

# SCALING NEW HEIGHTS WITH BELIEF IN DEDICATED TEAMWORK.



## 7<sup>TH</sup> ANNUAL REPORT

2013-2014



Best Insurance Co.  
Pvt. Sector - General  
2014



Best Integrated  
Campaign  
2014



Best Viral  
Marketing Campaign  
2014



IES Excellence  
Award  
2014



Finnoviti Editor's  
Choice Award  
2013



Best  
Employer Brand  
2012



Claims Initiative  
of the Year Award  
2012



Commercial Lines  
Growth Leadership Award  
2012



Best Product  
Innovation Award  
2012



Personal Lines Growth  
Leadership Award  
2011



Risk Manager  
of the Year Award  
2011



ISO Certified



**redefining /**  
general insurance

[www.bharti-axagi.co.in](http://www.bharti-axagi.co.in)

## **CORPORATE INFORMATION:**

### **BOARD OF DIRECTORS:**

- |                                   |                         |
|-----------------------------------|-------------------------|
| 1. MR. RAKESH BHARTI MITTAL-      | CHAIRMAN & DIRECTOR     |
| 2. MR. MANOJ KOHLI-               | DIRECTOR                |
| 3. MR. AKHIL GUPTA-               | DIRECTOR                |
| 4. MS. GAELLE OLIVIER-            | DIRECTOR                |
| 5. MR. MICHAEL BISHOP-            | DIRECTOR                |
| 6. MR. BHARAT S RAUT-             | INDEPENDENT DIRECTOR    |
| 7. MR. JITENDER BALAKRISHANAN-    | INDEPENDENT DIRECTOR    |
| 8. MR. CHRISTOPHE KNAUB-          | DIRECTOR                |
| 9. MR. LALIT AHLUWALIA-           | DIRECTOR                |
| 10. DR. AMARNATH ANATHANARAYANAN- | CEO & MANAGING DIRECTOR |

### **MANAGEMENT TEAM:**

- |                                   |                         |
|-----------------------------------|-------------------------|
| 1. DR. AMARNATH ANANTHANARAYANAN- | CEO & MANAGING DIRECTOR |
| 2. MR. N. SAMPATH KUMAR-          | CHIEF FINANCIAL OFFICER |

### **STATUTORY AUDITORS:**

1. B. K. KHARE & COMPANY, CHARTERED ACCOUNTANTS (REGN NO. 105102W)
2. B. K. RAMADHYANI & COMPANY, CHARTERED ACCOUNTANTS (REGN NO. 002878S)

### **INTERNAL AUDITORS:**

RAJ GOPAL & BADRINARAYANAN, CHARTERED ACCOUNTANTS -CONCURRENT AUDITORS FOR INVESTMENT OPERATIONS

### **REGISTRARS & SHARE TRANSFER (R&T) AGENTS**

BGSE FINANCIALS LTD  
„STOCK EXCHANGE TOWER“, NO.51, 1ST CROSS, J. C. ROAD,  
BANGALORE 560027  
PH: 080-41329661

### **REGISTERED OFFICE:**

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED  
FERNS ICON, FIRST FLOOR, SURVEY NO. 28, NEXT TO AKME BALLET,  
DODDANEKUNDI, OFF OUTER RING ROAD,  
BANGALORE- 560 037  
PH: +91-80-4026 0100  
FAX: +91-80-4026 0101  
WEB: [www.bharti-axa.co.in](http://www.bharti-axa.co.in)

## DIRECTORS' REPORT

To the Members

Your Directors present herewith Annual Report on the business and operations together with Audited Financial Accounts for the period ended 31<sup>st</sup> March, 2014.

### 1. FINANCIAL RESULTS

Particulars	INR Mn			
	31 <sup>st</sup> 2014	March	31 <sup>st</sup> 2013	March
Gross Written Premium (Including Pool Retrocessions)		14,334		12,639
Net Written Premium		11,842		10,028
Net Earned Premium		10,929		8,864
Net Incurred Claims		8,723		7,672
Net Commission (Income/Expenses)		349		218
Expenses of Management		3,991		3,561
General Insurance Result		(2,135)		(2,587)
Investment Income- Policyholders		1,541		1,163
Investment Income-Shareholders		53		46
Terrorism and Motor Pool Expenses net of Investment Income		5		(1)
Expenses directly debited to Profit and Loss Account		25		83
Solatium Fund and Premium Deficiency		57		(21)
Provision for wealth tax/Fringe Benefit Tax		0.75		0.52
Profit / (Loss) After taxation		<b>(629)</b>		<b>(1,440)</b>

### 2. CAPITAL INJECTION

Your Company has received Capital injection of INR 154 Crores (including premium and the share application money pending allotment) vide rights issue to the existing shareholders. A total of 131,058,467 equity shares were issued during the year by way of rights issue.

### 3. TRANSFER OF SHARES

During the financial year under review there were no transfers of shares of Your Company.

### 4. COMPANY PERFORMANCE

Your Company achieved a Gross written premium of INR 1433 Crores (including Re-insurance inward and Motor Third Party Pool and Terrorism Pool Retrocession) during the financial year as against INR 1264 Crores in financial year 2012-13, a growth of 13.4%.



Net Earned Premium in the FINANCIAL YEAR 2013-14 excluding the premium from Motor Third Party Pool was INR 1093 Crores as against INR 831 Crores in the previous year with a healthy growth of 31%.

Motor Business continued to be major contributor at 73% of the total business underwritten. The commercial lines and Health & PA portfolio contribution was at 14% and 13% respectively.

Loss for the year under review is INR 63 Crores considering our share of loss from Motor Third Party Pool of INR 20 Crores (previous year loss of INR 64 Crores) as against loss of INR 144 Crores in the previous year. Loss for the year 2013-14 excluding Motor Third Party Pool is INR 43 Crores against previous year loss of INR 80 Crores.

Your Company achieved an investment income of INR 159 Crores as against INR 119 Crores in previous year.

## 5. HIGHLIGHTS OF THE YEAR

Your Company has performed well in the year 2013-14 despite general slowdown in the economy. Your Company's market share has increased from 4.3% to 4.4% among private multi-line general insurance players in the fiscal year 2013-14. Your Company is amongst the fastest growing General Insurance Company; growing at an aggressive pace over the years with a CAGR of over 17% in the past three years.

Your Company continues to receive numerous accolades and awards for excellence in various fields and has continuously been on the path of becoming a preferred general insurance company.

Your Company has received prestigious awards **Best Integrated Marketing Campaign Award** and **Best Viral Marketing Campaign Award** 2014

Your Company also received IES Award **Excellence Award by the Institute of Economic Studies** in March 2014 and **Best Insurance Company in the Private Sector - General'** by the World HRD Congress at the BFSI Awards, 2014.

Your Company met its rural and social sector obligation for the financial year 2013-14. Your Company achieved a rural business of INR 128 Crores against the regulatory requirement of INR 71 Crores.

## 6. ECONOMIC SCENARIO

For India, FINANCIAL YEAR 2014 started on a grim note with the country registering a decadal low economic growth rate of 4.5 percent in FINANCIAL YEAR 2013, as compared to 6.7 percent recorded in FINANCIAL YEAR 2012. The GDP growth of 4.4 percent in quarter one of 2014 reflected the same weak economic sentiment. The government's initial estimates peg the growth in GDP at 4.9% in FINANCIAL YEAR 2013-14.



High interest rates coupled with depreciated currency and uncertainty around the upcoming general election results have led to a weakened economy.

Persistently high inflation is a key macroeconomic challenge for India. Over the past several years it has induced double-digit inflation expectations, and given rise to a high demand for gold. It has also eroded households' financial savings and undermined the stability of the rupee.

Over recent months, India has taken substantive measures to narrow external and fiscal imbalances, tighten monetary policy, move forward on structural reforms, and address market volatility. This has reduced its vulnerability to shocks but structural impediments to growth and persistently high inflation remain key concerns

The overall domestic auto sales grew marginally by 3.53 percent during April-March 2014 over the same period last year, the positive growth is attributed to the growth in Scooters and motorcycles sales. The sales of passenger vehicles declined by 6.05 percent during April-March 2014 over the same period last year.

The overall commercial vehicles segment declined by 20.23 percent in the Financial Year under review. And Three Wheelers sales registered de-growth of 10.90 percent during the same period. Two Wheelers sales registered growth of 7.31 percent during April-March 2014 over April-March 2013. Principal factors responsible for the weakened automotive industry are higher interest rates on loans, rising fuel prices and the overall economic slowdown.

## **7. INDUSTRY OVERVIEW**

Based on the provisional figures, the Gross Direct Premium (GDP) of the multiline General insurance companies stands at INR 7.06 Trillion for the period April 2013 – March 2014, registering a growth of 12% over the last year. The market share of multiline Private Sector general insurance companies has improved from 40.40% to 41.26% in current year.

The specialized Health Insurance companies have recorded GDP of INR 22.51 billion in the fiscal year 2013-14. Standalone health insurers registered a growth of 30.37% over last year. This segment of companies now constitutes an overall market share of 2.90%.

## **8. UNDERWRITING**

Health:

The year witnessed further erosion of rates in Group Health segment which is the largest contributor of overall health business. In view of this, your company has taken a conscious decision to adopt a conservative approach in terms of underwriting group health business especially for mid and large groups. Your company has recorded a GWP of Rs. 165 Crores representing a drop of 21.70% over the previous financial year. In order to improve profitability, your company will focus on improving contribution from retail health, SME segment in group health and top-up policies which have received a good response from the market.



#### Commercial Lines:

In order to achieve a more balanced portfolio, your company has focused on increasing its commercial lines business which has resulted in a GWP of Rs. 219.11 Crores representing a growth of 32.80% over previous financial year. The year saw a drop in construction business due to reduction in number of new projects as a result of economic slowdown. Your company intends to further increase its market share in commercial lines business with improved capacity to write property and engineering lines of business as well as increasing its Marine and Liability business.

#### Motor:

The major change that happened in the Motor insurance regulations in India was the dismantling of the Motor Pool for Third Party Commercial and its replacement by the Declined Pool. This required Your Company to re-strategize the approach to Motor underwriting. Motor as a Portfolio has grown from INR 888 Crore to INR 1049 Crore registering an overall growth of 25%.

The growth has predominantly come from Private Motor Car segment where the GWP has grown from INR 561 Crore to INR 681 Crore registering a 21% growth despite slowdown in new vehicle sales from all auto manufacturers while in the commercial vehicle segment to protect ourselves from Third Party Losses we have emphasized less on Goods Carrying & Miscellaneous class & have consciously grown in 3 wheeler passenger carrying segment from INR 46 Crore to INR 76 Crore registering a growth of 67% growth & the Two wheeler segment has grown from 35 Crore to 83 Crore registering a growth of 138% in this Calendar Year.

Despite the competition on rates leading to lower pricing, Your Company has been able to hold the pricing leading to a favorable Loss Ratio without compromising on the growth Volume.

### **9. CLAIM SERVICING**

A well experienced and empowered team of claims professionals across retail, health and Commercial lines with requisite claims settlement authority has maintained its promise to customers for fast, fair & friendly services and handled 239597 new claims during the year; of these 226896 claims were resolved. Your Company successfully demonstrated its ability to handle both individual retail customers as well as large corporate clients to complete satisfaction and only had 5698 complaints against 16, 86, 566 policies issued, making the annualized complaint ratio to be 0.03%. Out of 5698 complaints received, 47% of the complaints were resolved within 3 working days and 99.68% complaints were resolved within turnaround time (TAT) provided by the regulator. Average complaint resolution TAT is 4.45 days against the industry average resolution TAT of 8.5 days.

4500 network hospital & over 2175 garage tie ups across India ensured that 80% of people who availed of our claims services utilized the convenience of a cashless facility. In addition, the claims team effectively negated fraud claims to the tune of nearly INR 7.07 Crore in Motor, health and other lines.



## **10. INVESTMENTS**

The Investment portfolio of your company as on 31.03.14 stood at 1970 crore. The portfolio has earned a return of 9.00% for the financial year ended 31.03.2014. Your company does not have any equity exposure within the portfolio and is primarily a fixed income oriented portfolio. Your company gives paramount importance towards maintaining best credit quality portfolio and has invested in highest rated securities for both long term and short term securities.

There remained a substantial volatility in the market in the back drop of macro economic development taking place across the globe and the economic recoveries happening in the U.S. and other European economies accompanied with dip in the performance of BRIC countries' economies. RBIs key focus remained on controlling of inflation and it ensured throughout the year that market was not starved of liquidity at any point of time.

From the 2<sup>nd</sup> half of the financial year the yield curve is getting aligned with the duration and hence Your Company has started increasing the portfolio duration in a structured way keeping in line with requirement of ALM duration. The portfolio has complied with all Investment Regulations presently applicable to the portfolio. None of the securities held in the portfolio has become NPA during the financial year.

## **11. INFORMATION TECHNOLOGY & DIGITAL CHANNEL**

During the financial year 2013-14, Your Company has taken a big leap in building digital assets by successfully delivering B2C project. The results for Your Company are highly promising. The digital channel has delivered a premium of INR 15 Crore compared to negligible revenue in the previous year. Given the growth path and initiatives planned during this year, this channel of Your Company is expected to cross INR 47 Crores with a very favorable loss ratio. This channel of Your Company is further gearing up to boost the Company's revenue towards retail health and lifestyle products.

This year for internal efficiency a major enhancement was carried out in our existing e-Receipt platform by delivering Single point data entry project. This has automated the document delivery and policy processing further with a result of which turn-around time has reduced substantially.

On infrastructure level, to keep pace with business growth, focus was given on capacity enhancement of branch network and Server. With an aggressive pricing Your Company was able to manage to upgrade 20 branch links with 100% resiliency, which has resulted in high uptime for branches.

This year focus was given to bring Security validations for all major projects being delivered. Multiple penetration testing, code reviews, vulnerability testing and its remediation done for applications in Production. We are further strengthening the process by introducing multiple Governance layers in Project Management, Infrastructure and capacity planning and risk/security. Migration and consolidation of branch Services through a high end Service tool and introduction of Identity & Access Management for all critical applications are some of the initiatives towards this.

## **12. DISTRIBUTION NETWORK**

As on 31st March 2014, Your Company has a pan India network of 59 branch offices. Your Company opened one new branch during the financial year, to further strengthen our distribution capability. Your Company has 4,900 agents and tie-up with 270 brokers for distribution of products.

## **13. OPERATIONS**

During 2013-14, your company issued more than 1.6 million policies as compared to 1 million policies during 2012-13.

Close to 70% of the total motor policies were issued through front-end system with a smaller turnaround time. The commercial policies processing were streamlined further with a significant reduction in turnaround time and improvement in quality output. Operations team is now directly servicing the brokers, which has helped us in significant reduction in escalations for policies and endorsements. The processes were streamlined further taking into account business needs. The front end system (e-receipting) was enhanced further for in-warding and tracking of proposals from end to end perspective. This has immensely helped us reduce the dependency on vendor's system.

This year also we will continue our process improvement efforts and will work on productivity improvement.

## **14. HUMAN RESOURCE & CORPORATE SOCIAL RESPONSIBILITY**

In the last financial year, the focus of the Human Resources function in your Company was two – fold. We commenced our journey of building organization capability so that we can deliver sustainable, superior performance and prepare the organization for the future. At the same time, we continued to strengthen core HR processes and accelerated our commitment to building a performance and talent oriented culture.

Your Company conducted a comprehensive review of the current organization design and structure of Your Company including an organization assessment survey with the leadership team; benchmarking of organization structures of other multi-line GI companies in India and AXA Asia and most importantly, we identified the key emerging and future organizational capabilities for your Company to deliver on its strategic priorities.

In line with our philosophy of meritocracy, we strengthened the performance assessment process by implementing stakeholder feedback as part of the 2013 year - end performance review for leaders and also institutionalized a performance rating calibration session for middle management employees with the Leadership Team so as to ensure absolute & relative performance is reviewed on common standards and ratings are appropriately differentiated. The goal setting process for the year 2014 was focused on ensuring alignment of employee goals with the overall organization strategy and incorporating development planning as part of performance management. All People





Managers in your Company were trained on setting objectives and cascading goals to their teams.

In the area of employee learning and development, Your Company delivered over 38,900 hours of training covering 4028 participants via 305 training programs. In the last financial year, we launched the online Learning Management system for our employees. We also conducted an assessment center for the middle management employees to identify aggregate & individual strengths and areas of development for this group. Your Company also conducted a talent review for employees to identify leadership potential and succession pipeline along with determining critical roles that have a high impact on the achievement of the organization's business objectives.

In line with our agenda of strengthening capability whilst building diversity, we recruited two senior female leaders as part of your Company's Leadership Team. Shilpa Vaid joined us as Head of Human Resources and Lakshmi Vishnampet joined us Appointed Actuary, resulting in 33% gender diversity in the CEO direct report level in your Company.

Your Company also participated in the Aon Hewitt General Insurance study to benchmark its compensation levels vis-à-vis the market and implemented a segmented approach linking the fixed pay increases to performance rating, potential, criticality and market positioning. The primary objectives were to reinforce a pay for performance culture and moving employees below the market median closer to the same, albeit in a progressive manner.

To ensure that workplace concerns/ issues raised by employees in Your Company are resolved in a speedy, effective and transparent manner, we launched „ReachOut“; an e-mail id where employees can write their concerns. To strengthen employee retention, Your Company also initiated a comprehensive analysis of employee attrition to study the attrition trends in the organization and develop a robust understanding of the reasons for attrition of exited employees over the last two years. All of the above helped Your Company achieve an employee engagement score of 89% for the year 2013 SCOPE results which was 8 points higher than the Regional score for AXA Asia.

For the financial year 2013-14, Your Company was ranked first amongst all AXA entities globally in the AXA Corporate Responsibility Challenge. There was exemplary employee participation of 91% with activities ranging from program for the underprivileged, sensitization workshops for school children, pollution awareness, health checkups, blood donation camps, financial counseling etc.

Your Company continued to focus its CSR initiatives towards the empowerment of women including education of the girl child. 5% of employees within the organization contributed under the ACT program and raised Rs. 4.66 lakhs. We also ran a three month campaign for employees to sponsor the education of underprivileged girl children for a year wherein 84 employees sponsored the education of 108 girls. The employees of Your Company generously contributed to the Uttarakhand Flood relief fund to the tune of Rs. 3 lakhs which was used to help build temporary houses for the underprivileged.

## **15. REINSURANCE**



The Reinsurance Program of your Company has a set of Proportional and Non Proportional treaties which provide Reinsurance protection and capacity to underwrite large risks. Your Company has a multi layer reinsurance program which seeks to optimize the retention of risk at each Policy level and depending on the lines of business. Your Company's exposure to Catastrophe risk is mitigated by a separate non-proportional reinsurance treaty, which limits Your Company's exposure to any single covered event. In addition to treaties, Your Company also purchases, where required, on a case-to-case basis, facultative reinsurance for specific policies, where either treaty limits are inadequate or the risk is not covered by the terms of the reinsurance treaties.

The Reinsurance program is led by Scor RE for Proportional and GIC RE for Non Proportional Treaties. A total of 17 Reinsurers with high security rating are participating in Your Company's Reinsurance Program for 2013-14.

## 16. DIVIDEND

Since Your Company has not made profits, no dividend is recommended for the period ended 31<sup>st</sup> March 2014.

## 17. DEMAT

We wish to inform that the shares of Your Company have been admitted for dematerialization with Central Depositories Services Limited. The ISIN Number allocated to Your Company's equity shares is INE513L01011. The shareholders may convert the shares held by them in physical form into demat form through any of the SEBI registered Depository Participants (DPs) anywhere in India. The details of the shares of Your Company in Demat / Physical mode, as on 31<sup>st</sup> March, 2014 are as below:

Sl. No.	Particulars	No. of Shareholders	No. of Shares	% to the Paid up capital of the Company
1	Shares in Demat Mode (CDSL)	2	759,540,333	77.78
2	Shares in Physical Mode	5	217,011,161	22.22
	<b>Total</b>	<b>7</b>	<b>976,551,494</b>	<b>100</b>

Following are the advantages of holding shares in electronic/demat form:

- No bad deliveries.
- Transfer of shares from one account to other account.
- Reduce Paper work.
- No risk of loss, mutilation or theft of share certificates.
- No stamp duty for transfer of shares in electronic mode.
- Regular account status updates available from the DP at any point of time.

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  
PH: 080-41329661

## 18. CHANGES IN DIRECTORS

The following changes have happened in the Board of Directors of Your Company during the financial year 2013-14.

Sl. No.	Name of the Director	Cessation / Appointment
1	Mr. Francois Lecomte	Ceased to be a Director effective 12 <sup>th</sup> February, 2014
2	Mr. Christophe Knaub	Appointed as a Director effective 12 <sup>th</sup> February, 2014
3	Mr. Devendra Khanna	Ceased to be a Director effective 06 <sup>th</sup> March, 2014
4	Mr. Manoj Kohli	Appointed as a Director effective 07 <sup>th</sup> March, 2014

Dr. Amarnath Ananthanarayanan and Mr. Lalit Ahluwalia who are liable to retire at the 07<sup>th</sup> Annual General Meeting (AGM) of Your Company and who, being eligible for re-appointment, may be re-appointed by the shareholders at the ensuing AGM. Further, Mr. Christophe Knaub and Mr. Manoj Kohli who were appointed as an additional Director to hold the office till the ensuing AGM is proposed to be appointed as director under section 161 of the Companies Act, 2013 at this AGM.

There have been no other changes in the Board of Directors during the financial year 2013-14.

## 19. BOARD OF DIRECTORS

The routine affairs of Your Company are managed by the Chief Executive Officer & Managing Director under the supervision of the Board of Directors of Your Company. The Board approves, reviews and oversees the action and results of the management to ensure that the long-term objective of maximizing profits and enhancing stakeholders' value is met with.

