

# Annual Report 2011-12

Bajaj Allianz General Insurance Company Limited



 **BAJAJ** | Allianz 

*Jiyo Befikar*

# Board of Directors

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

**Niraj Bajaj**, Director  
Also Chairman & MD,  
Mukund Ltd.

**Sanjiv Bajaj**, Director  
Also MD, Bajaj Finserv Ltd.  
Bajaj Holdings & Investment Ltd.

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

**Manuel Bauer**, Director  
Also Member of the Board of  
Management, Growth Markets,  
Allianz SE

**David Fried**, Director  
(w.e.f 12<sup>th</sup> May 2012)  
Chief Executive Officer, Asia Pacific  
Allianz SE Insurance Management Asia Pacific

**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.

**Tapan Singhel**  
(w.e.f. 1<sup>st</sup> April 2012)  
Managing Director & CEO

**V. Jeyaraman**, Chief Financial Officer

**Dr. (Mrs.) Asha Joshi**, Appointed Actuary

**Onkar Kothari**, Company Secretary & Compliance Officer

**Statutory Auditors**, Dalal & Shah and Kirtane & Pandit

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

## CEO's Message



Tapan Singhel

I take great delight in introducing last year's results, which once again reflect the strength and consistency we at Bajaj Allianz General Insurance Company associate with despite numerous challenges arising in the industry as well as in the wider economy.

The general insurance industry like last year maintained its topline growth of over 20% in the FY 11-12 and registered a growth of 23.3% but the profitability for the industry remained elusive.

The major event for the general insurance industry in the year 2011-12 was the decision for dismantling of the motor TP pool from 1st April 2012. The regulator announced a revision in the provisioning for the pool losses based on the ultimate loss ratios (ULR) after an actuarial peer review report for all the pool years. The revised provision resulted in the industry suffering significant losses. As per rough estimates, total commercial vehicle third party premium collected between 2007 and 2012 was around Rs. 187 Billion, while the claims were around Rs. 330 Billion resulting in a loss of approximately Rs. 143 Billion which had to be absorbed by the industry. To put it in perspective, this loss has effectively wiped off the entire capital deployed by all the general insurance companies in India. The regulator decided to dismantle the Motor Pool and constituted a Declined Risk Pool w. e. f. 1st April 2012. The regulator has further allowed amortization of a part of the Motor Pool losses over a period of 3 years and mandated a time bound clean cut settlement of the Motor Pool Accounts with relaxation in Solvency margins.

Inadequate pricing remains a major challenge for the industry. If we think of it the ultimate consequence of the lack of profitability will have a negative impact on customer service, not a good scenario. Though there are murmurs for prices to move up, a tangible result on ground is yet to be seen. As in the past we as a company will continue striving for maintenance of profitability as a strong entity.

With health insurance growth for India expected to be remarkably above global average and a large proportion of the market being untapped, this will certainly be a focus for us in the years to come in addition to motor and the other lines of business in which we continue to remain strong.

While the future holds a promise, let me share some highlights of what went good for Bajaj Allianz General Insurance Company –

The combined ratio which is the ultimate test for a general insurer was 107.2% as against 110.2% in the previous year. If we exclude the losses from motor pool then the combined ratio stood at 96.1% as against 98.60% in the previous year. This bears testimony to our strong underwriting discipline and cost management skills.

On the topline front our gross written premium (GWP) grew by 15% over the last year to Rs. 3,337 crores.

Bajaj Allianz emerged as the only private insurer with a profit after tax (PAT) of over Rs. 100 crores. The PAT for the year was Rs. 124 crores and the PBT was Rs. 194 crores.

The solvency ratio was at 156% as against the relaxed regulatory requirement of 130% for this year and the normal regulatory requirement of 150%.

In this financial year Bajaj Allianz General Insurance won the "General Insurer of the Year" for 2012 for the second consecutive year at the Bloomberg UTV Financial Leadership Award; "Best Leading Private Player – Non-Life" in the CNBC TV 18 Best Bank and Financial Institution Awards for FY 2010-11 and the "Best Travel Insurance company" by CNBC Awaaz Travel Awards 2011 for the second consecutive year.

These laurels would not have been possible without the support of our customers, intermediaries, business partners and employees. I would like to take this opportunity to thank all our customers for reposing their faith in us as well as our intermediaries, business partners and employees for their passion to take us to this level.

Warm regards

**Tapan Singhel**  
MD & CEO

## Financial Highlights 2011 -12

Rs. Million

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Gross Written Premium	36,759	31,294	27,249	28,662	25,780	18,033	12,846	8,561
Net Written Premium	26,957	23,105	19,717	20,066	17,526	10,398	6,987	4,793
Net Earned Premium	24,747	21,497	18,842	18,913	14,154	8,385	5,864	3,709
Net Incurred Claims	-19,079	-17,013	-13,866	-13,599	-9,457	-5,556	-4,100	-2,263
Net Commissions	-747	-404	-318	-238	188	786	622	419
Management Expenses	-6,722	-6,461	-5,485	-5,988	-5,195	-3,454	-2,156	-1,456
Underwriting Results	-1,777	-2,193	-502	-727	-210	254	230	409
Income from Investments	3,726	2,793	2,207	2,061	1,896	895	520	389
Non-Recurring Investment Income	-9	20	93	164	-7	21	68	29
Profit Before Tax	1,940	619	1,798	1,498	1,679	1,170	818	770
Provision for Tax	-703	-186	-590	-546	-623	-417	-303	-299
Profit After Tax	1,237	433	1,208	952	1,056	754	516	471
Claim's Ratio	77%	79%	74%	72%	67%	66%	70%	61%
Commission Ratio	3%	2%	2%	1%	-1%	-9%	-11%	-11%
Management Expenses Ratio	27%	30%	29%	32%	36%	41%	37%	40%
Combined Ratio	107%	111%	104%	105%	102%	98%	96%	90%
Return on Equity	14%	5%	16%	15%	23%	22%	23%	34%
Shareholder's Equity	9,587	8,356	7,928	6,725	5,748	4,116	2,767	1,824
Assets Under Management	45,476	38,523	27,456	23,683	20,103	14,305	7,973	6,127
Number of Employees	3,473	3,654	3,506	3,973	3,603	2,540	1,371	924

## Ratios for the year ended 31<sup>st</sup> March, 2012

Ratio's for the year	2011-12	2010-11	2009-10	2008-09
Growth in Gross Written Premium	17%	15%	-5%	11%
Growth in Net Earned Premium	15%	14%	-0.4%	34%
PBT/ Shareholders Equity	20%	7%	23%	22%
Reserves/ Share Capital	770%	658%	619%	510%
Return on Average Equity	14%	5%	16%	15%
Retention	73%	74%	72%	70%
Claims Ratio	77%	79%	74%	72%
Liquid Assets/ Net Outstanding Claims	37%	35%	20%	25%
Insurance Reserves/ NEP	157%	149%	137%	115%
Shareholders Equity/ NEP	39%	39%	42%	36%

## Directors' Report



The Board of Directors is pleased to present the Twelfth Annual report and the Audited Financial Statements for the year ended 31<sup>st</sup> March 2012.

### General Insurance in India

The General Insurance industry in India is currently operating with 25 companies, including the 4 Public Sector Companies and 6 Specialized Insurers. The Gross Written Premium (GWP) of the industry has increased from Rs.123.9 Billion in the year 2001-02 to Rs. 530.4 Billion in the year 2011-12. For the year 2011-12, the industry grew by 23.3%.

Gross Written Premiums	Rs. in MN		
	2010-11	2011-12	Growth
Bajaj Allianz	29,054	33,376	14.9%
Private Sector	178,467	225,045	26.1%
Public Sector	251,518	305,316	21.4%
Total Market	429,985	530,361	23.3%

Source: IRDA Business Figures for March 2012 excluding Specialized Insurers

Your Company remains one of the most profitable insurers, which is essential for ensuring security for the policyholders. Your company had one of the best combined ratios amongst all companies in the market despite the substantial impact of losses from the Indian Motor Third Party Insurance Pool.

### Combined Ratios

	2006-07	2007-08	2008-09	2009-10	2010-11
Bajaj Allianz	98.1%	102.2%	104.8%	102.7%	110.2%
Private Sector	102.9%	110.2%	113.9%	115.1%	121.2%
Public Sector	119.8%	124.6%	128.3%	126.8%	137.4%
Market	115.9%	120.2%	123.3%	122.7%	131.5%

Source: IRDA website & IRDA Annual Report 2010-11 – excludes Specialized Insurers. Combined ratio is calculated as ratio of incurred claims, acquisition cost and management expenses to the Net Earned Premium.

Excluding losses from the Indian Motor Third Party Insurance Pool, your Company's combined ratio was 96.1% in the year under review (2010-11, 98.6%). This is considered a significant achievement in a highly competitive market.

### Motor Third Party Insurance

Substantial losses from the Motor Third Party Segment have eroded the profitability of the industry for several years. During the year, the Indian Motor Third Party Insurance Pool (IMTPIP or the Motor Pool) was dismantled with effect from 31<sup>st</sup> March 2012. It is being replaced by a Declined Risk Pool covering only pure Commercial Vehicle Third Party (CVTP) insurance to take effect from 1<sup>st</sup> April 2012.

Towards the end of the year 2011-12, the IRDA announced an increase in the Ultimate Loss Ratios of the business of the IMTPIP, from the earlier mandated 153% to 159%, 188%, 200%, 213% and 145% for the pool years 2007-08 to 2011-12 respectively. IRDA has, further, permitted the additional losses to be recognized over a period of three years with relaxation in solvency requirements at a reducing scale for next 3 financial years, starting from 2011-12. Despite absorbing these additional losses, your Company has been able to maintain its solvency ratio at 156% for the year ended 31<sup>st</sup> March 2012, which is higher than the relaxed regulatory requirement of 130% and the normal regulatory requirement of 150%.

### Return on Equity

The Return on average equity for your Company during the year 2011-12 was 13.8% as against 5.3% in the previous year.

### Return on Equity

Insurer	2006-07	2007-08	2008-09	2009-10	2010-11
Bajaj Allianz	21.9%	21.4%	15.3%	16.5%	5.3%
Private Sector	11.1%	1.4%	-2.3%	-1.5%	-14.3%
Public Sector	7.3%	5.1%	1.3%	3.1%	-0.3%
Total Market	7.5%	4.9%	0.9%	2.6%	-1.7%

Source: IRDA website & IRDA handbook of insurance statistics 2010-11 – excludes Specialized Insurers

Your Company's return on equity in 2011-12 was 13.8%, after absorbing losses arising out of the dismantling of the Indian Motor Third Party Insurance Pool.

### Business Performance during the year

The focus of your Company continued to be on growth with profitability during the year 2011-12 as well. Your Company's gross written premiums, excluding inward business from the IMTPIP, grew from Rs. 29,055 Million in 2010-11 to Rs. 33,376 Million in 2011-12, which is an increase of 14.9%. The combined ratio, excluding losses from the IMTPIP, stood at 96.1% as against 98.6% recorded in 2010-11 and, including the Pool losses, the ratio decreased from 110.2% in 2010-11 to 107.2% in 2011-12. In a market where combined ratios are in excess of 110%, this is a creditable achievement and a vindication of the Company's strong underwriting focus and cost management skills.

The Net Earned Premium during the year excluding the premiums from motor pool was Rs. 21,955 Million as against Rs. 19,309 Million in the previous year, a growth of 13.7%.

Your Company continued to retain the second position in the Private Sector with a market share of 6.3%. We continue to pursue our efforts to improve our renewal business, which stands for better risk and translates into better profitability, while reinforcing the customer's faith your Company's service. During the year, your Company sold over 5.9 Million Policies. The number of claims reported in 2011-12 was 547,464 as against 561,720 reported for the previous year.

### Underwriting Results

Your Company recorded an underwriting profit before considering share of losses from the IMTPIP of Rs. 859.9 Million (previous year profit Rs. 271.8 Million). After considering the share of losses from the IMTPIP, your Company recorded an underwriting loss of Rs. 1,777.2 Million as against a loss of Rs. 2,193.2 Million in the previous year.

### Profit

The Profit Before Tax (PBT) for the year was Rs. 1,939.9 Million compared with Rs. 619.1 Million in the previous year, an increase by 213.3%. The Profit After Tax (PAT) for the year was Rs. 1,236.5 Million against Rs. 432.7 Million in the previous year, an increase of 185.8%.

### Shareholders' Funds

The total capital infused in the Company including share premium as at 31<sup>st</sup> March 2012 remains at Rs. 2,768.5 Million, as no additional capital was infused during the year. The Shareholders' equity of your Company stood at Rs. 9,587.2 Million as at 31<sup>st</sup> March 2012 as against Rs. 8,356.1 Million as at 31<sup>st</sup> March 2011. Your Company continues to be one of the most efficient utilizers 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.

### Investments and Investment Income

Considering the short term nature of the liabilities of the Company, the investment duration has been kept as low as possible. The Company believes that in view of the volatility of the securities markets, reliance on capital market gains for growing assets under management would be unsustainable in the long run. Our investment philosophy is focused on strong cash generation, backed by prudent investment of surpluses keeping in mind the obligation to pay claims when they arise.

The Assets under Management represented by cash and investments as at 31<sup>st</sup> March 2012 stood at Rs. 47,583.5 Million as against Rs. 39,750.8 Million as at 31<sup>st</sup> March 2011, an increase in investible surplus by Rs. 7,832.7 Million or 19.7% over the previous year. The investment income for the year under review was Rs. 3,717.1 Million as against Rs. 2,812.3 Million generated in the previous year, an increase of 32.2%.

### Recognition and Awards

Your Company continues to be at forefront of setting benchmarks in customer service. "Customer First Always" continues to be the most

important core value of your Company, which is exemplified by the three prestigious Awards received by us, namely the "General Insurer of the Year" award for 2012 presented by Bloomberg UTV Financial Leadership Award, the "Best Leading Private Player-Non Life" in the CNBC TV18 Best Bank and Financial Institution Awards FY 2010-11 and the "Best Travel Insurance Company" by CNBC Awaaz Travel Awards, 2011.

### Credit Rating

Your Company maintained its credit rating of "iAAA" awarded by ICRA for the sixth consecutive year. 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 2012-13.

### 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. 2.05 Billion
Expenditure in foreign currency	Rs. 3.25 Billion

### 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 I 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

Mr. Suraj Mehta, Mr. Niraj Bajaj, Mr. Sanjiv Bajaj and Mr. S.H. Khan, Directors, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

Mr. Heinz Dollberg ceased to be Director of the Company and has been succeeded by Mr. David Fried. Mr. Kamesh Goyal ceased to be the Alternate Director to Mr. Manuel Bauer with effect from 30<sup>th</sup> March 2012. The Board of Directors places on record its appreciation and gratitude towards the excellent support and guidance Mr. Heinz Dollberg and Mr. Kamesh Goyal have rendered to the Company.



### Directors' Responsibility Statement

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

- 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 31<sup>st</sup> March 2012 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.

### Corporate Governance

A report on compliance with the Corporate Governance Guidelines for insurance companies issued by IRDA is contained in Annexure II along with a certificate from the Company Secretary & Compliance Officer.

### Auditors

In accordance with the IRDA Regulations / Guidelines, M/s. Dalal and Shah, Chartered Accountants and M/s. Kirtane Pandit, 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.

As M/s. Dalal and Shah, Chartered Accountants, will be completing 5 consecutive years of appointment, they are not eligible for re-appointment as per IRDA Regulations. The Board of Directors therefore recommends appointment of BSR & Co, Chartered Accountants and the re-appointment of M/s. Kirtane Pandit, Chartered Accountants as the Joint Statutory Auditors of the Company from conclusion of the ensuing Annual General Meeting till conclusion of the next Annual General Meeting and to fix their remuneration.

### Auditors' Report

The observations made in the Auditor's Report, read with the relevant notes thereon, are self-explanatory and hence do not call for any comments under Section 217 of the companies Act, 1956.

### Appreciation & Acknowledgment

Your Company's performance during the year would not have been possible without passion, commitment and hard work from the employees and management. On behalf of the Board of Directors, we wish to place our thanks and sincere appreciation for the continued support from all the stakeholders.

We also acknowledge the support of the Insurance Regulatory and Development Authority (IRDA). On behalf of the Board of Directors, we thank our policyholders, intermediaries and reinsurers for reposing their unstinted faith in the Company and we are confident of continuing to deliver value to all our stakeholders.

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

**Rahul Bajaj**

Chairman

12<sup>th</sup> May 2012

Pune

## Annexure II to the Directors Report for the year ended 31<sup>st</sup> March 2012

### Corporate Governance

The Corporate Governance Guidelines dated 5<sup>th</sup> August 2009 (the Guidelines) for the insurance companies issued by Insurance Regulatory and Development Authority (IRDA) outlines the framework of corporate governance policies and practices followed at the Company.

