



ANNUAL REPORT

2009 -2010



Financial Highlights

Particulars	Rupees (Mn)						
	2009-10 Rs. Million	2008-09 Rs. Million	2007-08 Rs. Million	2006-07 Rs. Million	2005-06 Rs. Million	2004-05 Rs. Million	2003-04 Rs. Million
Gross Written Premium	27249	28662	25780	18033	12846	8,561	4,798
Net Written Premium	19717	20066	17526	10398	6987	4,793	2,864
Net Earned Premium	18842	18913	14154	8385	5864	3,709	2,306
Net Incurred Claims	-13866	-13599	-9457	-5556	-4100	-2,263	-1,506
Net Commissions	-318	-238	188	786	622	419	231
Management Expenses	-5485	-5988	-5195	-3454	-2156	-1,456	-984
Underwriting Results	-502	-727	-210	254	230	409	11
Income from Investments	2207	2061	1896	895	520	389	285
Others	93	164	-7	21	68	29	22
Profit Before Tax	1798	1498	1679	1170	818	770	318
Provision for Tax	-590	-546	-623	-417	-303	-299	-101
Profit After Tax	1208	952	1056	754	516	471	217
Claim's Ratio	73.6%	72.0%	67%	66%	70%	61%	67%
Commission Ratio	2%	1%	-1%	-9%	-11%	-11%	-10%
Management Expenses Ratio	29%	32%	36%	41%	37%	40%	42%
Combined Ratio	104%	105%	102%	98%	96%	90%	99%
Return on Equity	16%	15%	23%	22%	23%	34%	20%
Shareholder's Equity	7928	6725	5748	4116	2,767	1,824	1,380
Assets Under Management	25315	21938	18632	13004	7580	5,836	3,486
Number of Employees	3506	3973	3603	2540	1371	924	480

Board of Directors

Rahul Bajaj, Chairman
Also Chairman, Bajaj Auto Ltd.
Bajaj Finserv Ltd.
Bajaj Holdings & Investments Ltd.

Niraj Bajaj
Also Chairman & MD, Mukand Ltd.

Sanjiv Bajaj, Director
Also MD, Bajaj Finserv Ltd.
Executive Director, Bajaj Auto Ltd.

Ranjit Gupta, Director
Also President (Insurance),
Bajaj Finserv Ltd.

Dr. Werner Zedelius, Director
Also Member of the Board of
Management, Growth Markets,
Allianz SE

Heinz Dollberg, Director
Also Executive Vice President, Head
of Asia, Middle East, North Africa
Allianz SE

Mr. Don Nguyen, Director (up to 31st march 2010)
Also Head of Property & Casualty
Division, Allianz Asia Pacific

Kamesh Goyal
Alternate Director to
Dr. Werner Zedelius

Dipak Poddar, Director
Also Executive Chairman,
Poddar Developers Ltd.

Sanjay Asher, Director
Also Partner, Crawford Bayley & Co.

Suraj Mehta, Director
Also Former CEO, Nabil Bank Ltd.

S. H. Khan, Director
Also Former Chairman, IDBI Ltd.

Manu Tandon, Director
Also Former MD, Elantas Beck India Ltd.

Hemant Kaul,
Managing Director & Chief Executive Officer
(w.e.f. 1st April 2010)

Appointed Actuary - Dr. Mrs. Asha Joshi

Company Secretary - Onkar Kothari

Audit Committee - S. H. Khan, Chairman, Sanjay Asher, Sanjiv Bajaj, Heinz Dollberg, Ranjit Gupta, Dr. Werner Zedelius

Bankers - Axis Bank, Citibank, Deutsche Bank, HDFC Bank, Standard Chartered Bank

CEO's Message



Hemant Kaul

The financial year 2009-10 in India began with signs of incipient recovery and ended with robust economic growth. While growth has returned to the Indian economy, the general insurance industry continued to face its own set of challenges.

Post de-tariffing, the pressure on discounting of premiums has continued. In many lines of business the premium levels have become uneconomical due to severe competition. At the same time inflationary cost push in healthcare, maintenance and repair of automobiles has put extreme pressure on margins. The combination of these factors has resulted in worsening of the financial condition of the general insurance industry in India. The total underwriting losses of the industry for the financial year 2009-10 are expected to reach a level of over Rs.6000 crores.

Faced with irrational pricing climate we consciously rebalanced our portfolio by exiting loss making lines of business resulting in contraction in our topline. While rebalancing the portfolio we continued our focus on strong underwriting, prudent investment philosophy, strong emphasis on cost control and superior customer service. Even in these difficult industry conditions, we have managed to improve our financial performance, which are highlighted as below –

- Our profit before tax at Rs.180 crore, increased by 21% over our profit before tax last year.
- Our profit after tax at Rs.121 crore was 27% higher than the previous year.
- We settled over 5 lakh claims with a total payment of Rs.2200 crores.
- We ended the year with a combined ratio of 102.7% which was significantly lower than all major general insurance companies in India.

As we embark on another year we shall seek growth while protecting our margins and profitability. We shall continue our efforts in controlling costs and improving our efficiencies. It need not be overemphasized that a profitable insurer coupled with efficient service delivery systems is in the best interests of all stakeholders including the customers.

We sincerely thank all our customers who have reposed their trust in us under these testing times.

Warm regards

Hemant Kaul

Ratios for the year ended 31st March, 2010

Ratio's for the year	2009-10	2008-09	2007-08
Growth in Gross Written Premium	-5%	11%	43%
Growth in Net Earned Premium	-0.4%	34%	69%
PBT/Shareholder's Equity	23%	22%	29%
Reserves/Share Capital	619%	510%	421%
Return on Average Equity	16%	15%	23%
Retention	72%	70%	68%
Claims Ratio	74%	72%	67%
Liquid Assets/Net Outstanding Claims	20%	25%	38%
Insurance Reserves/NEP	137%	115%	116%
Shareholders Equity/NEP	42%	36%	41%

Directors' Report



Rahul Bajaj
Chairman

The Board of Directors is pleased to present the Tenth Annual report and the Audited Financial Statements for the year ended 31st March 2010.

General Insurance in India

Since the privatization of general insurance in 2000, the industry has grown from 4 public sector companies to 22 companies at present. Gross Written Premiums of the industry, excluding the specialised insurers, grew from Rs. 124 Bn in 2001-02 to Rs 347 Bn in 2009-10. During 2009-10, GWP grew by 13.4% as indicated in table below:

Table: Gross Premiums 2009-10

Rs Mn	2009-10	2008-09	Growth
Bajaj Allianz	25,157	26,491	-5.0%
Private Sector	142,267	126,106	12.8%
Public Sector	205,285	180,313	13.8%
Market	347,552	306,419	13.4%

The general insurance industry has been affected by two major events in 2007:-

- The removal of tariff for Fire, Engineering and Motor Insurance business has resulted in severe price deflation as competitors jostled for market share as well as profitability.
- The introduction of the Motor Third Party pool, which made it compulsory for all insurance companies to share in the losses of the Third Party business of commercial vehicles. The effect of this has been to dent the profitability of the industry by imposing a "pool tax".

The underlying profitability from insurance operations as measured by the combined ratio continued to fall. The combined ratio of the private sector, which was 99.8% in 2004-05, had increased to 113.9% in 2008-09. The underwriting losses of the industry reached a record Rs. 53.26 Bn in 2008-09 as against Rs. 25.58 Bn in 2006-07 (before de-tariffication).

Table: Combined Ratios

Insurer	2008-09	2007-08	2006-07	2005-06	2004-05
Bajaj Allianz	104.8%	102.2%	98.1%	96.1%	89.9%
Private Sector	113.9%	110.2%	102.9%	102.2%	99.8%
Public Sector	128.3%	124.6%	119.8%	133.6%	124.1%
Market	123.3%	120.2%	115.9%	128.3%	121.3%

Source: IRDA website & IRDA handbook of insurance statistics 2008-09 –excludes specialised insurers

On account of falling underwriting profitability and uncertain investment markets, the return on equity of most companies fell below the economic cost of capital.

Table: Return on Equity

	2008-09	2007-08	2006-07	2005-06	2004-05
Bajaj Allianz	15.3%	21.4%	21.9%	22.5%	29.4%
Private Sector	-2.3%	1.4%	11.1%	10.4%	10.4%
Public Sector	1.3%	5.1%	7.3%	3.9%	4.7%
Market	0.9%	4.9%	7.5%	4.2%	5.0%

While insurance prices are deflating, inflation in input costs such as employee costs, cost of automobile spare parts, repair costs of cars and healthcare costs are increasing putting further pressure on margins. The ultimate cost of claims payable under long-tail risks such as Motor Third Party are also affected by inflation. This erosion in margins poses one of the most significant threats for the industry and, going forward, it is critical for the industry to charge prices which more closely reflect the economic cost of risk. However, we are not seeing any signs of the price competition abating.

Business performance during the year

Under extremely testing conditions during 2009-10, your Company has sought to focus on profitability rather than growth by:

- Prudent Underwriting
- Cost control
- Focus on maintaining low combined ratio

The Gross Written Premium for the financial year 2009-10, excluding inward reinsurance premiums from the Motor Third Party Pool, was Rs 25.16 Bn as against Rs. 26.49 Bn in 2008-09, a negative growth of 5%. The negative growth was the result of your Company's focus on selecting risks and despite this your Company retained the Second position in the Private Sector with a market share of 7.2%. The first half of the year was difficult for your Company where it posted a negative growth of 14%. The third quarter of the year was flat. Your Company posted growth of 9.76% in the final quarter. Over the full course of the year, your Company had a negative growth of 5%. Your Company increased its focus on renewal premiums. Renewals permit better risk selection and improve profitability.

The Net Earned Premium in the year 2009-10, excluding the premiums from the Motor Third Party Pool, was Rs. 16.71 Bn as against Rs. 16.96 Bn in the year 2008-09, which is a nominal negative growth of 1.5%. Your Company's focus on retail policies permitted it to have a higher retention ratio resulting in the earned premium staying at the previous year's level.

Underwriting results

Your Company recorded an underwriting profit (before considering share of losses from the Motor Third Party Pool) of Rs. 59 Mn (previous year loss of Rs. 196 Mn). After considering the share of losses from the Motor Third Party Pool, your Company's underwriting loss was Rs. 502 Mn as against a loss of Rs. 727 Mn in 2008-09.

Profit before and after tax

On account of better underwriting performance and higher investment income, Profit Before Tax increased by 20.1% to Rs. 1,798 Mn (previous year Rs. 1,498 Mn).

The Profit after Tax for the year was Rs. 1,208 Mn as against Rs. 952 Mn recorded in the previous financial year, an increase of 27%.

Return on equity

The Return on Average Equity for 2009-10 was 16.5% as against 15.3% recorded in the previous year.

During the year, your Company sold over 6 Mn Policies as against 7.6 Mn policies sold in 2008-09. The number of claims reported in 2009-10 was 525,258 as against 516,316 claims reported in 2008-09.

In a period when the market underwriting losses are mounting and profitability of the industry is being affected adversely, improving the profitability while maintaining market position is considered a significant achievement for your Company. Bajaj Allianz General Insurance today has become the benchmark for other companies to emulate in terms of balancing growth with profitability.

Customer Service

Your Company has strengthened the policy issuance process through several measures which related to standardization of processes and strengthening the Centralised Operations Vertical. The customer and channel partner can receive policy issuance status through SMS.

Your Company continues to have a strong image for its claims settlement in terms of approach and response times. Your Company publishes claims statistics in its quarterly newsletter NewsTrack. Your Company is a pioneer in providing claims status through SMS.

Your Company is also a pioneer in bringing the administration of

its health insurance business in house. Through a well trained team which includes qualified medical personnel, the Health Administration Team is able to cater to underwriting and claims servicing requirements of its health insurance business segment. This in house administration team is well regarded in the market.

Your Company also measures, at periodic intervals, the Internal Customer Satisfaction of various back office and support departments like HR, Finance and IT.

Capital

The total capital including share premium infused by shareholders stood at Rs. 2,768 Mn, as at 31st March 2010. No new capital was infused during the year and your Company's solvency margin is well above the required margin as per IRDA's regulations. It is a matter of pride for your Company that it has the best utilization of capital in the private sector as measured by the ratio of gross written premiums to capital infused and by gross written premiums to shareholders' equity. The shareholders' equity of your Company stood at Rs. 7,928 Mn as at 31st March 2010 as against Rs. 6,725 Mn at 31st March 2009.

Investments and investment income

As most of the liabilities in general insurance are short-term in nature, prudent risk management will dictate that the investment durations be kept as low as possible, within the Company's risk tolerance. Your Company has traditionally focused on generating cash flows through prudent underwriting and strong retention for growing its assets under investment and the investment income. Reliance on capital market gains would mean unsustainability of the profits in the long run, as we saw in the previous year. Accordingly, your Company has kept its exposure to high risk asset classes low and, instead, focused on generating cash flows.

Your Company's cash and investments as at 31st March 2010 were Rs. 28,279 Mn as against Rs. 24,786 Mn at 31st March 2009. Despite conditions which were not conducive for profitable growth, your Company has been able to increase its invested surplus by Rs. 3,493 Mn during the year.

The investment income for the year under review was Rs. 2,300 Mn as against Rs. 2,225 Mn generated in the previous year, which is an increase of 3.37%.

Credit Rating

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

Registration

The Certificate of registration of your Company has been renewed by the Insurance Regulatory and Development Authority for 2010-11.

Particulars regarding Conservation of Energy and Technology Absorption

Since your Company did not carry out any manufacturing activity, the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable.

Foreign Exchange Earnings and Expenditure

Earnings in foreign currency	Rs. 3.02Bn
Expenditure in foreign currency	Rs. 3.05Bn

Particulars of Employees

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, as amended, the names and other particulars of the employees are set out in the Annexure to this report. This report and accounts are being sent to shareholders excluding the said information. Any shareholder interested in obtaining such information may write to the Company Secretary at the registered office of the Company for a copy thereof.

Directors

Dr. Werner Zedelius and Mr. Ranjit Gupta retire by rotation and, being eligible, offer themselves for reappointment.

Mr. Don Nguyen ceased to be Director of the Company with effect from 12th February 2010. The Board places on records its appreciation and gratitude towards the excellent support and guidance Mr. Don Nguyen has rendered to the Company right since its inception.

Directors' Responsibility Statement

In accordance with the requirements of Sub-section 2AA of section 217 of Companies Act, 1956, the Board of Directors confirms the following:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures (if any);
- ii) That such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the Company as on 31st March 2010 and of the profit and loss of the Company for the year ended on that date;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and early detection of fraud and other irregularities;
- iv) That the annual accounts have been prepared on a going concern basis.

