Annual Report 2008 - 09

Bajaj Allianz General Insurance Company Limited

Our relationships, our focus.

BAJAJ | Allianz

Financial Highlights

Rupees (Mn)

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
Gross Written Premium	28662	25780	18003	12846	8560
Net Written Premium	20065	17526	10398	6987	4792
Net Earned Premium	18913	14154	8385	5864	3709
Net Incurred Claims	-13599	-9457	-5556	-4100	-2263
Net Commissions	238	188	786	622	419
Management Expenses	-5988	-5195	-3454	-2156	-1455
Underwriting Results	-727	-210	254	230	409
Income from Investments	2207	1896	895	520	388
Others	18	-7	21	68	28
Profit Before Tax	1498	1679	1170	818	769
Provision for Tax	-546	-623	-417	-303	-298
Profit After Tax	952	1056	754	516	470
Claims Ratio(Net)	72%	67%	66%	70%	61%
Commission Ratio(Net)	1%	-1%	-9%	-11%	-11%
Management Expenses Ratio	32%	36%	41%	37%	40%
Combined Ratio	105%	102%	98%	96%	90%
Return on Equity	15%	23%	22%	23%	34%
Shareholder's Equity	6725	5748	4116	2767	1824
Assets under Management	21938	18632	13004	7580	5835
Number of Employees	3973	3603	2540	1371	924

Board of Directors

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

Niraj Bajaj
Also Chairman & MD, Mukand Ltd.

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

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

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

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

Don Nguyen
Also Head of Property & Casualty Division, Allianz Asia Pacific

Kamesh Goyal
Alternate Director to Dr. Werner Zedelius

Dipak Poddar
Also Executive Chairman, Poddar Developers Ltd.

Sanjay Asher
Also Partner, Crawford Bayley & Co.

Suraj Mehta
Also Former CEO, Nabil Bank Ltd.

S H Khan
Also Former Chairman, IDBI Ltd.

Manu Tandon
Also Former MD, Elantas Beck India Ltd.

Appointed Actuary - Mrs. Asha Joshi

Company Secretary - Onkar Kothari

Audit Committee - Heinz Dollberg - Chairman, Niraj Bajaj, Dr. Werner Zedelius, Sanjiv Bajaj, Ranjit Gupta, Don Nguyen

Auditors - S R Batliboi & Co., Dalal & Shah

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

CEO's Message

Dear friends,

The financial year 2008-09 has been an unprecedented year - a sort of rollercoaster ride, where we witnessed both an upswing and downswing in the same year. The second half of the year saw the financial crisis impacting businesses in India, an economy hitherto presumed to be insulated from the effects of financial markets.

The recessionary pressure had its impact in the financial sector and insurance industry as well. The industry had to cope with the twin impact of the general economic slowdown and the pricing freedom on erstwhile tariffed products. These slowed down the growth rate of the industry and also put a severe strain on the resources of the insurers.

In this backdrop some of the performance parameters are highlighted as below -

- We became the first private insurer to consistently cross the Rs.100 Crore mark in profit before tax for the last three years by generating Rs.150 Crores in the fiscal.
- The profit after tax stood at Rs.95 Crore.
- The gross written premium grew to Rs.2649 crore (excluding motor pool), which is growth of 10% and against an industry growth of 9%.
- We maintained our market share of 8% in the year 2008-09.
- As in the past in fiscal years, this year also, we continue to handle large volumes - 7.6 million policies issued as against 6.6 million policies the previous year.
- The gross claims paid was Rs.1980 Crore and in all settled over 4.64 lakh claims taking our claims settlement ratio to 95% (excluding TP).
- This was also a year of consolidation of our geographical presence in towns and areas and currently the number of offices exceeds 240.

We will continue to pursue a sustainable model which balances growth with profitability. Customer service plays a vital role in all our business decisions, and in this respect monitoring, revalidating and revamping or redesigning delivery systems is an ongoing process in our Company. We believe that a strong profitable insurer with sustainable delivery systems is in the best interests of all stakeholders including customers who look for a proactive partner to handle their critical insurance needs.

We thank all our customers for reposing their trust in us and we assure you the best of our services.

Warm regards

Swaraj Krishnan

Ratios for the year ended 31st March, 2009

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

Directors' Report

Rahul Bajaj
Chairman

The Board of Directors take pleasure in presenting the Ninth Annual Report and Audited Financial Statements for the year ended 31st March 2009.

1. Market Scenario in the General Insurance Industry

The intense price competition witnessed in 2007-08 continued in 2008-09. Discount levels, particularly in corporate insurance premiums, increased further. Motor insurance also saw a fall in average price per policy during the year. This was further exacerbated in the latter half of the year as the rate of new asset creation fell, on the back of weakness in economic growth. This had a natural knock-on effect on volume growth. The Indian Motor Third Party Insurance Pool (IMTPIP), which reinsures third party risks in respect of commercial vehicles, entered its second year in 2008-09. The IMTPIP has already provided for losses in excess of Rs 10 Bn in the first two years of its existence, 90% of which is to be shared by all insurers in the proportion that the respective Company's Gross Direct Premium Written in India (GDPI) bears to the total GDPI of all member companies. Naturally, this loss has affected the economics of the industry. Poor equity market conditions and falling interest rates resulted in a poor overall investment climate.

These developments during the year affected not only the growth rate as measured by gross written premiums but also the profitability of the industry. If the penetration levels of general insurance are to increase, it is essential that the industry should operate with an economic profit. The prices of commercial vehicle third party insurance premiums must be set at a level which, at a minimum, covers the claims and administration costs of providing such insurance as well the cost of capital. The changed market conditions have shown that single minded focus on growing gross written premiums and market share will not necessarily provide fair return on capital. In these circumstances, it is important for companies to focus on proper risk selection, strong cash flows and prudent expense and financial management. The Company's endeavour is to continue to focus on these key drivers of profitability.

In an environment of such difficult conditions, the growth rate as measured by gross written premiums of the general insurance industry fell to 9.1% during the year under review, as compared to the growth rate of 12.6% in the previous year. The gross premium written by the industry was Rs 306.0 Bn, against Rs. 281.3 Bn in the previous year. The growth rate of private sector companies also fell from 28.9% in 2007-08 to 12.1% in 2008-09.

As at 31st March 2009, there were four Public sector insurers, twelve non-specialized private sector insurers and four specialized insurers. Two non-specialized insurers commenced business during 2008-09.

2. Summary of Operations for the Year

Business Written

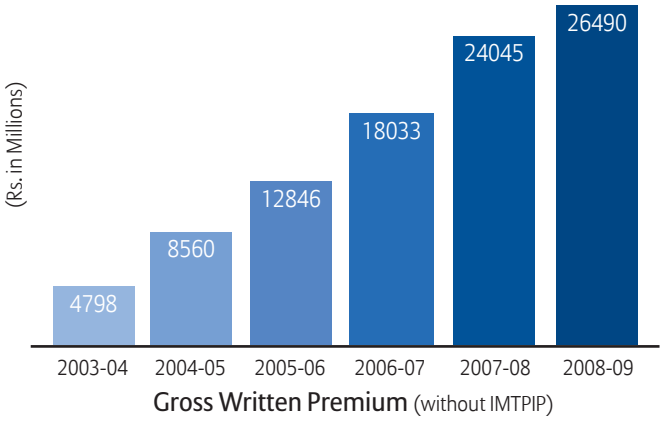
Despite conditions which were not conducive for growth, the Company managed to maintain a growth rate which was higher than that of the market. The Company's gross written premium grew by 10.2% during 2008-09 and the Company retained its second position among the private sector companies in terms of gross written premiums. The market share of the Company increased from 8.55% in 2007-08 to 8.63% in 2008-09.

During 2008-09, the Company clocked gross written premiums of Rs. 26.5 Bn as compared to Rs. 24.0 Bn in 2007-08. Including share of inward business from the IMTPIP, the gross premiums written amounted to Rs. 28.7 Bn. The net earned premium for the year rose to Rs. 16.9 Bn, an increase of 27.1% over the previous year of Rs. 13.3 Bn. Including the share of business from the IMTPIP, the net earned premium for the year 2008-09 was Rs. 18.9 Bn.

The Company sold 7.60 Mn policies during the year compared to 6.61

* Unless otherwise qualified, all data in this report excludes business conducted by specialized insurers and share of business from IMTPIP.

Mn policies sold in 2007-08, which is an increase of 15%. The total incurred claims for the current year including actuarial provisions but excluding share of claims of the IMTPIP, was Rs. 11.2 Bn against Rs. 8.4 Bn in the previous year. The number of claims reported during the year was 516,319 as compared to 413,281 in the previous year.



Business Mix

During the year under review Motor insurance accounted for 56.8% of premiums (previous year 57.7%), Fire 11.9% (previous year 14.3%), Marine 2.6% (previous year 3.2%) and Health 9.7% (previous year 7.2%). Other Miscellaneous lines contributed 19.0% to the gross written premium compared to 17.1% in 2007-08. In line with the Company's focus areas, the share of retail lines such as Motor and Health increased during the year.

Customer Service

The Company continued to be rated amongst the top companies for its customer service. During the year, the Company was awarded the prestigious award for the Business Leader in General Insurance by NDTV Profit. In a scenario where the market in general is selling on lower price, the Company will continue to focus on strengthening its service delivery platform, with the objective of increasing customer retention as well as cross-selling multiple products.

Reinsurance

The Company followed a policy of optimizing retention of risk through a carefully designed programme of reinsurance of high quality. In a year when premiums from large corporates saw a significant decline in prices, the Company's strategy of increasing its retention of risk helped in achieving a healthy net premium growth, thereby offsetting some of the impact of the fall in prices. Apart from increasing retentions, the Company also increased capacities for traditional reinsurance arrangements as well as obtained capacity for specialised lines such as liability and aviation.

Investments

The Company's surplus funds were invested with prudence while seeking a reasonable yield, in line with market conditions. The exposure to higher risk asset classes such as equities, as a result, was kept quite low. As at 31st March 2009, the Company's invested surplus, as measured by cash and investments, was Rs. 23.9 Bn against Rs. 20.5 Bn as on 31st March 2008. The Company did not have any equity exposure as at 31st March 2009 (previous year Rs. 398 Mn). The income from investments, which included profit on sale of investments as well as interest income, was Rs. 2.2 Bn in 2008-09 as compared to Rs 1.9 Bn in 2007-08, an increase of 15.8%.

Capital

The Company did not infuse fresh capital during the year. The total capital invested by the shareholder till 31st March 2009, including share premium, was Rs 2.8 Bn. The net worth of the Company stood at Rs. 6.7 Bn as at 31st March 2009 as compared to Rs 5.8 Bn as at 31st March 2008. The Company placed special emphasis on the efficient utilization of capital and as a result, during the year, the Company had the highest ratio of premium to capital invested by shareholders amongst all private sector companies.

Credit Rating

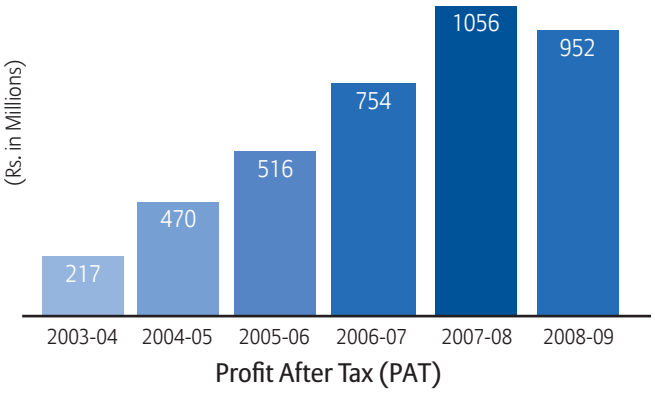
The Company maintained its credit rating of "iAAA", awarded by ICRA Limited two years ago. This is the highest rating for Claims Paying Ability awarded by ICRA.

Registration

The Certificate of registration of the Company was renewed by the Insurance Regulatory and Development Authority for 2009-10.

3. Financial Results

The Company earned a Profit Before Tax of Rs. 1.5 Bn for the year ended 31st March 2009, as compared to a profit of Rs. 1.7 Bn in the previous year. The Profit Before Tax was after providing for the Company's share of losses from the IMTPIP of Rs 532 Mn (previous year Rs. 361 Mn). The Profit after Tax was Rs. 952 Mn against Rs 1,056 Mn reported in 2007-08.



4. Particulars Regarding Conservation of Energy and Technology Absorption

Since the 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 to the Company.

