

Annual Report 2010-2011

Bajaj Allianz General Insurance Company Limited



Jiyo Bafikar

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.
Executive Director,
Bajaj Auto Ltd.

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

Manuel Bauer, Director
(w.e.f. 20th January 2011)
Also Member of the Board of
Management, Growth Markets,
Allianz SE

Heinz Dollberg, Senior Consultant
to the Board of Allianz SE

Dr. Werner Zedelius, Director
(upto 31st December 2010)
Also Member of the Board of
Management, Growth Markets,
Allianz SE

Kamesh Goyal
Alternate Director to
Mr. Manuel Bauer

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

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

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

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

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

Hemant Kaul
Managing Director &
CEO

Appointed Actuary - Dr. (Mrs.) Asha Joshi

Company Secretary - Onkar Kothari

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

CEO's Message



Hemant Kaul

The General Insurance industry in India witnessed a topline growth of 21.7% during the year. However, this growth was accompanied by worsening underwriting results for the industry. Even after four years of de-tariffing, the industry has yet to overcome the problem of irrational pricing. The premium rates continue to be below what could be termed as fair price for the risk being insured. The industry was further impacted during the year by the considerable increase in provisioning for the commercial vehicles motor third party pool.

In a welcome move, the Regulator increased the premium rates for third party risks to a more realistic level. The decision of the Regulator to review the premium rates for third party risks on an annual basis has greatly mitigated a major systemic risk facing the general insurance industry in India. The low penetration of general insurance and the growing Indian economy hold out great opportunities for growth.

- During the year, our gross written premium grew by 15%. In executing this growth we continued to emphasize on strong underwriting, cost control and ensuring superior customer service.
- During the year, we posted a profit before tax of Rs. 62 crores, down 65% from the profits made last year. If we exclude the impact of one time additional provisioning that we had to do for third party motor pool, our profit before tax would have increased by 45% year on year.
- This year our combined ratio was 111% as against a combined ratio of 104% for last year.
- Our solvency ratio is at 173% higher than the mandated minimum of 150%

- During the year Bajaj Allianz was awarded the "General Insurer of the year - Private sector" at the Bloomberg UTV Financial Leadership Award 2011

Bajaj Allianz General Insurance Company will continue to seek growth with profitability.

We thank all our customers for their unstinted support and our intermediaries and employees who put in their best efforts to reach to this level.

Warm regards

A handwritten signature in black ink, appearing to read 'Hemant Kaul'.

Hemant Kaul

Managing Director & CEO

Financial Highlights 2010 -11

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Gross Written Premium	31,294	27,249	28,662	25,780	18,033	12,846	8,561	4,798
Net Written Premium	23,105	19,717	20,066	17,526	10,398	6,987	4,793	2,864
Net Earned Premium	21,497	18,842	18,913	14,154	8,385	5,864	3,709	2,306
Net Incurred Claims	(17,013)	(13,866)	(13,599)	(9,457)	(5,556)	(4,100)	(2,263)	(1,506)
Net Commissions	(404)	(318)	(238)	188	786	622	419	231
Management Expenses	(6,461)	(5,485)	(5,988)	(5,195)	(3,454)	(2,156)	(1,456)	(984)
Underwriting Results	(2,193)	(502)	(727)	(210)	254	230	409	11
Recurring Investment Income	2,793	2,207	2,061	1,896	895	520	389	285
Non-Recurring Investment Income	20	93	164	(7)	21	68	29	22
Profit Before Tax	619	1,798	1,498	1,679	1,170	818	770	318
Provision for Tax	186	590	(546)	(623)	(417)	(303)	(299)	(101)
Profit After Tax	433	1,208	952	1,056	754	516	471	217
Claim's Ratio	79%	73.6%	72%	67%	66%	70%	61%	67%
Commission Ratio	2%	2%	1%	-1%	-9%	-11%	-11%	-10%
Management Expenses Ratio	30%	29%	32%	36%	41%	37%	40%	42%
Combined Ratio	111%	104%	105%	102%	98%	96%	90%	99%
Return on Equity	5%	16%	15%	23%	22%	23%	34%	20%
Shareholder's Equity	8,356	7,928	6,725	5,748	4,116	2,767	1,824	1,380
Assets Under Management	33,095	25,315	21,938	18,632	13,004	7,580	5,836	3,486
Number of Employees	3,654	3,506	3,973	3,603	2,540	1,371	924	480

Ratios for the year ended 31st March, 2011

Ratio's for the year	2010-11	2009-10	2008-09	2007-08
Growth in gross written Premium	15%	-5%	11%	43%
Growth in Net earned Premium	14%	-0.4%	34%	69%
PBT/shareholders Equity	7%	23%	22%	29%
Reserves/Share capital	659%	619%	510%	421%
Return on Average Equity	5%	16%	15%	23%
Retention	74%	72%	70%	68%
Claims Ratio	79%	74%	72%	67%
Liquid Assets/Net outstanding Claims	35%	20%	25%	38%
Insurance reserves/NEP	149%	137%	115%	116%
Shareholders equity/NEP	39%	42%	36%	41%

Directors' Report



Rahul Bajaj
Chairman

The Board of Directors is pleased to present the Eleventh Annual report and the Audited Financial Statements for the year ended 31st March 2011.

General Insurance in India

With addition of 3 new players, the total number of General Insurance Companies in India has reached 24, including the 4 Public Sector Companies and 5 Specialized Insurers. The Gross Written Premium (GWP) of the industry has increased from Rs. 124 Billion in the year 2001-02 to Rs. 470 Billion in the year 2010-11. For the year 2010-11, the industry grew by 21.7%.

Table: Gross Premiums 2010-11 Rs. Mn

	2009-10	2010-11	Growth
Bajaj Allianz	25,155	29,054	15.5%
Private Sector	143,414	175,669	22.5%
Public Sector	206,427	250,016	21.1%
Total Market	349,841	425,685	21.7%

Source: IRDA Business Figures for March 2011 excluding Specialized Insurers

The general insurance industry has completed over 4 years since detariffication but pricing levels are yet to stabilize. The industry posted overall profits on account of investment income, however the underwriting losses increased to Rs.59 Billion in 2009-10 as against Rs. 25.60 Billion in 2006-07 (before detariffication). Standard & Poor's have recently downgraded the outlook of the Indian general insurance industry from "Stable" to "Negative" mainly on account of the continued underwriting losses. However, the low market penetration of just 0.6% of the Gross Domestic Product (Asia is 1.67 %, Europe 3.1% & North America 4.92%) will keep fuelling growth in overall premium collection and the trend of underwriting losses should lead to price stabilization restoring the long term underwriting health of the industry.

Table: Combined Ratios

Insurer	2005-06	2006-07	2007-08	2008-09	2009-10
Bajaj Allianz	96.1%	98.1%	102.2%	104.8%	102.7%
Private Sector	102.2%	102.9%	110.2%	113.9%	115.1%
Public Sector	133.6%	119.8%	124.6%	128.3%	126.8%
Market	128.3%	115.9%	120.2%	123.3%	122.7%

Source: IRDA website & IRDA handbook of insurance statistics 2009-10 – excludes Specialized Insurers

Motor Pool

Towards the end of the year 2010-11, IRDA, based on actuarial assessment, directed general insurers to provide for the Motor Pool losses at 153%, against around 126% already provided over the years. In order to absorb this enhanced provisioning, solvency requirements have been relaxed at a reducing scale for financial years up to 2012-13. Even after absorbing this enhanced provisioning, your Company has still maintained solvency ratio at 173% for the year ended 31st March 2011, above the normal regulatory requirement of 150%.

The recent decision of IRDA to increase the premium on third party risks of commercial vehicles and indexing the future annual increase is a welcome move.

Return on Equity

Rising prices of automobile spares, repair and healthcare costs, trend of increasing compensation awards by the Courts and unabated price competition amongst insurers has adversely impacted the Return on Equity. This has been further worsened by the recent additional provisioning for IMTPIP losses.

The Return on average equity for your company during the year 2010-11 was 5.3% against 16.5% in the previous year.

Table: Return on Equity

	2005-06	2006-07	2007-08	2008-09	2009-10
Bajaj Allianz	22.5%	21.9%	21.4%	15.3%	16.5%
Private Sector	10.4%	11.1%	1.4%	-2.3%	-1.5%
Public Sector	3.9%	7.3%	5.1%	1.3%	3.1%
Total Market	4.2%	7.5%	4.9%	0.9%	2.6%

Source: IRDA website & IRDA handbook of insurance statistics 2009-10 – excludes Specialized Insurers

Business performance during the year

The business philosophy of your Company is to manage growth with profitability. Our GWP (excluding pool) during the year grew from Rs.25.15 Billion to Rs 29.05 Billion, a growth of 15.5%. Our combined ratio during the year excluding motor pool losses improved from 99.7% to 98.6%. Reduction in our claims ratio from 66% to 63% and maintaining a tight grip on our acquisition costs and expenses made this possible. The combined ratio

including motor pool losses increased on account of the additional provisioning made for IMTPIP losses from 102.7% to 110.2%.

The Net Earned Premium during the year excluding the premiums from motor pool, was Rs.19.31 Billion as against Rs.16.71 Billion in the previous year, a growth of 15.6%.

Your Company retained second position in the private sector with a market share of 6.8%. We continue to pursue our efforts to improve our renewal business, which stands for better risk and translates into better profitability. During the year, your Company sold over 6.4 Million Policies. The number of claims reported in 2010-11 was 561,720 as against 525,258 reported for the previous year.

Underwriting results

Your Company recorded an underwriting profit before considering share of losses from the Motor Pool of Rs.271.8 Million (previous year profit Rs.58.4 Million). After considering the share of losses from the Motor Pool, your Company's underwriting loss was Rs.2.19 Billion as against a loss of Rs.502 Million in the previous year.

Profit

The Profit Before Tax (PBT) for the year was Rs.619.1 Million compared with Rs.1.80 Billion in the previous year, a reduction by 65%.

The Profit After Tax (PAT) for the year was Rs.432.7 Million against Rs.1.21 Billion in the previous year, a decrease of 64.2%.

Shareholders' Funds

The total capital infused in the Company including share premium as at 31st March 2011 remains at Rs.2.77 Billion, as no additional capital was infused during the year. The shareholders' equity of your Company stood at Rs.8.36 Billion as at 31st March 2011 as against Rs.7.93 Billion as at 31st March 2010. We have the best utilization of capital in the private sector as measured by the ratio of gross written premiums to capital infused and by gross written premiums to shareholders' equity.

Investments and investment income

Considering the short term nature of our liabilities and the Company's risk tolerance levels, we have kept the investment duration as low as possible. We believe that reliance on capital market gains in view of the volatility of the securities markets would be unsustainable in the long run. Our investment philosophy is guided by prudence and focused on investments in cash flow generating assets.

Our cash and investments as at 31st March 2011 stood at Rs.39.75 Billion against Rs.28.28 Billion as at 31st March 2010, an increase in investible surplus by Rs.11.47 Billion or 40.6% over the previous year. The investment income for the year under

review was Rs.2.81 Billion against Rs.2.30 Billion generated in the previous year, an increase of 22.2%.

Recognition and Awards

"Customer First Always" continues to be the foremost core value of your Company, which is exemplified by the two prestigious Bloomberg-UTV Financial Leadership Awards received by us viz. "General Insurer of the Year – Private Sector" and the "Best contribution in Investor Education and Category Enhancement of the year" (jointly with Bajaj Allianz Life Insurance Company Limited). These awards are in recognition of our customer service levels as well as our core business philosophy of growth with profitability. We are committed to continuously improve our levels of customer service, efficiency in business processes and operations.

