

Motor



Health



Travel



Home



12th Annual Report 2011 - 2012



Marine



Property



Liability



Rural

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12th Annual Report

BOARD OF DIRECTORS

Mr. S. P. Talwar	Director
Mr. D. Sengupta	Director
Mr. H. Ansari	Director (w.e.f. May 8, 2012)
Mr. Rajendra P. Chitale	Director
Mr. Soumen Ghosh	Director
Mr. Vijay Pawar	Director (w.e.f. October 20, 2011) (Ceased to be Executive Director & CEO w.e.f. October 19, 2011)
Mr. Rakesh Jain	Executive Director & CEO (w.e.f. October 20, 2011)

COMPANY SECRETARY

Mr. Mohan Khandekar

CHIEF FINANCIAL OFFICER

Mr. Hemant K. Jain

CORPORATE OFFICE

570, Naigaum Cross Road,
Next to Royal Industrial Estate,
Wadala (W), Mumbai - 400 031.
Tel: +91 - 22 - 30479600
Fax: +91 - 22 - 30479650
www.reliancegeneral.co.in

LONDON REPRESENTATIVE OFFICE

C/o. Reliance Globalcom Limited
Sovereign Court, 1st Floor,
635, Sipson Road, Sipson, West Drayton,
Middlesex-UB7 OJE
Tel: 020 82824665

BANKER

HDFC Bank Limited
ICICI Bank Limited
HSBC
Citi Bank
The Royal Bank of Scotland
Deutshce Bank
Axis Bank

AUDITORS

M/s. Chaturvedi & Shah
M/s. Singhi & Co.
M/s. Haribhakti & Co.

REGISTERED OFFICE

19, Reliance Centre,
Walchand Hirachand Marg,
Ballard Estate, Mumbai - 400 001.

INDEX	Page No(s)
Index & Company information	1
Director's Report	2
Report on Corporate Governance	8
Management Report	15
Auditor's Report	18
Revenue Accounts	21
Profit & Loss Account	24
Balance Sheet	25
Schedules annexed to Balance Sheet, Revenue Account and Profit & Loss Account	26
Receipts and Payment Accounts	37
Accounting policies and Notes to Accounts	38

Reliance General Insurance Company Limited

DIRECTORS' REPORT

To The Members,

Your Directors present the Twelfth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

Financial Results

(₹ in Crore)

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Gross Written Premium	1712.55	1655.43
Insurance Profit/(Loss)	(384.48)	(352.66)
Investment Income on Shareholders fund	62.82	53.26
Profit/(Loss) before Tax	(341.60)	(309.76)
Income Tax-earlier year Tax	-	0.26
Provision for Deferred Tax	(1.60)	(2.10)
Profit/(Loss) after Tax	(343.20)	(311.60)

Dividend

Your Directors do not recommend any dividend for the year ended 31st March, 2012, in view of loss incurred during the year.

Operations

Your Company in the current year has underwritten Gross Direct Premium of ₹ 1712.55 Crore as against ₹ 1655.43 Crore in the previous year registering an increase by 3.45%. The main focus during the year was again to improve the profitability of the Company. Last year has seen your Company in an evolution mode along with the growth trajectory. Motor segment has shown a growth of 6%, Commercial Line has shown growth rate of 10%. Health segment has shown decline of 12%.

The income from investments for the year under review is ₹ 201.58 Crore as against ₹ 151.25 Crore in the previous year. The Net Loss before tax earned during the Financial Year 2011-12 is ₹ 341.60 Crore as against ₹ 309.76 Crore during the previous year. The Net Loss after tax stands at ₹ 343.20 Crore during the period under review as against loss of ₹ 311.60 Crore during the previous year. IMTPIP losses accounted in the current year is ₹ 216.97 Crore as against ₹ 183.91 Crore in the previous year. During the year the Company has taken few strategic decisions viz. withdrawing from loss making locations and channels. Your Company is trying to diversify into new Line of Business (LOB's) like Weather and Crop Insurance which have been historically profitable.

Your Company had issued 26.14 Lac policies during the year as compared to 28.03 Lac in the previous year.

Industry Developments

As per the figures released by Insurance Regulatory and Development Authority (IRDA), the Gross Premium Underwritten by the industry for the Financial Year ended 31st March, 2012 was ₹ 58344 Crore as against ₹ 47373 Crore during the previous year showing growth rate of 23%.

Indian insurance industry has seen a significant growth over the past few years on account of growing national economy, increasing per capita income, and growing consumer awareness about insurance products. Insurance sector is poised to mark incredible pace of progress in the years to come. Low penetration, availability of a wide variety of products and government incentives are the key drivers that would give great impetus to the industry.

The health insurance segment of the insurance industry has been growing significantly. With the rising cost of healthcare expenses and awareness about insurance products, the health insurance portfolio in India is increasing rapidly. Health reforms are in the top agenda of the Government and it is giving a special emphasis in reaching out for health services to the masses. Health Portability has been introduced through which health Insurance Policy holders can switch Companies. The health insurance, a fast-growing segment in general insurance industry, is treading on a new path. It is expected to witness both qualitative and quantitative improvement in the near future.

The freedom in tariff which allowed pricing discretion and add-on covers to the standard products has been a boon to the Indian customer where he enjoys a better product at a lesser cost. This freedom in pricing, though has resulted in the growth of the

industry, has been skewed, with primarily the motor & health segment growing and the property and commercial segment have stagnated due to high discounting though the Indian infrastructure is rapidly growing, which is not a good sign.

Further, IRDA may soon give its nod for making insurance policies available in Demat form, paving way for e-insurance accounts and e-policies. Five entities have already been shortlisted to set up and operate insurance repositories. An insurance repository is a Company that maintains data on insurance policies electronically on behalf of insurers. Once IRDA gives the approval, India would probably be in a few countries in the world to undertake such a massive activity of converting physical insurance policy certificates into electronic form.

From 1st April, 2012 the motor insurance segment has began a new journey of growth. The motor third party pool, which has been causing losses to the general insurers, has been dismantled by the Insurance Regulatory and Development Authority with effect from 31st March, 2012 and in its place, a new declined risk pool has been created to provide motor third party insurance cover for standalone third party cover for Commercial vehicles. Formation of Declined Risk Pool is expected to improve the underwriting performance of the Insurance Companies.

Going forward, both the regulator as well the industry expert expect a positive indication for both the industry as well as the policyholders.

Corporate Governance

IRDA has issued comprehensive guidelines on Corporate Governance for adoption of the Insurance companies. These guidelines are effective from 1st April, 2010. The objective of these guidelines is to ensure that the structure, responsibilities and functions of the Board of Directors and senior management of the company fully recognized the expectations of all stakeholders as well as those of the regulator. Your company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the Government and the society. A Corporate Governance Report is presented in a separate section which forms part of the Annual Report. As required under the Corporate Governance Guidelines certificate from the compliance officer of the Company certifying that the Company has complied with the Corporate Governance Guidelines, also forms the part of the Annual Report.

Reinsurance

Your Company has a well structured Reinsurance Programme supported by various leading reinsurers (with strong credit ratings) spread across the globe, in accordance with the guidelines laid down by Insurance Regulatory and Development Authority. The Reinsurance Programme has been renewed and placed completely with reinsurers with approved credit rating. The Reinsurance Programme has an optimum mix of proportional treaties to enhance Company's automatic underwriting capacity and non proportional treaties to protect Company's net retentions.

Based on Company's net worth, business plans, portfolio mix and detailed analysis of Company's historical data retention levels have been optimally fixed to ensure a healthy solvency margin, stability in financial results, minimum volatility in earnings and generate value to stakeholders. Your Company would also like to emphasize on the Company's preparedness for catastrophic events by regularly monitoring exposures, assessing accumulations through various statistical CAT modeling tools and having adequate protection in place.

Information Technology

In the last Financial Year, there has been a huge focus on using IT to streamline existing business processes as well as to use technology in new initiative areas. The Company also embarked on a Policy Administration System implementation for the Commercial Lines and Re-Insurance, areas which were not served by existing IT applications. In Motor insurance, there has been constant innovation and push to change existing process of physical Cover notes distribution to online systems like POS and Portal. The Company website has been revamped to enable policy purchase and self-service by customers themselves. The Direct Sales channel (DST) has been equipped with Mobile devices (Tablets/Smart phones) to issue retail, electronic policies on the move.

Key IT Projects of your Company during the year

Genisys Configurator (GC) for Commercial Underwriting & Re-Insurance: Phase 1 of this project went live in year-end with four Engineering products and Industrial All Risk product. Entire process from quote creation by Sales, Underwriting approval, Re-Insurance apportionment and policy issuance, mid-term endorsements by Operations has been developed. In later phases in

Reliance General Insurance Company Limited

Financial Year 2012-13 all other commercial line products will be built. Usage of existing policy administration system Sirius will be discontinued.