### Board of Directors

The Board of Directors consists of 12 Directors, which includes 5 Independent Directors. The CEO of the Company, as the Managing Director, is executive member of the Board of Directors. The Chairman of the Company and all other Directors are Non-executive Directors and none of the Independent Directors are relatives of any other Director. The list of Directors and other major offices held by them is mentioned elsewhere in this Annual Report.

1. **Mr. Rahul Bajaj, Chairman** of the Company, an Honours graduate in Economics and Law and MBA from Harvard Business School. He is considered as one of the most successful business leaders of India and heads the Bajaj Group of Companies.

2. **Mr. Manuel Bauer, Director** has done Mechanical Engineering from Technical Engineering College in Viennav. He has been head of Central Eastern Europe, Middle East and North Africa (CEEMA) Unit of Allianz SE, Munich since 2010.

3. **Mr. Sanjay Asher is an Independent Director.** He is a Commerce and Law Graduate from Mumbai University and a fellow member of the Institute of Chartered accountants of India. Mr. Sanjay Asher is a Partner of M/s. Crawford Bailey & Co. and was an invitee to the Department of Disinvestment's Committee for standardizing the transaction documents in relation to privatization of the public sector enterprises.

4. **Mr. Niraj Bajaj, Director**, has done his B Com from Sydenham College of Commerce & Economics, Mumbai and Masters in Business Administration from Harvard Business School, USA. He has been Co-Chairman of Mukand Ltd since July 14, 2007 and serves as its Managing Director. Mr. Niraj Bajaj is a Promoter of the Bajaj Group.

5. **Mr. Sanjiv Bajaj, Director**, who is a mechanical engineer, has done M. Sc (Manufacturing Systems Engineering) from University of Warwick, UK and MBA from Harvard Business School, USA. He is currently the Managing Director of Bajaj Finserv Limited and Bajaj Holdings and Investment Limited.

6. **Mr. Heinz Dollberg**, who has a degree in law and holds executive positions with numerous subsidiaries of Allianz, has been associated

with Allianz Group for over three decades. He has been responsible for managing operations in Asia, Middle East and North Africa in collaboration with Allianz offices across the region. He ceases to be a Director on 12<sup>th</sup> May 2012.

7. **Mr. David Fried, Director**, has been nominated on the Board of the Company by Allianz SE in place of Mr. Heinz Dollberg with effect from 12<sup>th</sup> May 2012. A Bachelor in International Economics and Political Science from Miami University, Oxford, Ohio, Mr. David Friend is the Chief Executive Officer, Asia Pacific of Allianz SE Insurance Management Asia Pacific. Before joining Allianz, he was with HSBC Holdings for over 20 years and held various positions in the UK, Asia and the USA.

8. **Mr. Kamesh Goyal**, who is a science and law graduate and has also done MBA from Faculty of Management Studies, Delhi University, was an Alternate Director to Mr. Manuel Bauer. Earlier, he has been a CEO of Bajaj Allianz General Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited. He ceased as an Alternate Director to Mr. Manuel Bauer with effect from 30<sup>th</sup> March 2012.

9. **Mr. Ranjit Gupta, Director**, who is currently working as President – Insurance, at Bajaj Finserv Limited, has Masters Degree in Mechanical & Electrical Engineering from the Indian Railway Institute of Mechanical & Electrical Engineers.

10. **Mr. S H Khan, Independent Director**, has Masters Degree in Commerce and is the former Chairman and Managing Director of IDBI and has been associated with the promotion of several capital market institutions, including NSE, NSDL and CARE and guided their operations as Chairman in the initial years of their existence. He is also on the Board of Bajaj Finserv Limited as an Independent Director.

11. **Mr. Suraj Mehta, Independent Director**, who has honors in Economics, also serves as Non-Executive Independent Director of BPL Limited. Mr. Mehta has held key management positions in India and abroad with ANZ Grindlays Bank till the year 1994. He was the Chief Executive Officer of Dresdner Bank AG in India & was the Geographic Head for the group's four businesses which included Investment, Banking; Securities Broking and Software Development. He has also worked as the Chief Executive Officer of NABIL Bank Limited, the private sector bank in Nepal.

12. **Mr. Dipak Poddar, Independent Director**, serves as an Executive Chairman of Wearology Ltd. (also known as Poddar Developers Ltd). He is also the Chairman of Monotona Securities Limited and Monotona Tyres Ltd. He is an engineering graduate from Massachusetts Institute of Technology, USA.



13. **Mr. Manu Tandon, Independent Director**, is a Commerce graduate and Chartered Accountant, England & Wales. He retired in 2008 as Managing Director Elantas Beck India Ltd Pune, subsidiary of Altana AG, Germany. He was Director, Finance & Corporate Affairs, BASF India Ltd, Mumbai from 1983 till 1996. He was Former Chairman of Pune Zonal Council, Confederation of Indian Industry (CII) and also former Chairman of CII National Council for Chemicals Fertilizers & Petrochemicals.

14. **Mr. Tapan Singhel** was appointed as Managing Director and Chief Executive Officer in place of Mr. Hemant Kaul with effect from 1<sup>st</sup> April 2012. He was the Chief Marketing Officer (CMO) of the Company since 2009. He has been with Bajaj Allianz since its inception in 2001 and a part of the core team formed to plan the retail market strategy. Mr. Tapan Singhel, a BHU alumnus, started his career with a prominent PSU insurer as a direct Officer in 1991.

### Meetings of the Board of Directors

During the year 2011-12, the Board of Directors met four times on 6<sup>th</sup> May 2011, 20<sup>th</sup> July 2011, 14<sup>th</sup> October 2011 and 13<sup>th</sup> January 2012. Following table sets out the details of attendance of Directors at the Board meetings.

Name of Director	Category	Meeting Attended	Sitting Fees (Amt in Rs)
Mr. Rahul Bajaj	Chairman	4/4	NIL
Mr. Manuel Bauer	Director	1/4	NIL
Mr. Sanjay Asher	Independent Director	2/4	40,000
Mr. Niraj Bajaj	Director	3/4	NIL
Mr. Sanjiv Bajaj	Director	4/4	NIL
Mr. Heinz Dollberg*	Director	3/4	NIL
Mr. Kamesh Goyal**	Alternate Director	2/3	NIL
Mr. Ranjit Gupta	Director	4/4	NIL
Mr. S H Khan	Independent Director	4/4	80,000
Mr. Suraj Mehta	Independent Director	4/4	80,000
Mr. Dipak Poddar	Independent Director	3/4	60,000
Mr. Manu Tandon	Independent Director	4/4	80,000
Mr. Hemant Kaul***	CEO & MD	4/4	NIL

\* Mr. Heinz Dollberg ceases to be Director of the Company w.e.f. 12<sup>th</sup> May 2012

\*\* Mr. Kamesh Goyal ceased as Alternate Director to Mr. Manuel Bauer w.e.f. 30<sup>th</sup> March 2012.

\*\*\* Mr. Tapan Singhel has been appointed as MD & CEO in place of Mr. Hemant Kaul w.e.f. 1<sup>st</sup> April 2012.

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

Audit Committee, Investment Committee, Risk Management Committee and Policyholders' Protection Committee, which are mandatorily required under the IRDA Guidelines, have been constituted in accordance with the requirements set out therein.

### Audit Committee

The Audit Committee of the Board of Directors oversees the periodic

financial reporting before submission to the Board and disclosure processes, functioning of the Internal Audit Department and reviews its plans and reports on a quarterly basis. The Audit Committee is directly responsible for the recommendation of the appointment, remuneration, performance and oversight of the work of the Internal, Statutory and Concurrent Auditors. The senior management personnel are invited to the meetings of the Audit Committee, along with the Head of Internal Audit, who presents his report to the Committee at every meeting thereof.

Mr. S H Khan, an Independent Director, is the Chairman of the Audit Committee, with Mr. Sanjay Asher, Independent Director, Mr. Sanjiv Bajaj, Mr. Manuel Bauer, Mr. David Fried and Mr. Ranjit Gupta being other members thereof. All the members of the Audit Committee are Non-executive Directors.

The Audit Committee met four times during the year on 6<sup>th</sup> May 2011, 12<sup>th</sup> July 2011, 14<sup>th</sup> October 2011 and 12<sup>th</sup> January 2012. Following table sets out the particulars of attendance of members of the Committee at various meetings:

Name of Member	Meeting Attended	Sitting Fees (Amt in Rs)
Mr. S H Khan	4/4	80,000/-
Mr. Sanjay Asher	2/4	40,000/-
Mr. Sanjiv Bajaj	4/4	-
Mr. Manuel Bauer	0/4	-
Mr. Heinz Dollberg*	2/4	-
Mr. Kamesh Goyal**	2/4	-
Mr. Ranjit Gupta	4/4	-

\* Mr. Heinz Dollberg ceases to be Director of the Company w.e.f. 12<sup>th</sup> May 2012

\*\* Mr. Kamesh Goyal ceased to be Alternate Director of Mr. Manuel Bauer w.e.f. 30<sup>th</sup> March 2012.

### Investment Committee

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

Mr. Manuel Bauer is the Chairman of the Investment Committee, with Mr. Sanjiv Bajaj, Mr. Ranjit Gupta and Mr. Tapan Singhel, MD & CEO, being the other Director members thereof. Mr. V Jeyaraman, Chief Financial Officer, Mr. Ashish Goyal, Chief Investments Officer and Dr. (Mrs.) Asha Joshi, Appointed Actuary, are also members of the Investment Committee. The Chief Risk Officer is also invited to the Investment Committee meetings.

The Investment Committee met four times during the year on 5<sup>th</sup> May 2011, 20<sup>th</sup> July 2011, 13<sup>th</sup> October 2011 and 12<sup>th</sup> January 2012. Following table sets out the particulars of attendance of members of

the Investment Committee at various meetings:

Name of Director	Meeting Attended
Mr. Heinz Dollberg*	0/1
Mr. Manuel Bauer*	0/3
Mr. Sanjiv Bajaj	4/4
Mr. Kamesh Goyal**	2/3
Mr. Ranjit Gupta	4/4
Mr. Hemant Kaul***	4/4
Mr. Ashish Goyal	3/4
Mr. V Jeyaraman	4/4
Dr. (Mrs.) Asha Joshi	4/4

\* Mr. Manuel Bauer was appointed in place of Mr. Heinz Dollberg as Chairman of the Investment Committee w.e.f. 6<sup>th</sup> May 2011. Mr. Heinz Dollberg ceases to be Director of the Company w.e.f. 12<sup>th</sup> May 2012.

\*\* Mr. Kamesh Goyal ceased to be Alternate Director to Mr. Manuel Bauer w.e.f. 30<sup>th</sup> March 2012.

\*\*\* Mr. Tapan Singhel has been appointed as MD & CEO in place of Mr. Hemant Kaul w.e.f. 1<sup>st</sup> April 2012.

### Risk Management Committee

The Risk Management Committee oversees the functioning of the overall risk management framework of the Company and implementation of the risk management strategy. It assists the Board in effective operation of the risk management system by performing analyses and quality reviews and reports details on the risk exposures and the actions taken to manage the exposures.

### Risk Management Framework of the Company

The Company perceives risk management as a means of value optimization. We also recognize the importance of internal controls and risk management in sustaining the business continuity and have endeavored to make risk management and control an essential component of our business culture. This is achieved through better understanding of the balance between risk and return in the implementation and achievement of entity objectives. The overall risks are divided into several categories, which are further subdivided into major sub-categories. While the risk categories remain clearly distinct from each other, at the time of assessment their interdependencies are taken in to account. Covering major categories of assessable risks, independent of the assessment methodology, and quantifiability, the risk management framework encompasses practices relating to identification, assessment, monitoring and mitigation of these risks.

- a) **Risk Management Policy:** We are committed to manage risks in line with the Company's stated risk appetite through a systematic framework which identifies, evaluates, mitigates and monitors risks that potentially have a material impact on the value of the organization or potentially hinder the organization in achieving its stated business objectives and goals.
- b) **Risk Management Overview Structure:** A proactive risk management structure is core to the Company's overall strategic management. The supervisory level Risk Committee, convened by the Chief Risk Officer (CRO), comprises of various Heads of Departments / functions, which have been identified as the

owners of respective risks. They are responsible for the implementation of risk management activities including risk mitigation plan within their respective vertical / departments or projects. This supervisory level committee establishes centralized risk monitoring and management. Through this structured process, the risk management team undertakes to provide reasonable assurance to top management on the state of risks and controls. The risk owners are responsible to review the Top Risk Assessment (TRA) during the Risk Committee Meeting. The CRO is ultimately responsible for fostering the enterprise-wide risk management function including provision of the TRA to the Risk Committee and the Risk Management Committee.

- c) **Risk Management Procedures:** To ensure an effective integrated risk management process, the Risk Management Cycle is used as the base for identification and solution tool. Typically a Risk Management Cycle entails Operations & Monitoring risks (Risk Identification, Assessment & Control, Treatment & Management Action Plan, followed by Monitoring & Reviewing) and Controls & Compliance (Standard Operating Procedures, Internal and External Audit and Quarterly Risk Review)

Mr. Manuel Bauer, Director, is the Chairman of the Risk Management Committee, with Mr. Sanjiv Bajaj, Mr. Ranjit Gupta and Mr. Tapan Singhel, MD & CEO, being the other members thereof.

The Risk Management Committee met four times during the year on 5<sup>th</sup> May 2011, 20<sup>th</sup> July 2011, 13<sup>th</sup> October 2011 and 13<sup>th</sup> January 2012. Following table sets out the particulars of attendance of members of the Risk Management Committee at various meetings:

Name of Director	Meeting Attended
Mr. Manuel Bauer*	0/3
Mr. Heinz Dollberg*	0/1
Mr. Sanjiv Bajaj	4/4
Mr. Kamesh Goyal**	2/3
Mr. Ranjit Gupta	4/4
Mr. Hemant Kaul***	4/4

\* Mr. Manuel Bauer was appointed in place of Mr. Heinz Dollberg as Chairman of the Risk Management Committee w.e.f. 6<sup>th</sup> May 2011. Mr. Heinz Dollberg ceases to be Director of the Company w.e.f. 12<sup>th</sup> May 2012.

\*\* Mr. Kamesh Goyal ceased to be Alternate Director to Mr. Manuel Bauer w.e.f. 30<sup>th</sup> March 2012.

\*\*\* Mr. Tapan Singhel has been appointed as MD & CEO in place of Mr. Hemant Kaul w.e.f. 1<sup>st</sup> April 2012.

Pursuant to IRDA Circular dated 3rd January 2012, regarding Asset Liability Management and Stress Testing, the Company has adopted the Asset Liability Management Policy (ALM Policy) which is being implemented with effect from 1<sup>st</sup> April 2012. The Risk Management Committee has been vested with responsibilities to formulate, implement, monitor and periodically revise the ALM strategies of the Company. The Chief Investment Officer will be a permanent invitee to all meetings of the Risk Management Committee.

### Policyholders' Protection Committee

As required by the IRDA Guidelines, the Company has formed a Policyholders' Protection Committee of the Board of Directors, with responsibility to put in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries and to ensure compliance with the statutory requirements. The Policyholders' Protection Committee reviews the Grievance Redressal Mechanism and the status of complaints at periodic intervals.

Mr. Sanjiv Bajaj is the Chairman of the Policyholders' Protection Committee, with Mr. Manuel Bauer, Mr. Ranjit Gupta and Mr. Tapan Singhel, MD & CEO, being the other members thereof. Mr. V Jeyaraman, Chief Financial Officer, is also invited to the Policyholders' Protection Committee meetings.

The Policyholders' Protection Committee met four times during the year on 5<sup>th</sup> May 2011, 20<sup>th</sup> July 2011, 13<sup>th</sup> October 2011 and 13<sup>th</sup> January 2012. Following table sets out the particulars of attendance of members of the Policyholders' Protection Committee at various meetings:

Name of Director	Meeting Attended
Mr. Sanjiv Bajaj	4/4
Mr. Manuel Bauer *	0/3
Mr. Heinz Dollberg*	0/1
Mr. Kamesh Goyal**	2/3
Mr. Ranjit Gupta	4/4
Mr Hemant Kaul***	4/4

\* Mr. Manuel Bauer was appointed in place of Mr. Heinz Dollberg as member of the Policyholders' Protection Committee w.e.f. 6<sup>th</sup> May 2011. Mr. Heinz Dollberg ceases to be Director of the Company w.e.f. 12<sup>th</sup> May 2012.