Credit Rating

Your Company maintained its credit rating of "iAAA" awarded by ICRA for the fifth 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 2011-12.

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. 1.57Bn
Expenditure in foreign currency	Rs. 2.76Bn

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. Rahul Bajaj, Mr. Sanjay Asher and Mr. Dipak Poddar retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

Dr. Werner Zedelius ceased to be Director of the Company with effect from 31st December 2010, who was succeeded by Mr.

Manual Bauer. The Board of Directors places on record its appreciation and gratitude towards the excellent support and guidance Dr. Werner Zedelius has rendered to the Company right since its inception.

Directors' Responsibility Statement

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

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures (if any);
- ii) That such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the Company as on 31st March 2011 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

The Corporate Governance guidelines issued by the IRDA came into effect from 1st April 2010. A report on compliance with these guidelines is contained in Annexure II along with a certificate from the 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.

The Board of Directors recommends reappointment of M/s. Dalal and Shah, Chartered Accountants and M/s. Kirtane Pandit, Chartered Accountants as the Joint Statutory Auditors for the period from the conclusion of ensuing Annual General Meeting to the conclusion of next Annual General Meeting and to fix their remuneration.

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 of India. 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 sure of continuing to share our success with all of them.

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

Rahul Bajaj
Chairman

6th May 2011
Pune

Annexure II to the Directors Report for the year ended 31st March 2011

Corporate Governance

The Insurance Regulatory and Development Authority (IRDA) issued Corporate Governance Guidelines (the Guidelines) for the insurance companies on 5th August 2009, being implemented with effect from 1st April 2010. However your Company has been implementing several of the practices prescribed by these Guidelines right since its inception. For your Company, Corporate Governance is not a mere set of rules to be implemented as a matter of mandatory compliance with regulatory requirements. It's a way of doing business within the corporate culture inherited from both the joint venture partners for achievement of goals of customer satisfaction and enhancement of shareholder values with protection of all other stakeholders' interests.

Board of Directors

The Board of Directors consists of 13 Directors, which includes 5 Independent Directors. The CEO of the Company, as the Managing Director, is member of the Board of Directors. The Chairman of the Company and all other Directors are Non-executive 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, heads the Bajaj Group of Companies. He is the Chairman of the group's flagship, Bajaj Auto Limited.
2. **Mr. Manuel Bauer** has been appointed as director in place of Dr. Werner Zedelius w.e.f 20th January 2011. He 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 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** has done his B Com from Sydenham College of Commerce & Economics, Mumbai and Masters in Business Administration from Harvard Business School, USA.. He is currently the Chairman & Managing Director of Mukand Ltd. He is also on the Board of Directors of Bajaj Auto Ltd. and various other Bajaj Group Companies. He was selected by World Economic Forum, as one of the "Global Leaders for Tomorrow", in 1993.
5. **Mr. Sanjiv Bajaj**, who is a mechanical engineer, has done M Sc from University of Warwick, UK and MBA from Harvard Business School, USA. He is currently the Managing Director of Bajaj Finserv 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.
7. **Mr. Kamesh Goyal**, who is a science and law graduate and has also done MBA from Faculty of Management Studies, Delhi University, is 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 is currently handling the position of Regional CEO for Asia Pacific region of Allianz.
8. **Mr. Ranjit Gupta**, 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.
9. **Mr. S. H. Khan** 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.
10. **Mr. Suraj L. Mehta**, who has honours 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.
11. **Mr. Dipak Poddar** serves as an Executive Chairman of Wearology Ltd. (also known as Poddar Developers Ltd). He serves as the Chairman of Monotona Securities Limited and

Monotona Tyres Ltd. He is an engineering graduate from Massachusetts Institute of Technology, USA.

12. **Mr. Manu Tandon** is a B Com 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.
13. **Dr. Werner Zedelius** has graduation in banking and doctorate in law. He has been with Allianz since 1987 and has held various positions in Regional Office along with the finance division at Head Office Munich. He has also done an assignment to Cornhill Insurance PLC, London. He is currently member of the Board of Management of Allianz SE for Growth Markets. He has ceased to be a Director with effect from 31st December 2010.
14. **Mr. Hemant Kaul** was the former Executive Director of Axis Bank Ltd. He has done B. Sc (Honours) and MBA. He began his career with State bank of Bikaner and Jaipur in 1977, where he continued till 1994. Once the banking sector was opened to private players, he joined UTI bank as it was known then. He has worked in various roles including Branch banking, head of HR and also was a key member of top management team at the Bank.

Meetings of the Board of Directors

During the year 2010-11, the Board of Directors met four times on 7th May 2010, 30th July 2010, 8th October 2010 and 20th January 2011. Following table sets out the details of attendance of Directors at the Board meetings.

Name of Director	Category	Meeting Attended	Sitting Fees
Mr. Rahul Bajaj	Chairman	3/4	NIL
Mr. Manuel Bauer#	Director	0/4	NIL
Mr. Sanjay Asher	Independent Director	3/4	1,20,000
Mr. Niraj Bajaj	Director	2/4	NIL
Mr. Sanjiv Bajaj	Director	3/4	NIL
Mr. Heinz Dollberg	Senior Consultant	4/4	NIL
Mr. Kamesh Goyal	Alternate Director	4/4	NIL
Mr. Ranjit Gupta	Director	4/4	NIL
Mr. S. H. Khan	Independent Director	4/4	1,60,000
Mr. Suraj Mehta	Independent Director	3/4	60,000
Mr. Dipak Poddar	Independent Director	2/4	40,000
Mr. Manu Tandon	Independent Director	4/4	80,000
Mr. Hemant Kaul	MD & CEO	4/4	NIL

- Director W.e.f. 20th January 2011

Committees of the Board of Directors: Constitution & Composition

Audit Committee, Investment Committee, Risk Management Committee and Policyholders Protection Committee 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. 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 officers from the management are invited to the meetings of the Audit Committee, along with the Head of Internal Audit, who presents his reports to the Committee at every meeting thereof.

Mr. S H Khan, an Independent Director, is the Chairman of the Audit Committee, along with Mr. Sanjay Asher, who is also an Independent Director.

The other members of the Committee are-

- a) Mr. Sanjiv Bajaj
- b) Mr. Heinz Dollberg
- c) Mr. Kamesh Goyal
- d) Mr. Ranjit Gupta

All these members of the Audit Committee are Non-executive Directors.

The Audit committee met four times during the year on 7th May 2010, 30th July 2010, 18th October 2010 and 18th January 2011. Following table sets out the particulars of attendance of members of the Committee at various meetings:

Name of Director	Meeting Attended
Mr. S. H. Khan	4/4
Mr. Sanjay Asher	3/4
Mr. Sanjiv Bajaj	3/4
Mr. Heinz Dollberg	2/2
Mr. Kamesh Goyal	4/4
Mr. Ranjit Gupta	4/4

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. Heinz Dollberg is the Chairman of the Investment Committee, with Mr. Sanjiv Bajaj, Mr. Ranjit Gupta and Mr. Hemant Kaul, Managing Director & CEO, are the other Directors on the Investment Committee. Mr. V Jeyaraman, Chief Financial Officer, Mr. Ashish Goyal, Chief Investments Officer and Dr. (Mrs.) Asha Joshi, Appointed Actuary, are 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 7th May 2010, 30th July 2010, 6th October 2010 and 19th January 2011. 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	2/4
Mr. Sanjiv Bajaj	2/4
Mr. Ranjit Gupta	4/4
Mr. Hemant Kaul	4/4
Mr. V. Jeyaraman	1/4
Mr. Ashish Goyal	4/4
Dr. (Mrs.) Asha Joshi	4/4

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.

- 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.
- 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.
- 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)

The Risk Management Committee met four times during the year on 7th May 2010, 30th July 2010, 6th October 2010 and 20th January 2011. Following table sets out the particulars of attendance of members of the Risk Management Committee at various meetings:

Name of Director	Meeting Attended
Mr. Heinz Dollberg	4/4
Mr. Sanjiv Bajaj	3/4
Mr. Ranjit Gupta	4/4
Mr. Hemant Kaul	4/4

Policyholders Protection Committee

The Policyholders Protection Committee of the Board of Directors has been formed in compliance with the requirements of the Guidelines, with responsibility to put in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries and ensuring 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. Heinz Dollberg, Mr. Ranjit Gupta and Mr. Hemant Kaul, Managing Director & CEO, are the other members. 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 7th May 2010, 30th July 2010, 8th October 2010 and 20th January 2011. 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	3/4
Mr. Heinz Dollberg	4/4
Mr. Ranjit Gupta	4/4
Mr. Hemant Kaul	4/4

Certification for compliance of the Corporate Governance Guidelines

I, Onkar Kothari, 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.

6th May 2011
Pune

Onkar Kothari
Company Secretary &
Compliance Officer

Management Report

With respect to the operations of the Bajaj Allianz General Insurance Company Limited for the year ended 31st March 2011 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 2011-12.
2. We certify that all dues payable to the statutory authorities have been duly paid except where the Company has preferred appeals.
3. The shareholding pattern is in accordance with the statutory and regulatory requirements. No shares have been transferred during the year.
4. The management has not invested any funds of holders of policies in India, directly or indirectly outside India.
5. The required solvency margins under the Insurance Act, 1938 have been maintained.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value.
7. As a general insurer, the Company is exposed to a variety of risks. The primary risks are that of frequency of claims as measured by the number of claims in relation to number of policies outstanding and severity risk as measured by the average amount per claim. The frequency and severity risk varies according to lines of business.

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

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

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

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

The Company has a separate internal audit team which audits the operations at its offices. Key operational risks and compliances are audited according to an audit plan approved by the Audit Committee of the Board of Directors. The Company has an Anti Money Laundering Policy and a Whistle Blower System in place, duly approved by the Board of Directors. The investment portfolio is also diversified within limits set under the IRDA regulations. The Company has also appointed an independent audit firm to undertake the concurrent audit of investment transactions and related processes, report of which is submitted to the Audit Committee on a quarterly basis.

The Company has a Risk Management Committee of the Board of Directors which advises the Board on risk management decisions, report on the risk exposures and the actions taken to manage the exposures. In addition, the Company also has an internal Risk Committee consisting of various departmental representatives, chaired by the Chief Risk Officer, which reviews the top risks 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 pertaining to various lines of business, such as cause of loss, the nature of claim, etc. Typically, claims which result in total or partial destruction of assets or records (such as those caused by Acts of God), those where adequate documentation to establish the claims are awaited and those which are 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 claims outstanding as well as paid by these factors. The average claims settlement time during the preceding 5 years is given in Annexure I and ageing analysis of claims registered and not settled (excluding provision for IBNR / IBNER and claims relating to inward re-insurance from terrorism pool and the Indian Motor Third Party Insurance Pool) is given in Annexure II to this Report.
10. We certify that the values, as shown in the Balance Sheet, of the investments which consists of fixed income securities, equity shares and mutual fund units that have been valued as per accounting policies prescribed by IRDA. For fixed income securities, the market value is based on procedure issued by Fixed Income and Money Market and Derivative Dealers Association (FIMMDA). The 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 Bajaj Allianz General Insurance Company Limited certifies that:

- a) The financial statements of Bajaj Allianz General Insurance Company Limited have been prepared in accordance with the applicable accounting standards and principles and policies with no material departures;
- b) The management has adopted accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the operating profit and of the profit of the Company for the year;

- c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) and Companies Act, 1956 (1 of 1956), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The financial statements have been prepared on a going concern basis;
- e) The management has set up an internal audit system commensurate with the size and nature of the business and the same was operational throughout the year.