5. Foreign Exchange Earnings and Expenditure

Earnings in foreign currency	Rs. 1.19 Bn
Expenditure in foreign currency	Rs. 2.18 Bn

6. Particulars Of Employees

As required under the provisions of Section 217 (2A) of the Companies' Act, 1956 read with the Companies (Particulars of Employees) Rules, as amended, the names and other particulars of the employees are set out in the annexure to this report. The Report and Accounts are being sent to the shareholders of the Company

excluding the said information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

7. Directors

Mr. Niraj Bajaj, Mr. Sanjiv Bajaj and Mr. Heinz Dollberg retire by rotation and, being eligible, offer themselves for reappointment.

Mr. S H Khan and Mr. Manu Tandon were appointed as Additional Directors on 26th September 2008 and 6th March 2009 respectively. They hold office till the ensuing Annual General Meeting and are eligible for reappointment.

8. Directors' Responsibility Statement

In accordance with the requirements of Sub-section 2AA of section 217 of Companies Act, 1956, the Board of Directors wish to confirm 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 2009 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.

9. Audit Committee

The Audit Committee of the Board of Directors constituted in accordance with the provisions of Section 292A of the Companies Act,1956, held meetings on 12th May 2008 and 4th December 2008 and reviewed operations and accounts of the Company.

10. Auditors

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

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

11. Appreciation And Acknowledgment

Excellent performance of the Company under difficult market conditions could not have been achieved without the continued support of all our stakeholders.

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

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

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited

Rahul Bajaj

Chairman

11th May 2009

Pune

Auditors' Report

We have audited the attached Balance Sheet of Bajaj Allianz General Insurance Company Limited ('the Company') as at March 31, 2009, 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, 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, 2009 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, 2009 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2009 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 and the Act 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, 2009;
  - 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.

For S R Batliboi & Co.
Chartered Accountants

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
11th May 2009

For and on behalf of Dalal & Shah
Chartered Accountants

Anish Amin
Partner
Membership Number: 40451

Mumbai
11th May 2009

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, 2009, 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 S R Batliboi & Co.
Chartered Accountants

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
11th May 2009

For and on behalf of Dalal & Shah
Chartered Accountants

Anish Amin
Partner
Membership Number: 40451

Mumbai
11th May 2009

Management Report

With respect to the operations of the Bajaj Allianz General Insurance Company Limited for the year ended 31st March 2009 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 2009-10.

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. During the year, Share Certificates in respect of 81,527,317 shares issued in the name of erstwhile Bajaj Auto Limited have been transferred to Bajaj Finserv Limited (Holding Company) under a Scheme of Arrangement approved by the Honourable High Court of Judicature of Mumbai and by the Insurance Regulatory and Development Authority.

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 under the headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts".

7. The Company is exposed to a variety of risks associated with its insurance business and the investment portfolio. The Company maintains a diversified portfolio of business across various lines of business and between personal and commercial lines of business. Operational risks are sought to be managed by a system of internal controls, limit systems and segregation of duties where practical.

   As a general insurer, the Company is exposed to catastrophe risk, which is mitigated by having a separate treaty for catastrophe risks, which limits the Company's risk to any single event. The Company's retention of risks varies according to line of business and nature of risks and is decided after considering relevant factors such as capital and solvency position and the adequacy of reinsurance terms. The limits of the treaty are set based on accumulation of risk by location and category and after considering the expected frequency of such events. The reinsurance treaties have been filed with the IRDA. The Company is working with some leading providers of Catastrophe Risk Models with a view to optimizing the risk-return of its catastrophe reinsurance cover although available market data in some cases limits the effectiveness of these models. The Company also has in place a system for evaluating credit risks of foreign reinsurers as well as monitoring changes in credit ratings.

   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. During the year, the Company conducted an audit of its Investment System from a risk management and process control perspective as required pursuant to the IRDA (Investment) (4th Amendment) Regulations, 2008. The recommendations of the auditors are being reviewed and, where required, will be implemented. The concurrent audit of the investment transactions and related processes as required by the said Regulations has also commenced.

8. The Company does not have insurance operations in any other country.

9. The settlement time for claims depends on various factors such as the line of business, 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. In respect of Motor "own damage" and Health claims, which accounted for 95.6% of the total number of claims settled (previous year 94.8%), 84% of the claims were settled within 30 days (previous year 83%). 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 investments in the Mutual Funds are valued at the Net Asset Values (NAV) of these Mutual Funds as on the Balance Sheet date, if any. Investment property is measured at historical cost less accumulated depreciation and impairment loss if any.

11. The Company has invested mainly in approved Government securities and AAA or AA+ rated bonds. The primary aim while investing is to generate adequate return while minimizing risk. The emphasis is also on the liquidity of investments to ensure that the Company meets all outgoings related to Claims and other operations. The Company monitors the cash position daily and seasonal liquidity needs are considered while planning maturities of investments. While most of the investments are in fixed income securities in the form of Government of India securities or Corporate Bonds with strong credit rating, a small portion is also invested in Real Estate. None of the fixed income investments have had any delays in servicing of interest or principal amounts. Based on the past track record, the Management has reasonable confidence in the quality and expected performance of the investments, in line with the objectives.

12. The Management of Bajaj Allianz General Insurance Company Limited certifies that:

    a) The financial statements of Bajaj Allianz General Insurance Company Limited have been prepared in accordance with the applicable accounting standards and principles and policies with no material departures;

    b) The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the operating profit and of the profit of the Company for the year;

    c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) and Companies Act, 1956 (1 of 1956), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

    d) The financial statements have been prepared on a going concern basis;

    e) The management has set up an internal audit system commensurate with the size and nature of the business and the same was operational throughout the year.

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

Annexure I to the Management Report:

Average Claims Settlement Time during preceding 5 years

	2004-05		2005-06		2006-07		2007-08		2008-09	
Line of Business	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	2614	52	4941	63	5705	82	5821	91	6182	107
Marine	4917	33	6958	37	10465	43	8457	59	7053	84
Motor OD	93832	18	152306	21	198797	23	269229	24	329283	24
Health	14451	11	29156	18	52273	92	64469	19	77742	21
Others	6358	44	9056	44	12048	38	16342	88	35052	65
Weighted Average	122172	20	202417	23	279288	38	364318	28	455312	29

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, 2005

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	80	187	295	167	2932	647	491	1929	736	142	517	294	5051	3366
31 days-6 months	87	37	217	349	952	503	720	910	304	92	614	452	2894	2343
6 months to 1 year	29	221	35	122	109	76	555	691	35	22	100	141	863	1273
1 year to 5 years	13	45	14	22	40	32	804	1100	9	4	38	135	918	1338
> 5 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-

As at 31st March, 2006

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

As at 31st March, 2007

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	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

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	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

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	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

Annexure III to the Management Report:

Particulars of Payments made to entities where Directors are interested:

Sr. No.	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year in Rs. Lacs
01	Bajaj Finserv Ltd.	Rahul Bajaj Sanjiv Bajaj S H Khan	Director Director Director	Rent: Rs. 118.60 Insurance premia received: Rs. 11.94
02	Bajaj Holdings & Investments Ltd.	Rahul Bajaj Sanjiv Bajaj S H Khan	Director Director Director	Insurance premia received: Rs. 0.11 Sale of investments: Rs. 1,491.59
03	Bajaj Auto Limited	Rahul Bajaj Niraj Bajaj Sanjiv Bajaj	Director Director Director	Insurance premia received: Rs. 703.40 Insurance claims paid: Rs. 339.09 Other expenses: Rs. 6.50
04	Bajaj Allianz Financial Distributors Ltd.	Ranjit Gupta Heinz Dollberg Kamesh Goyal	Director Director Director	Insurance premia received: Rs. 5.34
05	Hind Musafir Agency Limited	Rahul Bajaj Niraj Bajaj Sanjiv Bajaj	Shareholding exceeds 2% Shareholding exceeds 2% Relative is a Director	Agency services: Rs. 183.41
06	Allianz CP General Insurance Co. Ltd.	Don Nguyen	Director	Premium on re-insurance: Rs. 266.97 Commission on re-insurance: Rs.12.61 Deposits with ceding company: Rs. 148.44
07	Allianz Insurance Management Asia Pacific Pte Ltd.	Dr Werner Zedelius	Director	Billable expenses: Rs. 0.25
08	Allianz Hong Kong Company Ltd.	Don Nguyen	Director	Re-insurance premium: Rs. 0.87 Commission on re-insurance: Rs. 0.55
09	Bajaj Allianz Life Insurance Company Limited	Rahul Bajaj Dr Werner Zedelius Sanjiv Bajaj Niraj Bajaj Heinz Dollberg Ranjit Gupta Sanjay Asher Suraj Mehta S H Khan Manu Tandon Kamesh Goyal	Director Director Director Director Director Director Director Director Director Director Director	Insurance claims paid: Rs. 6.90 Insurance claims paid: Rs.47.00 Reimbursement of expenses: Rs. 331.40
10	Bajaj Electricals Ltd.	Rahul Bajaj Niraj Bajaj	Shareholding exceeds 2% Shareholding exceeds 2%	Insurance claims paid: Rs. 137.67 Insurance premium received: Rs. 209.17
11	Mukand Engineers Ltd.	Niraj Bajaj	Director	Insurance premium received: Rs. 22.58
12	Mukand Ltd.	Rahul Bajaj Sanjiv Bajaj Niraj Bajaj	Director Relative is a Director Director	IInsurance premium received: Rs. 163.94 Insurance claims paid: Rs. 116.15
13	Bajaj Auto Finance Ltd.	Rahul Bajaj Dipak Poddar Sanjiv Bajaj	Director Director Director	Support charges: Rs. 12.32 Insurance premium received: Rs. 59.95 Insurance claims paid: Rs. 0.45

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman
Sanjiv Bajaj
Director
Sanjay Asher
Director
Manu Tandon
Director

Don Nguyen
Director
Kamesh Goyal
Alternate Director
Suraj Mehta
Director
Swaraj Krishnan
Chief Executive Officer

Niraj Bajaj
Director
S H Khan
Director
Ranjit Gupta
Director
S Sreenivasan
Chief Financial Officer
Onkar Kothari
Company Secretary

Pune
11th May 2009

Revenue accounts for the year ended 31st March, 2009

Rupees ('000)

Particulars		For the year ended 31st March, 2009				For the year ended 31st March, 2008			
	Schedule	Fire	Marine	Miscelleneous	Total	Fire	Marine	Miscelleneous	Total
Premiums earned - (Net)	1	1,158,796	547,597	17,206,316	18,912,709	1,225,617	389,689	12,539,121	14,154,427
Profit /(Loss) on sale/redemption of Investments (Net)		11,889	4,143	107,027	123,059	43,337	11,913	321,869	377,119
Other Income - Miscellaneous Income		3,449	1,758	263,526	268,733	22,924	1,215	68,750	92,889
Provisions no Longer required Written Back		63	26	1,188	1,277	-	-	-	-
Amortisation of Discount/(Premium)		4,311	1,502	38,804	44,617	2,689	739	19,969	23,397
Interest, Dividend & Rent-Gross		144,103	50,208	1,297,201	1,491,512	118,264	32,509	878,363	1,029,136
Sub Total		163,815	57,637	1,707,746	1,929,198	187,214	46,376	1,288,951	1,522,541
Total (A)		**1,322,611**	**605,234**	**18,914,062**	**20,841,907**	**1,412,831**	**436,065**	**13,828,072**	**15,676,968**
Claims incurred (Net)	2	726,326	509,837	12,363,015	13,599,178	497,593	316,623	8,642,779	9,456,995
Commission	3	(182,018)	39,514	380,279	237,775	(283,806)	17,675	78,567	(187,564)
Contribution to Solatium Fund		-	-	17,210	17,210	-	-	15,594	15,594
Change in Premium Deficiency		-	-	35,396	35,396	-	(38,683)	-	(38,683)
Operating Expenses related to Insurance Business	4	480,298	163,747	5,344,253	5,988,298	479,438	147,716	4,563,986	5,191,140
Total (B)		1,024,606	713,098	18,140,153	19,877,857	693,225	443,331	13,300,926	14,437,482
OPERATING PROFIT/(LOSS) (C)=(A)-(B)		**298,005**	**(107,864)**	**773,909**	**964,050**	**719,606**	**(7,266)**	**527,146**	**1,239,486**
Appropriations									
Transfer to Shareholders' Account		298,005	(107,864)	773,909	964,050	719,606	(7,266)	527,146	1,239,486
Transfer to catastrophe Reserve		-	-	-	-	-	-	-	-
Transfer to Other Reserves (to be specified)		-	-	-	-	-	-	-	-
Total(C)		**298,005**	**(107,864)**	**773,909**	**964,050**	**719,606**	**(7,266)**	**527,146**	**1,239,486**
Significant Accounting Policies & Notes to Financial Statements	16								

