,795	7,987,418
Travel, conveyance and vehicle running expenses	8,875	3,840	14	242,223	254,952	4,808	1,771	4	131,272	137,855
Training expenses (Refer note 41 of Schedule 16)	3,651	1,689	4	97,111	102,455	1,128	435	-	29,234	30,797
Rents, rates and taxes	10,156	4,742	11	275,988	290,897	12,937	4,995	9	333,851	351,792
Repairs and maintenance	3,830	1,788	4	113,799	119,421	4,068	1,570	3	111,843	117,484
Printing and stationery	8,403	935	-	126,101	135,439	3,229	392	-	67,963	71,584
Communication	10,273	1,144	-	158,102	169,519	5,652	686	-	121,335	127,673
Legal and professional charges	6,184	2,887	6	166,394	175,471	5,051	1,950	4	131,172	138,177
Auditors' fees, expenses, etc. (Refer note 37 of Schedule 16)										
(a) as auditors	341	159	-	9,100	9,600	299	115	-	7,586	8,000
(b) as advisor or in any other capacity in respect of:										
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-
(iv) Tax audit	32	15	-	853	900	34	13	-	853	900
(c) In any other capacity	112	52	-	2,981	3,145	113	43	-	2,854	3,010
(d) Out of pocket expenses	14	6	-	370	390	26	10	-	648	684
Advertisement and publicity	204,334	25,645	1,929	1,322,393	1,554,301	132,358	16,816	728	1,072,436	1,222,338
Interest and bank charges	11,282	5,268	12	301,047	317,609	9,982	3,854	7	256,049	269,892
Business development and promotion	160,492	15,330	1,634	692,717	870,173	220,021	20,101	1,356	1,037,263	1,278,741
Marketing and support services	1,438,741	137,425	14,645	6,209,907	7,800,718	1,166,747	106,593	7,189	5,500,506	6,781,035
Other acquisition costs	59,067	2,370	433	150,093	211,963	44,136	1,772	355	133,662	179,925
Others										
Exchange (gain) /loss (net)	270	126	-	7,189	7,585	669	258	-	16,982	17,909
Other office running expenses	11,844	5,529	12	322,322	339,707	12,323	4,754	9	318,607	335,693
Miscellaneous expenses (Refer note 41 of Schedule 16)	1,653	772	2	44,996	47,423	1,265	488	1	32,689	34,443
Loss/(Profit) on disposal of assets (net)	9	4	-	239	252	347	134	-	8,814	9,295
Information technology	63,113	7,026	3	955,766	1,025,908	37,661	4,570	1	773,165	815,397
Depreciation (refer note 2.14 of Schedule 16)	17,103	7,986	18	461,545	486,652	18,502	7,143	13	476,175	501,833
GST /Service tax	71	18	-	166,386	166,475	-	-	-	175,839	175,839
<b>Total</b>	<b>3,225,807</b>	<b>304,670</b>	<b>24,173</b>	<b>18,093,628</b>	<b>21,648,278</b>	<b>2,860,693</b>	<b>261,386</b>	<b>14,042</b>	<b>17,461,593</b>	<b>20,597,714</b>

(Refer note 2.12, 37 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

Rupees ('000)

For the year ended 31 March 2022

Particulars	For the year ended 31 March 2022												Total
	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	
Employees' remuneration, benefits and other manpower costs (Net) (Refer note 2.16 and 19 of Schedule 16)	1,599,348	1,494,453	3,093,801	24,683	21,893	95,474	4,577	166,918	1,895,864	3,175	278,834	680,787	6,266,006
Travel, conveyance and vehicle running expenses	54,714	80,984	135,698	1,247	585	925	29	6,142	66,391	7	20,352	10,847	242,223
Training expenses (Refer note 41 of Schedule 16)	23,247	33,560	56,807	551	255	384	12	2,497	26,821	2	5,315	4,467	97,111
Rents, rates and taxes	65,208	94,158	159,366	1,549	717	1,072	32	6,858	75,012	4	19,025	12,353	275,988
Repairs and maintenance	24,590	35,507	60,097	584	270	404	12	2,586	28,230	2	16,955	4,659	113,799
Printing and stationery	20,874	29,217	50,091	191	17	53	1	16,535	24,839	-	7,778	26,596	126,101
Communication	25,520	35,720	61,240	233	21	65	1	20,216	30,501	-	13,309	32,516	158,102
Legal and professional charges	39,704	57,332	97,036	943	437	653	19	4,176	45,503	3	10,104	7,520	166,394
Auditors' fees, expenses, etc. (Refer note 37 of Schedule 16)													
(a) as auditor	2,191	3,165	5,356	52	24	36	1	230	2,505	-	479	417	9,100
(b) as advisor or in any other capacity in respect of:	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Tax Audit	205	297	502	5	2	3	-	22	235	-	45	39	853
(c) In any other capacity	718	1,037	1,755	17	8	12	-	76	821	-	157	135	2,981
(d) Out of pocket expenses	89	129	218	2	1	1	-	9	102	-	19	18	370
Advertisement and publicity	295,206	417,891	713,097	6,757	6,705	26,551	1,408	30,087	340,295	1,092	94,681	101,720	1,322,393
Interest and bank charges	72,440	104,600	177,040	1,721	797	1,191	36	7,618	82,809	5	16,107	13,723	301,047
Business development and promotion	161,725	226,368	388,093	3,623	4,734	21,197	1,158	16,189	187,028	927	-	69,768	692,717
Marketing and support services	1,449,797	2,029,294	3,479,091	32,480	42,438	190,025	10,384	145,128	1,676,626	8,313	-	625,422	6,209,907
Other acquisition costs	81,047	-	81,047	15	613	8,405	70	236	35,406	-	2,419	21,882	150,093
Others													
Exchange (gain) /loss (net)	1,731	2,501	4,232	41	19	28	1	182	1,979	-	379	328	7,189
Other office running expenses	76,028	109,781	185,809	1,807	836	1,250	38	8,002	87,354	5	22,810	14,411	322,322
Miscellaneous expenses (Refer note 41 of Schedule 16)	10,613	15,326	25,939	252	117	175	5	1,117	12,195	1	3,184	2,011	44,996
Loss/(Profit) on disposal of assets (net)	58	83	141	1	1	1	-	6	66	-	13	10	239
Information technology	156,785	219,454	376,239	1,433	129	398	4	124,201	187,011	2	66,574	199,775	955,766
Depreciation (refer note 2.14 of Schedule 16)	109,811	158,564	268,375	2,609	1,208	1,806	54	11,548	126,595	7	28,540	20,802	461,545
GST /Service tax	25,290	-	25,290	2	-	42	-	457	34,703	-	104,034	1,858	166,386
<b>Total</b>	<b>4,296,939</b>	<b>5,149,421</b>	<b>9,446,360</b>	<b>80,798</b>	<b>81,827</b>	<b>350,151</b>	<b>17,842</b>	<b>571,036</b>	<b>4,968,891</b>	<b>13,545</b>	<b>711,113</b>	<b>1,852,064</b>	<b>18,093,628</b>

Rupees ('000)

For the year ended 31 March 2021

Particulars	For the year ended 31 March 2021												Total
	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	
Employees' remuneration, benefits and other manpower costs (Net) (Refer note 2.16 and 19 of Schedule 16 )	1,639,698	2,125,252	3,764,950	27,978	18,724	106,418	8,136	173,550	1,743,487	5,302	191,213	681,036	6,720,795
Travel, conveyance and vehicle running expenses	31,573	41,390	72,963	707	236	423	6	3,665	29,754	3	17,990	5,525	131,272
Training expenses (Refer note 41 of Schedule 16)	7,725	10,045	17,770	174	57	100	1	755	6,676	-	2,473	1,228	29,234
Rents, rates and taxes	87,982	115,120	203,102	2,006	664	1,146	11	8,668	76,523	6	27,680	14,045	333,851
Repairs and maintenance	27,664	36,197	63,861	631	209	360	4	2,725	24,154	2	15,481	4,416	111,843
Printing and stationery	9,530	12,866	22,396	76	7	24	-	14,504	10,253	-	6,504	14,199	67,963
Communication	16,681	22,520	39,201	132	13	43	1	25,387	21,177	-	10,530	24,851	121,335
Legal and professional charges	34,347	44,941	79,288	783	259	447	4	3,384	31,262	2	10,260	5,483	131,172
Auditors' fees, expenses, etc. (Refer note 37 of Schedule 16)	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) as auditor	2,034	2,661	4,695	46	15	26	-	200	1,766	-	512	326	7,586
(b) as advisor or in any other capacity in respect of:	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Tax audit	229	299	528	5	2	3	-	23	199	-	58	35	853
(c) In any other capacity	765	1,001	1,766	17	6	10	-	75	664	-	192	124	2,854
(d) Out of pocket expenses	174	227	401	4	1	2	-	17	151	-	44	28	648
Advertisement and publicity	246,173	327,812	573,985	5,650	3,557	16,807	1,221	24,488	227,266	899	144,903	73,660	1,072,436
Interest and bank charges	67,883	88,821	156,704	1,548	512	884	9	6,687	61,318	5	17,546	10,836	256,049
Business development and promotion	259,412	350,220	609,632	5,984	5,172	29,102	2,282	26,002	250,999	1,686	-	106,404	1,037,263
Marketing and support services	1,375,635	1,857,182	3,232,817	31,733	27,425	154,327	12,102	137,885	1,331,020	8,940	-	564,257	5,500,506
Other acquisition costs	35,298	47,654	82,952	29	219	4,584	7,836	196	27,080	-	(1,984)	12,750	133,662
Others													
Exchange (gain) /loss (net)	4,552	5,957	10,509	104	34	59	1	448	3,953	-	1,145	729	16,982
Miscellaneous expenses	98,798	128,156	226,954	2,231	739	1,276	13	9,631	85,231	7	30,550	15,615	372,247
Other office running expenses	84,561	109,689	194,250	1,910	633	1,092	11	8,243	72,949	6	26,148	13,365	318,607
Miscellaneous expenses (Refer note 41 of Schedule 16)	8,676	11,254	19,930	196	65	112	1	846	7,485	1	2,683	1,370	32,689
Loss/(Profit) on disposal of assets (net)	2,363	3,091	5,454	54	18	31	-	233	2,051	-	594	379	8,814
Information technology	111,156	150,066	261,222	883	83	284	5	169,168	120,060	1	55,853	165,606	773,165
Depreciation (refer note 2.14 of Schedule 16)	125,824	164,634	290,458	2,869	950	1,639	16	12,396	110,099	9	37,654	20,085	476,175
GST /Service tax	36,922	47,384	84,306	-	-	-	-	1,621	17,281	-	69,245	3,386	175,839
<b>Total</b>	<b>4,216,857</b>	<b>5,576,283</b>	<b>9,793,140</b>	<b>83,519</b>	<b>58,861</b>	<b>317,923</b>	<b>31,647</b>	<b>621,166</b>	<b>4,177,627</b>	<b>16,862</b>	<b>636,724</b>	<b>1,724,123</b>	<b>17,461,593</b>