Audit Committee

The Audit Committee of the Board of Directors was reconstituted on 12th February 2010 in accordance with the IRDA guidelines read with the provisions of Section 292A of the Companies Act, 1956. As required, it is now chaired by Mr. SH Khan, Independent Director. During the year, Audit Committee meetings were held on 11th May 2009 and 11th December 2009, where the operations and accounts of the Company were reviewed.

During the year, two new Committees of the Board of Directors were constituted, viz. Risk Management Committee and a Policyholder Protection Committee.

Auditors

In accordance with the IRDA Regulations / Guidelines, M/s S R Batliboi & Co., Chartered Accountants and Dalal and Shah, Chartered Accountants were appointed as Joint Statutory Auditors of the Company in the previous Annual General Meeting. They hold office up to the conclusion of the ensuing Annual General Meeting of the Company.

The shareholders are requested to appoint the auditors for the period from the conclusion of ensuing Annual General Meeting to the conclusion of next Annual General Meeting and to fix their remuneration.

Appreciation & Acknowledgment

Under extremely challenging market conditions, your Company has been able to achieve a superior return on equity whilst maintaining its market position. This excellent performance could not have been achieved without the continued commitment and support of all our stakeholders.

The Company acknowledges the wholehearted support of the Insurance Regulatory and Development Authority of India. On behalf of the Board of Directors, we thank our policyholders, intermediaries and reinsurers for reposing their unstinted faith in the Company. This faith is the bedrock of our success and our endeavour to grow profitably.

On behalf of the Board of Directors, we wish to extend our sincere appreciation to the management and employees of the Company for their hard work and commitment and thank them for another good year for the Company.

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

Sanjiv Bajaj
Director

Heinz Dollberg
Director

7th May 2010
Pune

Management Report

With respect to the operations of Bajaj Allianz General Insurance Company Limited for the year ended 31st March 2010 and results thereof, the Management of the Company confirms and declares that:

1. The registration certificate granted by Insurance Regulatory and Development Authority (IRDA) is valid and the same has been renewed for the year 2010-11.
2. We certify that all dues payable to the statutory authorities have been duly paid except where the Company has preferred appeals.
3. The shareholding pattern is in accordance with the statutory and regulatory requirements. No shares have been transferred during the year.
4. The management has not invested any funds of holders of policies in India, directly or indirectly outside India.
5. The required solvency margins under the Insurance Act, 1938 have been maintained.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value.
7. As a general insurer, the Company is exposed to a variety of risks. The primary risks are that of frequency of claims as measured by the number of claims in relation to number of policies outstanding and severity risk as measured by the average amount per claim. The frequency and severity risk varies according to lines of business.

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

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

The Company has offsite disaster recovery centers for its data backups.

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

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

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

The Company has set up a Risk Management Committee of the Board of Directors which will be advising the Board on risk management decisions, report on the risk exposures and the actions taken to manage the exposures. In addition, the Company also has an internal Risk Committee consisting of various departmental representatives, chaired by the Chief Risk Officer, which reviews the top risks of the Company as well as the risk processes and compliance with the risk management policy of the Company. The Company has also set up a Policyholders' Protection Committee of the Board of Directors.

8. The Company does not have insurance operations in any other country.
9. The settlement time for claims depends on various factors pertaining to various lines of business, such as cause of loss, the nature of claim etc. Typically, claims which result in total or partial destruction of assets or records (such as those caused by Acts of God), those where adequate documentation to establish the claims are awaited and those which are subject matter of judicial processes (such as Motor Third Party claims) tend to have longer settlement times, which are beyond the control of the Company. The Company has internal processes for regular review of claims outstanding as well as paid. The average claims settlement time during the preceding 5 years is given in Annexure I and ageing analysis of claims registered and not settled (excluding provision for IBNR / IBNER and claims relating to inward re-insurance from terrorism pool and the Indian Motor Third Party Insurance Pool) is given in Annexure II to this Report.
10. We certify that the values, as shown in the Balance Sheet, of the investments which consists of fixed income securities, equity shares and mutual fund units that have been valued as per accounting policies prescribed by IRDA. For fixed income securities, the market value is based on procedure issued by Fixed Income and Money Market and Derivative Dealers Association (FIMMDA). The investments in the

Mutual Funds are valued at the Net Asset Values (NAV) of these Mutual Funds as on the Balance Sheet date, if any. Investment property is measured at historical cost less accumulated depreciation and impairment loss if any.

11. Most of the Company's investments are in fixed income securities and deposits. The fixed income securities are mainly approved Government securities and bonds rated AA and above. The primary aim while investing is to generate adequate return while minimizing risk. The emphasis is also on the liquidity of investments to ensure that the Company meets all outgoings related to Claims and other operations. The Company monitors the cash position daily and seasonal liquidity needs are considered while planning maturities of investments. Most of the investments are in fixed income securities in the form of Government of India securities or Corporate Bonds with strong credit rating. None of the fixed income investments have had any delays in servicing of interest or principal amounts. Based on the past track record, the Management has reasonable confidence in the quality and expected performance of the investments, in line with the objectives.
12. The Management of Bajaj Allianz General Insurance Company Limited certifies that:
 - a) The financial statements of Bajaj Allianz General Insurance Company Limited have been prepared in accordance with the applicable accounting standards and principles and policies with no material departures;
 - b) The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the operating profit and of the profit of the Company for the year;
 - c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) and Companies Act, 1956 (1 of 1956), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d) The financial statements have been prepared on a going concern basis;
 - e) The management has set up an internal audit system commensurate with the size and nature of the business and the same was operational throughout the year.
13. The schedule of payments, which have been made to individuals, firms, companies and organizations in which the Directors of the insurer are interested is given as Annexure III.

For and on behalf of the Board of Directors

Sanjiv Bajaj
Director

Heinz Dollberg
Director

Sanjay Asher
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

Hemant Kaul
Managing Director &
Chief Executive Officer

S. H. Khan
Director

Manu Tandon
Director

S Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
7th May 2010

Annexure I: Average Claims Settlement Time during preceding 5 years

Line of Business	2005-06		2006-07		2007-08		2008-09		2009-10	
	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)
Fire	4,941	63	5,705	82	5,821	91	6,182	107	5,992	95
Marine	6,958	37	10,465	43	8,457	59	7,053	84	8,530	73
Motor OD	152,306	21	198,797	23	269,229	24	329,283	24	362,481	23
Health	29,156	18	52,273	92	64,469	19	77,742	21	99,648	35
Others	9,056	44	12,048	38	16,342	88	35,052	65	11,364	81
Weighted	202,417	23	279,288	38	364,318	28	455,312	29	488,015	28
Average										

Note: The above analysis doesn't include Motor Third party claims, typically settled through MACT and other judicial forums.

Annexure II: Ageing analysis of Claims registered and not settled

As at 31st March 2006

Amt in Rs. Lacs

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Others		Total	
	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
0-30 days	149	477	401	332	4793	980	708	2323	1406	380	885	1018	8342	5511
31 days-6 months	226	1912	412	422	1729	903	1341	1529	577	182	882	1259	5167	6207
6 months to 1 year	182	105	126	139	316	194	963	1203	55	43	333	791	1975	2475
1 year to 5 years	35	129	54	172	80	53	1451	2064	20	10	177	354	1817	2782
> 5 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-

As at 31st March 2007

Amt in Rs. Lacs

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Others		Total	
	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
0-30 days	151	657	403	590	4795	1171	1162	2949	1453	502	1014	802	8978	6670
31 days-6 months	221	1370	545	851	2717	1341	2705	3952	435	230	1753	1697	8376	9440
6 months to 1 year	138	823	209	426	414	229	2578	3609	70	85	1094	1164	4503	6337
1 year to 5 years	98	435	85	322	169	104	2856	4068	23	50	421	894	3652	5873
> 5 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-

As at 31st March 2008

Amt in Rs. Lacs

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Others		Total	
	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
0-30 days	166	693	320	466	5191	2202	1261	1117	2227	702	1266	1031	10431	6213
31 days-6 months	286	1447	580	1099	3544	2886	5604	6301	849	428	2238	2298	13101	14458
6 months to 1 year	232	1221	201	377	532	542	4197	5718	124	361	1542	2064	6828	10282
1 year to 5 years	148	834	129	493	321	292	6258	9540	89	119	736	1229	7681	12507
> 5 years	-	-	-	-	3	4	63	136	1	1	1	-	68	140

As at 31st March 2009

Amt in Rs. Lacs

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Others		Total	
	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
0-30 days	161	2499	282	594	4590	2532	2526	1286	2382	876	1407	1337	11348	9125
31 days-6 months	204	2137	442	1463	2439	3839	8761	5081	732	312	1904	2510	14782	15342
6 months to 1 year	128	1545	177	707	417	800	7288	5468	181	81	730	1487	8921	10088
1 year to 5 years	175	1028	101	435	630	643	12201	15112	161	384	1886	2926	15154	20528
> 5 years	-	-	2	1	9	9	242	378	1	1	5	6	259	395

As at 31st March 2010

Amt in Rs. Lacs

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Others		Total	
	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
0 - 30 Days	142	811	358	502	4357	2593	1834	976	2026	824	1008	1176	9725	6882
31 days-6 months	233	2596	392	1556	2194	3138	9072	4350	943	454	1347	1960	14181	14054
6 months to 1 Year	99	1128	118	738	350	878	9634	4911	235	987	761	1019	11197	9661
1 year to 5 Year	190	1876	101	880	854	971	22317	21316	173	248	2212	3579	25847	28871
> 5 year	8	114	21	40	22	17	567	825	6	2	23	57	647	1054

Annexure III:

Particulars of Payments made to entities where Directors are interested:

Amt in Rs. Lacs

Sr No	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year	
1	Bajaj Finserv Ltd	Rahul Bajaj Sanjiv Bajaj S H Khan	Director Director Director	Rent Rent Deposit Payments for common area Insurance premiums received Insurance claims paid	149 53 89 12 0.37
2	Bajaj Auto Limited	Rahul Bajaj Niraj Bajaj Sanjiv Bajaj	Director Director Director	Insurance premiums received Insurance claims paid Other expenses	695 775 11
3	Bajaj Holdings & Investments Ltd	Rahul Bajaj Sanjiv Bajaj S H Khan	Director Director Director	Insurance premiums received	0.34
4	Bajaj Allianz Financial Distributors Ltd	Ranjit Gupta Heinz Dollberg Kamesh Goyal	Director Director Director	Insurance premiums received Insurance claims paid Manpower supply charges Insurance Commission paid Billable expenses	5 5 5,396 170 (155)
5	Bajaj Electricals Ltd	Rahul Bajaj Niraj Bajaj	Shareholding exceeds 2% Shareholding exceeds 2%	Insurance premium received Insurance claims paid	151 44
6	Bajaj Auto Finance Ltd	Rahul Bajaj Dipak Poddar Sanjiv Bajaj	Director Director Director	Support charges Insurance premium received Insurance claims paid	3 19 4
7	Bajaj Allianz Life Insurance Company Limited	Rahul Bajaj Dr Werner Zedelius Sanjiv Bajaj Niraj Bajaj Heinz Dollberg Ranjit Gupta Sanjay Asher Suraj Mehta S H Khan Manu Tandon Kamesh Goyal	Director Director Director Director Director Director Director Director Director Director Director	Insurance premium received from Bajaj Life Insurance claims paid to Bajaj Life Billable expenses in between Insurance premium Paid from Bajaj Life Insurance claims Received to Bajaj Life	58 35 (203) 48,818 1,596
8	Mukand Engineers Ltd	Niraj Bajaj	Director	Insurance premium received Insurance claims paid	29 5
9	Mukand Ltd	Rahul Bajaj Sanjiv Bajaj Niraj Bajaj	Director Relative is a Director Director	Insurance premium received Insurance claims paid	247 158
10	Mukund Bekaert wire Industries Pvt. Ltd.	Niraj Bajaj	Niraj Bajaj	Insurance premium received	0.10
11	Hind Musafir Agency Limited	Rahul Bajaj Niraj Bajaj Sanjiv Bajaj	Shareholding exceeds 2% Shareholding exceeds 2% Relative is a Director	Travel Agency services Insurance premiums received	215 0.30
12	Allianz CP General Insurance Co. Ltd.	Don Nguyen	Director	Premium on re-insurance Commission on re-insurance Insurance claims paid Deposits with ceding company Income from Software consultancy	(162) 16 446 (69) (36)
13	Allianz Insurance Management Asia Pacific Pte Ltd.	Dr Werner Zedelius	Director	Billable expenses	0.10

Revenue Accounts

Revenue accounts for the year ended 31st March, 2010

Particulars	Schedule	For the year	
		Fire	Marine
Premiums earned - (Net)	1	1,184,691	564,268
Profit / (Loss) on sale/redemption of Investments (Net)		6,726	2,072
Other Income - Miscellaneous Income*		16,489	1,702
Provisions no Longer required Written Back		483	203
Amortisation of Discount/(Premium)		(3,136)	(966)
Interest, Dividend & Rent-Gross		161,699	49,802
Sub Total		182,261	52,813
Total (A)		1,366,952	617,081
Claims incurred (Net)	2	687,735	457,659
Commission	3	(157,352)	34,939
Contribution to Solatium Fund		-	-
Change in Premium Deficiency		-	-
Operating Expenses related to Insurance Business	4	440,174	151,236
Total (B)		970,557	643,834
OPERATING PROFIT/(LOSS) (C)=(A)-(B)		396,395	(26,753)
Appropriations			
Transfer to Shareholders' Account		396,395	(26,753)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves (to be specified)		-	-
Total(C)		396,395	(26,753)
Significant Accounting Policies & Notes to Financial Statements	16		

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

* Included in Miscellaneous line of business, share of Investment income from the Indian Motor Third Party Insurance Pool Rupees 347,903 thousands (Previous year Rupees 247,311 thousands)

As required by Section 40C of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of General Insurance business transactions in India by the Company have been fully recognised in the revenue account as expenses.