Motor Underwriting controls: Physical Cover notes will be replaced by electronic Cover notes/policies issued by Agents from their own premises via POS and Portal applications. All underwriting controls like pricing of IDV, control on Discounts, handling deviations for preferred relationships have been built as business rules in systems.

Inwarding of business by Sales: A major process change has been effected in Branches where instead of handing over physical documents to Operations, Sales Managers will themselves inward the business in system. Operations will do quality control checks and issue policies. This will help in Sales ownership, increase First-Time-Right (FTR) proposals and bring down overall TAT of policy issuance.

Strengthening Retail Online and Direct Sales Channels: The Company's website www.reliancegeneral.co.in has been redesigned to give a fresh look and simplified purchase experience of retail products (Motor, Health & Travel). Customers can also check Claims status, raise service issues, maintain their policy portfolio, set renewal reminder alerts. The Company has also setup a Telemarketing center in Pune to service all leads coming through online, call center and other channels.

Business Intelligence: To act as radar in Company's continuous improvement journey, powerful analytical reports and dashboards have been built up on SAS and Qlikview which is helping underwriters and claims teams across products to understand top and bottom line performance at granular levels.

Personnel

In 2011-12 through 254 Training Programs, 2142 participants from your Company were engaged, clocking about 2,182 man days of training. This was achieved through a paradigm shift in analyzing training needs of Company's employees. Periodic assessments of employees on their basic knowledge of relevant domain gave a realistic picture of existing knowledge levels. Based on this scores customized training programs were created and delivered. Encouraging post training scores cemented the effectiveness of training and guided on further interventions required. Apart from these, customized training need requisition sheets were sourced from stakeholders like Vertical Heads, Zonal Heads, Regional Heads, Office Managers and their needs in terms of behavioral & functional trainings were recorded and feedback was used to evolve training programs that would cater to their needs.

Unique engagements like LITE (Learn, Implement, Train & Enhance Productivity) were implemented in 2 phases across various branches and huge incremental business was achieved post the training interventions. 100% to 650% incremental business over prior quarterly average was recorded. It was for the first time that a training program through sustained engagements and systematized follow-ups could successfully & measurably enhance business figures. Most of the training programs were integrated with a healthy blend of functional knowledge as well as behavioral training. Programs like Leadership Effectiveness Workshops covering all zonal level team leaders from all domains like Claims, Accounts, Sales etc. were successfully conducted with very positive feedback.

Agents being one of your Company's most impacting business generators were also engaged in various training programs across all zones. WIN (Welcome & Induction) is a special induction program created to induct a new agent into Company's folds and expose them to RGI as a brand, integrating them with the organizational goals and training them on Company's wide range of product baskets that can generate good income for them. Over 428 Agents were trained last year.

Investments

The investment portfolio of the Company as on 31st March, 2012 is ₹ 2709.70 Crore (₹ 2137.59 Crore). The asset allocation among Debt and Equity is 98.10% (98.65%) and 1.90% (1.35%) respectively. The modified duration of the Debt portfolio stands at 2.59 years (2.79 years). The Debt portfolio comprises 31.14% (32.96%) in Sovereign Bonds - approved securities, 37.39% (42.76%) in AAA, 3.05% (2.88%) in AA+, 0.76% (0%) in AA rated and the remaining 27.66 % (21.41%) in money market instruments and Fixed Deposits. In terms of the maturity profile 35.26% (28.47%) of the Investment portfolio is invested in short term instruments, 23.66% (25.12%) in medium term and 41.08% (46.41%) in longer tenor bonds.

Claims Handling

Motor:

In the year 2011-12, Motor claims department has improved in several parameters to enhance customer satisfaction.

Faster settlement of claims by settling 1,95,086 claims against intimation of 1,93,539 which works out to settlement ratio of 100.79% on intimation basis.

The Company has achieved a disposal ratio of 94.28% in the year including the claims outstanding at the beginning of the financial year within an average TAT of 30 days.

74% of claims have been settled within 21 days as against 70% in 2010-11. 34% of claims are settled within 10 days as against 33% in 2010-11.

The various initiatives taken in the claim process and settlement are as detailed below:

1. **NEFT Payments:** 70% of the claim transactions is done on NEFT which has also resulted in a 75% reduction in the number of customer complaints on account of non delivery of cheques / delay by courier. This has delighted customer because of prompt credit to their account & ease of operations.
2. **Stolen Vehicle Recovery:** The Company has initiated joint efforts with other insurance companies.
3. **Updates to Customers by SMS:** Periodic SMS has been introduced to remind customers to submit pending documents, which can help in faster settlement of claim.
4. **Claim Status information to Customers on web:** Claim cheque dispatch details and detailed breakup of claim amount have been added to the website view. The number of customers who have visited Company's website to check the status has also increased to 1,69,608.
5. **Customer Complaints:** Faster settlement of claims/NEFT payments have resulted in reduction in the number of complaints. The Company has seen a 55% reduction in the number of complaints getting registered.

Process & Certification

Your Company has completed its 4th annual Customer and Intermediary Satisfaction Survey by AC Nielsen, results of which were released in February 2012. The scores were in the "Good" range for the Retail & Corporate Customer segment. The Leadership team has identified specific actions to improve the performance on critical customer & distributor touch points. The status of implementation is reviewed on a monthly basis.

RGICL has been re-certified to ISO 9001:2008 standard for its conformance to the Quality Management Systems requirements. The certificate has been awarded by DNV, one of the leading ISO certifying bodies. The initial certification has been achieved in July 2007 and is valid until July 2013.

To increase awareness across the organization, an Internal BPMS & ISO Awareness series and a contest was successfully conducted.

Customer Service and Grievances Redressal Cell

Your Company's Customer Service in this financial year has relied heavily on technology. The successful implementation of IGMS (IRDA portal for Customer Grievance) and the Company's grievance mechanism getting a short in the arm with real time feedback and survey on the Company's website.

The website has been attracting minimum 5 feedback and up to 30 surveys daily apart from these, the website portal is now integrated with CRM (Customer Relationship Management) software to enable customers to create service requests and also view their policy and claim details online.

Your Company had again approached AC Nielson to conduct customer satisfaction survey Pan India. The results which were published in February 2012 has been encouraging with the eQM index showing progress from last year for Customer and retail Intermediary.

Month on Month Analysis, actionable regular grievance meets has ensured complaints and non profitable requests were further

Reliance General Insurance Company Limited

reduced by 26% in the year ending 2012 as compared to 2011. Also the company achieved the best turnaround time for resolution of complaints in the industry for the month of August and September 2011.

Allotment of Shares

During the year under review your Company has allotted on rights basis to Reliance Capital Limited, the holding Company 45,20,408 Equity shares of ₹ 10/- each at a premium of ₹ 970 per shares, aggregating to ₹ 443 Crores.

Fixed deposit

The Company has not accepted any public deposit during the year.

Insurance Regulatory and Development Authority (IRDA) Registration

The certificate of Registration from the Insurance Regulatory and Development Authority was renewed for the year 2012-13. The Company has received certificate Registration number 103 dated 16th March, 2012 from IRDA.

Directors

Mr. D. Sengupta and Mr. Rajendra Chitale, Directors of the Company retires by rotation and being eligible offers them self for re-appointment at the ensuing Annual General Meeting. During the year Mr. Rakesh Jain has been appointed as Executive Director & CEO of the Company in place of Mr. Vijay Pawar w.e.f. 20th October, 2011. Mr. H. Ansari has been appointed as additional Director w.e.f. 8th May, 2012. The Board places on record its deep sense of appreciation for the valuable services rendered by Mr. Vijay Pawar during his tenure as Executive Director & CEO.

Directors' Responsibility Statement

Pursuant to the Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956 and Insurance Regulatory and Development Authority Act, 1999, it is hereby confirmed that:

1. in the preparation of the accounts for the Financial Year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the loss of the Company for the year under review;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and Insurance Act, 1938 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the accounts for the Financial Year ended 31st March, 2012 on a 'Going Concern' basis.
5. an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants, and M/s. Singhi & Co., Chartered Accountants, Joint Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting.

M/s. Pathak H.D. & Associates have been recommended for appointment as Statutory Auditors in place of M/s. Chaturvedi & Shah. The Company has received letters from M/s. Pathak H.D. & Associates and Singhi & Company, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of subsection (3) of Section 226 of the Companies Act, 1956, for such appointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore do not call for any comments.

Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (particular of Employees) Rules, 1975 as amended up to date, the name and other particulars of the employees is set out in the annexure to the Directors.

Conservation of Energy, Technology Absorption and Foreign Exchange earnings and Outgo

Particulars required to be furnished by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are as follows:-

1. Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
2. Foreign exchange inflow and outflow : (₹ in Crore)

Inflow :	On Reinsurance	46.79
	On Claims	NIL
	On Premium	9.50
	On Others	NIL
Outflow :	On Reinsurance	25.87
	On claims	6.10
	On Premium	NIL
	On Others	0.18

Acknowledgement

Your Directors wish to place on record their immense appreciation for the assistance and cooperation received from Insurance Regulatory and Development Authority, Reserve Bank of India and other statutory authorities.

