

BHARTI AXA GENERAL INSURANCE
COMPANY LIMITED

12TH ANNUAL REPORT
FINANCIAL YEAR 2018-19

CIN: U66030KA2007PLC043362

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Our Vision

*"To be the **Preferred General Insurance Company** for our **Customers, Employees, Shareholders, Business Partners & Society**"*

At Bharti AXA GI, we live by the simple truth; insurance plays an important role in protecting organizations and individual aspirations. Through comprehensive and innovative insurance solutions, we seek to redefine industry standards by offering unparalleled and empathetic service to every Indian. This ropes in our collective vision "to be the preferred General Insurance Company for our Customers, Employees, Shareholders, Business partners & Society".

Backed by our constant endeavor to find new and improved ways to add value to our customers through our innovative product and service offerings, we always seek to make a difference through our professional and pragmatic approach. Working as a team with utmost integrity we strive to maintain best in class standards.

Our Core Value

Innovation

Constantly striving to find new and improved ways to add value to all our stake holders. Our innovative spirit has driven us to launch revolutionary products.

Integrity

Always being responsible and doing the right thing. We have settled over 8 lakh claims in six years, a testimony to our focus on customer centricity.

Professionalism

Always seeking to make a difference. With sheer professionalism we have managed to surpass targets and increase our growth in leaps and bounds.

Pragmatism

Facing reality with courage and focusing on outcomes. Our pragmatic, realistic approach to insurance has made us amongst the fastest growing insurers in India.

Team Work

Being one company, one diverse team. Our dedicated team of employees, agents, partners and associates has enabled us to reach our milestone.

Our Purpose

Bharti AXA General Insurance believes that insurance plays an important role in protecting organizations and individual aspirations. Through our comprehensive and innovative insurance solutions, we seek to redefine industry standards by offering unparalleled and empathetic service to every Indian.

Bharti AXA General Insurance Company Ltd is a joint venture between Bharti Enterprises, a leading Indian business group and AXA, a world leader in financial protection. The organization commenced its operations in August 2008. The joint venture company has a 51% stake from Bharti and 49% stake of the AXA Group.

Bharti Enterprises is one of India's leading business groups with interests in telecom, agri business, financial services, retail and manufacturing. Bharti has been a pioneering force in the Indian telecom sector with many firsts and innovations to its credit including Bharti Airtel Limited, the group's flagship company.

The AXA Group is a worldwide leader in insurance and asset management serving 103 million clients in 64 countries and offers insurance, savings and investment products and services which also encourage and reward environmentally responsible behaviors, as well as help reduce social exclusion.

Bharti AXA General Insurance offers its products and services in the following lines of business:

- 🚦 **Motor Insurance** which includes both *Commercial* and *Private Motor*
- 🚦 **Health & Personal Accident Insurance** which includes *Individual Health*, *Group Health* and *Personal Accident*
- 🚦 **Marine Insurance** which consists of *Marine Cargo* and *Marine Hull*
- 🚦 **Property Insurance** which includes *Commercial*, *Industry* and *SME Property*
- 🚦 **Construction & Engineering Insurance**
- 🚦 **Liability Insurance** which includes *Bond*, *Commercial Liability*, *Employees Compensation* and *Professional Liability*
- 🚦 **Lifestyle Insurance** which includes *Travel*, *Private Liability* and *Private Property*
- 🚦 **Crop Insurance** which includes both *Kharif* and *Rabi* Season crops

DIRECTORS' REPORT FOR FINANCIAL YEAR 2018-19

To
Dear Members,

Your Directors have immense pleasure in presenting the 12th (Twelfth) Annual Report, together with the Audited Statement of Accounts of Bharti AXA General Insurance Company Limited ("the Company") for the year ended March 31, 2019.

1. COMPANY PERFORMANCE

Particulars	INR Crores	
	31 st March, 2019	31 st March, 2018
Gross Written Premium (Including Pool Retrocessions)	2,285	1,772
Net Written Premium	1,516	1,268
Net Earned Premium	1,399	1,213
Net Incurred Claims	1,077	1,007
Net Commission (Income/Expenses)	53	61
Expenses of Management	523	363
General Insurance Result	(254)	(218)
Investment Income- Policyholders	251	224
Investment Income-Shareholders	42	45
Terrorism and Motor Pool Expenses (Net of Investment Income)	(2)	(2)
Expenses directly debited to Profit and Loss Account	37	145
Solatium Fund and Premium Deficiency	1	1
Provision for wealth tax/Fringe Benefit Tax		-
Profit / (Loss) After taxation	3	(93)

Your Company's market share in Financial Year ("FY") 2018-19, amongst private multi-line general insurance players, was 2.7%. Your Company recorded a Gross Direct Premium of INR 2,258 Crore in FY 2019 as compared to INR 1,753 Crore in FY 2018. The Net Earned Premium INR 1,399 Crore as compared to last year (INR 1,213 Crore)

Motor Business continued to be the major contributor at 51% of the total business underwritten in FY 2019, compared to 61% in FY 2018. Health, crop and other lines contributed to 10%, 23% and 16% respectively of the total written business in FY 2019.

The Company achieved a profit of INR 3 Crore for FY 2019 as compared to loss of INR 93 Crore in the previous year. Your Company's operating at loss ratio of 77% as against 83% in the last year.

Your Company has achieved an Investment Income (net of interest on sub debt) of INR 263 Crore in FY 2019 as against INR 258 Crore in previous year. Total capital infused in Your Company as at March 31, 2019 was INR 1,793 Crore. The capital solvency ratio is maintained at 1.76 times.

Your Company met its Rural and Social Sector obligation for the FY 2018-19. Your Company achieved a rural business of INR 725 Crore more than the regulatory requirement. Your Company covered 741,630 lives in the social sector significantly higher than the regulatory requirement.

2. SHARE CAPITAL

During the year, there was no change in your Company's issued, subscribed and paid up capital of the Company.

Further, the Company is in compliance with Guidelines on "Indian Owned and Controlled".

3. DEBENTURES

On April 30, 2019, the Company allotted 350 Unsecured listed Redeemable Non-Convertible Debentures at INR 10,00,000/- each aggregating to Rs. 35 Crores, in accordance with the provisions of the IRDAI (Other Forms of Capital) Regulations, 2015. The said Debentures (ISIN – INE513L08024) are listed on the National Stock Exchange of India with security code – 'BAGI29'. Axis Trustee Services Limited, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, was appointed as the Debenture Trustees.

In the previous Financial Year, the Company had allotted 2,200 Unsecured unlisted Redeemable Non-Convertible Debentures at INR 10,00,000/- each aggregating to Rs. 220 Crores.

4. DIVIDEND

Since there is a cumulative deficit for the year under review, the Directors do not recommend any dividend for the year.

5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis on Company's performance, Company's operations, industry trends and other material changes, if any are enclosed as an '**Annexure A**' to this Annual Report.

6. DEMAT

The shares of your Company are dematerialised with Central Depositories Services Limited. The International Securities Identification Number (ISIN) allocated to your Company's equity shares is INE513L01011. As on March 31, 2019, 100% of the equity shares are held in dematerialization form. The details of the shares in Demat, as on March 31, 2019 are as below:

Sl. No.	Particulars	No. of Shareholders	No. of Shares	% to the Paid up capital
1	Shares in Demat Mode (CDSL)	7	1,621,445,322	100
2	Shares in Physical Mode	-	-	-
	Total	7	1,621,445,322	100

The address of the Registrar and Transfer Agent (R&T) of Your Company is:

BGSE Financials Ltd
 'Stock Exchange Tower, No.51,
 1st Cross, J. C. Road,
 Bangalore 560027
 Phone: 080-41329661

7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company has eleven (11) Directors, Out of whom 3 are Independent Directors 4 are Bharti representatives and 3 are AXA representatives and a Chief Executive Officer and Managing Director ("CEO and MD").

The Board is responsible for overall corporate strategy and other responsibilities as laid down by IRDAI under the Corporate Governance guidelines. The CEO and MD oversees implementation of strategy, achievement of the business plan and day-to-day operations. There is an appropriate mix of executive, non-executive and independent Directors. None of the Directors are related to any other Director or employee of the Company.

The routine affairs of Your Company are managed by the CEO and MD under the supervision of the Board of Directors of Your Company. The Board approves reviews and oversees the actions and results of the management to ensure that the long-term objective of maximizing profits and enhancing stakeholders' value is met with.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the FY 2018-19, there was no change in the directorship of the Company. The following changes have taken place in the Key managerial personnel ("KMP") of your Company during the FY 2018-19:

Sl. No.	Name of the KMP	Cessation / Appointment
1.	Mr. Amit Raheja	Appointed as Head – Legal & Compliance and Company Secretary effective June 1, 2018
2.	Mr. Upendra Namburi	Ceased to be Chief Innovation and Marketing Officer effective August 31, 2018
3.	Mr. Parag Gupta	Ceased to be Chief Underwriting Officer effective November 30, 2018
4.	Ms. Banashree Sathpathy	Appointed as Appointed Actuary effective December 20, 2018
5.	Mr. Milind Kohle	Appointed as Chief Underwriting Officer effective April 1, 2019

In accordance with the provisions of the Companies Act, 2013, Mr. Harjeet Kohli (DIN 07575784), and Mr. Soumen Ghosh (DIN 01262099), Directors are liable to retire from the Board by rotation at the ensuing Annual General meeting ("AGM"), and being eligible, offer themselves for re-appointment.

Kuldeep Kaushik (DIN: 08079078) and Jean-Baptiste Bois. (DIN - 08076682) resigned as Directors of the Company w.e.f. May 13, 2019 and May 15, 2019, respectively.

Marc Pierre Charles Audrin (DIN: 08420079) and Garance Wattez Richard (DIN - 08451601) were appointed as Additional Directors w.e.f. May 13, 2019 and May 15, 2019, respectively.

Pursuant to Section 161 of the Companies Act, 2013, Marc Pierre Charles Audrin (DIN: 08420079) and Garance Wattez Richard (DIN - 08451601) will hold the office up to the date of the ensuing AGM. The Company has received letter from shareholders' nominating them for the post of Directors of the Company.

The Board would like to place on record its sincere appreciation for the services rendered by Kuldeep Kaushik and Jean-Baptiste Bois during their tenure on the Board.

There have been no other changes in the Board of Directors.

The details of the Board and Committee Meetings held during the year ended March 31, 2019, are provided as part of this report on Corporate Governance.

ANNUAL DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received the declaration from each of the Independent Directors of the Company in accordance with Section 149(7) of Companies Act, 2013 providing confirmation of meeting the criteria of independence laid down under Section 149(6) of the said Act.

The Company has also received declarations from all Directors confirming that they are not disqualified from being appointed as Director under the provisions of the Section 164 of the Companies Act 2013. Further, all the Directors have confirmed that they comply with the 'fit and proper' criteria prescribed under the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI).

BOARD AUDIT AND COMPLIANCE COMMITTEE

The Board Audit and Compliance Committee of the Company comprises of Mr. Bharat S. Raut, Mr. Jitender Balakrishnan, Mrs. Uma Relan, Mr. Jean Drouffe and Mr. Harjeet Kohli with Independent Directors forming a majority. Mr. Bharat S. Raut is the Chairman of the Committee.

All members of the committee possess adequate qualifications to fulfill their duties as stipulated under the Act and under the Corporate Governance Guidelines issued by the IRDAI.

The details about the Board Audit and Compliance Committee, Board Nomination and Remuneration Committee, Board Investment Committee, Policyholders Protection Committee and Risk Management Committee, are provided under section on Corporate Governance forming part of this Report.

8. BOARD POLICY RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Your Company has a well-defined process for remuneration relating to employees, Key managerial personnel as well as for CEO and Managing Director, where the said remuneration is approved by the Nomination and Remuneration Committee. The remuneration of CEO and Managing Director is subject to prior approval of IRDAI in compliance with the requirement of Insurance Act, 1938. The salary increments and incentives (short term or long term) as paid to the employees are driven by the guidelines laid down by the Nomination and Remuneration Committee. A comprehensive policy, as per the requirement of Companies Act, 2013 and IRDAI Guidelines on Corporate Governance for Insurers with regard to remuneration for employees, Non-executive Directors, Managing Director/whole-time Director/Executive Director/CEO and KMP(s) has been duly approved by the Board. The policy is enclosed as '**Annexure B**' to this Report.

The non-executive Directors didn't draw any remuneration from Company during the year under review. The Independent directors were paid sitting fees for attending the Board and Committee meeting of the Company.

The details of Managerial Remuneration paid during the year are disclosed and form part of the Notes to accounts and therefore, no separate disclosure is made herein.

The Board Nomination & Remuneration Policy is available on the Company's website at www.bharti-axa.co.in

9. VIGIL MECHANISM

As per the provisions of the Companies Act, 2013, your Company doesn't fall under the class of Companies which is required to establish a vigil mechanism. However, your Company has implemented a comprehensive vigil mechanism for their employees as well as Directors. The Company has implemented a Whistle-blower Policy and Fraud Risk Management policy as part of the Enterprise Risk Management framework. The Company has also put together a dedicated Fraud Control Unit, to prevent and investigate occurrence of fraud or malpractices. The Company has a well-documented process for fraud investigations and internal inquiry against alleged frauds as well as any whistle-blower complaints. While the company ensures that genuine Whistle blowers are accorded complete protection from any kind of unfair treatment, any abuse of the whistle-blower policy with malafide intention is subject to disciplinary action. The policies and processes are reviewed on a periodic basis to ensure compliance with regulations. Training programs are also conducted to increase employee awareness to prevent and detect fraud, malpractices and unethical behavior.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) appropriate Accounting Policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of Your Company as at March 31, 2019 and of the profit & loss of Your Company for the said period;
- (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of Your Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual Accounts have been prepared on a going concern basis; and
- (v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. ANNUAL RETURN

Pursuant to the provisions of Section 92(3), 134 (3)(a) of the Companies Act 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return shall be available at public disclosure section in Company's website www.bharti-axagi.co.in.

12. STATUTORY AUDITORS

M. P. Chitale and Company, Chartered Accountants (Regn No. 101851W) were appointed as Joint Statutory Auditors of the Company to hold office from 9th AGM to 14th AGM of the Company, subject to ratification of appointment by Shareholders at every AGM and Singhi and Co., Chartered Accountants, (Regn. No. 302049E) were appointed as Joint Statutory Auditors of the Company to hold office from 10th AGM to 15th AGM of the Company, subject to ratification of appointment by Shareholders at every AGM.

The requirement for the annual ratification of auditors' appointment at the AGM has been dispensed with pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

The Joint Statutory Auditors Singhi and Co., Chartered Accountants and M. P. Chitale and Company, Chartered Accountants have carried out the Audit of the financial statements of the Company for the financial year ended March 31, 2019. The Audit report is forming part of the financial statement annexed to this Board report.

The Statutory Audit report does not have any qualification, reservation or adverse remark requiring explanation from the Board.

Management Report

Pursuant to the provisions of regulation 3 of the IRDA (Preparation of financial statements and auditors' report of insurance companies) regulations, 2000, the Management Report forms part of the financial statements.

13. SECRETARIAL AUDITORS

The Board of Directors at their meeting held on 7th March, 2018 appointed GMJ and Associates, Company Secretaries as the Secretarial Auditor under Section 204 of the Companies Act, 2013 to carry out the Secretarial Audit of the Company for the FY 2018-19.

GMJ and Associates, Company Secretaries, has carried out the Secretarial Audit of the Company for the FY 2018-19 and has issued the Secretarial Audit report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of various laws as mentioned in the audit report and doesn't have any qualification, reservation or adverse remark.

The Secretarial Audit Report furnished by GMJ and Associates, Company Secretaries is enclosed to this Report as 'Annexure C'.

14. STATUTORY INFORMATION

A) PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013.

Since your Company does not carry out any manufacturing activity, the particulars relating to conservation of energy and technology absorption stipulated under Companies Act, 2013 not applicable to your Company.

However, your Company uses electric energy for its equipment such as air conditioners, computer terminals, lighting and utilities in the work premises. All possible measures have been taken for economic consumption and to conserve the same.

During the period under review, Your Company had Foreign Exchange earnings or outgo which is detailed as below:

Particulars	Current Year	Previous Year
Expenditure in foreign currency	153,399,400	968,613,356
Earnings in foreign currency	100,389,592	232,059,230

B) BOARD EVALUATION AND MEETING OF INDEPENDENT DIRECTORS

Pursuant to and in line with the requirements prescribed under the Companies Act, 2013 ('Act'), the Board of Directors carried out an annual evaluation of its performance, and that of its Committees and Individual Directors. Further, the Independent Directors met separately, without the attendance of non-Independent Directors and Members of the Management, and inter alia reviewed the performance of non-independent directors, and Board as a whole; and performance of the Chairman. They further assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

In addition to the above, Independent Directors were evaluated on parameters such as bringing in objectivity and independent judgment in decision making process, support

and contributions to implement best governance practices, protecting the legitimate interest of various stakeholders etc.

The Nomination and Remuneration Committee also undertook an evaluation of Individual Director's performance and expressed its satisfaction on performance of each Director.

The questionnaire was circulated to all directors and based on the responses submitted by the directors, results of the evaluation exercise were presented in the meetings of the NRC and Board held in May 13, 2019.

The Board conducted the review of each Director's performance, Board as a whole and performance of Committees of the Board, and expressed its satisfaction.

There has been no material adverse observation or conclusion, consequent to such evaluation and review.

In addition, the Independent Directors have met on yearly basis, without the presence of executive Director, Non-executive Directors and Management personnel, to discuss their issues and concerns, if any. Further, the Independent Directors placed their recommendations and discussion points arising out of their independent meeting before the Board and Management.

C) PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 197 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement of particulars of the top ten employees in terms of remuneration drawn and name of every employee who have been paid remuneration exceeding INR 1.02 Crore per annum or INR 8.50 Lakh per month is given in an Annexure that forms part of this Report. In terms of provisions of Section 136 of the Companies Act, 2013 the Directors' Report is being sent to the shareholders of the Company excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the registered office of the Company.

15. PUBLIC DEPOSITS

During the period under review, Your Company has not accepted any deposits from public.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the FY 2018-19, Your Company has not obtained any Loans (secured or unsecured) or provided any security. Further, as per the Companies (Removal of Difficulties) Order, 2015 dated February 13, 2015 the provisions of Section 186 of the Companies Act, 2013, except sub-section 1, is not applicable to your Company.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the FY 2018-19, there were no significant and material orders passed by any Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

18. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company's internal controls including process embedded controls over financial reporting and their periodic monitoring enable the Company to demonstrate that entries in its financial records are accurate, complete, timely, reliable and made in accordance with applicable regulations, statutes and generally accepted accounting principles. The process related controls ensure that the Company's books, records, accounts and financial statements are maintained in reasonable detail and appropriately reflect the Company's transactions. The Company deploys required resources and exercises management oversight to ensure that accounting policies are applied properly and consistently so as to ensure that the financial statements provide a true and fair view of the financial affairs of the Company. The Company adopts appropriate levels of automation for transmission of data amongst various systems. The authorization of transactions recorded in various systems follows a defined delegation and segregation of duties. Further, the Company has dedicated resources for identification and investigation of possible frauds. These operate to minimize possibility of frauds or errors in preparation of financial statements.

19. RISK MANAGEMENT POLICY

Your Company uses Risk Management as a strategic tool to protect itself from various potential and existing risks pertaining to all the stakeholders in its business operations, while it plans for its projected growth.

Your Company has a Local Risk Management Committee consisting of Chief Risk Officer (CRO), CEO, CFO, functional heads and Appointed Actuary (AA). This committee reports to the Board Risk Management Committee every quarter, where the top risks and controls are reviewed. The company has a dedicated team to review and monitor the various risks and controls (Strategic Risk, Insurance Risk, Financial Risk, Operational Risk, Information Security Risk (process related, crisis management & business continuity risk), Fraud Risk, People Risk, Reputation Risk, Emerging Risks).

The Risk Management Team in the Company works in close coordination with the other functions / business lines. Risks such as financial risk and underwriting risk are reviewed by the CFO and the Underwriting Team respectively, along with constant supervision and guidance of the Board. The Company is also ISO 27001:2013 certified for information security. Organisation has Enterprise Risk Management Policy and detailed procedures.

20. CORPORATE SOCIAL RESPONSIBILITY POLICY

The provisions of Section 135 of the Companies Act 2013, requires every Company to spend at least 2% of its average net profit made during three immediately preceding financial years under Corporate Social Responsibility ("CSR"). As per the provisions of Companies Act, 2013 and IRDAI Guidelines on Corporate Governance, the compliances with respect to CSR is not applicable to the Company.

We at Bharti AXA General Insurance believe that we are not only responsible towards our shareholders and customers, but also towards the society that we operate in. We consider the various communities that we engage with to be important stakeholders and seek to

nurture and support them. We are keen to shape a better future by choosing empathy over sympathy, respect over pity along with contribution and involvement over mere payments.

Our CSR initiatives are driven by our collective vision: To be viewed as an organization where People Protection is well embedded within the business.

People protection is not just the basis of our business; it is the purpose of our existence. As a socially aware and responsible corporate, our CSR philosophy is supported by six pillars, namely; shareholder, customer, employee, supplier, community and environment.

We have identified critical activities to enact our CSR philosophy with these six pillars. For the first four, we focus on ensuring that everyday operations and decisions are socially conscious. For the last two pillars, our focus is on delivering initiatives which have long term impact.

Shareholders

Our commitment towards shareholders is about our responsibility towards the governance model. To achieve this, our focus is on managing reputation risk through scientific means and available guidelines, strengthening operational risk management capability and accountability by conducting operational risk assessment workshop, monitoring traditional and online media daily to identify & mitigate reputation risks using formal assessment tool and ensuring compliance with the laws of the land pertaining to labor, taxes, financial services and insurance.

Customers

Our commitment towards customers is demonstrated by our efforts towards strengthening customer relations and innovating our products and services to meet the growing needs of our customers. To achieve this, we aim at unlocking key customer insights and offering various products and services to our customers and serve as a trusted protection partner.

Employees

Our commitment towards our employees is about our responsibility in the workplace. The initiatives include implementing anti-sexual harassment measures and risk management awareness program to safeguard the interest of our employees.

Suppliers

We ensure that the suppliers we select share our vision of CSR. We conduct regular supplier audits to ascertain that applicable guidelines are followed by all our suppliers, and that they have processes in place to ensure the guidelines are always adhered to.

Community

We, support the community that we operate in through various initiatives such as donation of books, stationery, clothes and allied supplies. We also conduct blood donation and free eye check-up camps. We take measures to educate individuals about the importance of health, wellness and hygiene. We also undertake sessions to spread awareness about road safety initiatives and cease the harmful practice of drinking and driving.

Environment

We believe that we are responsible towards the physical environment that we share with everyone else. We work towards ensuring that the generations to come inherit a health

environment through planting small plants or trees, encouraging car-pooling, working towards progressive reduction of our carbon footprint and increasing usage of technology to reduce usage of paper at work.

Some of our successful initiatives are:

- Employees across 30 branches volunteered to donate old clothes, stationery or food to old age home, orphanage, school etc in their local communities. Some of these institutions include St. Vincent de Paul Home for the Aged, Hubli, Hope Foundation and Karunai Illam, Chennai, Corporation Orphanage Camp, Coimbatore, Coimbatore Seva Nilayam, Coimbatore, Seva Nilayam, Coimbatore, Hiden school, Visakhapatnam, St. Henry's Home for the Aged, Salem, Missionaries Of Charity, Bangalore, Don Bosco Orphanage, Baroda and Mother Teresa Orphanage, Baroda.
- We conducted an eye check-up camp at Mumbai for over 1500 students of a municipal school.
- By collaborating with Tata Memorial Hospital, we also organized a blood donation camp in our Goregaon office at Mumbai. 67 donors volunteered for the noble cause. Annual Blood Donation camps are organized by us in all metro cities across India during once in a calendar year.
- We have also set up eye check-up camps for our employees in corporate headquarters as well as branches across Mumbai, Pune and Ahmedabad.
- Our new on-boarding process enables new joiners to submit mandatory documents and complete joining kit through messenger. This results in substantial savings of paper and thus reduces our carbon footprint.



21. RELATED PARTY TRANSACTIONS

As per the requirement under IRDAI Guidelines on Corporate Governance, the Company has formulated a Board approved policy on Related Party transactions.

Transactions / arrangements by the Company in its ordinary course of business with related parties primarily include availing various services from the related party, sale / purchase of insurance products, lease of properties, wherein premium / brokerage / commission / service fees is received / paid from / to related parties. Board Audit and Compliance Committee of Board has given its in-principle approval to different types of related party transactions which are recurring in nature and in the ordinary course of business.

Related party transactions that were entered into during the year were in the ordinary course of business and on an arm's length basis. The details of transactions with related parties are placed before the Board Audit and Compliance Committee for approval / ratification. During the year under review, the Company did not enter into any transaction or arrangement with related parties, which were material or not at arm's length.

There were no materially significant transactions with the Directors, the Management, the Promoters or the relatives of the Directors that have a potential conflict with the interest of the Company at large. As per Accounting Standard (AS) 18 on 'Related Party Disclosures', the details of related party transactions entered into by the Company are included in the Notes to Accounts.

22. COMPANY POLICIES

Whistle Blower Policy

The Company has in place Whistle blower Policy to encourage employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. As per the Policy, employees can raise concerns related to breach of any law, statute or regulation, issues related to accounting policies and procedures, acts resulting in financial loss or loss of reputation, misuse of office, suspected/actual fraud and criminal offences, non-compliance to anti-bribery & anti-corruption policy by the Company or its employees to the Board Audit and Compliance Committee through specified channels. This mechanism has been communicated to the employees.

Code of Conduct for Prevention of Insider Trading

The Company has a Code of Conduct for Prevention of Insider Trading. The objective of the Code is to prohibit insider trading in any manner by the Designated Persons and to maintain confidentiality of unpublished price sensitive information and access to information on a "need to know" basis. The Code is applicable to all "Designated Persons" and their "Immediate Relatives" as defined in the Code.

