



Caringly yours

23rd ANNUAL REPORT 2022-2023



BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

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Corporate Information

Board of Directors

Sanjiv Bajaj

Chairman

Ritu Arora

Niraj Bajaj

Sergio Balbinot

(upto 23 December 2022)

Meleveetil Damodaran

Ranjit Gupta

Suraj Mehta

Lila Poonawalla

Anami Roy

Nilesh Sathe

S Sreenivasan

Anup Wadhawan

(from 6 July 2022)

Renate Wagner

(from 28 December 2022)

Nathan Fink

Alternate Director for Renate Wagner
(from 28 December 2022)

Avais Karmali

Alternate Director for Sergio Balbinot
(upto 12 December 2022)

Tapan Singhel

Managing Director and Chief Executive Officer

Audit Committee

Lila Poonawalla

Chairperson

Ritu Arora

Sanjiv Bajaj

Ranjit Gupta

Suraj Mehta

Anami Roy

Anup Wadhawan

(from 6 July 2022)

Investment Committee

Sanjiv Bajaj

Chairman

Ritu Arora

Ranjit Gupta

Tapan Singhel

Ramandeep Singh Sahni

Chief Financial Officer

Amit Joshi

Chief Investment Officer

Rajeev Kumar and Avez

Chief Risk Officer
(upto 31 January 2023)

Avez Sayed

(from 8 February 2023)

Gaurav Malhotra

Appointed Actuary

Corporate Social Responsibility Committee**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****Risk Management Committee****Sanjiv Bajaj**

Chairman

Ritu Arora**Ranjit Gupta****Tapan Singhel****Chief Financial Officer****Ramandeep Singh Sahni****Company Secretary & Head of Corporate Legal****Onkar Kothari****Joint Statutory Auditors****S R Batliboi & Co. LLP**

Chartered Accountants

KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)

Chartered Accountants

Secretarial Auditor**Shyamprasad D Limaye**

Practising Company Secretary

Registered Office & Head Office**Bajaj Allianz House, Airport Road,**

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

www.bajajallianz.com**CIN: U66010PN2000PLC015329**

Our Chairman



Sanjiv Bajaj

Our MD & CEO



Tapan Singhel

MD & CEO'S Message

Dear Friends,

The last financial year was one of the most interesting years in the insurance sector. The insurance regulator has taken some decisive steps that are going to transform the industry and will help insurers foray deeper into the Indian landscape. We as an organization have been vocal about these changes and supported them towards a more customer focused approach, better health of the industry, and facilitating ease of doing business. It was a year we felt protecting multiple fronts of business was a must and working on key differentiators and expansion was the key. Amid the industry-defining regulatory changes, at Bajaj Allianz General Insurance, we continued to innovate, forge stronger relationships with our partners, explore new business avenues, and serve our customers with complete dedication and care, with a clear-cut focus as always on writing business prudently.

We take pride in the fact that we understand the needs of our customers and have always created solutions centered around addressing their worries; with this in mind and as well as to address the worries of senior citizens and their family members, we launched 'Respect Senior Care Rider,' a rider which offers 360-degree assistance for senior citizens. This product comes with fall detection technology and a host of supporting ecosystem services. We also launched 'My Health Care,' a modular retail health product with embedded outpatient expenses rider and the option to select covers to truly configure your own health policy. Our new product offering, 'Global Health Care,' is an industry first international comprehensive cover that gives our customers the facility to avail quality medical treatment, anywhere across the globe. We rolled out #EVForAll, a unique platform that provides a suite of services to customers, especially keeping electric vehicles in mind. On the automobile product front, we also launched a motor add-on cover, 'Pay as You Consume,' which gives the customers the freedom to choose the motor insurance premium based on their usage. We were also the first to launch the Surety Bond Insurance product, which will help to upscale the infrastructure development in the country at a much faster pace.

We truly believe that to increase the penetration of insurance we need to not just build awareness, but also have relevant conversations, and ensure that we are present where the customer is. We are a distribution led company and our partners are our biggest strength, and we constantly strive to bolster relationships with them. We forged new partnerships in the Bancassurance space by onboarding partners like Axis Bank, Development Bank of Singapore, Punjab National Bank Housing Finance Ltd., LICHL Financial Services, to name a few, and we continue to maintain the largest distribution in Bancassurance space with more than 240 bank partners. On the Auto Side, we have forged new partnerships with players across the private car, two-wheeler & EV segments; we tied up with Nissan, Renault, Suzuki Motorcycles, Ola Electric, Hero Electric, and Ampere, amongst others, and further bolstered our motor insurance prowess. We also partnered with new-age players like Autolytics Technology Pvt. Limited, Guide2protect Insurance Web Aggregator, and Policy 4us Insurance Web Aggregator Private Limited to strengthen our presence in the online space. We recruited more than 7,000 advisors during the year, and to further strengthen our network, we developed the "Career Agents Academy", with the view of truly building insurance entrepreneurs who are deeply connected to our brand. We are also happy to inform you that we have retained all our major partnerships and maintained a healthy engagement with them throughout the year.

We believe that the next wave of growth in Insurance will come from the underpenetrated geographies of India, especially the small urban cities, semi-urban towns, and rural centers. With a focus on capturing this market, we rolled out the Geo Channel this year to serve even the remotest part of the country.

Digitization is in our DNA, and we believe our digital capabilities will propel us toward growth today and help us build assets for tomorrow. We believe technology is not just a support function but has become the mainstay of business and an integral part of every service and solution we offer to our internal and external stakeholders. Throughout the year, we made significant strides in enhancing our flagship digital assets, including our Website, Caringly Yours App, Ezeetab, iMitra, and CRM, which have all contributed to the improved ease of transaction for our valued customers and partners. We are proud to have enabled a range of new products, services, and tools for our customers and partners, such as ACA (Any Chat App) for motor claims, new buy journey for electric vehicles, Udyam Seva portal for corporate clients, agent microsite, lead generation for agents and calculators on BOT, among others. We also delivered more than 100 new integrations to more than 40 partners over the year.

Our new core policy admin platform initiative made noteworthy advancements by transforming Motor Third Party renewals to the new core on the cloud. The hybrid cloud journey has made significant progress with the Data Centre Modernization project going live. Strengthening our infrastructure and application security continues to be a focus area. We continued to scale several of our innovation projects, such as our AI-powered Chabot, which has serviced over 9 lakh users. We extended our OCR capabilities to various use cases, including motor claims invoice processing automation, NEFT automation, legal contract validation, and travel policy issuance. At an enterprise level, we have put in place well-structured information and cyber security practices supported by a strong resilience framework, which is aligned with the IRDAI guidelines on Business Continuity Management and Planning. The Company's firm commitment to protecting the confidentiality, integrity and availability of data is supported by our defence-in-depth strategy that leverages multiple security measures to protect organisational assets at various levels.

We were the first GI company to be a part of the Account Aggregator framework as financial information user. Our Farmitra – Caringly Yours app helped over 40,000 farmers report their crop losses and through which we have settled claims of more than ₹ 19 Crore. Our Caringly Yours now has more than 2 lakh active users on a monthly basis, and with active notifications aimed at enhancing relevant engagement, we will definitely see further uptick going forth. To further popularize our app, we plan to revamp it and move it from a service-based app to a service and transaction-based app; we will also add vernacular languages in the app for better engagement and to forge deeper ties with our customers, in line with our expansion strategy.

We have once again delivered a best-in-class performance, registering our highest-ever profit and our highest-ever GWP. Some of our key performance indicators are highlighted below: -

- The Gross Written Premium grew to ₹ 15,487 crore, which is a growth of 12.3%. Excluding the bulky tender driven Crop and Government Health business our growth was much higher at 15.4%
- The company continues to retain its position as amongst the most profitable insurers in the industry, with Profit Before Tax of ₹ 1,803 crore
- The solvency grew to a robust and industry best of 391%
- Over the year, we issued close to 2.8 crore policies and settled more than 50 lakh claims
- We have maintained the credit rating of [ICRA]AAA(Stable) awarded by ICRA, signifying our highest claims paying ability
- We continue to hold ISO 9001:2015 certification for operations

Our customer centric approach, cutting-edge innovations, industry defining products and services, have won us recognitions not only in India but across the globe. A few major recognitions we received during the year:

- We were recognized as the **General Insurance Company of the Year** award at the 26th Asia Insurance Industry Awards
- We won the **Non-Life Insurer of the Year** award at the Outlook Money Awards 2021
- We were honored with the **Best Organization for Women 2023 by Economic Times** for an inclusive work culture driven by women leaders and employees
- We won two awards in the '**Best Health Insurance Coverage of the Year**' and '**Best Risk Management Strategy**' categories at the ICC Emerging Asia Insurance Awards 2021
- We won **Best Use of Cloud in Insurance** for MAXIMUS at the 3rd Annual BFSI Excellence Awards 2022
- We won the 'Best AI Driven Fraud Prevention Tech Platform' award at the **India Fraud Risk Management Summit & Awards 2023**
- We won five awards at the **IDC Future Enterprise Awards 2022 India**. The awards were bestowed to us in the following categories: Best in Future of Work, **Best in Future of Trust**, **Best in Future of Operations**, **Special Award for Digital Resiliency**, and **Future Enterprise of the Year**

- We won the **Bronze Award winner for our employee initiative - Project Economy**, under the **Workforce Transformation** category at the EFMA & Accenture Innovation in Insurance Awards 2022.
- We were recognized for '**Business Excellence Through Learning and Development**' in the **Private Sector (Services)** category at BML Munjal Awards 2021
- We were recognized as the **Asia's Leader in Customer Engagement for Digi Sampark initiative** at the IDC Financial Insights Innovation Awards (FIIA)

With a grievance ratio of 0.92 per 10,000 policies issued, we stood out by having the lowest grievance ratio amongst prominent players. We issued more than 95% of policies digitally and enabled multiple digital payment options for our customers and accepted over 90% of payments digitally. From this year onwards, KYC has become mandatory in general insurance; we were the first in the industry to implement regulatory changes by aligning our systems, and we did more than 90% digital verification of officially valid documents. We hold one of the highest (NPS) net promoter scores in the industry in the major line of businesses, i.e., Motor and Health Insurance where our NPS score for Motor stood at 72 and that for health stood at 69.

Our company continues to have a strong brand presence and visibility. We reached more than 50 crore readers in print and online media through our PR activities, with coverages in all major publications with a focus on insurance awareness and thought leadership. Our Bajaj Allianz Pune Half Marathon received over 16,000 registrations and was a stupendous success; our 'Health Nahi Toh Kuch Nahi' Campaign helped build awareness about the importance of health insurance. Our brand undertook various activities to support the agriculture business, which has helped improve our brand visibility at the grass root level; our Information, Education & Communication (IEC) ranking has gone from number 3 to number 1. Our brand videos have clocked total views of over 6 crore across platforms. We have one of the largest digital reaches in the industry, with more than 25 lakh social media followers. We have always aspired to make a difference to society and continue to do so through our CSR activities where we have focussed our activities around, Health, Education, and aiding differently abled individuals to facilitate their journey of being self-reliant. We truly believe that skill building can empower a community, and that combined with good health care can lead to a stronger society.

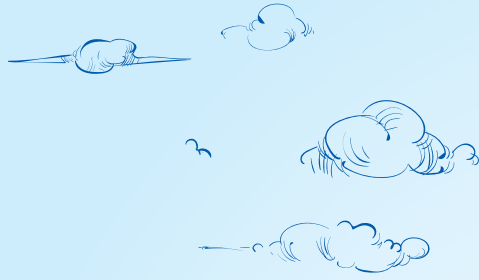
Looking forward to the new year, where we embrace changes and ride on the new regulatory tailwinds to ensure that we accelerate our business to the next level. With our Geo strategy, we have already embarked on our journey to reach every household in the country and will continue to expand this prudently, whilst we focus on verticalization to drive business in larger centres through a vertical wise differentiated strategy. The upcoming year looks interesting, with numerous opportunities and new business avenues & we are confident that we are well poised to leap ahead using these favourable conditions as a catalyst.

We once again extend our deepest gratitude to all our customers, employees, partners, regulator, and all the stakeholders, for their unyielding support. Our journey of redefining the insurance industry with innovative products, solutions, and business models, would not have been possible without you. We look forward to serving each and every household of our country and make a difference to society, and our country, whilst also furthering our journey of sustainability.

Caringly yours,

TAPAN SINGHEL

Managing Director and Chief Executive Officer



Allianz 

Caringly yours

2023



EVOLUTION OF THE BRAND

Caringly yours



2019 - 2023



Relationship Beyond Insurance

2014 - 2019



Jiyo Befikar

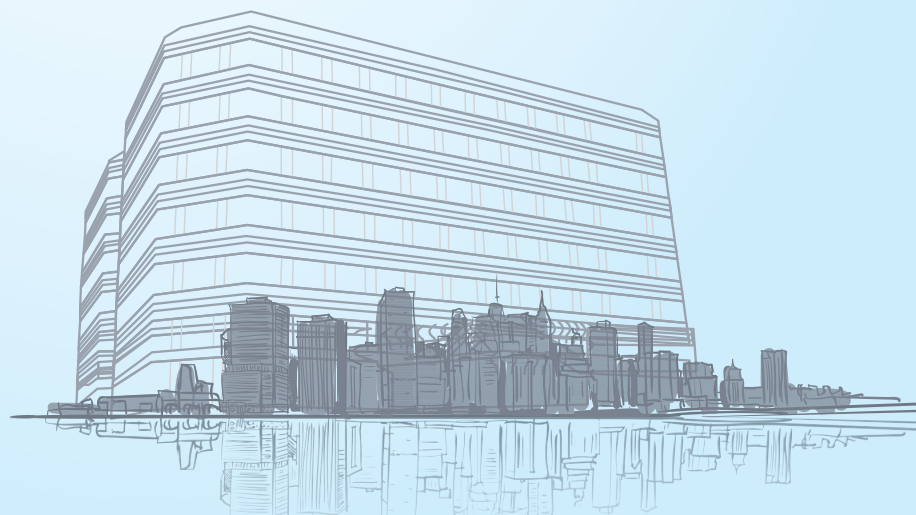
2009 - 2014



2003 - 2009



2001 - 2003



The Torchbearers



Seated (L to R):

ALPANA SINGH - Head Bancassurance, Agri and Government Business

SUBHASISH MAZUMDER - Head Motor Distribution

TAPAN SINGHEL - Managing Director and Chief Executive Officer

Standing (L to R):

DIPU KV - Sr. President - Operations & Customer Service

RAMALINGAM TA - Chief Technical Officer

ASHISH AGRAWAL - Head- Agri Business

AMARNATH SAXENA - National Head Corporate Business

**Seated (L to R):**

ADITYA SHARMA - Chief Distribution Officer-Retail Sales

VIKRAMJEET SINGH - President & Chief Human Resources Officer

AASHISH SETHI - Head- Health SBU and Travel

Standing (L to R):

AMIT JOSHI - Chief Investment Officer

AVINASH NAIK - Chief Information Officer

RAMANDEEP SINGH SAHNI - Chief Financial Officer

Management Discussion and Analysis

A. Economic and Industry performance

1. Macroeconomic overview

Global Economy

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks – most notably, the COVID-19 pandemic and Russia's invasion of Ukraine – manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multi decade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year. Russia's invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperilled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19.

With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022 – central banks' tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geoeconomic fragmentation with Russia's war in Ukraine, and China's economic reopening – seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing – particularly for advanced economies has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

Global economic activity remains resilient amidst the persistence of inflation at elevated levels, turmoil in the banking system in some advanced economies, tight financial conditions, and lingering geopolitical hostilities. Recent financial stability concerns have triggered risk aversion, flights to safety and heightened financial market volatility. Weakening external demand, spill overs from the banking crisis in some advanced economies, volatile capital flows and debt distress in certain vulnerable economies weigh on growth prospects.

Major economies are facing inflationary recessions in the next 12-18 months. Swiss reforecasts and sees risks to the growth outlook as skewed to the downside. In Europe, leading indicators suggest that due to the additional pressure of the energy crisis, the downturn may have already begun. Global inflation momentum is likely to decelerate over the next two years but, still, we anticipate inflation being stickier and more volatile than in past decades. The pace of monetary policy tightening may slow, but we believe central banks are unlikely to pivot to interest rate cuts immediately and will continue to prioritise price stability even as recessions materialise unless financial stability risks become systemic. In advanced economies, we see the low nominal sovereign bond yield environment as largely over. (source: Swiss Re Sigma report no. 6/2022)

The outlook is uncertain again amid financial sector turmoil, high inflation, ongoing effects of Russia's invasion of Ukraine, and three years of COVID. The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases (Source: IMF WEO, Apr 2023).

Domestic Economy

Domestic economic activity remains resilient in a slowing global economy. Inflation has persisted at elevated levels across the world and in India. Monetary policy remains focussed on progressively aligning inflation with the target. Geopolitical hostilities, volatile global financial markets and climate shocks are the key risks to the growth and the inflation outlook.

The second advance estimates (SAE) released by the National Statistical Office (NSO) placed India's real gross domestic product (GDP) growth at 7.0 per cent in 2022-23. Private consumption and public investment were the major drivers of growth. There are upside and downside risks to this baseline growth path. The upside risks emanate from a stronger-than-expected rebound in the contact-intensive services as they emerge more fully from the pandemic; a restart of private investment activity boosted by the government's capex push, given healthier corporate balance sheets; a favourable terms of trade shock in the case of a sharper-than-anticipated correction in crude and commodity prices; a better-than-expected global growth prospects; and an early resolution of geopolitical conflicts. On the contrary, an escalation in geopolitical tensions, a further hardening of international crude oil and other commodity prices, sustained disruptions to supply chains, persistence of global financial market volatility, a sharper loss of momentum in global trade and demand and weather-related disruptions pose downside risks to the baseline growth path.

The Indian economy is expected to be amongst the fastest growing major economies in 2023-24, backed by strong domestic drivers and strengthening macroeconomic fundamentals. The Indian financial sector remains stable. Headline inflation is expected to moderate from its prevailing elevated levels and move below the upper tolerance band during 2023-24. Monetary policy remains focused on progressively aligning inflation with the target. (Source: RBI)

GDP growth to decelerate to 6.0 to 6.4% in FY2024 amid external slowdown; weak monsoon poses downside risk:

With full reopening of the economy last year consumer sentiments are expected to improve through FY2024, auguring well for consumption demand, although it would remain uneven. The potential return of El Nino conditions could hurt the prospects of crop output and rural demand and put upward pressure on food inflation. Nevertheless, the sizeable increase in the budgeted capex by the Government of India (GoI) and several states is expected to provide support to economic activity, amid signs of an uptick in private capex, although execution remains key. India's GDP growth is expected to moderate to little over 6% in FY2024 from 6.9% expected in FY2023, largely on account of a drag stemming from slackening external demand, global economic slowdown, tight monetary conditions, and elevated oil prices. There may also be some downside risk stemming from a deficient monsoon.

Despite the global slowdown, India's economic growth rate is expected to be stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. Improving labour market conditions and consumer confidence will drive growth in private consumption. The central government's commitment to significantly increase capital expenditure, despite targeting a lower fiscal deficit, will also spur demand. Helped by recovery in tourism and other contact services, the services sector will grow strong in FY2024. Manufacturing growth in FY2023 was tamped down by a weak global demand, but it will likely improve in FY2024. Recent announcements to boost agricultural productivity, such as setting up digital services for crop planning and support for agriculture startups will be important in sustaining agriculture growth in the medium term. Inflation will likely moderate to sub 5% in FY2024 as inflationary pressures subside. (Source: ICRA, Asian Development Outlook (ADO) April 2023).

2. Insurance industry overview

The insurance industry of India consists of 58 insurance companies of which 24 are in life insurance business and 34 are non-life insurers. Government's policy of insuring the uninsured has been pushing insurance penetration in the country and proliferation of insurance schemes. Government's initiatives of enhancement in the FDI limits in the Insurance sector to 74%, series of regulatory changes focussed on 'ease of doing business' and proposals for lowering capital requirements, transitioning to risk based capital and IFRS (Ind AS) are all 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.

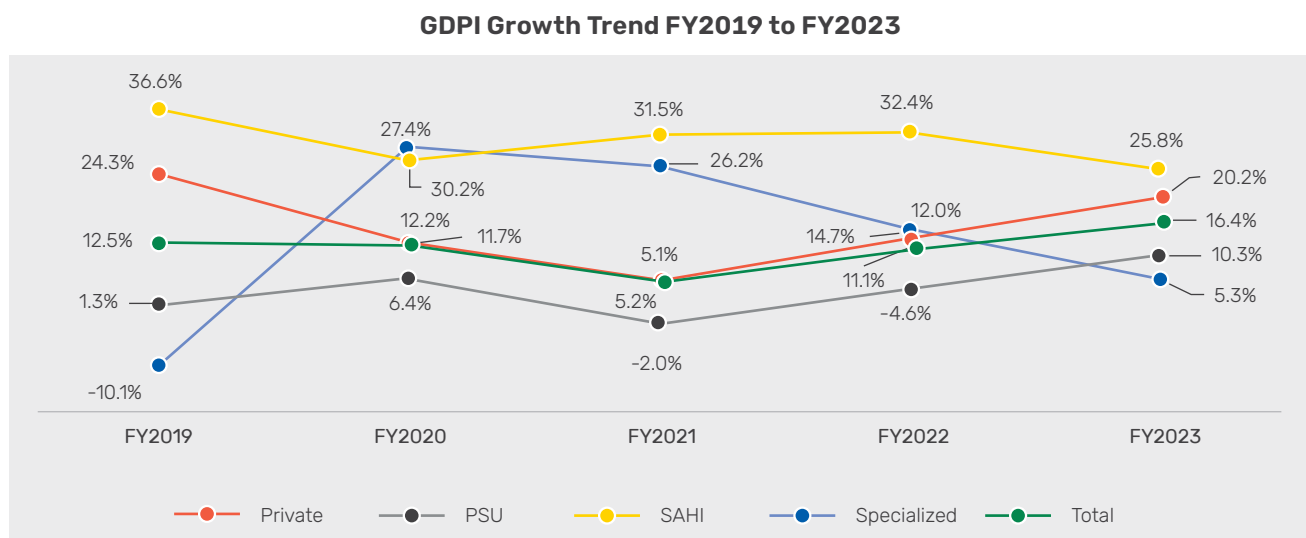
The insurance industry in India has witnessed an impressive growth rate over the last two decades driven by the greater private sector participation and an improvement in distribution capabilities.

FY2023 started with expectation of having gotten over the most challenging two years the industry had witnessed over the last two decades, which proved to be true to great extent. The pandemic of COVID-19, number of natural calamities and the stress in the automobile industry, all faded away towards the end of FY2022 and the life returned to normalcy.

Gross Direct Premium (GDPI) underwritten in India by private and public insurers general insurers grew at 16.2% in FY2023 and reached ₹ 214,829 crore. Including Standalone Health Insurance (SAHI) Companies and Specialised Companies the industry grew 16.4% and reached ₹ 256,912 crore. FY2023 started on an optimistic note after two challenging years caused by the COVID-19 pandemic. Sales of private cars showed significant growth and, towards the end of the year, had exceeded the pre-pandemic levels. Two-wheeler sales growth, however, remained below expectations. Price competition in motor insurance, consequently, became more intense. There was a resurgence of travel both on road as well as by air and this led to higher density of cars on the road. Travel insurance hence experienced a turnaround from the lows of the pandemic period. Health insurance continued to show traction (while moderately vs. the pandemic period) while commercial insurances of SMEs, MSMEs and Corporates showed good traction.

a. Premium growth and relative performance of insurers

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

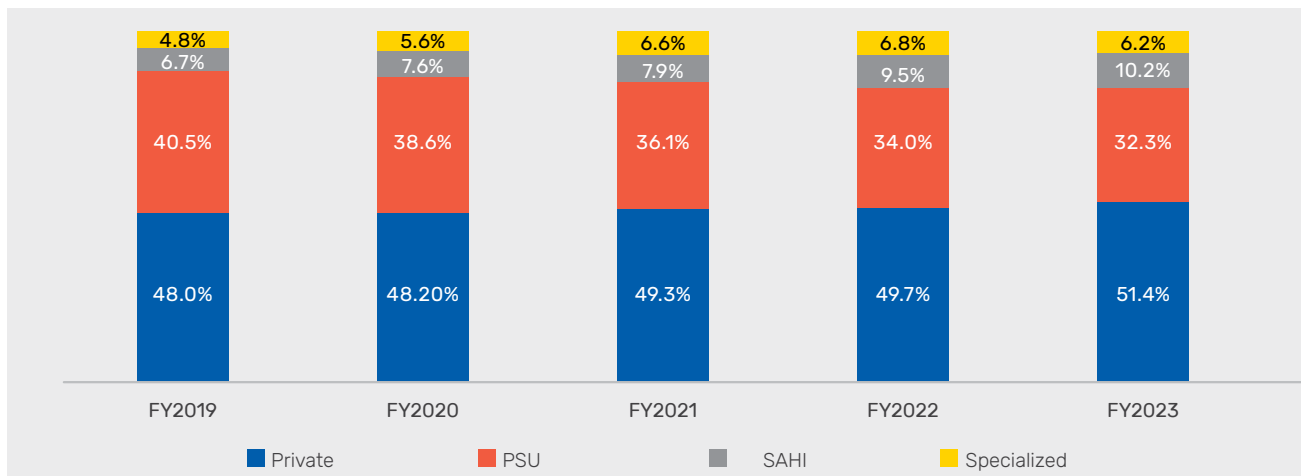


Source: IRDAI and General Insurance Council statistics. SAHI = Standalone Health Insurers

Over the period of last five years (i.e., FY2019 to FY2023), on GDPI basis:

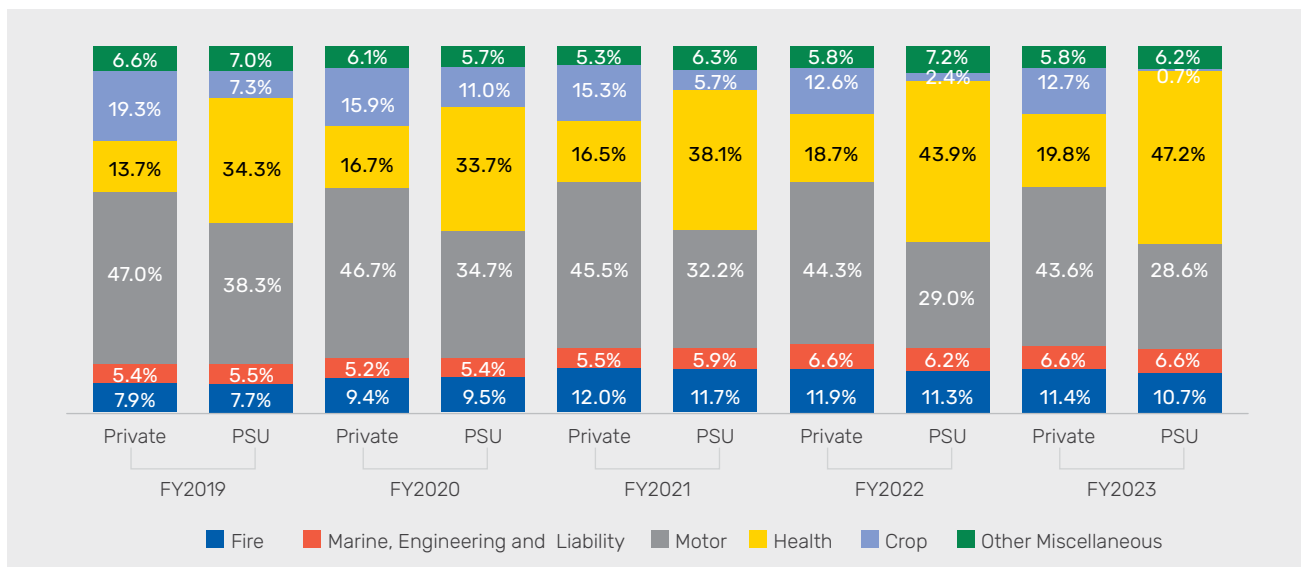
- The industry including monoline and specialised insurers registered a CAGR of 11.0%. Within the industry, Private multiline insurers registered a CAGR of 12.9% and Public multiline players registered a growth of 4.8% (CAGR).
- Both Standalone health insurers (SAHI) and Specialized segments have delivered a pretty healthy growth in last few years. However, Crop business saw a muted growth of 8.3% in FY2023 while the Standalone health segment continued to do well even post pandemic.

During FY2023, the private sector multiline players and SAHI registered a very healthy double digit growth.

Market Share Based on GDPI (in %)**Market Share Trend FY 2019 to FY2023**

Source: IRDAI and General Insurance Council statistics. SAHI = Standalone Health Insurers

- Over the period of FY2019 to FY2023, the market share of private multiline players increased from 48.0% to 51.4% and of SAHI players increased from 6.7% to 10.2% with a corresponding decrease in market share of PSU players from 40.5% to 32.3%.

b. Shift in business mix**Line of business (LOB) wise mix****Line of Business Wise Mix Trend FY2019 To FY2023**

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

Source: IRDAI and General Insurance Council statistics

Note: Other Miscellaneous includes Aviation, Personal Accident, Credit & Other miscellaneous

5 Years CAGR is from FY2019 to FY2023.

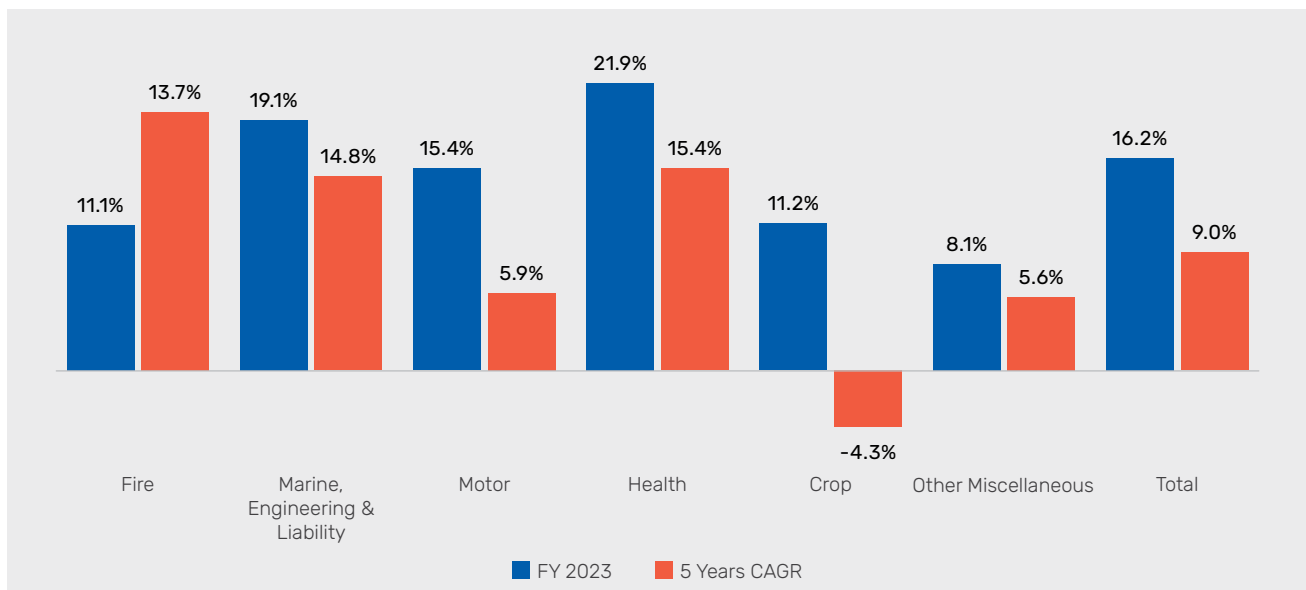
LOB mix: Private players

As seen above, there has been a substantial reduction in business mix of motor from 47.0% in FY2019 to 43.6% in FY2023 and Crop from 19.3% in FY2019 to 12.7% in FY2023, this reduction has been backed by an increase in mix of health insurance business from 13.7% in FY2019 to 19.8% in FY2023 and fire insurance from 7.9% in FY2019 to 11.4% in FY2023.

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 38.3% in FY2019 to 28.6% in FY2023 and Crop from 7.3% in FY2019 to 0.7% in FY2023, this reduction has been backed by an increase in mix of fire insurance from 7.7% in FY2019 to 10.7% in FY2023 and health insurance business from 34.3% in FY2019 to 47.2% in FY2023.