(Refer note 2.12 and 41 of Schedule 16)

## Schedule - 5 Share Capital

### Schedules forming part of the Financial Statements

Rupees ('000)

Particulars	As at	As at
	31 March 2022	31 March 2021
<b>Authorised capital</b>		
125,000,000 (previous year :125,000,000) Equity shares of ₹ 10 each	1,250,000	1,250,000
<b>Issued capital</b>		
110,227,250 (previous year :110,227,250) Equity Shares of ₹ 10 each fully paid up	1,102,273	1,102,273
<b>Subscribed capital</b>		
110,227,250 (previous year :110,227,250) Equity Shares of ₹ 10 each fully paid up	1,102,273	1,102,273
<b>Called-up capital (Refer schedule 5A)</b>		
110,227,250 (previous year :110,227,250) Equity Shares of ₹ 10 each fully paid up	1,102,273	1,102,273
Less: Calls unpaid	-	-
Add : Equity shares forfeited (Amount originally paidup)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses to the extent not written off	-	-
Expenses including commission or brokerage on underwriting or subscription of shares		
<b>Total</b>	<b>1,102,273</b>	<b>1,102,273</b>

### SCHEDULE - 5A Share Capital / Pattern of Shareholding

(As certified by the Management)

Shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
<b>Indian</b>				
Bajaj Finserv Limited	81,568,165	74.00%	81,568,165	74.00%
<b>Foreign</b>				
Allianz SE	28,659,085	26.00%	28,659,085	26.00%
Others	-	-	-	-
<b>Total</b>	<b>110,227,250</b>	<b>100.00%</b>	<b>110,227,250</b>	<b>100.00%</b>

**SCHEDULE - 6 Reserves and Surplus**

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
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	80,717,620	68,560,886
<b>Total</b>	<b>82,383,817</b>	<b>70,227,083</b>

**SCHEDULE - 7 Borrowings**

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
Debentures/Bonds	-	-
Banks	-	-
Financial institutions	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Schedule - 8 Investments - Shareholders

### Schedules forming part of the Financial Statements

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
<b>Long term investments</b>		
1 Government securities and Government guaranteed bonds including Treasury bills	27,476,434	32,024,031
2 Other approved securities	82,016	81,394
3 Approved Investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	3,858,056	3,421,358
- Fair Value Change Accretion/(Diminution)	1,366,679	1,129,208
(bb) Preference Shares	-	-
(b) Mutual funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	2,316,553	1,001,027
(e) Other securities (to be specified)		
(i) AT1 Bonds	-	101,280
- Fair Value Change Accretion/(Diminution)	-	925
(f) Subsidiaries	-	-
Less : Accumulated depreciation	-	-
4 Investments in Infrastructure and Housing Sector	8,105,313	10,807,954
5 Other investments		
(a) Shares		
(aa) Equity shares	1,128,578	357,794
- Fair Value Change Accretion/(Diminution)	1,862	36,706
(bb) Preference Shares	-	-
(b) Debenture/Bonds	249,866	249,898
(c) Other securities - Loan	-	-
<b>Sub-Total (A)</b>	<b>44,585,357</b>	<b>49,211,574</b>
<b>Short term investments</b>		
1 Government securities and Government guaranteed bonds including Treasury bills	-	3,164,321
2 Other approved securities	-	-
3 Approved Investments		
(a) Shares		
(aa) Equity Shares	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference shares	-	-
(b) Mutual funds	3,960,000	-
- Fair Value Change Accretion/(Diminution)	115,871	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	3,572,840	1,915,598
(e) Other securities (Note no 6)		
(i) Tri-party repo (TREPs)	5,954,548	-
(f) Subsidiaries	-	-
4 Investments in Infrastructure and Housing Sector	2,733,093	3,442,057
5 Other Investments		
(a) Shares	-	-
(b) Mutual Funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Debenture/Bonds	-	125,000
<b>Sub-Total (B)</b>	<b>16,336,352</b>	<b>8,646,976</b>
<b>Total (A+B)</b>	<b>60,921,709</b>	<b>57,858,550</b>
<b>Investments</b>		
In India	60,921,709	57,858,550
Outside India	-	-
<b>Total</b>	<b>60,921,709</b>	<b>57,858,550</b>

\* 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 16,336,351 thousand (Previous year Rupees 8,646,976 thousand)
- Investment other than Equities and Derivative instruments  
Aggregate value of Investments as at 31 March 2022 Rupees 54,450,663 thousand (Previous year Rupees 52,811,328 thousand)  
Market value as at 31 March 2022 Rupees 54,916,535 thousand (Previous year Rupees 53,620,335 thousand)
- Value of contracts in relation to investments where deliveries are pending Rupees Nil thousand (Previous year Rupees 1,402,885 thousand) and in respect of Sale of investments where payments are due Rupees Nil thousand (Previous year Rupees Nil thousand).
- Equity includes investments qualifying for Infra and Housing sector Rupees 590,510 thousand (Previous year Rupees 439,637 thousand)
- Investments in subsidiary/holding Company Rupees Nil thousand (Previous year Rupees Nil thousand)
- Investments in other related entities Rupees 3,497,907 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 forming part of the Financial Statements

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
<b>Long term investments</b>		
1 Government securities and Government guaranteed bonds including Treasury bills	94,701,851	69,007,290
2 Other approved securities	49,513	49,377
3 Approved Investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	9,001,656	8,034,510
- Fair Value Change Accretion/(Diminution)	3,189,376	2,627,168
(bb) Preference Shares	330,095	330,068
(b) Mutual funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	11,100,159	28,379,978
(e) Other securities (to be specified)		
(i) AT1 Bonds	-	1,096,130
- Fair Value Change Accretion/(Diminution)	-	25,942
(f) Subsidiaries	-	-
Less : Accumulated depreciation	-	-
4 Investments in Infrastructure and Housing Sector	24,839,204	35,979,309
5 Other investments		
(a) Shares		
(aa) Equity shares	2,683,984	834,769
- Fair Value Change Accretion/(Diminution)	5,121	85,731
(bb) Preference Shares	-	-
(b) Debenture/Bonds	499,732	499,796
(c) Other securities - Loan	-	-
<b>Sub-Total (A)</b>	<b>146,400,691</b>	<b>146,950,069</b>
<b>Short term investments</b>		
1 Government securities and Government guaranteed bonds including Treasury bills	753,427	606,741
2 Other approved securities	-	-
3 Approved Investments		
(a) Shares		
(aa) Equity Shares	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference shares	-	-
(b) Mutual funds	6,930,000	990,000
- Fair Value Change Accretion/(Diminution)	54,043	5,788
(c) Derivative instruments	-	-
(d) Debenture/Bonds	13,786,071	3,288,910
(e) Other securities (Note no 6)		
(i) Tri-party repo (TREPs)	1,064,073	5,084,643
(ii) AT1 Bonds	249,110	450,813
- Fair Value Change Accretion/(Diminution)	3,117	3,790
(iii) Fixed Deposits	500,000	490,000
(f) Subsidiaries	-	-
4 Investments in Infrastructure and Housing Sector	11,617,326	8,982,499
5 Other Investments		
(a) Shares		
(aa) Equity Shares	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference shares	-	-
(b) Mutual funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Debenture/Bonds	-	62,500
(d) Other securities - Loan	-	-
<b>Sub-Total (B)</b>	<b>34,957,167</b>	<b>19,965,683</b>
<b>Total (A+B)</b>	<b>181,357,858</b>	<b>166,915,752</b>
<b>Investments</b>		
In India	181,357,858	166,915,752
Outside India	-	-
<b>Total</b>	<b>181,357,858</b>	<b>166,915,752</b>

\* 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 34,957,168 thousand (Previous year Rupees 19,965,683 thousand)
- Investment other than Equities and Derivative instruments  
Aggregate value of Investments as at 31 March 2022 Rupees 166,171,452 thousand (Previous year Rupees 153,751,062 thousand)  
Market value as at 31 March 2022 Rupees 167,608,285 thousand (Previous year ₹ 158,333,980 thousand)
- Value of contracts in relation to investments where deliveries are pending Rupees Nil thousand (Previous year Rupees Nil thousand) and in respect of Sale of investments where payments are due Rupees Nil thousand (Previous year Rupees Nil thousand).
- Equity includes investments qualifying for Infra and Housing sector Rupees 1,377,855 thousand (Previous year Rupees 1,025,817 thousand)
- Investments in subsidiary/holding Company Rupees Nil thousand (Previous year Rupees Nil thousand)
- Investments in other related entities Rupees 5,502,768 thousand (Previous year Rupees 9,501,925 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 forming part of the Financial Statements

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
<b>1 SECURITY-WISE CLASSIFICATION</b>		
<b>Secured</b>	-	-
a) On Mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
b) On Shares, Bonds, Govt. Securities	-	-
c) Others	-	-
<b>Unsecured</b>	-	-
<b>Total</b>	-	-
<b>2 BORROWER-WISE CLASSIFICATION</b>		
a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Industrial Undertakings	-	-
e) Others	-	-
<b>Total</b>	-	-
<b>3 PERFORMANCE-WISE CLASSIFICATION</b>		
a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	-	-
<b>4 MATURITY-WISE CLASSIFICATION</b>		
a) Short- Term	-	-
b) Long- Term	-	-
<b>Total</b>	-	-
<b>Total</b>	-	-

**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 forming part of the Financial Statements

Rupees ('000)

