



# Contents

---

Corporate Information .....	02
Board of Directors .....	03
The Torchbearers .....	04
MD & CEO's Message.....	05
Directors' Report for the financial year ended 31 March 2018 .....	07
Annexures to the Directors' Report for the year ended 31 March 2018.....	16
Management Report for the financial year ended 31 March 2018 .....	31
Independent Auditors' Report.....	38
Financial Statements for the financial year ended 31 March 2018.....	45

# Corporate Information

## Board of Directors

**Sanjiv Bajaj**

Chairman

**Sanjay Asher**

**Niraj Bajaj**

**Rahul Bajaj**

**Sergio Balbinot**

**Heinz Dollberg**

**Ranjit Gupta**

**Suraj Mehta**

**Nanoo Pamnani**

**Dipak Poddar**

**Lila Poonawalla**

**Hicham Raissi**

**Manu Tandon**

Alternate Director for Heinz Dollberg  
(Upto 12 September 2017)

**Avais Karmali**

Alternate Director for Heinz Dollberg  
(w.e.f. 7 December 2017 upto 14  
May 2018)

**Tapan Singhel**

Managing Director and Chief  
Executive Officer

## Audit Committee

**Nanoo Pamnani**

Chairman

**Sanjay Asher**

**Sanjiv Bajaj**

**Heinz Dollberg**

**Ranjit Gupta**

**Suraj Mehta**

**Lila Poonawalla**

## Corporate Social Responsibility Committee

**Sanjiv Bajaj**

Chairman

**Ranjit Gupta**

(w.e.f. 16 January 2018)

**Heinz Dollberg**

**Nanoo Pamnani**

**Tapan Singhel**

## Investment Committee

**Heinz Dollberg**

Chairman

**Sanjiv Bajaj**

**Ranjit Gupta**

**Tapan Singhel**

**Amit Joshi**

**Milind Choudhari**

**Gaurav Malhotra**

**Rajeev Kumar**

## Nomination and Remuneration Committee

**Nanoo Pamnani**

Chairman

**Sanjay Asher**

**Sanjiv Bajaj**

**Heinz Dollberg**

**Ranjit Gupta**

**Lila Poonawalla**

## Policyholders' Protection Committee

**Sanjiv Bajaj**

Chairman

**Heinz Dollberg**

**Ranjit Gupta**

**Tapan Singhel**

## Risk Management Committee

**Heinz Dollberg**

Chairman

**Sanjiv Bajaj**

**Ranjit Gupta**

**Tapan Singhel**

## Chief Financial Officer

**Milind Choudhari**

## Company Secretary & Compliance Officer

**Onkar Kothari**

## Joint Statutory Auditors

**BSR & Co LLP**

Chartered Accountants

**Price Waterhouse Chartered  
Accountant LLP**

Chartered Accountants

## Secretarial Auditor

**Shyamprasad D Limaye**

Practising Company Secretary

## Registered Office & Head Office

Bajaj Allianz House, Airport Road,

Yerawada, Pune 411006;

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

CIN: U66010PN2000PLC015329





**Sanjiv Bajaj**

Chairman

# The Torchbearers



T A Ramalingam



Milind Choudhari



Sasikumar Adidamu



K S V V S Murthy Naidu



Aditya Sharma



Alpana Singh



Sourabh Chatterjee



K V Dipu



Vikramjeet Singh



Gurneesh Singh Khurana

# MD & CEO's Message



## Tapan Singhel

Managing Director and Chief Executive Officer

### Dear Friends

The Indian insurance sector witnessed a lot of activity last year. With listing, consolidation, launch of mass schemes, new players coming into the spectrum, the sector was in a state of transformation. It was great to see the industry taking steps towards being more profitable and prudent in risk based underwriting – things that as an organization we have always advocated. And while the industry struggled to gain profitable grounds, we continued to play to our strengths by keeping our customers at the center of all our initiatives.

The Financial Year of 2017-18 was a great year for us. It had all the elements that make up a successful enterprise – we were profitable, our customers were happy with our services, we expanded our base to 1000+ tier II and III cities of India, introduced new products and innovated our services, while also creating one of the best places to work. Carrying on with our innovative streak, we introduced newer technologies such as blockchain and chatbots to ease processes and reduce the time of service delivery. In concurrence to our belief in staying ahead of the curve, we identified new age risks such as cybercrimes and came out with a unique industry first offering in the form of cyber insurance for individuals. We embedded ourselves into our customers' journey by leveraging bigdata and by introducing app based services, ensuring a 24\*7 connect with them. Leveraging our Virtual office initiative we reached out to newer territories, catering insurance solutions to millions while creating thousands of jobs in these tier II and III cities of India. To our existing list of partners, we successfully added, several new bancassurance, motor and corporate tie-ups, ranging from banking giants like HDFC & Union Bank, to partnering with Toyota; amongst many more.



With our strategy of sustainability at our core, we have been consistently ahead of the curve, yet another time. Our growth rate stood at a significant 23.4% while the sector grew at 16.8%. Our attention to digitalization helped us not only to become more customer centric but also helped us incorporate operational efficiency. Some of our key performance indicators can be listed down as:

- The Gross Written Premium grew to ₹ 9,487 crore, which is a growth of 23.4%.
- The company continues to be one of the most profitable insurers in the industry with a Profit after Tax of Rs. 921 crore.
- Industry best Combined Ratio of 92.3% emphasizing our prudent underwriting model and risk based pricing.
- We reached out to 1000+ new territories through our strategic initiative Virtual Office, selling more than 1.4 million policies through this digital distribution platform.
- We issued over 1.3 crore policies and close to 12 lakh claims, which represents a significant proportion in the industry.
- The company maintained its credit rating of iAAA awarded by ICRA for the 12th consecutive year, signifying its highest claims paying ability.

The year also saw us getting recognized for our best practices not only in India, but on a global scale. A few major recognitions that we received were:

- We got recognized as The General Insurance Provider of the Year at Money Today Awards.
- We won the Non-Life Insurer of Year Award at Outlook Money Awards 2017.
- India Insurance Summit & Awards 2018 awarded us as the General Insurance Company of the Year.
- We were recognized with The Economic Times Best BFSI Brand Awards 2018.
- The prestigious global insurance platform - Asia Insurance Industry Awards honored us as the Digital Insurer of the Year.
- We were declared - Private Sector General Insurance Company of the Year at Fintelekt Insurance Awards 2017.

As an organization, this 360 degree winning edge was rendered to us by our extremely committed and motivated employees, who serve as the company's backbone. We have always been an employee centric entity, focused towards the all-round professional growth of our employees, while also ensuring a conducive environment that embraces experimentation, entrepreneurship and innovation. As a result, we are not only hailed as one of the best insurers in the industry but are also acknowledged as being one of the top 16 places to work in India, as certified by the AON Best Employers 2018. Another testament to this is being recognized as one of the Top 15 Great Places To Work in the BFSI space of India, by the GPTW institute.

As the company enters the new financial year, we expect the industry to be challenging in terms of newer innovative products and services. This augurs well for our customers, as instead of the historical price war, we expect the insurers to be striving towards sustainable, customer centric strategies, which Bajaj Allianz General Insurance as an organization has always strived for. Our commitment to deliver only the best to our customers, employees, partners, regulator and each and every stakeholder remains ever the same.

We wholeheartedly thank each one of you for your support, which has helped the company live up to its people's expectations. We look forward to serving and working closely with all of you in our onward journey to set newer benchmarks and bigger milestones.

Best Regards  
**Tapan Singhel**  
Managing Director and Chief Executive Officer

# Directors' Report

## for the financial year ended 31 March 2018

Your Directors have pleasure in presenting their Eighteenth Annual Report and Audited Financial Statement for the financial year ended 31 March 2018.

## State of Company's affairs & Financial Summary

### Industry update

The general insurance industry posted a solid growth of 16.8% for FY2018. This was largely driven by significant growth in motor, health and crop insurance under the Pradhan Mantri Fasal Bima Yojana (PMFBY) launched by the Central Government in FY2017. Against this, your Company posted a healthy, industry beating growth rate of 24%.

### Gross Direct Premium in India (excluding reinsurance accepted)

	(₹ In Crore)	
	<b>FY2018</b>	<b>FY2017</b>
Bajaj Allianz	9,445	7,633
Private Sector	65,424	53,805
Public Sector	67,785	60,218
Industry	1,33,209	114,024
Growth rates		
<b>Bajaj Allianz</b>	<b>23.7%</b>	<b>30.9%</b>
Private Sector	21.6%	35.5%
Public Sector	12.6%	26.3%
Industry	16.8%	30.5%

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

### Business update

Your Company was a leading participant in the newly launched PMFBY recording gross premium of ₹ 1,835 crore in FY2018. It participated in the crop insurance programmes of Rajasthan, Uttar Pradesh, Chhattisgarh, Haryana, Maharashtra and Telangana and insured more than 32 lakh farmers by issuing more than 3,11,800 policies. Your Company also participated in the government health schemes of Gujarat and Chhattisgarh.

Your Company continues to be among the more profitable general insurers vis-a-vis peers in the public and private sectors of comparable size. It has one of the lowest combined ratios in the industry — a combined ratio below 100% indicates that the company makes profits from its insurance operations. For FY2018, it had a combined ratio of 92.3%, reflecting a sound balance between growth and profitability. Its solvency margin remains healthy and well above the minimum required by regulations.



During FY2018, your Company pushed the low-cost digital channel, which works solely through electronic hand-held devices with minimum paperwork. This initiative contributed over 5% of the company's total gross written premium, recording a gross premium of ₹ 475 crore compared to ₹ 242 crore in FY2017. In terms of institutional distribution, your Company entered into bancassurance tie-ups with several banks, including the likes of HDFC Bank, Punjab National Bank, Canara Bank, Vijaya Bank, Union Bank of India, etc.

## Motor third party insurance

The Insurance Regulatory and Development Authority of India (IRDAI) through its notification on 2 June 2015, introduced the Insurance Regulatory and Development Authority of India (Obligation of Insurer in respect of Motor Third Party Insurance Business) Regulations, 2015. Every insurer has to achieve the overall Third Party obligation based on average of overall market share and motor market share. Your Company achieved its obligation by underwriting ₹ 2,033 crore during FY2018.

## Business performance during the Year

Your Company's Gross Written Premium, including reinsurance accepted, for FY2018 was ₹ 9,487 crore as compared to ₹ 7,687 crore during the previous year. The Net Earned Premium, which measures the premium retained after reinsurance and reserves for unexpired risks, grew by 23% at ₹ 6,059 crore as against ₹ 4,937 crore during the previous year. The Combined Ratio for FY2018, as defined by Master Circular on 'Preparation of Financial Statements of General Insurance Business' issued by the IRDAI, stood at 92.3% as against 96.8% recorded in FY2017. In a fiercely competitive market with increasing pressure on pricing and margins, this is one of the best combined ratios in the industry and asserts credentials of your Company's underwriting practices and cost management skills.

Your Company continued to retain the second position in terms of the top-line in the private sector and maintained its market share (excluding specialized and stand-alone health insurers) at 7.1 % during FY2018. Your Company continues to pursue efforts to retain renewal business, without compromising quality of risk and minimum profitability benchmarks. Your Company achieved a record by selling over 1.3 crore policies during FY2018 as compared to over 1 crore during the previous financial year. The number of claims reported in FY2018 was 12,05,421 as against 9,42,189 reported during FY2017.

Your Company's focus continues to be on retail business, where it has strengths in distribution and claims handling capabilities. With its strong retail focus, your Company wrote 60% of its GWP from motor and retail health insurance, with the rest coming from fire, marine, group health, crop insurance and miscellaneous lines.

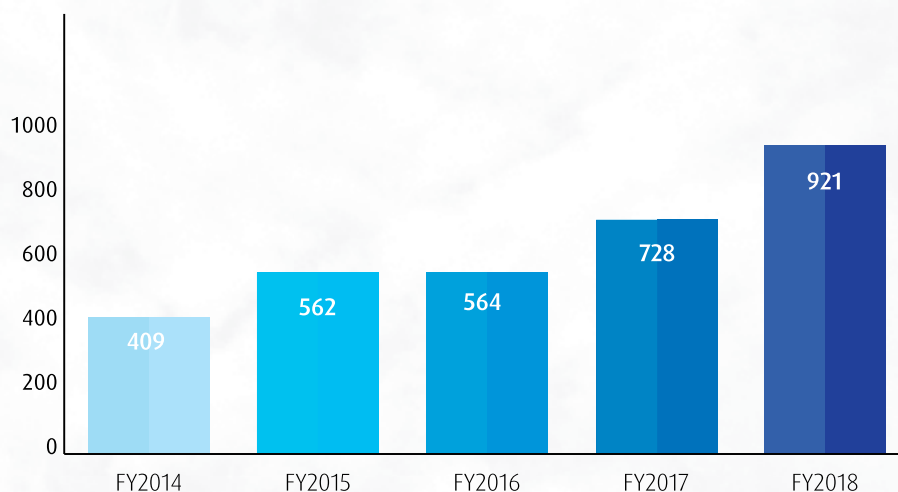
Retail channels like agency, motor and bancassurance continue to be the mainstay of your company's channel mix, contributing to around 57% of the business. IRDAI introduced the Motor Insurance Service Providers guidelines during FY2018, indoctrinating motor dealers as the distribution channel for motor insurance policies. Your Company has one of the largest networks of independent partner banks including nationalised banks with strong regional presence, as well as cooperative and rural banks.

## Profits

Your Company recorded an underwriting profit of ₹ 293 crore during FY2018 and earned profit before tax (PBT) of ₹ 1,353 crore during FY2018 as compared to ₹ 1,078 crore during the previous financial year. The profit after tax (PAT) for FY2018 was ₹ 921 crore as compared to ₹ 728 crore during the previous financial year.

### Profit After Tax over the last five years

(₹ in Crore)



## Dividend

Your Directors recommend for consideration at the ensuing Annual General Meeting (AGM) payment of dividend of ₹ 10 (previous year NIL) per equity share of face value of ₹ 10 (100% of face value) for FY2018. The amount of dividend and tax thereon aggregate to ₹ 132.88 crore.

### Summary of Financials

(₹ In Crore)

	<b>FY2018</b>	<b>FY2017</b>
Gross written premium	9,487	7,687
Net written premium	6,059	5,301
Underwriting results	293	64
Profit before tax	1,353	1,078
Profit after tax	921	728
Claims Ratio	<b>66.7%</b>	<b>70.4%</b>
Combined Ratio	92.3%	96.8%
Return on average equity	23.0%	23.0%

## Capital, solvency and shareholders' funds

The Shareholders' equity of your Company stood at ₹ 4,466 crore as at 31 March 2018 as against ₹ 3,535 crore as at 31 March 2017. Your Company has completed 10 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 276% as at 31 March 2018, which is well above the regulatory requirement of 150%.

## Investments and investment income

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

The assets under management represented by cash and investments as at 31 March 2018 stood at ₹ 14,823 crore (including unclaimed funds of the policyholders) as against ₹ 10,829 crore as at 31 March 2017, an increase in investible surplus by ₹ 3,994 crore or 37%. The investment income for FY2018 was ₹ 1,060 crore as against ₹ 1,014 crore in the previous year.

As required by IRDAI's master circular on unclaimed amounts due to the policyholders, an amount of ₹ 1.9 lacs, being due for more than 10 years, was transferred to the Senior Citizens' Welfare Fund set up by the Government of India under the Senior Citizens' Welfare Fund Rules, 2016.

## Return on equity

The return on average equity for your Company during FY2018 was 23.0% as against 23.0% in the previous year.

## Recognition & Awards

Your Company continued its award-winning streak during FY2018, the more notable being Motor Insurance Company of the Year Award at Money Today Financial Awards organized by Business Today Group, The General Insurance Company of the Year Award at the India Insurance Summit & Awards 2018, BFSI Digital Innovators Award conferred by the Indian Express Group and the Economic Times Best Brands-Premium Edition and Non-life Insurer of the year conferred by Outlook Money.

## Credit rating

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

## IRDAI registration

Your Company has paid to IRDAI annual fees for FY2019 as specified by the IRDAI (Registration of Indian Insurance Companies) Regulations, 2000.



## Directors' responsibility statement

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2018 and of the profits of the Company for that period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Extract of the annual return

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

## Number of meetings of the Board

The Board of Directors met 5 times during the year. Detailed information about dates of meetings and attendance of Directors thereat is given in the Corporate Governance Report annexed to this report.

## Directors' remuneration policy

Policy on Directors' appointment and remuneration, 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>.

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

## Related party transactions

As per Section 177 of the Act, the Audit Committee of the Board of Directors approves the estimated related party transactions of the Company at the beginning of every financial year. Related party transactions are placed before the Audit Committee for noting on a quarterly basis. Related party transactions entered into during the year under review were in the ordinary course of business and on an arm's length basis, thus not requiring prior Board's / Shareholders' approval. During the year, there were no material contracts or arrangements or transactions at arm's length basis that need to be disclosed in Form AOC-2 as required under the Act. As per Accounting Standard 18 on 'Related Party Disclosures', the details of related party transactions entered into by the Company are also included in the Notes to Accounts.

## Material changes and commitments

There have been no material changes or commitments affecting the financial position of the Company, which have occurred between the end of financial year of the Company and the date of this report.

## Conservation of energy and technology absorption

The Company, being an insurance company, does not have any manufacturing activity. The Directors, therefore, have nothing to report on conservation of energy. Your Company, however, strives to employ latest technologies with a view to improve presence in digital space. Your Company is increasingly deploying Mobility Solutions, Analytics, Cloud and other technological innovations towards automation of processes to provide a competitive edge and impetus to its intermediaries, employees and partners. It would also ensure faster services and better customer experience and, more importantly, position the Company for future readiness. Your Company is focusing more towards paperless journey as an initiative towards conservation of energy by adopting digital initiatives. Your Company also implemented various security systems / tools to have enhanced information technology and cyber security posture and arrest the leakages of organisational sensitive data / information.

## Foreign exchange earnings and expenditure during FY 2018

Earnings in foreign currency ₹ 733 crore

Expenditure in foreign currency ₹ 334 crore

## Risk management policy

A statement indicating development and implementation of risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company has been given in the Corporate Governance Report annexed to this Report.

## Corporate social responsibility (CSR)

During FY2018, your Company has spent the amount as required by Section 135 of the Act on CSR activities / projects in accordance with the CSR policy of the Company. Report on CSR Policy developed and implemented by the Company and CSR initiatives taken during the year pursuant to Section 134 and Section 135 of the Act is given in annexure to this Report.

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

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

- a. Rating sheets were filled by each of the Directors with regard to evaluation of performance of the Board, its Committees and individual Directors (except for the Director being evaluated) for the year under review.
- b. A consolidated summary of the ratings given by each of the Directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors individually.
- c. The report of performance evaluation so arrived at was then discussed in the meeting of the Nomination and Remuneration Committee and Board of Directors.

## Directors & key managerial personnel

Manu Tandon (DIN 00087615), resigned as Alternate Director for Heinz Dollberg, Director (DIN 00168797) with effect from 12 September 2017. Avais Karmali (DIN 07565946) was appointed as Alternate Director for Heinz Dollberg with effect from 6 December 2017. During FY2018, on arrival of Heinz Dollberg in India, Manu Tandon or Avais Karmali, as the case may be, ceased to be Alternate Director for Heinz Dollberg and subsequently re-appointed as such after his departure from India. Avais Karmali ceased to be Alternate Director upon arrival of Heinz Dollberg in India on 14 May 2018.