Policy on allocation of Direct expenses and apportionment of Indirect expenses to various Business segments for preparation of Segmental financial statements

As per the Regulations issued by the Insurance Regulatory Development Authority (IRDAI), insurance companies are required to prepare financial statements (Revenue account and Balance sheet) separately for different line of businesses. The Company has thus, established a methodology for attributing or allocating costs to Company has thus, established a methodology for attributing or allocating costs to various business segments for the preparation of segmental financial statements and the same shall be used for preparation of return of expenses of management for the FY 2019 as required by the Regulator as per the notification dated May 9, 2016 (ref. F.No. IRDAI/Reg/14/126/2016)

23. DISCLOSURE AS REQUIRED UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and has communicated to all its employees about same. The Company believes in providing a safe working environment at the workplace. On an ongoing basis, the Company creates education and awareness amongst employees through training program/ seminars, e-mail campaigns.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. There was one complaint received during the Financial Year 2018-19 which was disposed of.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

24. INSURANCE

Adequate Insurance cover has been taken for properties of Your Company including Buildings, Computers, Office Equipment, Vehicles, etc.

25. SOLVENCY MARGIN

The Company is adequately capitalised and has, at all times during the year, complied with the required solvency norms.

26. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT.

There were no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

27. HOLDING COMPANY

Bharti General Ventures Private Limited (erstwhile Bharti General Private Limited) ('BGVPL') is holding Company of the Company.

28. TRANSFER TO RESERVES

During the financial year under review, the Board of Directors of Company have not recommended transfer of any amount to reserves.

29. STATUS OF COMPLIANCE WITH IND – AS

Pursuant to the Ministry of Corporate Affairs (MCA) notification read in connection with the Companies (Indian Accounting Standards) Rules, 2015 dated February 16, 2015 followed by Press Release dated January 18, 2016 issued by the Authority, outlining the roadmap for implementation of International Financial Reporting Standards (IFRS) converged Indian Accounting Standards (Ind AS) for banks, non-banking financial companies, select All India Term Lending and Refinancing Institutions and Insurers and IRDAI Circular Ref: IRDA/F&A/CIR/ACTS/146/06/2017 dated June 28, 2017, Insurers shall comply with the IND-AS for financial statements for accounting periods beginning from April 1, 2020 onwards and in accordance with the further instructions and guidelines issued, the Company has submitted its proforma Financial Statements for the period from April 2018 to December 2018 to the Authority. The Company is in the process of submission of similar proforma financials for the entire Financial Year 2018-19.

30. COMPLIANCE OF SECRETARIAL STANDARDS

During the year, your Company has duly complied with the provisions of Secretarial Standards.

31. CHANGE IN THE FINANCIAL YEAR

During the year under review, there has been no change in the financial year.

32. DETAILS AND STATUS OF ACQUISITION, MERGER, EXPANSION, MODERNIZATION AND DIVERSIFICATION AND MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY HAVING OCCURRED SINCE THE DATE OF THE YEAR AND TILL THE DATE OF THE REPORT

During the year under review, there was no acquisition, merger, expansion, modernization and diversification and Material Changes and commitments, if any, affecting the financial position of the Company having occurred since the date of the year and till the date of the report

33. ACKNOWLEDGEMENTS

Your Directors wish to place on record its gratitude to all the stakeholders – policyholders, channel partners, reinsurers and shareholders for their continued support and cooperation. Your Directors' wish to thank the Insurance Regulatory and Development Authority of India, General Insurance Council, the Reserve Bank of India, various ministries of the Government of India for extending their cooperation in the endeavours pursued by the Company. Your Directors also place on record their appreciation for the services rendered by the employees at all levels.

Registered Office:

43, 1st floor, Hosto Centre,
Opp. Imperial Hotel, Millers Road,
Vasant Nagar,
Bangalore – 560052

By Order of the Board of Directors

Sd/-

**RAKESH BHARTI MITTAL
CHAIRMAN**

Date: May 14, 2019
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Developments of the Year – New Partnerships

Your Company's continued efforts had enabled it to enter into corporate agency tie-up with Indian Banks, NBFC and Foreign Banks. The new partnerships would further strengthen and contribute to the top line of the Company.

2. Industry Overview

GDPI Growth

The overall industry achieved a **12.9% year-on-year (yoy) growth** in GDPI in the current financial year. Private sector players reported a 24.7% yoy growth rate as against 1.2% yoy growth for the PSU players. Health and Personal Accident segment grew at 20.9%, Crop at 11.7% and Motor segment at 8.8%, driving the overall growth of the industry.

Penetration and Density

The penetration of general insurance as a percentage of GDP remains small in relation to other emerging and developed markets. However, over the last 10 years, the penetration of this sector in the country has been steady in the range of 0.5-0.9%. General insurance density levels have been rising (Compounded Annual Growth Rate of 13.4% during FY 2001-FY 2017). The Government of India has, over the years, announced various initiatives aimed at improving the penetration and density levels. The challenge before insurers is to find ways of reaching out to the uninsured and under insured in a profitable manner.

Economic Scenario

India continues to be one of the fastest growing major economies in the world with an expected GDP growth rate of 7.3% in FY 2019 against the emerging economies GDP growth of 3.5 percent. India is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. The uptick in economic growth has come from various economic reforms undertaken by the government such as improvement in ease of doing business, opening up to foreign direct investments, the push for infrastructure development and a stable and decisive policy environment. The robust economic growth helped the general insurance sector to grow @ 12.9% in FY 2019 and cross INR 1.69 lac crore in terms of Gross Direct Premium Income (GDPI). With a CAGR growth rate of approx. 17.0% between FY 2014–FY 2019, the General insurance sector continues to be one of the fastest growing sectors in the Indian economy. With a penetration rate of just 0.93% there is huge potential for growth in the Indian General insurance sector in the coming years.



Reliance health has started operations in the current fiscal. There are two stake acquisition deals in general insurance during the fiscal. Royal Sundaram General Insurance sold 40% stake in Company to Ageas Insurance NV of Belgium for INR 1,520 crore. SBI General Insurance finalised 4% stake sale to two alternative investment funds for INR 482 Crore

Micro environment

Motor insurance continued to be the largest segment in Indian General insurance sector and showed a modest growth of 8.8% in FY 2019 from INR 59,248 crores in FY 2018 to INR 64,455 crores in FY 2019. The modest growth in FY 2019 is driven by lower vehicle sale growth in current fiscal driven by rising fuel prices, costlier finance and liquidity crunch. Insurance regulator mandated long term third party cover for new private car and two wheelers effective September 1, 2018. This had a mixed impact on the insurance industry. This helped increase investment float for insurers, however, had a short term impact of lower vehicle sales due to higher insurance premium for customers.

Two wheeler sales grew by 4.86% and private car sales growth is likely to be in low single digit in FY 2019 as per Industry estimates. Improved penetration and steady rise in disposable incomes helped the Health insurance segment to grow @ 20.6% in FY 2019. The size of the health insurance industry increased from INR 37,712 crores in FY 2018 to INR 45,490 crores in FY 2019. The Government of India has launched National Health Protection Scheme called Ayushman Bharat in September, 2018 to provide health benefits to socio-economically underprivileged sections of the society, potentially benefitting 50 crore individuals. The said scheme is likely to increase insurance penetration from 34% to over 50%.

Growth in Marine and fire insurance and emerging products like liability insurance also contributed to the overall growth of the industry.

3. Investments

The Investment portfolio of Your Company as on March 31, 2019 stood at INR 3894 crores. The portfolio has earned a return of 8.16% for FY 2019 despite an extremely challenging market environment. The investment portfolio of Your Company predominantly, comprises fixed income investments. Your Company has started investing in equities with aim to enhance long term risk adjusted returns

Your company continues to focus on better quality portfolio. Investment portfolio has complied with all Investment Regulations presently applicable to it.

Bond market witnessed a roller coaster ride during FY2019. Yields hardened during H1 and eased sharply in H2. Stress in the NBFC sector was a defining event for markets during FY2019. Corporate bond yields remained elevated as liquidity in the credit space dried significantly. Inflation during the year was lower than expectation with average CPI inflation at 3.4%, 20bps lower than FY2018. In FY 2020 RBI expects the



inflation to be 2.9-3.0% in H1 and 3.5-3.8% in H2 which is lower than the target rate of 4%. FY2019 GDP forecast has been revised down to 7% by CSO which is lower than FY2018 growth of 7.2%. RBI has projected GDP growth of 7.2% for FY2019. The Monetary Policy Committee (MPC) hiked policy repo rate by 50bps due to expectation of higher inflation, rising crude oil prices and depreciating currency. Collapse in oil prices by ~36% in Q3FY19 completely changed the macro environment leading to sharp drop in bond yields. MPC reduced the repo rate by 25 bps in H2 and addressed tight liquidity condition through purchase of government securities from open market and forex swap window at year end. We are pleased to inform you that your company was able to anticipate opportunities and take interest rate decisions which contributed to the outperformance and protected the portfolio yield. Equity exposure, though small, has yielded strong returns during FY2019.

On the global front, US FED has kept policy rate stable at 2.25%- 2.50%. FED members now expect no rate hike in CY19 whereas earlier expectation was of two hikes. This is largely driven by lower inflation expectation and lower growth.

Election outcome, new government policies, status of monsoon, global growth and crude oil prices shall be key drivers of market in FY2020.

4. Distribution Network

As on March 31, 2019, Your Company has a PAN India network of 104 branch offices .

5. Underwriting

Motor Underwriting

Motor Insurance continues to be the largest segment with 38% share of the total insurance premium for the Indian market. The Indian market motor insurance segment grew at around 9% in the Financial Year 2018-19, with the own damage premium witnessing a low 0.5% growth on account of intense pricing pressure. This resulted in yield drop of around 20% in some segments. New motor vehicle sales has seen strong headwinds while registering a modest single digit growth of 5% with passenger vehicles growing at 2.7% and two wheeler segment registering growth of 4.86%. An uneven monsoon combined with liquidity crunch and higher fuel cost resulted in a dent on vehicle sales. New vehicle sales registered lowest off take during the festive season and this resulted in strong inventory pile-up at the dealership end. Inventory levels in passenger cars and two wheeler segments have doubled to 60 days and 90 days respectively with Automobile dealership associations publishing that retail sales have actually dropped by as much as 8%.

The Company grew at 7% and recorded gross premium of INR 1143 Cr. Year 2018-19 saw a slew of regulatory changes getting implemented. Multiyear insurance for new vehicles and Compulsory personal Accident cover (CPA) for owner driver were introduced and which we implemented in record time. This involved major changes at



system architecture level. Aggressive pricing by new players has put strain on the overall bottom-line. The annual third party premium rate hike has been deferred upto June'19. Two wheeler segment which is a key thrust area to drive profitability in Motor segment witnessed a growth of 20% in FY 2018-19.

New OEM and Bancassurance tie-ups have set a strong base for robust growth. We have successfully introduced our state of art policy issuance platform 'Spectrum (AVO)'. This will further facilitate ease of policy servicing as the system is designed as a single point solution for all policy related requirements.

Health and Lifestyle

In the financial year 2018-19, the Company continued the growth momentum in all segments of Health and Lifestyle business, this was primarily due to growth in Travel, Mortgage and Group Health business.

The Company has grown by 90% on the group health line of business and focus continues to be on SME business covering less than 300 lives and on affinity groups where we insure customers of bank and NBFC partners.

Our mortgage business has grown 3 times the previous years' number even though there was a strain on financial markets and lending had slowed down considerably in the second half of the year. This growth is primarily due to our entry into new partnerships.

Retail health business products launched in the previous year have started gaining traction and we have grown by 41%. With more retail products in the pipeline the outlook continues to be positive for the next financial year.

Travel Insurance business has grown almost 2 times the previous years' performance. Both Domestic and Overseas travel continue to grow primarily due to the large partnerships.

The Company expects to continue growth in the Health and Lifestyle segment in the current financial year leveraging on the new partnerships with banks and corporate agents.

Commercial Lines

The commercial lines segment registered a market growth of 10%, against the overall general insurance industry growth of 13% during FY 2018-19. Aggressive pricing, slow infrastructure growth continues to be a challenge for the commercial insurance growth.

Bharti AXA General Insurance commercial lines business registered impressive growth of 68% against the industry growth of 10%. Fire portfolio developed very well with 101% growth, Engineering at 77%, Marine Cargo at 64% and Liability Insurance



at 38% outperforming the industry metrics. Key areas which supported this growth were, portfolio approach driven by profit centre concept with dedicated teams in sales and underwriting approaching large corporates and differential strategy adopted for retail commercial segment working with agents and SME clients focussing on their specific insurance needs.

IIB pricing implementation at the end of FY 2018-19 for select risk occupancies was one of the highlights of the fire insurance business, however the effect of this price increase will be witnessed during FY 2019-20.

6. Reinsurance

Reinsurance treaty renewal for the market witnessed slight increase in proportional capacity for 2018-19, as reinsurers did not agree for higher increase, on account of negative market performance for proportional programs. Non-Marine CAT and Risk excess of loss pricing for the treaty period 2018-19 remained flat due to no major catastrophic event in India during 2017-18.

Reinsurance program for Bharti AXA General Insurance consist of proportional and non- proportional treaties, which provides reinsurance capacity and protection to underwrite small, mid and large (mega) sized risks as per our risk appetite. We have structured the reinsurance programme, keeping in mind the philosophy of purchasing adequate cover to protect the value-at-risk. Catastrophe risk exposure was mitigated by a separate non-proportional reinsurance treaty, which limits exposure to any single insured event. In addition to these treaties, we also purchase facultative reinsurance where required, on a case-to-case basis, in proposals, where the treaty limits are inadequate or the risk is not covered by the terms and conditions of the reinsurance treaties. Such reinsurance is placed with the reputed and well rated reinsurers

7. Claims

The Company successfully maintained high standards of customer service in the claims function and proved its ability to service to the satisfaction of both individual retail customers as well as large corporate clients through a committed and focused team of claims professionals with requisite claims settlement authority. The claims team acted on the 'Customer First' principle to provide a seamless service experience to its customer. Major thrust has been to improve settlement ratio and reducing the number of outstanding cases. Customer complaints showed a consistently declining trend through the year and in particular complaints relating to delay in claims servicing. The Complaints related to claims decision delay dropped by 11.30% which ensured greater customer satisfaction. The complaint resolution time for claims related areas was 5.80 days which continued to be significantly better than the industry average.



8. Human Resource

During the financial year, the Human Resource function has continuously engaged with business to understand the changing business outlook and has carved out and executed key people imperatives, in the areas of Talent strategy, Capability Building, Succession Planning, redesigning people processes and enhancing employee engagement.

In line with the Talent Strategy agenda, your Company recruited three key leadership positions, namely Head – Legal & Compliance, Appointed Actuary and Chief Underwriting Officer. Further, in its endeavour to build talent depth, your company hired 18 employees at levels of Deputy Vice President and above, more specifically in the areas of Agency Sales, Finance, Legal & Compliance, Bancassurance, Emerging Markets, Claims, Underwriting, Investments, Risk Management, and Product Development.



CORPORATE GOVERNANCE REPORT

Corporate Governance is a commitment to conduct business in an ethical and transparent manner, by complying with the applicable laws, rules, regulations and guidelines in true spirit. Corporate Governance involves balancing the interest of various stake holders. The Companies Act, 2013 as well as IRDAI Guidelines on Corporate Governance recognize the importance of having good corporate governance structure and laid down the various initiatives which should be taken by the Corporates.

Your Company is fully committed to follow sound corporate governance practices and uphold the highest business standards in conducting business. The Company continues to focus on building trust with shareholders, policyholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values. It also aims to increase and sustain its corporate value through growth and innovation. The Company's governance framework encompasses not only regulatory and legal requirements but also several voluntary practices aimed at maximizing shareholders' value legally, ethically and on a sustainable basis.

The Company believes in the philosophy of conducting business through fair and ethical means. The true spirit of corporate governance emanates from the strong values that the Company believes and practices. A detailed report on Corporate Governance is as follows:

BOARD STRUCTURE

The composition of Board of Directors is in compliance with provisions of the Companies Act, 2013, in accordance with Corporate Governance guidelines prescribed for insurance companies by IRDA as well as in conformity to the IRDAI guidelines on Indian owned and controlled.

CONSTITUTION OF THE BOARD

Your Company has eleven (11) Directors, out of whom 3 are Independent Directors, 4 are Bharti representatives and 3 are AXA representatives and a CEO and Managing Director.

BOARD PROCEDURES

A detailed Agenda is sent to each Director in advance of Board and Committee meetings. A detailed functional report is also placed at Board Meetings when required. The Board also reviews:

- Strategic Plans and Business plans

- All the organizational policies such as Investment Policy, Agency Policy, Policy on Maintenance of Insurance Records etc. on an annual basis.
- The information on recruitment and remuneration of Key Managerial Persons
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Any material point for financial obligation and discipline to and by Your Company
- Compliance with statutory/regulatory requirements and review of major legal issues
- The un-audited quarterly /half yearly results and audited annual accounts of Your Company for consideration and adoption in the format specified under Insurance Laws
- Delegation of powers to the management, as and when required
- Transaction pertaining to sale or purchase of material nature or Investments which is not in normal course of business.
- Major accounting provisions and write-offs
- Corporate restructuring
- Minutes of meeting of the Board Committees
- Share transfers

Number of Board Meetings held and attendance of directors during the Financial Year 2018-19

During the FY 2018-19, six Board meetings were held on May 17, 2018; July 31, 2018; August 30, 2018; October 30, 2018; November 15, 2018 and January 24, 2019.

The attendance of Directors during the Board meetings held in 2018-19 is given below:

Name of the Director	No. of Board Meetings attended	May 17, 2018	July 31, 2018 (through Video – Conference)	August 30, 2018	October 30, 2018	November 15, 2018	January 24, 2019
Akhil Gupta	2	Leave of absence	✓ ¹	✓	Leave of absence	Leave of absence	Leave of absence
Rakesh Bharti Mittal (Chairman)	2	✓	Leave of absence	✓	Leave of absence	Leave of absence	Leave of absence
Harjeet Kohli	6	✓	✓	✓	✓	✓ ¹	✓
Soumen Ghosh	6	✓	✓	✓	✓	✓	✓
Bharat S Raut	6	✓	✓	✓	✓	✓ ¹	✓

Jitender Balakrishnan	5	✓	✓	Leave of absence	✓	✓	✓
Uma Relan	6	✓	✓ ¹	✓	✓	✓ ¹	✓
Jean Drouffe	6	✓	✓ ¹	✓	✓	✓ ¹	✓
Sanjeev S.	6	✓	✓	✓	✓	✓	✓
Kuldeep Kaushik	3	✓	✓ ¹	✓	Leave of absence	Leave of absence	Leave of absence
Jean-Baptiste Bois	2	✓	✓ ¹	Leave of absence	Leave of absence	Leave of absence	Leave of absence

¹ Attended meeting through video conference

Board Audit and Compliance Committee

Constitution of the Board Audit and Compliance Committee, number of meetings held and attendance of Members

During the FY 2018-19, five Board Audit and Compliance Committee meetings were held on May 16, 2018; July 31, 2018; August 29, 2018; October 29, 2018; and January 24, 2019.

The attendance of Members during the Board Audit and Compliance Committee meetings held in FY 2018-19 is given below:

Name of the Members	No. of Committee Meetings attended	May 16, 2018	July 31, 2018 (through Video – Conference)	August 29, 2018	October 29, 2018	January 24, 2019
Bharat S Raut (Chairman)	5	✓	✓	✓	✓	✓
Jitender Balakrishnan	5	✓	✓	✓	✓	✓
Uma Relan	5	✓	✓ ¹	✓	✓	✓
Jean Drouffe	5	✓	✓ ¹	✓	✓	✓

Harjeet Kohli	5	✓	✓	✓	✓	✓
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¹ Attended meeting through video conference

Board Investment Committee

Constitution of the Board Investment Committee, number of meetings held and attendance of Members

During the FY 2018-19, four meetings of Investment Committee were held on May 16, 2018; August 29, 2018; October 29, 2018; and January 23, 2019.

The attendance of Members during the committee meetings held in FY 2018-19 is given below:

Name of the Member	No. of Committee Meetings attended	May 16, 2018	August 29, 2018	October 29, 2018	January 23, 2019
Harjeet Kohli (Chairman)	4	✓	✓	✓	✓
Jean Drouffe	3	✓	✓	✓	NA
Uma Relan	4	✓	✓	✓	✓
Sanjeev S.	4	✓	✓	✓	✓
Manoj Jaju	4	✓	✓	✓	✓
Nilesh Kambli	4	✓	✓	✓	✓
Banashree Satpathy*	1	NA	NA	NA	✓
Jean-Baptiste Bois [@]	1	NA	NA	NA	✓

* Appointed as Appointed Actuary w.e.f. 20th December 2018.

@Appointed as Alternate member to Mr Jean Drouffe for the meeting held on 23rd January 2019

Risk Management Committee

Constitution of the Risk Management Committee, number of meetings held and attendance of Members

During the FY 2018-19, four meetings of Risk Management Committee were held on May 16, 2018; August 29, 2018; October 30, 2018; and January 23, 2019.

The attendance of Members during the committee meetings held in FY 2018-19 is given below:

Name of the Member	No. of Committee attended	May 16, 2018	August 29, 2018	October 30, 2018	January 23, 2019
Uma Relan (Chairperson)	4	✓	✓	✓	✓
Harjeet Kohli	4	✓	✓	✓	✓
Soumen Ghosh	4	✓	✓	✓	✓
Jean-Baptiste Bois	3	✓	Leave of absence	✓	✓
Kuldeep Kaushik	4	✓	✓	✓	✓

Policyholders Protection Committee

Constitution of the Policyholders' Protection Committee, number of meetings held and attendance of Members

During the FY 2018-19, four meetings of Policyholders' Protection Committee were held on May 16, 2018; August 29, 2018; October 29, 2018; and January 24, 2019.

The attendance of Members during the committee meetings held in FY 2018-19 is given below:

Name of the Member	No. of Committee Meetings attended	May 16, 2018	August 29, 2018	October 29, 2018	January 24, 2019
Jitender Balakrishnan	4	✓	✓	✓	✓
Bharat S. Raut	4	✓	✓	✓	✓
Soumen Ghosh	4	✓	✓	✓	✓
Kuldeep Kaushik	4	✓	✓	✓	✓

Board Nomination and Remuneration Committee

Constitution of the Board Nomination and Remuneration Committee, number of meetings held and attendance of Members

During the FY 2018-19, four meetings of Board Nomination and Remuneration Committee were held on May 16, 2018; August 29, 2018; October 29, 2018; and January 24, 2019.

The attendance of Members during the committee meetings held in FY 2018-19 is given below:

Name of the Member	No. of Committee Meetings attended	May 16, 2018	August 29, 2018	October 29, 2018	January 24, 2019
Bharat S. Raut (Chairman)	4	✓	✓	✓	✓
Rakesh Bharti Mittal	2	✓	✓	NA	NA
Jitender Balakrishnan	4	✓	✓	✓	✓
Jean Drouffe	4	✓	✓	✓	✓
Harjeet Kohli [@]	2	NA	NA	✓	✓

@ Appointed as Alternate member to Mr Rakesh Bharti Mittal for the meetings held on 29th October 2018 and 23rd January 2019

Details of sitting fees paid to Directors during the FY 2018-19

Sr. No.	Name of the independent director	Nature of Directorship	Sitting fees per Meeting		Total sitting fees paid during the FY 2018-19	
			Committee Meetings	Board Meeting	Committee Meetings	Board Meetings
1.	Bharat S. Raut	Independent Director	15,000	45,000	195,000	270,000
2.	Jitender Balakrishnan	Independent Director	15,000	45,000	195,000	225,000
3.	Uma Relan	Independent Director	15,000	45,000	195,000	270,000
	Total Remuneration				585,000	765,000

Details of Directors and their status of Directorship and qualifications:

Name	Status of Directorship	Area of Specialisation	Qualifications
Rakesh Bharti Mittal	Chairman and Non-Executive Director	Financial Management	4 year Post Diploma in Electronics and Controls from the YMCA University of Science and Technology formerly known as Y.M.C.A. Institute of Engineering.
Sanjeev S.	CEO and Managing Director	Marketing and Finance	MDP, IIM Ahmedabad, General Management; MBA, Rohilkhand University, Bareilly; B.Sc., Rohilkhand University, Bareilly
Bharat S Raut	Independent Director	Tax advisory, tax compliance and tax litigation	B.Com, LLB, Chartered Accountant
Jitender Balakrishnan	Independent Director	Industrial Management and customer services	B.E.(Mech) NIT, Madras University & Post Graduate Diploma in Industrial Management, Bombay University
Uma Relan	Independent Director	Capital Markets	Bachelor of Commerce, Bachelor of Law (General)
Akhil Gupta	Non-Executive	Advanced Management Program	Chartered Accountant
Harjeet Kohli	Non-Executive Director	Corporate finance, capital markets and international finance	BE (Mechanical) and MBA (Finance)
Kuldeep Kaushik*	Non-Executive Director	Insurance Industry Professional	Master in Business Administration from HEC Paris and Wharton Business School
Jean-Baptiste Bois**	Non-Executive Director	Insurance Industry Professional	Postgraduate Degree in Purchasing Management.
Marc Audrin#	Non-Executive Director	Risk Management	Master in Business Administration from French Business School and DESCF (French CPA)
Garance Wattez Richard##	Non-Executive Director	Insurance Industry Professional	Master in Economics from London School of Economics and Master in Business Administration from INSEAD

Appointed as Additional Director w.e.f. May 13, 2019

*Resigned as Director w.e.f. May 13, 2019

Appointed as Additional Director w.e.f. May 15, 2019

**Resigned as Director w.e.f. May 15, 2019



**“CERTIFICATION FOR COMPLIANCE OF CORPORATE GOVERNANCE
GUIDELINES FOR FINANCIAL YEAR 2018-19”**

I, Amit Raheja, hereby certify that the Company has complied with the Corporate Governance Guidelines issued by IRDAI for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Amit Raheja
Head – Legal & Compliance and
Company Secretary

Date: May 14, 2019

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
NOMINATION & REMUNERATION POLICY

1. SCOPE OF APPLICATION

This policy shall come into force with effect from the date of approval by the Board of Directors of the Company and shall be applicable to:

- (a) Non-Executive Directors
- (b) Managing Director / Whole Time Director / Chief Executive Officer / Executive Director
- (c) Key Management Persons (KMP) of the Company

2. KEY OBJECTIVES

This Nomination and Remuneration Policy Statement takes into account Bharti AXA General Insurance Company's business strategy, objectives, risk tolerance, and the long-term interests of its clients, shareholders and employees. In the document below we have sought to ensure that the nomination and remuneration policies and practices at Bharti AXA General Insurance attracts right talent and drives effective risk management and right behaviours that are in the long term interests of both the Company and its shareholders.