As per our report of even date attached

For SR Batliboi & Co.
Firm Registration Number
301003E
Chartered Accountants

For and on behalf of Dalal & Shah
Firm Registration Number
102021W
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102
Mumbai

Anish P. Amin
Partner
Membership No. 40451
Mumbai

Place: Mumbai
Date: 7th May 2010

Rupees ('000)

ended 31st March, 2010		For the year ended 31st March, 2009			
Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
17,093,060	18,842,019	1,158,796	547,597	17,206,316	18,912,709
60,748	69,546	11,889	4,143	107,027	123,059
353,989	372,180	3,449	1,758	263,526	268,733
7,512	8,198	63	26	1,188	1,277
(28,322)	(32,424)	4,311	1,502	38,804	44,617
1,460,571	1,672,072	144,103	50,208	1,297,201	1,491,512
1,854,498	2,089,572	163,815	57,637	1,707,746	1,929,198
18,947,558	20,931,591	1,322,611	605,234	18,914,062	20,841,907
12,720,294	13,865,688	726,326	509,837	12,363,015	13,599,178
440,094	317,681	(182,018)	39,514	380,279	237,775
14,458	14,458	-	-	17,210	17,210
21,230	21,230	-	-	35,396	35,396
4,893,731	5,485,141	480,298	163,747	5,344,253	5,988,298
18,089,807	19,704,198	1,024,606	713,098	18,140,153	19,877,857
857,751	1,227,393	298,005	(107,864)	773,909	964,050
857,751	1,227,393	298,005	(107,864)	773,909	964,050
-	-	-	-	-	-
-	-	-	-	-	-
857,751	1,227,393	298,005	(107,864)	773,909	964,050

For and on behalf of the Board of Directors

Sanjiv Bajaj
Director

Heinz Dollberg
Director

Sanjay Asher
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

Hemant Kaul
Managing Director
& Chief Executive Officer

S. H. Khan
Director

Manu Tandon
Director

S. Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
7th May 2010

Profit and Loss Account for the year ended 31st March, 2010

Rupees ('000)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Operating Profit/(Loss), as per Revenue Accounts of		
(a) Fire Insurance Business	396,395	298,005
(b) Marine Insurance Business	(26,753)	(107,864)
(c) Miscellaneous Insurance Business	857,751	773,909
	1,227,393	964,050
Income From Investments		
(a) Interest, Dividends and Rent -Gross	565,028	492,334
(b) Amortisation of Discount/(Premium)	(10,957)	14,728
(c) Profit on sale/redemption of investments	26,963	81,219
Less:- (Loss) on sale/redemption of investments	(3,462)	(40,599)
	577,572	547,682
Other Income -Miscellaneous Income	21,113	30,604
Total(A)	1,826,078	1,542,336
Provisions (Other than taxation)		
(a) For diminution in the value of investments	-	-
(b) For doubtful debts	3,138	16,899
(c) Others (to be specified)	-	-
Other Expenses		
(a) Expenses other than those directly related to the insurance business	16,701	27,732
(b) Bad debts written off	8,198	-
(c) Preliminary Expenses written off	-	-
	28,037	44,631
Total (B)	28,037	44,631
Profit before tax	1,798,041	1,497,705
Provision for taxation		
Current Tax	816,163	
Fringe Benefit Tax	-	
Deferred Tax expense (Refer schedule 16 Note 18)	(226,400)	
	589,763	546,136
Profit after tax	1,208,278	951,569
Profit available for appropriation	1,208,278	951,569
Appropriations		
(a) Interim dividends paid during the year	-	-
(b) Proposed final dividend	-	-
(c) Dividend distribution on tax	-	-
(d) Transfer to reserve/other accounts (to be specified)	-	-
Balance of Profit brought forward last year	3,956,249	3,004,680
Balance carried forward to Balance Sheet	5,164,527	3,956,249
Significant Accounting Policies & Notes to Financial Statements	16	
Earning per Share: Basic (Refer Schedule 16 Note 17)	10.96	8.63

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

As per our report of even date attached

For and on behalf of the Board of Directors

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

For and on behalf of Dalal &Shah
Firm Registration
Number 102021W
Chartered Accountants

Sanjiv Bajaj
Director

Heinz Dollberg
Director

Sanjay Asher
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

Hemant Kaul
Managing Director
& Chief Executive Officer

per Shrawan Jalan
Partner
Membership No. 102102
Mumbai

Anish.P.Amin
Partner
Membership No. 40451
Mumbai

S. H. Khan
Director

Manu Tandon
Director

S.Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Mumbai
7th May 2010

Pune
7th May 2010

Balance Sheet as at 31st March, 2010

Rupees ('000)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholders' funds :			
Share Capital	5	1,102,273	1,102,273
Reserves and Surplus	6	6,830,724	5,622,446
Fair Value Change Account		(5,094)	-
Borrowings	7	-	-
Total		7,927,903	6,724,719
APPLICATION OF FUNDS			
Investments	8	25,314,595	21,937,504
Loans	9	-	-
Fixed Assets	10		
Gross Block (Refer schedule 16 Note 2.14)		2,496,177	1,556,866
Less:- Accumulated Depreciation		1,227,583	1,038,900
Net Block		1,268,594	517,966
Capital Work In Progress including Capital advances		264,964	767,460
		1,533,558	1,285,426
Deferred Tax Asset (Refer schedule 16 Note 18)		378,480	152,080
Current Assets			
Cash and Bank Balances	11	2,964,880	2,849,009
Advances and Other Assets	12	7,132,312	5,446,286
Sub-Total (A)		10,097,192	8,295,295
Current Liabilities	13	18,064,657	14,495,261
Provisions	14	11,331,265	10,450,325
Sub-Total (B)		29,395,922	24,945,586
Net Current Assets (C) = (A - B)		(19,298,730)	(16,650,291)
Miscellaneous Expenditure	15	-	-
(to the extent not written off or adjusted)			
Debit Balance in Profit and Loss Account		-	-
Total		7,927,903	6,724,719
Significant Accounting Policies & Notes to Financial Statements	16		

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

As per our report of even date attached

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

per Shrawan Jalan
Partner
Membership No. 102102
Mumbai

Mumbai
7th May 2010

For and on behalf of Dalal & Shah
Firm Registration
Number 102021W
Chartered Accountants

Anish.P.Amin
Partner
Membership No. 40451
Mumbai

For and on behalf of the Board of Directors

Sanjiv Bajaj
Director

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Alternate Director

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Hemant Kaul
Managing Director
& Chief Executive Officer

S.Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
7th May 2010

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to
Balance Sheet as at 31st March, 2010

SCHEDULE - 1 Premium Earned (Net)

Particulars	For the year ended 31st March, 2010			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Premium from Direct Business written:	2,400,564	681,318	58,038	21,683,425
Add: Premium on Reinsurance Accepted	213,158	2,702	5,491	2,204,178
Less: Premium on reinsurance ceded	1,423,568	180,170	34,536	5,893,887
Net Premium	1,190,154	503,850	28,993	17,993,716
Adjustment for Change in Unexpired Risk Reserve				
Reserve created during the year	860,654	251,913	28,994	10,043,293
Less: Reserve created during the previous year Written Back	855,191	287,922	24,410	9,142,637
Change in the Unexpired Risk Reserve	5,463	(36,009)	4,584	900,656
Total Premium Earned (Net)	1,184,691	539,859	24,409	17,093,060
Note : Premium Income earned from business concluded:				
In India	1,184,691	539,859	24,409	17,093,060
Outside India	-	-	-	-
Total Premium Earned (Net)	1,184,691	539,859	24,409	17,093,060

*Refer Schedule 1(A)

Rupees ('000)

Total	For the year ended 31st March, 2009				Total
	Fire	Marine		Miscellaneous*	
		Cargo	Others		
24,823,345	2,530,636	742,525	139,199	22,780,563	26,192,923
2,425,529	147,531	1,193	12,492	2,307,732	2,468,948
7,532,161	1,413,089	167,874	127,281	6,887,757	8,596,001
19,716,713	1,265,078	575,844	24,410	18,200,538	20,065,870
11,184,854	855,191	287,922	24,410	9,142,637	10,310,160
10,310,160	748,909	238,806	20,869	8,148,415	9,156,999
874,694	106,282	49,116	3,541	994,222	1,153,161
18,842,019	1,158,796	526,728	20,869	17,206,316	18,912,709
18,842,019	1,158,796	526,728	20,869	17,206,316	18,912,709
-	-	-	-	-	-
18,842,019	1,158,796	526,728	20,869	17,206,316	18,912,709

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE - 1 (A) Premium Earned (Net)

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens' Compensation
Premium from Direct Business:	10,518,667	3,936,881	-	14,455,548	178,687
Add: Premium on Reinsurance Accepted	-	-	2,094,312	2,094,312	-
Less: Premium on reinsurance Ceded	1,134,176	2,225,700	-	3,359,876	19,748
Net Premium	9,384,491	1,711,181	2,094,312	13,189,984	158,939
Adjustment for Change in Unexpired Risk Reserve					
Reserve created during the year	4,999,507	870,582	1,047,156	6,917,245	64,278
Less: Reserve created during the previous year Written Back	4,467,704	727,012	1,085,293	6,280,009	54,498
Change in the Unexpired Risk Reserve	531,803	143,570	(38,137)	637,236	9,780
Total Premium Earned (Net)	8,852,688	1,567,611	2,132,449	12,552,748	149,159
Note : Premium Income earned from business concluded:					
In India	8,852,688	1,567,611	2,132,449	12,552,748	149,159
Outside India	-	-	-	-	-
Total Premium Earned (Net)	8,852,688	1,567,611	2,132,449	12,552,748	149,159

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens' Compensation
Premium from Direct Business:	10,631,284	4,402,661	-	15,033,945	175,416
Add: Premium on Reinsurance Accepted	-	-	2,170,586	2,170,586	-
Less: Premium on reinsurance Ceded	1,121,484	2,925,066	-	4,046,550	27,971
Net Premium	9,509,800	1,477,595	2,170,586	13,157,981	147,445
Adjustment for Change in Unexpired Risk Reserve					
Reserve created during the year	4,467,704	727,012	1,085,293	6,280,009	54,498
Less: Reserve created during the previous year Written Back	4,370,011	842,385	867,823	6,080,219	53,170
Change in the Unexpired Risk Reserve	97,693	(115,373)	217,470	199,790	1,328
Total Premium Earned (Net)	9,412,107	1,592,968	1,953,116	12,958,191	146,117
Note : Premium Income earned from business concluded:					
In India	9,412,107	1,592,968	1,953,116	12,958,191	146,117
Outside India	-	-	-	-	-
Total Premium Earned (Net)	9,412,107	1,592,968	1,953,116	12,958,191	146,117

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.18 (ii))

Rupees ('000)

For the year ended 31st March, 2010

Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
138,769	914,913	284,403	527,320	2,955,487	2,228,298	21,683,425
712	89,858	1,822	-	-	17,474	2,204,178
78,561	782,010	278,457	119,184	348,040	908,011	5,893,887
60,920	222,761	7,768	408,136	2,607,447	1,337,761	17,993,716
32,552	126,225	7,560	413,799	1,337,172	1,144,462	10,043,293
28,623	133,641	11,826	335,791	1,315,101	983,148	9,142,637
3,929	(7,416)	(4,266)	78,008	22,071	161,314	900,656
56,991	230,177	12,034	330,128	2,585,376	1,176,447	17,093,060
56,991	230,177	12,034	330,128	2,585,376	1,176,447	17,093,060
-	-	-	-	-	-	-
56,991	230,177	12,034	330,128	2,585,376	1,176,447	17,093,060

Rupees ('000)

For the year ended 31st March, 2009

Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
176,685	1,132,644	251,056	663,895	3,334,296	2,012,626	22,780,563
660	130,148	249	-	-	6,089	2,307,732
128,765	1,006,255	269,097	137,562	433,312	838,245	6,887,757
48,580	256,537	(17,792)	526,333	2,900,984	1,180,470	18,200,538
28,623	133,641	11,826	335,791	1,315,101	983,148	9,142,637
31,058	148,425	13,605	189,396	726,231	906,311	8,148,415
(2,435)	(14,784)	(1,779)	146,395	588,870	76,837	994,222
51,015	271,321	(16,013)	379,938	2,312,114	1,103,633	17,206,316
51,015	271,321	(16,013)	379,938	2,312,114	1,103,633	17,206,316
-	-	-	-	-	-	-
51,015	271,321	(16,013)	379,938	2,312,114	1,103,633	17,206,316

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to
Balance Sheet as at 31st March, 2010

SCHEDULE - 2 Claims Incurred (Net)

Particulars	For the year ended 31st March, 2010			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Claims Paid				
Direct	1,677,887	485,665	31,635	13,239,807
Add: Re-insurance accepted	118,741	2,934	584	662,692
Less: Re-insurance Ceded	1,151,394	107,134	14,901	4,307,147
Net Claims paid	645,234	381,465	17,318	9,595,352
Claims Outstanding (including IBNR & IBNER)				
Add : Claims Outstanding at the close of the year (net of Re-insurance)	761,993	378,844	93,678	13,398,474
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	719,492	382,098	31,548	10,273,532
Change in Claims Outstanding	42,501	(3,254)	62,130	3,124,942
Total Claims Incurred (Net)	687,735	378,211	79,448	12,720,294
Claims incurred				
In India	687,735	378,211	79,448	12,720,294
Outside India	-	-	-	
Total Claims Incurred (Net)	687,735	378,211	79,448	12,720,294

*Refer Schedule 2(A)

Rupees ('000)

Total	For the year ended 31st March, 2009				Total
	Fire	Marine		Miscellaneous*	
		Cargo	Others		
15,434,994	1,293,541	461,127	94,512	10,768,775	12,617,955
784,951	24,087	9,602	2,314	198,015	234,018
5,580,576	811,233	158,223	76,306	2,445,577	3,491,339
10,639,369	506,395	312,506	20,520	8,521,213	9,360,634
14,632,989	719,492	382,098	31,548	10,273,532	11,406,670
11,406,670	499,561	198,693	38,142	6,431,730	7,168,126
3,226,319	219,931	183,405	(6,594)	3,841,802	4,238,544
13,865,688	726,326	495,911	13,926	12,363,015	13,599,178
13,865,688	726,326	495,911	13,926	12,363,015	13,599,178
13,865,688	726,326	495,911	13,926	12,363,015	13,599,178

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE - 2(A) Claims Incurred (Net)