Segment wise Growth Trend FY2023 vs 5 Years CAGR



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

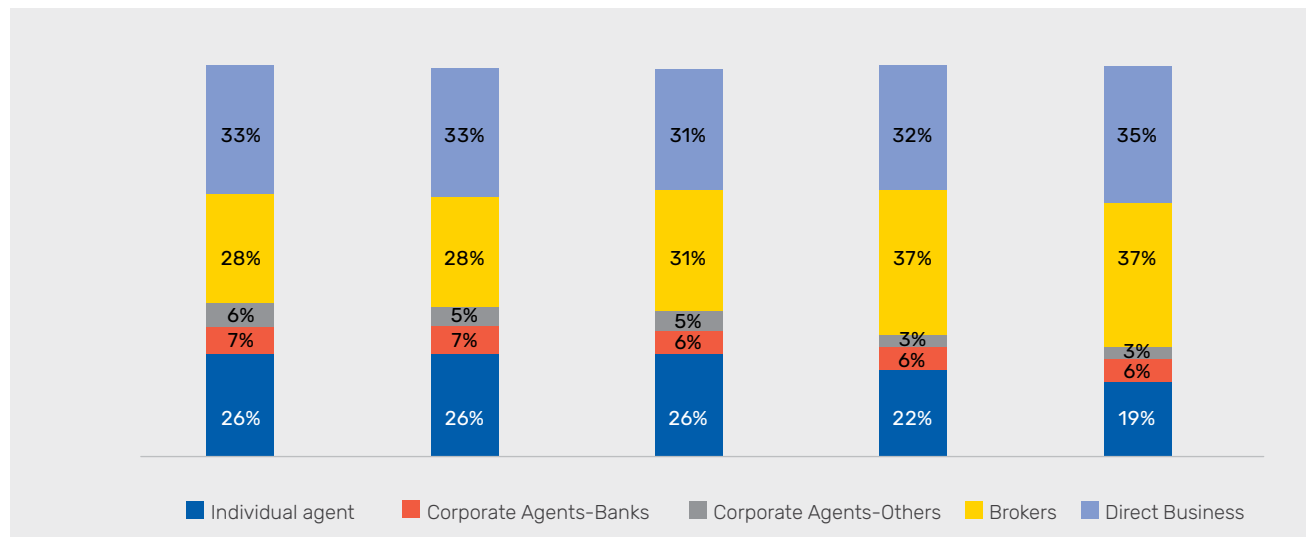
Source: IRDAI and General Insurance Council Statistics.

Note: Other Miscellaneous includes Aviation, Personal Accident, Credit & Other miscellaneous

5 Years CAGR is from FY2019 to FY2023.

As seen above, industry (excluding SAHI & specialized insurers) grew by 9.0% in past five years i.e., from FY2019 to FY2023, which was mainly impacted due to outbreak of COVID-19 in March 2020 and continued for almost two years. Post the pandemic, industry bounced back its growth and recorded a double-digit growth of 16.2% which mainly attributable to commercial lines of business (Fire, Marine, Engineering & Liability), retail business such as Motor due to easing of semi-conductor chips issue & Health segment due to increased awareness amongst customers post the pandemic.

With growth in overall automobile domestic sales of 20% in FY2023, the automobile industry recorded highest passenger vehicle sales with an annual growth of 27%. Commercial Vehicles and Three-Wheelers posted growth of 34% and 87% respectively, driven by higher off-take of Passenger Carriers. The Two-wheelers segment grew by a moderate 17%, after witnessing de-growth for previous three consecutive years. Two-wheeler segment however is yet to reach the pre-pandemic levels.

c. Distribution channel mix**Channel Mix Trend FY2019 to 9MFY2023**

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

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 28% in FY2019 to 37% in 9MFY2023. Agency mix was down from 26% in FY2019 to 19% in 9MFY2023.

d. Regulatory changes and implications thereof

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

Simplified Product Filing Process

IRDAI has permitted insurers to file products under Health, Fire, Marine, Motor, Engineering, Agriculture & allied activities lines of business using the Use and File procedure subject to compliance with other norms specified under the guidelines. The Authority in furtherance to the above has also discontinued process of filing product related documents with the IRDAI and instead the same only needs to be filed with the Product Management Committee of the Company. This is a major move by the Authority in moving towards a principle based regulatory regime for the industry.

Introduction of new add-ons in Motor Insurance

The Authority has permitted insurers to introduce new and innovative tech-enabled concepts for the Motor Own Damage (OD) cover like Pay as You Drive, Pay How You Drive and Floater policy for vehicles belonging to the same individual owner for two wheelers and private cars. This has been allowed to primarily encourage innovation and introduce the concept of 'On-Demand' insurance in the market.

Indian Accounting Standards (Ind AS) Implementation in Insurance sector

Insurers are advised to set up a Steering Committee headed by an official of the rank of a Chief Financial Officer/ Executive Director (or equivalent) to monitor and steer the Ind AS implementation for the Company. Clear timelines for convergence are awaited from the IRDAI.

Revised Master Guidelines on Anti-Money Laundering/ Counter Financing of Terrorism (AML/CFT)

IRDAI has issued a revised Master Guidelines on Anti-Money Laundering/ Counter Financing of Terrorism (AML/CFT), 2022 with substantial changes across KYC compliances and particularly making KYC mandatory for the General/ Health insurance sector at the onboarding stage. Revised guidelines made effective from 1 January 2023.

Insurance cover for new-borns / infants under health insurance policies

Insurers are directed to provide cover to new-borns / infants with internal congenital birth defects from day one without imposing any waiting periods / sub-limits or any other restrictive conditions in all health insurance product.

IRDAI (Other forms of Capital) Regulations, 2022

IRDAI has liberalized the regulatory framework regarding Other Forms of Capital and, whereby there is no need of prior approval for issue of T2 capital subject to ensuring compliance with certain conditions prescribed under the regulations.

IRDAI (Insurance Intermediaries) Regulations, 2022

IRDAI has (i) increased the maximum limit of tie-ups with insurers for Corporate Agents from the existing 3 for each category of insurance to 9 per category of insurance companies. Corporate agent (Composite) can accordingly have total 27 arrangements with life, general and health insurers; (ii) Increased the maximum limit of tie-ups with insurers for Insurance Marketing Firms from the existing 2 for each category of insurance to 6 for each category of insurance. This is a move by the Regulator towards implementing open architecture for the insurance distribution channels, which would be instrumental in increasing insurance penetration in the market.

IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) (Amendment) Regulations, 2022

The Authority amended the regulations with specific respect to the solvency computation in case of Crop Insurance business wherein premiums receivable relating to State / Central Government sponsored schemes, to the extent they are not realized within a period of 365 days, shall be placed with value zero in respect of Crop Insurance Business and Factor – A and Factor-B for calculation of Required Solvency Margin (RSM) have been reduced to 0.50.

IRDAI (Regulatory Sandbox) (Amendment) Regulations, 2022

The Authority removed the limited validity period of the Regulations also increased the experimental period of the Regulatory sandbox from existing 6 months to up to 36 months. Further, the applicant will be granted extension of 12 months to complete the task, as against extension period was 6 months allowed previously. The Authority has also issued separate operational guidelines with respect to the said regulations, which is intended at fostering innovation and promoting insurtech in the insurance sector.

IRDAI (Registration of Indian Insurance Companies) Regulations, 2022

IRDAI has (i) amended the criteria of Fit and Proper for applicant; (ii) Limits on Investments and Investment by Private Equity Fund and Lock-in period with a view to simplify the investment norms and encourage more investment in the insurance sector.

IRDAI (Appointed Actuary) Regulations, 2022

IRDAI has (i) brought major changes for General Insurance Industry in the eligibility criteria and experience requirement for appointed actuary; (ii) Provision on obligations of insurer and provision of Business continuation.

Circular on Product for Persons with Disabilities (PWD), Persons afflicted with HIV/AIDS and those with Mental Illness

The Authority directed all General and Health Insurer to provide specific cover for Persons with Disabilities (PWD), persons afflicted with HIV/AIDS, and those with mental illness. In this regard the Authority has also defined the model setting out the minimum scope and parameters for design of the product along with the basic instructions to design the said product.

IRDAI (Payment of Commission) Regulations, 2023 (effective 1 April 2023)

The Authority issued revised Payment of Commission Regulation wherein the concept of Remuneration and Rewards have been repealed and all payments made by an insurer for solicitation of insurance business would only be called as 'Commission' under the new regulations. The product wise maximum commission limits have been removed and the Company is now free to decide on the commission structure as per its Board Approved Policy on Payment of Commission to Agents, Intermediaries, and Insurance Intermediaries. The total amount of commission payable under general insurance products including health insurance products offered by general

insurers and health insurance products offered by standalone health insurers shall not exceed the EOM limits specified under the IRDAI (EOM) Regulations. The revised Commission Regulations would provide the Insurer a lot of flexibility in terms of structuring its Commission Policy in line with its business strategies and overall expense management plan.

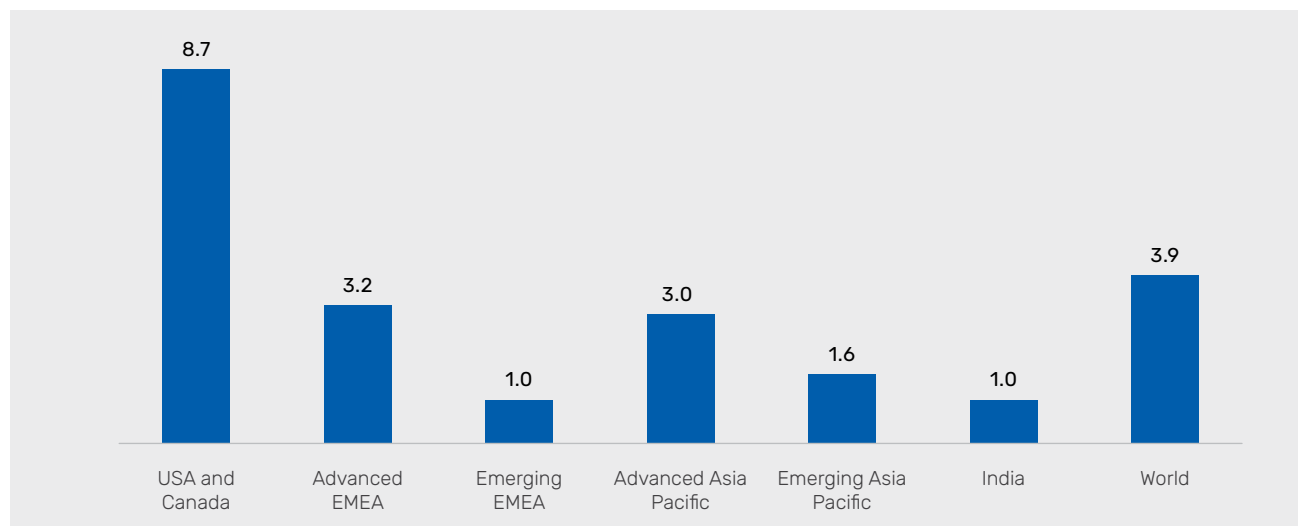
IRDAI (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2023 (Effective 1st April 2023)

The Authority issued revised Expenses of Management regulations (EOM), under which the EOM Limit for General Insurers has been limited to 30% of the Gross Written Premium (GWP) in a financial year and for Health Insurers the same would be up to 35% of the GWP in a financial year. The insurer shall have a Board Approved Policy and Business Plan to ensure compliance with the said regulations. The Appointed Actuary and the Chief Financial Officer have been made responsible for ensuring that the allocation and apportionment of the expenses of management as per Board Policy. The revised EOM regulations would provide the Insurers with a lot of flexibility to manage its overall expenses as per its business plans and in a cost-efficient manner.

e. Industry outlook

Insurance penetration in India during FY2022 was 4.2 per cent remained same as in FY2021 of which non-life insurance penetration has gone up from 0.56 per cent to 1.0 per cent during the same period

Non-Life Insurance Penetration by Region in the World in 2021



EMEA- Europe, Middle East, and Africa (Source: Swiss Re, Sigma 4/2022)

Insurers are facing a host of macroeconomic and geopolitical challenges likely to inhibit growth and profitability- including the looming threat of global recession, continuing fallout from Russia's invasion of Ukraine, and lingering COVID-19 concerns. Inflation challenges nonlife insurers profitability even while boosting prices, top-line growth. Rising reinsurance rates and shrinking coverage availability are also contributing to market hardening while adding to primary insurers operating costs.

As per Swiss Re, for the global insurance industry, the macro environment of higher interest rates, insurance market rate hardening and scarce capital is expected to be a very positive catalyst over 2023-24; these drivers should strengthen medium-term investment results and profitability. They anticipate significant rate hardening in 2023 and potentially some years after in response to high inflation and natural catastrophe and financial market losses this year. Global premium growth is forecast at 2.1% in real terms annually on average over 2023 and 2024. Slowing global growth and inflation will likely cut real premium growth to below 1% this year, with a recovery as inflation eases and the hard market goes on. Global non-life insurance return on equity (ROE) is expected to be lower in 2022 as underwriting performance and investment results are weaker but rebound to a 10-year high in 2024 as the interest rate tailwind and potential rate hardening take effect. Non-life insurance profitability is set to rebound in 2023 and 2024 after a downturn in 2022.

In India, IRDAI, in its efforts to achieve its mission of “Insurance for all by 2047” has unveiled a slew of measures to boost the growth in the insurance sector. With the aim of increasing the insurance penetration in the country, the reforms recently announced by the IRDAI would help in bolstering the ease of doing business and will aid in making the sector more investment friendly. IRDAI has undertaken various initiatives such as permission to Use and File for major insurance products to encourage innovative covers for customers, mandatory KYC, State adoption by GI Companies, BIMA Sugam (a one stop online platform that will allow insurers to sell products directly to customers online, lowering costs and altering the distribution process), BIMA Vahak (similar to the Banking Correspondent in Banking industry, this one however meant for creating rural distributors) & BIMA Vistaar (a combined, standardised low cost Life, Health & GI product – that will assist in providing a thrust to parametric insurance to provide wide coverage specially for rural India, who need this most) and Open architecture for corporate agents towards boosting growth and increase penetration. Moreover, the relaxation of solvency norms for general insurers would also free up some significant capital for insurance. This will not only help the entire insurance ecosystem to grow rapidly, but also eventually give headway to insurers to invest in the right strategies.

The insurance industry in India could maintain its growth momentum through a slew of these regulatory interventions /significant transformations. In the coming years, technology-enabled customization and transparency are expected to increase the demand for insurance in India’s tier 2 and tier 3 cities thereby bridging the penetration/protection gap.

f. Opportunities

- **Economic growth and related opportunity for the General insurance sector:** While rest of the world reels under the threat of war, financial crises and very high inflation, the Indian economy with its strong fundamentals is still likely to remain amongst the fastest growing and possibly the least affected by global turmoil. As per Swiss Re, India is one of the fastest growing insurance markets in the world. In terms of total premium volumes, it was the 10th largest globally in 2021, with an estimated market share of 1.9%, and the second largest of all emerging markets. Swiss Re forecasts India to be the 6th largest insurance market in the world by 2032, ahead of Germany, Canada, Italy, and South Korea.
- **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.
- **Regulatory intervention to aid growth:** The Insurance Regulatory and Development Authority India (IRDAI), in its efforts to achieve its mission of “Insurance for all by 2047” has unveiled a slew of measures to boost the growth in the insurance sector. The opportunity for all insurance players to grow is rife with the IRDAI predicting that the Indian insurance market will reach \$200 billion by 2027. The regulator has mooted plans to introduce Bima Sugam, a one stop online platform that will allow insurers to sell products directly to customers online. Other initiatives such as Bima Vaahak who will then distribute a common product called Bima Vistaar that will assist in providing a thrust to parametric insurance to provide wide coverage specially for rural India, who need this most. Such measures combined with the adoption of innovative “Customer-First strategies” will significantly change how the industry conducts business and shapes the customer experience landscape while enhancing penetration significantly.
- **Product innovation aided by Use and File:** One of deterrents of product innovation has been the time taking product approval process. With the regulator’s decision to ease the product filing and approval process by bringing all products under Use and File regime, it is expected that insurers will introduce new and innovative products within the shortest possible time to help improve insurance penetration.
- **Cross-selling & Upsell opportunities** aided by KYC and growing need for personalized insurance plans and premiums: One of the deterrents of up-sell and cross-sell in the past has been want of complete customer data to make tailored pitches to each customer. With KYC norms now in place at sourcing stage and with more access to connected devices, cross-sell and up-sell opportunities could move to a different scale going forward. This may also go hand in hand with the changing customer preference of opting for customized insurance plans over currently available ‘off-the-shelf products’.

- **Digital transformation:** The pandemic has accelerated the pace of rapid digitalisation of the industry. Stiff competition in the sector has pushed insurance companies to adopt strategies to remain relevant in a digital-first economy. The realization of benefits of some of these investments is still expected to continue as the growth momentum continues, insurers continue to focus on efficiencies and Customers expect insurers to provide a better digital experience.

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 and most of the industry suffers this risk today as can be seen from the industry Combined Ratio of over 120% for 9M FY2023. Climate change is irrevocably impacting certain risk profiles, while FY2023 didn't see too many natural calamities in India, the experience globally was very different. 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. 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 and expand capabilities across the organization. Insurers are also custodians of a huge amount of confidential customer data. With an increased amount of digitalization and as custodians of significant amount of confidential customer information, cyber risk is one of the most prominent risks insurers run today.
- **Enhanced competitive action through consolidation, enhanced FDI limits and other government initiatives:** In a largely fragmented market many smaller players struggle on profitability and hence solvency. This has led to some amount of consolidation activities in the industry over the past few years. We believe, this trend is expected to continue with market leaders keenly assessing players with niche capabilities or 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%, the limited capital requirements within the non-life industry and the government initiatives to on board new players (allowing composite and specialised licenses, etc), we could see a spurt of new entrants which may enhance competition.
- **Sustainable insurance and Net Zero:** To tackle the effects of climate change and growing importance of ESG, insurers would be forced to refine their business offerings by expanding into the sustainable insurance market. As the pressure increases to adopt renewable energy sources, insurers will need to adjust their underwriting portfolios to reflect this transition. Further, climate change is continuing to result in extreme weather events with losses to international property amounting to roughly \$65 billion in the first half of 2022. The rise in extreme weather events and natural disasters has become more frequent in recent years. Climate change disasters will have a strong impact on both the insurers and the reinsurers, with catastrophe and other types of reinsurance expected to continue soaring.

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 of maintaining market leadership on top line. It does so consistently through, (a) Robust and prudent underwriting practices, (b) Profitable & diversified portfolio of products, distribution & solutions, (c) Generation of cash flows through strong retention of premium and judicious investments of the proceeds, (d) Focus on both retail (mass, mass affluent & HNI) and commercial segments (SME & MSMEs) while maintaining strong position in large corporates & government business and (e) 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 line and bottom line, over the past two decades.

b. Diversified and largest distribution, with a diverse business mix / 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. Business is widespread across all these distribution lines.

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. We maintain a hybrid sales structure where key business lines are run as verticals within the top cities and in smaller cities, we maintain a horizontal sales structure where an office head is expected to manage the entire allocated geography as an entrepreneur. This helps us focus on penetrating deeper in various business lines and wider geographically.

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. Loss triangles are also published annually to advocate our prudence in reserving.

e. Best in class customer service

Innovation is at the heart of our theme of "Caringly yours," wherein we prioritize customer obsession through unique and creative experiences. As a leading general and health insurer, we are committed to being the best in care for our customers. Our track record speaks for itself, with the consistently highest Net Promoter Scores in the industry, along with an outstanding claims settlement ratio and efficiency ratio. We take pride in keeping our grievance ratios at a minimum and resolving customer worries instantly. We consistently have maintained the lowest grievance ratio in the industry with a big margin. Our drive for innovation keeps us ahead of the curve, as evidenced by the recent Asia's Leader in Customer Engagement award at IDC's Asia Pacific Financial Insights Innovation Awards 2023.

f. Digitalization to maintain competitive edge

BAGIC is committed to making things simpler and more accessible for its customers, partners, and employees through innovative use of technology. We continuously update and improve our digital assets to provide a seamless experience. In order to maintain our position as a leader in the industry, we strike a balance between addressing day-to-day business needs and pursuing transformation & innovation at a rapid pace to build capacity for the future. Our approach involves running both businesses as usual (BAU)

and transformation initiatives in parallel, ensuring that innovative ideas can move forward quickly. We follow an operating model called 'RUN, TRANSFORM, and INNOVATE' to deliver best in class 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, as depicted below:

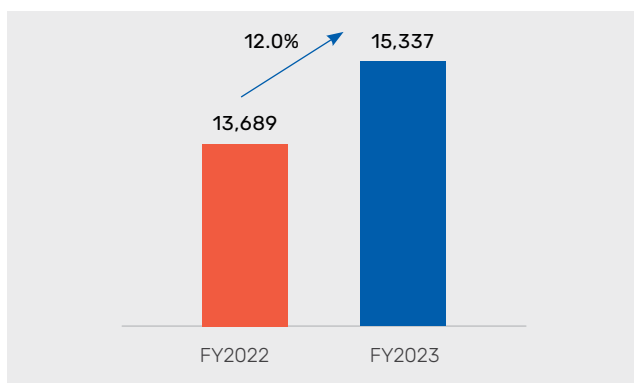
- The investments that we made in the last few years in developing digital capabilities for our customer journeys, including the buy process, policy contract issuance, insurance renewal, claims, and other servicing processes, have led to a remarkable increase in the use of these capabilities among our customers, intermediaries, and employees especially after the pandemic.
- During FY2023, our new core policy admin platform initiative made noteworthy advancements by transforming Motor Third Party renewals to the new core on the cloud (in addition to Travel and Retail health).
- The hybrid cloud journey has made significant progress with Data Centre Modernization project going live.
- Strengthening of our infrastructure and application security for both on-premises and cloud deployments continued to be a big area of focus.
- KYC was a significant regulatory milestone that was implemented across all business lines, partners & systems.
- In addition, we were the first General Insurance company to be part of the Account Aggregator framework as a Financial Information User.
- In the year gone by, we have enabled a range of new products, services, and tools for our customers and partners, such as ACA (Any Chat App) for motor claims, new buy journey for electric vehicles, Udyam seva portal for corporate clients, microsites for our agents, lead generation for agents and calculators on BOT, among others.
- Our API factory initiative allows our ecosystem partners to integrate our APIs seamlessly in just a few days, resulting in a substantial reduction in time-to-market. This approach enabled us to deliver a total of 110 new integrations across 41 partners.
- We made significant strides in enhancing our flagship digital assets, including Website, Customer facing App - Caringly Yours App, our Intermediary app and portal - Ezeetab, iMitra, and CRM, which have all contributed to the improved ease of transactions for our valued customers and partners and was widely adopted and used through the year.
- Several of our innovation projects continued to scale, such as our AI-powered chatbot that has serviced over 9.37 lac users. Our OCR capabilities were also extended to various use cases, including motor claims invoice processing automation, NEFT automation, legal contract validation, and travel policy issuance.
- Our customer facing app Caring Yours App crossed 2.7 million downloads, our app for the farming community Farmitra scaled new heights (6.2 lakhs downloads, 2.85 lakhs farmer claims processed through the app).

2. Performance overview: FY2023

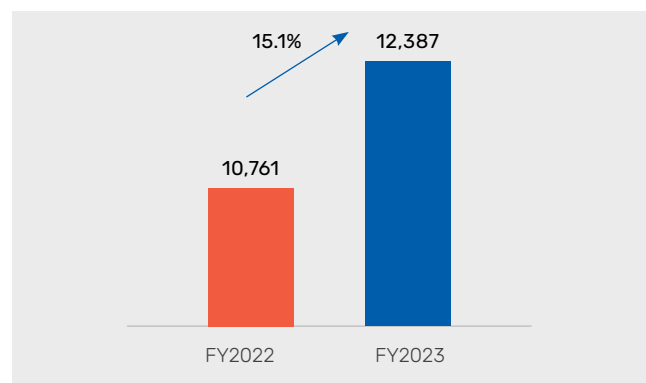
a. Business growth and market ranking

In terms of GDPI, the Company's growth was at 12.0% as against the industry growth of 16.2% (Private and Public multiline players). On GWP basis, Company's growth was at 12.3%. Company's growth was lower than industry on total gross premium basis which is mainly on account of loss of a large Government Health tender with a premium of over ₹ 750 crore in H1FY2023. Excluding the bulky tender-driven government health and crop business, Company's growth was only slightly below the industry given the Company's focus on 'growth with profitability' in a market where most peers continue to chase market share, albeit with high combined ratios. Excluding tender driven business, growth was at 15.1% as against industry growth of 15.8% for FY2023. Company recorded a market share of 6.0% for FY2023 as compared to 6.2% in FY2022 (within total industry including specialised insurers).

BAGIC Gross Direct Premium (₹ in Crore)



BAGIC Gross Direct Premium (₹ in Crore) (Excl. Crop and Govt. Health)



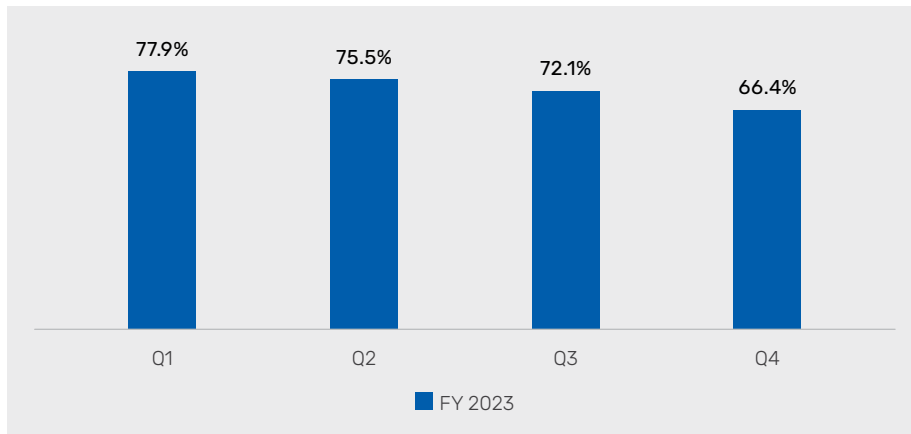
b. Claims ratio

Claims ratio for the Company for FY2023 was 72.9% as compared to 73.0% in FY2022. While in line with previous year, the claims ratio was on the higher side (as previous year claims ratio included impact of Covid claims), on account of:

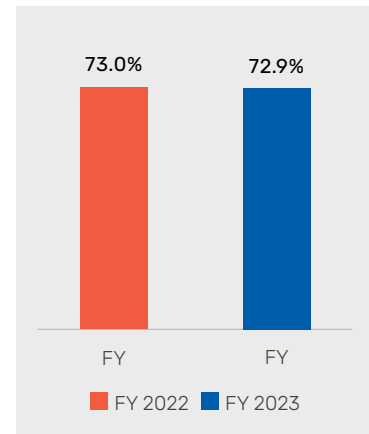
- Dispute with the Maharashtra government, where in respect of Osmanabad crop claims for the Kharif 2020 season an additional impact of ₹ 43 crore (net) was required to be taken by the Company over and above the claims due and paid as per the terms of the scheme,
- Increase in severity largely in Motor OD & health claims due to impact of inflation,
- Higher Motor OD frequency in Q1 FY2023 due to revenge travel, given the first travel season after the pandemic and
- Higher frequency of TP claims (benefit of Motor Vehicle Act not yet accrued), which has been partially offset by lower group health claims and lower commercial lines loss ratios.

While the year started with significant stress on loss ratios, it did start to even out during the latter part of the year as can be seen below:

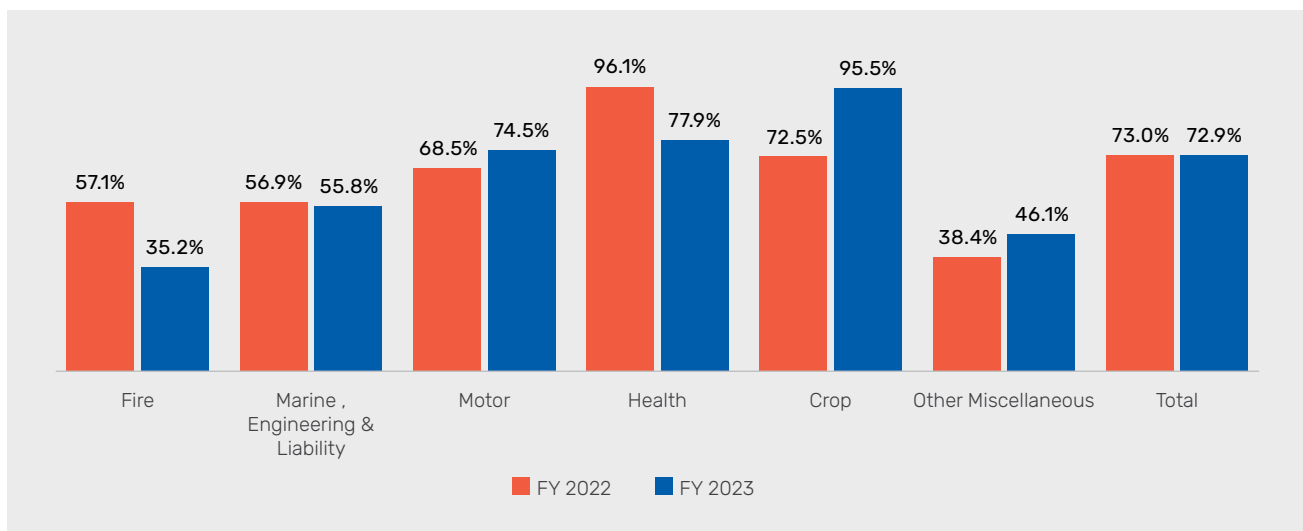
Quarter on quarter claims ratio trend



Claims ratio



LOB wise Claim Ratio Trend FY2023

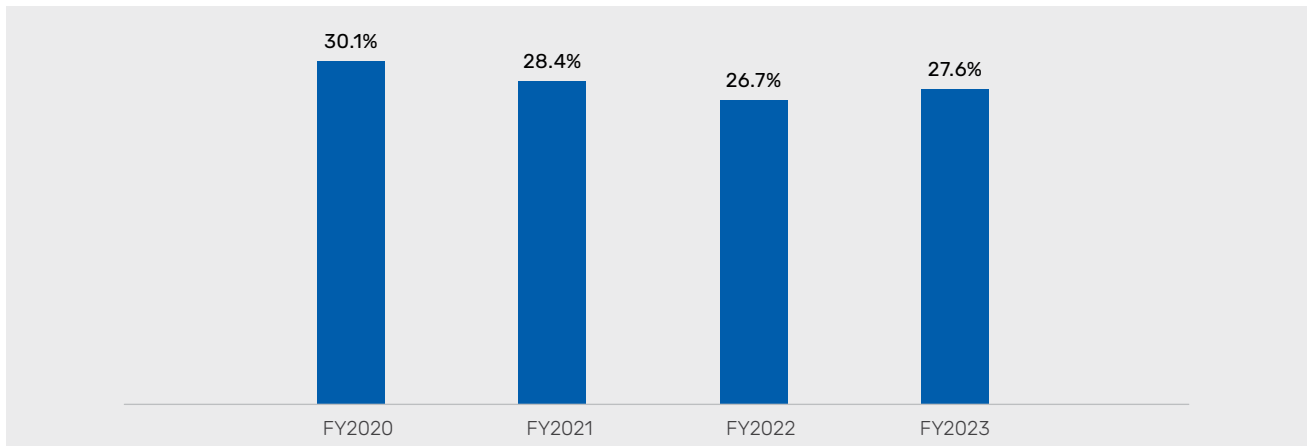


Note: Other Miscellaneous includes Aviation, Personal Accident, Credit & Other miscellaneous

c. Expense ratio

Increase in expense ratio is largely attributable to increase in level of activities post the pandemic. The Company had significantly curtailed expansion and focussed on efficiencies given the pandemic and curtailed expense ratio amongst best in the industry however with pandemic behind us and visibility of growth the Company has started scaling up businesses. Despite the slight increase in cost ratios due to the said expansion and normalisation of activities, we believe we will be best placed amongst peers in terms of the expense ratio. Even against the regulatory norm of Expense of Management, the Company was at a comfortable 78% of the allowable limit for FY2023.

Total Cost/NWP Trend FY2020 to FY2023



NWP is numerator so formula is Total Cost = (Net Commission + Operating Expenses) / NWP (Net Written Premium)

As seen above, the total cost to NWP ratio has significantly come down from 30.1% in FY2020 to 27.6% in FY2023 mainly on account of various expenses initiatives undertaken by the Company since past five years and higher reinsurance commission on account of various treaties entered into across various lines of business.

d. Grievance ratio and Net Promoter Score (NPS)

Best in class customer and distributor experience is at the heart of whatever we do at BAGIC and hence our tagline of "Caringly Yours". We measure this experience through two key metrics i.e., grievance ratio and Net promoter score (NPS). Our Grievance ratio for FY2023 was 0.92 per 10,000 policies issued which we believe is expected to be amongst the best in the industry vs. comparable peers (basis the trend for 9M FY2023 and consistently for over a decade). We also continue to maintain a very healthy NPS of 72 for Motor and 69 for Health, which we believe is the highest in the industry (basis past experience including actual data for 9M FY2023).

e. Profitability – Combined ratio (COR), Underwriting profits, Profit after Tax (PAT) and Return on Equity (ROE)

The Company's COR moved up from 99.6% in FY2022 to 100.5% in FY2023 and the Company registered an underwriting loss of ₹ 121 crore in FY2023 as against profit of ₹ 33 crore during FY2022. The COR and Underwriting result were mainly impacted due to (a) one-off impact of Osmanabad Crop claims, (b) increase in claim ratio of Motor and Health segments (non-Covid) on account of higher inflation partially offset by lower commercial lines claims and (c) higher expenses, as the lull of the pandemic was behind us, growth was reinstated, and the Company started reinvesting for expansion.