The key objectives of Policy are:

- 1.1. To provide the criteria for identification of persons who are qualified to become Directors, Key Management Persons (as defined in point 2.3)
- 1.2. To provide standards for appointment, remuneration and removal of Directors and Key Management Persons and other Senior Management personnel.
- 1.3. To set out the methodology for carrying out performance evaluation of Directors and Key Management Persons
- 1.4. To fix the fee structures and fee levels for Independent Directors.
- 1.5. To approve remuneration plan for employees of the Company;

The Remuneration Philosophy aims to:

- a) attract and retain the best skills and talents by offering competitive packages by differentiating employees on the basis of performance;
- b) foster employee engagement by rewarding fairly and consistently across businesses, teams and individuals;
- c) Strengthening leadership by rewarding performance as the combination of both results and behaviors.

3. DEFINITIONS

- 3.1. **Act means Companies act 2013**
- 3.2. **Director** means a person appointed to the position of a Director on the Board of Director of the Company.
- 3.3. **Guidelines** means IRDAI (Remuneration of Non-executive Directors of Private Sector Insurers) Guidelines, 2016
- 3.4. **Independent Director** means a director referred to in Section 149(6) of the Companies Act, 2013.
- 3.5. **Managing director** means a director who, by virtue of the articles of a Company or an agreement with the Company or a resolution passed in its general meeting or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a director occupying the position of managing director, by whatever name called.

- 3.6. **Whole-time director** includes a director in the whole-time employment of the Company
- 3.7. **Key Management Person (KMP)** means a person as defined under section 2(51) of the Companies Act 2013 and / or a person defined as a Key Management Person under IRDAI Guidelines on appointment and reporting of Key Management Persons, as amended from time to time.
- 3.8. **Senior Management Person** means persons of the Company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the Board, including the functional heads.

4. POLICY

Any proposal for remuneration or increase in remuneration must be submitted in adherence to the Board Nomination and Remuneration Committee (BNRC) and BNRC may recommend the proposal to Board of Directors for their consideration in accordance with this Policy.

Any changes in the Policy on account of regulatory requirements will be reviewed and approved by the Board Nomination and Remuneration Committee and the Board. The Board Nomination and Remuneration Committee / Board will give suitable directions / guidelines to implement in the Policy.

The Policy shall be reviewed yearly by the Board Nomination and Remuneration Committee and the Board of Directors of the Company.

5. APPOINTMENT CRITERIA AND QUALIFICATIONS

5.1. Non-Independent Director and KMP

- 5.1.1. The BNRC shall identify and ascertain the integrity, qualification, expertise, experience, past remuneration of the persons for appointment as Non-Independent Director and KMP or at Senior Management level and recommend to the Board of Directors for their consideration.
- 5.1.2. The BNRC shall exercise due diligence and ensure that the candidate who is proposed to be appointed is 'fit and proper' for the position. For all Directors and KMP a 'fit and proper declaration' shall be taken from the candidate before appointment.
- 5.1.3. No appointment, re-appointment or termination of appointment of MD/CEO/WTED shall have effect unless such appointment, re-appointment or termination is made with the previous approval of the IRDAI and approval of Board of Directors is obtained.
- 5.1.4. No appointment of Appointed Actuary shall have effect unless such appointment is made with the previous approval of the IRDAI and approval of the Board of Directors is obtained.

5.2. Independent Directors

- 5.2.1. The Committee shall ascertain the qualification, positive attributes and independence of the person for appointment as Independent Director.
- 5.2.2. Independent Directors shall be appointed for their professional expertise in their individual capacity as independent professionals.
- 5.2.3. The candidates shortlisted for the position of Independent directors shall fulfil the criteria laid down by regulatory authorities under the IRDAI's Corporate Governance Guidelines and Companies Act 2013.
- 5.2.4. An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operation, or other disciplines related to the Company's business.
- 5.2.5. The Committee shall consider the criteria mentioned in section 149(6) of the Companies Act, 2013 as may be amended from time to time, for determining the Independence of Independent Directors.

6. PERFORMANCE EVALUATION OF DIRECTORS

- 6.1. The Committee should consider the following criteria while evaluating the performance of the Directors:
 - a) Attendance of the Board and Committee meetings
 - b) Contribution of the Directors at the Board and Committee meetings
 - c) Quality of interaction at the meetings
 - d) Governance on compliance and risk areas
- 6.2. Such other criteria as may be decided by the Committee
- 6.3. The Committee shall evaluate the performance of directors before considering their re- appointment and shall accordingly recommend the Board for their re-appointment.
- 6.4. The Director whose performance is subject to evaluation and discussion at a particular Committee / Board meeting shall not participate in such meeting.
- 6.5. Separate meeting of Independent Directors shall be held for evaluation of the performance of Board of Directors at least once every financial year.

7. REMOVAL/VACATION OF OFFICE/SUPERANNUATION/RESIGNATION

- 7.1. The Committee shall be taking utmost care and diligence while recommending the appointment of Directors, KMPs and Senior Management Person. However due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Person subject to the provisions and compliance of the said Act, rules and regulations.
- 7.2. The Committee at its discretion may also recommend to the Board for removal of Director, KMPs and Senior Management person due to misconduct, unsatisfactory performance and for such other reasons as the committee deems fit.
- 7.3. Grounds for Removal according to Companies Act, 2013
 - a) If he/she incurs any of the disqualifications specified in section 164
 - b) If he/she absents himself for all the meetings of the Board of Directors held during 12 weeks
 - c) If he/she contravenes provisions of Section 184
 - d) If he/she fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested
 - e) If he/she is disqualified by a court of any offence involving moral turpitude and is sentenced to imprisonment for a period of not less than 6 months
- 7.4. The Director KMPs and Senior Management person, unless re-appointed, shall vacate their office on retirement / expiry of their term as per the terms

and conditions of their appointment / employment and the applicable provisions, rules and regulations of the Companies Act, 2013 and other applicable laws.

- 7.5. KMPs shall lay down their office on the date of attainment of the age of superannuation as per their Employment Contract or upon the expiry of the term of their appointment.
- 7.6. An Independent Director shall lay down his/her office, unless re-appointed for another term as per the applicable provisions of Companies Act, 2013 and rules thereunder.
- 7.7. A director may resign from his office by giving a notice in writing to the Company and the Board and such resignation of a director shall take effect from the date on which the notice is received or such further date as may be mentioned.

8. TERM AND TENURE

- 8.1. The Managing Director / Whole-time Director / Executive Director may be appointed for a term not exceeding five years at a time.
- 8.2. Independent Directors may be appointed for a term not exceeding five years and shall not be re-appointed for more than 2 consecutive terms of 5 years. The Independent Directors who has completed 2 consecutive terms may be considered for re-appointment after the cooling off period of three years.
- 8.3. Other Directors, KMPs or Senior Management Person(s) may be appointed for such term as the Board may deem fit from time to time.

9. REMUNERATION PRINCIPLES

The remuneration Policy is based on the following key principles:

- 9.1. Simple, consistent and transparent.
- 9.2. Achieving a balance between pay and performance, such that:
 - 9.2.1. fixed pay remains at an appropriate level when considered against the highly competitive market place, ensuring we are able to attract and retain high caliber staff;
 - 9.2.2. and variable pay and incentives provide a strong and demonstrable link between the performance of the Company and/ or other parameters as may be approved by the Nomination & Remuneration Committee.
- 9.3. Total Remuneration is adjusted for all types of risks such as cash, credit and liquidity risks , such that:
 - Remuneration outcomes are symmetric with risk outcomes and sensitive to time horizon of risk
 - Use mix of cash, equity and deferred compensation to be consistent with risk alignment

In setting remuneration levels, the Committee is mindful of the fact that our business operates in a highly competitive market. The Committee takes into account appropriate remuneration data from the relevant market.

10. REMUNERATION OF DIRECTORS

10.1. Independent Directors:

- 10.1.1. As per Section 197 (5) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company can decide on the

remuneration to be paid to Directors by way of fee for attending meetings of the Board or Committee thereof.

- 10.1.2. The sitting fees payable to Independent Directors of the Company for attending the Board and Committee meetings will be approved by the Board of Directors of the Company from time to time on the recommendation of Board Nomination and Remuneration Committee.
- 10.1.3. In addition to above, they are entitled to reimbursement of travel and accommodation expenses incurred in connection with attending the Board, Committee and General meetings of the Company.
- 10.1.4. The Independent Directors may, be paid profit related commission, as prescribed under the Guidelines, after Nomination & Remuneration Committees and Board

10.2. Non-Executive Directors:

- 10.2.1. None of the director representing the shareholders of the Company shall be paid any remuneration for attending the Board / Committee meetings of the Company.
- 10.2.2. In compliance with Guidelines, the Board of Directors may approve the remuneration in the form of profit related Commission to the Non-Executive Director's, excluding the Chairman of the Board.

11. REMUNERATION FRAMEWORK

The key elements of our remuneration framework for KMPs and other Senior Management Persons are as below:

11.1. Total Fixed Pay:

- 11.1.1. The Total Fixed Pay for all its employees shall be based, inter alia, the competitive market benchmarking to attract and retain talent
- 11.1.2. It shall be periodically benchmarked to ensure that the pay remains competitive and adequate to attract and retain high caliber talent.

11.2. Variable Pay:

- 11.2.1. There should be proper balance between fixed pay and variable pay. The proportion of variable pay to fixed pay increases with increase in level of responsibility, skill and specialty of function / role.
- 11.2.2. The variable pay can be in the form of cash, deferred cash, stock linked instruments or a mix of these. Appropriate balance between will be maintained between cash and stock/share linked components in the variable pay.
- 11.2.3. The payout against the variable pay opportunity will be calculated based on Company Performance (including group and / or regional performance, as the case may be) as well as Individual performance. Deterioration in financial performance of the company will generally lead to contraction in the variable remuneration paid. Conversely, if there is an improvement in financial performance of the Company, it may lead to an increase in the variable pay.
- 11.2.4. Wherever applicable, the variable pay will be adjusted for all types of business risks which are an integral part of the KPIs of Senior Management and KMPs. While calculating the variable pay of CEO & MD, due consideration shall be given to the parameters as laid down by IRDAI in the Guidelines.

The variable pay-out to the MD & CEO will be as per the structure approved by the Board on recommendation of Nomination & Remuneration Committee, subject to in conformity with the extant regulatory provisions.

11.3. Total Remuneration:

- 11.3.1. Total Remuneration may comprise of total fixed pay, actual variable pay, perquisites, guaranteed pay, sign on bonus, deferred bonus, one-time payouts, pension plans, gratuity, benefits and superannuation.
- 11.3.2. Total Remuneration does not include ESOPs.
- 11.3.3. If the annual compensation of the CEO is more than 1.50 crore (including all perquisites and bonuses etc.), such excess shall be debited to by the Shareholders' account
- 11.3.4. Any of the following types of compensation may be provided to an MD/ WTD/ED/CEO after the approval of Board of Directors subject to the prior approval of IRDAI.
- 11.3.5. The MD/ WTDs / CEO of the Company shall not be paid remuneration by any promoter/investor or group companies of the promoters'/investors'.

11.4. ESOP:

- 11.4.1. ESOP is a widely used instrument to provide employees with stock ownership and align them to long term interest of the Company. While ESOP is not part of total remuneration, the extent of ESOPs issued should be reasonable and decided based on affordability of the company.
- 11.4.2. In accordance with the disclosure requirements laid out for financial statements of the company, details of the ESOP granted to the MD & CEO will be disclosed to the regulator.
- 11.4.3. If the ESOPs of Bharti AXA General Insurance are offered to CEO & MD or a WTD, such offer shall be in compliance of the applicable regulatory requirements and the manner of pricing of shares shall be disclosed upfront to the IRDAI.

11.5. Sweat Equity:

If the shares of Bharti AXA General Insurance Co. Ltd. are issued in form of Sweat Equity, then it will be governed by the provisions of the Sweat Equity Regulations issued by SEBI.

11.6. Guaranteed Bonus:

- 11.6.1. In compliance with IRDAI guidelines, guaranteed bonuses will not be part of the compensation structure for MD/CEO/WTD. Hence, the joining or sign on bonus will only form part of the first year compensation package, which may be paid beyond the year of joining.
- 11.6.2. Sign on / Joining Bonus, Retention Bonus, Deferred bonus, other one-time payouts, may be offered with appropriate claw backs.

11.7. Deferral Pay:

- 11.7.1. In case of deferral arrangement of variable pay for MD/CEO/WTD, the deferral period should not be less than 3 years.
- 11.7.2. Remuneration paid under deferral arrangements should vest no faster than on pro rata basis.
- 11.7.3. In event of any negative trend in the parameters on the basis of which the variable pay has been structured in any year during the vesting period, any

unvested/unpaid portions will be clawed back appropriately basis actual/realized performance of the company.

11.7.4. The claw back norms will be driven by observable and verifiable measures of risk outcomes defined for calculation of variable pay

12. SEVERANCE PAY

12.1.1. Without the prior approval of the Board, the Company will not grant any severance pay to MD & CEO other than accrued benefits (gratuity, pension, etc.)

12.1.2. Severance Pay does not include notice period pay.

Disclosure pursuant to IRDAI Guidelines on Remuneration to Non-executive Directors and MD/CEO/WTB dated August 5, 2016 and IRDAI Corporate Governance Guidelines

The Remuneration Philosophy of the Company aims to:

- a) attract and retain the best skills and talent by offering competitive packages and differentiating among employees on the basis of performance;
- b) foster employee engagement by rewarding fairly and consistently across businesses, teams and individuals;
- c) strengthen its leadership by rewarding performance as the combination of both results and behaviors.

The remuneration structure for employees is designed as a mix of fixed pay, performance linked bonus, benefits and long term incentive. The proportion of variable pay to fixed pay varies by band and increases with higher seniority. The payment of variable pay is linked to individual performance and company performance. Strong financial and non-financial Key Performance Indicators are built into the performance parameters to ensure that all current and future risk is taken into account in the remuneration process.

Remuneration paid to CEO and MD is disclosed in Notes to Accounts.

The details of remuneration paid to KMP, other than CEO and MD is as follows:

- Total Deferred Pay (LTI) Granted to KMPs in various years: Rs. 5,19,24,570 (Out of which INR 1,29,36,365 was granted to now exited KMPs)
- Deferred Pay (LTI) Granted during the year 2018-19: Rs. 1,95,60,905 (Out of which INR 28,75,300 was granted to now exited KMPs)
- Fixed pay paid during the year 2018-19: Rs. 7,24,18,655 (Out of which INR 84,34,474 was paid to now exited KMPs)
- Non Deferred Pay (Bonus) paid: Rs. 2,36,37,133 (Out of which INR 63,07,241 was paid to now exited KMPs)
- Deferred Remuneration (Deferred Bonus / LTI) Paid out in Financial Year 2018-19 to KMPs: Rs. 81,89,873 (Out of which INR 7,06,528 was paid to now exited KMPs)

KMPs are also eligible for other benefits like gratuity, leave encashment, group mediclaim insurance, etc. LTI granted to employees before they assumed the position of KMPs has also been included above.

Form No.MR-3
DRAFT SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
#43, 1st floor, Hosto Centre,
Opp. Imperial Hotel,
Millers Road,
Vasanth Nagar
Bangalore - 560052

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BHARTI AXA GENERAL INSURANCE COMPANY LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, 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 authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2019** complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **BHARTI AXA GENERAL INSURANCE COMPANY LIMITED** for the financial year ended on **March 31, 2019** according to the provisions of:

- i. The Companies Act, 2013 ("the Act") including the Companies (Amendment) Act, 2017 and the rules made thereunder;
- ii. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;

Cont.2....

- iii. The Company, being a general insurance Company, has complied with following acts:
- The Insurance Act, 1938 including amendments and part thereof;
 - The Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
 - The 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 has its own robust compliance system and the Company is also subject to monitoring by and reporting of compliances to IRDAI.
- iv. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

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

We report that the Compliance by the Company of applicable financial laws, like direct, indirect tax laws and Goods and Service Tax has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. IRDAI has issued Guidelines for Corporate Governance for Insurers in India on 18th May, 2016, mentioning the minimum requirement of three Independent Directors. However, this requirement is relaxed to two Independent Directors, for the initial five years from grant of Certificate of Registration to insurers. Accordingly, the Company has complied with the IRDAI Guidelines regarding the Composition of Board of Directors.

Cont.3....

3. There are adequate systems and processes in the Company to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. Adequate notices are given to all directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well 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. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the audit period:

1. The Members of the Company have approved to issue in one or more tranches, unsecured fully paid-up, redeemable, Non-Convertible Debentures denominated in Indian rupees, aggregating to maximum amount of INR 35 Crores (Rupees Thirty Five Crores) on private placement basis, in accordance with the provisions of the Act and has also obtained approval of IRDAI for the same. However the allotment of the said Non-Convertible Debentures is pending.
2. The Company has shifted its Registered Office within local limits of city **FROM** First Floor, The Ferns Icon, Survey No. 28, Next to Akme Ballet, Doddanekundi, Off Outer Ring Road Bangalore - 560037, Karnataka **TO** 43, 1st floor, Millers Road, Hosto Centre, Opp. Imperial Hotel, Bangalore - 560046, Karnataka.

As informed, the Company has responded appropriately to notices/emails received from the statutory / regulatory authorities including by taking corrective measures wherever found necessary.

For GMJ & ASSOCIATES
Company Secretaries

[MAHESH SONI]
PARTNER
FCS: 3706 COP: 2324
PLACE: MUMBAI
DATE:, 2019

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
#43, 1st floor, Hosto Centre,
Opp. Imperial Hotel,
Millers Road,
Vasanth Nagar
Bangalore - 560052

Our report of even date is to be read along with this letter:

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

For GMJ & ASSOCIATES
Company Secretaries

[MAHESH SONI]
PARTNER
FCS: 3706 COP: 2324
PLACE: MUMBAI
DATE:, 2019



MANAGEMENT REPORT

In accordance with Part IV of Schedule B of the Insurance Regulatory and Development Authority of India ('IRDAI') (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulation 2002, the Management of Bharti AXA General Insurance Company Limited submits the Management Report as follows:

1. We hereby confirm the validity of Certificate of Registration granted by the Insurance Regulatory and Development Authority of India ("IRDAI") to carry on the business of General Insurance in India.
2. To the best of our knowledge and belief, all the material dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares are in accordance with statutory and regulatory requirements.
4. We hereby declare that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India;
5. We hereby confirm that the required solvency margin has been maintained as on March 31, 2019.
6. We hereby certify that the values of all the assets have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief the assets set forth in the Balance-sheet are shown in the aggregate at amount not exceeding their realisable or market value under the several headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amount due from other entities carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts" except debt securities which are stated at cost/amortised cost.
7. The Company is exposed to a variety of risks associated with General Insurance business in India such as quality of risks undertaken, fluctuations in the value of assets and higher expenses in the initial years of operation. The Company monitors these risks closely and effective remedial action is taken whenever deemed necessary. The Company has through an appropriate reinsurance programme kept its risk exposure at a level commensurate with its capacity;
8. We confirm that there are no operations of the Company outside the India.
9.
 - a) For ageing analysis of claims outstanding during the preceding five years, please refer Annexure-I.
 - b) For Average claims settlement time during the preceding five years, please refer the Annexure- II.
 - c) For details of claims intimated, please refer Annexure-III.
10. We certify that all debt securities excluding Additional Tier I are considered as 'held to maturity' and accordingly stated at historical cost subject to amortization of premium,/discount. Investments in mutual fund units are accounted at Net Asset Value. Market values of Government securities and other debt instruments have been reported in accordance with guideline INV/GLN/003/2003- 04 dated January 21, 2004 issued by the Authority.
Listed Equity shares are measured at fair value on the balance sheet date being the lower of the last quoted price at the National Stock Exchange of India and in case not listed on National stock exchange, then the last quoted price at the Bombay Stock Exchange Limited. Unlisted equity shares are stated at historical cost.



Investment Properties- Real Estate are stated at historical cost less accumulated depreciation.

Unrealized gains or losses arising due to changes in the fair value of listed equity shares mutual funds and AT1 bonds are taken under the head "Fair Value Change Account" (FVCA). The balance in the FVCA is not available for distribution as dividend.

The Company assesses at each balance sheet date whether any impairment has occurred in respect of investment in equity, Investment property and units of 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 on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit & loss account and the investment is restated to that extent

10. The Company has adopted a prudent investment policy with emphasis on optimizing return with minimum risk. Emphasis was towards low risk investments such as Government securities and other rated debt instruments. Investments are managed in consonance with the investment policy laid down by board from time to time and are within the investment guidelines of IRDAI. The Company has carried out periodic review of the investment portfolio. There are no nonperforming assets as at the end of the financial year.

11. We also confirm:

- i. in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any ;
- ii. the management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of 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 ended;
- iii. 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, Insurance Laws (Amendment) Act, 2015(to the extent notified), Companies Act, 1956 & Companies Act, 2013 to the extent applicable, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the financial statements of the Company have been prepared on a going concern basis;
- v. the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

12. For payments to individuals, firms, Companies and organisations in which directors are interested during the year ended March 31, 2019, please refer to Annexure-IV.

For and on behalf of the Board

RAKESH BHARTI MITTAL
(CHAIRMAN)

SANJEEV SRINIVASAN
(CEO & MD)

JEAN, PAUL, DOMINIQUE, LOUIS DROUFFE
(DIRECTOR)

BHARAT SUMANT RAUT
(INDEPENDENT DIRECTOR)

NILESH KAMBLI
(CHIEF FINANCIAL OFFICER)

AMIT RAHEJA
(COMPANY SECRETARY)

Annexure I
Details of Ageing analysis of Gross Claim Outstanding

Outstanding as on March 31, 2019

Product	Fire	Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health Insurance		Credit Insurance		Crop Insurance		Other Miscellaneous		Grand Total		
		No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	
0-30 days	29	2,24,137	143	63,886	-	5,791	2,30,522	335	1,24,802	78	2,020	2	335	11	4,746	-	113	13,329	2,179	1,12,788	-	-	-	-	-	50	4,422	8,751	7,80,985	
30 days to 5 years	123	2,83,245	185	1,10,625	-	3,146	3,89,688	1,303	5,88,998	78	17,483	3	13,072	52	74,824	-	265	48,891	971	1,54,349	-	-	-	2	8,024	91	11,710	6,412	95,50,952	
6 months to 1 year	112	3,02,530	49	83,623	-	319	57,819	1,338	6,53,629	11	5,200	7	23,000	26	2,45,420	-	20	13,425	178	59,874	-	-	-	-	31	2,80,517	14	8,347	2,103	17,33,888
1 year to 5 years	147	2,63,198	106	38,527	-	662	1,31,478	7,054	48,09,618	20	6,801	11	39,459	36	2,84,530	-	27	13,374	184	31,475	1	780	-	-	-	8	2,038	8,756	58,21,279	
More than 5 years	99	69,882	8	1,985	-	348	1,02,208	2,880	22,42,451	17	973	1	673	40	60,381	-	27	2,096	17	2,079	1	100	-	-	-	10	482	3,206	24,71,291	
Grand Total	489	11,33,963	491	2,98,938	-	10,466	9,11,533	13,188	84,18,482	152	32,077	23	73,966	187	6,69,995	-	447	99,281	3,587	3,196	2	938	-	-	33	2,85,541	243	278	29,289	1,22,58,187

Outstanding as on March 31, 2018

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product		Engineering		Aviation		Personal Accident		Health Insurance		Crop Insurance		Other Miscellaneous		Grand Total	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	47	60,884	87	10,558	-	5,753	2,23,819	295	62,695	24	3,382	4	1,250	7	550	-	73	15,008	1,157	86,782	2	9,17,580	-	-	80	3,402	7,589	13,05,992
30 days to 5 years	52	61,492	211	63,419	-	3,518	3,34,873	1,638	5,81,798	49	7,892	6	27,775	25	30,703	-	183	39,526	489	42,303	-	-	-	-	181	23,048	6,573	11,32,596
6 months to 1 year	41	67,246	72	32,334	-	954	77,737	1,366	6,79,123	7	452	4	1,500	26	33,889	-	9	5,782	48	12,368	-	-	-	-	26	16,044	2,919	3,87,716
1 year to 5 years	202	3,80,185	145	2,45,153	-	725	1,59,291	8,880	46,91,630	22	5,779	10	11,888	45	5,05,736	-	28	5,123	128	20,435	-	-	-	-	15	6,101	10,189	60,61,413
More than 5 years	38	38,783	7	7,068	-	246	75,348	2,022	20,28,269	11	475	-	55	38,889	-	18	1,458	3	881	-	-	-	-	8	280	2,402	21,88,878	
Grand Total	384	6,38,538	522	3,58,814	-	10,834	9,78,819	14,654	79,63,528	113	17,432	24	42,214	159	6,87,817	-	289	66,898	1,832	1,71,829	2	9,17,580	-	-	284	50,854	28,993	1,17,07,498

Outstanding as on March 31, 2017

Product	Fire		Marine Cargo		Marine		Motor OD		Motor TP		Workmen's		Engineering		Aviation		Personal Accident		Health Insurance		Crop		Other Miscellaneous		Grand Total		
	Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	22	9,499	105	16,080	-	-	7,458	2,20,712	395	77,450	10	980	3	222	16	15,384	-	90	6,634	808	34,780	-	-	45	7,120	6,950	3,88,923
30 days to 1 year	198	1,70,495	328	89,586	-	-	4,173	3,88,107	1,797	5,16,182	62	7,615	7	3,153	37	19,721	-	199	24,814	398	18,833	-	-	111	32,682	7,176	12,62,168
6 months to 1 year	89	1,63,121	234	1,01,191	-	-	417	73,821	2,157	9,08,588	22	1,989	2	3,161	38	1,16,886	-	38	9,389	89	9,860	-	-	45	3,642	3,138	12,21,014
1 year to 5 years	197	3,07,579	139	2,37,011	-	-	739	1,88,107	10,686	72,89,823	39	9,227	9	30,118	113	4,62,003	-	31	3,707	139	45,091	-	-	39	34,549	12,005	86,05,004
More than 5 years	31	95,892	5	380	-	-	113	68,394	1,255	7,75,343	4	53	-	28	11,984	-	10	2,427	8	633	-	-	4	58	1,256	5,53,005	
Grand Total	485	7,78,547	811	4,35,187	-	-	23,078	3,97,291	16,148	95,65,798	124	19,874	21	36,854	202	6,26,158	-	368	46,871	1,386	1,88,997	-	-	289	78,891	32,851	1,26,31,493