\*\* Mr. Kamesh Goyal ceased to be Alternate Director to Mr. Manuel Bauer w.e.f. 30<sup>th</sup> March 2012.

\*\*\* Mr. Tapan Singhel has been appointed as MD & CEO in place of Mr. Hemant Kaul w.e.f. 1<sup>st</sup> April 2012.

## Certification for compliance of the Corporate Governance Guidelines

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

12th May 2012  
Pune

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

## Management Report for the Financial Year ended 31<sup>st</sup> March 2012

With respect to the operations of Bajaj Allianz General Insurance Company Limited ("the Company") for the year ended 31<sup>st</sup> March 2012 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 2012-13.
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 of claims as measured by the average amount per claim. The frequency and severity risks vary according to the lines of business.

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

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

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

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

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

The Company has an Anti Money Laundering Policy and a Whistle Blower mechanism in place, duly approved by the Board of Directors. The investment portfolio is also diversified within limits set under the IRDA Regulations. The Company has appointed an independent firm of Chartered Accountants to undertake the concurrent audit of Company's investment transactions and related processes, report of which is submitted to the Audit Committee on a quarterly basis. During the year, the Investment Risk Management Systems and Processes were also audited by another independent firm of Chartered Accountants as required by IRDA, the report of which was presented to the Audit Committee of the Board of Directors.

The Company has a Risk Management Committee of the Board of Directors which advises the Board on the risk exposures and the actions taken to manage the same. In addition, the Company also has an internal Risk Committee consisting of various departmental representatives, chaired by the Chief Risk Officer, which reviews the risks as well as the risk processes and compliance with the Risk Management Policy of the Company. The Company also has 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 pertinent 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 assess the claims are awaited and those which are the 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 such claims paid and outstanding. 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 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 investment in equity shares is valued at market value. The investments in the Mutual Funds are valued at the Net Asset Values (NAV) of these Mutual Funds as on the Balance Sheet date, if any.
11. Most of the Company's investments are in fixed income securities 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 its obligations related to Claims and other operations. The Company monitors the cash position daily and seasonal liquidity needs are considered while planning maturities of investments. 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 the Company certifies that:
- The financial statements of the Company have been prepared in accordance with the applicable Accounting Standards and principles and policies with no material departures;
  - 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;
  - 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;
  - The financial statements have been prepared on a going concern basis;
  - The management has set up an internal audit system commensurate with the size and nature of the business and the same was operational throughout the year.
13. The schedule of payments which have been made to individuals, firms, companies and organizations in which the Directors of the Company are interested is given as Annexure III.

## For and on behalf of the Board of Directors

**Rahul Bajaj**  
Chairman

**Manuel Bauer**  
Director

**Sanjiv Bajaj**  
Director

**Niraj Bajaj**  
Director

**David Fried**  
Director

**Ranjit Gupta**  
Director

**S. H. Khan**  
Director

**Suraj Mehta**  
Director

**Dipak Poddar**  
Director

**Manu Tandon**  
Director

**Tapan Singhel**  
Managing Director &  
Chief Executive Officer

**V. Jeyaraman**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

12<sup>th</sup> May 2012  
Pune

## Annexure I: Average Claims Settlement Time during preceding 5 years

Line of Business	2007-08		2008-09		2009-10		2010-11		2011-12	
	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	5821	91	6182	107	5992	95	5551	87	5308	80
Marine	8457	59	7053	84	8530	73	9794	60	8756	62
Motor OD	269229	24	329283	24	362481	23	412110	20	399430	20
Health	64469	19	77742	21	99648	35	98953	35	91084	23
Others	16342	88	35052	65	11364	81	16437	46	6665	71
Weighted Average	364318	28	455312	29	488015	28	542845	25	511243	22

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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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	119	1607	350	878	9634	4911	234	118	761	1019	11197	9661
1 year to 5 years	190	1876	101	880	854	971	22317	21316	173	248	2212	3579	25847	28871
> 5 years	8	114	21	40	22	17	567	825	6	2	23	57	647	1054



As at 31<sup>st</sup> March 2011

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	139	742	353	480	4254	2670	1811	1073	2052	1110	952	1019	9561	7094
31 days-6 months	172	2020	490	1380	2575	3706	7214	4891	685	258	1239	1764	12375	14020
6 months to 1 year	85	2476	147	707	329	547	8175	5239	100	50	575	676	9411	9695
1 year to 5 years	235	1620	155	1423	1080	1603	31011	25354	211	260	2354	3585	35046	33845
> 5 years	29	284	25	119	56	41	1228	1606	12	14	62	144	1412	2208

As at 31<sup>st</sup> March 2012

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	116	900	380	733	4250	2766	1689	1379	1852	1056	699	851	8986	7685
31 days-6 months	211	2295	362	852	3884	4131	6988	6392	447	221	1043	2028	12935	15919
6 months to 1 year	90	1803	101	318	400	601	6905	5972	68	61	622	1063	8186	9817
1 year to 5 years	226	1974	153	1368	1217	1719	33676	28297	196	226	2457	3466	37925	37050
> 5 years	48	317	27	126	116	110	2590	4039	31	73	208	331	3020	4996

## 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 Limited	Rahul Bajaj	Director	Rent for premises hired	171.7				
		Sanjiv Bajaj	Director	Insurance premia received	19.8				
		S. H. Khan	Director	Insurance claims paid	1.8				
				Payments for common area maintenance	102.1				
2	Bajaj Auto Limited	Rahul Bajaj	Director	Insurance premia received	1,043.0				
		Niraj Bajaj	Director	Insurance claims paid	451.1				
		Sanjiv Bajaj	Director	Purchases or Sale of Investments	(2,513.7)				
3	Bajaj Holdings & Investments Limited	Rahul Bajaj	Director	Insurance premia received	0.2				
		Sanjiv Bajaj	Director	Insurance claims paid	0.2				
		S. H. Khan	Director						
4	Bajaj Allianz Financial Distributors Limited	Ranjit Gupta	Director	Insurance premia received	10.1				
		Heinz Dollberg	Director	Insurance claims paid	2.9				
		Kamesh Goyal	Director	Manpower supply charges	5,747.9				
				Billable expenses	174.7				
				Insurance premium received as an agent	7,818.1				
				Insurance Commission paid	580.7				
				Other expenses Paid/Payable	1.6				
5	Bajaj Electricals Limited	Rahul Bajaj	Shareholding exceeds 2%	Insurance premium received	294.5				
		Niraj Bajaj	Shareholding exceeds 2%	Insurance claims paid	169.8				
6	Bajaj Finance Limited	Rahul Bajaj	Director	Insurance premium received	20.0				
		Dipak Poddar	Director	Insurance claims paid	3.5				
		Sanjiv Bajaj	Director	Other expenses Paid/Payable	29.8				
7	Bajaj Allianz Life Insurance Company Limited	Rahul Bajaj	Director	Expenditure incurred by BALIC on behalf of BAGIC	778.7				
		Dr. Werner Zedelius	Director	Expenditure incurred by BAGIC on behalf of BALIC	(509.1)				
		Sanjiv Bajaj	Director	Insurance Premia received from BALIC	846.0				
		Niraj Bajaj	Director	Insurance Claims paid to BALIC	1,403.7				
		Sanjay Asher	Director	Insurance premium Paid to BALIC	42.1				
		Suraj Mehta	Director	Insurance claims Received from BALIC	25.1				
		S H Khan	Director	Payment against Gratuity Fund	(409.3)				
		Manu Tandon	Director	Withdrawal from Gratuity Fund	133.6				
		Ranjit Gupta	Director						
		Heinz Dollberg	Director						
Kamesh Goyal	Director								
8	Bajaj Financial Solutions Limited	Rahul Bajaj	Director	Insurance premium received	0.1				
		Sanjiv Bajaj	Director						
9	Mukand Engineers Limited	Niraj Bajaj	Director	Insurance premium received	26.7				
				Insurance claims paid	27.9				
10	Mukand Limited	Rahul Bajaj	Director	Insurance premium received	327.1				
		Sanjiv Bajaj	Relative is a Director	Insurance claims paid	241.1				
		Niraj Bajaj	Director						
11	Mukund Bekaert wire Industries Private Limited	Niraj Bajaj	Director	Insurance premium received	13.5				
				Insurance claims paid	1.9				
12	Hind Musafir Agency Limited	Rahul Bajaj	Shareholding exceeds 2%	Travel Agency services	342.9				
				Niraj Bajaj	Shareholding exceeds 2%	Insurance premia received	0.8		
						Sanjiv Bajaj	Relative is a Director	Insurance claims paid	0.10
								Other expenses Paid/Payable	7.2

## Auditors' Report

To the Members of

### Bajaj Allianz General Insurance Company Limited

We have audited the attached Balance Sheet of Bajaj Allianz General Insurance Company Limited ('the Company') as at March 31, 2012, the Revenue accounts of Fire, Marine and Miscellaneous Insurance (collectively known as the 'Revenue accounts'), the Profit and Loss account and the Receipts and Payments account, for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Balance Sheet, the Revenue accounts, the Profit and Loss account and Receipts and Payments account, have been drawn up in accordance with the Insurance Act, 1938 (Act 4 of 1938), Insurance Regulatory and Development Act, 1999, Insurance Regulatory and Development Authority ('IRDA') (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') read with Section 211 of the Companies Act, 1956 ('the Act').

We report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
  - In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
  - As the Company's financial accounting system is centralized, no returns for the purposes of our audit are prepared at the branches and other offices;
  - The Balance Sheet, the Revenue accounts, Profit and Loss account and the Receipts and Payments account referred to in this report are in agreement with the books of account;
  - The actuarial valuation of liabilities in respect of claims Incurred But Not Reported ('IBNR') and those Incurred But Not Enough Reported ('IBNER') at March 31, 2012 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions considered by her for such valuation are in accordance with the guidelines and norms issued by the IRDA and the Actuarial Society of India in concurrence with the IRDA. We have relied upon the appointed actuary's certificate in this regard;
  - On the basis of the written representations received from the directors, as at March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- In our opinion and according to the information and explanations given to us, we further report that:
- The investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders / directions issued by IRDA in this behalf;
  - The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub section (3C) of Section 211 of the Act and with the accounting principles prescribed by the Regulations and orders / directions issued by IRDA in this behalf;
  - The Balance Sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payment account referred to in this report are in compliance with the Accounting Standards referred to in sub section (3C) of section 211 of the Act, to the extent they are non inconsistent with the accounting policies prescribed by IRDA;
  - The Balance Sheet, Revenue accounts, Profit and Loss account and Receipts and Payments account read together with the notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 the Regulations and the Companies Act, 1956, to the extent applicable, and in a manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:
    - in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
    - in the case of the Revenue Accounts, of the surplus/deficit, as the case maybe, for the year ended on that date;

- in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Further, on the basis of examination of books and other records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:

- We have reviewed the management report and there are no apparent mistakes or material inconsistencies with the financial statements; and

- Based on the information and explanations received during the course of our audit, management representations by officers of the Company charged with compliance and compliance certificates noted by the audit committee, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration as per sub-section 4 of section 3 of the Insurance Act, 1938.

**For Kirtane & Pandit**  
**Firm Registration Number – 105215W**  
Chartered Accountants

**Sandeep D. Welling**  
Partner  
Membership Number: 44576  
Pune  
12th May, 2012

**For Dalal & Shah**  
**Firm Registration Number – 102021W**  
Chartered Accountants

**Anish Amin**  
Partner  
Membership Number: 40451  
Pune  
12th May, 2012

## Auditors' certificate

**To the members of  
Bajaj Allianz General Insurance Company Limited**

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and records maintained by Bajaj Allianz General Insurance Company Limited ('the Company') for the year ended March 31, 2012, we certify that:

We have verified the cash balances, to the extent considered necessary, securities relating to the Company's investments by actual inspection or on the basis of certificates / confirmations received from custodians and / or Depository Participants appointed by the Company, as the case may be;

- The Company is not the trustee of any trust; and no part of

the assets of the Policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 relating to the application and investment of the policyholders' funds.

This certificate is issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ('the Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

**For Kirtane & Pandit**  
**Firm Registration Number – 105215W**  
Chartered Accountants

**Sandeep D. Welling**  
Partner  
Membership Number: 44576  
Pune  
12th May, 2012

**For Dalal & Shah**  
**Firm Registration Number – 102021W**  
Chartered Accountants

**Anish Amin**  
Partner  
Membership Number: 40451  
Pune  
12th May, 2012

## Revenue Accounts

### Revenue Accounts for the year ended 31<sup>st</sup> March, 2012

Particulars	Schedule	For the year	
		Fire	Marine
Premiums earned - (Net)	1	1,302,095	612,805
Profit / (Loss) on sale/redemption of Investments (Net)		(642)	(201)
Other Income - Miscellaneous Income*		70,243	915
Provisions no Longer required Written Back		-	-
Amortisation of Discount/(Premium)		8,651	2,707
Interest, Dividend & Rent-Gross		246,030	77,000
<b>Sub Total</b>		<b>324,282</b>	<b>80,421</b>
<b>Total (A)</b>		<b>1,626,377</b>	<b>693,226</b>
Claims incurred (Net)	2	626,519	322,330
Commission	3	(66,050)	43,407
Contribution to Solatium Fund		-	-
Change in Premium Deficiency		-	-
Operating Expenses related to Insurance Business	4	523,148	174,878
<b>Total (B)</b>		<b>1,083,617</b>	<b>540,615</b>
OPERATING PROFIT/(LOSS) (C)=(A)-(B)		542,760	152,611
Appropriations			
Transfer to Shareholders' Account		542,760	152,611
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves (to be specified )		-	-
<b>Total(C)</b>		<b>542,760</b>	<b>152,611</b>

Significant accounting policies & Notes to Financial Statements

16

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

\* Includes in Miscellaneous line of business, Investment income from Indian Motor Third Party Insurance Pool Rupees 4,672 thousand (Previous year Rupees 126,215 thousand)

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 Kirtane & Pandit**  
Firm Registration Number  
105215W  
Chartered Accountants

**For Dalal & Shah**  
Firm Registration Number  
102021W  
Chartered Accountants

**Sandeep D. Welling**  
Partner  
Membership No. 44576  
Pune

**Anish P. Amin**  
Partner  
Membership No. 40451  
Pune

Place : Pune  
Date : 12<sup>th</sup> May 2012



Rupees ('000)

ended 31 <sup>st</sup> March, 2012		For the year ended 31 <sup>st</sup> March, 2011			
Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
22,831,933	24,746,833	1,131,396	572,840	19,792,280	21,496,516
(6,499)	(7,342)	1,391	417	13,326	15,134
23,192	94,350	21,424	1,059	131,396	153,879
-	-	-	-	-	-
87,614	98,972	810	243	7,762	8,815
2,491,689	2,814,719	197,197	59,034	1,889,045	2,145,276
2,595,996	3,000,699	220,822	60,753	2,041,529	2,323,104
<b>25,427,929</b>	<b>27,747,532</b>	<b>1,352,218</b>	<b>633,593</b>	<b>21,833,809</b>	<b>23,819,620</b>
18,130,646	19,079,495	619,514	323,067	16,070,123	17,012,704
769,786	747,143	(158,758)	42,856	519,502	403,600
19,515	19,515	-	-	17,141	17,141
3,200	3,200	-	-	(53,494)	(53,494)
<b>6,024,269</b>	<b>6,722,295</b>	<b>519,076</b>	<b>168,202</b>	<b>5,773,894</b>	<b>6,461,172</b>
<b>24,947,416</b>	<b>26,571,648</b>	<b>979,832</b>	<b>534,125</b>	<b>22,327,166</b>	<b>23,841,123</b>
480,513	1,175,884	372,386	99,468	(493,357)	(21,503)
480,513	1,175,884	372,386	99,468	(493,357)	(21,503)
-	-	-	-	-	-
-	-	-	-	-	-
<b>480,513</b>	<b>1,175,884</b>	<b>372,386</b>	<b>99,468</b>	<b>(493,357)</b>	<b>(21,503)</b>

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

**Rahul Bajaj**  
Chairman

**Manuel Bauer**  
Director

**Sanjiv Bajaj**  
Director

**Niraj Bajaj**  
Director

**David Fried**  
Director

**Ranjit Gupta**  
Director

**S H Khan**  
Director

**Suraj Mehta**  
Director

**Dipak Poddar**  
Director

**Manu Tandon**  
Director

**Tapan Singhel**  
Managing Director &  
Chief Executive Officer

**V. Jeyaraman**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Pune  
12<sup>th</sup> May 2012

## Profit and Loss Account for the year ended 31<sup>st</sup> March, 2012

Rupees ('000)