As on 31<sup>st</sup> March 2014 Your Company has ten (10) Directors. The brief profile of Your Company's Board of Directors is as under:

Director	Brief Resume	Category
Mr. Rakesh Bharti Mittal	Mr. Rakesh Bharti Mittal (Rakesh) is the Vice-Chairman and Managing Director of Bharti Enterprises, one of India's leading business groups with interests in telecom, agri business, financial services, retail, realty, and communication & media devices.  Bharti Airtel, a group company, is among the leading	Director & Chairman

	<p>global telecom service providers with operations in 20 countries across Asia and Africa with an aggregate of over 267 million customers. Bharti Infratel, a subsidiary of Bharti Airtel, is a leading provider of passive telecom infrastructure in India. Bharti has joint ventures with several global leaders including Wal-Mart for cash &amp; carry operations, AXA for financial services and Del Monte for agri and food processing business.</p> <p>Rakesh is the Chairman of Bharti Infratel, Bharti AXA Life Insurance, Bharti AXA General Insurance, FieldFresh Foods and Centum Learning. He is also on the Boards of Bharti Telecom, Bharti Ventures and other group companies.</p> <p>Rakesh is a member of the National Council of the Confederation of Indian Industry (CII) since 1999 and is currently the Chairman of CII Development Initiative Council (DIC). He was the Chairman of CII National Council on Agriculture since 2009 and served as the Chairman of several National Committees of CII and. He also served as the Chairman of its Northern Regional Council during 2004-05, the Governing Body of Indian Council of Agricultural Research (ICAR), member of Punjab Investment Advisory Council (PIAC), and Assam Investment Advisory Board (AIAB). He is also a member of the National Food Processing Development Council (NFPDC), MoFPI, Government of India. In the past Rakesh has served as a member of Agricultural and Processed Food Products Export Development Authority (APEDA), Screening-cum-Implementation group on the recommendations of Technical Advisory TACSA, Committee for Encouraging Investments in Supply Chain, and Working Group on Agricultural Marketing Infrastructure, under the Planning Commission. Rakesh is a member of India Pakistan Joint Business Forum (IPJBF) to strengthen and promote economic relations between two countries.</p> <p>A passionate advocate of right to good education, Rakesh serves on Boards of several educational institutions. He is a member of the Executive Board of Indian School of Business (ISB) and the Campus Advisory Board (CAB) of ISB, Mohali. He is a member of the „Round Table on School Education” for Ministry of Human Resources Development, Government of India and the Co-Chairman of the Advisory board of Bharti School of Telecommunication Technology &amp; Management. He is the Chairman of the Advisory Council of the Bharti Institute of Public Policy and a member of the Punjab Education Development Board.</p>	
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	<p>Rakesh is on the Governing Boards of Dayanand Medical College &amp; Hospital and the Institute of Integrated Learning in Management (IILM). He is a member of the Executive Council of YMCA University of Science and Technology and Chairman of Governing Council of Sat Paul Mittal School. In the past he has served on the Advisory Council of the Indian Institute of Technology (IIT) - Delhi, and a member of the Board of Governors of Thapar University, Punjab. Rakesh was also a member of the International Advisory Council of Southern Methodist University (SMU), Dallas, USA.</p> <p>Rakesh believes that a responsible corporate has a duty to give back to the community in which it operates. Rakesh is a Life Trustee and the Co-Chairman of <b>Bharti Foundation</b>, which was set up with the vision <b><i>“To help the underprivileged children and young people of our country realize their potential”</i></b>. Bharti Foundation's <b>Satya Bharti School Program</b> reaches out to underprivileged children in villages and provides them free quality education along with school uniform, books, stationery and nutritious mid-day meals. <b>Currently, 187 Satya Bharti Primary Schools, 62 Satya Bharti Elementary Schools, and 5 Satya Bharti Senior Secondary school are operational, reaching out to over 37,000 students across the Indian states of Punjab, Rajasthan, Haryana, Uttar Pradesh, Tamil Nadu, and West Bengal.</b></p> <p>Bharti Foundation won the Qatar Foundation's 2012 <b><i>“World Innovation Summit for Education” (WISE) Award</i></b> for its transformative impact and innovative approach to improve the quality and delivery of education to underprivileged children in rural India. Bharti Foundation was chosen as the <b><i>“Corporate Citizen of the Year”</i></b> at the Economic Times Awards 2010. Besides his role as the Co-Chairman of Bharti Foundation, he devotes time to several charitable institutions in India.</p> <p><b>Rakesh has been awarded the Honorary Doctor of Civil Law Degree by Newcastle University, UK.</b></p>	
Mr. Manoj Kohli	<p>Mr. Manoj Kohli (Manoj) appointed on the Board of Bharti AXA General Insurance in March 2014. He is the Managing Director of Bharti Enterprises. He leads and oversight all Bharti Group business - Retail, Insurance, Food &amp; Agri and Realty etc. He also leads strategic issues such as in-market consolidation via M&amp;A, key matters relating to Tower Co, global</p>	Director

	<p>partnerships, global sourcing from key Partners and strategic Regulatory aspects. Additionally, He is responsible for the Business Development/M&amp;A function for the telecom business of Bharti Group and is involved with group strategic matters. Manoj also holds the position of Chairman on the Board of Bharti Airtel International Netherlands B.V.</p> <p>Till December 2013 Manoj held the title Managing Director and CEO (International), Bharti Airtel. He has 35 years of work experience, equally divided between the manufacturing and telecom sectors. He heads the International Business Group which leads the international strategy &amp; vision and is also responsible for leading the International operations (19 countries – 17 in Africa and 2 in South Asia). Manoj has spearheaded the turnaround and transformation in the African telecom sector in the 17 Africa operations covering Networks, IT, BPO, Distribution and Brand and led new initiatives of 3G and Airtel Money in all markets.</p> <p>He is a Director on the Board of Bharti Airtel. Prior to becoming Managing Director and CEO (International), Manoj held multiple roles as CEO (International) &amp; JMD, CEO &amp; JMD, President &amp; CEO, President of Mobile Services business at Bharti Airtel since 2002. Before moving to Africa, Manoj led Bharti Airtel's India operations for 8 years and grew the customer base from 1 million to 140 million.</p> <p>Manoj started his career in 1979 with the Shriram Group, where he initially led the HR function, followed by leadership positions in the Foods, Chemicals and Fertilizer businesses and assignments in Engineering projects, including Shriram Honda. He left as Vice President, responsible for the Air Conditioning &amp; Refrigeration business unit (now known as Tecumseh &amp; Daikin) after a total stint of 15 years. He subsequently worked at AlliedSignal/Honeywell, where he was Executive Director in charge of its new Industrial Park and operations in India. Manoj joined Escotel, which he led for over 5 years as Executive Director and CEO, before coming on board at Bharti Airtel.</p> <p>Manoj was the Chairman – Confederation of Indian Industry (CII) National Committee on Telecom &amp; Broadband. He was member of the Board of GSM Association (GSMA) in 2008 and was again appointed</p>	
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	<p>to the GSMA Board in 2012. He was the Chairman of Cellular Operators Association of India (COAI). He was adjudged “Telecom Man of the Year” and “Telecom Person of the Year” by Media Transasia and Voice &amp; Data respectively. He is a member of the Academic Council of the Faculty of Management Studies &amp; Faculty of Commerce &amp; Business and has been awarded the “Best Alumni Award” by SRCC, Delhi University.</p> <p>Manoj holds degrees in Commerce, Law and an MBA from Delhi University. Manoj also attended the “Executive Business Program” at the Michigan Business School and the “Advanced Management Program” at the Wharton Business School.</p>	
Mr. Michael Stephen Bishop	<p>Mr. Michael Stephen Bishop (Mike Bishop) the Board of Bharti AXA General Insurance in August 2012. He joined AXA in October 2008 as Regional Chief Executive Officer of AXA Asia Life and in April 2011 he was appointed as Chief Executive Officer of AXA Asia. In this position, he is responsible for AXAs insurance operations in Asia which includes 15 businesses in 8 markets.</p> <p>Mike has a unique mix of experience which is very complementary to AXAs strategy. He has deep knowledge of the Asian market, having been based in the region for over a decade. He also has experience across a range of distribution and business models and markets, accompanied with a strong international perspective.</p> <p>Prior to joining AXA, Mike worked for Prudential Corporation Asia where he was Managing Director responsible for the life businesses in Korea, Hong Kong, Japan, Taiwan, Thailand and the Philippines. Before this he held various other roles within Prudential Corporation Asia including Alternative Distribution Director, successfully implementing the strategic alliance with Standard Chartered Bank, and President and CEO of Prudential in Korea, where he completed the acquisition of YP Life, turning the new company into the fastest growing in Korea.</p> <p>Mike Bishop spent the first years of his career in the UK with Lloyds TSB. His last position with the Bank was Retail Network Director, overseeing sales and customer service in 188 Lloyds TSB branches in Scotland. He was also an Executive Director of Lloyds TSB Scotland.</p>	Director

<p>Ms. Gaelle Olivier</p>	<p>Ms. Gaelle Olivier the Board of Bharti AXA General Insurance in May 2011. After completing her engineering studies at Ecole Polytechnique, France, Gaëlle graduated from ENSAE and passed her actuary diploma. She started her career at Credit Lyonnais before joining AXA Investment Managers. She then assumed the position of AXA Group Boards" Secretary and CEO"s Executive Assistant, roles in which she was exposed to all of AXA"s global businesses. She relocated to AXA Japan for five years, initially in the Investment department and joined the Management Committee, in charge of Strategy, Audit, Corporate Secretary and Winterthur integration. She took the responsibility of Communication and Corporate Responsibility at the Group level in June 2009. She is also a director on the Board of AXA Asia Regional Centre Pte. Ltd.</p>	<p>Director</p>
<p>Mr. Christophe Knaub</p>	<p>Mr. Christophe Kanub the Board of Bharti AXA General Insurance in March 2014. He has 13 years of experience in the financial industry Solid knowledge of risk management and finance for P&amp;C insurance companies Good understanding of the various drivers of a life and P&amp;C insurer gained through numerous extensive due diligences (products, underwriting, distribution, claims management, investment, IT, HR, finance, tax) Strong insight of profitability drivers of P&amp;C and life products Proven record of completing corporate finance transactions across several industries Significant experience in coordinating and leading cross-functional teams.</p> <p>Since 2006 he is in charge of finance for all Asia P&amp;C operations: 8 entities in 7 countries (Singapore, Malaysia, HK, India, China, Thailand, Indonesia) as well as for India Life Track and challenge business performance, highlight key topics to regional CFO and regional Asia P&amp;C CEO Manage local CFOs and act as the link between them and the regional finance team as appropriate Identify issues and challenges faced by local entities, and bring in expertise and capabilities of regional team to support resolution Drive actions to manage capital &amp; solvency.</p> <p>Before assuming this role he was associated with AXA in the capacity of Chief Risk Officer and corporate finance for AXA Asia P &amp; C.</p> <p>He worked at SNFC participations for a year and led the projects on acquisitions, sales and restructuring of</p>	<p>Director</p>

	<p>the Life and P &amp; C insurance companies. Prior to that he worked with JP Morgan as Associate, Mergers &amp; Acquisitions and Corporate finance. Christophe holds a degree of Masters of Science.</p>	
Mr. Jitender Balakrishnan	<p>Mr. Jitender Balakrishnan (Jitender) the Board of Bharti AXA General Insurance in June 2010 as an Independent Director.</p> <p>He holds a degree in Mechanical Engineering and Post Graduate Diploma in Management from Bombay University.</p> <p>Jitender served up to June 2009 as Deputy Managing Director of IDBI Bank, responsible for complete credit advances of USD 25 billion (over Rs.1,10,000 Crore), asset growth of the bank both Corporate Banking (Project &amp; Infrastructure Lending) and retail banking. Was In-charge of Information Technology, Corporate Accounts and Transaction Banking</p> <p>Served as a member on IDBI's Credit Committee, Asset Liability Management Committee and Investment Committee</p> <p>Jitender has wide experience in sectors like Oil and Gas, Refineries, Power, Telecom, Airports, Roads, Ports, Steel, Cement, fertilizers, Petrochemicals, Hotel, Pharmaceuticals, paper.</p> <p>He served as a member on Board of Directors of IDBI Bank Ltd. and all Board Sub Committees like Executive Committee, Audit Committee, Technology Committee, Risk Committee etc.</p> <p>He also served on the Board of Directors of various Corporate in the areas of Telecom, Steel, Textile, Fertiliser, Infrastructure, Housing finance, Asset Reconstruction.</p> <p>Served on the Board of Directors of a Commercial Bank, Housing Finance Company, Asset Management Company, besides State Financial Institutions</p> <p>Served as IDBI's representative on various Committees in Fertiliser, Oil &amp; Gas, Telecommunication sectors and High Level Committee on Ultra Mega Power Projects.</p> <p>At present serves as an Independent Director on the</p>	Independent Director

	Boards of large number of Companies.	
Mr. Akhil Gupta	<p>Mr. Akhil Gupta (Akhil) is the <b>Deputy Group CEO &amp; Managing Director of Bharti Enterprises</b> and <b>Vice Chairman &amp; MD of Bharti Infratel Limited</b>. He has been closely associated with a range of strategic, financial, mergers and acquisitions and business performance issues of the group. He has spearheaded the transformational initiatives that include the outsourcing deals undertaken by the group in the areas of Information Technology (IT) with IBM, Network Management with Ericsson &amp; NSN and outsourcing of Call Centers Management to leading International BPOs using common Nortel platform across India. He has also been responsible for conceptualizing and implementing the separation of passive mobile infrastructure and forming Indus Towers - a Joint Venture with Vodafone and Idea, which has become the largest tower company in the world. With innovative thought leadership, he has been able to guide Bharti Airtel in becoming the lowest cost producer of minutes worldwide and ensuring that it provides very high ROE despite the lowest tariffs in the world.</p> <p>In June 2010, Akhil was instrumental in executing the acquisition of Zain Group's mobile operations in 15 countries across Africa for an enterprise valuation of USD10.7 billion which is the second largest outbound deal by an Indian company.</p> <p>Akhil has played a pivotal role in Bharti's phenomenal growth right since inception. He has been closely involved from the very beginning in the growth of Bharti in the telecommunication services sector – both organically and by way of various acquisitions. He has led the formation of various partnerships for Bharti with leading international operators like British Telecom, Singapore Telecom and Vodafone in addition to induction of financial investors like Warburg Pincus, Asia Infrastructure Fund and New York Life. He has been instrumental in raising several billion dollars by way of equity and project finance for the Group.</p> <p>Akhil is currently the Chairman of TAIPA (Tower and Infrastructure Providers Association) and President of TSSC (Telecom Sector Skill Council). He represents the Indian Telecom Industry and Bharti regularly at various forums and important seminars in India and abroad.</p>	Director

	<p>He is a Chartered Accountant by qualification with over 30 years of professional experience. He has also done an “Advanced Management Program” at the Harvard Business School in the year 2002.</p> <p>Akhil was recently awarded the 'CEO of the Year' award at the National Telecom Awards 2012. He was also honored for „Outstanding Contribution to the Telecom Sector” by industry’s leading telecom magazine – tele.net.</p> <p>In 2010, Akhil was awarded the Asia Corporate Dealmaker Award at the Asia – Pacific M&amp;A ATLAS Awards. The Award recognizes Akhil’s leadership in executing Bharti Airtel’s acquisition of Zain Group’s mobile operations in 15 countries across Africa for an enterprise valuation of USD10.7 billion. Akhil has also been inducted to the CFO India – „Hall of Fame” in recognition of his contribution to the world of finance.</p> <p>In 2009, Akhil was conferred the “CA Business Achiever Award”. The Award instituted by the Institute of Chartered Accountants of India (ICAI) acknowledges the Chartered Accountants in the industry who have demonstrated excellence in the way they conduct their profession are exemplary role models in the industry and have created value to their company's stakeholders on a sustainable basis.</p> <p>In 2006, he won three awards at the first „CNBC TV18 CFO Awards for India” hosted by Ras Al Khaimah Free Trade Zone in UAE. The awards panel voted him as ‘Best CFO of the Year” and „Best Performing CFO in the Telecommunications Sector”. In addition, Akhil won the „Best CFO of the Year - People's Choice Award”.</p>	
Mr. Bharat S Raut	<p>Mr. Bharat Raut joined the Board of Bharti AXA General Insurance in March 2010 as an Independent Director.</p> <p>Mr. Bharat Raut has more than 38 years” experience in practice as an accountant/lawyer, extensively in the field of tax advisory, tax compliance and tax litigation. Indicative experience includes:</p> <ul style="list-style-type: none"> <li>➤ High-end tax advisory work in the field of income-tax, wealth-tax, gift tax and estate duty, including advice on:</li> </ul>	Independent Director

	<p>Major mergers and acquisitions;</p> <p>International tax consequences of cross-border transactions from India and into India;</p> <p>Interpretation of tax laws and tax treaties.</p> <p>Large infrastructure projects:</p> <p>Contract structures and tax effects of contractual provisions;</p> <p>Evaluation of business plans and business models;</p> <p>Strategy and tactics relating to complex tax compliance and litigation cases;</p> <p>➤ Tax compliance work in relation to the above taxes, including:</p> <p>Preparation of tax returns in complex cases;</p> <p>Presentation of complex cases before the tax authorities in assessment proceedings;</p> <p>Advice on above</p> <p>➤ Tax litigation:</p> <p>Preparing and filing appeals in tax litigation cases involving complex issues and high tax demands;</p> <p>Appearing before tax authorities, and appellate authorities;</p> <p>Briefing Senior Counsels and Counsels and assisting them in litigation before the Hon'ble High Court, Hon'ble Supreme Court and Appellate Tax Tribunal</p> <p>Appearing as an expert witness in arbitration cases.</p> <p>Briefing Queens Counsels and assisting her in commercial arbitration in London Courts.</p> <p>➤ Tax practice management:</p> <p>Creating a tax practice vertical from scratch for two of the BIG 4 accounting and consultancy firms, including;</p> <p>Creating and installing systems for the management and operations of the practice;</p>	
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	<p>Recruiting top talent to man the practice</p> <p>Managing the practice for more than twenty years;</p> <p>➤ Setting up operations for foreign professional organizations:</p> <p>Set up operations in India for one of the BIG 4 accounting &amp; consultancy firms and Member of their India Advisory Board for over 14 years.</p>	
Mr. Lalit Ahluwalia	<p>Mr. Lalit Ahluwalia joined the Board of Bharti AXA General Insurance in May 2012.</p> <p>Mr. Lalit Ahluwalia is a Fellow member of The Institute Of Chartered Accountants in England &amp; Wales, Fellow member of The Institute Of Chartered Accountants in India. He has done his Bachelor in Commerce from Shri Ram College of Commerce (1970–1973).</p> <p>He has a vast experience which includes the following:</p> <p>2002-2004: Senior Partner, Ernst &amp; Young, India.</p> <p>Leader of the Oil &amp; Gas practice in India.</p> <p>Key Account partner on important client relationships of the Firm.</p> <p>Managed and developed teams of people both industry and client specific</p> <p>Strategized to achieve higher business for the Firm.</p> <p>Led the team for the development of a balanced score-card for the senior management team at a large corporation.</p> <p>1989-2002 : Senior Partner, Arthur Andersen, India</p> <p>Initially joined as Senior manager in-charge of New Delhi office was inducted as partner in 1994 and Senior partner in 1997.</p> <p>During the period held various responsibilities including recruitment of the team; training and development of the team; services to the clients of the Firm and business development for the Firm.</p> <p>Developed as a team a strong culture which has been well recognized in the business community.</p> <p>Was leader of the Oil &amp; Gas group of the Firm in India and also part of the team serving the key clients of the Firm.</p> <p>Team for the development of BPO business to India.</p>	Director

	<p>Led the team for the development of the Vision, Mission by the Indian Oil Corporation's Board.</p> <p>Led the team for a senior management workshop of IOC on the Company's strategic direction brainstorming discussion.</p> <p>1985–1989: Partner, KPMG affiliate in N. Yemen.</p> <p>Jointly started a professional practice in a country with limited exposure to developed and mature professional services environment.</p> <p>Developed a strong and well recognized Firm serving the largest venture in the country where initially involved in the book-keeping of the sign on bonus of \$ 10 million to the review of the capitalization of over \$400 million in the 4 year period.</p>	
Dr. Amarnath Ananthanarayanan	<p>Dr. Amarnath Ananthanarayanan (Amar) joined Bharti AXA in April 2009 as CEO &amp; Manager. He is the Chief Executive Officer and Managing Director of Bharti AXA General Insurance. In his present role, Amar is responsible for spearheading the company towards its goal of becoming the preferred organisation for General Insurance in India. Amar brings with him over a decade of experience and in-depth understanding and knowledge in retail insurance &amp; consumer finance, varied functional proficiencies and cross country exposure.</p> <p>Under his leadership, Bharti AXA General Insurance has sold over 1 Million policies and paid over 100,000 claims, in just three years of its existence, to become the fastest growing multi-line general insurance company. Bharti AXA General Insurance has received the "<i>Personal Lines Growth Leadership Award 2011</i>" at the India Insurance Awards 2011 and the "<i>Risk Manager of the Year</i>" award at the Asia Insurance Industry Awards 2011.</p> <p>Prior to joining Bharti AXA General Insurance Amar worked with GE in various capacities. He was the Regional Insurance Leader for GE Capital's Asian operations. During his tenure, Amar has received several accolades for his outstanding leadership skills. He introduced 50+ products and has been responsible for starting both the Singapore and Korea insurance</p>	Managing Director & Chief Executive Officer

	<p>operations. In India, under his leadership, GE became the first company to launch niche insurance products linked to loans. At the Asian level, <i>GE Money Asia</i>, was awarded “<i>One of Top Three Service Providers Of The Year For Asia</i>” Award In 2007 by the Asia Insurance Review.</p> <p>Amar comes with strong academic credentials. He completed his Bachelor of Arts from St. Stephen’s College, New Delhi where he was awarded the Sarkar Memorial Scholarship. He then completed his Master of Arts from Delhi School of Economics where he was awarded Merit Scholarship for Superior Academic Achievement. He later, moved to the United States to complete his Doctoral Program at the Dept. of Economics, Rutgers University, New Jersey, U.S.A, where he received the Sidney Brown Prize for the „Most Outstanding Ph.D. Student“. He also served as an Adjunct Faculty, Dept. of Economics, Rutgers University he developed courses and taught Economics for Undergraduate &amp; MBA Students. While at Rutgers, Amar was also a Research Assistant at the Institute for Health and Aging.</p> <p>He was recognized as one of “India’s Hottest Young Executives” by Business Today in 2010 and was one of the 10 head honchos chosen as role models by The Economic Times for “Young Leaders” in 2011.</p>	
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## 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
- Investment policy
- The information on recruitment and remuneration of senior officers such as CEO and his direct reports
- 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/annual 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
- Transaction pertaining to sale or purchase of material nature of Investments, subsidiaries, assets, which is not in normal course of business.
- Major accounting provisions and write-offs
- Corporate restructuring
- Minutes of meeting of the Audit and other committees of the Board
- Share transfers

### Attendance at meeting of Board of Directors;

The details of the Board and Committee Meetings held during the year ended 31<sup>st</sup> March 2014 are as follows:

Name of the Director	Date of meeting	10 <sup>th</sup> May, 2013	07 <sup>th</sup> August 2013	11 <sup>th</sup> November 2013	12 <sup>th</sup> February 2014	Sitting Fee Paid(INR)
Mr. Jitender Balakrishnan		Yes	Yes	Yes	Yes	80,000
Mrs. Gaelle Olivier		Yes	Yes	Yes	Yes	Nil
Dr. Amarnath Ananthanarayanan		No	Yes	Yes	Yes	Nil
Mr. Akhil Gupta		No	No	Yes	Yes	Nil
Mr. Rakesh Bharti Mittal		No	Yes	Yes	Yes	Nil
Mr. Lalit Ahluwalia		Yes	Yes	Yes	Yes	80,000
Mr. Francois Valery LECOMTE <sup>#</sup>		Yes	No	No	NA	Nil
Mr. Mike Bishop		Yes	Yes	Yes	Yes	Nil
Mr. Bharat S Raut		Yes	Yes	Yes	Yes	80,000
Mr. Devendra Khanna <sup>*</sup>		Yes	No	Yes	Yes	Nil
Mr. Manoj Kohli <sup>&amp;</sup>		NA	NA	NA	NA	Nil
Mr. Christophe Knaub <sup>^</sup>		NA	NA	NA	Yes	Nil

<sup>#</sup> Mr. Francois Valery LECOMTE ceased to be a Director effective 12<sup>th</sup> February, 2014

<sup>\*</sup> Mr. Devendra Khanna ceased to be a Director effective 06<sup>th</sup> March, 2014

<sup>&</sup> Mr. Manoj Kohli appointed as a Director effective 07<sup>th</sup> March, 2014

<sup>^</sup> Mr. Christophe Knaub appointed as a Director effective 12<sup>th</sup> February 2014

The Board has five Committees functioning under their supervision: The Audit Committee, the Risk Management Committee, the Investment Committee, the Policyholder Protection Committee and the Remuneration Committee.