We however believe that our COR and underwriting result would be amongst the best in the market despite the one-off impact from crop claims and impact of inflation.

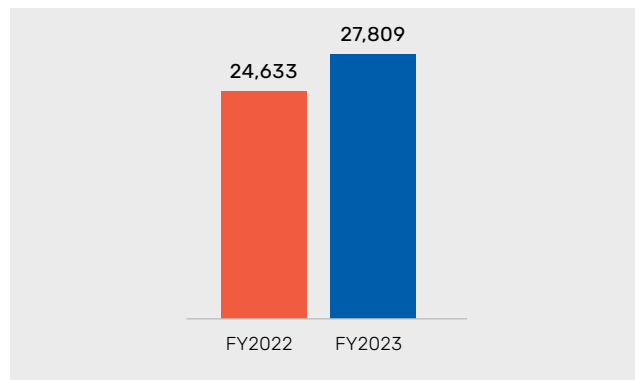
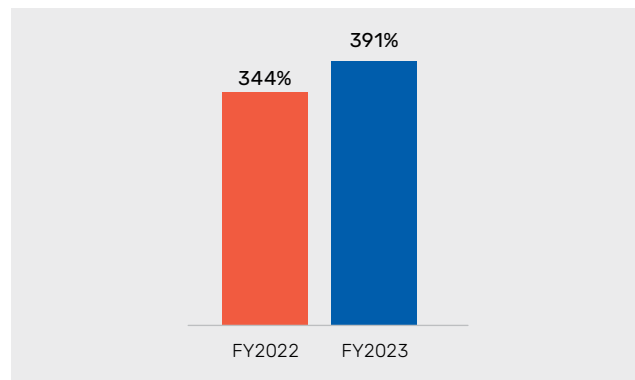
FY2023 PAT was at ₹ 1,348 crore – highest ever profit for BAGIC in any financial year. This growth was despite an underwriting loss of ₹ 121 crore in FY2023 as compared to underwriting profit of ₹ 33 crore in FY2022 on account of higher investment income mainly attributable to higher realised investment gains.

Consequently, the ROE (excluding fair value) of the Company moved down from 17.3% in FY2022 to 15.0% in FY2023.

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 2023 stood at 391% (31 March 2022: 344%) which is well in excess of the required solvency margin of 150%.

The AUM for the Company grew by 13% in FY2023 to end at ₹ 27,809 crore at 31 March 2023 up from ₹ 24,633 crore at 31 March 2022.

Assets Under Management (AUM) (Rs. in Crore)**Solvency %****g. Brand performance**

- The repositioned brand essence 'Caringly Yours', spanning across all touch points, continues to reinforce BAGIC's promise of delivering caring solutions to all its stakeholders. Backed with empathetic customer experience delivery, the brand aspires to translate insurance from push to pull product category.
- We have updated our brand identity i.e., logo of the company effective from 31 March 2023, but our unwavering commitment to making a difference and being #CaringlyYours remains the same.
- **Brand Campaign** – To highlight importance of adequate Sum Insured, Bajaj Allianz launched a 3 series video campaign 'Kum Padhega' that humorously explains the of right sum insurance. The campaign received over 30 million views across social media and OTT platforms.
- **Pune Half Marathon** – With the objective to promote good health Bajaj Allianz Pune Half Marathon made a comeback after 2 years post covid with the idea of wellness at its core. We received an overwhelming response with over 16,000 registrations.
- **Health Nahi Toh Kuch Nahi** – Company launched 'HEALTH NAHI TOH KUCH NAHI' campaign which aimed to drive the message of importance of health to its customers, intermediaries, and employees (the BAGIC family). Under this campaign, Company reinforced that it would continue to serve the BAGIC family with care and provide them value added and priority services, across different domains.
- **Social Media** – Our Brand continues to sustain a high level of engagement on Social Media through various interesting campaigns including #GharAayiDiwali, #TheIncompleteChecklist & #GullyDog. Brand videos have clocked a total views of 60 Million across platforms and a total watch time of 685,890 hours on YouTube. We have the largest digital reach with more than 2.7 million social media followers in the industry.
- **Customer Day** – Standing true to its brand philosophy of 'Caringly Yours' Bajaj Allianz is conducting Customer Day across its offices to resolve customer queries.
- **Health Camps** – BAGIC as a brand cares about their stakeholders' health and to drive this point home, we had organized free health camps for various. The main objective of a medical camp was to provide initial care at the right time and consulting a doctor early enough before a small health problem turns significant.
- **Multilingual Product Literature & Product Videos** – With an effort to build an emotional connect and brand affinity, to reach out to our customers and a larger audience we build multilingual marketing collaterals and product videos. This aligns with our objective of penetrating in the under-penetrated parts of rural India.
- **Insurance Awareness Activities** – In view of specific states allocated to us, year long campaigns are built around generating awareness around health insurance in UP& J&K with a focused vision of increasing insurance penetration. In addition, given our commitment to the farmer community a series of campaigns were carried out to create awareness of the Pradhan Mantri Fasal Bima Yojana (PMFBY).

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 set up, policies and committees support a robust internal control structure which include a robust Investigation and Loss Mitigation team, 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 growth and provide platform to 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.

Employer branding plays an essential role in the communication internally as well as externally of what the organization stands for. This gives potential employees an idea of what it's like to work for a company, while also encouraging a positive work culture for existing employees.

There are several initiatives we have already launched and more in pipeline that will drive the winning culture of fueling ambition and care.

We have further re-incarnated HR processes keeping accessibility and scalability in mind also, 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. The workforce of today, prefers to learn in a variety of different ways, and with this shift in the learner's behavior, our learning and content strategy has continuously evolved over these years. Our focus has always been on democratizing and personalizing learning to employees' needs providing a solution for their current and future skill development in the organization through blended learning modes - digital, facilitator-led and project driven learning.

- ii. **Employee Wellness:** Holistic Wellness is one of the pivotal aspect of employee care and this year too, we have stayed highly invested in it. Our company has introduced hyper-personalized wellness offerings for employees and their families that covers entire gamut of preventive & curative health care. We launched multiple initiatives focusing on physical & mental wellness along with Vaccination and Cancer Screening Camp and an app-based facility that opens wider network of primary health care services.
- iii. **Talent Attraction:** Competition has flared up and there was a huge upswing in the Job Market wherein everyone was on a hiring spree. With a limited pool of GI resources there was a war for talent in the market. While we have a robust hiring mechanism to take care of our requirements, we also launched new age hiring models for Tier 2 and Tier 3 cities in order to take care of our requirement in Geo Business which focuses on penetrating the smaller towns of India to enhance penetration.
- iv. **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.

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	
	FY2023	FY2022
Gross written premium (GWP)	15,487	13,788
Less: Premium ceded	7,176	6,025
Net written premium (NWP)	8,311	7,763
Less/(add): Adjustment for change in reserve for unexpired risks	293	(17)
Net earned premium (NEP)	8,019	7,779
Income from investments (net)	1,955	1,786
Other income (excluding contribution from Shareholders to Policyholders' account)	35	23
Total income	10,009	9,589
Claims incurred (net)	5,847	5,676
Commissions (net)	(366)	(94)
Operating expenses related to insurance business	2,659	2,165
Other expenses (excluding contribution from Shareholders to Policyholders' account)	67	49
Total outgo	8,206	7,795
Profit before tax	1,803	1,793
Provision for taxes	455	454
Profit after tax	1,348	1,339

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

i. Premium income

Premium income has been analysed as follows:

Particulars	(₹ in crore)		
	FY2023	FY2022	Growth
Premium from direct business written (GDPI) (net of GST)	15,337	13,689	12.0%
Premium on reinsurance accepted	150	99	51.1%
Gross written premium (GWP)	15,487	13,788	12.3%
Less premium on Reinsurance ceded	7,176	6,025	19.1%
Net written premium (NWP)	8,311	7,763	7.1%
Less: Adjustment for change in reserve for unexpired risks	293	(17)	-
Premium earned (net) (NEP)	8,019	7,779	3.1%

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

Segmental GWP

Particulars	(₹ in crore)		
	FY2023	FY2022	Growth
Fire	2,293	2,003	14.5%
Marine	287	212	35.3%
Motor OD	2,351	2,019	16.5%
Motor TP	2,997	2,826	6.1%
Motor Total	5,349	4,845	10.4%
Workmen's Compensation	56	45	23.1%
Public Liability	96	59	63.1%
Engineering	309	265	16.9%
Aviation	12	14	-16.9%
Personal Accident	233	202	15.4%
Health Insurance	3,140	3,179	-1.2%
Credit Insurance	17	12	45.9%
Crop Insurance	2,755	2,081	32.4%
Others	940	871	7.9%
Grand Total	15,487	13,788	12.3%

As can be seen above, the growth was largely driven by the Commercial lines of business i.e., Fire, Marine, Engineering & Liability followed by retail lines such as Motor, retail health, travel, and personal accident whereas tender driven business of government health dragged due to loss of a large tender with a premium of over ₹ 750 crore. Crop insurance premium increased by ₹ 674 crore mainly due to addition of premium of ₹ 486 crore received from Tamilnadu state for Rabi season.

Segmental NEP

Particulars	(₹ in crore)		
	FY2023	FY2022	Growth
Fire	269	252	6.6%
Marine	164	120	36.7%
Motor OD	1,813	1,909	-5.0%
Motor TP	2,605	2,517	3.5%
Motor Total	4,417	4,426	-0.2%
Workmen's Compensation	47	43	11.5%
Public Liability	27	17	65.0%
Engineering	29	28	1.7%
Aviation	1	-	-
Personal Accident	201	196	2.3%
Health Insurance	2,042	1,977	3.3%
Credit Insurance	0	0	20.8%
Crop Insurance	514	403	27.6%
Others	307	318	-3.3%
Grand Total	8,019	7,779	3.1%

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

Particulars	Retention Ratio		
	FY2023	FY2022	Growth
Fire	12.9%	13.8%	-0.9%
Marine	60.9%	61.0%	-0.1%
Motor OD	80.2%	87.8%	-7.6%
Motor TP	84.9%	90.6%	-5.6%
Motor Total	82.8%	89.4%	-6.6%
Workmen's Compensation	93.6%	93.1%	0.5%
Public Liability	33.3%	33.0%	0.3%
Engineering	9.7%	11.0%	-1.3%
Aviation	8.8%	-0.4%	9.3%
Personal Accident	92.6%	92.2%	0.3%
Health Insurance	71.4%	63.7%	7.7%
Credit Insurance	1.0%	1.0%	0.0%
Crop Insurance	18.7%	18.6%	0.1%
Others	34.2%	38.5%	-4.3%
Grand Total	53.7%	56.3%	-2.6%

The decrease in retention is attributable to change in business mix and treaty changes made in FY2023.

ii. Investment income

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

(₹ in crore)			
Particulars	FY2023	FY2022	Growth
Interest, dividend, and rent*	1,519	1,376	10.4%
Impairment loss/Reversal	(13)	17	-
Interest, dividend, and rent (net of impairment)	1,506	1,393	8.1%
Profit / (loss) on sale of investments (net)	450	393	14.3%
Total income/(loss) on investments	1,955	1,786	9.4%

* includes accretion of discount/amortisation of premium

Investment income is analysed further as follows:

(₹ in crore)			
Particulars	FY2023	FY2022	Growth
Interest, dividend, and rent (gross of impairment) *	1,519	1,376	10.4%
Less: Dividend, etc.	30	25	8.0%
Interest Income from investments	1,489	1,351	10.4%

* includes accretion of discount/amortisation of premium

As can be seen above, interest income increased by 10.4% up from ₹ 1,351 crore in FY2022 to ₹ 1,489 crore in FY2023 due to increase in average debt assets under management during the year. The table below indicates average debt investments and average yield earned in the respective years.

(₹ in crore)		
Particulars	FY2023	FY2022
Average interest earning assets	22,991	20,860
Average current yields	6.48%	6.48%

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 made of ₹ 13 crore (previous year reversal of impairment provision of ₹ 17 crore) towards an exposure in an unlisted equity.

iii. Other income

Other income mainly includes interest income on terror retrocession pool of ₹ 24.4 crore (Previous year ₹ 17.7 crore), coinsurance admin charges income of ₹ 5.8 crore (Previous year ₹ 4.6 crore) and interest income other than investment of ₹ 4.2 crore (Previous year ₹ 0.1 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	FY2023	FY2022	Growth
Claims paid	7,297	7,900	-7.6%
Claims paid on reinsurance accepted	12	16	-22.8%
Gross claims paid	7,309	7,916	-7.7%
Less: Claims recovered from reinsurance ceded	2,699	3,159	-14.6%
Net claims paid	4,610	4,757	-3.1%
Add: Increase/(decrease) in claims outstanding (net)	1,237	919	34.6%
Total claims incurred (net)	5,847	5,676	3.0%

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

(₹ in crore)		
Particulars	FY2023	FY2022
Fire	35.2%	57.1%
Marine Cargo	65.1%	64.0%
Motor OD	70.5%	65.1%
Motor TP	77.2%	71.2%
Engineering	39.9%	49.7%
Personal Accident	36.8%	35.7%
Health Insurance	77.9%	96.1%
Crop Insurance	95.5%	72.5%
Total claims ratio	72.9%	73.0%

As can be seen above, while the overall claims ratio has been constant vs. previous year, there has been an increase in some segments i.e., Motor and Crop. Increase in Motor claims was attributable to increase in OD frequency in Q1 FY2023 on account of revenge travel and overall higher severity on account of price hikes by OEMs. TP loss ratio was higher due to higher frequency. Increase in crop insurance segment was impacted due to one off impact of Osmanabad crop claims of ₹ 43 (net).

v. Expenses (including commission)

(₹ in crore)			
Particulars	FY2023	FY2022	Growth
Commission	(366)	(94)	288.6%
Operating expenses related to insurance business	2,659	2,165	22.8%
Other expenses	67	49	36.8%
Total expenses	2,360	2,120	11.3%

The total expenses are further analysed below:

Commission expenses

Particulars	(₹ in crore)		
	FY2023	FY2022	Growth
Commission paid-Direct	1,028	867	18.6%
Commission paid on reinsurance accepted	18	12	49.0%
Gross Commission paid	1,046	879	19.0%
Less: Commission received from reinsurance ceded	1,412	973	45.1%
Commission paid (net)	(366)	(94)	288.6%

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 22.8% during the year largely attributable to the base effect as expenses were significantly curtailed in FY2022 due to the pandemic.

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

vi. Profit

Based on the above, the underwriting loss was at ₹ 121 crore for FY2023 as against an underwriting profit of ₹ 33 crore for FY2022. The segmental results were as follows:

Particulars	(₹ in crore)	
	FY2023	FY2022
Fire	106	44
Marine	(10)	(2)
Miscellaneous	(217)	(8)
Total	(121)	33

During FY2023, within the miscellaneous segment the profitability was largely impacted due to the Health segment which contributed to most of the underwriting loss. As against previous year however, health has shown an improvement given the pandemic was behind us. Significant deterioration was seen vs. previous year in the motor and crop line of business due to higher claims ratios as explained above.

Profit before tax (PBT) increased to ₹ 1803 crore in FY2023 from ₹ 1,793 crore in FY2022, an increase of 1.0%.

As a result of the above, Profit after tax (PAT) increased to ₹ 1,348 crore in FY2023 from ₹ 1,339 crore in FY2022, an increase of 1% attributable to higher underwriting loss partly offset by higher investment income largely due to higher realised investment gains.

b. Financial condition

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

(₹ in crore)		
Particulars	FY2023	FY2022
Sources of funds		
Equity capital	110	110
Reserves and Surplus	9,478	8,238
Fair value change account	218	474
Total Equity	9,806	8,822
Current liabilities	17,055	14,483
Provisions	4,476	4,177
Total	31,337	27,482
Application of funds		
Investments		
- Shareholders'	7,307	6,092
- Policyholders'	19,694	18,136
Fixed assets	449	424
Deferred tax assets	33	18
Cash & Bank balances	808	475
Advances & other assets	3,046	2,337
Total	31,337	27,482

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 2023		At 31 March 2022	
	No. of shares	Percentage of holding	No. of shares	Percentage of holding
Bajaj Finserv Limited	81,568,165	74%	81,568,165	74%
Allianz SE	28,659,085	26%	28,659,085	26%
Total	110,227,250	100%	110,227,250	100%

There has been no transfer of shares during the year and the shareholding pattern is in accordance with the statutory and regulatory requirements. The share capital stood at ₹ 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 391% at 31 March 2023 as against 344% at 31 March 2022.

Reserves and surplus

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

Particulars	(₹ in crore)	
	FY2023	FY2022
Share premium	167	167
Balance of profit in Profit and Loss account	9,312	8,072
Fair value change account	218	474
Total	9,696	8,712

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 11.2% to ₹ 9,806 crore at 31 March 2023 up from ₹ 8,822 crore at 31 March 2022. Excluding, fair value balance, networth grew by 15.0% to ₹ 9,589 crore at 31 March 2023 up from ₹ 8,349 crore at 31 March 2022.

ii. Current liabilities and provisions

Current liabilities

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

Particulars	(₹ in crore)	
	At 31 March 2023	At 31 March 2022
Amount pertaining to Policyholders'		
- Unclaimed amount of Policyholders'	1	5
- Policyholders' claims payable	12,196	10,959
- Unallocated premium	645	593
- Premium received in advance	1,448	1,114
- Payable to Policyholders	0	0
Sundry creditors and payables for expenses	578	445
Solatium fund	23	20
Payables for unsettled investment contracts	0	0
Payable to agents (Agents balances)	183	144
Statutory dues and Taxes (including GST) payable	292	135
Balances due to other insurance companies	1,690	997
Other liabilities	0	70
Total	17,055	14,483

- (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. The increase in the balance pertains to higher business volumes leading to higher outstanding claims and IBNR/IBNER.
- (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. During FY2023, advance premium balance increased by 30% mainly on account of increase in mix of long-term motor policies mainly of two-wheeler business. The Company has recently tied up with several two-wheeler OEMs which has led to the said increase.
- (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. The increase in creditors was attributable to the general increase in business activity post the pandemic.
- (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. Increase largely attributable to GST as liability for March 2023 settled post balance sheet date.
- (k) Balances due to other insurance companies primarily indicates payables to reinsurers under various reinsurance arrangements (₹ 1,371 crore) largely pertains to crop insurance, deposits held on reinsurance ceded (₹ 313 crore) largely pertains to various treaty arrangements and payable to other insurers towards coinsurance contracts (₹ 5 crore).
- (l) Other liabilities primarily include bank overdraft as per the books of accounts.

Provisions

A summary of provisions is provided in the table below:

	(₹ in crore)	
	At 31 March 2023	At 31 March 2022
Particulars		
Reserve for unexpired risk	4,442	4,149
Income tax	16	2
Provision for leave encashment, long term incentive plan and gratuity	18	25
Total	4,476	4,177

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

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:

	(₹ in crore)	
	At 31 March 2023	At 31 March 2022
Particulars		
Investments		
- Shareholders'	7,307	6,092
- Policyholders'	19,694	18,136
Total	27,002	24,228

Total investments grew by 11.4% from ₹ 24,228 crore as at 31 March 2022 to ₹ 27,002 crore as at 31 March 2023.

ii. Fixed Assets

A statement of movement of fixed assets is given below

	(₹ in crore)	
	At 31 March 2023	At 31 March 2022
Particulars		
Gross block	750	703
Less: Accumulated depreciation	324	299
Net block	426	404
Add: Capital work in progress	23	20
Net fixed assets	449	424

iii. Deferred Tax asset (net)

Deferred tax assets carried in the books comprise of:

	(₹ in crore)	
	At 31 March 2023	At 31 March 2022
Particulars		
Deferred tax asset		
Timing difference on account of -		
Reserve for unexpired risks	21	24
Employee Benefits	3	3
Long Term Incentive Plan	19	3
Provision for doubtful debts	1	1
Solatium fund	6	5
Provision for diminution in value of Investments	7	4
Total	57	40
Deferred tax liability		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	(24)	(22)
Net deferred tax asset	33	18

iv. Cash, bank, advances & other assets

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

	(₹ in crore)	
	At 31 March 2023	At 31 March 2022
Particulars		
Cash and bank balances	808	475
Advance tax and TDS	96	93
Income accrued on investments	478	522
Assets held to cover unclaimed funds	3	10
Outstanding premium	1,192	1,113
Dues from entities carrying on insurance business	523	271
Unsettled investment contract receivable	52	-
GST/Service tax unutilized credit	405	160
Deposits	179	27
Prepayments	44	40
Other advances and receivables	73	102
Total	3,853	2,812

- (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 increase mainly pertains to current account balances which increased by ₹ 175 crore and increase in short term deposits by ₹ 145 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 2023. This largely pertains to interest on Government securities and debentures. The decrease is attributable to change in mix of securities where accrual of interest on yearly basis.
- (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 (₹ 101 crore) and reinsurers (₹ 422 crore). The increase is largely attributable to reinsurance balances on account of certain treaties executed by the Company in the Motor segment.
- (g) Unsettled investment contract receivable balance pertains to sale of state government securities on 31 Mar 2023 which settled subsequently.
- (h) GST/Service tax unutilized credits represent the credit of GST/service tax available with the Company which can be used to offset the GST/service tax liability of the Company. Most dues pertain to GST dues by vendors that have not been updated on the GST portal.
- (i) Deposits represent deposits placed for premises taken on lease as well as for leased accommodations for employees. It also includes deposits to service providers for electricity, telephone and other utilities services and margin money placed with CCIL. Increase in balance attributable to deposit placed towards Maharashtra crop insurance claims deposit of ₹ 150 crore as per High Court Order.
- (j) 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.
- (k) 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 23rd Annual Report and audited financial statements for the financial year ended 31 March 2023 (FY2023).

Industry update

FY 2023 started on an optimistic note after two challenging years caused by the COVID-19 pandemic. Sales of private cars showed significant growth and, towards the end of the year, had exceeded the pre-pandemic levels. Two-wheeler sales growth, however, remained below expectations. Price competition in motor insurance, consequently, became more intense. There was a resurgence of travel both on road as well as by air and this led to higher density of cars on the road. Health insurance grew more moderately while commercial insurances of SMEs, MSMEs and Corporates showed good traction.

In the first half of the year, the industry witnessed a spike in the frequency of motor claims as people started travelling extensively and of health claims other than COVID as customers availed treatments held in abeyance due to the pandemic. Inflationary pressures resulted in higher severity of motor and health insurance claims.

On global front, extended military conflicts between Russia and Ukraine and consequent geo-political situation in some parts of Europe did have their impact on movement of shipping lines across the globe and marine insurance covers as well as war-related losses, impacting the capacity and terms offered by reinsurers. Towards end of FY2023, a mini financial crisis seemed to be evolving with the collapse of two US banks and the bailout of a large European bank. It remains to be seen whether these events would have a more global impact.

FY2023 also witnessed some significant regulatory developments in the insurance sector in India. The announcement of the Insurance Regulatory and Development Authority of India's (IRDAI) Vision of 'Insurance for All' by the year 2047 marks the cornerstone for initiating the transformation for the Indian Insurance market. This was followed by various significant regulatory changes including, *inter alia*, introduction of compulsory Know Your Customer norms at policy issuance stage for general and health insurance, opening of the corporate agency tie ups to 27 insurance companies, moving all the general and health insurance products to Use and File regime, etc. IRDAI has also issued a new set of regulations dealing with the expenses of management and commission for general and health insurance business, with effect from 1 April 2023, whereby the sub-limit for commission has been subsumed in the overall limit for expenses of management set at 30% of the gross written premium. This apart, a host of unique projects being undertaken under the guidance of IRDAI such as Bima Sugam, Bima Vistaar and Bima Vaahak, are expected to have a major impact on market dynamics. Considering much of this is work-in-progress, FY2023 and FY2024 may prove to be a significant year for the insurance industry in terms of new opportunities as well as risks.

Amidst all these, the general insurance industry (Private and Public multiline players) managed to record a healthy GDPI (Gross Direct Premium income) growth of 16.2% for FY2023.

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			Gross premium ex. tender driven crop and government health		
	FY2023	FY2022	Growth%	FY2023	FY2022	Growth%
BAGIC	15,337	13,689	12.0%	12,387	10,761	15.1%
Private Sector	131,941	109,753	20.2%	114,635	94,412	21.4%
Public Sector	82,887	75,133	10.3%	74,323	68,809	8.0%
Total (Pvt. + PSU)	214,829	184,886	16.2%	188,958	163,221	15.8%
Standalone Health Insurers	26,242	20,867	25.8%	26,242	20,867	25.8%
Industry Including SAHI	241,071	205,753	17.2%	215,201	184,088	16.9%
Specialised Insurers	15,841	15,047	5.3%	1,198	1,107	8.2%
Total industry	256,912	220,800	16.4%	216,398	185,195	16.8%

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

As can be seen in the table above, your Company's growth was lower than industry on total gross premium basis which is mainly on account of loss of a large Government Health tender with a premium of over ₹ 750 crore. Excluding the bulky tender-driven government health and crop business, your Company's growth was slightly below the market given the focus on growth with profitability adopted by your Company in a market where most peers continue to chase market share, albeit with high combined ratios. Your Company recorded a market share of 6.0% for FY2023 as compared to 6.2% in FY2022 (within total industry including specialised insurers).

Business update

Your Company's focus continues to be on growing its retail and commercial businesses. The risk book of your Company includes motor insurance, health insurance and other personal lines of insurance for individuals and a host of commercial insurance products like fire insurance, marine insurance and liability insurance for commercial entities like Corporates, SME's, shops, etc. Your Company also participates in tender-driven businesses like crop insurance and government health schemes, which has an element of volatility in reported gross premiums but, over the medium-term are expected to be profitable. Motor, property and health insurance are the major focus areas, with approximately 60% of gross premium and a majority of customers coming from these lines.

Through robust and prudent underwriting practices, your Company aims at generation of positive cash flows through optimal retention of premium and judicious investment of the proceeds and focus on high quality customer service. Your Company continues to be among the most profitable and solvent general insurers vis-a-vis peers in the public and private sectors of comparable size while delivering premium growth broadly in line with the industry. Your Company's Combined ratio of 100.5% in FY2023 is expected to be one of the lowest in the industry, reflecting a sound balance between growth and profitability.

Your Company continues to grow its distribution networks, which is already one of the largest in the industry, through tie ups with banks, NBFCs, brokers, individual multi-line agents, motor insurance service providers (MISPs), point of salespersons (POSPs), web-sales and the Company's proprietary channels including the Virtual Sales Offices (VSO). Your Company has one of the strongest network of bancassurance partners among all insurers. During FY2023, your Company tied up with 24 new banks and NBFC's, renewed its relationships with almost all the key partners and also secured entry into many automobile brands in two-wheelers, four-wheelers as well as commercial vehicles segments.

Here is the summary of key metrics of your Company's performance during FY2023 as compared to its comparable peers (Private and Public multiline players):

- Premium growth of 15% largely in line with the industry (excluding the bulky tender driven businesses)
- Among the highest level of profitability as measured by combined ratio – 101.5% vs. industry at 120.3% for 9M FY2023
- Amongst the lowest cost ratio (Cost to NWP) at 26.4% vs. industry at 34.3% for 9M FY2023
- Highest Net Promoter Score in key retail segments (i.e. Motor and Health at 70 and 68 respectively)
- Lowest grievance ratio for the 9 months for 9M FY2023 with comparable peers at 0.9 (grievances to per ten thousand policies issued).

Source: Public Disclosures for 9M FY2023.

Business performance during the year

Your Company's GWP, including reinsurance accepted, during FY2023 was ₹ 15,487 crore, as compared to ₹ 13,788 crore during the previous year, a growth of 12.3%. Excluding the bulky tender driven crop and government health insurance, GWP grew by 15.4%. The Net Earned Premium, which measures the premium retained after reinsurance and reserves for unexpired risks, grew by 3.1% at ₹ 8,019 crore as against ₹ 7,779 crore during the previous year. The Combined Ratio for FY2023, as defined by Master Circular on 'Preparation of Financial Statements of General Insurance Business' issued by the IRDAI, stood at 100.5%

Your Company continues to pursue efforts to retain renewal business, without compromising on quality of risk and minimum profitability benchmarks. Your Company sold around 2.8 crore policies during FY2023 as compared to about 2.2 crore during the previous financial year. The number of claims reported in FY2023 were 43.8 lakh as against 45.6 lakh reported during FY2022.

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 2023 stood at ₹ 27,002 crore as against ₹ 24,228 crore as at 31 March 2022, an increase in investible surplus by ₹ 2,774 crore. The realised investment income (net of impairment) for FY2023 was ₹ 1,955 crore as against ₹ 1,786 crore in the previous year.

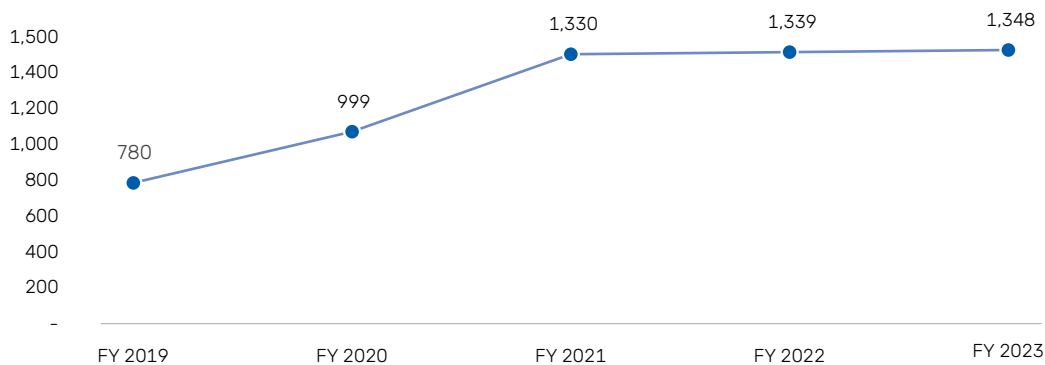
Profit

Profit before tax (PBT) during FY2023 was ₹ 1,803 crore as compared to ₹ 1,793 crore during the previous financial year. The profit after tax (PAT) for FY2023 was ₹ 1,348 crore as compared to ₹ 1,339 crore during the previous financial year.

Profit after tax over the last five years

BAGIC's profit after tax

(₹ crore)



Summary of financials

Particulars	FY2023	FY2022	% Change
Gross written premium (GWP)	15,487	13,788	12.3%
GWP ex. crop and government health	12,539	10,862	15.4%
Net earned premium	8,019	7,779	3.1%
Underwriting results	(121)	33	-
Profit before tax	1,803	1,793	0.5%
Profit after tax	1,348	1,339	0.7%
Claims ratio	72.9%	73.0%	0.1%
Combined ratio*	100.5%	99.6%	-0.9%
Return on average equity	15.0%	17.3%	-2.3%

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

Capital, Solvency and Shareholders' Funds

The Shareholders' equity of your Company stood at ₹ 9,806 crore as at 31 March 2023 as against ₹ 8,822 crore as at 31 March 2022. Your Company has completed 15 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 391% as at 31 March 2023, which is well above the regulatory requirement of 150%.

Dividend

Your Company has registered a healthy financial and operational performance consistently for last few years. Your Company also enjoys a very healthy solvency position at 391%.

The Board has recommended to the Shareholders declaration of dividend of ₹ 27 per equity share (270%) for FY2023 at the ensuing Annual General Meeting (AGM). Total dividend for FY2023 would be ₹ 297.61 crore (previous year ₹ 21 per equity share of ₹ 10 (210%), amounting to ₹ 231.48 crore).

Return on Equity

The return on average equity for your Company during FY2023 was 15.0% as against 17.3% in the previous year.

Recognition & Awards

Here is a brief highlight of some of the major awards your Company won during FY2023:

1. General Insurance Company of the Year award at the 26th Asia Insurance Industry Awards.
2. Non-Life Insurer of the Year award at the Outlook Money Awards 2021.
3. Best BFSI Brand – 2023 at the Economic Times Brand Best Brand Awards 2023.
4. Best Organisation for Women 2023 by Economic Times.
5. Best Health Insurance Coverage of the Year and Best Risk Management Strategy categories at the ICC Emerging Asia Insurance Awards.

Tapan Singhel, MD & CEO, was bestowed with the Economic Times's Most Inspiring CEO 2022 Award and Most Promising Business Leaders of Asia, 2022-23 award by the Economic Times for his exemplary leadership and innovative approach to stay ahead of the curve and be the industry leader.

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 FY2024 to the Insurance Regulatory and Development Authority of India ('IRDAI') as specified by the IRDA (Registration of Indian Insurance Companies) Regulations, 2022, as amended.

Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 ("the Act"), a copy of the Annual Return as at 31 March 2023 is hosted on the Company's website and can be accessed at <https://www.bajajallianz.com/about-us.html>

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 153 offices and new offices also being illuminated with LEDs on an on-going basis.
- b) Energy efficient Variable Refrigerator Flow (VRF) air conditioning system installed at 90 locations.
- c) Energy efficiency audit conducted at the head office.

Your Company has also installed a Solar unit of 25Kwh in addition to 40 Kwh capacity at our Head Office premises to use natural energy and conserve electricity.

Digital Transformation

In the year gone by, your Company made significant progress in delivery of projects as part of its digital transformation roadmap. There was further progress in the implementation of the new core policy admin platform, hybrid cloud infrastructure platform & data platforms and several initiatives were taken live. Your Company continued its journey towards cloud adoption by migrating Motor Third Party renewals to the cloud. The cloud-first to cloud-smart move has taken a momentum with the Data Centre Modernisation project getting delivered in record time. Creating integration platforms through Application Programme Interfaces (APIs) was a special area of focus, where your Company delivered a total of 110 integrations across 41 partners.

Implementation of KYC norms as per the new IRDAI requirements was one of the major changes implemented across all sources of business/journeys with 131 partner integrations. Your Company took the lead in becoming a part of Account Aggregator framework of the Reserve Bank of India as a financial information user.

During the year, your Company enabled several tools and services for its partners, customers and employees to help provide fast and efficient services through adoption of technology. For partners, your Company enabled services like agent microsites which helped them to have their own digital identity and brand, re-engineered the agent onboarding journey which helped to reduce the onboarding time by almost 70%, Mobile app for the investigators to view the allocated cases, conduct investigation and submit the reports. Premium calculators for Health, Motor, Travel and Non-Motor products were enabled on an AI powered BOT for better accessibility and ease of our partners, with more than 50,000 quotes generated in the last few months. During the year, WhatsApp out notification for health claims status and services like revamped Health claims journey, Policy renewal suggestion, Pre-policy medical check-up appointment, etc. were enabled on BOING, our customer-facing AI-powered Chatbot.

Various capabilities were enabled for customers to enhance their experience and engagement, which included ACA (Any Chat App), a mobile first redesigned platform for Motor claims on website. D-I-Y (Do It Yourself) platform helped register more than 25,000 claims in the last few months. Web based pre-inspection for motor break-in cases without the need to download an app was also enabled.

Your Company's innovation projects continued to scale up, with the AI-powered chatbot supporting 3.85 crore messages for over 9.37 lac users. OCR (optical character reading) capability stack was extended to various use cases like Motor claims invoice processing automation, NEFT automation, Legal Contract validation and simplification of Travel policy issuance, etc. E-verification and diligence solutions were enabled for Investigation and Loss Mitigation team and claim teams for Motor and Non-Motor to verify information from trusted sources which reduced the investigation time.

Environment Social and Governance (ESG)

Your Company firmly believes that to achieve the Environmental Social and Governance (ESG) objectives, it needs to have sustained focus on the identified areas. In line with this philosophy, your Company has voluntarily adopted SEBI's Business Responsibility and Sustainable Reporting, accounting of Green House Gas (GHG) emissions and independent assurance in FY2023. Your Company has also implemented a Responsible Investment policy, thereby including ESG compliances as one of the investment decision considerations. Your Company has also carried out an ESG Materiality and Risk Assessment to understand material topics for the business. Several initiatives focusing on betterment of the environment have also been taken up by your Company which include clean energy generation through rooftop solar panels and covers on open to sky parking spaces at the head office, EV Charging Infrastructure has been set up at the head office, several processes have already been moved to paperless mode, safe disposal of e-waste generated by adopting e-waste policy and practices, and many more such initiatives to embed ESG within the culture of the Company.

Foreign exchange earnings and expenditure

Earnings in foreign currency	₹ 104.76 crore
Expenditure in foreign currency	₹ 126.75 crore

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.

Risk management policy

The Risk management philosophy of your Company including the development and implementation of risk management policy detailing identification 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 Management Policy (BCMP) and an exhaustive Business Continuity Plan (BCP) to mitigate business continuity risk. Your 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 organisation, continue to serve customers and mitigate the negative effects of disruptions that could affect your Company's brand, operations and market position. Your Company maintains the availability of critical IT applications, with defined Recovery Time Objectives and Recovery Point Objectives monitored with DR drill conducted periodically and test results effectively documented. DR servers for critical applications are integrated in security incident and event management (SIEM) tool which supports threat detection, compliance and security incident management through real time collection and analysis of security events.

Based on the defined business continuity strategy, your Company has successfully handled the continuity of business during the recent pandemic situation with no operational disruption maintaining business as usual.

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 center. All critical information systems are configured with contingency plans and tested periodically for the availability of services. Strong authentication and authorisation controls have been implemented across the systems ensuring only authorised persons and devices get access from trusted and secure network. Data leakage prevention (DLP) 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 programme are some preventive measures followed in the organisation to proactively detect and correct breaches, if any found. Structured programme is in place for Information & Cyber security awareness for all employees along with focused training's for IT teams and Senior Management separately.

Pursuant to IRDAI's Guidelines on Information and Cyber Security, your Company undertakes an annual information system audit of information and cyber security through an external CERT-in empaneled audit firm. During FY2023, 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 an annual audit of information self-networking platform (ISNP) provided by the Company for insurance e-commerce activities through an external CERT-in empaneled audit firm. During FY2023, 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.

Corporate social responsibility (CSR)

The report on Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during FY2023 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 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 FY2023 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 FY2024 will be displayed on the said website.

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.

Directors' Responsibility Statement

In accordance with Section 134(3)(c) of the 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 judgements 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 2023 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.

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 and key managerial personnel

During the year under review, Anup Wadhawan (DIN: 03565167) was appointed as Additional Director (Non-Independent Non-Executive Director) on 6 July 2022. Sergio Balbinot (DIN: 01629245), Director (Non-Independent Non-Executive Director), ceased to be Director of the Company upon his resignation effective 23 December 2022. Renate Wagner (DIN: 09823243) was appointed as Additional Director (Non-Independent Non-Executive Director) on 28 December 2022.

Avez Sayed has been appointed as the Chief Risk Officer of the Company with effect from 8 February 2023, in place of Rajeev Kumar, who retired from the services with the Company on 31 January 2023.

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

Pursuant to the provisions of the Act, Sanjiv Bajaj (DIN: 00014615), S Sreenivasan (DIN: 03206811) and M Damodaran (DIN: 02106990), Directors, retire by rotation and being eligible, have offered themselves

for re-appointment as Directors at the ensuing 23rd AGM. Accordingly, resolutions seeking approval of the Shareholders for the aforementioned re-appointment form part of notice convening the 23rd AGM. Necessary details regarding their re-appointment as required under the Act are also given in the aforesaid notice.

Directors & Officers' liability insurance policy

The Company has a Directors & Officers Liability Insurance Policy with adequate quantum and coverage of risk, which is reviewed annually.

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.

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 internal audit plan is rolled out after the same has been approved by Audit Committee. The internal audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and 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. All audit observations are deliberated in the pre-Audit Committee meeting and significant audit observations and actions thereon are presented to the Audit Committee of Board. More details on the Audit Committee in terms of its composition and functioning are given in the Corporate Governance Report.

Your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and, accordingly, regular internal 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 Act. The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations. This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The key components of the internal financial control framework include Entity Level Controls (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, 2 cases have been filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Both the cases are under investigation as intimated in March 2023.

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 Act read with rules thereunder.
- Section 186 of the Act relating to loans, guarantees and investments, requiring, *inter alia*, disclosure thereof in the financial statements does not apply to the Company.
- The Company does not have any subsidiary, joint venture or associate company.
- The Company has not accepted any deposits during the year under review.
- Neither any application was made during FY2023, 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 FY2023.

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

M/s KKC & Associates LLP, Chartered Accountants (formerly Khimji Kunverji & Co LLP) (FRN: 105146W/W-100621), the joint statutory auditors, hold office up to the conclusion of the 27th AGM of the Company and S R Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E/E300005), 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 re-appointment of S R Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E/E300005) as the joint statutory auditors from conclusion of the ensuing AGM till conclusion of the 28th AGM.

The Company has received from S R Batliboi & 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 Act.

Secretarial auditor

Pursuant to Section 204 of the Act, the Board has re-appointed Shyamprasad Limaye, Company Secretary in Practice (FCS No. 1587, CP No. 572) to undertake the Secretarial Audit of the Company for FY2023.

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 Act.

Appreciation & Acknowledgement

The Board is grateful to the IRDAI and other regulatory authorities for their continued support especially with respect to the developmental efforts of the recent past.

Your Company's performance during the year would not have been possible without the commitment and hard work of its employees. In the time of crisis, over the past few years, 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, 21 April 2023

Annexure to the Directors' Report

A. 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 healthcare, education, etc. The CSR Policy of the Company outlines the approach and direction given by the Board of Directors of the Company, considering 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 carries out its CSR activities with the objective of overall National and Community Development considering the legal provisions contained in Section 135 and Schedule VII of the Companies Act, 2013 and the rules made thereunder. Focus is also placed on lives, living and livelihood.

The process for implementation of CSR programmes involves identification of programmes 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 held during the year	Number of meetings of CSR Committee attended during the year
1.	Sanjiv Bajaj	Chairman, Non-Executive Non-Independent Director	3	2
2.	Ritu Arora	Non-Executive Non-Independent Director	3	2
3.	Ranjit Gupta	Non-Executive Non-Independent Director	3	3
4.	Anami Roy	Independent Director	3	3
5.	Tapan Singhel	Managing Director and Chief Executive Officer	3	3

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-social-responsibility.html>
4. **Executive summary along with web-link of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Executive summary is enclosed. Detailed report on impact assessment is available on the following web-link <https://www.bajajallianz.com/about-us/corporate-social-responsibility.html>
5. (a) **Average net profit of the Company as per Section 135(5):** ₹ 16,461,160,049
 (b) **Two percent of average net profit of the Company as per Section 135(5):** ₹ 329,223,201
 (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil
 (d) **Amount required to be set off for the financial year, if any:** Nil
 (e) **Total CSR obligation for the financial year (5b+5c-5d):** ₹ 329,223,201
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 329,414,334
 (b) **Amount spent in Administrative Overheads:** Nil
 (c) **Amount spent on Impact Assessment, if applicable:** Nil
 (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 329,414,334

(e) 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
329,414,334	NA	NA		NA	

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135 (5)	329,223,201
(ii)	Total amount spent for the Financial Year	329,414,334
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	191,133
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii) - (iv)]	191,133

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY2020	Not applicable	-	-	-	-	-	-
2	FY2021	-	-	-	-	-	-	-
3	FY2022	89,000,000	-	89,000,000	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable****SANJIV BAJAJ**(DIN: 00014615)
Chairman of
CSR Committee**TAPAN SINGHEL**(DIN: 03428746)
Managing Director &
Chief Executive Officer

Date: 21 April 2023

EXECUTIVE SUMMARY OF IMPACT ASSESSMENT OF CSR PROJECT

01 Project Details

Project Number:	10189
Project Title:	Continuation of support to Snehankur Adoption Centre
Project Duration:	March 2018 to February 2021
Donor:	Bajaj Allianz General Insurance Co. Ltd.
Implementing Agency:	Snehalaya
Approved Budget:	₹ 1,50,00,000/-

The assessment was conducted from 1 December 2022 to 30 March 2023 by the Impact Measurement & Advisory team at Sattva Consulting Pvt. Ltd.

Project Advisor

Engagement lead

Project Lead and Onsite Survey Coordination

Project Team

Ambika Jugran, Associate Principal

Abhishek Bhardwaj, Senior Consultant

Simran Varma, Associate Consultant

Sarah Joseph, Analyst

02 List of Abbreviations

CARA	Central Adoption Resource Agency
CWC	Child Welfare Committee
IMA	Impact Measurement and Advisory
IPC	Indian Penal Code
JJ Act	Juvenile Justice (Care and Protection of Children) Act, 2015
OECD- DAC	Organisation for Economic Co-operation Development Development Assistance Committee
POCSO	The Protection of Children from Sexual Offences Act, 2012
SAA	Specialised Adoption Agency
SAC	Snehankur Adoption Centre
SARA	State Adoption Resource Agency
SDG	Sustainable Development Goals

03 Context & Background

Snehankur Adoption Centre (SAC) was established in 2004 to support pregnant minor girls, unwed mothers or survivors of sexual violence, and they support abandoned and relinquished children to find their new families. SAC provides mothers with socio- emotional counselling, legal support, and antenatal and postnatal care. Additionally, they provide special care for children with special needs or any other medical or physical issues.

Sattva conducted an impact assessment study of the Snehalaya Adoption Centre. The research objectives of the study are mentioned below.

- To assess the awareness regarding addressing sexual violence, abandonment of infants, and adoption processes among the community, hospitals, and police stations.
- To assess whether the centre is accessible to persons in need, including victims of gender-based violence.
- To assess that the centre ensures efficient legal documentation as per CARA or police requirements leading to a faster admission and adoption process
- To assess that the centre ensures the physical and mental well-being of the children and meets their special needs wherever applicable.

04 Framework & Methodology

The Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) evaluation framework was deployed and contextualised to respond to the above research objectives. Sattva followed a qualitative approach, collecting data using qualitative interviews with secondary stakeholders. This helped gather valuable impact-related insights from a 360-degree perspective across the stakeholders involved and was fundamental in providing recommendations for the program. The program was assessed across five pillars of the DAC criteria- Relevance, Coherence, Effectiveness, Impact and Sustainability. All the research objectives were studied to understand the elements of the DAC framework. These research objectives were further mapped to multiple stakeholders, such as program coordinators, staff and primary stakeholders – children and mothers.

05 Sampling

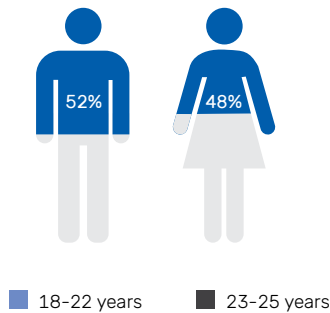
Table 1. Stakeholder-wise Sampling

Stakeholder	Sample Size Proposed	Sample Size Achieved	Data source
Program Coordinator	2	2	In depth interview
Doctor	1	1	In depth interview
Head	1	1	In depth interview
Nurse	3	2	In depth interview
Caretaker	3	3	In depth interview
Children's Data	45	60	Secondary data
Woman at Snehadhar Shelter	2	3	In depth interview

06 Background

Ahmednagar District Population: 4,543,159 Male: 2,342,825 Female: 2,200,334 Economy: Agrarian

Gender (n=174)



Location - Ahmadnagar , Maharashtra



According to National Crime Record Bureau (NCRB) report for 2021, almost 50 cases of female foeticide and infanticide were reported in Maharashtra. Furthermore, the number of orphaned children who lost a parent or were abandoned significantly increased due to the COVID-19 pandemic, as reported by the Protection of Child Rights, NCPCR in the State. For 2021, the number of reported cases of infanticide, foeticide, and abandonment of newborns stood at 24, 21, and 302 in Maharashtra.

On average, 160 babies are found abandoned annually in garbage bins and unsafe places in Maharashtra. Between 2017 and 2021, 798 newborns were found abandoned in the State. The biggest district in Maharashtra, Ahmadnagar, records a significant number of cases of sexual assault against women and children, with over 100 POCSO cases annually.

07 Insights from the Study

The outreach activities focus on creating awareness and educating the community to report cases of abandonment; access to a helpline number encourages women-in-need to reach out directly

- The awareness campaigns conducted by SAC educate people about female foeticide, and sexual assault, ways to report cases related to pregnant unwed or minor females, and the process for safely delivering and surrendering children. Brochures and posters with all the necessary contact details are posted in hospitals, police stations and sonography centres.
- SAC focuses on cases of children relinquished by their biological parent(s). SAC works with community stakeholders to ensure the safe surrender of children and has set up a 24x7 helpline at the centre to address all enquiries. A mobile van is available for the centre team to rescue children/victims/mothers directly.

Number of cases of referred by community, hospital and police stations	2018-2019	67
	2019-2020	65
	2020-2021	37

Number of cases received via the helpline	204
Number of complaints received from within the District	87
Number of complaints received from outside the District	27

Strong and amicable partnerships with external stakeholders ensure that SAC has adequate support when working towards a common goal of safety for women and children.

The SAC provides a support system to those in need. It works seamlessly with police stations and hospitals regarding cases related to the abandonment and relinquishment of children by providing documents, consultations, and advocacy.

HOSPITALS	SISTER ORGANISATIONS (SNEHALAYA & CHILDLINE)	POLICE STATIONS
<ul style="list-style-type: none"> – Providing referrals for the medical care needed – Providing medical support during any emergencies – Organising awareness drives – Receiving information on the cases 	<ul style="list-style-type: none"> – Organising awareness drives – Receiving information on the cases – Creating a volunteer base 	<ul style="list-style-type: none"> – Reporting POCSO Cases – Organising awareness drives – Receiving information on the cases

SAC follows a quick and efficient documentation process for uploading details on the CARA website leading to the timely initiation of adoption processes.

100% compliance is needed for online procedures of all adoptions as relevant government agencies monitor the adoption process. Additionally, the activities are monitored by District Child Protection Unit officer, Child Welfare Committee (CWC) and other District authorities.

Based on Sattva's on-ground assessment and interactions with key stakeholders, SAC follows a well-defined and standardised process to efficiently inform all the relevant authorities upon receiving a case and initiating the subsequent processes.

Stakeholder Rating of SACs Communication and Documentation	
Child Welfare Committee	★★★★★
Public Prosecutor, District Court	★★★★★
Additional Superintendent of Police	★★★★★

Standard health procedures and protocols, regular monitoring of health indicators by trained nurses, and in-house facilities ensure quality medical care is provided to all the children at the centre.

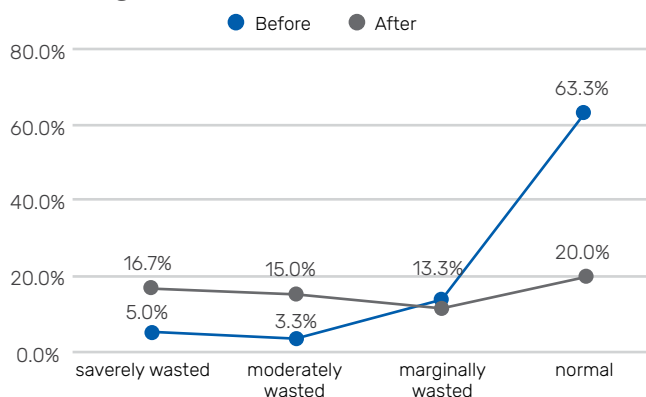
The provision of the following services is in line with the CARA guidelines.

Standardised process to screen children as per protocol	Thorough medical examination at admission	Regular monitoring of growth, immunisation and health indicators
Referrals to specialist doctors or hospitals, when needed	Adequate in-house care and rehabilitation facilities	Relevant trainings provided to the staff

The Centre provides all the children a conducive and caring environment by providing nutritious formula or food, mental health counselling, along with therapy or other needs for those requiring special care

- **Children needing special care:** Snehanakur is an institution capable of admitting children with special needs and carrying out surgery if required. SAC maintains regular medical follow-ups for physiotherapy and speech therapy. It also works with HIV+ children, who are treated at the centre.
- **Special Nutrition:** A paediatrician recommends specific formula for each child; caretakers are trained to prepare and provide feeds. Details of each feed are noted and monitored regularly by the nurses. As per the Program team, 169 children received special supplements or nutrition at the centre between Feb 2018 to March 2021. The graph shows reduced wasting in children after their admission to the centre.

Wasting in children (n=60)



- **Counselling Support at the Centre:** With infants, SAC uses techniques such as Touch Therapy and Body-Fullness, whereas, for older children, therapy techniques include Dance, Art, and Rational Emotive Behaviour Therapy (REBT). The Centre works on developing a coping mechanism, especially among younger children. If a child is not doing well emotionally or there is an emergency, the Shelter Head, Head Nurse, and Social worker are informed.

Home screening of parents, counselling support to the child, and regular follow-ups play a critical role in maintaining the child's well-being during and after the adoption process.

During the Adoption Process:

For the parents: The Counsellor/Program team talks to the parents and provides counselling support until they feel confident of the parent's ability to care for the child in the best way possible. The team is also available on the phone.

For the child: The Team empathetically introduces the prospective shift from the institution to their new homes and apprises them of the impending changes. They are slowly introduced to the concept through photos or material sent by prospective parents and video calls. In-person meetings are then arranged to interact with their prospective family.

After the Adoption Process: The staff at the centre contacts the parents to check on the child's well-being. These follow-ups are done once every four months to understand if the child has settled in comfortably. The team also supports the parents in case of challenges, such as coping with the child, and documents all these interactions.

Beyond medical care, SAC, with support from Snehadhar, provides holistic support to the mothers (even after the relinquishment of their child) through education, skill training, or employment opportunities.

- SAC follows a standardised process for the well-being of mothers and their infant or unborn child.
- Women are provided accommodation and immediate medical and emotional support if needed. The in-house doctors provide immediate referrals to ensure all children delivered by women at the centre receive efficient and quality neonatal care. Regular antenatal care (ANC), prenatal care (PNC), and recreational activities such as yoga are carried out. Furthermore, Snehadhar facilitates education, skill training, and employment opportunities for women as part of the rehabilitation process.
- Snehadhar and Snehanakur ensure the mother's and child's physical and emotional safety until the children find adoptive parents and their mothers regain their socio-economic autonomy.

The infrastructure of the facility was assessed based on the guidelines set by CARA and was found to be hygienic, safe, and comfortable for the children, as per the Sattva team.

08 Recommendations- Program Level

<p>Snehankur Adoption Centre can include information related to safe and legal abortion practices in their awareness campaigns and support women in accessing them if they choose to not go through with the pregnancy</p>	<p>Awareness, especially for pregnant women, could focus on Education and Access.</p> <p>Education Awareness for women on the Medical Termination of Pregnancy Act, The Comprehensive Abortion Care, created by the Ministry of Health and Family Welfare along with information on when they can practice it could be added.</p> <p>Existing awareness campaign could include important information pertaining to safe abortion practices available in the hospitals in their proximity.</p> <p>Access SAC has established good partnerships with private and government hospitals in the district. Referrals to partnered hospitals for abortions could provide women a comfortable and easier to access safe-abortion methods. They may also refer other women going through the same concerns. This may be done in collaboration with Snehadhar.</p>
<p>Providing access to professional help and creating awareness regarding emotional well-being for the internal team</p>	<p>Investigations may be taken up through relevant expert organisations for providing diagnostic support and providing counselling sessions to understand and address any challenges pertaining to emotional well-being.</p> <p>The team at the centre may be provided sessions with external counsellors for their emotional well-being.</p> <p>These sessions could be organised once in six month based on inputs from an expert team. However, the option for need-based counselling may also be provided.</p> <p>Partners may be on-boarded for these sessions as the team would find it easier to open up to someone they are not working with.</p> <p>Organisations like The MINDs Foundation, Aasra or other Maharashtra based organisation could also provide their services.</p>

08 Conclusion

In the impact assessment study, Sattva found Snehankur Adoption Centre meeting its objectives in providing quality health care, food and shelter for the children in need of care and supporting the mother through emotional and medical support during pregnancy. The centre complies with CARA Guidelines for Special Adoption Agencies. It has developed strong partnerships with key government stakeholders and sister organisations to ensure the well-being of the women and children in need of care and shelter.

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Reinventing Wellness

with all new & improved



With this plan you get



Doctor Consultations



Dental Care



Physical Fitness coverage



Annual Preventive Health Check-up



Diet & Nutrition Consultation



Emotional Well-being Consultation



Family Wellness Benefits



24/7 Unlimited Insta Consultations



Lab & Radiology Tests

Annexure to the Directors' Report

C. REPORT ON CORPORATE GOVERNANCE

At Bajaj Allianz General Insurance Company Limited (BAGIC or the Company), Corporate Governance is a framework of practices and processes implemented for attaining the corporate objectives. It aims to promote integrity, fairness, transparency, accountability, commitment to values, ethical business conduct and considering all stakeholders' interests while conducting business. Our corporate governance philosophy is a guiding force in ensuring that the interest of all stakeholders be it customers, intermediaries, business partners, employees or shareholders is duly protected. 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 will be seen from this report, the Company's governance practices and disclosures often go well beyond complying with the statutory requirements stipulated in applicable law.

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

Philosophy

Corporate Governance, at the Company, 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 Corporate Governance Guidelines of IRDAI. Ethical dealings, transparency, fairness, disclosure and empowered accountability are the main thrust of the working of the Company which help not only in reinforcing the trust and respect of all our stakeholders but also achieving sustained business performance.

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

- Compliance with applicable laws
- Independent directors with outstanding track record and reputation. Board is composed of directors from diverse backgrounds and with substantial experience and expertise, who provide valuable guidance to the executive management as required to ensure (a) management is focusing on achieving the business objectives while ensuring sustainable growth & (b) highest standards of Corporate Governance
- Number of Board meetings more than the statutory requirement, including one meeting dedicated to discussing strategy and operating plan
- 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) and with statutory auditors. Separate meeting of independent directors with the executive management
- Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions
- Familiarisation of the new Board members with the business, operations, risk and governance framework of the Company
- Adoption of key governance policies by the Board which are in line with the best practice
- Regular meetings between the Company Secretaries of the group companies in order to share knowledge and best practices as well as to arrive at common processes for compliance with regulations
- Approval and periodic review of various policies by the Board and/or Committees.
- Transparency with all stakeholders. Following key policies are available on website of the Company for stakeholders:
 - Whistle-Blower Policy
 - Policy on Prevention of Sexual Harassment at Workplace
 - Policy on Related Party Transactions
 - Anti-Fraud Policy

- Remuneration Policy
- Protection of Policyholders Interest
- Stewardship Policy
- Corporate social responsibility
- Business Responsibility & Sustainability Policy

Board of Directors

In keeping with the commitment to the principles of integrity and transparency in business operations for good governance, 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 and size of the Board of Directors

As on 31 March 2023, the Board of Directors consisted of fourteen Directors, including 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. Three are three women directors out of which one is independent. The Directors have wide range of skills/competencies including in the field of business strategy, financial services, financial management, regulatory and public policy, administration, economics, risk management, technology, sales and marketing and customer experience.

The role of the Chairman and the CEO are distinct and separate. There is a clear demarcation between the roles and responsibilities of the Chairman and that of the Managing Director & CEO. Mr. Sanjiv Bajaj, Non-Executive Director serves as the Chairman of the Company. The Chairman leads and manages the business of the Board to provide direction and focus, while ensuring that there is a clear structure for the effective operation of the Board and its Committees. He sets the agenda for Board discussions to promote effective and constructive debate and to support a sound decision-making process, ensuring that the Board receives accurate, timely and clear information, in particular about the Company's performance. Mr. Tapan Singhel, Managing Director & CEO is responsible for the operation and day to day management of the Company in line with the direction of the Board and committees set up by the Board.

Brief profile of the Directors is provided below:

Name of the Director	Qualification	Field of specialisation
Sanjiv Bajaj, 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 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 has been President of CII for 2022-23. He is a member of the Steering Committee appointed by the Government of India for B20 as part of India's G20 Presidency. 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 is a member of the Board of the Indian School of Business (ISB), a Member of the International Advisory Board (IAB), Allianz SE and the International Technology Advisory Panel (ITAP) of Monetary Authority of Singapore (MAS). 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.

Name of the Director	Qualification	Field of specialisation
Ritu Arora, Non-Executive and Non-Independent Director	Postgraduate in Management from S. P. Jain Institute of Management and Research, she completed ICWAI (Institute of Cost and Works Accountants of India) 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.
Niraj Bajaj, Non-Executive and Non-Independent Director	Bachelor's degree in Commerce from Sydenham College of Commerce and Economics, Mumbai and a Master's degree in Business Administration from Harvard Business School, U.S.A.	He has been Chairman of Mukand Ltd. since 14 July 2007 and serves as its Managing Director. He is 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.
Sergio Balbinot, Non-Executive and Non-Independent Director (Resigned w.e.f. close of business hours on 23 December 2022)	Degree in Economics and Business Administration from University of Bologna. He holds an honorary degree from St. John's University in New York.	He was 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.
Meleveetil Damodaran, 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 Organisation 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.
Ranjit Gupta, 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.
Suraj Mehta, Independent Director	Honours Graduate in Economics from Calcutta University	He has held key management positions in India and abroad with ANZ Grindlays Bank till the year 1994. Thereafter, he was the Chief Executive Officer of Dresdner Bank AG in India and was the Geographic Head for the group's four businesses which included Investment Banking, Securities Broking and Software Development. He was also the Chief Executive Officer of NABIL Bank Ltd., the largest private sector bank in Nepal.

Name of the Director	Qualification	Field of specialisation
Lila Poonawalla, Independent Director	Bachelor's Degree in Mechanical Engineering from COEP, Pune, Marketing management course at Harvard University, a Senior executive programme at Stanford University and a General management programme at IMDR Management Institute, Lausanne, besides a Tier III programme at IIM Ahmedabad.	She is the Chairperson of Lila Poonawalla Foundation and also former Chairperson and Managing Director of Alfa Laval-Tetra Pak India. She was the Chairperson of the Board of Governors of Indian Institute of Technology, Ropar. She has been presented the "Padmashree" award in 1989, Royal order of the Polar star and Royal Order of the Polar Star – Commander 1st Class from the King of Sweden along with numerous other national and international awards.
Anami Roy, 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.
Nilesh Sathe Non-Executive and Non-Independent Director	Rank holder with distinction in Master 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.
S. Sreenivasan 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, apart from significant expertise in all aspects of life and general insurance, a wide gamut of areas including finance, portfolio management, long-term strategy, planning and general management.
Avais Karmali, Non-Executive and Non-independent director Alternate Director for Mr. Sergio Balbinot (Ceased w.e.f. 12 December 2022)	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 was working at the Allianz SE Board Office overseeing business development activities in Southern and Western Europe and Asia since August 2017. He had been appointed as Head of Business Division Western & Southern Europe in September 2021.

Name of the Director	Qualification	Field of specialisation
Anup Wadhawan Independent director (Appointed w.e.f. 6 July 2022)	Ph.D. in Economics from Duke University, USA, a Master's degree in Economics from and Bachelor's Degree of Arts (Hons) in Economics from Delhi University	He is an experienced economic and public policy professional with 40 years of experience in various sectors including the civil service, regulation, academics, private sector and international development. He served as the Commerce Secretary to the Government of India for 3 years. He was also Additional/Joint Secretary of Financial Services, Joint Secretary of Capital Markets in Department of Economic Affairs, Director to the Prime Minister's Office and various secretary positions to the Government of Uttarakhand. He has experience at National, Sub-national & Field level, including leadership role in framing/ implementing economic/ development policy, and in international/academic institutions. During his tenure he also held the Board positions in various public sector undertaking of Government of India including Government E-Marketplace, Insurance Regulatory and Development Authority of India, Pension Fund Regulatory and Development Authority, Agriculture Insurance Company of India, etc.
Renate Wagner Non-Executive and Non-independent director (Appointed w.e.f. 28 December 2022)	Master in Mathematics from University of Paderborn, Germany and Master of Business Administration from Heriot-Watt University, United Kingdom	She has more than 24 years of experience in the field of Risk, Legal, Compliance, Merger & Acquisitions and Human Resources. She joined Allianz SE as Head of Office for the Chief Financial Officer (CFO) in 2013 and led the office of the Chief Executive Officer (CEO) later. She has served as Chief HR Officer at Allianz SE since 1 April 2019. Prior to this role, she was Regional CEO for Life and Health (L&H) business of Allianz SE in Asia Pacific, after being its Regional CFO and Head of L&H from 2015 to 2018. Before joining Allianz, she held several management positions in insurance and financial institutions.
Nathan Fink Non-Executive and Non-independent director Alternate Director for Mrs. Renate Wagner (Appointed w.e.f. 28 December 2022)	Master of Business Administration from St. Gallen Business School, Switzerland and Master of Science from University of Nottingham, United Kingdom and Sciences Po Paris, France	He is an insurance specialist with more than 10 years of experience in the industry covering all lines of business. In his most previous role, he was the Head of Planning and Controlling at Allianz in Germany, successfully shaping and implementing the Company's growth strategy and transformation. From 2023, he heads the Business division - Asia Pacific at Allianz SE.
Tapan Singhel, 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 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 25th Asia Insurance Industry Awards 2021 and more recently the 'Most Promising Business Leaders of Asia', 2022-23 award by the Economic Times.

Board Meetings

The calendar of meetings of the Board and Committees for a period of twelve months is fixed well in advance. The Board met five times during FY2023 as compared to the statutorily minimum requirement of 4 meetings. One meeting was 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, changes in senior level employees, etc. The gap between two consecutive board meetings was less than 120 days as required by law. The calendar of meetings of the Board and Committees for a period of 12 months is fixed well in advance. In case of any matter requiring urgent approval of the Board, the approval is taken by passing resolution by circulation.