Particulars	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>Operating Profit/(Loss), as per Revenue Accounts of</b>		
(a) Fire Insurance Business	542,760	372,386
(b) Marine Insurance Business	152,611	99,468
(c) Miscellaneous Insurance Business	480,513	(493,357)
	1,175,884	(21,503)
<b>Income From Investments</b>		
(a) Interest, Dividends and Rent -Gross	722,120	626,032
(b) Amortisation of Discount/(Premium)	25,391	2,572
(c) Profit on sale/redemption of investments	5,624	15,211
<b>Less:- (Loss) on sale/redemption of investments</b>	(7,508)	(10,795)
	745,627	633,020
<b>Other Income -Miscellaneous Income</b>	32,110	26,003
<b>Total(A)</b>	<b>1,953,621</b>	<b>637,520</b>
<b>Provisions (Other than taxation)</b>		
(a) For diminution in the value of investments	-	-
(b) For doubtful debts	(669)	3,282
(c) Others (to be specified)	-	-
<b>Other Expenses</b>		
(a) Expenses other than those directly related to the insurance business	14,398	15,104
(b) Bad debts written off	-	-
(c) Preliminary Expenses written off	-	-
	13,729	18,386
<b>Total (B)</b>	<b>13,729</b>	<b>18,386</b>
Profit before tax	1,939,892	619,134
Provision for taxation		
Current Tax	661,841	225,451
Fringe Benefit Tax	-	-
Deferred Tax expense ( Refer schedule 16 note 18 )	41,510	(39,040)
	703,351	186,411
<b>Profit after</b>	<b>1,236,541</b>	<b>432,723</b>
<b>Profit available for appropriation</b>	<b>1,236,541</b>	<b>432,723</b>
<b>Appropriations</b>		
(a) Interim dividends paid during the year	-	-
(b) Proposed final dividend	-	-
(c) Dividend distribution on tax	-	-
(d) Transfer to reserve/other accounts (to be specified)	-	-
Balance of Profit brought forward last year	5,597,250	5,164,527
<b>Balance carried forward to Balance Sheet</b>	<b>6,833,791</b>	<b>5,597,250</b>
<b>Significant Accounting Policies &amp; Notes to Financial Statements</b>	<b>16</b>	
<b>Earning per Share: Basic (Refer Schedule 16 Note 17)</b>	<b>11.22</b>	<b>3.93</b>

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

### As per our report of even date attached

**For Kirtane & Pandit**  
Firm Registration Number  
105215W  
Chartered Accountants

**For Dalal &Shah**  
Firm Registration Number  
102021W  
Chartered Accountants

**Sandeep D. Welling**  
Partner  
Membership No. 44576  
Pune

**Anish.P.Amin**  
Partner  
Membership No. 40451  
Pune

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

**Rahul Bajaj**  
Chairman

**Manuel Bauer**  
Director

**Sanjiv Bajaj**  
Director

**Niraj Bajaj**  
Director

**David Fried**  
Director

**Ranjit Gupta**  
Director

**S H Khan**  
Director

**Suraj Mehta**  
Director

**Dipak Poddar**  
Director

**Manu Tandon**  
Director

**Tapan Singhel**  
Managing Director &  
Chief Executive Officer

**V. Jeyaraman**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Pune  
12<sup>th</sup> May 2012

## Balance Sheet as at 31<sup>st</sup> March, 2012

Rupees ('000)

Particulars	Schedule	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>SOURCES OF FUNDS</b>			
Shareholders' funds :			
Share Capital	5	1,102,273	1,102,273
Reserves and Surplus	6	8,499,988	7,263,447
Fair Value Change Account		(15,007)	(9,666)
Borrowings	7	-	-
<b>Total</b>		<b>9,587,254</b>	<b>8,356,054</b>
<b>APPLICATION OF FUNDS</b>			
Investments	8	38,656,891	33,094,874
Loans	9	-	-
<b>Fixed Assets</b>	<b>10</b>		
Gross Block ( Refer schedule 16 note 2.14)		3,351,292	2,826,456
Less:- Accumulated Depreciation		1,454,846	1,367,694
Net Block		1,896,446	1,458,762
Capital Work In Progress including Capital advances		184,379	101,971
		2,080,825	1,560,733
<b>Deferred Tax Asset (Refer schedule 16 Note 18)</b>		376,010	417,520
<b>Current Assets</b>			
Cash and Bank Balances	11	8,926,625	6,655,917
Advances and Other Assets	12	3,749,648	2,736,575
	Sub-Total (A)	12,676,273	9,392,492
<b>Current Liabilities</b>			
Current Liabilities	13	29,084,245	23,104,101
Provisions	14	15,118,500	13,005,464
	Sub-Total (B)	44,202,745	36,109,565
<b>Net Current Assets (C) = (A - B)</b>		<b>(31,526,472)</b>	<b>(26,717,073)</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		-	-
	<b>Total</b>	<b>9,587,254</b>	<b>8,356,054</b>

### As per our report of even date attached

**For Kirtane & Pandit**  
Firm Registration Number  
105215W  
Chartered Accountants

**For Dalal & Shah**  
Firm Registration Number  
102021W  
Chartered Accountants

**Sandeep D. Welling**  
Partner  
Membership No. 44576  
Pune

**Anish.P.Amin**  
Partner  
Membership No. 40451  
Pune

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

**Rahul Bajaj**  
Chairman

**Manuel Bauer**  
Director

**Sanjiv Bajaj**  
Director

**Niraj Bajaj**  
Director

**David Fried**  
Director

**Ranjit Gupta**  
Director

**S H Khan**  
Director

**Suraj Mehta**  
Director

**Dipak Poddar**  
Director

**Manu Tandon**  
Director

**Tapan Singhel**  
Managing Director &  
Chief Executive Officer

**V. Jeyaraman**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Pune  
12<sup>th</sup> May 2012

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 31<sup>st</sup> March, 2012

## SCHEDULE - 1 Premium Earned (Net)

Particulars	For the year ended 31 <sup>st</sup> March, 2012			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
<b>Premium from Direct Business written:</b>	<b>2,872,776</b>	<b>891,060</b>	<b>8,031</b>	<b>29,094,324</b>
Add: Premium on Reinsurance Accepted	331,681	4,159	2,844	3,554,014
Less: Premium on reinsurance ceded	1,777,341	270,417	8,368	7,746,056
<b>Net Premium</b>	<b>1,427,116</b>	<b>624,802</b>	<b>2,507</b>	<b>24,902,282</b>
Adjustment for Change in Unexpired Risk Reserve				
Reserve created during the year	1,150,860	312,390	2,508	13,537,464
Less: Reserve created during the previous year Written Back	1,025,839	291,911	8,483	11,467,115
Change in the Unexpired Risk Reserve	125,021	20,479	(5,975)	2,070,349
<b>Total Premium Earned (Net)</b>	<b>1,302,095</b>	<b>604,323</b>	<b>8,482</b>	<b>22,831,933</b>
<b>Note :</b>				
<b>Premium Income earned from business concluded:</b>				
In India	1,302,095	604,323	8,482	22,831,933
Outside India	-	-	-	-
<b>Total Premium Earned (Net)</b>	<b>1,302,095</b>	<b>604,323</b>	<b>8,482</b>	<b>22,831,933</b>

\*Refer Schedule 1(A)

Rupees ('000)

Total	For the year ended 31 <sup>st</sup> March, 2011				Total
	Fire	Marine		Miscellaneous*	
		Cargo	Others		
<b>32,866,191</b>	<b>2,638,117</b>	<b>754,127</b>	<b>35,645</b>	<b>25,271,754</b>	<b>28,699,643</b>
3,892,698	249,461	4,765	4,240	2,335,562	2,594,028
9,802,182	1,590,997	175,047	31,403	6,391,214	8,188,661
<b>26,956,707</b>	<b>1,296,581</b>	<b>583,845</b>	<b>8,482</b>	<b>21,216,102</b>	<b>23,105,010</b>
15,003,222	1,025,839	291,911	8,483	11,467,115	12,793,348
12,793,348	860,654	251,913	28,994	10,043,293	11,184,854
2,209,874	165,185	39,998	(20,511)	1,423,822	1,608,494
<b>24,746,833</b>	<b>1,131,396</b>	<b>543,847</b>	<b>28,993</b>	<b>19,792,280</b>	<b>21,496,516</b>
24,746,833	1,131,396	543,847	28,993	19,792,280	21,496,516
-	-	-	-	-	-
<b>24,746,833</b>	<b>1,131,396</b>	<b>543,847</b>	<b>28,993</b>	<b>19,792,280</b>	<b>21,496,516</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 1 (A) Premium Earned (Net)

Particulars	Motor	Motor	IMTPIP*	Motor	Workmens' Compensation
	OD	TP		Total	
<b>Premium from Direct Business:</b>	14,308,459	5,202,805	-	19,511,264	307,821
Add: Premium on Reinsurance Accepted	-	-	3,382,738	3,382,738	-
Less: Premium on reinsurance ceded	1,462,172	3,042,914	-	4,505,086	30,624
<b>Net Premium</b>	<b>12,846,287</b>	<b>2,159,891</b>	<b>3,382,738</b>	<b>18,388,916</b>	<b>277,197</b>
Adjustment for Change in Unexpired Risk Reserve					
Reserve created during the year	6,661,435	1,065,521	1,689,910	9,416,866	109,952
Less: Reserve created during the previous year Written Back	6,028,854	929,858	1,098,998	8,057,710	97,863
Change in the Unexpired Risk Reserve	632,581	135,663	590,912	1,359,156	12,089
<b>Total Premium Earned (Net)</b>	<b>12,213,706</b>	<b>2,024,228</b>	<b>2,791,826</b>	<b>17,029,760</b>	<b>265,108</b>
<b>Note:</b>					
<b>Premium Income earned from business concluded:</b>					
In India	12,213,706	2,024,228	2,791,826	17,029,760	265,108
Outside India	-	-	-	-	-
<b>Total Premium Earned (Net)</b>	<b>12,213,706</b>	<b>2,024,228</b>	<b>2,791,826</b>	<b>17,029,760</b>	<b>265,108</b>

Particulars	Motor	Motor	IMTPIP*	Motor	Workmens' Compensation
	OD	TP		Total	
<b>Premium from Direct Business:</b>	13,021,799	4,118,931	-	17,140,730	261,308
Add: Premium on Reinsurance Accepted	-	-	2,239,178	2,239,178	-
Less: Premium on reinsurance ceded	1,303,080	2,172,752	-	3,475,832	26,109
<b>Net Premium</b>	<b>11,718,719</b>	<b>1,946,179</b>	<b>2,239,178</b>	<b>15,904,076</b>	<b>235,199</b>
Adjustment for Change in Unexpired Risk Reserve					
Reserve created during the year	6,028,854	929,858	1,098,998	8,057,710	97,863
Less: Reserve created during the previous year Written Back	4,999,507	870,582	1,047,156	6,917,245	64,278
Change in the Unexpired Risk Reserve	1,029,347	59,276	51,842	1,140,465	33,585
<b>Total Premium Earned (Net)</b>	<b>10,689,372</b>	<b>1,886,903</b>	<b>2,187,336</b>	<b>14,763,611</b>	<b>201,614</b>
<b>Note :</b>					
<b>Premium Income earned from business concluded:</b>					
In India	10,689,372	1,886,903	2,187,336	14,763,611	201,614
Outside India	-	-	-	-	-
<b>Total Premium Earned (Net)</b>	<b>10,689,372</b>	<b>1,886,903</b>	<b>2,187,336</b>	<b>14,763,611</b>	<b>201,614</b>

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



Rupees ('000)

For the year ended 31<sup>st</sup> March, 2012

Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
205,320	1,236,229	260,811	593,705	4,272,853	113,642	2,592,679	29,094,324
-	102,352	(66)	-	59,128	-	9,862	3,554,014
126,969	1,077,780	256,321	100,381	474,057	110,455	1,064,383	7,746,056
<b>78,351</b>	<b>260,801</b>	<b>4,424</b>	<b>493,324</b>	<b>3,857,924</b>	<b>3,187</b>	<b>1,538,158</b>	<b>24,902,282</b>
45,100	155,170	3,553	458,954	1,709,362	362	1,638,145	13,537,464
30,258	146,093	4,721	421,523	1,413,995	306	1,294,646	11,467,115
14,842	9,077	(1,168)	37,431	295,367	56	343,499	2,070,349
<b>63,509</b>	<b>251,724</b>	<b>5,592</b>	<b>455,893</b>	<b>3,562,557</b>	<b>3,131</b>	<b>1,194,659</b>	<b>22,831,933</b>
63,509	251,724	5,592	455,893	3,562,557	3,131	1,194,659	22,831,933
-	-	-	-	-	-	-	-
<b>63,509</b>	<b>251,724</b>	<b>5,592</b>	<b>455,893</b>	<b>3,562,557</b>	<b>3,131</b>	<b>1,194,659</b>	<b>22,831,933</b>

Rupees ('000)

Rupees ('000)

For the year ended 31<sup>st</sup> March, 2011

Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
167,878	1,027,214	284,026	531,065	3,397,011	169,808	2,292,714	25,271,754
-	91,379	137	-	-	-	4,868	2,335,562
112,681	871,746	275,513	103,691	400,338	168,843	956,461	6,391,214
<b>55,197</b>	<b>246,847</b>	<b>8,650</b>	<b>427,374</b>	<b>2,996,673</b>	<b>965</b>	<b>1,341,121</b>	<b>21,216,102</b>
30,258	146,093	4,721	421,523	1,413,995	306	1,294,646	11,467,115
32,552	126,225	7,560	413,799	1,337,172	966	1,143,496	10,043,293
(2,294)	19,868	(2,839)	7,724	76,823	(660)	151,150	1,423,822
<b>57,491</b>	<b>226,979</b>	<b>11,489</b>	<b>419,650</b>	<b>2,919,850</b>	<b>1,625</b>	<b>1,189,971</b>	<b>19,792,280</b>
57,491	226,979	11,489	419,650	2,919,850	1,625	1,189,971	19,792,280
-	-	-	-	-	-	-	-
<b>57,491</b>	<b>226,979</b>	<b>11,489</b>	<b>419,650</b>	<b>2,919,850</b>	<b>1,625</b>	<b>1,189,971</b>	<b>19,792,280</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 2 Claims Incurred (Net)

Particulars	For the year ended 31 <sup>st</sup> March, 2012			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Claims Paid				
Direct	1,259,460	537,432	52,706	15,761,444
Add: Re-insurance accepted	102,527	3,455	-	2,016,284
Less: Re-insurance Ceded	734,818	160,221	28,595	4,516,671
Net Claims paid	627,169	380,666	24,111	13,261,057
Claims Outstanding (including IBNR & IBNER)				
Add : Claims Outstanding at the close of the year (net of Re-insurance)	819,962	278,346	78,271	22,787,807
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	820,612	340,078	98,986	17,918,218
Change in Claims Outstanding	(650)	(61,732)	(20,715)	4,869,589
<b>Total Claims Incurred (Net)</b>	<b>626,519</b>	<b>318,934</b>	<b>3,396</b>	<b>18,130,646</b>
Claims incurred				
In India	626,519	318,934	3,396	18,130,646
Outside India	-	-	-	-
<b>Total Claims Incurred (Net)</b>	<b>626,519</b>	<b>318,934</b>	<b>3,396</b>	<b>18,130,646</b>

\*Refer Schedule 2(A)

Rupees ('000)

Total	For the year ended 31st March, 2011				Total
	Fire	Marine		Miscellaneous*	
		Cargo	Others		
17,611,042	1,106,868	443,246	7,430	13,681,876	15,239,420
2,122,266	69,271	226	-	1,645,126	1,714,623
5,440,305	615,244	89,654	4,723	3,776,623	4,486,244
14,293,003	560,895	353,818	2,707	11,550,379	12,467,799
23,964,386	820,612	340,078	98,986	17,918,218	19,177,894
19,177,894	761,993	378,844	93,678	13,398,474	14,632,989
4,786,492	58,619	(38,766)	5,308	4,519,744	4,544,905
<b>19,079,495</b>	<b>619,514</b>	<b>315,052</b>	<b>8,015</b>	<b>16,070,123</b>	<b>17,012,704</b>
19,079,495	619,514	315,052	8,015	16,070,123	17,012,704
-	-	-	-	-	-
<b>19,079,495</b>	<b>619,514</b>	<b>315,052</b>	<b>8,015</b>	<b>16,070,123</b>	<b>17,012,704</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 2 (A) Claims incurred (Net)