### Attendance at the meeting of the Board level Committees:

The details of the composition of the Committees, meetings of the Committees held during the year ended 31<sup>st</sup> March, 2014 and the attendance of the members at the said meetings are as follows:

### Audit Committee:

Name of the Director	Date of meeting	10 <sup>th</sup> May, 2013	07 <sup>th</sup> August 2013	11 <sup>th</sup> November 2013	12 <sup>th</sup> February 2014	Sitting Fee Paid
Mr. Bharat Sumant Raut		Yes	Yes	Yes	Yes	40,000
Mr. Rakesh Bharti Mittal		No	Yes	Yes	Yes	Nil
Mr. Akhil Kumar Gupta		No	No	Yes	Yes	Nil
Mrs. Gaelle Olivier		Yes	Yes	Yes	Yes	Nil
Mr. Mike Bishop		Yes	Yes	Yes	Yes	Nil
Mr. Devendra Khanna*		Yes	No	Yes	Yes	Nil
Mr. Lalit Ahluwalia		Yes	Yes	Yes	Yes	40,000
Mr. Francois Valery LECOMTE <sup>#</sup>		Yes	No	No	NA	Nil
Mr. Manoj Kohli <sup>&amp;</sup>		NA	NA	NA	NA	Nil
Mr. Christophe Knaub <sup>^</sup>		NA	NA	NA	Yes	Nil

<sup>#</sup> Mr. Francois Valery LECOMTE ceased to be a Director effective 12<sup>th</sup> February, 2014

<sup>\*</sup> Mr. Devendra Khanna ceased to be a Director effective 06<sup>th</sup> March, 2014

<sup>&</sup> Mr. Manoj Kohli appointed as a Director effective 07<sup>th</sup> March, 2014

<sup>^</sup> Mr. Christophe Knaub appointed as a Director effective 12<sup>th</sup> February 2014

### Risk Management Committee:

Name of the Director	Date of meeting	10 <sup>th</sup> May, 2013	07 <sup>th</sup> August 2013	11 <sup>th</sup> November 2013	12 <sup>th</sup> February 2014	Sitting Fee Paid
Mr. Bharat Sumant Raut		Yes	Yes	Yes	Yes	40,000
Mr. Rakesh Bharti Mittal		No	Yes	Yes	Yes	Nil
Mr. Akhil Kumar Gupta		No	No	Yes	Yes	Nil
Mrs. Gaelle Olivier		Yes	Yes	Yes	Yes	Nil
Mr. Mike Bishop		Yes	Yes	Yes	Yes	Nil
Mr. Devendra Khanna*		Yes	No	Yes	Yes	Nil
Mr. Lalit Ahluwalia		Yes	Yes	Yes	Yes	40,000
Mr. Francois Valery LECOMTE <sup>#</sup>		Yes	No	No	NA	Nil
Mr. Manoj Kohli <sup>&amp;</sup>		NA	NA	NA	NA	Nil
Mr. Christophe Knaub <sup>^</sup>		NA	NA	NA	Yes	Nil

<sup>#</sup> Mr. Francois Valery LECOMTE ceased to be a Director effective 12<sup>th</sup> February, 2014

<sup>\*</sup> Mr. Devendra Khanna ceased to be a Director effective 06<sup>th</sup> March, 2014

<sup>&</sup> Mr. Manoj Kohli appointed as a Director effective 07<sup>th</sup> March, 2014

<sup>^</sup> Mr. Christophe Knaub appointed as a Director effective 12<sup>th</sup> February 2014

### Investment Committee:

Name of the Director / Member	Date of meeting	10 <sup>th</sup> May, 2013	07 <sup>th</sup> August 2013	11 <sup>th</sup> November 2013	12 <sup>th</sup> February 2014	Sitting Fee Paid
Mr. Rakesh Bharti Mittal		No	Yes	Yes	Yes	Nil
Mr. Akhil Kumar Gupta		No	No	Yes	Yes	Nil
Mr. Francois Valery LECOMTE <sup>#</sup>		Yes	No	No	NA	Nil
Mr. Mike Bishop		Yes	Yes	Yes	Yes	Nil
Dr. Amarnath Ananthanarayanan		No	Yes	Yes	Yes	Nil
Mr. Devendra Khanna <sup>*</sup>		Yes	No	Yes	Yes	Nil
Mr. Lalit Ahluwalia		Yes	Yes	Yes	Yes	40,000
Mr. Manoj Kohli <sup>&amp;</sup>		NA	NA	NA	NA	Nil
Mr. Christophe Knaub <sup>^</sup>		NA	NA	NA	Yes	Nil
Mr. Sampath Kumar, CFO		Yes	Yes	Yes	Yes	Nil
Ms. Lakshmi V, Appointed Actuary		NA	NA	NA	Yes	Nil
Mr. Ajit Banerjee, Head-Investment Dept.		Yes	Yes	Yes <sup>~</sup>	Yes <sup>~</sup>	Nil

<sup>#</sup> Mr. Francois Valery LECOMTE ceased to be a Director effective 12<sup>th</sup> February, 2014

<sup>\*</sup> Mr. Devendra Khanna ceased to be a Director effective 06<sup>th</sup> March, 2014

<sup>&</sup> Mr. Manoj Kohli appointed as a Director effective 07<sup>th</sup> March, 2014

<sup>^</sup> Mr. Christophe Knaub appointed as a Director effective 12<sup>th</sup> February 2014

<sup>~</sup> Attended through Telephone

### Policyholder Protection Committee:

Name of the Director	Date of meeting	10 <sup>th</sup> May, 2013	07 <sup>th</sup> August 2013	11 <sup>th</sup> November 2013	12 <sup>th</sup> February 2014	Sitting Fee Paid
Mr. Rakesh Bharti Mittal		No	Yes	Yes	Yes	Nil
Mr. Akhil Kumar Gupta		No	No	Yes	Yes	Nil
Mr. Mike Bishop		Yes	Yes	Yes	Yes	Nil
Mr. Devendra Khanna <sup>*</sup>		Yes	No	Yes	Yes	Nil
Mr. Francois Valery LECOMTE <sup>#</sup>		Yes	No	No	NA	Nil
Dr. Amarnath Ananthanarayanan		No	Yes	Yes	Yes	Nil
Mr. Manoj Kohli <sup>&amp;</sup>		NA	NA	NA	NA	Nil
Mr. Christophe Knaub <sup>^</sup>		NA	NA	NA	Yes	Nil

<sup>#</sup> Mr. Francois Valery LECOMTE ceased to be a Director effective 12<sup>th</sup> February, 2014

<sup>\*</sup> Mr. Devendra Khanna ceased to be a Director effective 06<sup>th</sup> March, 2014

<sup>&</sup> Mr. Manoj Kohli appointed as a Director effective 07<sup>th</sup> March, 2014

<sup>^</sup> Mr. Christophe Knaub appointed as a Director effective 12<sup>th</sup> February 2014



## Remuneration Committee:

Name of the Director	Date of meeting	10 <sup>th</sup> May, 2013	07 <sup>th</sup> August 2013	11 <sup>th</sup> November 2013	12 <sup>th</sup> February 2014	Sitting Fee Paid
Mr. Rakesh Bharti Mittal		No	Yes	Yes	Yes	Nil
Mr. Bharat Sumant Raut		Yes	Yes	Yes	Yes	40,000
Mr. Akhil Kumar Gupta		No	No	Yes	Yes	Nil
Mr. Devendra Khanna*		Yes	No	Yes	Yes	Nil
Mr. Mike Bishop		Yes	Yes	Yes	Yes	Nil
Ms. Gaelle Olivier		Yes	Yes	Yes	Yes	Nil
Mr. Francois Valery LECOMTE <sup>#</sup>		Yes	No	No	NA	Nil
Mr. Manoj Kohli <sup>&amp;</sup>		NA	NA	NA	NA	Nil
Mr. Christophe Knaub <sup>^</sup>		NA	NA	NA	Yes	Nil

<sup>#</sup> Mr. Francois Valery LECOMTE ceased to be a Director effective 12<sup>th</sup> February, 2014

<sup>\*</sup> Mr. Devendra Khanna ceased to be a Director effective 06<sup>th</sup> March, 2014

<sup>&</sup> Mr. Manoj Kohli appointed as a Director effective 07<sup>th</sup> March, 2014

<sup>^</sup> Mr. Christophe Knaub appointed as a Director effective 12<sup>th</sup> February 2014

## 20. STATUTORY AUDITORS

M/s. B. K. Khare & Company (Regn No. 105102W) and M/s B. K. Ramadhyani & Co., Chartered Accountants (Regn No. 002878S), joint Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. Your Board proposes M/s B. K. Ramadhyani & Co., (Regn No. 002878S) and M/s B. K. Khare & Company (Regn No. 105102W), Chartered Accountants, the retiring joint Statutory Auditors to seek re-appointment at the ensuing 7<sup>th</sup> AGM of Your Company. Your Company has received a letter from both the Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013. Accordingly the said Auditors can be reappointed at the ensuing Annual General Meeting.

## 21. PUBLIC DEPOSITS

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

## 22. INSURANCE

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

## 23. STATUTORY INFORMATION

### A) Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, Information under section 217(1) (E) of the Companies Act, 1956.

Your Company is not required to furnish information in Form A under the head „Conservation of Energy“ under Companies (Disclosure of Particulars in the Report of

Board of Directors) Rules, 1988.

Your Company uses electric energy for its equipments 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:

	<b>In Rupees</b>	
	<b>Current Year</b>	<b>Previous Year</b>
<b>Expenditure in foreign currency</b>	<b>698,069,428</b>	<b>564,146,718</b>
<b>Earnings in foreign currency</b>	<b>28,249,878</b>	<b>85,733,446</b>

## **B) Particulars of Employees**

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975, the Statement of the particulars of the employees who have been paid remuneration exceeding Rs.60.00 Lakh per annum or part thereof is annexed with this report as Annexure –A.

## **24. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, 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, 2014 and of the loss of Your Company for the said period;
- (iii) proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 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.

## **25. CERTIFICATION FOR COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES**

The certification for compliance of the corporate governance guidelines issued by IRDA from time to time is annexed to this report as Annexure-B.

## **26. REMUNERATION POLICY AND REMUNERATION OF DIRECTORS/MANAGER**

Subject to the recommendation/approval of the Board and of Your Company in General Meeting and such other approvals as may be necessary, the Managing Director/Manager are paid remuneration as per the Board Resolutions passed from time to time. The



remuneration structure of the Managing Director/Manager comprises salary, performance incentives, perquisites and allowances, contribution to Provident Fund and Gratuity.

The Independent directors and nominee director of GIBA holdings Private Limited receive a sitting fee of Rs. 20,000/- for the board meeting and Rs. 10,000/- for the committee meeting attended by them.

Except as detailed above, no other Non-Executive Director has drawn any remuneration from Your Company during the year under review.

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.

## **27. RELATED PARTY TRANSACTIONS**

The required disclosures of related party transactions as per the applicable Accounting Standards are disclosed in the Notes to the Accounts. There are no transactions of material nature with the related parties, which may have potential conflict with the interests of Company at large.

## **28. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation and acknowledge with gratitude to the IRDA and the continued support and co-operation extended by the investors, clients, business associates and bankers and look forward for their continued support. Your Directors also place on record their appreciation for the services rendered by the employees at all levels.

### **Registered Office:** **Directors**

BHARTI AXA GENERAL INSURANCE COMPANY LTD  
First Floor, Ferns Icon, Survey No. 28  
Next to Akme Ballet, Doddanekundi,  
Off Outer Ring Road  
Bangalore- 560 037

**By Order of the Board of**

**RAKESH BHARTI MITTAL**  
**(CHAIRMAN)**

**GAELLE OLIVIER**  
**(DIRECTOR)**

**AMARNATH ANANTHANARAYANAN**  
**(CEO & MANAGING DIRECTOR)**

**BHARAT SUMANT RAUT**  
**(INDEPENDENT DIRECTOR)**

Place: Mumbai

Date: 14-May-2014



## **ANNEXURE- B**

### **“CERTIFICATION FOR COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES”**

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

Ashish Sarma  
Company Secretary

**B. K. Khare & Co.**  
**Chartered Accountants**  
706/708, Sharda Chambers  
New Marine Lines,  
Mumbai  
Maharashtra 400020

**B K Ramadhyani and Co**  
**Chartered Accountants**  
4B, Chitrapur Bhavan  
68, 8<sup>TH</sup> Main, Malleshwaram  
Bangalore  
Karnataka 5600055

### **Independent Auditors' Report**

**TO THE MEMBERS OF Bharti AXA General Insurance Company Limited**

#### ***Report on the Financial Statements***

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, 2014, the Revenue accounts, the Profit and Loss account and the Receipts and Payments Account for the year then ended and a summary of significant accounting policies and other explanatory information.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in conformity with the accounting principles generally accepted in India, as applicable to general insurance companies which includes the requirements of the Insurance Act 1938, the Insurance Regulatory and Development Act, 1999, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and in accordance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable and in the manner so required. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion and to the best of our knowledge and according to the information and explanations given to us, the financial statements give the information required by the Insurance Act 1938, the Insurance Regulatory and Development Authority Act, 1999 ("the Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and in accordance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable 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, 2014;
- b. in the case of the Revenue Account, of the surplus/deficit for the year ended on that date.
- c. in the case of the Profit and Loss Account, of the loss for the year ended on that date and
- d. in the case of the Receipts and Payments Account, of the receipts and payments of the Company for the year ended on that date.

### ***Report on Other Legal and Regulatory Requirements***

As required by Schedule C of The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's report of Insurance Companies) Regulations, 2002, and section 227(3) of the Companies Act, 1956, to the extent applicable:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. As the Company's accounting system is centralized, no returns for the purpose of our audit are prepared at the branches and other offices;
- d. The Balance Sheet, Revenue accounts, Profit and Loss Account and Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
- e. In our opinion, the accounting policies selected by the Company are appropriate and are in compliance with the applicable accounting standards referred to under sub section 3C of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable and the accounting principles prescribed by the Regulations and orders/ directions issued by IRDA in this behalf;
- f. The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payment Account referred to in this report are in compliance with the accounting standards



referred to under sub section 3C of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable;

- g. To the best of our knowledge, the investments of the Company have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders/directions issued by IRDA in this behalf;
- h. The actuarial valuation of liabilities in respect of Premium Deficiency Reserve (PDR), Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) as on 31 March, 2014 have been duly certified by the Company's appointed actuary. The appointed actuary has also certified to the Company that the assumptions used for such valuations are appropriate and are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Institute of Actuaries of India. We have relied upon the appointed actuary's certificate in this regard for forming our opinion on the financial statements of the Company;
- i. We have reviewed the management report (initialled by us for the limited purpose of identification) and to the extent it includes data contained in the financial statements, there is no apparent mistake or material inconsistencies with the said statements;
- j. Based on the information and explanations received during the normal course of our audit and management representations, nothing has come to our attention which causes us to believe that the Company has not complied materially with the terms and conditions of registration;
- k. On the basis of written representations received from directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.;

**For B. K. Khare & Co.**  
Chartered Accountants  
(Registration No. 105102W)

**For B K Ramadhyani and Co**  
Chartered Accountants  
(Registration No. 002878S)

**Himanshu Chapsey**  
Partner  
(Membership No. 105731)

**Shyam Ramadhyani**  
Partner  
(Membership No. 019522)

Mumbai  
May 14, 2014

**B. K. Khare & Co.**  
**Chartered Accountants**  
706/708, Sharda Chambers  
New Marine Lines,  
Mumbai  
Maharashtra 400020

**B K Ramadhyani and Co**  
**Chartered Accountants**  
4B, Chitrapur Bhavan  
68, 8<sup>th</sup> Main, Malleswaram  
Bangalore  
Karnataka-560 004

**Auditors' Certificate**

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 31 March 2014, we certify that:

- (a) We have verified the cash balances and investments of the Company as at 31 March, 2014. The Company had no loans.
- (b) According to the information and explanations given to us, the Company is not a trustee of any trust.
- (c) In our opinion and according to the information and explanations given to us, any part of the assets of the policyholders' funds which have been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders funds has not come to our notice. The Insurance Regulatory and Development Authority while approving the remuneration of the Chief Executive Officer and Managing Director effective from January 1, 2013 vide their letter dated October 11, 2013 had stipulated that remuneration to him beyond Rs 1.50 crores shall be paid out of shareholders funds, not forming part of solvency margin and held in a separate custody account. The Company has complied with this condition prospectively for payments to him post the receipt of the said letter. The shortfall on the said basis as at March 31, 2014 of Rs. ('000) 1,459 has since been made good.

This certificate is issued to comply with Schedule C of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's 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.

**For B. K. Khare & Co.**  
**Chartered Accountants**  
**(Registration No. 105102W)**

**For B K Ramadhyani and Co**  
**Chartered Accountants**  
**(Registration No. 002878S)**

**Himanshu Chapsey**  
**Partner**  
**(Membership No. 105731)**

**Shyam Ramadhyani**  
**Partner**  
**(Membership No. 019522)**

**Mumbai**  
**May 14, 2014**

## MANAGEMENT REPORT

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

1. We hereby confirm the validity of Certificate of Registration granted by the Insurance Regulatory and Development Authority to carry on the business of General Insurance in India. The certificate was renewed for a period up to March 31<sup>st</sup> 2015;
2. To the best of our knowledge and belief, all the material dues payable to the statutory authorities have been duly paid;
3. We hereby confirm that there were no changes to the shareholding of the Company and we further confirm that no shares of the Company were transferred during the year ended 31<sup>st</sup> March 2014;
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 Company has maintained the required solvency margin during the year ended 31<sup>st</sup> March 2014;
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”, “Agents balances”, “Outstanding Premiums”, “Interest, Dividends and Rents outstanding”, “Interest, Dividends and Rents accruing but not due”, “Amounts due from other persons or Bodies carrying on insurance business”, “Sundry Debtors”, “Bills Receivable”, “Cash” and the several items specified under “Other Accounts”;
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 Country;
9. The Trend in Average claim settlement time during the preceding year ended March 31, 2014 is included in **Annexure 1**;
10. Investments in Government securities and other debt securities have been considered as „held to maturity” and have been measured at historical cost subject to amortization. Investments in mutual fund units are accounted at Net

Asset Value and the unrealized gain has been credited to the Fair Value Change Account. 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.

11. 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. The Company has carried out periodic review of the investment portfolio. There are no nonperforming assets as at the end of the financial year.
12. The management of Bharti AXA General Insurance Company Limited certifies that:
  - (i) in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed. There is no material departure from the said standards;
  - (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 or loss and of the profit or loss of the company for the year;
  - (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 (4 of 1938) / Companies Act, 1956 (1 of 1956), 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.
13. Details of payments to individuals, firms, Companies and organisations in which directors are interested during the year ended 31<sup>st</sup> March 2014 are reported below on accrual basis:

Sl. No:	Name of the Director	Entity in which Director is interested	Particulars of Interest	Payments made by Bharti AXA General Insurance Co. Ltd. during the year (Fig in '000)
1	<b>Mr. Rakesh Bharti Mittal</b>	Beetel Teletech Limited	Director	4,204
		Field Fresh Foods Private Limited	Director	1,386
		Bharti AXA Life Insurance Company Limited	Director	6,221
		Bharti Infratel Limited	Director	25
		Indus Towers Limited	Director	3,000
		Bharti Airtel Limited	Interested through relative	28,245
		Bharti Realty Holding Limited	Interested through relative	1,111
2	<b>Mr. Akhil Kumar Gupta</b>	Bharti Infratel Limited	Director	25
		Bharti AXA Life Insurance Company Limited	Director	6,221
		Indus Towers Limited	Director	3,000
		Bharti Enterprises Limited	Director	10,167
3	<b>Mr. Manoj Kohli</b>	Beetel Teletech Limited	Director	4,204
		Bharti Airtel Limited	Director	28,245
		Bharti AXA Life Insurance Company Limited	Director	6,221
		Bharti Enterprises Limited	Director	10,167
		Bharti Retail Limited	Director	26,055
		Field Fresh Foods Private Limited	Director	1,386
4	<b>Mr. Bharat S Raut</b>	Bharti AXA Life Insurance Company Limited	Director	6,221
		Bharti Infratel Limited	Director	25
5	<b>Mr. Jitender Balakrishnan</b>	Bharti AXA Life Insurance Company Limited	Director	6,221
		Bharti Infratel Limited	Director	

				25
6	<b>Mr. Mike Bishop</b>	Bharti AXA Life Insurance Company Limited	Director	6,221
7	<sup>\$</sup> <b>Mr. Francois Valery Lecomte</b>	Bharti AXA Life Insurance Company Limited	Director	6,221
8	<sup>&amp;</sup> <b>Mr. Devendra Khanna</b>	Bharti Realty Holding Limited	Director	1,111
		Bharti Retail Limited	Director	26,055

<sup>\$</sup>Mr. Francois Valery LECOMTE ceased to be a Director effective 12<sup>th</sup> February, 2014

<sup>&</sup>Mr. Devendra Khanna ceased to be a Director effective 07<sup>th</sup> March, 2014

**For and on behalf of the Board**

**RAKESH BHARTI MITTAL**  
**(CHAIRMAN)**

**GAELLE OLIVIER**  
**(DIRECTOR)**

**BHARAT SUMANT RAUT**  
**(INDEPENDENT DIRECTOR)**

**AMARNATH ANANTHANARAYANAN**  
**(CHIEF EXECUTIVE OFFICER & MD)**

**N. SAMPATH KUMAR**  
**(CHIEF FINANCIAL OFFICER)**

**ASHISH SARMA**  
**(COMPANY SECRETARY)**

**Mumbai, 14<sup>th</sup> May 2014**

## ANNEXURE-I

### BHARTI AXA GENERAL INSURANCE CO LTD.

#### DETAILS OF AVERAGE CLAIM SETTLEMENT TIME FOR VARIOUS SEGMENTS AS ON 31.03.14

Motor OD												
	Less than 30 Days		31 - 90 Days		3 Month - 6 months		6 months - 1 year		1 yr - 5 yrs		Total April 2013 till March 2014	
LOB	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount	Total Nos	Total Amount
Commercial Motor	2,324	28,929,500	2,506	86,041,868	1,519	85,419,608	821	73,676,443	299	50,093,716	7,469	324,161,136
Private Motor	121,683	1,663,536,965	32,066	1,075,928,646	6,806	515,190,772	2,203	212,183,909	488	54,335,453	163,246	3,521,175,745
<b>Grand Total</b>	<b>124,007</b>	<b>1,692,466,465</b>	<b>34,572</b>	<b>1,161,970,515</b>	<b>8,325</b>	<b>600,610,380</b>	<b>3,024</b>	<b>285,860,352</b>	<b>787</b>	<b>104,429,169</b>	<b>170,715</b>	<b>3,845,336,881</b>

Motor TP												
	Less than 30 Days		31 - 90 Days		3 Month - 6 months		6 months - 1 year		1 yr - 5 yrs		Total April 2013 till March 2014	
LOB	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount	Total Nos	Total Amount
Commercial Motor	14	2,650,309	66	8,810,995	362	91,101,745	119	23,421,677	1058	350,927,527	1619	476,912,253
Private Motor	10	589,637	63	8,861,058	216	61,951,925	96	20,229,368	448	104,888,529	833	196,520,517
<b>Grand Total</b>	<b>24</b>	<b>3,239,946</b>	<b>129</b>	<b>17,672,053</b>	<b>578</b>	<b>153,053,670</b>	<b>215</b>	<b>43,651,045</b>	<b>1506</b>	<b>455,816,056</b>	<b>2452</b>	<b>673,432,770</b>



Non Motor												
LOB	Up to 30 Days		31 days to 90 Days		3 Month to 6 Month		6 M to 1 Year		1 Year to 5 Year		Total from April 2013 till March 2014	
	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
Commercial Liability	4	82,969	2	33,258	4	9,161,921	4	6,998,505	2	9,663,128	16	25,939,781
Commercial Property	34	317,049	43	1,439,938	84	3,159,308	73	5,231,795	1	73,539	235	10,221,629
Construction	16	4,297,447	9	2,219,250	10	539,640	15	38,360,315	37	5,189,089	87	50,605,741
Employees' Compensation	16	25,473	31	1,557,415	99	3,071,723	27	1,198,787	5	633,322	178	6,486,720
Engineering	31	349,612	30	438,755	52	9,599,568	48	6,740,987	11	4,040,661	172	21,169,583
Group Personal Accident	494	20,198,826	881	50,280,539	951	45,567,472	274	24,137,096	94	15,017,587	2694	155,201,520
Industrial Property	112	29,575,991	49	32,330,752	55	33,250,777	75	129,189,520	43	126,989,011	334	351,336,051
Marine Cargo	202	17,929,930	233	28,632,033	272	33,694,358	223	29,722,816	69	20,992,446	999	130,971,583
Personal Accident	9	158,481	30	1,190,611	30	1,992,971	6	1,313,871	5	673,557	80	5,329,491
SME Property	51	355,587	140	3,150,143	130	11,864,777	102	11,639,719	9	10,415,104	432	37,425,330
<b>Grand Total</b>	<b>969</b>	<b>73,291,365</b>	<b>1448</b>	<b>121,272,694</b>	<b>1687</b>	<b>151,902,515</b>	<b>847</b>	<b>254,533,411</b>	<b>276</b>	<b>193,687,444</b>	<b>5227</b>	<b>794,687,429</b>

### Health Claims

TAT	Nos	Amt Paid
Up to 30 Days	43337	1,726,879,196
31 days to 90 Days	148	21,001,712
3 Month to 6 Month	18	217,133
6 M to 1 Year	16	265,753
1 Year to 5 Year	0	0
<b>Grand Total</b>	<b>43519</b>	<b>1,748,363,794</b>

\* The numbers shown in the tables above include claims where part payment has been made though the claims remain open in the system.