The Board is provided, on a timely basis, detailed agenda papers in advance of the meetings. The agenda items include, *inter alia*, minutes of previous meetings of the Board and Committees, business reviews, plans and

budget, quarterly/annual financial results, financial condition report, investment performance, approval/review of company policies, formation/reconstitution of Board Committees, regulatory updates, etc.

The Company on an ongoing basis endeavours to keep all the Directors abreast of the industry in which Company operates, business models, risk metrics, mitigation and management, governing regulations, human resource development practices, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.

Directors have separate and independent access to officers of the Company.

Board Meetings held during FY2023

The Board of Directors met five times during FY2023. 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				
			22 April 2022	21 July 2022	18 October 2022	24 January 2023	13 March 2023
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Present	Absent
Ritu Arora	Non-Executive Director	Director	Present	Present	Absent	Present	Present
Niraj Bajaj	Non-Executive Director	Director	Present	Present	Present	Present	Present
Sergio Balbinot (Note 1)	Non-Executive Director	Director	Present	Absent	Present	NA	NA
Meleveetil Damodaran	Non-Executive Director	Director	Present	Present	Present	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	Present	Present	Present	Present	Present
Anami Roy	Independent Director	Director	Present	Present	Present	Present	Present
S. Sreenivasan	Non-Executive Director	Director	Present	Present	Present	Present	Present
Anup Wadhawan (Note 2)	Independent Director	Director	-	Present	Present	Present	Present
Avasi Karmali (Note 3)	Non-Executive Director	Alternate Director (for Sergio Balbinot)	NA*	Present	NA*	-	-
Renate Wagner (Note 4)	Non-Executive Director	Director	-	-	-	Present	Present
Nathan Fink (Note 4)	Non-Executive Director	Alternate Director (for Sergio Balbinot)	-	-	-	NA**	NA**
Tapan Singhel	Executive Director	MD and CEO	Present	Present	Present	Present	Present

Notes:

1. Resigned with effect from close of business hours on 23 December 2022
2. Appointed with effect from 6 July 2022
3. Ceased with effect from 12 December 2022
4. Appointed with effect from 28 December 2022

NA* - Not applicable since Sergio Balbinot was present at the meeting.

NA** - Not applicable since Renate Wagner was present at the meeting.

Outstanding attendance records and participation of directors in the Board/Committee meetings indicates their commitment and ability to devote adequate time to their responsibilities as Board/Committee members.

Independent Directors

The Board has 4 Independent Directors (including one woman director) 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:

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

The aforesaid meeting was held on 23 January 2023 in which the Independent Directors have expressed satisfaction on the quantity, quality and timeliness of the information supplied to the Board. Additionally, the Independent Directors also separately conducted meetings with:

- a) The Joint Statutory auditors of the Company without presence of management
- b) Senior management team of the Company.

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 senior managers to its meetings to seek clarification and thereby improving their effectiveness. Audit Committee, Investment Committee, Risk Management Committee, Policyholders' Protection Committee and Nomination and Remuneration Committee which are mandatorily required under the Corporate Governance Guidelines, have been constituted in accordance with the requirements set out therein. Further, the Company has also formed Corporate Social Responsibility Committee of the Board of Directors as required pursuant to Section 135 of the Companies Act, 2013.

Audit Committee

The Audit Committee of the Board of Directors oversees the internal audit function and conducts 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 quarterly financial statements for recommendation to the Board, disclosure processes, legal compliances, functioning of the internal financial control framework and the internal audit department, whistle-blower and sexual harassment complaints as well as taxation proceedings and key regulatory developments. The Committee also approves and reviews the related party transactions. Statutory auditors attend the meetings of the Audit Committee to present their findings and reports. The 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 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 observations, 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 Audit Committee also reviews the progress of implementation of new policy administration system of the Company.

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 Anup Wadhawan, Independent Directors and Sanjiv Bajaj, Ritu Arora and Ranjit Gupta, Directors, being the other members thereof. Shashi Kant Sharma ceased to be member of the Audit Committee upon his resignation as Independent Director of the Company with effect from 11 April 2022. Anup Wadhawan was appointed as Independent Director and member of the Committee with effect from 6 July 2022. 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 FY2023. 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			
			21 April 2022	20 July 2022	17 October 2022	23 January 2023
Lila Poonawalla	Independent Director	Chairperson	Present	Present	Present	Present
Ritu Arora	Non-Executive Director	Member	Present	Present	Absent	Present
Sanjiv Bajaj	Non-Executive Director	Member	Present	Present	Present	Absent
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
Anup Wadhawan (Appointed w.e.f. 6 July 2022)	Independent Director	Member	-	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 etc. The CSR team provides updates on various projects to the Committee.

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

The Committee met three times during FY2023.

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 2022	18 October 2022	24 January 2023
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Absent
Ritu Arora	Non-Executive Director	Member	Present	Absent	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present
Anami Roy	Independent Director	Member	Present	Present	Present
Tapan Singhel	Executive Director (MD and CEO)	Member	Present	Present	Present

Investment Committee

The Investment Committee sets and monitors the investment strategy 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), Amit Joshi - Chief Investment Officer, Ramandeep Singh Sahni - Chief Financial Officer, Gaurav Malhotra - Appointed Actuary and Avez Sayed - Chief Risk Officer being the other members thereof.

The Committee met four times during FY2023. 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			
			21 April 2022	20 July 2022	17 October 2022	23 January 2023
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Absent
Ritu Arora	Non-Executive Director	Member	Present	Present	Absent	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	Absent	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 two times during FY2023. 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 2022	24 January 2023
Lila Poonawalla	Independent Director	Chairperson	Present	Present
Ritu Arora	Non-Executive Director	Member	Present	Present
Sanjiv Bajaj	Non-Executive Director	Member	Present	Absent
Ranjit Gupta	Non-Executive Director	Member	Present	Present
Suraj Mehta	Independent Director	Member	Present	Present
Anami Roy	Independent Director	Member	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, unclaimed amounts, claim settlement, other customer pay-outs, etc. 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 are also invited for meetings of the Committee. While Lila Poonawalla attended the meeting of the Committee held on 21 April 2022 on invitation as customer representative, the Company has been subsequently inviting Dr. Anant Gupta, an independent person, to attend the meetings as customer representative.

The Committee met four times during FY2023. 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			
			21 April 2022	20 July 2022	17 October 2022	23 January 2023
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Absent
Ritu Arora	Non-Executive Director	Member	Present	Present	Absent	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present	Present
Tapan Singhel	Executive Director (MD and CEO)	Member	Present	Present	Present	Present
Dr. Anant Gupta	NA	Customer Representative	-	Present	Present	Present

Enterprise Risk Management (ERM) framework

Risk objectives

Your Company operates in an environment that is continuously evolving with fast changing external factors. The ERM framework is designed to ensure that the Company quickly adapts to the new regulations and competitive actions and accordingly identify & manage known and emerging risks and opportunities.

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 endeavours 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. During the year, Rajeev Kumar, Chief Risk Officer, retired after almost 2 decades of service with the Company and Avez Sayed has been appointed as the Chief Risk Officer w.e.f. 8 February 2023.

The RMC met four times during FY2023. 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			
			21 April 2022	21 July 2022	18 October 2022	24 January 2023
Sanjiv Bajaj	Non-Executive Director	Chairman	Present	Present	Present	Absent
Ritu Arora	Non-Executive Director	Member	Present	Present	Absent	Present
Ranjit Gupta	Non-Executive Director	Member	Present	Present	Present	Present
Tapan Singhel	Executive Director (MD and CEO)	Member	Present	Present	Present	Present
Rajeev Kumar	Chief Risk Officer	Invitee	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 model, which enables the organisation 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, IFC (Internal Financial Control) framework, 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 is building more robust Business Continuity Management system by enhancing in-house capabilities and creating more awareness around it.
8. Environment, Social & Governance (ESG) related risks are evolving with increased awareness amongst various stakeholders. In its efforts to institutionalise good ESG practices in its business operations, the Company has adopted a Responsible Investment Policy around which a framework is being developed and implemented. ESG Governance Framework is in place to manage the ESG commitments. The Company has initiated an ESG Materiality & Risk Assessment to understand material topics for the business. The assessment of Green House Gas (GHG) emissions and independent assurance for FY2023 with voluntary adoption of SEBI's Business Responsibility and Sustainable Reporting in addition to the ESG Reporting for FY2023 has been undertaken. Further, to improve Gender Diversity & Inclusion (D&I), teams are working towards the initiatives decided by D&I council. There is a continued focus on reducing environmental impact through rooftop solar panels and movement of services to paperless mode.
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 and NATCAT tools.
10. All regulatory related risks are assessed and monitored continuously at the organisational 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 of the Board and committee thereof, excluding Corporate Social Responsibility Committee. 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 FY2023.

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 FY2023 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 FY2023

(Amount in ₹ '000)

Particulars	Amount
Basic salary	72,248
Performance bonus, long-term incentive plan & joining bonus	104,395
Other allowances	65,936
Company's contribution to retirement benefits	14,582
Perquisites	51,437
Gross Remuneration *	308,598

* - Does not include Company's contribution to Gratuity

Break-up of amount of remuneration awarded to MD for FY2023

(Amount in ₹ '000)

Particulars	Amount
Total fixed remuneration paid during the year (a)	77,350
Total variable remuneration (Bonus & Leave balance) paid during the year (b)	53,663
Total remuneration (non-deferred) paid during the year (a) + (b)	131,013
Joining bonus paid	-
Deferred remuneration paid during the year	31,567
Deferred remuneration awarded during the year	-
Non-deferred remuneration awarded during the year*	69,610
Total outstanding deferred remuneration, payable in cash in subsequent years	14,267

* - Bonus provision for FY2023

Stock options granted and exercised during FY2023:

(Amount in ₹ '000)

Particulars	FY2023
Options outstanding at beginning of year	548,750
No. of options granted during the year	248,580
No. of options exercised during the year	-
Options outstanding at end of the year	797,330

During FY2023 there was a corporate action on the shares of Bajaj Finserv Limited which included a share split and a bonus allotment which translated into a conversion factor of 10 shares for each share/option held. Accordingly, the number of options stand revised basis the conversion factor applicable.

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Onkar Kothari, Company Secretary & Head of Corporate Legal, 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: 21 April 2023
Place: Pune

ONKAR KOTHARI
Company Secretary & Head of Corporate Legal

Annexure to the Directors' Report

D.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 2023]

For the financial year ended 31 March 2023

To,

The Members,

Bajaj Allianz General Insurance Company Limited,

(CIN U66010PN2000PLC015329)

Bajaj Allianz House, Airport Road,

Yerawada, Pune – 411 006

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"). 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 2023, 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 2023, 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 thereunder 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, along with 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: 21 April 2023

UDIN Number : F001587E000163837

SHYAMPRASAD D. LIMAYE

FCS 1587 CP 572

ANNEXURE TO SECRETARIAL AUDIT REPORT

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 31st March 2023 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: 21 April 2023

SHYAMPRASAD D. LIMAYE
FCS No.: 1587 C P No.: 572



Allianz

Caringly yours

BAJAJ ALLIANZ PET INSURANCE POLICY

Gift your Furry Friend the
Same Care they Give You



**Surgery
Expenses &
Hospitalisation**



**Mortality
Benefit**



**Terminal
Diseases**



**Long Term
Care Cover**



**OPD
Cover**



**Third Party
Liability Cover**



**Theft/Lost
/Straying
Cover**

Eligibility Criteria:

Breeds Covered:
Pets of Indigenous Origin,
Cross-bred and Exotic breeds
are covered under the Policy.

Age Group:

	Breed Type	*Entry Age	*Exit Age
	Small Medium Large Giant	3 Months - 7 Years 3 Months - 4 Years	10 Years 6 Years
	All Breeds	3 Months - 7 Years	12 Years

- This policy can be issued only to domestic & commercial use pets (not to pets used for breeding purpose).
- Pet needs to be vaccinated at the time of buying the policy and throughout the policy period.

Policy period

All the coverages can be opted for short term (other than terminal diseases & long term care) policy period of less than 1 year and long term policy period as well up to 3 years.

USP

Short Term/ Flexible SI/Long Term/Multiple Pets
can be insured with discount

Waiting Periods for Fresh Proposals



- **20 days** for any claim for illnesses under any of Surgery, Hospitalization, Terminal diseases, Long-term care, OPD & Mortality benefit cover.
- **45 days** for any claim under Theft/Lost/Straying cover.
- **No waiting periods** are applicable on any claim under Third party liability cover and any claim arising due to an accident.

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

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

CIN: U66010PN2000PLC015329 | UIN: IRDAN113RP0065V01202223

For more details on risk factors and Terms and Conditions, please read the sales brochure before concluding a sale. | BIAZ-O-3505/20-06-2023

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D. MANAGEMENT REPORT

for the Financial Year ended 31 March 2023

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 2023.

With respect to the operations of Bajaj Allianz General Insurance Company Limited ("the Company") for the year ended 31 March 2023 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 FY2024 as specified by the IRDAI (Registration of Indian Insurance Companies) Regulations, 2022, 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 2023	31 March 2022
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 2023	31 March 2022
Actual solvency ratio	391%	344%
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 realisable 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 2023 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 2023	31 March 2022	31 March 2023	31 March 2022
Debt investments	249,837,945	220,622,115	246,013,909	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 process 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 within the overall ERM framework. 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 that the processes are benchmarked against international as well as domestic practices and are efficiently implemented within the Company. The Company has initiated practices to get ISO 22301:2019 certified by building in-house capabilities, organisation wide training and engagement of senior management to accord fulfilment of the goal. The Company is making sustainable changes in context to adopt ESG (Environmental, Social & Governance) approach and accordingly also monitors risks associated with the said adoption.

The Company has a multi-layer reinsurance programme which seeks to optimise 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 programme 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 programme 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 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 within the Board approved Risk Management Policy. These committee meetings both at executive and board level take 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. The Company has also established an Internal Financial Control (IFC) 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. The Company undergoes review of internal financial controls by specialised third party professional consultants across functions. 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

- Risk Identification
- Risk Assessment & Control
- Risk Treatment & Management Action Plan
- Monitoring & Reviewing
- Recording & reporting
- Communication & consultation

Controls & Compliance

- Standard Operating Procedures
- Internal Audit
- External Audit
- 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 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 (e.g. 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 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 short period (normally one to three years) exposing the Company to pricing & reserving risks, underwriting (risk selection), claims experience, risks from lower growth rate for new and renewal business, etc.</p> <p>Product bouquet includes Non-Motor (like Property, Engineering, Marine, Misc. etc.), Motor, Health, Crop and Travel.</p> <p>Some of the products like workmen's compensation, third-party motor claims and liability insurance usually have a long tail claims experience and as per court orders, requires providing for funds accordingly to meet the contractual obligations arising from the policies.</p>	<p>Income from investments and safety of such 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 & liabilities) and Liquidity risks. Liquidity risk is the inability to pay claims as and when they fall due, on account of insufficient funds or investments tied up in illiquid asset class.</p>	<p>Operational risk is the 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. This includes business continuity management and fraud risks.</p>

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

Risk type		Risk response		Mitigations and Management	
A. Insurance risk					
o	Premium pricing	o	Channel and Line of Business wise analysis is conducted to monitor business mix.	o	Risk segmentation for identifying profitable segments.
o	Reserving			o	Monitoring key performance indicators.
o	Underwriting	o	Periodic reserving calculations and assumptions are validated for relevance and accuracy for predicting claims severity and frequency.	o	Specifying deductibles for high risk.
o	Claims management			o	Tracking concentration and accumulation.
o	Catastrophe	o	Portfolio level insurance are preferred in underwriting corporate programmes.	o	Run Nat Cat models on exposures for different perils.
o	Business mix – acquisition and retention			o	Stringent policy terms & conditions.
o	Capital structure	o	Adequate Actual Solvency Margin over the 150% regulatory requirement is maintained.	o	Appropriate treaty and facultative coverage's in Reinsurance programme. Adequate Catastrophe covers.
o	Solvency			o	Asset-Liability modelling.
o	Liquidity			o	Stress Testing and Sensitivity analysis for liquidity scenarios.
				o	Solvency and Capital Management.
B. Credit Risk					
o	Default	o	Prudent investment strategy to diversify credit risk exposure.	o	A well-diversified investment portfolio and healthy asset quality.
o	Reinsurance	o	Adequate predictability modelling of future cash inflows and outflows allows us to allocate funds in durations that allow for better return over periods.	o	Investment limits and thresholds.
o	Recoveries	o	Reinsurance decisions based on risk retention appetite and capacity determined from business growth plans.	o	Assets invested in either sovereign or AAA / AA rated instruments.
				o	Reinsurance protection from reinsurers with good credit rating (A- and above).
				o	Risks are passed to multiple reinsures in order to avoid accumulation of risk.
C. Market Risk					
o	Unfavourable movement in	o	Assets and Liabilities of the Company are well matched based on duration.	o	Investments are made within the regulatory threshold limits supported by adequate system controls.
o	interest rates, currency rates and equity	o	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.	o	There is very limited exposure to equity and foreign currency.
o	Volatility in market prices			o	Within equity, majority of holdings are in BSE 100 stocks.
o	Reinvestment			o	Majority of the investments comprise of fixed interest securities and within that in Government securities.
				o	Adequate liquidity and reserves are maintained.
				o	Asset class diversification is also adopted as a strategy to the extent possible

Risk type		Risk response		Mitigations and Management	
D. Operational Risk					
o	People (including conduct)	o	Code of Conduct and other internal policies and processes set the tone for high level of governance from our staff.	o	Dedicated Operational Risk Management framework for continued Enterprise-wide monitoring and response.
o	Process				
o	Systems				
o	Regulatory	o	Continual development of in-house system-based risk tools moving us towards an integrated risk management methodology	o	Mapping of department RCAs, KRIs and internal Loss Event database for corrective action and preventive treatment
o	Legal				
o	Reputation				
o	Business resilience	o	To continue to lower operational risk is a priority which allows us to take advantage of latent opportunities whilst curbing preventable losses.	o	Event based root cause analysis for design level flaw or operating level failure.
o	Security – Cyber & Data				
o	IT General Controls (ITGC)			o	Fraud Strategy encompasses Prevention; Detection; Deterrence, Response and awareness plan whilst maintaining an ethical culture and conduct code in investigations.
o	Third-Party Frauds	o	Fraud is prevented through the fraud risk management framework that includes fraud analytics model & tracking mechanism to reduce insurance frauds.	o	Internal Financial Control process duly audited.
o	External threats				
		o	All compliance with legal and regulatory related risks are managed through appropriately designed systems and are assessed and monitored continuously at the organisational level to ensure its compliance with respective guidelines.	o	System based triggers for fraud detection and prevention.
				o	Help determine Risk Appetite/ tolerance limits to develop “alert systems” for senior management.
		o	A strong Information Technology Governance Controls model is in place to address Technology risks, data and information security measures and safety mechanisms against cyber-threat.	o	Risks rating based on movements and maturity levels for proactive risk management rather than reactive.
				o	Business Continuity Management Systems in place and drills for various scenarios are conducted.
		o	Disaster recovery systems and processes are periodically tested for relevance and effectiveness, through recovery drills.	o	There is an offsite disaster recovery centre for its data backups.
				o	Assessment of counterparties and key vendors to avoid disruption and help them inculcate best internal control practices.
		o	Vendors are selected based on their resiliency to support us in ensuring we meet and exceed customer expectations.	o	All compliance with legal and regulatory requirements are monitored centrally through a designated compliance function and are assessed and monitored continuously at the organisational level to ensure its compliance with respective regulations.
		o	Customer issues are attended promptly through our customer focus channels.		
		o	There is a transfer of specific insurable risks to the insurance market for adequate coverage’s and optimal premium.	o	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.
				o	Cyber threats are monitored proactively by the Certified Information Systems Officer through use of various tools and consultants.

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 is 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.

The Company has internal processes for regular review of claims paid and outstanding. Ageing of claims indicating the trend 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 IRDA (Preparation of Financial Statements and Auditors' 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, collateralised 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. Unrealised 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. Unrealised gains or losses are credited/debited to the fair value change account.
- Fair Value Change Account: Fair value change account represents unrealised 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 minimising 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 2023 is as follows:

(₹'000)

Asset class	Total investments	
	Amount	%
Government securities	188,339,062	69.8%
Debenture and bonds		
AAA	51,970,232	19.2%
AA / AA+	794,338	0.3%
AA - & Below	1,229,293	0.5%
Money Market Instruments	6,864,895	2.5%
Fixed Deposits	310,000	0.1%
Equities	20,179,253	7.5%
Others (preference shares)	330,124	0.1%
Total	270,017,198	100.0%

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). 94% of the total equity investments are held in Nifty 50 index stocks. The Company has during the year made an impairment provision of ₹ 133,872 thousand in line with the Impairment Policy. This exposure pertains to certain unlisted equity.

(b) Investment performance

The performance of investments for FY2023, is as follows:

Particulars	FY2023		FY2022	
	Book value yields	Market value yields	Book value yields	Market value yields
Including impairment	7.66%	4.44%	7.68%	6.37%
Excluding impairment	7.71%	4.49%	7.60%	6.27%

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 organisations in which the Directors of the Company are interested is given as **Annexure III**.

13. Management responsibility statement

The Management of the Company certifies that:

- a) The financial statements of the Company have been prepared in accordance with the applicable Accounting Standards and principles and policies with no material departures.
- b) The Management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the operating profit and of the profit of the Company for the year.
- c) The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The financial statements have been prepared on a going concern basis.
- e) The Management has set up an internal audit system commensurate with the size and nature of the business and the same was operational throughout the year.

For and on behalf of the Board of Directors

BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

CIN: U66010PN2000PLC015329

SANJIV BAJAJ

Chairman
DIN: 00014615

LILA POONAWALLA

Chairperson of Audit Committee
DIN: 00074392

NATHAN FINK

Alternate Director
DIN: 09823245

TAPAN SINGHEL

Managing Director &
Chief Executive Officer
DIN: 03428746

RAMANDEEP SINGH SAHNI

Chief Financial Officer

ONKAR KOTHARI

Company Secretary &
Head of Corporate Legal

Place: Pune

Date: 21 April 2023

ANNEXURES TO MANAGEMENT REPORT

ANNEXURE I : AVERAGE CLAIMS SETTLEMENT TIME DURING PRECEDING 5 YEARS

Amount ₹ in lakh

Period	FY2019		FY2020		FY2021		FY2022		FY2023	
	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
FIRE										
30 days	3,791	4,326.52	3,106	6,862.91	2,897	5,385.00	3,189	5,891	2,982	3,803
30 days to 6 months	2,745	9,756.17	2,609	10,711.09	2,083	8,578.00	2,490	13,184	2,051	9,916
6 months to 1 year	705	10,592.20	672	9,966.51	529	14,056.00	670	15,565	599	7,928
1 year to 5 years	1,325	11,040.10	483	10,773.49	373	9,594.00	414	14,046	579	15,104
5 years and above	134	387.43	55	1,302.33	57	797.00	26	36	115	3,037
MARINE										
30 days	35,435	1,856.87	15,094	2,597.63	13,409	2,632.00	14,069	2,367	23,424	3,692
30 days to 6 months	6,278	5,269.35	4,275	4,693.92	2,931	3,683.00	2,955	4,211	3,641	5,485
6 months to 1 year	635	4,255.80	729	2,476.84	318	1,177.00	334	1,345	331	2,410
1 year to 5 years	305	1,814.75	258	851.29	299	3,189.00	274	510	184	1,679
5 years and above	35	43.10	43	74.54	13	101.00	47	316	35	134
MOTOR OD										
30 days	5,13,745	70,466.94	4,93,517	77,324.37	3,77,660	59,026.00	4,39,955	74,737	4,69,556	82,305
30 days to 6 months	71,186	44,894.89	63,136	47,646.62	48,525	38,479.00	53,355	46,473	67,120	51,544
6 months to 1 year	4,041	6,971.70	3,501	6,060.14	4,302	7,884.00	3,547	6,949	3,933	7,962
1 year to 5 years	1,317	1,425.12	740	1,179.91	1,278	2,402.00	1,062	1,923	1,359	3,161
5 years and above	1,342	299.81	217	249.27	139	129.00	197	312	315	576
MOTOR TP										
30 days	5,042	189.80	285	119.92	354	193.00	731	345	650	119
30 days to 6 months	6,140	1,152.73	6,938	2,150.63	3,985	1,738.00	7,994	7,891	9,134	6,036
6 months to 1 year	4,563	3,381.23	4,742	6,409.60	3,283	2,531.00	5,145	13,249	5,721	15,017
1 year to 5 years	13,789	36,094.92	12,798	39,998.71	9,337	21,052.00	14,908	55,651	11,590	54,330
5 years and above	8,796	22,164.38	6,526	20,299.20	4,364	11,418.00	7,865	27,287	7,082	31,612
HEALTH										
30 days	15,63,984	1,09,664.29	10,61,397	1,37,915.44	5,80,907	75,210.00	7,61,770	1,55,389	6,86,846	1,53,914
30 days to 6 months	1,35,098	53,727.20	1,33,919	51,418.70	1,02,034	60,546.00	2,34,496	1,05,991	1,67,943	74,805
6 months to 1 year	8,783	3,157.61	6,812	3,129.27	7,908	3,635.00	9,071	5,910	22,234	7,630
1 year to 5 years	2,980	1,269.09	1,692	1,472.07	3,073	2,118.00	2,164	1,364	16,471	4,336
5 years and above	85	69.88	41	79.69	64	135.00	82	130	105	193
OTHERS										
30 days	2,40,213	86,822.55	31,20,901	1,62,404.93	18,31,523	1,86,053.00	22,14,994	1,59,951	16,49,913	1,17,504
30 days to 6 months	85,173	52,736.59	4,68,221	48,355.68	5,33,074	52,087.00	5,59,986	47,344	3,81,300	43,385
6 months to 1 year	6,200	20,202.68	29,569	8,319.74	73,174	10,891.00	7,890	7,886	27,182	7,556
1 year to 5 years	5,216	11,130.28	1,811	6,429.22	9,411	18,005.00	14,978	14,387	51,702	12,054
5 years and above	643	975.01	318	679.21	215	2,731.00	300	781	393	1,887

Notes:

- The above includes partially settled claims and on-account payments made and excludes salvage and other recoveries.
- 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 lakh

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Other		Total	
Ageing	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
AS AT MARCH 2023														
0 - 30 Days	219	1,354	156	730	4,767	4,903	1,340	10,760	15,275	7,445	5,49,002	6,769	5,70,759	31,961
31 days-6 month	482	4,316	1,026	1,786	4,287	9,464	5,488	51,789	2,707	1,820	3,07,223	8,457	3,21,213	77,632
6 moths to 1 Year	393	2,622	509	769	1,085	2,694	5,273	54,144	1,432	484	4,353	3,996	13,045	64,709
1 year to 5 Year	1,057	7,510	634	2,803	1,982	7,762	18,880	1,83,812	17,360	3,571	61,838	14,001	1,01,751	2,19,459
> 5 year	1,220	4,177	354	1,689	1,297	3,513	14,430	72,836	274	798	2,894	4,487	20,469	87,501
Grand Total	3,371	19,980	2,679	7,777	13,418	28,337	45,411	3,73,340	37,048	14,118	9,25,310	37,710	10,27,237	4,81,262
AS AT MARCH 2022														
0 - 30 Days	328	1,319	601	707	3,729	4,480	1,133	10,771	62,839	12,086	32,707	2,663	1,01,337	32,026
31 days-6 month	554	4,736	386	1,709	3,213	7,685	5,129	48,274	55,941	8,519	54,768	5,869	1,19,991	76,793
6 moths 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	1,70,277	689	1,210	77,835	10,382	1,02,761	1,95,726
> 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	3,33,523	1,34,010	23,483	1,83,285	26,482	3,80,539	4,32,312
AS AT 31 MARCH 2021														
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 month	415	4,803	184	1,035	3,137	7,065	5,135	43,725	3,877	2,058	1,04,821	7,190	1,17,569	65,876
6 moths 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
04 1 year to 5 Year	994	5,312	1,059	1,499	1,580	4,614	25,255	1,78,176	640	1,218	45,917	6,737	75,445	1,97,555
05 > 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	3,04,113	32,605	10,425	2,28,463	23,129	3,27,301	3,82,612
AS AT 31 MARCH 2020														
0 - 30 Days	183	1,986	1,209	489	6,735	5,469	934	4,849	13,987	3,802	95,685	5,692	1,18,733	22,287
31 days-6 month	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 moths 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	1,21,922	528	1,814	4,330	5,021	29,311	1,37,403
> 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	2,34,941	25,238	7,998	1,69,581	23,078	2,65,330	3,13,885
AS AT 31 MARCH 2019														
0 - 30 Days	179	1,466	347	669	4,331	4,438	1,113	5,161	39,332	6,430	34,802	2,791	80,104	20,955
1 days-6 month	436	4,890	1,061	2,119	2,980	6,706	4,672	23,366	10,743	4,155	10,447	4,645	30,339	45,883
6 moths to 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	1,09,413	423	1,693	2,711	3,703	28,067	1,21,641
> 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	1,85,685	52,381	13,688	52,586	15,587	1,68,252	2,51,963
AS AT 31 MARCH 2018														
0 - 30 Days	192	1,151	420	572	3,726	3,507	1,069	4,883	12,121	4,639	5,591	1,707	23,119	16,459
31 days-6 month	338	3,209	204	1,359	2,752	6,273	4,229	19,716	4,516	2,516	2,642	2,928	14,681	36,002
6 moths to 1 Year	186	1,445	73	312	453	1,111	4,506	20,677	1,849	1,381	3,699	4,031	10,766	28,957
1 year to 5 Year	1,897	2,844	763	1,449	1,180	2,622	21,756	99,665	433	1,639	2,896	4,235	28,925	1,12,455
> 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	1,66,104	19,043	10,430	16,745	15,461	98,460	2,22,690

ANNEXURE III : PARTICULARS OF PAYMENTS MADE TO ENTITIES WHERE DIRECTORS ARE INTERESTED FOR THE YEAR ENDED 31 MARCH 2023

Sr. No.	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year in (₹ in lakh)	
				FY2023	FY2022
1	Bajaj Finserv Limited	Sanjiv Bajaj	Director & Member	5,934	6,177
		Niraj Bajaj	Director & Member		
		Anami Roy	Director		
2	Bajaj Auto Limited	Niraj Bajaj	Director & Member	675	1,356
		Sanjiv Bajaj	Director & Member		
		Anami Roy	Director		
3	Bajaj Electricals Limited	Lila Poonawalla	Director	753	20
		Niraj Bajaj	Member		
4	Bajaj Finance Limited	Sanjiv Bajaj	Member	2,324	2,680
		Sanjiv Bajaj	Director & Member		
5	Bajaj Allianz Life Insurance Company Limited	Anami Roy	Director	1,819	2,450
		Sanjiv Bajaj	Director		
		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	4	1
		Lila Poonawalla	Director		
		Anami Roy	Director		
7	Bajaj Holdings and Investments Limited	Sanjiv Bajaj	Director & Member	5	5
		Niraj Bajaj	Director & Member		
		Anami Roy	Director		
8	Mukand Engineers Limited	Sanjiv Bajaj	Member	0	10
		Niraj Bajaj	Director & Member		
9	Mukand Limited	Sanjiv Bajaj	Member	455	242
		Niraj Bajaj	Director & Member		
10	Hind Musafir Agency Limited	Niraj Bajaj	Member	1,197	306
		Niraj Bajaj	Member		
11	Hercules Hoists Limited	Sanjiv Bajaj	Member	-	16
12	Maharashtra Scooters Limited	Lila Poonawalla	Director	-	0
13	Bajaj Allianz Financial Distributors Limited	Sanjiv Bajaj	Member	44	-
		Avais Karmali	Director		
14	Bajaj Allianz Staffing Solutions Limited	Sanjiv Bajaj	Member	7,700	7,915
		Avais Karmali	Director		
15	Indo German Chamber of Commerce	Tapan Singhel	Director	2	-
16	Rij Engineering Private Limited	Ranjit Gupta	Relatives are Directors	-	3
17	Policy Bazaar Insurance Broker Private Limited*	Nilesh Sathe	Director	823	706

Note: 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

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Independent Auditor's Report

To
The Members of
Bajaj Allianz General Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

1. 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 2023, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, the schedules annexed thereto and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as 'financial statements').
2. 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'), the orders/directions issued by the Insurance Regulatory and Development Authority of India (the 'IRDAI') in this regard by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ('Accounting Standards') and 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 31 March 2023;
 - (b) in the case of Revenue Account, of the net surplus for the year ended 31 March 2023;
 - (c) in the case of Profit and Loss Account, of the profit for the year ended 31 March 2023; and
 - (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended 31 March 2023.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing ('SAs'), as specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ('ICAI') 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 audit opinion on the financial statements.