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

In light of the provisions of the Act, Rahul Bajaj (DIN 00014529), Ranjit Gupta (DIN 00139465) and Dipak Poddar (DIN 00001250), Directors retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

## Significant and material orders passed by the regulators or courts

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

## Adequacy of internal financial controls

Internal financial controls with reference to the financial statements were adequate and operating effectively.



## Particulars of employees

As required by the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are annexed. This Report and accounts are being sent to shareholders excluding the said information. Any shareholder interested in obtaining such information may write to the Company Secretary at the registered office of the Company for a copy thereof.

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

No cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the FY2018.

## 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 vigil mechanism in the form of Whistle Blowing Committee for the employees to raise concerns internally about possible irregularities, governance weaknesses, financial reporting issues or other such matters of irregularities. The said vigil mechanism provides adequate measures to safeguard the persons who take recourse to such vigil mechanism and, in appropriate cases, the concerned person may approach the Chairperson of the Audit Committee. The Audit Committee oversees the vigil mechanism of the Company.

## Implementation of Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), Government of India had notified the Companies (Indian Accounting Standards) Rules, 2015 on 16 February 2015. Accordingly, the insurers were required to comply with Ind-AS for financial statements for accounting periods beginning from 1 April 2018 onwards, with comparatives for the period ending 31 March 2018. Insurers are also required to submit quarterly pro-forma Ind AS financial statements to IRDAI from 31 December 2016 onwards. However, IRDAI vide its Circular No. IRDAI/F&A/CIR/ACTS/146/06/2017 dated 28 June 2017, has deferred the implementation of Ind-AS for Insurance companies to FY2021 except the provision to submit the pro-forma Ind AS financial statements to IRDAI.

## Auditors

### Statutory auditors

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

The Company has received resignation letter from Price Waterhouse Chartered Accountant LLP, (FRN: 012754N / N500016) with effect from the date of ensuing AGM. The Board of Directors recommends the shareholders to approve appointment of S R Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E / E300005) as the Joint Statutory Auditors of the Company to hold the office from conclusion of the 18th AGM until conclusion of the 23rd AGM.

It is proposed to seek approval of the shareholders at the ensuing AGM to delegate the authority to fix the remuneration of the joint statutory auditors for the years 2018-19 onwards to the Board of Directors.

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.

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 the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Shyamprasad Limaye (Membership No. 1587), Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended on 31 March 2018 is annexed to the report. A report from the secretarial auditor is annexed to this report. The same does not contain any qualification, reservation, adverse remark or disclaimer.

## Appreciation & Acknowledgment

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

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

Your Directors takes this opportunity to thank the promoters, Bajaj Finserv Limited and Allianz SE, for providing strategic direction and guidance to the Company. We also thank the Company's policyholders, agents, intermediaries, reinsurers and business partners for reposing their unstinted faith in your Company and we are confident of continuing to deliver value to all our stakeholders.

For and on behalf of the Board of Directors of

**Bajaj Allianz General Insurance Company Limited**

**Sanjiv Bajaj**

Chairman

(DIN 00014615)

Pune,

15 May 2018

# Annexures to the Directors' Report for the year ended 31 March 2018

## Report on Corporate Governance

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

## Board of Directors

As on 31 March 2018, the Board of Directors consists of 13 Directors which include 4 Independent Directors. The CEO of the Company, as the Managing Director, is the only executive member of the Board of Directors. All other Directors, including the Chairman, are Non-executive Directors.

A brief profile of the Directors is as follows:

- 1. Sanjiv Bajaj**, Chairman, has obtained a Bachelor's degree in Engineering (Mechanical) with distinction from the University of Pune, a Master's degree in Science (Manufacturing Systems Engineering) with distinction from the University of Warwick, U.K. and a Master's degree in Business Administration from Harvard Business School, U.S.A. He is currently the Managing Director of Bajaj Finserv Limited. He has vast experience in variety of areas in business strategy, marketing, finance, investment, audit, legal and IT related functions in automotive and financial services sectors.
- 2. Sanjay Asher**, Independent Director, has a Bachelor's degree in Commerce and a Bachelor's Degree in Law from the University of Bombay. He is also a qualified Chartered Accountant and a Solicitor. He has over twenty-eight years of experience in the field of law and corporate matters. He is presently a senior Partner at M/s Crawford Bayley and Co., and deals with corporate laws, mergers and acquisitions and capital market transactions.
- 3. Niraj Bajaj**, Director, has a Bachelor's degree in Commerce from Sydenham College of Commerce & Economics, Mumbai and a Master's degree in Business Administration from Harvard Business School, U.S.A. He has been Chairman of Mukand Limited since 14 July 2007 and serves as its Managing Director. Niraj Bajaj is one of the Promoters of the Bajaj Group.
- 4. Rahul Bajaj**, Director, is an Honours Graduate in Economics and holds a Bachelor's degree in Law and a Master's degree in Business Administration from Harvard Business School, U.S.A. He is considered as one of the most successful business leaders of India and heads the Bajaj Group of Companies. He was awarded the 'Padma Bhushan' by the President of India in March 2001. He has immense experience, among others, in the auto and financial services sectors.
- 5. Sergio Balbinot**, Director, has a degree in Economics and Business Administration from University of Bologna. He is currently a Member of the Board of Management of Allianz SE and responsible for the insurance business in the countries of Southern & Western Europe and Asia at Allianz SE.



6. **Heinz Dollberg**, Director, has a degree in Law. He has retired from Allianz SE. Prior to his retirement, he was Senior Vice President in Allianz looking after operations in Asia, Middle East and North Africa in collaboration with Allianz offices across the region. Starting from 1988, he was based in the Asia Pacific Division of Allianz SE in Munich.
7. **Ranjit Gupta**, Director, who is currently working as President – Insurance at Bajaj Finserv Limited, is a Fellow of the Institution of Engineering & Technology, London. He has rich experience in the automotive and financial services sectors.
8. **Suraj Mehta**, Independent Director, is an Honours Graduate in Economics. He has held key management positions in India and abroad with ANZ Grindlays Bank till the year 1994. Thereafter, he was the Chief Executive Officer of Dresdner Bank AG in India and was the Geographic Head for the group's four businesses which included Investment Banking, Securities Broking and Software Development. He was also the Chief Executive Officer of NABIL Bank Limited, the largest private sector bank in Nepal.
9. **Nanoo Pamnani**, Independent Director, has a Bachelor's degree in Arts (Honours) from Bombay University (stood first in the University in Economic Major) and a Bachelor's degree in Science (Economics) from the London School of Economics (Major in Economics and Econometrics). He was associated with Citi Bank India ('Citi') for more than 35 years and was the CEO India and Regional Head, Sri Lanka, Bangladesh and Nepal before taking charge as non-executive chairman of Citi. He has rich experience in the banking, auto and financial services sectors.
10. **Dipak Poddar**, Director, serves as an Executive Chairman of Poddar Developers Ltd. He is also the Chairman of Monotona Securities Limited and Monotona Tyres Limited. He is an engineering graduate from Massachusetts Institute of Technology, USA.
11. **Lila Poonawalla**, Independent Director, is the Chairperson of Lila Poonawalla Foundation and former Chairperson and Managing Director of Alfa Laval-Tetra Pak India. She has a Bachelor's Degree in Mechanical Engineering from COEP, Pune. She has done a Marketing management course at Harvard University, a Senior executive program at Stanford University and a General management program at IMDR Management Institute, Lausanne, besides a Tier III program at IIM Ahmadabad. She was the Chairperson of the Board of Governors of Indian Institute of Technology, Ropar. She has been presented the "Padmashree" award in 1989, Royal order of the Polar Star from the King of Sweden along with numerous other national and international awards.
12. **Hicham Raissi**, Director, has done Engineering in Supply Chain Management from Institut National des Sciences Appliquées Lyon (INSA). He is currently Head of business division Africa, MENA and India at Allianz SE.
13. **Avais Karmali**, Alternate Director to Heinz Dollberg, has done Master of Science in Actuarial Science from HEC Lausanne Switzerland. He is currently working at the Allianz SE Board Office responsible for Southern & Western Europe and Asia.
14. **Tapan Singhel**, Managing Director and Chief Executive Officer, has been with Bajaj Allianz since its inception in 2001 and a part of the core team formed to plan the retail market strategy. Tapan Singhel, a BHU alumnus, started his career with a prominent PSU insurer as a Direct Officer in 1991.

## Changes in the Board of Directors and Key Management Persons

- a. Manu Tandon ceased to be Alternate Director for Heinz Dollberg with effect from 12 September 2017. No meeting of the Board or its Committee was held during the tenure of Manu Tandon as Alternate Director in FY2018.
- b. Avais Karmali was appointed as Alternate Director for Heinz Dollberg with effect from 7 December 2017.
- c. Rajeev Kumar was appointed as the Chief Risk Officer in place of Abhinay Purohit with effect from 12 May 2017.
- d. Dr. Asha Joshi retired as Appointed Actuary on 31 December 2017 and Gaurav Malhotra has been appointed as the Appointed Actuary with effect from 1 January 2018.

## Board Meetings

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

In case of any matter requiring urgent Board's approval, 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 Board and Committee meetings, Business reviews, plans and budget, quarterly / annual financial results, Investment performance, Approval / reviews of company policies, Formation / reconstitution of Board Committees, etc.

### Board Meetings held during FY2018

The Board of Directors met five times during FY2018 on 12 May 2017, 14 July 2017, 13 October 2017, 16 January 2018 and 9 March 2018. Following table sets out the details of attendance of Directors at the aforesaid Board meetings:

Name of Director	No. of Meetings Attended
Sanjiv Bajaj	5/5
Sanjay Asher	3/5
Niraj Bajaj	3/5
Rahul Bajaj	4/5
Sergio Balbinot	2/5
Heinz Dollberg	4/5
Ranjit Gupta	4/5
Suraj Mehta	4/5
Nanoo Pamnani	4/5
Dipak Poddar	5/5
Lila Poonawalla	5/5
Hicham Raissi	4/5
Tapan Singhel	5/5
Avais Karmali	0/1

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

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 periodic financial reporting before submission to the Board, disclosure processes and functioning of the internal financial control framework and the internal audit department and reviews internal audit, its plans and reports on a quarterly basis. The Audit Committee is directly responsible for the recommendation of the appointment, remuneration, performance and oversight of the work of the internal, statutory, concurrent and Investment Risk Management Systems and Process (IRMS) auditors. The senior management personnel are invited to the meetings of the Audit Committee, along with the Head of Internal Audit, who presents his report to the Committee at every meeting thereof.

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

The Audit Committee met four times during FY2018 on 12 May 2017, 14 July 2017, 13 October 2017 and 16 January 2018. Following table sets out the attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Nanoo Pamnani	3/4
Sanjay Asher	3/4
Suraj Mehta	4/4
Lila Poonawalla	4/4
Sanjiv Bajaj	4/4
Heinz Dollberg	4/4
Ranjit Gupta	3/4
Avais Karmali	0/0

### Investment Committee

The Investment Committee establishes the investment policy and operational framework for the investment operations of the Company. It periodically reviews the investment policy based on the investment performance and the evaluation of dynamic market conditions and places it before the Board of Directors for approval.

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



The Committee met four times during FY2018 on 11 May 2017, 13 July 2017, 12 October 2017 and 15 January 2018. Following table sets out the attendance of members of the Investment Committee at the aforesaid meetings:

<b>Name of member</b>	<b>No. of Meetings Attended</b>
Heinz Dollberg	4/4
Sanjiv Bajaj	4/4
Ranjit Gupta	3/4
Tapan Singhel	4/4
Amit Joshi	4/4
Milind Choudhari	4/4
Dr. Asha Joshi	3/3
Gaurav Malhotra	1/1
Rajeev Kumar	4/4
Avais Karmali	0/0

### 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. It reviews the Grievance Redressal Mechanism and the status of complaints at periodic intervals.

Sanjiv Bajaj is the Chairman of the Policyholders' Protection Committee with Heinz Dollberg, Ranjit Gupta, Directors and Tapan Singhel, MD & CEO, being the other member thereof. The Appointed Actuary, Chief Financial Officer and Head of Customer Service & Customer Care and Lila Poonawalla, Customer Representative are also invited to meetings of the Committee.

The Committee met four times during FY2018 on 11 May 2017, 13 July 2017, 12 October 2017 and 15 January 2018. Following table sets out the attendance of members of the Committee at aforesaid meetings:

<b>Name of member</b>	<b>No. of Meetings Attended</b>
Sanjiv Bajaj	4/4
Heinz Dollberg	4/4
Ranjit Gupta	3/4
Tapan Singhel	4/4
Avais Karmali	0/0

### 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, formulate the criteria for determining qualifications, positive attributes and independence of a Director and identify persons who may be appointed in senior management in accordance with the criteria laid down.

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

The Committee met twice during FY2018 on 11 May 2017 and 15 January 2018. Following table sets out the attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Nanoo Pamnani	1/2
Sanjay Asher	1/2
Sanjiv Bajaj	2/2
Heinz Dollberg	2/2
Ranjit Gupta	2/2
Lila Poonawalla	2/2
Avais Karmali	0/0

### Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013, the Company has formed the Corporate Social Responsibility Committee, with responsibility to carry out, monitor and assess CSR activities undertaken by the Company.

Sanjiv Bajaj is the Chairman of the Corporate Social Responsibility Committee with Heinz Dollberg, Director, Nanoo Pamnani, Independent Director and Tapan Singhel, MD & CEO being the other members thereof. Ranjit Gupta, Director, was appointed as a member of the CSR Committee with effect from 16 January 2018.

The Committee met three times during FY2018 on 11 May 2017, 14 July 2017 and 13 October 2017. Following table sets out the attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Sanjiv Bajaj	3/3
Heinz Dollberg	3/3
Nanoo Pamnani	3/3
Tapan Singhel	3/3
Avais Karmali	0/0

## 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.

- 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 also undertaken periodically to arrive at an optimum compensation to be recommended to the Board to attract and retain the best talent.
- c. Risks adjustment to 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:** Other than the MD, no other Director of the Company is entitled to variable remuneration during FY2018, as all other members of the Board are non-executive. Independent Directors are paid sitting fees of ₹ 100,000 per meeting of the Board or committee thereof, excluding Corporate Social Responsibility Committee, attended by them. 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 FY2018 into fixed, variable, etc. is given in the Annexure to this report.

This report and accounts are being sent to shareholders excluding the said information. Any shareholder interested in obtaining such information may write to the Company Secretary at the registered office of the Company for a copy thereof.

## Enterprise Risk Management (ERM) Framework

### Risk Objectives

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

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

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

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

- Determine the risk profile of the Company;
- Ensure integration of risk considerations into decision-making processes including promotion of a strong risk management culture supported by a robust risk governance structure;
- Determine the relevant processes and strategies for risk management which include identification of risks, ongoing measurement and monitoring of risk exposures and ensuring relevant control or risk transfer;
- Develop and monitor mitigation plans for high risk items identified through the self-assessment mechanism carried out by respective business functions, loss events and internal / statutory audit findings;



- To ensure adherence to all regulatory mandates as laid down by different regulatory authorities and all critical internal policies/limits;
- Proactive and reactive approach to manage fraud;
- Minimising reputational risk as identified and assessed as part of a regular assessment and managed on a case-by-case basis.

## Risk Governance Framework

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

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

The RMC met four times during FY2018 on 11 May 2017, 13 July 2017, 12 October 2017 and 15 January 2018. Following table sets out the attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Heinz Dollberg	4/4
Sanjiv Bajaj	4/4
Ranjit Gupta	3/4
Tapan Singhel	4/4
Avais Karmali	0/0

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/departments. This executive level committee ensures centralized risk monitoring and management. The quorum of the meeting is one-third of the total number of members of the Committee. The ERC holds meetings on regular basis generally every quarter. The Committee may call for a meeting of the ERC if the need arises and may invite any person to the meeting.

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

## Key Risks and their mitigation

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

### *Certification for compliance of the Corporate Governance Guidelines*

I, Onkar Kothari, Company Secretary & Compliance Officer, hereby certify that the Company has complied with the Corporate Governance Guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

15 May 2018  
Pune

---

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

## Corporate Social Responsibility



### Promoting health care

- Smile Train: Funding over 3300 cleft surgeries for poor children at selected centers in India
- Tata Memorial Hospital: Funding treatment and support for children suffering from cancer
- Deenanath Mangeshkar Hospital: Funding center for epilepsy treatment of children
- Visionspring: Support for vision care program involving screenings, specs distribution and surgical referral for over 4 lakh population across three states

### Promotion of education

- Globe Mills Passage School: Support for operational expenses of Muktangan school for children from low income community
- Foundation for Excellence India Trust: Funding MBBS course for 50 students from underprivileged background
- Swa Roop Wardhini: Support for various education programs for children from slum areas

### Homes and shelters

- Association for Rural and Urban Needy: Funding expenses of Rainbow Home, which provides shelter and education to erstwhile street children
- SOS Children's village: Financial support for setting up a new home for orphans
- Snehalaya: Funding operating expenses at Snehankur adoption center
- Mumbai mobile crèche: Funding for health and education support for children of construction workers



## Annual Report on Corporate Social Responsibility Activities

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

The Company has in place its Corporate Social Responsibility (CSR) Policy in line with the requirements of Companies Act, 2013. The Policy has been approved by the Board of Directors and the same is placed on the Company's website ([www.bajajallianz.com](http://www.bajajallianz.com)).

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

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

### 2. Composition of the CSR Committee:

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

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

#### Notes:

- a. Manu Tandon ceased to be alternate member for Heinz Dollberg with effect from 12 September 2017.
- b. Avais Karmali was appointed as alternate member for Heinz Dollberg with effect from 7 December 2017.
- c. Ranjit Gupta was appointed as a member with effect from 16 January 2018.