Your Directors appreciate the support received from policyholders and intermediaries and reinsurers.

Your Directors wish to place on record their sincere appreciation for the sustained and dedicated efforts put in by employees at all levels.

For and on behalf of the Board of Directors

S. P. Talwar

Chairman

Mumbai

Dated: May 8, 2012

REPORT ON CORPORATE GOVERNANCE.

1. Philosophy On Corporate Governance

Reliance General Insurance Company Limited has always maintained the highest standards of Corporate Governance principles. RGICL's corporate governance code includes corporate discipline, transparency, independence, accountability, responsibility, fairness and social responsibility. Timely disclosure on all material matters regarding the Company, including the financial situation, performance, ownership and governance arrangements, is part of a corporate governance framework. It also includes Compliance with legal and regulatory requirements. RGICL has also established whistle blowing policy for encouraging and facilitating employees raising concern or reporting a possible breach of law or regulations, with appropriate measures to protect against retaliation against reporting employees. The presence of an active group of independent directors on the board contributes a great deal towards ensuring confidence of the customers and stakeholders. The Company has laid emphasis on the cardinal values of fairness, transparency and accountability for performance at all levels, thereby enhancing the shareholders' value and protecting the interest of the stakeholders.

In our commitment to achieve sound Corporate Governance practices, the Company is guided by the following core principles:

1. To maintain the highest standards of transparency in all aspects of our interactions and dealings.
2. To comply with all the laws and regulations applicable to the Company.
3. To conduct the affairs of the Company in an ethical manner.
4. To promote the interest of all stakeholders including customers, shareholders, employees, lenders, vendors & the community.
5. To improve brand and reputation.
6. Strengthen internal controls and improve risk management.
7. To ensure highest level of responsibility and accountability.
8. Ensure timely dissemination of material information and matters of interest of Stakeholders.

2. Board of Directors

The composition of Board of Directors of the company is as follows;

1. Mr. S. P. Talwar
2. Mr. D. Sengupta
3. Mr. Rajendra Chitale
4. Mr. H. Ansari
5. Mr. Soumen Ghosh
6. Mr. Vijay Pawar
7. Mr. Rakesh Jain (Executive Director & CEO)

Mr. Rakesh Jain has been appointed as the Executive Director and CEO in place of Mr. Vijay Pawar w.e.f. 20.10.2011. Out of the Seven Directors, Four Directors are Independent Directors. As per the Corporate Governance guidelines issued by IRDA, your Company has constituted the Mandatory Committees viz. Audit Committee, Investment Committee, Policyholders Protection Committee & Risk Management Committee.

3. Audit Committee

Your Company has constituted an Audit Committee pursuant to the provisions of Section 292 A of the Companies Act, 1956 & IRDA Corporate Governance regulations. The Audit Committee comprises of Mr. S.P. Talwar, Director, Mr. D. Sengupta, Director and Mr. Soumen Ghosh, Director. Audit Committee inter alia advises the management on the areas where systems, process, internal

audit, risk management can be improved. The minutes of the meeting of the Audit Committee are placed before the Board for review. Audit Committee recommends to the Board, appointment and remuneration of Auditors of the Company. Audit Committee had discussions with Statutory Auditors before the audit commences about the nature & scope of audit as well as post audit discussions for addressing areas of concern.

4. Investment Committee

Your Company has constituted an Investment Committee pursuant to the requirement of Corporate Governance Guidelines of IRDA. During the year, Mr. Vijay Pawar ceased to be Executive Director & Chief Executive Officer of the Company w.e.f. 19.10.2011 and Mr. Rakesh Jain has been appointed in his place. Presently the Committee consists of Mr. S. P. Talwar, Mr. Soumen Ghosh, Mr. Rakesh Jain, Mr. Hemant Jain, Mr. K. Ramkumar & Mr. Gopalkrishna Pai. The Investment Committee decides on the Investment Policy of the Company and reviews the Investment decisions taken by the Company. Report on Investment performance and Investment Portfolio is also placed before the Board for review.

5. Policyholders Protection Committee

Your Company has also constituted Policyholders Protection Committee as required under Corporate Governance Guidelines of IRDA. During the year, Mr. Vijay Pawar ceased to be the member of the committee w.e.f. 19.10.2011 and Mr. Rakesh Jain has been appointed in his place. At present the Committee consists of Mr. S. P. Talwar, Mr. Soumen Ghosh, Mr. Rakesh Jain, Mr. Anil Khanna & Mr. Mukul Kishore. The Committee reviews and monitors customer grievances on regular basis. Report of the Policyholders Protection Committee is also placed before the Board of Directors for review. The Company has Grievance Redressal Policy which is approved by the Board of Directors.

6. Risk Management Committee

Your Company has also constituted Risk Management Committee for monitoring all the risks across the various lines of business of the Company. During the year Mr. Vijay Pawar ceased to be the member of the committee w. e. f. 19.10.2011 and Mr. Rakesh Jain has been appointed in his place. Presently the Committee consists of Mr. D. Sengupta, Mr. Soumen Ghosh, Mr. Rakesh Jain, Mr. Mukul Kishore, Mr. Anil Khanna, Mr. Mohan Khandekar, Mr. Hemant Jain, Mr. K. Ramkumar & Mr. Sudarshanam Sundararajan.

In addition to the above, the Company has also constituted Non Mandatory Committees viz. Committee of Executives (Investments), Asset Liability Management Committee, Nomination Committee, Ethics Committee & Asset Liability Management Committee.

As required under clause 5.4 of the Corporate Governance guidelines dated 5.8.2009, details of number of meetings held of the Board of Directors & Committees in the financial year & details of composition of the Board & committees and meetings attended by the Directors etc. are enclosed as Annexure I & II forming part of this report.

7. Compliance Officer

Mr. Mohan Khandekar, Deputy Vice-President & Company Secretary, is the Compliance Officer of the Company for complying with the requirements of IRDA regulations.

Certification for compliance of the Corporate Governance Guidelines

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

Mohan Khandekar
Deputy Vice President & Company Secretary

ANNEXURE I FORMING PART OF CORPORATE GOVERNANCE REPORT

DETAILS OF NUMBER OF MEETINGS HELD, ATTENDED, COMPENSATION PAID ETC. DURING FINANCIAL YEAR 2011-12

BOARD MEETING

Name of the Director	Meetings held during FY 2011-12	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. S. P. Talwar	5	5	100000
Mr. D. Sengupta	5	5	100000
Mr. Rajendra Chitale	5	5	100000
Mr. Soumen Ghosh	5	5	Nil
Mr. Rakesh Jain (appointed as Executive Director & CEO w.e.f. 20.10.2011)	5	2	Nil
Mr. Vijay Pawar (ceased to be Executive Director & CEO w.e.f. 19.10.2011)	5	5	Nil

POLICYHOLDERS PROTECTION COMMITTEE

Name of the Director	Meetings held during FY 2011-12	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. S. P. Talwar	4	4	80000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (appointed as Executive Director & CEO w.e.f. 20.10.2011)	4	2	Nil
Mr. Vijay Pawar (ceased to be Executive Director & CEO w.e.f. 19.10.2011)	4	2	Nil
Mr. Mukul Kishore	4	4	Nil
Mr. Anil Khanna	4	2	Nil

INVESTMENT COMMITTEE

Name of the Director	Meetings held during FY 2011-12	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. S. P. Talwar	4	4	80000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (appointed as Executive Director & CEO w.e.f. 20.10.2011)	4	2	Nil
Mr. Vijay Pawar (ceased to be Executive Director & CEO w.e.f. 19.10.2011)	4	2	Nil
Mr. Hemant jain	4	4	Nil
Mr. Gopalkrishna Pai	4	4	Nil
Mr. K. Ramkumar	4	4	Nil

AUDIT COMMITTEE.