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens' Compensation /Employers' Liability
Claims Paid					
Direct	6,222,921	1,751,842	-	7,974,763	50,692
Add: Re-insurance Accepted	-	-	658,847	658,847	-
Less: Re-insurance Ceded	730,462	1,019,470	-	1,749,932	10,103
Net Claims paid	5,492,459	732,372	658,847	6,883,678	40,589
Claims Outstanding (including IBNR & IBNER)					
Add : Claims Outstanding at the close of the year (net of Re-insurance)	1,031,420	4,936,161	5,533,566	11,501,147	91,190
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	1,018,250	4,213,812	3,389,759	8,621,821	74,570
Change in Claims Outstanding	13,170	722,349	2,143,807	2,879,326	16,620
Total Claims Incurred (Net)	5,505,629	1,454,721	2,802,654	9,763,004	57,209
Claims incurred					
In India	5,505,629	1,454,721	2,802,654	9,763,004	57,209
Outside India	-	-	-	-	-
Total Claims Incurred (Net)	5,505,629	1,454,721	2,802,654	9,763,004	57,209

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens' Compensation /Employers' Liability
Claims Paid					
Direct	6,061,054	944,682	-	7,005,736	50,573
Add: Re-insurance Accepted	-	-	129,681	129,681	-
Less: Re-insurance Ceded	847,016	390,418	-	1,237,434	7,734
Net Claims paid	5,214,038	554,264	129,681	5,897,983	42,839
Claims Outstanding (including IBNR & IBNER)					
Add : Claims Outstanding at the close of the year (net of Re-insurance)	1,018,250	4,213,812	3,389,759	8,621,821	74,570
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	733,674	3,375,839	1,058,744	5,168,257	71,642
Change in Claims Outstanding	284,576	837,973	2,331,015	3,453,564	2,928
Total Claims Incurred (Net)	5,498,614	1,392,237	2,460,696	9,351,547	45,767
Claims incurred					
In India	5,498,614	1,392,237	2,460,696	9,351,547	45,767
Outside India	-	-	-	-	-
Total Claims Incurred (Net)	5,498,614	1,392,237	2,460,696	9,351,547	45,767

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.18 (ii))

Rupees ('000)

For the year ended 31st March, 2010

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
12,158	379,222	361,186	370,450	1,906,628	2,184,708	13,239,807
-	3,845	-	-	-	-	662,692
5,730	285,225	346,881	64,002	216,081	1,629,193	4,307,147
6,428	97,842	14,305	306,448	1,690,547	555,515	9,595,352
64,162	233,856	21,855	271,503	503,489	711,272	13,398,474
71,832	238,120	22,520	182,922	400,887	660,860	10,273,532
(7,670)	(4,264)	(665)	88,581	102,602	50,412	3,124,942
(1,242)	93,578	13,640	395,029	1,793,149	605,927	12,720,294
(1,242)	93,578	13,640	395,029	1,793,149	605,927	12,720,294
-	-	-	-	-	-	-
(1,242)	93,578	13,640	395,029	1,793,149	605,927	12,720,294

Rupees ('000)

For the year ended 31st March, 2009

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
2,668	451,100	333,446	343,433	1,960,579	621,240	10,768,775
-	68,334	-	-	-	-	198,015
1,241	393,121	308,401	71,400	264,650	161,596	2,445,577
1,427	126,313	25,045	272,033	1,695,929	459,644	8,521,213
71,832	238,120	22,520	182,922	400,887	660,860	10,273,532
27,627	133,135	7,370	111,389	292,952	619,358	6,431,730
44,205	104,985	15,150	71,533	107,935	41,502	3,841,802
45,632	231,298	40,195	343,566	1,803,864	501,146	12,363,015
45,632	231,298	40,195	343,566	1,803,864	501,146	12,363,015
-	-	-	-	-	-	-
45,632	231,298	40,195	343,566	1,803,864	501,146	12,363,015

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to
 Balance Sheet as at 31st March, 2010

SCHEDULE - 3 Commission Expenses

Particulars	For the year ended 31st March, 2010			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Commission Paid direct	139,604	54,005	2,586	1,141,030
Add: Re-insurance Accepted	14,316	328	60	226,095
Less: Commission on Re-insurance Ceded	311,272	18,251	3,789	927,031
Net Commission	(157,352)	36,082	(1,143)	440,094
Break-up of commission paid direct business furnished as per details below				
Agents	41,512	29,214	1,402	515,205
Brokers	35,718	17,782	875	208,141
Corporate Agency	62,374	7,009	309	417,684
Referral	-	-	-	-
Others	-	-	-	-
Total	139,604	54,005	2,586	1,141,030
Commission Paid				
In India	(157,352)	36,082	(1,143)	440,094
Outside India	-	-	-	-
Net Commission	(157,352)	36,082	(1,143)	440,094

* Refer Schedule 3(A)

Rupees ('000)

Total	For the year ended 31st March, 2009				Total
	Fire	Marine		Miscellaneous*	
		Cargo	Others		
1,337,225	151,900	68,312	4,108	1,314,228	1,538,548
240,799	15,126	-	848	237,348	253,322
1,260,343	349,044	23,093	10,661	1,171,297	1,554,095
317,681	(182,018)	45,219	(5,705)	380,279	237,775
587,333	61,651	36,712	1,069	643,362	742,794
262,516	37,903	21,675	2,599	281,901	344,078
487,376	52,346	9,925	440	388,965	451,676
-	-	-	-	-	-
-	-	-	-	-	-
1,337,225	151,900	68,312	4,108	1,314,228	1,538,548
317,681	(182,018)	45,219	(5,705)	380,279	237,775
-	-	-	-	-	-
317,681	(182,018)	45,219	(5,705)	380,279	237,775

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE - 3 (A) Commission Expenses

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens' Compensation /Employers' Liability
Commission Paid direct	572,887	-	-	572,887	13,408
Add: Re-insurance Accepted	-	-	209,431	209,431	-
Less: Commission on Re-insurance Ceded	263,777	246,561	-	510,338	7,199
Net Commission	309,110	(246,561)	209,431	271,980	6,209
Commission Paid					
In India	309,110	(246,561)	209,431	271,980	6,209
Outside India	-	-	-	-	-
Net Commission	309,110	(246,561)	209,431	271,980	6,209

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens' /Employers' Liability
Commission Paid direct	649,245	-	-	649,245	13,551
Add: Re-insurance Accepted	-	-	217,059	217,059	-
Less: Commission on Re-insurance Ceded	284,169	329,304	-	613,473	7,103
Net Commission	365,076	(329,304)	217,059	252,831	6,448
Commission Paid					
In India	365,076	(329,304)	217,059	252,831	6,448
Outside India	-	-	-	-	-
Net Commission	365,076	(329,304)	217,059	252,831	6,448

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.18 (ii))

Rupees ('000)

For the year ended 31st March, 2010

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
10,979	39,609	2,585	58,972	266,284	176,306	1,141,030
577	11,770	443	-	-	3,874	226,095
11,631	202,195	5,532	17,015	63,525	109,596	927,031
(75)	(150,816)	(2,504)	41,957	202,759	70,584	440,094
(75)	(150,816)	(2,504)	41,957	202,759	70,584	440,094
-	-	-	-	-	-	-
(75)	(150,816)	(2,504)	41,957	202,759	70,584	440,094

Rupees ('000)

For the year ended 31st March, 2009

Public/ Compensation Liability	Engineering Product	Aviation	Personal	Health Accident	Others Insurance	Total
14,917	56,621	1,144	75,095	333,820	169,835	1,314,228
293	17,154	1,501	-	-	1,341	237,348
17,498	295,941	5,896	19,581	84,980	126,825	1,171,297
(2,288)	(222,166)	(3,251)	55,514	248,840	44,351	380,279
(2,288)	(222,166)	(3,251)	55,514	248,840	44,351	380,279
-	-	-	-	-	-	-
(2,288)	(222,166)	(3,251)	55,514	248,840	44,351	380,279

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to
Balance Sheet as at 31st March, 2010

SCHEDULE - 4 Operating Expenses

Particulars	For the year ended 31st March, 2010			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Employees' remuneration, benefits & other manpower costs	187,718	53,278	4,538	1,695,586
Travel, conveyance and vehicle running	12,032	3,415	291	108,683
Agent training	469	133	11	4,240
Rents, rates and taxes	24,013	6,815	581	216,898
Maintenance & repairs	2,353	668	57	21,251
Printing and stationery	5,710	2,385	9	88,736
Communication	14,058	3,990	340	126,979
Information technology	9,618	4,018	16	149,461
Legal and professional charges	5,630	1,598	136	50,858
Auditor's fees, expenses, etc.				
(a) as auditors	290	82	7	2,621
(b) as advisor or in any other capacity in respect of:				
(i) Taxation matters	220	62	5	1,988
(ii) Tax Audit	48	14	1	437
(iii) Management services	-	-	-	-
(c) In any other capacity	19	5	-	176
(d) Out of Pocket Expenses	100	28	2	899
Sub - Total	262,278	76,491	5,994	2,468,813
Advertisement and publicity	21,884	9,141	36	340,075
Interest and Bank Charges	2,332	662	56	21,063
Business Development and Promotion	17,349	4,924	419	156,712
Marketing and Support Services	91,850	38,367	152	1,427,323
Other Acquisition Costs	4,507	1,250	201	82,597
Others				
Exchange (gain) /loss	641	182	16	5,791
Miscellaneous Expenses	22,654	6,429	548	204,621
(Profit)/Loss on disposal of Assets	279	79	7	2,518
Sub - Total	161,496	61,034	1,435	2,240,700
Depreciation (Refer Schedule 16 Note 2.14)**	20,395	5,789	493	184,225
Service Tax Expenses	(3,995)	-	-	(7)
Total	440,174	143,314	7,922	4,893,731

* Refer Schedule 4(A)

** Includes depreciation on investment property amounting to Rupees 650 thousands (previous year Rupees 2,182 thousands)

Rupees ('000)

Total	For the year ended 31st March, 2009				Total
	Fire	Marine		Miscellaneous*	
		Cargo	Others		
1,941,120	213,613	62,677	11,750	1,922,934	2,210,974
124,421	13,107	3,846	721	117,988	135,662
4,853	1,302	382	72	11,723	13,479
248,307	27,747	8,141	1,526	249,775	287,189
24,329	2,756	809	152	24,804	28,521
96,840	6,206	2,521	13	117,303	126,043
145,367	18,159	5,328	999	163,466	187,952
163,113	8,339	3,387	17	157,633	169,376
58,222	7,600	2,230	418	68,414	78,662
3,000	222	65	12	2,001	2,300
2,275	159	47	9	1,434	1,649
500	31	9	2	283	325
-	-	-	-	-	-
200	1	-	-	12	13
1,029	63	19	3	571	656
2,813,576	299,305	89,461	15,694	2,838,341	3,242,801
371,136	25,470	10,345	53	481,429	517,297
24,113	2,651	778	146	23,862	27,437
179,404	14,197	1,121	20	191,233	206,571
1,557,692	66,141	26,865	138	1,250,198	1,343,342
88,555	4,827	1,071	617	108,939	115,454
6,630	(118)	(35)	(6)	(1,063)	(1,222)
234,252	24,517	7,194	1,349	220,704	253,764
2,883	(80)	(24)	(4)	(722)	(830)
2,464,665	137,605	47,315	2,313	2,274,580	2,461,813
210,902	25,729	7,549	1,415	231,612	266,305
(4,002)	17,659	-	-	(280)	17,379
5,485,141	480,298	144,325	19,422	5,344,253	5,988,298

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to
Balance Sheet as at 31st March, 2010

SCHEDULE - 4 (A) Operating Expenses

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens ' Compensation /Employers' Liability
Employees' remuneration, benefits & other manpower costs	822,533	307,853	-	1,130,386	13,973
Travel, Conveyance and Vehicle running	52,722	19,733	-	72,455	896
Agent Training	2,056	770	-	2,826	35
Rents, Rates and Taxes	105,218	39,380	-	144,598	1,787
Maintenance & Repairs	10,309	3,859	-	14,168	175
Printing and Stationery	40,643	15,212	-	55,855	258
Communication	61,598	23,055	-	84,653	1,046
Information Technology	68,458	25,622	-	94,080	434
Legal and Professional charges	24,671	9,234	-	33,905	419
Auditor's fees, expenses, etc.					
(a) as auditor	1,271	476	-	1,747	22
(b) as advisor or in any other capacity in respect of:					
(i) Taxation matters	964	361	-	1,325	16
(ii) Tax Audit	212	79	-	291	4
(iii) Management services	-	-	-	-	-
(c) In any other capacity	84	32	-	116	1
(d) Out of Pocket Expenses	436	163	-	599	7
Sub - Total	1,191,175	445,829	-	1,637,004	19,073
Advertisement and publicity	155,764	58,299	-	214,063	988
Interest and Bank Charges	10,218	3,824	-	14,042	174
Business Development and Promotion	76,021	28,453	-	104,474	1,291
Marketing and Support Services	653,757	244,686	-	898,443	4,147
Other Acquisition Costs	32,273	12,079	28,877	73,229	8
Others					
Exchange (gain) /loss	2,809	1,052	-	3,861	48
Miscellaneous Expenses	99,262	37,152	-	136,414	1,686
(Profit)/Loss on disposal of Assets	1,222	457	-	1,679	21
Sub - Total	1,031,326	386,002	28,877	1,446,205	8,363
Depreciation (Refer Schedule 16 Note 2.14)	89,368	33,448	-	122,816	1,518
Service Tax Expenses	(6)	(2)	-	(8)	-
Total	2,311,863	865,277	28,877	3,206,017	28,954

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.18 (ii))

Rupees ('000)

For the year ended 31st March, 2010

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
10,851	71,544	22,240	41,235	231,112	174,245	1,695,586
696	4,586	1,426	2,643	14,814	11,167	108,683
27	179	56	103	578	436	4,240
1,388	9,152	2,845	5,275	29,564	22,289	216,898
136	897	279	517	2,897	2,182	21,251
24	208	2	11,312	12,201	8,876	88,736
813	5,358	1,665	3,088	17,308	13,048	126,979
40	351	3	19,053	20,551	14,949	149,461
325	2,146	667	1,237	6,932	5,227	50,858
17	111	34	64	357	269	2,621
13	84	26	48	271	205	1,988
3	18	6	11	60	44	437
-	-	-	-	-	-	-
1	7	2	4	24	21	176
6	38	12	22	123	92	899
14,340	94,679	29,263	84,612	336,792	253,050	2,468,813
90	799	7	43,351	46,761	34,016	340,075
135	889	276	512	2,871	2,164	21,063
1,003	6,612	2,055	3,811	21,360	16,106	156,712
378	3,352	28	181,950	196,259	142,766	1,427,323
14	1,977	2,738	19	3,825	787	82,597
37	244	76	141	789	595	5,791
1,310	8,634	2,684	4,976	27,890	21,027	204,621
16	106	33	61	343	259	2,518
2,983	22,613	7,897	234,821	300,098	217,720	2,240,700
1,179	7,773	2,416	4,480	25,110	18,933	184,225
-	-	-	-	-	1	(7)
18,502	125,065	39,576	323,913	662,000	489,704	4,893,731