Particulars	Motor	Motor	IMTPIP*	Motor	Workmens' Compensation /Employers' Liability
	OD	TP		Total	
Claims Paid					
Direct	7,535,330	3,329,207	-	10,864,537	71,912
Add: Re-insurance accepted	-	(92)	2,005,719	2,005,627	-
Less: Re-insurance Ceded	858,254	2,112,898	-	2,971,152	7,683
Net Claims paid	6,677,076	1,216,217	2,005,719	9,899,012	64,229
Claims Outstanding (including IBNR & IBNER)					
Add : Claims Outstanding at the close of the year (net of Re-insurance)	1,398,441	7,271,299	12,265,988	20,935,728	102,728
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	1,304,956	5,894,670	8,838,067	16,037,693	89,625
Change in Claims Outstanding	93,485	1,376,629	3,427,921	4,898,035	13,103
<b>Total Claims Incurred (Net)</b>	<b>6,770,561</b>	<b>2,592,846</b>	<b>5,433,640</b>	<b>14,797,047</b>	<b>77,332</b>
Claims incurred					
In India	6,770,561	2,592,846	5,433,640	14,797,047	77,332
Outside India	-	-	-	-	-
<b>Total Claims Incurred (Net)</b>	<b>6,770,561</b>	<b>2,592,846</b>	<b>5,433,640</b>	<b>14,797,047</b>	<b>77,332</b>

Particulars	Motor	Motor	IMTPIP*	Motor	Workmens' Compensation /Employers' Liability
	OD	TP		Total	
Claims Paid					
Direct	7,030,101	2,572,184	-	9,602,285	55,986
Add: Re-insurance accepted	-	-	1,427,748	1,427,748	-
Less: Re-insurance Ceded	781,812	1,660,227	-	2,442,039	6,644
Net Claims paid	6,248,289	911,957	1,427,748	8,587,994	49,342
Claims Outstanding (including IBNR)					
Add : Claims Outstanding at the close of the year net of Re-insurance)	1,304,956	5,894,670	8,838,067	16,037,693	89,625
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	1,031,420	4,936,161	5,533,566	11,501,147	91,190
Change in Claims Outstanding	273,536	958,509	3,304,501	4,536,546	(1,565)
<b>Total Claims Incurred (Net)</b>	<b>6,521,825</b>	<b>1,870,466</b>	<b>4,732,249</b>	<b>13,124,540</b>	<b>47,777</b>
Claims incurred					
In India	6,521,825	1,870,466	4,732,249	13,124,540	47,777
Outside India	-	-	-	-	-
<b>Total Claims Incurred (Net)</b>	<b>6,521,825</b>	<b>1,870,466</b>	<b>4,732,249</b>	<b>13,124,540</b>	<b>47,777</b>

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

Rupees ('000)

For the year ended 31<sup>st</sup> March, 2012

Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
3,921	277,504	33,174	309,413	2,682,759	23,628	1,494,596	15,761,444
-	8,272	-	-	-	-	2,385	2,016,284
1,821	222,002	29,188	34,327	273,925	23,273	953,300	4,516,671
2,100	63,774	3,986	275,086	2,408,834	355	543,681	13,261,057
82,021	228,851	12,453	344,988	428,151	(9,487)	662,374	22,787,807
72,734	186,894	14,182	358,230	467,275	1,034	690,551	17,918,218
9,287	41,957	(1,729)	(13,242)	(39,124)	(10,521)	(28,177)	4,869,589
<b>11,387</b>	<b>105,731</b>	<b>2,257</b>	<b>261,844</b>	<b>2,369,710</b>	<b>(10,166)</b>	<b>515,504</b>	<b>18,130,646</b>
11,387	105,731	2,257	261,844	2,369,710	(10,166)	515,504	18,130,646
-	-	-	-	-	-	-	-
<b>11,387</b>	<b>105,731</b>	<b>2,257</b>	<b>261,844</b>	<b>2,369,710</b>	<b>(10,166)</b>	<b>515,504</b>	<b>18,130,646</b>

Rupees ('000)

For the year ended 31<sup>st</sup> March, 2011

Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
3,872	301,411	140,240	344,270	2,184,993	88,986	959,833	13,681,876
-	217,378	-	-	-	-	-	1,645,126
1,898	427,332	125,378	69,999	231,594	89,736	382,003	3,776,623
1,974	91,457	14,862	274,271	1,953,399	(750)	577,830	11,550,379
72,734	186,894	14,182	358,230	467,275	1,034	690,551	17,918,218
64,162	233,856	21,855	271,503	503,489	5,365	705,907	13,398,474
8,572	(46,962)	(7,673)	86,727	(36,214)	(4,331)	(15,356)	4,519,744
<b>10,546</b>	<b>44,495</b>	<b>7,189</b>	<b>360,998</b>	<b>1,917,185</b>	<b>(5,081)</b>	<b>562,474</b>	<b>16,070,123</b>
10,546	44,495	7,189	360,998	1,917,185	(5,081)	562,474	16,070,123
-	-	-	-	-	-	-	-
<b>10,546</b>	<b>44,495</b>	<b>7,189</b>	<b>360,998</b>	<b>1,917,185</b>	<b>(5,081)</b>	<b>562,474</b>	<b>16,070,123</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 3 Commission Expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2012			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Commission Paid direct	168,853	71,966	244	1,529,816
Add: Re-insurance Accepted	25,556	613	-	16,847
Less: Commission on Re-insurance Ceded	260,459	28,942	474	776,877
<b>Net Commission</b>	<b>(66,050)</b>	<b>43,637</b>	<b>(230)</b>	<b>769,786</b>
Break-up of commission paid direct				
Business furnished as per details below				
Agents	45,643	40,806	29	811,674
Brokers	37,461	27,433	202	293,071
Corporate Agency	85,749	3,727	12	425,070
Referral	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>168,853</b>	<b>71,966</b>	<b>244</b>	<b>1,529,815</b>
Commission Paid				
In India	(66,050)	43,637	(230)	769,786
Outside India	-	-	-	-
<b>Net Commission</b>	<b>(66,050)</b>	<b>43,637</b>	<b>(230)</b>	<b>769,786</b>

\* Refer Schedule 3(A)



Rupees ('000)

Total	For the year ended 31 <sup>st</sup> March, 2011				Total
	Fire	Marine		Miscellaneous*	
		Cargo	Others		
1,770,879	150,772	64,687	605	1,148,107	1,364,171
43,016	21,625	1,033	657	37,163	60,478
1,066,752	331,155	21,293	2,833	665,768	1,021,049
<b>747,143</b>	<b>(158,758)</b>	<b>44,427</b>	<b>(1,571)</b>	<b>519,502</b>	<b>403,600</b>
898,153	39,181	34,169	467	634,332	708,149
358,167	40,725	26,032	77	251,020	317,854
514,559	70,866	4,486	61	262,755	338,168
-	-	-	-	-	-
-	-	-	-	-	-
<b>1,770,879</b>	<b>150,772</b>	<b>64,687</b>	<b>605</b>	<b>1,148,107</b>	<b>1,364,171</b>
747,143	(158,758)	44,427	(1,571)	519,502	403,600
-	-	-	-	-	-
<b>747,143</b>	<b>(158,758)</b>	<b>44,427</b>	<b>(1,571)</b>	<b>519,502</b>	<b>403,600</b>

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 31<sup>st</sup> March, 2011

## SCHEDULE - 3 (a) Commission Expenses

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens ' Compensation /Employers' Liability
Commission Paid direct	789,692	-	-	789,692	24,951
Add: Re-insurance Accepted	-	-	-	-	-
Less: Commission on Re-insurance Ceded	285,522	-	-	285,522	6,118
<b>Net Commission</b>	<b>504,170</b>	<b>-</b>	<b>-</b>	<b>504,170</b>	<b>18,833</b>
Commission Paid					
In India	504,170	-	-	504,170	18,833
Outside India	-	-	-	-	-
<b>Net Commission</b>	<b>504,170</b>	<b>-</b>	<b>-</b>	<b>504,170</b>	<b>18,833</b>

Particulars					
	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens ' Compensation /Employers' Liability
Commission Paid direct	547,262	-	-	547,262	19,518
Add: Re-insurance Accepted	-	-	25,400	25,400	-
Less: Commission on Re-insurance Ceded	268,986	-	-	268,986	4,962
<b>Net Commission</b>	<b>278,276</b>	<b>-</b>	<b>25,400</b>	<b>303,676</b>	<b>14,556</b>
Commission Paid					
In India	278,276	-	25,400	303,676	14,556
Outside India	-	-	-	-	-
<b>Net Commission</b>	<b>278,276</b>	<b>-</b>	<b>25,400</b>	<b>303,676</b>	<b>14,556</b>

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

Rupees ('000)

**For the year ended 31<sup>st</sup> March, 2012**

<b>Public/ Product Liability</b>	<b>Engineering</b>	<b>Aviation</b>	<b>Personal Accident</b>	<b>Health Insurance</b>	<b>Credit Insurance</b>	<b>Others</b>	<b>Total</b>
16,359	48,938	9,376	70,244	360,446	10,780	199,030	1,529,816
23	12,376	102	-	2,956	-	1,390	16,847
19,298	232,002	4,666	8,664	64,725	20,590	135,292	776,877
<b>(2,916)</b>	<b>(170,688)</b>	<b>4,812</b>	<b>61,580</b>	<b>298,677</b>	<b>(9,810)</b>	<b>65,128</b>	<b>769,786</b>
(2,916)	(170,688)	4,812	61,580	298,677	(9,810)	65,128	769,786
-	-	-	-	-	-	-	-
<b>(2,916)</b>	<b>(170,688)</b>	<b>4,812</b>	<b>61,580</b>	<b>298,677</b>	<b>(9,810)</b>	<b>65,128</b>	<b>769,786</b>

Rupees ('000)

**For the year ended 31<sup>st</sup> March, 2011**

<b>Public/ Product Liability</b>	<b>Engineering</b>	<b>Aviation</b>	<b>Personal Accident</b>	<b>Health Insurance</b>	<b>Credit Insurance</b>	<b>Others</b>	<b>Total</b>
12,155	43,481	9,177	57,040	271,979	12,624	174,871	1,148,107
132	11,291	168	-	-	-	172	37,163
14,054	189,212	5,543	4,466	50,876	25,661	102,008	665,768
<b>(1,767)</b>	<b>(134,440)</b>	<b>3,802</b>	<b>52,574</b>	<b>221,103</b>	<b>(13,037)</b>	<b>73,035</b>	<b>519,502</b>
(1,767)	(134,440)	3,802	52,574	221,103	(13,037)	73,035	519,502
-	-	-	-	-	-	-	-
<b>(1,767)</b>	<b>(134,440)</b>	<b>3,802</b>	<b>52,574</b>	<b>221,103</b>	<b>(13,037)</b>	<b>73,035</b>	<b>519,502</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 4 Operating Expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2012			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Employees' remuneration, benefits & other manpower costs	205,464	63,730	575	2,080,860
Travel, conveyance and vehicle running	14,478	4,491	40	146,632
Agent training	111	34	-	1,121
Rents, rates and taxes	20,025	6,211	56	202,808
Maintenance & repairs	3,324	1,031	9	33,668
Printing and stationery	6,257	2,476	1	90,910
Communication	12,521	3,884	35	126,805
Information technology	14,916	5,903	2	216,730
Legal and professional charges	3,326	1,032	9	33,686
Auditor's fees, expenses, etc.				
(a) as auditors	389	121	1	3,939
(b) as advisor or in any other capacity in respect of:				
(i) Taxation matters	-	-	-	-
(ii) Tax Audit	92	28	-	930
(iii) Management services	-	-	-	-
(c) In any other capacity	24	7	-	239
(d) Out of Pocket Expenses	124	38	-	1,255
	<b>281,051</b>	<b>88,986</b>	<b>728</b>	<b>2,939,583</b>
Advertisement and publicity	22,917	9,070	2	333,005
Interest and Bank Charges	2,626	814	7	26,593
Business Development and Promotion	10,715	3,324	30	108,518
Marketing and Support Services	149,823	59,296	16	2,177,006
Other Acquisition Costs	4,352	1,152	50	70,563
Others				
Exchange (gain) /loss	(114)	(35)	-	(1,157)
Miscellaneous Expenses	22,848	7,087	64	231,393
(Profit)/Loss on disposal of Assets	85	26	-	865
	<b>213,252</b>	<b>80,734</b>	<b>169</b>	<b>2,946,786</b>
Depreciation ( Refer Schedule 16 Note 2.14)	13,616	4,223	38	137,900
Service Tax Expenses	15,229	-	-	-
<b>Total</b>	<b>523,148</b>	<b>173,943</b>	<b>935</b>	<b>6,024,269</b>

\* Refer Schedule 4(A)

Rupees ('000)

Total	For the year ended 31 <sup>st</sup> March, 2011				Total
	Fire	Marine		Miscellaneous*	
		Cargo	Others		
2,350,629	215,799	61,688	2,916	2,067,235	2,347,638
165,641	12,832	3,668	173	122,927	139,600
1,266	192	55	3	1,842	2,092
229,100	24,579	7,026	332	235,452	267,389
38,032	3,184	910	43	30,499	34,636
99,644	5,864	2,391	4	88,496	96,755
143,245	13,118	3,750	177	125,666	142,711
237,551	14,684	5,987	10	221,591	242,272
38,053	3,197	914	43	30,622	34,776
4,450	326	93	4	3,127	3,550
-	-	-	-	-	-
1,050	64	18	1	617	700
-	-	-	-	-	-
270	28	8	-	264	300
1,417	85	24	1	813	923
<b>3,310,348</b>	<b>293,952</b>	<b>86,532</b>	<b>3,707</b>	<b>2,929,151</b>	<b>3,313,342</b>
364,994	12,548	5,116	9	189,358	207,031
30,040	4,289	1,226	58	41,087	46,660
122,587	12,224	3,494	165	117,100	132,983
2,386,141	137,696	56,146	95	2,077,991	2,271,928
76,117	3,786	930	178	80,723	85,617
(1,306)	(633)	(181)	(9)	(6,067)	(6,890)
261,392	19,855	5,676	268	190,196	215,995
976	177	51	2	1,694	1,924
<b>3,240,941</b>	<b>189,942</b>	<b>72,458</b>	<b>766</b>	<b>2,692,082</b>	<b>2,955,248</b>
155,777	15,831	4,525	214	151,650	172,220
15,229	19,351	-	-	1,011	20,362
<b>6,722,295</b>	<b>519,076</b>	<b>163,515</b>	<b>4,687</b>	<b>5,773,894</b>	<b>6,461,172</b>

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 31<sup>st</sup> March, 2012

## 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	1,023,359	372,110	-	1,395,469	22,016
Travel, Conveyance and Vehicle running	72,113	26,221	-	98,334	1,551
Agent Training	551	201	-	752	12
Rents, Rates and Taxes	99,740	36,267	-	136,007	2,146
Maintenance & Repairs	16,557	6,021	-	22,578	356
Printing and Stationery	42,767	15,551	-	58,318	300
Communication	62,362	22,676	-	85,038	1,342
Information Technology	101,957	37,073	-	139,030	714
Legal and Professional charges	16,566	6,024	-	22,590	356
Auditor's fees, expenses, etc.					
(a) as auditor	1,937	705	-	2,642	42
(b) as advisor or in any other capacity in respect of:					
(i) Taxation matters	-	-	-	-	-
(ii) Tax Audit	457	166	-	623	10
(iii) Management services	-	-	-	-	-
(c) In any other capacity	117	43	-	160	3
(d) Out of Pocket Expenses	617	224	-	841	13
	<b>1,439,100</b>	<b>523,282</b>	<b>-</b>	<b>1,962,382</b>	<b>28,861</b>
Advertisement and publicity	156,655	56,963	-	213,618	1,098
Interest and Bank Charges	13,078	4,755	-	17,833	281
Business Development and Promotion	53,369	19,406	-	72,775	1,148
Marketing and Support Services	1,024,133	372,393	-	1,396,526	7,177
Other Acquisition Costs	29,838	10,850	17,488	58,176	5
Others					
Exchange (gain) /loss	(568)	(207)	-	(775)	(12)
Miscellaneous Expenses	113,798	41,379	-	155,177	2,448
( Profit)/Loss on disposal of Assets	425	154	-	579	9
	<b>1,390,728</b>	<b>505,693</b>	<b>17,488</b>	<b>1,913,909</b>	<b>12,154</b>
Depreciation ( Refer Schedule 16 Note 2.14)	67,818	24,660	-	92,478	1,459
Service Tax Expenses	-	-	-	-	-
<b>Total</b>	<b>2,897,646</b>	<b>1,053,635</b>	<b>17,488</b>	<b>3,968,769</b>	<b>42,474</b>

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

Rupees ('000)