13. The schedule of payments which have been made to individuals, firms, companies and organizations in which the Directors of the Company are interested is given as Annexure III.

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman

Heinz Dollberg
Senior Consultant

Niraj Bajaj
Director

Sanjiv Bajaj
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

S. H. Khan
Director

Suraj Mehta
Director

Manu Tandon
Director

Hemant Kaul
Managing Director &
CEO

V. Jeyaraman
Chief Financial Officer

Onkar Kothari
Company Secretary

6th May 2011
Pune

Annexure I: Average Claims Settlement Time during preceding 5 years

Line of Business	2006-07		2007-08		2008-09		2009-10		2010-11	
	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	5,705	82	5,821	91	6,182	107	5,992	95	5,551	87
Marine	10,465	43	8,457	59	7,053	84	8,530	73	9,794	60
Motor OD	198,797	23	269,229	24	329,283	24	362,481	23	412,110	20
Health	52,273	29	64,469	19	77,742	21	99,648	35	98,953	35
Others	12,048	38	16,342	88	35,052	65	11,364	81	16,437	46
Weighted Average	279,288	38	364,318	28	455,312	29	488,015	28	542,845	25

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

Annexure II: Ageing analysis of Claims registered and not settled

As at 31st March 2007

Amt in Rs. Lacs

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

As at 31st March 2008

Amt in Rs. Lacs

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

As at 31st March 2009

Amt in Rs. Lacs

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

As at 31st March 2010

Amt in Rs. Lacs

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

As at 31st March 2011

Amt in Rs. Lacs

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Others		Total	
Period	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
0 - 30 Days	139	742	353	480	4,254	2,670	1,811	1,073	2,052	1,110	952	1,019	9,561	7,094
31 days- 6 months	172	2,020	490	1,380	2,575	3,706	7,214	4,891	685	258	1,239	1,764	12,375	14,020
6 months to 1 Year	85	2,476	147	707	329	547	8,175	5,239	100	50	575	676	9,411	9,695
1 year to 5 Year	235	1,620	155	1,423	1,080	1,603	31,011	25,354	211	260	2,354	3,585	35,046	33,845
> 5 year	29	284	25	119	56	41	1,228	1,606	12	14	62	144	1,412	2,208

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 Sanjiv Bajaj S. H. Khan	Director Director Director	Rent paid for office premise Insurance premiums received Insurance claims paid Payments for common area	171.67 11.68 1.81 180.67
2	Bajaj Auto Limited	Rahul Bajaj Niraj Bajaj Sanjiv Bajaj	Director Director Director	Insurance premiums received Insurance claims paid Purchase of Investment Service Charge paid / payable	793.36 433.43 494.04 18.71
3	Bajaj Holdings & Investments Limited	Rahul Bajaj Sanjiv Bajaj S. H. Khan	Director Director Director	Insurance premiums received Insurance claims paid Purchase of Investment	7.66 0.06 1,018.18
4	Bajaj Allianz Financial Distributors Limited	Ranjit Gupta Heinz Dollberg Kamesh Goyal	Director Senior Consultant Director	Insurance premiums received Insurance claims paid Manpower supply charges Billable expenses Insurance premium received as an agent Insurance Commission paid Service Charge paid / payable	11.19 6.05 6,346.52 156.46 1.36 0.14 0.04
5	Bajaj Electricals Limited	Rahul Bajaj Niraj Bajaj	Shareholding exceeds 2% Shareholding exceeds 2%	Insurance premium received Insurance claims paid	216.12 26.92
6	Bajaj Finance Limited	Rahul Bajaj Dipak Poddar Sanjiv Bajaj	Director Director Director	Insurance premium received Insurance claims paid Service Charge paid / payable Investment in Corporate Bonds	14.42 2.34 0.24 1,000.00
7	Bajaj Allianz Life Insurance Company Limited	Rahul Bajaj Dr. Werner Zedelius Sanjiv Bajaj Niraj Bajaj Sanjay Asher Suraj Mehta S. H. Khan Manu Tandon Ranjit Gupta Heinz Dollberg Kamesh Goyal	Director Director Director Director Director Director Director Director Senior Consultant Director	Expenditure incurred by Bajaj Allianz Life Insurance Expenditure incurred on behalf of Bajaj Allianz Life Insurance Insurance Premiums received from Bajaj Allianz Life Insurance Insurance Claims paid to Bajaj Allianz Life Insurance Insurance premium Paid to Bajaj Allianz Life Insurance Insurance claims Received from Bajaj Allianz Life Insurance	986.63 (510.36) 519.67 727.87 192.41 42.69
8	Bajaj Financial Solutions Limited	Rahul Bajaj Sanjiv Bajaj	Director Director	Insurance premium received	0.87
9	Mukand Engineers Limited	Niraj Bajaj	Director	Insurance premium received Insurance claims paid	31.26 14.64
10	Mukand Limited	Rahul Bajaj Sanjiv Bajaj Niraj Bajaj	Director Relative is a Director Director	Insurance premium received Insurance claims paid	249.47 95.06
11	Mukund Bekaert wire Industries Private Limited	Niraj Bajaj	Director	Insurance premium received Insurance claims paid	12.02 2.59
12	Hind Musafir Agency Limited	Rahul Bajaj Niraj Bajaj Sanjiv Bajaj	Shareholding exceeds 2% Shareholding exceeds 2% Relative is a Director	Travel Agency services Insurance premium received Insurance claims paid Service Charge paid / payable	309.47 1.82 0.07 4.54

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, 2011, 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 as to 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 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, 2011 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; and
- On the basis of the written representations received from the directors, as at March 31, 2011 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2011 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:

- 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 under 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, 2011;
 - 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 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

Suhas Deshpande
Partner
Membership Number: 31787
Pune
May 06, 2011

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

Anish Amin
Partner
Membership Number: 40451
Pune
May 06, 2011

Auditors' certificate

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and records maintained by Bajaj Allianz General Insurance Company Limited ('the Company') for the year ended March 31, 2011, 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 has been 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

Suhas Deshpande
 Partner
 Membership Number: 31787
 Pune
 May 06, 2011

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

Anish Amin
 Partner
 Membership Number: 40451
 Pune
 May 06, 2011

Revenue Accounts

Revenue accounts for the year ended 31st March, 2011

Particulars	Schedule	For the year	
		Fire	Marine
Premiums earned - (Net)	1	1,131,396	572,840
Profit / (Loss) on sale/redemption of Investments (Net)		1,391	417
Other Income - Miscellaneous Income*		21,424	1,059
Provisions no Longer required Written Back		-	-
Amortisation of Discount/(Premium)		810	243
Interest, Dividend & Rent-Gross		197,197	59,034
Sub Total		220,822	60,753
Total (A)		1,352,218	633,593
Claims incurred (Net)	2	619,514	323,067
Commission	3	(158,758)	42,856
Contribution to Solatium Fund		-	-
Change in Premium Deficiency		-	-
Operating Expenses related to Insurance Business	4	519,076	168,202
Total (B)		979,832	534,125
OPERATING PROFIT/(LOSS) (C)=(A)-(B)		372,386	99,468
Appropriations			
Transfer to Shareholders' Account		372,386	99,468
Transfer to catastrophe Reserve		-	-
Transfer to Other Reserves (to be specified)		-	-
Total (C)		372,386	99,468

Significant accounting policies & Notes to Financial Statements

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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 126,215 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

Suhas Deshpande
Partner
Membership No 31787
Pune

For Dalal & Shah
Firm Registration Number
102021W
Chartered Accountants

Anish P. Amin
Partner
Membership No. 40451
Pune

Place: Pune
Date: 6th May 2011

Rupees ('000)

ended 31st March, 2011		For the year ended 31st March, 2010			
Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
19,792,280	21,496,516	1,184,691	564,268	17,093,060	18,842,019
13,326	15,134	6,726	2,072	60,748	69,546
131,396	153,879	16,489	1,702	353,989	372,180
-	-	483	203	7,512	8,198
7,762	8,815	(3,136)	(966)	(28,322)	(32,424)
1,889,045	2,145,276	161,699	49,802	1,460,571	1,672,072
2,041,529	2,323,104	182,261	52,813	1,854,498	2,089,572
21,833,809	23,819,620	1,366,952	617,081	18,947,558	20,931,591
16,070,123	17,012,704	687,735	457,659	12,720,294	13,865,688
519,502	403,600	(157,352)	34,939	440,094	317,681
17,141	17,141	-	-	14,458	14,458
(53,494)	(53,494)	-	-	21,230	21,230
5,773,894	6,461,172	440,174	151,236	4,893,731	5,485,141
22,327,166	23,841,123	970,557	643,834	18,089,807	19,704,198
(493,357)	(21,503)	396,395	(26,753)	857,751	1,227,393
(493,357)	(21,503)	396,395	(26,753)	857,751	1,227,393
-	-	-	-	-	-
-	-	-	-	-	-
(493,357)	(21,503)	396,395	(26,753)	857,751	1,227,393

es 347,903 thousand)

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman

Heinz Dollberg
Senior Consultant

Niraj Bajaj
Director

Sanjiv Bajaj
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

S. H. Khan
Director

Suraj Mehta
Director

Manu Tandon
Director

Hemant Kaul
Managing Director &
CEO

V. Jeyaraman
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
6th May 2011

Profit and Loss Account for the year ended 31st March, 2011

Rupees ('000)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Operating Profit/(Loss), as per Revenue Accounts of		
(a) Fire Insurance Business	372,386	396,395
(b) Marine Insurance Business	99,468	(26,753)
(c) Miscellaneous Insurance Business	(493,357)	857,751
	(21,503)	1,227,393
Income From Investments		
(a) Interest, Dividends and Rent -Gross	626,032	565,028
(b) Amortisation of Discount/(Premium)	2,572	(10,957)
(c) Profit on sale/redemption of investments	15,211	26,963
Less:- (Loss) on sale/redemption of investments	(10,795)	(3,462)
	633,020	577,572
Other Income -Miscellaneous Income	26,003	21,113
Total(A)	637,520	1,826,078
Provisions (Other than taxation)		
(a) For diminution in the value of investments	-	-
(b) For doubtful debts	3,282	3,138
(c) Others (to be specified)	-	-
Other Expenses		
(a) Expenses other than those directly related to the insurance business	15,104	16,701
(b) Bad debts written off	-	8,198
(c) Preliminary Expenses written off	-	-
	18,386	28,037
Total (B)	18,386	28,037
Profit before tax	619,134	1,798,041
Provision for taxation		
Current Tax	225,451	
Fringe Benefit Tax	-	
Deferred Tax expense (Refer schedule 16 note 18)	(39,040)	
	186,411	589,763
Profit after tax	432,723	1,208,278
Profit available for appropriation	432,723	1,208,278
Appropriations		
(a) Interim dividends paid during the year	-	-
(b) Proposed final dividend	-	-
(c) Dividend distribution on tax	-	-
(d) Transfer to reserve/other accounts (to be specified)	-	-
Balance of Profit brought forward last year	5,164,527	3,956,249
Balance carried forward to Balance Sheet	5,597,250	5,164,527
Significant Accounting Policies & Notes to Financial Statements	16	
Earning per Share: Basic (Refer Schedule 16 Note 17)	3.93	10.96

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

Suhas Deshpande
Partner
Membership No 31787
Pune

Anish.P.Amin
Partner
Membership No. 40451
Pune

Pune
6th May 2011

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Director

S. H. Khan
Director

Hemant Kaul
Managing Director &
CEO

Heinz Dollberg
Senior Consultant

Kamesh Goyal
Alternate Director

Suraj Mehta
Director

V. Jeyaraman
Chief Financial Officer

Niraj Bajaj
Director

Ranjit Gupta
Director

Manu Tandon
Director

Onkar Kothari
Company Secretary

Pune
6th May 2011

Balance Sheet as at 31st March, 2011

Rupees ('000)