The Schedules referred to above form an integral part of the Financial Statements
* Includes in Miscelleneous line of business, Investment income from Indian Motor Third Party Insurance Pool Rupees 247,311 thousand (Previous year Rupees 44,840 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 S R Batliboi & Co.
Chartered Accountants
per Shrawan Jalan
Partner

Membership No.: 102102

Mumbai
11th May 2009

For and on behalf of Dalal & Shah
Chartered Accountants
Anish Amin
Partner

Membership No.: 40451

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman

Sanjiv Bajaj
Director

Sanjay Asher
Director

Manu Tandon
Director

Don Nguyen
Director

Kamesh Goyal
Alternate Director

Suraj Mehta
Director

Swaraj Krishnan
Chief Executive Officer

Niraj Bajaj
Director

S H Khan
Director

Ranjit Gupta
Director

S Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
11th May 2009

Profit and Loss Account for the year ended 31st March, 2009

Rupees ('000)

Particulars	Schedule	For the year ended March, 2009	For the year ended March, 2008
Operating Profit/(Loss), as per Revenue Accounts of			
(a) Fire Insurance Business		298,005	719,606
(b) Marine Insurance Business		(107,864)	(7,266)
(c) Miscellaneous Insurance Business		773,909	527,146
		964,050	1,239,486
Income From Investments			
(a) Interest, Dividends and Rent -Gross		492,334	335,559
(b) Amortisation of Discount/(Premium)		14,728	7,629
(c) Profit on sale/redemption of investments		81,219	131,868
Less:- (Loss) on sale/redemption of investments		(40,599)	(8,906)
		547,682	466,150
Other Income -Miscellaneous Income		30,604	12,643
Total(A)		**1,542,336**	**1,718,279**
Provisions (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		16,899	3,611
(c) Others (to be specified)		-	-
Other Expenses			
(a) Expenses other than those directly related to the insurance business		27,732	35,664
(b) Bad debts written off		-	-
(c) Preliminary Expenses written off		-	-
		44,631	39,275
Total (B)		**44,631**	**39,275**
Profit before tax		1,497,705	1,679,004
Provision for taxation			
Current Tax (Refer Schedule 16 Note 18)		488,936	-
Fringe Benefit Tax		44,100	-
Deferred Tax expense (Refer Schedule 16 Note 18)		13,100	-
		546,136	622,825
Profit after tax		951,569	1,056,179
Profit available for appropriation		951,569	1,056,179
Appropriations			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distrubution on tax		-	-
(d) Transfer to reserve/other accounts (to be specified)		-	-
Balance of Profit brought forward last year		3,004,680	1,948,501
Balance carried forward to Balance Sheet		3,956,249	3,004,680
Significant Accounting Policies & Notes to Financial Statements	16		
Earning per Share: Basic (Refer Schedule 16 Note 17)		8.63	9.59

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

As per our report of even date attached

For S R Batliboi & Co.
Chartered Accountants
per Shrawan Jalan
Partner
Membership No.: 102102

For and on behalf of Dalal & Shah
Chartered Accountants
Anish Amin
Partner
Membership No.: 40451

Mumbai
11th May 2009

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman
Sanjiv Bajaj
Director
Sanjay Asher
Director
Manu Tandon
Director

Don Nguyen
Director
Kamesh Goyal
Alternate Director
Suraj Mehta
Director
Swaraj Krishnan
Chief Executive Officer

Niraj Bajaj
Director
S H Khan
Director
Ranjit Gupta
Director
S Sreenivasan
Chief Financial Officer
Onkar Kothari
Company Secretary

Pune
11th May 2009

Balance Sheet as at 31st March, 2009

Rupees ('000)

Particulars	Schedule	For the year ended March, 2009	For the year ended March, 2008
Sources of Funds			
Shareholders' Funds:			
Share Capital	5	1,102,273	1,102,273
Reserves and Surplus	6	5,622,446	4,670,877
Fair Value Change Account		-	(25,347)
Borrowings	7	-	-
Total		6,724,719	5,747,803
Application of Funds			
Investments	8	21,937,504	18,632,288
Loans	9	-	-
Fixed Assets	10		
Gross Block (Refer Schedule 16 Note 2.3(Ii) & 2.15)		1,556,866	1,364,991
Less:- Accumulated Depreciation		1,038,900	788,295
Net Block		517,966	576,696
Capital Work in Progress		767,460	430,799
		1,285,426	1,007,495
Deferred Tax Asset (Refer Schedule 16 Note 18)		152,080	165,180
Current Assets			
Cash and Bank Balances	11	2,849,009	2,264,625
Advances and Other Assets	12	5,446,286	3,023,725
Sub-Total (A)		8,295,295	5,288,350
Current Liabilities	13	14,495,261	10,104,661
Provisions	14	10,450,325	9,240,849
Sub-Total (B)		24,945,586	19,345,510
Net Current Assets (C) = (A - B)		(16,650,291)	(14,057,160)
Miscellaneous Expenditure	15	-	-
(to the extent not written off or adjusted)			
Debit Balance in Profit and Loss Account		-	-
Total		6,724,719	5,747,803
Significant Accounting Policies & Notes to Financial Statements	16		

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

As per our report of even date attached

For S R Batliboi & Co.
Chartered Accountants
per Shrawan Jalan
Partner
Membership No.: 102102

For and on behalf of Dalal & Shah
Chartered Accountants
Anish Amin
Partner
Membership No.: 40451

Mumbai
11th May 2009

For and on behalf of the Board of Directors

Rahul Bajaj
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Director
Ranjit Gupta
Director
S Sreenivasan
Chief Financial Officer
Onkar Kothari
Company Secretary

Pune
11th May 2009

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 , 2009

Schedule - 1 : Premium Earned (Net)

Rupees ('000)

Particulars	For the year ended 31st March, 2009					For the year ended 31st March, 2008				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Premium from Direct Business written:	2,530,636	742,525	139,199	22,780,563	26,192,923	2,734,909	667,100	84,690	20,312,519	23,799,218
Add: Premium on Reinsurance Accepted	147,531	1,193	12,492	2,307,732	2,468,948	139,477	7,762	5,984	1,827,958	1,981,181
Less: Premium on Reinsurance Ceded	1,413,089	167,874	127,281	6,887,757	8,596,001	1,539,565	197,250	69,805	6,448,272	8,254,892
Net Premium	1,265,078	575,844	24,410	18,200,538	20,065,870	1,334,821	477,612	20,869	15,692,205	17,525,507
Adjustment for Change in Unexpired Risk Reserve										
Reserve created during the year	855,191	287,922	24,410	9,142,637	10,310,160	748,909	238,806	20,869	8,148,415	9,156,999
Less: Reserve created during the previous year Written Back	748,909	238,806	20,869	8,148,415	9,156,999	639,705	140,568	10,315	4,995,331	5,785,919
Change in the Unexpired Risk Reserve	106,282	49,116	3,541	994,222	1,153,161	109,204	98,238	10,554	3,153,084	3,371,080
Total Premium Earned (Net)	1,158,796	526,728	20,869	17,206,316	18,912,709	1,225,617	379,374	10,315	12,539,121	14,154,427
Note: Premium Income earned from business concluded										
In India	1,158,796	526,728	20,869	17,206,316	18,912,709	1,225,617	379,374	10,315	12,539,121	14,154,427
Outside India	-	-	-	-	-	-	-	-	-	-
Total Premium Earned (Net)	1,158,796	526,728	20,869	17,206,316	18,912,709	1,225,617	379,374	10,315	12,539,121	14,154,427

*Refer Schedule 1(A)

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, 2009

Schedule - 1(A) : Premium Earned (Net)

Rupees ('000)

Particulars	For the year ended 31st March, 2009											
	Motor (OD)	Motor (TP)	IMTPIP*	Motor (Total)	Workmens ' Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Premium from Direct Business:	10,631,284	4,402,661	-	15,033,945	175,416	176,685	1,132,644	251,056	663,895	3,334,296	2,012,626	22,780,563
Add: Premium on Reinsurance Accepted	-	-	2,170,586	2,170,586	-	660	130,148	249	-	-	6,089	2,307,732
Less: Premium on Reinsurance Ceded	1,121,484	2,925,066	-	4,046,550	27,971	128,765	1,006,255	269,097	137,562	433,312	838,245	6,887,757
Net Premium	9,509,800	1,477,595	2,170,586	13,157,981	147,445	48,580	256,537	(17,792)	526,333	2,900,984	1,180,470	18,200,538
Adjustment for Change in Unexpired Risk Reserve												
Reserve created during the year	4,467,704	727,012	1,085,293	6,280,009	54,498	28,623	133,641	11,826	335,791	1,315,101	983,148	9,142,637
Less: Reserve created during the previous year Written Back	4,370,011	842,385	867,823	6,080,219	53,170	31,058	148,425	13,605	189,396	726,231	906,311	8,148,415
Change in the Unexpired Risk Reserve	97,693	(115,373)	217,470	199,790	1,328	(2,435)	(14,784)	(1,779)	146,395	588,870	76,837	994,222
Total Premium Earned (Net)	**9,412,107**	**1,592,968**	**1,953,116**	**12,958,191**	**146,117**	**51,015**	**271,321**	**(16,013)**	**379,938**	**2,312,114**	**1,103,633**	**17,206,316**
Note: Premium Income earned from business concluded												
In India	9,412,107	1,592,968	1,953,116	12,958,191	146,117	51,015	271,321	(16,013)	379,938	2,312,114	1,103,633	17,206,316
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium Earned (Net)	**9,412,107**	**1,592,968**	**1,953,116**	**12,958,191**	**146,117**	**51,015**	**271,321**	**(16,013)**	**379,938**	**2,312,114**	**1,103,633**	**17,206,316**

Rupees ('000)

Particulars	For the year ended 31st March, 2008											
	Motor (OD)	Motor (TP)	IMTPIP*	Motor (Total)	Workmens ' Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Premium from Direct Business:	9,932,780	3,930,877	-	13,863,657	155,968	156,346	1,387,058	132,954	463,465	2,433,967	1,719,104	20,312,519
Add: Premium on Reinsurance Accepted	-	-	1,735,646	1,735,646	-	-	67,260	6,544	-	-	18,508	1,827,958
Less: Premium on Reinsurance Ceded	1,618,067	2,287,512	-	3,905,579	25,766	97,178	1,145,536	117,171	119,171	417,213	620,658	6,448,272
Net Premium	8,314,713	1,643,365	1,735,646	11,693,724	130,202	59,168	308,782	22,327	344,294	2,016,754	1,116,954	15,692,205
Adjustment for Change in Unexpired Risk Reserve												
Reserve created during the year	4,370,011	842,385	867,823	6,080,219	53,170	31,058	148,425	13,605	189,396	726,231	906,311	8,148,415
Less: Reserve created during the previous year Written Back	2,812,654	830,460	-	3,643,114	39,695	16,055	110,334	2,848	76,763	490,317	616,205	4,995,331
Change in the Unexpired Risk Reserve	1,557,357	11,925	867,823	2,437,105	13,475	15,003	38,091	10,757	112,633	235,914	290,106	3,153,084
Total Premium Earned (Net)	**6,757,356**	**1,631,440**	**867,823**	**9,256,619**	**116,727**	**44,165**	**270,691**	**11,570**	**231,661**	**1,780,840**	**826,848**	**12,539,121**
Note: Premium Income earned from business concluded												
In India	6,757,356	1,631,440	867,823	9,256,619	116,727	44,165	270,691	11,570	231,661	1,780,840	826,848	12,539,121
Outside India	-	-		-	-	-	-	-	-	-	-	-
Total Premium Earned (Net)	**6,757,356**	**1,631,440**	**867,823**	**9,256,619**	**116,727**	**44,165**	**270,691**	**11,570**	**231,661**	**1,780,840**	**826,848**	**12,539,121**

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.19 (ii))

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, 2009

Schedule - 2 : Claims Incurred (Net)

Rupees ('000)