### 3. Average net profit of the Company for last three financial years: ₹ 1,078 crore

### 4. Prescribed CSR Expenditure (2% of amount as in Item No. 3 above): ₹ 17.51 crore

### 5. Details of CSR spent during FY2018:

- a. Total amount to be spent for the financial year: ₹ 17.53 crore
- b. Amount unspent: Nil
- c. Manner in which the amount spent during the financial year is detailed below:

(₹ In Crore)

Sr. No.	Name and details of Implementing Agency	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period
1	Association of Rural and Urban Needy	Funding support for three years' expenses of Rainbow Homes at Pune which provides shelter and education of erstwhile street children	Setting up homes and hostels for women and orphans	Pune	1.30	0.50	0.80
2	Association of Rural and Urban Needy	Financial support for Rainbow Pune Street Children Project	Setting up homes and hostels for women and orphans	Pune	0.50	0.50	0.50
3	Jankidevi Bajaj Gram Vikas Sanstha	Funding support for "Bajaj Majhi City Swach City" - Phase 2 and "Bajaj Swach Maharashtra Mission"	Promoting health care including preventive health care and sanitation	Aurangabad	0.94	0.36	0.36
4	CSR Overheads	Professional fees paid to the CSR Coordinator	CSR Overhead	-	0.12	0.12	0.12
5	Foundation for Excellence India Trust	Funding support for education of meritorious and financially needy medical students	Eradication of poverty, Promotion of education	Pune	1.05	0.21	0.21
6	Lata Mangeshkar Medical Foundation's Deenanath Mangeshkar Hospital	Funding support for children below 12 years, especially economically weaker sections suffering from terminal disease/s.	Promoting health care including preventive health care	Pune	2.00	0.75	0.75
7	Mumbai Mobile Crèche	Funding support for comprehensive daycare programme for children living on construction sites	Eradication of poverty, Promotion of education	Mumbai	0.48	0.24	0.24
8	Paragon Charitable Trust	Funding support for operational expenses of secondary school (Globe Mills Passage School) for children from low income community	Eradication of poverty, Promotion of education	Mumbai	2.00	1.15	1.15
9	Rainbow Foundation India	Funding support for Rainbow Pune Street Children Project	Setting up homes and hostels for women and orphans	Pune	2.22	2.22	2.22
10	Smile Train India	Funding support for cleft reconstructive surgeries and rehabilitation of cleft patients by speech therapy and orthodontic treatment	Promoting health care including preventive health care	Selected centres in India	21.00	7.00	7.00
11	Snehalaya	Funding support for operating expenses for Snehankur Adoption Center	Setting up homes and hostels for women and orphans	Ahmednagar	1.50	0.50	0.50

(₹ In Crore)

Sr. No.	Name and details of Implementing Agency	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads:(1) Direct Expenditure on projects or programs(2) Overheads	Cumulative expenditure up to the reporting period
12	SOS Children's Villages of India	Funding support for setting up of SOS Children homes at Latur	Setting up homes and hostels for women and orphans	Latur	1.00	0.70	0.90
13	"Swa"-Roopwardhinee	Funding support for Montessori School; Assistant Nursing Course and Basic Tailoring & Dressing course	Eradication of poverty, Promotion of education	Pune	0.55	0.23	0.37
14	Tata Memorial Center	Funding support for medical treatment of cancer affected children	Promoting health care including preventive health care	Mumbai	3.00	1.00	1.00
15	Tata Memorial Center	Funding support for Pediatric Cancer Support Staff Project	Promoting health care including preventive health care	Mumbai	2.00	0.60	0.60
16	Vision spring	"See to Learn: See to work: See to be safe". Funding support to conduct eye screenings and provide eyeglasses	Promoting health care including preventive health care	Selected districts in India	9.00	1.45	1.45
					<b>Total</b>	<b>17.53</b>	

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

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

## CSR Committee's Responsibility Statement

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

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

Date: 15 May 2018

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



## Form No. MR-3

### Secretarial Audit Report

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**For the financial year ended 31st March 2018**

To,

The Members,

Bajaj Allianz General Insurance Company Limited,

(CIN U66010PN2000PLC015329)

GE Plaza Airport Road,

Yerawada, Pune- 411006

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

Based on my verification of the Company, books, registers, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place subject to the reporting made hereinafter:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder regarding Foreign Direct Investment;
- iii. The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
- iv. Rules, regulations, guidelines, circulars and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a general insurance company.

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

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, including committees thereof, alongwith agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions are carried unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place: Pune  
Date: 15 May, 2018

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

# Management Report

## for the financial year ended 31st March 2018

With respect to the operations of Bajaj Allianz General Insurance Company Limited ("the Company") for the year ended 31 March 2018 and results thereof, the Management of the Company confirms and declares that:

1. The Company has paid to the Insurance Regulatory and Development Authority of India (IRDAI) the annual fees for FY2019 as specified by the IRDAI (Registration of Indian Insurance Companies) Regulations, 2000. Section 3A of the Insurance Act, 1938 has been amended by the Insurance Laws (Amendment) Act, 2015 w.e.f. 26 December 2014, which has removed the process of annual renewal of Certificate of Registration.
2. All dues payable to the statutory authorities have been duly paid except where the Company has preferred appeals.
3. The shareholding pattern is in accordance with the statutory and regulatory requirements and no shares have been transferred during the year.
4. The Management has not invested any funds of holders of policies in India, directly or indirectly outside India.
5. The required solvency margin under the Insurance Act, 1938 has been maintained.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in Management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value, under the several headings – "Loans", "investments", "agents' balances", "outstanding premiums", "income accrued on investments", "due from other entities carrying on insurance business, including reinsurers (net)", "cash and bank balances" and the several items specified under "advances recoverable".
7. As a general insurer, the Company is exposed to a variety of risks. The primary risks are that of frequency of claims as measured by the number of claims in relation to number of policies outstanding and severity of claims as measured by the average amount per claim. The frequency and severity risks vary according to the lines of business.

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

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

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



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

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

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

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

8. The Company does not have insurance operations in any other country.
9. The settlement time for claims depends on various factors pertinent to respective lines of business, such as cause of loss, the nature of claim, etc. Typically, claims which result in total or partial destruction of assets or records (such as those caused by Acts of God), those where adequate documentation to assess the claims are awaited and those which are the subject matter of judicial processes (such as motor third party insurance claims) tend to have longer settlement times, which are beyond the control of the Company. The Company has internal processes for regular review of such claims paid and outstanding. Ageing of claims indicating the trends in average claim settlement time during the preceding five years is given in Annexure I and ageing analysis of claims registered and not settled (excluding provision for IBNR / IBNER and claims relating to inward Reinsurance from terrorism pool and the Indian Motor Third Party Insurance Pool) is given in Annexure II to this Report.
10. We certify that the values, as shown in the Balance Sheet, of the investments which consists of fixed income securities, equity shares and mutual fund units have been valued as per accounting policies prescribed by IRDAI. For fixed income securities, the market value is based on procedure issued by Fixed Income and Money Market and Derivative Dealers Association (FIMMDA). The investment in equity shares is valued at market value. The investments in the Mutual Funds are valued at the Net Asset Values (NAV) of these Mutual Funds as on the Balance Sheet date, if any.
11. Most of the Company's investments are in fixed income securities, deposits and loan. The fixed income securities are mainly approved Government securities and bonds rated AA and above. The primary aim while investing is to generate adequate return while minimizing risk. The emphasis is also on the liquidity of investments to ensure that the Company meets all its obligations related to Claims and other operations. The Company monitors the cash position on daily basis and seasonal liquidity needs are considered while planning maturities of investments in respect of all assets. None of the fixed income investments and loan have had any delays in servicing of interest or principal amounts. Investments in loans are valued at historical cost. Based on the past track record, the Management has reasonable confidence in the quality and expected performance of all the investments, in line with the objectives.

12. The Management of the Company certifies that:

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

**For and on behalf of the Board of Directors**

**Sanjiv Bajaj**  
Chairman  
DIN: 00014615

**Nanoo Pamnani**  
Director  
DIN: 00053673

**Heinz Dollberg**  
Director  
DIN : 00168797

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

**Milind Choudhari**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Pune  
15 May 2018

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

(₹ In Lacs)

Period	2013-14		2014-15		2015-16		2016-17		2017-18	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
<b>01 FIRE</b>										
30 days	920	297	7,575	11,811	2,797	969	1,405	838	1,537	673
30 days to 6 months	1,079	3,983	9,757	37,772	6,874	9,050	1,496	7,011	1,557	4,332
6 months to 1 year	248	2,396	352	5,810	2,954	5,854	845	9,065	500	8,468
1 year to 5 years	166	2,023	228	4,577	1,038	21,185	2,305	8,385	2,293	8,120
5 years and above	39	283	43	100	38	176	47	91	66	334
<b>02 MARINE</b>										
30 days	5,693	1,093	6,346	1,045	6,519	1,009	9,982	1,139	9,242	955
30 days to 6 months	3,718	2,198	3,366	2,879	4,598	3,636	4,806	3,509	4,234	3,362
6 months to 1 year	432	1,895	504	1,504	645	2,657	751	2,798	514	1,421
1 year to 5 years	338	1,516	298	1,206	283	2,151	388	1,906	545	5,152
5 years and above	8	20	51	69	17	16	48	103	113	82
<b>03 MOTOR OD</b>										
30 days	371,797	48,723	382,150	54,125	420,337	65,770	430,446	69,834	397,773	57,909
30 days to 6 months	65,563	40,352	82,163	46,123	87,509	60,187	72,732	53,200	92,215	46,913
6 months to 1 year	3,467	4,032	5,553	5,546	5,266	5,612	4,049	6,469	4,571	6,808
1 year to 5 years	1,774	1,055	7,178	810	1,765	1,488	1,435	1,362	1,391	1,229
5 years and above	182	93	2,043	(18)	331	129	392	201	548	145
<b>04 MOTOR TP</b>										
30 days	6,482	396	5,537	409	5,007	292	5,674	63	4,567	75
30 days to 6 months	6,713	2,773	7,124	3,104	6,951	3,083	5,717	1,601	5,311	1,004
6 months to 1 year	5,405	4,685	5,375	5,280	5,028	5,591	4,338	4,243	5,370	3,690
1 year to 5 years	21,836	27,591	18,463	27,348	17,058	29,048	13,623	24,087	18,135	27,107
5 years and above	3,677	3,913	5,292	6,611	7,109	10,126	7,301	11,354	9,464	14,412
<b>05 HEALTH</b>										
30 days	229,877	37,829	121,951	34,493	121,711	36,687	249,051	43,598	4,48,722	62,210
30 days to 6 months	111,686	19,267	46,734	14,809	44,574	19,030	65,643	26,600	80,046	27,787
6 months to 1 year	3,397	1,583	11,803	2,027	3,015	1,605	4,198	1,753	4,521	1,701
1 year to 5 years	937	380	2,713	515	982	716	1,496	938	1,759	770
5 years and above	31	13	307	54	146	(2)	194	22	401	32
<b>06 OTHER</b>										
30 days	229,877	37,829	121,951	34,493	121,711	36,687	249,051	43,598	73,906	82,228
30 days to 6 months	111,686	19,267	46,734	14,809	44,574	19,030	65,643	26,600	1,00,679	31,459
6 months to 1 year	3,397	1,583	11,803	2,027	3,015	1,605	4,198	1,753	10,401	5,019
1 year to 5 years	937	380	2,713	515	982	716	1,496	938	7,488	6,617
5 years and above	31	13	307	54	146	(2)	194	22	829	514



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

(₹ In Lacs)

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Other		Total	
Period	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
<b>As at 31st March 2018</b>														
0 - 30 Days	192	1,151	420	572	3,726	3,507	1,069	4,883	12,121	4,639	5,591	1,707	23,119	16,459
31 days-6 month	338	3,209	204	1,359	2,752	6,273	4,229	19,716	4,516	2,516	2,642	2,928	14,681	36,002
6 moths to 1 Year	186	1,445	73	312	453	1,111	4,506	20,677	1,849	1,381	3,699	4,031	10,766	28,957
1 year to 5 Year	1,897	2,844	763	1,449	1,180	2,622	21,756	99,665	433	1,639	2,896	4,235	28,925	112,455
> 5 year	300	2,123	250	1,074	781	1,645	17,597	21,163	124	254	1,917	2,558	20,969	28,818
<b>As at 31st March 2017</b>														
0 - 30 Days	228	626	1,650	597	3,440	3,700	1,185	4,808	5,077	2,761	5,565	2,275	17,145	14,768
31 days-6 month	356	1,805	573	875	1,926	4,882	4,253	17,376	1,681	1,758	7,508	3,490	16,297	30,185
6 moths to 1 Year	308	2,120	180	788	316	1,046	4,715	21,508	153	785	3,782	1,589	9,454	27,835
1 year to 5 Year	2,551	3,055	399	1,141	1,083	2,286	21,410	82,092	275	1,122	5,701	4,757	31,419	94,454
> 5 year	228	1,901	189	900	703	1,380	17,026	18,724	119	281	1,669	2,359	19,934	25,546
<b>As at 31st March 2016</b>														
0 - 30 Days	308	879	331	526	3,669	3,528	1,227	5,216	4,184	2,406	2,501	2,173	12,220	14,729
31 days-6 month	761	5,331	377	912	2,903	5,285	4,559	20,593	876	1,236	4,742	3,071	14,218	36,428
6 moths to 1 Year	613	1,343	163	672	332	992	4,332	19,889	168	1,030	1,522	2,270	7,130	26,196
1 year to 5 Year	1,458	3,030	396	918	1,045	2,156	21,561	63,479	217	720	3,181	4,030	27,858	74,332
> 5 year	161	1,323	133	814	596	1,020	14,863	17,047	100	124	1,356	2,061	17,209	22,389
<b>As at 31st March 2015</b>														
0 - 30 Days	962	1,440	298	597	4,234	3,354	1,231	4,383	2,790	1,672	1,683	1,646	11,198	13,091
31 days-6 month	6,821	2,618	325	2,169	3,010	5,154	4,472	15,934	539	811	11,046	2,531	26,213	29,217
6 moths to 1 Year	205	1,286	159	575	623	1,276	4,391	17,920	92	474	532	1,597	6,002	23,128
1 year to 5 Year	467	2,578	298	1,322	1,348	1,997	24,515	42,535	256	457	2,116	3,083	29,000	51,971
> 5 year	130	991	80	348	514	835	12,653	13,862	88	114	1,218	1,668	14,683	17,818
<b>As at 31st March 2014</b>														
0 - 30 Days	127	362	294	551	3,991	3,356	1,242	3,174	5,906	2,045	719	1,079	12,279	10,568
31 days-6 month	227	2,052	259	715	2,986	4,777	4,686	12,100	13,272	1,239	777	1,709	22,207	22,592
6 moths to 1 Year	143	1,059	76	248	647	829	4,934	11,288	6,772	801	498	1,225	13,070	15,449
1 year to 5 Year	308	1,955	242	1,327	1,374	2,015	28,286	29,385	614	561	2,077	2,851	32,901	38,093
> 5 year	91	807	52	225	328	344	8,984	11,236	62	85	999	1,355	10,516	14,053
<b>As at 31st March 2013</b>														
0-30 days	99	635	319	566	3,371	2,962	1,315	1,818	5,040	1,851	583	895	10,727	8,726
31 days-6 months	149	1,673	355	1,115	2,474	3,957	4,808	6,726	1,152	701	792	1,635	9,730	15,806
6 moths to 1 Year	117	635	108	491	556	791	5,395	5,782	67	81	548	871	6,791	8,650
1 year to 5 years	244	2,414	160	1,262	1,400	2,130	33,242	28,721	250	342	2,099	2,616	37,395	37,486
> 5 years	81	439	38	252	223	215	5,092	7,516	38	80	805	1,239	6,277	9,740

## Annexure III to the Management Report

### Particulars of Payments made to entities where Directors are interested: FY 2017-18

(₹ In Lacs)

Sr No	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year in
1	Bajaj Finserv Ltd	Rahul Bajaj	Director & Member	Rent paid lease premises 187
		Sanjiv Bajaj	Director & Member	
		Niraj Bajaj	Director & Member	
		Nanoo Pamnani	Director	
2	Bajaj Auto Limited	Rahul Bajaj	Director & Member	Insurance claims paid 128
		Niraj Bajaj	Director & Member	
		Sanjiv Bajaj	Director & Member	
		Nanoo Pamnani	Director	
3	Bajaj Electricals Ltd	Rahul Bajaj	Member	Insurance claims paid 77
		Sanjiv Bajaj	Member	
		Niraj Bajaj	Member	
4	Bajaj Finance Ltd	Rahul Bajaj	Director & Member	Insurance claims paid 3
		Sanjiv Bajaj	Director & Member	Billable expenses reimbursed on behalf 129
		Dipak Poddar	Director	Insurance commission paid 4,251
		Nanoo Pamnani	Director	
5	Bajaj Allianz Life Insurance Company Limited	Rahul Bajaj	Director	Billable expenses reimbursed on behalf 439
		Sanjiv Bajaj	Director	Insurance Claims paid 1
		Niraj Bajaj	Director	Insurance premium paid 75
		Ranjit Gupta	Director	Payment against Gratuity Fund 900
		Heinz Dollberg	Director	Rent & Maintenance Charges Paid 213
		Sergio Balbinot	Director	
		Hicham Raissi	Director	
		Nanoo Pamnani	Director	
		Suraj Mehta	Director	
		Sanjay Asher	Director	
		Lila Poonawalla	Director	
		Avais Karmali	Alternate Director	
6	Mukand Engineers Ltd	Rahul Bajaj	Member	Insurance claims paid 7
		Sanjiv Bajaj	Member	
		Niraj Bajaj	Director & Member	

(₹ In Lacs)

Sr No	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year in
7	Mukand Ltd	Rahul Bajaj	Member	Insurance claims paid 156
		Sanjiv Bajaj	Member	
		Niraj Bajaj	Director & Member	
8	Hind Musafir Agency Limited	Rahul Bajaj	Member	Travel agency services paid 1,504
		Sanjiv Bajaj	Member	
		Niraj Bajaj	Member	
9	Bajaj Trading Company	Rahul Bajaj	Partner	Insurance claims paid 1
		Niraj Bajaj	Partner	
10	Oerlikon Textile India Private Limited	Sanjay Asher	Director	Insurance claims paid 18
11	Corel Traders Private Limited	Rahul Bajaj	Relative is Director	Insurance claims paid 0.2
		Sanjiv Bajaj	Relative is Director	
12	Jamnalal Sons Private Limited	Sanjiv Bajaj	Director	Insurance claims paid 4
		Niraj Bajaj	Director	
13	Siara Engineering Private Limited	Ranjit Gupta	Director	Insurance claims paid 0.5
14	Hercules Hoists Limited	Sanjiv Bajaj	Member	Insurance claims paid 15
15	Nihilent Technologies Ltd	Lila Poonawalla	Director	Insurance claims paid 3
16	Ashok Leyland Limited	Sanjay Asher	Director	Insurance claims paid 4
17	KPIT Technologies Limited	Lila Poonawalla	Director	Insurance claims paid 174
18	RIJ Engineering Pvt. Ltd.	Ranjit Gupta	Relative is Director	Insurance claims paid 0.2
19	Maharashtra Scooters Ltd	Sanjiv Bajaj	Director	Insurance claims paid 0.4
20	Hind Rectifiers Ltd	Sanjiv Bajaj	Member	Insurance claims paid 0.1
		Rahul Bajaj	Member	
		Niraj Bajaj	Member	
21	VIP Industries Ltd	Dipak Poddar	Director	Insurance claims paid 3
22	Bajaj Allianz Financial Distributors Limited	Hicham Raissi	Director	Insurance Commission Paid 1,510



# Independent Auditors' Report

## To the Members of Bajaj Allianz General Insurance Company Limited

### Report on the Financial Statements

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 2018, the Profit and Loss Account, its related Revenue Account and the Receipts and Payments Account for the year then ended, the schedules annexed thereto and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the Balance Sheet, the Profit and Loss Account, the related Revenue Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India, 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 "IRDAI Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"/ "Authority") in this regard, and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes 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 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 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the Insurance Act, the IRDAI Act, the IRDAI Financial Statements Regulations, orders/directions/circulars issued by the IRDAI, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. 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.

### Opinion

8. 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 Insurance Act, the IRDAI Act, the IRDAI Financial Statements Regulations and the Act to the extent applicable and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:
  - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2018;
  - b. in the case of the Revenue Account, of the operating profit for the year ended on that date;
  - c. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - d. in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

### Other Matters

9. The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at 31 March 2018 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 the guidelines and norms, issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated 15 May 2018 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statements Regulations.
11. As required by IRDAI Financial Statements Regulations, read with section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

## Independent Auditors' Report

- 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, read with Rule 7 of the Companies (Accounts) Rules to the extent they are not inconsistent with the accounting principles prescribed in the IRDAI Financial Statements Regulations and orders/directions issued by IRDAI in this regard;
- f. In our opinion, investments have been valued in accordance with the provisions of the Insurance Act, the IRDAI Financial Statement Regulations and / or orders / directions issued by IRDAI in this regard;
- g. In our opinion, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles prescribed in IRDAI Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
- h. On the basis of written representations received from the Directors as on 31 March 2018 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2018, from being appointed as a Director in terms of section 164 (2) of the Act;
- i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to "Annexure A" to this report;
- j. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 on its financial position in its financial statements – Refer Schedule 16 note 26 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts. The Company did not have any outstanding long term derivative contracts for which there were any material foreseeable losses. Refer Schedule 16 note 27 to the financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Schedule 16 note 28 to the financial statements.
  - iv. The disclosure requirement in respect of Specified Bank Notes, as envisaged in Notification no. G.S.R 308(E) dated 30 March 2017 is not applicable to the Company.