Particulars	Gross Block			As at 31 March 2022	Depreciation / Amortisation			Net Block		
	As at 1 April 2021	Additions during the year	Deductions during the year		As at 1 April 2021	For the Year	On Sales	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Softwares	1,074,084	228,355	197,297	1,105,142	701,914	166,973	190,811	678,076	427,066	372,170
Land - Freehold	888,197	14,950	-	903,147	-	-	-	-	903,147	888,197
Leasehold Improvements	192,385	10,925	27,695	175,615	175,060	15,071	27,695	162,436	13,179	17,325
Freehold Improvements	23,497	-	-	23,497	23,497	-	-	23,497	-	-
Buildings*	2,687,834	50,910	-	2,738,744	472,474	44,491	-	516,965	2,221,779	2,215,360
Furniture and Fittings	582,280	37,961	54,026	566,215	485,089	43,225	51,627	476,687	89,528	97,191
Information Technology Equipment	1,093,560	107,311	128,685	1,072,186	769,295	163,030	126,077	806,248	265,938	324,265
Vehicles	98,649	52,495	7,767	143,377	45,935	25,696	4,957	66,674	76,703	52,714
Office Equipment	360,977	15,805	78,646	298,136	306,480	28,165	78,646	255,999	42,137	54,497
Others	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,001,463</b>	<b>518,712</b>	<b>494,116</b>	<b>7,026,059</b>	<b>2,979,744</b>	<b>486,651</b>	<b>479,813</b>	<b>2,986,582</b>	<b>4,039,477</b>	<b>4,021,719</b>
Capital work-in- progress & advances									202,127	249,339
<b>Grand Total</b>	<b>7,001,463</b>	<b>518,712</b>	<b>494,116</b>	<b>7,026,059</b>	<b>2,979,744</b>	<b>486,651</b>	<b>479,813</b>	<b>2,986,582</b>	<b>4,241,604</b>	<b>4,271,058</b>
<b>Previous year</b>	<b>6,944,524</b>	<b>345,675</b>	<b>288,736</b>	<b>7,001,463</b>	<b>2,748,621</b>	<b>501,833</b>	<b>270,710</b>	<b>2,979,744</b>	<b>4,271,058</b>	<b>4,295,572</b>

(Refer note 2.14 of Schedule 16)

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

None of the software are internally generated

## Schedule 11 - Cash and bank balances

### Schedules forming part of the Financial Statements

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
<b>1. Cash and stamps on hand</b> (Refer note 2.25 of Schedule 16)	4,682	3,628
<b>2. Cheques on hand</b>	459,557	432,155
<b>3. Bank balances</b>		
(a) Deposit accounts		
(aa) Short term (due within 12 months)	1,478,094	2,257,305
(bb) Others	-	-
(b) Current accounts	2,809,286	4,140,853
(c) Others	-	-
<b>4. Money at call and short notice</b>		
(a) With banks	-	-
(b) With other institutions	-	-
<b>5. Others</b>	-	-
<b>Total</b>	<b>4,751,619</b>	<b>6,833,941</b>
<b>Balance with non-scheduled Banks included in (3) above</b>	178,649	-
<b>Cash and bank balances</b>		
In India	4,572,970	6,833,941
Outside India*	178,649	-
<b>Total</b>	<b>4,751,619</b>	<b>6,833,941</b>

\* In March 2021 ₹ (106,205) thousand as credit balance has been disclosed under "Temporary Overdraft as per the books of accounts only" forming part of Schedule-13.

## Schedule - 12 Advances and other assets

### Schedules forming part of the Financial Statements

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
<b>Advances</b>		
1. Reserve deposits with ceding companies	-	-
2. Application money for investments	250,000	-
3. Prepayments	397,768	217,616
4. Advances to Directors / Officers	-	-
5. Advance tax paid and taxes deducted at source	932,033	420,396
6. Others		
(a) Advance to employees	821	519
(b) Advances recoverable	711,450	679,010
Less: Provision for doubtful advances	(1,727)	(934)
	<b>709,723</b>	<b>678,076</b>
(c) Unutilised Tax Credit carried forward		
- Goods and service Tax (GST)	1,596,921	1,901,212
(d) Unsettled investment contract receivable	-	-
<b>Total (A)</b>	<b>3,887,266</b>	<b>3,217,819</b>
<b>Other assets</b>		
1. Income accrued on investments	5,222,691	5,488,632
2. Outstanding premiums	11,126,704	12,349,939
3. Agents' balances	90,608	276,079
Less: Provision for doubtful recoveries	(34,386)	(39,752)
	<b>56,222</b>	<b>236,327</b>
4. Foreign agencies balances	-	-
5. Due from other entities carrying on insurance business, including reinsurers (net)	2,713,859	923,542
Less : Provision for doubtful amounts	-	-
	<b>2,713,859</b>	<b>923,542</b>
6. Due from subsidiary / holding companies	-	-
7. Others		
a) Other Deposits	268,181	265,742
b) Investment of Unclaimed amounts of Policyholders' (Refer note 24 of Schedule 16)	95,794	96,480
<b>Total (B)</b>	<b>19,483,451</b>	<b>19,360,662</b>
<b>Total (A + B)</b>	<b>23,370,717</b>	<b>22,578,481</b>

## Schedule - 13 Current liabilities

### Schedules forming part of the Financial Statements

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
1. Agents' balances	1,441,856	1,235,898
2. Balances due to other insurance companies including reinsurers (net)	9,012,830	17,529,741
3. Deposit held on re-insurance ceded	958,320	-
4. Premiums received in advance	11,144,804	11,045,024
5. Unallocated premium	5,930,601	4,600,477
6. Sundry creditors (Refer note 22 of Schedule 16)	4,454,209	4,608,166
7. Claims outstanding ( Net )	109,591,953	100,402,744
8. Solatium fund (Refer note 2.20 of Schedule 16)	195,191	166,933
9. Due to policyholders/ insured	4,762	10,835
10. Unclaimed amount of Policyholders' (Refer note 24 of Schedule 16)	45,898	61,479
11. Others		
(a) Goods and Service tax payable (GST)	519,228	790,423
(b) Statutory dues	831,073	300,993
(c) Unsettled investment contract payable	-	1,402,885
12. Temporary Overdraft as per the books of accounts only	702,376	106,205
<b>Total</b>	<b>144,833,101</b>	<b>142,261,803</b>

## Schedule - 14 Provisions

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
1. Reserve for unexpired risk	41,494,357	41,659,825
2. Premium deficiency (Refer note 2.9 and note 10 of Schedule 16)	-	-
3. Provision for income tax (Refer note 2.21 of Schedule 16)	18,793	136,678
4. Provision for Standard Asset (Refer note 35 of Schedule 16)	-	-
5. Others :		
For employee benefits		
(a) Gratuity	-	(2,261)
(b) Compensated absences	125,913	113,162
(c) Long term incentive plan	127,447	306,520
<b>Total</b>	<b>41,766,510</b>	<b>42,213,924</b>

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

Particulars	Rupees ('000)	
	As at 31 March 2022	As at 31 March 2021
Discount allowed in issue of shares/debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## SCHEDULE – 16

### Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2022

#### 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, Crop 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 1/365<sup>th</sup> 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 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 net of reimbursements and such reimbursements are allocated to the business segments to which the same pertains to the extent allocable. 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 ₹ 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 estimates.

\*\*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)**

Stock options are granted to eligible employees under Employee Stock Option Scheme 2018 ("ESOP Scheme") as formulated by Bajaj Finserv Limited ("Holding Company"). The scheme is administered through Bajaj Finserv Employee Stock Option Trust ("The Trust"). The mode of settlement of the scheme is through equity shares of the holding company. The options so granted are accounted for based on intrinsic value basis in accordance with the 'Guidance Note on Accounting for Employee Share based Payments', issued by the Institute of Chartered Accountants of India ("ICAI"). Intrinsic value of option is the difference between market price of the underlying stock and the exercise price on the date of grant, which is amortized over the vesting period with a charge to the Revenue Account or Profit & Loss Account. Further, any cost of such options, which is reimbursed to the holding company, is amortized over the vesting period with a charge to the Revenue Account or Profit & Loss Account.

**2.17 Foreign currency transactions**

In accordance with the requirements of Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", 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 –

		(Rupees in '000)	
Sr.No.	Particulars	31 March 2022	31 March 2021
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*	207,469	154,906
6	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

**Note:**

\* The previous year amount pertains to service tax refund applications rejected by the assessing officer. Same are pending before the Commissioner (Appeals) and assessing officer for adjudication. In addition to the previous year number of ₹ 154,906 thousand, during the current year an additional application of ₹ 52,563 thousand, towards service tax refund, has been rejected by the Commissioner (Appeals). On both matters, the Company is in conformity with various legal and judicial pronouncements / opinions and believes its position is tenable under the respective regulations.

### 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:

		(Rupees in '000)	
Particulars for the year ended		31 March 2022	31 March 2021
Outsourcing expenses		2,266,668	1,989,866
Business development		870,173	1,278,741
Marketing support		7,800,718	6,781,035

### 5. Capital commitments

Commitments made and outstanding for acquisition of fixed assets amount to Rupees 283,472 thousand (Previous year Rupees 536,539 thousand). Commitments made and outstanding for loans and investments is NIL (Previous year NIL).

### 6. Actuarial methodology

The Appointed Actuary has certified 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 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. In other cases, expected ultimate loss ratio method, frequency-severity method or fixed IBNR method have also been used. The Chain Ladder Method has been applied to Motor, Fire, Marine Cargo, Engineering, Package, Rural, Extended Warranty, Personal Accident, Workmen's Compensation, Health excluding Government Scheme, Travel, Motor CVTP Pool and Miscellaneous lines of business. These IBNR reserves include Margin for Adverse Deviation and reserves for Unallocated Loss Adjustment Expenses (ULAE) for the claims up to 31 March 2022.

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

## 7. Claims

- a. Claims settled and outstanding for more than six months – Rupees Nil (Previous year – Rupees Nil).
- b. 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

(Rupees in '000)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Mr. Tapan Singhel</b>		
• Salary, allowances and bonus paid (including contributions to funds)	150,897	131,216
• Perquisites	2,739	1,487

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 amount of Bonus has been included on the basis of actual amount paid during the year.

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.