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to
Balance Sheet as at 31st March, 2010

SCHEDULE - 4 (A) Operating Expenses

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens ' Compensation /Employers' Liability
Employees' remuneration, benefits & other manpower costs	897,399	371,633	-	1,269,032	14,807
Travel, Conveyance and Vehicle running	55,063	22,803	-	77,866	909
Agent Training	5,471	2,266	-	7,737	90
Rents, Rates and Taxes	116,566	48,272	-	164,838	1,923
Maintenance & Repairs	11,576	4,794	-	16,370	191
Printing and Stationery	41,800	17,311	-	59,111	241
Communication	76,287	31,592	-	107,879	1,259
Information Technology	56,172	23,262	-	79,434	324
Legal and Professional charges	31,928	13,222	-	45,150	527
Auditor's fees, expenses, etc.					
(a) as auditor	933	387	-	1,320	15
(b) as advisor or in any other capacity in respect of:					
(i) Taxation matters	669	277	-	946	11
(ii) Tax Audit	132	55	-	187	2
(iii) Management services	-	-	-	-	-
(c) In any other capacity	5	2	-	7	-
(d) Out of Pocket Expenses	267	110	-	377	4
Sub - Total	1,294,268	535,986	-	1,830,254	20,303
Advertisement and publicity	171,556	71,045	-	242,601	989
Interest and Bank Charges	11,136	4,612	-	15,748	184
Business Development and Promotion	79,411	32,886	-	112,297	613
Marketing and Support Services	445,504	184,494	-	629,998	2,568
Other Acquisition Costs	30,607	12,675	54,265	97,547	7
Others					
Exchange (gain) /loss	(496)	(205)	-	(701)	(8)
Miscellaneous Expenses	102,998	42,654	-	145,652	1,699
Profit/(Loss) on disposal of Assets	(337)	(139)	-	(476)	(6)
Sub - Total	840,379	348,022	54,265	1,242,666	6,046
Depreciation (Refer Schedule 16 Note 2.14)	108,089	44,762	-	152,851	1,783
Service Tax Expenses	(83)	(34)	-	(117)	-
Total	2,242,653	928,736	54,265	3,225,654	28,132

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.18 (ii))

Rupees ('000)

For the year ended 31st March, 2009

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
14,915	95,608	21,192	56,040	281,452	169,888	1,922,934
915	5,866	1,300	3,439	17,269	10,424	117,988
91	583	129	342	1,716	1,035	11,723
1,937	12,419	2,753	7,279	36,558	22,068	249,775
192	1,233	273	723	3,631	2,191	24,804
25	272	3	23,188	16,160	18,303	117,303
1,268	8,127	1,801	4,764	23,926	14,442	163,466
34	365	4	31,161	21,716	24,595	157,633
531	3,402	754	1,994	10,013	6,043	68,414
16	99	22	58	293	178	2,001
11	71	16	42	210	127	1,434
2	14	3	8	41	26	283
-	-	-	-	-	-	-
-	1	-	-	2	2	12
4	28	6	17	84	51	571
19,941	128,088	28,256	129,055	413,071	269,373	2,838,341
103	1,116	13	95,168	66,325	75,114	481,429
185	1,186	263	695	3,493	2,108	23,862
19	1,922	-	13,901	18,604	43,877	191,233
269	2,898	33	247,138	172,235	195,059	1,250,198
38	1,959	2,504	21	5,940	923	108,939
(8)	(53)	(12)	(31)	(156)	(94)	(1,063)
1,712	10,973	2,432	6,432	32,303	19,501	220,704
(6)	(36)	(8)	(21)	(106)	(63)	(722)
2,312	19,965	5,225	363,303	298,638	336,425	2,274,580
1,796	11,516	2,553	6,750	33,900	20,463	231,612
-	(163)	-	-	-	-	(280)
24,049	159,406	36,034	499,108	745,609	626,261	5,344,253

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE - 5 Share Capital

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Authorised Capital		
125,000,000 Equity shares of Rs 10 each	1,250,000	1,250,000
Issued Capital		
110,227,250 Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
Subscribed Capital		
110,227,250 Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
Called-up Capital		
110,227,250 Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
Less: Calls unpaid	-	-
Add : Shares forfeited (Amount originally paidup)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses to the extent not written off	-	-
Expenses including commission or brokerage on underwriting or subscription of shares		
Total	1,102,273	1,102,273

SCHEDULE - 5A Share Capital / Pattern of Shareholding

(As certified by the Management)

Rupees ('000)

Shareholder	As at 31st March, 2010		As at 31st March, 2009	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian				
Bajaj Finserv Limited	81,568,165	74.00%	81,568,165	74.00%
Foreign				
Allianz SE	28,659,085	26.00%	28,659,085	26.00%
Others	-	-	-	-
Total	110,227,250	100.00%	110,227,250	100.00%

SCHEDULE - 6 Reserves and Surplus

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium		
Opening balance	1,666,197	1,666,197
Share premium received during the year	-	-
General Reserves		
Less: Debit balance in Profit and Loss Account, If any	-	-
Less: Amount utilised for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves (to be specified)	-	-
Balance in Profit and Loss Account	5,164,527	3,956,249
Total	6,830,724	5,622,446

SCHEDULE - 7 Borrowings

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Total	-	-

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE - 8 Investments

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Long Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	8,827,728	6,699,317
2 Other Approved Securities	-	-
3 Approved Investments		
(a) Shares	-	-
(aa) Equity Shares	-	-
Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	5,978,065	5,968,134
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Less : Accumulated depreciation	-	105,513
4 Investments in Infrastructure and Social Sector	6,582,269	5,015,010
5 Other Investments		
(a) Shares	33,044	-
Fair Value Change Accretion/(Diminution)	(5,094)	-
(b) Debenture/Bonds	27,950	-
	-	-
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	524,191	1,086,052
2 Other Approved Securities	-	-
3 Approved Investments		
(a) Shares		
(aa) Equity Shares	-	-
Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	2,378,290	2,511,420
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	996,102	552,058
5 Other Investments		
(a) Shares	-	-
(b) Mutual Funds	-	-
Fair Value Change Accretion/(Diminution)	-	-
(c) Debenture/Bonds	-	-
	-	-
Total	25,314,595	21,937,504
Investments		
In India	25,314,595	21,937,504
Outside India	-	-
Total	25,314,595	21,937,504

NOTES :

- 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 Rupees 115,338 thousands (Previous year Rupees 117,012 thousands) deposited with Standard Chartered Bank (Custodian).
- All the above investments are performing assets.
- Investments maturing within next 12 months are Rupees 3,898,583 thousands (Previous year Rupees 4,149,530 thousands).
- Investment other than Equities and Derivative instruments
Aggregate value of Investments as at 31st March, 2010 Rupees 25,285,632 thousands (Previous year Rupees 21,831,991 thousands)
Market value as at 31st March, 2010 Rupees 25,683,618 thousands (Previous year Rs 22,210,842 thousands)
- The investment in properties-real estate is Rupees Nil as at 31st March 2010 (Previous year Rupees 105,513 thousands).
- Value of contracts in relation to investments where deliveries are pending Rupees Nil (Previous year Rupees Nil) and in respect of sale of investments where payments are overdue Rupees Nil (Previous year Rupees Nil).

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE - 9 Loans

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
1 SECURITY-WISE CLASSIFICATION		
Secured		
a) On Mortgage of Property		
(aa) In India	-	-
(bb) Outside India	-	-
b) On Shares, Bonds, Govt. Securities	-	-
c) Others (to be specified)	-	-
Unsecured	-	-
Total	-	-
2 BORROWER-WISE CLASSIFICATION		
a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Industrial Undertakings	-	-
e) Others (to be specified)	-	-
Total	-	-
3 PERFORMANCE-WISE CLASSIFICATION		
a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	-	-
4 MATURITY-WISE CLASSIFICATION		
a) Short- Term	-	-
b) Long- Term	-	-
Total	-	-

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE 10 - Fixed Assets

Rupees ('000)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April 2009	Additions/ Adjustments during the year	Deductions/ Adjustments during the year*	As at 31st March, 2010	As at 01 April 2009	For the Year	On Sales/ Adjustments	As at 31st March, 2010	As at 31st March, 2010	As at 31st March 2009
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles -Computer										
Softwares	118,816	5,752	-	124,568	87,063	19,086	-	106,149	18,419	31,753
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	205,726	7,509	6,478	206,757	163,797	29,445	8,063	185,179	21,578	44,058
Freehold Improvements	10,566	-	-	10,566	5,962	1,883	(2,128)	9,973	593	2,475
Building**	158,863	845,000	-	1,003,863	13,450	6,809	-	20,259	983,604	145,413
Furniture & fixtures	253,653	32,545	7,042	279,156	183,657	31,172	5,418	209,411	69,745	69,996
Information Technology										
Equipment	585,404	57,345	4,117	638,632	467,646	87,617	3,996	551,267	87,365	117,758
Vehicles	16,526	3,828	6,369	13,985	6,683	3,189	4,138	5,734	8,251	9,843
Office Equipment	207,312	14,195	2,857	218,650	110,642	31,051	2,082	139,611	79,039	96,670
Others (specify nature)	-	-	-	-	-	-	-	-	-	-
Total	1,556,866	966,174	26,863	2,496,177	1,038,900	210,252	21,569	1,227,583	1,268,594	517,966
Capital work-in-progress & advances									264,964	767,460
Grand Total	1,556,866	966,174	26,863	2,496,177	1,038,900	210,252	21,569	1,227,583	1,533,558	1,285,426
Previous Year	1,364,991	208,622	16,747	1,556,866	788,295	264,123	13,518	1,038,900		

* Refer Schedule 16 Note 2.14

** Additions include share of undivided portion of Land, along with office premises, at an estimated cost of Rs.19,177 thousands and value of investment property transferred to fixed assets at a value of Rs 104,863 thousands

SCHEDULE 11 - Cash and Bank Balances

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
1. Cash and Stamps on Hand	16,139	12,932
2. Cheques on Hand	297,713	346,479
3. Bank Balances		
(a) Deposit Accounts		
(aa) Short Term (due within 12 months)	1,857,391	741,829
(bb) Others	284,300	1,003,800
(b) Current Accounts	509,337	743,969
(c) Others :- Margin Money Account	-	-
4. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
5. Others (to be specified)	-	-
Total	2,964,880	2,849,009
Balance with non-scheduled Banks included in (3) above	30,626	64,062
Cash and Bank Balances		
In India	2,934,254	2,784,947
Outside India	30,626	64,062
Total	2,964,880	2,849,009

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE - 12 Advances and Other Assets

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Advances		
Deposits with Ceding Companies	6,900	17,679
Application money for Investments	-	-
Prepayments	35,188	26,600
Advances to Directors / Officers	-	-
Advance Tax Paid and Taxes Deducted at Source (Net of Provision for Taxation Rupees 3,190,383 thousands (Previous year Rupees 2,374,290 thousands))	98,748	204,608
Others		
Advance to employees	1,316	5,181
Advances recoverable in cash or in kind	91,622	240,227
Less : Provision for doubtful advances	(1,077)	(1,867)
	90,545	238,360
Unutilised service tax Carried forward (net)	76,143	82,290
Total (A)	308,840	574,718
Other Assets		
Income accrued on investments	887,016	659,185
Outstanding Premium	87,253	76,455
Agents' Balances	30,660	
Less: Provision For Doubtful Recoveries	(425)	
	30,235	25,245
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business, including reinsurers (net)	5,696,351	
Less: Provision for doubtful amounts	(8,276)	
	5,688,075	3,963,222
Due from Subsidiary/Holding Companies	-	-
Deposit with Reserve Bank of India [Pursuant to Section 7 of Insurance Act, 1938]	-	-
Others		
Deposits	130,893	147,461
Total (B)	6,823,472	4,871,568
Total (A + B)	7,132,312	5,446,286

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2010

SCHEDULE - 13 Current Liabilities

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Agents' Balances	130,702	288,131
Balances due to other insurance companies	417,627	773,583
Deposit held on re-insurance Ceded	-	-
Premium Received in Advance	379,163	296,707
Unallocated Premium	534,657	387,285
Sundry creditors (Refer Schedule 16 Note 23)	1,897,153	1,290,270
Due to subsidiaries/holding company	1,282	-
Claims outstanding for		
i) More than Six Months	9,819,435	
ii) Less than Six Months (Including IBNR & IBNER) (Refer Schedule 16 Note 2.11 and Note 6)	14,927,859	
	24,747,294	
Claims Recoverable from Reinsurer (Including IBNR)	(10,114,305)	
Net Claims Outstanding	14,632,989	11,406,670
Solatium Fund	14,458	17,205
Premium Deficiency (Refer Schedule 16 Note 2.9 and Note 10)	56,626	35,396
Due to Officers/Directors	-	-
Others- Service Tax Payable	-	-
Temporary Overdraft as per the books of account only	-	14
Total	18,064,657	14,495,261

SCHEDULE - 14 Provisions

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Reserve for Unexpired Risk	11,184,854	10,310,160
Provision for Fringe Benefit Tax (Net of Advance Tax of Rupees 96,373 thousands (Previous year Rupees 96,373 thousands))	17,472	17,472
Provision for Wealth Tax	161	198
For proposed dividends	-	-
For dividend distribution tax	-	-
For Employee Benefits		
Gratuity (Refer Schedule 16 Note 19)	3,803	44,955
Leave Entitlement	73,441	70,943
Long Term Incentive Plan	51,534	6,597
Total	11,331,265	10,450,325

SCHEDULE - 15 Miscellaneous Expenditure (to the extent not written off or adjusted)

Rupees ('000)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Discount allowed in issue of shares/debentures	-	-
Others (to be specified)	-	-
Total	-	-

SCHEDULE – 16 : Significant Accounting Policies & Notes to and forming part of the Financial Statements for the year ended 31st March 2010

1. Background

Bajaj Allianz General Insurance Company Limited ('the Company') was incorporated on 19th September 2000, as a company under the Companies Act, 1956 ('the Act'). The Company is registered with Insurance Regulatory and Development Authority ('IRDA') and is in the business of underwriting general insurance policies relating to fire, marine and miscellaneous segments. The IRDA renewed the Company's certificate of registration to sell general insurance policies in India for the year 2010-11 vide its certificate of Renewal of Registration dated 10th March 2010. The renewal certificate is with effect from 1st April 2010 and is valid upto 31st March 2011.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles followed in India under the historical cost convention and accrual basis of accounting and in accordance with the statutory requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority (IRDA) (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, 1956 ('The 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.