### For Price Waterhouse Chartered Accountants LLP

Chartered Accountants  
Firm's Registration Number:  
012754N/N-500016

### Anish Amin

Partner  
Membership No. 040451

Place: Pune  
Dated: 15 May 2018

### For B S R & Co. LLP

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

### Akeel Master

Partner  
Membership No. 046768

Place: Mumbai  
Dated: 15 May 2018



## Independent Auditors' Certificate

### To the Members of Bajaj Allianz General Insurance Company Limited

(Referred to in paragraph 11 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated 15 May 2018)

This certificate is issued to comply with the provisions of paragraphs 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 "IRDAI Financial Statements Regulations") read with regulation 3 and may not be suitable for any other purpose.

The Company's Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938 (the "Insurance Act") as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999 (the "IRDAI Act"), the IRDAI Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Our responsibility, for the purpose of this certificate, is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the IRDAI Financial Statements Regulations. We have conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the "ICAI") which include the concepts of test checks and materiality.

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by Bajaj Allianz General Insurance Company Limited (the "Company") for the year ended 31 March 2018, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended 31 March 2018, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on information and explanations received during the normal course of our audit, management representations and the compliance certificate submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDAI;
3. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments as at 31 March 2018, by actual inspection or on the basis of certificates/confirmations received directly or from the custodian and/or Depository Participants appointed by the Company, as the case may be.
4. The Company is not a trustee of any trust; and

## Independent Auditors' Report

5. 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.

### For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants  
Firm's Registration Number:  
012754N/N-500016

### **Anish Amin**

Partner  
Membership No. 040451

Place: Pune  
Dated: 15 May 2018

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

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

### **Akeel Master**

Partner  
Membership No. 046768

Place: Mumbai  
Dated: 15 May 2018

## 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 2018

Referred to in paragraph 13 (i) in the Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of Bajaj Allianz General Insurance Company Limited on the financial statements for the year ended 31 March 2018.

### **Independent Auditors' report on the Internal Financial Controls 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 over financial reporting of Bajaj Allianz General Insurance Company Limited ("the Company") as of 31 March 2018 in conjunction with our audit of financial statements for the year ended on that date.

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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 the 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 Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting were established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, 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 auditors' 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 system over financial reporting.



## Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial controls over financial reporting 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 controls over financial reporting 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 over Financial Reporting

7. Because of the inherent limitations of internal financial control over financial reporting, 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 over financial reporting to future periods are subject to the risk that internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 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 2018. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of internal controls over valuation and accuracy of aforesaid actuarial liabilities. Our opinion is not modified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**  
Chartered Accountants  
Firm's Registration Number:  
012754N/N-500016

**Anish Amin**  
Partner  
Membership No. 040451

Place: Pune  
Dated: 15 May 2018

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

**Akeel Master**  
Partner  
Membership No. 046768

Place: Mumbai  
Dated: 15 May 2018

# Financial Statements

## for the financial year ended 31 March 2018

**BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED**

IRDAI Registration No 113. dated 2 May 2001

## Revenue Accounts for the year ended 31 March 2018

(₹ in '000)

Particulars	Schedule	For the year ended 31 March 2018				For the year ended 31 March 2017			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
Premiums earned - (Net)	1	1,796,290	883,642	57,905,757	60,585,689	1,763,868	839,750	46,766,837	49,370,455
Profit/(Loss) on sale/redemption of investments		58,093	21,351	1,452,640	1,532,084	65,023	26,905	1,550,402	1,642,330
Other income - Miscellaneous income		134,533	1,922	35,415	171,870	114,708	1,525	31,848	148,081
Amortisation of discount/(premium)		(6,112)	(2,246)	(152,822)	(161,180)	(390)	(161)	(9,294)	(9,845)
Interest, dividend and rent-Gross		283,119	104,053	7,079,580	7,466,752	227,356	94,071	5,421,022	5,742,449
Sub total		469,633	125,080	8,414,813	9,009,526	406,697	122,340	6,993,978	7,523,015
<b>Total (A)</b>		<b>2,265,923</b>	<b>1,008,722</b>	<b>66,320,570</b>	<b>69,595,215</b>	<b>2,170,565</b>	<b>962,090</b>	<b>53,760,815</b>	<b>56,893,470</b>
Claims incurred (Net)	2	886,424	552,315	38,986,993	40,425,732	550,326	566,707	33,645,904	34,762,937
Commission	3	118,895	135,017	2,926,799	3,180,711	(102,227)	67,402	391,088	356,263
Contribution to solatium fund		-	-	20,330	20,330	-	-	15,011	15,011
Change in premium deficiency		-	-	44,071	44,071	-	-	-	-
Operating expenses related to insurance business	4	573,239	182,269	13,295,813	14,051,321	550,366	211,724	12,852,399	13,614,489
<b>Total (B)</b>		<b>1,578,558</b>	<b>869,601</b>	<b>55,274,006</b>	<b>57,722,165</b>	<b>998,465</b>	<b>845,833</b>	<b>46,904,402</b>	<b>48,748,700</b>
<b>Operating profit/(loss) (C)=(A)-(B)</b>		<b>687,365</b>	<b>139,121</b>	<b>11,046,564</b>	<b>11,873,050</b>	<b>1,172,100</b>	<b>116,257</b>	<b>6,856,413</b>	<b>8,144,770</b>
Appropriations									
Transfer to shareholders' account		687,365	139,121	11,046,564	11,873,050	1,172,100	116,257	6,856,413	8,144,770
Transfer to catastrophe reserve		-	-	-	-	-	-	-	-
Transfer to other reserves		-	-	-	-	-	-	-	-
<b>Total (C)</b>		<b>687,365</b>	<b>139,121</b>	<b>11,046,564</b>	<b>11,873,050</b>	<b>1,172,100</b>	<b>116,257</b>	<b>6,856,413</b>	<b>8,144,770</b>

Significant accounting policies and notes to the Financial Statements Schedule 16

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

As per our report of even date attached

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

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

Chartered Accountants  
 Firm Registration Number  
 101248W/W-100022

**For Price Waterhouse  
 Chartered Accountants LLP**

Chartered Accountants  
 Firm Registration Number  
 012754N/N 500016

**Sanjiv Bajaj**  
 Chairman  
 DIN : 00014615

**Nanoo Pamnani**  
 Chairman of  
 Audit Committee  
 DIN : 00053673

**Heinz Dollberg**  
 Director  
 DIN : 00168797

**Akeel Master**  
 Partner  
 Membership No. 046768

Mumbai  
 Date: 15 May 2018

**Anish Amin**  
 Partner  
 Membership No. 040451

Pune  
 Date: 15 May 2018

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

**Milind Choudhari**  
 Chief Financial Officer

**Onkar Kothari**  
 Company Secretary &  
 Compliance Officer

Pune  
 Date: 15 May 2018

## BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No 113. dated 2 May 2001

## Profit and Loss Account for the year ended 31 March 2018

(₹ in '000)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Operating profit as per Revenue Accounts of</b>		
(a) Fire insurance	687,365	1,172,100
(b) Marine insurance	139,121	116,257
(c) Miscellaneous insurance	11,046,564	6,856,413
	11,873,050	8,144,770
<b>Income from investments</b>		
(a) Interest, dividends and rent - Gross	1,716,031	2,300,712
(b) Amortization of discount/(premium)	(42,016)	(3,532)
(c) Profit on sale/redemption of investments	336,170	514,144
<b>Less:- Loss on sale/redemption of investments</b>	(93,790)	(58,902)
	1,916,395	2,752,422
<b>Other income -Miscellaneous income</b>	14,718	83,348
<b>Total (A)</b>	<b>13,804,163</b>	<b>10,980,540</b>
<b>Provisions (other than taxation)</b>		
(a) For diminution in the value of investments	-	-
(b) For doubtful debts	10,215	2,312
(c) Others	-	-
<b>Other expenses</b>		
(a) Expenses other than those related to the insurance business	251,544	196,050
(b) Bad debts written off	-	-
(c) Fines & penalties	13,271	1,000
(d) Others	-	-
	275,030	199,362
<b>Total (B)</b>	<b>275,030</b>	<b>199,362</b>
<b>Profit before tax</b>	<b>13,529,133</b>	<b>10,781,178</b>
Provision for taxation		
Current tax (refer schedule 16 - Note 25)	4,205,324	3,511,990
Deferred tax Expense/(Income) (refer schedule 16 - Note 18)	111,397	(9,195)
	4,316,721	3,502,795
<b>Profit after tax</b>	<b>9,212,412</b>	<b>7,278,383</b>
<b>Profit available for appropriation</b>	<b>9,212,412</b>	<b>7,278,383</b>
<b>Appropriations</b>		
(a) Interim dividends paid during the year	-	-
(b) Proposed final dividend	-	-
(c) Dividend distribution on tax	-	-
(d) Transfer to reserve/other accounts	-	-
Balance of Profit brought forward from last year	32,407,001	25,128,618
<b>Balance carried forward to Balance Sheet</b>	<b>41,619,413</b>	<b>32,407,001</b>

Significant accounting policies and notes to the Financial Statements Schedule 16

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

83.58

66.03

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

83.58

66.03

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

As per our report of even date attached

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

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

Chartered Accountants  
Firm Registration Number  
101248W/W-100022

For Price Waterhouse  
Chartered Accountants LLP

Chartered Accountants  
Firm Registration Number  
012754N/N 500016

**Sanjiv Bajaj**  
Chairman  
DIN : 00014615

**Nanoo Pamnani**  
Chairman of  
Audit Committee  
DIN : 00053673

**Heinz Dollberg**  
Director  
DIN : 00168797

## Akeel Master

Partner  
Membership No. 046768

## Anish Amin

Partner  
Membership No. 040451

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

**Milind Choudhari**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Mumbai  
Date: 15 May 2018

Pune  
Date: 15 May 2018

Pune  
Date: 15 May 2018



## BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No 113. dated 2 May 2001

## Balance Sheet as at 31 March 2018

(₹ in '000)

Particulars	Schedule	As at 31 March 2018	As at 31 March 2017
<b>SOURCES OF FUNDS</b>			
Share capital	5	1,102,273	1,102,273
Reserves and surplus	6	43,285,610	34,073,198
Fair value change account		275,748	170,787
Borrowings	7	-	-
<b>Total</b>		<b>44,663,631</b>	<b>35,346,258</b>
<b>APPLICATION OF FUNDS</b>			
Investments - Shareholders	8	30,805,997	24,947,822
Investments - Policyholders	8A	109,100,920	77,779,704
Loans	9	-	-
Fixed assets	10	3,122,686	2,965,614
Deferred tax asset (refer Schedule 16 - Note 18)		531,358	642,755
Cash and bank balances	11	8,322,191	5,563,640
Advances and other assets	12	17,493,064	15,388,871
<b>Sub-Total (A)</b>		<b>25,815,255</b>	<b>20,952,511</b>
<b>Current liabilities</b>	<b>13</b>	<b>88,175,499</b>	<b>62,325,844</b>
Provisions	14	36,537,086	29,616,304
<b>Sub-Total (B)</b>		<b>124,712,585</b>	<b>91,942,148</b>
Net current liabilities (C) = (A - B)		(98,897,330)	(70,989,637)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and loss account		-	-
<b>Total</b>		<b>44,663,631</b>	<b>35,346,258</b>

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 B S R & Co. LLP**

Chartered Accountants  
 Firm Registration Number  
 101248W/W-100022

**For Price Waterhouse  
Chartered Accountants LLP**

Chartered Accountants  
 Firm Registration Number  
 012754N/N 500016

**Sanjiv Bajaj**

Chairman  
 DIN : 00014615

**Nanoo Pamnani**

Chairman of  
 Audit Committee  
 DIN : 00053673

**Heinz Dollberg**

Director  
 DIN : 00168797

**Akeel Master**

Partner  
 Membership No. 046768

Mumbai  
 Date: 15 May 2018

**Anish Amin**

Partner  
 Membership No. 040451

Pune  
 Date: 15 May 2018

**Tapan Singhel**

Managing Director &  
 Chief Executive Officer  
 DIN : 03428746

**Milind Choudhari**

Chief Financial Officer

**Onkar Kothari**

Company Secretary &  
 Compliance Officer

Pune  
 Date: 15 May 2018

## Schedule - 1 Premium earned (Net)

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

(₹ in '000)

Particulars	For the year ended 31 March 2018					For the year ended 31 March 2017				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Premium from direct business written ( net of service tax and GST)	8,210,447	1,316,632	58,961	84,866,139	94,452,179	5,387,258	1,213,361	133,915	69,598,264	76,332,798
Add: Premium on reinsurance accepted	325,809	-	-	87,426	413,235	416,135	7,030	-	114,673	537,838
Less: Premium on reinsurance ceded	5,983,458	378,983	58,397	21,119,218	27,540,056	3,704,659	359,103	126,824	19,671,211	23,861,797
Net Premium	2,552,798	937,649	564	63,834,347	67,325,358	2,098,734	861,288	7,091	50,041,726	53,008,839
Adjustment for change in reserve for unexpired risk										
Reserve created during the year	3,015,088	297,501	2,536	32,788,814	36,103,939	2,258,580	244,023	1,443	26,860,224	29,364,270
Less: Reserve created during the previous year written back	2,258,580	244,023	1,443	26,860,224	29,364,270	1,923,714	213,178	3,659	23,585,335	25,725,886
Change in the unexpired risk reserve	756,508	53,478	1,093	5,928,590	6,739,669	334,866	30,845	(2,216)	3,274,889	3,638,384
Total premium earned (Net)	1,796,290	884,171	(529)	57,905,757	60,585,689	1,763,868	830,443	9,307	46,766,837	49,370,455
Note :										
Premium income earned from business concluded:										
In India	1,796,290	884,171	(529)	57,905,757	60,585,689	1,763,868	830,443	9,307	46,766,837	49,370,455
Outside India	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	1,796,290	884,171	(529)	57,905,757	60,585,689	1,763,868	830,443	9,307	46,766,837	49,370,455

\*Refer Schedule 1(A)

## Schedule - 1(A) Premium earned (Net)

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

(₹ in '000)

For the year ended 31 March 2018													
Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Premium from direct business (net of service tax and GST)	21,196,773	20,329,899	41,526,672	432,606	365,557	1,168,164	40,985	1,964,200	14,966,944	138,537	18,353,496	5,908,978	84,866,139
Add: Premium on reinsurance accepted	-	-	-	-	3,201	75,705	-	-	-	-	-	8,520	87,426
Less: Premium on reinsurance ceded	1,150,956	1,049,445	2,200,401	29,965	239,173	1,010,395	39,213	142,550	1,054,853	137,147	12,945,987	3,319,534	21,119,218
<b>Net Premium</b>	<b>20,045,817</b>	<b>19,280,454</b>	<b>39,326,271</b>	<b>402,641</b>	<b>129,585</b>	<b>233,474</b>	<b>1,772</b>	<b>1,821,650</b>	<b>13,912,091</b>	<b>1,390</b>	<b>5,407,509</b>	<b>2,597,964</b>	<b>63,834,347</b>
Adjustment for change in reserve for unexpired risk													
Reserve created during the year	10,669,145	10,385,493	21,054,638	172,013	72,414	153,324	363	1,026,385	6,689,101	288	533,943	3,086,345	32,788,814
Less: Reserve created during the previous year written back	10,448,813	7,906,264	18,355,077	169,311	67,046	122,005	293	769,040	4,528,684	394	234,816	2,613,558	26,860,224
Change in the unexpired risk reserve	220,332	2,479,229	2,699,561	2,702	5,368	31,319	70	257,345	2,160,417	(106)	299,127	472,787	5,928,590
<b>Total premium earned (Net)</b>	<b>19,825,485</b>	<b>16,801,225</b>	<b>36,626,710</b>	<b>399,939</b>	<b>124,217</b>	<b>202,155</b>	<b>1,702</b>	<b>1,564,305</b>	<b>11,751,674</b>	<b>1,496</b>	<b>5,108,382</b>	<b>2,125,177</b>	<b>57,905,757</b>
<b>Note :</b>													
<b>Premium income earned from business concluded:</b>													
In India	19,825,485	16,801,225	36,626,710	399,939	124,217	202,155	1,702	1,564,305	11,751,674	1,496	5,108,382	2,125,177	57,905,757
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total premium earned (Net)</b>	<b>19,825,485</b>	<b>16,801,225</b>	<b>36,626,710</b>	<b>399,939</b>	<b>124,217</b>	<b>202,155</b>	<b>1,702</b>	<b>1,564,305</b>	<b>11,751,674</b>	<b>1,496</b>	<b>5,108,382</b>	<b>2,125,177</b>	<b>57,905,757</b>

# Financial Statements for the financial year ended 31 March 2018

(₹ in '000)

For the year ended 31 March 2017

Particulars	Workmen's Compensation													
	Motor OD	Motor TP	Motor Total	/ Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total	
Premium from direct business (net of service tax and GST)	20,663,704	15,010,653	35,674,357		436,525	322,839	977,122	32,672	1,555,989	10,857,302	162,554	14,497,776	5,081,128	69,598,264
Add: Premium on reinsurance accepted	-	-	-		-	17,714	56,055	-	-	-	-	-	40,904	114,673
Less: Premium on reinsurance ceded	1,266,281	680,050	1,946,331		23,008	224,202	842,313	30,328	117,238	1,007,840	160,928	12,191,564	3,127,459	19,671,211
Net Premium	19,397,423	14,330,603	33,728,026		413,517	116,351	190,864	2,344	1,438,751	9,849,462	1,626	2,306,212	1,994,573	50,041,726
Adjustment for change in reserve for unexpired risk														
Reserve created during the year	10,448,813	7,906,264	18,355,077		169,311	67,046	122,005	293	769,040	4,528,684	394	234,816	2,613,558	26,860,224
Less: Reserve created during the previous year written back	10,618,860	5,801,247	16,420,107		173,385	67,354	125,410	638	580,484	3,579,305	352	23,141	2,615,159	23,585,335
Change in the unexpired risk reserve	(170,047)	2,105,017	1,934,970		(4,074)	(308)	(3,405)	(345)	188,556	949,379	42	211,675	(1,601)	3,274,889
Total premium earned (Net)	19,567,470	12,225,586	31,793,056		417,591	116,659	194,269	2,689	1,250,195	8,900,083	1,584	2,094,537	1,996,174	46,766,837
Note :														
Premium income earned from business concluded:														
In India	19,567,470	12,225,586	31,793,056		417,591	116,659	194,269	2,689	1,250,195	8,900,083	1,584	2,094,537	1,996,174	46,766,837
Outside India	-	-	-		-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	19,567,470	12,225,586	31,793,056		417,591	116,659	194,269	2,689	1,250,195	8,900,083	1,584	2,094,537	1,996,174	46,766,837



## Schedule - 2 Claims Incurred (Net)

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

(₹ in '000)