Particulars	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' funds :			
Share Capital	5	1,102,273	1,102,273
Reserves and Surplus	6	7,263,447	6,830,724
Fair Value Change Account		(9,666)	(5,094)
Borrowings	7	-	-
Total		8,356,054	7,927,903
APPLICATION OF FUNDS			
Investments	8	33,094,874	25,314,595
Loans	9	-	-
Fixed Assets	10		
Gross Block (Refer schedule 16 Note 2.14)		2,826,456	2,496,177
Less:- Accumulated Depreciation		1,367,694	1,227,583
Net Block		1,458,762	1,268,594
Capital Work In Progress including Capital advances		101,971	264,964
		1,560,733	1,533,558
Deferred Tax Asset (Refer schedule 16 Note 18)		417,520	378,480
Current Assets			
Cash and Bank Balances	11	6,655,917	2,964,880
Advances and Other Assets	12	2,736,575	7,132,312
Sub-Total (A)		9,392,492	10,097,192
Current Liabilities	13	23,104,101	18,008,031
Provisions	14	13,005,464	11,387,891
Sub-Total (B)		36,109,565	29,395,922
Net Current Assets (C) = (A - B)		(26,717,073)	(19,298,730)
Miscellaneous Expenditure	15	-	-
(to the extent not written off or adjusted)			
Debit Balance in Profit and Loss Account		-	-
Total		8,356,054	7,927,903
Significant Accounting Policies & Notes to Financial Statements	16		

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

As per our report of even date attached

For Kirtane & Pandit
Firm Registration Number
105215W
Chartered Accountants

For Dalal & Shah
Firm Registration Number
102021W
Chartered Accountants

Suhas Deshpande
Partner
Membership No 31787
Pune

Anish.P.Amin
Partner
Membership No. 40451
Pune

Pune
6th May 2011

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman

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Director

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Managing Director &
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Alternate Director

Suraj Mehta
Director

V. Jeyaraman
Chief Financial Officer

Niraj Bajaj
Director

Ranjit Gupta
Director

Manu Tandon
Director

Onkar Kothari
Company Secretary

Pune
6th May 2011

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, 2011

SCHEDULE - 1 Premium Earned (Net)

Particulars	For the year ended 31st March, 2011			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Premium from Direct Business written:	2,638,117	754,127	35,645	25,271,754
Add: Premium on Reinsurance Accepted	249,461	4,765	4,240	2,335,562
Less: Premium on reinsurance ceded	1,590,997	175,047	31,403	6,391,214
Net Premium	1,296,581	583,845	8,482	21,216,102
Adjustment for Change in Unexpired Risk Reserve				
Reserve created during the year	1,025,839	291,911	8,483	11,467,115
Less: Reserve created during the previous year Written Back	860,654	251,913	28,994	10,043,293
Change in the Unexpired Risk Reserve	165,185	39,998	(20,511)	1,423,822
Total Premium Earned (Net)	1,131,396	543,847	28,993	19,792,280
Note :				
Premium Income earned from business concluded:				
In India	1,131,396	543,847	28,993	19,792,280
Outside India	-	-	-	-
Total Premium Earned (Net)	1,131,396	543,847	28,993	19,792,280

*Refer Schedule 1(A)

Rupees ('000)

	For the year ended 31st March, 2010				
Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others		
28,699,643	2,400,564	681,318	58,038	21,683,425	24,823,345
2,594,028	213,158	2,702	5,491	2,204,178	2,425,529
8,188,661	1,423,568	180,170	34,536	5,893,887	7,532,161
23,105,010	1,190,154	503,850	28,993	17,993,716	19,716,713
12,793,348	860,654	251,913	28,994	10,043,293	11,184,854
11,184,854	855,191	287,922	24,410	9,142,637	10,310,160
1,608,494	5,463	(36,009)	4,584	900,656	874,694
21,496,516	1,184,691	539,859	24,409	17,093,060	18,842,019
21,496,516	1,184,691	539,859	24,409	17,093,060	18,842,019
-	-	-	-	-	-
21,496,516	1,184,691	539,859	24,409	17,093,060	18,842,019

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

SCHEDULE - 1 (A) Premium Earned (Net)

Particulars	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens ' Compensation
Premium from Direct Business:	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
Net Premium	11,718,719	1,946,179	2,239,178	15,904,076	235,199
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
Total Premium Earned (Net)	10,689,372	1,886,903	2,187,336	14,763,611	201,614
Note :					
Premium Income earned from business concluded:					
In India	10,689,372	1,886,903	2,187,336	14,763,611	201,614
Outside India	-	-	-	-	-
Total Premium Earned (Net)	10,689,372	1,886,903	2,187,336	14,763,611	201,614

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

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

Rupees ('000)

For the year ended 31st 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
55,197	246,847	8,650	427,374	2,996,673	965	1,341,121	21,216,102
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
57,491	226,979	11,489	419,650	2,919,850	1,625	1,189,971	19,792,280
57,491	226,979	11,489	419,650	2,919,850	1,625	1,189,971	19,792,280
-	-	-	-	-	-	-	-
57,491	226,979	11,489	419,650	2,919,850	1,625	1,189,971	19,792,280

Rupees ('000)

For the year ended 31st March, 2010							
Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
138,769	914,913	284,403	527,320	2,955,487	232,189	1,996,109	21,683,425
712	89,858	1,822	-	-	-	17,474	2,204,178
78,561	782,010	278,457	119,184	348,040	228,851	679,160	5,893,887
60,920	222,761	7,768	408,136	2,607,447	3,338	1,334,423	17,993,716
32,552	126,225	7,560	413,799	1,337,172	966	1,143,496	10,043,293
28,623	133,641	11,826	335,791	1,315,101	2,506	980,642	9,142,637
3,929	(7,416)	(4,266)	78,008	22,071	(1,540)	162,854	900,656
56,991	230,177	12,034	330,128	2,585,376	4,878	1,171,569	17,093,060
56,991	230,177	12,034	330,128	2,585,376	4,878	1,171,569	17,093,060
-	-	-	-	-	-	-	-
56,991	230,177	12,034	330,128	2,585,376	4,878	1,171,569	17,093,060

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, 2011

SCHEDULE - 2 Claims Incurred (Net)

Particulars	For the year ended 31st March, 2011			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Claims Paid				
Direct	1,106,868	443,246	7,430	13,681,876
Add: Re-insurance accepted	69,271	226	-	1,645,126
Less: Re-insurance Ceded	615,244	89,654	4,723	3,776,623
Net Claims paid	560,895	353,818	2,707	11,550,379
Claims Outstanding (including IBNR & IBNER)				
Add : Claims Outstanding at the close of the year (net of Re-insurance)	820,612	340,078	98,986	17,918,218
Less: Claims Outstanding at the beginning of the year (net of Re-insurance)	761,993	378,844	93,678	13,398,474
Change in Claims Outstanding	58,619	(38,766)	5,308	4,519,744
Total Claims Incurred (Net)	619,514	315,052	8,015	16,070,123
Claims incurred				
In India	619,514	315,052	8,015	16,070,123
Outside India	-	-	-	-
Total Claims Incurred (Net)	619,514	315,052	8,015	16,070,123

*Refer Schedule 2(a)

Rupees ('000)

	For the year ended 31st March, 2010				
Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others		
15,239,420	1,677,887	485,665	31,635	13,239,807	15,434,994
1,714,623	118,741	2,934	584	662,692	784,951
4,486,244	1,151,394	107,134	14,901	4,307,147	5,580,576
12,467,799	645,234	381,465	17,318	9,595,352	10,639,369
19,177,894	761,993	378,844	93,678	13,398,474	14,632,989
14,632,989	719,492	382,098	31,548	10,273,532	11,406,670
4,544,905	42,501	(3,254)	62,130	3,124,942	3,226,319
17,012,704	687,735	378,211	79,448	12,720,294	13,865,688
17,012,704	687,735	378,211	79,448	12,720,294	13,865,688
-	-	-	-	-	-
17,012,704	687,735	378,211	79,448	12,720,294	13,865,688

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, 2011

SCHEDULE - 2(a) Claims Incurred (Net)

Particulars	Motor (Own Damage)	Motor (Third Party)	IMTPIP*	Motor (Total)	Workmens ' Compensation /Employers' Liability
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 & IBNER)					
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)
Total Claims Incurred (Net)	6,521,825	1,870,466	4,732,249	13,124,540	47,777
Claims incurred					
In India	6,521,825	1,870,466	4,732,249	13,124,540	47,777
Outside India	-	-	-	-	-
Total Claims Incurred (Net)	6,521,825	1,870,466	4,732,249	13,124,540	47,777

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

Rupees ('000)

For the year ended 31st March, 2011

Public/ Product 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
10,546	44,495	7,189	360,998	1,917,185	(5,081)	562,474	16,070,123
10,546	44,495	7,189	360,998	1,917,185	(5,081)	562,474	16,070,123
-	-	-	-	-	-	-	-
10,546	44,495	7,189	360,998	1,917,185	(5,081)	562,474	16,070,123

Rupees ('000)

For the year ended 31st March, 2010

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
12,158	379,222	361,186	370,450	1,906,628	294,467	1,890,241	13,239,807
-	3,845	-	-	-	-	-	662,692
5,730	285,225	346,881	64,002	216,081	292,121	1,337,072	4,307,147
6,428	97,842	14,305	306,448	1,690,547	2,346	553,169	9,595,352
64,162	233,856	21,855	271,503	503,489	5,365	705,907	13,398,474
71,832	238,120	22,520	182,922	400,887	2,228	658,632	10,273,532
(7,670)	(4,264)	(665)	88,581	102,602	3,137	47,275	3,124,942
(1,242)	93,578	13,640	395,029	1,793,149	5,483	600,444	12,720,294
(1,242)	93,578	13,640	395,029	1,793,149	5,483	600,444	12,720,294
-	-	-	-	-	-	-	-
(1,242)	93,578	13,640	395,029	1,793,149	5,483	600,444	12,720,294

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, 2011

SCHEDULE - 3 Commission Expenses

Particulars	For the year ended 31st March, 2011			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Commission Paid direct	150,772	64,687	605	1,148,107
Add: Re-insurance Accepted	21,625	1,033	657	37,163
Less: Commission on Re-insurance Ceded	331,155	21,293	2,833	665,768
Net Commission	(158,758)	44,427	(1,571)	519,502
Break-up of commission paid direct business furnished as per details below				
Agents	39,181	34,169	467	634,332
Brokers	40,725	26,032	77	251,020
Corporate Agency	70,866	4,486	61	262,755
Referral	-	-	-	-
Others	-	-	-	-
Total	150,772	64,687	605	1,148,107
Commission Paid				
In India	(158,758)	44,427	(1,571)	519,502
Outside India	-	-	-	-
Net Commission	(158,758)	44,427	(1,571)	519,502

* Refer Schedule 3(a)

Rupees ('000)

	For the year ended 31st March, 2010				
Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others		
1,364,171	139,604	54,005	2,586	1,141,030	1,337,225
60,478	14,316	328	60	226,095	240,799
1,021,049	311,272	18,251	3,789	927,031	1,260,343
403,600	(157,352)	36,082	(1,143)	440,094	317,681
708,149	41,512	29,214	1,402	515,205	587,333
317,854	35,718	17,782	875	208,141	262,516
338,168	62,374	7,009	309	417,684	487,376
-	-	-	-	-	-
-	-	-	-	-	-
1,364,171	139,604	54,005	2,586	1,141,030	1,337,225
403,600	(157,352)	36,082	(1,143)	440,094	317,681
-	-	-	-	-	-
403,600	(157,352)	36,082	(1,143)	440,094	317,681