2.2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Revenue recognition

(i) Premium

Premium (net of service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis. Any subsequent revisions to or cancellations of premiums are recognized in the year in which they occur.

(ii) Interest / dividend income

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

(iii) Premium / discount on purchase of investments

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

(iv) Profit / loss on sale of securities

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

(v) Commission on Reinsurance Ceded

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

2.4 Reinsurance ceded

Reinsurance cost, in respect of proportional reinsurance ceded, is accrued at policy inception. Non-proportional reinsurance cost is recognized when incurred and due. Any subsequent revision to, refunds or cancellations of premiums are recognized in the year in which they occur.

2.5 Reinsurance Accepted

Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

2.6 Acquisition costs

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

2.7 Premium received in advance

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

2.8 Reserve for unexpired risk

Represents that part of the net premium (i.e., premium, net of reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and 50% in case of other businesses based on net premium written during the year as required by Section 64 V(1)(ii)(b) of the Insurance Act, 1938. (Also refer 2.18).

2.9 Premium Deficiency

Premium deficiency is recognized if the ultimate amount of expected net claim costs, related expenses and maintenance costs exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk. Premium deficiency is calculated by line of business. The Company considers maintenance costs as relevant direct costs incurred for ensuring claim handling operations.

2.10 Claims incurred

Claims are recognized as and when reported. Claims paid (net of recoveries including salvage retained by the insured and includes interest paid towards claims) are charged to the respective revenue account when approved for payment. Where salvage is retained by the Company, the recoveries from sale of salvage are recognized at the time of sale. Provision is made for estimated value of outstanding claims at the balance sheet date net of reinsurance, salvage and other recoveries. Such provision is made on the basis of the ultimate amounts that are likely to be paid on each claim, as anticipated and estimated by the management in light of past experience and subsequently modified for

changes, as appropriate. Amounts received/receivable from the re-insurers/coinsurers, under the terms of the reinsurance and coinsurance arrangements respectively, are recognized together with the recognition of the claim.

2.11 IBNR and IBNER (Claims Incurred but not reported and claims incurred but not enough reported)

IBNR represents that amount of all claims that may have been incurred prior to the end of the current accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims incurred but not enough reported (IBNER). The said liability is determined based on actuarial principles by the Appointed Actuary. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDA and, accordingly, the liability determined is certified as adequate by the Actuary.

2.12 Operating expenses related to the insurance business

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

- a) Expenses which are directly identifiable to the business segments are allocated on actuals;
- b) Other expenses, which are not directly identifiable, are apportioned on either of the following, as may be appropriate:
 - Number of policies; and
 - Gross written premium.
- c) Depreciation is apportioned on the basis of Gross Written Premium.

The method of apportionment is decided by the management, based on the nature of the expenses and their logical correlation with various business segments, wherever possible.

2.13 Income from investments and other income

Income earned from investments and fixed deposits with banks, gain or loss on sale of investments and other income is allocated to the revenue accounts and the profit and loss account on the basis of funds available from insurance operations and shareholders funds and are further allocated to the lines of business in proportion of their respective Gross Written Premium.

2.14 Fixed assets and depreciation / amortization

Fixed assets are stated at cost (including incidental expenses relating to acquisition and installation) less accumulated depreciation. Assets costing up to Rs. 20,000 are depreciated fully in the year of acquisition.

Depreciation on other assets are provided on Straight Line Method ('SLM') with reference to the management's assessment of the estimated useful life of the assets or at the rates and in the manner specified by the Schedule XIV of The Companies Act, 1956 whichever is higher, as follows:

	Depreciation rates as per books(SLM)	Depreciation rates as per Sch XIV(SLM)
Information technology equipment	33.33%	16.21%
Computer software (Intangibles)	33.33%	16.21%
Vehicles	20.00%	7.07%
Office equipment	25.00%	4.75%
Furniture & fixtures	6.33%	6.33%
Building	2.00%	1.63%
Air conditioner (part of office equipments)	10.00%	4.75%
Electrical fittings (part of furniture & fittings)	33.33%	4.75%
Leasehold improvements	33.33%	-
Free Hold Improvements on Investment properties leased out	33.33%	-

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

Impairment of assets

- (i) The carrying amounts of all assets are reviewed by the Company at each balance sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets, net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at a rate that reflects current market assessments of the time value of money and the risks specific to the asset, as determined by the management.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life, if any.

2.15 Investments

Investments are recorded on trade date at cost. Cost includes brokerage, transfer charges, transaction taxes as applicable, etc. and excludes pre-acquisition interest, if any.

Classification:

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

Valuation:

Debt Securities

All debt securities are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortization of premium or accretion of discount on constant yield to maturity basis in the revenue accounts and profit & loss account over the period held to maturity /holding.

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

Equities (Listed & Actively Traded)

Listed and actively traded securities are stated at the lower of the last quoted closing prices on The National Stock Exchange of India Limited or The Bombay Stock Exchange Limited. Unrealized gains or losses are credited / debited to the fair value change account.

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

Mutual Fund Units

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

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

Fair Value Change Account

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

Unrealized loss on listed and actively traded investments held for long term are not considered to be of a permanent nature and hence not considered as impaired. However the Company, at each balance sheet date, assesses investments for any impairment and necessary provisions are made for the same where required.

Real Estate – Investment Property

Investment Property is measured at historical cost less accumulated depreciation and impairment loss, if any.

2.16 Retirement and Other Employee Benefits*i) Provident Fund and Family Pension Schemes*

Retirement benefits in the form of Provident Fund and Family Pension Scheme, is a defined contribution scheme held with Provident Fund Authority at the prescribed rates and the contribution are charged to the revenue account of the year when the contribution to the respective funds are due.

ii) Superannuation

The Company contributes to the Bajaj Auto Employees' Superannuation Fund, at fixed rates for eligible employees under a defined contribution plan, for which necessary approvals have been obtained.

iii) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the balance sheet date. Refer note 19

iv) Compensated absences and leave entitlements

Non-accumulating compensated absences are accounted for as and when availed / encashed. Long term accumulating leave entitlements are provided for on the basis of actuarial liability determined by an actuary appointed for the purpose.

v) Actuarial gains / losses taken to revenue account.**vi) Long Term Incentive Plan**

The Company has a Long Term Incentive Plan ('LTIP') for selected management personnel. The plan is a discretionary deferred compensation plan with a vesting period of three years from the period of first entitlement of an employee. Provision for LTIP, liability is accrued and provided for on the basis of actuarial valuation made at the balance sheet date.

2.17 Foreign Currency Transactions

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

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

2.18 Contributions to Terrorism and Third Party Insurance Pools**i) Terrorism pool**

In accordance with the requirements of IRDA, the Company, together with other insurance companies, participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee ('TAC') are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of Rupees 7.5 billion (Previous year Rupees 7.5 billion) per location/compound.

In accordance with the terms of the agreement, GIC retro cedes, to the Company, terrorism premium to the extent of the share agreed to be borne by the Company in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool has been recorded only upto 31st December 2009.

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

ii) The Indian Motor Third Party Insurance Pool ('IMTPIP')

In accordance with the directions of IRDA, the Company, together with other direct general insurance companies, participates in the Indian Motor Third Party Insurance Pool ('IMTPIP'). The IMTPIP is 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 are ceded at 100% of such premium, to the IMTPIP. The terms of the IMTPIP are 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 1st April 2007.

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

a) The General Insurance Corporation of India ('GIC') participates 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. For the financial year ended 31st March 2010, the share of GIC was fixed at 10% (Previous year 10%) by the Insurance Regulatory Development Authority ('IRDA').

b) The business remaining after such cession to GIC is 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 year 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 is computed by GIC and is applicable to all insurance companies, who are members of the IMTPIP.

The Company's share of premiums, claims, reinsurance commissions and expenses 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. Accordingly, such share has been recorded by the Company, only up to 28th February 2010 and, for the month of March 2010 the losses from the Pool of Rs. 100,772 thousands, is provided based on management's estimate and recorded net under claims incurred. Unexpired risks reserve is provided for at 50% of net premiums of such inward reinsurance business, being the minimum rate specified in Section 64V(1)(ii) of the Insurance Act, 1938.

2.19 Contributions to Funds

The Company provides for contribution to Solatium and Environment Relief funds as per the requirement of regulations/circulars.

2.20 Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year 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 balance sheet 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.

2.21 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 under "Advances and other Assets" in schedule 12 for adjustments in subsequent periods. Service tax paid for eligible input services not recoverable by way of credits are recognised in the revenue account as expenses forming as separate line item in schedule 4 and Schedule 4(A).

2.22 Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present obligation as a result of a 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 value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

2.23 Earnings per share

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

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

NOTES TO ACCOUNTS

3. Contingent liabilities

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

(Rupees '000)

	31st March 2010	31st March 2009
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, in respect of		
Service Tax and Education Cess	Nil	Nil
Income Tax (see note below)	Nil	Nil
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

The Company's claim for exemption of tax on profit on sale of investments has been allowed by the Income Tax Appellate Tribunal (ITAT), Pune for the assessment year 2003-04, rejecting the disallowance made by the CIT (Appeals) as well as applicability of Section 14A. The Department has preferred an appeal against this order in the High Court of Mumbai. The Company, relying on favorable Tribunal decision, has assessed the contingent liability as "Nil". Appeals on the same ground pertaining to assessment year 2002-03, 2004-05 & 2005-06 are pending before various authorities and based on the ITAT, Pune verdict, contingent liability for these years is also assessed as "Nil".

- All assets of the Company are free from any encumbrances other than investment under Section 7 of Insurance Act, 1938 which are held in Government of India Bonds aggregating Rupees 115,338 thousands (Previous year Rupees 117,012 thousands). No assets of the Company are subject to restructuring.

5. Capital Commitments

Commitments made and outstanding for acquisition of fixed assets amount to Rupees 192,177 thousands (Previous year Rupees 248,081 thousands).

- The appointed actuary has certified to the Company that actuarial estimates for IBNR (including IBNER) are in compliance with the guidelines prescribed by the Institute of Actuaries of India and in conformity with the IRDA regulations.

Where sufficient data is available, the actuary has chosen to adopt the chain ladder method. The chain ladder method has accordingly been applied to motor, fire, marine, engineering, personal accident, workmen's compensation and health. These constitute over 99% (Previous year – 97%) of the Company's total business. For other lines such as aviation and liability, the expected ultimate loss ratio method has been used to arrive at the estimate of IBNR.

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

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

9. Computation of managerial remuneration

(Rupees '000)

	For the year ended 31st March 2010	For the year ended 31st March 2009
Salary- (Including contributions to funds)		
Mr. Swaraj Krishnan*	9,926	10,041
Mr. Hemant Kaul#	3,962	-
Perquisites		
Mr. Swaraj Krishnan*	14	164
Mr. Hemant Kaul#	20	-

* From 1st Apr 2009 to 30th Nov 2009

From 2nd Dec 2009 to 31st Mar 2010

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

The managerial remuneration is in accordance with the approval accorded by a resolution of the Board of Directors and which has been approved by IRDA as required under Section 34A of the Insurance Act, 1938.

As per approval of the terms of appointment of Mr. Hemant Kaul by IRDA, the proportionate amount calculated at Rs.15 Million per annum has been debited to the Revenue Account and the excess over such amount is debited to the Shareholders' (Profit and Loss) Account.

10. Premium Deficiency has been provided for in respect of following line of business
- Personal Accident - Rupees 48,060 thousands. (Previous Year - Nil)
 - Aviation - Rupees 8,566 thousands. (Previous Year - 30,115 thousands)
 - Engineering - Nil (Previous Year - 5,281 thousands)
11. Percentage of business sector – wise (Based on Gross Written Premium)

(Amount Rupees '000, Count - numbers)

Business sector	For the year ended 31st March 2010			For the year ended 31st March 2009		
	GWP	No of Lives	% of GWP	GWP	No of Lives	% of GWP
Rural	2,141,088	-	8.63	2,450,613	-	9.36
Social	915	73,351	-	758	40,515	-
Urban	22,681,342	-	91.37	23,741,552	-	90.64
Total	24,823,345	73,351	100	26,192,923	40,515	100

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

	For the year ended 31st March 2010	For the year ended 31st March 2009
	% age of business written	% age of business written
Risk retained	74%	72%
Risk Reinsured	26%	28%
	100%	100%

13. Contribution to Environment Fund

The Company has collected an amount of Rupees 5,854 thousands (Previous year - Rupees 6,488 thousands) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 28, 2010 to United India Insurance Company, the implementing agency for the fund. The balance payable has been disclosed under the head current liabilities in schedule 13.

14. The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. The operating expenses and investment and other income attributable to the business segments are allocated as mentioned in Note nos 2.12, 2.13 and 22 respectively. Segment revenue and results have been disclosed in the financial statements. Due to inherent complexities, segment assets and liabilities have been identified to the extent possible in the statement annexed hereto. There are no reportable geographical segments since the Company provides services only to customers in the Indian market or to Indian interests overseas and does not distinguish any reportable regions within India.
15. Related party disclosures have been set out in a separate statement annexed to this schedule. The related parties, as defined in Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India ('ICAI'), in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons and taken on record by the Board.
16. The Company's significant leasing arrangements include agreements for office and residential premises. The future minimum lease payments relating to these leases are disclosed below:

(Rupees '000)

	As at 31st March 2010	As at 31st March 2009
Payable not later than one year	150,205	238,437
Payable later than one year but not later than five years	168,222	266,001
Payable later than five years	33,374	22,402

- Amount charged to revenue accounts for lease is Rupees 200,984 thousands (Previous year Rupees 219,720 thousands).
- There are no transactions in the nature of sub leases.
- The period of agreement is generally for three years and renewable thereafter at the option of the lessee.