Particulars	For the year ended 31st March, 2009					For the year ended 31st March, 2008				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Claims Paid										
Direct	1,293,541	461,127	94,512	10,768,775	12,617,955	1,346,891	472,122	386,169	7,247,886	9,453,068
Add: Reinsurance Accepted	24,087	9,602	2,314	198,015	234,018	64,317	682	-	950	65,949
Less: Reinsurance Ceded	811,233	158,223	76,306	2,445,577	3,491,339	993,879	159,390	377,950	1,772,964	3,304,183
Net Claims paid	506,395	312,506	20,520	8,521,213	9,360,634	417,329	313,414	8,219	5,475,872	6,214,834
Claims Outstanding (including IBNR & IBNER)										
Add: Claims Outstanding at the close of the year (net of Reinsurance)	719,492	382,098	31,548	10,273,532	11,406,670	499,561	198,693	38,142	6,431,730	7,168,126
Less: Claims Outstanding at the beginning of the year (net of Reinsurance)	499,561	198,693	38,142	6,431,730	7,168,126	419,297	215,851	25,994	3,264,823	3,925,965
Change in Claims Outstanding	219,931	183,405	(6,594)	3,841,802	4,238,544	80,264	(17,158)	12,148	3,166,907	3,242,161
Total Claims Incurred (Net)	**726,326**	**495,911**	**13,926**	**12,363,015**	**13,599,178**	**497,593**	**296,256**	**20,367**	**8,642,779**	**9,456,995**
Claims incurred										
In India	726,326	495,911	13,926	12,363,015	13,599,178	497,593	296,256	20,367	8,642,779	9,456,995
Outside India	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred (Net)	**726,326**	**495,911**	**13,926**	**12,363,015**	**13,599,178**	**497,593**	**296,256**	**20,367**	**8,642,779**	**9,456,995**

*Refer Schedule 2(A)

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, 2009

Schedule - 2(A) : Claims Incurred (Net)

Rupees ('000)

Particulars	For the year ended 31st March, 2009											
	Motor (OD)	Motor (TP)	IMTPIP*	Motor (Total)	Workmen's Compensation /Employers' Liability	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Claims Paid												
Direct	6,061,054	944,682	-	7,005,736	50,573	2,668	451,100	333,446	343,433	1,960,579	621,240	10,768,775
Add: Reinsurance Accepted	-	-	129,681	129,681	-	-	68,334	-	-	-	-	198,015
Less: Reinsurance Ceded	847,016	390,418	-	1,237,434	7,734	1,241	393,121	308,401	71,400	264,650	161,596	2,445,577
Net Claims paid	5,214,038	554,264	129,681	5,897,983	42,839	1,427	126,313	25,045	272,033	1,695,929	459,644	8,521,213
Claims Outstanding (including IBNR & IBNER)												
Add : Claims Outstanding at the close of the year (net of Reinsurance)	1,018,250	4,213,812	3,389,759	8,621,821	74,570	71,832	238,120	22,520	182,922	400,887	660,860	10,273,532
Less: Claims Outstanding at the beginning of the year (net of Reinsurance)	733,674	3,375,839	1,058,744	5,168,257	71,642	27,627	133,135	7,370	111,389	292,952	619,358	6,431,730
Change in Claims Outstanding	284,576	837,973	2,331,015	3,453,564	2,928	44,205	104,985	15,150	71,533	107,935	41,502	3,841,802
Total Claims Incurred (Net)	**5,498,614**	**1,392,237**	**2,460,696**	**9,351,547**	**45,767**	**45,632**	**231,298**	**40,195**	**343,566**	**1,803,864**	**501,146**	**12,363,015**
Claims incurred												
In India	5,498,614	1,392,237	2,460,696	9,351,547	45,767	45,632	231,298	40,195	343,566	1,803,864	501,146	12,363,015
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred (Net)	**5,498,614**	**1,392,237**	**2,460,696**	**9,351,547**	**45,767**	**45,632**	**231,298**	**40,195**	**343,566**	**1,803,864**	**501,146**	**12,363,015**

Rupees ('000)

Particulars	For the year ended 31st March, 2008											
	Motor (OD)	Motor (TP)	IMTPIP*	Motor (Total)	Workmen's Compensation /Employers' Liability	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Claims Paid												
Direct	3,905,171	442,523	-	4,347,694	38,405	4,268	460,730	13,627	208,024	1,714,801	460,337	7,247,886
Add: Reinsurance Accepted	-	-	-	-	-	-	56	-	894	-	-	950
Less: Reinsurance Ceded	797,663	87,802	-	885,465	7,416	2,120	383,573	13,117	56,345	307,774	117,154	1,772,964
Net Claims paid	3,107,508	354,721	-	3,462,229	30,989	2,148	77,213	510	152,573	1,407,027	343,183	5,475,872
Claims Outstanding (including IBNR & IBNER)												
Add : Claims Outstanding at the close of the year (net of Reinsurance)	733,674	3,375,839	1,058,744	5,168,257	71,642	27,627	133,135	7,370	111,389	292,952	619,358	6,431,730
Less: Claims Outstanding at the beginning of the year (net of Reinsurance)	545,943	1,902,800	-	2,448,743	49,764	40,698	80,606	1,929	49,220	182,854	411,009	3,264,823
Change in Claims Outstanding	187,731	1,473,039	1,058,744	2,719,514	21,878	(13,071)	52,529	5,441	62,169	110,098	208,349	3,166,907
Total Claims Incurred (Net)	**3,295,239**	**1,827,760**	**1,058,744**	**6,181,743**	**52,867**	**(10,923)**	**129,742**	**5,951**	**214,742**	**1,517,125**	**551,532**	**8,642,779**
Claims Incurred												
In India	3,295,239	1,827,760	1,058,744	6,181,743	52,867	(10,923)	129,742	5,951	214,742	1,517,125	551,532	8,642,779
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred (Net)	**3,295,239**	**1,827,760**	**1,058,744**	**6,181,743**	**52,867**	**(10,923)**	**129,742**	**5,951**	**214,742**	**1,517,125**	**551,532**	**8,642,779**

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.19 (ii))

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, 2009

Schedule - 3 : Commission Expenses

Rupees ('000)

Particulars	For the year ended 31st March, 2009					For the year ended 31st March, 2008				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Commission Paid direct	151,900	68,312	4,108	1,314,228	1,538,548	159,963	59,955	3,214	1,060,242	1,283,374
Add: Reinsurance Accepted	15,126	-	848	237,348	253,322	12,752	308	-	184,451	197,511
Less: Commission on Reinsurance Ceded	349,044	23,093	10,661	1,171,297	1,554,095	456,521	35,629	10,173	1,166,126	1,668,449
Net Commission	**(182,018)**	**45,219**	**(5,705)**	**380,279**	**237,775**	**(283,806)**	**24,634**	**(6,959)**	**78,567**	**(187,564)**
Break-up of the commission (Gross) incurred to procure business furnished as per details below										
Agents	61,651	36,712	1,069	643,362	742,794	108,337	35,077	1,511	684,272	829,197
Brokers	37,903	21,675	2,599	281,901	344,078	46,321	19,792	1,687	270,181	337,981
Corporate Agency	52,346	9,925	440	388,965	451,676	5,305	5,086	16	105,789	116,196
Referral	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	**151,900**	**68,312**	**4,108**	**1,314,228**	**1,538,548**	**159,963**	**59,955**	**3,214**	**1,060,242**	**1,283,374**
Commission Paid										
In India	(182,018)	45,219	(5,705)	380,279	237,775	(283,806)	24,634	(6,959)	78,567	(187,564)
Outside India	-	-	-	-	-	-	-	-	-	-
Net Commission	**(182,018)**	**45,219**	**(5,705)**	**380,279**	**237,775**	**(283,806)**	**24,634**	**(6,959)**	**78,567**	**(187,564)**

*Refer Schedule 3(A)

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, 2009

Schedule - 3 (A) : Commission Expenses

Rupees ('000)

Particulars	For the year ended 31st March, 2009											
	Motor (OD)	Motor (TP)	IMTPIP*	Motor (Total)	Workmen's Compensation /Employers' Liability	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Commission Paid direct	649,245	-	-	649,245	13,551	14,917	56,621	1,144	75,095	333,820	169,835	1,314,228
Add: Reinsurance Accepted	-	-	217,059	217,059	-	293	17,154	1,501	-	-	1,341	237,348
Less: Commission on Reinsurance Ceded	284,169	329,304	-	613,473	7,103	17,498	295,941	5,896	19,581	84,980	126,825	1,171,297
Net Commission	**365,076**	**(329,304)**	**217,059**	**252,831**	**6,448**	**(2,288)**	**(222,166)**	**(3,251)**	**55,514**	**248,840**	**44,351**	**380,279**
Commission Paid												
In India	365,076	(329,304)	217,059	252,831	6,448	(2,288)	(222,166)	(3,251)	55,514	248,840	44,351	380,279
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	**365,076**	**(329,304)**	**217,059**	**252,831**	**6,448**	**(2,288)**	**(222,166)**	**(3,251)**	**55,514**	**248,840**	**44,351**	**380,279**

Rupees ('000)

Particulars	For the year ended 31st March, 2008											
	Motor (OD)	Motor (TP)	IMTPIP*	Motor (Total)	Workmen's Compensation /Employers' Liability	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Commission Paid direct	573,652	-	-	573,652	11,477	12,738	66,322	6,560	27,625	175,247	186,621	1,060,242
Add: Reinsurance Accepted	-	-	173,565	173,565	-	-	10,365	-	-	-	521	184,451
Less: Commission on Reinsurance Ceded	366,482	257,753	-	624,235	5,237	14,708	291,452	3,464	27,122	101,112	98,796	1,166,126
Net Commission	**207,170**	**(257,753)**	**173,565**	**122,982**	**6,240**	**(1,970)**	**(214,765)**	**3,096**	**503**	**74,135**	**88,346**	**78,567**
Commission Paid												
In India	207,170	(257,753)	173,565	122,982	6,240	(1,970)	(214,765)	3,096	503	74,135	88,346	78,567
Outside India	-	-		-	-	-	-	-	-	-	-	-
Net Commission	**207,170**	**(257,753)**	**173,565**	**122,982**	**6,240**	**(1,970)**	**(214,765)**	**3,096**	**503**	**74,135**	**88,346**	**78,567**

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.19 (ii))

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, 2009

Schedule - 4 : Operating Expenses

Rupees ('000)

Particulars	For the year ended 31st March, 2009					For the year ended 31st March, 2008				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Employees' remuneration, benefits & other manpower costs	213,613	62,677	11,750	1,922,934	2,210,974	199,873	48,753	6,190	1,484,489	1,739,305
Travel, conveyance and vehicle running	13,107	3,846	721	117,988	135,662	15,003	3,659	465	111,425	130,552
Agent training	1,302	382	72	11,723	13,479	1,418	346	44	10,528	12,336
Rents, rates and taxes	27,747	8,141	1,526	249,775	287,189	23,874	5,823	739	177,312	207,748
Maintenance & repairs	2,756	809	152	24,804	28,521	2,898	707	90	21,522	25,217
Printing and stationery	6,206	2,521	13	117,303	126,043	5,003	2,594	10	91,974	99,581
Communication	18,159	5,328	999	163,466	187,952	18,023	4,396	558	133,860	156,837
Information technology	8,339	3,387	17	157,633	169,376	6,872	3,563	13	126,336	136,784
Legal and professional charges	7,600	2,230	418	68,414	78,662	18,586	4,533	576	138,037	161,732
Auditor's fees, expenses, etc.										
(a) as auditors	222	65	12	2,001	2,300	230	56	7	1,707	2,000
(b) as advisor or in any other capacity in respect of:										
(i) Taxation matters	159	47	9	1,434	1,649	56	14	2	415	487
(ii) Tax Audit	31	9	2	283	325	29	7	1	213	250
(iii) Management services	-	-	-	-	-	-	-	-	-	-
(c) In any other capacity	1	-	-	12	13	-	-	-	-	-
(d) Out of Pocket Expenses	63	19	3	571	656	97	24	3	716	840
Sub - Total	**299,305**	**89,461**	**15,694**	**2,838,341**	**3,242,801**	**291,962**	**74,475**	**8,698**	**2,298,534**	**2,673,669**
Advertisement and publicity	25,470	10,345	53	481,429	517,297	14,755	7,651	29	271,257	293,692
Interest and Bank Charges	2,651	778	146	23,862	27,437	3,711	905	115	27,558	32,289
Business Development and Promotion	14,197	1,121	20	191,233	206,571	3,451	266	61	96,610	100,388
Marketing and Support Services	66,141	26,865	138	1,250,198	1,343,342	72,389	37,535	142	1,330,815	1,440,881
Service Charges	-	-	-	-	-	-	-	-	-	-
Other Acquisition Costs	4,827	1,071	617	108,939	115,454	6,316	1,865	561	97,100	105,842
Others										
Exchange (gain) /loss	(118)	(35)	(6)	(1,063)	(1,222)	252	61	8	1,871	2,192
Miscellaneous Expenses	24,517	7,194	1,349	220,704	253,764	24,356	5,941	754	180,888	211,939
Loss/(Profit) on disposal of Assets	(80)	(24)	(4)	(722)	(830)	202	49	6	1,501	1,758
Sub - Total	**137,605**	**47,315**	**2,313**	**2,274,580**	**2,461,813**	**125,432**	**54,273**	**1,676**	**2,007,600**	**2,188,981**
Depreciation (Refer Schedule 16 Note 2.14)**	25,729	7,549	1,415	231,612	266,305	31,116	7,590	964	231,100	270,770
Service Tax Expenses	17,659	-	-	(280)	17,379	30,928	21	19	26,752	57,720
Total	**480,298**	**144,325**	**19,422**	**5,344,253**	**5,988,298**	**479,438**	**136,359**	**11,357**	**4,563,986**	**5,191,140**