Form B-RA

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

**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

**Fire Insurance Business**

<b>Particulars</b>	<b>Schedule Ref.</b>	<b>Year Ended March 31, 2014 Rs. ( `000)</b>	<b>Year Ended March 31, 2013 Rs. ( `000)</b>
Premiums earned-(Net)	1	120,820	87,977
Profit/(Loss) on sale/redemption of Investments (Net)		(3)	34
Amortisation of Discount/(Premium)		825	2,279
Interest, Dividend & Rent-Gross		11,678	8,212
Other Income		429	6
<b>Total (A)</b>		<b>133,749</b>	<b>98,508</b>
Claims incurred (Net)	2	165,818	28,346
Commission	3	(99,801)	(48,412)
Operating Expenses related to Insurance Business	4	44,067	47,203
Pool Expenses (Net of Pool Investment Income)		4,243	(2,149)
Premium Deficiency		52,709	(23,263)
<b>Total (B)</b>		<b>167,036</b>	<b>1,725</b>
<b>Operating profit/(Loss) from Fire Business (C)=(A)-(B)</b>		<b>(33,287)</b>	<b>96,783</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		(33,287)	96,783
Transfer to catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>(33,287)</b>	<b>96,783</b>

The Schedules referred to above form an integral part of the Revenue Accounts

As Required by section 40C(2) of the Insurance Act, 1938, We hereby confirm that all the expenses of management, incurred by the Company, in respect of General Insurance business have been fully debited in the Revenue Account as Expenses.

VIDE OUR REPORT OF EVEN DATE

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Regn No.105102W)

**B. K. RAMADHYANI & CO**  
Chartered Accountants  
(Regn No.002878S)

**For and on behalf of the Board**

**RAKESH BHARTI MITTAL**  
(CHAIRMAN)

**GAELE OLIVIER**  
(DIRECTOR)

**HIMANSHU CHAPSEY**  
(Partner)  
Membership No. 105731

**SHYAM RAMADHYANI**  
(Partner)  
Membership No. 019522

**DR. AMARNATH ANANTHANARAYANAN**  
(CHIEF EXECUTIVE OFFICER & MD)

**BHARAT SUMANT RAUT**  
(INDEPENDENT DIRECTOR)

**Date: 14.05.2014**  
**Place: Mumbai**

**ASHISH SARMA**  
(COMPANY SECRETARY)

**N SAMPATH KUMAR**  
(CHIEF FINANCIAL OFFICER)



**Form B-RA**

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

**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

**Marine Insurance Business**

Particulars	Schedule Ref.	Year Ended March 31, 2014	Year Ended March 31, 2013
		Rs. (`000)	Rs. (`000)
Premiums earned-(Net)	1	71,643	55,395
Profit/(Loss) on sale/redemption of Investments (Net)		(3)	23
- Amortisation of Discount/(Premium)		695	1,582
Interest, Dividend & Rent-Gross		9,847	5,700
Other Income		55	3
<b>Total (A)</b>		<b>82,237</b>	<b>62,703</b>
Claims incurred (Net)	2	43,656	26,448
Commission	3	(24,545)	(9,494)
Operating Expenses related to Insurance Business	4	29,354	22,963
<b>Total (B)</b>		<b>48,465</b>	<b>39,917</b>
<b>Operating profit/(Loss) from Marine Business (C)=(A)-(B)</b>		<b>33,772</b>	<b>22,786</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		33,772	22,786
Transfer to catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>33,772</b>	<b>22,786</b>

The Schedules referred to above form an integral part of the Revenue Accounts

As Required by section 40C(2) of the Insurance Act, 1938, We hereby confirm that all the expenses of management, incurred by the Company, in respect of General Insurance business have been fully debited in the Revenue Account as Expenses.

VIDE OUR REPORT OF EVEN DATE

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Regn No.105102W)

**B. K. RAMADHYANI & CO**  
Chartered Accountants  
(Regn No.002878S)

**For and on behalf of the Board**

**RAKESH BHARTI MITTAL**  
(CHAIRMAN)

**GAELE OLIVIER**  
(DIRECTOR)

**HIMANSHU CHAPSEY**  
(Partner)  
Membership No. 105731

**SHYAM RAMADHYANI**  
(Partner)  
Membership No. 019522

**DR. AMARNATH ANANTHANARAYANAN**  
(CHIEF EXECUTIVE OFFICER & MD)

**BHARAT SUMANT RAUT**  
(INDEPENDENT DIRECTOR)

**Date: 14.05.2014**  
**Place: Mumbai**

**ASHISH SARMA**  
(COMPANY SECRETARY)

**N SAMPATH KUMAR**  
(CHIEF FINANCIAL OFFICER)



Form B-RA

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

**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

**Miscellaneous Insurance Business**

Particulars	Schedule Ref.	Year Ended March 31, 2014	Year Ended March 31, 2013
		Rs. ( `000)	Rs. ( `000)
Premiums earned-(Net)	1	10,736,540	8,720,470
Profit/(Loss) on sale/redemption of Investments (Net)		(373)	3,593
- Amortisation of Discount/(Premium)		100,116	243,401
Interest, Dividend & Rent-Gross		1,417,728	898,300
Other Income		1,712	461
<b>Total (A)</b>		<b>12,255,723</b>	<b>9,866,225</b>
Claims incurred (Net)	2	8,513,860	7,617,081
Commission	3	473,390	275,861
Operating Expenses related to Insurance Business	4	3,918,975	3,491,260
Premium Deficiency		891	-
Pool Expenses		1,247	933
Contribution to Solatium Fund		3,239	2,356
<b>Total (B)</b>		<b>12,911,602</b>	<b>11,387,491</b>
<b>Operating profit/(Loss) from Miscellaneous Business (C)=(A)-(B)</b>		<b>(655,879)</b>	<b>(1,521,266)</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		(655,879)	(1,521,266)
Transfer to catastrophe Reserve			
Transfer to Other Reserves			
<b>Total (C)</b>		<b>(655,879)</b>	<b>(1,521,266)</b>

The Schedules referred to above form an integral part of the Revenue Accounts

As Required by section 40C(2) of the Insurance Act, 1938, We hereby confirm that all the expenses of management, incurred by the Company, in respect of General Insurance business have been fully debited in the Revenue Account as Expenses.

VIDE OUR REPORT OF EVEN DATE

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Regn No.105102W)

**B. K. RAMADHYANI & CO**  
Chartered Accountants  
(Regn No.002878S)

**For and on behalf of the Board**

**RAKESH BHARTI MITTAL**  
(CHAIRMAN)

**GAELE OLIVIER**  
(DIRECTOR)

**HIMANSHU CHAPSEY**  
(Partner)  
Membership No. 105731

**SHYAM RAMADHYANI**  
(Partner)  
Membership No. 019522

**DR. AMARNATH ANANTHANARAYANAN**  
(CHIEF EXECUTIVE OFFICER & MD)

**BHARAT SUMANT RAUT**  
(INDEPENDENT DIRECTOR)

**Date: 14.05.2014**  
**Place: Mumbai**

**ASHISH SARMA**  
(COMPANY SECRETARY)

**N SAMPATH KUMAR**  
(CHIEF FINANCIAL OFFICER)



Form B-PL

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

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Schedule Ref.	Year Ended March 31, 2014 (Rs. '000)	Year Ended March 31, 2013 (Rs. '000)
<b>OPERATING PROFIT/(LOSS)</b>			
(a) Fire Insurance		(33,287)	96,783
(b) Marine Insurance		33,772	22,786
(c) Miscellaneous Insurance		(655,879)	(1,521,266)
<b>INCOME FROM INVESTMENTS</b>			
(a) Interest, Dividends and Rent -Gross		45,549	35,167
(b) Profit on sale/redemption of investments		9,052	9,303
Less: (Loss) on sale/redemption of investments		-	-
(C) Amortisation of Discount/(Premium)		(154)	1,057
		-	-
<b>OTHER INCOME</b>		5,579	2,617
<b>Total (A)</b>		<b>(595,368)</b>	<b>(1,353,553)</b>
<b>Provisions (Other than taxation)</b>			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		-	-
(c) Others		-	-
<b>Other Expenses</b>			
(a) Expenses other than those related to the insurance business		766	695
(b) Bad debts written off		-	-
(c) Others		-	-
- Managerial Remuneration		16,381	9,840
- Capital Work in Progress Written Off		15,850	75,235
<b>Total (B)</b>		<b>32,997</b>	<b>85,770</b>
<b>Profit/(Loss) before tax</b>		(628,365)	(1,439,323)
Provision for Taxation			
- Wealth Tax		751	525
Current Tax		-	-
<b>Profit/(Loss) after tax</b>		<b>(629,116)</b>	<b>(1,439,848)</b>
Balance of Profit/(Loss) brought forward from last year		(6,674,035)	(5,234,187)
<b>Appropriations</b>			
(a) Interim dividends paid during the period		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution on tax		-	-
(d) Transfer to reserve/other accounts (to be specified)		-	-
<b>Balance carried to Balance Sheet</b>		<b>(7,303,151)</b>	<b>(6,674,035)</b>
Earning Per Share (Basic and Diluted) (in Rs.) (Refer Note No.3.19) (Face Value Rs.10 per share)		(0.70)	(1.96)

The Schedules referred to above form an integral part of the Profit and Loss Account  
VIDE OUR REPORT OF EVEN DATE

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Regn No.105102W)

**B. K. RAMADHYANI & CO**  
Chartered Accountants  
(Regn No.002878S)

**For and on behalf of the Board**

**RAKESH BHARTI MITTAL**  
(CHAIRMAN)

**GAELLE OLIVIER**  
(DIRECTOR)

**HIMANSHU CHAPSEY**  
(Partner)  
Membership No. 105731

**SHYAM RAMADHYANI**  
(Partner)  
Membership No. 019522

**DR. AMARNATH ANANTHANARAYANAN**  
(CHIEF EXECUTIVE OFFICER & MD)

**BHARAT SUMANT RAUT**  
(INDEPENDENT DIRECTOR)

**Date: 14.05.2014**  
**Place: Mumbai**

**ASHISH SARMA**  
(COMPANY SECRETARY)

**N SAMPATH KUMAR**  
(CHIEF FINANCIAL OFFICER)



Form B-BS

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

**BALANCE SHEET AS AT MARCH 31, 2014**

Particulars	Schedule Ref.	As at March 31, 2014 (Rs. '000)	As at March 31, 2013 (Rs. '000)
<b>SOURCES OF FUNDS</b>			
Share Capital	5	9,765,515	8,454,930
Share Application Money		200,000	-
Reserves and Surplus	6	1,644,122	1,614,707
Fair Value Change		276	193
Borrowings	7	-	-
<b>Total</b>		<b>11,609,913</b>	<b>10,069,830</b>
<b>APPLICATION OF FUNDS</b>			
Investments	8	19,704,621	14,841,133
Loans	9	-	-
Fixed Assets	10	218,843	210,868
Current Assets			
Cash and Bank Balances	11	666,340	466,865
Advances And Other Assets	12	1,672,494	1,213,688
<b>Sub Total (A)</b>		<b>2,338,834</b>	<b>1,680,553</b>
Current Liabilities	13	11,834,104	8,183,535
Provisions	14	6,121,432	5,153,225
<b>Sub Total (B)</b>		<b>17,955,536</b>	<b>13,336,760</b>
<b>Net Current Assets (C) = (A - B)</b>		<b>(15,616,702)</b>	<b>(11,656,207)</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit And Loss Account		7,303,151	6,674,035
<b>Total</b>		<b>11,609,913</b>	<b>10,069,830</b>

The Schedules referred to above form an integral part of the Balance Sheet

VIDE OUR REPORT OF EVEN DATE

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Regn No.105102W)

**B. K. RAMADHYANI & CO**  
Chartered Accountants  
(Regn No.002878S)

**For and on behalf of the Board**

**RAKESH BHARTI MITTAL**  
(CHAIRMAN)

**GAELE OLIVIER**  
(DIRECTOR)

**HIMANSHU CHAPSEY**  
(Partner)  
Membership No. 105731

**SHYAM RAMADHYANI**  
(Partner)  
Membership No. 019522

**DR. AMARNATH ANANTHANARAYANAN**  
(CHIEF EXECUTIVE OFFICER & MD)

**BHARAT SUMANT RAUT**  
(INDEPENDENT DIRECTOR)

**Date: 14.05.2014**  
**Place: Mumbai**

**ASHISH SARMA**  
(COMPANY SECRETARY)

**N SAMPATH KUMAR**  
(CHIEF FINANCIAL OFFICER)

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

**SCHEDULE-1 PREMIUM EARNED (NET)**

Particulars	Year Ended March 31, 2014					Year Ended March 31, 2013					(Rs. '000)
	Fire	Marine	Others	Miscellaneous	Total	Fire	Marine	Others	Miscellaneous	Total	
		Cargo					Cargo				
Premium from Direct Business Written :	805,093	335,188	-	13,091,312	14,231,593	521,351	211,637	-	11,451,304	12,184,292	
Add : Premium on Reinsurance Accepted	94,560	6,671	-	1,036	102,267	77,215	565	-	376,493	454,273	
Less : Premium on Reinsurance Ceded	769,330	261,038	-	1,461,887	2,492,255	471,372	149,738	-	1,989,894	2,611,004	
<b>Net Premium</b>	<b>130,323</b>	<b>80,821</b>	<b>-</b>	<b>11,630,461</b>	<b>11,841,605</b>	<b>127,194</b>	<b>62,464</b>	<b>-</b>	<b>9,837,903</b>	<b>10,027,561</b>	
Adjustment for change in Unexpired Risk Reserve											
Reserve created during the period	102,266	40,410	-	5,832,340	5,975,016	92,763	31,232	-	4,938,419	5,062,414	
Less: Reserve created during the previous year Written back	92,763	31,232	-	4,938,419	5,062,414	53,546	24,163	-	3,820,986	3,898,695	
<b>Adjustment for change in Reserve for Unexpired Risk</b>	<b>(9,503)</b>	<b>(9,178)</b>	<b>-</b>	<b>(893,921)</b>	<b>(912,602)</b>	<b>(39,217)</b>	<b>(7,069)</b>	<b>-</b>	<b>(1,117,433)</b>	<b>(1,163,719)</b>	
<b>Total Premium Earned (Net)</b>	<b>120,820</b>	<b>71,643</b>	<b>-</b>	<b>10,736,540</b>	<b>10,929,003</b>	<b>87,977</b>	<b>55,395</b>	<b>-</b>	<b>8,720,470</b>	<b>8,863,842</b>	

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

**SCHEDULE-2 CLAIMS INCURRED (NET)**

Particulars	Year Ended March 31, 2014					Year Ended March 31, 2013					(Rs. '000)
	Fire	Marine	Others	Miscellaneous	Total	Fire	Marine	Others	Miscellaneous	Total	
		Cargo					Cargo				
<b>Claims Paid</b>											
Direct	351,336	132,616	-	6,684,271	7,168,223	276,803	87,636	-	5,299,708	5,664,147	
Add : Reinsurance Accepted	(40)	-	-	81,925	81,885	147	-	-	74,219	74,366	
Less : Reinsurance Ceded	278,737	96,345	-	1,183,507	1,558,589	234,504	64,514	-	956,883	1,255,901	
<b>Net Claims Paid</b>	<b>72,559</b>	<b>36,271</b>	<b>-</b>	<b>5,582,689</b>	<b>5,691,519</b>	<b>42,446</b>	<b>23,122</b>	<b>-</b>	<b>4,417,044</b>	<b>4,482,612</b>	
<b>Claims Outstanding (including IBNR &amp; IBNER)</b>											
Add : Claims Outstanding at the close of the period (net of Re-insurance)	173,867	38,910	-	9,502,995	9,715,772	80,609	31,525	-	6,571,824	6,683,958	
Less: Claims Outstanding at the beginning of the period (net of Re-insurance)	80,608	31,525	-	6,571,824	6,683,958	94,709	28,199	-	3,371,787	3,494,695	
<b>Total Claims Incurred</b>	<b>165,818</b>	<b>43,656</b>	<b>-</b>	<b>8,513,860</b>	<b>8,723,333</b>	<b>28,346</b>	<b>26,448</b>	<b>-</b>	<b>7,617,081</b>	<b>7,671,875</b>	



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

**SCHEDULE - 3 COMMISSION**

Particulars	Year Ended March 31, 2014					Year Ended March 31, 2013					(Rs. '000)
	Fire	Marine	Others	Miscellaneous	Total	Fire	Marine	Others	Miscellaneous	Total	
		Cargo					Cargo				
Commission paid direct	40,802	19,419	-	676,318	736,539	24,730	13,025	-	526,445	564,200	
Total (A)	40,802	19,419	-	676,318	736,539	24,730	13,025	-	526,445	564,200	
Add: Commission on Re-insurance Accepted	5,071	373	-	1,329	6,773	2,239	18	-	1,230	3,487	
Less: Commission on Re-insurance Ceded	145,674	44,337	-	204,257	394,268	75,381	22,537	-	251,814	349,732	
<b>Net Commission</b>	<b>(99,801)</b>	<b>(24,545)</b>	<b>-</b>	<b>473,390</b>	<b>349,044</b>	<b>(48,412)</b>	<b>(9,494)</b>	<b>-</b>	<b>275,861</b>	<b>217,955</b>	
<b>Break-up of the commission (Gross) incurred to procure business furnished as per details below:</b>											
Agents	2,782	1,959	-	146,324	151,065	2,028	890	-	107,133	110,051	
Brokers	43,068	17,833	-	531,126	592,027	24,923	12,154	-	420,469	457,546	
Corporate Agency	23	-	-	197	220	19	-	-	73	92	
Referral	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	
<b>Total (B)</b>	<b>45,873</b>	<b>19,792</b>	<b>-</b>	<b>677,647</b>	<b>743,312</b>	<b>26,970</b>	<b>13,044</b>	<b>-</b>	<b>527,675</b>	<b>567,689</b>	



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

**SCHEDULE-4 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

Particulars											(Rs. '000)
	Year Ended March 31, 2014					Year Ended March 31, 2013					
	Fire	Marine Cargo	Others	Miscellaneous	Total	Fire	Marine Cargo	Others	Miscellaneous	Total	
Employees' remuneration and welfare benefits	11,411	9,189	-	952,967	<b>973,567</b>	13,911	7,311	-	946,611	<b>967,833</b>	
Travel, conveyance and vehicle running expenses	1,217	947	-	89,878	<b>92,042</b>	1,233	610	-	76,350	<b>78,193</b>	
Training Expenses	145	90	-	12,961	<b>13,196</b>	157	77	-	12,107	<b>12,341</b>	
Rents, rates and taxes	1,781	1,098	-	159,544	<b>162,423</b>	1,826	882	-	140,539	<b>143,247</b>	
Repairs Maintenance ( including Electricity)	573	355	-	51,103	<b>52,031</b>	576	283	-	44,559	<b>45,418</b>	
Printing and stationery	235	102	-	25,249	<b>25,586</b>	299	60	-	19,019	<b>19,378</b>	
Communication Expenses	977	606	-	87,231	<b>88,814</b>	723	355	-	55,900	<b>56,978</b>	
Legal and professional charges	1,337	554	-	176,018	<b>177,909</b>	1,944	420	-	150,221	<b>152,585</b>	
Auditor's fees expenses etc.	-	-	-	-	<b>-</b>	-	-	-	-	<b>-</b>	
(a) as auditor	18	10	-	1,567	<b>1,595</b>	22	11	-	1,702	<b>1,735</b>	
(b) as advisor or in any other capacity, in respect of	-	-	-	-	<b>-</b>	-	-	-	-	<b>-</b>	
(i) Taxation matters	2	2	-	216	<b>220</b>	3	1	-	216	<b>220</b>	
(ii) Insurance matters	-	-	-	-	<b>-</b>	-	-	-	-	<b>-</b>	
(iii) Management services; and	-	-	-	-	<b>-</b>	-	-	-	-	<b>-</b>	
(c ) in any other capacity	-	-	-	-	<b>-</b>	-	-	-	-	<b>-</b>	
Audit Out of Pocket expenses	6	4	-	538	<b>548</b>	26	13	-	1,993	<b>2,032</b>	
Advertisement and Publicity	459	286	-	40,951	<b>41,696</b>	407	200	-	31,457	<b>32,064</b>	
Interest and Bank Charges	107	66	-	9,557	<b>9,730</b>	94	46	-	7,293	<b>7,433</b>	
Others	-	-	-	-	<b>-</b>	-	-	-	-	<b>-</b>	
Information technology	1,480	918	-	132,099	<b>134,497</b>	1,524	748	-	117,848	<b>120,120</b>	
Marketing Expenses	22,457	13,928	-	2,004,229	<b>2,040,614</b>	22,296	10,949	-	1,724,496	<b>1,757,741</b>	
Exchange (gain) /loss	2	1	-	161	<b>164</b>	(5)	(2)	-	(384)	<b>(393)</b>	
Miscellaneous Expenses	(21)	(13)	-	(1,884)	<b>(1,918)</b>	(198)	(97)	-	(15,326)	<b>(15,623)</b>	
Support Services	821	554	-	81,984	<b>83,359</b>	880	368	-	61,768	<b>63,016</b>	
Ineligible input service tax written off	29	18	-	2,597	<b>2,644</b>	130	64	-	10,065	<b>10,259</b>	
Loss on Sale of Assets	3	2	-	278	<b>283</b>	33	16	-	2,572	<b>2,621</b>	
Depreciation	1,028	637	-	91,731	<b>93,396</b>	1,322	649	-	102,252	<b>104,223</b>	
<b>Total</b>	<b>44,067</b>	<b>29,354</b>	<b>-</b>	<b>3,918,975</b>	<b>3,992,396</b>	<b>47,203</b>	<b>22,963</b>	<b>-</b>	<b>3,491,260</b>	<b>3,561,425</b>	

**BHARTI AXA GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS****SCHEDULE-4A OPERATING EXPENSES RELATED TO INSURANCE BUSINESS****Year Ended March 31, 2014**

(Rs. '000)