Name of the Director	Meetings held during FY 2011-12	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. S. P. Talwar	5	5	100000
Mr. D. Sengupta	5	4	80000
Mr. Soumen Ghosh	5	5	Nil

RISK MANAGEMENT COMMITTEE

Name of the Director	Meetings held during FY 2011-12	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. D. Sengupta	4	4	80000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (appointed as Executive Director & CEO w.e.f. 20.10.2011)	4	2	Nil
Mr. Vijay Pawar (ceased to be Executive Director & CEO w.e.f. 19.10.2011)	4	2	Nil
Mr. Mukul Kishore	4	4	Nil
Mr. Anil Khanna	4	3	Nil
Mr. Mohan Khandekar	4	3	Nil
Mr. Hemant Jain	4	4	Nil
Mr. Sudarshanam Sundararajan	4	4	Nil
Mr. K. Ramkumar	4	3	Nil

COMMITTEE OF EXECUTIVES (INVESTMENT)

Name of the Director	Meetings held during FY 2011-12	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. Rakesh Jain (appointed as Executive Director & CEO w.e.f. 20.10.2011)	11	4	Nil
Mr. Mukul Kishore	11	9	Nil
Mr. Hemant Jain	11	10	Nil
Mr. Sudarshanam Sundararajan	11	8	Nil
Mr. K. Ramkumar (appointed as CIO w.e.f. 24.3.2011)	11	11	Nil
Mr. Vijay Pawar (ceased to be Executive Director & CEO w.e.f. 19.10.2011)	11	7	Nil

ANNEXURE II FORMING PART OF CORPORATE GOVERNANCE REPORT

Policyholders Protection Committee

Name	Qualification	Field of Specialization	Category
Mr. S. P. Talwar	B.A., LLB, CAIIB	Banking & Finance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Finance & Insurance	Executive Director & CEO
Mr. Anil Khanna	M.A., Fellow of Insurance Institute of India	Claims	Employee
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee

Investment Committee

Name	Qualification	Field of Specialization	Category
Mr. S. P. Talwar	B.A., LLB, CAIIB	Banking & Finance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Finance & Insurance	Executive Director & CEO
Mr. Hemant Jain	Chartered Accountant	Finance	Employee
Mr. K. Ramkumar	B.Sc (Chemistry), Diploma in Business Finance from ICFAI, Hyderabad, ICWAI	Investments	Employee
Mr. Gopalkrishna Pai	FIAI	Appointed Actuary	Appointed Actuary

Audit Committee

Name	Qualification	Field of Specialization	Category
Mr. S. P. Talwar	B.A., LLB, CAIIB	Banking & Finance	Independent Director
Mr. D. Sengupta	B.Sc, Post Graduate Diploma in Marketing	Insurance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director

Board of Directors

Name	Qualification	Field of Specialization	Category
Mr. S. P. Talwar	B.A., LLB, CAIIB	Banking & Finance	Independent Director
Mr. D. Sengupta	B.Sc, Post Graduate Diploma in Marketing	Insurance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rajendra Chitale	Chartered Accountant	Finance & Insurance	Independent Director

Mr. Vijay Pawar	BSC, M.A. (Economics), LLB, Licentiate Insurance	Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Finance & Insurance	Executive Director & CEO
Mr. H. Ansari	Post Graduate in Science	Insurance	Independent Director

Nomination Committee

Name	Qualification	Field of Specialization	Category
Mr. S. P. Talwar	B.A., LLB, CAIIB	Banking & Finance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Finance & Insurance	Executive Director & CEO

Ethics Committee

Name	Qualification	Field of Specialization	Category
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Finance & Insurance	Executive Director & CEO
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee

Risk Management Committee

Name	Qualification	Field of Specialization	Category
Mr. D. Sengupta	B.Sc, Post Graduate Diploma in Marketing	Insurance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Finance & Insurance	Executive Director & CEO
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee
Mr. Anil Khanna	M.A., Fellow of Insurance Institute of India	Claims	Employee
Mr. Mohan Khandekar	M.Com, LLB, ACS	Company Secretarial and Legal Matters	Employee
Mr. Hemant Jain	Chartered Accountant	Finance	Employee
Mr. Sudarshanam Sundararajan	B.E. (Mech), AIII	Project Insurance, Risk Management	Employee
Mr. K. Ramkumar	B.Sc (Chemistry), Diploma in Business Finance from ICFAI, Hyderabad, ICWAI	Investments	Employee

Reliance General Insurance Company Limited

Committee of Executive (Investments)

Name	Qualification	Field of Specialization	Category
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Finance & Insurance	Executive Director & CEO
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee
Mr. Hemant Jain	Chartered Accountant	Finance	Employee
Mr. Sudarshanam Sundararajan	B.E. (Mech), AIII	Project Insurance, Risk Management	Employee
Mr. K. Ramkumar	B.Sc (Chemistry), Diploma in Business Finance from ICFAI, Hyderabad, ICWAI	Investments	Employee

Asset Liability Management Committee

Name	Qualification	Field of Specialization	Category
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Finance & Insurance	Executive Director & CEO
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee
Mr. Hemant Jain	Chartered Accountant	Finance	Employee
Mr. K. Ramkumar	B.Sc (Chemistry), Diploma in Business Finance from ICFAI, Hyderabad, ICWAI	Investments	Employee
Mr. Sudarshanam Sundararajan	B.E. (Mech), AIII	Project Insurance, Risk Management	Employee

MANAGEMENT REPORT ATTACHED TO THE FINANCIAL STATEMENT**AS ON 31ST MARCH, 2012**

- 1) We confirm that the validity of the registration granted by Insurance Regulatory & Development Authority has not expired.
- 2) We certify that all the dues payable to the statutory authorities have been duly paid.
- 3) We confirm that shareholding pattern is in accordance with the statutory and regulatory requirements.
- 4) We declare that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
- 5) We confirm that the required solvency margins have been maintained.
- 6) We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and that in the best of our belief, the assets set forth in the Balance sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the headings "Investments other than debt securities", "Agents balances", "Outstanding Premium", "Interest and Dividends accrued but not due", "Balances due from other entities carrying on insurance business", "Other Advances", "Advances to Staff", "Deposits" and "Cash".
- 7) The company is exposed to various risks related to its insurance operations and financial risks related to its investment portfolio. The operational & financial risks are being closely monitored and being actively managed. The exposure to the insurance operations is managed by implementing underwriting controls and risk transfer through adequate reinsurance arrangements. Catastrophe risk exposure has been analyzed and accumulation is being monitored. Risk models have also been used on our accumulation to get an estimate and the reinsurance protection has taken to limit our exposure to any one event to an acceptable limit.

In addition to our regular internal audits and technical audits, an important step was taken by establishing an independent Enterprise Risk Management team to oversee all the varied risk exposures and to take steps to mitigate these exposures.
- 8) We have no operations in any country outside India, except representative office at London.
- 9) The Company has a separate internal audit team which audits the operations at its offices.
- 10) We certify that the investments have been valued as per the Accounting Regulations of the IRDA and shown in the Balance Sheet. The market value of investments has been arrived at as per the guidelines given by the Insurance Regulatory and Development Authority based on quoted market price wherever available and based on the market yield for rated securities not quoted and at book value for securities which do not have rating. The investment portfolio is also diversified within limits set under the IRDA regulations.
- 11) Ageing of outstanding Claims indicating the trends in average claim settlement time during the preceding Five years is given below. The outstanding claims include Third party legal cases wherein the matter is subjudice.

(₹ In '000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amt	Count	Amt	Count	Amt	Count	Amt
30 days	60	60,988	142	14,741	1	25	5159	293,925
31 days to 6 Months	117	454,117	151	71,287	2	549	6469	773,110
6 Months to 1 Year	79	356,185	58	140,275	4	1,299	1160	203,935
1 Year to 5 Years	61	331,333	22	34,238	2	5,408	218	67,968
5 Years and Above	1	2,735	-	-	-	-	-	-
Grand Total	318	1,205,358	373	260,541	9	7,281	13006	1,338,937

Reliance General Insurance Company Limited

(₹ In '000)

Period / Class	Motor - TP		Engineering		Liability		Public Liability	
	Count	Amt	Count	Amt	Count	Amt	Count	Amt
30 days	1012	129,022	39	31,165	12	1,665	-	-
31 days to 6 Months	3840	499,643	109	204,529	35	6,567	12	3,825
6 Months to 1 Year	3568	338,949	86	195,178	17	9,562	13	2,931
1 Year to 5 Years	12292	915,131	54	220,807	29	6,245	21	2,896
5 Years and Above	-	-	-	-	-	-	-	-
Grand Total	20712	1,882,745	288	651,679	93	24,038	46	9,652

(₹ In '000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amt	Count	Amt	Count	Amt	Count	Amt	Count	Amt
30 days	84530	99,634	9	1,623	228	29,590	127	33,691	91319	696,069
31 days to 6 Months	74289	74,012	-	-	479	43,117	418	134,397	85921	2,265,152
6 Months to 1 Year	81	7,341	2	100	86	9,864	20	14,777	5174	1,280,395
1 Year to 5 Years	24	1,745	10	924,177	13	12,047	49	22,879	12795	2,544,873
5 Years and Above	-	-	-	-	-	-	-	-	1	2,735
Grand Total	158924	182,731	21	925,900	806	94,618	614	205,744	195210	6,789,225

12) A Majority of the Company's investment is in fixed income securities. The Fixed Income portion is invested mainly in Government securities and AAA or AA+ rated bonds. The primary objective when investing is Safety, Liquidity and Return. The Company monitors the cash position daily and seasonal liquidity needs are considered while planning maturities of investments. None of the fixed income investments have had any delays in servicing of interest or principal amounts. Based on the past track record, the Management has reasonable confidence in the quality and expected performance of the investments, in line with the objectives.