For the year ended 31<sup>st</sup> March, 2012

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
14,685	88,417	18,653	42,462	305,600	8,128	185,430	2,080,860
1,035	6,230	1,314	2,992	21,535	573	13,068	146,632
8	48	10	23	165	4	99	1,121
1,431	8,617	1,818	4,139	29,785	792	18,073	202,808
238	1,431	302	687	4,944	132	3,000	33,668
23	211	1	8,662	12,655	1	10,739	90,910
895	5,388	1,137	2,588	18,623	495	11,299	126,805
55	503	3	20,649	30,169	2	25,605	216,730
238	1,431	302	687	4,947	132	3,003	33,686
28	167	35	80	579	15	351	3,939
-	-	-	-	-	-	-	-
7	39	8	19	137	4	83	930
-	-	-	-	-	-	-	-
2	10	2	5	35	1	21	239
9	53	11	26	184	5	113	1,255
<b>18,654</b>	<b>112,545</b>	<b>23,596</b>	<b>83,019</b>	<b>429,358</b>	<b>10,284</b>	<b>270,884</b>	<b>2,939,583</b>
84	772	5	31,728	46,354	3	39,343	333,005
188	1,130	238	543	3,905	104	2,371	26,593
766	4,611	973	2,214	15,937	424	9,670	108,518
552	5,049	33	207,418	303,037	21	257,193	2,177,006
86	1,655	2,090	48	6,206	105	2,192	70,563
(8)	(49)	(10)	(24)	(170)	(5)	(104)	(1,157)
1,633	9,832	2,074	4,722	33,983	904	20,620	231,393
6	37	8	18	127	3	78	865
<b>3,307</b>	<b>23,037</b>	<b>5,411</b>	<b>246,667</b>	<b>409,379</b>	<b>1,559</b>	<b>331,363</b>	<b>2,946,786</b>
973	5,859	1,236	2,814	20,252	539	12,290	137,900
-	-	-	-	-	-	-	-
<b>22,934</b>	<b>141,441</b>	<b>30,243</b>	<b>332,500</b>	<b>858,989</b>	<b>12,382</b>	<b>614,537</b>	<b>6,024,269</b>

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 31<sup>st</sup> March, 2012

## 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	1,065,187	336,929	-	1,402,116	21,375
Travel, Conveyance and Vehicle running	63,340	20,035	-	83,375	1,271
Agent Training	949	300	-	1,249	19
Rents, Rates and Taxes	121,322	38,375	-	159,697	2,435
Maintenance & Repairs	15,715	4,971	-	20,686	315
Printing and Stationery	44,530	14,085	-	58,615	280
Communication	64,751	20,482	-	85,233	1,299
Information Technology	111,502	35,269	-	146,771	701
Legal and Professional charges	15,779	4,991	-	20,770	317
Auditor's fees, expenses, etc.					
(a) as auditor	1,611	509	-	2,120	32
(b) as advisor or in any other capacity in respect of:					
(i) Taxation matters	-	-	-	-	-
(ii) Tax Audit	318	100	-	418	6
(iii) Management services	-	-	-	-	-
(c) In any other capacity	136	43	-	179	3
(d) Out of Pocket Expenses	419	132	-	551	8
	<b>1,505,559</b>	<b>476,221</b>	<b>-</b>	<b>1,981,780</b>	<b>28,061</b>
Advertisement and publicity	95,283	30,139	-	125,422	599
Interest and Bank Charges	21,171	6,696	-	27,867	425
Business Development and Promotion	60,337	19,086	-	79,423	1,211
Marketing and Support Services	1,045,622	330,741	-	1,376,363	6,571
Other Acquisition Costs	38,360	12,134	18,579	69,073	3
Others					
Exchange (gain) /loss	(3,126)	(989)	-	(4,115)	(63)
Miscellaneous Expenses	98,003	30,999	-	129,002	1,967
Profit/(Loss) on disposal of Assets	873	276	-	1,149	18
	<b>1,356,523</b>	<b>429,082</b>	<b>18,579</b>	<b>1,804,184</b>	<b>10,731</b>
Depreciation ( Refer Schedule 16 Note 2.14)	78,141	24,717	-	102,858	1,568
Service Tax Expenses	-	-	-	-	-
<b>Total</b>	<b>2,940,223</b>	<b>930,020</b>	<b>18,579</b>	<b>3,888,822</b>	<b>40,360</b>

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



Rupees ('000)

For the year ended 31<sup>st</sup> March, 2011

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
13,733	84,026	23,233	43,441	277,877	13,891	187,543	2,067,235
817	4,997	1,382	2,583	16,524	826	11,152	122,927
12	75	21	39	248	12	167	1,842
1,564	9,570	2,646	4,948	31,649	1,582	21,361	235,452
203	1,240	343	641	4,100	205	2,766	30,499
23	256	4	7,460	12,525	3	9,330	88,496
835	5,108	1,412	2,641	16,892	844	11,402	125,666
59	641	11	18,680	31,361	8	23,359	221,591
203	1,245	344	644	4,116	206	2,777	30,622
21	127	35	66	420	21	285	3,127
-	-	-	-	-	-	-	-
4	25	7	13	83	4	57	617
-	-	-	-	-	-	-	-
2	11	3	6	36	2	22	264
5	33	9	17	109	5	76	813
<b>17,481</b>	<b>107,354</b>	<b>29,450</b>	<b>81,179</b>	<b>395,940</b>	<b>17,609</b>	<b>270,297</b>	<b>2,929,151</b>
50	548	9	15,963	26,799	7	19,961	189,358
273	1,670	462	863	5,523	276	3,728	41,087
778	4,760	1,316	2,461	15,740	787	10,624	117,100
550	6,011	103	175,174	294,093	74	219,052	2,077,991
86	1,715	2,356	18	6,097	0	1,375	80,723
							0
(40)	(247)	(68)	(127)	(816)	(41)	(550)	(6,067)
1,263	7,731	2,138	3,997	25,566	1,278	17,254	190,196
11	69	19	36	228	11	153	1,694
<b>2,971</b>	<b>22,257</b>	<b>6,335</b>	<b>198,385</b>	<b>373,230</b>	<b>2,392</b>	<b>271,597</b>	<b>2,692,082</b>
1,007	6,164	1,704	3,187	20,385	1,019	13,758	151,650
-	-	-	-	-	-	1,011	1,011
<b>21,459</b>	<b>135,775</b>	<b>37,489</b>	<b>282,751</b>	<b>789,555</b>	<b>21,020</b>	<b>556,663</b>	<b>5,773,894</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 5 Share Capital

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>Authorised Capital</b>		
125,000,000 Equity shares of Rs 10 each	1,250,000	1,250,000
<b>Issued Capital</b>		
110,227,250 Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
<b>Subscribed Capital</b>		
110,227,250 Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
<b>Called-up Capital</b>		
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	-	-
<b>Less: Preliminary Expenses to the extent not written off</b>		
Expenses including commission or brokerage on underwriting or subscription of shares	-	-
<b>Total</b>	<b>1,102,273</b>	<b>1,102,273</b>

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

(As certified by the Management)

Shareholder	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Promoters</b>				
<b>Indian</b>				
Bajaj Finserv Limited	81,568,165	74.00%	81,568,165	74.00%
<b>Foreign</b>				
Allianz SE	28,659,085	26.00%	28,659,085	26.00%
Others	-	0%	-	-
<b>Total</b>	<b>110,227,250</b>	<b>100.00%</b>	<b>110,227,250</b>	<b>100.00%</b>

## SCHEDULE - 6 Reserves and Surplus

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	1,666,197	1,666,197
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	6,833,791	5,597,250
<b>Total</b>	<b>8,499,988</b>	<b>7,263,447</b>

## SCHEDULE - 7 Borrowings

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 8 Investments

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>Long Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	14,896,825	11,692,315
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	7,887,002	8,535,852
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Less : Accumulated depreciation	-	-
4 Investments in Infrastructure and Social Sector	9,662,278	6,286,351
5 Other Investments		
(a) Shares	33,044	33,044
Fair Value Change Accretion/(Diminution)	(15,007)	(9,821)
	18,037	23,223
(b) Debenture/Bonds	-	-
<b>Short Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	200,195	501,715
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	4,812,398	5,265,108
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	1,180,156	690,155
5 Other Investments		
(a) Shares	-	-
(b) Mutual Funds	-	100,000
Fair Value Change Accretion/(Diminution)	-	155
	-	100,155
(c) Debenture/Bonds	-	-
<b>Total</b>	<b>38,656,891</b>	<b>3,094,874</b>
<b>Investments</b>		
In India	38,656,891	33,094,874
Outside India	-	-
<b>Total</b>	<b>38,656,891</b>	<b>33,094,874</b>

### 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 111,628 thousand (Previous year Rupees 113,595 thousand ) deposited with Standard Chartered Bank (Custodian).
- All the above investments are performing assets.
- Investments maturing within next 12 months are Rupees 6,192,749 thousand (Previous year Rupees 6,557,133 thousand)
- Investment other than Equities and Derivative instruments  
Aggregate value of Investments as at 31<sup>st</sup> Mar, 2012 Rupees 38,638,853 thousand (Previous year Rupees 33,071,651 thousand)  
Market value as at 31<sup>st</sup> Mar, 2012 Rupees 38,161,206 thousand (Previous year Rs 32,733,779 thousand)
- 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, 2012

## SCHEDULE - 9 Loans

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>1 SECURITY-WISE CLASSIFICATION</b>		
<b>Secured</b>		
a) On Mortgage of Property		
(aa) In India	-	-
(bb) Outside India	-	-
b) On Shares, Bonds, Govt. Securities	-	-
c) Others (to be specified)	-	-
<b>Unsecured</b>	-	-
<b>Total</b>	-	-
<b>2 BORROWER-WISE CLASSIFICATION</b>		
a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Industrial Undertakings	-	-
e) Others (to be specified)	-	-
<b>Total</b>	-	-
<b>3 PERFORMANCE-WISE CLASSIFICATION</b>		
a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	-	-
<b>4 MATURITY-WISE CLASSIFICATION</b>		
a) Short- Term	-	-
b) Long- Term	-	-
<b>Total</b>	-	-

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 31<sup>st</sup> March, 2012

## SCHEDULE 10 - Fixed Assets

Rupees ('000)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April 2011	Additions/ Adjustments during the year	Deductions/ Adjustments during the year*	As at 31st March, 2012	As at 01 April 2011	For the Year	On Sales/ Adjustments	As at 31st March, 2012	As at 31st March, 2012	As at 31st March 2011
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles -Computer Softwares	125,854	53,900	-	179,754	119,505	15,430	-	134,935	44,819	6,349
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	205,040	2,195	27,247	179,988	191,592	8,399	27,152	172,839	7,149	13,448
Freehold Improvements	10,566	14,058	-	24,624	10,543	1,874	-	12,417	12,207	23
Building**	1,265,225	438,206	-	1,703,431	41,695	28,797	-	70,492	1,632,939	1,223,530
Furniture & fixtures	276,248	24,653	19,915	280,986	216,118	21,382	17,592	219,908	61,078	60,130
Information Technology Equipment	696,466	51,841	17,635	730,672	617,669	56,981	17,556	657,094	73,578	78,797
Vehicles	16,078	745	850	15,973	6,221	3,190	850	8,561	7,412	9,857
Office Equipment	230,979	12,122	7,237	235,864	164,351	19,727	5,478	178,600	57,264	66,628
Others (specify nature)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,826,456</b>	<b>597,720</b>	<b>72,884</b>	<b>3,351,292</b>	<b>1,367,694</b>	<b>155,780</b>	<b>68,628</b>	<b>1,454,846</b>	<b>1,896,446</b>	<b>1,458,762</b>
Capital work-in-progress & advances									184,379	101,971
<b>Grand Total</b>	<b>2,826,456</b>	<b>597,720</b>	<b>72,884</b>	<b>3,351,292</b>	<b>1,367,694</b>	<b>155,780</b>	<b>68,628</b>	<b>1,454,846</b>	<b>2,080,825</b>	<b>1,560,733</b>
Previous Year ended March 11	2,496,177	366,686	36,407	2,826,456	1,227,583	172,221	32,110	1,367,694		

\* Refer Schedule 16 Note 2.14

\*\* Include share of undivided portion of Land, along with office premises, at an estimated cost of Rs.19,177 thousand

## SCHEDULE 11 - Cash and Bank Balances

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
1. Cash and Stamps on Hand	29,953	15,062
2. Cheques on Hand	582,005	295,509
3. Bank Balances		
(a) Deposit Accounts		
(aa) Short Term (due within 12 months)	3,311,227	1,177,708
(bb) Others	3,507,500	4,250,000
(b) Current Accounts	1,495,940	917,638
(c) Others :- Margin Money Account	-	-
4. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
5. Others ( to be specified)	-	-
<b>Total</b>	<b>8,926,625</b>	<b>6,655,917</b>
Balance with non-scheduled Banks included in (3) above	120,621	93,623
Cash and Bank Balances		
In India	8,806,004	6,562,294
Outside India	120,621	93,623
<b>Total</b>	<b>8,926,625</b>	<b>6,655,917</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 12 Advances and Other Assets

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>Advances</b>		
Deposits with Ceding Companies	-	6,103
Application money for Investments	-	-
Prepayments	40,353	52,001
Advances to Directors / Officers	-	-
Advance Tax Paid and Taxes Deducted at Source (Net of Provision for Taxation Rupees 4,077,492 thousand (Previous year Rupees 3,415,726 thousand))	389,444	602,978
Others		
Advance to employees	1,088	1,460
Advances recoverable in cash or in kind	266,284	138,732
Less : Provision for doubtful advances	(6,826)	(4,923)
	259,458	133,809
Unutilised service tax Carried forward	60,294	193,990
<b>Total (A)</b>	<b>750,637</b>	<b>990,341</b>
<b>Other Assets</b>		
Income accrued on investments	1,590,586	905,581
Outstanding Premium	42,534	76,530
Agents' Balances	60,510	3,119
Less: Provision For Doubtful Recoveries	(2,983)	(2,601)
	57,527	518
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business, including reinsurers (net)	773,372	651,734
Less Provision for doubtful amounts	(2,581)	(5,536)
	770,791	646,198
Due from Subsidiary/Holding Companies	-	-
Deposit with Reserve Bank of India [Pursuant to Section 7 of Insurance Act, 1938 ]	-	-
Others		
Unsettled Investment Contract Receivable	421,082	-
Deposits	116,491	117,407
<b>Total (B)</b>	<b>2,999,011</b>	<b>1,746,234</b>
<b>Total (A + B)</b>	<b>3,749,648</b>	<b>2,736,575</b>

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 31<sup>st</sup> March, 2012

## SCHEDULE - 13 Current Liabilities

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Agents' Balances	328,299	304,827
Balances due to other insurance companies	510,616	528,111
Deposit held on re-insurance ceded	-	-
Premium Received in Advance	1,079,635	548,510
Unallocated Premium	1,171,758	801,572
Sundry creditors (Refer schedule 16 note 23)	1,382,727	1,150,590
Due to subsidiaries/holding company	-	1,014
Claims outstanding for		
i) More than Six Months	14,788,310	
ii) Less than Six Months (Including IBNR & IBNER) ( Refer schedule 16 note 2.11 and note 6)	23,590,346 38,378,656	
Claims Recoverable from Reinsurer (Including IBNR)	(14,414,269)	
Net Claims Outstanding	23,964,387	19,177,894
Solatium Fund	19,515	17,141
Due to Officers/Directors	-	-
Due to policyholders/ Insured (Refer schedule 16 note 26)	562,275	574,442
Others- Service Tax Payable	65,033	-
Temporary Overdraft as per the books of accounts only	-	-
<b>Total</b>	<b>29,084,245</b>	<b>23,104,101</b>

## SCHEDULE - 14 Provisions

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Reserve for Unexpired Risk	15,003,222	12,793,347
Premium Deficiency ( Refer schedule 16 note 2.9 and note 10)	6,332	3,132
Provision for Fringe Benefit Tax (Net of Advance Tax of Rupees 96,373 thousand (Previous year Rupees 96,373 thousand))	17,472	17,472
Provision for Wealth Tax	192	200
For proposed dividends	-	-
For dividend distribution tax	-	-
For Employee Benefits		
Gratuity (Refer schedule 16 note 19)	1,254	16,097
Leave Entitlement	90,028	84,828
Long Term Incentive Plan	-	90,388
<b>Total</b>	<b>15,118,500</b>	<b>13,005,464</b>

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

Rupees ('000)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Discount allowed in issue of shares/debentures	-	-
Others (to be specified)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## SCHEDULE – 16 : Significant Accounting Policies & Notes to and forming part of the Financial Statements for the year ended 31<sup>st</sup> March 2012

### 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 2012-13 vide its certificate of Renewal of Registration dated 16<sup>th</sup> March 2012. The renewal certificate is with effect from 1<sup>st</sup> April 2012 and is valid upto 31<sup>st</sup> March 2013.