Other Information

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 Those Charged with Governance for the Financial Statements

7. The Company's Board of Directors are 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 Balance Sheet, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments of the Company in accordance with 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 in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereunder, to the extent applicable and in the manner so required. 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.
8. In preparing the financial statements, the 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 and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial Statements

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - (a) 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.
 - (b) 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 with reference to financial statements in place and the operating effectiveness of such controls.
 - (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (d) 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.
 - (e) 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.

12. 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.
13. 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

14. The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) included under claims outstanding and Premium Deficiency Reserve (PDR) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at 31 March 2023 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.
15. Attention is drawn to the fact that the financial statements of the Company for the year ended 31 March 2022 were audited by predecessor auditors whose report dated 22 April 2022 expressed an unmodified opinion on the financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

16. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated 21 April 2023 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
17. As required by the paragraph 2 of Schedule C of the IRDA Financial Statements Regulations, read with Section 143(3) of the Act, we further 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, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) As the Company's financial accounting system is centralized at Head Office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company as required under section 143(8) of the Act;
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations, the IRDA Act and/or orders/directions issued by the IRDAI in this regard;
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under Section 133 of the Act to the extent they are not inconsistent with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
 - (h) On the basis of the written representations received from the Directors as on 31 March 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2023 from being appointed as a Director in terms of Section 164 (2) of the Act;

- (i) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (j) The remuneration paid by the Company to the directors is in accordance with and within the provisions of Section 197 of the Act read. We also refer note 9 to the financial statements which details the status of IRDAI approval under Section 34A of the IRDA Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- (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:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements – Refer Note 16 note 25 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) 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 person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been 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 (a) and (b) contain any material misstatement.
 - v. As stated in note 31 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

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

per Pikashoo Mutha
Partner
ICAI Membership No. 131658
UDIN: 23131658BGXP0V9679

Place: Mumbai
Dated: 21 April 2023

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 23033494BGWSQC7494

Place: Mumbai
Dated: 21 April 2023

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 21 April 2023

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 2023, we certify that:
 - a. We have reviewed the Management Report attached to the financial statements for the year ended 31 March 2023, 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 investments as at 31 March 2023, 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 2023;

- 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 Registration Number: 301003E/E300005

per Pikashoo Mutha

Partner

ICAI Membership No. 131658

UDIN: 23131658BGXP0V9679

Place: Mumbai

Dated: 21 April 2023

For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia

Partner

ICAI Membership No. 033494

UDIN: 23033494BGWSQC7494

Place: Mumbai

Dated: 21 April 2023

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 2023

(Referred to in paragraph 2 (j) 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')

1. 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 2023 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

2. 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

3. 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.
4. 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.
5. 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

6. 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

7. 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

8. 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 2023, 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

9. 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 2023. 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 Registration Number: 301003E/E300005

per Pikashoo Mutha

Partner

ICAI Membership No. 131658

UDIN: 23131658BGXPOV9679

Place: Mumbai

Dated: 21 April 2023

For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia

Partner

ICAI Membership No. 033494

UDIN: 23033494BGWSQC7494

Place: Mumbai

Dated: 21 April 2023

Bajaj Allianz General Insurance Company Limited

IRDAI Registration No 113. dated 2 May 2001

Revenue Account for the year ended 31 March 2023

(Rupees in '000)

Particulars	Schedule	For the year ended 31 March 2023				For the year ended 31 March 2022			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
Premiums earned - (Net)	1	2,687,743	1,637,849	75,862,351	80,187,943	2,522,421	1,198,309	74,072,951	77,793,681
Profit / (Loss) on sale/redemption of investments (Refer note 2.3 (iv) and (v) of Schedule 16)		115,095	67,963	3,054,885	3,237,943	95,648	44,761	2,549,988	2,690,397
Interest, dividend and rent-Gross (Refer note 2.3 (ii) of Schedule 16)		389,873	230,220	10,348,159	10,968,252	396,048	185,343	10,558,737	11,140,128
Other income - Miscellaneous income		10,986	6,488	291,569	309,043	8,068	3,775	215,069	226,912
Contribution from Shareholders Funds towards excess EoM (Refer note 39 of Schedule 16)		-	35,900	248,100	284,000	-	-	-	-
Sub total		515,954	340,571	13,942,713	14,799,238	499,764	233,879	13,323,794	14,057,437
Total (A)		3,203,697	1,978,420	89,805,064	94,987,181	3,022,185	1,432,188	87,396,745	91,851,118
Claims incurred (Net) (Refer note 2.10 and 2.11 of Schedule 16)	2	947,340	1,063,810	56,458,424	58,469,574	1,439,267	765,590	54,555,031	56,759,888
Commission (Refer note 2.3 (vi) and 2.6 of Schedule 16)	3	(3,478,747)	163,744	(347,183)	(3,662,186)	(2,579,061)	128,469	1,508,129	(942,463)
Contribution to solatium fund (Refer note 2.20 of Schedule 16)		-	-	29,971	29,971	-	-	28,257	28,257
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	4,158,873	507,074	21,922,454	26,588,401	3,225,807	328,843	18,093,628	21,648,277
Total (B)		1,627,466	1,734,628	78,063,666	81,425,760	2,086,013	1,222,902	74,185,045	77,493,959
Operating profit/(loss) (C)=(A)-(B)		1,576,231	243,792	11,741,398	13,561,421	936,172	209,286	13,211,700	14,357,159
Appropriations									
Transfer to shareholders' account		1,576,231	243,792	11,741,398	13,561,421	936,172	209,286	13,211,700	14,357,159
Transfer to catastrophe reserve		-	-	-	-	-	-	-	-
Transfer to other reserves		-	-	-	-	-	-	-	-
Total (C)		1,576,231	243,792	11,741,398	13,561,421	936,172	209,286	13,211,700	14,357,159
Significant accounting policies and notes to the Financial Statements	16								

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

As per our report of even date attached

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

For KKC & Associates LLP
Chartered Accountants
(Formerly Khimji Kunverji & Co LLP)
Firm Registration Number
105146W/U100621

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

Nathan Fink
Alternate Director
DIN: 09823245

Hasmukh B. Dedhia
Partner
Membership No: 033494

Pikashoo Mutha
Partner
Membership No. 131658

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Ramandeep Singh Sahni
Chief Financial Officer

Onkar Kothari
Head - Corporate Legal
& Company Secretary

Place : Mumbai
Date: 21 April 2023

Mumbai
Date: 21 April 2023

Pune
Date: 21 April 2023

Bajaj Allianz General Insurance Company Limited

IRDAI Registration No 113. dated 2 May 2001

Profit and Loss Account for the year ended 31 March 2023

Particulars	(Rupees in '000)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Operating profit as per Revenue Accounts of		
(a) Fire insurance	1,576,231	936,172
(b) Marine insurance	243,792	209,286
(c) Miscellaneous insurance	11,741,398	13,211,700
	13,561,421	14,357,158
Income from investments (Refer note 2.3 (ii), (iii), (iv), (v) and 2.13 of Schedule 16)		
(a) Interest, dividends and rent - Gross	4,616,454	2,878,610
(b) Amortization of discount/(premium)	(395,523)	(261,293)
(c) Profit on sale/redemption of investments	1,348,087	1,300,506
Less:- Loss on sale/redemption of investments	(89,322)	(56,838)
	5,479,696	3,860,985
Other income -Miscellaneous income	41,936	844
Total (A)	19,083,053	18,218,987
Provisions (other than taxation)		
(a) For diminution in the value of investments (Refer note 2.15 of Schedule 16)	133,872	(1,353,768)
(b) For doubtful debts	12,005	(33,787)
(c) Others	-	-
Other expenses		
(a) Expenses other than those related to the insurance business	300,577	207,278
(b) Bad debts written off	(3,143)	-
(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)	329,588	286,451
(f) Contribution to Policyholders Funds towards excess EoM (Refer note 39 of Schedule 16)	284,000	-
(g) Others	-	-
Total (B)	1,056,899	288,048
Profit before tax	18,026,154	17,930,939
Provision for taxation (Refer note 18 of Schedule 16)		
Current tax	4,694,540	3,455,364
Deferred tax Expense/(Income)	(148,199)	1,084,296
	4,546,341	4,539,660
Profit after tax	13,479,813	13,391,279
Profit available for appropriation	13,479,813	13,391,279
Appropriations		
(a) Final dividends paid	1,080,227	-
(b) Interim dividends paid (Refer note 31 of Schedule 16)	-	1,234,545
(c) Dividend distribution tax	-	-
(d) Transfer to reserve/other accounts	-	-
Balance of Profit brought forward from last year	80,717,620	68,560,886
Balance carried forward to Balance Sheet	93,117,206	80,717,620
Significant accounting policies and notes to the Financial Statements	16	
Earning per share: Basic and Diluted (Refer note 17 of Schedule 16)	122.29	121.49

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 KKC & Associates LLP
Chartered Accountants
(Formerly Khimji Kunverji & Co LLP)
Firm Registration Number
105146W/W100621

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

Nathan Fink
Alternate Director
DIN: 09823245

Hasmukh B. Dedhia
Partner
Membership No: 033494

Pikashoo Mutha
Partner
Membership No. 131658

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Ramandeep Singh Sahni
Chief Financial Officer

Onkar Kothari
Head - Corporate Legal
& Company Secretary

Place : Mumbai
Date: 21 April 2023

Mumbai
Date: 21 April 2023

Pune
Date: 21 April 2023

Bajaj Allianz General Insurance Company Limited

IRDAI Registration No 113. dated 2 May 2001

Balance Sheet as at 31 March 2023

(Rupees in '000)			
Particulars	Schedule	As at 31 March 2023 Audited	As at 31 March 2022 Audited
SOURCES OF FUNDS			
Share capital	5	1,102,273	1,102,273
Reserves and surplus	6	94,783,403	82,383,817
Fair value change account (Refer note 2.15 of Schedule 16)			
Shareholders' funds		653,285	1,484,412
Policyholders' funds		1,524,511	3,251,658
Borrowings	7	-	-
Total		98,063,472	88,222,160
APPLICATION OF FUNDS			
Investments - Shareholders'	8	73,074,180	60,921,709
Investments - Policyholders'	8A	196,943,020	181,357,858
Loans	9	-	-
Fixed assets	10	4,494,622	4,241,604
Deferred tax asset (Refer note 18 of Schedule 16)		326,463	178,264
Current assets			
Cash and bank balances	11	8,076,122	4,751,619
Advances and other assets	12	30,456,437	23,370,717
Sub-Total (A)		38,532,559	28,122,336
Current liabilities	13	170,551,613	144,833,101
Provisions	14	44,755,759	41,766,510
Sub-Total (B)		215,307,372	186,599,611
Net current liabilities (C) = (A - B)		(176,774,813)	(158,477,275)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and loss account		-	-
Total		98,063,472	88,222,160
For Contingent liabilities - (Refer note 2.23 and 3 of schedule 16)			
Significant accounting policies and notes to the Financial Statements	16		

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

As per our report of even date attached

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

For KKC & Associates LLP

Chartered Accountants
(Formerly Khimji Kunverji & Co LLP)
Firm Registration Number
105146W/W100621

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

Nathan Fink

Alternate Director
DIN: 09823245

Hasmukh B. Dedhia

Partner
Membership No: 033494

Place : Mumbai
Date: 21 April 2023

Pikashoo Mutha

Partner
Membership No. 131658

Mumbai
Date: 21 April 2023

Tapan Singhel

Managing Director &
Chief Executive Officer
DIN : 03428746

Ramandeep Singh Sahni

Chief Financial Officer

Onkar Kothari

Head - Corporate Legal
& Company Secretary

Pune
Date: 21 April 2023

Receipts and Payments Statements for the year ended 31 March 2023

(Rupees in '000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flows from the operating activities:		
1. Premium received from policyholders, including advance receipts	177,275,876	156,715,428
2. Other receipts	-	-
3. Payments to the re-insurers, net of commissions and claims	(23,727,879)	(25,828,749)
4. (Payments)/recoveries to/from co-insurers, net of claims recovery	1,470,046	1,574,498
5. Payments of claims	(74,964,009)	(81,004,852)
6. Payments of commission and brokerage	(10,094,343)	(8,402,428)
7. Payments of other operating expenses	(26,727,851)	(21,486,600)
8. Preliminary and pre-operative expenses	-	-
9. Deposits, advances and staff loans	(1,520,985)	(2,439)
10. Income taxes paid (Net)	(4,578,184)	(4,084,886)
11. Service tax paid / GST Paid	(22,433,757)	(18,225,913)
12. Other payments	234,818	(9,186)
13. Cash flows before extraordinary items	14,933,732	(755,127)
14. Cash flow from extraordinary operations	-	-
15. Net cash flow from operating activities (A)	14,933,732	(755,127)
B. Cash flows from investing activities:		
1. Purchase of fixed assets	(718,340)	(471,346)
2. Proceeds from sale of fixed assets	10,143	12,706
3. Purchases of investments	(211,999,611)	(218,763,710)
4. Loans disbursed	-	-
5. Sales of investments	169,673,302	217,886,982
6. Repayments received	-	-
7. Rent / interest / dividend received	15,840,887	14,859,313
8. Investment in money market instruments and liquid mutual funds (net)	17,204,800	(14,150,025)
9. Expenses related to investments	(70,394)	(72,739)
10. Net cash flow from investing activities (B)	(10,059,213)	(698,819)
C. Cash flows from financing activities:		
1. Proceeds from issuance of Share Capital / Application Money (including Share Premium and net of Share Issue Expenses)	-	-
2. Proceeds from Borrowings	-	-
3. Repayment of Borrowings	-	-
4. Interest and Dividends Paid	(1,080,227)	(1,234,545)
5. Dividend distribution tax	-	-
6. Net Cash Flows from financing activities (C)'	(1,080,227)	(1,234,545)
D. Effect of foreign exchange rates on cash and cash equivalents, net (D)	4,060	5,474
E. Net increase in cash and cash equivalents (E) = (A)+(B)+(C)+(D)	3,798,353	(2,683,017)
Add: Cash and cash equivalents at the beginning of the year	3,987,684	6,670,701
Cash and cash equivalents at the end of the year	7,786,036	3,987,684
F. Components of cash and cash equivalents at the end of the year		
(a) Cash (including Stamps on hand) - (Refer Schedule 11 forming part of financial statements)	3,651	4,682
(b) Cheques on hand - (Refer Schedule 11 forming part of financial statements)	569,859	459,557
(c) Bank balances - (Refer Schedule 11 forming part of financial statements)	4,559,181	2,809,286
(d) Money at call and short notice (only due within 3 months) - (Refer Schedule 11 forming part of financial statements)	2,653,345	1,416,535
(e) Temporary overdraft as per books of accounts - (Refer Schedule 13 forming part of financial statements)	-	(702,376)
Cash and cash equivalents at the end of the year (a)+(b)+(c)+(d)+(e)	7,786,036	3,987,684
Add: Fixed Deposits maturing after 3 Months	290,086	61,559
Add: Temporary overdraft as per books of accounts - (Refer Schedule 13 forming part of financial statements)	-	702,376
Cash and Bank balance as per Balance Sheet (Refer Schedule 11 forming part of financial statements)	8,076,122	4,751,619

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 KKC & Associates LLP
Chartered Accountants
(Formerly Khimji Kunverji & Co LLP)
Firm Registration Number
105146W/W100621

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

Sanjiv Bajaj
Chairman
DIN : 00014615

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Chairperson of
Audit Committee
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Nathan Fink
Alternate Director
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Hasmukh B. Dedhia
Partner
Membership No: 033494

Pikashoo Mutha
Partner
Membership No. 131658

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Ramandeep Singh Sahni
Chief Financial Officer

Onkar Kothari
Head - Corporate Legal
& Company Secretary

Place : Mumbai
Date: 21 April 2023

Mumbai
Date: 21 April 2023

Pune
Date: 21 April 2023

Schedule - 1 Premium earned (Net)

Schedules to and forming part of the Financial Statements

(Rupees in '000)

Particulars	For the year ended 31 March 2023					For the year ended 31 March 2022				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Premium from direct business written (net of service tax and GST)	21,542,843	2,568,517	297,521	128,957,546	153,366,427	19,133,541	1,913,603	203,929	115,634,855	136,885,928
Add: Premium on reinsurance accepted	1,390,714	-	-	112,181	1,502,895	900,437	-	-	94,276	994,713
Less: Premium on reinsurance ceded	19,978,922	827,269	294,060	50,656,012	71,756,263	17,273,846	624,774	201,069	42,152,739	60,252,428
Net Premium	2,954,635	1,741,248	3,461	78,413,715	83,113,059	2,760,132	1,288,829	2,860	73,576,392	77,628,213
Adjustment for change in reserve for unexpired risk										
Reserve created during the year	3,400,884	499,687	3,459	40,515,443	44,419,473	3,133,992	393,428	2,858	37,964,079	41,494,357
Less: Reserve created during the previous year written back	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
Change in the unexpired risk reserve (Refer note 2.8 of Schedule 16)	266,892	106,259	601	2,551,364	2,925,116	237,711	92,539	841	(496,559)	(165,468)
Total premium earned (Net)	2,687,743	1,634,989	2,860	75,862,351	80,187,943	2,522,421	1,196,290	2,019	74,072,951	77,793,681
Note:										
Premium income earned from business concluded:										
In India	2,687,743	1,634,989	2,860	75,862,351	80,187,943	2,522,421	1,196,290	2,019	74,072,951	77,793,681
Outside India	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	2,687,743	1,634,989	2,860	75,862,351	80,187,943	2,522,421	1,196,290	2,019	74,072,951	77,793,681

* 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) (Contd.)

Schedules to and forming part of the Financial Statements

(Rupees in '000)

Particulars	For the year ended 31 March 2023												
	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Premium from direct business (net of service tax and GST)	23,514,302	29,971,177	53,485,479	556,693	963,669	2,985,366	120,153	2,331,540	31,396,221	168,935	27,554,677	9,394,813	128,957,546
Add: Premium on reinsurance accepted	-	-	-	-	-	107,737	-	-	-	-	-	4,444	112,181
Less: Premium on reinsurance ceded	4,657,059	4,519,147	9,176,206	35,375	642,853	2,794,023	109,543	173,682	8,982,232	167,246	22,394,734	6,180,118	50,656,012
Net Premium	18,857,243	25,452,030	44,309,273	521,318	320,816	299,080	10,610	2,157,858	22,413,989	1,689	5,159,943	3,219,139	78,413,715
Adjustment for change in reserve for unexpired risk													
Reserve created during the year	10,496,152	14,017,420	24,513,572	225,326	156,828	176,231	554	1,327,804	10,851,646	726	164,015	3,098,741	40,515,443
Less: Reserve created during the previous year written back	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
Change in the unexpired risk reserve (Refer note 2.8 of Schedule 16)	728,070	(592,983)	135,087	46,334	46,916	12,214	146	148,874	1,995,873	310	18,542	147,068	2,551,364
Total premium earned (Net)	18,129,173	26,045,013	44,174,186	474,984	273,900	286,866	10,464	2,008,984	20,418,116	1,379	5,141,401	3,072,071	75,862,351
Note:													
Premium income earned from business concluded:													
In India	18,129,173	26,045,013	44,174,186	474,984	273,900	286,866	10,464	2,008,984	20,418,116	1,379	5,141,401	3,072,071	75,862,351
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	18,129,173	26,045,013	44,174,186	474,984	273,900	286,866	10,464	2,008,984	20,418,116	1,379	5,141,401	3,072,071	75,862,351

Schedule - 1(A) Premium earned (Net) (Contd.)

Schedules to and forming part of the Financial Statements

(Rupees in '000)

	For the year ended 31 March 2022												
				Workmens' Compensation /Employers' Liability	Public/ Product Liability								
Particulars	Motor OD	Motor TP	Motor Total			Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Premium from direct business (net of service tax and GST)	20,187,928	28,257,228	48,445,156	452,278	590,930	2,568,634	144,589	2,020,794	31,791,822	115,757	20,812,908	8,691,987	115,634,855
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
Net Premium	17,721,972	25,589,937	43,311,909	421,096	194,901	291,402	(646)	1,863,756	20,258,761	1,158	3,876,899	3,357,156	73,576,392
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)
Total premium earned (Net)	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
Note :													
Premium income earned from business concluded:													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	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

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 in '000)

Particulars	For the year ended 31 March 2023					For the year ended 31 March 2022				
	Marine				Total	Marine				Total
	Fire	Cargo	Others	Miscellaneous*		Fire	Cargo	Others	Miscellaneous*	
Claims Paid										
Direct	3,830,785	1,261,227	69,921	67,803,546	72,965,479	4,747,575	865,813	342	73,388,552	79,002,282
Add: Re-insurance Accepted	121,328	-	-	1,736	123,064	157,552	-	-	1,826	159,378
Less: Re-insurance Ceded	3,140,109	304,971	68,664	23,474,622	26,988,366	3,377,984	209,887	17	28,003,093	31,590,981
Net Claims paid	812,004	956,256	1,257	44,330,660	46,100,177	1,527,143	655,926	325	45,387,285	47,570,679
Claims Outstanding (including IBNR and IBNER)										
Add: Claims Outstanding at the close of the year (net of Re-insurance)	2,059,597	961,169	14,065	118,926,519	121,961,350	1,924,261	853,691	15,246	106,798,755	109,591,953
Less: Claims Outstanding at the beginning 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
Change in Claims Outstanding	135,336	107,478	(1,181)	12,127,764	12,369,397	(87,876)	109,861	(522)	9,167,746	9,189,209
Total Claims Incurred (Net)	947,340	1,063,734	76	56,458,424	58,469,574	1,439,267	765,787	(197)	54,555,031	56,759,888
Claims incurred										
In India	947,340	1,063,734	76	56,458,424	58,469,574	1,439,267	765,787	(197)	54,555,031	56,759,888
Outside India	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred (Net)	947,340	1,063,734	76	56,458,424	58,469,574	1,439,267	765,787	(197)	54,555,031	56,759,888

* 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 in '000)

Particulars	For the year ended 31 March 2023											
	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
Claims paid												
Direct	14,512,978	10,988,124	25,501,102	326,313	109,997	543,857	(13,615)	846,919	24,144,110	28,515	13,396,772	2,919,576
Add: Re-insurance Accepted	-	-	-	-	-	1,736	-	-	-	-	-	-
Less: Re-insurance Ceded	2,077,203	1,418,347	3,495,550	16,573	108,379	429,088	(14,251)	48,679	7,096,502	28,230	10,526,240	1,739,632
Net claims paid	12,435,775	9,569,777	22,005,552	309,740	1,618	116,505	636	798,240	17,047,608	285	2,870,532	1,179,944
Claims outstanding (including IBNR and IBNER)												
Add : Claims outstanding at the close of the year (net of reinsurance)	3,376,968	104,062,641	107,439,609	336,883	191,100	176,600	30,077	1,121,519	3,322,666	2,183	3,899,900	2,405,982
Less: Claims outstanding at the beginning 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
Change in claims outstanding	353,198	10,542,224	10,895,422	25,550	47,637	(1,931)	(105,832)	(57,979)	(1,131,693)	1,258	2,038,034	417,298
Total claims incurred (Net)	12,788,973	20,112,001	32,900,974	335,290	49,255	114,574	(105,196)	740,261	15,915,915	1,543	4,908,566	1,597,242
Claims incurred												
In India	12,788,973	20,112,001	32,900,974	335,290	49,255	114,574	(105,196)	740,261	15,915,915	1,543	4,908,566	1,597,242
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total claims incurred (Net)	12,788,973	20,112,001	32,900,974	335,290	49,255	114,574	(105,196)	740,261	15,915,915	1,543	4,908,566	1,597,242

Schedule - 2 (A) Claims incurred (Net)

Schedules to and forming part of the Financial Statements

(Rupees in '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
Claims paid													
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
Claims outstanding (including IBNR and IBNER)													
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
Total claims incurred (Net)	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
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Total claims incurred (Net)	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

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 in '000)

Particulars	For the year ended 31 March 2023					For the year ended 31 March 2022				
	Marine				Total	Marine				Total
	Fire	Cargo	Others	Miscellaneous*		Fire	Cargo	Others	Miscellaneous*	
Commission paid direct	1,771,380	230,983	2,426	8,277,227	10,282,016	1,469,879	183,219	110	7,014,796	8,668,004
Add: Re-insurance accepted	166,193	-	-	13,280	179,473	107,539	-	-	12,948	120,487
Less: Commission on reinsurance ceded	5,416,320	55,993	13,672	8,637,690	14,123,675	4,156,479	44,810	10,050	5,519,615	9,730,954
Net commission	(3,478,747)	174,990	(11,246)	(347,183)	(3,662,186)	(2,579,061)	138,409	(9,940)	1,508,129	(942,463)
Break-up of commission paid direct : business furnished as per details below										
Agents	177,526	109,025	17	2,105,317	2,391,886	181,964	104,357	22	1,928,499	2,214,842
Brokers	798,945	117,999	2,385	4,277,497	5,196,826	700,027	75,315	14	3,498,906	4,274,262
Corporate agency	794,640	3,947	24	1,716,160	2,514,771	587,744	3,509	74	1,455,919	2,047,246
Referral	-	-	-	-	-	-	-	-	-	-
Others	269	12	-	178,254	178,535	144	38	-	131,472	131,653
Total	1,771,380	230,983	2,426	8,277,229	10,282,018	1,469,879	183,219	110	7,014,796	8,668,003
Net Commission										
In India	(3,478,747)	174,990	(11,246)	(347,183)	(3,662,186)	(2,579,061)	138,409	(9,940)	1,508,129	(942,463)
Outside India	-	-	-	-	-	-	-	-	-	-
Net commission	(3,478,747)	174,990	(11,246)	(347,183)	(3,662,186)	(2,579,061)	138,409	(9,940)	1,508,129	(942,463)

*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 in '000)

Particulars	For the year ended 31 March 2023												
	Motor OD	Motor TP	Motor Total	Workmen's Compensation /Employers' Liability	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Commission paid direct	3,971,254	379,958	4,351,212	78,361	100,419	266,556	7,335	297,925	2,289,068	10,905	223	875,223	8,277,227
Add: Re-insurance accepted	-	-	-	-	-	12,647	-	-	-	-	-	633	13,280
Less: Commission on reinsurance ceded	1,558,375	1,609,798	3,168,173	5,904	67,763	467,956	4,775	25,581	2,465,149	17,331	1,386,413	1,028,645	8,637,690
Net commission	2,412,879	(1,229,840)	1,183,039	72,457	32,656	(188,753)	2,560	272,344	(176,081)	(6,426)	(1,386,190)	(152,789)	(347,183)
Net Commission													
In India	2,412,879	(1,229,840)	1,183,039	72,457	32,656	(188,753)	2,560	272,344	(176,081)	(6,426)	(1,386,190)	(152,789)	(347,183)
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
Net commission	2,412,879	(1,229,840)	1,183,039	72,457	32,656	(188,753)	2,560	272,344	(176,081)	(6,426)	(1,386,190)	(152,789)	(347,183)

(Rupees in '000)

Particulars	For the year ended 31 March 2022												
	Motor OD	Motor TP	Motor Total	Workmen's Compensation /Employers' Liability	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Commission paid direct	3,450,399	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
Net commission	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
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Net commission	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

Schedule - 4 Operating expenses related to insurance business

Schedules to and forming part of the Financial Statements

(Rupees in '000)

Particulars	For the year ended 31 March 2023					For the year ended 31 March 2022				
	Marine					Marine				
	Fire	Cargo	Others	Miscellaneous*	Total	Fire	Cargo	Others	Miscellaneous*	Total
Employees' remuneration, benefits and other manpower costs (Net) (Refer note 2.16 and 19 of Schedule 16)	1,468,766	114,191	9,123	6,323,264	7,915,344	1,205,957	79,914	5,446	6,266,006	7,557,323
Travel, conveyance and vehicle running expenses	18,705	8,742	58	451,762	479,267	8,875	3,840	14	242,223	254,952
Training expenses	8,544	4,855	11	230,099	243,509	3,651	1,689	4	97,111	102,455
Rents, rates and taxes	10,192	6,007	12	275,990	292,201	10,156	4,742	11	275,988	290,897
Repairs and maintenance	4,591	2,706	5	140,043	147,345	3,830	1,788	4	113,799	119,421
Printing and stationery	10,563	826	-	157,668	169,057	8,403	935	-	126,101	135,439
Communication	11,880	929	-	182,533	195,342	10,273	1,144	-	158,102	169,519
Legal and professional charges	6,004	3,538	7	159,764	169,313	6,184	2,887	6	166,394	175,471
Auditors' fees, expenses, etc. (Refer note 37 of Schedule 16)										
(a) as auditors	313	184	-	8,303	8,800	341	159	-	9,100	9,600
(b) as advisor or in any other capacity in respect of:										
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-
(iv) Tax audit	32	19	-	849	900	32	15	-	853	900
(c) In any other capacity	73	43	-	1,941	2,057	112	52	-	2,981	3,145
(d) Out of pocket expenses	35	21	-	929	985	14	6	-	370	390
Advertisement and publicity	534,290	67,351	6,746	2,802,030	3,410,417	204,334	25,645	1,929	1,322,393	1,554,301
Interest and bank charges	13,266	7,818	16	353,535	374,635	11,282	5,268	12	301,047	317,609
Business development and promotion	176,624	19,782	2,291	767,018	965,715	160,492	15,330	1,634	692,717	870,173
Marketing and support services	1,720,851	192,732	22,325	7,473,090	9,408,998	1,438,741	137,425	14,645	6,209,907	7,800,718
Other acquisition costs	63,909	11,326	458	185,020	260,713	59,067	2,370	433	150,093	211,963
Others										-
Exchange (gain) / loss (net)	427	252	-	11,337	12,016	270	126	-	7,189	7,585
Other office running expenses	12,524	7,379	14	337,408	357,325	11,844	5,529	12	322,322	339,707
Miscellaneous expenses	3,064	1,805	4	82,535	87,408	1,653	772	2	44,996	47,423
Loss/(Profit) on disposal of assets (net)	(142)	(83)	-	(3,756)	(3,981)	9	4	-	239	252
Information technology	77,162	6,035	1	1,157,903	1,241,101	63,113	7,026	3	955,766	1,025,908
Depreciation (refer note 2.14 of Schedule 16)	16,100	9,488	19	433,397	459,004	17,103	7,986	18	461,545	486,652
GST/Service tax	1,100	38	-	389,792	390,930	71	18	-	166,386	166,475
Total	4,158,873	465,984	41,090	21,922,454	26,588,401	3,225,807	304,670	24,173	18,093,628	21,648,278

(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 in '000)

Particulars	For the year ended 31 March 2023												
	Motor OD	Motor TP	Motor Total	Workmen's Compensation /Employers' Liability	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Employees' remuneration, benefits and other manpower costs (Net) (Refer note 2.16 and 19 of Schedule 16)	1,632,040	583,951	2,215,991	32,165	33,684	126,614	4,479	212,765	2,501,452	4,805	397,124	794,185	6,323,264
Travel, conveyance and vehicle running expenses	105,540	139,925	245,465	2,591	1,663	1,861	67	13,041	124,838	32	41,068	21,136	451,762
Training expenses	58,610	72,170	130,780	1,451	892	848	30	6,418	63,782	6	16,127	9,765	230,099
Rents, rates and taxes	65,050	87,800	152,850	1,798	1,107	1,032	37	7,444	77,743	6	22,868	11,105	275,990
Repairs and maintenance	29,300	39,547	68,847	810	498	465	16	3,353	35,030	3	26,018	5,003	140,043
Printing and stationery	21,541	30,051	51,592	253	24	61	1	16,444	33,408	-	20,615	35,270	157,668
Communication	24,227	33,798	58,025	284	27	68	1	18,494	37,802	-	28,165	39,667	182,533
Legal and professional charges	38,320	51,721	90,041	1,059	652	608	22	4,385	45,592	3	10,861	6,541	159,764
Auditors' fees, expenses, etc. (Refer note 37 of Schedule 16)													
(a) as auditor	1,997	2,695	4,692	55	34	32	1	228	2,373	-	546	342	8,303
(b) as advisor or in any other capacity in respect of:	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Tax Audit	204	276	480	6	3	3	-	23	243	-	56	35	849
(c) In any other capacity	467	631	1,098	13	8	7	-	53	556	-	128	78	1,941
(d) Out of pocket expenses	223	301	524	6	4	4	-	26	265	-	61	39	929
Advertisement and publicity	632,121	813,244	1,445,365	15,364	23,498	71,531	2,773	64,212	786,314	3,829	159,471	229,673	2,802,030
Interest and bank charges	84,669	114,279	198,948	2,341	1,440	1,343	48	9,689	102,090	8	23,174	14,454	353,535
Business development and promotion	181,096	230,824	411,920	4,287	7,422	23,822	925	17,956	226,996	1,301	-	72,389	767,018
Marketing and support services	1,764,428	2,248,929	4,013,357	41,772	72,310	232,095	9,016	174,950	2,211,629	12,676	-	705,285	7,473,090
Other acquisition costs	89,304	-	89,304	27	1,085	9,587	37	155	55,056	-	3,938	25,831	185,020
Others													-
Exchange (gain) /loss (net)	2,726	3,680	6,406	75	46	43	2	312	3,241	-	746	466	11,337
Other office running expenses	79,918	107,868	187,786	2,210	1,359	1,267	45	9,151	95,341	7	26,588	13,654	337,408
Miscellaneous expenses	19,550	26,387	45,937	540	333	310	11	2,238	23,322	2	6,504	3,338	82,535
Loss/(Profit) on disposal of assets (net)	(903)	(1,219)	(2,122)	(25)	(15)	(14)	(1)	(103)	(1,074)	-	(247)	(155)	(3,756)
Information technology	157,357	219,527	376,884	1,847	178	444	6	120,123	244,207	2	156,568	257,644	1,157,903
Depreciation (refer note 2.14 of Schedule 16)	102,755	138,690	241,445	2,841	1,748	1,630	58	11,758	124,747	9	31,619	17,542	433,397
GST /Service tax	211,583	-	211,583	1	10	29	-	960	45,560	-	130,849	800	389,792
Total	5,302,123	4,945,075	10,247,198	111,771	148,010	473,690	17,574	694,075	6,840,513	22,689	1,102,847	2,264,087	21,922,454