In addition, details of Stock options granted and exercised are as follows:

Particulars	No. of Options	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Granted during the year	31,650	23,225
Exercised during the year	-	-

## 10. Premium deficiency

The Company has provided Premium Deficiency Rupees Nil (Previous year – Nil ) 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):

(Rupees'000, Count – numbers)

Business sector	For the year ended 31 March 2022				For the year ended 31 March 2021			
	GDPI	No. of Policies	No. of Lives	% of GDPI	GDPI	No. of Policies	No. of Lives	% of GDPI
Rural	17,227,110	2,198,098	-	12.59	25,780,186	3,818,964	-	20.51
Social	7,442	457	2,249,554	0.01	3,708	417	4,133,014	0.00
Urban	119,651,376	20,064,521	-	87.40	99,911,396	21,154,058	-	79.49
<b>Total</b>	<b>136,885,928</b>	<b>22,263,076</b>	<b>35,346,783</b>	<b>100</b>	<b>125,695,290</b>	<b>24,973,439</b>	<b>25,800,465</b>	<b>100</b>

As against the rural contribution of 7% of GDPI mandated by IRDAI, the Company's rural contribution is 12.59%. As against the requirement of 5% of the total lives written in previous year, the Company has written 8.72% 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 2022 % age of business written	For the year ended 31 March 2021 % age of business written
Risk Retained	58%	60%
Risk Insured	42%	40%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**13. Contribution to Environment Relief Fund**

The Company has collected an amount of Rupees 5,212 thousand (Previous year - Rupees 5,452 thousand) towards Environment Relief Fund from public liability policies. The Company has paid all the funds collected towards Environment Relief Fund up to 28 February 2022 to United India Insurance Company, the implementing agency for the fund. The balance payable amounting to Rupees 289 thousand (Previous year Rupees 398 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 (refer Annexure 1) 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 (refer Annexure 2) 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:

Particulars	(Rupees in '000)	
	31 March 2022	31 March 2021
Payable not later than one year	17,145	25,812
Payable later than one year but not later than five years	6,600	19,947
Payable later than five years	-	-

- Amount charged to Revenue Accounts in respect of all lease arrangements aggregates Rupees 284,730 thousand (Previous year Rupees 341,943 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')

Particulars	(Rupees'000, Count – numbers)	
	FY 2022	FY 2021
<b>Profit after Tax</b>		
Basic earnings before extra-ordinary items [A] Rupees	13,391,279	13,300,884
Basic earnings after extra-ordinary items [B] Rupees	13,391,279	13,300,884
Weighted average number of equity shares (par value of Rupees 10 each) [C]	110,227,250	110,227,250
Basic and diluted earnings per share [A/C] Rupees	₹ 121.49	₹ 120.67
Basic and diluted earnings per share after extraordinary items [B/C] Rupees	₹ 121.49	₹ 120.67

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

## 18. Taxation

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

Deferred tax asset	(Rupees in '000)	
	31 March 2022	31 March 2021
Timing difference on account of -		
Reserve for unexpired risks	238,626	937,302
Employee Benefits	31,690	28,481
Long Term Incentive Plan	32,076	77,145
Provision for doubtful debts	9,089	10,240
Solatium fund	49,125	42,014
Provision for diminution in value of Investments	39,345	380,062
<b>Total</b>	<b>399,951</b>	<b>1,475,244</b>
<b>Deferred tax liability</b>		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	(221,687)	(212,684)
<b>Net deferred tax asset</b>	<b>178,264</b>	<b>1,262,560</b>
Deferred Tax (income) / expense recognized in the Profit and loss account	1,084,296	(624,603)

During the financial year ended 31 March 2022, the current tax includes provision of income tax of Rupees 9,677 thousand (Previous year – Rupees Nil) for earlier years being difference between tax liability as per return of income and tax liability provided in books of account.

During the financial year ended 31 March 2022, the current tax includes reversal of income tax provision of Rupees Nil (Previous year – Rupees 14,062 thousand) 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:

Particulars	(Rupees in '000)	
	31 March 2022	31 March 2021
Provident fund	250,529	149,390
Superannuation scheme	5,168	5,098
Employees state insurance corporation	1,005	1,534
Labour welfare fund	332	325
Contribution to National Pension Scheme	24,283	22,019
Contribution to Employee Deposit Linked Insurance	6,130	6,369
<b>Total</b>	<b>287,447</b>	<b>184,735</b>

### 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)

Particulars	(Rupees in '000)	
	31 March 2022	31 March 2021
Current service cost	70,651	58,191
Interest cost on defined benefit obligation	31,088	26,679
Expected return on plan assets	(28,309)	(25,477)
Net actuarial loss recognized in the year	76,783	66,219
Net benefit expense	150,213	125,612
Actual return on plan assets	36,179	24,738

## II. Balance Sheet

### (i) Details of provision for gratuity

(Rupees in '000)

<b>Particulars</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Defined benefit obligation	768,567	615,422
Fair value of plan assets	(771,395)	(617,682)
Net liability/(asset) recognized in the Balance Sheet	(2,828)	(2,260)

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

(Rupees in '000)

<b>Particulars</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Opening defined benefit obligation	615,422	498,581
Interest cost	31,088	26,679
Current service cost	70,651	58,191
Benefits paid	(33,248)	(33,509)
Actuarial losses/(gains) on obligation	84,654	65,480
Closing defined benefit obligation	768,567	615,422

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

(Rupees in '000)

<b>Particulars</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Opening fair value of plan assets	617,682	505,472
Expected return	28,309	25,477
Contributions by employer	150,781	120,982
Benefits paid	(33,248)	(33,509)
Actuarial (losses)/gains	7,871	(740)
Closing fair value of plan assets	771,395	617,682

The Company expects to contribute Rupees 150,000 thousand to gratuity in FY2023.

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

<b>Particulars</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>%</b>	<b>%</b>
Investments with insurer	100	100
<b>Asset allocation:</b>		
Government securities	76	85
Debentures and bonds	5	6
Fixed deposits	1	1
Money market instruments	11	4
Others	7	4

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

Particulars	31 March 2022	31 March 2021
	%	%
Discount rate	5.65	5.10
Expected rate of return on assets	5.00	5.00
Increase in compensation cost	9.50	8.50

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:

(Rupees in '000)

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Defined benefit obligation	768,567	615,422	498,581	437,009	366,834
Plan assets	771,395	617,682	505,472	445,557	371,599
Surplus / (deficit)	2,828	2,260	6,891	8,548	4,765
Experience adjustments on plan liabilities	66,735	19,264	34,067	37,820	35,834
Experience adjustments on plan assets	7,871	(740)	10,562	(1,320)	(4,835)

### 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:

(Rupees in '000)

Particulars	31 March 2022	31 March 2021
Defined benefit obligation	125,913	113,162
Expenses Recognized in the Profit and Loss Account and Revenue Account During the year	128,659	117,793
<b>Actuarial assumptions used</b>		
Discount rate	5.65%	5.10%
Salary escalation rate*	9.50%	8.50%
Mortality Table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

\* Future salary increase considered in actuarial valuation takes 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	(Rupees in '000)	
	31 March 2022	31 March 2021
Defined benefit obligation	127,447	306,520
Expense recognized in income statement during the year	-67,407	90,225
<b>Actuarial assumptions used</b>		
Discount rate	5.65%	5.10%
Attrition rate	5.00%	5.00%

### Employee Stock Options Plans

The Company has granted Employee Stock Option 2018-Tranche I ("ESOP 2018"), Employee Stock Option 2018 - Tranche III ("ESOP 2019"), Employee Stock Option 2018 - Tranche IV ("ESOP 2020") and Employee Stock Option 2018 - Tranche VI ("ESOP 2021") to its eligible employees. 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).

#### ESOP 2018 and 2019

The intrinsic value of the options issued under ESOP 2018 and 2019 is 'Nil' and accordingly, no expenses are recognized in the books of account.

#### ESOP 2020 & ESOP 2021

While the intrinsic value of the options granted under ESOP 2020 is also 'Nil', the Company has reimbursed cost of such options to the holding company. This cost is amortised over the vesting period resulting in amortisation charge to Revenue Account / Profit & Loss Account of ₹ 344,628 thousand (Previous year: ₹ 136,584 thousand).

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 ₹ 13,503 thousand (Previous year: ₹ 33,141 thousand) and the profit after tax would have been lower by ₹ 10,092 thousand (Previous year: ₹ 24,889 thousand). Consequently, Company's basic and diluted earnings per share would have been ₹ 121.40 (Previous year: ₹ 120.44).

Details of each option is as follows:

Particulars	ESOP 2021	ESOP 2020	ESOP 2019	ESOP 2018
	No of options	No of options	No of options	No of options
Date of Grant	28 April 2021	22 May 2020	16 May 2019	19 July 2018
No. of Options Granted	149,200	176,675	45,200	16,625
Exercise Price	₹10,091.34	₹4,702.05	₹7,454.70	₹ 6,365.70
Graded Vesting Period:				
1st Year	34%	34%	34%	34%
2nd Year	33%	33%	33%	33%
3rd Year	33%	33%	33%	33%
Maximum term of options granted/ Contractual Life	8 Years	8 Years	8 Years	8 Years

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

Particulars	For the year ended 31 March 2022				For the year ended 31 March 2021		
	ESOP 2021	ESOP 2020	ESOP 2019	ESOP 2018	ESOP 2020	ESOP 2019	ESOP 2018
Outstanding at the beginning of the year	-	173,250	43,458	17,861	-	44,375	17,313
Granted during the year*	149,200	-	-	-	176,675	-	1,175
Forfeited/lapsed during the year*	7,525	3,794	740	-	3,425	775	325
Exercised during the year	-	18,834	11,024	9,513	-	142	302
Outstanding at the end of the year	141,675	150,622	31,694	8,348	173,250	43,458	17,861
Exercisable at the end of the year	-	40,099	18,462	8,348	-	14,703	5,740
Remaining contractual life	6.07 Years	5.24 Years	4.26 Years	3.39 Years	7.14 Years	6.12 Years	5.29 Years

\* Including ESOP units of employee transferred within Group Company

The weighted average price of options exercised during the year was ₹14,497.73 (Previous year: ₹ 9,277.9).