* Refer Schedule 4(A)
** Includes depreciation on investment property amounting to Rupees 2,182 thousand (previous year Rupees 1,401 thousand)

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, 2009

Schedule - 4 (A) : Operating Expenses

Rupees ('000)

Particulars	For the year ended 31st March, 2009											
	Motor (OD)	Motor (TP)	IMTPIP*	Motor (Total)	Workmen's Compensation /Employers' Liability	Public / Prod-uct Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Employees' remuneration, benefits & other man-power costs	897,399	371,633	-	1,269,032	14,807	14,915	95,608	21,192	56,040	281,452	169,888	1,922,934
Travel, Conveyance and Vehicle running	55,063	22,803	-	77,866	909	915	5,866	1,300	3,439	17,269	10,424	117,988
Agent Training	5,471	2,266	-	7,737	90	91	583	129	342	1,716	1,035	11,723
Rents, Rates and Taxes	116,566	48,272	-	164,838	1,923	1,937	12,419	2,753	7,279	36,558	22,068	249,775
Maintenance & Repairs	11,576	4,794	-	16,370	191	192	1,233	273	723	3,631	2,191	24,804
Printing and Stationery	41,800	17,311	-	59,111	241	25	272	3	23,188	16,160	18,303	117,303
Communication	76,287	31,592	-	107,879	1,259	1,268	8,127	1,801	4,764	23,926	14,442	163,466
Information Technology	56,172	23,262	-	79,434	324	34	365	4	31,161	21,716	24,595	157,633
Legal and Professional charges	31,928	13,222	-	45,150	527	531	3,402	754	1,994	10,013	6,043	68,414
Auditor's fees, expenses, etc.												
(a) as auditor	933	387	-	1,320	15	16	99	22	58	293	178	2,001
(b) as advisor or in any other capacity in respect of:												
(i) Taxation matters	669	277	-	946	11	11	71	16	42	210	127	1,434
(ii) Tax Audit	132	55	-	187	2	2	14	3	8	41	26	283
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-
(c) In any other capacity	5	2	-	7	-	-	1	-	-	2	2	12
(d) Out of Pocket Expenses	267	110	-	377	4	4	28	6	17	84	51	571
Sub - Total	**1,294,268**	**535,986**	**-**	**1,830,254**	**20,303**	**19,941**	**128,088**	**28,256**	**129,055**	**413,071**	**269,373**	**2,838,341**
Advertisement and publicity	171,556	71,045	-	242,601	989	103	1,116	13	95,168	66,325	75,114	481,429
Interest and Bank Charges	11,136	4,612	-	15,748	184	185	1,186	263	695	3,493	2,108	23,862
Business Development and Promotion	79,411	32,886	-	112,297	613	19	1,922	-	13,901	18,604	43,877	191,233
Marketing and Support Services	445,504	184,494	-	629,998	2,568	269	2,898	33	247,138	172,235	195,059	1,250,198
Service Charges	-	-	-	-	-	-	-	-	-	-	-	-
Other Acquisition Costs	30,607	12,675	54,265	97,547	7	38	1,959	2,504	21	5,940	923	108,939
Others												-
Exchange (gain) /loss	(496)	(205)	-	(701)	(8)	(8)	(53)	(12)	(31)	(156)	(94)	(1,063)
Miscellaneous Expenses	102,998	42,654	-	145,652	1,699	1,712	10,973	2,432	6,432	32,303	19,501	220,704
Loss/(Profit) on disposal of Assets	(337)	(139)	-	(476)	(6)	(6)	(36)	(8)	(21)	(106)	(63)	(722)
Sub - Total	**840,379**	**348,022**	**54,265**	**1,242,666**	**6,046**	**2,312**	**19,965**	**5,225**	**363,303**	**298,638**	**336,425**	**2,274,580**
Depreciation (Refer Schedule 16 Note 2.14)	108,089	44,762	-	152,851	1,783	1,796	11,516	2,553	6,750	33,900	20,463	231,612
Service Tax Expenses	(83)	(34)	-	(117)	-	-	(163)	-	-	-	-	(280)
Total	**2,242,653**	**928,736**	**54,265**	**3,225,654**	**28,132**	**24,049**	**159,406**	**36,034**	**499,108**	**745,609**	**626,261**	**5,344,253**

Schedules to and forming part of the Revenue Accounts and Profit and Loss Account for the year ended on and to Balance Sheet as at 31st March, 2009

Schedule - 4 (A) : Operating Expenses

Rupees ('000)

Particulars	For the year ended 31st March, 2008											
	Motor OD	Motor TP	IMTPIP*	Motor Total	Workmen's Compensation /Employers' Liability	Public / Prod-uct Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Employees' remuneration, benefits & other man-power costs	725,912	287,278	-	1,013,190	11,398	11,425	101,369	9,717	33,871	177,880	125,639	1,484,489
Travel, Conveyance and Vehicle running	54,487	21,563	-	76,050	856	858	7,609	729	2,542	13,352	9,429	111,425
Agent Training	5,148	2,038	-	7,186	81	81	719	69	240	1,262	890	10,528
Rents, Rates and Taxes	86,705	34,314	-	121,019	1,361	1,365	12,108	1,161	4,046	21,247	15,005	177,312
Maintenance & Repairs	10,525	4,165	-	14,690	165	166	1,470	141	491	2,579	1,820	21,522
Printing and Stationery	40,234	15,922	-	56,156	188	23	171	3	12,844	10,796	11,793	91,974
Communication	65,457	25,905	-	91,362	1,028	1,030	9,141	876	3,054	16,040	11,329	133,860
Information Technology	55,265	21,871	-	77,136	259	31	235	4	17,643	14,829	16,199	126,336
Legal and Professional charges	67,500	26,713	-	94,213	1,060	1,062	9,426	904	3,150	16,540	11,682	138,037
Auditor's fees, expenses, etc.												
(a) as auditor	835	330	-	1,165	13	13	117	11	39	205	144	1,707
(b) as advisor or in any other capacity in respect of:												
(i) Taxation matters	203	81	-	284	3	3	28	3	9	50	35	415
(ii) Tax Audit	105	41	-	146	2	2	15	1	5	26	16	213
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-
(c) In any other capacity	-	-	-	-	-	-	-	-	-	-	-	-
(d) Out of Pocket Expenses	350	139	-	489	6	6	49	5	16	86	59	716
Sub - Total	**1,112,726**	**440,360**	**-**	**1,553,086**	**16,420**	**16,065**	**142,457**	**13,624**	**77,950**	**274,892**	**204,040**	**2,298,534**
Advertisement and publicity	118,660	46,960	-	165,620	555	67	505	8	37,882	31,839	34,781	271,257
Interest and Bank Charges	13,476	5,333	-	18,809	212	212	1,882	180	629	3,302	2,332	27,558
Business Development and Promotion	62,325	24,665	-	86,990	93	0	437	0	258	4,246	4,586	96,610
Marketing and Support Services	582,160	230,389	-	812,549	2,725	330	2,478	38	185,852	156,206	170,637	1,330,815
Service Charges	-	-	-	-	-	-	-	-	-	-	-	-
Other Acquisition Costs	27,869	11,029	43,391	82,289	28	47	2,889	743	63	7,517	3,524	97,100
Others												
Exchange (gain) /loss	915	362	-	1,277	14	14	128	12	43	224	159	1,871
Miscellaneous Expenses	88,457	35,006	-	123,463	1,389	1,392	12,353	1,184	4,127	21,676	15,304	180,888
Loss/(Profit) on disposal of Assets	734	290	-	1,024	12	12	102	10	34	180	127	1,501
Sub - Total	**894,596**	**354,034**	**43,391**	**1,292,021**	**5,028**	**2,074**	**20,774**	**2,175**	**228,888**	**225,190**	**231,450**	**2,007,600**
Depreciation (Refer Schedule 16 Note 2.14)	113,008	44,722	-	157,730	1,774	1,779	15,781	1,513	5,273	27,692	19,558	231,100
Service Tax Expenses	17,406	6,889	-	24,295	-	-	5	809	-	-	1,643	26,752
Total	**2,137,736**	**846,005**	**43,391**	**3,027,132**	**23,222**	**19,918**	**179,017**	**18,121**	**312,111**	**527,774**	**456,691**	**4,563,986**

*IMTPIP -Indian Motor Third Party Insurance Pool (Also refer Schedule 16 Note 2.19 (ii))

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 2009

Schedule - 5 : Share Capital

Rupees ('000)

Particulars	As at 31st March, 2009	As at 31st March, 2008
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 - 5 A : Share Capital / Pattern of Shareholding

(As certified by the Management)

Rupees ('000)

Shareholder	As at 31st March, 2009		As at 31st March, 2008	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters - Indian				
Bajaj Auto Limited	-	-	81,527,317	73.96%
Bajaj Finserv Limited	81,568,165	74.00%	40,848	0.04%
Promoters - Foreign				
Allianz SE	28,659,085	26.00%	28,659,085	26.00%
Others	-	-	-	-
Total	110,227,250	100.00%	110,227,250	100.00%

Notes: Consequent to the Scheme of Arrangement approved by the High Court of judicature at Mumbai, the holding of erstwhile Bajaj Auto Limited in the company vested with and hence transferred in favour of Bajaj Finserv Limited during the year.

Schedule - 6 : Reserves and Surplus

Rupees ('000)

Particulars	As at 31st March, 2009	As at 31st March, 2008
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium		
Opening balance	1,666,197	975,523
Share premium received during the year	-	690,674
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	3,956,249	3,004,680
Total	5,622,446	4,670,877

Schedule - 7 : Borrowings

Rupees ('000)

Particulars	As at 31st March, 2009	As at 31st March, 2008
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, 2009

Schedule - 8 : Investments

Rupees ('000)

	Particulars	As at 31st March, 2009	As at 31st March, 2008
	Long Term Investments		
1	Government securities and Government guaranteed bonds including Treasury Bills	6,699,317	5,919,660
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares	-	-
	(aa) Equity Shares		230,331
	Fair Value Change Accretion/(Dimunition)		12,455
		-	242,786
	(bb) Preference Shares	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debenture/Bonds	5,968,134	5,369,068
	(e) Other securities (to be specified)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	109,096	
	Less : Accumalated depreciation	(3,583)	
		105,513	107,695
4	Investments in Infrastructure and Social Sector (Debentures)	5,015,010	3,225,583
5	Other than Approved Securities		
	(a) Shares		34,524
	Fair Value Change Accretion/(Dimunition)		(10,162)
		-	24,362
	(b) Debenture/Bonds	-	168,565
	Short Term Investments		
1	Government securities and Government guaranteed bonds including Treasury Bills	1,086,052	485,383
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity Shares		144,801
	Fair Value Change Accretion/(Dimunition)		(25,269)
		-	119,532
	(bb) Preference Shares		
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debenture/Bonds	2,511,420	2,757,856
	(e) Other securities (to be specified)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector (Debentures)	552,058	147,575
5	Other than Approved Securities		
	(a) Shares		13,439
	(b) Mutual Funds		-
	Fair Value Change Accretion/(Dimunition)		(2,371)
		-	11,068
	(c) Debenture/Bonds	-	53,155
	Total	**21,937,504**	**18,632,288**
	Investments		
	In India	21,937,504	18,632,288
	Outside India	-	-
	Total	**21,937,504**	**18,632,288**