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, 2011

SCHEDULE - 3 (a) Commission Expenses

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
Net Commission	278,276	-	25,400	303,676	14,556
Commission Paid					
In India	278,276	-	25,400	303,676	14,556
Outside India	-	-	-	-	-
Net Commission	278,276	-	25,400	303,676	14,556

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

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

Rupees ('000)

For the year ended 31st March, 2011

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
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
(1,767)	(134,440)	3,802	52,574	221,103	(13,037)	73,035	519,502
(1,767)	(134,440)	3,802	52,574	221,103	(13,037)	73,035	519,502
-	-	-	-	-	-	-	-
(1,767)	(134,440)	3,802	52,574	221,103	(13,037)	73,035	519,502

Rupees ('000)

For the year ended 31st March, 2010

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
10,979	39,609	2,585	58,972	266,284	13,333	162,973	1,141,030
577	11,770	443	-	-	-	3,874	226,095
11,631	202,195	5,532	17,015	63,525	26,123	83,473	927,031
(75)	(150,816)	(2,504)	41,957	202,759	(12,790)	83,374	440,094
(75)	(150,816)	(2,504)	41,957	202,759	(12,790)	83,374	440,094
-	-	-	-	-	-	-	-
(75)	(150,816)	(2,504)	41,957	202,759	(12,790)	83,374	440,094

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, 2011

SCHEDULE - 4 Operating Expenses

Particulars	For the year ended 31st March, 2011			
	Fire	Marine		Miscellaneous*
		Cargo	Others	
Employees' remuneration, benefits & other manpower costs	215,799	61,688	2,916	2,067,235
Travel, conveyance and vehicle running	12,832	3,668	173	122,927
Agent training	192	55	3	1,842
Rents, rates and taxes	24,579	7,026	332	235,452
Maintenance & repairs	3,184	910	43	30,499
Printing and stationery	5,864	2,391	4	88,496
Communication	13,118	3,750	177	125,666
Information technology	14,684	5,987	10	221,591
Legal and professional charges	3,197	914	43	30,622
Auditor's fees, expenses, etc.				
(a) as auditors	326	93	4	3,127
(b) as advisor or in any other capacity in respect of:				
(i) Taxation matters	-	-	-	-
(ii) Tax Audit	64	18	1	617
(iii) Management services				-
(c) In any other capacity	28	8	-	264
(d) Out of Pocket Expenses	85	24	1	813
	293,952	86,532	3,707	2,929,151
Advertisement and publicity	12,548	5,116	9	189,358
Interest and Bank Charges	4,289	1,226	58	41,087
Business Development and Promotion	12,224	3,494	165	117,100
Marketing and Support Services	137,696	56,146	95	2,077,991
Other Acquisition Costs	3,786	930	178	80,723
Others				
Exchange (gain) /loss	(633)	(181)	(9)	(6,067)
Miscellaneous Expenses	19,855	5,676	268	190,196
(Profit)/Loss on disposal of Assets	177	51	2	1,694
	189,942	72,458	766	2,692,082
Depreciation (Refer Schedule 16 Note 2.14)**	15,831	4,525	214	151,650
Service Tax Expenses	19,351	-	-	1,011
Total	519,076	163,515	4,687	5,773,894

* Refer Schedule 4(a)

** Includes depreciation on investment property amounting to NIL (previous year Rupees 650 thousand)

Rupees ('000)

	For the year ended 31st March, 2010				
Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others		
2,347,638	187,718	53,278	4,538	1,695,586	1,941,120
139,600	12,032	3,415	291	108,683	124,421
2,092	469	133	11	4,240	4,853
267,389	24,013	6,815	581	216,898	248,307
34,636	2,353	668	57	21,251	24,329
96,755	5,710	2,385	9	88,736	96,840
142,711	14,058	3,990	340	126,979	145,367
242,272	9,618	4,018	16	149,461	163,113
34,776	5,630	1,598	136	50,858	58,222
3,550	290	82	7	2,621	3,000
-	220	62	5	1,988	2,275
700	48	14	1	437	500
-	-	-	-	-	- - -
300	19	5	-	176	200
923	100	28	2	899	1,029
3,313,342	262,278	76,491	5,994	2,468,813	2,813,576
207,031	21,884	9,141	36	340,075	371,136
46,660	2,332	662	56	21,063	24,113
132,983	17,349	4,924	419	156,712	179,404
2,271,928	91,850	38,367	152	1,427,323	1,557,692
85,617	4,507	1,250	201	82,597	88,555
(6,890)	641	182	16	5,791	6,630
215,995	22,654	6,429	548	204,621	234,252
1,924	279	79	7	2,518	2,883
2,955,248	161,496	61,034	1,435	2,240,700	2,464,665
172,220	20,395	5,789	493	184,225	210,902
20,362	(3,995)	-	-	(7)	(4,002)
6,461,172	440,174	143,314	7,922	4,893,731	5,485,141

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, 2011

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
	1,505,559	476,221	-	1,981,780	28,061
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
	1,356,523	429,082	18,579	1,804,184	10,731
Depreciation (Refer Schedule 16 Note 2.14)	78,141	24,717	-	102,858	1,568
Service Tax Expenses	-	-	-	-	-
Total	2,940,223	930,020	18,579	3,888,822	40,360

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

Rupees ('000)

For the year ended 31st 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
17,481	107,354	29,450	81,179	395,940	17,609	270,297	2,929,151
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	-	1,375	80,723
							-
(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
2,971	22,257	6,335	198,385	373,230	2,392	271,597	2,692,082
1,007	6,164	1,704	3,187	20,385	1,019	13,758	151,650
-	-	-	-	-	-	1,011	1,011
21,459	135,775	37,489	282,751	789,555	21,020	556,663	5,773,894

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, 2011

SCHEDULE - 4 (a) Operating Expenses

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

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

Rupees ('000)

For the year ended 31st March, 2010

Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total
10,851	71,544	22,240	41,235	231,112	18,156	156,089	1,695,586
696	4,586	1,426	2,643	14,814	1,164	10,003	108,683
27	179	56	103	578	45	391	4,240
1,388	9,152	2,845	5,275	29,564	2,323	19,966	216,898
136	897	279	517	2,897	228	1,954	21,251
24	208	2	11,312	12,201	2	8,874	88,736
813	5,358	1,665	3,088	17,308	1,360	11,688	126,979
40	351	3	19,053	20,551	4	14,945	149,461
325	2,146	667	1,237	6,932	545	4,682	50,858
17	111	34	64	357	28	241	2,621
13	84	26	48	271	21	184	1,988
3	18	6	11	60	5	39	437
-	-	-	-	-	-	-	-
1	7	2	4	24	2	19	176
6	38	12	22	123	10	82	899
14,340	94,679	29,263	84,612	336,792	23,893	229,157	2,468,813
90	799	7	43,351	46,761	9	34,007	340,075
135	889	276	512	2,871	226	1,938	21,063
1,003	6,612	2,055	3,811	21,360	1,678	14,428	156,712
378	3,352	28	181,950	196,259	36	142,730	1,427,323
14	1,977	2,738	19	3,825	-	787	82,597
							-
37	244	76	141	789	62	533	5,791
1,310	8,634	2,684	4,976	27,890	2,191	18,836	204,621
16	106	33	61	343	27	232	2,518
2,983	22,613	7,897	234,821	300,098	4,229	213,491	2,240,700
1,179	7,773	2,416	4,480	25,110	1,973	16,960	184,225
-	-	-	-	-	-	1	(7)
18,502	125,065	39,576	323,913	662,000	30,095	459,609	4,893,731

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2011

SCHEDULE - 5 Share Capital

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Authorised Capital		
125,000,000 Equity shares of Rs 10 each	1,250,000	1,250,000
Issued Capital		
110,227,250 Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
Subscribed Capital		
110,227,250 Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
Called-up Capital		
110,227,250 Equity Shares of Rs 10 each fully paid up	1,102,273	1,102,273
Less: Calls unpaid	-	-
Add : Shares forfeited (Amount originally paidup)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses to the extent not written off	-	-
Expenses including commission or brokerage on underwriting or subscription of shares		
Total	1,102,273	1,102,273

SCHEDULE - 5A Share Capital / Pattern of Shareholding

(As certified by the Management)

Rupees ('000)

Shareholder	As at 31st March, 2011		As at 31st March, 2010	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian				
Bajaj Finserv Limited	81,568,165	74.00%	81,568,165	74.00%
Foreign				
Allianz SE	28,659,085	26.00%	28,659,085	26.00%
Others	-	0%	-	-
Total	110,227,250	100.00%	110,227,250	100.00%

SCHEDULE - 6 Reserves and Surplus

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
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	5,597,250	5,164,527
Total	7,263,447	6,830,724

SCHEDULE - 7 Borrowings

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Total	-	-

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2011

SCHEDULE - 8 Investments

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Long Term Investments		
1 Government securities and		
Government guaranteed bonds including Treasury Bills	11,692,315	8,827,728
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	8,535,852	5,978,065
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Less : Accumulated depreciation	-	-
4 Investments in Infrastructure and Social Sector	6,286,351	6,582,269
5 Other Investments		
(a) Shares	33,044	33,044
Fair Value Change Accretion/(Diminution)	(9,821)	(5,094)
(b) Debenture/Bonds	23,223	27,950
Short Term Investments		
1 Government securities and		
Government guaranteed bonds including Treasury Bills	501,715	524,191
2 Other Approved Securities	-	-
3 Approved Investments		
(a) Shares		
(aa) Equity Shares	-	-
Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	5,265,108	2,378,290
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	690,155	996,102
5 Other Investments		
(a) Shares	-	-
(b) Mutual Funds	100,000	-
Fair Value Change Accretion/(Diminution)	-	155
(c) Debenture/Bonds	100,155	-
Total	33,094,874	25,314,595
Investments		
In India	33,094,874	25,314,595
Outside India	-	-
Total	33,094,874	25,314,595

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 113,595 thousand (Previous year Rupees 115,338 thousand) deposited with Standard Chartered Bank (Custodian).
- All the above investments are performing assets.
- Investments maturing within next 12 months are Rupees 6,557,133 thousand (Previous year Rupees 3,898,583 thousand)
- Investment other than Equities and Derivative instruments
Aggregate value of Investments as at 31st March, 2011 Rupees 33,071,651 thousand (Previous year Rupees 25,286,645 thousand)
Market value as at 31st March, 2011 Rupees 32,733,779 thousand (Previous year Rs 25,683,618 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, 2011

SCHEDULE - 9 Loans

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
1 SECURITY-WISE CLASSIFICATION		
Secured		
a) On Mortgage of Property		
(aa) In India	-	-
(bb) Outside India	-	-
b) On Shares, Bonds, Govt. Securities	-	-
c) Others (to be specified)	-	-
Unsecured	-	-
Total	-	-
2 BORROWER-WISE CLASSIFICATION		
a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Industrial Undertakings	-	-
e) Others (to be specified)	-	-
Total	-	-
3 PERFORMANCE-WISE CLASSIFICATION		
a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	-	-
4 MATURITY-WISE CLASSIFICATION		
a) Short- Term	-	-
b) Long- Term	-	-
Total	-	-