Particulars	Fire	Marine Cargo	Marine Others	Marine Total	Motor	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous Total	Total
Employees' remuneration and welfare benefits	11,411	9,189	-	9,189	703,225	6,414	3,180	7,052	-	23,189	202,869	7,037	952,967	973,567
Travel, conveyance and vehicle running expenses	1,217	947	-	947	64,865	692	353	753	-	2,398	20,110	705	89,878	92,042
Training Expenses	145	90	-	90	10,737	74	36	91	-	229	1,729	65	12,961	13,196
Rents, rates and taxes	1,781	1,098	-	1,098	132,489	897	440	1,113	-	2,796	21,012	797	159,544	162,423
Repairs Maintenance ( including Power charges)	573	355	-	355	42,336	290	143	360	-	903	6,817	254	51,103	52,031
Printing and stationery	235	102	-	102	22,987	84	35	111	-	293	1,594	145	25,249	25,586
Communication Expenses	977	606	-	606	72,266	495	244	614	-	1,542	11,636	434	87,231	88,814
Legal and professional charges	1,337	554	-	554	163,969	453	183	609	-	1,619	8,334	851	176,018	177,909
Auditor's fees expenses etc.				-									-	-
(a) as auditor	18	11	-	11	1,298	9	4	11	-	28	209	8	1,567	1,593
(b) as advisor or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	2	2	-	2	179	1	1	2	-	4	29	1	216	220
(ii) Insurance matters				-									-	-
(iii) Management services; and				-									-	-
(c ) in any other capacity				-									-	-
Audit Out of Pocket expenses	6	4	-	4	446	3	2	4	-	10	72	3	538	548
Advertisement and Publicity	459	285	-	285	33,926	233	114	288	-	724	5,462	204	40,951	41,696
Interest and Bank Charges	107	66	-	66	7,917	54	27	67	-	169	1,275	48	9,557	9,730
Others				-									-	-
Information technology	1,480	918	-	918	109,437	750	369	930	-	2,335	17,620	657	132,099	134,497
Marketing Expenses	22,458	13,928	-	13,928	1,660,406	11,380	5,599	14,109	-	35,420	267,340	9,974	2,004,229	2,040,614
Exchange (gain) /loss	2	1	-	1	133	1	0	1	-	3	21	1	161	164
Miscellaneous Expenses	(21)	(13)	-	(13)	(1,561)	(11)	(5)	(13)	-	(33)	(251)	(9)	(1,884)	(1,918)
Support Services	821	554	-	554	68,160	426	195	513	-	1,403	10,825	462	81,984	83,359
Ineligible input service tax written off	29	18	-	18	2,151	15	7	18	-	46	346	13	2,597	2,644
Loss on Sale of Assets	3	2	-	2	230	2	1	2	-	5	37	1	278	283
Depreciation	1,028	637	-	637	75,994	521	256	646	-	1,621	12,236	457	91,731	93,396
	44,069	29,352	-	29,352	3,171,591	22,783	11,185	27,282	-	74,702	589,321	22,108	3,918,972	3,992,396

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

**SCHEDULE-1A PREMIUM EARNED (NET)**

Year Ended March 31, 2014

Particulars	Fire	Marine			Motor	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Misc	Total
		Cargo	Others	Total									Total	
Premium from Direct Business Written :	805,093	335,188	-	335,188	10,522,748	70,955	97,749	342,279	-	238,016	1,644,488	175,076	13,091,312	14,231,593
Add : Premium on Reinsurance Accepted	94,560	6,671	-	6,671	(27,668)	-	226	25,269	-	-	3,159	49	1,036	102,267
Less : Premium on Reinsurance Ceded	769,330	261,038	-	261,038	859,811	4,917	65,482	285,673	-	32,475	96,285	117,244	1,461,887	2,492,255
<b>Net Premium</b>	<b>130,323</b>	<b>80,821</b>	<b>-</b>	<b>80,821</b>	<b>9,635,270</b>	<b>66,038</b>	<b>32,493</b>	<b>81,876</b>	<b>-</b>	<b>205,541</b>	<b>1,551,362</b>	<b>57,881</b>	<b>11,630,460</b>	<b>11,841,605</b>
Adjustment for change in Unexpired Risk Reserve														
Reserve created during the period	102,266	40,410	-	40,410	5,022,355	28,820	16,652	59,436	-	86,653	578,889	39,535	5,832,340	5,975,016
Less: Reserve created during the previous year Written back	92,763	31,232	-	31,232	4,109,133	20,537	16,509	53,440	-	36,218	672,791	29,790	4,938,419	5,062,414
<b>Adjustment for change in Reserve for Unexpired Risk</b>	<b>(9,503)</b>	<b>(9,178)</b>	<b>-</b>	<b>(9,178)</b>	<b>(913,221)</b>	<b>(8,283)</b>	<b>(143)</b>	<b>(5,996)</b>	<b>-</b>	<b>(50,435)</b>	<b>93,903</b>	<b>(9,745)</b>	<b>(893,921)</b>	<b>(912,602)</b>
<b>Total Premium Earned (Net)</b>	<b>120,820</b>	<b>71,643</b>	<b>-</b>	<b>71,643</b>	<b>8,722,049</b>	<b>57,755</b>	<b>32,348</b>	<b>75,880</b>	<b>-</b>	<b>155,105</b>	<b>1,645,264</b>	<b>48,136</b>	<b>10,736,540</b>	<b>10,929,003</b>

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

**SCHEDULE-2A CLAIMS INCURRED (NET)**

(Rs. '000)

Particulars	Fire	Marine			Motor	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Misc	Total
		Cargo	Others	Total									Total	
<b>Claims Paid</b>														
Direct	351,336	132,616	-	132,616	4,632,566	6,487	4,439	71,775	-	160,505	1,747,507	60,991	6,684,271	7,168,222
Add : Reinsurance Accepted	(40)	-	-	-	81,662	-	-	263	-	-	-	-	81,925	81,885
Less : Reinsurance Ceded	278,737	96,345	-	96,345	841,564	487	4,037	51,952	-	92,566	158,933	33,969	1,183,507	1,558,588
<b>Net Claims Paid</b>	<b>72,559</b>	<b>36,271</b>	<b>-</b>	<b>36,271</b>	<b>3,872,664</b>	<b>6,000</b>	<b>402</b>	<b>20,087</b>	<b>-</b>	<b>67,939</b>	<b>1,588,574</b>	<b>27,023</b>	<b>5,582,689</b>	<b>5,691,519</b>
<b>Claims Outstanding (including IBNR &amp; IBNER)</b>														
Add : Claims Outstanding at the close of the period (net of Re-insurance)	173,867	38,910	-	38,910	8,946,548	24,195	22,573	55,504	-	86,902	331,369	35,904	9,502,995	9,715,772
Less: Claims Outstanding at the beginning of the period (net of Re-insurance)	80,608	31,525	-	31,525	5,962,244	10,012	8,407	40,144	-	23,106	499,802	28,110	6,571,824	6,683,958
<b>Total Claims Incurred</b>	<b>165,818</b>	<b>43,656</b>	<b>-</b>	<b>43,656</b>	<b>6,856,968</b>	<b>20,183</b>	<b>14,569</b>	<b>35,447</b>	<b>-</b>	<b>131,735</b>	<b>1,420,142</b>	<b>34,816</b>	<b>8,513,860</b>	<b>8,723,334</b>

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

**SCHEDULE - 3A COMMISSION**

(Rs. '000)

Particulars	Fire	Marine			Motor	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Misc	Total
		Cargo	Others	Total									Total	
Commission paid direct	40,802	19,419	-	19,419	424,140	3,206	8,381	15,277	-	25,522	185,827	13,964	676,318	736,539
Total (A)	40,802	19,419	-	19,419	424,140	3,206	8,381	15,277	-	25,522	185,827	13,964	676,318	736,539
Add: Commission on Re-insurance Accepted	5,071	373	-	373	-	-	0	1,326	-	-	-	2	1,329	6,773
Less: Commission on Re-insurance Ceded	145,674	44,337	-	44,337	101,824	525	10,377	55,586	-	5,130	8,920	21,894	204,257	394,268
<b>Net Commission</b>	<b>(99,801)</b>	<b>(24,545)</b>	<b>-</b>	<b>(24,545)</b>	<b>322,316</b>	<b>2,682</b>	<b>(1,997)</b>	<b>(38,983)</b>	<b>-</b>	<b>20,391</b>	<b>176,907</b>	<b>(7,927)</b>	<b>473,390</b>	<b>349,044</b>
<b>Break-up of the commission (Gross) incurred to procure business furnished as per details below:</b>														
Agents	2,782	1,959	-	1,959	132,269	753	116	1,499	-	3,312	5,806	2,569	146,324	151,064
Brokers	43,068	17,833	-	17,833	291,754	2,453	8,265	15,103	-	22,197	180,020	11,334	531,126	592,026
Corporate Agency	23	-	-	-	117	0	-	2	-	12	2	65	197	220
Referral	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>45,873</b>	<b>19,792</b>	<b>-</b>	<b>19,792</b>	<b>424,140</b>	<b>3,206</b>	<b>8,381</b>	<b>16,604</b>	<b>-</b>	<b>25,522</b>	<b>185,827</b>	<b>13,967</b>	<b>677,648</b>	<b>743,312</b>

**SCHEDULE-1 PREMIUM EARNED (NET)**

(Rs. '000)

Particulars	Fire	Marine			Motor	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Misc	Total
		Cargo	Others	Total									Total	
Premium from Direct Business Written :	521,351	211,637	-	211,637	8,663,767	46,656	77,214	275,138	-	282,418	1,981,233	124,877	11,451,304	12,184,292
Add : Premium on Reinsurance Accepted	77,215	565	-	565	219,189	-	-	32,830	-	-	124,473	-	376,493	454,273
Less : Premium on Reinsurance Ceded	471,372	149,738	-	149,738	1,199,784	5,787	46,402	235,955	-	218,924	212,387	70,655	1,989,894	2,611,004
<b>Net Premium</b>	<b>127,194</b>	<b>62,464</b>	<b>-</b>	<b>62,464</b>	<b>7,683,172</b>	<b>40,869</b>	<b>30,813</b>	<b>72,014</b>	<b>-</b>	<b>63,494</b>	<b>1,893,319</b>	<b>54,221</b>	<b>9,837,903</b>	<b>10,027,561</b>
Adjustment for change in Unexpired Risk Reserve				-									-	-
Reserve created during the period	92,763	31,232	-	31,232	4,109,133	20,537	16,509	53,440	-	36,218	672,791	29,790	4,938,419	5,062,414
Less: Reserve created during the previous year Written back	53,546	24,163	-	24,163	3,146,686	6,860	5,807	27,739	-	27,376	589,268	17,249	3,820,986	3,898,695
<b>Adjustment for change in Reserve for Unexpired Risk</b>	<b>(39,217)</b>	<b>(7,069)</b>	<b>-</b>	<b>(7,069)</b>	<b>(962,447)</b>	<b>(13,677)</b>	<b>(10,701)</b>	<b>(25,701)</b>	<b>-</b>	<b>(8,842)</b>	<b>(83,523)</b>	<b>(12,541)</b>	<b>(1,117,433)</b>	<b>(1,163,719)</b>
<b>Total Premium Earned (Net)</b>	<b>87,977</b>	<b>55,395</b>	<b>-</b>	<b>55,395</b>	<b>6,720,725</b>	<b>27,192</b>	<b>20,111</b>	<b>46,313</b>	<b>-</b>	<b>54,652</b>	<b>1,809,796</b>	<b>41,680</b>	<b>8,720,470</b>	<b>8,863,841</b>

**SCHEDULE-2 CLAIMS INCURRED (NET)**

(Rs. '000)

Particulars	Fire	Marine			Motor	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Misc	Total
		Cargo	Others	Total									Total	
<b>Claims Paid</b>														
Direct	276,803	87,636	-	87,636	3,493,059	3,741	54	18,836	-	127,978	1,619,547	36,491	5,299,708	5,664,147
Add : Reinsurance Accepted	147	-	-	-	73,765	-	-	454	-	-	-	-	74,219	74,366
Less : Reinsurance Ceded	234,504	64,514	-	64,514	661,582	378	39	12,091	-	98,737	158,419	25,637	956,883	1,255,901
<b>Net Claims Paid</b>	<b>42,445</b>	<b>23,121</b>	<b>-</b>	<b>23,121</b>	<b>2,905,242</b>	<b>3,363</b>	<b>15</b>	<b>7,200</b>	<b>-</b>	<b>29,242</b>	<b>1,461,128</b>	<b>10,855</b>	<b>4,417,044</b>	<b>4,482,612</b>
<b>Claims Outstanding (including IBNR &amp; IBNER)</b>														
Add : Claims Outstanding at the close of the period (net of Re-insurance)	80,608	31,525	-	31,525	5,962,244	10,012	8,407	40,144	-	23,106	499,802	28,110	6,571,835	6,683,968
Less: Claims Outstanding at the beginning of the period (net of Re-insurance)	94,709	28,198	-	28,198	3,005,165	6,455	(215)	15,467	-	19,363	308,815	16,737	3,371,788	3,494,695
<b>Total Claims Incurred</b>	<b>28,346</b>	<b>26,448</b>	<b>-</b>	<b>26,448</b>	<b>5,862,321</b>	<b>6,920</b>	<b>8,637</b>	<b>31,876</b>	<b>-</b>	<b>32,985</b>	<b>1,652,116</b>	<b>22,227</b>	<b>7,617,081</b>	<b>7,671,875</b>

**SCHEDULE - 3 COMMISSION**

(Rs. '000)

Particulars	Fire	Marine			Motor	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Misc	Total
		Cargo	Others	Total									Total	
Commission paid direct	24,730	13,025	-	13,025	269,872	2,323	5,831	11,506	-	28,339	196,916	11,657	526,445	564,200
Total (A)	24,730	13,025	-	13,025	269,872	2,323	5,831	11,506	-	28,339	196,916	11,657	526,445	564,200
Add: Commission on Re-insurance Accepted	2,239	18	-	18	-	-	-	1,364	-	-	(133)	-	1,230	3,487
Less: Commission on Re-insurance Ceded	75,381	22,537	-	22,537	118,802	897	8,031	42,391	-	48,739	20,789	12,164	251,814	349,732
				-									-	-
<b>Net Commission</b>	<b>(48,412)</b>	<b>(9,494)</b>	<b>-</b>	<b>(9,494)</b>	<b>151,070</b>	<b>1,426</b>	<b>(2,200)</b>	<b>(29,522)</b>	<b>-</b>	<b>(20,400)</b>	<b>175,993</b>	<b>(507)</b>	<b>275,861</b>	<b>217,955</b>
<b>Break-up of the commission (Gross) incurred to procure business furnished as per details below:</b>														
Agents	2,028	890	-	890	94,688	273	109	2,134	-	2,985	5,243	1,701	107,133	110,051
Brokers	24,923	12,154	-	12,154	175,132	2,050	5,722	10,735	-	25,350	191,530	9,950	420,469	457,546
Corporate Agency	19	-	-	-	52	-	-	1	-	4	10	6	73	92
Referral	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>26,970</b>	<b>13,044</b>	<b>-</b>	<b>13,044</b>	<b>269,872</b>	<b>2,323</b>	<b>5,831</b>	<b>12,869</b>	<b>-</b>	<b>28,339</b>	<b>196,782</b>	<b>11,657</b>	<b>527,675</b>	<b>567,689</b>



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

**SCHEDULE-4A OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

**(Rs. '000)**

**Year Ended March 31, 2013**

Particulars	Fire	Marine Cargo	Marine Others	Marine Total	Motor	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous Total	Total
Employees' remuneration and welfare benefits	13,911	7,311		7,311	665,447	3,546	2,392	5,712	-	8,266	255,409	5,840	946,611	967,833
Travel, conveyance and vehicle running expenses	1,233	610		610	53,632	308	209	492	-	642	20,547	519	76,350	78,193
Training Expenses	157	77		77	9,455	50	38	89	-	78	2,330	67	12,107	12,341
Rents, rates and taxes	1,826	882		882	110,123	578	434	1,019	-	914	26,675	795	140,539	143,247
Repairs Maintenance ( including Electricity)	576	283		283	34,799	185	140	326	-	288	8,575	246	44,559	45,418
Printing and stationery	299	60		60	16,974	45	25	84	-	162	1,503	225	19,019	19,378
Communication Expenses	723	355		355	43,657	232	175	409	-	361	10,758	308	55,900	56,978
Legal and professional charges	1,944	420		420	135,942	311	180	571	-	1,051	10,738	1,429	150,221	152,585
Auditor's fees expenses etc.														
(a) as auditor	22	11	-	11	1,330	7	5	12	-	11	327	10	1,702	1,735
(b) as advisor or in any other capacity, in respect of														
(i) Taxation matters	3	1		1	168	1	1	2		1	42	1	216	220
(ii) Insurance matters														
(iii) Management services; and														
(c ) in any other capacity														
Audit Out of Pocket expenses	26	13		13	1,556	8	6	15		13	384	11	1,993	2,032
Advertisement and Publicity	407	200		200	24,567	131	99	230		203	6,054	173	31,457	32,064
Interest and Bank Charges	94	46		46	5,696	30	23	53		47	1,404	40	7,293	7,433
Others														-
Information technology	1,524	748		748	92,037	490	369	863		761	22,680	650	117,848	120,120
Marketing Expenses	22,296	10,949		10,949	1,346,791	7,164	5,401	12,623		11,130	331,882	9,505	1,724,496	1,757,741
Exchange (gain) /loss	(5)	(2)		(2)	(300)	(2)	(1)	(3)		(2)	(74)	(2)	(384)	(391)
Miscellaneous Expenses	(198)	(97)		(97)	(11,969)	(64)	(48)	(112)		(99)	(2,950)	(84)	(15,326)	(15,621)
Support Services	880	368		368	48,843	221	146	393		451	11,287	428	61,768	63,016
Ineligible input service tax written off	130	64		64	7,861	42	32	74		65	1,937	55	10,065	10,259
Loss on Sale of Assets	33	16		16	2,009	11	8	19		17	495	14	2,572	2,621
Depreciation	1,322	649		649	79,856	425	320	748		660	19,679	564	102,252	104,223
	<b>47,203</b>	<b>22,963</b>	<b>-</b>	<b>22,963</b>	<b>2,668,474</b>	<b>13,720</b>	<b>9,953</b>	<b>23,620</b>	<b>-</b>	<b>25,020</b>	<b>729,681</b>	<b>20,792</b>	<b>3,491,260</b>	<b>3,561,425</b>



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

**SCHEDULE -5 SHARE CAPITAL**

Particulars	As at Mar 31, 2014 (Rs. '000)	As at Mar 31, 2013 (Rs. '000)
<b>Authorised Capital</b> [1,250,000,000 (As at March 31, 2013 1,000,000,000) Equity shares of Rs. 10 each]	<b>12,500,000</b>	<b>10,000,000</b>
<b>Issued Capital</b> [[976,551,494 (As at March 31, 2013 845,493,027) Equity shares of Rs. 10 each]	<b>9,765,515</b>	<b>8,454,930</b>
<b>Subscribed Capital</b> [976,551,494 (As at March 31, 2013 845,493,027) Equity shares of Rs. 10 each]	<b>9,765,515</b>	<b>8,454,930</b>
<b>Called-up Capital</b>  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	<b>9,765,515</b>   - - -	<b>8,454,930</b>   - - -
<b>Total</b>	<b>9,765,515</b>	<b>8,454,930</b>

**SCHEDULE-5A SHARE CAPITAL**

**PATTERN OF SHAREHOLDING (As certified by the Management)**

Shareholder	As at Mar 31, 2014		As at Mar 31, 2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters (Refer Note No.3.23 of Schedule 16)				
- Indian	759,540,337	77.78	657,605,974	77.78
- Foreign	217,011,157	22.22	187,887,053	22.22
Others	-	-	-	-
<b>Total</b>	<b>976,551,494</b>	<b>100</b>	<b>845,493,027</b>	<b>100</b>





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

**SCHEDULE-6 RESERVES AND SURPLUS**

<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Securities Premium	-	-
Opening Balance	1,614,707	1,534,674
Additions during the year	29,415	80,033
Deletions during the year	-	-
<b>Closing Balance</b>	<b>1,644,122</b>	<b>1,614,707</b>
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	-	-
<b>Total</b>	<b>1,644,122</b>	<b>1,614,707</b>

**SCHEDULE - 7 BORROWINGS**

<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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

**SCHEDULE 8 INVESTMENTS - SHAREHOLDERS**

Particulars	As at March 31, 2014 (Rs. '000)	As at March 31, 2013 (Rs. '000)
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills		
Other Approved Securities	-	362,353
Other Investments		
(a) Shares -		
(aa) Equity Shares		
(bb) Preference Shares		
(b) Mutual Funds		
(c) Derivative Instruments		
(d) Debenture/Bonds		
(e) Other Securities		
(f) Subsidiaries		
(g) Investment Properties-Real Estate		
Investments in Infrastructure and Social Sector		
Other than Approved Securities	-	
<b>Short Term Investments</b>		
Government securities and Government guaranteed bonds including Treasury Bills		
Other Approved Securities - (Fixed Deposits with Banks and Certificate of Deposit)	-	185,800
Other Investments		
(a) Shares		
(aa) Equity Shares		
(bb) Preference Shares		
(b) Mutual Funds	129,776	165,204
(c) Derivative Instruments		
(d) Debenture/Bonds		
(e) Other securities		
(f) Subsidiaries		
(g) Investment Properties-Real Estate		
Investments in Infrastructure and Social Sector		
Other than Approved Securities	-	
<b>Total</b>	<b>129,776</b>	<b>713,357</b>

1) All the Investments are free of any encumbrances other than investments under Section 7 of the Insurance Act, 1938, which are held in Government of India Bonds aggregating NIL (previous Year Rupees NIL) deposited with Citi Bank N A (Custodian).

2) All the above investments are Performing assets.

3) Value of Contracts in relation to Investments where deliveries are pending Nil (previous year Nil) and in respect of sale of investments where payments are overdue Rupees Nil (Previous Year Rupees Nil).

4) Investments Other than Equities and Derivative Instruments.

Aggregate Value of Investments as at 31st March 2014 Rupees 1,29,776 thousand (previous year Rupees 7,13,358 thousand)

Market Value as at 31st March 2014, Rupees 1,29,776 thousands (previous year Rs 7,13,558).

5) Investments maturing within next 12 months are Rupees 1,29,776 thousand (Previous year 3,51,004 thousand).



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

**SCHEDULE 8A INVESTMENTS - POLICYHOLDERS**

Particulars	As at Mar 31, <b>2014</b> (Rs. '000)	As at Mar 31, <b>2013</b> (Rs. '000)
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	5,718,172	3,429,682
Other Approved Securities	3,229,365	3,535,208
Other Investments		
(a) Shares -		
(aa) Equity Shares		
(bb) Preference Shares		
(b) Mutual Funds		
(c) Derivative Instruments		
(d) Debenture/Bonds	-	50,000
(e) Other Securities		
(f) Subsidiaries		
(g) Investment Properties-Real Estate		
Investments in Infrastructure and Social Sector	2,296,912	1,283,402
Other than Approved Securities		
<b>Short Term Investments</b>		
Government securities and Government guaranteed bonds including Treasury Bills	431,759	1,252,811
Other Approved Securities - (Fixed Deposits with Banks and Certificate of Deposit)	7,568,675	4,075,847
Other Investments		
(a) Shares		
(aa) Equity Shares		
(bb) Preference Shares		
(b) Mutual Funds		
(c) Derivative Instruments		
(d) Debenture/Bonds	-	49,999
(e) Other securities		
(f) Subsidiaries		
(g) Investment Properties-Real Estate		
Investments in Infrastructure and Social Sector	329,962	450,827
Other than Approved Securities		
<b>Total</b>	<b>19,574,845</b>	<b>14,127,776</b>

1) All the Investments are free of any encumbrances other than investments under Section 7 of the Insurance Act, 1938, which are held in Government of India Bonds aggregating 1,18,055 thousand (previous Year Rupees 1,06,156 thousand) deposited with Citi Bank N A (Custodian).