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	ESOP 2021	ESOP 2020	ESOP 2019	ESOP 2018
Weighted average fair value on the date of grant	₹3107.84	₹1,470.51	₹2,240.09	₹1,930.46
Risk-free interest rate	4.45% to 5.36%	6.35%	7.56%	8.07%
Expected life	One year after vesting			
Expected Volatility	34.97% to 40.80%	35.56%	30.40%	29.65%
Expected dividend yield	₹5 Per share	₹2.50 Per Share	₹1.75 Per Share	₹1.75 Per Share

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

#### iv) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified as on 31 March 2022 and the final rules/interpretation have not yet been issued by the respective States. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements.

## 20. Summary financial statements and Accounting ratios

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. (Refer Annexure 3 and Annexure 4).

## 21. Expenses related to Policyholders' and Shareholders' investments

Expenses directly identifiable with investment activity amounting to Rupees 72,739 thousand (previous year Rupees 43,721 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 33,701 thousand (previous year Rupees 22,454 thousand) which could be apportionable towards investments activity which 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 follows:

(Rupees in '000)

Sr. No.	Particulars	31 March 2022	31 March 2021
i)	The principal amount remaining unpaid to any supplier as at the end of the year	184,312	137,951
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:

(Rupees in '000)

Sr. No.	Authority	Period	Non-Compliance/ Violation	Penalty awarded	Penalty paid	Penalty Waived/ Reduced/Stay received
1	Insurance Regulatory & Development Authority of India	FY2022	Penalty for non-compliance with certain provisions of MISP Guidelines issued by IRDAI.	1,000	1,000	-
		FY2021		-	-	-
2	Service Tax Authorities	FY2022		-	-	-
		FY2021		-	-	-
3	Income Tax Authorities	FY2022		-	-	-
		FY2021		-	-	-
4	Any Other Tax Authorities	FY2022		-	-	-
		FY2021		-	-	-
5	Enforcement Directorate / Adjudicating Authority/ Tribunal or any authority under FEMA	FY2022		-	-	-
		FY2021		-	-	-
6	Registrar of Companies/ NCLT/ CLB/Department of Corporate Affairs or any Authority under Companies Act-1956	FY2022		-	-	-
		FY2021		-	-	-

(Rupees in '000)

Sr. No.	Authority	Period	Non-Compliance/ Violation	Penalty awarded	Penalty paid	Penalty Waived/ Reduced/Stay received
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	FY2022	-	-	-	-
		FY2021	-	-	-	-
8	Securities and Exchange Board of India	FY2022	-	-	-	-
		FY2021	-	-	-	-
9	Competition Commission of India	FY2022	-	-	-	-
		FY2021	-	-	-	-
10	Any other Central / State /Local Govt./ Statutory Authority (Tariff Advisory Committee)	FY2022	-	-	-	-
		FY2021	-	-	-	-

#### 24. Unclaimed funds

IRDAI has vide circular no. IRDA/F&A/CIR/Mis/282/11/2020 dated 17 Nov 2020 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 31<sup>st</sup> March 2022

(Rupees in '000)

Particulars	Period	Total	0-6	7-12	13-18	19-24	25-30	31-36	37-120	More than
		Amount	months	120 months						
Claims settled but not paid to the policy holders/ insured due to any reasons except under litigation from the insured/ policyholders	FY2022	-	-	-	-	-	-	-	-	-
	FY2021	-	-	-	-	-	-	-	-	-
Sum due to the insured/ policy holders on maturity or otherwise	FY2022	-	-	-	-	-	-	-	-	-
	FY2021	-	-	-	-	-	-	-	-	-
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	FY2022	38,326	2,916	3,582	2,540	3,330	2,772	3,475	19,711	-
	FY2021	39,966	3,549	4,026	3,336	4,466	3,455	3,627	17,507	-
Cheques issued but not encashed by the policy holder/ insured	FY2022	7,572	-	-	-	-	-	-	5,074	2,498
	FY2021	21,513	-	-	-	-	-	-	21,513	-
<b>Total</b>	<b>FY2022</b>	<b>45,898</b>	<b>2,916</b>	<b>3,582</b>	<b>2,540</b>	<b>3,330</b>	<b>2,772</b>	<b>3,475</b>	<b>24,785</b>	<b>2,498</b>
	<b>FY2021</b>	<b>61,479</b>	<b>3,549</b>	<b>4,026</b>	<b>3,336</b>	<b>4,466</b>	<b>3,455</b>	<b>3,627</b>	<b>39,020</b>	<b>-</b>

As per IRDAI circular no. IRDA/F&A/CIR/Mis/282/11/2020 dated 17 Nov 2020 which required disclosure of the following information on unclaimed amount of policy holders.

**Details of Unclaimed Amount & Investment Income:**

(Rupees in '000)

Particulars	FY 2022			FY 2021		
	Policy Dues	Income Accrued	Total	Policy Dues	Income Accrued	Total
Opening Balance	51,132	10,347	61,479	60,210	11,736	71,946
Add: Amount transferred to unclaimed fund	7,421	70	7,491	15,456	156	15,612
Add: Cheques issued but not encashed by the policyholder (To be included only when cheques are stale)	-	-	-	-	-	-
Add: Investment income on unclaimed fund	-	1,784	1,784	-	2,449	2,449
Less : Amount of claims paid during the year	9,051	1,263	10,314	14,029	739	14,768
Less : Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	10,784	3,758	14,542	10,505	3,255	13,760
<b>Closing balance of unclaimed Amount fund</b>	<b>38,718</b>	<b>7,180</b>	<b>45,898</b>	<b>51,132</b>	<b>10,347</b>	<b>61,479</b>

**25. Pending litigations**

The Company's pending litigations comprise of claims against the Company and proceedings pending with various Tax Authorities including Income Tax, Service Tax and Goods and Services Tax (GST). 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).

**26. 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 2022 the Company did not have any outstanding derivative contracts.

**27. Contribution to Investor Education and Protection Fund**

For the year ended 31 March 2022, there is no amount that needs to be transferred to the Investor Education and Protection Fund.

**28. Corporate Social Responsibility**

During the year, as per provisions of section 135 of Companies Act 2013, the Company was required to spend Rupees 286,451 thousand (previous year: Rupees 258,692 Thousand) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy and debited to Profit and loss Account. The details of the amount spent on ongoing and other than ongoing projects during the year and amount transferred to unspent CSR account pursuant to section 135 of the Act are given below.

- Gross amount required to be spent by the Company during the year is ₹ 286,451 thousand (previous year ₹ 258,692 thousand).

## b. Amount spent during the year on:

(Rupees in '000)

Sr. No. Particulars	31 March 2022	31 March 2021
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above*	198,840	259,571
<b>Total</b>	<b>198,840</b>	<b>259,571</b>

\*Includes amount of ₹ 1,034 thousand which is remaining unutilized by CSR implementing agencies.

## c. Movement in provision for CSR activities:

(Rupees in '000)

Particulars	31 March 2022	31 March 2021
Balance as at beginning of the year	-	-
Additional provision made during the year	87,611	-
Amount utilised during the year	-	-
Balance as at end of the year	87,611	-

## d. As per the requirements of Section 135(5), unspent amount:

(Rupees in '000)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	88,645	-	88,645

\*Includes amount of ₹ 1,034 thousand which is remaining unutilized by CSR implementing agencies.

## e. Details of ongoing projects:

(Rupees in '000)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's Bank A/C	From Separate CSR Unspent A/C	With Company*	In Separate CSR Unspent A/c
-	-	164,708	76,064	-	88,645	-

\* Includes amount of ₹ 1,034 thousand which is remaining unutilized by CSR implementing agencies. ₹ 88,645 thousand and additional buffer amount of ₹ 355 thousand will be duly transferred to separate CSR unspent account within the prescribed timelines.

## f. Amounts of related party transactions pertaining to CSR related activities for the year ended March 31, 2022 is Nil (Previous year ended March 31, 2021 Nil).

## 29. Repo and Reverse Repo Transaction

(Rupees in '000)

Particulars		Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 March
<b>Securities Sold under repo (At cost)</b>					
1. Government Securities	FY2022	-	-	-	-
	FY2021	-	-	-	-
2. Corporate Debt Securities	FY2022	-	-	-	-
	FY2021	-	-	-	-
<b>Securities purchased under reverse repo (At cost)</b>					
1. Government Securities	FY2022	837,960	4,403,205	7,180	-
	FY2021	989,539	5,939,933	9,492	-
2. Corporate Debt Securities	FY2022	-	-	-	-
	FY2021	-	-	-	-

## 30. Solvency Margin

(Rupees in '000)

Solvency Margin	31 March 2022	31 March 2021
Required solvency margin under IRDAI Regulations (A)	22,747,711	19,631,609
Available solvency margin (B)	78,224,800	67,757,359
Solvency ratio actual (times) (B/A)	3.44	3.45
Solvency ratio prescribed by Regulation	1.5	1.5

## 31. Dividend

The Board of Directors declared an interim dividend of ₹ 11.20 per share, i.e. 120% of face value of ₹ 10 per equity share, amounting to ₹ 1,234,545 thousand (Previous year: ₹ 1,488,068 thousand) at its meeting held on 20 October 2021. The Board has recommended to the Shareholders confirmation of the said interim dividend and declaration of final dividend of ₹ 9.80 per equity share, including special dividend of ₹ 6.00 per equity share for FY2022 at the ensuing Annual General Meeting (AGM). Accordingly, total dividend for FY2022 would be ₹ 21.00 per equity share of ₹ 10 (210%) amounting to ₹ 2,314,772 thousand [previous year ₹ 13.50 per equity share of ₹ 10 (135%), amounting to ₹ 1,488,068 thousand].

### 32 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:

Particulars	(Rupees in '000)	
	31 March 2022	31 March 2021
Margin Money Deposits	75,100	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.

### 33. Non-performing investments

The Company had an exposure to Infrastructure Leasing & Financial Services securities (IL&FS) of ₹488,949 thousand and Dewan Housing Finance Corporation Ltd. (DFHL) of ₹ 1,262,096 thousand on which a provision was made in the earlier years. During FY2022, the Company has booked a gain of ₹ 254,588 thousand on DHFL holdings as a part of the final settlement as approved by NCLT and settled in FY2022. Further, the Company has also assessed the realisability of dues from IL&FS as remote and accordingly written off the entire exposure in IL&FS and the unrealised amount from DHFL in line with the Company's impairment policy. While the Company has written off the exposure in IL&FS, it does not relinquish its right to claim the dues.