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2011

SCHEDULE 10 - Fixed Assets

Rupees ('000)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April 2010	Additions/ Adjustments during the year	Deductions/ Adjustments during the year*	As at 31st March, 2011	As at 01 April 2010	For the Year	On Sales/ Adjustments	As at 31st March, 2011	As at 31st March, 2011	As at 31st March 2010
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles -Computer Softwares	124,568	1,286	-	125,854	106,149	13,356	-	119,505	6,349	18,419
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	206,757	10,433	12,150	205,040	185,179	18,148	11,735	191,592	13,448	21,578
Freehold Improvements	10,566	-	-	10,566	9,973	570	-	10,543	23	593
Building**	1,003,863	261,362	-	1,265,225	20,259	21,436	-	41,695	1,223,530	983,604
Furniture & fixtures	279,156	13,813	16,721	276,248	209,411	21,422	14,715	216,118	60,130	69,745
Information Technology	-	-	-	-	-	-	-	-	-	-
Equipment	638,632	58,337	503	696,466	551,267	66,905	503	617,669	78,797	87,365
Vehicles	13,985	5,606	3,513	16,078	5,734	3,053	2,566	6,221	9,857	8,251
Office Equipment	218,650	15,849	3,520	230,979	139,611	27,331	2,591	164,351	66,628	79,039
Others (specify nature)	-	-	-	-	-	-	-	-	-	-
Total	2,496,177	366,686	36,407	2,826,456	1,227,583	172,221	32,110	1,367,694	1,458,762	1,268,594
Capital work-in-progress & advances	-	-	-	-	-	-	-	-	101,971	264,964
Grand Total	2,496,177	366,686	36,407	2,826,456	1,227,583	172,221	32,110	1,367,694	1,560,733	1,533,558
Previous Year	1,556,866	966,174	26,863	2,496,177	1,038,900	210,252	21,569	1,227,583		

* 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 31st March, 2011	As at 31st March, 2010
1. Cash and Stamps on Hand	15,062	16,139
2. Cheques on Hand	295,509	297,713
3. Bank Balances		
(a) Deposit Accounts		
(aa) Short Term (due within 12 months)	1,177,708	1,857,391
(bb) Others	4,250,000	284,300
(b) Current Accounts	917,638	509,337
(c) Others :- Margin Money Account	-	-
4. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
5. Others (to be specified)	-	-
Total	6,655,917	2,964,880
Balance with non-scheduled Banks included in (3) above	93,623	30,626
Cash and Bank Balances		
In India	6,562,294	2,934,254
Outside India	93,623	30,626
Total	6,655,917	2,964,880

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, 2011

SCHEDULE - 12 Advances and Other Assets

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Advances		
Deposits with Ceding Companies	6,103	6,900
Application money for Investments	-	-
Prepayments	52,001	35,188
Advances to Directors / Officers	-	-
Advance Tax Paid and Taxes Deducted at Source (Net of Provision for Taxation Rupees 3,415,726 thousand (Previous year Rupees 3,190,383 thousand))	602,978	98,748
Others		
Advance to employees	1,460	1,316
Advances recoverable in cash or in kind	138,732	91,622
Less : Provision for doubtful advances	(4,923)	(1,077)
	133,809	90,545
Unutilised service tax Carried forward (net)	193,990	76,143
Total (A)	990,341	308,840
Other Assets		
Income accrued on investments	905,581	887,016
Outstanding Premium	76,530	87,253
Agents' Balances	3,119	
Less: Provision For Doubtful Recoveries	(2,601)	
	518	30,235
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business, including reinsurers (net)	651,734	
Less Provision for doubtful amounts	(5,536)	
	646,198	5,688,075
Due from Subsidiary/Holding Companies	-	-
Deposit with Reserve Bank of India [Pursuant to Section 7 of Insurance Act, 1938]	-	-
Others		
Deposits	117,407	130,893
Total (B)	1,746,234	6,823,472
Total (A + B)	2,736,575	7,132,312

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, 2011

SCHEDULE - 13 Current Liabilities

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Agents' Balances	304,827	130,702
Balances due to other insurance companies	528,111	417,627
Deposit held on re-insurance ceded	-	-
Premium Received in Advance	548,510	379,163
Unallocated Premium	801,572	534,657
Sundry creditors (Refer schedule 16 note 23)	1,150,590	1,289,200
Due to subsidiaries/holding company	1,014	1,282
Claims outstanding for		
i) More than Six Months	13,284,453	
ii) Less than Six Months (Including IBNR & IBNER) (Refer schedule 16 note 2.11 and note 6)	18,232,814 31,517,267	
Claims Recoverable from Reinsurer (Including IBNR)	(12,339,373)	
Net Claims Outstanding	19,177,894	14,632,989
Solatium Fund	17,141	14,458
Due to Officers/Directors	-	-
Due to policyholders/ Insured (Refer schedule 16 note 26)	574,442	607,953
Others- Service Tax Payable	-	-
Temporary Overdraft as per the books of accounts only	-	-
Total	23,104,101	18,008,031

SCHEDULE - 14 Provisions

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Reserve for Unexpired Risk	12,793,347	11,184,854
Premium Deficiency (Refer schedule 16 note 2.9 and note 10)	3,132	56,626
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	200	161
For proposed dividends	-	-
For dividend distribution tax	-	-
For Employee Benefits		
Gratuity (Refer schedule 16 note 19)	16,097	3,803
Leave Entitlement	84,828	73,441
Long Term Incentive Plan	90,388	51,534
Total	13,005,464	11,387,891

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

Rupees ('000)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Discount allowed in issue of shares/debentures	-	-
Others (to be specified)	-	-
Total	-	-

SCHEDULE – 16 : Significant Accounting Policies & Notes to and forming part of the Financial Statements for the year ended 31st March 2011

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 2011-12 vide its certificate of Renewal of Registration dated 28th February 2011. The renewal certificate is with effect from 1st April 2011 and is valid upto 31st March 2012.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles followed in India under the historical cost convention and accrual basis of accounting and in accordance with the statutory requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations') and orders and directions issued by the IRDA in this behalf, the Companies Act, 1956 ('The Act') to the extent applicable and comply with the notified accounting standards issued by Companies Accounting Standard Rules, 2006 (to the extent applicable) and current practices prevailing in the Insurance industry.

2.2 Use of Estimates

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

2.3 Revenue recognition

(i) Premium

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

(ii) Interest / dividend income

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

(iii) Premium / discount on purchase of investments

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

(iv) Profit / loss on sale of securities

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

(v) Commission on Reinsurance Ceded

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

2.4 Reinsurance ceded

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

2.5 Reinsurance Accepted

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

2.6 Acquisition costs

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

2.7 Premium received in advance

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

2.8 Reserve for unexpired risk

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

2.9 Premium Deficiency

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

2.10 Claims incurred

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

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

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

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

2.12 Operating expenses related to the insurance business

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

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

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

2.13 Income from investments and other income

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

2.14 Fixed assets and depreciation / amortization

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

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

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

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

Impairment of assets

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

2.15 Investments

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

Classification:

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

Valuation:

Debt Securities

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

The realized gain or loss on the securities is the difference between the sale consideration and the amortized cost in the books of the Company as on the date of sale determined on weighted average cost basis from this year as against First in First out basis in the past.

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 from this year as against First in First out basis in the past 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 from this year as against First in First out basis in the past and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such gain or loss is transferred to

revenue on the trade date.

Fair Value Change Account

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

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

Real Estate – Investment Property

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

2.16 Retirement and Other Employee Benefits

i) Provident Fund and Family Pension Schemes

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

ii) Superannuation

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

iii) Gratuity

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

iv) Compensated absences and leave entitlements

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

v) Actuarial gains / losses taken to revenue account.

vi) Long Term Incentive Plan

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

2.17 Foreign Currency Transactions

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

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

2.18 Contributions to Terrorism and Third Party Insurance Pools

i) Terrorism Pool

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

In accordance with the terms of the agreement, GIC retro cedes, to the Company, terrorism premium to the extent of the share agreed to be borne by the Company in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool has been recorded only upto 31st December 2010.

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

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

In accordance with the directions of IRDA, the Company, together with other direct general insurance companies, participates in the Indian Motor Third Party Insurance Pool ('IMTPIP'). The IMTPIP is administered by the General Insurance Corporation of India ('GIC'). The IMTPIP covers reinsurance of the entire third party risks of specified commercial motor vehicles (specified risks). Amounts collected as premium in respect of specified risks are ceded at 100% of such premium, to the IMTPIP. The terms of the IMTPIP are covered by the provisions of a multi lateral reinsurance arrangement, executed by all direct insurers licensed to carry on motor insurance business with effect from 1st April 2007.

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

a) The General Insurance Corporation of India ('GIC') participates in the pooled business at such percentage of the motor business that is ceded to it by all insurers as statutory reinsurance cessions under Section 101A of the Insurance Act, 1938. For the financial year ended 31st March 2011, the share of GIC was fixed at 10% (Previous year 10%) by the Insurance Regulatory Development Authority ('IRDA').

b) The business remaining after such cession to GIC is shared among all general insurers writing motor insurance business in the proportion that their gross direct general insurance premium in India from all classes of general insurance underwritten by them in that financial year bears to the aggregate gross direct general insurance premium from all classes of general insurance business written by all participant companies. Such share of business is computed by GIC and is applicable to all insurance companies, who are members of the IMTPIP.

The Company's share of premiums, claims, reinsurance commissions and expenses of the pool is recorded as inward reinsurance business, based on the returns submitted by GIC, under the respective heads of income or expense as the case may be and included within the Motor Third Party sub-segment of the Miscellaneous Revenue Account. Accordingly, such share has been recorded by the Company, only up to 28th February 2011 and, for the month of March 2011 the losses from the Pool of Rs. 88,145 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 has instructed to provide for ultimate loss ratio of not less than 153% for all the years the pool was underwriting, until the peer review report of IRDA is finalized. Accordingly Pool has calculated the ultimate loss ratio at 153% for all the underwriting years and instructed the pool members to account these additional losses along with current year provisional accounts. This change has resulted in impact of additional losses of Rs. 1,409,643 thousands to the company and additional loss provision to this extent has been made in IBNR account.

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 and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income 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 recognised in the revenue account as expenses forming as separate line item in schedule 4 and Schedule 4(A).

2.22 Provisions and Contingent liabilities

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

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

2.23 Earnings per share

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

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

NOTES TO ACCOUNTS

3. Contingent liabilities

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

Rupees('000)

	31st March 2011	31st March 2010
1. Partly paid up investments	Nil	Nil
2. Underwriting commitments outstanding	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 2003-04 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 are pending before various authorities and based on the ITAT, Pune verdict, contingent liability for these years is also assessed as "Nil".

- All assets of the Company are free from any encumbrances other than investment under Section 7 of Insurance Act, 1938 which are held in Government of India Bonds aggregating Rupees 113,595 thousands (Previous year Rupees 115,338 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 217,006 thousands (Previous year Rupees 192,177 thousands).

- 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 over 99.6% (Previous year – 99%) of the Company's total net written business. For other lines such as aviation and liability, the expected ultimate loss ratio method has been used to arrive at the estimate of IBNR.

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

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 31st March 2011	For the year ended 31st March 2010#
Salary- (Including contributions to funds)		
Mr. Hemant Kaul	12,258	3,962
Perquisites		
Mr. Hemant Kaul	32	20

From 2nd Dec 2009 to 31st Mar 2010

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

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

10. Premium Deficiency has been provided for in respect of following line of business
 - a) Personal Accident - Nil (Previous Year – 48,060 thousands)
 - b) Aviation - Rupees 3132 thousands. (Previous Year - 8,566 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 2011			For the year ended 31st March 2010		
	GWP	No of Lives	% of GWP	GWP	No of Lives	% of GWP
Rural	2,453,713	-	8.55	2,141,088	-	8.63
Social	3,231	82,733	0.01	915	73,351	-
Urban	26,242,699	-	91.44	22,681,342	-	91.37
Total	28,699,643	82,733	100	24,823,345	73,351	100

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

	For the year ended 31st March 2011	For the year ended 31st March 2010
	% age of business written	% age of business written
Risk retained	75%	74%
Risk Reinsured	25%	26%
	100%	100%

13. Contribution to Environment Fund

The Company has collected an amount of Rupees 6,012 thousands (Previous year - Rupees 5,854 thousands) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 28, 2011 to United India Insurance Company, the implementing agency for the fund. The balance payable has been disclosed under the head current liabilities in schedule 13.