Notes:
1) All the Investments are free of any encumberances other than investments under Section 7 of the Insurance Act,1938, which are held in Government of India Bonds aggregating Rupees 117,012 thousand (Previous year Rupees 118,564 thousand) deposited with Standard Chartered Bank (Custodian).
2) All the above investments are performing assets.
3) 'Investments maturing within next 12 months are Rupees 4,149,530 thousand (Previous year Rupees 3,443,969 thousand)
4) Investment other than Equities and Derivative instruments 'Aggregate value of Investments as at 31st March, 2009 Rupees 21,831,991 thousand (Previous year Rupees 18,126,846 thousand) 'Market value as at 31st March, 2009 Rupees 22,210,842 thousand (Previous year Rs. 18,072,490 thousand)
5) Fair Value of investment properties-real estate is considered at its book value being Rupees 105,513 thousand as at 31st March 2009 (Previous year Rupees 107,695 thousand), since the fair value is not materially different from the book value.
6) 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, 2009

Schedule - 9 : Loans

Rupees ('000)

	Particulars	As at 31st March, 2009	As at 31st March, 2008
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, 2009

Schedule - 10 : Fixed Assets

Rupees ('000)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April 2008	Additions/ Adjustments during the year	Deductions/ Adjustments during the year*	As at 31st March 2009	As at 1st April 2008	For the Year	On Sales/ Adjust-ments	As at 31st March 2009	As at 31st March 2009	As at 31st March 2008
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles -Computer Softwares	96,165	22,651	-	118,816	67,195	19,868	-	87,063	31,753	28,970
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	190,340	19,550	4,164	205,726	122,306	45,655	4,164	163,797	41,929	68,034
Freehold Improvements	10,491	75	-	10,566	5,962	-	-	5,962	4,604	4,529
Building	158,863	-	-	158,863	10,273	3,177	-	13,450	145,413	148,590
Furniture & fixtures	214,006	42,243	2,596	253,653	144,840	41,165	2,348	183,657	69,996	69,166
Information Technology Equipment	501,872	85,118	1,586	585,404	354,564	114,658	1,576	467,646	117,758	147,308
Vehicles	20,618	1,330	5,422	16,526	6,674	3,655	3,646	6,683	9,843	13,944
Office Equipment	172,636	37,655	2,979	207,312	76,481	35,945	1,784	110,642	96,670	96,155
Others (specify nature)	-	-	-	-	-	-	-	-	-	-
Total	1,364,991	208,622	16,747	1,556,866	788,295	264,123	13,518	1,038,900	517,966	576,696
Capital work-in-progress & advances									767,460	430,799
Grand Total	**1,364,991**	**208,622**	**16,747**	**1,556,866**	**788,295**	**264,123**	**13,518**	**1,038,900**	**1,285,426**	**1,007,495**
Previous Year	918,458	466,142	19,609	1,364,991	533,423	269,369	14,497	788,295		

* Refer Schedule 16 Note 2.14

Schedule - 11 : Cash and Bank Balances

Rupees ('000)

Particulars	As at 31st March, 2009	As at 31st March, 2008
1. Cash and Stamps on Hand	12,932	15,068
2. Cheques on Hand (Includes Cheques in Transit Rupees 19,449 thousand (Previous year Rupees 23,560 thousand)	346,479	442,651
3. Bank Balances		
(a) Deposit Accounts		
(aa) Short Term (due within 12 months)	741,829	1,506,594
(bb) Others	1,003,800	5,000
(b) Current Accounts	743,969	295,312
(c) Others :- Margin Money Account	-	-
4. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
5. Others (to be specified)	-	-
Total	**2,849,009**	**2,264,625**
Balance with Non-scheduled Banks included in (3) above	64,062	4,016
Cash and Bank Balances		
In India	2,784,947	2,260,609
Outside India	64,062	4,016
Total	**2,849,009**	**2,264,625**

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, 2009

Schedule - 12 : Advances and Other Assets

Rupees ('000)

Particulars	As at 31st March, 2009	As at 31st March, 2008
Advances		
Deposits with Ceding Companies	17,679	13,620
Application Money for Investments	-	101,016
Prepayments	26,600	25,407
Advances to Directors / Officers	-	-
Advance Tax Paid and Taxes Deducted at Source (Net of Provision for Taxation Rupees 2,374,290 thousand (Previous year Rupees 1,885,465 thousand))	204,608	83,458
Others		
Advances to employees	5,181	4,774
Advances recoverable in cash or in kind	240,227	206,715
Less : Provision for doubtful advances	(1,867)	(6,399)
	238,360	200,316
Unutilised service tax carried forward (net)	82,290	66,115
Total (A)	**574,718**	**494,706**
Other Assets		
Income accrued on investments	659,185	544,303
Outstanding Premium	76,455	291,133
Agents' Balances	30,406	
Less: Provision For Doubtful Recoveries	(5,161)	
	25,245	23,254
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business, including reinsurers (net)	3,971,032	
Less Provision for doubtful amounts	(7,810)	
	3,963,222	1,550,231
Due from Subsidiary/Holding Companies	-	-
Deposit with Reserve Bank of India [Pursuant to Section 7 of Insurance Act, 1938]	-	-
Others		
Deposits	147,461	120,098
Total (B)	**4,871,568**	**2,529,019**
Total (A + B)	**5,446,286**	**3,023,725**

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, 2009

Schedule - 13 : Current Liabilities

Rupees ('000)

Particulars	As at 31st March, 2009	As at 31st March, 2008
Agents' Balances	288,131	129,504
Balances due to other insurance companies	773,583	364,944
Deposit held on Reinsurance Ceded	-	-
Premium Received in Advance	296,707	387,079
Unallocated Premium	387,285	525,644
Sundry creditors (Refer schedule 16 note 23)	1,289,617	1,076,203
Due to subsidiaries/holding company	-	-
Claims outstanding for		
i) More than Six Months	6,314,195	
ii) Less than Six Months (Including IBNR & IBNER) (Refer Schedule 16 Note 2.12 and Note 6)	12,294,602	
	18,608,797	
Claims Recoverable from Reinsurer (Including IBNR)	(7,202,127)	
Net Claims Outstanding	11,406,670	7,168,126
Solatium Fund	17,205	29,399
Premium Deficiency (Refer Schedule 16 Note 2.9 and note 10)	35,396	-
Due to Officers/Directors	-	-
Others- Service Tax Payable	-	10,061
Temporary Overdraft as per books of accounts only	667	413,701
Total	**14,495,261**	**10,104,661**

Schedule - 14 : Provisions

Rupees ('000)

Particulars	As at 31st March, 2009	As at 31st March, 2008
Reserve for Unexpired Risk	10,310,160	9,156,999
Provision for Fringe Benefit Tax (Net of Advance of Rupees 96,373 thousand (Previous year Rupees 68,650 thousand))	17,472	1,095
Provision for Wealth Tax	198	207
For proposed dividends	-	-
For dividend distribution tax	-	-
Employee Benefits		
Gratuity (Refer schedule 16 note 19)	44,955	12,420
Leave Entitlement	70,943	44,895
Long Term Incentive Plan	6,597	25,233
Total	**10,450,325**	**9,240,849**

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

Rupees ('000)

Particulars	As at 31st March, 2009	As at 31st March, 2008
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, 2009

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 2009-10 vide it's certificate of Renewal of Registration dated 16th March 2009 . The renewal certificate is with effect from 1st April 2009 and is valid upto 31st March 2010.

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 re-insurance 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 2.19).

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 and other income is allocated to the revenue accounts and the profit and loss account on the basis of funds available from insurance operations and shareholders funds and are further allocated to the lines of business in proportion of their respective Gross Written Premium.

2.14 Fixed Assets and Depreciation / Amortization

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

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

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

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

Impairment of Assets

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

(ii) After impairment depreciation is provided on the revised carrying amount of the assets over its remaining useful life, if any.

2.15 Investments

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

Classification

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

Valuation

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

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

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

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

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

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

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

Unrealized loss on listed and actively traded investments held for

long term are not considered to be a part 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 profit and loss 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 are immediately taken to profit and loss 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 proportionately over the vesting period. The residual liability now payable over a period of 18 months is provided for proportionally over the balance vesting period.

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 Preliminary Expenses

Preliminary expenses incurred are written off to the Profit and Loss account in five equal installments commencing from the year in which they were first incurred, the balance to the extent not written off is adjusted against Share Capital as required by the regulations.

2.19 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 6 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 2008. 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 2009, the share of GIC was fixed at 10% (Previous year 15%) 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 2009 and for the month of March 2009 the losses from the Pool is provided based on management's estimate of which Rupees 40,892 thousand is recorded net under claims incurred. Unexpired risks reserve is provided for at 50% of net premiums of such inward reinsurance business, being the minimum rate specified in Section 64V(1)(ii) of the Insurance Act, 1938.

2.20 Contributions to Funds

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

2.21 Income Tax

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized

2.22 Service Tax

Service tax collected is considered as a liability against which service tax paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized credits, if any, are carried forward under "Advances and other Assets" in schedule 12 for adjustments in subsequent periods. Service tax paid for eligible input services not recoverable by way of credits are recognised in the revenue account as expenses forming as separate line item in schedule 4.

2.23 Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present 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

2.24 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 2009	31st March 2008
Partly paid up investments	Nil	Nil
Underwriting commitments outstanding	Nil	Nil
Claims other than those under policies not acknowledged as debts	Nil	Nil
Guarantees given by or on behalf of the Company	Nil	Nil
Statutory demands/liabilities in dispute, not provided for, in respect of		
Service Tax and Education Cess	Nil	81,615
Income Tax (see note below)	Nil	124,684
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 Commissioner of Income Tax (Appeals) for the assessment years 2002-03, 2003-04, and 2004-05, rejecting the disallowance made by the assessing officer. Consequently, the CIT(Appeals) has disallowed expenses incurred in earning such exempt income, under Section 14A of the Income Tax Act, 1961, resulting in a demand, net of available provision of Rupees 357267 thousand. The Company's appeal against the CIT(Appeals)'s disallowance of expenses is pending before the Income Tax Appellate Tribunal (ITAT) , Pune. The Company, relying on various Tribunal decisions, has assessed the contingent liability as "Nil" based on its evaluation that the likely adverse scenario is that the disallowance of expenses will be limited to the amount arrived at by application of Rule 8D of the Income Tax Rules read with Section 14A of the Income Tax Act.

4. All assets of the Company are free from any encumbrances other than investment under Section 7 of Insurance Act, 1938 which are held in Government of India Bonds aggregating Rupees 117,012 thousand (Previous year 118,564 thousand). No assets of the Company are subject to restructuring.

5. Capital Commitments

Commitments made and outstanding for acquisition of fixed assets amount to Rupees 248,081 thousand (Previous year Rupees 382,461 thousand).

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

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

Net IBNR reserves have been arrived at on the basis of actuarial work on the claim data after allowance for reinsurance recoveries by the Company.

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 2009	For the year ended 31st March 2008
Salary - (Including contributions to funds)		
Mr. Kamesh Goyal	-	3,040*
Mr. Swaraj Krishnan	10,041	3,938#
Perquisites		
Mr. Kamesh Goyal	-	141*
Mr. Swaraj Krishnan	164	17#

* From 1st Apr 2007 to 30th Sep 2007
# From 1st Oct 2007 to 31st Mar 2008

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.

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) Engineering - Rupees 5,281 thousand.

b) Aviation - Rupees 30,115 thousand.

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

Rupees ('000)

Business sector	For the year ended 31st March 2009			For the year ended 31st March 2008		
	GWP	No of Lives	% of GWP	GWP	No of Lives	% of GWP
Rural	2,450,613	-	8.55	2,350,528	-	9.12
Social	758	40,515	-	631	38,561	-
Urban	26,210,500	-	91.45	23,429,240	-	90.88
Total	28,661,871	40,515	100	25,780,399	38,561	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 2009	For the year ended 31st March 2008
	% age of business written	% age of business written
Risk retained	72.00%	68.00%
Risk Reinsured	28.00%	32.00%
	100.00%	100.00%

13. Contribution to Environment Fund

The Company has collected an amount of Rupees 6,488 thousand (Previous year - Rupees 7,403 thousand) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 28, 2009 to United India Insurance Company. 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 no's 2.12, 2.13 and 22 respectively. Segment revenue and results have been disclosed in the financial statements. Due to inherent complexities, segment assets and liabilities have been identified to the extent possible in the statement annexed hereto. There are no reportable geographical segments since the Company provides services only to customers in the Indian market or to Indian interests overseas and does not distinguish any reportable regions within India.