13) We also confirm:

- in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
- the management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit or loss and of the profit or loss of the company for the year;
- the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) / Companies Act, 1956 (1 of 1956), for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the management has prepared the financial statements on a going concern basis;
- the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

14) Details of payments during the financial year to individuals, firms, companies and organisations in which Directors are interested, including reimbursement

Sr. No.	Name Of Director	Entity in which Director is Interested	Interested As	Nature Of Payment	Amount in ₹ ('000)
1	S. P. Talwar	Reliance Life Insurance Limited	Director	Claim	45
		Reliance Communication Limited	Director	Claim	11,405
				Reimbursement paid for software Maintenance	29,281
				Reimbursement Paid For Telecommunication	69,675
		Reimbursement Paid For Rent	729		
Reliance Infratel Limited	Director	Claim	4		
2	Rajendra P. Chitale	Reliance Capital Limited	Director	Claim	420
				Reimbursement paid for Rent & Office Maintenance	24,985
				Reimbursement paid for software Maintenance	32,074
				Management Fee Paid	51,155
		Reliance Equity Advisors Limited	Director	Claim	24
Reliance Life Insurance Limited	Director	Claim	45		
3	Soumen Ghosh	Reliance Life Insurance Limited	Director	Claim	45
		Reliance Capital Asset Management Limited	Director	Claim	96
		Reliance Securities Limited	Director	Claim	47

For and on behalf of the Board of Directors

S. P. Talwar
Director

Soumen Ghosh
Director

Vijay Pawar
Director

Rakesh Jain
Executive Director and CEO

Hemant K. Jain
Chief Financial Officer

Mohan Khandekar
Company Secretary

Place: Mumbai
Date: May 8, 2012

AUDITORS' REPORT

To,

The Members,

Reliance General Insurance Company Limited,

1. We have audited the attached Balance Sheet of Reliance General Insurance Company Limited (the Company) as at March 31, 2012, the Revenue Accounts of Fire, Marine and Miscellaneous Insurance (collectively known as the 'Revenue accounts'), Profit and Loss Account and Receipts and Payments Account of the company 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.
2. We have conducted our Audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and Receipts and Payments Account, have been drawn up in accordance with Insurance Regulatory and Development Authority ('IRDA') (Preparations 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') to the extent applicable.
4. Audit of the previous year figures presented as comparatives was carried out by M/s V. Soundararajan & Co., Chartered Accountants and M/s Chaturvedi & Shah, Chartered Accountants, being the auditors of the Company for that year.
5. We report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) In our opinion 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;
 - c) The financial accounting systems of the Company are centralized and therefore accounting returns are not required to be submitted by branches and other offices;
 - d) The Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payment Account referred to in this report are in agreement with the books of accounts;
 - e) The actuarial valuation of liabilities with respect to claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) has been duly certified by the Company's appointed actuary. The appointed actuary has also certified that the assumptions used for such estimate are appropriate and 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 for forming our opinion on the financial statements of the Company;
 - f) On the basis of the written representations received from the directors, as at March 31, 2012 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause of subsection (1) of section 274 of the Act.
6. Without qualifying our opinion, we invite attention to Note no. 16 in Schedule 17 - Notes to Accounts relating to order dated December 2, 2012 issued under section 33 of the Insurance Act, 1938 by IRDA for strengthening of reserves, infusion of fresh capital, creation of data deficiency reserve and operational risk reserve and other matters including strengthening of systems and procedures, wherein the Company, as explained in aforesaid note, has taken several steps and requested IRDA for fresh review of its financial position as on March 31, 2012.

7. In our opinion and according to the information and explanations given to us, we further report that:
- a) The accounting policies selected by the company are appropriate and are in compliance with the Accounting Standards referred to under section 211 (3C) 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 section 211 (3C) of the Act, to the extent applicable.
 - b) Investments have been valued in accordance with the provisions of Insurance Act, 1938, the Regulations and orders/directions issued by IRDA in this behalf;
 - c) The Balance Sheet, Revenue Accounts, Profit and loss Account and Receipts and Payments Account read together with notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999, the Regulations and the Companies Act, 1956, to the extent applicable, and in the manner so required, and give true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;
 - ii) in the case of the Revenue Accounts, of the surplus/(deficit), as the case maybe for the year ended on that date;
 - iii) in the case of the Profit and Loss Account, of the Loss of the Company, for the year ended on that date; and
 - iv) in the case of the Receipts and Payments Account, of the receipts and payments Account for the year ended on that date.
8. Further, on the basis of our examination of books and records of the Company and according to the information and explanation given to us and to the best of our knowledge and belief, we certify that:
- a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2012 and there are no apparent mistake or material inconsistency with the financial statements; and
 - b) Based on the management's representations made to us and the compliance certificate submitted to the Board by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration as per sub-section 4 of section 3 of the Insurance Act, 1938.

For Singhi & Co.

Chartered Accountants
B2, 402B, Marathon Innova
Off Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
(Registration No. 30249E)

For Chaturvedi & Shah.

Chartered Accountants
714 - 715, Tulsiani Chambers
212, Nariman Point
Mumbai 400 021
(Registration No.101720W)

For Haribhakti & Co.

Chartered Accountants
701, Leela Business Park
Andheri Kurla Road
Andheri (E), Mumbai 400 059
(Registration No. 103523W)

Nikhil Singhi

Partner
Membership No. 061597

Vitesh D Gandhi

Partner
Membership No. 110248

Rakesh Rathi

Partner
Membership No.045228

Place: Mumbai

Date: May 8, 2012

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 other records maintained by Reliance General Insurance Company Limited (the "Company") for the year ended March 31, 2012, we certify that:

- a) We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments as at March 31, 2012, by actual inspection or on the basis of certificates/confirmations received from custodian and/or Depository Participants appointed by the Company, as the case may be;
- b) The Company is not a trustee of any trust; and
- c) No part of the assets of the policyholder's funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholder's funds.

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

For Singhi & Co.

Chartered Accountants
B2, 402B, Marathon Innova
Off Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
(Registration No. 30249E)

For Chaturvedi & Shah.

Chartered Accountants
714 - 715, Tulsiani Chambers
212, Nariman Point
Mumbai 400 021
(Registration No.101720W)

For Haribhakti & Co.

Chartered Accountants
701, Leela Business Park
Andheri Kurla Road
Andheri (E), Mumbai 400 059
(Registration No. 103523W)

Nikhil Singhi

Partner
Membership No. 061597

Vitesh D Gandhi

Partner
Membership No. 110248

Rakesh Rathi

Partner
Membership No.045228

Place: Mumbai

Date: May 8, 2012

Registration No and Date of Registration with the IRDA : Regn. No. 103 dated 23.10.2000

(₹ In '000)

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012			
Fire Insurance Business			
Particulars	Schedule	Current Year	Previous Year
Premium Earned (Net)	1	302,292	307,523
Profit / (loss) on sale/redemption of Investments (Net)		9,772	4,685
Interest, Dividend & Rent – Gross		73,513	44,516
TOTAL (A)		385,577	356,724
Claims Incurred (Net)	2	264,308	176,091
Commission	3	(54,492)	(82,666)
Operating Expenses related to Insurance Business	4	117,775	107,431
Reserve for Premium Deficiency		-	-
TOTAL (B)		327,591	200,856
Operating Profit/(Loss) from Fire Business C= (A) - (B)		57,986	155,868
Appropriations			
Transfer to Shareholders' Accounts		57,986	155,868
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		57,986	155,868
Significant accounting policies and notes to accounts to the Financial Statements	16 & 17		

As required by Section 40C(2) of the Insurance Act, 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far appears from our examination of the company's books of accounts, all expenses of management, wherever incurred, whether directly or indirectly in respect of general insurance business have been fully debited in the revenue accounts as expenditure.

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

As per our Report of even date attached.

For Singhi & Co.

Chartered Accountants

Nikhil Singhi

Partner, Membership No. 061567

For Chaturvedi & Shah

Chartered Accountants

Vitesh Gandhi

Partner, Membership No. 110248

For Haribhakti & Co.

Chartered Accountants

Rakesh Rathi

Partner, Membership No. 045228

For and on behalf of the Board

S. P. Talwar

Director

Vijay Pawar

Director

Soumen Ghosh

Director

Rakesh Jain

Executive Director & CEO

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Place : Mumbai

Date : May 8, 2012

Reliance General Insurance Company Limited

Registration No and Date of Registration with the IRDA : Regn. No. 103 dated 23.10.2000

(₹ In '000)

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012			
Marine Insurance Business			
Particulars	Schedule	Current Year	Previous Year
Premium Earned (Net)	1	98,656	125,615
Profit / (loss) on sale/redemption of Investments (Net)		3,401	1,014
Interest, Dividend & Rent – Gross		25,590	9,636
TOTAL (A)		127,647	136,265
Claims Incurred (Net)	2	102,894	79,065
Commission	3	(6,902)	(5,146)
Operating Expenses related to Insurance Business	4	31,396	40,188
Reserve for Premium Deficiency		2,964	-
TOTAL (B)		130,352	114,107
Operating Profit/(Loss) from Marine Business C= (A) - (B)		(2,705)	22,158
Appropriations			
Transfer to Shareholders' Accounts		(2,705)	22,158
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		(2,705)	22,158
Significant accounting policies and notes to accounts to the Financial Statements	16 & 17		

As required by Section 40C(2) of the Insurance Act, 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far appears from our examination of the company's books of accounts, all expenses of management, wherever incurred, whether directly or indirectly in respect of general insurance business have been fully debited in the revenue accounts as expenditure.