Outstanding as on March 31, 2016

Product	Fire		Marine Cargo		Marine		Motor OD		Motor TP		Workmen's		Engineering		Aviation		Personal Accident		Health Insurance		Crop		Other Miscellaneous		Grand Total		
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	
0-30 days	28	50,002	97	10,900	-	-	8,029	2,81,120	546	1,03,385	48	3,199	1	350	10	1,078	-	119	6,852	1,116	60,744	-	-	65	3,387	10,087	5,01,008
30 days to 5 years	169	2,24,382	276	37,03,344	-	-	6,961	6,96,533	2,493	6,62,968	150	12,090	17	5,159	46	42,681	-	359	30,423	397	41,814	-	-	228	1,25,470	9,905	54,15,013
6 months to 1 year	92	2,12,384	143	50,175	-	-	2,410	1,17,883	2,336	9,42,695	36	7,883	2	620	30	78,456	-	43	10,328	69	5,352	-	-	86	17,093	5,935	14,43,170
1 year to 5 years	179	4,04,729	111	28,492	-	-	8,448	2,60,217	9,788	67,15,182	22	7,138	7	3,689	132	3,81,883	-	45	6,359	108	11,896	-	-	42	50,637	18,888	78,79,982
More than 5 years	18	32,971	5	115	-	-	125	38,919	486	2,81,614	3	70	-	7	1,178	-	8	929	2	262	-	-	2	28	617	3,56,176	
Grand Total	427	9,84,848	632	37,50,931	-	-	24,971	1,27,50,609	15,827	86,56,857	207	38,953	27	9,824	222	5,15,260	-	520	54,691	1,652	1,20,298	-	-	419	1,96,581	44,982	1,55,96,469

Outstanding as on March 31, 2015

Product	Fire	Marine Cargo		Marine		Motor OD		Motor TP		Workmen's		Engineering		Aviation		Personal Accident		Health Insurance		Crop		Other Miscellaneous		Grand Total			
		No of Claims	No of Claims	No of Claims	No of Claims	No of Claims	No of Claims	No of Claims	Amount	No of Claims	No of Claims	Amount	No of Claims	No of Claims	No of Claims	No of Claims	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	
0-30 days	36	15,588	127	38,618	-	8,103	2,36,373	683	1,16,090	38	2,422	-	-	24	1,74,694	-	187	15,343	2,928	1,29,924	-	-	-	254	10,936	12,988	6,39,712
30 days to 5 years	173	4,51,877	342	1,02,201	-	10,087	5,00,081	2,591	6,71,598	84	12,481	8	3,957	188	70,270	-	350	33,122	829	38,145	-	-	-	418	58,687	15,002	18,46,277
6 months to 1 year	103	2,98,703	138	56,881	-	2,036	1,69,465	2,859	9,44,275	26	7,819	3	220	60	10,78,182	-	96	8,477	171	13,389	-	-	-	151	73,403	5,411	28,54,031
1 year to 5 years	121	2,74,104	36	27,334	-	974	2,42,986	7,841	54,11,405	17	3,927	2	264	121	84,255	-	51	8,830	86	7,281	-	-	-	36	8,186	8,795	79,78,036
More than 5 years	2	11,448	1	383	-	28	10,158	117	86,444	2	14	-	14	4	815	-	1	6	-	-	-	-	-	8	153	157	1,00,444
Grand Total	425	11,29,794	682	2,23,962	-	21,098	11,58,608	13,270	82,56,778	170	27,642	13	4,442	317	14,25,227	-	723	66,728	4,086	1,88,348	-	-	-	858	1,91,292	41,863	1,26,20,291

Annexure-II

Details of Average Claim Settlement Time for the Preceding Five Years										
Period	For the year ended March 31,2019		For the year ended March 31,2018		For the year ended March 31,2017		For the year ended March 31,2016		For the year ended March 31,2015	
Product/Class	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)
Credit Insurance	6	190	3	1,268	1	27	1	191	-	-
Engineering	162	265	216	304	162	380	269	241	280	209
Fire	440	231	377	317	337	291	653	150	626	163
Health	37,054	28	18,129	32	19,225	32	27,404	30	55,600	25
Liability Insurance	6	291	7	504	9	385	7	175	5	142
Marine Cargo & Others	2,096	89	1,537	150	1,373	159	1,450	184	1,114	138
Motor *	1,66,890	31	1,90,350	32	2,12,595	28	2,12,642	30	1,95,933	30
Other Miscellaneous	7,142	22	600	130	708	191	2,392	100	3,764	55
Personal Accident	961	93	839	104	983	148	1,313	139	1,433	143
Workmen Compensation/ Employer's Lia	207	129	141	215	200	252	123	270	112	221
Grand Total	2,14,964		2,12,199		2,35,593		2,46,254		2,58,867	

* The above ageing does not include Motor third party claims which have to be settled through MACT and other judicial bodies

Annexure -III**Details of Claims Intimated**

Period	For the year ended March 31, 2019		For the year ended March 31, 2018	
Product	Claims Intimated	Amount Rs.(000')	Claims Intimated	Amount Rs.(000')
Fire	620	28,546	325	1,36,822
Marine Cargo	2,400	9,543	1,491	1,03,440
Marine Hull	-	-	-	-
Motor OD	1,72,140	3,69,930	1,92,771	44,89,408
Motor TP	4,045	1,14,222	4,392	7,20,652
Workmen's Compensation	440	1,780	214	21,003
Public/Product Liability	22	574	18	4,655
Engineering	232	2,723	137	27,514
Aviation	-	-	-	-
Personal Accident	1,578	3,412	1,052	1,08,537
Health Insurance	48,726	71,16,612	23,140	10,30,244
Credit Insurance	7	785	2	1,040
Crop Insurance	6,671	5,03,543	2	9,17,580
Others	1,333	2,618	722	41,213
Grand Total	2,38,214	81,54,288	2,24,266.00	76,02,108

Annexure-IV**Details of payments to individuals, firms, Companies and organisations in which directors are interested during the year ended March 31, 2019**

Sr No.	Name of the Director	Entity in which Director is interested	Interested As	Expenses Incurred by the Company during the Financial year Rs.('000)
1	Rakesh Bharti Mittal	Bharti Airtel Limited	Director	7,006
		Bharti Realty Holdings Limited	Director	29
		Bharti AXA Life Insurance Company Limited	Director and Chairman	73,872
2	Akhil Kumar Gupta	Bharti AXA Life Insurance Company Limited	Director	73,872
3	Harjeet Kohli	Brightstar Telecommunications India Limited	Director	3,093
		Bharti Realty Holdings Limited	Director	29
		Bharti AXA Life Insurance Company Limited	Director	73,872
		Centum Learning Limited	Director	419
4	Soumen Ghosh	Bharti AXA Life Insurance Company Limited	Director	73,872
		Bharti Life Ventures Private Limited	Managing Director	41,127
5	Uma Relan	Bharti AXA Life Insurance Company Limited	Director	73,872
6	Bharat S Raut	Bharti AXA Life Insurance Company Limited	Director	73,872
7	Jitendra Balakrishnan	Bharti AXA Life Insurance Company Limited	Director	73,872
8	Jean Paul Dominique Louis Drouffe	Bharti AXA Life Insurance Company Limited	Director	73,872
9	Kuldeep Kaushik	Bharti AXA Life Insurance Company Limited	Director	73,872
		AXA Business Services Private Limited	Director	47,780
10	Jean Baptiste Bois	Bharti AXA Life Insurance Company Limited	Director	73,872

<p style="text-align: center;">INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHARTI AXA GENERAL INSURANCE COMPANY LIMITED</p>
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Report on audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Bharti Axa General Insurance Company Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2019, the related Revenue Accounts of fire, marine and miscellaneous insurance business (collectively called ‘Revenue Account’ and also called the “Policyholders’ Account”, or the “Technical Account”), the Profit and Loss Account (also called the “Shareholders’ Account”, or “Non-Technical Account”), and the Receipts and Payments Account for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Insurance Act, 1938, as amended by Insurance Laws(Amendment) Act, 2015 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002 (“the Regulations”) and the Companies Act 2013 (“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 March 31, 2019;
- b. in the case of the Revenue Account, of the operating profit so far as it relates to Fire and Miscellaneous insurance business and operating loss in so far as it relates to Marine insurance business 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.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Insurance Act, the IRDA Act and the Regulations, Companies Act and the

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Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR), including claims Incurred But Not Enough Reported (IBNER) and provisioning for Premium Deficiency and Free Look Reserve as at March 31, 2019 is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms, if any, issued by the Insurance Regulatory and Development Authority of India ("the Authority") and the Actuarial Society of India in concurrence with IRDAI. We have relied upon the Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Our opinion is not modified in these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis report & Corporate Governance Report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements to give a true and fair view of the financial position, financial performance and Receipts and Payments of the Company in accordance with the requirements of the Insurance

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Act read with IRDA Act, the Regulations orders/directions/circulars/guidelines issued by the Insurance Regulatory and Development Authority of India ('Authority'/'IRDAI') in this regard and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and in the manner so required.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also

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responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Regulations, we have issued a separate certificate dated May 13, 2019, certifying the matters specified in paragraphs 3 and 4 of Schedule C to these Regulations.
2. Further, to our comments in the Certificate referred to above, as required under the 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;

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- (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company, so far as it appears from our examination of those books;
- (c) As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;
- (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 Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016 to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by the IRDA in this regard;
- (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and/or orders/directions issued by the Authority in this regard;
- (g) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013), and the Rules framed thereunder and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
- (h) On the basis of the written representations received from the Directors, as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
- (i) With respect to requirements of section 197(16) of the Act, as amended, we report that managerial remuneration is governed u/s 34A of the Insurance Act, 1938 and requires IRDAI approval. Accordingly, the provisions of Section 197 read with schedule V to the Act are not applicable, and hence reporting under Section 197 (16) is not required. However, sitting fees paid to the Directors is in compliance with Section 197 of the Companies Act, 2013.
- (j) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in the **Annexure A**;

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- (k) 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 knowledge and belief and according to the information and explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 3.1 of schedule 16 in the Notes to Accounts forming part of financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company..

For Singhi & Co.**Chartered Accountants**

Firm Registration No. 302049E

For M. P. Chitale & Co.**Chartered Accountants**

Firm Registration No. 101851W

Sd/-

Nikhil Singhi

Partner

Membership No: 061567

Date: May 13, 2019

Place: New Delhi

Sd/-

Ashutosh Pednekar

Partner

Membership No: 041037

Date: May 13, 2019

Place: New Delhi

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2(i) under ‘Report on Other Legal and Regulatory Requirements’ forming part of the Independent Auditors’ Report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements **Bharti Axa General Insurance Company Limited (“the Company”)** as of March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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

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selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded, as necessary, to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control 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

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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, issued by the Institute of Chartered Accountants of India".

Singhi & Co.**Chartered Accountants**

B2 402B, Marathon Innova, 4th Floor
Off Ganpatrao Kadam Marg, Lower Parel,
Mumbai-400013, India

M. P. Chitale & Co.**Chartered Accountants**

1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

Other Matters

The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR), including claims Incurred But Not Enough Reported (IBNER) and provisioning for Premium Deficiency and Free Look Reserve as at March 31, 2019 is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary, as mentioned in "Other Matter" paragraph of our audit report on the financial statements of the Company as at and for the year ended March 31, 2019. In view of this, we did not perform any procedures relating to internal financial controls over financial reporting in respect of the valuation and accuracy of the actuarial valuation of estimate of claims IBNR and claims IBNER.

For Singhi & Co.**Chartered Accountants**

Firm Registration No. 302049E

For M. P. Chitale & Co.**Chartered Accountants**

Firm Registration No. 101851W

Sd/-

Nikhil Singhi

Partner

Membership No: 061567

Date: May 13, 2019

Place: New Delhi

Sd/-

Ashutosh Pednekar

Partner

Membership No: 041037

Date: May 13, 2019

Place: New Delhi

Singhi & Co.
Chartered Accountants
B2 402B, Marathon Innova, 4th Floor
Off Ganpatrao Kadam Marg, Lower Parel,
Mumbai-400013, India

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

<p style="text-align: center;">INDEPENDENT AUDITORS' CERTIFICATE TO THE MEMBERS OF BHARTI AXA GENERAL INSURANCE COMPANY LIMITED</p>

(Referred to in our =‘Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors’ Report of even date)

This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C to be read with Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002 (the “Regulations”).

Management Responsibility

The Company’s Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/FA/059/03/2015 dated March 31, 2015 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the “IRDA”), 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.

Auditors’ Responsibility

Our responsibility, for the purpose of this certificate, is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the Regulations. We 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.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the ‘ICAI’). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform audits and reviews of historical financial information and other assurance and related services engagements issued by the ICAI.

Singhi & Co.**Chartered Accountants**

B2 402B, Marathon Innova, 4th Floor
Off Ganpatrao Kadam Marg, Lower Parel,
Mumbai-400013, India

M. P. Chitale & Co.**Chartered Accountants**

1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

Opinion

Based on our audit of financial statements for the year ended March 31, 2019 and 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 Bharti Axa General Insurance Company Limited (“the Company”) for the year ended March 31, 2019, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2019, and on the basis of our review, there are no apparent mistakes in or material inconsistencies with the financial statements;
2. Based on the management representation and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDA;
3. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company’s investments as at March 31, 2019, by actual inspection or on the basis of certificates/ confirmations received from the Custodian and/or Depository Participants appointed by the Company, as the case may be;
4. The Company is not a trustee of any trust; and
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, 1938, relating to the application and investments of the Policyholders’ Funds.

Singhi & Co.**Chartered Accountants**

B2 402B, Marathon Innova, 4th Floor
Off Ganpatrao Kadam Marg, Lower Parel,
Mumbai-400013, India

M. P. Chitale & Co.**Chartered Accountants**

1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

Restriction on Use

This certificate has been issued solely in compliance with the requirements of Schedule C of the Insurance Regulatory and Development Authority (Presentation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, ("the Accounting Regulations"), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care of for any other purpose or to any other party to whom it is shown or into whose hand it may come without our prior consent in writing.

Sd/-**For Singhi & Co.****Chartered Accountants**

Firm Registration No. 302049E

Sd/-**For M. P. Chitale & Co.****Chartered Accountants**

Firm Registration No. 101851W

Sd/-**Nikhil Singhi**

Partner

Membership No: 061567

Date: May 13, 2019

Place: New Delhi

Sd/-**Ashutosh Pednekar**

Partner

Membership No: 041037

Date: May 13, 2019

Place: New Delhi



Form B-BS

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NUMBER 139 DATED 27-06-2008

BALANCE SHEET

Particulars	Schedule Ref.	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
SOURCES OF FUNDS			
Share Capital	5	1,62,14,453	1,62,14,453
Reserves and Surplus	6	17,20,185	17,20,185
Fair Value Change - Shareholder Funds		(4,820)	9,584
Fair Value Change - Policyholder Funds		(29,197)	48,033
Borrowings	7	22,00,000	22,00,000
Total		2,01,00,621	2,01,92,255
APPLICATION OF FUNDS			
Investments - Shareholders fund	8	55,23,363	53,64,723
Investments - Policyholders fund	8A	3,33,19,105	2,67,49,763
Loans	9	-	-
Fixed Assets	10	1,99,746	2,05,376
Current Assets			
Cash and Bank Balances	11	11,49,532	12,25,793
Advances And Other Assets	12	61,44,312	52,21,331
Sub Total (A)		72,93,844	64,47,124
Current Liabilities	13	3,13,37,633	2,49,33,183
Provisions	14	76,24,286	63,98,449
Sub Total (B)		3,89,61,919	3,13,31,632
Net Current Assets (C) = (A - B)		(3,16,68,075)	(2,48,84,508)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit And Loss Account		1,27,26,482	1,27,56,901
Total		2,01,00,621	2,01,92,255
Significant accounting policies and notes to accounts	16		

The Schedules referred to above and the notes to accounts form an integral part of the Financial statements

As per our report of even date

For Singhi & Co
Chartered Accountants
(Regn No.302049E)

For M P Chitale & Co
Chartered Accountants

For and on behalf of the Board

NIKHIL SINGHI
(Partner)
Membership No.061567

ASHUTOSH PEDNEKAR
(Partner)

RAKESH BHARTI MITTAL
(CHAIRMAN)

JEAN, PAUL, DOMINIQUE, LOUIS DROUFFE
(DIRECTOR)

SANJEEV S
(CHIEF EXECUTIVE OFFICER &
MANAGING DIRECTOR)

BHARAT SUMANT RAUT
(INDEPENDENT DIRECTOR)

AMIT RAHEJA
(COMPANY SECRETARY)

NILESH KAMBLI
(CHIEF FINANCIAL OFFICER)

Date: 13th May, 2019
Place: New Delhi

Form B-PL

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NUMBER 139 DATED 27-06-2008

PROFIT AND LOSS ACCOUNT

Particulars	Schedule Ref.	For the year ending March 2019	For the year ending March 2018
		(Rs. '000)	(Rs. '000)
OPERATING PROFIT/(LOSS)			
(a) Fire Insurance		60,649	34,518
(b) Marine Insurance		(48,415)	(36,663)
(c) Miscellaneous Insurance		13,06,380	72,471
INCOME FROM INVESTMENTS			
(a) Interest, Dividends and Rent - Gross (Net off depreciation on Investment Property)		3,87,746	4,12,592
(b) Profit on sale/redemption of investments (Net)		31,226	34,410
(c) Amortisation of Discount/(Premium)		1,167	2,112
OTHER INCOME			-
Total (A)		17,38,753	5,19,440
Provisions (Other than taxation)			
(a) For diminution in the value of investments (Refer Note No. 3.8 of Schedule 16)		1,35,000	-
(b) For doubtful debts		38,647	1,74,494
(c) Others		-	-
Other Expenses			
(a) Expenses other than those related to the insurance business		1,607	16,738
(b) Bad debts written off		-	-
(c) Others			
- Managerial Remuneration		10,425	11,549
- Interest on Debentures		1,97,560	1,19,619
- Debenture related expenses		1,918	4,763
- Investment related expenses debited to Shareholders Account		1,819	1,695
- Contribution to Policyholders Funds under EOM rules 2016 (Refer Note 3.17)		13,21,358	11,16,881
Total (B)		17,08,334	14,45,739
Profit/(Loss) before tax		30,419	(9,26,299)
Provision for Taxation			
- Current Tax		-	-
- Deferred Tax		-	-
Profit/(Loss) after tax		30,419	(9,26,299)
Balance of Profit/(Loss) brought forward from last year		(1,27,56,901)	(1,18,30,602)
Appropriations			
(a) Interim dividends paid during the period		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution on tax		-	-
(d) Transfer to reserve/other accounts		-	-
(e) Debenture Redemption Reserve (Refer note no. 3.31)		-	-
Balance carried to Balance Sheet		(1,27,26,482)	(1,27,56,901)
Earning Per Share (Basic and Diluted) (in Rs.) (Refer Note No.3.20 of Schedule 16)		0.02	(0.57)
(Face Value Rs.10 per share)			

Significant accounting policies and notes to accounts

16

The Schedules referred to above and the notes to accounts form an integral part of the Financial statements

As per our report of even date

For Singh & Co
Chartered Accountants
(Regn No.302049E)

For M P Chitale & Co
Chartered Accountants

For and on behalf of the Board

NIKHIL SINGHI
(Partner)
Membership No.061567

ASHUTOSH PEDNEKAR
(Partner)

RAKESH BHARTI MITTAL
(CHAIRMAN)

JEAN, PAUL, DOMINIQUE, LOUIS DROUFFE
(DIRECTOR)

SANJEEV S
(CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR)

BHARAT SUMANT RAUT
(INDEPENDENT DIRECTOR)

AMIT RAHEJA
(COMPANY SECRETARY)

NILESH KAMBLI
(CHIEF FINANCIAL OFFICER)

Date: 13th May, 2019
Place: New Delhi



Form B-RA

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NUMBER 139 DATED 27-06-2008

REVENUE ACCOUNT

Fire Insurance Business

Particulars	Schedule Ref.	For the year ending March 2019	For the year ending March 2018
		Rs. (` 000)	Rs. (` 000)
Premiums earned-(Net)	1	1,84,328	94,821
Profit/(Loss) on sale/redemption of Investments (Net)		3,023	2,751
Amortisation of Discount/(Premium)		142	177
Interest, Dividend & Rent-Gross (Net off depreciation on Investment Property)		47,067	34,544
Investment Income from Terrorism Pool		17,760	17,906
Other Income		288	63
Total (A)		2,52,608	1,50,262
Claims incurred (Net)	2	1,21,563	60,563
Commission	3	(54,597)	(26,148)
Operating Expenses related to Insurance Business	4	1,14,420	66,529
Terrorism Pool Expenses		4,075	4,452
Premium Deficiency		6,498	10,347
Contribution from Shareholders Funds under EOM Rules 2016 (Refer Note 3.17)		-	-
Total (B)		1,91,959	1,15,743
Operating profit/(Loss) from Fire Business (C)=(A)-(B)		60,649	34,518
Appropriations			
Transfer to Shareholders' Account		60,649	34,518
Transfer to catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		60,649	34,518

Significant accounting policies and notes to accounts

16

The Schedules referred to above and the notes to accounts form an integral part of the Financial statements. As Required by section 40C(2) of the Insurance Act, 1938, we hereby certify that, to the best of our knowledge and according to the available information all the expenses of management, incurred by the Company to the extent allowable under Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations 2016, have been fully debited in the Revenue Account as Expenses.

As per our report of even date

For Singh & Co
Chartered Accountants
(Regn No.302049E)

For M P Chitale & Co
Chartered Accountants

For and on behalf of the Board

NIKHIL SINGHI

(Partner)
Membership No.061567

ASHUTOSH PEDNEKAR

(Partner)

RAKESH BHARTI MITTAL

(CHAIRMAN)

JEAN, PAUL, DOMINIQUE, LOUIS DROUFFE
(DIRECTOR)

SANJEEV S
(CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR)

BHARAT SUMANT RAUT
(INDEPENDENT DIRECTOR)

AMIT RAHEJA
(COMPANY SECRETARY)

NILESH KAMBLI
(CHIEF FINANCIAL OFFICER)

Date: 13th May, 2019
Place: New Delhi

Form B-RA

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NUMBER 139 DATED 27-06-2008

REVENUE ACCOUNT

Marine Insurance Business

Particulars	Schedule Ref.	For the year ending March 2019	For the year ending March 2018
		Rs. (` 000)	Rs. (` 000)
Premiums earned-(Net)	1	2,66,531	1,39,878
Profit/(Loss) on sale/redemption of Investments (Net)		1,464	2,031
Amortisation of Discount/(Premium)		69	131
Interest, Dividend & Rent-Gross (Net off depreciation on Investment Property)		22,786	25,504
Investment Income from Terrorism Pool		-	-
Other Income		371	47
Total (A)		2,91,221	1,67,591
Claims incurred (Net)	2	2,08,166	1,34,642
Commission	3	44,216	12,270
Operating Expenses related to Insurance Business	4	1,11,221	57,342
Premium Deficiency		-	-
Contribution from Shareholders Funds under EOM Rules 2016 (Refer Note 3.17)		(23,967)	-
Total (B)		3,39,636	2,04,254
Operating profit/(Loss) from Marine Business (C)=(A)-(B)		(48,415)	(36,663)
Appropriations			
Transfer to Shareholders' Account		(48,415)	(36,663)
Transfer to catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		(48,415)	(36,663)

Significant accounting policies and notes to accounts

16

The Schedules referred to above and the notes to accounts form an integral part of the Financial statements

As Required by section 40C(2) of the Insurance Act, 1938, we hereby certify that, to the best of our knowledge and according to the available information all the expenses of management, incurred by the Company to the extent allowable under Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations 2016, have been fully debited in the Revenue Account as Expenses.

As per our report of even date

For Singhi & Co
Chartered Accountants
(Rean No.302049E)

For M P Chitale & Co
Chartered Accountants

For and on behalf of the Board

NIKHIL SINGHI
(Partner)
Membership No.061567

ASHUTOSH PEDNEKAR
(Partner)

RAKESH BHARTI MITTAL
(CHAIRMAN)

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(CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR)

BHARAT SUMANT RAUT
(INDEPENDENT DIRECTOR)

AMIT RAHEJA
(COMPANY SECRETARY)

NILESH KAMBLI
(CHIEF FINANCIAL OFFICER)

Date: 13th May, 2019
Place: New Delhi



Form B-RA

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NUMBER 139 DATED 27-06-2008

REVENUE ACCOUNT

Miscellaneous Insurance Business

Particulars	Schedule Ref.	For the year ending March 2019	For the year ending March 2018
		Rs. (` 000)	Rs. (` 000)
Premiums earned-(Net)	1	1,35,38,960	1,18,99,560
Profit/(Loss) on sale/redemption of Investments (Net)		1,46,382	1,59,871
Amortisation of Discount/(Premium)		6,857	10,279
Interest, Dividend & Rent-Gross (Net off depreciation on Investment Property)		22,78,790	20,07,687
Investment Income from Terrorism Pool		4,165	4,281
Other Income		17,165	5,604
Total (A)		1,59,92,319	1,40,87,282
Claims incurred (Net)	2	1,04,37,066	98,72,120
Commission	3	5,44,863	6,28,316
Operating Expenses related to Insurance Business	4	49,95,798	46,26,410
Premium Deficiency		-	-
Terrorism Pool Expenses		956	1,064
Contribution to Solatium Fund		4,647	3,782
Contribution from Shareholders Funds under EOM Rules 2016 (Refer Note 3.17)		(12,97,391)	(11,16,881)
Total (B)		1,46,85,939	1,40,14,811
Operating profit/(Loss) from Miscellaneous Business (C)=(A)-(B)		13,06,380	72,471
Appropriations			
Transfer to Shareholders' Account		13,06,380	72,471
Transfer to catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		13,06,380	72,471

Significant accounting policies and notes to accounts

16

The Schedules referred to above and the notes to accounts form an integral part of the Financial statements. As Required by section 40C(2) of the Insurance Act, 1938, we hereby certify that, to the best of our knowledge and according to the available information all the expenses of management, incurred by the Company to the extent allowable under Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations 2016, have been fully debited in the Revenue Account as Expenses.