14. The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. The operating expenses and investment and other income attributable to the business segments are allocated as mentioned in Note nos 2.12, 2.13 and 22 respectively. Segment revenue and results have been disclosed in the financial statements. Due to inherent complexities, segment assets and liabilities have been identified to the extent possible in the statement annexed hereto. There are no reportable geographical segments since the Company provides services only to customers in the Indian market or to Indian interests overseas and does not distinguish any reportable regions within India.

15. Related party disclosures have been set out in a separate statement annexed to this schedule. The related parties, as defined in Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India ('ICAI'), in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons and taken on record by the Board.

16. The Company's significant leasing arrangements include agreements for office and residential premises. 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 31st March 2011	As at 31st March 2010
Payable not later than one year	1,733	3,300
Payable later than one year but not later than five years	-	1,733
Payable later than five years	-	-

- Amount charged to revenue accounts in respect of all lease arrangements aggregates Rupees 252,187 thousands (Previous year Rupees 244,179 thousands).
- There are no transactions in the nature of sub leases.
- The period of agreement is generally for three years and renewable thereafter at the option of the lessee

17. Earning per Share ('EPS')

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

(Amount Rupees '000, Count - numbers)

	As at 31st March 2011	As at 31st March 2010
Profit after Tax		
Basic earnings before extra-ordinary items [A] Rupees	Rs. 432,723	Rs. 1,208,278
Basic earnings after extra-ordinary items [B] Rupees	Rs. 432,723	Rs. 1,208,278
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. 3.93	Rs. 10.96
Basic and diluted earnings per share excluding extraordinary items [B/C]	Rs. 3.93	Rs. 10.96

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

18. Taxation

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

Rupees ('000)

Timing difference on account of	As at 31st March 2011		As at 31st March 2010	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Reserve for unexpired risks	357,372	-	301,880	-
Leave encashment	28,180	-	24,400	-
Prov for doubtful debts	4,338	-	3,250	-
Depreciation as per Section 32 as per provisions of Income Tax Act 1961	27,626	-	48,950	-
Total	417,516	-	378,480	-
Net deferred tax asset/(liability)	417,516	-	378,480	-
Deferred Tax expense/(income) recognized in the Profit and loss account	(39,040)	-	(226,400)	-
Total Deferred Tax expenses/(income)	(39,040)	-	(226,400)	-

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	
	2011	2010
Current service cost	16,899	22,343
Interest cost on benefit obligation	4,223	3,932
Expected return on plan assets	(4,525)	(1,531)
Net actuarial (gain) / loss recognized in the year	(499)	(20,940)
Past service cost	0	0
Net benefit expense	16,097	3,804
Actual return on plan assets	3,325	5,923

II. Balance Sheet

(i) Details of provision for gratuity

Rupees ('000)

	Gratuity	
	2011	2010
Defined benefit obligation	66,991	59,294
Fair value of plan assets	(50,894)	(55,491)
	16,097	3,803
Less: Unrecognized past service cost	-	-
Plan (asset) / liability	16,097	3,803

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

Rupees ('000)

	Gratuity	
	2011	2010
Opening defined benefit obligation	59,294	61,186
Interest cost	4,223	3,931
Current service cost	16,899	22,343
Benefits paid	(11,725)	(11,618)
Actuarial (gains) / losses on obligation	(1,700)	(16,548)
Closing defined benefit obligation	66,991	59,294

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

Rupees ('000)

	Gratuity	
	2011	2010
Opening fair value of plan assets	55,491	16,231
Expected return	4,525	1,531
Contributions by employer	3,803	44,955
Benefits paid	(11,725)	(11,618)
Actuarial gains / (losses)	(1,200)	4,392
Closing fair value of plan assets	50,894	55,491

The Company expects to contribute Rs.20,000 thousands to gratuity in 2011-12.

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

Rupees ('000)		
	Gratuity	
	2011	2010
	%	%
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:

	2011	2010
	%	%
Discount rate	8.05	7.80
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	66,991	59,294	61,186	41,182	27,506
Plan assets	50,894	55,491	16,231	28,763	24,142
Surplus / (deficit)	(16,097)	(3,803)	(44,955)	(12,420)	(3,363)
Experience adjustments on plan liabilities	(3,982)	(14,074)	5,271	6,836	2,205
Experience adjustments on plan assets	(1,200)	4,392	(584)	(12)	402

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 630,700 thousands (previous year Rupees 517,347 thousands) towards outsourced expenses.

22. Expenses directly identifiable with investment activity amounting to Rupees 13,690 thousands (previous year Rupees 11,444 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 14,006 thousands (previous year Rupees 9,525 thousands) which could be apportionable towards investments activity. The said expenses amounting to Rupees 14,006 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, an amount of Rs. 1,413 thousands is payable to MSMED suppliers. Since payable amount is within credit period no interest is payable on the outstanding amount.

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

Rupees ('000)					
Sr. No.	Authority	Non-Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced/ Stay Received
1	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
2	Any Local Government / Statutory Authority	-	-	-	-
3	Any Local Government / Statutory Authority	-	-	-	-

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

Amt in Rs.('000)

Sr. No.	Sch	Particulars	Reported in Previous Year	Previous Year figures reported in Current Year	Difference	Reasons
NIL						

26. 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	442,835	-	-	-	-	-	-
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	340	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured*	28,760	51,445	16,501	8,317	7,179	10,675	8,390

* Does not include cheques issued to policyholders and appearing in Bank reconciliation as on 31st March'2011.

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

Suhas Deshpande
Partner
Membership No 31787
Pune

Anish.P.Amin
Partner
Membership No. 40451
Pune

Pune
6th May 2011

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman

Heinz Dollberg
Senior Consultant

Niraj Bajaj
Director

Sanjiv Bajaj
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

S. H. Khan
Director

Suraj Mehta
Director

Manu Tandon
Director

Hemant Kaul
Managing Director &
CEO

V. Jeyaraman
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
6th May 2011

Annexure to Schedule 16 - Notes to Accounts and forming part of the financial statements for the year ended 31st March, 2011
(Refer Note no. 14)

Segmental Break up of the Balance Sheet item as at 31st March, 2011

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	18,772	3,011	-	526,727	548,510
	(17,930)	(5,758)	-	(355,475)	(379,163)
Net Claims Outstanding	820,612	340,078	98,986	17,918,218	19,177,894
	(761,993)	(378,844)	(936,780)	(13,398,474)	(14,632,989)
Reserve for Unexpired Risk	1,025,839	291,911	8,483	11,467,114	12,793,347
	(860,654)	(251,925)	(28,994)	(10,043,281)	(11,184,854)
Deposits with Ceding Companies	-	-	-	-	6,103
	-	-	-	-	(6,900)
Premium Deficiency	-	-	-	3,132	3,132
	-	-	-	(56,626)	(56,626)
Solatium Fund	-	-	-	17,141	17,141
	-	-	-	(14,458)	(14,458)
Proposal Deposits (to the extent identifiable)	-	-	-	-	-
	-	-	-	-	-

31st March 2010 figures are in Brackets

Summary of Financial Statements for the year ended 31st March, 2011

(Refer Note no. 20)

Particulars	2011	2010	2009	2008	2007
OPERATING RESULTS					
Gross Written Premium	31,293,671	27,248,874	28,661,871	25,780,399	18,033,397
Net Premium Income (net of Reinsurance)	23,105,010	19,716,713	20,065,870	17,525,507	10,397,639
Income from Investments (net of losses)	2,169,225	1,709,194	1,659,188	1,429,652	679,252
Miscellaneous Income	153,879	380,378	270,010	92,889	87,114
Total Income	25,428,114	21,806,285	21,995,068	19,048,048	11,164,005
Commissions	403,600	317,681	237,775	(187,564)	(786,418)
Operating Expenses	6,461,172	5,485,141	5,988,298	5,194,751	3,454,019
Claims, increase in URR and other outgoes	18,584,845	14,776,070	14,804,945	12,804,986	7,567,015
Operating Profit/Loss	(21,503)	1,227,393	964,050	1,235,875	929,389
NON OPERATING RESULTS					
Total income under Shareholder's Account	640,637	570,648	533,655	443,129	240,896
Profit before Tax	619,134	1,798,041	1,497,705	1,679,004	1,170,285
Provision for Tax	(186,411)	(589,763)	(546,136)	(622,825)	(416,594)
Profit after Tax	432,723	1,208,278	951,569	1,056,179	753,691
MISCELLANEOUS					
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	1,101,331
Net Worth	8,356,054	7,927,903	6,724,719	5,747,803	4,115,735
Total Assets (Gross of current liabilities and provisions)	44,465,619	37,323,825	31,670,305	25,093,313	16,960,659
Yield on Total Investments	8.47%	9.03%	10.06%	10.17%	6.84%
Earning Per Share	3.93	10.96	8.63	9.58	6.85
Book value per Share	75.81	71.92	61.01	52.15	37.40
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-

Ratios for the year ended 31st March, 2011

Sr. No.	Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
1	Gross Premium growth rate		
	Motor	17%	-4%
	Fire	10%	-2%
	Marine Cargo	11%	-8%
	Marine Hull	-37%	-58%
	Workmen's Compensation / Employers' Liability	46%	2%
	Public/Product Liability	20%	-21%
	Engineering	11%	-20%
	Aviation	-1%	14%
	Personal Accident	1%	-21%
	Health	15%	-11%
	Others	14%	11%
2	Gross Premium to Shareholder's Fund Ratio	374%	343%
3	Growth Rate of Shareholder's Fund	5%	18%
4	Net Retention Ratio		
	Motor	82%	80%
	Fire	45%	46%
	Marine Cargo	77%	74%
	Marine Hull	21%	46%
	Workmen's Compensation / Employers' Liability	90%	89%
	Public/Product Liability	33%	44%
	Engineering	22%	22%
	Aviation	3%	3%
	Personal Accident	80%	77%
	Health	88%	88%
	Others	58%	60%
5	Net Commission Ratio		
	Motor	2%	2%
	Fire	-12%	-13%
	Marine Cargo	8%	7%
	Marine Hull	-19%	-4%
	Workmen's Compensation / Employers' Liability	6%	4%
	Public/Product Liability	-3%	0%
	Engineering	-54%	-68%
	Aviation	44%	-32%
	Personal Accident	12%	10%
	Health	7%	8%
	Others	5%	5%
6	Expenses of Management to Gross Premium Ratio	23%	22%
7	Combined Ratio	111%	104%
8	Technical Reserves to Net Premium Ratio	138%	131%
9	Underwriting Balance Ratio		
	Fire	13%	18%
	Marine	7%	-14%
	Miscellaneous	-13%	-6%
10	Operating Profit Ratio	-1%	4%
11	Liquid Assets to liabilities ratio	20%	11%
12	Net Earning Ratio	2%	6%
13	Return on Net worth	5%	15%
14	Reinsurance Ratio	26%	28%