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

16. The Company's significant leasing arrangements include agreements for office and residential premises. The future minimum lease payments relating to these leases are disclosed below:

Rupees ('000)

	As at 31st March 2009	As at 31st March 2008
Payable not later than one year	238,437	150,892
Payable later than one year but not later than five years	266,001	194,333
Payable later than five years	22,402	3,277

- Amount charged to revenue accounts for lease is Rupees 219,720 thousand (Previous year Rupees 169,184 thousand).
- 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:

Rupees ('000)

	As at 31st March 2009	As at 31st March 2008
Profit after Tax		
Basic earnings before extra-ordinary items [A]	Rs.951,569	Rs.1,056,179
Basic earnings after extra-ordinary items [B]	Rs.951,569	Rs.1,056,179
Weighted average number of equity shares (par value of Rs. 10 each) [C]	110,227,250	110,143,820
Basic and diluted earnings per share [A/C]	Rs.8.63	Rs. 9.59
Basic and diluted earnings per share excluding extraordinary items [B/C]	Rs.8.63	Rs. 9.59

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

18. Taxation

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

Rupees ('000)

	As at 31st March 2009		As at 31st March 2008	
Timing difference on account of	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Reserve for unexpired risks	91,181		128,909	-
Leave encashment	8,854		2,773	-
Long term incentive plan	-		2,216	-
Provision for doubtful debts	5,744		1,228	-
Depreciation as per Section 32 as per provisions of Income Tax Act 1961	46,301		30,054	-
Total	152,080		165,180	-
Net deferred tax asset/ (liability)	152,080		165,180	
Deferred Tax expense/ (income) - recognised in the General Reserve as an adjustment to the Profit and loss account, being transitional liability under AS 15 (Revised) (a)	-		-	4,540
Deferred Tax expense/ (income) recognised in the Profit and loss account (b)	13,100		(60,590)	-
Total Deferred Tax expenses (c=a+b)	13,100		(65,130)	-

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. The Company makes contribution to an approved gratuity fund, which covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India.

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	
	2009	2008
Current service cost	19,107	14,066
Interest cost on benefit obligation	4,456	3,144
Expected return on plan assets	(2214)	(1,922)
Net actuarial(gain) / loss recognized in the year	11,286	7,217
Past service cost	-	-
Net benefit expense	32,635	22,505
Actual return on plan assets	1,631	1,910

II. Balance Sheet

(i) Details of provision for gratuity

Rupees ('000)

	Gratuity	
	2009	2008
Defined benefit obligation	61,186	41,182
Fair value of plan assets	(16,231)	(28,762)
	44,955	12,420
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	44,955	12,420

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

Rupees ('000)

	Gratuity	
	2009	2008
Opening defined benefit obligation	41,182	27,506
Interest cost	4,456	3,144
Current service cost	19,107	14,066
Benefits paid	(14,261)	(10,739)
Actuarial (gains) / losses on obligation	10,702	7,205
Closing defined benefit obligation	61,186	41,182

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

Rupees ('000)

	Gratuity	
	2009	2008
Opening fair value of plan assets	28,762	24,142
Expected return	2,214	1,922
Contributions by employer	100	13,449
Benefits paid	(14,261)	(10,739)
Actuarial gains / (losses)	(584)	(12)
Closing fair value of plan assets	16,231	28,762

The Company expects to contribute Rs.20,000 thousand to gratuity in 2009-10

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

Rupees ('000)

	Gratuity	
	2009	2008
	%	%
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:

Rupees ('000)

	2009	2008
	%	%
Discount rate	7.10	7.95
Expected rate of return on assets	7.50	7.50
Increase in Compensation cost	12% for first 4 years & 7.5% thereafter	12.5% for first 4 years & 7.5% thereafter

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

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

Rupees ('000)

	Gratuity		
	2009	2008	2007
Defined benefit obligation	61,186	41,182	27,506
Plan assets	16,231	28,763	24,142
Surplus / (deficit)	(44955)	(12,420)	(3,363)
Experience adjustments on plan liabilities	5,271	6,836	2,205
Experience adjustments on plan assets	584	(11,909)	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 (operating expenses), is an amount of Rupees 551,232 thousand (previous year Rupees 418,957 thousand) towards outsourced expenses.

22. Expenses directly identifiable with investment activity amounting to Rupees 4,853 thousand (previous year Rupees 3,852 thousand) 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 7,407 thousand (previous year Rupees 13,791 thousand) which could be apportionable towards investments activity. The said expenses amounting to Rupees 7,407 thousand has been computed on the basis of number of documents, income or staff cost as appropriate.

23. In absence of any information from vendors as to the status of their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006' no provisions and disclosures have been made there under.

24. Previous year figures have been regrouped where possible and wherever necessary to make them comparable with those of the current year. Provision for doubtful debts shown under Operating expenses in the previous year has been disclosed in the Profit and Loss Account to conform to the current year classification. The summary of other amounts of the previous year which have been regrouped is as follows

Rupees ('000)

Sr. No.	Sch	Particulars	Reported in Previous Year	Previous Year figures reported in Current Year	Difference	Reasons
1	10	Capital work in progress	421,632	430,799	9,167	Change in nature of balance from advances to Capital Work In Progress
2	11	Bank balances - Deposit accounts	1,471,094	1,511,594	40,500	Reclassification of FDs linked to Current Accounts
3		Bank balances - Current accounts	770,781	295,312	(475,469)	Reclassification of FDs linked to current accounts and netting of debits and credits with same bank
4	12	Advance tax paid and taxes deducted at source	82,156	83,458	1,302	FBT and Wealth Tax provisions disclosed separately
5		Advances recoverable in cash or in kind	219,550	206,715	(12,835)	Contra with Sr. Nos. 1 & 6.
6		Unutilized service tax credit carried forward	62,447	66,115	3,668	Reclassification of CENVAT credit on excise duties from advance recoverable in cash or in kind to Service tax recoverable
7	13	Sundry Creditors	1,088,623	1,076,203	12,420	Reclassification of gratuity provision in Schedule 14
8		Temporary overdraft as per books of account only	848,670	413,701	434,969	Contra with Sr Nos 2 & 3
9	14	Provision for Fringe Benefit Tax	-	1,095	(1,095)	Contra with Sr No 4
10		Provision for Wealth Tax	-	207	(207)	Contra with Sr No 4
11		Provision for employee benefits - gratuity	-	12,420	(12,420)	Contra with Sr No 7
		Total			-	

As per our report of even date attached

For S R Batliboi & Co.
Chartered Accountants

per Shrawan Jalan
Partner

Membership No.: 102102

For and on behalf of Dalal & Shah
Chartered Accountants

Anish Amin
Partner

Membership No.: 40451

Mumbai
11th May 2009

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman

Don Nguyen
Director

Niraj Bajaj
Director

Sanjiv Bajaj
Director

Kamesh Goyal
Alternate Director

S H Khan
Director

Sanjay Asher
Director

Suraj Mehta
Director

Ranjit Gupta
Director

Manu Tandon
Director

Swaraj Krishnan
Chief Executive Officer

S Sreenivasan
Chief Financial Officer

Onkar Kothari
Company Secretary

Pune
11th May 2009

Annexure to Schedule 16 - Notes to accounts and forming part of the financial statements for the year ended 31st March, 2009
(Refer Note No. 14)

Segmental Break up of the Balance Sheet items as at 31st March, 2009

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	16,504	1,815	1,258	277,130	296,707
	(14,440)	(76,236)	(122)	(296,281)	(387,079)
Net Claims Outstanding	719,492	382,098	31,548	10,273,532	11,406,670
	(499,561)	(198,693)	(38,142)	(6,431,730)	(7,168,126)
Reserve for Unexpired Risk	855,190	287,922	24,410	9,142,638	10,310,160
	(748,909)	(238,806)	(20,869)	(8,148,415)	(9,156,999)
Deposits with Ceding Companies	-	-	-	-	17,679
	-	-	-	-	(13,620)
Premium Deficiency	-	-	-	35,396	35,396
	-	-	-	-	-
Solatium Fund	-	-	-	17,205	17,205
	-	-	-	(29,399)	(29,399)
Proposal Deposits (to the extent identifiable)	-	-	-	-	-
	-	-	-	-	-

31st March 2008 figures are in Brackets

Summary of Financial Statements for the year ended 31st March, 2009

Rupees ('000)

Particulars	2009	2008	2007	2006	2005
Operating Results					
Gross Written Premium	28,661,871	25,780,399	18,033,397	12,845,680	8,560,742
Net Premium Income (net of Reinsurance)	20,065,870	17,525,507	10,397,639	6,986,887	4,792,862
Income from Investments (net of losses)	1,659,188	1,429,652	679,252	388,696	285,296
Miscellaneous Income	270,010	92,889	87,114	9,589	7,089
Total Income	21,995,068	19,048,048	11,164,005	7,385,172	5,085,247
Commissions	237,775	(187,564)	(786,418)	(622,153)	(419,433)
Operating Expenses	5,988,298	5,194,751	3,454,019	2,156,298	1,455,879
Claims, increase in URR and other outgoes	14,804,945	12,804,986	7,567,015	5,182,434	3,382,359
Operating Profit/Loss	964,050	1,235,875	929,389	668,593	666,442
Non Operating Results					
Total income under Shareholder's Account	533,655	443,129	240,896	149,733	103,129
Profit before Tax	1,497,705	1,679,004	1,170,285	818,326	769,571
Provision for Tax	(546,136)	(622,825)	(416,594)	(302,637)	(298,655)
Profit after Tax	951,569	1,056,179	753,691	515,689	470,916
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	1,101,331	1,100,500	1,100,000
Net Worth	6,724,719	5,747,803	4,115,735	2,767,371	1,824,167
Total Assets (Gross of current liabilities and provisions)	31,670,305	25,093,313	16,960,659	10,632,837	7,375,647
Yield on Total Investments	10.06%	10.17%	6.84%	6.87%	8.34%
Earning Per Share	8.63	9.59	6.85	4.69	4.28
Book value per Share	61.01	52.15	37.40	25.15	16.58
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-

Ratios for the year ended 31st March, 2009

	Particulars	For the year ended 31st March, 2009	For the year ended 31st March, 2008
1	Gross Premium growth rate		
	Motor	10%	85%
	Fire	-7%	-25%
	Marine Cargo	10%	12%
	Marine Hull	67%	-28%
	Workmen's Compensation / Employers' Liability	12%	28%
	Public/Product Liability	13%	33%
	Engineering	-13%	-6%
	Aviation	80%	48%
	Personal Accident	43%	92%
	Health	37%	54%
	Others	16%	29%
2	Gross Premium to Shareholder's Fund Ratio	426%	447%
3	Growth Rate of Shareholder's Fund	16%	43%
4	Net Retention Ratio		
	Motor	76%	75%
	Fire	47%	46%
	Marine Cargo	77%	71%
	Marine Hull	16%	23%
	Workmen's Compensation / Employers' Liability	84%	83%
	Public/Product Liability	27%	38%
	Engineering	20%	21%
	Aviation	-7%	16%
	Personal Accident	79%	74%
	Health	87%	83%
	Others	58%	64%
5	Net Commission Ratio		
	Motor	2%	1%
	Fire	-14%	-21%
	Marine Cargo	8%	5%
	Marine Hull	-23%	-33%
	Workmen's Compensation / Employers' Liability	4%	5%
	Public/Product Liability	-5%	-3%
	Engineering	-87%	-70%
	Aviation	18%	14%
	Personal Accident	11%	0%
	Health	9%	4%
	Others	4%	8%
6	Expenses of Management to Gross Premium Ratio	23%	22%
7	Combined Ratio	105%	102%
8	Technical Reserves to Net Premium Ratio	108%	93%
9	Underwriting Balance Ratio		
	Fire	12%	43%
	Marine	-30%	-14%
	Miscellaneous	-5%	-6%
10	Operating Profit Ratio	4%	8%
11	Liquid Assets to liabilities ratio	13%	11%
12	Net Earning Ratio	5%	6%
13	Return on Net worth	14%	18%
14	Reinsurance Ratio	30%	32%

Receipts and Payments for the year ended 31st March, 2009

Rupees ('000)