As per our report of even date

For Singhi & Co
Chartered Accountants
(Regn No.302049E)

For M P Chitale & Co
Chartered Accountants

For and on behalf of the Board

NIKHIL SINGHI
(Partner)
Membership No.061567

ASHUTOSH PEDNEKAR
(Partner)

RAKESH BHARTI MITTAL
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JEAN, PAUL, DOMINIQUE, LOUIS DROUFFE
(DIRECTOR)

SANJEEV S
(CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR)

BHARAT SUMANT RAUT
(INDEPENDENT DIRECTOR)

AMIT RAHEJA
(COMPANY SECRETARY)

NILESH KAMBLI
(CHIEF FINANCIAL OFFICER)

Date: 13th May, 2019
Place: New Delhi

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NUMBER 139 DATED 27-06-2008

Receipts and Payments Statement For the year ended March 31, 2019

	Particulars	For the year ending March 2019 (Rs in '000's)	For the year ending March 2018 (Rs in '000's)
A.	Cash Flows from the operating activities:		
1	Premium received from policyholders, including advance receipts	2,69,80,276	1,82,14,133
2	Other receipts - Motor pool/Declined Pool (Net)	(19,111)	-
3	Payments to the re-insurers, net of commissions and claims	(16,49,587)	(16,08,063)
4	Receipt/(Payments) to co-insurers, net of claims recovery	3,00,572	(1,06,020)
5	Payments of claims	(1,21,21,268)	(91,69,401)
6	Payments of commission and brokerage	(17,45,917)	(11,47,324)
7	Payments of other operating expenses	(56,59,424)	(49,95,520)
8	Preliminary and other pre operative expenses	-	-
9	Deposits, advances and staff loans	31,140	(6,869)
10	Taxes paid (TDS & Wealth Tax)	(5,45,910)	(6,45,854)
11	Service tax/Goods and Service Tax paid	(17,21,408)	(12,66,340)
12	Other payments	-	-
13	Cash flows before extraordinary items	38,49,363	(7,31,258)
14	Cash flow from extraordinary operations	-	-
15	Net cash flow from operating activities	38,49,363	(7,31,258)
B	Cash flows from investing activities:		
1	Purchase of fixed assets	(85,424)	(1,93,595)
2	Proceeds from sale of fixed assets	3,663	548
3	Purchases of investments	(2,80,75,508)	(2,13,30,505)
4	Loans disbursed	-	-
5	Sales of investments	2,11,08,070	1,75,66,721
6	Repayments received	-	-
7	Rents/Interests/ Dividends received	26,56,974	26,42,080
8	Investments in money market instruments and in liquid mutual funds (Net)	(1,07,024)	4,87,741
9	Expenses related to investments	(1,819)	(479)
10	Net cash flow from investing activities	(45,01,068)	(8,27,489)
C	Cash flows from financing activities:		
1	Proceeds from issuance of share capital	-	-
2	Proceeds from borrowing	-	22,00,000
3	Repayments of borrowing	-	-
4	Expenses on borrowing	-	(21,685)
5	Interest/dividends paid	(1,77,804)	-
6	Net cash flow from financing activities	(1,77,804)	21,78,315
D	Effect of foreign exchange rates on cash and cash equivalents, net		
E	Net increase/(decrease) in cash and cash equivalents:	(8,29,509)	6,19,568
1	Cash and cash equivalents at the beginning of the reporting period ¹	11,84,255	5,64,689
2	Cash and cash equivalents at the end of the reporting period ²	3,54,746	11,84,257

1 Opening balance as on 1st April, 2017 includes Rs 44,700 thousand from Money marketing securities representing unclaimed fund.

2 Cash and Cash equivalents at the end of period comprise of following balance sheet amounts;

Particulars	For the year ending March 2019	For the year ending March 2018
Cash (including cheques, drafts and Remittance in transit) (Refer Schedule 11)	1,04,606	1,68,408
Short Term Deposits (Refer Schedule 11)	7,73,555	7,15,808
Bank Balances -Current Accounts (Refer Schedule 11)	2,71,371	3,41,577
Book Overdraft (As per books) (Refer Schedule 13)	(7,94,786)	(41,538)
Total	3,54,746	11,84,257

As per our report of even date

For Singhi & Co
Chartered Accountants
(Regn No.302049E)

For M P Chitale & Co
Chartered Accountants

For and on behalf of the Board

NIKHIL SINGHI
(Partner)
Membership No.061567

ASHUTOSH PEDNEKAR
(Partner)

RAKESH BHARTI MITTAL
(CHAIRMAN)

**JEAN, PAUL, DOMINIQUE,
LOUIS DROUFFE**
(DIRECTOR)

SANJEEV S
(CHIEF EXECUTIVE OFFICER &
MD)

BHARAT SUMANT RAUT
(INDEPENDENT DIRECTOR)

AMIT RAHEJA
(COMPANY SECRETARY)

NILESH KAMBLI
(CHIEF FINANCIAL OFFICER)

Date: 13th May, 2019
Place: New Delhi

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-1 PREMIUM EARNED (NET)

Year Ending March 2019

Particulars	Fire	Marine			Total	Motor		Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	(Rs.'000)	
		Cargo	Others	Total		OD	TP										Misc Total	Total
Premium from Direct Business Written :	12,32,560	5,20,766	-	5,20,766	1,14,29,996	67,82,890	46,47,106	91,358	3,10,690	3,10,323	-	2,18,735	31,18,263	51,96,085	29,133	1,22,585	2,08,27,167	2,25,80,493
Add : Premium on Reinsurance Accepted	2,22,144	25,801	-	25,801	-	-	-	-	8,650	12,041	-	-	-	-	-	20	20,710	2,68,656
Less : Premium on Reinsurance Ceded	11,60,465	2,04,467	-	2,04,467	8,66,823	4,07,908	4,58,915	16,174	1,58,868	2,54,450	-	14,048	5,64,228	43,39,530	27,298	78,976	63,20,395	76,85,326
Net Premium	2,94,239	3,42,100	-	3,42,100	1,05,63,173	63,74,982	41,88,191	75,184	1,60,472	67,914	-	2,04,687	25,54,035	8,56,555	1,835	43,629	1,45,27,482	1,51,63,823
Adjustment for change in Unexpired Risk Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reserve created during the period	3,49,004	1,33,749	-	1,33,749	56,48,199	33,63,291	22,84,908	39,011	81,303	51,698	-	91,442	10,44,688	42,878	369	30,053	70,29,641	75,12,394
Add: Reserve created during the previous year Written back	2,39,093	58,180	-	58,180	52,36,205	33,96,181	18,40,024	26,983	58,447	30,871	-	57,057	5,46,336	66,232	657	18,332	60,41,119	63,38,392
Total Premium Earned (Net)	1,84,328	2,66,531	-	2,66,531	1,01,51,179	64,07,872	37,43,307	63,156	1,37,616	47,087	-	1,70,302	20,55,683	8,79,909	2,123	31,908	1,35,38,960	1,39,89,821

* Refer Note No. 3.14

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-2 CLAIMS INCURRED (NET)

(Rs.'000)

Year Ending March 2019

Particulars	Fire	Marine			Total	Motor		Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	(Rs.'000)	
		Cargo	Others	Total		OD	TP										Misc Total	Total
Claims Paid																		
Direct	3,10,678	4,29,700	-	4,29,700	65,09,787	44,99,657	20,10,130	31,466	43,496	1,76,325	-	1,13,864	17,27,555	23,84,289	4,480	50,345	1,10,41,606	1,17,81,984
Add : Reinsurance Accepted	7,490	9,215	-	9,215	-	-	-	-	-	325	-	-	-	-	-	-	325	17,029
Less : Reinsurance Ceded	2,68,737	2,54,215	-	2,54,215	4,40,947	2,25,408	2,15,539	1,726	20,391	1,51,277	-	6,364	1,07,163	19,03,601	4,256	15,668	26,51,393	31,74,345
Net Claims Paid	49,431	1,84,700	-	1,84,700	60,68,840	42,74,249	17,94,591	29,740	23,105	25,373	-	1,07,500	16,20,392	4,80,688	224	34,677	83,90,538	86,24,668
Claims Outstanding (Including IBNR & IBNER)																		
Add : Claims Outstanding at the close of the period (net of Re-insurance)	2,56,889	1,77,448	-	1,77,448	1,81,60,687	10,72,393	1,70,88,294	69,358	1,53,032	1,03,869	-	1,39,306	5,28,073	6,62,025	3,163	77,300	1,98,96,814	2,03,31,150
Less: Claims Outstanding at the beginning of the period (net of Re-insurance)	1,84,757	1,53,982	-	1,53,982	1,65,68,114	12,80,785	1,52,87,329	43,815	1,30,947	86,209	-	1,01,658	3,22,419	4,77,600	1,786	1,17,739	1,78,50,286	1,81,89,025
Total Claims Incurred	1,21,563	2,08,166	-	2,08,166	76,61,413	40,65,857	35,95,556	55,283	45,190	43,033	-	1,45,148	18,26,046	6,65,113	1,601	(5,762)	1,04,37,066	1,07,66,793

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 3 COMMISSION

(Rs.'000)

Year Ending March 2019

Particulars	Fire	Marine			Total	Motor		Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	(Rs.'000)	
		Cargo	Others	Total		OD	TP										Misc Total	Total
Commission paid direct	83,571	60,331	-	60,331	12,35,381	12,05,904	29,477	8,426	33,618	20,878	-	15,311	2,89,042	-	2,928	9,580	16,15,164	17,59,066
Add: Commission on Re-insurance Accepted	11,318	2,915	-	2,915	-	-	-	-	1,216	468	-	-	-	-	-	1	1,686	15,919
Less: Commission on Re-insurance Ceded	1,49,486	19,030	-	19,030	1,90,313	1,78,695	11,618	741	19,820	44,514	-	1,637	3,02,419	4,96,488	6,388	9,666	10,71,987	12,40,503
Net Commission	(54,597)	44,216	-	44,216	10,45,068	10,27,209	17,859	7,685	15,014	(23,168)	-	13,674	(13,377)	(4,96,488)	(3,460)	(85)	5,44,863	5,34,482
Break-up of the commission (Gross) incurred to procure direct business furnished as per details below:																		
Agents	6,035	6,483	-	6,483	1,38,467	1,29,264	9,203	3,281	1,472	4,331	-	2,008	17,430	-	175	2,242	1,69,406	1,81,925
Brokers	53,861	47,170	-	47,170	6,81,726	6,62,417	19,309	4,815	28,940	14,798	-	10,134	74,775	-	2,684	5,465	8,23,337	9,24,369
Corporate Agency	16,950	1,876	-	1,876	21,973	21,008	965	45	66	751	-	2,703	1,91,371	-	-	1,352	2,18,262	2,37,087
Rewards - Agents/Brokers	6,725	4,802	-	4,802	2,07,341	2,07,341	-	285	3,140	987	-	418	5,269	-	69	521	2,18,029	2,29,555
Others (MIS, POSP)	0	-	-	-	1,85,874	1,85,874	-	-	-	11	-	48	197	-	-	-	1,86,130	1,86,130
Total (B)	83,571	60,331	-	60,331	12,35,381	12,05,904	29,477	8,426	33,618	20,878	-	15,311	2,89,042	-	2,928	9,580	16,15,164	17,59,066

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-4 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs. '000)

Particulars	Year Ending March 2019																
	Fire	Marine Cargo	Marine Others	Marine Total	Motor Total	Motor OD	Motor TP	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Miscellaneous Total
Employees' remuneration and welfare benefits	41,637	53,219	-	53,219	11,36,430	6,85,847	4,50,583	9,708	25,474	9,415	-	26,138	3,37,586	59,261	264	7,145	16,11,421
Travel, conveyance and vehicle running expenses	2,526	2,689	-	2,689	81,415	49,135	32,280	596	1,235	581	-	1,529	19,616	5,577	13	400	1,10,962
Training Expenses	333	387	-	387	11,962	7,219	4,743	85	182	77	-	232	2,892	970	2	49	16,451
Rents, rates and taxes	11,336	11,076	-	11,076	3,55,222	2,14,380	1,40,842	2,596	5,069	2,599	-	6,450	82,132	10,265	53	1,762	4,66,148
Repairs Maintenance (including Electricity Expenses)	929	1,080	-	1,080	33,339	20,121	13,218	237	506	214	-	646	8,061	2,703	6	138	45,850
Printing and stationery	577	514	-	514	19,603	11,831	7,772	98	176	87	-	388	7,606	1,191	2	153	29,304
Communication Expenses	3,309	3,848	-	3,848	1,18,808	71,702	47,106	846	1,805	764	-	2,302	28,726	9,634	21	491	1,63,397
Legal and professional charges	2,417	2,798	-	2,798	1,09,380	66,012	43,368	614	1,307	554	-	1,680	21,192	30,553	15	364	1,65,659
Auditor's fees expenses etc.				-	-	-	-										-
(a) as auditor	98	114	-	114	3,535	2,133	1,402	25	54	23	-	69	855	287	1	15	4,864
(b) as advisor or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	23	27	-	27	843	509	334	6	13	5	-	16	204	68	0	3	1,158
(ii) Insurance matters				-	-	-	-										-
(iii) Certification Fee	18	21	-	21	641	387	254	5	10	4	-	12	155	52	0	3	882
(c) in any other capacity				-	-	-	-										-
Audit Out of Pocket expenses	8	10	-	10	304	183	121	2	5	2	-	6	74	25	0	1	419
Advertisement and Publicity	36,627	19,739	-	19,739	12,91,106	7,79,196	5,11,910	7,641	6,781	8,442	-	16,042	2,22,378	2,665	64	5,691	15,60,810
Interest and Bank Charges	572	665	-	665	20,540	12,396	8,144	146	312	132	-	398	4,966	22,171	4	85	48,754
Others				-	-	-	-										-
Information technology	7,699	8,952	-	8,952	2,76,409	1,66,816	1,09,593	1,967	4,199	1,777	-	5,356	66,832	22,414	48	1,142	3,80,144
Marketing Expenses	201	234	-	234	7,204	4,348	2,856	51	110	46	-	140	1,744	587	1	30	9,913
Exchange (gain) /loss	25	29	-	29	907	548	359	6	14	6	-	18	219	74	0	4	1,248
Miscellaneous Expenses*	480	558	-	558	17,216	10,390	6,826	123	262	111	-	334	4,163	1,396	3	71	23,679
Support Services	3,743	3,096	-	3,096	1,25,780	75,910	49,870	800	1,252	821	-	2,015	29,355	21,438	13	660	1,82,134
GST on Exempted Services	166	193	-	193	5,964	3,599	2,365	42	91	38	-	116	1,442	81,159	1	25	88,878
(Profit)/ Loss on Discard / Sale of Assets	(31)	(36)	-	(36)	(1,121)	(677)	(444)	(8)	(17)	(7)	-	(22)	(271)	(91)	(0)	(5)	(1,542)
Depreciation	1,727	2,008	-	2,008	61,998	37,417	24,581	441	942	399	-	1,201	14,990	5,027	11	256	85,265
	1,14,420	1,11,221	-	1,11,221	36,77,485	22,19,402	14,58,083	26,027	49,782	26,090	-	65,066	8,54,917	2,77,426	522	18,483	49,95,798
																	52,21,439

* Miscellaneous expenses does not exceed 1% of the Gross written premium less Reinsurance

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-1A PREMIUM EARNED (NET)

Particulars	Fire	Year Ending March 2018																		Total
		Marine			Total	Motor		TP	Workmen's Compensation	Public Liability	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Misc			
		Cargo	Others	OD																
Premium from Direct Business Written :	6.10.510	3.13.911	-	3.13.911	1.07.38.749	69.38.700	38.00.049	61.611	2.29.840	1.74.564	-	1.43.022	13.43.548	37.94.553	31.217	94.285	1.66.11.389	1.75.35.810		
Add : Premium on Reinsurance Accepted	1.46.587	19.639	-	19.639	-	-	-	-	4.517	10.337	-	-	-	-	-	2	14.856	1.81.082		
Less : Premium on Reinsurance Ceded	5.19.569	1.77.513	-	1.77.513	6.52.246	4.18.939	2.33.307	6.668	1.08.129	1.39.946	-	9.300	1.66.472	31.66.754	29.374	57.638	43.36.528	50.33.610		
Net Premium	2.37.528	1.56.037	-	1.56.037	1.00.86.503	65.19.761	35.66.742	54.943	1.26.228	44.955	-	1.33.722	11.77.076	6.27.799	1.843	36.649	1.22.89.717	1.26.83.282		
Adjustment for change in Unexpired Risk Reserve																				
Less: Reserve created during the period	2.39.093	58.180	-	58.180	52.36.205	33.96.181	18.40.024	26.983	58.447	30.871	-	57.057	5.46.336	66.232	657	18.332	60.41.119	63.38.392		
Add: Reserve created during the previous year Written back	96.386	42.021	-	42.021	52.50.421	34.91.622	17.58.799	18.809	46.733	23.693	-	53.650	2.36.843	-	591	20.222	56.50.962	57.89.369		
Total Premium Earned (Net)	94.821	1.39.878	-	1.39.878	1.01.00.719	66.15.202	34.85.517	46.769	1.14.514	37.777	-	1.30.315	8.67.583	5.61.567	1.777	38.539	1.18.99.560	1.21.34.259		

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-2A CLAIMS INCURRED (NET)

Particulars	Fire	Year Ending March 2018																		Total
		Marine			Motor		Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Misc				
		Cargo	Others	Total	Total	OD										TP	Total			
Claims Paid																				
Direct	4.06.034	2.60.222	-	2.60.222	70.21.162	48.06.929	22.14.233	29.246	20.876	1.57.643	-	1.04.456	7.36.761	-	5.224	81.338	81.56.704	88.22.960		
Add : Reinsurance Accepted	5.942	5.926	-	5.926	-	-	-	-	-	-	-	-	-	-	-	-	418	12.286		
Less : Reinsurance Ceded	3.65.759	1,50,741	-	1,50,741	7,66,207	5,02,813	2,63,394	1,627	5,123	1,30,270	-	14,029	50,745	-	4,554	41,069	10,13,625	15,30,127		
Net Claims Paid	46.217	1.15.407	-	1.15.407	62.54.955	43.04.116	19.50.839	27.619	15.753	27.791	-	90.427	6.86.016	-	670	40.268	71.43.497	73.05.120		
Claims Outstanding (including IBNR & IBNER)																				
Add : Claims Outstanding at the close of the period (net of Re-insurance)	1,84,757	1,53,982	-	1,53,982	1,65,68,114	12,80,785	1,52,87,329	43,815	1,30,947	86,209	-	1,01,658	3,22,419	4,77,600	1,786	1,17,739	1,78,50,286	1,81,89,025		
Less: Claims Outstanding at the beginning of the period (net of Re-insurance)	1,70,411	1,34,747	-	1,34,747	1,45,67,115	7,76,290	1,37,90,825	34,110	1,76,529	67,840	-	60,733	1,56,887	-	1,621	56,826	1,51,21,663	1,54,26,820		
Total Claims Incurred	60.563	1.34.642	-	1.34.642	82.55.954	48.08.611	34.47.343	37.324	(29.831)	46.160	-	1.31.352	8.51.548	4.77.600	834	1.01.181	98.72.120	1.00.67.325		

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 3A COMMISSION

Particulars	Fire	Year Ending March 2018																		Total
		Marine			Total	Motor		TP	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Misc		
		Cargo	Others	OD		Total	Total											Misc		
Commission paid direct	41.812	28.485	-	28.485	8.61.441	8.54.171	7.270	7.110	26.034	14.536	-	10.172	1.18.679	-	2.731	7.794	10.48.497	11.18.794		
Add: Commission on Re-insurance Accepted	10,058	1,851	-	1,851	-	-	-	-	850	366	-	-	-	-	-	0	1,216	13,126		
Less: Commission on Re-insurance Ceded	78.018	18.066	-	18.066	61.627	52.127	9.500	462	15.467	24.842	-	1.074	74.195	2.30.879	5.243	7.607	4.21.397	5.17.481		
Net Commission	(26.148)	12.270	-	12.270	7.99.814	8.02.044	(2.230)	6.648	11.417	(9.940)	-	9.098	44.484	(2.30.879)	(2.512)	187	6.28.316	6.14.439		
Break-up of the commission (Gross) incurred to procure direct business furnished as per details below:																				
Agents	4.985	4.786	-	4.786	1.68.898	1.61.628	7.270	2.467	869	2.592	-	2.104	10.436	-	168	1.869	1.89.404	1.99.174		
Brokers	19.571	16.389	-	16.389	4.21.034	4.21.034	-	3.081	17.818	8.362	-	5.670	40.940	-	2.563	3.238	5.02.706	5.38.666		
Corporate Agents	8.080	402	-	402	5.734	5.734	-	3	772	323	-	50	56.201	-	-	259	63.341	71.823		
Rewards - Agents/Brokers	9.176	6.908	-	6.908	1.75.516	1.75.516	-	1.559	6.575	3.259	-	2.348	11.102	-	-	2,428	2.02.788	2.18.872		
Others (MISP, POSP)	-	-	-	-	90.259	90.259	-	-	-	-	-	-	-	-	-	-	90.259	90.259		
Total (B)	41.812	28.485	-	28.485	8.61.441	8.54.171	7.270	7.110	26.034	14.536	-	10.172	1.18.679	-	2,731	7.794	10.48.497	11.18.794		
	1	0	-	0	-	-	-	(0)	-	0	-	-	-	-	-	(0)	(0)	(1)		

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-4A OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs. '000)

Particulars	Year Ending March 2018																
	Fire	Marine Cargo	Marine Others	Marine Total	Motor Total	Motor OD	Motor TP	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Miscellaneous Total
Employees' remuneration and welfare benefits	23,341	26,594	-	26,594	9,49,811	6,13,943	3,35,868	6,965	20,985	4,710	-	19,351	1,72,631	10,641	180	17,654	12,02,928
Travel, conveyance and vehicle running expenses	1,388	1,400	-	1,400	57,044	36,872	20,172	396	1,116	271	-	1,047	8,687	-	11	1,595	70,166
Training Expenses	27	19	-	19	1,146	741	405	6	14	5	-	15	134	-	0	78	1,400
Rents, rates and taxes	13,146	10,208	-	10,208	13,39,955	8,66,127	4,73,828	3,566	4,010	7,243	-	9,163	56,067	7,281	216	13,048	14,40,549
Repairs Maintenance (including Electricity Expenses)	1,031	708	-	708	43,595	28,179	15,416	239	548	195	-	581	5,111	1,484	8	1,495	53,256
Printing and stationery	377	147	-	147	17,712	11,450	6,263	59	109	47	-	241	1,438	-	3	707	20,316
Communication Expenses	2,567	1,762	-	1,762	1,08,522	70,148	38,375	594	1,364	486	-	1,445	12,722	-	20	7,417	1,32,571
Legal and professional charges	2,297	1,548	-	1,548	1,22,468	79,160	43,307	524	1,197	429	-	1,301	11,273	-	22	6,534	1,43,747
Auditor's fees expenses etc.																	
(a) as auditor	56	39	-	39	2,377	1,536	841	13	30	11	-	32	279	-	0	163	2,905
(b) as advisor or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	5	3	-	3	198	128	70	1	2	1	-	3	23	-	0	14	242
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Certification Fee	1	1	-	1	32	21	11	-	-	-	-	-	4	-	0	2	38
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit Out of Pocket expenses	5	4	-	4	229	148	81	1	3	1	-	3	27	-	0	16	280
Advertisement and Publicity	6,922	4,291	-	4,291	4,68,144	3,02,601	1,65,543	1,488	2,330	3,083	-	2,482	24,541	7,442	78	10,736	5,20,325
Interest and Bank Charges	397	273	-	273	16,792	10,854	5,938	92	211	75	-	224	1,969	29,982	8	1,143	50,495
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Information technology	8,692	5,965	-	5,965	3,67,410	2,37,489	1,29,922	2,010	4,619	1,645	-	4,893	43,073	23,668	68	3,443	4,50,830
Marketing Expenses	791	497	-	497	33,431	21,609	11,822	183	420	150	-	445	3,919	-	6	2,285	40,839
Exchange (gain) /loss	5	3	-	3	208	134	73	1	3	1	-	3	24	-	0	14	254
Miscellaneous Expenses*	464	319	-	319	19,627	12,687	6,940	107	247	88	-	261	2,301	-	4	1,341	23,977
Support Services	3,595	2,585	-	2,585	2,87,108	1,85,582	1,01,526	930	1,358	1,459	-	3,736	16,603	-	48	6,095	3,17,337
GST/ST on Exempted Services	-	-	-	-	-	-	-	-	-	-	-	-	-	80,520	-	0	80,520
(Profit)/ Loss on Sale of Assets	79	55	-	55	3,359	2,171	1,188	18	42	15	-	45	394	-	1	230	4,103
Depreciation	1,343	921	-	921	56,756	36,686	20,070	311	714	254	-	756	6,654	-	10	3,879	69,333
	66,529	57,342	-	57,342	38,95,924	25,18,265	13,77,659	17,504	39,322	20,169	-	46,027	3,67,874	1,61,018	682	77,891	46,26,410
																	47,50,282

* Miscellaneous expenses does not exceed 1% of the Gross writthen premium less Reinsurance

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE -5 SHARE CAPITAL

Particulars	<u>As at Mar 31, 2019</u> (Rs. '000)	<u>As at Mar 31, 2018</u> (Rs. '000)
Authorised Capital [2,000,000,000 (As at March 31, 2018 2,000,000,000) Equity shares of Rs. 10 each]	2,00,00,000	2,00,00,000
Issued Capital [1,621,445,322 (As at March 31, 2018- 1,621,445,322 Equity shares of Rs. 10 each)]	1,62,14,453	1,62,14,453
Subscribed Capital [1,621,445,322 (As at March 31, 2018- 1,621,445,322 Equity shares of Rs. 10 each)]	1,62,14,453	1,62,14,453
Called-up Capital Equity shares of Rs. 10 each Less: Calls unpaid - Add : Shares forfeited (Amount originally paidup) Less : Par Value of Equity Shares bought back Less: Preliminary Expenses including commission or brokerage on underwriting or subscription of shares	1,62,14,453 - - -	1,62,14,453 - - -
Total	<u>1,62,14,453</u>	<u>1,62,14,453</u>