There are no assets subject to restructuring (31 March 2021: Nil) initiated by the company as a result of stress faced by the investee Companies.

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

Particulars	(Rupees in '000)	
	31 March 2022	31 March 2021
Purchases where deliveries are pending	Nil	1,402,885
Sales where receipts are due	Nil	Nil

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

### 35. 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 a provision for standard assets at 0.40% of the value of the asset is required. There are no loans in the nature of investments outstanding and hence, no provisioning has been made during the year.

**36. Foreign exchange gain/loss**

The foreign exchange loss (net) debited to Revenue Account for the year ended 31 March 2022 is ₹ 7,585 thousand (31 March 2021 exchange loss (net) ₹17,909 thousand).

**37. 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:

(Rupees in '000)

Name of Audit firm	Services rendered	31 March 2022	31 March 2021
B S R & Co. LLP	Other audit fees	2,535	2,660
S. R. Batliboi & Co. LLP	Other audit fees	1,510	1,250

**38. 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)**

Particulars	From 1 April 2021 to 31 March 2022
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

**39. Contribution from Shareholders' account to Policyholders' account**

During the previous year, in line with IRDAI order dated 10 September 2020, the Company had funded ₹ 334,505 thousand from Shareholders' Account to Policyholders' Account on account of excess rewards to agents in FY2019 which have been subsequently clawed back through lower rewards.

**40. 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.

COVID-19 outbreak has been declared as a Pandemic by World Health Organisation in March 2020. Since the outbreak, COVID-19 spread across the globe leading to economic slowdown and 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, new variants of the virus emerging and related developments, which are highly uncertain, including, among other things, lockdowns and its repercussions on the economy, proportion of population vaccinated, government intervention to provide financial support to the stressed sections, etc. The Company will continue to closely monitor developments as they unfold.

The regional lockdowns announced by the government from time to time required the Company to facilitate Work from Home (WFH). WFH has been enabled by the Company since Q1 FY2021 through

use of portable devices through the Company's Virtual private Network (VPN) ensuring requisite data security controls. Accordingly, the operations of the Company intermittently continue to be partially performed from 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.

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 2022.

#### 41. Previous year comparatives

Previous year figures have been re-grouped and reclassified wherever necessary to conform to current period's presentations.

(Rupees in '000)

Sr No	Re-grouped to	Re-grouped from	Amount	Reasons for reclassification
Schedule - 4 Operating expenses related to insurance business				
a	Training expenses	Miscellaneous expenses	22,073	Re-classification has been done to ensure appropriate presentation

As per our report of even date attached

For and on behalf of the Board of Directors of  
**Bajaj Allianz General Insurance Company Limited**  
CIN U66010PN2000PLC015329

**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

**Sanjiv Bajaj**

Chairman  
DIN : 00014615

**Lila Poonawalla**

Chairperson of  
Audit Committee  
DIN : 00074392

**Ritu Arora**

Director  
DIN: 07019164

**Sagar Lakhani**

Partner  
Membership No. 111855

**Vaibhav Kumar Gupta**

Partner  
Membership No. 213935

**Tapan Singhel**

Managing Director &  
Chief Executive Officer  
DIN : 03428746

**Ramandeep Singh Sahni**

Chief Financial Officer

**Onkar Kothari**

Company Secretary &  
Compliance Officer

Mumbai  
Date: 22 April 2022

Pune  
Date: 22 April 2022

Pune  
Date: 22 April 2022

### Annexure 1 - Segmental Break up of the Balance Sheet item as at 31 March 2022

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.

Rupees ('000)

Segment	Year	Premium Earned (Net)	Premium Received in Advance	Claims Outstanding (Net)	Reserve for Unexpired Risk	Outstanding premium	Solatium Fund
Fire	FY 2022	2,522,421	42,103	1,924,261	3,133,992	943	-
	FY 2021	2,691,988	3,298	2,012,137	2,896,281	4,780	-
Marine Cargo	FY 2022	1,196,290	50,065	853,691	393,428	65	-
	FY 2021	1,065,472	14,335	743,830	300,889	572	-
Marine Hull	FY 2022	2,019	-	15,246	2,858	-	-
	FY 2021	2,638	-	15,768	2,017	-	-
Motor OD	FY 2022	19,092,695	1,509,960	3,023,770	9,768,082	1,404	-
	FY 2021	18,179,541	2,248,285	2,740,200	11,138,805	5,146	-
Motor TP	FY 2022	25,167,029	8,596,713	93,520,417	14,610,403	2,044	195,191
	FY 2021	25,429,128	7,766,343	84,462,451	14,187,495	10,869	166,933
Workmens' Compensation	FY 2022	425,850	5,530	311,333	178,992	-	-
	FY 2021	434,874	5,341	284,782	183,746	-	-
Public/Product Liability	FY 2022	166,019	1,190	143,463	109,912	58	-
	FY 2021	129,316	976	120,940	81,030	-	-
Engineering	FY 2022	282,070	536	178,531	164,017	33,291	-
	FY 2021	238,101	305	109,579	154,685	14,193	-
Aviation	FY 2022	(748)	-	135,909	408	-	-
	FY 2021	81,229	815	189,251	306	-	-
Personal Accident	FY 2022	1,963,281	23,585	1,179,498	1,178,930	1,741	-
	FY 2021	2,144,078	222,258	1,306,609	1,278,455	6,848	-
Health Insurance	FY 2022	19,770,960	177,358	4,454,359	8,855,773	2,602,628	-
	FY 2021	16,091,426	105,232	3,652,898	8,367,972	1,167,261	-
Credit Insurance	FY 2022	1,142	-	925	416	-	-
	FY 2021	1,258	-	800	400	-	-
Crop Insurance	FY 2022	4,028,929	-	1,861,866	145,473	8,469,065	-
	FY 2021	4,722,190	-	2,912,705	297,503	11,104,346	-
Others	FY 2022	3,175,724	737,764	1,988,684	2,951,673	15,465	-
	FY 2021	3,150,063	677,836	1,850,794	2,770,241	35,924	-
<b>Total</b>	<b>FY 2022</b>	<b>77,793,681</b>	<b>11,144,804</b>	<b>109,591,953</b>	<b>41,494,357</b>	<b>11,126,704</b>	<b>195,191</b>
	<b>FY 2021</b>	<b>74,361,302</b>	<b>11,045,024</b>	<b>100,402,744</b>	<b>41,659,825</b>	<b>12,349,939</b>	<b>166,933</b>

**Annexure 2 - Related parties and nature of relationship where transactions made during the year:**

<b>Nature of relationship</b>	<b>Name of the related party</b>
Holding Company	Bajaj Finserv Limited
Co-promoter	Allianz SE
Group Companies	Bajaj Auto Limited
	Bajaj Holdings and Investments Limited
	Bajaj Allianz Financial Distributors Limited
	Bajaj Allianz Staffing Solutions Limited
	Bajaj Electiricls 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 Limitd
	Bajaj Finserv Asset Management Limited
	Mukand Engineers Limited
	Mukand Limited
	Hind Musafir Agency Limied
	Allianz Services Private Limited (Previous Allianz Cornhill Information Services Priate 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 ( Priveously Known Allianz Insurance Company of Singapore - PTE )
	Allianz Global Corporate & Speciality SE, France
	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**

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

## Related Party Disclosures under AS 18 for the year 2021-22

			Rupees ('000)	
Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
1	Bajaj Finserv Limited	<b>Expenditure</b>		
		Rent, Rates and Taxes	19,255	19,789
		Legal and Professional charges	77,290	50,902
		Employees' remuneration, benefits & other manpower costs	344,628	136,584
		Billable Expenses Reimbursed		
		-Advertisement and publicity	2,268	1,091
		-Repairs and Maintenance	-	464
		-Legal and Professional charges	25,500	32,400
		<b>Income</b>		
		Insurance Premium	(8,531)	(4,876)
		Expenses Recovery		
		-Employees' remuneration, benefits & other manpower costs	(1,645)	-
		<b>Other</b>		
		Employee Stock Option Payment	493,381	225,650
		Dividend Paid	913,563	1,101,170
		Sale of Assets	(684)	-
		Reimbursement Paid - Capital Work in Progress	2,957	-
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Share Capital	(815,682)	(815,682)
		Other Assets (Deposit paid against leased premises)	21,394	21,394
		Sundry creditors	(24,499)	(17,955)
		Unallocated Premium	(9,890)	(6,907)
2	Bajaj Auto Limited	<b>Expenditure</b>		
		Claims Incurred	135,559	5,490
		<b>Income</b>		
		Insurance Premium	(133,897)	(128,725)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(106,600)	(81,451)
3	Bajaj Holdings and Investments Limited	<b>Expenditure</b>		
		Billable Expenses Reimbursed		
		- Miscellaneous Expenses (Insurance)	459	422
		<b>Income</b>		
		Insurance Premium	(9,960)	(6,542)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(12,452)	(11,708)
4	Bajaj Allianz Financial Distributors Limited	<b>Expenditure</b>		
		Commission Paid	(819)	17,157
		<b>Income</b>		
		Insurance Premium	(247)	(104)

Sr. No.	Name of the related party	Description	Rupees ('000)	
			As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(16)	(59)
		Agents Balances	(23)	(19)
5	Bajaj Allianz Staffing Solutions Limited	<b>Expenditure</b>		
		Employees' remuneration, benefits & other manpower costs	791,538	858,087
		Claims Incurred	-	540
		<b>Income</b>		
		Insurance Premium	(11,296)	(10,041)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(637)	(476)
6	Bajaj Electricals Limited	<b>Expenditure</b>		
		Claims Incurred	1,987	3,347
		<b>Income</b>		
		Insurance Premium	(70,158)	(107,759)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(76,027)	(66,706)
7	Bajaj Finance Limited	<b>Expenditure</b>		
		Claims Incurred	9,954	8,804
		Commission Paid	166,519	216,046
		Interest and Bank Charges	62,263	43,117
		Employees' remuneration, benefits & other manpower costs	29,253	39,237
		<b>Income</b>		
		Insurance Premium	(702,679)	(611,995)
		Interest, Dividends and Rent - Gross	(639,690)	(580,010)
		<b>Other</b>		
		Redemption of Debentures	-	-
		Purchase of Assets	999	-
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(463,584)	(27)
		Agents Balances	(6,391)	(7,294)
		Outstanding Premium (Receivable against Bank Guarantee)	88,754	18,626
		Investment Held (Book Value)	8,000,574	8,002,044
		Interest Receivable on Investments	366,752	366,752
		Advances recoverable in cash or in kind	826	2,238
8	Bajaj Allianz Life Insurance Company Limited	<b>Expenditure</b>		
		Claims Incurred	564	152
		Employees' remuneration, benefits & other manpower costs (Group Term Life & Gratuity premium)	224,150	133,639
		Rent, Rates and Taxes	18,210	27,738