Particulars	For the year ended 31st March, 2009	For the year ended 31st March, 2008
Premium received from Policyholders,including advance receipts and service tax	28,398,201	25,774,880
Payment to Reinsurers, net of commissions and claims	(3,535,300)	(3,548,555)
Receipts from Coinsurers, net of claims recovery	274,414	622,096
Payment of Claims	(13,072,450)	(9,943,983)
Payment of Commission	(1,675,647)	(1,355,417)
Payment of other Operating Expenses	(5,277,806)	(4,815,458)
Miscellaneous Income	9,784	8,191
Income tax paid (Net)	(637,920)	(753,301)
Service Tax Paid	(1,848,537)	(1,618,182)
Net Cash In Flow From Operating Activities	2,634,739	4,370,271
Cash Flow from Investment Activties		
Investment Activities		
Purchase of Fixed Assets including Capital Work in Progress	(548,703)	(789,302)
Proceeds from Sale of Fixed Assets	4,059	3,354
Purchase of Investments	(12,040,224)	(24,024,747)
Sale of Investments	10,249,941	18,256,375
Rent/Interests/Dividends Received	1,868,963	1,137,219
Investments in money market instruments and in liquid mutual funds (Net)	(1,167,727)	539,948
Investment property purchase	-	(78,040)
Interest Expense and Other Investment Expenses	(4,853)	(3,852)
Cash Deposit under Section 7 of the Insurance Act, 1938	-	-
Investment in Fixed Deposit Maturity more than 3 months	(247,000)	(171,780)
Net Cash Out Flow from Investment Activties	(1,885,544)	(5,130,825)
Cash Flow from financing Activties		
Proceeds from issuance of share capital	-	691,616
Proceeds from borrowing	-	-
Interest/dividends paid	-	-
Effect of foreign exchange rates on cash and cash equivalents,net	1,223	(2,191)
(Decrease)/Increase in Cash and Cash Equivalents during the year	750,418	(71,129)
Cash and Cash Equivalent at the year begining	491,224	562,353
Cash and Cash Equivalent at the year end**	1,241,642	491,224

** Cash and cash Equivalent ('000)	2009	2008
Cash & Bank balance as per schedule 11	2,849,009	2,264,625
Less: Fixed Deposit Maturity More than 3 Months	1,606,700	1,359,700
Less: Temporary over draft as per schedule 13	667	413,701
Cash and Cash Equivalent at the year end	**1,241,642**	**491224**

As Intergral part of Financial Statements

As per our report of even date attached

For S R Batliboi & Co.
Chartered Accountants
per Shrawan Jalan
Partner
Membership No.: 102102

For and on behalf of Dalal & Shah
Chartered Accountants
Anish Amin
Partner
Membership No.: 40451

Mumbai
11th May 2009

For and on behalf of the Board of Directors

Rahul Bajaj
Chairman
Sanjiv Bajaj
Director
Sanjay Asher
Director
Manu Tandon
Director
Don Nguyen
Director
Kamesh Goyal
Alternate Director
Suraj Mehta
Director
Swaraj Krishnan
Chief Executive Officer
Niraj Bajaj
Director
S H Khan
Director
Ranjit Gupta
Director
S Sreenivasan
Chief Financial Officer
Onkar Kothari
Company Secretary

Pune
11th May 2009

Balance Sheet Abstract and Company's general business profile for the year ended 31st March, 2009

Rupees ('000)

I.	**Registration No.**	15329
	State code	11
	Balance Sheet Date	31st March, 2009
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)	6,724,719
	Total Assets (Application of funds)	6,724,719
IV.	**Source of funds**	Rs in '000s
	Paid up capital	1,102,273
	Reserves and surplus	5,622,446
	Secured loans	-
	Unsecured loans	-
V.	**Application of funds**	Rs in '000s
	Net Fixed assets	1,285,426
	Investments	21,937,504
	Net Current Assets	(16,650,291)
	Miscellaneous expenditure	-
	Accumulated loss	-
VI.	**Performance of the company**	Rs in '000s
	Turnover	28,661,871
	Total expenditure	27,164,166
	Profit / (Loss) before tax	1,497,705
	Profit / (Loss) after tax	951,569
	Accumulated profits	3,956,249
	Earnings per share	8.63
	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.

Annexure to Schedule 13 Notes to Accounts and forming Part of Financial Statements for the year ended 31 March , 2009

Related Party Disclosures under AS 18 of ICAI (For the year ended 31st March 2009)

Rupees ('000)

S.No.	Related Party	Relationship	Nature of Transaction	2008-2009		2007-2008	
				Amount Rs	Outstanding amounts carried to balance sheet.(Rs.) payable/(receivable)	Amount Rs	Outstanding amounts carried to balance sheet.(Rs.) payable/(receivable)
1	Bajaj Finserv Ltd	Holding Company	Rent for premises hired	11,860	-	-	-
			Deposits for Rented Premises	-	(11,772)	-	-
			Insurance Premia received	1,194	-	-	-
			Amount contributed towards capital			408	408
2	Bajaj Auto Ltd.	Group Company	Insurance Premia received	70,340	11	104,935	-
			Insurance Claims paid	33,909	-	14,946	-
			Unallocated Premium	-	6,233	-	2,889
			Purchase of Investments	-	-	195,561	
			Sale of Investments	-	-	-	-
			Rent for premises hired	-	-	12,083	-
			Other Expenses	650	-	1,295	-
			Deposits for Rent Premises	-	-	-	(11,772)
			Amount contributed towards capital			289	815,274
3	Bajaj Holdings & Investments Ltd	Group Company	Insurance Premia received	11	-	-	-
			Sale of Investments	149,159	-	-	-
4	Bajaj Allianz Financial Distributors Ltd	Group Company	Insurance Premia received	534	19,128	-	-
			Unallocated Premium	-	90	-	-
5	Allianz SE, Germany	Shareholder	Billable expenses incurred on behalf of Allianz SE	-	13,497	3,144	(3,144)
			Income from Software Consultancy billed	10,275	-	24,090	-
			License fees for Opus	14,535	-	8,458	-
			Pre-Paid License fees for Opus	(2,801)	-	(7,544)	-
			Amount contributed towards capital			690,919	286,591
6	M/s. Allianz Global Corporate & Speciality AG, Munich	Group Company	Reinsurance premium paid/payable	201,209	132,393	92,297	31,629
			Commission on reinsurance received/receivable	21,894	-	8,789	-
			Claims recovery on reinsurance	55,246		117	-
7	Allianz CP General Ins Co. Ltd	Group Company	Reinsurance premium received/receivable	(26,697)	(6,124)	35,318	(9,757)
			Commission on reinsurance paid/payable	(1,261)	-	456	-
			Income from Software Consultancy billed	-	-	4,588	(5,108)
			Deposits with the Ceding Company	-	(14,844)	13,620	(13,620)
			Claims recovery on reinsurance	-	-	10	-
8	Allianz AG Reinsurance, branch Asia Pacific	Group Company	Reinsurance premium paid	774,191	80,174	626,777	18,779
			Commission on reinsurance received	195,111		170,510	-
			Claims recovery on reinsurance	240,893		227,524	-
			No claim Bonus on XOL premium	(9,756)		9,756	-
			Portfolio Premium withdrawal	115,021		118,373	-
			Portfolio Claims withdrawal	219,194		189,530	-
			Portfolio Premium Entry	143,777		157,643	-
			Portfolio Claims Entry	273,992		252,707	-
			Deposits with the Ceding Company	-	(2,835)		
9	Assurances Generales de France	Group Company	Reinsurance premium paid/payable	13,970	5,235	31,026	9,847
			Commission on reinsurance received/receivable	2,048	-	1,309	-
			Claims recovery on reinsurance	-	-	29	-
10	Allianz Marine and Aviation Versicherungs AG	Group Company	Reinsurance premium paid/payable	88	(37)	131	(106)
			Commission on reinsurance received/receivable	(51)	-	26	-
			Claims recovery on reinsurance	(106)	-	818	-
11	Allianz Insurance Management Asia Pacific	Group Company	Billable expenses incurred on behalf of Allianz Insurance Management Asia Pacific	25	(4)	6,423	21
12	Allianz Hongkong - Name changed from Allianz China	Group Company	Reinsurance premium paid	87	-	68	-
			Commission on reinsurance received	55	-	51	-

Annexure to Schedule 13 Notes to Accounts and forming Part of Financial Statements for the year ended 31 March , 2009

Related Party Disclosures under AS 18 of ICAI (For the year ended 31st March 2009)

Rupees ('000)

S.No.	Related Party	Relationship	Nature of Transaction	2008-2009		2007-2008	
				Amount Rs	Outstanding amounts carried to balance sheet.(Rs.) payable/(receivable)	Amount Rs	Outstanding amounts carried to balance sheet.(Rs.) payable/(receivable)
13	Allianz Ost-West Allianz, Moscow	Group Company	Income from Software Consultancy billed	770	-	4,240	(897)
14	Allianz Ins Co of Singapore - PTE	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	(1,072) 107 3	978 - -	(1,518) 200 -	470 - -
15	Allianz Elementar Versich-erungs	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	(37) 5 92	33 -	(560) 110	- -
16	AGF IART - Franch	Group Company	Reinsurance premium paid/payable Commission on reinsurance received/receivable Claims recovery on reinsurance	(89,699) 3,335 138	49,262 - -	38,138 3,336 -	2,651 - -
17	Euler Hermes Cr Inssurance (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	(147,531) 24,905 13,843 15,266	81,311 - - -	(61,534) 7,924 (2,839) 11,814	24,524 - - (11,814)
18	Bajaj Allianz Life Insurance Co Ltd	Group Company	Expenditure incurred by Bajaj Allianz Life Insurance Co. Ltd. On behalf of Bajaj Allianz General Insurance Co Ltd Expenditure incurred on behalf of Bajaj Allianz Life Insurance Co. Ltd. Insurance Premia received Insurance Claims paid Insurance Premium paid to Bajaj Allianz Life Insur-ance Co. Ltd. Insurance Claims received from Bajaj Allianz Life Insurance Co. Ltd. Unallocated Premium	8,289 41,429 5,532 690 4,700 - -	(32,771) - - - - 1,314	4,938 37,023 7,435 236 3,887 2,581 -	- - - - - - 13
19	Bajaj Hindustan Ltd	Group Company	Insurance Premia received	-	-	22	-
20	Bajaj Electricals Ltd	Group Company	Insurance Premia received Insurance Claims paid Unallocated Premium	20,917 13,767 -	- - 21	14,647 8,217 -	- - 399
21	Mukand Engineers Ltd	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Unallocated Premium Insurance Claims paid	2,258 - 633	- 6 -	1,335 - 6	- 6 -
22	Mukand Ltd	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Insurance Claims paid Unallocated Premium	16,394 11,615 -	- - 186	22,058 3,153 -	- - 21
23	Mukund Beakert wire Indus-tries Pvt. Ltd.	Enterprise where key mgmt personnel is having significant influence	Insurance Premia received Unallocated Premium	1,106 -	- 27	- -	- -
24	Bajaj Auto Finance Ltd.	Group Company	Support Charges for Insurance business Insurance Premia received Insurance Claims paid* Unallocated Premium	1,232 5,995 45 -	- - - 2,029	48,564 8,559 39 -	- - - 65
25	Hind Musafir Agency Ltd.	Group Company	Support Charges for Insurance business Insurance Premia received Unallocated Premium	18,341 10 -	1,033 - -	281 3 -	1,177 - 48

Annexure to Schedule 13 Notes to Accounts and forming Part of Financial Statements for the year ended 31 March , 2009

Related Party Disclosures under AS 18 of ICAI (For the year ended 31st March 2009)

Rupees ('000)

S.No.	Related Party	Relationship	Nature of Transaction	2008-2009		2007-2008	
				Amount Rs	Outstanding amounts carried to balance sheet.(Rs.) payable/(receivable)	Amount Rs	Outstanding amounts carried to balance sheet.(Rs.) payable/(receivable)
26	Kamesh Goyal	Key Management Personnel	Remuneration (for the period April'07-Sept'07) Perquisites	- -	- -	3,040 141	- -
27	Swaraj Krishnan	Key Management Personnel	Remuneration Perquisites	10,041 164	- -	3,938 17	- -
26	Allianz SE India Liaison Office	Subsidiary of Joint Venture Partner	Expenditure incurred on behalf of Allianz Liason office Deposits for Rent Premises	18 -	- 1,500	113 1,500	1,500 -

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.
* Transactions on behalf of third party are excluded

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

Health Insurance

• Personal Guard • Hospital Cash • Health Guard • Critical Illness • Silver Health • e-Opinion • Health Ensure • Star Package

• Premium Personal Guard

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

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

Core Values

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

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

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

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

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

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

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

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

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

BJAZ/AR/July 09

Insurance is the subject matter of solicitation