Note - Of the above, 826,937,110 shares are held by the holding company, Bharti General Ventures Private Limited (Formerly known as Bharti General Private Limited) (as at March 31, 2018 826,937,110 shares)

SCHEDULE-5A SHARE CAPITAL

PATTERN OF SHAREHOLDING (As certified by the Management)

Shareholder	<u>As at Mar 31, 2019</u>		<u>As at Mar 31, 2018</u>	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	82,69,37,110	51.00	82,69,37,110	51.00
- Foreign	79,45,08,207	49.00	79,45,08,207	49.00
Others - Employee (Others)	5	0.00	5	0.00
Total	<u>1,62,14,45,322</u>	<u>100</u>	<u>1,62,14,45,322</u>	<u>100</u>

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-6 RESERVES AND SURPLUS

Particulars	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	-	-
Opening Balance	17,20,185	17,20,185
Additions during the year	-	-
Deletions during the year	-	-
Closing Balance	17,20,185	17,20,185
General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilised for Buyback	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance in Profit and Loss Account	-	-
Total	17,20,185	17,20,185

SCHEDULE - 7 BORROWINGS

Particulars	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
Debentures/Bonds (Refer Note No. 3.31 of Schedule 16)	22,00,000	22,00,000
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	22,00,000	22,00,000

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 8 INVESTMENTS - SHAREHOLDERS

Particulars	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
Long Term Investments		
Government securities and Government guaranteed bonds including Treasury Bills	16,28,238	16,61,687
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares -	-	-
(aa) Equity Shares	38,469	13,716
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	12,34,792	16,07,551
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(q) Investment Properties-Real Estate (Net off depreciation)	1,08,980	1,30,349
Investments in Infrastructure and Social Sector	12,39,862	10,93,794
Other than Approved Securities	3,27,224	
Less: Provision for Non-Performing Investment (Refer Note No. 3.8 of Schedule 16)	<u>(5,668)</u>	8,719
Short Term Investments		
Government securities and Government guaranteed bonds including Treasury Bills	82,135	25,005
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares	-	-
(aa) Equity Shares	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	29,679	28,796
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	3,76,422	5,10,359
(e) Other Securities (Fixed Deposit)	-	51,990
(f) Subsidiaries	-	-
(q) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	2,68,980	2,16,122
Other than Approved Securities	1,98,501	
Less: Provision for Non-Performing Investment (Refer Note No. 3.8 of Schedule 16)	<u>(4,251)</u>	16,635
Total	<u>55,23,363</u>	<u>53,64,723</u>

1. Investments Other than Listed Equities and Derivative Instruments:

Aggregate Value of Investments excluding provisions as at March 31, 2019 Rs 5,490,893 thousand (as at March 31, 2018 Rs. 5,349,651 thousand)

2. Book value and Market value disclosure:

	(Rs. '000) As at Mar 31, 2019	(Rs. '000) As at Mar 31, 2018
Long term Investments Book value	45,82,680	45,07,155
Long term Investments Market value	45,92,738	45,30,320
Short term Investments Book value	9,55,190	8,44,100
Short term Investments Market value	9,57,641	8,55,434

3. Investments maturing within next 12 months are Rs. 955,190 thousand (as at March 31, 2018 Rs. 8,44,100 thousand).

4. Investment Properties-Real Estate is shown at cost less accumulated depreciation of Rs. 2,913 thousand (as at March 31, 2018 Rs. 1,006 thousand)

5. Investment Assets have been allocated notionally in the ratio of policyholders and shareholders funds

6. The Fair value of Investment Properties - Real estate is Rs 118,674 thousand based on Valuation report as on March 31, 2019 (Refer Note No. 3.9)

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 8A INVESTMENTS - POLICYHOLDERS

Particulars	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
Long Term Investments		
Government securities and Government guaranteed bonds including Treasury Bills	98,62,500	83,27,674
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares -	-	-
(aa) Equity Shares	2,33,012	68,739
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	74,79,338	80,56,369
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(q) Investment Properties-Real Estate (Net off depreciation)	6,60,107	6,53,252
Investments in Infrastructure and Social Sector	75,10,049	54,81,634
Other than Approved Securities	19,82,050	
Less: Provision for Non-Performing Investment (Refer Note No. 3.8 of Schedule 16)	<u>(34,335)</u>	43,696
	-	
Short Term Investments		
Government securities and Government guaranteed bonds including Treasury Bills	4,97,504	1,25,315
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares	-	-
(aa) Equity Shares	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	42,969	8,348
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	22,80,050	25,57,706
(e) Other Securities (Fixed Deposit)	-	2,60,552
(f) Subsidiaries	-	-
(q) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	16,29,253	10,83,113
Other than Approved Securities	12,02,354	
Less: Provision for Non-Performing Investment (Refer Note No. 3.8 of Schedule 16)	<u>(25,746)</u>	83,365
	-	
Total	<u>3,33,19,105</u>	<u>2,67,49,763</u>

1. Investments Other than Listed Equities and Derivative Instruments:

Aggregate Value of Investments excluding provisions as at March 31, 2019 Rs 33,122,435 thousand (as at March 31, 2018 Rs 26,673,396 thousand)

2. Book value and Market value disclosure:

	(Rs. '000) As at Mar 31, 2019	(Rs. '000) As at Mar 31, 2018
Long term Investments Book value	2,77,58,038	2,25,87,252
Longterm Investments Market value	2,78,18,963	2,27,03,342
Short term Investments Book value	56,50,581	41,18,367
Short term Investments Market value	56,63,786	41,50,975

3. Investments maturing within next 12 months are Rs 56,50,581 thousand (as at March 31, 2018 Rs 4,118,367 thousand).

4. Investment Properties-Real Estate is shown at cost less accumulated depreciation of Rs 17,646 thousand (as at March 31, 2018 Rs 5,038 thousand)

5. Investment Assets have been allocated notionally in the ratio of policyholders and shareholders funds

6. The Fair value of Investment Properties - Real estate is Rs 718,826 thousand based on Valuation report as on March 31, 2019 (Refer Note No. 3.9)

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-9 LOANS

Particulars	<u>As at Mar 31, 2019</u> (Rs. '000)	<u>As at Mar 31, 2018</u> (Rs. '000)
SECURITY-WISE CLASSIFICATION		
Secured		
a) On Mortgage of Property		
(aa) In India	-	-
(bb) Outside India	-	-
b) On Shares, Bonds, Govt.Securities	-	-
c) Loans against policies	-	-
d) Others	-	-
Unsecured	-	-
Total	<u>-</u>	<u>-</u>
BORROWER-WISE CLASSIFICATION		
a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Industrial Undertakings	-	-
e) Others	-	-
Total	<u>-</u>	<u>-</u>
PERFORMANCE-WISE CLASSIFICATION		
a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
b) Non-Performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	<u>-</u>	<u>-</u>
MATURITY-WISE CLASSIFICATION		
a) Short Term		
b) Long Term	-	-
Total	<u>-</u>	<u>-</u>

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 10 FIXED ASSETS

Particulars	(Rs. '000)									
	Gross Block			Depreciation				Net Block		
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at Mar 31, 2019	As at April 1, 2018	For the period	On Sales/ Adjustments	As at Mar 31, 2019	As at Mar 31, 2019	As at March 31, 2018
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles-Computer softwares and License fees	2,45,281	20,686	-	2,65,967	1,99,941	21,698	-	2,21,639	44,328	45,340
Leasehold Improvements	1,21,898	20,148	13,804	1,28,242	1,10,551	10,871	12,380	1,09,042	19,200	11,347
Furniture, Fixtures & Equipments	36,985	5,405	9,155	33,235	33,125	4,653	8,876	28,902	4,333	3,860
Information Technology Equipment	2,83,126	43,872	8,294	3,18,704	1,59,558	48,663	8,289	1,99,932	1,18,772	1,23,568
Vehicles	13,635	-	2,785	10,850	13,635	-	2,785	10,850	-	-
Office Equipment	42,573	6,598	7,356	41,815	37,885	3,116	7,010	33,991	7,824	4,688
Total	7,43,498	96,709	41,394	7,98,813	5,54,695	89,001	39,340	6,04,356	1,94,457	1,88,803
Work-in-progress	16,573	30,338	41,622	5,289	-	-	-	-	5,289	16,573
Grand Total	7,60,071	1,27,047	83,016	8,04,102	5,54,695	89,001	39,340	6,04,356	1,99,746	2,05,376
Previous year	7,05,762	2,02,707	1,48,398	7,60,071	5,92,896	71,597	1,09,798	5,54,695	2,05,376	

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-11 CASH AND BANK BALANCES

Particulars	<u>As at Mar 31, 2019</u> (Rs. '000)	<u>As at Mar 31, 2018</u> (Rs. '000)
Cash (including cheques, drafts and Remittance in transit)	1,04,606	1,68,408
Bank Balances		
(a) Deposit Accounts		
(aa) Short Term (due within 12 months)	7,73,555	7,15,808
(bb) Others	-	-
(b) Current Accounts	2,71,371	3,41,577
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	<u><u>11,49,532</u></u>	<u><u>12,25,793</u></u>

Balances with non-scheduled banks included in Bank Balances and Money at Call and Short Notice above

CASH & BANK BALANCES

1. In India	11,49,532	12,25,793
2. Outside India	-	-
Total	<u><u>11,49,532</u></u>	<u><u>12,25,793</u></u>

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-12 ADVANCES AND OTHER ASSETS

Particulars	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
Advances		
Reserve Deposits with Ceding Companies	-	-
Application money for Investments	-	-
Prepayments	78,951	68,812
Advances to Directors / Officers	-	-
Advance Tax Paid and Taxes Deducted at Source (Net of Provision for Tax)	9,413	3,006
Others	-	-
- Advance to employees	1,340	279
- Advances recoverable in cash or in kind	1,565	6,215
Total (A)	91,269	78,312
Other Assets		
Income accrued on Investments	11,52,413	10,80,657
Money market securities representing unclaimed fund	4,30,800	3,15,792
Fair Value Change - Money market securities representing unclaimed fund	12,490	30,300
Unutilised GST/Service tax carried forward	1,60,881	1,36,557
Outstanding Premium	31,80,078	24,87,245
Agents' Balances	66,972	55,504
Less : Provision for doubtful debts	(33,327)	(22,021)
Due from other entities carrying on insurance business (including reinsurers)	5,24,674	7,08,303
Less : Provision for doubtful debts	(1,79,814)	(1,52,474)
Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act,1938)	-	-
Others		
- Receivable from Terrorism Pool	3,80,736	3,31,550
Deposits		
- Rental	67,146	79,707
- Others	14,896	16,026
Unsettled Investment receivable	(0)	75,873
Investments realization receivable	3,25,000	
Less : Provision for doubtful debts (Refer Note No. 3.8)	(65,000)	-
Interest Receivable	7,659	-
TDS Refund	7,439	-
Krishi Kalyan cess refund receivable	28,548	28,548
Less: Provision for Krishi Kalyan cess	(28,548)	(28,548)
Total (B)	60,53,043	51,43,019
Total (C)=(A)+(B)	61,44,312	52,21,331

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-13 CURRENT LIABILITIES

Particulars	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
Agents' Balances	1,56,294	1,73,623
Balances due to other insurance companies	43,12,292	29,00,879
Deposit held on reinsurance ceded	52,543	26,272
Premium Received in Advance	14,93,101	68,392
Unallocated Premium	7,01,582	3,29,369
Unclaimed Amount of Policy Holders	2,56,251	2,32,328
Investment Income accruing on Unclaimed Amount	62,532	35,252
Sundry Creditors	96,421	1,50,137
Claims Outstanding	2,03,31,150	1,81,89,025
Claims Outstanding - Motor Pool	6,05,917	9,16,357
Others		
- Service Tax/GST payable	1,47,385	48,578
- Statutory Dues	1,45,863	42,884
- Rent Equilisation Reserve	21,091	16,454
- Expenses Payable	12,73,078	7,79,775
- Employee related	2,11,708	2,01,608
- Claims approved but not paid	-	93,824
- Declined Pool	5,30,685	5,16,908
- Interest Payable - Debentures	1,07,657	1,19,619
- Rental deposits	15,779	-
- Book Overdraft (As per books)	7,94,786	41,538
- Investment payable	21,518	50,361
Total	3,13,37,633	2,49,33,183

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-14 PROVISIONS

Particulars	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
Reserve for Unexpired Risk	75,12,393	63,38,392
Reserve for Premium Deficiency	28,910	22,411
For taxation	-	-
(Less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others		
- Employee Benefits	82,983	37,646
Total	76,24,286	63,98,449

SCHEDULE-15 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)

Particulars	As at Mar 31, 2019 (Rs. '000)	As at Mar 31, 2018 (Rs. '000)
Discount allowed in issue of shares/debentures	-	-
Others	-	-
Total	-	-

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED MARCH 31, 2019

1. Background

Bharti AXA General Insurance Company Limited ('the Company') was incorporated under the provisions of the Companies Act, 1956 on July 13, 2007 and is a joint venture between AXA and Bharti group to undertake and carry on the business of General Insurance. The Company obtained regulatory approval from the Insurance Regulatory and Development Authority of India "IRDAI" on June 27, 2008 to undertake General Insurance business in various lines of business like fire, marine, motor, liability, engineering, accident, health, workmen compensation etc. and the Company holds a valid certification of registration.

2. Significant accounting policies

2.1. Basis of Preparation of financial statements

The financial statements are prepared under the historical cost convention unless otherwise stated and on the accrual basis of accounting in accordance with the generally accepted accounting principles and in accordance with the statutory requirements prescribed under the Insurance Act, 1938, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations'), Insurance Laws (Amendment) Act, 2015 and orders and directions issued by the IRDAI in this behalf, the Companies Act 2013, to the extent applicable and comply with the notified accounting standards under section 133 of Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The Financial statements are prepared in Indian rupees rounded off to the nearest thousands.

2.2. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities as at the balance sheet date. The estimates and assumptions used in the accompanying financial statements are based on the management's evaluation of the relevant facts and circumstances as on date of financial statements. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results may differ from the estimates and assumptions and any revision to accounting estimates is recognized in the year in which they actually materialize.

2.3. Revenue recognition

Premium Income

Premium (net of Goods and Service Tax), including reinstatement premium and reinsurance accepted, is recognized as income over the period of risk or the contract period, as appropriate, after adjusting for unearned premium based on 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk. Adjustments to premium, arising on cancellation of policies are accounted for in the year of cancellation. Installment cases are recorded on installment due dates. Premium received in advance represents the premium received prior to commencement of the risk.

In case of long term motor insurance business for new private vehicles and two wheelers sold on or after 1st September, 2018 premium received (net of Goods and Service Tax) for Motor Third party Insurance cover is recognized equally over the period of risk on 1/n basis where 'n' denotes the period of risk in years. Remaining premium is accounted as "Advance Premium" and shown under the head "Current Liabilities".

Income from reinsurance ceded

Commission on reinsurance ceded is recognized as income in the period in which risk is ceded. Profit commission under reinsurance treaties, where ever applicable, is recognized as income in the year in which the same is determined and agreed with the reinsurer.

Income earned on investments

Interest/Rental income

Interest and rental income on investments are recognized on an accrual basis.

Realized gains or losses

The net realized gains or losses on the debt securities are the difference between the net sale consideration and the amortized cost, which is computed on a weighted average basis, as on the date of sale. In case of listed equity shares/mutual fund units, the profit or loss on sale of investment includes the accumulated changes in the fair value previously recognized under the head "Fair Value Change Account" (FVCA).

Sale consideration for the purpose of realized gain/loss is net of brokerage or taxes, if any, and excludes interest received on sales.

Dividend income

Dividend income is recognized when the right to receive the dividend is established. Dividend income in respect of listed equity shares is recognized on ex-dividend date.

Premium/discount on purchase of investments

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

2.4. Reinsurance premium

Premium ceded in respect of proportional reinsurance is accounted for in the year in which the premium is recognized. Premium ceded in respect of non-proportional reinsurance is recognized when incurred and due. Any subsequent revision of reinsurance premium/adjustment to premium arising on cancellation of policies is recognized in the year in which it occurs.

2.5. Reinsurance accepted

Reinsurance Inward acceptances are accounted for on the basis of binding slips, to the extent received, from the insurers.

2.6. Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz., commission, brokerage, motor insurance service providers, rewards and remuneration. These costs are expensed in the period in which they are incurred.

2.7. Reserve for unexpired risk

Reserve for unexpired risk is recognized net of reinsurance ceded on the basis of 1/365 method or risk period basis. For fire, marine cargo and miscellaneous business, it is calculated on a daily pro-rata basis, except in the case of marine hull business it is computed at 100% of net premium written on all unexpired policies on the balance sheet date. Reserve for unexpired risk on terrorism pool retrocessions are provided with 50% of the retrocessions booked.

2.8. Premium deficiency

Premium deficiency is recognized for the company at segmental revenue account level when the sum of expected claim costs and related expenses exceed the reserve for unexpired risks. Assessment of expected claim cost and related expenses is duly certified by the Appointed Actuary in accordance with IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulation, 2016.

2.9. Claims incurred

Claims incurred comprises of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER'). Further, claims incurred also include specific claim settlement costs comprising survey fees and legal costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on estimates from surveyors / insured in respective revenue accounts.

Estimated liability in respect of outstanding claims is provided on the basis of the ultimate amounts that are likely to be paid on each claim, established by the management in light of past experience, based on estimates from surveyors/insured and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are modified for changes, as appropriate on availability of further information.

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers. Where salvage is retained by the Company, the recoveries from sale of salvage are recognized at the time of sale.

2.10. Incurred but not reported (I.B.N.R.) and incurred but not enough reported (I.B.N.E.R.)

IBNR represents the amount of all claims that may have been incurred during the accounting period but have not been reported or claimed. IBNER includes provision, if any, required for claims incurred but not enough reported. Liability for IBNR/IBNER is based on an actuarial estimate duly certified by the appointed actuary in compliance with the guidelines issued by the Institute of Actuaries of India in concurrence with the relevant IRDAI regulations.

2.11. Operating expenses related to the insurance business

Operating expenses related to the insurance business are allocated to specific business segments on the basis of:

- Expenses which are directly identifiable to the business segments are on actual basis.
- Certain expenses based on their nature are allocated based on their correlation with various business segments as determined by the management.
- Other expenses which are not directly identifiable are apportioned on the basis of Net Written Premium.

2.12. Property, Plant and Equipment and Depreciation/Amortisation

(A) Tangible Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use, net of CENVAT/GST recoverable. Subsequent expenditure related to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the revenue account as and when incurred.

(B) Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Intangible assets comprising computer software including improvements, server software and license fee for operating system are amortized over a period of 4 years, being the management's estimate of the useful life of such intangibles.

(C) Capital Work in Progress

Capital work in progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses .

(D) Depreciation/Amortisation

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) based on management's assessment of the estimated useful life of the asset, reviewed/revised in conjunction with the Schedule II of the Companies Act 2013, of the assets which is as follows:

Asset category	Useful life as per Schedule II in years	Management Estimate of useful life in years
Intangibles	4	4
Building	60	60
Leasehold Improvements		
a. Temporary structures	3	Lower of Primary Lease period or 3 Years
b. Electrical Equipment's	10	Lower of Primary Lease period or 6 Years
Furniture, Fixtures & Equipment's	10	6
Information Technology Equipment's		
a. Servers and networks	6	4
b. End user devices	3	3
Vehicles	8	4
Office Equipment	5	5

Depreciation is provided on pro rata basis from/to the day in which the asset is acquired or put to use/disposed off. All assets including intangibles individually costing less than 5,000 rupees are fully depreciated in the year of addition.

2.13. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in the Profit and Loss Account. If, at the reporting date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is reinstated to that effect.

2.14. Leases

i) Finance leases

Finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company, are capitalized at the lower of the fair value of the asset and present value of the minimum lease payments at the inception of the lease term and are disclosed as leased assets. Lease payments are apportioned between the finance charges and the corresponding liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Revenue Accounts.

Leased assets capitalized under finance lease are depreciated on a straight line basis over the lease term unless the period derived on the basis of straight line method rates prescribed in Schedule II to the Companies Act, 2013 is shorter.

ii) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the revenue account on a straight line basis over the lease term.

2.15. Investments

Investments are recorded on trade date at cost including brokerage, transfer charges, transaction charges as applicable if any and exclude pre-acquisition interest.

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.

Investments that are earmarked, are allocated separately to policyholder's or shareholder's, as applicable; balance investments are segregated at Shareholder's level and Policyholder's level notionally based on policyholder's funds and shareholder's funds at the end of period vide circular No IRDA /F&A/CIR/CPM/010/01/2017 dated 12th January 2017 issued by IRDAI in the context.

Valuation:

Equity shares and ETF

Listed Equity shares and ETF are measured at fair value on the balance sheet date being the last quoted closing price at the National Stock Exchange of India and incase not listed on National stock exchange, then the last quoted closing price at the Bombay Stock Exchange Limited. Unlisted equity shares are stated at historical cost.

Debt securities

All debt securities including government securities are considered as 'held to maturity' and accordingly stated at historical cost subject to amortization of premium or accretion of discount on constant yield to maturity basis over the period of holding / maturity. However, AT1 bonds are valued at market price as per IRDA circular on the basis of FBIL Prices.

Mutual fund units

Mutual fund investments are stated at their Net Asset Value ('NAV') declared by the respective funds at the balance sheet date.

Investment Properties – Real Estate

Investment Properties- Real Estate are stated at historical cost less accumulated depreciation.

Investments other than those mentioned above are valued at cost.

Fair Value Change Account

Unrealized gains or losses arising due to changes in the fair value of listed equity shares, mutual funds and AT1 bonds are taken under the head "Fair Value Change Account" (FVCA). The balance in the FVCA is not available for distribution as dividend.

Impairment of Investments

The Company assesses at each balance sheet date whether any impairment has occurred in respect of investment in equity, debt, Investment property and units of 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 on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit & loss account and the investment is restated to that extent.

An amount, whether interest or principal is said to be overdue if it is not paid to the insurer on the specified date. An asset is classified as an NPA if the interest and/ or installment of principal remain overdue for more than 90 days (i.e., one quarter)". Once an investment gets classified as NPA, any unrealized interest is reversed back from investment income and provision on investment is accounted for in accordance with Master Circular - IRDAI (Investment) Regulations, 2016.

2.16. Retirement and other employee benefits

(A) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, bonus and other short term benefits are recognized in the period in which the employee renders the services. All short term employee benefits are accounted on undiscounted basis.

(B) Long Term Employee Benefits

The Company has both defined contribution and defined benefit plan. The plans are financed by the Company and in the case of some defined contribution plans, by the Company along with the employee.

I. Defined contribution plan

i) Provident fund and family pension schemes

These are defined contribution schemes and contributions are made to the Regional Provident Fund Authority at the prescribed percentage of salaries and are charged to the profit and loss account and revenue account(s), as applicable.

II. Defined benefit plan

i) Gratuity

Gratuity, which is a defined benefit obligation, is provided on the basis of actuarial valuation using the projected unit credit method as at the balance sheet date and is recognized in the profit and loss account and revenue account(s), as applicable.

ii) Compensated absences and leave entitlements

Long term accumulating leave entitlements are provided on the basis of actuarial valuation using the projected unit credit method as at the balance sheet date. Short term compensated absences are provided for based on management estimates. Actuarial gains/losses are immediately taken to profit and loss account and revenue account(s), as applicable.

iii) Other Long term benefits

Long term incentive plan

The Company has a Long Term Incentive Plan ('LTIP') for selected employees. The plan is a discretionary deferred compensation plan with a vesting period of three years from the year of first entitlement of an employee. Provision for LTIP liability is accrued and provided for on the basis of actuarial valuation made at the balance sheet date. Once, the liability under the plan is vested on employees, it is carried as liability in the balance sheet till the final disbursement. The value of such incentive is based on the Company performance measured on specified key performance indicators.

The Company also has Special Long Term Incentive Plan (Special LTIP) for selected employees. The Special LTIP Plan is a deferred cash incentive plan that pays an employee at a future date based on the company's performance measured by its Net Worth (NW) and Profit after tax (PAT). Provision for Special LTIP liability is accrued and provided based on actuarial valuation made at Balance Sheet.

2.17. Foreign currency transactions

Transactions denominated in foreign currencies, are recorded at the exchange rates prevailing on the date of the transaction.

At each reporting date, the monetary assets and liabilities denominated in foreign currencies are converted into rupee equivalent at the end of the reporting year exchange rates.

All exchange differences arising on settlement/conversions on foreign currency transactions are included in the revenue account.

2.18. Contributions to terrorism pool

In accordance with the requirements of the IRDAI, the Company, together with other direct insurance companies, participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (GIC). The Company cedes 100% of its terrorism premium to GIC. 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

statements received from the GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the last statement received from GIC.

2.19. Indian motor third party declined risk insurance pool for commercial vehicles.

- a) The IRDAI had vide order Ref. IRDA/NL/ORD/MPL/277/12/2011 dated December 23, 2011 required general insurers to participate in the Indian Motor Third Party Declined Risk Insurance Pool (Declined pool) with effect from April 1, 2012. The Declined pool applies to the insurance of standalone third party cover of commercial vehicles and is administered by General Insurance Corporation of India (GIC).
- b) The Order requires all general insurers to underwrite a minimum percentage of Standalone (Act only) commercial vehicle motor third party insurance which shall be in proportion to the sum of fifty per cent of the Company's percentage share in total gross direct premium and fifty per cent of the total motor premium of the industry in the current financial year. The derived percentage would be multiplied with the total amount of standalone (Act only) third party premium of commercial vehicles of all the general insurers taken together in the current year.
- c) Insurers are required to fulfill their obligations by writing the business directly. However, in case the insurer is unable to underwrite the business based on its underwriting guidelines it can cede the same to the declined pool. However, insurers are required to retain 20% of the risk with themselves and cede the balance (after obligatory cession to GIC) to the declined pool.
- d) The declined pool is to be extinguished at the end of every underwriting year on a clean cut basis by transferring the risks at par to the members who have not fulfilled their obligations. Such transfer would be in proportion of the shortfall of each member.
- e) The Company's share of premium, claims, reinsurance commissions and expenses if any of the pool is recorded as inward reinsurance business based on the returns submitted by GIC under the respective heads of income or expense as the case may be and included within the Motor Third Party sub-segment of the Miscellaneous Revenue Account. Unexpired risks reserve is provided for at 50% of net premium of such inward reinsurance business. IBNR and IBNER determined by GIC are subject to clearance from IRDA. Pending such clearance, IBNR/IBNER is recorded based on GIC's determination.
- f) The Indian Motor Third Party Declined Risk Insurance Pool was dismantled with effect 31st March 2015.