2) All the above investments are Performing assets.

3) Value of Contracts in relation to Investments where deliveries are pending Nil (previous year Nil) and in respect of sale of investments where payments are overdue Rupees Nil (Previous Year Rupees Nil).

4) Investments Other than Equities and Derivative Instruments.

Aggregate Value of Investments as at 31st March 2014 Rupees 19,574,845 thousand (previous year Rupees 14,127,776 thousand)

Market Value as at 31st March 2014 Rupees 19,491,114 thousand (previous year Rs 14,173,457).

5) Investments maturing within next 12 months are Rupees 8,330,395 thousand (Previous year 5,829,484 thousand).



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

**SCHEDULE-9 LOANS**

<b>Particulars</b>	<b>As at March 31, 2014 (Rs. '000)</b>	<b>As at March 31, 2013 (Rs. '000)</b>
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**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**

<b>Total</b>	<u>-</u>	<u>-</u>
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**BORROWER-WISE CLASSIFICATION**

a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Companies	-	-
e) Loan against policies	-	-
f) Others	-	-

<b>Total</b>	<u>-</u>	<u>-</u>
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**PERFORMANCE-WISE CLASSIFICATION**

a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-

<b>Total</b>	<u>-</u>	<u>-</u>
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**MATURITY-WISE CLASSIFICATION**

a) Short Term		
b) Long Term	-	-

<b>Total</b>	<u>-</u>	<u>-</u>
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**BHARTI AXA GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE 10 FIXED ASSETS**

Particulars	Gross Block			Depreciation				Net Block		
	As at April 1, 2013	Additions/ Adjustments during the year	Deductions/A djustments during the year	As at Mar 31, 2014	As at April 1, 2013	For the year	On Sales/ Adjustments	As at Mar 31, 2014	As at Mar 31, 2014	As at March 31, 2013
Goodwill				-	-	-	-	-	-	-
Intangibles-Computer softwares and License fees	129,131	14,406	64	143,473	88,382	20,185	-	108,567	34,906	40,750
Land-Freehold				-	-	-	-	-	-	-
Buildings				-	-	-	-	-	-	-
Leasehold Improvements	114,518	9,347	5,417	118,448	73,531	19,691	4,764	88,458	29,989	40,987
Furniture, Fixtures & Equipments	35,112	2,198	385	36,925	24,230	5,301	363	29,168	7,757	10,881
Information Technology Equipment	150,711	33,060	313	183,458	126,830	15,117	234	141,713	41,745	23,882
Vehicles	82,837	49,405	23,719	108,523	35,600	24,621	17,837	42,384	66,140	47,237
Office Equipment	49,038	4,791	1,045	52,784	32,709	8,480	832	40,357	12,427	16,328
<b>Total</b>	<b>561,347</b>	<b>113,207</b>	<b>30,943</b>	<b>643,611</b>	<b>381,282</b>	<b>93,395</b>	<b>24,030</b>	<b>450,647</b>	<b>192,964</b>	<b>180,065</b>
Work-in-progress *	30,802	56,837	61,760	25,879	-	-	-	-	25,879	30,803
<b>Grand Total</b>	<b>592,149</b>	<b>170,044</b>	<b>92,703</b>	<b>669,490</b>	<b>381,282</b>	<b>93,395</b>	<b>24,030</b>	<b>450,647</b>	<b>218,843</b>	<b>210,868</b>
<b>Previous year</b>	<b>623,723</b>	<b>116,661</b>	<b>148,235</b>	<b>592,149</b>	<b>304,571</b>	<b>104,224</b>	<b>27,514</b>	<b>381,281</b>	<b>210,868</b>	<b>-</b>

\* Work-in-progress deduction includes CWIP written off during the F.Y 2013 14 amounting to Rs 15,849 ('000')



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

**SCHEDULE-11 CASH AND BANK BALANCES**

Particulars	As at Mar 31, 2014 <u>(Rs. '000)</u>	As at Mar 31, 2013 <u>(Rs. '000)</u>
<b>Cash (including cheques, drafts and Remittance in transit)</b>	196,547	171,871
<b>Bank Balances</b>		
(a) Deposit Accounts		
(aa) Short Term (due within 12 months)	359,739	85,319
(bb) Others	-	-
(b) Current Accounts	110,054	209,675
(c) Others	-	-
<b>Money at Call and Short Notice</b>		
(a) With Banks	-	-
(b) With other Institutions	-	-
<b>Others</b>	-	-
<b>Total</b>	<b><u>666,340</u></b>	<b><u>466,865</u></b>

Balances with non-scheduled banks included in 2 and 3 above

**CASH & BANK BALANCES**

1. In India	666,340	466,865
2. Outside India	-	-
<b>Total</b>	<b><u>666,340</u></b>	<b><u>466,865</u></b>



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

**SCHEDULE-12 ADVANCES AND OTHER ASSETS**

<b>Particulars</b>	<b>As at Mar 31, 2014 (Rs. '000)</b>	<b>As at March 31, 2013 (Rs. '000)</b>
<b>Advances</b>		
Reserve Deposits with Ceding Companies	-	-
Application money for Investments	-	-
Prepayments	33,472	31,264
Advances to Directors / Officers	-	-
Advance Tax Paid and Taxes Deducted at Source (Net of Provision for Tax)	4,725	7,008
Others	-	-
- Advance to employees	1,023	1,245
- Advances recoverable in cash or in kind	11,088	25,633
Less : Provision for doubtful advances	-	-
- Unutilised service tax carried forward	42,681	35,603
<b>Total (A)</b>	<b>92,989</b>	<b>100,753</b>
<b>Other Assets</b>		
Income accrued on investments	970,361	514,684
Outstanding Premium	56,702	-
Agents' Balances	-	-
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	139,622	169,437
Due from Subsidiary/Holding Companies	-	-
Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)	-	-
Others	-	-
- Receivable from Terrorism Pool	127,370	90,662
- Receivable from Motor Pool	197,212	261,704
Deposits	-	-
- Rental	74,970	63,275
- Others	13,268	13,173
<b>Total (B)</b>	<b>1,579,505</b>	<b>1,112,935</b>
<b>Total (C)=(A)+(B)</b>	<b>1,672,494</b>	<b>1,213,688</b>





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

**SCHEDULE-13 CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at Mar 31, 2014</b>	<b>As at March 31,</b>
	<b>(Rs. '000)</b>	<b>2013</b>
		<b>(Rs. '000)</b>
Agents' Balances	45,181	41,459
Balances due to other insurance companies	234,500	428,709
Deposit held on reinsurance ceded	-	-
Premium Received in Advance	-	-
Unallocated Premium	547,774	256,566
Unclaimed Amount of Policy Holders	53,867	39,066
Sundry creditors	162,082	68,952
Due to subsidiaries/holding company	-	-
Claims outstanding	9,715,772	6,683,958
Due to Officers/Directors	-	-
Others	-	-
- Service Tax payable	1,827	-
- Statutory Dues	82,839	68,357
- Rent Equilisation Reserve	45,177	44,261
- Expenses Payable	282,957	212,445
- Stale Cheques	11,128	11,397
- Employee related	140,414	200,775
- Claims approved but not paid	102,508	75,419
- Solatium Fund	8,122	4,883
- Declined Pool	399,956	47,289
<b>Total</b>	<b>11,834,104</b>	<b>8,183,536</b>



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

**SCHEDULE-14 PROVISIONS**

<b>Particulars</b>	<b>As at Mar 31, 2014 (Rs. '000)</b>	<b>As at March 31, 2013 (Rs. '000)</b>
Reserve for Unexpired Risk	5,975,015	5,062,413
For taxation	-	-
(Less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others	-	-
- Premium Deficiency	53,599	-
- Employee Benefits	92,818	90,812
<b>Total</b>	<b>6,121,432</b>	<b>5,153,225</b>

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

<b>Particulars</b>	<b>As at Mar 31, 2014 (Rs. '000)</b>	<b>As at March 31, 2013 (Rs. '000)</b>
Discount allowed in issue of shares/debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**BHARTI AXA GENERAL INSURANCE COMPANY LIMITED**

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**SCHEDULE-16**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2014.**

**1. Background**

Bharti AXA General Insurance Company Limited ('the Company') was incorporated under the provisions of the Companies Act, 1956 on July 13, 2007 to undertake and carry on the business of General Insurance. The Company obtained regulatory approval from the Insurance Regulatory and Development Authority "IRDA" on June 27, 2008 to undertake General Insurance business.

The IRDA has renewed the Company's Certificate of Registration to sell general insurance products in India for the financial year 2014-2015 vide its certificate of renewal of registration dated February 25, 2014. The renewed registration is effective from April 1, 2014 and is valid up to March 31, 2015.

**2. Significant Accounting Policies**

**2.1 Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention 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 (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations') and orders and directions issued by the IRDA in this behalf, the Companies Act, to the extent applicable and comply with the notified accounting standards issued by Companies (Accounting Standard) Rules, 2006 (to the extent applicable) and current practices prevailing in the Insurance industry in India.

**2.2 Use of Estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities as of 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. 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**

Premium (net of service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the period of risk 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 recognized in the year of cancellation.

### **Income from Reinsurance Business**

Commission received on Re Insurance business is recognized as Income in the year in which risk is ceded. Profit commission under reinsurance treaties, where ever applicable, is recognized in the year in which the same is accrued.

### **Premium Received in Advance**

Premium received in advance during the year, where the risk commences subsequent to the balance sheet date, is shown separately under the head 'Current Liabilities' in the financial statements.

### **Income Earned On Investments**

#### **Interest**

Interest income is recognized on an accrual basis.

#### **Realized gains or losses**

Realized gain or loss in respect of securities, is the difference between the sale consideration and the amortized cost (determined on weighted average basis) in the books of the Company on the date of sale. In case of listed equity shares/mutual funds the profit or loss on sale includes accumulated changes in the fair value previously recognized under the head Fair Value Change Account (FVCA) and the same is carried to the Profit and Loss Account on actual sale of those listed equity shares/mutual funds.

#### **Unrealized gains or losses**

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

#### **Dividend income**

Dividend income is recognized when the right to receive the dividend is established.

#### **Premium / discount on purchase of investments**

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

## **Allocation of Income from Investments and Other Income**

Income earned from investments and fixed deposits with banks and other income relatable to policyholders and shareholders investments are credited to Revenue Accounts and Profit & Loss account respectively. Further, income from investments relatable to policy holders investments are allocated to the lines of business in proportion of their respective Net Written Premium. However, in the previous reporting year , it was allocated to the line of business on the basis of Gross Written Premium.

### **2.4 Reinsurance Premium**

Premium ceded in respect of proportional reinsurance is accounted for in the year in which the risk commences. 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 and brokerage. These costs are expensed in the year in which they are incurred.

### **2.7 Reserve for Unexpired Risk**

Reserve for unexpired risk is recognized net of reinsurance ceded as the amount representing that part of the premium written which is attributable to, and to be allocated to the succeeding accounting year s for subsequent risks to be borne by the Company under contractual obligations either on contract year basis or risk year basis, whichever is appropriate, subject to norms as stipulated under Section 64 V(1)(ii)(b) of the Insurance Act, 1938.

### **2.8 Premium Deficiency**

Premium Deficiency is recognized if the ultimate amount of expected net claim costs, related expenses and maintenance costs exceed the related reserve for unexpired risks. Premium deficiency is calculated by line of business.

### **2.9 Claims Incurred**

Claims are recognized as and when reported. Claims incurred include specific claim settlement costs such as survey/legal fees and other directly attributable costs. Further, where salvage is retained by the Company, the recoveries from sale of salvage are recognized at the time of sale.

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 and modified for changes, as appropriate. Such liability is made for estimated value, net of reinsurance/co-insurance and other recoveries.

#### **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 prior to the end of the current reporting year 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 IRDA.

#### **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 the correlation these bear to the level of activity, of the segment as determined by the management.
- Other expenses which are not directly identifiable are apportioned on the basis of NWP.

However, these expenses were allocated on the basis of Gross Written Premium in the previous reporting year .

#### **2.12 Fixed Assets and Depreciation/Amortization**

##### **(A) Tangible Assets**

Fixed assets are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of CENVAT recoverable.

##### **(B) Intangible Assets**

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

##### **(C) Depreciation**

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) based on management's assessment of the estimated useful life of the assets which is as follows:

<b>Assets</b>	<b>Life</b>
Leasehold Improvements	Lower of primary lease period or 6 years
Computers	4 years
Furniture and Fittings	6 years
Vehicles	4 years
Office Equipments	6 years

Depreciation is provided on pro rata basis from/to the day in which the asset is acquired or put to use/disposed off. Individual assets costing up to Rupees Five Thousands (both tangible and intangible) are fully depreciated in the year of acquisition.

### **2.13 Impairment of assets**

The Company assesses at each reporting 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 (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 XIV to the Companies Act, 1956 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 settlement date at cost and do not include brokerage, transfer charges, transaction taxes as applicable and exclude pre-acquisition interest, if any.

### **Short Term Investments**

Investments maturing within twelve months from reporting date and investments made with the specific intention to dispose off within twelve months from reporting date are classified as short-term investments.

### **Long Term Investments**

Investments other than short term investments are classified as long-term investments.

### **Valuation:**

#### **Equity Shares**

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 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.

#### **Mutual Fund Units**

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

## **2.16 Retirement and Other Employee Benefits**

### **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 rates and are charged to the Profit and Loss Account and Revenue Account.

### **ii) 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 reporting date and is recognized in the Profit and Loss Account and Revenue Account.

The Company has taken a policy administered by Life Insurance Corporation of India through approved gratuity trust fund.

### **iii) 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



reporting date. Short term compensated absences are provided for based on management estimates.

- iv) Actuarial gains/losses are immediately taken to Revenue Account.
- v) Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at the reporting date on Government bonds of estimated term of the obligations.
- vi) **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 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. The value of such incentive is based on the Company performance measured on specified key performance indicators.

## **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 items 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 and Third Party Insurance Pool**

### **i) Terrorism Pool**

In accordance with the directions of the IRDA, 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). 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 the last statement received from GIC. The entire amount of reinsurance accepted, net of claims and expenses, for the preceding four quarters from the date of reporting is carried forward to the subsequent accounting year as 'Unexpired Risk Reserve' for subsequent risks, if any, to be borne by the Company.

## ii) **The Indian Motor Third Party Insurance Pool (IMTPIP)**

Till March 31, 2012, in accordance with the directions of the IRDA, the Company, together with other direct general insurance companies, participated in the Indian Motor Third Party Insurance Pool (IMTPIP), which was administered by the General Insurance Corporation of India (GIC). The IMTPIP covers reinsurance of the entire third party risks of specified commercial motor vehicles (specified risks).

Amounts collected as premium in respect of specified risks were ceded at 100% of such premium, to the IMTPIP. The terms of the IMTPIP were covered by the provisions of a multi lateral reinsurance arrangement, executed by all direct insurers licensed to carry on motor insurance business with effect from April 1, 2007.

As per the directions of the IRDA and the terms of the agreement between participant companies:

- a) GIC participated in the pooled business at such percentage of the motor business that is ceded to it by all insurers as statutory reinsurance cessions under Section 101A of the Insurance Act, 1938.
- b) The business remaining after such cession to GIC was shared among all general insurers writing motor insurance business in the proportion that their gross direct general insurance premium in India from all classes of general insurance underwritten by them in that financial bears to the aggregate gross direct general insurance premium from all classes of general insurance business written by all participant companies. Such share of business was computed by GIC and was applicable to all insurance companies, who were members of the IMTPIP.

The Company's share of premium, claims, reinsurance commissions and expenses of the pool was 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.

## **2.19 Indian Motor Third Party Declined Risk Insurance Pool for Commercial Vehicles**

- a) The IRDA 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.

## **2.20 Solatium Fund**

In accordance with the requirements of the IRDA circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company provides 0.10% 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, deferred tax and wealth tax.

### **Current Tax and Wealth Tax**

Current income tax and wealth tax are measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961 and Wealth Tax Act, 1957 respectively.

### **Deferred Tax**

Deferred income 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 Service Tax**

Service tax collected is considered as a liability against which service tax paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized credits, if any, are carried forward for adjustments in subsequent years. Service tax paid for eligible input services not recoverable by way of credits is recognized in the Revenue Account(s) or Profit & Loss Account, wherever applicable.

## **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 .

### 3 Notes to Accounts

#### 3.1 Contingent Liabilities

Particular	As at March 31, 2014 (Rs. '000)	As at March 31, 2013 (Rs. '000)
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	Nil	Nil
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
Others(excluding interest and penalty if any)	Nil	Nil

#### 3.2 Encumbrances on Assets

The assets of the Company are free from all encumbrances [As at March 31, 2014 Rs. Nil].

No assets of the Company are subject to restructuring.

#### 3.3 Capital Commitments (As Certified by the Management)

- 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, 2014 is Rs. ('000) 1,686 net of advances [as at March 31, 2013 Rs. ('000) 2,309].

#### 3.4 Claims

All Claims net of reinsurance are incurred in India.

Claims net of salvage , paid to claimants in / outside India:

Particulars	Year Ended March 31 , 2014 (Rs. '000)	Year Ended March 31, 2013 (Rs. '000)
In India	7,164,960	5,648,257
Outside	3,262	15,889
<b>Total</b>	<b>7,168,222</b>	<b>5,664,146</b>

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

Particulars	As at March 31, 2014 (Rs. '000)	As at March 31, 2013 (Rs. '000)
Outstanding for Less than Six Months	2,102,909	1,819,612
Outstanding for Six Months or more	4,634,495	3,336,997
<b>Total</b>	<b>6,737,404</b>	<b>5,156,609</b>

The above details does not include the claims outstanding /IBNR pertaining to Indian Motor Third Party Insurance Motor (IMTPIP) Pool Rs. ('000)3,074,942[as at March 31, 2014 Rs. ('000) 2,870,628] , declined pool claims retained in books as at March 31, 2014 Rs('000) 30,847 (Previous Year Nil ) and IBNR/IBNER for all lines of business Rs. ('000) 3,480,949 [as at March 31, 2013 Rs. ('000) 1,683,244] and .

The amount recoverable from reinsurers against claims outstanding amounts to Rs. ('000) 3,611,826 (as at March 31, 2013 Rs. ('000) 3,033,514).

There are no claims that have been settled and remaining unpaid for a period of more than six months as at March 31, 2014.

### **3.5 Premium**

Premium net of reinsurance is written and received in India.

### **3.6 Premium deficiency reserve and IBNR/IBNER**

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 regulations and the guidelines issued by the Institute of Actuaries of India.

Premium Deficiency Reserve has been calculated using the Ultimate Net Loss Ratios projected by Line of Business.

Depending upon the Line of Business, a suitable actuarial method like Chain Ladder Method, Average Cost per Claim Method, Born huetter Ferguson Method, Ultimate Loss Ratio Method, Payment Per Claim Finalized Method and Modified Case Reserves Method or a mixture of these have been used for IBNR calculations. Ultimate Loss Ratio method was chosen in earlier years in view of the constraint of data both in time and volume.

### **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.

### 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)

#### Year ended March 31, 2014

Line of Business	Ceded Ratio (%)	Retained Ratio (%)
Fire	81	19
Cargo	75	25
Motor	7	93
Workmen compensation	5	95
Public Liability	66	34
Engineering	70	30
Personal Accident	12	88
Health Insurance	6	94
Others	56	44
<b>Total</b>	<b>16</b>	<b>84</b>

#### Year ended March 31, 2013

Line of Business	Ceded Ratio (%)	Retained Ratio (%)
Fire	80	20
Cargo	68	32
Motor	12	88
Workmen compensation	10	90
Public Liability	59	41
Engineering	73	27
Personal Accident	74	26
Health Insurance	10	90
Others	48	52
<b>Total</b>	<b>19</b>	<b>81</b>

### 3.8 Investments

There are no contracts outstanding in relation to purchases where deliveries were pending except for the below mentioned security and sales where payments are overdue at the end of the reporting year.

(Rs in '000)

Description of Security	Face Value	Transaction Date	Settlement Date
9.60% Gujarat State Loans	100,000.00	28/03/2014	02/04/2014

All Investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) Regulations, 2000.

The historical cost of Investments in Mutual Fund which are valued on fair value basis is Rs. ('000) 129,500 [as at March 31, 2013 Rs. ('000) 165,070].

Investments under section 7 of the Insurance Act, 1938 are as follows:

(Rs in '000)

Description of Security	As at March 31, 2014	As at March 31, 2013
12.40% GOI Bonds	-	8,013
7.83% GOI Bonds	98,454	98,143
8.07% GOI Bonds	19,601	-
<b>Total</b>	<b>118,055</b>	<b>106,156</b>

### 3.9 Participation in Repo/Reverse Repo transactions in Corporate Debt Securities and/or government securities

Particulars	Minimum Outstand ing during the year	Maximum Outstand ing during the year	Daily Average Outstanding during the year	Outstandin g as on September 30, 2013
Securities Sold under repo I Government Securities II Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Securities Purchased under reverse repo I Government Securities II Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Amounts in brackets represent previous figures.

### 3.10 Investment Property



The Company does not have any investment property at the reporting date.

### 3.11 Sector Wise Business (Based On Gross Direct Written Premium (GWP))

Business Sector	For the year ended March 31, 2014 [Rs. ('000)]	
	GWP	% of GWP
Rural	1,281,084	9
Urban	12,950,509	91
<b>Total</b>	<b>14,231,593</b>	<b>100</b>

Numbers of lives covered in Social Sector are 10,85,190 for the year ended March 31, 2014.

Business Sector	For the year ended March 31, 2013 [Rs. ('000)]	
	GWP	% of GWP
Rural	652,847	5
Urban	11,531,445	95
<b>Total</b>	<b>12,184,292</b>	<b>100</b>

Numbers of lives covered in Social Sector are 231,605 for the year ended March 31, 2013.

### 3.12 Computation of Managerial Remuneration

Details of Payment	For the year ended March 31, 2014 (Rs. in '000)	For the year ended March 31, 2013 (Rs. in '000)
Salary and allowances	14,569	12,908
Provident fund	681	657
Bonus and Long Term Incentive Paid	16,109	11,275
Perquisites	22	-
<b>Total</b>	<b>31,381</b>	<b>24,840</b>

Provision accrued towards gratuity, compensated absences, bonus and long term incentive plan, determined actuarially on an overall Company basis on reporting date have not been considered in the above information.

The Board revised the salary payable to Dr. Amarnath Ananthanarayanan retrospectively from January 1, 2013 vide their resolution passed in May 10, 2013 subject to final approval by IRDA. The Company received the approval from IRDA for the salary payable to Dr. Amarnath Ananthanarayanan for the 2013 vide their letter no. **FNA/GAX/LR/001/2013-14 dated October 11, 2013**. The differential arrears of salary for the month of January – March 2013 of Rs '(000) 167 has been included above. In terms of IRDA approval, Rs. ('000) 15,000 [Previous year Rs. ('000) 15,000] is charged to revenue account and remaining Rs. ('000) 16,381 [Previous year Rs. ('000) 9,840] is charged to Profit and Loss account.

For this purpose, bonus and long term incentives are being reckoned on payment basis and not that relating to the current year.

### 3.13 Segment Reporting

The Company's primary reportable segments are business segments, which have been identified in accordance with the IRDA Regulations. Segment revenue and results have been disclosed in the financial statements. Due to inherent complexities, segment assets and liabilities have been identified to the extent possible and given 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.

### 3.14 Related Party Disclosure

Related party disclosures have been set out in **Annexure II**.

### 3.15 Outsourcing, business development and marketing support expenses:

Particulars	Year Ended March 31, 2014 (Rs. in '000)	Year Ended March 31 2013 (Rs. in '000)
Outsourcing costs	296,962	196,443
Business Development and marketing support expenses	28,558	13,716
<b>Total</b>	<b>325,420</b>	<b>210,159</b>

### 3.16 Provision Written Back

During the year, the reversal of excess provision for expenses amounting to Rs. ('000) 10,009 [Previous year Rs.('000) 21,961] have been netted under miscellaneous expenses in Schedule 4.