### 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 (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

- (i) 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 weighted average 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 weighted average cost basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such gain or loss is transferred to revenue on the trade date.

#### Mutual Fund Units

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

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

**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 up to 31st December 2011.

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 1<sup>st</sup> 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 31<sup>st</sup> March 2012, 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 29<sup>th</sup> February 2012 and for the month of March 2012 the losses from the Pool of Rs. 21,497 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.

During the year, IRDA vide Orders IRDA / NL / ORD / MPL / 277/12/2011 dated December 23, 2011, IRDA / NL/ORD/MPL/003/01/2012 dated January 3, 2012 had directed the dismantling of Indian Motor Third Party Insurance Pool (IMTPIP) and advised recognition of actuarially estimated liabilities relating to IMTPIP for all underwriting years commencing from April 1, 2007 and ending with March 31, 2012. Further, IRDA, vide Order No IRDA/F&A/ORD/MTPP/070/03-2012 dated March 22, 2012, amongst other things, had provided an option to insurers for deferment of the transitional liability on a straight line basis over a period of three year beginning with financial year ending 31<sup>st</sup> March 2012, subject to the conditions listed in the said Order. The Company, having exercised the option, has recognized in its Miscellaneous Revenue Account for the year ended March 31, 2012:

a) Rs. 116,753 thousands and Rs. 776,078 thousands representing in full the additional liability for the underwriting years 2007-08 and 2008-09 respectively as per actuarially determined liabilities.

b) Rs. 1,198,872 thousands representing 1/3rd of cumulative transitional liability for the underwriting years 2009-10, 2010-11 & 2011-12, as determined by actuarial estimates.

In terms of aforesaid order, accordingly Company has carried forward the transitional liability aggregating to Rs. 2,397,743 thousands for the underwriting years 2009-10, 2010-11 and 2011-12, which will be recognized equally over the next two financial years i.e. 2012-13 and 2013-14.

## 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. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income 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. However where there is significant uncertainty around the recoverability of the unutilized credits the same are provided for as doubtful recovery. Service tax paid for eligible input services not recoverable by way of credits are recognized 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 2012	31st March 2011
1. Partly paid up investments	Nil	Nil
2. Underwriting commitments outstanding (in respect of shares and securities)	Nil	Nil
3. Claims other than those under policies not acknowledged as debts	Nil	Nil
4. Guarantees given by or on behalf of the Company	Nil	Nil
5. Statutory demands/liabilities in dispute, not provided for, in respect of		
• Service Tax and Education Cess	Nil	Nil
• Income Tax (see note below)	Nil	Nil
6. 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 2002-03, 2003-04, 2004-05 rejecting the disallowance made by the CIT (Appeals) as well as applicability of Section 14A. The Department has preferred an appeal against the order of ITAT for the assessment year 2002-03, 2003-04, 2004-05 in the High Court of Mumbai. The Company, relying on favorable Tribunal decisions, has assessed the contingent liability as "Nil". Appeals on the same ground pertaining to assessment year 2005-06, 2006-07, 2007-08 & 2008-09 are pending before various authorities and based on the ITAT, Pune verdict, contingent liability for these years is also assessed as "Nil".

4. 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 111,628 thousands (Previous year Rupees 113,595 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 585,771 thousands (Previous year Rupees 217,006 thousands).



6. The appointed actuary has certified to the Company that actuarial estimates for IBNR (including IBNER) have been determined using actuarial principles. In the determination, the Guidance Notes issued by the Institute of Actuaries of India with the concurrence of the Authority and any directions issued by the Authority in this behalf have been followed. Where sufficient data is available, the actuary has chosen to adopt the chain ladder method. The chain ladder method has accordingly been applied to motor, fire, marine, engineering, personal accident, workmen's compensation and health. These constitute for 99.4% (Previous year 99.6%) of the Company's total net written business for Liability line of business, the expected loss ratio method has been used to arrive at the estimate of IBNR. For Aviation Line of business, a flat IBNR of Rs 1 crore has been adopted, as adopted last year.
- Net IBNR reserves have been arrived at on the basis of actuarial estimates based on the claim data, after allowance for reinsurance recoveries.

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

Rupees ('000)		
	For the year ended 31 <sup>st</sup> March 2012	For the year ended 31 <sup>st</sup> March 2011
<b>Salary- (Including contributions to funds)</b>		
Mr. Hemant Kaul	27,563	12,258
<b>Perquisites</b>		
Mr. Hemant Kaul	40	32

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.

10. Premium Deficiency has been provided for in respect of following line of business

a) Personal Accident	Nil	(Previous Year – Nil)
b) Aviation	Rupees 6,332 thousands	(Previous Year - 3,132 thousands)
c) Engineering	Nil	(Previous Year - Nil)

11. Percentage of business sector – wise (Based on Gross Written Premium)

(Amount Rupees '000, Count - numbers)

Business sector	For the year ended 31st March 2012			For the year ended 31st March 2011		
	GWP	No of Lives	% of GWP	GWP	No of Lives	% of GWP
Rural	2,574,990	-	7.83	2,453,713	-	8.55
Social	8,931	279,090	0.03	3,231	82,733	0.01
Urban	30,282,270	-	92.14	26,242,699	-	91.44
<b>Total</b>	<b>32,866,191</b>	<b>279,090</b>	<b>100</b>	<b>28,699,643</b>	<b>82,733</b>	<b>100</b>

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

	For the year ended 31st March 2012	For the year ended 31st March 2011
	% age of business written	% age of business written
Risk retained	75%	75%
Risk Reinsured	25%	25%
	100%	100%

13. **Contribution to Environment Fund**

The Company has collected an amount of Rupees 6,992 thousands (Previous year - Rupees 6,012 thousands) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 29, 2012 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' in accordance with the Companies Act, 1956 ('The Act') to the extent applicable and comply with the notified accounting standards issued by Companies Accounting Standard Rules, 2006 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. These lease agreements are generally mutually renewal / cancelable by the lessor / lessee. The future minimum lease payments relating to non cancelable leases are disclosed below:

	Rupees ('000)	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Payable not later than one year	1,293	1,733
Payable later than one year but not later than five years	269	-
Payable later than five years	-	-

- Amount charged to revenue accounts in respect of all lease arrangements aggregates Rupees 206,304 thousands (Previous year Rupees 252,187 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 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Profit after Tax		
Basic earnings before extra-ordinary items [A] Rupees	Rs.1,236,542	Rs. 432,723
Basic earnings after extra-ordinary items [B] Rupees	Rs.1,236,542	Rs. 432,723
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.11.22	Rs. 3.93
Basic and diluted earnings per share excluding extraordinary items [B/C]	Rs.11.22	Rs. 3.93

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:

Timing difference on account of	Rupees ('000)			
	As at 31st March 2012		As at 31st March 2011	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Reserve for unexpired risks	342,778	-	357,372	-
Leave encashment	29,209	-	28,180	-
Prov for doubtful debts	4,020	-	4,338	-
Depreciation as per Section 32 as per provisions of Income Tax Act 1961	-	-	27,626	-
Total	376,007	-	417,516	-
<b>Net deferred tax asset/(liability)</b>	<b>376,007</b>	<b>-</b>	<b>417,516</b>	<b>-</b>
Deferred Tax expense/(income) recognized in the Profit and loss account	41,510	-	(39,040)	-
<b>Total Deferred Tax expenses/(income)</b>	<b>41,510</b>	<b>-</b>	<b>(39,040)</b>	<b>-</b>

### 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	
	2012	2011
Current service cost	16,453	16,899
Interest cost on benefit obligation	4,981	4,223
Expected return on plan assets	(4,184)	(4,525)
Net actuarial (gain) / loss recognized in the year	9,052	(499)
Past service cost	0	0
Net benefit expense	26,302	16,097
Actual return on plan assets	5,841	3,325

#### II. Balance Sheet

##### (i) Details of provision for gratuity

	Rupees ('000)	
	Gratuity	
	2012	2011
Defined benefit obligation	86,124	66,991
Fair value of plan assets	(84,870)	(50,894)
	1,254	16,097
Less: Unrecognized past service cost	-	-
Plan (asset) / liability	1,254	16,097

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

	Rupees ('000)	
	Gratuity	
	2012	2011
Opening defined benefit obligation	66,991	59,294
Interest cost	4,981	4,223
Current service cost	16,453	16,899
Benefits paid	(13,010)	(11,725)
Actuarial (gains) / losses on obligation	10,709	(1,700)
Closing defined benefit obligation	86,124	66,991

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

	Rupees ('000)	
	Gratuity	
	2012	2011
Opening fair value of plan assets	50,894	55,491
Expected return	4,184	4,525
Contributions by employer	41,145	3,803
Benefits paid	(13,010)	(11,725)
Actuarial gains / (losses)	1,657	(1,200)
Closing fair value of plan assets	84,870	50,894

The Company expects to contribute Rs. 17,500 thousands to gratuity in 2012-13.

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

	Rupees ('000)	
	Gratuity	
	2012	2011
	2012	2011
	%	%
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:

	2012	2011
	%	%
Discount rate	8.55	8.05
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	15% for first years & 12% for next 2 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				
	2011	2010	2009	2008	2007
Defined benefit obligation	86,124	66,991	59,294	61,186	41,182
Plan assets	84,870	50,894	55,491	16,231	28,763
Surplus / (deficit)	(1,254)	(16,097)	(3,803)	(44,955)	(12,420)
Experience adjustments on plan liabilities	9,855	(3,982)	(14,074)	5,271	6,836
Experience adjustments on plan assets	1,657	(1,200)	4,392	(584)	(12)

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 540,743 thousands (previous year Rupees 630,700 thousands) towards outsourced expenses.

22. Expenses directly identifiable with investment activity amounting to Rupees 9,366 thousands (previous year Rupees 13,690 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 18,587 thousands (previous year Rupees 14,006 thousands) which could be apportionable towards investments activity. The said expenses amounting to Rupees 8,403 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, NIL amount (Previous year Rupees 1,413 thousands) is payable to MSMED suppliers. Since amount payable to such suppliers is nil, no interest is payable to such suppliers.

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

Sr. No.	Authority	Non-Compliance / Violation	Rupees ('000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced/ Stay Received
1	Insurance Regulatory & Development Authority	Contravention of IRDA (Licensing of Corporate Agents) Regulations, 2002	500	500	-
2	The Court of Additional Chief Metropolitan Magistrate, Mumbai	Clause 13 (1)(c) of Private Security Guards (Regulation of Employment and Welfare) Scheme, 2005 read with Section 3(3) of the Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981	1	1	-

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:

Sr. No.	Sch	Particulars	Rupees ('000)			
			Reported in Previous Year	Previous Year figures reported in Current Year	Difference	Reasons
NIL						



26. 7. IRDA has vide circular no. IRDA/F&I/CIR/CMP/174/11/2010 advised all insurers to disclose under schedule 13 – Current Liabilities an amount due to policyholders/ Insured on accounts of claims settled but not paid (except under litigation), excess collection of the premium / tax which is refundable and cheques issued but not encashed by policy holders / Insured. Age wise analysis of the amount due to policy holders/insured is disclosed as below:

Amt in Rs.('000)

Ageing	Upto 6 Months	7 To 12 Months	13 To 18 Months	19 To 24 Months	25 To 30 Months	31 To 36 Months	Beyond 36 Months
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	407,073	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-
Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the authority but not refunded so far	1,043	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured *	13,391	32,118	49,272	22,705	9,136	8,999	18,538

\* Does not include cheques issued to policyholders and appearing in Bank reconciliation as on 31<sup>st</sup> March 2012.

**As per our report of even date attached**

**For Dalal & Shah**  
Firm Registration  
Number:  
102021W  
Chartered Accountants

**Anish.P.Amin**  
Partner  
Membership No. 40451

**For Kirtane & Pandit**  
Firm Registration  
Number:  
105215W  
**Chartered Accountants**

**Sandeep D. Welling**  
Partner  
Membership No. 44576

12th May 2012  
Pune

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

**Rahul Bajaj**  
Chairman

**Niraj Bajaj**  
Director

**S H Khan**  
Director

**Manu Tandon**  
Director

**Manuel Bauer**  
Director

**David Fried**  
Director

**Suraj Mehta**  
Director

**Tapan Singhel**  
Managing Director &  
Chief Executive Officer

**Sanjiv Bajaj**  
Director

**Ranjit Gupta**  
Director

**Dipak Poddar**  
Director

**V. Jeyaraman**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

12th May 2012  
Pune

Annexure to Schedule 16 - Notes to Accounts and forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2012  
(Refer Note no. 14)

## Segmental Break up of the Balance Sheet item as at 31<sup>st</sup> March, 2012

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	36,346	23,035	332.00	1,019,922	1,079,635
	(18,772)	(3,011)	-	(526,727)	(548,510)
Net Claims Outstanding	819,962	278,346	78,271	22,787,807	23,964,386
	(820,612)	(340,078)	(98,986)	(17,918,218)	(19,177,894)
Reserve for Unexpired Risk	1,150,860	312,390	2,508	13,537,464	15,003,222
	(1,025,839)	(291,911)	(8,483)	(11,467,114)	(12,793,347)
Deposits with Ceding Companies	-	-	-	-	0
	-	-	-	-	(6,103)
Premium Deficiency	-	-	-	6,332	6,332
	-	-	-	(3,132)	(3,132)
Solatium Fund	-	-	-	19,515	19,515
	-	-	-	(17,141)	(17,141)
Proposal Deposits ( to the extent identifiable)	-	-	-	-	-

31<sup>st</sup> March 2011 figures are in Brackets

## Summary of Financial Statements for the year ended 31<sup>st</sup> March 2012

(Refer Note no. 20)

Particulars	2012	2011	2010	2009	2008
<b>OPERATING RESULTS</b>					
Gross Written Premium	36,758,889	31,293,671	27,248,874	28,661,871	25,780,399
Net Premium Income (net of Reinsurance)	26,956,707	23,105,010	19,716,713	20,065,870	17,525,507
Income from Investments (net of losses)	2,906,349	2,169,225	1,709,194	1,659,188	1,429,652
Miscellaneous Income	94,350	153,879	380,378	270,010	92,889
<b>Total Income</b>	<b>29,957,406</b>	<b>25,428,114</b>	<b>21,806,285</b>	<b>21,995,068</b>	<b>19,048,048</b>
Commissions	747,143	403,600	317,681	237,775	(187,564)
Operating Expenses	6,722,295	6,461,172	5,485,141	5,988,298	5,194,751
Claims, increase in URR and other outgoes	21,312,084	18,584,845	14,776,070	14,804,945	12,804,986
<b>Operating Profit/Loss</b>	<b>1,175,884</b>	<b>(21,503)</b>	<b>1,227,393</b>	<b>964,050</b>	<b>1,235,875</b>
<b>NON OPERATING RESULTS</b>					
Total income under Shareholder's Account	764,008	640,637	570,648	533,655	443,129
Profit before Tax	1,939,892	619,134	1,798,041	1,497,705	1,679,004
Provision for Tax	(703,351)	(186,411)	(589,763)	(546,136)	(622,825)
Profit after Tax	1,236,541	432,723	1,208,278	951,569	1,056,179
<b>MISCELLANEOUS</b>					
Policyholder's Account	Not Applicable being General Insurance Company				
Total Funds					
Total Investments					
Yield on Investments					
Shareholder's Account	Not Applicable being General Insurance Company				
Total Funds					
Total Investments					
Yield on Investments					
Paid up Equity Capital	1,102,273	1,102,273	1,102,273	1,102,273	1,102,273
Net Worth	9,587,254	8,356,054	7,927,903	6,724,719	5,747,803
<b>Total Assets (Gross of current liabilities and provisions)</b>	<b>53,789,999</b>	<b>44,465,619</b>	<b>37,323,825</b>	<b>31,670,305</b>	<b>25,093,313</b>
Yield on Total Investments	9.45%	8.47%	9.03%	10.06%	10.17%
Earning Per Share	11.22	3.93	10.96	8.63	9.59
Book value per Share	86.98	75.81	71.92	61.01	52.15
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-