Particulars	For the year ended 31 March 2018					For the year ended 31 March 2017				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
<b>Claims Paid</b>										
Direct	2,278,374	1,092,734	-	38,028,797	41,399,905	2,449,067	815,888	119,473	29,139,824	32,524,252
Add: Reinsurance Accepted	45,245	1,596	-	5,092	51,933	98,250	10,141	-	32,334	140,725
Less: Reinsurance Ceded	1,566,412	610,567	-	12,177,972	14,354,951	1,736,606	346,390	118,710	5,018,332	7,220,038
Net Claims paid	757,207	483,763	-	25,855,917	27,096,887	810,711	479,639	763	24,153,826	25,444,939
<b>Claims Outstanding (including IBNR and IBNER)</b>										
Add : Claims Outstanding at the close of the year (net of Reinsurance)	1,130,024	533,603	14,791	57,488,167	59,166,585	1,000,807	466,078	13,764	44,357,091	45,837,740
Less: Claims Outstanding at the beginning of the year (net of Reinsurance)	1,000,807	466,078	13,764	44,357,091	45,837,740	1,261,192	379,865	13,672	34,865,013	36,519,742
Change in Claims Outstanding	129,217	67,525	1,027	13,131,076	13,328,845	(260,385)	86,213	92	9,492,078	9,317,998
<b>Total Claims Incurred (Net)</b>	<b>886,424</b>	<b>551,288</b>	<b>1,027</b>	<b>38,986,993</b>	<b>40,425,732</b>	<b>550,326</b>	<b>565,852</b>	<b>855</b>	<b>33,645,904</b>	<b>34,762,937</b>
Claims incurred										
In India	886,424	551,288	1,027	38,986,993	40,425,732	550,326	565,852	855	33,645,904	34,762,937
Outside India	-	-	-	-	-	-	-	-	-	-
<b>Total Claims Incurred (Net)</b>	<b>886,424</b>	<b>551,288</b>	<b>1,027</b>	<b>38,986,993</b>	<b>40,425,732</b>	<b>550,326</b>	<b>565,852</b>	<b>855</b>	<b>33,645,904</b>	<b>34,762,937</b>

\*Refer Schedule 2(A)

## Schedule - 2 (A) Claims Incurred (Net)

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

(₹ in '000)

For the year ended 31 March 2018													
Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
<b>Claims paid</b>													
Direct	11,471,374	4,688,891	16,160,265	141,468	46,942	476,138	36,358	658,609	9,289,123	76,638	9,705,581	1,437,675	38,028,797
Add: Reinsurance accepted	-	-	-	-	-	4,806	-	-	-	-	-	286	5,092
Less: Reinsurance ceded	680,189	1,515,754	2,195,943	7,352	38,595	412,582	34,106	69,660	615,647	77,730	8,181,080	545,277	12,177,972
Net claims paid	10,791,185	3,173,137	13,964,322	134,116	8,347	68,362	2,252	588,949	8,673,476	(1,092)	1,524,501	892,684	25,855,917
<b>Claims outstanding (including IBNR and IBNER)</b>													
Add : Claims outstanding at the close of the year (net of reinsurance)	2,188,083	45,090,848	47,278,931	157,995	162,173	195,589	15,059	543,665	2,504,511	914	5,297,364	1,331,966	57,488,167
Less: Claims outstanding at the beginning of the year (net of reinsurance)	1,858,874	36,603,812	38,462,686	167,823	148,930	187,786	17,390	475,149	1,500,785	1,241	1,997,370	1,397,931	44,357,091
Change in claims outstanding	329,209	8,487,036	8,816,245	(9,828)	13,243	7,803	(2,331)	68,516	1,003,726	(327)	3,299,994	(65,965)	13,131,076
<b>Total claims incurred (Net)</b>	<b>11,120,394</b>	<b>11,660,173</b>	<b>22,780,567</b>	<b>124,288</b>	<b>21,590</b>	<b>76,165</b>	<b>(79)</b>	<b>657,465</b>	<b>9,677,202</b>	<b>(1,419)</b>	<b>4,824,495</b>	<b>826,719</b>	<b>38,986,993</b>
<b>Claims incurred</b>													
In India	11,120,394	11,660,173	22,780,567	124,288	21,590	76,165	(79)	657,465	9,677,202	(1,419)	4,824,495	826,719	38,986,993
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total claims incurred (Net)</b>	<b>11,120,394</b>	<b>11,660,173</b>	<b>22,780,567</b>	<b>124,288</b>	<b>21,590</b>	<b>76,165</b>	<b>(79)</b>	<b>657,465</b>	<b>9,677,202</b>	<b>(1,419)</b>	<b>4,824,495</b>	<b>826,719</b>	<b>38,986,993</b>

# Financial Statements for the financial year ended 31 March 2018

(₹ in '000)

For the year ended 31 March 2017

Particulars	Workmen's Compensation / Employers' Liability												Total
	Motor OD	Motor TP	Motor Total	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others		
Claims paid													
Direct	13,259,481	4,188,857	17,448,338	123,591	7,045	522,898	4,801	544,740	7,323,224	24,314	1,747,503	1,393,370	29,139,824
Add: Reinsurance accepted	-	-	-	-	-	24,659	-	3,731	2,092	-	-	1,852	32,334
Less: Reinsurance ceded	1,034,453	1,422,797	2,457,250	6,461	1,356	478,589	4,748	88,538	459,986	24,071	1,120,459	376,874	5,018,332
Net claims paid	12,225,028	2,766,060	14,991,088	117,130	5,689	68,968	53	459,933	6,865,330	243	627,044	1,018,348	24,153,826
Claims outstanding (including IBNR and IBNER)													
Add : Claims outstanding at the close of the year (net of reinsurance)	1,858,874	36,603,812	38,462,686	167,823	148,930	187,786	17,390	475,149	1,500,785	1,241	1,997,370	1,397,931	44,357,091
Less: Claims outstanding at the beginning of the year (net of reinsurance)	1,753,019	29,703,212	31,456,231	147,932	135,222	213,134	14,093	208,687	1,124,911	1,371	234,530	1,328,902	34,865,013
Change in claims outstanding	105,855	6,900,600	7,006,455	19,891	13,708	(25,348)	3,297	266,462	375,874	(130)	1,762,840	69,029	9,492,078
Total claims incurred (Net)	12,330,883	9,666,660	21,997,543	137,021	19,397	43,620	3,350	726,395	7,241,204	113	2,389,884	1,087,377	33,645,904
Claims incurred													
In India	12,330,883	9,666,660	21,997,543	137,021	19,397	43,620	3,350	726,395	7,241,204	113	2,389,884	1,087,377	33,645,904
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
Total claims incurred (Net)	12,330,883	9,666,660	21,997,543	137,021	19,397	43,620	3,350	726,395	7,241,204	113	2,389,884	1,087,377	33,645,904

## Schedule - 3 Commission

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

(₹ in '000)

Particulars	For the year ended 31 March 2018					For the year ended 31 March 2017				
	Fire	Marine		Miscellaneous*	Total**	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Commission paid direct	722,113	164,299	309	5,022,818	5,909,539	320,421	110,704	46	3,001,478	3,432,649
Add: Reinsurance accepted	41,209	-	-	10,795	52,004	33,170	1,232	-	18,276	52,678
Less: Commission on reinsurance ceded	644,427	30,458	(867)	2,106,814	2,780,832	455,818	37,172	7,408	2,628,666	3,129,064
<b>Net commission</b>	<b>118,895</b>	<b>133,841</b>	<b>1,176</b>	<b>2,926,799</b>	<b>3,180,711</b>	<b>(102,227)</b>	<b>74,764</b>	<b>(7,362)</b>	<b>391,088</b>	<b>356,263</b>
Break-up of commission paid direct :										
Agents	138,736	80,460	33	2,018,668	2,237,897	65,955	60,197	36	1,069,066	1,195,254
Brokers	192,975	79,143	111	1,549,063	1,821,292	116,952	46,911	-	952,445	1,116,308
Corporate agency	389,774	4,677	165	1,343,944	1,738,560	137,514	3,596	10	979,967	1,121,087
Referral	-	-	-	-	-	-	-	-	-	-
Others	628	19	-	111,143	111,790	-	-	-	-	-
<b>Total</b>	<b>722,113</b>	<b>164,299</b>	<b>309</b>	<b>5,022,818</b>	<b>5,909,539</b>	<b>320,421</b>	<b>110,704</b>	<b>46</b>	<b>3,001,478</b>	<b>3,432,649</b>
Commission paid										
In India	118,895	133,841	1,176	2,926,799	3,180,711	(102,227)	74,764	(7,362)	391,088	356,263
Outside India	-	-	-	-	-	-	-	-	-	-
<b>Net commission</b>	<b>118,895</b>	<b>133,841</b>	<b>1,176</b>	<b>2,926,799</b>	<b>3,180,711</b>	<b>(102,227)</b>	<b>74,764</b>	<b>(7,362)</b>	<b>391,088</b>	<b>356,263</b>

\* Refer Schedule 3(A)

\*\* Commission Paid includes rewards, incentives etc under "IRDAI ( Payment of Commission, Remuneration or Reward to Insurance Agents or Insurance Intermediaries) Regulations, 2016" with effect from 1 April 2017



## Schedule - 3 (A) Commission

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

(₹ in '000)

For the year ended 31 March 2018

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total**
Commission paid direct	2,561,442	118,227	2,679,669	59,982	38,169	75,024	1,697	233,740	1,251,977	5,198	580	676,782	5,022,818
Add: Reinsurance accepted	-	-	-	-	-	8,825	-	-	-	-	-	1,970	10,795
Less: Commission on Reinsurance ceded	159,058	51,315	210,373	4,738	23,786	187,361	1,431	20,395	280,205	12,064	849,378	517,083	2,106,814
<b>Net commission</b>	<b>2,402,384</b>	<b>66,912</b>	<b>2,469,296</b>	<b>55,244</b>	<b>14,383</b>	<b>(103,512)</b>	<b>266</b>	<b>213,345</b>	<b>971,772</b>	<b>(6,866)</b>	<b>(848,798)</b>	<b>161,669</b>	<b>2,926,799</b>
Commission paid													
In India	2,402,384	66,912	2,469,296	55,244	14,383	(103,512)	266	213,345	971,772	(6,866)	(848,798)	161,669	2,926,799
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net commission</b>	<b>2,402,384</b>	<b>66,912</b>	<b>2,469,296</b>	<b>55,244</b>	<b>14,383</b>	<b>8,826</b>	<b>266</b>	<b>213,345</b>	<b>971,772</b>	<b>(6,866)</b>	<b>(848,798)</b>	<b>161,669</b>	<b>2,926,799</b>

For the year ended 31 March 2017

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Commission paid direct	1,215,914	13,789	1,229,703	33,717	30,511	50,252	1,595	194,125	889,328	5,890	2,103	564,254	3,001,478
Add: Reinsurance accepted	-	-	-	-	2,688	6,522	-	-	-	-	-	9,066	18,276
Less: Commission on Reinsurance ceded	160,218	33,290	193,508	3,417	33,015	183,461	3,768	15,668	164,777	16,014	1,595,188	419,850	2,628,666
<b>Net commission</b>	<b>1,055,696</b>	<b>(19,501)</b>	<b>1,036,195</b>	<b>30,300</b>	<b>184</b>	<b>(126,687)</b>	<b>(2,173)</b>	<b>178,457</b>	<b>724,551</b>	<b>(10,124)</b>	<b>(1,593,085)</b>	<b>153,470</b>	<b>391,088</b>
Commission paid													
In India	1,055,696	(19,501)	1,036,195	30,300	184	(126,687)	(2,173)	178,457	724,551	(10,124)	(1,593,085)	153,470	391,088
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net commission</b>	<b>1,055,696</b>	<b>(19,501)</b>	<b>1,036,195</b>	<b>30,300</b>	<b>184</b>	<b>(126,687)</b>	<b>(2,173)</b>	<b>178,457</b>	<b>724,551</b>	<b>(10,124)</b>	<b>(1,593,085)</b>	<b>153,470</b>	<b>391,088</b>

\*\* Commission Paid includes rewards, incentives etc under "IRDAI ( Payment of Commission, Remuneration or Reward to Insurance Agents or Insurance Intermediaries) Regulations, 2016" with effect from 1 April 2017

## Schedule - 4 Operating Expenses Related to Insurance Business

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

(₹ in '000)

Particulars	For the year ended 31 March 2018					For the year ended 31 March 2017				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Employees' remuneration, benefits and other manpower costs (Net)	238,964	72,921	226	5,606,570	5,918,681	197,320	70,272	1,073	4,549,139	4,817,804
Travel, conveyance and vehicle running expenses	13,210	4,240	14	317,663	335,127	10,334	3,849	57	247,599	261,839
Training expenses	415	152	-	10,367	10,934	16	6	-	371	393
Rents, rates and taxes	10,000	3,673	2	250,051	263,726	9,130	3,747	31	217,701	230,609
Repairs and maintenance	3,192	1,172	1	79,821	84,186	2,934	1,204	10	69,954	74,102
Printing and stationery	10,454	2,273	2	160,551	173,280	7,305	2,343	-	131,728	141,376
Communication	12,149	3,043	3	216,460	231,655	9,819	3,387	14	197,882	211,102
Legal and professional charges	2,650	973	1	66,264	69,888	1,869	767	6	44,553	47,195
Auditors' fees, expenses, etc.										
(a) as auditors	288	106	-	7,205	7,599	202	83	1	4,814	5,100
(b) as advisor or in any other capacity in respect of:										
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-
(iv) Tax audit	34	13	-	853	900	30	12	-	708	750
(c) In any other capacity	36	13	-	910	959	22	9	-	523	554
(d) Out of pocket expenses	17	6	-	434	457	33	14	-	794	841
Advertisement and publicity	17,111	6,285	4	427,865	451,265	15,367	6,306	52	366,414	388,139
Interest and bank charges	7,192	2,642	2	179,834	189,670	4,363	1,791	15	104,032	110,201
Business development and promotion	29,088	10,684	6	727,361	767,139	19,810	8,130	67	472,334	500,341
Marketing and support services	145,390	53,402	32	3,635,570	3,834,394	210,891	86,546	713	5,028,426	5,326,576
Service Charges	-	-	-	-	-	-	-	-	-	-
Other acquisition costs	17,600	897	190	118,979	137,666	11,382	971	1,421	141,457	155,231
Others										
Exchange (gain) /loss (net)	(194)	(71)	-	(4,841)	(5,106)	68	28	-	1,610	1,706
Miscellaneous expenses	19,909	7,237	6	497,948	525,100	18,040	7,356	64	432,936	458,396
Loss/(Profit) on disposal of assets (net)	(88)	(32)	-	(2,197)	(2,317)	(284)	(117)	(1)	(6,776)	(7,178)
Information technology	31,107	6,653	5	470,608	508,373	17,507	5,616	1	315,678	338,802
Depreciation (refer Schedule 16 - Note 2.14 )	12,454	4,574	3	311,410	328,441	9,206	3,778	31	219,494	232,509
GST/Service tax	2,261	916	-	216,127	219,304	5,002	2,054	17	311,028	318,101
<b>Total</b>	<b>573,239</b>	<b>181,772</b>	<b>497</b>	<b>13,295,813</b>	<b>14,051,321</b>	<b>550,366</b>	<b>208,152</b>	<b>3,572</b>	<b>12,852,399</b>	<b>13,614,489</b>

(Refer Schedule 16 - Note 2.12)

\* Refer Schedule 4(A)

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

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

(₹ in '000)

For the year ended 31 March 2018

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

# Financial Statements for the financial year ended 31 March 2018

(₹ in '000)

## For the year ended 31 March 2017

Particulars	Workmen's Compensation													Total
	Motor OD	Motor TP	Motor Total	/ Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others		
Employees' remuneration, benefits and other manpower costs (Net)	1,771,703	1,211,659	2,983,362	29,386	8,901	17,216	303	234,027	804,778	859	217,481	252,826	4,549,139	
Travel, conveyance and vehicle running expenses	93,032	73,453	166,485	1,716	521	970	16	9,627	44,502	42	12,174	11,546	247,599	
Training expenses	144	106	250	3	1	1	-	11	73	-	17	15	371	
Rents, rates and taxes	84,387	62,344	146,731	1,799	506	830	10	6,259	42,849	7	10,033	8,677	217,701	
Repairs and maintenance	27,116	20,033	47,149	578	163	267	3	2,011	13,769	2	3,224	2,788	69,954	
Printing and stationery	40,141	29,159	69,300	343	28	122	1	24,977	14,958	-	1,842	20,157	131,728	
Communication	67,813	48,595	116,408	912	199	406	5	24,941	28,352	6	5,279	21,374	197,882	
Legal and professional charges	17,270	12,759	30,029	368	104	170	2	1,281	8,769	1	2,053	1,776	44,553	
Auditors' fees, expenses, etc.														
(a) as auditor	1,866	1,379	3,245	40	11	18	-	138	948	-	222	192	4,814	
(b) as advisor or in any other capacity in respect of:														
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Tax audit	274	203	477	6	2	3	-	20	139	-	33	28	708	
(c) In any other capacity	203	150	353	4	1	2	-	15	103	-	24	21	523	
(d) Out of pocket expenses	307	227	534	7	2	3	-	23	156	-	37	32	794	
Advertisement and publicity	142,031	104,931	246,962	3,028	852	1,398	17	10,535	72,119	12	16,886	14,605	366,414	
Interest and bank charges	40,325	29,792	70,117	860	242	397	5	2,991	20,476	3	4,794	4,147	104,032	
Business development and promotion	183,089	135,264	318,353	3,903	1,098	1,802	22	13,580	92,967	15	21,768	18,826	472,334	
Marketing and support services	1,949,144	1,440,006	3,389,150	41,552	11,691	19,179	236	144,572	989,720	163	231,739	200,424	5,028,426	
Service Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other acquisition costs	63,151	49,322	112,473	14	276	2,255	533	161	20,026	-	1,854	3,865	141,457	
Others													-	
Exchange (gain) /loss (net)	624	462	1,086	13	4	6	-	46	317	-	74	64	1,610	
Miscellaneous expenses	169,038	124,186	293,224	3,516	995	1,648	21	12,550	83,659	19	19,980	17,325	432,936	
Loss/(Profit) on disposal of assets (net)	(2,627)	(1,941)	(4,568)	(56)	(16)	(26)	-	(195)	(1,334)	-	(312)	(270)	(6,776)	
Information technology	96,194	69,879	166,073	821	66	292	2	59,856	35,847	1	4,415	48,305	315,678	
Depreciation (refer schedule 16 Note 2.14 )	85,082	62,857	147,939	1,814	510	837	10	6,311	43,202	7	10,115	8,749	219,494	
Service tax	9,220	66,195	75,415	985	277	455	6	12,023	29,374	4	184,309	8,180	311,028	
Total	4,839,527	3,541,020	8,380,547	91,612	26,434	48,251	1,192	565,760	2,345,769	1,141	748,041	643,652	12,852,399	



## Schedule - 5 Share Capital

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

(₹ in '000)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Authorised capital</b>		
125,000,000 (previous year :125,000,000) Equity Shares of Rs 10 each	1,250,000	1,250,000
<b>Issued capital</b>		
110,227,250 (previous year :110,227,250) Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
<b>Subscribed capital</b>		
110,227,250 (previous year :110,227,250) Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
<b>Called-up capital</b> (Refer schedule 5A)		
110,227,250 (previous year :110,227,250) Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
Less: Calls unpaid	-	-
Add : Equity shares forfeited (Amount originally paidup)	-	-
Less : Par Value of Equity Shares bought back	-	-
<b>Less:</b> Preliminary Expenses to the extent not written off	-	-
Expenses including commission or brokerage on underwriting or subscription of shares	-	-
<b>Total</b>	<b>1,102,273</b>	<b>1,102,273</b>

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

### (As certified by the Management)

(₹ in '000)

Shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
<b>Indian</b>				
Bajaj Finserv Limited	81,568,165	74.00%	81,568,165	74.00%
<b>Foreign</b>				
Allianz SE	28,659,085	26.00%	28,659,085	26.00%
Others	-	-	-	-
<b>Total</b>	<b>110,227,250</b>	<b>100.00%</b>	<b>110,227,250</b>	<b>100.00%</b>

## Schedule - 6 Reserves and Surplus

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

(₹ in '000)

Particulars	As at 31 March 2018	As at 31 March 2017
Capital reserve	-	-
Capital redemption reserve	-	-
Share premium	1,666,197	1,666,197
General reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilised for Buy-back	-	-
Catastrophe reserve	-	-
Other reserves	-	-
Balance in Profit and Loss Account	41,619,413	32,407,001
<b>Total</b>	<b>43,285,610</b>	<b>34,073,198</b>

## Schedule - 7 Borrowings

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

(₹ in '000)

Particulars	As at 31 March 2018	As at 31 March 2017
Debentures/Bonds	-	-
Banks	-	-
Financial institutions	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Schedule - 8 Investments - Shareholders

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

Particulars	(₹ in '000)	
	As at 31 March 2018	As at 31 March 2017
<b>Long term investments</b>		
1. Government securities and		
Government guaranteed bonds including Treasury bills	16,948,615	11,145,781
2. Other approved securities		
3. Approved Investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	2,100,237	879,945
Fair value change accretion	83,650	51,363
(bb) Preference Shares	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	2,937,735	2,846,785
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Less : Accumulated depreciation	-	-
4. Investments in Infrastructure and Housing Sector	6,918,977	7,778,712
5. Other investments		
(a) Shares		
(aa) Equity	150,000	-
Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference	-	-
(b) Debenture/Bonds	-	-
(c) Other securities - Loan	-	-
<b>Short term investments</b>		
1. Government securities and		
Government guaranteed bonds including Treasury bills	-	-
2. Other approved securities		
3. Approved Investments		
(a) Shares		
(aa) Equity Shares	-	-
Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference shares	-	-
(b) Mutual funds	520,000	161,900
Fair Value Change Accretion/(Diminution)	878	49
(c) Derivative instruments	-	-
(d) Debenture/Bonds	695,905	869,245
(e) Other securities (Note no 6)	-	300,000
(f) Subsidiaries	-	-
(g) Investment properties-Real estate	-	-
4. Investments in Infrastructure and Housing Sector	450,000	914,042
5. Other Investments		
(a) Shares		
(b) Mutual Funds	-	-
Fair value change accretion	-	-
(c) Debenture/Bonds	-	-
<b>Total</b>	<b>30,805,997</b>	<b>24,947,822</b>
<b>Investments</b>		
In India	30,805,997	24,947,822
Outside India	-	-
<b>Total</b>	<b>30,805,997</b>	<b>24,947,822</b>

The investments funds are segregated into Policyholders' and Shareholders' fund. (Refer note no. 2.15)

#### Notes :

- All the above investments are performing assets.
- Investments maturing within next 12 months are Rupees 1,666,783 thousand (Previous year Rupees 2,245,236 thousand)
- Investment other than Equities and Derivative instruments  
Aggregate value of Investments as at 31st March, 2018 Rupees 28,472,110 thousand (Previous year Rupees 24,016,514 thousand)  
Market value as at 31st March, 2018 Rupees 28,435,094 thousand (Previous year Rs 25,018,841 thousand)
- Value of contracts in relation to investments where deliveries are pending Rupees 155,877 thousand (Previous year Rupees Nil ) and in respect of sale of investments where payments are due Rupees 1,332,615 thousand (Previous year Rupees Nil ).
- Equity includes investments qualifying for Infra and Housing sector Rupees 119,063 thousand (Previous year Rupees 185,997 thousand)
- Short term other approved securities includes Fixed Deposit of Rupees Nil (Previous year Rupees 300,000 thousand)

## Schedule - 8A Investments - Policyholders

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

Particulars	(₹ in '000)	
	As at 31 March 2018	As at 31 March 2017
<b>Long term investments</b>		
1. Government securities and		
Government guaranteed bonds including Treasury bills	41,471,043	32,421,825
2. Other approved securities	-	-
3. Approved investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	7,708,818	2,113,129
Fair Value Change Accretion/(Diminution)	187,617	118,264
(bb) Preference shares	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	11,941,014	5,688,470
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment properties-Real estate	-	-
Less : Accumulated depreciation	-	-
4. Investments in Infrastructure and Housing Sector	29,745,213	25,435,000
5. Other Investments		
(a) Shares		
(aa) Equity	350,000	-
Fair value change accretion	-	-
(bb) Preference	752,500	752,500
(b) Debenture/Bonds	-	-
(c) Other securities - Loan	333,335	500,000
<b>Short term investments</b>		
1. Government securities and		
Government guaranteed bonds including Treasury bills	-	69,108
2. Other approved securities	-	-
3. Approved investments		
(a) Shares		
(aa) Equity Shares	-	-
Fair value change accretion	-	-
(bb) Preference shares	-	400,000
(b) Mutual funds	2,154,900	367,400
Fair value change accretion	3,604	286
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	6,400,981	1,900,240
(e) Other securities (Note no 6)	270,000	1,350,000
(f) Subsidiaries	-	-
(g) Investment properties-Real estate	-	-
4. Investments in Infrastructure and Housing Sector	7,781,895	3,862,657
5. Other Investments		
(a) Shares	-	-
(b) Mutual funds	-	2,800,000
Fair value change accretion	-	825
(c) Debenture/Bonds	-	-
<b>Total</b>	<b>109,100,920</b>	<b>77,779,704</b>
<b>Investments</b>		
In India	109,100,920	77,779,704
Outside India	-	-
<b>Total</b>	<b>109,100,920</b>	<b>77,779,704</b>

The investments funds are segregated into Policyholders' and Shareholders' fund. (Refer note no. 2.15)

#### Notes :

- All the above investments are performing assets.
- Investments maturing within next 12 months are Rupees 16,611,380 thousand (Previous year Rupees 10,750,515 thousand)
- Investment other than Equities and Derivative instruments
- Aggregate value of Investments as at 31st March, 2018 Rupees 100,854,485 thousand (Previous year Rupees 75,548,311 thousand)
- Market value as at 31st March, 2018 Rupees 100,896,669 thousand (Previous year Rs 78,351,670 thousand)
- Value of contracts in relation to investments where deliveries are pending Rupees 1,484,473 thousand (Previous year Rupees 162,610 thousand ) and in respect of sale of investments where payments are due Rupees 223,663 thousand (Previous year Rupees Nil ).
- Equity includes investments qualifying for Infra and Housing sector Rupees 277,813 thousand (Previous year Rupees 445,249 thousand)
- Short term other approved securities includes Fixed Deposit of Rupees 270,000 thousand (Previous year Rupees 1,350,000 thousand)



## Schedule - 9 Loans

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

(₹ in '000)

Particulars	As at 31 March 2018	As at 31 March 2017
1. SECURITY-WISE CLASSIFICATION		
<b>Secured</b>	-	-
a) On Mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
b) On Shares, Bonds, Govt. Securities	-	-
c) Others	-	-
<b>Unsecured</b>	-	-
<b>Total</b>	-	-
2. BORROWER-WISE CLASSIFICATION		
a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Industrial Undertakings	-	-
e) Others	-	-
<b>Total</b>	-	-
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	-	-
<b>Total</b>		
4. MATURITY-WISE CLASSIFICATION		
a) Short- Term	-	-
b) Long- Term	-	-
<b>Total</b>	-	-
<b>Total</b>	-	-

## Schedule 10 - Fixed Assets

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

(₹ in '000)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	As at 1 April 2017	For the Year	On Sales	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Softwares	382,455	64,735	-	447,190	349,487	27,581	-	377,068	70,122	32,968
Land - Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	130,578	43,676	8,383	165,871	104,729	18,258	8,267	114,720	51,151	25,849
Freehold Improvements	24,177	-	-	24,177	24,177	-	-	24,177	-	-
Buildings*	2,687,834	-	-	2,687,834	296,491	43,996	-	340,487	2,347,347	2,391,343
Furniture and Fittings	444,357	92,991	14,017	523,331	312,286	71,636	13,536	370,386	152,945	132,071
Information Technology Equipment	983,795	121,476	250,560	854,711	682,540	115,154	250,442	547,252	307,459	301,255
Vehicles	36,069	14,870	7,149	43,790	16,191	7,091	5,566	17,716	26,074	19,878
Office Equipment	307,773	53,763	6,840	354,696	260,138	44,724	6,791	298,071	56,625	47,635
<b>Total</b>	<b>4,997,038</b>	<b>391,511</b>	<b>286,949</b>	<b>5,101,600</b>	<b>2,046,039</b>	<b>328,440</b>	<b>284,602</b>	<b>2,089,877</b>	<b>3,011,723</b>	<b>2,950,999</b>
Capital work-in-progress & advances									110,963	14,615
<b>Grand Total</b>	<b>4,997,038</b>	<b>391,511</b>	<b>286,949</b>	<b>5,101,600</b>	<b>2,046,039</b>	<b>328,440</b>	<b>284,602</b>	<b>2,089,877</b>	<b>3,122,686</b>	<b>2,965,614</b>
<b>Previous year</b>	<b>4,665,856</b>	<b>464,034</b>	<b>132,852</b>	<b>4,997,038</b>	<b>1,944,874</b>	<b>232,509</b>	<b>131,344</b>	<b>2,046,039</b>	<b>2,965,614</b>	<b>2,730,681</b>

(Refer Schedule 16 - Note 2.14)

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

## Schedule 11 - Cash and bank balances

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

(₹ in '000)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>1. Cash and stamps on hand</b>	<b>47,318</b>	<b>87,857</b>
<b>2. Cheques on hand</b>	<b>653,951</b>	<b>520,816</b>
<b>3. Bank balances</b>		
(a) Deposit accounts		
(aa) Short term (due within 12 months)	2,742,602	35,093
(bb) Others	-	-
(b) Current accounts	4,878,320	4,919,874
(c) Others	-	-
<b>4. Money at call and short notice</b>		
(a) With banks	-	-
(b) With other institutions	-	-
<b>5. Others</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8,322,191</b>	<b>5,563,640</b>
<b>Balance with non-scheduled Banks included in (3) above</b>	<b>70,243</b>	<b>93,496</b>
<b>Cash and bank balances</b>		
In India	8,251,948	5,470,144
Outside India	70,243	93,496
<b>Total</b>	<b>8,322,191</b>	<b>5,563,640</b>

## Schedule - 12 Advances and other assets

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

(₹ in '000)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Advances</b>		
1. Reserve deposits with ceding companies	-	-
2. Application money for investments	-	-
3. Prepayments	86,669	110,978
4. Advances to Directors / Officers	-	-
5. Advance tax paid and taxes deducted at source (Net of provision for taxation Rupees 19,365,759 thousand (previous year Rupees 15,160,435 thousand))	979,282	502,122
6. Others		
(a) Advance to employees	1,346	1,018
(b) Advances recoverable	641,182	541,342
Less: Provision for doubtful advances	(2,984)	(2,999)
	638,198	538,343
(c) Unutilised Tax Credit carried forward		
- Service Tax	-	581,449
- Goods and Service Tax (GST)	783,844	-
(d) Unsettled investment contract receivable	1,556,278	-
<b>Total (A)</b>	<b>4,045,617</b>	<b>1,733,910</b>
<b>Other assets</b>		
1. Income accrued on investments	3,591,351	3,273,333
2. Outstanding premiums	7,029,234	8,743,870
3. Agents' balances	72,319	66,619
Less: Provision for doubtful recoveries	(19,390)	(9,160)
4. Foreign agencies balances	-	-
5. Due from other entities carrying on insurance business, including reinsurers (net)	2,488,622	1,426,175
Less : Provision for doubtful amounts	-	-
6. Others	285,311	154,124
a) Other Deposits	190,704	154,124
b) Investment of unclaimed amounts of policyholders	94,607	-
<b>Total (B)</b>	<b>13,447,447</b>	<b>13,654,961</b>
<b>Total (A + B)</b>	<b>17,493,064</b>	<b>15,388,871</b>



## Schedule - 13 Current liabilities

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

Particulars	(₹ in '000)	
	As at 31 March 2018	As at 31 March 2017
1. Agents' balances	1,214,537	250,707
2. Balances due to other insurance companies including reinsurers (net)	14,829,386	7,988,388
3. Premiums received in advance	3,011,057	3,411,572
4. Unallocated premium	4,292,433	1,848,611
5. Sundry creditors (refer Schedule 16 - Note 22 )	2,879,283	2,515,836
6. Due to Subsidiaries/holding Company	-	-
7. Claims outstanding ( Net )	59,166,585	45,837,740
8. Solatium fund	80,928	60,598
9. Due to policyholders/ insured	36,169	12,486
10. Unclaimed amount of policyholders (refer Schedule 16 - Note 24 )	71,105	87,063
11. Others		
(a) Service tax payable	-	51,611
(b) Goods and Service tax payable (GST)	780,006	-
(c) Statutory dues	173,660	98,622
(d) Unsettled investment contract payable	1,640,350	162,610
<b>Total</b>	<b>88,175,499</b>	<b>62,325,844</b>

## Schedule - 14 Provisions

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

Particulars	(₹ in '000)	
	As at 31 March 2018	As at 31 March 2017
1. Reserve for unexpired risk	36,103,939	29,364,270
2. Premium deficiency (refer schedule 16 - Note 2.9 and Note 10 )	44,071	-
3. Provision for income tax	-	-
4. Others :		
For employee benefits		
(a) Gratuity (refer schedule 16 - Note 19)	-	-
(b) Compensated absences	117,865	92,895
(c) Long term incentive plan	271,211	159,139
<b>Total</b>	<b>36,537,086</b>	<b>29,616,304</b>

## Schedule - 15 Miscellaneous expenditure

### (To the extent not written off or adjusted)

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

Particulars	(₹ in '000)	
	As at 31 March 2018	As at 31 March 2017
Discount allowed in issue of shares/debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Schedule – 16

### Significant accounting policies and notes to and forming part of the financial statements for the year ended 31 March 2018

#### 1. Background

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

#### 2. Significant accounting policies

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

##### 2.1 Basis of preparation of Financial Statements

The financial statements are prepared and presented on a going concern basis in accordance with the Generally Accepted Accounting Principles followed in India under the historical cost convention and accrual basis of accounting and comply with applicable accounting standards referred to in Companies Act, 2013 under section 133 read with rule 7 of the Companies (Accounts) Rules, 2014 (i.e. Companies (Accounting Standards) Rule, 2006, 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 assumption that affect the reported amounts of assets and liabilities as of the Balance Sheet date, revenue and expenses for the year ended and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### 2.3 Revenue recognition

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

## ii) Interest / dividend income

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

## iii) Premium / discount on purchase of investments

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

## iv) Profit / loss on sale of securities

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

## v) Commission income from reinsurance ceded

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

**2.4 Reinsurance ceded**

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

**2.5 Reinsurance accepted**

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

**2.6 Acquisition costs**

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

**2.7 Premium received in advance**

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

**2.8 Reserve for unexpired risk**

Reserve for unexpired risk represents that part of the net premium (i.e., premium, net of reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and in case of other 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 sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk. The Company considers maintenance costs as relevant direct costs incurred for ensuring claim handling operations. Further, as per IRDAI circular IRDAI/F&A/CIR/FA/126/07/2013, dated 3rd July, 2013 (Corrigendum to Master Circular IRDAI/F&I/CIR/F&A/231/10/2012, dated 5th Oct, 2012), premium deficiency, if any, has been recognized at Segmental Revenue Account Level. In computing the premium deficiency in miscellaneous revenue account, the premium deficiency arising out of reinsurance acceptances from declined risk pool was not considered as per regulatory guidelines. The expected claim costs is calculated and duly certified by the Appointed Actuary.

## 2.10 Claims incurred

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

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

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

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

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

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

## 2.12 Operating expenses related to the insurance business

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



## 2.13 Income from Investments and Other Income

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

## 2.14 Fixed asset, depreciation and amortization

### Tangible fixed assets and depreciation

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

Depreciation on other assets is provided based on Management's assessment of useful life which is in accordance with 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

\*Electrical fittings installed at leased premises are depreciated over an estimated useful life of 3 years

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

Lease hold improvements to leased properties are depreciated over the primary period of lease which is generally 3 years.

### Intangible fixed assets and amortization

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

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

### Capital work in progress and advances:

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

### **Impairment of assets**

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

#### **Valuation:**

#### **Debt Securities and Non-convertible Preference Shares**

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

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

#### **Equities (Listed & Actively Traded)**

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

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

### **Mutual Fund Units**

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

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

### **Loans – Investment**

Loans given are stated at historical cost.

### **Fair Value Change Account**

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

### **Impairment of investment**

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

## **2.16 Employee benefits**

### **i) Short term employee benefits**

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

### **ii) Post-employment benefits - defined benefit plan**

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

### **iii) Post-employment benefits - defined contribution plans**

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



**iv) Compensated absences**

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

**v) Long term incentive plan**

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

**2.17 Foreign currency transactions**

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

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

**2.18 Operating lease**

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

**2.19 Contributions to Terrorism and Third Party Insurance Pools**

**i) Terrorism pool**

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

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

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



**ii) Motor Third Party Obligation (MTP)**

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

**2.20 Contributions to Solatium funds**

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

**2.21 Income Tax**

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

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

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

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

**2.22 Service Tax / Goods and Service Tax (GST)**

Effective 1st July 2017, applicability of Service Tax has been replaced by Goods and Service Tax (GST). Service tax / GST collected is considered as a liability against which service tax / 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 Service Tax credits if any outstanding on 30th June 2017 were eligible to be carried forward and utilized against future GST liability within specified time. 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. Service tax / GST paid for eligible input services not recoverable by way of credits is recognized in the Revenue Account as expenses under a separate line item in Schedule 4 and Schedule 4(A).

**2.23 Provisions, Contingent Liabilities and Contingent Assets**

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

**2.24 Earnings per Share**

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

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

**2.25 Cash and cash equivalents**

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

**NOTES TO ACCOUNTS****3. Contingent liabilities**

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

(₹ in '000)			
Sr. No.	Particulars	31 March 2018	31 March 2017
1.	Partly paid up investments	Nil	Nil
2.	Underwriting commitments outstanding (in respect of shares and securities)	Nil	Nil
3.	Claims other than those under policies not acknowledged as debts	Nil	Nil
4.	Guarantees given by or on behalf of the Company	Nil	Nil
5.	Statutory demands/liabilities in dispute, not provided for, in respect of		
	a) Income Tax *	Nil	Nil
	b) Service Tax *	1,439,163	Nil
6.	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
7.	Amounts paid to Senior Citizen Welfare Fund**	195	Nil
8.	Others	Nil	Nil

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

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

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

(₹ in '000)

Particulars for the year ended	31 March 2018	31 March 2017
Outsourcing expenses	2,058,856	25,18,029
Business development	767,139	500,341
Marketing support	3,834,394	5,326,576

#### 5. Capital commitments

Commitments made and outstanding for acquisition of fixed assets amount to Rupees 126,574 thousands (Previous year Rupees 86,497 thousands).