### 3.17 Accounting Ratios

S. No.	Performance Ratio	Ratios for the year ended March 31, 2014(in %)			
		Fire	Marine	Misc.	Total
1	Gross Direct Premium Growth Rate	54	58	14	17
	Gross Direct Premium for Current Year/ Gross Direct Premium for Previous Year				
2	Gross Direct Premium to Net Worth Ratio				3.47
	Gross Direct Premium for Current Year/(Paid up Capital plus Free Reserves)				
3	Growth rate of Net worth				21%
	Net worth as the current balance sheet date/ Net worth at the previous balance sheet date				
4	Net Retention Ratio	15	24	89	83
	Net Written Premium/ Gross Direct Premium				
5	Net Commission Ratio	-77	-30	4	3
	Gross Commission Paid net of Reinsurance/ Net Written Premium				
6	Expense of Management to Gross direct premium ratio.	11	15	35	33
	Expenses of Management+ Direct Commission Paid /Gross Direct Premium				
7	Expense of Management to Net Written Premium Ratio	69	61	39	40
	Expenses of Management plus direct commissions paid/Net Written Premium				
8	Net Incurred Claims to Net Earned Premium	137	61	79	80
	Net Incurred Claims / Net Earned				

	Premium				
9	Combined Ratio (Net Incurred Claims/NEP)+(Expenses of Management incl. net commission/NWP)	94	67	117	116
10	Technical Reserves to net premium ratio (URR + Reserve for Premium Deficiency + Reserve for outstanding claims including IBNR and IBNER)/Net Written Premium	1.90	0.59	0.75	0.77
11	Underwriting balance ratio Underwriting profit/ loss / Net earned premium	0.09	0.32	0.20	0.19
12	Operating profit ratio Underwriting profit/ loss plus investment income / net earned premium	-24	47	-6	-6
13	Liquid Assets to liabilities ratio Liquid Assets of the Insurer / Policy Holders Liabilities				0.99
14	Net earnings ratio Profit after tax/ net premium				-6
15	Return on net worth ratio Profit after tax/ networth				-15
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio				1.56
17	NPA ratio				NA

S. No.	Performance Ratio	Ratios for the year ended March 31, 2013 (in %)			
		Fire	Marine	Misc.	Total
1	Gross Direct Premium Growth Rate	20	24	39	38
	Gross Direct Premium for Current Year/ Gross Direct Premium for				

	Previous Year				
2	Gross Direct Premium to Net Worth Ratio				3.59
	Gross Direct Premium for Current Year/(Paid up Capital plus Free Reserves)				
3	Growth rate of Net worth				2
	Net worth as the current balance sheet date/ Net worth at the previous balance sheet date				
4	Net Retention Ratio	23	29	85	81
	Net Written Premium/ Gross Direct Premium				
5	Net Commission Ratio	-38	-15	3	2
	Gross Commission Paid net of Reinsurance/ Net Written Premium				
6	Expense of Management to Gross direct premium ratio.	34	35	34	34
	Expenses of Management+ Direct Commission Paid /Gross Direct Premium				
7	Expense of Management to Net Written Premium Ratio	82	84	37	38
	Expenses of Management plus direct commissions paid/Net Written Premium				
8	Net Incurred Claims to Net Earned Premium	32	48	87	87
	Net Incurred Claims / Net Earned Premium				
9	Combined Ratio	114	132	124	124
	(Net Incurred Claims/NEP)+(Expenses of Management incl. net commission/NWP)				
10	Technical Reserves to net premium ratio	0.44	0.55	0.83	0.82
	(URR + Reserve for Premium Deficiency + Reserve for outstanding claims including IBNR and IBNER)/Net Written Premium				

11	Underwriting balance ratio	0.50	0.42	0.29	0.29
	Underwriting profit/ loss / Net earned premium				
12	Operating profit ratio	-5	-29	-16	-16
	Underwriting profit/ loss plus investment income / net earned premium				
13	Liquid Assets to liabilities ratio				0.81
	Liquid Assets of the Insurer / Policy Holders Liabilities				
14	Net earnings ratio				-16
	Profit after tax/ net premium				
15	Return on net worth ratio				-42
	Profit after tax/ Networth				
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio				1.36
17	NPA ratio				NA

**Notes:**

1. Net Premium represents Gross Direct Premium less reinsurance ceded.
2. Expenses of Management represent Operating expenses related to Insurance business only in case of each line of business.
3. Underwriting Profit represents Segmental Profit / (Loss) excluding Investment Income.
4. Liquid Assets represent Cash, Cash Equivalents and Short Term Investments.

**3.18 Leases**

**Operating Lease Commitments**

**Office and Residential Premises**

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:

<b>Particulars</b>	<b>As at March 31, 2014 (Rs. in '000)</b>	<b>As at March 31, 2013 (Rs. in '000)</b>
Payable not later than one year	126,303	1,06,335
Payable later than one but not later than five years	336,136	3,82,731
Payable later than five years	33,477	50,821

An amount of Rs.(000) 127,141 [Previous year Rs. (000) 119,693 has been charged to Revenue Account.

#### **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:

<b>Particulars</b>	<b>As at March 31, 2014 (Rs. in '000)</b>	<b>As at March 31, 2013 (Rs. in '000)</b>
Payable not later than one year	2,386	Nil
Payable later than one but not later than five years	8,825	Nil
Payable later than five years	Nil	Nil

The aggregate operating lease rental, charged to the Revenue Account in the current year is Rs 641 (000) , Previous year Nil (000). 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.

### **3.19 Earnings Per Share:**

<b>Particulars</b>		<b>Year Ended March 31,2014</b>	<b>Year Ended March 31, 2013</b>
Profit/(Loss) attributable to the Equity Shareholders [A]	Rs. (000)	(629,116)	(1,439,848)
Number of Equity Shares at the beginning of the reporting year (par value of Rs 10 each)	No's	845,493,027	703,493,027
Shares issued during the reporting year	No's	131,058,467	142,000,000
Total number of equity shares outstanding at the end of the reporting year	No's	976,551,494	845,493,027
Weighted average number of equity shares outstanding	No's	903,637,326	734,534,123

during the end of the reporting year [B]			
Nominal Value of equity shares	Rs.	10	10
<b>Basic and Diluted Earnings per share [C= A/B]</b>	<b>Rs.</b>	<b>(0.70)</b>	<b>(1.96)</b>

Note: Monies in respect of 20,000,038 Equity shares of Rs. 10 each are held under the 'share application money'. The effect of this on the earnings per share is anti dilutive and is accordingly not taken into account.

**3.20** 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:

<b>S.No.</b>	<b>Particulars</b>	<b>As at March 31, 2014 (Rs.)</b>	<b>As at March 31, 2013 (Rs.)</b>
i)	Principal amount due and remaining unpaid to any Supplier as at the end of reporting year .	Nil	Nil
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

### **3.21 Deferred Tax**

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



### 3.22 Retirement and Other Employee Benefits:

#### (a) Defined Contribution Plan

The Company has recognized Rs. ('000) 38,408[Previous year Rs. ('000) 34,496] as Provident Fund contribution towards defined contribution plan as an expense in the Revenue and Profit and Loss Account.

#### (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

Particulars	Current year	Previous Year
	Rs. ('000)	Rs. ('000)
Present value of obligations as at the beginning of the reporting year (A)	28,700	23,139
Current service cost (B)	12,975	5,744
Interest cost (C)	2,358	1,885
Actuarial loss/(gain) on obligation (D)	(254)	(1,476)
Benefits paid (E)	(3,815)	(592)
Present value of obligations as at the end of the reporting year (F=A+B+C+D+E)	39,964	28,700

### Fair Value of Plan Asset

Particulars	Current Year	Previous Year
	Rs. ('000)	Rs. ('000)
Plans assets at period beginning, at fair value (A)	639	Not Ascertained
Expected Return on Plan Assets (B)	856	Not Ascertained
Actuarial Gain /(Loss) (C)	308	Not Ascertained
Contributions (D)	33,998	Not Ascertained
Benefits Settled (E)	(3,815)	Not Ascertained
Balance with Bank Accounts [f]	242	Not Ascertained
Plan Assets at Period End, at fair value [G=A+B+C+D+E+f] *	32,228	639

\*Gratuity fund is managed by Life Insurance Corporation of India (LIC). Individual investment wise details of the plan assets are not being provided by LIC.

### Fair Value of Assets and Obligations

Particulars	Current Year	Previous Year
	Rs. ('000)	Rs. ('000)
Fair Value of Plan Assets (A)	32,228	Not Ascertained
Present value of Obligations (B)	39,964	28,700
Net Asset / (Liability) recognized in Balance Sheet (C = B – A)	(7,736)	(28,700)

### Net cost for the reporting year

Particulars	Current Year	Previous Year
	Rs. ('000)	Rs. ('000)
Current Service Cost (A)	12,975	5,744
Interest Cost (B)	2,358	1,885
Actuarial loss/(gain) on obligation (c)	(563)	(1,476)
Expected Return on Plan Assets (D)	(856)	Not Ascertained
Expenses Recognised in Profit & Loss Account (E) =(A+B+C+D)	13,914	6153

## b. Compensated Absences

### Defined Benefit Obligation

Particulars	Current year	Previous Year
	Rs. ('000)	Rs. ('000)
Present value of obligations as at the beginning of the reporting year (A)	12,168	10,757
Current service cost (B)	20,732	3,703
Interest cost (C)	726	667
Actuarial loss/(gain) on obligation (D)	3,591	2,376
Benefits paid (E)	(7,844)	(5,335)
Present value of obligations as at the end of the reporting year (F=A+B+C+D+E)	29,373	12,168

### Net cost for the reporting year

Particulars	Current Year	Previous Year
	Rs. ('000)	Rs. ('000)
Current Service Cost (A)	20,732	3,703
Interest Cost (B)	726	667
Actuarial loss/(gain) on obligation (c)	3,591	2,376
Expenses Recognised in Profit & Loss Account. D=(A+B+C)	25,049	6,746

- (ii) Principal actuarial assumptions used in determining gratuity and compensated leaves absences-employment benefits.

	For the year ended March 31, 2014	For the ended March 31, 2013
Discount Rate	8.80%	8.25%
Salary increase	11.00%	11.75%
Mortality rate	Mortality Rate : Indian Assured Lives (2006-08) Ultimate Mortality Table	
Estimated rate of return on plan assets	8.00 %	Not Ascertained.
Retirement Age	58	58
Attrition rate	29.70 %	34.47%

- (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 a employee. Provision for LTIP liability is accrued and provided for on the basis of actuarial valuation made 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 disbursal.

### 3.23

The Company has 22.22% of direct foreign holding and 3.78% indirect holding, the total of which comes to 26% foreign participation in the capital of the Company.

### 3.24

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 hereunder:

S.No	Particulars	2013-14 (Rs. '000)	2012-13 (Rs. '000)	2011-12 (Rs. '000)	2010-11 (Rs. '000)	2009-10 (Rs. '000)
	<b>OPERATING RESULTS</b>					
1	<b>Gross Written Premium *</b>	<b>14,333,860</b>	<b>12,638,565</b>	<b>9,809,712</b>	<b>6,204,313</b>	<b>3,244,022</b>
2	Net Premium Income	11,841,605	10,027,561	7,172,764	4,346,766	1,866,915
3	Income from Investments (net)	1,540,510	1,163,126	557,601	238,418	60,028
4	Other Income	2,196	-	-	-	-
5	<b>Total Income</b>	<b>13,384,311</b>	<b>11,190,687</b>	<b>7,730,365</b>	<b>4,585,184</b>	<b>1926,943</b>
6	Commission (net)	349,044	217,955	42,632	(39,451)	(103,994)
7	Operating Expenses	3,992,396	3,560,960	2,895,964	2,448,519	1,560,402
8	Claims, Increase in Unexpired Risk Reserve and other outflows	9,698,265	8,813,470	6,309,500	3,936,695	1,935,206
9	<b>Operating Profit / (Loss)</b>	<b>(655,394)</b>	<b>(1,401,698)</b>	<b>(1,517,731)</b>	<b>(1,760,579)</b>	<b>(1,464,671)</b>
	<b>NON- OPERATING RESULTS</b>					
10	Total Income under share holders account (net)	27,029	(37,625)	123,235	57,590	42,050
11	Profit / (Loss) before tax	(628,365)	(1,439,323)	(1,394,497)	(1,702,989)	(1,422,621)
12	Provision for tax	751	525	475	465	395
13	Profit / (Loss) after tax	(629,116)	(1,439,848)	(1,394,972)	(1,703,454)	(1,423,016)
	<b>MISCELLANEOUS</b>					
14	Policyholder's Account					
	Total Funds	4,278,127	3,232,430	3,093,642	1,432,329	322,648
	Total Investments	19,574,845	14,127,776	9,978,700	4,996,639	1,958,578
	Yield on Investments	9.01%	8.91%	8.45%	6.95%	5.75%
15	Shareholder's Account					
	Total Funds	28,363	163,170	241,773	317,680	130,728
	Total Investments	129,776	713,164	779,852	1,108,217	793,561
	Yield on Investments	8.53%	7.07%	9.14%	6.25%	3.70%
16	Paid up equity capital	9,765,515	8,454,930	7,034,930	4,222,717	2,000,000
17	Net worth	4,306,490	3,395,602	3,335,418	1,750,009	453,376
18	Total Assets	22,262,297	16,685,263	13,136,638	7,397,332	3,661,684

19	Yield on Total Investments	9.00%	8.81%	8.74%	6.25%	5.60%
20	Earnings Per Share-(INR Rs.)	(0.70)	(1.96)	(2.77)	(5.94)	(8.12)
21	Book Value Per Share-(INR Rs.)	4.41	4.02	4.74	4.14	2.27
22	Total Dividend	-	-	-	-	-
23	Dividend per Share	-	-	-	-	-

\*Gross written premium includes Reinsurance inwards premium and retrocession premium of Motor pool, Declined pool and Terrorism Pool.

**3.24 (a)** There was no forward or derivative contracts outstanding as at March 31, 2014 and March 31, 2013 . Foreign currency exposure as at March 31, 2014 and March 31, 2013 that has not been hedged by any derivative instrument or otherwise is estimated as follows :

Particulars	Foreign Currency	As at March 31, 2014 in (Fx)	As at March 31, 2014 in (Rs) '000.	As at March 31, 2013 in (Fx)	As at March 31, 2013 in (Rs) '000.
Liabilities	SGD	14,60,000.00	69,327	-	-

### 3.25 Disclosures on Penal Actions taken against the Company for the year April 1, 2013 to March 31, 2014

S.NO	Authority	Non-Compliance Violation	Penalty Awarded	Penalty Paid	Penalty Waived/Reduced
1.	Insurance Regulatory And Development Authority	Nil (Nil)	*500 (Nil)	Nil (Nil)	Nil (Nil)
2.	Service Tax Authorities	None (None)	Nil (Nil)	Nil (Nil)	Nil (Nil)
3.	Income Tax Authorities	None (None)	Nil (Nil)	Nil (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)

\*The Company was levied a fine of Rs (000) 500 for not meeting the declined risk pool quota for the Financial 2012-13. However, the company is well within its way in meeting the quota requirement for financial year 2013-14.

### 3.26 Indian Motor Third Party Insurance Pool (IMTPIP)

The IRDA issued order Ref. IRDA/NL/ORD/MPL/276/12/2011 dated December 23, 2011 directing the dismantling of the Indian Motor Third Party Insurance Pool w.e.f March 31, 2012.

Further, the IRDA issued orders IRDA/NL/ORD/MPL/003/01/2012 dated January 3, 2012 and IRDA/F&A/ORD/MTPP/070/03-2012 dated March 22, 2012 specifying the accounting, loss reserving and Solvency that General Insurers were required to follow to complete the process of dismantling of the Pool.

IBNR/IBNER for the Financial Years 2008-09, 2009-10 & 2010-11 has been determined by GIC in accordance with the order of the Authority dated January 3, 2012 while for Financial 2011-12, IBNR/IBNER has been considered in accordance with the order of the Authority dated March 22, 2012.

In accordance with the clauses 3a. and 3b. of the IRDA order dated March 22, 2012, the Company has provided additional IBNR/IBNER as determined by the Company's Appointed Actuary for the Financial Years 2008-09, 2009-10, 2010-11 & 2011-12 for an amount over and above the ultimate loss ratios prescribed in the said mentioned order of the IRDA.

However, for the transitional liability arising out of estimation/re-estimation of already determined liabilities by the Pool administrator's appointed actuaries as finalized and communicated via IRDA order dated March 22, 2012, the Company has charged the same for the underwriting/financial years 2009-10, 2010-11 and 2011-12 over a year of three years starting from the financial 2011-12.

**Amount in Rs. '(000)**

<b>Description</b>	<b>Charge for the Year ended March 31, 2014</b>	<b>To be accounted in Financial 2014-15.</b>
Loss of Previous Years determined in 2011-12 and carried forward	194,314	Nil
<b>Total</b>	<b>194,314</b>	<b>Nil</b>

The provisional financial statements received from GIC required the Company to evaluate for a Premium Deficiency Reserve. The Company has followed the instructions laid down in the circular F&A/CIR/017/May-04 dated May 18, 2004 while evaluating the provision for Premium Deficiency Reserve. Based on this evaluation no Premium Deficiency Reserve has been provided for.

### **3.27 Indian Motor Third Party Declined Risk Insurance Pool**

The Company has received provisional returns from the Pool administrator of the Declined pool for the year April 1, 2013 to December 31, 2013.

The Company has received its share of obligation upto 3<sup>rd</sup> quarter of financial 2013-2014 at Rs. ('000) Nil towards Standalone (Act only) policies. The company has estimated that it would be able to meet its declined pool quota obligation based on actual amounts reported for nine months of the year (April – December 2013) received from Declined pool administrator and three months estimated obligation based on extrapolation of such amounts reported by pool.

The amount pertaining to nine months year as per the audited statement was Rs. ('000) Nil and estimated obligation for three months amounts to Rs. ('000) Nil.

The policies issued by the company in 2013-14 for the declined risk premium written by the company in 2012-13 to the extent disallowed by Pool stands at Rs 14,689 ('000) The company has absorbed claims @210% on the same amounting to Rs. 30,847 ('000) previous year Nil in line with IRDA order no IRDA/NL/ORD/MPL/223/11/2013.

### 3.28 Solvency

The actual solvency ratio of the Company as at March 31, 2014 is 1.56 (as at March 31, 2013 1.36) against the required solvency ratio of 1.50.

### 3.29 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:

[Amount in Rs ('000)]

Authority	Total amount	1-6 months	7-12 months	13-18 months	19-24 months	25-30 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.	1442 (6,466)	62 (1,492)	1120 (2,362)	235 (1,052)	4 (483)	14 (318)	7 (759)
Cheques issued but not encashed by the policyholders/insured *	48,945 (43,700)	12,579 (16,253)	4,879 (7,244)	7,449 (7,300)	4,741 (4,543)	6,711 (5,493)	12,586 (2,867)

Amounts in brackets represent previous figures.

Does not include cheques issued to policy holders and appearing in bank reconciliation as on March 31, 2014

### 3.30 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, 2013, the Company has complied with the said regulations. Documentations for the current year is 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, 2013 and March 31, 2014 as a result of such transactions.

**3.31** In terms of his appointment Dr. Amarnath Ananthanarayanan has been granted 7500 and 12000 AXA Stock options at an exercise price of Euro 12.22 and Euro 13.475 each for the year 2012-13 and 2013-14 respectively. Since there is no charge back / cost to the company in this respect, no expenditure has been recognized in the Profit and Loss Account in terms of the guidance note on Accounting for employee share based payments issued by Institute of Chartered Accountants of India.

**3.32** Allocation of expense/ income among lines of business for the year ended March 31, 2014 has been reworked on the basis of allocation followed during the current year as specified in para 2.11 .

The impact of the re allocation of operating expenses and re allocation of Investment Income as per IRDA master circular dated October 2012 for the principal line of business of the company stands as follows :-

Particulars	In Rs'000			
	Fire	Marine	Misc	Total
Profit/(Loss) on sale/redemption of Investments (Net)	20	6	(26)	0
Others				
- Amortisation of Discount/(Premium)	(5,289)	(1,732)	7,021	(0)
Interest, Dividend & Rent-Gross	(74,900)	(24,525)	99,425	0
Expenses of Management	(196,093)	(65,994)	262,087	(0)
<b>Net Impact in Revenue Accounts</b>	<b>(276,262)</b>	<b>(92,245)</b>	<b>368,507</b>	

**3.33** Previous year/ year figures have been regrouped wherever necessary in conformity with the presentation followed in the current year .

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

**RAKESH BHARTI MITTAL**

(Chairman)

**GAELE OLIVIER**

(Director)

**BHARAT SUMANT  
RAUT**

(Independent Director)

**Dr. AMARNATH  
ANANTHANARAYANAN**  
(Chief Executive Officer & MD)

**Date: 14.05.14**

**Place: Mumbai**

**N.SAMPATH KUMAR**

(Chief Financial Officer)

**ASHISH SARMA**

(Company Secretary)



## **ANNEXURES TO SCHEDULE 16**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED MARCH 31, 2014**

#### **ANNEXURE I (Refer Note 3.14)**

##### **Segmental breakup of the Balance Sheet items as at March 31, 2014**

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 amongst various segments to the extent possible.