Receipts and Payments for the year ended 31st March,2011

Rupees ('000)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Premium received from Policyholders,including advance receipts and service tax	33,514	27,249,406
Receipts from Re-insurers, net of commissions and claims	2,592,537	(1,178,013)
Receipts from Co-insurers, net of claims recovery	195,634	348,137
Payment of Claims	(17,295,519)	(16,168,719)
Payment of Commission	(1,277,865)	(1,683,580)
Payment of other Operating Expenses	(6,347,591)	(4,535,920)
Miscellaneous Income	168,353	609
Preliminary and preoperative expenses	-	-
Income tax paid (Net)	(743,900)	(695,490)
Service Tax Paid	(1,915,000)	(1,427,982)
Other Payments	-	-
Cash Flow before extraordinary items	-	-
Cash Flow from extraordinary operations	-	-
Net Cash In Flow From Operating Activities	8,891,016	1,908,448
Investment Activities		
Purchase of Fixed Assets including Capital Work in Progress&Capital Advances	(194,382)	(347,483)
Proceeds from Sale of Fixed Assets	2,374	2,411
Purchase of Investments	(22,522,532)	(12,858,292)
Sale of Investments	15,190,343	9,418,700
Rent/Interests/Dividends Received	2,752,743	2,009,269
Investments in money market instruments and in liquid mutual funds (Net)	(421,725)	1,559
Investment property purchase	-	-
Interest Expense and Other Investment Expenses	(13,690)	(11,444)
Cash Deposit under Section 7 of the Insurance Act, 1938	-	-
Investment in Fixed Deposit Maturity more than 3 months	(3,046,753)	(480,847)
Net Cash Out Flow from Investment Activities	(8,253,622)	(2,266,127)
Cash Flow from financing Activities		
Proceeds from issuance of share capital	-	-
Interest/dividends paid	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow financing activities	-	-
Effect of foreign exchange gain /(loss) rates on cash and cash equivalents,net	6,890	(6,630)
Increase/(Decrease) in Cash and Cash Equivalents during the year	644,284	(364,309)
Cash and Cash Equivalent at the year begining	877,333	1,241,642
Cash and Cash Equivalent at the year end**	1,521,617	877,333
** Cash and cash Equivalent ('000)	2011	2010
Cash & Bank balance as per schedule 11	6,655,917	2,964,880
Less: Fixed Deposit Maturity More than 3 Months	5,134,300	2,087,547
Less: Temporary over draft as per schedule 13	-	-
Cash and Cash Equivalent at the year end	1,521,617	877,333
As Intergral 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

Suhas Deshpande
Partner
Membership No 31787
Pune

Anish.P.Amin
Partner
Membership No. 40451
Pune

Pune
6th May 2011

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Director

S. H. Khan
Director

Hemant Kaul
Managing Director &
CEO

Heinz Dollberg
Senior Consultant

Kamesh Goyal
Alternate Director

Suraj Mehta
Director

V. Jeyaraman
Chief Financial Officer

Niraj Bajaj
Director

Ranjit Gupta
Director

Manu Tandon
Director

Onkar Kothari
Company Secretary

Pune
6th May 2011

Balance Sheet Abstract and Company's general business profile for the year ended 31st March,2011

Rupees ('000)

I.	Registration No.	15329
	State code	11
	Balance Sheet Date	31st March, 2011
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)	8,356,054
	Total Assets (Application of funds)	8,356,054
IV.	Source of funds	Rs in '000s
	Paid up capital	1,102,273
	Reserves and surplus	7,253,781
	Secured loans	-
	Unsecured loans	-
V.	Application of funds	Rs in '000s
	Net Fixed assets	1,560,733
	Investments	33,094,874
	Net Current Assets	(26,717,073)
	Miscellaneous expenditure	-
	Accumulated loss	-
VI.	Performance of the company	Rs in '000s
	Turnover	31,293,671
	Total expenditure	30,674,537
	Profit / (Loss) before tax	619,134
	Profit / (Loss) after tax	432,723
	Accumulated profits	5,597,250
	Earnings per share	3.93
	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

Rahul Bajaj
Chairman

Heinz Dollberg
Senior Consultant

Niraj Bajaj
Director

Sanjiv Bajaj
Director

Kamesh Goyal
Alternate Director

Ranjit Gupta
Director

S. H. Khan
Director

Suraj Mehta
Director

Manu Tandon
Director

Hemant Kaul
Managing Director &
CEO

V. Jeyaraman
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
6th May 2011

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31st March 2011

Related Party Disclosures under AS 18 (for the year ended 31st March 2011)

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 Auto Ltd.	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Purchases of Investments Other expenses Paid/Payable	
3	Bajaj Holdings & Investments Ltd.	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Purchases of Investments	
4	Bajaj Allianz Financial Distributors Ltd.	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Manpower supply charges Billable expense incurred on behalf Premium Received as an Agent Insurance commission paid/payable Other expenses Paid/Payable	
5	Bajaj Electricals Ltd.	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium	
6	Bajaj Finance Limited	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium Other expenses Paid/Payable Investment in Corporate Bonds	
7	"Bajaj Allianz Life Insurance Co. Ltd.(BALIC)"	Group Company	Expenditure incurred by BALIC on our behalf Expenditure incurred by us on behalf of BALIC Insurance Premia received Insurance Claims paid Unallocated Premium Insurance Premium paid to BALIC Insurance Claims received from BALIC	
8	Bajaj Financial Solutions Limited Group Company	Group Company	Insurance Premia received Unallocated Premium	
9	Mukand Engineers Ltd.	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium	
10	Mukand Ltd.	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium	

Amount in Rs.('000)

2010-2011		2009-2010	
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	-	14,889	-
-	(17,115)	(5,343)	(17,115)
1,168	-	1,185	-
181	-	37	-
-	148	-	2,184
18,067	1,014	8,889	1,282
79,336	-	69,537	-
43,343	-	77,475	-
-	1,902	-	14,063
49,404	-	-	-
1,871	(0)	1,114	-
766	-	34	-
6	-	-	-
-	28	-	842
101,818	-	-	-
1,119	-	525	-
605	-	450	-
-	51	-	74
634,652	1,001	539,594	1,973
15,646	(2,185)	(15,465)	(27,311)
136	1	1,569	1
12	1	170	7
7	-	-	-
21,612	-	15,141	-
2,692	-	4,395	-
-	1,525	-	109
1,442	-	1,936	-
234	-	436	-
-	2,113	-	2,062
24	79	322	612
100,000	100,000	-	-
98,674	79,515	51,447	(20,303)
(51,036)	-	(71,750)	-
51,967	-	5,752	-
72,787	-	3,452	-
-	7,711	-	320
19,241	-	48,818	-
4,269	-	1,596	-
87	-	-	-
-	50	-	-
3,126	-	2,932	-
1,464	-	484	-
-	9	-	8
24,947	-	24,736	-
9,506	-	15,779	-
-	191	-	269

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31st March 2011

Related Party Disclosures under AS 18 (for the year ended 31st March 2011)

Sr. No.	Name of the Related party	Nature of Relationship with the company	Description of transaction / Categories	
11	Mukund Bekaert wire Industries Pvt. Ltd.	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium	
12	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	
13	Allianz SE, Germany	Shareholder	Billable expenses incurred on behalf Income from Software Consultancy License & Maint fees for Opus	
14	Allianz Insurance Management Asia Pacific	Group Company	Billable expenses incurred on behalf	
15	Ayudhya Allianz C.P	Enterprise where key mgmt personnel is having significant influence	Income From Software Consultancy	
16	Allianz Insurance Co Lanka Ltd.	Enterprise where key mgmt personnel is having significant influence	Billable expense incurred on behalf	
17	Allianz SE India Liaison Office	Subsidiary of Joint Venture Partner	Deposits for Rented Premises	
18	Allianz Investment Management Singapore Pte	Group Company	Investment Management	
19	Allianz Life Insurance Company Limited KOREA	Group Company	Income from Software Consultancy billed	
20	M/s. Allianz Global Corporate & Speciality AG, Munich	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance	
21	Allianz AG Reinsurance, branch Asia Pacific	Group Company	Reinsurance premium paid/payable Commission on reinsurance premium Claims recovery on reinsurance No claim Bonus on XOL premium Portfolio Premium withdrawal Portfolio Claims withdrawal Portfolio Premium Entry Portfolio Claims Entry CAT XOL Premium Paid/Payable	
22	Allianz Marine and Aviation Versicherungs AG	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
23	Allianz Hongkong - Name changed from Allianz China	Group Company	Reinsurance premium paid Commission on reinsurance received	

Amount in Rs.('000)

2010-2011		2009-2010	
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)
1,202	-	1	-
259	-	-	-
-	144	-	7
30,947	935	21,479	706
269	-	3	-
7	-	-	-
-	(113)	-	(128)
454	39	379	(51)
-	-	5,994	-
-	-	(13,497)	-
(2,500)	-	2,500	2,500
-	-	(10)	(4)
327	-	(327)	(321)
-	-	-	(93)
-	1,500	-	1,500
6,000	1,500	6,000	1,500
-	-	(607)	-
257,517	134,595	132,125	73,105
(27,068)	-	(15,164)	-
(51,493)	-	(57,934)	-
750,410	68,247	991,077	23,962
(206,179)	-	(209,752)	-
(578,878)	-	(446,254)	-
-	-	-	-
(167,419)	-	(145,160)	-
(308,751)	-	(263,459)	-
157,116	-	188,708	-
289,751	-	342,496	-
275,983	33,054	251,167	-
-	349	-	(37)
-	-	-	-
-	-	-	-
240	-	-	-
(208)	-	-	-

Annexure to Schedule 16 Notes to Accounts and forming part of Financial Statements for the year ended 31st March 2011

Related Party Disclosures under AS 18 (for the year ended 31st March 2011)

Sr. No.	Name of the Related party	Nature of Relationship with the company	Description of transaction / Categories	
24	Allianz Ins. Co. of Singapore - PTE	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
25	Allianz Belgium	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
26	Allianz Elementar Versicherungs	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
27	M/s. Allianz Global Corporate & Speciality - France	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	
28	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	
29	Allianz CP General Ins Co. Ltd.	Group Company	Reinsurance premium received/receivable Commission on reinsurance paid/payable Claims paid/ payable Deposits with the Ceding Company Income from Software Consultancy billed	
30	PT ASURANSI Allianz Life Indonesia	Group Company	Billable expense incurred on behalf Reinsurance premium received/receivable Commission on reinsurance paid/payable	
31	Allianz Insurance Co. Egypt (Non-Life)	Group Company	Reinsurance premium received/receivable Commission on reinsurance paid/payable Claims paid/ payable	
32	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)

2010-2011		2009-2010	
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)
543 (353) -	- - -	1,935 (220) (2)	1,639 - -
176,964 (1,778) (226,457)	(3,142) - -	65,508 (595) (1,100,011)	(97,097) - -
570 (144) -	- - -	(37) 5 (85)	- - -
36,104 (3,375) (158)	15,899 - -	22,691 (5,984) (100)	18,692 - -
151,735 (23,950) (78,070) (23,757)	16,524 - - (1,954)	222,036 (27,405) (248,278) (30,100)	75,776 - - (8,904)
15,831 (797) - (6,103) -	4,894 - - (6,103) -	(16,195) 1,643 44,577 - (3,569)	(6,129) - - (6,900) -
- - -	- - -	(65) (988) 313	(65) - -
154 (9) 31,298	- - -	(2,072) - 122	(1,950) - -
12,258 32	- -	3,962 20	- -

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



Notes

Notes

Bajaj Allianz General Insurance Co. Ltd.
G.E. Plaza, Airport Road, Yerawada, Pune - 411 006.
www.bajajallianz.com

Insurance is the subject matter of the solicitation