17. Earning per Share ('EPS')

The following table reconciles the numerator and denominator used to calculate basic/diluted EPS:

(Amount Rupees '000, Count - numbers)

	As at 31st March 2010	As at 31st March 2009
Profit after Tax		
Basic earnings before extra-ordinary items [A] Rupees	Rs. 1,208,278	Rs.951,569
Basic earnings after extra-ordinary items [B] Rupees	Rs. 1,208,278	Rs.951,569
Weighted average number of equity shares (par value of Rs. 10 each) [C]	110,227,250	110,227,250
Basic and diluted earnings per share [A/C]	Rs. 10.96	Rs.8.63
Basic and diluted earnings per share excluding extraordinary items [B/C]	Rs.10.96	Rs.8.63

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

18. Taxation

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

(Rupees '000)

	As at 31st March 2010		As at 31st March 2009	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Timing difference on account of				
Reserve for unexpired risks	301,880		91,181	
Leave encashment	24,400		8,854	
Prov for doubtful debts	3,250		5,744	
Depreciation as per Section 32 as per provisions of Income Tax Act 1961	48,950		46,301	
Total	378,480		152,080	
Net deferred tax asset/(liability)	378,480		152,080	
Deferred Tax expense/(income) recognized in the Profit and loss account	(226,400)		13,100	
Total Deferred Tax expenses/(income)	(226,400)		13,100	

19. a) Gratuity benefit plans:

The Company has a defined benefit gratuity plan. Every employee gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service, subject to the fulfillment of service conditions. The Company makes contribution to an approved gratuity fund, which covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India and Bajaj Allianz Life Insurance Company Limited.

The following tables summaries the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

I. Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

Rupees ('000)

	Gratuity	
	2010	2009
Current service cost	22,343	19,107
Interest cost on benefit obligation	3,932	4,456
Expected return on plan assets	(1,531)	(2214)
Net actuarial (gain) / loss recognized in the year	(20,940)	11,286
Past service cost	-	-
Net benefit expense	3,804	32,635
Actual return on plan assets	5,923	1,631

II. Balance Sheet

(i) Details of provision for gratuity

Rupees ('000)

	Gratuity	
	2010	2009
Defined benefit obligation	59,294	61,186
Fair value of plan assets	(55,491)	(16,231)
	3,803	44,955
Less: Unrecognized past service cost	-	-
Plan (asset) / liability	3,803	44,955

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

Rupees ('000)		
	Gratuity	
	2010	2009
Opening defined benefit obligation	61,186	41,182
Interest cost	3,931	4,456
Current service cost	22,343	19,107
Benefits paid	(11,618)	(14,261)
Actuarial (gains) / losses on obligation	(16,548)	10,702
Closing defined benefit obligation	59,294	61,186

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

Rupees ('000)		
	Gratuity	
	2010	2009
Opening fair value of plan assets	16,231	28,762
Expected return	1,531	2,214
Contributions by employer	44,955	100
Benefits paid	(11,618)	(14,261)
Actuarial gains / (losses)	4,392	(584)
Closing fair value of plan assets	55,491	16,231

The Company expects to contribute Rs.20,000 thousands to gratuity in 2010-11

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

Rupees ('000)		
	Gratuity	
	2010	2009
	%	%
Investments with insurer	100	100

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

	2010	2009
	%	%
Discount rate	7.80	7.10
Expected rate of return on assets	7.50	7.50
Increase in Compensation cost	15% for the first year, 12% for next 2 years & 7.5% thereafter	12.% for first 4 years & 7.5% thereafter

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

(vi) Amounts for the current and previous four periods are as follows

Rupees ('000)					
	Gratuity				
	2010	2009	2008	2007	2006
Defined benefit obligation	59,294	61,186	41,182	27,506	13,377
Plan assets	55,491	16,231	28,763	24,142	14,436
Surplus / (deficit)	(3,803)	(44,955)	(12,420)	(3,363)	1,059
Experience adjustments on plan liabilities	(14,074)	5,271	6,836	2,205	0
Experience adjustments on plan assets	4,392	(584)	(12)	402	0

20. The summary of the financial statements for the last 5 years and the ratios required to be furnished have been set out in the statement annexed hereto.
21. Included under employees remuneration, benefits and other manpower costs in schedule 4 and schedule 4(A) (operating expenses), is an amount of Rupees 517,347 thousands (previous year Rupees 551,232 thousands) towards outsourced expenses.
22. Expenses directly identifiable with investment activity amounting to Rupees 11,444 thousands (previous year Rupees 4,853 thousands) are included under "expenses other than those relating to insurance business" in the Profit and Loss Account. Further, Operating expenses related to insurance business in Schedule 4, includes indirect expenses of Rupees 9,525 thousands (previous year Rupees 7,407 thousands) which could be apportionable towards investments activity. The said expenses amounting to Rupees 9,525 thousands has been computed on the basis of number of documents, income or staff cost as appropriate.
23. The Company has initiated the process of identification of suppliers registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. Based on the intimation received by Company, none of the creditors have confirmed to be registered under MSMED Act, 2006. Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid/payable are required to be furnished.

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

Amt in Rs.('000)

Sr. No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced/Stay Received
1	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation (Stay Received from Karnataka State Consumer Disputes Redressal Commission)		10	5	5
2	Any Local Government / Statutory Authority	Non-Compliance of BMC Rule pertaining to Display of Signage Board	3	3	0
3	Any Local Government / Statutory Authority	Delayed renewal of Certificate under Shop & Establishment Act.	20	20	0

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

Amt in Rs.('000)

Sr. No.	Sch	Particulars	Reported in Previous Year	Previous Year figures reported in Current Year	Difference	Reasons
1	13	Sundry Creditors	12,89,617	1,290,270	653	Reclassification of credits in Bank.
2	13	Temporary Overdraft as per the books of accounts only	667	14	(653)	Reclassification of credits in Bank
		Total	12,90,284	12,90,284	-	

As per our report of even date attached

S R Batliboi & Co.
Firm Registration
Number 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102
Mumbai

Mumbai
7th May 2010

For and on behalf of Dalal & Shah
Firm Registration
Number 102021W
Chartered Accountants

Anish.P.Amin
Partner
Membership No. 40451
Mumbai

For and on behalf of the Board of Directors

Sanjiv Bajaj
Director

Kamesh Goyal
Alternate Director

S. H. Khan
Director

Heinz Dollberg
Director

Ranjit Gupta
Director

Manu Tandon
Director

Sanjay Asher
Director

Hemant Kaul
Managing Director
& Chief Executive Officer

S.Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
7th May 2010

Annexure to Schedule 16 - Notes to Accounts and forming part of the financial statements for the year ended 31st March, 2010
(Refer Note no. 14)

Segmental Break up of the Balance Sheet item as at 31st March, 2010

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

Rupees ('000)

	Fire	Marine		Misc	Total
		Cargo	Others		
Premium Received in Advance	17,930	5,758	-	355,475	379,163
	(16,504)	(1,815)	(1,258)	(277,130)	(296,707)
Net Claims Outstanding	761,993	378,844	93,678	13,398,474	14,632,989
	(719,492)	(382,098)	(31,548)	(10,273,532)	(11,406,670)
Reserve for Unexpired Risk	860,654	251,925	28,994	10,043,281	11,184,854
	(855,190)	(287,922)	(24,410)	(9,142,638)	(10,310,160)
Deposits with Ceding Companies	-	-	-	-	6,900
	-	-	-	-	(17,679)
Premium Deficiency	-	-	-	56,626	56,626
	-	-	-	(35,396)	(35,396)
Solatium Fund	-	-	-	14,458	14,458
	-	-	-	(17,205)	(17,205)
Proposal Deposits (to the extent identifiable)	-	-	-	-	-
	-	-	-	-	-

31st March 2009 figures are in Brackets

Summary of Financial Statements for the year ended 31st March, 2010

(Refer Note no. 20)

Particulars	2010	2009	2008	2007	2006
OPERATING RESULTS					
Gross Written Premium	27,248,874	28,661,871	25,780,399	18,033,397	12,845,680
Net Premium Income (net of Reinsurance)	19,716,713	20,065,870	17,525,507	10,397,639	6,986,887
Income from Investments (net of losses)	1,709,194	1,659,188	1,429,652	679,252	388,696
Miscellaneous Income	380,378	270,010	92,889	87,114	9,589
Total Income	21,806,285	21,995,068	19,048,048	11,164,005	7,385,172
Commissions	317,681	237,775	(187,564)	(786,418)	(622,153)
Operating Expenses	5,485,141	5,988,298	5,194,751	3,454,019	2,156,298
Claims, increase in URR and other outgoes	14,776,070	14,804,945	12,804,986	7,567,015	5,182,434
Operating Profit/Loss	1,227,393	964,050	1,235,875	929,389	668,593
NON OPERATING RESULTS					
Total income under Shareholder's Account	570,648	533,655	443,129	240,896	149,733
Profit before Tax	1,798,041	1,497,705	1,679,004	1,170,285	818,326
Provision for Tax	(589,763)	(546,136)	(622,825)	(416,594)	(302,637)
Profit after Tax	1,208,278	951,569	1,056,179	753,691	515,689
MISCELLANEOUS					
Policyholder's Account					
Total Funds					
Total Investments					
Yield on Investments					
Shareholder's Account					
Total Funds					
Total Investments					
Yield on Investments					
Paid up Equity Capital	1,102,273	1,102,273	1,102,273	1,101,331	1,100,500
Net Worth	7,927,903	6,724,719	5,747,803	4,115,735	2,767,371
Total Assets (Gross of current liabilities and provisions)	37,323,825	31,670,305	25,093,313	16,960,659	10,632,837
Yield on Total Investments	9.03%	10.06%	10.17%	6.84%	6.87%
Earning Per Share	10.96	8.63	9.59	6.85	4.69
Book value per Share	71.92	61.01	52.15	37.40	25.15
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-

Ratios for the year ended 31st March, 2010

Sr. No.	Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
1	Gross Premium growth rate		
	Motor	-4%	10%
	Fire	-2%	-7%
	Marine Cargo	-8%	10%
	Marine Hull	-58%	67%
	Workmen's Compensation / Employers' Liability	2%	12%
	Public/Product Liability	-21%	13%
	Engineering	-20%	-13%
	Aviation	14%	80%
	Personal Accident	-21%	43%
	Health	-11%	37%
	Others	11%	16%
2	Gross Premium to Shareholder's Fund Ratio	343%	426%
3	Growth Rate of Shareholder's Fund	18%	16%
4	Net Retention Ratio		
	Motor	80%	76%
	Fire	46%	47%
	Marine Cargo	74%	77%
	Marine Hull	46%	16%
	Workmen's Compensation / Employers' Liability	89%	84%
	Public/Product Liability	44%	27%
	Engineering	22%	20%
	Aviation	3%	-7%
	Personal Accident	77%	79%
	Health	88%	87%
	Others	60%	58%
5	Net Commission Ratio		
	Motor	2%	2%
	Fire	-13%	-14%
	Marine Cargo	7%	8%
	Marine Hull	-4%	-23%
	Workmen's Compensation / Employers' Liability	4%	4%
	Public/Product Liability	0%	-5%
	Engineering	-68%	-87%
	Aviation	-32%	18%
	Personal Accident	10%	11%
	Health	8%	9%
	Others	5%	4%
6	Expenses of Management to Gross Premium Ratio	22%	23%
7	Combined Ratio	104%	105%
8	Technical Reserves to Net Premium Ratio	131%	108%
9	Underwriting Balance Ratio		
	Fire	18%	12%
	Marine	-14%	-30%
	Miscellaneous	-6%	-5%
10	Operating Profit Ratio	4%	4%
11	Liquid Assets to liabilities ratio	11%	13%
12	Net Earning Ratio	6%	5%
13	Return on Net worth	15%	14%
14	Reinsurance Ratio	28%	30%

Receipts and Payments for the year ended 31st March,2010

Rupees ('000)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Premium received from Policyholders, including advance receipts and service tax	27,249,406	28,398,201
Payment to Re-insurers, net of commissions and claims	(1,178,013)	(3,535,300)
Receipts from Co-insurers, net of claims recovery	348,137	274,414
Payment of Claims	(16,168,719)	(13,072,450)
Payment of Commission	(1,683,580)	(1,675,647)
Payment of other Operating Expenses	(4,535,920)	(5,277,806)
Miscellaneous Income	609	9,784
Preliminary and preoperative expenses	-	-
Income tax paid (Net)	(695,490)	(637,920)
Service Tax Paid	(1,427,982)	(1,848,537)
Net Cash In Flow From Operating Activities	1,908,448	2,634,739
Investment Activities		
Purchase of Fixed Assets including Capital Work in Progress&Capital Advances	(347,483)	(548,703)
Proceeds from Sale of Fixed Assets	2,411	4,059
Purchase of Investments	(12,858,292)	(12,040,224)
Sale of Investments	9,418,700	10,249,941
Rent/Interests/Dividends Received	2,009,269	1,868,963
Investments in money market instruments and in liquid mutual funds (Net)	1,559	(1,167,727)
Investment property purchase	-	-
Interest Expense and Other Investment Expenses	(11,444)	(4,853)
Cash Deposit under Section 7 of the Insurance Act, 1938	-	-
Investment in Fixed Deposit Maturity more than 3 months	(480,847)	(247,000)
Net Cash Out Flow from Investment Activities	(2,266,127)	(1,885,544)
Cash Flow from financing Activities		
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow financing activities	-	-
Effect of foreign exchange gain /(loss) rates on cash and cash equivalents, net	(6,630)	1,223
Increase/(Decrease) in Cash and Cash Equivalents during the year	(364,309)	750,418
Cash and Cash Equivalent at the year beginning	1,241,642	491,224
Cash and Cash Equivalent at the year end**	877,333	1,241,642

Cash and cash Equivalent Rupees ('000)	2010	2009
Cash & Bank balance as per schedule 11	2,964,880	2,849,009
Less: Fixed Deposit Maturity More than 3 Months	2,087,547	1,606,700
Less: Temporary over draft as per schedule 13	-	667
Cash and Cash Equivalent at the year end	877,333	1,241,642

As Integral part of Financial Statements

As per our report of even date attached

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

For and on behalf of Dalal & Shah
Firm Registration
Number 102021W
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102
Mumbai

Anish.P.Amin
Partner
Membership No. 40451
Mumbai

For and on behalf of the Board of Directors

Sanjiv Bajaj
Director

Heinz Dollberg
Director

Sanjay Asher
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

Hemant Kaul
Managing Director
& Chief Executive Officer

S. H. Khan
Director

Manu Tandon
Director

S.Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Mumbai
7th May 2010

Pune
7th May 2010

Balance Sheet Abstract and Company's general business profile for the year ended 31st March,2010

Rupees ('000)

I.	Registration No.	15329
	State code	11
	Balance Sheet Date	31st March, 2010
II.	Capital raised during the year	Rs in '000s
	Public issue	-
	Private issue	-
	Bonus Issue	-
	Private placement	-
III.	Position of mobilisation and deployment of funds	Rs in '000s
	Total Liabilities (Sources of funds)	7,927,903
	Total Assets (Application of funds)	7,927,903
IV.	Source of funds	Rs in '000s
	Paid up capital	1,102,273
	Reserves and surplus	6,825,630
	Secured loans	-
	Unsecured loans	-
V.	Application of funds	Rs in '000s
	Net Fixed assets	1,533,558
	Investments	25,314,595
	Net Current Assets	(19,298,730)
	Miscellaneous expenditure	-
	Accumulated loss	-
VI.	Performance of the company	Rs in '000s
	Turnover	27,248,874
	Total expenditure	25,450,833
	Profit / (Loss) before tax	1,798,041
	Profit / (Loss) after tax	1,208,278
	Accumulated profits	5,164,527
	Earnings per share	10.96
	Dividend rate%	-
VII.	Generic names of principal products / services of the company	
	Item code number (ITC code)	-
	Product Description	General Insurance

Note: The Company being an Insurance Company, the accounts of the Company are not required to be made in accordance with Schedule VI. Further the Insurance Act,1938 requires the financial statement of the Company to be split in Revenue Accounts and Profit and Loss Account. In view of this it is not possible to give all the information as required by part IV of this Schedule.