Schedule - 4 (A) Operating expenses related to insurance business

Schedules to and forming part of the Financial Statements

(Rupees in '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
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	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	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
Total	4,296,939	5,149,421	9,446,360	80,798	81,827	350,151	17,842	571,036	4,968,891	13,545	711,113	1,852,064	18,093,628

(Refer note 2.12 and 41 of Schedule 16)

Schedule - 5 Share Capital

Schedules forming part of the Financial Statements

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised capital		
125,000,000 (previous year :125,000,000) Equity shares of ₹ 10 each	1,250,000	1,250,000
Issued capital		
110,227,250 (previous year :110,227,250) Equity Shares of ₹ 10 each fully paid up	1,102,273	1,102,273
Subscribed capital		
110,227,250 (previous year :110,227,250) Equity Shares of ₹ 10 each fully paid up	1,102,273	1,102,273
Called-up capital (Refer schedule 5A)		
110,227,250 (previous year :110,227,250) Equity Shares of ₹ 10 each fully paid up	1,102,273	1,102,273
Less: Calls unpaid	-	-
Add : Equity shares forfeited (Amount originally paidup)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses to the extent not written off	-	-
Expenses including commission or brokerage on underwriting or subscription of shares		
Total	1,102,273	1,102,273

SCHEDULE - 5A Share Capital / Pattern of Shareholding

(As certified by the Management)

Shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian				
Bajaj Finserv Limited	81,568,165	74.00%	81,568,165	74%
Foreign				
Allianz SE	28,659,085	26.00%	28,659,085	26%
Others	-	-	-	-
Total	110,227,250	100.00%	110,227,250	100.00%

SCHEDULE - 6 Reserves and Surplus

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve	-	-
Capital redemption reserve	-	-
Share premium	1,666,197	1,666,197.00
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	93,117,206	80,717,620
Total	94,783,403	82,383,817

SCHEDULE - 7 Borrowings

Particulars	(Rupees in '000)	
	As at 31 March 2023	As at 31 March 2022
Debentures/Bonds	-	-
Banks	-	-
Financial institutions	-	-
Others	-	-
Total	-	-

Schedule - 8 Investments - Shareholders

Particulars	(Rupees in '000)	
	As at 31 March 2023	As at 31 March 2022
Long term investments		
1 Government securities and		
Government guaranteed bonds including Treasury bills	58,132,813	27,476,434
2 Other approved securities	82,690	82,016
3 Approved Investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	4,613,917	3,448,960
- Fair Value Change Accretion/(Diminution)	462,112	1,185,265
(bb) Preference Shares	-	-
(b) Mutual funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	149,989	2,316,553
(e) Other securities (to be specified)	-	-
(i) AT1 Bonds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(f) Subsidiaries	-	-
Less : Accumulated depreciation	-	-
4 Investments in Infrastructure and Housing Sector	-	-
(a) Equity Shares	458,044	409,096
- Fair Value Change Accretion/(Diminution)	155,696	181,414
(b) Debenture/Bonds	4,948,893	8,105,313
5 Other investments		
(a) Shares		
(aa) Equity	328,536	1,128,578
- Fair Value Change Accretion/(Diminution)	35,477	1,862
(bb) Preference	-	-
(b) Debenture/Bonds	249,831	249,866
(c) Other securities - Loan	-	-
Sub-Total (A)	69,617,998	44,585,357
Short term investments		
1 Government securities and		
Government guaranteed bonds including Treasury bills	-	-
2 Other approved securities	-	-

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
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	503,205	3,572,840
(e) Other securities (Note no 6)		
(i) Tri-party repo (TREPs)	2,187,191	5,954,548
(f) Subsidiaries	-	-
4 Investments in Infrastructure and Housing Sector	765,786	2,733,093
5 Other Investments		
(a) Shares	-	-
(b) Mutual Funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Debenture/Bonds	-	-
Sub-Total (B)	3,456,182	16,336,352
Total (A+B)	73,074,180	60,921,709
Investments		
In India	73,074,180	60,921,709
Outside India	-	-
Total	73,074,180	60,921,709

* 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 ₹ 3,456,182 thousand (Previous year ₹ 16,336,351 thousand)
- Investment other than Equities and Derivative instruments
Aggregate value of Investments as at 31 March 2023 ₹ 67,020,398 thousand
(Previous year ₹ 54,450,663 thousand)
Market value as at 31 March 2023 ₹ 66,400,019 thousand (Previous year ₹ 54,916,535 thousand)
- Value of contracts in relation to investments where deliveries are pending Rupees NIL thousand (Previous year Rupees NIL thousands) and in respect of Sale of investments where payments are due ₹ 260,487 thousand (Previous year Rupees Nil thousand).
- Equity includes investments qualifying for Infra and Housing sector ₹ 613,740 thousand (Previous year ₹ 590,510 thousand)
- Investments in subsidiary/holding Company Rupees Nil thousand (Previous year Rupees Nil thousand)
- Investments in other related entities Rupees Nil thousand (Previous year ₹ 3,497,907 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

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
Long term investments		
1 Government securities and		
Government guaranteed bonds including Treasury bills	129,319,997	94,701,851
2 Other approved securities	49,660	49,513
3 Approved Investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	10,765,719	8,047,218
- Fair Value Change Accretion/(Diminution)	1,078,331	2,765,959
(bb) Preference Shares	-	330,095
(b) Mutual funds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	13,263,831	11,100,159
(e) Other securities (to be specified)		
(i) AT1 Bonds	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(f) Subsidiaries	-	-
Less : Accumulated depreciation	-	-
4 Investments in Infrastructure and Housing Sector		
(a) Equity Shares	1,068,669	954,438
- Fair Value Change Accretion/(Diminution)	363,389	423,417
(b) Debenture/Bonds	26,723,821	24,839,204
5 Other investments		
(a) Shares		
(aa) Equity	766,573	2,683,984
- Fair Value Change Accretion/(Diminution)	82,792	5,121
(bb) Preference	-	-
(b) Debenture/Bonds	979,462	499,732
(c) Other securities - Loan	-	-
Sub-Total (A)	184,462,244	146,400,691
Short term investments		
1 Government securities and		
Government guaranteed bonds including Treasury bills	753,903	753,427
2 Other approved securities	-	-
3 Approved Investments		
(a) Shares		
(aa) Equity Shares	-	-
- Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference shares	330,124	-
(b) Mutual funds	-	6,930,000
- Fair Value Change Accretion/(Diminution)	-	54,043
(c) Derivative instruments	-	-
(d) Debenture/Bonds	2,254,996	13,786,071

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
(e) Other securities (Note no 6)		
(i) Tri-party repo (TREPs)	393,854	1,064,073
(ii) AT1 Bonds	-	249,110
- Fair Value Change Accretion/(Diminution)	-	3,117
(iii) Fixed Deposits	310,000	500,000
(f) Subsidiaries	-	-
4 Investments in Infrastructure and Housing Sector	8,437,899	11,617,326
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	-	-
(d) Other securities - Loan	-	-
Sub-Total (B)	12,480,776	34,957,167
Total (A+B)	196,943,020	181,357,858
Investments		
In India	196,943,020	181,357,858
Outside India	-	-
Total	196,943,020	181,357,858

* 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 ₹ 12,480,776 thousand (Previous year ₹ 34,957,168 thousand)
- Investment other than Equities and Derivative instruments
Aggregate value of Investments as at 31 March 2023 ₹ 182,817,547 thousand (Previous year ₹ 166,171,452 thousand)
Market value as at 31 March 2023 ₹ 179,613,890 thousand (Previous year ₹ 167,608,285 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 ₹ 257,803 thousands (Previous year Rupees Nil thousand).
- Equity includes investments qualifying for Infra and Housing sector ₹ 1,432,057 thousand (Previous year ₹ 1,377,855)
- Investments in subsidiary/holding Company Rupees Nil thousand (Previous year Rupees Nil thousand)
- Investments in other related entities Rupees 4,307,401 thousand (Previous year ₹ 5,502,768 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

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
1 SECURITY-WISE CLASSIFICATION		
Secured	-	-
a) On Mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
b) On Shares, Bonds, Govt. Securities	-	-
c) Others	-	-
Unsecured	-	-
Total	-	-
2 BORROWER-WISE CLASSIFICATION		
a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Industrial Undertakings	-	-
e) Others	-	-
Total	-	-
3 PERFORMANCE-WISE CLASSIFICATION		
a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total		
4 MATURITY-WISE CLASSIFICATION		
a) Short- Term	-	-
b) Long- Term	-	-
Total	-	-
Total	-	-

Note:

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

SCHEDULE 10 - Fixed Assets

Schedules forming part of the Financial Statements

(Rupees in '000)

Particulars	Gross Block			As at 31 March 2023	Depreciation / Amortisation			As at 31 March 2023	Net Block	
	As at 1st April 2022	Additions during the year	Deductions during the year		As at 1st April 2022	For the Year	On Sales		As at 31 March 2023	As at 31 March 2022
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Softwares	1,105,142	164,251	33,973	1,235,420	678,076	133,904	29,677	782,303	453,117	427,066
Land - Freehold	903,147	50,114	-	953,261	-	-	-	-	953,261	903,147
Leasehold Improvements	175,615	10,563	19,160	167,018	162,436	6,673	19,160	149,950	17,068	13,179
Freehold Improvements	23,497	-	-	23,497	23,497	-	-	23,497	-	-
Buildings*	2,738,744	-	-	2,738,744	516,965	44,844	-	561,808	2,176,936	2,221,779
Furniture and Fittings	566,215	21,374	19,817	567,771	476,687	31,752	19,322	489,116	78,655	89,528
Information Technology Equipment	1,072,186	335,446	93,681	1,313,952	806,248	166,005	93,413	878,842	435,110	265,938
Vehicles	143,377	67,550	19,007	191,920	66,674	40,849	16,333	91,189	100,730	76,703
Office Equipment	298,136	36,947	30,457	304,627	255,999	33,246	30,155	259,091	45,536	42,137
Others	-	-	-	-	-	-	-	-	-	-
Total	7,026,059	686,245	216,095	7,496,210	2,986,582	457,273	208,060	3,235,796	4,260,413	4,039,477
Capital work-in-progress & advances									234,209	202,127
Grand Total	7,026,059	686,245	216,095	7,496,210	2,986,582	457,273	208,060	3,235,796	4,494,622	4,241,604
Previous year	7,001,463	518,712	494,116	7,026,059	2,979,744	486,651	479,813	2,986,582	4,241,604	4,271,058

(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

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
1. Cash and stamps on hand (Refer note 2.25 of Schedule 16)	3,651	4,682
2. Cheques on hand	569,859	459,557
3. Bank balances		
(a) Deposit accounts		
(aa) Short term (due within 12 months)	2,927,655	1,478,094
(bb) Others	15,776	-
(b) Current accounts	4,559,181	2,809,286
(c) Others	-	-
4. Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	-	-
5. Others	-	-
Total	8,076,122	4,751,619
Balance with non-scheduled Banks included in (3) above	15,807	178,649
Cash and bank balances		
In India	8,060,315	4,572,970
Outside India	15,807	178,649
Total	8,076,122	4,751,619

Schedule - 12 Advances and other assets

Schedules forming part of the Financial Statements

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
Advances		
1. Reserve deposits with ceding companies	-	-
2. Application money for investments	-	250,000
3. Prepayments	444,238	397,768
4. Advances to Directors / Officers	-	-
5. Advance tax paid and taxes deducted at source	962,350	932,033
6. Others		
(a) Advance to employees	1,093	821
(b) Advances recoverable	658,918	711,450
Less: Provision for doubtful advances	(2,775)	(1,727)
	656,143	709,723
(c) Unutilised Tax Credit carried forward		
- Goods and service Tax (GST)	4,054,196	1,596,921
(d) Unsettled investment contract receivable	518,290	-
Total (A)	6,636,310	3,887,266
Other assets		
1. Income accrued on investments	4,783,264	5,222,691
2. Outstanding premiums	11,915,397	11,126,704
3. Agents' balances	121,368	90,608
Less: Provision for doubtful recoveries	(45,344)	(34,386)
	76,024	56,222
4. Foreign agencies balances	-	-
5. Due from other entities carrying on insurance business, including reinsurers (net)	5,231,051	2,713,859
Less : Provision for doubtful amounts	-	-
	5,231,051	2,713,859
6. Due from subsidiary / holding companies	-	-
7. Others		
a) Other Deposits	1,789,165	268,181
b) Investment of Unclaimed amounts of Policyholders' (Refer note 24 of Schedule 16)	25,226	95,794
Total (B)	23,820,127	19,483,451
Total (A + B)	30,456,437	23,370,717

Schedule - 13 Current liabilities

Schedules forming part of the Financial Statements

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
1. Agents' balances	1,828,806	1,441,856
2. Balances due to other insurance companies including reinsurers (net)	13,761,619	9,012,830
3. Deposit held on re-insurance ceded	3,133,831	958,320
4. Premiums received in advance (Refer note 2.7 of schedule 16)	14,482,383	11,144,804
5. Unallocated premium	6,446,113	5,930,601
6. Sundry creditors (Refer note 22 of Schedule 16)	5,778,304	4,454,209
7. Due to Subsidiaries/holding Company	-	-
8. Claims outstanding (Net)	121,961,350	109,591,953
9. Solatium fund (Refer note 2.20 of Schedule 16)	225,162	195,191
10. Due to Officers/Directors	-	-
11. Due to policyholders/ insured	4,031	4,762
12. Unclaimed amount of Policyholders' (Refer note 24 of Schedule 16)	11,696	45,898
13. Others		
(a) Goods and Service tax payable (GST)	2,357,088	519,228
(b) Statutory dues	561,230	831,073
(c) Unsettled investment contract payable	-	-
14. Temporary Overdraft as per the books of accounts only	-	702,376
Total	170,551,613	144,833,101

Schedule - 14 Provisions

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
1. Reserve for unexpired risk	44,419,473	41,494,357
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)	159,466	18,793
4. Provision for Standard Asset (Refer note 35 of Schedule 16)	-	-
5. Others :		
For employee benefits		
(a) Gratuity	-	-
(b) Compensated absences	134,291	125,913
(c) Long term incentive plan	42,529	127,447
Total	44,755,759	41,766,510

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

(Rupees in '000)

Particulars	As at 31 March 2023	As at 31 March 2022
Discount allowed in issue of shares/debentures	-	-
Others	-	-
Total	-	-

SCHEDULE – 16

Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2023

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

2.9 Premium deficiency

Premium deficiency is recognized if the ultimate amount of expected net claim costs, related expenses and maintenance costs exceeds the related premium carried forward to the subsequent accounting period as the reserve for unexpired risk. The Company considers maintenance costs as relevant direct costs incurred for ensuring claim handling operations. As per IRDAI circular IRDA/F&A/CIR/FA/126/07/2013, dated 3 July 2013 (Corrigendum to Master Circular IRDA/F&I/CIR/F&A/231/10/2012, dated 5 October 2012), premium deficiency, if any, has been recognized at Segmental Revenue Account Level. The expected claim costs are calculated and duly certified by the Appointed Actuary.

2.10 Claims incurred

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

Claims paid (net of recoveries including salvage retained by the insured and includes interest paid towards claims) are charged to the 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 are segregated between those which can be directly attributed to a particular business segment and those which cannot be so attributed. Operating expenses which are directly attributable to a particular business segment and identifiable as such are allocated directly to that segment. Operating expenses which are not directly identifiable to any business segment, but which are attached to specific functions are apportioned based on the most suitable driver of apportionment (including gross written premium, net written premium, number of policies, etc.) for respective functions. Operating expenses which are not attached to specific functions are apportioned based on the most suitable driver (including gross written premium, net written premium, number of policies, etc.) of apportionment at Company level.

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

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

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

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

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

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

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

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

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

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

**Lease hold improvements and electrical fittings installed at leased premises are depreciated over the primary period of lease of premises or 5 years, whichever is less.

The Company was using estimated life of primary period of lease (generally 3 years) for depreciating leasehold improvements and electrical fittings installed at leased premises. Effective this year, given the change in lease terms over past few years, Company has changed the estimated life for depreciation on said assets to "Over the primary period of lease of premises or 5 years whichever is less". Due to aforesaid change, the depreciation for the current year is lower by ₹ 2,915 thousand.

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 was accrued and provided for on the basis of actuarial valuation made at the Balance Sheet date until end of FY2022. At the end of FY2023, as the LTIP liability outstanding is due within twelve month, the same has not been actuarially valued and carried at actual amount due.

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 ₹ 20,000,000 thousand (Previous year ₹ 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 (as specified by the Regulation) 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 2023	31 March 2022
1	Partly paid up investments	Nil	Nil
2	Underwriting commitments outstanding (in respect of shares and securities)	Nil	Nil
3	Claims other than those under policies not acknowledged as debts	Nil	Nil
4	Guarantees given by or on behalf of the Company	Nil	Nil
5	Statutory demands/liabilities in dispute, not provided for, in respect of		
	a) Income Tax	Nil	Nil
	b) Service Tax ¹	201,088	207,469
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 which are now in appeal before Commissioner (Appeals). 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 2023	31 March 2022
Outsourcing expenses	2,781,916	2,266,668
Business development	965,715	870,173
Marketing support	9,408,998	7,800,718

5. Capital commitments

Commitments made and outstanding for acquisition of fixed assets amount to ₹ 277,654 thousand (Previous year ₹ 283,472 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 2023.

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**a) Remuneration to Managing Director & CEO**

(Rupees in '000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Mr. Tapan Singhel		
• Salary, allowances and bonus paid (including contributions to funds)	160,719	150,897
• Perquisites	2,891	2,739

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

The managerial remuneration is in accordance with the approval accorded by a resolution of the Board of Directors and which has been approved by IRDAI. Managerial remuneration amounting to ₹ 15,000 thousand for Managing Director has been charged to Revenue Account and balance has been charged to Profit and Loss Account.

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

Particulars	Number of Options*	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Options outstanding at beginning of year	548,750	232,250
No. of options granted during the year	248,580	316,500
No. of options exercised during the year	-	-
Options outstanding at end of year	797,330	548,750

* During the year FY2023 there was a corporate action on the shares of Bajaj Finserv Ltd. which included a share split and a bonus allotment which translated into a conversion factor of 10 shares for each share / option held. The options data produced herein hence stands revised basis the conversion factor applicable.

b) Remuneration to non-executive directors

(Rupees in '000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sitting Fees paid	4,100	4,900
Reimbursement of expenses	-	-
Profit related commission	3,700	3,900

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 2023				For the year ended 31 March 2022			
	GDPI	No. of Policies	No. of Lives	% of GDPI	GDPI	No. of Policies	No. of Lives	% of GDPI
Rural	22,253,068	4,233,113	-	14.51	17,227,110	2,198,098	-	12.59
Social	4,191	378	2,119,394	-	7,442	457	2,249,554	0.01
Urban	131,109,168	23,670,554	-	85.49	119,651,376	20,064,521	-	87.40
Total	153,366,427	27,904,045	29,248,226	100	136,885,928	22,263,076	35,346,783	100

As against the rural contribution of 7% of GDPI mandated by IRDAI, the Company's rural contribution is 14.51%. As against the requirement of 5% of the total lives written in previous year, the Company has written 6.0% 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 2023 % age of business written	For the year ended 31 March 2022 % age of business written
Risk Retained	55%	58%
Risk Insured	45%	42%
Total	100%	100%

13. Contribution to Environment Relief Fund

The Company has collected an amount of ₹ 5,287 thousand (Previous year – ₹ 5,212 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 2023 to United India Insurance Company, the implementing agency for the fund. The balance payable amounting to ₹ 372 thousand (Previous year ₹ 289 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,-Count-number)	
	31 March 23	31 March 22
Payable not later than one year	6,600	17,145
Payable later than one year but not later than five years	-	6,600
Payable later than five years	-	-

- Amount charged to Revenue Accounts in respect of all lease arrangements aggregates ₹ 284,013 thousand (Previous year ₹ 284,730 thousand).
- There are no transactions in the nature of sub leases.
- The period of agreement is generally for five years and renewable thereafter at the option of the lessee.

17. Earnings per Share ('EPS')

Particulars	(Rupees in '000, Count-number)	
	FY 2023	FY 2022
Profit after Tax		
Basic earnings before extra-ordinary items [A] Rupees	13,479,813	13,391,279
Basic earnings after extra-ordinary items [B] Rupees	13,479,813	13,391,279
Weighted average number of equity shares (par value of ₹ 10 each) [C]	110,227,250	110,227,250
Basic and diluted earnings per share [A/C] Rupees	₹ 122.29	₹ 121.49
Basic and diluted earnings per share after extraordinary items [B/C] Rupees	₹ 122.29	₹ 121.49

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

Direct tax

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

	(Rupees in '000)	
	31 March 2023	31 March 2022
Deferred tax asset		
Timing difference on account of -		
Reserve for unexpired risks	205,065	238,626
Employee Benefits	33,513	31,690
Long Term Incentive Plan	189,679	32,076
Provision for doubtful debts	12,111	9,089
Solatium fund	56,669	49,125
Provision for diminution in value of Investments	73,038	39,345
Total	570,075	399,951
Deferred tax liability		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	-243,611	-221,687
Net deferred tax asset	326,464	178,264
Deferred Tax (income) / expense recognized in the Profit and loss account	-148,199	1,084,296

During the financial year ended 31 March 2023, the current tax includes provision of income tax of ₹ 6,000 thousand (Previous year – ₹ 9,677 thousand) 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 2023, the current tax includes reversal of income tax provision of Rupees Nil (Previous year – Rupees Nil) for earlier years.

Indirect tax

Pursuant to an inquiry by Directorate General of GST Intelligence (DGGI) relating to certain input credit availed by the Company, it has provided all information and clarifications to DGGI. The Company believes, it has taken input credit in accordance with relevant provisions of the statute. Pending completion of such inquiry, there is no impact considered on the financial statements for the year ended 31 March 2023.

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:

	(Rupees in '000)	
	31 March 2023	31 March 2022
Particulars		
Provident fund	278,000	250,529
Superannuation scheme	5,190	5,168
Employees state insurance corporation	827	1,005
Labour welfare fund	412	332
Contribution to National Pension Scheme	25,484	24,283
Contribution to Employee Deposit Linked Insurance	6,470	6,130
Total	316,383	287,447

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 2023	31 March 2022
Current service cost	84,326	70,651
Interest cost on defined benefit obligation	42,730	31,088
Expected return on plan assets	-36,739	-28,309
Net actuarial loss recognized in the year	19,375	76,783
Net benefit expense	109,691	150,213
Actual return on plan assets	29,476	36,179

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

Particulars	(Rupees in '000)	
	31 March 2023	31 March 2022
Defined benefit obligation	835,724	768,567
Fair value of plan assets	-836,246	-771,395
Net liability/(asset) recognized in the Balance Sheet	-522	-2,828

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

Particulars	(Rupees in '000)	
	31 March 2023	31 March 2022
Opening defined benefit obligation	768,567	615,422
Interest cost	42,730	31,088
Current service cost	84,326	70,651
Benefits paid	-72,010	-33,248
Actuarial losses/(gains) on obligation	12,112	84,654
Closing defined benefit obligation	835,724	768,567

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

Particulars	(Rupees in '000)	
	31 March 2023	31 March 2022
Opening fair value of plan assets	771,395	617,682
Expected return	36,739	28,309
Contributions by employer	107,385	150,781
Benefits paid	-72,010	-33,248
Actuarial (losses)/gains	-7,263	7,871
Closing fair value of plan assets	836,246	771,395

The Company expects to contribute ₹ 150,000 thousand to gratuity in FY2024.

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

(%)

Particulars	31 March 2023	31 March 2022
Investments with insurer	100	100
Asset allocation:		
Government securities	70	76
Debentures and bonds	24	5
Fixed deposits	6	1
Money market instruments	0	11
Others	0	7

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

(%)

Particulars	31 March 2023	31 March 2022
Discount rate	7.30	5.65
Expected rate of return on assets	6.00	5.00
Increase in compensation cost	9.50	9.50

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 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Defined benefit obligation	835,724	768,567	615,422	498,581	437,009
Plan assets	836,246	771,395	617,682	505,472	445,557
Surplus / (deficit)	522	2,828	2,260	6,891	8,548
Experience adjustments on plan liabilities	65,396	66,735	19,264	34,067	37,820
Experience adjustments on plan assets	-7,263	7,871	-740	10,562	-1,320

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 2023	31 March 2022
Defined benefit obligation	134,291	125,913
Expenses Recognized in the Profit and Loss Account and Revenue Account During the year	133,342	128,659
Actuarial assumptions used		
Discount rate	7.30%	5.65%
Salary escalation rate*	9.50%	9.50%
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 was determined based on actuarial valuation which was in the past 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 for the previous year are given below. Given that the scheme has been replaced with the Employee Stock Option Plans and only the last tranche of the erstwhile LTIP is payable, within less than one year from the reporting date, the actual liability is held in the books as at 31 March 2023:

Particulars	(Rupees in '000)	
	31 March 2023	31 March 2022
Defined benefit obligation	42,529	127,447
Expense recognized in income statement during the year	-4,712	-67,407
Actuarial assumptions used		
Discount rate	0.00%	5.65%
Attrition rate	0.00%	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"), Employee Stock Option 2018 – Tranche VI ("ESOP 2021") and Employee Stock Option 2018 – Tranche VIII ("ESOP 2022") 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 & ESOP 2022

While the intrinsic value of the options granted under ESOP 2020, ESOP 2021 & ESOP 2022 are 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 charged to Revenue Account / Profit & Loss Account of ₹ 454,345 thousand (Previous year: ₹ 344,628 thousands).

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 ₹ 1,374 thousand (Previous year: ₹ 13,503 thousand) and the profit after tax would have been lower by ₹ 1028.35 thousand (Previous year: ₹ 10,092 thousand). Consequently, Company's basic and diluted earnings per share would have been ₹ 122.28 (Previous year: ₹ 121.40).

During the year FY2023 there was a corporate action on the shares of Bajaj Finserv Ltd. which included a share split and a bonus allotment which translated into a conversion factor of 10 shares for each share / option held. Options data and the related price, as detailed below, accordingly stands revised basis the conversion factor in respect of all years.

Details of each option is as follows:

Particulars	ESOP 2022	ESOP 2021	ESOP 2020	ESOP 2019	ESOP 2018
	No of options	No of options	No of options	No of options	No of options
Date of Grant	28 April 2022	28 April 2021	22 May 2020	16 May 2019	19 July 2018
No. of Options Granted	1,132,380	1,492,000	1,766,750	452,000	166,250
Exercise Price (₹)	1482.64	1009.14	470.21	745.47	636.57
Graded Vesting Period:					
1st Year	34%	34%	34%	34%	34%
2nd Year	33%	33%	33%	33%	33%
3rd Year	33%	33%	33%	33%	33%
Maximum term of options granted/ Contractual Life	8 Years	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 2023					For the year ended 31 March 2022			
	ESOP 2022	ESOP 2021	ESOP 2020	ESOP 2019	ESOP 2018	ESOP 2021	ESOP 2020	ESOP 2019	ESOP 2018
Outstanding at the beginning of the year	-	1,416,750	1,506,220	316,940	83,480	-	1,732,500	434,580	178,610
Granted during the year*	1,132,380	37,620	51,240	17,500	2,600	1,492,000	-	-	-
Forfeited/lapsed during the year*	70,920	54,380	32,070	-	-	75,250	37,940	7,400	-
Exercised during the year	-	82,397	270,450	116,685	51,855	-	188,340	110,240	95,130
Outstanding at the end of the year	1,061,460	1,317,593	1,254,940	217,755	34,225	1,416,750	1,506,220	316,940	83,480
Exercisable at the end of the year	-	409,733	716,765	217,755	34,225	-	400,990	184,620	83,480
Remaining contractual life	6.07 Years	5.11 Years	4.33 Years	3.33 Years	2.54 Years	6.07 Years	5.24 Years	4.26 Years	3.39 Years

* Including ESOP units of employee transferred within Group Company.

The weighted average price of options exercised during the year was ₹ 1,573.57 (Previous year: ₹ 1,449.77).

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 2022	ESOP 2021	ESOP 2020	ESOP 2019	ESOP 2018
Weighted average fair value on the date of grant (₹)	462.64	310.78	147.05	224.01	193.05
Risk-free interest rate	5.38%	4.45% to 5.36%	6.35%	7.56%	8.07%
Expected life	One year after vesting	One year after vesting	One year after vesting	One year after vesting	One year after vesting
Expected Volatility	37.36%	34.97% to 40.80%	35.36%	30.40%	29.65%
Expected dividend yield %	70%	100%	50%	35%	35%

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

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 ₹ 70,394 thousand (previous year ₹ 72,739 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 ₹ 38,172 thousand (previous year ₹ 33,701 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-Mar-23	31-Mar-22
i)	The principal amount remaining unpaid to any supplier as at the end of the year	252,462	184,312
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
		FY2023	-	-	-	-
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	-
2	Service Tax Authorities	FY2023	-	-	-	-
		FY2022	-	-	-	-
3	Income Tax Authorities	FY2023	-	-	-	-
		FY2022	-	-	-	-
4	Any Other Tax Authorities	FY2023	-	-	-	-
		FY2022	-	-	-	-
5	Enforcement Directorate / Adjudicating Authority/ Tribunal or any authority under FEMA	FY2023	-	-	-	-
		FY2022	-	-	-	-
6	Registrar of Companies/ NCLT/ CLB/Department of Corporate Affairs or any Authority under Companies Act-1956	FY2023	-	-	-	-
		FY2022	-	-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	FY2023	-	-	-	-
		FY2022	-	-	-	-

(Rupees in '000)

Sr. No.	Authority	Period	Non-Compliance/ Violation	Penalty awarded	Penalty paid	Penalty Waived/ Reduced/ Stay received
8	Securities and Exchange Board of India	FY2023	-	-	-	-
		FY2022	-	-	-	-
9	Competition Commission of India	FY2023	-	-	-	-
		FY2022	-	-	-	-
10	Any other Central / State / Local Govt./ Statutory Authority (Tariff Advisory Committee)	FY2023	-	-	-	-
		FY2022	-	-	-	-

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 31st March 2023

(Rupees in '000)

Particulars	Period	Total Amount	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	More than 120 months
Claims settled but not paid to the policy holders/ insured due to any reasons except under litigation from the insured/ policyholders	FY2023	-	-	-	-	-	-	-	-	-
	FY2022	-	-	-	-	-	-	-	-	-
Sum due to the insured/ policy holders on maturity or otherwise	FY2023	-	-	-	-	-	-	-	-	-
	FY2022	-	-	-	-	-	-	-	-	-
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	FY2023	7,773	1,560	507	898	648	401	614	3,145	-
	FY2022	38,326	2,916	3,582	2,540	3,330	2,772	3,475	19,711	-
Cheques issued but not encashed by the policy holder/ insured	FY2023	3,923	-	-	-	-	-	-	3,084	839
	FY2022	7,572	-	-	-	-	-	-	5,074	2,498
	FY2023	11,696	1,560	507	898	648	401	614	6,229	839
Total	FY2022	45,898	2,916	3,582	2,540	3,330	2,772	3,475	24,785	2,498

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 2023			FY 2022		
	Policy Dues	Income Accrued	Total	Policy Dues	Income Accrued	Total
Opening Balance	38,718	7,181	45,899	51,132	10,347	61,479
Add: Amount transferred to unclaimed fund	2,927	33	2,960	7,421	70	7,491
Add: Cheques issued but not encashed by the policyholder (To be included only when cheques are stale)	-	-	-	-	-	-
Add: Investment income on unclaimed fund		937	937	-	1,784	1,784
Less : Amount of claims paid during the year	29,161	5,052	34,213	9,051	1,263	10,314
Less : Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	2,792	1,095	3,887	10,784	3,758	14,542
Closing balance of unclaimed Amount fund	9,692	2,004	11,696	38,718	7,180	45,898

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 2023 the Company did not have any outstanding derivative contracts.