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

As per our Report of even date attached.

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner, Membership No. 061567

For Chaturvedi & Shah
Chartered Accountants

Vitesh Gandhi
Partner, Membership No. 110248

For Haribhakti & Co.
Chartered Accountants

Rakesh Rathi
Partner, Membership No. 045228

Place : Mumbai
Date : May 8, 2012

For and on behalf of the Board

S. P. Talwar
Director

Vijay Pawar
Director

Soumen Ghosh
Director

Rakesh Jain
Executive Director & CEO

Hemant K. Jain
Chief Financial Officer

Mohan Khandekar
Company Secretary

Registration No and Date of Registration with the IRDA : Regn. No. 103 dated 23.10.2000

(₹ In '000)

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012			
Miscellaneous Insurance Business			
Particulars	Schedule	Current Year	Previous Year
Premium Earned (Net)	1	11,229,924	12,504,901
Profit / (loss) on sale/redemption of Investments (Net)		152,159	83,726
Interest, Dividend & Rent – Gross		1,162,990	948,147
Exchange Gain / (loss)		2,231	1,045
Misc Income		2,598	-
TOTAL (A)		12,549,902	13,537,819
Claims Incurred (Net)	2	12,291,484	13,058,658
Commission	3	474,118	(137,344)
Operating Expenses related to Insurance Business	4	3,684,395	4,321,089
Reserve for Premium Deficiency		-	-
TOTAL (B)		16,449,997	17,242,403
Operating Profit/(Loss) from Miscellaneous Business C= (A) - (B)		(3,900,095)	(3,704,584)
Appropriations			
Transfer to Shareholders' Accounts		(3,900,095)	(3,704,584)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		(3,900,095)	(3,704,584)
Significant accounting policies and notes to accounts to the Financial Statements	16 & 17		

As required by Section 40C(2) of the Insurance Act, 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far appears from our examination of the company's books of accounts, all expenses of management, wherever incurred, whether directly or indirectly in respect of general insurance business have been fully debited in the revenue accounts as expenditure.

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

As per our Report of even date attached.

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner, Membership No. 061567

For Chaturvedi & Shah
Chartered Accountants

Vitesh Gandhi
Partner, Membership No. 110248

For Haribhakti & Co.
Chartered Accountants

Rakesh Rathi
Partner, Membership No. 045228

Place : Mumbai
Date : May 8, 2012

For and on behalf of the Board

S. P. Talwar
Director

Vijay Pawar
Director

Soumen Ghosh
Director

Rakesh Jain
Executive Director & CEO

Hemant K. Jain
Chief Financial Officer

Mohan Khandekar
Company Secretary

Reliance General Insurance Company Limited

Registration No and Date of Registration with the IRDA : Regn. No. 103 dated 23.10.2000

(₹ In '000)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2012				
Particulars	Current Year		Previous Year	
Operating Profit / (Loss)				
a. Fire Insurance	57,986		155,868	
b. Marine Insurance	(2,705)		22,158	
c. Miscellaneous Insurance	(3,900,095)		(3,704,584)	
		(3,844,814)		(3,526,558)
Income from Investments				
Interest, Dividend & Rent – Gross	554,475		481,902	
Profit on sale/redemption of investments	76,840		138,176	
Less: Loss on sale/redemption of investment	(3,136)		(87,462)	
		628,179		532,616
Other Income				
Profit on sale of assets	(6,070)		1,213	
Miscellaneous Income	25,462		40,012	
		19,392		41,225
TOTAL (A)		(3,197,243)		(2,952,717)
Provisions (Other than Taxation)				
(a) For diminution in the value of investment	-		-	
(b) For doubtful debts	(170,506)		-	
(c) Others :-				
Provision related to control account	58,824		(140,400)	
Risk reserves (Refer Schedule 17 note 16)	(100,000)		-	(140,400)
Other Expenses				
Expenses other than those related to Insurance Business		(7,068)		(4,476)
Exchange Gain / (loss)		-		-
TOTAL (B)		(218,750)		(144,876)
Profit / (Loss) Before Tax		(3,415,993)		(3,097,593)
Provision for Taxation				
Current Tax		-		-
Deferred Tax		(16,000)		(21,000)
Previous Years Tax		-		2,576
Net Profit / (Loss) After Tax		(3,431,993)		(3,116,017)
Appropriations:				
(a) Interim dividends paid during the year	-		-	
(b) Proposed final dividend	-		-	
(c) Dividend Distribution Tax	-		-	
(d) Transfer to any reserve or other accounts (to be specified):	-		-	
Profit / (Loss) After appropriations		(3,431,993)		(3,116,017)
Balance of Profit / Loss brought forward from last year		(5,274,941)		(2,158,924)
Balance carried forward to Balance Sheet		(8,706,934)		(5,274,941)
Significant Accounting Policies and Notes to Financial Statements (Refer Schedule 16 & 17).				
Basic & Diluted Earning Per Share		(29.24)		(26.80)

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

As per our Report of even date attached.

For Singhi & Co.

Chartered Accountants

Nikhil Singhi

Partner, Membership No. 061567

For Chaturvedi & Shah

Chartered Accountants

Vitesh Gandhi

Partner, Membership No. 110248

For Haribhakti & Co.

Chartered Accountants

Rakesh Rathi

Partner, Membership No. 045228

Place : Mumbai

Date : May 8, 2012

For and on behalf of the Board

S. P. Talwar

Director

Vijay Pawar

Director

Soumen Ghosh

Director

Rakesh Jain

Executive Director & CEO

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Registration No and Date of Registration with the IRDA : Regn. No. 103 dated 23.10.2000

(₹ In '000)

BALANCE SHEET AS AT 31ST MARCH, 2012					
Particulars	Schedule	Current Year		Previous Year	
Sources of funds					
Share Capital	5&5A		1,211,933		1,166,729
Reserves and Surplus	6		14,708,698		10,323,902
Fair Value Change Account			(75,646)		2,857
Borrowings	7		-		-
TOTAL			15,844,985		11,493,488
Application of funds					
Investments	8		27,021,327		21,371,830
Loans	9		300,627		300,627
Fixed Assets	10		251,205		302,230
Deferred Tax Asset			372,735		388,735
Current Assets					
Cash and Bank Balances	11	621,031		672,196	
Advances and Other Assets	12	2,168,693		2,380,723	
Sub-Total (A)			2,789,724		3,052,919
Current Liabilities	13		17,538,360		13,444,095
Provisions	14		6,059,207		5,753,699
Sub-Total (B)			23,597,567		19,197,794
Net Current Assets (C = A - B)			(20,807,843)		(16,144,875)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15		-		-
Debit Balance in Profit & Loss Account			8,706,934		5,274,941
Total			15,844,985		11,493,488
Significant Accounting Policies and Notes to Financial Statements		16 & 17			

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

As per our Report of even date attached.

For Singhi & Co.

Chartered Accountants

Nikhil Singhi

Partner, Membership No. 061567

For Chaturvedi & Shah

Chartered Accountants

Vitesh Gandhi

Partner, Membership No. 110248

For Haribhakti & Co.

Chartered Accountants

Rakesh Rathi

Partner, Membership No. 045228

For and on behalf of the Board**S. P. Talwar**

Director

Vijay Pawar

Director

Soumen Ghosh

Director

Rakesh Jain

Executive Director & CEO

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Place : Mumbai

Date : May 8, 2012

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule - 1

Premium Earned (Net)

(₹ In '000)