Rupees ('000)

Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
		Billable Expenses Reimbursed		
		- Communication Expenses	32	136
		- Repairs and Maintenance	66	-
		- Rent, Rates and Taxes	1,943	1,292
		<b>Income</b>		
		Insurance Premium	(258,256)	(159,470)
		Billable Expenses Recovery		
		- Legal and Professional Charges	-	(6)
		- Repairs and Maintenance	(663)	(735)
		- Miscellaneous Expenses (Electricity Expenses)	(3,529)	(5,520)
		- Rent, Rate and Taxes	(476)	(739)
		<b>Other</b>		
		Recovery of Salary Cost Paid on behalf	(5,676)	(16,295)
		Security Deposit Paid	386	-
		Security Deposit Returned	(2,033)	(5,518)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(2,052)	(1,693)
		Other Assets (Deposit paid against Leased Premises)	8,586	10,233
		Advances recoverable in cash or in kind	3,478	375
9	Bajaj Financial Securities Limited	<b>Income</b>		
		Insurance Premium	(1,659)	(949)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(2,318)	(91)
10	Bajaj Auto Holdings Limited	<b>Income</b>		
		Insurance Premium	(6)	-
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(2)	2
11	Bajaj Finserv Direct Limited	<b>Expenditure</b>		
		Commission Paid	13,288	21,208
		Claims Incurred	219	876
		<b>Income</b>		
		Insurance Premium	(14,522)	(10,791)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(384)	(6,823)
		Agents Balances	(486)	(3,927)
12	Bajaj Housing Finance Limited	<b>Expenditure</b>		
		Claims Incurred	113	916
		<b>Income</b>		
		Insurance Premium	(37,940)	(8,412)
		Interest, Dividends and Rent - Gross	(105,712)	(105,130)
		<b>Other</b>		
		Sale of Assets	(72)	-

Sr. No.	Name of the related party	Description	Rupees ('000)	
			As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
		Redemption of Investment	(500,000)	-
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(45,305)	-
		Investment Held (Book Value)	1,000,100	1,499,880
		Interest Receivable on Investments	9,726	10,392
		Advances recoverable in cash or in kind	25	-
		Outstanding Premium (Receivable against Bank Guarantee)	24	(127)
13	Bajaj Finserv Health Limited	<b>Expenditure</b>		
		Claims Incurred	2,066	-
		<b>Income</b>		
		Insurance Premium	(158,976)	(26,346)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Outstanding Premium (Receivable against Bank Guarantee)	1,787	-
		Advances recoverable in cash or in kind	1	-
		Unallocated Premium	(5,868)	(1,744)
14	Bajaj Finserv Asset Management Limited	<b>Other</b>		
		Sale of Assets	(1,271)	-
15	Mukand Engineers Limited	<b>Expenditure</b>		
		Claims Incurred	1,005	1,028
		<b>Income</b>		
		Insurance Premium	(4,983)	(7,196)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(1,378)	(784)
16	Mukand Limited	<b>Expenditure</b>		
		Claims Incurred	24,228	9,837
		<b>Income</b>		
		Insurance Premium	(68,152)	(58,494)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(7,020)	(3,206)
17	Hind Musafir Agency Limited	<b>Expenditure</b>		
		Travel, Conveyance and vehicle running	30,609	6,844
		<b>Income</b>		
		Insurance Premium	(340)	(423)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(27)	(25)
		Sundry creditors	(2,188)	(22)
		Advances recoverable in cash or in kind	-	615

			Rupees ('000)	
Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
18	Allianz Services Private Limited (Previous Allianz Cornhill Information Services Private Limited)	<b>Income</b>		
		Insurance Premium	(4,578)	-
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(984)	(6)
19	Allianz SE, Germany	<b>Other</b>	-	
		Dividend Paid	320,982	386,898
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Share Capital	(286,591)	(286,591)
20	Allianz Insurance Management Asia Pacific (Allianz Singapore)	<b>Income</b>		
		Billable Expenses Incurred reversed	-	(449)
21	AGCS Marine Insurance Company	<b>Income</b>		
		Claims on Reinsurance Ceded	(1,398)	9
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	1,398	-
22	Allianz Global Risks US Insurance Company	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	2,605,249	1,578,511
		<b>Income</b>		
		Commission on Reinsurance Ceded	(233,574)	(199,490)
		Claims on Reinsurance Ceded	(1,486,206)	(983,662)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	(183,897)	(154,390)
23	Allianz Global Corporate & Speciality SE, UK	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	287	(1,629)
		<b>Income</b>		
		Commission on Reinsurance Ceded	(3,893)	3
		Claims on Reinsurance Ceded	(6,664)	(185)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	7,302	(2,315)
24	Allianz Global Corporate & Speciality SE, Italy	<b>Income</b>		
		Commission on Reinsurance Ceded	-	(141)

			Rupees ('000)	
Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
25	Allianz Global Corporate & Speciality SE, Munich	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	1,279,107	8,848
		<b>Income</b>		
		Commission on Reinsurance Ceded	(242,003)	(1,233)
		Claims on Reinsurance Ceded	(784,499)	(476,130)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	(433,782)	(25,082)
26	Allianz Global Corporate & Speciality SE, India Branch	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	596,221	87,408
		<b>Income</b>		
		Insurance Premium	-	(615)
		Commission on Reinsurance Ceded	(76,694)	(30,151)
		Claims on Reinsurance Ceded	(38,767)	(270,691)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	-	(12)
		Balances due to Other Insurance Companies	(61,315)	8,468
27	Allianz SE Reinsurance, Branch Asia Pacific	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	239,598	54,942
		Premium on Reinsurance Ceded (CAT XOL Premium Paid)	-	2,618
		<b>Income</b>		
		Commission on Reinsurance Ceded	(73,817)	(28,623)
		Claims on Reinsurance Ceded	(107,851)	(131,960)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	(10,295)	(3,233)
28	Allianz Global Corporate & Speciality SE, Singapore ( Previously known as Allianz Insurance Company of Singapore - PTE )	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	-	1
		<b>Income</b>		
		Commission on Reinsurance Ceded	-	(0)
		Claims on Reinsurance Ceded	-	(5,905)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	(10,241)	10,639

Sr. No.	Name of the related party	Description	Rupees ('000)	
			As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
29	Allianz Global Corporate & Speciality SE, France	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	687	-
		<b>Income</b>		
		Commission on Reinsurance Ceded	(51)	-
		Claims on Reinsurance Ceded	6,429	(609)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	(6,429)	-
30	Euler Hermes Singapore Branch	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	107,813	116,325
		<b>Income</b>		
		Commission on Reinsurance Ceded	(13,312)	(10,214)
		Claims on Reinsurance Ceded	(12,645)	(42,061)
		Billable expenses recovery		
		-Employees' remuneration, benefits & other manpower costs	(21,584)	(20,034)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Due from other entities carrying on insurance business, including reinsurers (net)	25,872	20,736
		Balances due to Other Insurance Companies	(38,617)	(21,942)
31	Allianz Fire and Marine Insurance Japan Ltd	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	1,317,483	2,299,906
		<b>Income</b>		
		Commission on Reinsurance Ceded	(149,064)	(221,698)
		Claims on Reinsurance Ceded	(76,952)	(14,634)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	(758,476)	(705,332)
32	Allianz Technology SE (Previously Allianz Managed Operations & Services SE)	<b>Expenditure</b>		
		Information Technology Expenses	-	-
		- Opus License Fees	14,546	22,023
		Billable Expenses Reimbursed		
		- Information Technology Expenses	987	2,508
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Sundry creditors	(28,357)	(58,562)
33	Allianz Technology SE, India (Previously Allianz Managed Operations & Services SE India)	<b>Income</b>		
		Insurance Premium	(21,018)	(63,884)

Sr. No.	Name of the related party	Description	Rupees ('000)	
			As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Unallocated Premium	(2,257)	-
34	AWP Assistance (India) Private Limited(Previously AGA Assistance (India) Private Limited)	<b>Expenditure</b>		
		Claims Incurred	86,331	96,918
		Insurance Commission	5,452	2,962
		<b>Income</b>		
		Billable Expenses Recovery		
		- Repairs and Maintenance	-	(126)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Agents Balances	(604)	(731)
		Outstanding Premium (Receivable against Bank Guarantee)	2,816	-
		Advances recoverable in cash or in kind	-	149
35	AWP Services (India) Private Limited (AGA Services (India) Private Limited)	<b>Expenditure</b>		
		Claims Incurred	115,918	179,487
		Marketing and Support Services	(72)	6,105
		Advertisement and Publicity	21,075	-
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Sundry creditors	-	(67)
36	Euler Hermes Services India Private Limited	<b>Expenditure</b>		
		Other Acquisition Cost	20,741	19,871
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Advances recoverable in cash or in kind	19	-
37	AWP P&C SA Saint Ouen Paris	<b>Expenditure</b>		
		Premium on Reinsurance Ceded	790,903	1,030,391
		Employees' remuneration, benefits & other manpower costs (Recovery)	(106,156)	(56,543)
		<b>Income</b>		
		Commission on Reinsurance Ceded	(315,173)	(175,030)
		Claims on Reinsurance Ceded	(497,532)	(563,424)
		<b>Outstanding Balance- Assets/(Liabilities)</b>		
		Balances due to Other Insurance Companies	(95,954)	(457,109)

Rupees ('000)

Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2022	As on and for the period ended 31 March 2021
38	Tapan Singhel, MD & Chief Executive Officer	<b>Expenditure</b>		
		Employees' remuneration, benefits & other manpower costs	153,636	132,703
		Claims Incurred	79	-
		<b>Income</b>		
		Insurance Premium	(766)	(59)
		<b>Other</b>		
		Sale of Car	(2,526)	-