Bharti AXA General Insurance Company Limited

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31 , 2014

Rs '000'

Particulars	Fire	Marine			Miscellaneous															Total	
		Cargo	Others	Total	Motor	OD	Motor	TP	IMTPIP	DECLINED POOL	Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	LBU		Miscellaneous Total
Premium Earned (Net)	120,820	71,643	-	71,643	6,303,545		2,380,674			37,830	8,722,049	57,755	32,349	75,880	-	155,106	1,645,265	48,048	89	2,014,491	10,929,003
Profit on Sale of Investments	(3)	(3)		(3)	(221)		(88)				(309)	(2)	(1)	(2)	-	(7)	(50)	(2)	(0)	(64)	(379)
Interest and Dividend	11,678	9,847		9,847	840,667		334,892				1,175,559	8,046	3,959	9,045	-	25,043	189,019	7,013	40	242,165	1,439,250
Amortisation	825	695		695	59,366		23,649		-		83,015	568	280	639	-	1,768	13,348	(63)	561	17,101	101,636
Other Income	429	55	-	55	1,307						1,307	9	8	38	-	33	300	15		403	2,195
Total Segmental Revenue	133,749	82,237	-	82,239	7,204,664		2,739,127		-	37,830	9,981,621	66,376	36,595	85,599	-	181,944	1,847,883	55,011	689	2,274,097	12,471,705
Claims Incurred (Net)	165,818	43,656		43,656	3,521,222		3,018,923		204,314	112,509	6,856,968	20,183	14,569	35,447	-	131,735	1,420,142	35,299	(483)	1,656,891	8,723,334
Commission Paid (Net)	(99,801)	(24,545)		(24,545)	372,716		(50,400)		-	-	322,316	2,682	(1,997)	(38,983)	-	20,391	176,907	(4,840)	(3,087)	151,074	349,044
Operating Expenses related to Insur	48,310	29,354		29,354	2,268,072		907,066		(3)		3,175,135	22,783	11,185	28,222	-	74,702	589,321	20,349	1,759	748,320	4,001,120
Premium Deficiency	52,709																	891			
Total Segmental Expenditure	167,036	48,465	-	48,465	6,162,011		3,875,589		204,311	112,509	10,354,420	45,648	23,758	24,686	-	226,828	2,186,369	51,699	(1,811)	2,557,176	13,127,097
Segmental Profit	(33,287)	33,772	-	33,772	1,042,653		(1,136,462)		(204,311)	(74,680)	(372,800)	20,729	12,837	60,913	-	(44,884)	(338,487)	3,312	2,501	(283,079)	(655,394)



**Bharti AXA General Insurance Company Limited**

**SEGMENTAL BREAK-UP OF THE BALANCE SHEET AS AT MARCH 31, 2014**

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

Particulars	Fire	Marine			Motor	Workmen's Compensation	Public Liability	Engineeri	Aviation	Personal Accident	Health Insurance	Others	Misc Total	Total
		Cargo	Others	Total										
Claims Outstanding	173,867	38,910	-	38,910	8,946,548	24,195	22,573	55,504	-	86,902	331,369	35,904	9,502,995	9,715,772
Reserve for Unexpired Risk	102,266	40,410	-	40,410	5,022,355	28,820	16,652	59,436	-	86,653	578,889	39,535	5,832,340	5,975,015



Bharti AXA General Insurance Company Limited

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31 , 2013

Rs '000'																					
Particulars	Fire	Marine			Miscellaneous																Total
		Cargo	Others	Total	Motor	OD	Motor	TP	IMTPIP	DECLINED POOL	Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	LBU	Miscellaneous Total	
Premium Earned (Net)	87,977	55,395	-	55,395	4,985,137		1,126,444		507,399	101,745	6,720,725	27,192	20,111	46,313	-	54,652	1,809,796	41,128	553	1,999,745	8,863,842
Profit on Sale of Investments	34	23		23	2,090		701		-		2,791	15	12	24	-	24	708	20	0	803	3,650
Interest and Dividend	8,212	5,700		5,700	510,017		171,123		21,251		702,391	3,730	2,812	5,847	-	5,794	172,778	4,884	64	195,909	912,213
Amortisation	2,279	1,582		1,582	141,541		47,491		-		189,032	1,035	780	1,623	-	1,608	47,950	1,355	18	54,369	247,262
Other Income	6	3	-	3	360						360	2	1	3	-	3	89	3	-	101	470
Total Segmental Revenue	98,508	62,703	-	62,703	5,639,146		1,345,759		528,649	101,745	7,615,299	31,974	23,716	53,810	-	62,081	2,031,321	47,390	635	2,250,928	10,027,437
Claims Incurred (Net)	28,346	26,448		26,448	2,941,917		1,625,890		1,220,748	73,765	5,862,321	6,920	8,637	31,876	-	32,985	1,652,116	21,607	620	1,754,761	7,671,876
Commission Paid (Net)	(48,412)	(9,494)		(9,494)	151,070		-		-		151,070	1,426	(2,200)	(29,522)	-	(20,400)	175,993	(408)	(99)	124,791	217,955
Operating Expenses related to Insurance	45,054	22,963		22,963	1,998,072		672,758		1,337	-	2,672,167	13,720	9,953	23,216	-	25,020	729,681	20,522	270	822,382	3,562,567
Premium Deficiency	(23,263)																				
Total Segmental Expenditure	1,725	39,917	-	39,917	5,091,059		2,298,648		1,222,085	73,765	8,685,558	22,066	16,391	25,570	-	37,605	2,557,791	41,721	791	2,701,935	11,429,134
Segmental Profit	96,783	22,786	-	22,786	548,086		(952,889)		(693,436)	27,980	(1,070,259)	9,908	7,326	28,240	-	24,476	(526,469)	5,668	(156)	(451,007)	(1,401,697)



**Bharti AXA General Insurance Company Limited**

**SEGMENTAL BREAK-UP OF THE BALANCE SHEET AS AT MARCH 31, 2013**

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

Rs '000'														
Particulars	Fire	Marine			Motor	Workmen's Compensation	Public Liability	Engineeri	Aviation	Personal Accident	Health Insurance	Others	Misc Total	Total
		Cargo	Others	Total										
Claims Outstanding	80,608	31,525	-	31,525	5,962,244	10,012	8,407	40,144	-	23,106	499,802	28,110	6,571,824	6,683,958
Reserve for Unexpired Risk	92,763	31,232	-	31,232	4,109,133	20,537	16,509	53,440	-	36,218	672,791	29,790	4,938,418	5,062,413

**Annexure II - (Refer Note 3.14)**

**Related Party Disclosures as per the Accounting Standard (AS)-18 notified by Central government for the year ended March 31, 2014**

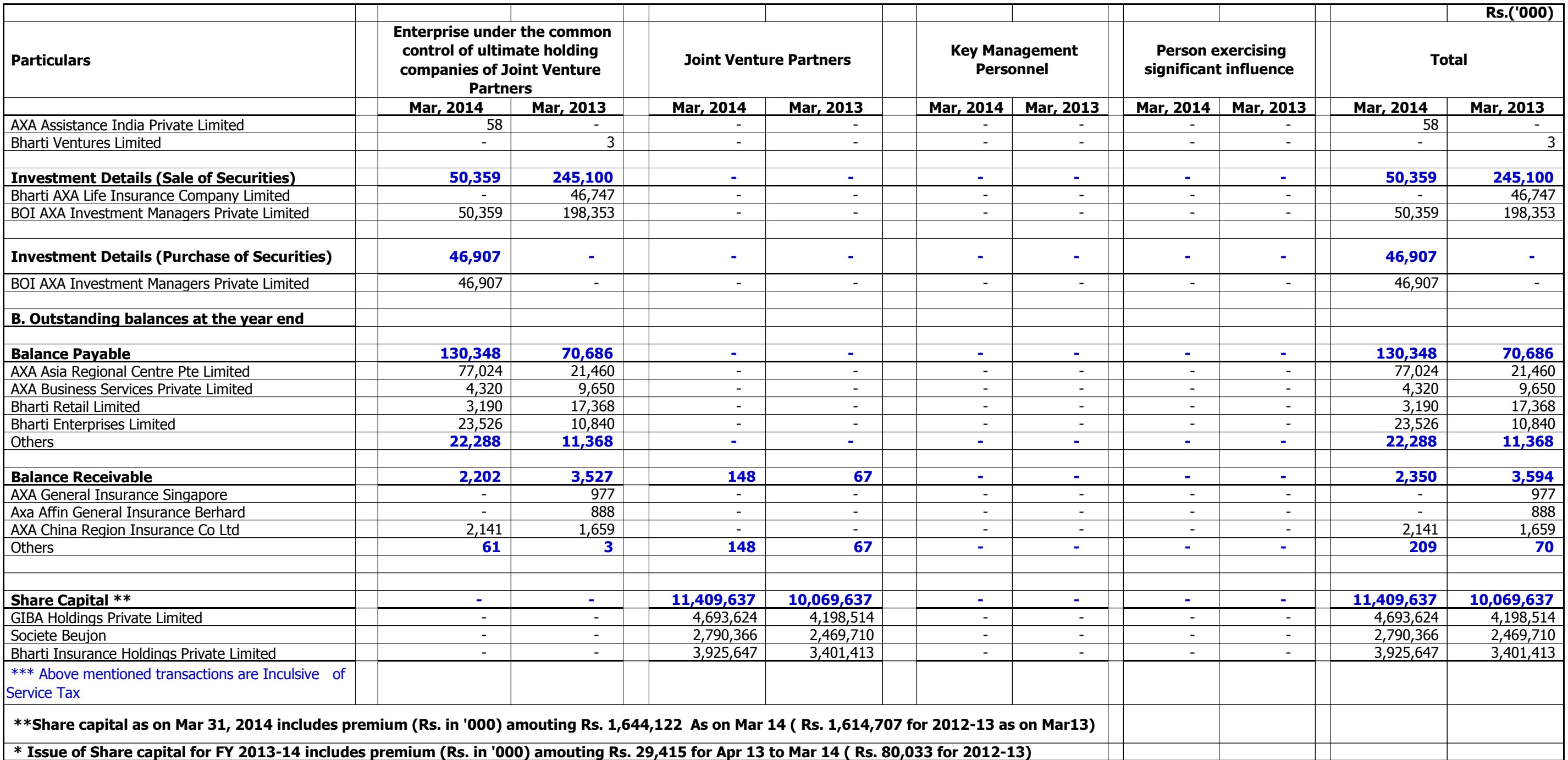
<b>Relationship</b>	<b>Name of The Company</b>
<b>Enterprise under the common control of ultimate holding companies of Joint Venture Partners</b>	AXA Affin General Insurance Berhard
	AXA Asia Regional Centre Pte Limited
	AXA Business Services Private Limited
	AXA Corporate Solution Reassurance
	AXA General Insurance Hongkong Limited
	AXA Group Solutions Private Limited
	AXA Technologies Shared Services Private Limited
	AXA Assistance India Private Limited
	AXA Insurance Public Company Limited
	AXA Malaysia
	Axa General Insurance Singapore
	Axa China Region Insurance Co.Ltd.
	Bharti Airtel Hongkong Limited
	Bharti Airtel Limited
	Bharti Airtel Services Limited
	Bharti Airtel Singapore Private Limited
	Bharti Airtel USA Limited
	Bharti RM Holding Private Limited.
	Bharti AXA Life Insurance Company Limited
	Bharti Comtel Limited
	Bharti Enterprises Limited
	Bharti Enterprises Holdings Private Limited
	Bharti Foundation
	Bharti Hexacom Limited
	Bharti Infotel Private Limited
	Bharti Infratel Limited
	Bharti Overseas Private Limited
	Bharti Realty Limited
	Bharti Realty Holdings Limited
	Bharti Retail Limited
	Bharti Telemedia Limited
	Bharti Telesoft Limited
	Beetel Teletech Limited
	Bharti Airtel Lanka Pvt. Ltd.
	Field Fresh Foods Private Limited
	Comviva Technologies Limited
	Bharti SBM Holdings Private Limited
	Bharti Telemedia Limited

	Bharti Teletech Limited.
	Bharti Televentures Limited.
	Bharti (RBM) Holdings Pvt.Ltd.
	Bharti Telecom
	Airtel Bangladesh
	Bharti Enterprises (Holding) Pvt.Ltd.
	GIE AXA
	BOI AXA Investment Managers Private Limited
	Union of Hongkong (GRE) Asia
	Cedar Support Services Ltd.
	Centum Learning Ltd.
	Centum Workskills Pvt Ltd
	Indian School of Business
	Indus Towers Limited
	Bharti (RM) Holding Private Limited
	Bharti Ventures Limited
<b>Joint Venture Partners</b>	GIBA Holdings Private Limited
	Société Beaujon
	Bharti Insurance Holdings Private Limited
<b>Key Managerial Personnel</b>	Dr. Amarnath Ananthanarayanan (Chief Executive Officer and Managing Director)
<b>Person exercising significant influence</b>	Mr. Rakesh Bharti Mittal



Particulars	Enterprise under the common control of ultimate holding companies of Joint Venture Partners		Joint Venture Partners		Key Management Personnel		Person exercising significant influence		Total		Rs.('000)
	Mar, 2014	Mar, 2013	Mar, 2014	Mar, 2013	Mar, 2014	Mar, 2013	Mar, 2014	Mar, 2013	Mar, 2014	Mar, 2013	
<b>A.Transactions during the year</b>											
<b>Insurance Premium Received</b>	<b>188,896</b>	<b>195,971</b>	-	-	-	-	-	83	<b>188,896</b>	<b>196,054</b>	
Bharti Airtel Limited	76,941	106,871	-	-	-	-	-	-	76,941	106,871	
AXA Business Services Private Limited	34,471	23,856	-	-	-	-	-	-	34,471	23,856	
Bharti Retail Ltd	24,273	11,083	-	-	-	-	-	-	24,273	11,083	
Mr. Rakesh Bharti Mittal	-	-	-	-	-	-	-	83	-	83	
Others	<b>53,211</b>	<b>54,161</b>	-	-	-	-	-	-	<b>53,211</b>	<b>54,161</b>	
<b>Insurance Claims Paid</b>	<b>71,517</b>	<b>46,015</b>	-	-	-	-	-	-	<b>71,517</b>	<b>46,015</b>	
Bharti Airtel Limited	5,790	6,223	-	-	-	-	-	-	5,790	6,223	
Bharti Airtel Services Limited	9,637	7,000	-	-	-	-	-	-	9,637	7,000	
AXA Insurance Public Co. Ltd	15,261	7,284	-	-	-	-	-	-	15,261	7,284	
Bharti Foundation	1,222	376	-	-	-	-	-	-	1,222	376	
Bharti Infratel Limited	25	2,500	-	-	-	-	-	-	25	2,500	
Beetel Teletech Limited	4,204	1,249	-	-	-	-	-	-	4,204	1,249	
Bharti Retail Limited	26,055	16,835	-	-	-	-	-	-	26,055	16,835	
Others	<b>9,323</b>	<b>4,548</b>	-	-	-	-	-	-	<b>9,323</b>	<b>4,548</b>	
<b>Rent paid</b>	<b>4,526</b>	<b>2,269</b>	-	-	-	-	-	-	<b>4,526</b>	<b>2,269</b>	
Bharti AXA Life Insurance Company Limited	3,360	2,140	-	-	-	-	-	-	3,360	2,140	
Bharti Airtel Limited	-	129	-	-	-	-	-	-	-	129	
AXA Business Services Pvt Ltd	1,166	-	-	-	-	-	-	-	1,166	-	
<b>Rent received</b>	-	-	<b>81</b>	<b>135</b>	-	-	-	-	<b>81</b>	<b>135</b>	
GIBA Holdings Private Limited	-	-	81	135	-	-	-	-	81	135	
<b>Informational Support Services Received</b>	<b>121,699</b>	<b>76,542</b>	-	-	-	-	-	-	<b>121,699</b>	<b>76,542</b>	
AXA Technologies Shared Services Private Limited	52,372	34,563	-	-	-	-	-	-	52,372	34,563	
Bharti AXA Life Insurance Company Limited	-	3,954	-	-	-	-	-	-	-	3,954	
AXA Asia Regional Centre Pte Limited	69,327	38,025	-	-	-	-	-	-	69,327	38,025	
<b>Management Support Charges</b>	-	<b>27,675</b>	-	-	-	-	-	-	-	<b>27,675</b>	
AXA Asia Regional Centre Pte Limited	-	27,675	-	-	-	-	-	-	-	27,675	
<b>Professional Services Received</b>	<b>89,840</b>	<b>82,388</b>	-	-	-	-	-	-	<b>89,840</b>	<b>82,388</b>	
Bharti Enterprises Limited	10,167	23,167	-	-	-	-	-	-	10,167	23,167	
AXA Business Services Private Limited	76,461	57,054	-	-	-	-	-	-	76,461	57,054	
Others	<b>3,212</b>	<b>2,167</b>	-	-	-	-	-	-	<b>3,212</b>	<b>2,167</b>	
<b>Reinsurance (Reinsurance Premium)</b>	<b>90,703</b>	<b>330,523</b>	-	-	-	-	-	-	<b>90,703</b>	<b>330,523</b>	
AXA Corporate Solution Reassurance	90,703	330,523	-	-	-	-	-	-	90,703	330,523	
<b>Reinsurance (Reinsurance Claims)</b>	<b>19,802</b>	<b>105,648</b>	-	-	-	-	-	-	<b>19,802</b>	<b>105,648</b>	
AXA Corporate Solution Reassurance	19,802	105,648	-	-	-	-	-	-	19,802	105,648	

Particulars	Enterprise under the common control of ultimate holding companies of Joint Venture Partners		Joint Venture Partners		Key Management Personnel		Person exercising significant influence		Total		Rs.('000)
	Mar, 2014	Mar, 2013	Mar, 2014	Mar, 2013	Mar, 2014	Mar, 2013	Mar, 2014	Mar, 2013	Mar, 2014	Mar, 2013	
<b>Reinsurance (Reinsurance Commission)</b>	<b>10,822</b>	<b>59,929</b>	-	-	-	-	-	-	<b>10,822</b>	<b>59,929</b>	
AXA Corporate Solution Reassurance	10,822	59,929	-	-	-	-	-	-	10,822	59,929	
<b>Donations paid</b>	<b>266</b>	<b>464</b>	-	-	-	-	-	-	<b>266</b>	<b>464</b>	
Bharti Foundation	266	464	-	-	-	-	-	-	266	464	
<b>Telephone Expenses Paid</b>	<b>62,931</b>	<b>49,358</b>	-	-	-	-	-	-	<b>62,931</b>	<b>49,358</b>	
AXA Business Services Private Limited	38,354	29,057	-	-	-	-	-	-	38,354	29,057	
Bharti Airtel Limited	21,402	20,076	-	-	-	-	-	-	21,402	20,076	
Bharti Airtel Services Limited	219	185	-	-	-	-	-	-	219	185	
AXA Technologies Shared Services Private Limited	94	40	-	-	-	-	-	-	94	40	
Bharti AXA Life Insurance Company Limited	2,862	-	-	-	-	-	-	-	2,862	-	
<b>Training Charges</b>	<b>5,319</b>	<b>3,808</b>	-	-	-	-	-	-	<b>5,319</b>	<b>3,808</b>	
AXA Asia Regional Centre Pte Limited	5,319	3,629	-	-	-	-	-	-	5,319	3,629	
AXA Business Services Private Limited	-	179	-	-	-	-	-	-	-	179	
<b>Other Services Availed</b>	<b>2,534</b>	<b>256</b>	-	-	-	-	-	-	<b>2,534</b>	<b>256</b>	
AXA Business Services Private Limited	1,481	-	-	-	-	-	-	-	1,481	-	
Bharti Airtel Limited	1,053	256	-	-	-	-	-	-	1,053	256	
<b>Remuneration Paid</b>	-	-	-	-	<b>31,381</b>	<b>24,840</b>	-	-	<b>31,381</b>	<b>24,840</b>	
Dr. Amarnath Ananthanarayanan	-	-	-	-	31,381	24,840	-	-	31,381	24,840	
<b>Issue of Share Capital *</b>	-	-	<b>1,340,000</b>	<b>1,500,032</b>	-	-	-	-	<b>1,340,000</b>	<b>1,500,032</b>	
GIBA Holdings Private Limited	-	-	495,110	586,835	-	-	-	-	495,110	586,835	
Societe Beaujon	-	-	320,656	345,197	-	-	-	-	320,656	345,197	
Bharti Insurance Holdings Private Limited	-	-	524,234	568,000	-	-	-	-	524,234	568,000	
<b>Share Allotment Money Pending *</b>	-	-	<b>200,000</b>	-	-	-	-	-	<b>200,000</b>	-	
GIBA Holdings Private Limited	-	-	4,390	-	-	-	-	-	4,390	-	
Societe Beujon	-	-	-	-	-	-	-	-	-	-	
Bharti Insurance Holdings Private Limited	-	-	195,610	-	-	-	-	-	195,610	-	
<b>Purchase of Fixed Assets</b>	<b>7,663</b>	<b>3,333</b>	-	-	-	-	-	-	<b>7,663</b>	<b>3,333</b>	
AXA Technologies Shared Services Private Limited	7,633	3,327	-	-	-	-	-	-	7,633	3,327	
BOI AXA Investment Managers Private Limited	30	6	-	-	-	-	-	-	30	6	
<b>Deposit Paid</b>	-	<b>670</b>	-	-	-	-	-	-	-	<b>670</b>	
AXA Asia Regional Centre	-	670	-	-	-	-	-	-	-	670	
<b>Reimbursement of Expenditure</b>	<b>1,380</b>	<b>2,458</b>	-	-	-	-	-	-	<b>1,380</b>	<b>2,458</b>	
BOI AXA Investment Managers Private Limited	58	-	-	-	-	-	-	-	58	-	
Bharti AXA Life Insurance Company Limited	561	-	-	-	-	-	-	-	561	-	
AXA Asia Regional Centre Pte Limited	-	53	-	-	-	-	-	-	-	53	
AXA Business Services Private Limited	117	-	-	-	-	-	-	-	117	-	
AXA Technologies Shared Services Private Limited	83	-	-	-	-	-	-	-	83	-	
Bharti Airtel Limited	20	-	-	-	-	-	-	-	20	-	
AXA China Region Insurance Co Ltd	483	2,402	-	-	-	-	-	-	483	2,402	





**FORM NL-20-RECEIPT AND PAYMENTS SCHEDULE**  
**BHARTI AXA GENERAL INSURANCE COMPANY LIMITED**  
**IRDA REGISTRATION NUMBER 139 DATED 27-06-2008**  
**Receipts and Payments A/c - on direct basis**

		<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
		<b>Rs. ( ` 000)</b>	<b>Rs. ( ` 000)</b>
<b>A.</b>	<b>Cash Flows from the operating activities:</b>		
1	Premium received from policyholders, including advance receipts	16,140,448	13,462,463
2	Other receipts - Motor pool/Declined pool	259,250	36,761
3	Payments to the re-insurers, net of commissions and claims	(679,460)	(1,034,498)
4	Payments to co-insurers, net of claims recovery	140,801	55,581
5	Payments of claims	(6,936,113)	(5,405,598)
6	Payments of commission and brokerage	(1,418,599)	(626,402)
7	Payments of other operating expenses	(3,870,666)	(3,043,415)
8	Preliminary and other pre operative expenses	-	
9	Deposits, advances and staff loans	(52,917)	(20,898)
10	Taxes paid (Net)	(570)	(454)
11	Service tax paid	(1,097,522)	(1,164,885)
12	Other payments	-	
13	Cash flows before extraordinary items	<b>2,484,653</b>	<b>2,258,655</b>
14	Cash flow from extraordinary operations	-	
15	Net cash flow from operating activities	<b>2,484,653</b>	<b>2,258,655</b>
<b>B</b>	<b>Cash flows from investing activities:</b>		
		-	
1	Purchase of fixed assets	(84,793)	(57,080)
2	Proceeds from sale of fixed assets	5,773	8,271
3	Purchases of investments	(16,164,850)	(18,550,612)
4	Loans disbursed	-	
5	Sales of investments	11,736,594	14,974,544
6	Repayments received	-	
7	Rents/Interests/ Dividends received	639,796	459,554
8	Investments in money market instruments and in liquid mutual funds (Net)*	44,698	(35,757)
9	Expenses related to investments	(2,395)	(779,020)
10	Net cash flow from investing activities	<b>(3,825,178)</b>	<b>(3,980,100)</b>
<b>C</b>	<b>Cash flows from financing activities:</b>		
1	Proceeds from issuance of share capital	1,540,000	1,500,033
2	Proceeds from borrowing	-	
3	Repayments of borrowing	-	
4	Interest/dividends paid	-	
5	Net cash flow from financing activities	1,540,000	1,500,033
<b>D</b>	<b>Effect of foreign exchange rates on cash and cash equivalents, net</b>	-	
<b>E</b>	<b>Net increase in cash and cash equivalents:</b>	<b>199,475</b>	<b>(221,413)</b>
1	Cash and cash equivalents at the beginning of the year	466,865	688,277
2	Cash and cash equivalents at the end of the year	<b>666,340</b>	<b>466,864</b>

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Regn No.105102W)

**B. K. RAMADHYANI & CO**  
Chartered Accountants  
(Regn No.002878S)

**For and on behalf of the Board**

**RAKESH BHARTI MITTAL**  
(CHAIRMAN)

**GAELE OLIVIER**  
(DIRECTOR)

**HIMANSHU CHAPSEY**  
(Partner)  
Membership No. 105731

**SHYAM RAMADHYANI**  
(Partner)  
Membership No. 019522

**DR. AMARNATH ANANTHANARAYANAN**  
(CHIEF EXECUTIVE OFFICER & MD)

**BHARAT SUMANT RAUT**  
(INDEPENDENT DIRECTOR)

**Date: 14.05.2014**  
**Place: Mumbai**

**ASHISH SARMA**  
(COMPANY SECRETARY)

**N SAMPATH KUMAR**  
(CHIEF FINANCIAL OFFICER)