6. The Appointed Actuary has certified to the Company that actuarial estimates for IBNR (including IBNER) reserves have been determined using actuarial principles. In the determination, the Actuarial Practice Standards issued by the Institute of Actuaries of India with the concurrence of the Authority and any directions issued by the Authority in this behalf have been followed. Where sufficient data is available, the Actuary has chosen to adopt the Chain Ladder Method. The Chain Ladder Method has accordingly been applied to Motor, Fire, Marine Cargo, Engineering, Personal Accident, Workmen's Compensation, Health, Travel, Motor CVTP Pool and Miscellaneous lines of business. These constitute almost 90.9% (Previous year 95.2%) of the Company's total Net Written Premium. For Liability, Credit Insurance, Crop & Weather Insurance lines of business the Expected Ultimate Loss Ratio method has been used to arrive at the estimate of IBNR reserve. For Aviation and Marine Hull lines of business, a flat IBNR of Rupees 10,000 thousands (Previous year - ₹ 10,000 thousand) and Rupees 5,000 thousands (Previous year - ₹ 5,000 thousand) respectively has been adopted.

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

7. Claims settled and outstanding for more than six months Rupees Nil (Previous year - Rupees Nil).
8. Extent of premium income recognized based on varying risk pattern Rupees Nil (Previous year - Rupees Nil).

#### 9. Computation of managerial remuneration:

(₹ in '000)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Tapan Singhel</b>		
• Salary, allowances and bonus (Including contributions to funds)	75,741	53,146
• Perquisites	1,456	2,723



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

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

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

(₹ in '000, Count - numbers)

Business sector	For the year ended 31 March 2018				For the year ended 31 March 2017			
	GDPI	No. of Policies	No of Lives	% of GDPI	GDPI	No. of Policies	No of Lives	% of GDPI
Rural	9,149,462	1,172,602	-	9.69	7,295,578	724,071	-	9.56
Social	5,588	1,256	3,343,553	0.01	10,120	1,770	1,878,402	0.01
Urban	85,297,129	11,857,747	-	90.30	69,027,101	9,248,674	-	90.43
<b>Total</b>	<b>94,452,179</b>	<b>13,031,605</b>		<b>100.00</b>	<b>76,332,799</b>	<b>9,974,515</b>		<b>100.00</b>

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 2018	For the year ended 31 March 2017
	% age of business written	% age of business written
Risk retained	73%	71%
Risk Reinsured	27%	29%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### 13. Contribution to Environment Relief Fund

The Company has collected an amount of Rupees 5,622 thousands (Previous year - Rupees 6,073 thousands) towards Environment Relief Fund from public liability policies. The Company has paid all the funds collected towards Environment Relief Fund up to 28 February 2018 to United India Insurance Company, the implementing agency for the fund. The balance payable has been disclosed under the head current liabilities in schedule 13.

14. The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. The operating expenses, income from investments and other income attributable to the business segments are allocated as mentioned in Schedule 16 note numbers 2.12, 2.13 and 21 respectively. Segment revenue and results have been disclosed in the financial statements. Due to inherent complexities, segment assets and liabilities have been identified to the extent possible in the statement annexed hereto. There are no reportable geographical segments since the Company provides services only to customers in the Indian market or to Indian interests overseas and does not distinguish any reportable regions within India.



15. Related party disclosures have been set out in a separate statement annexed to this schedule as per Accounting Standard 18 'Related Party Disclosures' issued under Companies (Accounting Standards) Rules, 2006.
16. The Company's significant leasing arrangements include agreements for official and residential premises. These lease agreements are generally mutually renewal / cancellable by the lessor / lessee. The future minimum lease payments relating to non-cancellable leases are disclosed below:

(₹ in '000)

Particulars	As at 31 March 2018	As at 31 March 2017
Payable not later than one year	25,858	6,312
Payable later than one year but not later than five years	23,640	6,984
Payable later than five years	-	-

- Amount charged to Revenue Accounts in respect of all lease arrangements aggregates Rupees 250,445 thousands (Previous year Rupees 217,360 thousands).
- There are no transactions in the nature of sub leases.
- The period of agreement is generally for three years and renewable thereafter at the option of the lessee.

#### 17. Earnings per Share ('EPS')

(₹ in '000, Count – numbers)

Particulars	As at 31 March 2018	As at 31 March 2017
Profit after Tax		
Basic earnings before extra-ordinary items [A] Rupees	9,212,412	7,278,383
Basic earnings after extra-ordinary items [B] Rupees	9,212,412	7,278,383
Weighted average number of equity shares (par value of Rupees 10 each) [C]	110,227,250	110,227,250
Basic and diluted earnings per share [A/C] Rupees	₹ 83.58	₹ 66.03
Basic and diluted earnings per share after extraordinary items [B/C] Rupees	₹ 83.58	₹ 66.03

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

**18. Taxation**

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

(₹ in '000)

<b>Deferred tax asset</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
Timing difference on account of -		
Reserve for unexpired risks	610,540	760,273
Employee Benefits	41,187	32,151
Long Term Incentive Plan	94,772	55,078
Provision for doubtful debts	7,818	4,208
Solatium fund	28,280	20,973
<b>Total</b>	<b>782,597</b>	<b>872,683</b>
<b>Deferred tax liability</b>		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	(251,239)	(229,928)
<b>Net deferred tax asset</b>	<b>531,358</b>	<b>642,755</b>
Deferred Tax expense / (income) recognized in the Profit and loss account	111,397	(9,195)

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

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

(₹ in '000)

<b>Particulars</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
Provident fund	87,755	64,937
Superannuation scheme	4,137	4,069
Employees state insurance corporation	5,786	1,712
Labour welfare fund	275	220
<b>Total</b>	<b>97,953</b>	<b>70,938</b>

**ii) Defined benefit plan (gratuity)**

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

**I. Revenue Account**

Net employee benefit expense (recognized in Employee cost)

(₹ in '000)

Particulars	31 March 2018	31 March 2017
Current service cost	38,939	28,911
Interest cost on defined benefit obligation	22,676	16,336
Expected return on plan assets	(19,285)	(12,914)
Net actuarial loss recognized in the year	44,961	73,114
Net benefit expense	87,291	105,447
Actual return on plan assets	14,450	20,618

**II. Balance Sheet**

(i) Details of provision for gratuity

(₹ in '000)

Particulars	31 March 2018	31 March 2017
Defined benefit obligation	366,834	304,976
Fair value of plan assets	(371,599)	(304,976)

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

(₹ in '000)

Particulars	31 March 2018	31 March 2017
Opening defined benefit obligation	304,976	198,707
Interest cost	22,676	16,336
Current service cost	38,939	28,911
Benefits paid	(39,882)	(19,796)
Actuarial gains/(loss) on obligation	40,126	80,818
Closing defined benefit obligation	366,834	304,976

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

(₹ in '000)

Particulars	31 March 2018	31 March 2017
Opening fair value of plan assets	304,976	198,707
Expected return	19,285	12,914
Contributions by employer	92,056	105,446
Benefits paid	(39,882)	(19,796)
Actuarial gains	(4,835)	7,704
Closing fair value of plan assets	371,599	304,975

The Company expects to contribute Rupees 100,000 thousand to gratuity in 2018-19.

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

Particulars	31 March 2018 %	31 March 2017 %
Investments with insurer	100	100

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

Particulars	31 March 2018 %	31 March 2017 %
Discount rate	7.3	7.3
Expected rate of return on assets	6.75	6.5
Increase in Compensation cost	11	10

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

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

	(₹ in '000)				
Particulars	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Defined benefit obligation	366,834	304,976	198,707	154,290	117,569
Plan assets	371,599	304,976	198,707	154,290	117,569
Surplus / (deficit)	4,765	-	-	-	-
Experience adjustments on plan liabilities	35,834	57,349	8,992	3,616	18,592
Experience adjustments on plan assets	(4,835)	7,704	861	5,637	644

20. The summary of the financial statements for the last 5 years and the ratios required to be furnished have been set out in the statement annexed hereto.
21. Expenses directly identifiable with investment activity amounting to Rupees 13,033 thousands (previous year Rupees 13,662 thousands) are included under "expenses other than those relating to insurance business" in the Profit and Loss Account. Further, Operating expenses related to insurance business in Schedule 4, includes indirect expenses of Rupees 35,441 thousands (previous year Rupees 28,796 thousands) which could be apportionable towards investments activity. Out of the said expenses amounting to Rupees 11,371 thousands (previous year Rupees 9,952 thousands) has been computed on the basis of number of documents, income or staff cost as appropriate.



22. According to information available with the management, on the basis of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) Act, the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as at 31 March 2018 as follows

(₹ in '000)

Sr. No.	Particulars	31 March 2018	31 March 2017
i.	The principal amount remaining unpaid to any supplier as at the end of the year	21,113	4,843
ii.	Interest due on the above amount	Nil	Nil
iii.	The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
iv.	Amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
v.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
vi.	Amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
vii.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

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

(₹ in '000)

Sr. No.	Authority	Non-Compliance / Violation	Penalty awarded	Penalty paid	Penalty Waived / Reduced / Stay Received
1	Insurance Regulatory & Development Authority of India	-	-	-	-
		(1,000)	(1,000)	(1,000)	(-)
2	Service Tax Authorities	13,271	13,271	13,271	-
		(-)	(-)	(-)	(-)
3	Income Tax Authorities	-	-	-	-
		(-)	(-)	(-)	(-)
4	Any Other Tax Authorities	-	-	-	-
		(-)	(-)	(-)	(-)
5	Enforcement Directorate / Adjudicating Authority/ Tribunal or any authority under FEMA	-	-	-	-
		(-)	(-)	(-)	(-)
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act-1956	-	-	-	-
		(-)	(-)	(-)	(-)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
		(-)	(-)	(-)	(-)
8	Securities and Exchange Board of India	-	-	-	-
		(-)	(-)	(-)	(-)
9	Competition Commission of India	-	-	-	-
		(-)	(-)	(-)	(-)
10	Any other Central / State /Local Govt./ Statutory Authority (Tariff Advisory Committee)	-	-	-	-
		(-)	(-)	(-)	(-)

\* Figures in brackets pertains to the financial year 31 March 2017.

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

**Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders as at the end of 31st March 2018**

(₹ in '000)

Particulars	Total Amount *	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims settled but not paid to the policy holders/ insured due to any reasons except under litigation from the insured/ policyholders	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sum due to the insured/ policy holders on maturity or otherwise	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	29,108	7,203	4,901	4,110	3,809	2,880	3,034	3,172
	(27,236)	(5,802)	(4,162)	(3,524)	(3,322)	(3,434)	(3,960)	(3,032)
Cheques issued but not encashed by the policy holder/ insured	41,996	-	-	-	-	-	19	41,978
	(59,827)	(-)	(-)	(-)	(-)	(-)	(2,460)	(57,367)

\* Unclaimed cases includes interest accrued from (01st Apr-16 to 31st Mar-18) amounting to ₹ 33.35 Lakhs for excess collection of premium and ₹ 48.12 Lakhs for cheques issued but not encashed. Total amount does not include cheques issued to policyholders and appearing in Bank reconciliation

\*\* Figures in brackets pertains to the financial year 31 March 2017.

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

**Details of Unclaimed Amount & Investment Income**

Particulars	Current Financial Year	Previous Financial Year
Opening Balance	87,063	727,420
Add: Amount transferred to unclaimed fund	10,978	19,466
Add: Cheques issued but not encashed by the policyholder (To be included only when cheques are stale)	-	-
Add: Investment income on unclaimed fund	4,688	3,459
Less : Amount of claims paid during the year	31,430	663,281
Less : Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	195	-
Closing balance of unclaimed Amount fund	71,105	87,063

25. During the financial year ended 31 March 2018, the current tax includes reversal of income tax provision of Rupees 25,455 thousands (Previous year – Rupees Nil) for earlier years being difference between tax liability as per return of income and tax liability provided in books of account.

The Current tax for the financial year ended 31 March 2018, includes provision of income tax of Rupees Nil (Previous year – Rupees 53,009 thousands) for earlier years.

26. The Company's pending litigations comprise of claims against the Company and proceedings pending with various Tax Authorities including Income Tax and Service Tax. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a significant impact on its financial position. (Refer note no.3 for details on contingent liabilities).

27. The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/ accounting standard.

As at 31 March 2018 the Company did not have any outstanding derivative contracts.

28. For the year ended 31 March 2018, there are no amount that needs to be transferred to the Investor Education and Protection Fund.

29. During the year, as per provisions of section 135 of Companies Act 2013, the Company was required to spend Rupees 175,107 thousand (previous year: Rupees 142,365 thousand) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The Company has spent Rupees 175,303 thousand (previous year: Rupees 142,689 thousand) towards Corporate Social Responsibility activities during the year.

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

(₹ in '000)

Sr. No.	Particulars	31 March 2018	31 March 2017
1	Construction / acquisition of any asset	Nil	Nil
2	On purposes other than (i) above	175,303	142,689
	<b>Total</b>	<b>175,303</b>	<b>142,689</b>

30. Repo and Reverse Repo Transaction

(₹ in '000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 March 2018
<b>Securities Sold under repo (At cost)</b>				
1. Government Securities	-	-	-	-
	(-)	(-)	(-)	(-)
2. Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)
<b>Securities purchased under reverse repo (At cost)</b>				
1. Government Securities	-	1,839,178	32,359	-
	(-)	(494,450)	(2,283)	(-)
2. Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)

\* Figures in brackets pertain to the financial year 31 March 2017.

**31. Solvency Margin**

(₹ in '000)

Solvency Margin	As at 31 March 2018	As at 31 March 2017
Required solvency margin under IRDAI Regulations (A)	15,599,931	13,082,790
Available solvency margin (B)	43,093,656	34,171,996
Solvency ratio actual (times) (B/A)	2.76	2.61
Solvency ratio prescribed by Regulation	1.5	1.5

**32. Dividend**

The Board of Directors recommended dividend of ₹ 10 (Previous year: Nil) per equity share of face value of ₹ 10 (100% of face value) for FY2018. The proposed dividend amounts to ₹ 1,102,273 (Previous year: Nil). Dividend distribution tax on the same amounts to ₹ 226,575 (Previous year: Nil).

The proposed dividend is subject to declaration by shareholders at the ensuing Annual General Meeting and has not been recorded as a liability as at 31 March 2018 in accordance with AS 4 - "Contingences and Events occurring after Balance Sheet Date.

- 33.** Previous year figures have been regrouped where possible and wherever necessary to make them comparable with those of the current year. The summary of other amounts of the previous year which have been regrouped is as follows:

(₹ in '000)

Sr. No.	Regrouped from	Regrouped to	Period Pertains to	Amount	Reason
1	Schedule13- (Due to policyholders/ insured)	Schedule13- (Unclaimed amount of Policy Holders)	Mar-17	87,063	Reclassification from Due to policyholders/insured to Unclaimed amount of Policy Holders

As per our report of even date attached

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

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

Chartered Accountants  
 Firm Registration Number  
 101248W/W-100022

**Akeel Master**

Partner  
 Membership No. 046768

Mumbai  
 Date: 15 May 2018

**For Price Waterhouse Chartered Accountants LLP**

Chartered Accountants  
 Firm Registration Number  
 012754N/N 500016

**Anish Amin**

Partner  
 Membership No. 040451

Pune  
 Date: 15 May 2018

**Sanjiv Bajaj**

Chairman  
 DIN : 00014615

**Tapan Singhel**

Managing Director &  
 Chief Executive Officer  
 DIN : 03428746

**Nanoo Pamnani**

Chairman of  
 Audit Committee  
 DIN : 00053673

**Milind Choudhari**

Chief Financial Officer

**Heinz Dollberg**

Director  
 DIN : 00168797

**Onkar Kothari**

Company Secretary &  
 Compliance Officer

Pune  
 Date: 15 May 2018



## Ratios for the year ended 31 March 2018

Sr. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
1	Gross Direct Premium Growth Rate	23.74%	30.88%
	Motor	16.40%	8.85%
	Motor OD	2.58%	-2.90%
	Motor TP	35.44%	30.63%
	Fire	52.40%	13.11%
	Marine Cargo	8.51%	-3.68%
	Marine Others	-55.97%	-13.92%
	Workmen's Compensation / Employers' Liability	-0.90%	-1.94%
	Public/Product Liability	13.23%	-5.18%
	Engineering	19.55%	-2.77%
	Aviation	25.44%	-18.94%
	Personal Accident	26.23%	50.39%
	Health	37.85%	29.44%
	Credit Insurance	-14.77%	-25.60%
	Crop Insurance	26.60%	293.92%
	Others	16.29%	20.45%
2	Gross Direct Premium to Net Worth Ratio	2.13	2.17
3	Growth Rate of Net Worth	26.19%	26.09%
4	Net Retention Ratio	70.97%	68.96%
	Motor	94.70%	94.54%
	Motor OD	94.57%	93.87%
	Motor TP	94.84%	95.47%
	Fire	29.91%	36.16%
	Marine Cargo	71.22%	70.57%
	Marine Others	0.96%	5.30%
	Workmen's Compensation / Employers' Liability	93.07%	94.73%
	Public/Product Liability	35.14%	34.17%
	Engineering	18.77%	18.47%
	Aviation	4.32%	7.17%
	Personal Accident	92.74%	92.47%
	Health	92.95%	90.72%
	Credit Insurance	1.00%	1.00%
	Crop Insurance	29.46%	15.91%
	Others	43.90%	38.94%
5	Net Commission Ratio	4.72%	0.67%
	Motor	6.28%	3.07%
	Motor OD	11.98%	5.44%
	Motor TP	0.35%	-0.14%
	Fire	4.66%	-4.87%
	Marine Cargo	14.27%	8.68%
	Marine Others	208.51%	-103.82%
	Workmen's Compensation / Employers' Liability	13.72%	7.33%
	Public/Product Liability	11.10%	0.16%
	Engineering	-44.34%	-66.38%
	Aviation	15.01%	-92.70%
	Personal Accident	11.71%	12.40%
	Health	6.99%	7.36%
	Credit Insurance	-493.96%	-622.59%
	Crop Insurance	-15.70%	-69.08%
	Others	6.22%	7.69%
6	Expenses of Management to Gross Direct Premium Ratio	21.13%	22.33%
7	Expenses of Management to Net Written Premium Ratio	29.65%	32.16%
8	Net Incurred Claims to Net Earned Premium	66.72%	70.41%
9	Combined Ratio	92.32%	96.77%
10	Technical Reserves to Net Premium Ratio	1.42	1.42
11	Underwriting Balance Ratio	0.05	0.01
	Fire	0.12	0.43
	Marine	0.02	-0.01
	Miscellaneous	0.05	0.00
12	Operating Profit Ratio	19.31%	16.20%
13	Liquid Assets to liabilities ratio	0.27	0.25
14	Net Earning Ratio	13.68%	13.73%
15	Return on Net worth	20.75%	20.69%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	2.76	2.61
17	NPA Ratio	-	-

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

## Segmental Break up of the Balance Sheet item as at 31 March 2018

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

(₹ in '000)

Particulars	Fire	Marine		Motor	Health	Crop	Miscellaneous	Total
		Cargo	Others		Insurance	Insurance		
Premium Earned (Net)	1,796,290	884,171	(529)	36,626,710	11,751,674	5,108,382	4,418,991	60,585,689
	(1,763,868)	(830,443)	(9,307)	(31,793,056)	(8,900,083)	(2,094,537)	(3,979,161)	(49,370,455)
Premium Received in Advance	64,162	11,980	(13)	1,216,877	170,895	-	1,547,156	3,011,057
	(3,291)	(8,861)	(333)	(1,472,012)	(152,861)	-	(1,774,214)	(3,411,572)
Claims Outstanding ( Net )	1,130,024	533,603	14,791	47,278,931	2,504,511	5,297,364	2,407,361	59,166,585
	(1,000,807)	(466,078)	(13,764)	(38,462,686)	(1,500,785)	(1,997,370)	(2,396,250)	(45,837,740)
Reserve for Unexpired Risk	3,015,088	297,501	2,536	21,054,638	6,689,101	533,943	4,511,133	36,103,939
	(2,258,580)	(244,023)	(1,443)	(18,355,077)	(4,528,684)	(234,816)	(3,741,647)	(29,364,270)
Premium Deficiency	-	-	-	-	-	44,071	-	44,071
	-	-	-	-	-	-	-	-
Outstanding premiums	58,608	19,491	-	204,818	189,193	6,547,678	9,446	7,029,234
	(62,173)	(28,640)	-	(195,375)	(500,174)	(7,871,069)	(86,439)	(8,743,870)
Solatium Fund	-	-	-	80,928	-	-	-	80,928
	-	-	-	(60,598)	-	-	-	(60,598)