For and on behalf of the Board of Directors

Sanjiv Bajaj
Director

Heinz Dollberg
Director

Sanjay Asher
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

Hemant Kaul
Managing Director
& Chief Executive Officer

S. H. Khan
Director

Manu Tandon
Director

S.Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
7th May 2010

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31st March 2010

Related Party Disclosures under AS 18 of ICAI (for the year ended 31st March 2010)

Sr. No.	Related party	Relationship	Nature of transaction
1	Bajaj Finserv Ltd	Holding Company	Rent for premises hired Deposits for Rented Premises Insurance Premia received Insurance Claims paid Unallocated Premium Payable for common area
2	Bajaj Auto Ltd	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Other Expenses
3	Bajaj Holdings & Investments Ltd	Group Company	Insurance Premia received Unallocated Premium Sale of Investments
4	Bajaj Allianz Financial Distributors Ltd	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Manpower supply charges Billable expense incurred on behalf Insurance commission paid/payable
5	Bajaj Electricals Ltd	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium
6	Bajaj Auto Finance Ltd	Group Company	Support Charges for Insurance business Insurance Premia received Insurance Claims paid Unallocated Premium
7	Bajaj Allianz Life Insurance Co Ltd	Group Company	Expenditure incurred by Bajaj Allianz Life Insurance Co Ltd on behalf of Bajaj Allianz General Insurance Co Ltd Expenditure incurred on behalf of Bajaj Allianz Life Insurance Co Ltd Insurance Premia received Insurance Claims paid Unallocated Premium Insurance Premium paid to Bajaj Allianz Life Insurance Co Ltd Insurance Claims received from Bajaj Allianz Life Insurance Co Ltd
8	Mukand Engineers Ltd	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium
9	Mukand Ltd	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium
10	Mukund Bekaert wire Industries Pvt. Ltd.	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Unallocated Premium

Amount in Rs.('000)

2009-2010		2008-2009	
Amount Rs	Outstanding Amt carried to Balance Sheet Payable/(Receivable)	Amount Rs	Outstanding Amt carried to Balance Sheet Payable/(Receivable)
14,889	-	11,860	-
(5,343)	(17,115)	-	(11,772)
1,185	-	1,194	-
37	-	-	-
-	2,184	-	-
8,889	1,282		
69,537	-	70,340	11
77,475	-	33,909	-
-	14,063	-	6,233
1,114	-	650	-
34	-	11	-
-	842		
-	-	149,159	-
525		534	19,128
450			
	74		90
539,594	1,973	339,939	(2,729)
(15,465)	(27,311)	(16,399)	(16,399)
170	7	249	35
15,141		20,917	
4,395		13,767	
-	109	-	21
322	612	1,232	-
1,936		5,995	-
436		45	-
	2,062	-	2,029
51,447	(20,303)	8,289	(32,771)
(71,750)		(41,429)	
5,752		5,532	-
3,452		690	-
-	320	-	1,314
48,818		4,700	-
1,596		-	-
2,932		2,258	
484		633	
-	8	-	6
24,736		16,394	
15,779		11,615	
-	269	-	186
1		1,106	-
-	7	-	27

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31st March 2010

Related Party Disclosures under AS 18 of ICAI (for the year ended 31st March 2010)

Sr. No.	Related party	Relationship	Nature of transaction	
11	Hind Musafir Agency Ltd.	Enterprise where key mgmt personnel is having significant influence	Travel Agency Services Insurance Premia received Unallocated Premium	
12	Allianz SE, Germany	Shareholder	Billable expenses incurred on behalf Income from Software Consultancy billed License & Maint fees for Opus Pre-Paid License & Maint fees for Opus	
13	Allianz Insurance Management Asia Pacific	Group Company	Billable expenses incurred on behalf	
14	Allianz Ost-West Allianz, Moscow	Group Company	Income from Software Consultancy billed	
15	Ayudhya Allianz C.P	Enterprise where key mgmt personnel is having significant influence	Income From Software Consultancy	
16	Allianz Insurance Co Lanka Ltd	Enterprise where key mgmt personnel is having significant influence	Billable expense incurred on behalf	
17	Allianz Bahrain	Enterprise where key mgmt personnel is having significant influence	Billable expense incurred on behalf	
18	Allianz SE India Liaison Office	Subsidiary of Joint Venture Partner	Expenditure incurred on behalf Deposits for Rent Premises	
19	Allianz Life Insurance Company Limited KOREA	Group Company	Income from Software Consultancy billed	
20	M/s. Allianz Global Corporate & Speciality AG, Munich	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance	
21	Allianz AG Reinsurance, branch Asia Pacific	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance No claim Bonus on XOL premium Portfolio Premium withdrawal Portfolio Claims withdrawal Portfolio Premium Entry Portfolio Claims Entry Deposits with the Ceding Company	
22	Assurances Generales de France	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
23	Allianz Marine and Aviation Versicherungs AG	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
24	Allianz Hongkong - Name changed from Allianz China	Group Company	Reinsurance premium paid Commission on reinsurance received	

Amount in Rs.('000)

2009-2010		2008-2009	
Amount Rs	Outstanding Amt carried to Balance Sheet Payable/(Receivable)	Amount Rs	Outstanding Amt carried to Balance Sheet Payable/(Receivable)
21,479 3 -	706 - -	18,341 10 -	1,033 - -
5,994 (13,497) 2,500 -	- - 2,500 -	- (10,275) 14,535 (2,801)	13,497 - - -
(10)	(4)	25	(4)
-	-	(770)	-
(327)	(321)	-	-
-	(93)	-	(93)
-	-	(1,311)	(1,311)
- -	1,500	18 -	- 1,500
(607)	-	-	-
132,125 (15,164) (57,934)	73,105	201,209 (21,894) (55,246)	132,393
991,077 (209,752) (446,254) - (145,160) (263,459) 188,708 342,496 -	23,962 - -	774,191 (195,111) (240,893) (9,756) (115,021) (219,194) 143,777 273,992 -	80,174 - - - - - - - (2,835)
- - -	-	13,970 (2,048) -	5,235
- - -	(37) - -	88 (51) (106)	(37) - -
- -	-	87 (55)	-

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31st March 2010

Related Party Disclosures under AS 18 of ICAI (for the year ended 31st March 2010)

Sr. No.	Related party	Relationship	Nature of transaction	
25	Allianz Ins Co of Singapore - PTE	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
26	Allianz Belgium	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
27	Allianz Elementar Versicherungs	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
28	M/s. Allianz Global Corporate & Speciality - France	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
29	Euler Hermes Cr Insurance (S) Ltd.	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance Billable expenses incurred on behalf of Euler Hermes	
30	Allianz CP General Ins Co. Ltd	Group Company	Reinsurance premium received/receivable Commission on reinsurance paid/payable Claims paid/ payable Deposits with the Ceding Company Income from Software Consultancy billed	
31	PT ASURANSI Allianz Life Indonesia	Group Company	Income from Software Consultancy billed Billable expense incurred on behalf Reinsurance premium received/receivable Commission on reinsurance paid/payable	
32	Allianz Insurance Co. Egypt (Non-Life)	Group Company	Reinsurance premium received/receivable Commission on reinsurance paid/payable	
33	Hemant Kaul (for the period Dec 09-Mar 10)	Key Management Personnel	Remuneration Perquisites	
34	Swaraj Krishnan (for the period April'09-Nov'09)	Key Management Personnel	Remuneration Perquisites	

Notes:

Premium Figures from related parties are net of Service Tax, since the company accounts for premium at net of Service Tax
Reinsurance balances are net of Commission and claims wherever applicable.
Remuneration of Mr. Swaraj Krishnan includes terminal benefits.

Amount in Rs.(‘000)

2009-2010		2008-2009	
Amount Rs	Outstanding Amt carried to Balance Sheet Payable/(Receivable)	Amount Rs	Outstanding Amt carried to Balance Sheet Payable/(Receivable)
1,935 (220) (2)	1,639	1,072 (107) (3)	978
65,508 (595) (1,100,011)	(97,097)	2,000 (250) (12,266)	159
(37) 5 (85)	-	37 (5) (92)	33
22,691 (5,984) (100)	18,692	89,699 (3,335) (138)	49,262
222,036 (27,405) (248,278) (30,100)	75,776 (8,904)	147,531 (24,905) (13,843) (15,266)	81,311
(16,195) 1,643 44,577 (3,569)	(6,129) (6,900) -	(26,697) 1,261 - - -	(6,124) - (14,844) -
- (65) (988) 313	- (65)	(2,224) - (901) -	(1,666) - -
(2,072) 122	(1,950)	(30) 6	-
3,962 20	- -	- -	- -
9,926 14	- -	10,041 164	- -

A Range of Corporate and Retail Products

Fire & Engineering

- Fire (including Consequential Loss) • Engineering-Projects (includes EAR, CAR and ALOP)
- Engineering-Operational (includes Contractor's Plant and Machinery, Electronic Equipment, Loss of Profits, Boiler Explosion, Machinery Breakdown, Deterioration of Stocks) • Industrial All Risk

Motor

- Private Cars • Two Wheelers • Commercial Vehicles • Drive Assure

Health Insurance

- Personal Guard • Hospital Cash • Health Guard • Critical Illness • Silver Health • e-Opinion • Health Ensure • Star Package
- Premium Personal Guard • Extra Care • Insta Insure

Travel Insurance

- Travel Companion • Travel Elite • Students Travel • Corporate Plan • Swades Yatra • Pravasi Bhartiya Bima Yojana

Asset Insurance

- Householders Package • Shopkeepers Package • Office Package • Motor Dealers Package • Plate Glass
- Easy Householders Package Policy

Speciality Lines

- Marine Cargo • Marine Hull • Aviation • Credit Insurance • Sports Insurance • Film Insurance • Wedding Insurance
- Golf Insurance

Liability Insurance

- Commercial General Liability • Directors & Officers Liability • Public Offering of Securities Insurance
- Public Liability/Public Liability Act • Product Liability • Professional indemnity

Rural Insurance

- Farmers Package • Cattle Insurance

Miscellaneous

- Money • Fidelity Guarantee • Burglary • Workmen's Compensation



New Products Launched



BAJAJ Allianz
EXTRACare

Extra Care

A unique health insurance plan, that allows you to extend your health insurance cover. So in case of higher expenses due to illness or accidents Extra Care policy takes care of the additional hospitalisation expenses over and above the deductible amount

Benefits

- Floater Policy (sum insured floats over members covered)
- Competitive premium rates
- No Medical tests upto 55 years subject to clean proposal form.
- For all cases where medical tests have been conducted in our empanelled diagnostic centre, and the proposal has been accepted / and premium received the Company would reimburse 50% of the medical test charges.
- Pre-existing diseases covered after 4 years.
- Continuity for waiting periods would be given for any indemnity cover irrespective of Sum Insured in the earlier policy.



BAJAJ Allianz
Easy Householders Package Policy

Easy Householders Package Policy

Your dream home can now be protected with Bajaj Allianz Easy Householders Package Policy- a simplified householders policy designed for your convenience. This comprehensive package policy is designed to cover various risks and contingencies faced by householders.

Benefits

- Available as over the counter (OTC) kit
- Instant activation through SMS/ Call centre
- Convenience to choose from 3 customized plans
- Affordable package premium
- Combination of requisite covers (sections)
- Waiver of under insurance
- Easy claim settlement process



BAJAJ Allianz
DRIVE ASSURE

Private Car Package Policy with Drive Assure Value Added Covers

Owning a car has become more affordable these days. It is the service and maintenance of it that has become expensive and costs the owner in the long run; especially if the car is damaged due to some unavoidable circumstances or in an accident. Our **Private Car Package Policy**, with **Drive Assure Value Added Covers**, is designed keeping in mind all such situations so that your car is protected when you need it the most.

Benefits

With a view to provide a comprehensive insurance solution to special car owners like you, we have designed matchless value added covers which compliment the standard coverages of your private car package policy!

In order to make it convenient for you to opt for the value added covers, we have packaged them under different plans, aptly titled **Drive Assure**.

Depending on your specific requirements, simply select a Drive Assure plan and enjoy insurance protection like never before!

Drive Assure Value Added Covers

- Depreciation Shield
- Vehicle Replacement Advantage
- 24x7 Spot Assistance
- Engine Protector
- Accident Shield

Core Values



Customer First Always: Give first priority to customer needs. Look to build enduring relationships with customers - internal and external. Differences should be communicated in the spirit of relationship building

Organisation Above Self: We believe that individual, team and department actions will be driven by organization goals

Trust: We believe that there cannot be teamwork without mutual trust. Trust is fundamental to our business and will guide all internal and external interactions

High Standards: We believe that excellence can be achieved only by setting benchmarks that challenge our full potential as an organization and as individuals

Shared Ownership: We believe that ownership of success or failure in achieving organizational or team goals is shared by all

Spirit of Adventure: Uncertainty is our business and we believe in continuous innovation and creativity to meet challenges head-on. We will foster a work culture that promotes risk taking and entrepreneurship

Respect for Diversity: We believe that diversity is our strength and it needs to be nurtured. We recognize that team members have varying backgrounds, competencies and ideas and constructive action results only when opinions are aired and understood

The core values are the never-changing definition of who we are and what we stand for as Bajaj Allianz

Bajaj Allianz General Insurance Co. Ltd.
GE Plaza, Airport Road, Yerawada, Pune 411006.
www.bajajallianz.com

Insurance is the subject matter of solicitation