Particulars	Financial year	Premium from direct business written	Premium on reinsurance accepted	Premium on reinsurance ceded	Net Premium (3+4-5)	Adjustment for change in reserve for unexpired risks	Net Premium Earned (6+7)
1	2	3	4	5	6	7	8
Fire	2011-12	1,163,250	337,995	1,136,628	364,617	(62,325)	302,292
	2010-11	1,062,669	254,532	1,038,078	279,123	28,400	307,523
Marine Cargo	2011-12	396,806	1,151	302,814	95,143	2,600	97,743
	2010-11	221,456	(2,111)	115,882	103,463	16,200	119,663
Marine Hull	2011-12	8,117	-	6,062	2,055	(1,142)	913
	2010-11	8,580	-	7,628	952	5,000	5,952
Marine Total	2011-12	404,923	1,151	308,876	97,198	1,458	98,656
	2010-11	230,036	(2,111)	123,510	104,415	21,200	125,615
Motor OD	2011-12	6,984,737	-	767,749	6,216,988	160,285	6,377,273
	2010-11	7,384,580	-	755,818	6,628,762	753,600	7,382,362
Motor TP	2011-12	4,365,237	1,807,176	3,499,463	2,672,950	(248,090)	2,424,860
	2010-11	3,364,091	1,297,854	2,438,771	2,223,174	338,034	2,561,208
Motor Total	2011-12	11,349,974	1,807,176	4,267,212	8,889,938	(87,805)	8,802,133
	2010-11	10,748,671	1,297,854	3,194,589	8,851,936	1,091,634	9,943,570
Employer's Liability	2011-12	59,182	-	5,997	53,185	225	53,410
	2010-11	61,998	-	6,322	55,676	3,100	58,776
Public Liability	2011-12	139,601	33	116,304	23,330	(1,425)	21,905
	2010-11	119,699	117	88,961	30,855	(3,000)	27,855
Engineering	2011-12	906,987	80,079	827,800	159,266	(39,700)	119,566
	2010-11	581,715	71,227	672,420	(19,478)	167,700	148,222
Aviation	2011-12	36,487	2,647	53,231	(14,097)	(1,025)	(15,122)
	2010-11	456,431	5,977	501,690	(39,282)	10,000	(29,282)
Personal Accident	2011-12	256,090	-	41,997	214,093	(42,600)	171,493
	2010-11	305,999	-	169,813	136,186	(10,100)	126,086
Health	2011-12	2,252,848	257	356,611	1,896,494	47,200	1,943,694
	2010-11	2,542,802	773	543,977	1,999,598	70,000	2,069,598
Other Misc.	2011-12	556,131	52	400,838	155,345	(22,500)	132,845
	2010-11	444,241	187	295,452	148,976	11,100	160,076
Misc Total	2011-12	15,557,300	1,890,244	6,069,990	11,377,554	(147,630)	11,229,924
	2010-11	15,261,556	1,376,135	5,473,224	11,164,467	1,340,434	12,504,901
Total	2011-12	17,125,473	2,229,390	7,515,494	11,839,369	(208,497)	11,630,872
Total	2010-11	16,554,261	1,628,556	6,634,812	11,548,005	1,390,034	12,938,039

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule - 2

Claims Incurred (Net)

(₹ In '000)

Particulars	Financial year	Claims Paid from direct business written	Claims Paid on reinsurance Accepted	Claims Recovered on reinsurance ceded	Net Claims Paid (3+4-5)	Outstanding Claims at the year end	Outstanding Claims at the year beginning	Net Claims Incurred (6+7-8)
1	2	3	4	5	6	7	8	9
Fire	2011-12	869,645	30,046	680,085	219,606	288,907	244,205	264,308
	2010-11	635,790	28,140	457,895	206,035	244,205	274,149	176,091
Marine Cargo	2011-12	186,564	-	99,003	87,561	78,667	64,200	102,028
	2010-11	189,792	-	86,941	102,851	64,200	76,795	90,256
Marine Hull	2011-12	1,807	-	902	905	1,782	1,821	866
	2010-11	11,296	-	9,130	2,166	1,821	15,178	(11,191)
Marine Total	2011-12	188,371	-	99,905	88,466	80,449	66,021	102,894
	2010-11	201,088	-	96,071	105,017	66,021	91,973	79,065
Motor OD	2011-12	4,503,658	-	446,866	4,056,792	1,459,119	1,337,823	4,178,088
	2010-11	6,096,569	-	628,379	5,468,190	1,337,823	1,322,899	5,483,114
Motor TP	2011-12	3,538,379	1,522,076	2,547,454	2,513,001	11,597,898	8,131,114	5,979,785
	2010-11	3,796,297	1,743,188	2,633,318	2,906,167	8,131,114	6,373,686	4,663,595
Motor Total	2011-12	8,042,037	1,522,076	2,994,320	6,569,793	13,057,017	9,468,937	10,157,873
	2010-11	9,892,866	1,743,188	3,261,697	8,374,357	9,468,937	7,696,585	10,146,709
Employer's Liability	2011-12	16,399	-	1,839	14,560	21,460	13,530	22,490
	2010-11	13,259	-	1,510	11,749	13,530	17,981	7,297
Public Liability	2011-12	2,159	-	812	1,347	8,177	3,493	6,031
	2010-11	(1,800)	-	(318)	(1,482)	3,493	8,117	(6,106)
Engineering	2011-12	458,673	78	304,841	153,910	148,976	195,266	107,620
	2010-11	444,787	100	328,227	116,660	195,266	136,831	175,095
Aviation	2011-12	333,942	-	325,316	8,626	6	1,919	6,713
	2010-11	1,860,633	-	1,806,461	54,172	1,919	27,820	28,271
Personal Accident	2011-12	213,905	-	111,043	102,862	94,697	40,944	156,615
	2010-11	283,848	-	192,868	90,980	40,944	50,753	81,171
Health	2011-12	2,054,392	-	280,731	1,773,661	377,568	484,034	1,667,195
	2010-11	3,141,546	-	485,475	2,656,071	484,034	580,990	2,559,115
Other Misc.	2011-12	389,657	-	285,995	103,662	121,742	58,457	166,947
	2010-11	515,385	721	417,784	98,322	58,457	89,674	67,106
Misc Total	2011-12	11,511,164	1,522,154	4,304,897	8,728,421	13,829,643	10,266,580	12,291,484
	2010-11	16,150,524	1,744,009	6,493,704	11,400,829	10,266,580	8,608,751	13,058,658
Total	2011-12	12,569,180	1,552,200	5,084,887	9,036,493	14,198,999	10,576,806	12,658,686
Total	2010-11	16,987,402	1,772,149	7,047,670	11,711,881	10,576,806	8,974,873	13,313,814

Reliance General Insurance Company Limited

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule - 3

Commission (Net)

(₹ In '000)

Particulars	Financial year	Commission Paid	Commission paid on reinsurance accepted	Commission received from reinsurance ceded	Net commission (3+4-5)
1	2	3	4	5	6
Fire	2011-12	65,347	12,514	132,353	(54,492)
	2010-11	50,374	12,079	145,119	(82,666)
Marine Cargo	2011-12	21,325	53	28,192	(6,814)
	2010-11	10,448	4	15,089	(4,637)
Marine Hull	2011-12	517	-	605	(88)
	2010-11	391	-	900	(509)
Marine Total	2011-12	21,842	53	28,797	(6,902)
	2010-11	10,839	4	15,989	(5,146)
Motor OD	2011-12	522,543	-	104,152	418,391
	2010-11	146,701	-	147,321	(620)
Motor TP	2011-12	-	-	-	-
	2010-11	-	-	(25)	25
Motor Total	2011-12	522,543	-	104,152	418,391
	2010-11	146,701	-	147,296	(595)
Employer's Liability	2011-12	4,752	-	883	3,869
	2010-11	2,519	-	964	1,555
Public Liability	2011-12	3,439	-	9,043	(5,604)
	2010-11	2,062	1	8,976	(6,913)
Engineering	2011-12	52,053	4,263	153,512	(97,196)
	2010-11	23,702	2,836	164,068	(137,530)
Aviation	2011-12	1,343	383	1,327	399
	2010-11	2,610	1,146	871	2,885
Personal Accident	2011-12	20,357	-	3,197	17,160
	2010-11	11,982	-	19,026	(7,044)
Health	2011-12	172,665	3	46,317	126,351
	2010-11	71,300	8	64,099	7,209
Other Misc.	2011-12	31,563	1	20,816	10,748
	2010-11	22,348	2	19,261	3,089
Misc Total	2011-12	808,715	4,650	339,247	474,118
	2010-11	283,224	3,993	424,561	(137,344)
Total	2011-12	895,904	17,217	500,397	412,724
Total	2010-11	344,437	16,076	585,669	(225,156)

Schedule 3 A

Commission Paid - Direct

(₹ In '000)

Particulars	Paid in India		Paid Outside India	
	2011-12	2010-11	2011-12	2010-11
Agents	567,737	108,847	-	-
Brokers	297,666	191,099	-	-
Corporate agency	30,501	44,491	-	-
Referral	-	-	-	-
Total	895,904	344,437	-	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule - 4

Operating Expenses related to insurance business

(₹ In '000)

Particulars	Current Year		Previous Year	
Employees' remuneration & welfare benefits		1,022,840		938,174
Company's contribution to Provident fund and others		54,488		46,710
Travel, conveyance and vehicle running expenses		47,911		48,547
Rents, rates & taxes		580,179		384,057
Repairs		240,706		218,745
Printing & Stationery		151,622		480,994
Communication expenses		126,917		121,412
Postage expenses		164,540		555,600
Legal & professional charges		156,332		146,331
Auditors Fees, expenses, etc.				
a. As auditor	4,500		3,370	
b. As advisor or in any other capacity	-		-	
c. In any other capacity	-	4,500	-	3,370
Advertisement and Publicity		631,911		44,371
Interest & Bank Charges		31,947		41,231
Others :				
Directors' Sitting fees		720		720
Entertainment expenses		2,263		1,311
Office maintenance expenses		146,952		108,438
Office management expenses		311,471		1,080,862
Recruitment & Training expenses		20,529		18,322
Depreciation		115,059		181,669
Subscriptions and membership fees		23,074		26,599
Coinsurance Expenses (net)		(844)		5,232
Miscellaneous expenses		7,517		20,489
TOTAL		3,840,634		4,473,184
Allocation:				
Fire Revenue Account		117,775		107,431
Marine Revenue Account		31,396		40,188
Miscellaneous Revenue Account		3,684,395		4,321,089
Expenses not relating to Insurance Business taken in Profit & Loss A/c		7,068		4,476
TOTAL		3,840,634		4,473,184