2.20. Solatium fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at the General Insurance Council in its meeting held on February 4, 2005, the Company provides 0.1% of total third party premium of all Motor Policies (excluding the retro cession on the motor third party for commercial vehicles) towards contribution to the Solatium Fund.

2.21. Income taxes

Tax expense comprises current tax and deferred tax.

Current tax

The Company provides for income tax on the basis of taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax reflects the impact of current timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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 only to the extent that there is 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 tax 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 future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes 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.

2.22. Goods and Service tax(GST)

With effect from 1st July 2017, Service Tax has been subsumed into the Goods and Service tax. Goods and Service tax collected is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and net liability is remitted to the appropriate authority as stipulated. Unutilized credit if any, are carried forward for adjustments in subsequent years. GST for input services which are ineligible is recognized in Revenue Account.

2.23. Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 values and are determined on their best estimates required to settle the obligation at the balance sheet date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated.

A disclosure for contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may come 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.

2.24. Earnings per Share

The basic earnings per share is computed by dividing the profit/(loss) after tax in the Profit and Loss account by weighted average number of equity shares outstanding during the year.

2.25. Borrowing Costs

Borrowing cost, which is directly attributable to a borrowing are expensed over the tenure of the borrowing. Interest cost on borrowing are accrued based on coupon rate and charged to the Profit and Loss account in the period in which they are incurred.

2.26. Share issue expenses

Share issue expenses are adjusted against share premium account.

3 Notes to accounts

3.1. Contingent liabilities

Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
Partly paid up investments	Nil	Nil
Underwriting commitments Outstanding	Nil	Nil
Claims other than those under policies not acknowledged as debts	Nil	Nil
Guarantees given by or on behalf of the Company	Nil	Nil
Statutory demands/liabilities in dispute, not provided for (As per Table below)*	25,913	27,111

Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
Others(excluding interest and penalty if any)	252	Nil

Contingent liabilities as certified by the management

*Statutory demands/liabilities in dispute include the penalty of Rs. 7,803 thousand.

Show Cause Notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

Particulars	Demand (Rs. 000's)	Remarks
Order has been received on 13 th June, 2018 from the service tax officer raising demand on the following grounds; (April, 2014 to March, 2016). i) Service tax on services provided in J&K, ii) Sale of salvaged goods & services provided to Royal Embassy of Saudi Arabia iii) Eligibility of credit on identified input services	12,645	The Company had filed an appeal on 10.08.2018 before Commissioner challenging the order. The Company has received the order on 11.04.2019 dated 18.03.2019 from Honorable CCT(A) upholding the order passed by the assessing officer. The Company is in the process of filing the appeal before CESTAT. Further, the Company already has a favorable order from CCT(A) for the earlier years where, the commissioner had remanded back the case to assessing officer for reassessment.
Order has been received on 13 th June, 2018 from the service tax officer raising demand on the following grounds; (April, 2013 to March, 2016). i) Demanding service tax on provision of group health insurance to SEZ units for its employees.	13,268	The Company had filed an appeal on 10.08.2018 before Commissioner challenging the order. The Company has received the order on 11.04.2019 dated 18.03.2019 from Honorable CCT(A) upholding the order passed by the assessing officer. The Company is in the process of filing the appeal before CESTAT. Further, the Company already has a favorable order from CCT(A) for the earlier years where, the commissioner had remanded back the case to assessing officer for reassessment.
Total	25,913	

ASSESSMENT ORDER received from Income tax department

The Company has received an assessment order for assessment year 2013-14 and 2014-15. The Assessing Officer ("AO") has concluded assessment based on the information received from DGCEI, Chennai zone unit disallowing marketing expenses paid to various automobile dealers of Rs.11,29,795 ('000),/- for both the assessment years. Based on this, AO has issued show cause notices for imposing penalty under section 271(1) (c) of the Income Tax Act, 1961. The Company has preferred an appeal in this matter with CIT (Appeals) and has replied to the Assessing Officer to keep the matter in abeyance till the matters are disposed off by CIT (Appeals).

The Company has also received an assessment order for assessment year 2015-16 dated 27th December, 2018. The Assessing Officer ("AO") has concluded assessment based on the last year assessment order and disallowed marketing expenses paid to various automobile dealers of Rs. 6,55,334 ('000)-. Based on this, AO has issued show cause notices for imposing penalty under section 271(1) (c) of the Income Tax Act, 1961. The Company is in process to file an appeal before Honorable CIT (Appeals) and to reply the Assessing Officer to keep the penalty in abeyance till the matters are disposed off by CIT (Appeals).

Management doesn't foresee any material impact of the above stated case on the financial statements of the Company.

3.2. Encumbrances on assets

The assets of the Company are free from all encumbrances [As at March 31, 2018 Rs. Nil].

No assets of the Company are subject to restructuring.

3.3. Capital commitments

- There are no commitments made and outstanding for Investments and Loans.
- Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for as at March 31, 2019 is Rs. 5,145 thousand net of advances [as at March 31, 2018 Rs. 10,276 thousand].

3.4. Claims

All Claims, net of reinsurance are incurred and paid in India except for Marine Insurance where consignments are exported from India and Overseas Travel Insurance.

Particulars	Year ended March 31, 2019 (Rs. 000's)	Year Ended March 31, 2018 (Rs. 000's)
In India	8,232,642	7,276,805
Outside India	392,026	28,315
Total	8,624,668	7,305,120

The Ageing of Gross Claims outstanding (Unsettled) is as under:

Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
Outstanding for Less than Six Months	2,434,397	2,492,686
Outstanding for more than Six Months	9,217,873	8,292,645
Total	11,652,270	10,785,331

The above details do not include claims outstanding/IBNR pertaining to Indian Motor Third Party Insurance Motor (IMTPIP) Pool Rs. 1,390,531 thousand [as at March 31, 2018 Rs. 1,656,177 thousand], declined pool claims retained in books as at March 31, 2019 Rs. Nil [as at March 31, 2018 Rs. Nil] and IBNR/IBNER for all lines of business Rs. 11,603,295 thousand [as at March 31, 2018 Rs. 10,553,193 thousand].

There are no claims that have been settled and remaining unpaid for a period of more than six months as at March 31, 2019.

As per Section 2.4 of the circular IRDA-F&I-CIR-F&A-231-10-2012 - Master circular on Preparation of Financial Statements General Insurance Business, requires all insurers to furnish the particulars of the claims made in respect of contracts where the claims payment period exceeds four years. Accordingly, the appointed actuary has certified the liability assessment and same form part of IBNR reserves.

3.5. Premium

Premium net of reinsurance is written and received in India.

Premium on varying risk pattern - Nil

3.6. Premium deficiency reserve, IBNR/IBNER and provision for free look period

The appointed actuary has certified to the Company that actuarial estimates for Premium deficiency reserve and IBNR (including IBNER) are in compliance with the IRDA (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations 2016 and the guidelines issued by the Institute of Actuaries of India.

Depending upon the Business segment, a suitable actuarial method like Basic Chain Ladder Method, Average Cost per Claim Method, Bornhuetter Ferguson Method, or a mixture of these have been used for IBNR calculations.

Claims outstanding for more than four years

As IBNR with respect to these open claims are already included in the Total IBNR; therefore, no additional provision is required separately for claims older than four years.

Provision for free look period

The Appointed Actuary has certified that the free look policies are part of the claim liabilities and are accordingly included in the projection of ultimate amount of claims and hence IBNR.

3.7. Extent of risk retained and reinsured

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

Line of Business	Year ended March 31, 2019		Year ended March 31, 2018	
	Ceded Ratio (%)	Retained Ratio (%)	Ceded Ratio (%)	Retained Ratio (%)
Fire	71	29	58	42
Marine Cargo	28	72	43	57
Motor	7	93	5	95
Workmen compensation	5	95	5	95
Public Liability	42	58	43	57
Engineering	70	30	68	32
Personal Accident	5	95	5	95
Health Insurance	18	82	12	88
Crop Insurance	80	20	80	20
Credit Insurance	94	6	94	6
Others	51	49	50	50
Total	31	69	26	74

3.8. Investments

A. Value of contracts in relation to investments for:

Purchases where deliveries are pending - Rs. 21,518 thousand (Previous year: Rs. 50,361 thousand) and
Sales where deliveries are pending - Rs. Nil (Previous year: Rs. 50,418 thousand)

B. All Investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) Regulations, 2016 and are performing investments except as stated in point E.

C. The historical cost of Investments in Mutual Fund and Equity which are valued on fair value basis is Rs. 442,182 thousand [as at March 31, 2018 Rs. 128,819 thousand] (excluding Policyholders excess).

Particulars	As on March 31, 2019 (Rs.000's)		As on March 31, 2018 (Rs.000's)	
	Fair value	Book value	Fair value	Book value
Shareholders' Investment	82,141	81,809	44,008	40,023
Policyholders Investment	360,741	360,373	84,578	88,796
Total	442,882	442,182	128,585	128,819

D. Allocation of Investment Income

Investment Income has been allocated between revenue accounts and profit and loss account in the ratio of policyholders and shareholders fund as at the Balance sheet date. Policy holder's investment income is further allocated to various segments on the basis of ratio of average policyholder's funds comprising of reserves for unexpired risks, IBNR, IBNER and outstanding claims.

- E. The Company has Investment of face value Rs. 675,000 thousand in Secured Non-Convertible Debentures of IL&FS Financial Services Limited and Infrastructure Leasing & Financial Services Limited as on March 31, 2019, of which Rs. 325,000 thousand forms part of Schedule 12 as Investment realization receivable.

As per clause 3.7 of Master Circular - IRDAI (Investment) Regulations, 2016 which states "An amount, whether interest or principal is said to be overdue if it is not paid to the insurer on the specified date. An asset is classified as an NPA if the interest and/ or installment of principal remain overdue for more than 90 days (i.e., one quarter)". Subsequent to the downgrading of the rating of the securities of IL&FS, the company has not recognized the accrued interest as on March 31, 2019 amounting to Rs. 59,317 thousand for such holding. The Company on prudent basis has made provision of 20% on face value of Rs. 675,000 thousand amounting to Rs.135,000 thousand with respect to diminution in the value of Secured Non-Convertible Debentures as on March 31, 2019.

3.9. Investment property

The depreciation on the Investment Property – Real Estate in accordance with IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2000. for the period amounts to Rs. 14,515 thousand [Previous Year Rs. 6,044 thousand] which is adjusted against the Investment Income. The Fair value of Real Estate is Rs. 837,500 thousand which is based on valuation report.

- 3.10. There are no amounts required to be transferred to the Investor Education and Protection Fund by the company for the year ended March 31, 2019.

3.11. Sector wise business [based on gross direct written premium]

Business Sector	For the year ended March 31, 2019			For the year ended March 31, 2018		
	GDPI (Rs. 000's)	No. of lives	% of GDPI	GDPI (Rs. 000's)	No. of lives	% of GDPI
Rural	7,249,962	-	32%	5,053,582	-	29%
Social	4,556,935	741,630	20%	3,794,897	980,385	22%
Urban	10,773,596	-	48%	8,687,331	-	50%
Total	22,580,493	741,630	100%	17,535,810	980,385	100%

Note:

1. Rural GDPI of FY 2018-19 includes crop insurance premium of Rs. 5,196,085 thousand [As at March 31, 2018 Rs.3,794,553 thousand]
2. Total Number of Lives is as per report submitted to IRDAI.

3.12. Computation of managerial remuneration

A. The details of remuneration of MD and CEO as per the terms of appointment are as under:

Details of Payment	For the Year ended March 31, 2019 (Rs. 000's)	For the Year ended March 31, 2018 (Rs. 000's)
Salary and allowances	14,233	12,644
Provident fund	734	640
Bonus (2)	8,675	13,231
Long Term Incentive Paid	1,783	-
Perquisites	-	33
Total	25,425	26,549

Managerial remuneration in excess of Rs.15,000 thousand [Rs. 10,425 thousand (previous year Rs. 11,549 thousand)], for MD & CEO has been charged to profit and loss account.

Note:

- Expenses towards gratuity funding, leave encashment provision and long term incentive plan are determined and accounted as per the actuarial valuation on overall company basis and accordingly will be considered as and when paid.
- Bonus amounts stated above includes provisional Bonus (STIC) for the respective year.

B. The details of remuneration of Key Management Persons as per guidelines issued by IRDAI vide Ref no IRDA/F&A/GDL/CG/100/05/2016 dated May 16, 2016 and as per terms of appointment of Company are as under:

Details of Payment	For the Year ended March 31, 2019 (Rs. 000's)	For the Year ended March 31, 2018 (Rs. 000's)
Salary and allowances	77,947	43,627
Provident fund	3,698	2,557
Bonus (2)	24,095	30,898
Long Term Incentive Paid	2,490	-
Perquisites	16	1,229
Total	108,246	78,311

Note:

- Expenses towards gratuity funding, leave encashment provision and long term incentive plan are determined actuarially on the overall company basis annually and accordingly have not been considered in the above information.
- Bonus amounts stated above includes provisional Bonus (STIC) for the respective year.

3.13. Property , Plant and Equipment

The Company does not have any assets in its books where the useful life of the component is different than the useful life of the principal asset and the company depreciates the entire asset.

3.14. Segment reporting

The Company's primary reportable segments are business segments, which have been identified in accordance with the IRDAI Regulations. Segment revenue and results have been disclosed in the financial statements in **Annexure - I**. 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.

3.15. Related party disclosure

As per the Accounting Standard (AS) 18 on 'Related Party Disclosures' the following are list of related parties with the relationship.

A. List of Related Parties*

S.No	Entity Name/Related Party Name	Relationship
1.	Bharti General Ventures Private Limited (Formerly known as Bharti General Private Limited)	Holding Company
2.	Societe Beaujon	Significant Influence
3.	AXA SA	Significant Influence
4.	AXA Business Services Private Limited	Common Control
5.	Sanjeev Srinivasan – Managing Director	Key Management Personnel

*As certified by the management

B. Related Party disclosure have been set out in **Annexure-II**

3.16. Outsourcing, business development and marketing support expenses:

Expenses relating to outsourcing, business development and marketing support are:

Particulars	For the year ended March 31, 2019 (Rs. 000's)	For the year ended March 31, 2018 (Rs. 000's)
Outsourcing costs	136,100	104,021
Business Development and marketing support expenses	184,548	147,974
Total	320,648	251,995

3.17. Expenses of Management

The company has allocated expenses of management as per the policy approved by the Board of Directors dated 7th March, 2018.

In accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, operating expenses of Rs 1,321,358 thousand (Previous Year 1,116,882 thousand) in excess of segmental limits pertaining to Marine, Motor & Health segment has been transferred from revenue account to profit & Loss account.

3.18. Ratio Analysis

A. For ratios at March 31, 2019 refer Annexure III-A and at March 31, 2018 refer Annexure III-B

B. The actual solvency ratio of the Company as at March 31, 2019 is 1.76 [Previous Year Ratio 1.86].

	(Rs. 000's)	
Solvency Margin	At March 31, 2019	At March 31, 2018
Required solvency margin under IRDAI Regulations (A)	3,924,824	3,791,234
Available solvency margin (B)	6,889,756	7,069,452
Solvency ratio actual (times) (B/A)	1.76	1.86
Solvency ratio prescribed by Regulation	1.50	1.50

3.19. Leases

Operating lease commitments

i) Office and residential premises

a) As Lessor

The details of minimum future rental towards non-cancellable lease agreements are as under:

Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
not later than one year	68,791	36,969
later than one but not later than five years	228,627	144,281
later than five years	-	-

An amount of Rs. 42,229 thousand [Previous year Rs.14,685 thousand]has been recognized in Revenue Account.

b) As Lessee

The Company's significant leasing arrangements include agreements for office and residential premises. In respect of premises taken on operating lease, the lease agreements are generally mutually renewable.

The details of minimum future rental payable towards non-cancellable lease agreements are as under:

Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
not later than one year	128,461	134,757
later than one but not later than five years	380,964	430,004
later than five years	124,330	128,186

An amount of Rs. 153,667 thousand [Previous year Rs. 142,965 thousand] has been charged to Revenue Account.

i) Motor vehicles

The company takes vehicles on lease. The minimum lease payments to be made in future towards non- cancellable lease agreements are as follows:

Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
Payable not later than one year	3,823	2,853
Payable later than one but not later than five years	4,074	4,699

The aggregate operating lease rental, charged to the Revenue Account in the current year is Rs. 3,929 thousand [Previous year Rs. 3,185 thousand]. The lease terms do not contain any exceptional/restrictive covenants nor are there any options given to the company to renew the lease or purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable and it is not reasonably certain that the Company will exercise the option.

3.20. Earnings per share

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Profit/(Loss) attributable to the Equity Shareholders [A]	Rs. (000's)	30,419	(926,299)
Number of Equity Shares at the beginning of the reporting year (par value of Rs 10 each)	No's	1,621,445,322	1,621,445,322
Shares issued during the reporting year	No's	Nil	Nil
Total number of equity shares outstanding at the end of the reporting year	No's	1,621,445,322	1,621,445,322
Weighted average number of equity shares outstanding during at the end of the reporting year [B]	No's	1,621,445,322	1,621,445,322
Nominal Value of equity shares	Rs.	10	10
Basic and Diluted Earnings per share [C= A/B]	Rs.	0.02	(0.57)

3.21. As per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) the Micro and Small Enterprises have been identified by the Company from the available information. Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows:

S.No.	Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
i)	Principal amount due and remaining unpaid to any Supplier as at the end of reporting year	-	-
ii)	Interest due on principal amount remaining unpaid as at the end of reporting year	Nil	Nil
iii)	Amount of Interest along with principal amount paid to Supplier beyond due date of payment	Nil	Nil
iv)	Amount of interest accrued/due and remaining unpaid at the end of reporting year	Nil	Nil
v)	Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

3.23 Deferred tax

On a prudent and conservative basis and due to absence of virtual certainty of future taxable income, the deferred tax asset on accumulated business losses and unabsorbed depreciation has not been recognized as on the reporting date.

3.24 Retirement and other employee benefits

(a) Defined contribution plan

The Company has recognized Rs. 67,675 thousand [Previous year Rs. 52,731 thousand] as Provident Fund contribution towards defined contribution plan as an expense in the Revenue and Profit and Loss Account, as applicable.

(b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every eligible employee is entitled to receive gratuity at 15 days salary (last drawn salary) for each completed year of service. Valuation in respect of Gratuity has been carried out by an independent actuary, as at the reporting date on the basis of Projected Unit Credit method.

The following tables summarize the components of net benefit/expense recognized in the Revenue Accounts/Profit and Loss Account and amounts recognized in the Balance Sheet for the gratuity (funded) and leave encashment plans (unfunded) respectively:

i) **Changes in present value of the defined benefit obligation are as follows:**

a. **Gratuity Defined benefit obligation**

Reconciliation of Defined Benefit Obligation

Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
Present value of obligations as at the beginning of the reporting year (A)	56,885	55,533
Current service cost (B)	14,661	13,969
Interest cost (C)	4,107	3,133
Actuarial loss/(gain) on obligation (D)	1,291	(502)
Benefits paid (E)	(14,061)	(15,248)
Present value of obligations as at the end of the reporting year (F=A+B+C+D+E)	62,883	56,885

Reconciliation of Fair Value of Plan Assets

Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
Plans assets at period beginning, at fair value (A)	41,051	52,884
Expected Return on Plan Assets (B)	2,872	2,962
Actuarial Gain/(Loss) (C)	605	386
Contributions (D)	24,132	67
Benefits Settled (E)	(14,061)	(15,248)
Plan Assets at Period End, at fair value [F=A+B+C+D+E]*	54,599	41,051

*Gratuity Fund was managed by Life Insurance Corporation of India (LIC) till 30th March, 2018. With effect from 31st March, 2018 onwards, the fund is managed by Bharti AXA Life Insurance Company Limited. Individual investment wise details of the plan assets are not being provided by Fund Manager.

Fair Value of assets and obligations

Particulars	As at March 31, 2019 (Rs. 000's)	As at March 31, 2018 (Rs. 000's)
Fair Value of Plan Assets (A)	54,599	41,051
Present value of Obligations (B)	62,883	56,885
Net Asset/(Liability) recognized in Balance Sheet (C = B – A)	(8,284)	(15,834)

Net cost for the reporting year

Particulars	Current Year	Previous Year
	(Rs. 000's)	(Rs. 000's)
Current Service Cost (A)	14,661	13,969
Interest Cost (B)	4,107	3,133
Actuarial loss/(gain) on obligation (C)	1,291	(502)
Actuarial (loss)/gain on plan assets (D)	(605)	(386)
Expected Return on Plan Assets (E)	(2,872)	(2,962)
Actuarial Adjustment (F)	-	-
Expenses recognized in Revenue/Profit & Loss Account (G) =(A+B+C+D+E+F)	16,582	13,252

ii) Principal actuarial assumptions used in determining gratuity -employment benefits.

Particulars		For the year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Discount Rate		6.70%	7.22%	6.54%	7.21%	7.82%
Salary Increase		9%	11%	14%	11%	11%
Mortality rate		Mortality Rate Indian Assured Lives Mortality (2012-14)	Mortality Rate Indian Assured Lives Mortality(2006-08)			
Estimated rate of returns on plan assets		7.22%	6.54%	6.54%	7.21%	8.00%
Retirement Age		58	58	58	58	58
Attrition Rate	Employee under deferred compensation	7%	24%	28%	35.50%	33%
	Other Employees	28%	-	-	-	-

- (c) The Company has a Long Term Incentive Plan ('LTIP') for selected employees. The plan is a discretionary deferred compensation plan with a vesting period of three years from the year of first entitlement of an employee. Provision for LTIP liability is accrued and provided for on the basis of actuarial valuation amounting to Rs. 40,518 thousand [As at March 31, 2018 Rs.14,077 thousand] as at the reporting date. Once, the liability under the plan is vested on employees, it is carried as liability in the balance sheet till the final disbursement.
- (d) The Special Long Term Incentive Plan ('Special LTIP') is a deferred cash incentive plan that pays an employee at a future date based on the company's performance measured by its Net Worth (NW) and Profit after tax (PAT) . Provision for Special LTIP liability is accrued and provided for on the basis of actuarial valuation amounting to Rs. 10,500 thousand [As at March 31, 2018 Rs. Nil] as at the reporting date.

3.25 SUMMARY OF FINANCIAL STATEMENTS

Corresponding previous figures have been given wherever available/applicable. Disclosure in respect of summarized financial statements for the last five years has been compiled and presented in **Annexure IV**:

- 3.26 The company does not have any long term contracts including derivative contracts wherein the company is required to make provision towards any foreseeable losses. Foreign currency exposure as at March 31, 2019 and March 31, 2018 that has not been hedged by any derivative instrument or otherwise is estimated as follows:

Particulars	Rs. (000's)	Rs. (000's)
Foreign Currency Exposure	249,738	72,169

*represented by various currencies

3.27 Disclosures on penal actions taken against the Company for the period April 1, 2018 to March 31, 2019

Rs. ('000)

S. NO	Authority	Non-Compliance Violation	Penalty Awarded	Penalty Paid	Penalty Waived/Reduced
1.	Insurance Regulatory And Development Authority	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2.	Service Tax Authorities	Nil (4,097)	Nil (4097)	Nil (4097)	Nil (Nil)
3.	Income Tax Authorities	256* (None)	256 (Nil)	256 (Nil)	Nil (Nil)
4.	Any other Tax Authorities	None (None)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5.	Enforcement Directorate/Adjudicating Authority/Tribunal or any other Authority under FEMA	None (None)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6.	Registrar of Companies/NCLT/CLB/ Department of Corporate Affairs or any other Authority	None (None)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7.	Penalty Awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	None (None)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8.	Securities and Exchange Board of India	N.A (N.A)	Nil (Nil)	Nil (Nil)	Nil (Nil)
9.	Competition commission of India	None (None)	Nil (Nil)	Nil (Nil)	Nil (Nil)
10.	Any other Central/State/Local Government/Statutory Authority	None (None)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets pertain to year ended March 31, 2018

As certified by the Management

* Penalty Order has been received from Addl. Commissioner of Income Tax, levying a penalty u/s 271DA of the Income Tax Act, 1961. The Company has duly discharged the liability.

3.28 Disclosure on other work given to auditors.

Pursuant to clause 7.1(g) of Corporate Governance Guidelines issued IRDAI on May 18, 2016, the additional work entrusted to statutory auditors is given below:

Rs.(000')

Name of Auditor	Services rendered	For the year ended March 31, 2019	For the year ended March 31, 2018
M P Chitale & Co	Tax Audit	210	250
	Certification	450	40
Singhi & Co	GST Audit	1,000	-
	Certification	470	-

3.29 Contributions to terrorism pool, solatium fund and environment relief fund

(a) Contribution to terrorism pool

The Company is a participant in and has received the Terrorism Pool retrocession of premium in the current financial year. Accordingly, as per the statement received from the Pool managers, the Company has recognized the pool retrocession for the three quarters ended December 31, 2018 including a provisional investment income as provided by GIC vide provisional statement as on 31st March 2019.

(b) Solatium fund

The IRDAI had asked the General Insurance Council ("the Council") to recommend the percentage of contribution to be made to a Solatium Fund and matters relating to the administration of the Fund. The Council has decided that The New India Assurance Company Limited would administer the fund. The Council in its meeting held on May 6, 2005 approved the contribution of 0.10% of the motor gross written premium with effect from the date of commencement of business, for private insurance companies.

Vide letter dated July 26, 2010, the Council recommended the companies w.e.f April 1, 2010 to contribute 0.10% of all the third party premium written as Solatium Fund to the administrator on demand. However, during the year the Company has provided charge to the Revenue Accounts of Rs. 4,647 thousand [Previous year Rs. 3,782 thousand] on an accrual basis (see accounting policy in paragraph 2(u) above) and disclosed under Current Liabilities.