27. Contribution to Investor Education and Protection Fund

For the year ended 31 March 2023, 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 ₹ 329,223 thousand (previous year: ₹ 286,451 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 ₹ 329,223 thousand (previous year ₹ 286,451 thousand).
- Amount spent during the year on:

(Rupees in '000)

Sr. No.	Particulars	31-Mar-23	31-Mar-22
i)	Construction / acquisition of any asset		-
ii)	On purposes other than (i) above*	330,613	286,451
	Total	330,613	286,451

c. Movement in provision for CSR activities:

(Rupees in '000)

Particulars	31-Mar-23	31-Mar-22
Balance as at beginning of the year	87,610	-
Additional provision made during the year	1,390	87,610
Amount utilised during the year	89,000	-
Balance as at end of the year	-	87,610

d. As per the requirements of Section 135(5), Excess amount spent:

(Rupees in '000)

Opening Balance	Amount required to be spent during the year	Amount spent / incurred during the year	Amount spent during the year but not carried forward	Closing Balance*
-	329,223	334,295	1,390	3,682

*Includes amount of ₹ 3,491 thousand which is remaining unutilized by CSR implementing agencies.

e. 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
87,610	-	-	87,610	-

As on 31 March 2022, ₹ 1,034 thousand was remaining unutilised by CSR implementing agencies which is utilised in current year.

f. Details of ongoing projects:

(Rupees in '000)

Opening Balance		Amount transferred to CSR unspent A/c	Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	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
87,610	-	89,000	327,044	327,044	89,000	-	-

* Out of disbursed amount towards ongoing projects amount of ₹ 3,491 thousand remains unutilized by CSR implementing agencies

g. Amounts of related party transactions pertaining to CSR related activities for the year ended March 31, 2023 is Nil (Previous year ended March 31, 2022 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
Securities Sold under repo (At cost)					
1. Government Securities	FY2023	-	-	-	-
	FY2022	-	-	-	-
2. Corporate Debt Securities	FY2023	-	-	-	-
	FY2022	-	-	-	-
Securities purchased under reverse repo (At cost)					
1. Government Securities	FY2023	-	-	-	-
	FY2022	837,960	4,403,205	7,180	-
2. Corporate Debt Securities	FY2023	-	-	-	-
	FY2022	-	-	-	-

30. Solvency Margin

(Rupees in '000)

Solvency Margin	31 March 2023	31 March 2022
Required solvency margin under IRDAI Regulations (A)	23,039,200	22,747,711
Available solvency margin (B)	90,176,200	78,224,800
Solvency ratio actual (times) (B/A)	3.91	3.44
Solvency ratio prescribed by Regulation	1.5	1.5

31. Dividend

The Board of Directors proposed to declare dividend of ₹ 27 per share (Previous year ₹ 21 per share) of face value of ₹ 10 per equity share (i.e. 270%), totalling ₹ 2,976,136 thousand (Previous year ₹ 2,314,772 thousands).

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:

(Rupees in '000)

Particulars	31 March 2023	31 March 2022
Margin Money Deposits	75,100	75,100
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

All investments of the Company are performing investments.

There are no assets subject to restructuring (31 March 2023: 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:

(Rupees in '000)

Particulars	31 March 2023	31 March 2022
Purchases where deliveries are pending	Nil	Nil
Sales where receipts are due	518,290	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 2023 is ₹ 12,016 thousand (31 March 2022 exchange loss (net) ₹ 7,585 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 2023	31 March 2022
B S R & Co. LLP	Other audit fees	-	2,535
S. R. Batliboi & Co. LLP	Other audit fees	1,097	1,510
KKC	Other audit fees	1,860	-

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 2022 to 31 March 2023
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
Directorships held by person in-charge	Member of the Board of Institute of Insurance and Risk Management

39. Contribution from Shareholders' account to Policyholders' account

In line with IRDAI (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016, the Company has funded the following amounts from Shareholders' Account to Policyholders' Account towards expenses of management in excess of allowable limit at segmental level:

Segment	(Rupees in '000)	
	31 March 2023	31 March 2022
Fire	-	-
Marine	35,900	-
Miscellaneous	248,100	-

We confirm that at an overall level the Company's expenses are well within expense limits set under IRDAI (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016.

40 Matter under litigation : Crop insurance claims

The Company had covered farmers in Osmanabad District in Kharif-2020 season under the Pradhan Mantri Fasal Bima Yojana (PMFBY). The Company has sanctioned ₹ 881,340 thousand to about 72,000 farmers for post-harvest claims as per the scheme guidelines. Subsequently, the Government of Maharashtra had asked various insurance companies to pay post-harvest claims to all the remaining farmers on arbitrary basis considering the losses assessed as per norms of National Disaster Relief Fund (NDRF). These farmers as covered under PMFBY norms while raising demands along with the state had never filed claims with the Company in accordance with the PMFBY scheme provisions. Hence, taking cognizance of the matter, the Central Government also advised the State Government that such arbitrary demand of losses was not as per the PMFBY scheme and insurance companies cannot be asked to pay the same. Applications were however filed before Aurangabad bench of Hon'ble Bombay High Court by some farmers and the court ordered the Company to pay the said losses within six weeks. The Company appealed against the said order of Hon'ble High Court before Hon'ble Supreme Court primarily on the grounds of demand being outside the scope of PMFBY scheme and based on the fact that the terms of the scheme cannot be changed post implementation of the scheme. Hon'ble Supreme Court heard the Company and granted temporary injunction against the order of Hon'ble Bombay High Court subject to Company depositing ₹ 2,000,000 thousand with Registrar of Hon'ble Supreme Court to be kept in interest bearing escrow account. The Hon'ble Supreme Court subsequently disposed off the appeal filed by the Company and ordered that the amount deposited by the Company should be transferred to the District Treasury of Osmanabad and the claims be paid to the affected farmers therefrom under supervision of the District Collector of Osmanabad as per law. The Company has subsequently filed review petition with the Hon'ble Supreme Court, which has also been disposed off. The Company received details of NDRF survey reports and losses recorded therein for affected farmers. Basis the assessment carried out by the management, the Company has paid ₹ 2,137,699 thousand to the District Treasury of Osmanabad along-with the detailed working and a corresponding provision of ₹ 2,137,699 thousand (impact net of re-insurance ₹ 427,540 thousand) has been recorded under in the books of accounts appropriately. However, the District Collector of Osmanabad has informed that the Company should consider NDRF losses only as reference and pay for entire insured area instead of the actual affected area as per NDRF survey. The Company has challenged the same by filing a separate writ before the Hon'ble Bombay High Court, Aurangabad bench, which has stayed the orders of the District Collector of Osmanabad upon deposit of ₹ 1,500,000 thousand by the Company. The Company has taken an independent legal opinion on this matter and does not expect any incremental liability in the books of account.

The Company had covered farmers in Osmanabad District in Kharif-2021 season for Soyabean crop. The Company conducted surveys upon intimation of mid-season adversity and localized calamities due to unseasonal rains and paid ₹ 3,746,033 thousand as claims (representing 50% of losses payable as per the PMFBY scheme). As per the PMFBY scheme, crop cutting experiments were conducted in the presence of State Government and local administrative officials and there was no loss of yield as per the inspection. Crop cutting experiment was carried out immediately post the actual harvesting period but the District Collector of Osmanabad has asked the Company to pay remaining 50% losses (i.e. ₹ 3,746,033 thousand, impact net of re-insurance ₹ 749,207 thousand) as the crop cutting experiment was not carried out based on the harvest period mentioned in the Government notification. The Company has challenged the same by filing a separate writ before the Hon'ble Bombay High Court, Aurangabad bench, which has stayed the

orders of the District Collector of Osmanabad and have also taken an independent legal opinion on this matter and does not expect any liability in the books of account.

41 Update on readiness for IND AS convergence

IRDAI has issued a circular on 'Ind AS implementation in Insurance sector' on 14 July 2022 and has conveyed the broad approach for effective implementation of Ind AS (equivalent to IFRS converged standards in India). IRDAI has also set up an expert committee (including representatives from the Institute of Chartered Accountants of India (ICAI), The Institute of Actuaries of India (IAI), and Insurance Industry) to work on implementation of Ind AS in Insurance sector, including the new standard on Insurance Contracts (Ind AS 117). The Authority has advised insurers to set up a steering committee headed by CFO / Executive Director to immediately initiate the implementation process. The Authority is also in the process of defining the roadmap (including timelines and tasks) for the said convergence.

Globally IFRS 17 has gone live from 1 January 2023; ICAI has also issued an exposure draft on amendment of IND AS 117 and issuance of the final standard is awaited. In compliance to the said circular/guidance from IRDAI, the Company has initiated work on convergence, which is summarized as follows:

- Formulation of Steering committee and working committee having cross functional representation from Finance & Accounts, Actuarial, Technology etc.
- The Company has also engaged an external consultant to conduct the initial gap and high-level impact assessment.
- Quarterly progress/update is being made to the Board via Audit committee.
- During the last two quarters of FY2023, various training workshops were organized by the Company through external consultants on key concepts of Ind AS 117.
- Technical papers on various aspects of Ind AS 117 are prepared by the external consultant and being deliberated for conclusion on various policy matters/choices.
- The Company is in the process of evaluating various technology partners providing technology solutions for the Ind AS implementation.

42 Previous year comparatives

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

Sr No	Re-grouped to	Re-grouped from	Amount	Reasons for reclassification
	N.A.	N.A.	N.A.	

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 KKC & Associates LLP Chartered Accountants (Formerly Khimji Kunverji & Co LLP) Firm Registration Number 105146W/W100621	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	Nathan Fink Alternate Director DIN: 09823245
Hasmukh B. Dedhia Partner Membership No: 033494 Place : Mumbai Date: 21 April 2023	Pikashoo Mutha Partner Membership No. 131658 Mumbai Date: 21 April 2023	Tapan Singhel Managing Director & Chief Executive Officer DIN : 03428746	Ramandeep Singh Sahni Chief Financial Officer	Onkar Kothari Head - Corporate Legal & Company Secretary Pune Date: 21 April 2023

Annexure 1

Segmental Break up of the Balance Sheet item as at 31 March 2023

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 in '000)

Segment	Year	Premium Earned (Net)	Premium Received in Advance	Claims Outstanding (Net)	Reserve for Unexpired Risk	Outstanding premium	Solatium Fund
Fire	FY 2023	2,687,743	163,669	2,059,597	3,400,884	-	-
	FY 2022	2,522,421	42,103	1,924,261	3,133,992	943	-
Marine Cargo	FY 2023	1,634,989	70,599	961,169	499,687	-	-
	FY 2022	1,196,290	50,065	853,691	393,428	65	-
Marine Hull	FY 2023	2,860	-	14,065	3,459	-	-
	FY 2022	2,019	-	15,246	2,858	-	-
Motor OD	FY 2023	18,129,173	1,153,367	3,376,968	10,496,152	781	-
	FY 2022	19,092,695	1,509,960	3,023,770	9,768,082	1,404	-
Motor TP	FY 2023	26,045,013	11,839,345	104,062,641	14,017,420	1,152	225,162
	FY 2022	25,167,029	8,596,713	93,520,417	14,610,403	2,044	195,191
Motor	FY 2023	44,174,186	12,992,712	107,439,609	24,513,572	1,933	225,162
	FY 2022	44,259,724	10,106,673	96,544,187	24,378,485	3,448	195,191
Workmens' Compensation	FY 2023	474,984	7,931	336,883	225,326	279	-
	FY 2022	425,850	5,530	311,333	178,992	-	-
Public/Product Liability	FY 2023	273,900	715	191,100	156,828	-	-
	FY 2022	166,019	1,190	143,463	109,912	58	-
Engineering	FY 2023	286,866	782	176,600	176,231	59,405	-
	FY 2022	282,070	536	178,531	164,017	33,291	-
Aviation	FY 2023	10,464	-	30,077	554	-	-
	FY 2022	(748)	-	135,909	408	-	-
Personal Accident	FY 2023	2,008,984	8,336	1,121,519	1,327,804	3,950	-
	FY 2022	1,963,281	23,585	1,179,498	1,178,930	1,741	-
Health Insurance	FY 2023	20,418,116	353,271	3,322,666	10,851,646	532,763	-
	FY 2022	19,770,960	177,358	4,454,359	8,855,773	2,602,628	-
Credit Insurance	FY 2023	1,379	-	2,183	726	-	-
	FY 2022	1,142	-	925	416	-	-
Crop Insurance	FY 2023	5,141,401	-	3,899,900	164,015	11,307,418	-
	FY 2022	4,028,929	-	1,861,866	145,473	8,469,065	-
Others	FY 2023	3,072,071	884,368	2,405,982	3,098,741	9,649	-
	FY 2022	3,175,724	737,764	1,988,684	2,951,673	15,465	-
Total	FY 2023	80,187,943	14,482,383	121,961,350	44,419,473	11,915,397	225,162
	FY 2022	77,793,681	11,144,804	109,591,953	41,494,357	11,126,704	195,191

Annexure 2

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

Nature of relationship	Name of the related party
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 Electricals Limited
	Bajaj Finance Limited
	Bajaj Allianz Life Insurance Company Limited
	Bajaj Financial Securities Limited
	Bajaj Auto Holdings Limited
	Bajaj Finserv Direct Limited
	Bajaj Housing Finance Limited
	Bajaj Finserv Health Limited
	Bajaj Finserv Asset Management Limited
	Mukand Engineers Limited
	Mukand Limited
	Hind Musafir Agency Limited
	Allianz Services Private Limited (Previously known as Allianz Cornhill Information Services Private Limited)
	AGCS Marine Insurance Company
	Allianz Global Risks US Insurance Company
	Allianz Global Corporate & Speciality SE, UK
	Allianz Global Corporate & Speciality SE, Munich
	Allianz Global Corporate & Speciality SE, India Branch
	Allianz SE Reinsurance, branch Asia Pacific
	Allianz Global Corporate & Speciality SE, Singapore (Previously known as 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 known as Allianz Managed Operations & Services SE)
	Allianz Technology SE, India (Previously known as Allianz Managed Operations & Services SE India)
	AWP Assistance (India) Private Limited (Previously known as AGA Assistance (India) Private Limited)
	AWP Services (India) Private Limited (Previously known as AGA Services (India) Private Limited)
	Euler Hermes Services India Private Limited
	AWP P&C SA Saint Ouen Paris
Key managerial personnel (KMP)	Tapan Singhel, Managing Director and Chief Executive Officer

Relatives of Key Management Personnel as per AS-18 disclosure

- Tapan Singhel, Managing Director and Chief Executive Officer

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

The above disclosures have been made for related parties identified as such only to be in conformity with the Accounting Standard (AS) 18

Related Party Disclosures under AS 18 for the year 2022-23

			(Rupees in '000)	
Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2023	As on and for the period ended 31 March 2022
1	Bajaj Finserv Limited	Expenditure		
		Rent, Rates and Taxes	19,255	19,255
		Legal and Professional charges	52,968	77,290
		Employees' remuneration, benefits & other manpower costs	454,345	344,628
		Billable Expenses Reimbursed		
		- Advertisement and publicity	1,677	2,268
		- Legal and Professional charges	21,479	25,500
		Income		
		Insurance Premium	(10,089)	(8,531)
		Expenses Recovery		
		- Employees' remuneration, benefits & other manpower costs	-	(1,645)
		Other		
		Employee Stock Option Payment	497,977	493,381
		Dividend Paid	799,368	913,563
		Sale of Assets	-	(684)
		Reimbursement Paid - CWIP	878	2,957
		Outstanding Balance- Assets/(Liabilities)		
		Share Capital	(815,682)	(815,682)
		Other Assets (Deposit paid against Leased Premises)	21,394	21,394
		Sundry creditors	-	(24,499)
		Unallocated Premium	(10,265)	(9,890)
2	Bajaj Auto Limited	Expenditure		
		Claims Incurred	67,526	135,559
		Income		
		Insurance Premium	(206,949)	(133,897)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(115,488)	(106,600)
3	Bajaj Holdings and Investments Limited	Expenditure		
		Billable Expenses Reimbursed		
		- Miscellaneous Expenses (Insurance)	514	459
		Income		
		Billable Expenses Recovery		
		Insurance Premium	(10,127)	(9,960)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(16,338)	(12,452)
4	Bajaj Allianz Financial Distributors Limited	Expenditure		
		Commission Paid	4,374	(819)
		Income		
		Insurance Premium	(422)	(247)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(93)	(16)
		Agents Balances	(243)	(23)

(Rupees in '000)

Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2023	As on and for the period ended 31 March 2022
5	Bajaj Allianz Staffing Solutions Limited	Expenditure Employees' remuneration, benefits & other manpower costs Income Insurance Premium Outstanding Balance- Assets/(Liabilities) Unallocated Premium	 769,984 (12,936) (225)	 791,538 (11,296) (637)
6	Bajaj Electricals Limited	Expenditure Claims Incurred Income Insurance Premium Outstanding Balance- Assets/(Liabilities) Unallocated Premium	 75,340 (435,454) (76,638)	 1,987 (70,158) (76,027)
7	Bajaj Finance Limited	Expenditure Claims Incurred Commission Paid Interest and Bank Charges Employees' remuneration, benefits & other manpower costs Income Insurance Premium Interest, Dividends and Rent -Gross Other Redemption of Debentures Purchase of Assets Outstanding Balance- Assets/(Liabilities) Unallocated Premium Agents Balances Outstanding Premium (Receivable against Bank Guarantee) Investment Held (Book Value) Interest Receivable on Investments Advances recoverable in cash or in kind	 7,818 194,599 29,935 - (1,041,706) (671,865) (6,600,000) - (8,702) (330) 26,963 2,822,868 89,723 4,630	 9,954 166,519 62,263 29,253 (702,679) (639,690) - 999 (463,584) (6,391) 88,754 8,000,574 366,752 826
8	Bajaj Allianz Life Insurance Company Limited	Expenditure Claims Incurred Employees' remuneration, benefits & other manpower costs (Group Term Life & Gratuity premium) Rent, Rates and Taxes Billable Expenses Reimbursed - Communication Expenses - Registration Charges - Maintenance and Repairs - Rent, Rates and Taxes Income Insurance Premium Rental Income Billable Expenses Recovery - Maintenance & Repairs - Miscellaneous Expenses (Electricity Expenses) - Rent, Rate and Taxes	 10,464 151,973 18,927 - - 44 487 (319,309) (4,884) (487) (4,560) (680)	 564 224,150 18,210 32 340 66 1,603 (258,256) - (663) (3,529) (476)

(Rupees in '000)

Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2023	As on and for the period ended 31 March 2022
		Other		
		Recovery of Salary Cost Paid on behalf	(4,341)	(5,676)
		Security Deposit Paid	-	386
		Security Deposit Returned	-	(2,033)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(4,897)	(2,052)
		Other Assets (Deposit paid against Leased Premises)	8,586	8,586
		Advances recoverable in cash or in kind	12,042	3,478
9	Bajaj Financial Securities Limited	Income		
		Insurance Premium	(4,680)	(1,659)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(139)	(2,318)
10	Bajaj Auto Holdings Limited	Income		
		Insurance Premium	(3)	(6)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(2)	(2)
11	Bajaj Finserv Direct Limited	Expenditure		
		Commission Paid	11,407	13,288
		Claims Incurred	607	219
		Income		
		Insurance Premium	(20,578)	(14,522)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(355)	(384)
		Sundry creditors	(13)	-
		Agents Balances	129	(486)
12	Bajaj Housing Finance Limited	Expenditure		
		Claims Incurred	439	113
		Income		
		Insurance Premium	(44,647)	(37,940)
		Interest, Dividends and Rent -Gross	(71,000)	(105,712)
		Other		
		Sale of Assets	-	(72)
		Redemption of Investment	(1,000,000)	(500,000)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(9,422)	(45,305)
		Investment Held (Book Value)	1,484,533	1,000,100
		Interest Receivable on Investments	99,045	9,726
		Advances recoverable in cash or in kind	25	25
		Outstanding Premium (Receivable against Bank Guarantee)	-	24
13	Bajaj Finserv Health Limited	Expenditure		
		Claims Incurred	194,467	2,066
		Income		
		Insurance Premium	(166,658)	(158,976)
		Outstanding Balance- Assets/(Liabilities)		
		Outstanding Premium (Receivable against Bank Guarantee)	406	1,787
		Advances recoverable in cash or in kind	1	1
		Sundry creditors	(715)	-
		Unallocated Premium	(10,408)	(5,868)

(Rupees in '000)

Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2023	As on and for the period ended 31 March 2022
14	Bajaj Finserv Asset Management Limited	Income		
		Insurance Premium	(241)	-
15	Mukand Engineers Limited	Expenditure		
		Claims Incurred	38	1,005
		Income		
		Insurance Premium	(543)	(4,983)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(32)	(1,378)
16	Mukand Limited	Expenditure		
		Claims Incurred	45,504	24,228
		Income		
		Insurance Premium	(70,792)	(68,152)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(5,248)	(7,020)
17	Hind Musafir Agency Limited	Expenditure		
		Travel, Conveyance and vehicle running	119,696	30,609
		Income		
		Insurance Premium	(353)	(340)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(30)	(27)
		Sundry creditors	(30,765)	(2,188)
18	Allianz Services Private Limited (Previous Allianz Cornhill Information Services Private Limited)	Income		
		Insurance Premium	(61,897)	(4,578)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(6,912)	(984)
19	'Allianz SE, Germany	Other		
		Dividend Paid	280,859	320,982
		Outstanding Balance- Assets/(Liabilities)		
		Share Capital	(286,591)	(286,591)
20	AGCS Marine Insurance Company	Income		
		Claims on Reinsurance Ceded	-	(1,398)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	-	1,398
21	Allianz Global Risks US Insurance Company	Expenditure		
		Premium on Reinsurance Ceded	3,858,317	2,605,249
		Income		
		Commission on Reinsurance Ceded	(371,191)	(233,574)
		Claims on Reinsurance Ceded	(1,873,030)	(1,486,206)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(338,989)	(183,897)
22	Allianz Global Corporate & Speciality SE, UK	Expenditure		
		Premium on Reinsurance Ceded	-	287
		Income		
		Commission on Reinsurance Ceded	-	(3,893)
		Claims on Reinsurance Ceded	-	(6,664)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(449)	7,302

(Rupees in '000)

Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2023	As on and for the period ended 31 March 2022
23	Allianz Global Corporate & Speciality SE, Munich	Expenditure		
		Premium on Reinsurance Ceded	970,972	1,279,107
		Income		
		Commission on Reinsurance Ceded	(108,605)	(242,003)
		Claims on Reinsurance Ceded	(772,615)	(784,499)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(581,039)	(433,782)
24	Allianz Global Corporate & Speciality SE, India Branch	Expenditure		
		Premium on Reinsurance Ceded	514,913	596,221
		Income		
		Commission on Reinsurance Ceded	(51,968)	(76,694)
		Claims on Reinsurance Ceded	(49,583)	(38,767)
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	(12)	-
		Balances due to Other Insurance Companies	(30,911)	(61,315)
25	Allianz SE Reinsurance, branch Asia Pacific	Expenditure		
		Premium on Reinsurance Ceded	393,366	239,598
		Premium on Reinsurance Ceded (CAT XOL Premium Paid)	6,016	-
		Income		
		Commission on Reinsurance Ceded	(109,858)	(73,817)
		Claims on Reinsurance Ceded	(162,970)	(107,321)
		Claims on Reinsurance Ceded (CAT XOL Claim Recovery)	-	(530)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(15,948)	(10,295)
26	Allianz Global Corporate & Speciality SE, Singapore (Previously known as Allianz Insurance Company of Singapore - PTE)	Expenditure		
		Premium on Reinsurance Ceded	(2,018)	-
		Income		
		Commission on Reinsurance Ceded	250	-
		Claims on Reinsurance Ceded	-	-
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(755)	(10,241)
27	Allianz Global Corporate & Speciality SE, France	Expenditure		
		Premium on Reinsurance Ceded	-	687
		Income		
		Commission on Reinsurance Ceded	-	(51)
		Claims on Reinsurance Ceded	-	6,429
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(6,429)	(6,429)

(Rupees in '000)

Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2023	As on and for the period ended 31 March 2022
28	Euler Hermes Singapore Branch	Expenditure Premium on Reinsurance Ceded Income Commission on Reinsurance Ceded Claims on Reinsurance Ceded Billable expenses recovery - Employees' remuneration, benefits & other manpower costs Outstanding Balance- Assets/(Liabilities) Due from other entities carrying on insurance business, including reinsurers (net) Balances due to Other Insurance Companies	 158,296 (15,855) (25,378) (18,975) 2,890 (59,561)	 107,813 (13,312) (12,645) (21,584) 25,872 (38,617)
29	Allianz Fire and Marine Insurance Japan Ltd	Expenditure Premium on Reinsurance Ceded Income Commission on Reinsurance Ceded Claims on Reinsurance Ceded Outstanding Balance- Assets/(Liabilities) Balances due to Other Insurance Companies	 1,322,390 (169,694) (104,485) (575,329)	 1,317,483 (149,064) (76,952) (758,476)
30	Allianz Technology SE (Previously Allianz Managed Operations & Services SE)	Expenditure Information Technology Expenses - Opus License Fees Billable Expenses Reimbursed - Information Technology Expenses Outstanding Balance- Assets/(Liabilities) Sundry creditors	 - 1,439 (6,793)	 14,546 987 (28,357)
31	Allianz Technology SE, India (Previously Allianz Managed Operations & Services SE India)	Income Insurance Premium Outstanding Balance- Assets/(Liabilities) Unallocated Premium	 (107,562) (10,107)	 (21,018) (2,257)
32	AWP Assistance (India) Private Limited (Previously AGA Assistance (India) Private Limited)	Expenditure Claims Incurred Insurance Commission Income Insurance Premium Outstanding Balance- Assets/(Liabilities) Agents Balances Unallocated Premium Outstanding Premium (Receivable against Bank Guarantee)	 60,476 20,961 (379) (257) (1,003) 4,619	 86,331 5,452 - (604) - 2,816

(Rupees in '000)

Sr. No.	Name of the related party	Description	As on and for the period ended 31 March 2023	As on and for the period ended 31 March 2022
33	AWP Services (India) Private Limited (AGA Services (India) Private Limited)	Expenditure		
		Claims Incurred	104,973	115,918
		Marketing and Support Services Expenses	-	(72)
		Advertisement and Publicity	18,627	21,075
34	Euler Hermes Services India Private Limited	Expenditure		
		Other Acquisition Cost	27,774	20,741
		Outstanding Balance- Assets/(Liabilities)		
		Unallocated Premium	-	-
		Advances recoverable in cash or in kind	(426)	19
35	AWP P&C SA Saint Ouen Paris	Expenditure		
		Premium on Reinsurance Ceded	1,605,608	790,903
		Employees' remuneration, benefits & other manpower costs (Recovery)	(184,851)	(106,156)
		Income		
		Commission on Reinsurance Ceded	(737,681)	(315,173)
		Claims on Reinsurance Ceded	(423,751)	(497,532)
		Outstanding Balance- Assets/(Liabilities)		
		Balances due to Other Insurance Companies	(434,421)	(95,954)
36	Tapan Singhel, MD & Chief Executive Officer	Expenditure		
		Employees' remuneration, benefits & other manpower costs	163,611	153,636
		Claims Incurred	52	79
		Income		
		Insurance Premium	(895)	(766)
		Other		
		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 2023

(Rupees in '000)

Particulars	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
OPERATING RESULTS					
Gross Written Premium	154,869,322	137,880,641	126,243,788	128,330,656	110,970,146
Net Premium Income (net of Reinsurance)	83,113,059	77,628,213	74,172,549	80,159,624	77,744,606
Income from Investments (net of losses)	14,206,195	13,830,525	11,932,977	11,964,950	9,298,583
Miscellaneous Income	309,043	226,912	180,860	155,924	186,309
Total Income	97,628,297	91,685,650	86,286,386	92,280,498	87,229,498
Commissions (net including brokerage)	(3,662,186)	(942,463)	493,726	916,337	3,747,151
Operating Expenses	26,588,401	21,648,278	20,597,713	23,202,954	18,071,090
Net Incurred Claims	58,499,545	56,788,145	50,929,443	58,079,200	48,087,575
Change in Unexpired Risk Reserve	2,925,117	(165,467)	(188,754)	(1,902,198)	7,646,837
Operating Profit/Loss	13,561,421	14,357,158	14,788,762	12,430,905	9,676,845
NON OPERATING RESULTS					
Total income under Shareholder's Account	4,464,733	3,573,781	2,904,263	1,328,603	1,838,319
Profit before Tax	18,026,154	17,930,939	17,693,025	13,759,508	11,515,164
Provision for Tax	4,546,341	4,539,660	(4,392,141)	(3,771,738)	(3,716,581)
Profit after Tax	13,479,813	13,391,279	13,300,884	9,987,770	7,798,583
MISCELLANEOUS					
Policyholder's Account					
Total Funds					
Total Investments					
Yield on Investments					
Shareholder's Account					
Total Funds					
Total Investments					
Yield on Investments					
Paid up Equity Capital	1,102,273	1,102,273	1,102,273	1,102,273	1,102,273
Net Worth	95,885,676	83,486,090	71,329,356	59,516,540	50,857,618
Total Assets (Gross of current liabilities and provisions)	313,370,844	274,821,771	259,720,342	197,247,571	169,376,216
Yield on Total Investments	7.29%	7.30%	6.78%	8.40%	7.16%
Earning Per Share	122.29	121.49	120.67	90.61	70.75
Book value per Share	869.89	757	647	512	468
Total Dividend	1,080,227	1,234,545	1,488,068	1,102,273	1,102,273
Dividend per share	9.80	11.20	13.50	10.00	10.00

Not Applicable being General Insurance Company

Annexure 4

Financial Ratios for the year ended 31 March 2023

Sr. No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1	Gross Direct Premium Growth Rate	12.04%	8.90%
	Motor	10.40%	2.50%
	Motor OD	16.48%	0.38%
	Motor TP	6.07%	4.07%
	Fire	12.59%	15.50%
	Marine Cargo	34.22%	22.80%
	Marine Others	45.89%	94.02%
	Workmen's Compensation / Employers' Liability	23.09%	-2.51%
	Public/Product Liability	63.08%	47.38%
	Engineering	16.22%	16.33%
	Aviation	-16.90%	-18.28%
	Personal Accident	15.38%	0.24%
	Health	-1.24%	51.38%
	Credit Insurance	45.94%	-11.43%
	Crop Insurance	32.39%	-18.58%
	Others	8.09%	5.47%
2	Gross Direct Premium to Net Worth Ratio	1.60	1.64
3	Growth Rate of Net Worth	14.85%	17.04%
4	Net Retention Ratio	53.67%	56.30%
	Motor	82.84%	89.40%
	Motor OD	80.19%	87.78%
	Motor TP	84.92%	90.56%
	Fire	12.88%	13.78%
	Marine Cargo	67.79%	67.35%
	Marine Others	1.16%	1.40%
	Workmen's Compensation / Employers' Liability	93.65%	93.11%
	Public/Product Liability	33.29%	32.98%
	Engineering	9.67%	11.01%
	Aviation	8.83%	-0.45%
	Personal Accident	92.55%	92.23%
	Health	71.39%	63.72%
	Credit Insurance	1.00%	1.00%
	Crop Insurance	18.73%	18.63%
	Others	34.25%	38.55%
5	Net Commission Ratio	-4.41%	-1.21%
	Motor	2.67%	5.72%
	Motor OD	12.80%	16.01%
	Motor TP	-4.83%	-1.41%
	Fire	-117.74%	-93.44%
	Marine Cargo	10.05%	10.74%
	Marine Others	-324.93%	-347.55%
	Workmen's Compensation / Employers' Liability	13.90%	13.36%
	Public/Product Liability	10.18%	10.09%
	Engineering	-63.11%	-57.09%
	Aviation	24.13%	-653.72%
	Personal Accident	12.62%	10.82%
	Health	-0.79%	0.49%
	Credit Insurance	-380.46%	-374.96%
	Crop Insurance	-26.86%	-27.28%
	Others	-4.75%	-3.65%

Sr. No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
6	Expenses of Management to Gross Direct Premium Ratio	24.04%	22.15%
7	Expenses of Management to Net Written Premium Ratio	44.36%	39.05%
8	Net Incurred Claims to Net Earned Premium	72.92%	72.96%
9	Combined Ratio	100.50%	99.64%
10	Technical Reserves to Net Premium Ratio	2.07	1.94
11	Underwriting Balance Ratio	-0.02	0.00
	Fire	0.39	0.17
	Marine	-0.06	-0.02
	Miscellaneous	-0.03	0.00
12	Operating Profit Ratio	16.21%	18.20%
13	Liquid Assets to liabilities ratio	0.14	0.37
14	Net Earning Ratio	16.22%	17.25%
15	Return on Net worth	14.06%	16.04%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	3.91	3.44
17	NPA Ratio		
	Gross NPA	0%	0%
	Net NPA	0%	0%

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.



Allianz 

Caringly yours

Bajaj Allianz General Insurance Company Limited

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