31 March 2017 figures are in Brackets

## Summary of Financial Statements for the year ended 31 March 2018

(Refer Note no. 20)

(₹ in '000)

Particulars	2018	2017	2016	2015	2014
<b>OPERATING RESULTS</b>					
Gross Written Premium	94,865,414	76,870,636	59,006,488	53,006,629	45,838,866
Net Premium Income (net of Reinsurance)	67,325,358	53,008,839	45,723,819	40,088,678	37,608,080
Income from Investments (net of losses)	8,837,656	7,374,934	6,201,791	5,300,524	4,633,659
Miscellaneous Income	171,870	148,081	154,889	131,588	105,766
<b>Total Income</b>	<b>76,334,884</b>	<b>60,531,854</b>	<b>52,080,499</b>	<b>45,520,790</b>	<b>42,347,505</b>
Commissions (net including brokerage)	3,180,711	356,263	939,289	492,439	1,352,007
Operating Expenses	14,051,321	13,614,489	11,407,097	9,433,153	8,362,753
Claims, increase in URR and other outgoes	47,229,802	38,416,331	34,037,418	29,335,119	27,912,310
<b>Operating Profit/Loss</b>	<b>11,873,050</b>	<b>8,144,771</b>	<b>5,696,695</b>	<b>6,260,079</b>	<b>4,720,435</b>
<b>NON OPERATING RESULTS</b>					
Total income under Shareholder's Account	(1,656,083)	(2,636,408)	2,017,986	1,510,086	1,149,429
Profit before Tax	13,529,133	10,781,178	7,714,681	7,770,165	5,869,864
Provision for Tax	(4,316,721)	(3,502,795)	(2,072,433)	(2,146,975)	(1,779,972)
Profit after Tax	9,212,412	7,278,383	5,642,248	5,623,190	4,089,892
<b>MISCELLANEOUS</b>					
Policyholder's Account		Not Applicable being General Insurance Company			
Total Funds					
Total Investments					
Yield on Investments					
Shareholder's Account		Not Applicable being General Insurance Company			
Total Funds					
Total Investments					
Yield on Investments					
Paid up Equity Capital	1,102,273	1,102,273	1,102,273	1,102,273	1,102,273
Net Worth	44,663,631	35,346,258	27,897,088	22,254,840	16,642,955
<b>Total Assets (Gross of current liabilities and provisions)</b>	<b>169,376,216</b>	<b>127,288,406</b>	<b>105,087,813</b>	<b>89,018,539</b>	<b>77,737,606</b>
Yield on Total Investments	7.69%	9.86%	9.36%	9.09%	9.59%
Earning Per Share	83.58	66.03	51.19	51.01	37.10
Book value per Share	405.20	320.67	253.09	201.90	150.99
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-

# Receipts and Payments Statement for the year ended 31 March 2018

(₹ in '000)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. Cash Flows from operating activities</b>		
1. Premium received from policyholders (including advance receipts and service tax)	108,760,290	77,787,235
2. Payments to reinsurers (net of commission and claims)	(3,002,515)	(8,832,227)
3. Receipts from coinsurers (net of claims)	879,148	1,084,790
4. Payment of claims (net of salvage)	(42,862,851)	(34,277,206)
5. Payment of commission and brokerage	(4,980,495)	(3,430,765)
6. Payment of other operating expenses	(13,947,037)	(12,771,699)
7. Miscellaneous income	39,992	102,786
8a. Deposits placed during the year	(133,028)	(16,577)
8b. Deposits recovered during the year	5,328	7,919
9. Income taxes paid (net)	(4,682,485)	(3,393,626)
10. Service tax paid	(10,112,516)	(9,305,485)
11. Cash flows before extraordinary activities	29,963,831	6,955,145
12. Cash flows from extraordinary activities	-	-
13. Net cash flows from operating activities	29,963,831	6,955,145
<b>B. Cash flows from investing activities</b>		
1. Purchase of fixed assets (including capital advances)	(487,990)	(467,644)
2. Proceeds from sale of fixed assets	4,681	8,617
3. Purchase of investments	(174,885,965)	(96,490,811)
4. Sale of investments	143,171,565	84,061,089
5. Rent / interest / dividend received	8,864,764	7,175,336
6. Investment in money market instruments and liquid mutual funds (net)	(5,255,366)	424,849
7. Expenses related to investments	(14,677)	(14,342)
8a. Fixed deposits placed during the year	(270,000)	(485,093)
8b. Fixed deposits matured during the year	1,650,000	1,614,860
9. Net cash used in investing activities	(27,222,988)	(4,173,141)
<b>C. Cash flows from financing activities</b>		
1. Proceeds from issuance of Share Capital / Application Money (including Share Premium and net of Share Issue Expenses)	-	-
2. Proceeds from Borrowings	-	-
3. Repayment of Borrowings	-	-
4. Interest and Dividends Paid	-	-
5. Net Cash Flows from financing activities	-	-
<b>D. Effect of foreign exchange rates on cash and cash equivalents (net)</b>	7,367	(3,889)
<b>E. Net increase / (decrease) in cash and cash equivalents</b>	2,748,210	2,778,115
1. Cash and cash equivalents at the beginning of the year	5,528,547	2,750,432
2. Cash and cash equivalents at the end of the year	8,276,757	5,528,547
<b>F. Cash and cash equivalents</b>		
Balance as per balance sheet	8,322,191	5,563,640
Less: Fixed deposits with original maturity more than 3 months	45,434	35,093
Cash and cash equivalents	8,276,757	5,528,547

As per our report of even date attached

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

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

Chartered Accountants  
 Firm Registration Number  
 101248W/W-100022

**For Price Waterhouse  
 Chartered Accountants LLP**  
 Chartered Accountants  
 Firm Registration Number  
 012754N/N 500016

**Sanjiv Bajaj**  
 Chairman  
 DIN : 00014615

**Nanoo Pamnani**  
 Chairman of  
 Audit Committee  
 DIN : 00053673

**Heinz Dollberg**  
 Director  
 DIN : 00168797

**Akeel Master**  
 Partner  
 Membership No. 046768

Mumbai  
 Date: 15 May 2018

**Anish Amin**  
 Partner  
 Membership No. 040451

Pune  
 Date: 15 May 2018

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

**Milind Choudhari**  
 Chief Financial Officer

**Onkar Kothari**  
 Company Secretary &  
 Compliance Officer

Pune  
 Date: 15 May 2018

## Related Party Disclosures under AS 18

### Annexure to Schedule 15 Notes to Accounts and forming Part of Financial Statements for the year ended 31st March 2018

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2017-18		2016-17	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)
1	Bajaj Finserv Limited	Holding Company	Contribution to equity	-	815,682	-	815,682
			Rent paid leased premises	18,720	-	18,720	-
			Deposits for leased premises	-	(18,720)	-	(18,720)
			Insurance premium received	3,690	-	4,036	-
			Unallocated premium	-	3,436	-	3,135
			Billable expenses reimbursed on behalf	-	-	3,373	-
2	Bajaj Finserv House Owners Association	Group Association	Society maintenance deposit	300	-	400	(300)
			Society share certificate	-	(1)	-	(1)
			Society maintenance charges	18,492	100	17,259	(0)
			Insurance premium received	223	-	247	-
			Unallocated premium	-	72	-	43
3	Bajaj Auto Limited	Group Company	Insurance premium received	95,995	-	141,149	-
			Insurance claims paid	12,772	-	30,747	-
			Unallocated premium	-	32,275	-	35,159
4	Bajaj Holdings and Investments Limited	Group Company	Insurance premium received	197	-	559	-
			Unallocated premium	-	184	-	412
			Billable expenses reimbursed on behalf	389	-	-	-
5	Bajaj Allianz Financial Distributors Limited	Group Company	Insurance premium received	1,368	-	873	-
			Unallocated premium	-	671	-	494
			Premium receivable as an agent	-	29	-	18
			Insurance commission paid/payable	150,999	36,845	77,197	5,883
6	Bajaj Allianz Staffing Solutions	Group Company	Insurance premium received	8,965	-	7,001	-
			Manpower supply charges paid / payable	691,399	-	687,888	33,531
			Unallocated premium	-	90	-	164
7	Bajaj Electricals Limited	Group Company	Insurance premium received	58,040	-	56,749	-
			Insurance claims paid	7,692	-	5,194	-
			Unallocated premium	-	47,943	-	460
8	Bajaj Finance Limited	Fellow Subsidiary	Insurance premium received	121,407	-	12,027	-
			Insurance claims paid	282	-	476	-
			Unallocated premium	-	41,473	-	39,073



# Financial Statements for the financial year ended 31 March 2018

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2017-18		2016-17	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
			Premium receivable as an agent	-	4,148	-	3,642
			Insurance commission paid/payable	425,113	77,999	377,945	11,555
			Balance receivable against bank guarantee	-	(61,060)	-	(98,216)
			Billable expenses reimbursed on behalf	12,923	-	84	-
			Purchase of corporate bonds (book value)	-	(909,295)	279,675	(1,647,483)
			Redemption of corporate bonds (book value)	600,000	-	-	-
			Interest received on investment	155,056	-	124,655	-
9	Bajaj Allianz Life Insurance Company Limited	Fellow Subsidiary	Billable expenses recovered on behalf	19,269	30,569	25,670	20,129
			Billable expenses reimbursed on behalf	43,869	-	40,953	-
			Insurance premium received	99,475	-	96,137	-
			Insurance claims paid	136	-	1,010	-
			Unallocated premium	-	4,703	-	924
			Insurance premium paid	7,491	-	6,086	-
			Insurance claims received	540	-	-	-
			Rent & maintenance charges paid	21,260	3,265	11,873	-
			Deposits for leased premises	4,687	(11,874)	-	(7,187)
			Payment against gratuity fund	90,000	-	105,600	-
			CWIP ( Stamp Duty)	-	-	3,527	-
10	Bajaj Auto Holdings Limited	Group Company	Insurance premium received	2	-	-	-
11	Bajaj Finserv Direct Limited	Fellow Subsidiary	Insurance premium received	50	-	-	-
12	Bajaj Housing Finance Limited	Group Company	Insurance premium received	36	-	-	-
13	Mukand Engineers Limited	Enterprise where director is having significant influence	Insurance premium received	1,094	-	3,468	-
			Insurance claims paid	696	-	1,121	-
			Unallocated premium	-	37	-	72
14	Mukand Limited	Enterprise where director is having significant influence	Insurance premium received	31,564	-	36,081	-
			Insurance claims paid	15,571	-	21,271	-
			Unallocated premium	-	183	-	120
15	Hind Musafir Agency Limited	Enterprise where director is having significant influence	Travel agency services paid / payable	150,443	9,920	63,405	98
			Insurance premium received	196	-	224	-
			Unallocated premium	-	19	-	14
			Other expenses paid/ payable	-	22	-	22

## Financial Statements for the financial year ended 31 March 2018

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2017-18		2016-17	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
16	Allianz Cornhill Information Services Private Limited	Group Company	Insurance premium received	907	-	315	-
			Unallocated premium	-	-	-	1,721
17	Allianz SE, Germany	Shareholder	Contribution to equity	-	286,591	-	286,591
			Billable expenses reimbursed on behalf	364	328	475	-
			Billable expenses recovered on behalf	-	-	203	-
18	Allianz Insurance Management Asia Pacific (Allianz Singapore)	Group Company	Billable expenses reimbursed on behalf	143	449	356	321
19	Allianz Investment Management Singapore Pte	Group Company	Investment management fees paid / payable	-	-	2,800	630
20	AGCS Marine Insurance Company	Group Company	Reinsurance premium paid/ payable	154	(456)	43,771	(12,658)
			Commission on reinsurance premium	7	-	6,146	-
			Claims recovery on reinsurance	11,499	-	55,115	-
21	Allianz Global Risks US Insurance Company	Group Company	Reinsurance premium paid/ payable	(795)	266	18,855	2,912
			Commission on reinsurance premium	59	-	2,177	-
			Claims recovery on reinsurance	2,426	-	1,754	-
22	Allianz Global Corporate & Speciality SE, Spain	Group Company	Reinsurance premium paid/ payable	-	-	2,358	-
			Commission on reinsurance premium	-	-	570	-
23	Allianz Global Corporate & Speciality SE, UK	Group Company	Reinsurance premium paid/ payable	3,757	7,878	246,548	7,864
			Commission on reinsurance premium	(885)	-	14,158	-
			Claims recovery on reinsurance	282,612	-	275,541	-
24	Allianz Global Corporate & Speciality SE, Netherlands	Group Company	Reinsurance premium paid/ payable	-	-	2,267	(377)
			Commission on reinsurance premium	-	-	863	-
			Claims recovery on reinsurance	264	-	377	-
25	Allianz Global Corporate & Speciality SE, Italy	Group Company	Reinsurance premium paid/ payable	445	565	4,422	122
			Commission on reinsurance premium	2	-	1,140	-
			Claims recovery on reinsurance	-	-	278	-
26	Allianz Global Corporate & Speciality SE, Denmark - Nordic Region	Group Company	Reinsurance premium paid/ payable	-	121	3,580	120
			Commission on reinsurance premium	-	-	1,410	-
27	Allianz Global Corporate & Speciality SE, Munich	Group Company	Reinsurance premium paid/ payable	50,739	2,844	606,335	108,327
			Commission on reinsurance premium	6,579	-	100,429	-
			Claims recovery on reinsurance	285,467	-	438,919	-
			Billable expenses reimbursed on behalf	350	315	-	-
28	Allianz SE Reinsurance, branch Asia Pacific	Group Company	Reinsurance premium paid/ payable	53,125	(443)	(44,637)	(10,278)

# Financial Statements for the financial year ended 31 March 2018

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2017-18		2016-17	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
			Commission on reinsurance premium	15,183	-	21,934	-
			Claims recovery on reinsurance	52,867	-	1,354,481	-
			CAT XOL & Risk XOL Premium Paid	2,801	-	18,822	-
			CAT XOL & Risk XOL Claim Recovered	108,978	-	80,872	-
29	Allianz Global Corporate & Speciality SE, Singapore (Previously Known Allianz Insurance Company of Singapore - PTE )	Group Company	Reinsurance premium paid/ payable	207,733	4,505	15,413	2,974
			Commission on reinsurance premium	41,018	-	1,797	-
			Claims recovery on reinsurance	2,620	-	2,352	-
			Billable expenses reimbursed on behalf	-	-	320	-
30	Allianz Belgium	Group Company	Reinsurance premium paid/ payable	287	(553)	3,434	1,234
			Commission on reinsurance premium	22	-	258	-
			Claims recovery on reinsurance	546	-	120	-
31	Allianz Elementar Versicherungs - Austria	Group Company	Reinsurance premium paid/ payable	332	-	4,039	(1,203)
			Commission on reinsurance premium	91	-	857	-
			Claims recovery on reinsurance	5,654	-	1,430	-
32	Allianz Global Corporate & Speciality SE, France	Group Company	Reinsurance premium paid/ payable	5,027	(8,223)	179,757	94,815
			Commission on reinsurance premium	5,142	-	17,142	-
			Claims recovery on reinsurance	334,714	-	13,990	-
33	Allianz Risk Transfer AG	Group Company	Reinsurance premium paid/ payable	(0)	363	306,904	299
			Commission on reinsurance premium	(69)	-	3,601	-
			Claims recovery on reinsurance	4	-	-	-
34	Allianz Australia Insurance Limited	Group Company	Reinsurance premium paid/ payable	(82)	-	737	8
			Commission on reinsurance premium	(74)	-	227	-
35	Euler Hermes Deutschland [Formerly known as Euler Hermes Cr Insurance (S) Ltd.]	Group Company	Reinsurance premium paid/ payable	-	(9,632)	273	(1,750)
			Commission on reinsurance premium	-	-	46	-
			Claims recovery on reinsurance	3,878	-	(381)	-
			Billable expenses recovered on behalf	13,464	-	25,697	(5,436)
36	Euler Hermes Europe, Singapore Branch	Group Company	Reinsurance premium paid/ payable	127,498	5,666	152,527	47,486
			Commission on reinsurance premium	10,819	-	14,749	-
			Claims recovery on reinsurance	70,020	-	24,336	-
37	Allianz Risk Transfer N.V.	Group Company	Reinsurance premium paid/ payable	-	-	9,122	-
			Commission on reinsurance premium	-	-	383	-

# Financial Statements for the financial year ended 31 March 2018

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2017-18		2016-17	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
38	"Allianz Technology SE (Previously Allianz Managed Operations & Services SE)"	Group Company	Opus license & maintenance fees paid	11,616	11,629	10,546	9,491
			Billable expenses reimbursed on behalf	14	-	-	-
39	"Allianz Technology SE, India (Previously Allianz Managed Operations & Services SE India) "	Group Company	Insurance premium received	588	-	281	-
			Unallocated premium	-	-	-	324
40	AWP Assistance India Pvt. Ltd. (Previously AGA Assistance (India) Pvt. Ltd.)	Group Company	Insurance claims paid	15,164	-	11,553	-
			Claims assistance fee paid	47,169	-	39,294	-
			Premium receivable as an agent	-	3,221	-	2,319
			Insurance commission paid/payable	12,316	2,085	9,190	593
			Unallocated premium	-	1	-	183
			Insurance premium received	64	-	119	-
			Billable expenses recovered on behalf	215	(254)	595	(684)
41	AWP Services India Pvt. Ltd. ( Previously AGA Services (India) Pvt. Ltd.)	Group Company	Insurance claims paid	126,404	-	335,293	-
			Claims assistance fee paid	6,837	-	32,194	-
			Other expenses paid/ payable	43,789	3,640	29,251	10,714
42	Euler Hermes Services India Private Limited	Group Company	Credit risk assessment fees paid	13,874	-	21,941	1,736
43	Allianz Insurance Lanka Limited	Group Company	Reinsurance premium received/ receivable	-	-	864	-
			Commission on reinsurance premium	-	-	173	-
44	AWP P&C SA Saint Ouen Paris	Group Company	Reinsurance premium paid/ payable	396,142	45,795	68,182	24,027
			Commission on reinsurance premium	255,287	-	41,645	-
			Claims recovery on reinsurance	38,187	-	2,510	-
45	Allianz Global Corporate & Speciality US	Group Company	Income from risk survey fee received/ receivable	-	-	222	-
46	Tapan Singhel	Key Management Personnel	Remuneration	75,741	-	53,146	-
			Perquisites	855	-	2,723	-

## Notes:

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





Like the five elements of nature work in harmony, so do our companies through symbiotic relationships.

**BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED**

Bajaj Allianz House, Airport Road, Yerawada,  
Pune - 411 006, Maharashtra, India  
[www.bajajallianz.com](http://www.bajajallianz.com) | [customercare@bajajallianz.co.in](mailto:customercare@bajajallianz.co.in)

IRDAI Reg No.: No.113. dated 2 May 2001  
Tel: 020 6602 6666 | Fax no.: 020 6602 6667  
CIN: U66010PN2000PLC015329