## Ratios for the year ended 31<sup>st</sup> March, 2012

Sr. No.	Particulars	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
1	Gross Premium growth rate	17%	15%
	Motor	18%	17%
	Fire	11%	10%
	Marine Cargo	18%	11%
	Marine Hull	-73%	-37%
	Workmen's Compensation / Employers' Liability	18%	46%
	Public/Product Liability	22%	20%
	Engineering	20%	11%
	Aviation	-8%	-1%
	Personal Accident	12%	1%
	Health	28%	15%
	Credit Insurance	-33%	-
	Others	13%	14%
2	Gross Premium to Shareholder's Fund Ratio	383%	374%
3	Growth Rate of Shareholder's Fund	15%	5%
4	Net Retention Ratio	73%	74%
	Motor	80%	82%
	Fire	45%	45%
	Marine Cargo	70%	77%
	Marine Hull	23%	21%
	Workmen's Compensation / Employers' Liability	90%	90%
	Public/Product Liability	38%	33%
	Engineering	19%	22%
	Aviation	2%	3%
	Personal Accident	83%	80%
	Health	89%	88%
	Credit Insurance	3%	1%
	Others	59%	58%
5	Net Commission Ratio	3%	2%
	Motor	3%	2%
	Fire	-5%	-12%
	Marine Cargo	7%	8%
	Marine Hull	-9%	-19%
	Workmen's Compensation / Employers' Liability	7%	6%
	Public/Product Liability	-4%	-3%
	Engineering	-65%	-54%
	Aviation	109%	44%
	Personal Accident	12%	12%
	Health	8%	7%
	Credit Insurance	-308%	-1351%
	Others	4%	5%
6	Expenses of Management to Gross Premium Ratio	20%	23%
7	Combined Ratio	107%	111%
8	Technical Reserves to Net Premium Ratio	145%	138%
9	Underwriting Balance Ratio	-7%	-11%
	Fire	17%	13%
	Marine	12%	7%
	Miscellaneous	-9%	-13%
10	Operating Profit Ratio	4%	-1%
11	Liquid Assets to liabilities ratio	22%	20%
12	Net Earning Ratio	5%	2%
13	Return on Net worth	13%	5%
14	Reinsurance Ratio	27%	26%

## Receipts and Payments for the year ended 31st March, 2012

Rupees ('000)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Premium received from Policyholders, including advance receipts and service tax	39,639,128	33,514,367
Receipts from Re-insurers, net of commissions and claims	(3,161,973)	2,592,537
Payments to Co-insurers, net of claims recovery	242,206	195,634
Payment of Claims	(20,005,347)	(17,295,519)
Payment of Commission	(1,839,378)	(1,277,865)
Payment of other Operating Expenses	(6,553,751)	(6,347,591)
Miscellaneous Income	112,479	168,353
Preliminary and preoperative expenses	-	0
Income tax paid (Net)	(448,831)	(743,900)
Service Tax Paid	(2,021,736)	(1,915,000)
<b>Net Cash In Flow From Operating Activities</b>	<b>5,962,797</b>	<b>8,891,016</b>
<b>Investment Activities</b>		
Purchase of Fixed Assets including Capital Work in Progress & Capital Advances	(665,847)	(194,382)
Proceeds from Sale of Fixed Assets	3,284	2,374
Purchase of Investments	(15,801,463)	(22,522,532)
Sale of Investments	8,083,625	15,190,343
Rent/Interests/Dividends Received	2,851,834	2,752,743
Investments in money market instruments and in liquid mutual funds (Net)	1,844,538	(421,725)
Investment property purchase	-	0
Interest Expense and Other Investment Expenses	(9,366)	(13,690)
Cash Deposit under Section 7 of the Insurance Act, 1938	-	0
Investment in Fixed Deposit Maturity more than 3 months	(1,673,200)	(3,046,753)
<b>Net Cash Out Flow from Investment Activities</b>	<b>(5,366,595)</b>	<b>(8,253,622)</b>
<b>Cash Flow from financing Activities</b>		
Interest/dividends paid	-	-
Repayments of borrowing	-	-
<b>Net cash flow financing activities</b>	<b>-</b>	<b>-</b>
Effect of foreign exchange gain/(loss) rates on cash and cash equivalents, net	1,306	6,890
Increase/(Decrease) in Cash and Cash Equivalents during the year	597,508	644,284
Cash and Cash Equivalent at the year beginning	1,521,617	877,333
Cash and Cash Equivalent at the year end**	2,119,125	1,521,617
** Cash and cash Equivalent ('000)	<b>2012</b>	<b>2011</b>
Cash & Bank balance as per schedule 11	8,926,625	6,655,917
Less: Fixed Deposit Maturity More than 3 Months	6,807,500	5,134,300
Less: Temporary over draft as per schedule 13	-	-
Cash and Cash Equivalent at the year end	2,119,125	1,521,617
As Integral part of Financial Statements		

### As per our report of even date attached

#### For Kirtane & Pandit

Firm Registration Number  
105215W  
Chartered Accountants

#### For Dalal & Shah

Firm Registration Number  
102021W  
Chartered Accountants

#### Sandeep D. Welling

Partner  
Membership No. 44576  
Pune

#### Anish.P.Amin

Partner  
Membership No. 40451  
Pune

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

**Rahul Bajaj**  
Chairman

**Manuel Bauer**  
Director

**Sanjiv Bajaj**  
Director

**Niraj Bajaj**  
Director

**David Fried**  
Director

**Ranjit Gupta**  
Director

**S H Khan**  
Director

**Suraj Mehta**  
Director

**Dipak Poddar**  
Director

**Manu Tandon**  
Director

**Tapan Singhel**  
Managing Director &  
Chief Executive Officer

**V. Jeyaraman**  
Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Pune  
12<sup>th</sup> May 2012

As at 31st March, 2012

**Balance Sheet Abstract and Company's general business profile**

Rupees ('000)

I.	Registration No.	15329
	State code	11
	Balance Sheet Date	31st March, 2012
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)	9,587,254
	Total Assets (Application of funds)	9,587,254
IV.	Source of funds	Rs in '000s
	Paid up capital	1,102,273
	Reserves and surplus	8,484,981
	Secured loans	-
	Unsecured loans	-
V.	Application of funds	Rs in '000s
	Net Fixed assets	2,080,825
	Investments	38,656,891
	Net Current Assets	(31,526,472)
	Miscellaneous expenditure	-
	Accumulated loss	-
VI.	Performance of the company	Rs in '000s
	Turnover	36,758,889
	Total expenditure	34,818,997
	Profit / (Loss) before tax	1,939,892
	Profit / (Loss) after tax	1,236,541
	Accumulated profits	6,833,791
	Earnings per share	11.22
	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**

<b>Rahul Bajaj</b> Chairman	<b>Manuel Bauer</b> Director	<b>Sanjiv Bajaj</b> Director
<b>Niraj Bajaj</b> Director	<b>David Fried</b> Director	<b>Ranjit Gupta</b> Director
<b>S H Khan</b> Director	<b>Suraj Mehta</b> Director	<b>Dipak Poddar</b> Director
<b>Manu Tandon</b> Director	<b>Tapan Singhel</b> Managing Director & Chief Executive Officer	<b>V. Jeyaraman</b> Chief Financial Officer

**Onkar Kothari**  
Company Secretary &  
Compliance Officer

Pune  
12<sup>th</sup> May 2012

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31<sup>st</sup> March 2012

## Related Party Disclosures under AS 18 (for the year ended 31<sup>st</sup> March 2012)

Sr. No.	Name of the Related party	Nature of Relationship with the company	Description of transaction / Categories
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 maintenance
2	Bajaj Finserv House Owners Association		Society Maintenance deposit Society Share Certificate Society maintenance charges Insurance Premia received
3	Bajaj Auto Ltd	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Purchases or Sale of Investments Other expenses Paid/Payable
4	Bajaj Holdings & Investments Ltd	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Purchases of Investments
5	Bajaj Allianz Financial Distributors Ltd	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Manpower supply charges Billable expense incurred on behalf Premium Received as an Agent Insurance commission paid/payable Other expenses Paid/Payable
6	Bajaj Electricals Ltd	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium
7	Bajaj Finance Limited	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Other expenses Paid/Payable Investment in Corporate Bonds
8	Bajaj Allianz Life Insurance Co Ltd	Group Company	Expenditure incurred by BALIC on behalf of BAGIC Expenditure incurred by BAGIC on behalf of BALIC Insurance Premia received Insurance Claims paid Unallocated Premium Insurance Premium paid to BALIC Insurance Claims received from BALIC Payment against Gratuity Fund Withdrawal from Gratuity Fund
9	Bajaj Financial Solutions Limited	Group Company	Insurance Premia received Unallocated Premium
10	Mukand Engineers Ltd	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium

Amount in Rs.('000)

2011-2012		2010-2011	
Transaction for the current year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)	Transaction for the last year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)
17,167	-	17,167	-
-	(17,115)	-	(17,115)
1,980	-	1,168	-
180	-	181	-
-	2,850	-	148
10,214	-	18,067	1,014
(1,925)	(1,925)	-	-
(1)	(1)	-	-
(5,816)	1,170	-	-
104	-	-	-
104,304	-	79,336	-
45,109	-	43,343	-
-	23,363	-	1,902
(251,366)	-	49,404	-
-	-	1,871	(0)
22	-	766	-
22	-	6	-
-	35	-	28
-	-	101,818	-
1,009	-	1,119	-
293	-	605	-
-	86	-	51
574,786	-	634,652	1,001
17,473	-	15,646	(2,185)
781,805	1	136	1
58,073	1,923	12	1
159	-	7	-
29,451	-	21,612	-
16,977	-	2,692	-
-	70	-	1,525
1,998	-	1,442	-
346	-	234	-
-	6,596	-	2,113
2,978	1,671	24	79
-	100,000	100,000	100,000
77,874	18,588	98,674	79,515
(50,909)	-	(51,036)	-
84,597	-	51,967	-
140,372	-	72,787	-
-	50,114	-	7,711
4,211	-	3,612	-
2,510	-	3,604	-
(40,926)	(84,465)	4,845	(50,894)
13,362	-	12,267	-
6	-	87	-
-	50	-	50
2,674	-	3,126	-
2,785	-	1,464	-
-	84	-	9

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31<sup>st</sup> March 2012

## Related Party Disclosures under AS 18 (for the year ended 31<sup>st</sup> March 2012)

Sr. No.	Name of the Related party	Nature of Relationship with the company	Description of transaction / Categories
11	Mukand Ltd	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium
12	Mukund Bekaert wire Industries Pvt. Ltd.	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium
13	Hind Musafir Agency Ltd.	Enterprise where key mgmt personnel is having significant influence	Travel Agency Services Insurance Premia received Insurance Claims paid Unallocated Premium Other expenses Paid/Payable
14	Allianz SE, Germany	Shareholder	Billable expenses incurred on behalf Income from Software Consultancy License & Maint fees for Opus
15	Allianz Insurance Management Asia Pacific	Group Company	Billable expenses incurred on behalf
16	Allianz Insurance Co Lanka Ltd	Enterprise where key mgmt personnel is having significant influence	Billable expense incurred on behalf Reinsurance premium received/receivable Commission Paid Payable
17	Allianz SE India Liaison Office	Subsidiary of Joint Venture Partner	Deposits for Rented Premises
18	Allianz Investment Management Singapore Pte	Group Company	Investment Management
19	M/s. Allianz Global Corporate & Speciality AG, US	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
20	M/s. Allianz Global Corporate & Speciality AG, Canada	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
21	M/s. Allianz Global Corporate & Speciality AG, Spain	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
22	M/s. Allianz Global Corporate & Speciality AG, UK	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
23	M/s. Allianz Global Corporate & Speciality AG, Netherlands	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
24	M/s. Allianz Global Corporate & Speciality AG, ITALY	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
25	M/s. Allianz Global Corporate & Speciality AG, AUSTRALIA	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance



Amount in Rs.('000)

2011-2012		2010-2011	
Transaction for the current year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)	Transaction for the last year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)
32,710	-	24,947	-
24,113	-	9,506	-
-	242	-	191
1,352	-	1,202	-
187	-	259	-
-	76	-	144
34,287	2,873	30,947	935
76	-	269	-
13	-	7	-
-	14	-	24
721	196	454	(98)
(7,112)	-	-	-
14,693	(15,027)	10,525	-
-	-	8,323	-
(1,239)	(177)	-	-
(49)	(49)	-	-
(3,256)	-	-	-
651	-	-	-
(1,500)	-	-	1,500
4,650	-	6,000	1,500
7,049	(2,540)	2,542	(313)
(1,278)	-	(712)	-
(33,541)	-	(647)	-
115	-	9,007	-
(64)	-	(676)	-
-	-	-	-
-	-	420	8
-	-	(143)	-
(14)	-	(21)	-
28,916	1,303	30,323	(2,285)
(4,486)	-	(3,111)	-
(1,333)	-	(1)	-
507	756	745	(745)
(443)	-	-	-
-	-	-	-
818	23	-	-
(562)	-	-	-
-	-	-	-
413	-	-	-
(67)	-	-	-
-	-	-	-

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31<sup>st</sup> March 2012

## Related Party Disclosures under AS 18 (for the year ended 31<sup>st</sup> March 2012)

Sr. No.	Name of the Related party	Nature of Relationship with the company	Description of transaction / Categories
26	M/s. Allianz Global Corporate & Speciality AG, SWITZERLAND	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
27	M/s. Allianz Global Corporate & Speciality Denmark - Nordic Region	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance
28	M/s. Allianz Global Corporate & Speciality - Malaysia	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance
29	M/s. Insurance Joint Stock Company Group ALLIANZ RUSSIA	Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
30	M/s. Allianz Global Corporate & Speciality AG, Munich	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance
31	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 CAT XOL Premium Paid/Payable
32	Allianz Marine and Aviation Versicherungs AG	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance
33	Allianz Hongkong - Name changed from Allianz China	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable
34	Allianz Ins Co of Singapore - PTE	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance Reinsurance premium received/receivable
35	Allianz Belgium	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance
36	Allianz Elementar Versicherungs - Austria	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance
37	M/s. Allianz Global Corporate & Speciality - France	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance
38	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

Amount in Rs.('000)

2011-2012		2010-2011	
Transaction for the current year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)	Transaction for the last year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)
47,127 (2,673) -	1,885 - -	- - -	- - -
4,406 (571) -	4 - -	- - -	- - -
1 - -	- - -	- - -	- - -
219 (69) -	- - -	182 (66) -	- - -
254,696 (27,748) (71,056)	145,125 - -	214,298 (22,360) (50,824)	(131,260) - -
744,924 (172,916) (359,921) - (178,811) (550,223) 156,826 482,573 228,536	76,089 - - - - - - - -	750,410 (206,179) (578,878) - (167,419) (308,751) 157,116 289,751 275,983	68,247 - - - - - - - 33,054
375 - -	724 - -	- - -	349 - -
180 (126)	53 -	240 (208)	- -
10,313 (906) - (854)	- - - -	543 (353) - -	- - - -
180,821 (1,901) (696,035)	5,274 - -	176,964 (1,778) (226,457)	(3,142) - -
698 (307) -	- - -	570 (144) -	- - -
63,695 (6,729) (11,414)	15,809 - -	36,104 (3,375) (158)	15,899 - -
101,141 (19,453) (21,328) (10,777)	19,173 - - (2,192)	151,735 (23,950) (78,070) (23,757)	16,524 - - (1,954)

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31<sup>st</sup> March 2012

## Related Party Disclosures under AS 18 (for the year ended 31<sup>st</sup> March 2012)

Sr. No.	Name of the Related party	Nature of Relationship with the company	Description of transaction / Categories
39	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
40	PT ASURANSI Allianz Life Indonesia	Group Company	Billable expense incurred on behalf
41	Allianz Risk Consultants, LLC	Group Company	Risk Survey Fee
42	Allianz Services (UK) Limited	Group Company	Billable expense incurred on behalf
43	Allianz Global Corporate & Speciality AG Singapore	Group Company	Billable expense incurred on behalf
44	Allianz Managed Operations & Services SE	Group Company	Billable expense incurred on behalf
45	AGA Assistance (India) Private Limited	Group Company	Insurance Claims paid
46	Sanjay Asher	Director	Sitting fees
47	S H Khan	Director	Sitting fees
48	Suraj Mehta	Director	Sitting fees
49	Dipak Poddar	Director	Sitting fees
50	Manu Tandon	Director	Sitting fees
51	Hemant Kaul	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.

Amount in Rs.('000)

2011-2012		2010-2011	
Transaction for the current year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)	Transaction for the last year	Outstanding Amt carried to Balance Sheet Payable/(Receivable)
(373)	-	15,831	4,894
19	-	(797)	-
22,331	-	-	-
-	-	(6,103)	(6,103)
(153)	(153)	-	-
758	-	-	-
(66)	-	-	-
(257)	-	-	-
(1,480)	-	-	-
36,761	-	19,985	-
80	-	120	-
160	-	160	-
80	-	60	-
60	-	40	-
80	-	80	-
27,563	-	12,258	-
40	-	32	-

## 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





Bajaj Allianz General Insurance Co. Ltd.  
G.E. Plaza, Airport Road, Yerawada, Pune - 411 006.  
[www.bajajallianz.com](http://www.bajajallianz.com)

Insurance is the subject matter of the solicitation