(c) Contributions to environment relief fund

During the year, an amount of Rs. 2,195 thousand [Previous year Rs. 822 thousand] was collected towards Environment Relief Fund for public liability policies and an amount of Rs.2,181 thousand [Previous year Rs. 697 thousand] has been transferred to "United India Insurance Company Limited, Environment Fund Account" as per Notification of Environment Relief Fund (ERF) scheme under the public liability Insurance Act, 1991 as amended. The balance amount of Rs. 14 thousand [Previous year Rs. 125 thousand] is included under statutory dues in Schedule 13.

3.30 Unclaimed amount of policyholders

Pursuant to Circular No. IRDA/F&I/CIR/CMP/174/11/2010, dated November 4, 2010 the statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders is presented hereunder:

W.e.f. 1 April, 2016 separate category of investments corresponding to the unclaimed amounts have been maintained and income of the fund is calculated on actual basis credited to policyholders' unclaimed amounts account. For this purpose these investments have been transferred at book value. The outstanding unclaimed amounts and the corresponding investments of the fund are disclosed in the balance sheet under Schedule 13 and Schedule 12 respectively as at 31st March 2019

[Amount Rs. 000's]								
Authority	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 policyholders/insured due to any reasons except under litigation from the insured/policyholders	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sum due to the insured/policyholders on maturity or otherwise	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Any excess collection of the premium/tax or any charges which is refundable to the policyholders either as terms if conditions of the policy or as per law or as the case may be directed by the authority but not refunded so far.	102,852 (75,152)	- (-)	27,639 (25,600)	23,598 (10,053)	15,185 (6,769)	6,265 (10,982)	4,957 (9,814)	25,208 (11,935)
Cheques issued but not	215,931	28,338	31,073	40,432	12,676	6,430	9,096	87,886

encashed by the policyholders/insured	(192,427)	(31,957)	(52,050)	(11,385)	(12,641)	(12,208)	(9,949)	(62,238)
Total	318,783 (267,580)	28,338 (31,957)	58,712 (77,650)	64,030 (21,438)	27,861 (19,410)	12,695 (23,190)	14,053 (19,763)	113,094 (74,173)

Figures in brackets pertain to year ended March 31, 2018

The above ageing includes interest payable of Rs 62,532 [Previous year Rs. 35,252] thousand on unclaimed amounts of policyholder.

Statement showing movement of Unclaimed Amount of policyholders due

	(Rs. 000's)	(Rs. 000's)
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Balance	267,580	244,700
Add: Amount transferred to Unclaimed Amount	43,346	23,705
Add: Cheques issued out of the unclaimed amount but not encashed by the policy holders (To be included only when the cheques are Stale)	78,583	79,141
Add: Investment Income	27,280	30,712
Less: Amount paid during the year (1)	98,006	110,679
Closing Balance of Unclaimed Amount	318,783	267,580

Note:

- Amount paid includes reversal of Rs. 28,172 thousand towards policy issuance, reconciliation of Coinsurance, Reinsurance & corporate deposits earlier shown as unclaimed amount of policyholders.

3.31 Borrowings

A. Summary of the terms of debentures are as follows;

Type, Nature and Seniority of Instrument	Unsecured, subordinated, fully paid-up, unlisted, redeemable and non-convertible debentures
Face Value (per security)	Rs.10,00,000
Issue Size	Rs. 2,200,000 thousand
Issue Date/Date of Allotment	August 23, 2017
Redemption Date	August 23, 2027
Call option Date	August 23, 2022
Coupon Rate	8.98% per annum
Credit Rating	"BWR AA" by Brickworks Ratings India and "[ICRA]AA-" by ICRA
Frequency of the Interest Payment	Annual

B. Debenture Redemption Reserve

Section 71 of the Companies Act, 2013 read with relevant rules requires the company to create Debenture Redemption Reserve. Since the Company does not have any distributable profits during the current financial year, Debenture Redemption Reserve has not been created which has also been opined by the legal consultant of the Company.

3.32 Transfer Pricing

The Income Tax Act, 1961 contains provisions for determination of arm's length price for international transactions between the Company and its associated enterprises as well as in respect of certain specified domestic transactions. The regulations envisage taxation of transactions which are not in consonance with the arms-length price so determined, maintenance of prescribed documents and information including furnishing of a report from an accountant before the due date for filing the return of income. For the year ended March 31, 2018, the Company has complied with the said regulations. Documentations for the current year are in progress. Management believes that such transactions have been concluded on an arm's length basis and there would be no additional tax liability for the financial year ended March 31, 2019 as a result of such transactions.

3.33 Previous year figures have been regrouped wherever necessary in conformity with the presentation followed in the current financial year. The details of changes are as under:

Sr. no.	Regrouped from	Regrouped to	Period	Amount (in Rs. 000's)	Reason
1.	Schedule 11 - Cash and Bank Balances	Schedule 13 – Current Liabilities	March 2018	41,538	Regrouped for better presentation and in confirmation with this period's presentation.
2.	Schedule 13 – Others-Statutory dues	Schedule 12 – Advance Tax Paid and Taxes Deducted at Source	March 2018	3,006	Regrouped for better presentation and in confirmation with this period's presentation
3.	Schedule 13 – Sundry creditors	Schedule 13 – Investment payable	March 2018	50,361	Regrouped for better presentation and in confirmation with this period's presentation
4.	Schedule 4 – Operating Expenses	Revenue Account	March 2018	1,116,881	Regrouped for better presentation and in confirmation with this period's presentation, as directed by IRDAI

For and on behalf of the Board

RAKESH BHARTI MITTAL
(CHAIRMAN)

JEAN, PAUL, DOMINIQUE, LOUIS DROUFFE
(DIRECTOR)

SANJEEV S
(CHIEF EXECUTIVE OFFICER & MD)

BHARAT SUMANT RAUT
(INDEPENDENT DIRECTOR)

NILESH KAMBLI
(CHIEF FINANCIAL OFFICER)

AMIT RAHEJA
(COMPANY SECRETARY)

As per our report of even date

For Singhi & Co
Chartered Accountants
(Regn No.302049E)

For M P Chitale & Co
Chartered Accountants

NIKHIL SINGHI
(Partner)
Membership No.061567

ASHUTOSH PEDNEKAR
(Partner)

Bharti AXA General Insurance Company Limited

Annexure -I

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31 , 2019

Rs '000'

Particulars	Fire	Marine			Miscellaneous															Total
		Cargo	Others	Total	Motor	OD	Motor	TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Miscellaneous Total	
Premium Earned (Net)	1,84,328	2,66,531	-	2,66,531	64,07,872		37,43,307		1,01,51,179	63,156	1,37,616	47,087	-	1,70,302	20,55,683	8,79,909	2,123	31,908	1,35,38,961	1,39,89,821
Profit on Sale of Investments	3,023	1,464	-	1,464	25,486		1,06,340		1,31,826	501	1,185	763	-	1,089	6,828	3,492	17	681	1,46,382	1,50,869
Interest and Dividend	47,067	22,786	-	22,786	3,96,747		16,55,442		20,52,189	7,801	18,448	11,871	-	16,956	1,06,299	54,368	260	10,598	22,78,790	23,48,643
Amortisation	142	69	-	69	1,194		4,981		6,175	23	56	36	-	51	320	164	1	32	6,857	7,067
Other Income (Including Terrorism pool income/expenses, Premium Deficiency & Contribution to Solatium Fund)	7,474	371	-	371	7,532		301		7,834	89	190	3,289	-	242	3,018	1,012	2	52	15,726	23,570
Total Segmental Revenue	2,42,035	2,91,220	-	2,91,220	68,38,832		55,10,371		1,23,49,203	71,570	1,57,495	63,045	-	1,88,640	21,72,148	9,38,944	2,403	43,270	1,59,86,716	1,65,19,970
Claims Incurred (Net)	1,21,563	2,08,166	-	2,08,166	40,65,857		35,95,556		76,61,414	55,283	45,190	43,033	-	1,45,148	18,26,046	6,65,113	1,601	(5,762)	1,04,37,066	1,07,66,793
Commission Paid (Net)	(54,597)	44,216	-	44,216	10,27,209		17,859		10,45,068	7,685	15,014	(23,168)	-	13,674	(13,377)	(4,96,488)	(3,460)	(85)	5,44,863	5,34,482
Operating Expenses related to Insurance	1,14,420	1,11,221	-	1,11,221	22,19,402		14,58,083		36,77,485	26,027	49,782	26,090	-	65,066	8,54,917	2,77,426	522	18,483	49,95,798	52,21,439
Contribution from Shareholders Funds under EOM Rules 2016	-	(23,967)	-	(23,967)	(6,27,896)		(4,12,510)		(10,40,406)	-	-	-	-	-	(2,56,985)	-	-	-	(12,97,391)	(13,21,358)
Total Segmental Expenditure	1,81,386	3,39,635	-	3,39,635	66,84,573		46,58,988		1,13,43,561	88,995	1,09,985	45,955	-	2,23,887	24,10,602	4,46,051	(1,337)	12,635	1,46,80,336	1,52,01,356
Segmental Profit	60,649	(48,415)	-	(48,415)	1,54,259		8,51,383		10,05,642	(17,425)	47,509	17,090	-	(35,247)	(2,38,454)	4,92,894	3,740	30,635	13,06,380	13,18,614

Bharti AXA General Insurance Company Limited

**Annexure -I
SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31 , 2019**

Segment revenues and segment results have been incorporated in the financial statements. However given the nature of the business, segment assets and liabilities, have been allocated among various segments to the extent possible

Assets

Rs '000'

Particulars	Fire	Marine			Motor	Motor -OD	Motor -TP*	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather	Credit Insurance	Others	Misc Total	Total
		Cargo	Others	Total														
Outstanding Premium	-	-	-	-	2,000	2,000	-	-	-	-	-	-	-	31,78,078	-	-	31,80,078	31,80,078

Liabilities

Rs '000'

Particulars	Fire	Marine			Motor	Motor -OD	Motor -TP*	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather	Credit Insurance	Others	Misc Total	Total
		Cargo	Others	Total														
Claims Outstanding	2,56,889	1,77,448	-	1,77,448	1,87,66,604	10,72,393	1,76,94,211	69,358	1,53,032	1,03,869	-	1,39,306	5,28,073	6,62,025	3,163	77,300	2,05,02,730	2,09,37,067
Reserve for Premium Deficiency	28,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,910
Reserve for Unexpired Risk	3,49,004	1,33,749	-	1,33,749	56,48,199	33,63,291	22,84,908	39,011	81,303	51,698	-	91,442	10,44,688	42,878	369	30,053	70,29,641	75,12,393

*Motor TP - Claims O/s includes Motor pool liability

Bharti AXA General Insurance Company Limited

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31 , 2018

Rs '000'

Particulars	Fire	Marine			Miscellaneous															Total
		Cargo	Others	Total	Motor	OD	Motor	TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Miscellaneous Total	
Premium Earned (Net)	94,821	1,39,878	-	1,39,878	66,15,202		34,85,517		1,01,00,719	46,769	1,14,514	37,777	-	1,30,315	8,67,583	5,61,567	1,777	38,539	1,18,99,560	1,21,34,259
Profit on Sale of Investments	2,751	2,031	-	2,031	84,856		46,422		1,31,278	715	1,643	503	-	1,740	15,320	8,171	24	477	1,59,871	1,64,652
Interest and Dividend	34,544	25,504	-	25,504	10,65,635		5,82,973		16,48,608	8,980	20,632	6,319	-	21,856	1,92,389	1,02,612	301	5,990	20,07,687	20,67,736
Amortisation	177	131	-	131	5,456		2,985		8,441	46	106	32	-	112	985	525	2	31	10,279	10,587
Other Income (Including Terrorism pool income/expenses & Contribution to Solatium Fund)	3,170	47	-	47	3,874		(2,711)		1,162	16	38	3,228	-	40	353	188	1	11	5,038	8,256
Total Segmental Revenue	1,35,463	1,67,590	-	1,67,590	77,75,022		41,15,185		1,18,90,207	56,526	1,36,932	47,859	-	1,54,064	10,76,631	6,73,064	2,104	45,048	1,40,82,435	1,43,85,489
Claims Incurred (Net)	60,563	1,34,642	-	1,34,642	48,08,610		34,47,343		82,55,953	37,324	(29,831)	46,160	-	1,31,352	8,51,548	4,77,600	834	1,01,181	98,72,120	1,00,67,325
Commission Paid (Net)	(26,148)	12,270	-	12,270	8,02,044		(2,230)		7,99,814	6,648	11,417	(9,940)	-	9,098	44,484	(2,30,879)	(2,512)	187	6,28,316	6,14,439
Operating Expenses related to Insurance	66,530	57,341	-	57,341	25,18,265		13,77,658		38,95,923	17,504	39,323	20,170	-	46,027	3,67,871	1,61,018	682	77,891	46,26,409	47,50,282
Contribution from Shareholders Funds under EOM Rules 2016	-	-	-	-	(7,09,885)		(3,88,355)		(10,98,240)	-	-	-	-	-	(18,642)	-	-	-	(11,16,881)	(11,16,881)
Total Segmental Expenditure	1,00,945	2,04,253	-	2,04,253	74,19,034		44,34,417		1,18,53,451	61,476	20,909	56,390	-	1,86,477	12,45,261	4,07,738	(996)	1,79,260	1,40,09,964	1,43,15,163
Segmental Profit	34,518	(36,663)	-	(36,663)	3,55,988		(3,19,232)		36,756	(4,950)	1,16,023	(8,531)	-	(32,413)	(1,68,620)	2,65,326	3,100	(1,34,212)	72,471	70,326

SEGMENTAL BREAK-UP OF THE BALANCE SHEET AS AT MARCH 31, 2018

Segment revenues and segment results have been incorporated in the financial statements. However given the nature of the business, segment assets and liabilities, have been allocated among various segments to the extent possible

Assets																	Rs '000'	
Particulars	Fire	Marine			Motor	Motor -OD	Motor -TP*	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather	Credit Insurance	Others	Misc Total	Total
		Cargo	Others	Total														
Outstanding Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	24,87,245	-	-	24,87,245	24,87,245

Liabilities																	Rs '000'	
Particulars	Fire	Marine			Motor	Motor -OD	Motor -TP*	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather	Credit Insurance	Others	Misc Total	Total
		Cargo	Others	Total														
Claims Outstanding	1,84,757	1,53,982	-	1,53,982	1,74,84,470	12,80,785	1,62,03,685	43,815	1,30,947	86,209	-	1,01,658	3,22,419	4,77,600	1,786	1,17,739	1,87,66,642	1,91,05,382
Reserve for Premium Deficiency	22,411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,411
Reserve for Unexpired Risk	2,39,093	58,180	-	58,180	52,36,205	33,96,181	18,40,024	26,983	58,447	30,871	-	57,057	5,46,336	66,232	657	18,332	60,41,119	63,38,392

*Motor TP - Claims O/s includes Motor pool liability

Annexure-II

Details of transaction with related parties for the year ended March 31, 2019 are given below:

(₹ in 000's)

Particulars	Period	Bharti General Ventures Private Limited (Formerly Known as Bharti General Private Limited)	Societe Beaujon	AXA SA	AXA Business Services Private Limited	Key managerial personnel	Total
		Holding Company	Significant Influence	Significant Influence	Common Control		
Premium income	Current Period	-	-	-	46,265	-	46,265
	Previous Period	-	-	-	31,639	-	31,639
Claim payments net of claims received	Current Period	-	-	-	634	-	634
	Previous Period	-	-	-	644	-	644
Commission/ Brokerage payouts	Current Period	-	-	-	-	-	-
	Previous Period	-	-	-	-	-	-
Remuneration Paid	Current Period	-	-	-	-	24,397	24,397
	Previous Period	-	-	-	-	26,548	26,548
Advertisement and Business Promotion	Current Period	-	-	-	1,301	-	1,301
	Previous Period	-	-	-	1,991	-	1,991
Professional Charges	Current Period	-	-	-	7,623	-	7,623
	Previous Period	-	-	-	40,658	-	40,658
Rent, Rates & Taxes	Current Period	-	-	-	-	-	-
	Previous Period	-	-	-	749	-	749

Communication Charges	Current Period	-	-	-	38,222	-	38,222
	Previous Period	-	-	-	51,122	-	51,122
Miscellaneous Expenses	Current Period	-	-	-	-	-	-
	Previous Period	-	-	(5,002)	399	-	(4,603)

Balances with related parties at March 31, 2019, are given below:

(` in 000's)

Particulars	Period	Bharti General Ventures Private Limited	Societe Beaujon	AXA SA	AXA Business Services Private Limited	Key managerial personnel	Total
		Holding Company	Significant Influence	Significant Influence	Significant Influence		
ASSETS							
Investments	Current Period	-	-	-	-	-	-
	Previous Period	-	-	-	-	-	-
Income accrued on investments	Current Period	-	-	-	-	-	-
	Previous Period	-	-	-	-	-	-
Others assets/ Receivables	Current Period	-	-	-	-	-	-
	Previous Period	-	-	-	1,447	-	1,447
LIABILITIES							
Share Capital (Including Share Premium)	Current Period	92,81,151	86,53,487	-	-	-	1,79,34,638
	Previous Period	92,81,151	86,53,487	-	-	-	1,79,34,638
Others liabilities/ Payables	Current Period	-	-	-	168	-	168
	Previous Period	-	-	-	-	-	-

Annexure-III-A

Analytical Ratios as at March 31, 2019

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor Total	Motor OD	Motor TP	Workmen compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Total miscellaneous	Basis of calculations
1	Gross Direct Premium Growth Rate	29%	102%	66%	-	66%	6%	-2%	22%	48%	35%	78%	-	53%	132%	37%	-7%	30%	25%	(GDPI current year- GDPI previous year)/ GDPI previous year
2	Gross Direct Premium to Net Worth Ratio	4.34																		GDPI/ Net worth
3	Growth rate of Net Worth	1%																		(Net worth current year- Net worth previous year) / Net worth previous year
4	Net Retention Ratio	66%	20%	63%	-	63%	92%	94%	90%	82%	50%	21%	-	94%	82%	16%	6%	36%	70%	NWP / (GDPI + RI accepted)
5	Net Commission Ratio	4%	-19%	13%	-	13%	10%	16%	0%	10%	9%	-34%	-	7%	-1%	-58%	-189%	0%	4%	Net commission / NWP
6	Expense of Management to Gross Direct Premium Ratio	25%																		Expenses of management/ GDPI
7	Expense of Management to Net Written Premium Ratio	37%																		Expenses of management/ NWP
8	Net Incurred Claims to Net Earned Premium	77%																		Net Incurred Claims / Net Earned Premium
9	Combined Ratio	106%																		((Net Incurred Claims / Net Earned Premium) + ((Net Commission + Operating Expenses) /NWP))
10	Technical Reserves to Net Premium Ratio	2.04																		(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ NWP
11	Underwriting balance Ratio	(0.09)	0.02	(0.27)	-	(0.27)														(0.08) (Underwriting profit/loss) / Net Earned Premium
12	Operating Profit Ratio	10%																		(Underwriting profit/loss + Investment income) / Net Earned Premium
13	Liquid Assets to liabilities Ratio	0.24																		Liquid Assets/ Policyholders liabilities
14	Net earnings Ratio	0%																		Profit after tax/ Net Written Premium
15	Return on Net Worth Ratio	0.6%																		Profit after tax/ Net Worth
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.76																		
17	NPA Ratio																			
	Gross NPA Ratio	1.73%																		
	Net NPA Ratio	1.39%																		

Notes :

Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

- GDPI = Premium from direct business written, NWP = Net written premium
- Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure - Debit balance in profit & loss account)
- Expenses of management = Commission paid-direct + Operation expenses related to insurance business
- Liquid asset= Short term investments + Cash and bank balances
- Policyholders liabilities = Claim outstanding + Reserve for unexpired risk + Reserve for premium deficiency
- Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission - Operating expense
- Gross NPA=[(Book Value of NPA)/Total Book value of Investments]
Book value of NPA includes 'Investments realization receivable shown in Schedule 12 of Balance Sheet
- Net NPA=[(Book Value of NPA -Provision for diminution in value of Investments)/Total Book value of Investments]
Book value of NPA includes 'Investments realization receivable shown in Schedule 12 of Balance Sheet

Annexure-III-B

Analytical Ratios as at March 31, 2018

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor Total	Motor OD	Motor TP	Workmen compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Crop / Weather Insurance	Credit Insurance	Others	Total miscellaneous	Basis of calculations
1	Gross Direct Premium Growth Rate	33%	23%	29%	0%	29%	-3%	-6%	4%	24%	12%	21%	0%	5%	100%	-	5%	-18%	34%	(GDPI current year- GDPI previous year)/ GDPI previous year
2	Gross Direct Premium to Net Worth Ratio	3.39																		GDPI/ Net worth
3	Growth rate of Net Worth	-15%																		(Net worth current year- Net worth previous year) / Net worth previous year
4	Net Retention Ratio	72%	31%	47%	0%	47%	94%	94%	94%	89%	54%	24%	0%	93%	88%	17%	6%	39%	74%	NWP / (GDPI + RI accepted)
5	Net Commission Ratio	5%	-11%	8%	0%	8%	8%	12%	0%	12%	9%	-22%	0%	7%	4%	-37%	-136%	1%	5%	Net commission / NWP
6	Expense of Management to Gross Direct Premium Ratio	27%																		Expenses of management/ GDPI
7	Expense of Management to Net Written Premium Ratio	37%																		Expenses of management/ NWP
8	Net Incurred Claims to Net Earned Premium	83%																		Net Incurred Claims / Net Earned Premium
9	Combined Ratio	116%																		((Net Incurred Claims / Net Earned Premium) + ((Net Commission + Operating Expenses) /NWP))
10	Technical Reserves to Net Premium Ratio	2.10																		(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ NWP
11	Underwriting balance Ratio	(0.18)	(0.06)	(0.46)	-	(0.46)														(0.18) (Underwriting profit/loss) / Net Earned Premium
12	Operating Profit Ratio	1%																		(Underwriting profit/loss + Investment income) / Net Earned Premium
13	Liquid Assets to liabilities Ratio	0.24																		Liquid Assets/ Policyholders liabilities
14	Net earnings Ratio	-7%																		Profit after tax/ Net Written Premium
15	Return on Net Worth Ratio	-17.9%																		Profit after tax/ Net Worth
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.86																		
17	NPA Ratio																			
	Gross NPA Ratio	-																		
	Net NPA Ratio	-																		

Notes :

Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

1. GDPI = Premium from direct business written, NWP = Net written premium

2. Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure - Debit balance in profit & loss account)

3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business

4. Liquid asset= Short term investments + Cash and bank balances

5. Policyholders liabilities = Claim outstanding + Reserve for unexpired risk + Reserve for premium deficiency

6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission - Operating expense

Annexure - IV Summary of Financial Statements

S.No	Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
		(Rs 000's)	(Rs 000's)	(Rs 000's)	(Rs 000's)	(Rs 000's)
	OPERATING RESULTS					
1	Gross Written Premium (1)	2,28,49,148	1,77,16,892	1,32,59,600	1,28,45,220	1,47,41,511
2	Net Premium Income	1,51,63,823	1,26,83,282	1,16,53,019	1,09,71,700	1,21,98,159
3	Income from Investments (net)	25,28,504	22,65,162	25,04,448	23,15,726	21,55,298
4	Other Income	17,824	5,714	9,089	13,106	7,603
5	Total Income	1,77,10,152	1,49,54,158	1,41,66,556	1,33,00,532	1,43,61,060
6	Commission (net)	5,34,483	6,14,439	3,81,344	3,26,931	2,98,272
7	Operating Expenses (3)	39,00,081	36,33,401	39,47,521	48,93,535	47,37,498
8	Claims, Increase in Unexpired Risk Reserve and other outflows	1,19,56,973	1,06,35,994	1,00,99,548	1,00,99,756	1,04,77,337
9	Operating Profit/(Loss)	13,18,614	70,326	(2,61,858)	(20,19,690)	(11,52,047)
	NON- OPERATING RESULTS					
10	Total Income under shareholders account	(12,88,195)	(9,96,624)	(10,24,478)	(22,688)	(29,823)
11	Profit/(Loss) before tax	30,419	(9,26,299)	(12,86,336)	(20,42,378)	(11,81,870)
12	Provision for tax	-	-	-	1,200	683
13	Profit/(Loss) after tax	30,419	(9,26,299)	(12,86,336)	(20,43,578)	(11,82,553)
	MISCELLANEOUS					
14	Policyholder's Account (2)					
	Total Funds	3,33,19,105	2,67,49,763	2,86,85,792	2,83,63,510	55,81,554
	Total Investments	3,33,19,105	2,67,49,763	2,86,85,792	2,83,63,510	2,46,09,821
	Yield on Investments	7.65%	8.64%	8.49%	8.87%	9.15%
15	Shareholder's Account (2)					
	Total Funds	52,08,156	51,77,737	61,04,035	68,90,372	7,394
	Total Investments	55,23,363	53,64,723	36,073	48,503	32,600
	Yield on Investments	7.65%	6.31%	3.53%	3.04%	8.36%
16	Paid up equity capital	1,62,14,453	1,62,14,453	1,62,14,453	1,57,14,453	1,23,86,685
17	Net worth	52,08,156	51,77,737	61,04,036	68,90,372	55,88,949
18	Total Assets	4,63,36,058	3,87,66,987	3,18,52,528	3,16,12,041	2,77,85,111
19	Yield on Total Investments	7.65%	8.63%	8.57%	8.51%	9.15%
20	Earnings Per Share - (INR Rs)	0.02	(0.57)	(0.80)	(1.58)	(1.09)
21	Book Value Per Share - (INR Rs)	3.21	3.19	3.76	4.39	4.51
22	Total Dividend	-	-	-	-	-
23	Dividend per Share	-	-	-	-	-

Note:

1 Gross Written Premium includes Re Insurance Inwards premium and Motor Pool & Terrorism Pool Premium

2 Policyholder's fund and Shareholders fund are calculated as per circular IRDA/F&A/CIR/CPM/056/03/2016 dated 4th April 2016

3 Operating Expenses are reported net of Expenses of Management transferred from revenue account to profit and loss account under EOM Rules, 2016