Note:

1. Reinsurance balances are net of Commission and claims wherever applicable.

2. Above amounts are excluding GST wherever applicable.

3. Claims incurred does not include claims paid directly to service providers under policies with related parties (example: Cashless claims)

## Annexure 3 - Summary of Financial Statements for the year ended 31 March 2022

Particulars	Rupees ('000)				
	2022	2021	2020	2019	2018
<b>OPERATING RESULTS</b>					
Gross Written Premium	137,880,641	126,243,788	128,330,656	110,970,146	94,865,414
Net Premium Income (net of Reinsurance)	77,628,213	74,172,549	80,159,624	77,744,606	67,325,358
Income from Investments (net of losses)	13,830,525	11,932,977	11,964,950	9,298,583	8,837,656
Miscellaneous Income	226,912	180,860	155,924	186,309	171,870
<b>Total Income</b>	<b>91,685,650</b>	<b>86,286,386</b>	<b>92,280,498</b>	<b>87,229,498</b>	<b>76,334,884</b>
Commissions (net including brokerage)	(942,463)	493,726	916,337	3,747,151	3,180,711
Operating Expenses	21,648,278	20,597,713	23,202,954	18,071,090	14,051,321
Net Incurred Claims	56,788,145	50,929,443	58,079,200	48,087,575	40,490,133
Change in Unexpired Risk Reserve	(165,467)	(188,754)	(1,902,198)	7,646,837	6,739,669
<b>Operating Profit/Loss</b>	<b>14,357,158</b>	<b>14,788,762</b>	<b>12,430,905</b>	<b>9,676,845</b>	<b>11,873,050</b>
<b>NON OPERATING RESULTS</b>					
Total income under Shareholder's Account	3,573,781	2,904,263	1,328,603	1,838,319	1,656,083
Profit before Tax	17,930,939	17,693,025	13,759,508	11,515,164	13,529,133
Provision for Tax	4,539,660	(4,392,141)	(3,771,738)	(3,716,581)	(4,316,721)
Profit after Tax	13,391,279	13,300,884	9,987,770	7,798,583	9,212,412
<b>MISCELLANEOUS</b>					
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	83,486,090	71,329,356	59,516,540	50,857,618	44,387,883
<b>Total Assets (Gross of current liabilities and provisions)</b>	<b>274,821,771</b>	<b>259,720,342</b>	<b>197,247,571</b>	<b>169,376,216</b>	<b>127,288,406</b>
Yield on Total Investments	7.30%	6.78%	8.40%	7.16%	7.69%
Earning Per Share	121.49	120.67	90.61	70.75	83.58
Book value per Share	757.40	647.11	511.86	468.49	405.20
Total Dividend	1,234,545	1,488,068	1,102,273	1,102,273	0
Dividend per share	11.20	13.50	10.00	10.00	0.00

Not Applicable being General Insurance Company

## Annexure 4 - Ratios for the year ended 31 March 2022

Sr. No.	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Gross Direct Premium Growth Rate	8.90%	-1.65%
	Motor	2.50%	-9.64%
	Motor OD	0.38%	-4.20%
	Motor TP	4.07%	-13.28%
	Fire	15.50%	35.16%
	Marine Cargo	22.80%	-6.14%
	Marine Others	94.02%	-0.97%
	Workmen's Compensation / Employers' Liability	-2.51%	-8.96%
	Public/Product Liability	47.38%	-6.28%
	Engineering	16.33%	44.64%
	Aviation	-18.28%	-32.07%
	Personal Accident	0.24%	-26.27%
	Health	51.38%	-4.60%
	Credit Insurance	-11.43%	9.42%
	Crop Insurance	-18.58%	3.02%
	Others	5.47%	-9.07%
2	Gross Direct Premium to Net Worth Ratio	1.64	1.76
3	Growth Rate of Net Worth	17.04%	19.85%
4	Net Retention Ratio	56.30%	58.75%
	Motor	89.40%	91.67%
	Motor OD	87.78%	94.35%
	Motor TP	90.56%	89.69%
	Fire	13.78%	16.36%
	Marine Cargo	67.35%	69.12%
	Marine Others	1.40%	1.92%
	Workmen's Compensation / Employers' Liability	93.11%	93.27%
	Public/Product Liability	32.98%	35.73%
	Engineering	11.01%	10.96%
	Aviation	-0.45%	1.39%
	Personal Accident	92.23%	92.73%
	Health	63.72%	78.45%
	Credit Insurance	1.00%	1.00%
	Crop Insurance	18.63%	18.67%
	Others	38.55%	36.72%
5	Net Commission Ratio	-1.21%	0.67%
	Motor	5.72%	5.39%
	Motor OD	16.01%	16.45%
	Motor TP	-1.41%	-3.22%
	Fire	-93.44%	-58.18%
	Marine Cargo	10.74%	8.33%
	Marine Others	-347.55%	-252.68%
	Workmen's Compensation / Employers' Liability	13.36%	12.52%
	Public/Product Liability	10.09%	4.81%
	Engineering	-57.09%	-61.05%
	Aviation	-653.72%	10.93%
	Personal Accident	10.82%	11.64%
	Health	0.49%	4.92%
	Credit Insurance	-374.96%	-320.50%
	Crop Insurance	-27.28%	-23.89%
	Others	-3.65%	-3.26%
6	Expenses of Management to Gross Direct Premium Ratio	22.15%	22.71%
7	Expenses of Management to Net Written Premium Ratio	39.05%	38.49%
8	Net Incurred Claims to Net Earned Premium	72.96%	68.45%
9	Combined Ratio	99.64%	96.89%
10	Technical Reserves to Net Premium Ratio	1.94	1.91
11	Underwriting Balance Ratio	0.00	0.03
	Fire	0.17	0.00
	Marine	-0.02	0.00
	Miscellaneous	0.00	0.03
12	Operating Profit Ratio	18.20%	19.23%
13	Liquid Assets to liabilities ratio	0.37	0.25
14	Net Earning Ratio	17.25%	17.93%
15	Return on Net worth	16.04%	18.65%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	3.44	3.45
17	NPA Ratio		
	Gross NPA	0%	0.76%
	Net NPA	0%	0.14%

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.

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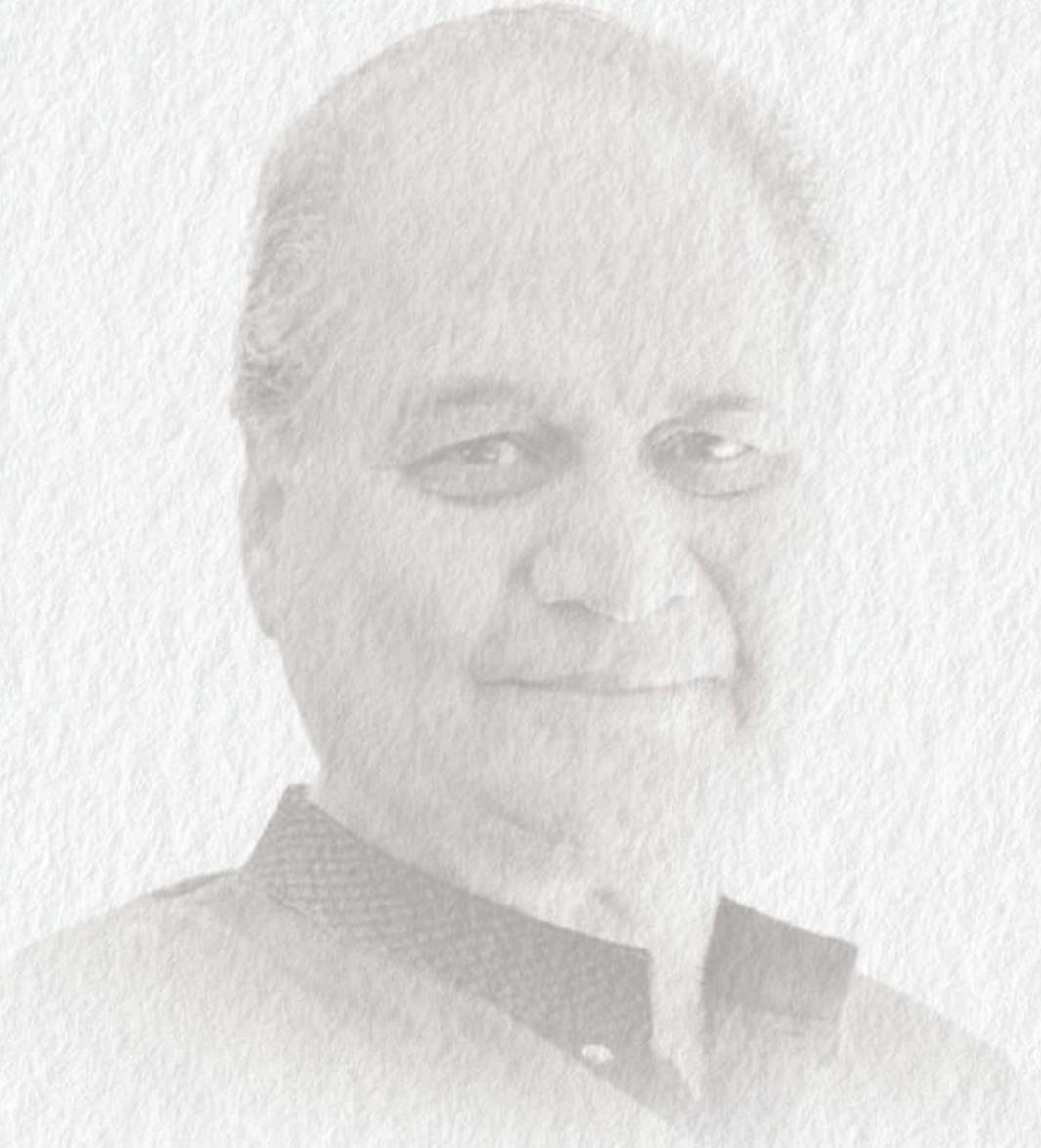
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“It is important that all of us work honestly,  
ethically and make all our choices consciously”.

- Rahul Bajaj

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