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 5

SHARE CAPITAL

(₹ In '000)

Particulars	Current Year		Previous Year	
	No. of Shares	% of holding	No. of Shares	% of holding
Authorized Capital 20,00,00,000 (Previous Year 20,00,00,000) Equity Shares of Rs10 each		2,000,000		2,000,000
Issued Capital 121,193,328 (Previous Year 116,672,920) Equity Shares of Rs10 each		1,211,933		1,166,729
Subscribed Capital 121,193,328 (Previous Year 116,672,920) Equity Shares of Rs10 each		1,211,933		1,166,729
Called Up Capital 121,193,328 (Previous Year 116,672,920) Equity Shares of Rs10 each		1,211,933		1,166,729
Less: Calls Unpaid		-		-
Add: Equity Share forfeited (Amount originally paid up)		-		-
Less: Par value of Equity shares bought back		-		-
Less:				
(i) Preliminary Expenses to the extent not written off		-		-
(ii) Expenses including commission or brokerage on underwriting or subscription of shares		-		-
Total		1,211,933		1,166,729

Note: Of the above 116,898,656 shares are held by Holding Company, Reliance Capital Limited (previous year 112,378,248 Equity shares).

Schedule - 5A

Pattern of Share Holding (As certified by the Management)

(₹ In '000)

ShareHolder	Current Year		Previous Year	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoters- Indian				
Holding Company- Indian	116,898,656	96.46%	112,378,248	96.32%
Holding Company- Foreign	-	0.00%	-	0.00%
Others				
Reliance General Insurance Employees Benefit Trust	4,294,672	3.54%	4,294,672	3.68%
Total	121,193,328	100.00%	116,672,920	100%

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**SCHEDULE - 6****RESERVES AND SURPLUS**

(₹ In '000)

Particulars	Current Year		Previous Year	
Capital Reserve		-		-
Capital Redemption Reserve		-		-
Share Premium		14,708,698		10,323,902
General Reserve		-		-
Catastrophe Reserve		-		-
Other Reserves		-		-
Balance in Profit and Loss Account		-		-
Total		14,708,698		10,323,902

SCHEDULE - 7**Borrowings**

(₹ In '000)

Particulars	Current Year		Previous Year	
Debentures/ Bonds		-		-
Banks		-		-
Financial Institutions		-		-
Others		-		-
Total		-		-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8

INVESTMENTS

(₹ In '000)

Particulars	Current Year		Previous Year	
LONG TERM INVESTMENTS				
Government securities and Government guaranteed bonds including Treasury Bills	7,186,897		5,989,086	
Other Approved Securities	587,512		387,808	
Other Investments :				
(a) Equity Shares	345,940		238,829	
(b) Mutual Funds	-		-	
(c) Derivative Instruments	-		-	
(d) Debentures/ Bonds	3,081,264		6,034,907	
(e) Other securities	-		-	
Investments in Infrastructure and social sector	6,213,191		2,565,594	
Other than Approved Investments	50,997		60,583	
Total Long Term Investments		17,465,801		15,276,807
SHORT TERM INVESTMENTS				
Government securities and Government guaranteed bonds including Treasury Bills	405,672		352,579	
Other Approved Securities	64,302		222,417	
Other Investments :				
(a) Equity Shares	-		-	
(b) Mutual Funds	170,053		100,000	
(c) Derivative Instruments	-		-	
(d) Debentures/ Bonds	7,541,732		4,539,539	
(e) Other securities	-		-	
Investments in Infrastructure and social sector	1,177,375		753,588	
Other than Approved Investments	196,392		126,900	
Total Short Term Investments		9,555,526		6,095,023
Total		27,021,327		21,371,830

1. The value of Investment Other than listed equity shares is as follows:

(₹ In '000)

Particulars	Current Year	Previous Year
Book Value	26,581,358	21,085,879
Market Value	26,076,450	20,682,692

2. Government Securities include ₹ 136,629 thousands as at 31st March 2012 (Previous Year ₹ 101,571 thousands), deposit u/s 7 of the Insurance Act, 1938.

3. All the above investments are performing assets.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9

LOANS

(₹ In '000)

Particulars	Current Year		Previous Year	
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	300,627		300,627	
TOTAL		300,627		300,627
BORROWER-WISE CLASSIFICATION				
(a) Central and State Governments	-		-	
(b) Banks and Financial Institutions	-		-	
(c) Subsidiaries	-		-	
(d) Industrial Undertakings	-		-	
(e) Others - Trustees of Reliance General Insurance Employee's Benefit Trust*	300,627		300,627	
TOTAL		300,627		300,627
PERFORMANCE-WISE CLASSIFICATION				
(a) Loans classified as standard	-		-	
(aa) In India	300,627		300,627	
(bb) Outside India	-		-	
(b) Non-performing loans less provisions				
(aa) In India	-		-	
(bb) Outside India	-		-	
TOTAL		300,627		300,627
MATURITY-WISE CLASSIFICATION				
(a) Short Term	-		-	
(b) Long Term	300,627		300,627	
TOTAL		300,627		300,627

*During the previous financial year names were interchangeably used however, the name refers to the same party

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 10

FIXED ASSETS AS AT 31ST MARCH 2012

(₹ In '000)

Description	Gross Block			Depreciation			Net Block		
	As at 01-04-11	Additions	Deductions	As at 31-03-12	As at 01-04-11	For the year	Deductions	As at 31-03-12	As at 31-03-11
Furniture & Fittings	90,008	1,294	6,418	84,884	56,496	6,150	4,459	58,187	33,512
Leasehold Improvements	76,552	1,078	9,137	68,493	71,740	5,004	9,137	67,607	4,812
Information Technology Equipment	246,942	30,672	4,282	273,332	201,759	24,687	3,738	222,708	45,183
Intangible Asset (Computer Software)	545,636	26,752	-	572,388	460,634	56,066	-	516,700	85,002
Vehicles	8,882	-	92	8,790	7,097	460	79	7,478	1,785
Office Equipment	231,762	5,567	16,054	221,275	107,054	21,741	8,652	120,143	124,708
Plant & Machinery	11,609	171	1,548	10,232	4,381	951	646	4,686	7,228
Total	1,211,391	65,534	37,531	1,239,394	909,161	115,059	26,711	997,509	302,230
Capital WIP	-	32,953	23,633	9,320	-	-	-	-	-
Grand Total	1,211,391	98,487	61,164	1,248,714	909,161	115,059	26,711	997,509	302,230
Previous Year (2010-11)	1,234,895	65,069	88,573	1,211,391	759,827	181,669	32,337	909,161	302,230

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**SCHEDULE - 11****CASH AND BANK BALANCES**

(₹ In '000)

Particulars	Current Year		Previous Year	
Cash (including drafts and stamps on hand)		27,790		3,276
Bank Balances				
(a) Deposit Accounts				
(aa) Short - term (due within 12 months)	2,608		-	
(aa) Others	-		-	
(b) Current Accounts	433,441		651,080	
(c') Cheques on Hand	157,192	593,241	17,840	668,920
Money at Call and Short Notice				
(a) Within Bank	-		-	
(b) With other Institutions	-	-	-	-
Others	-	-	-	-
Total		621,031		672,196
Balances with non-scheduled banks included in "Current Accounts" above		-		-

Short term deposit represents fixed deposit given to bank for bank guarantee.

Schedule - 12**Advances and Other Assets**

(₹ In '000)

Particulars	Current Year		Previous Year	
Advances				
Reserve deposits with Ceding Companies		-		-
Application money for investments		-		-
Prepayments		27,560		132,824
Advances to Directors/ Officers		-		-
Advance tax paid and taxes deducted at source (Net of provision for taxation)		12,324		11,693
Others				
- Rental & Other Deposits	206,916		184,367	
- Advances to Staff	682		412	
- Unutilised Service Tax Credit and VAT	12,773		-	
- Other Advances	366,456		395,824	
Less : Provision	(219,176)	367,651	(278,000)	302,603
Other Assets				
Income accrued on investments	867,962		496,942	
Outstanding Premium	3		-	
Agents' Balances	3,080		567	
Due from other entities carrying on insurance business	1,060,619		1,436,094	
Less : Provision for doubtful debts	(170,506)	1,761,158	-	
"Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)"	-		-	1,933,603
Total		2,168,693		2,380,723

Reliance General Insurance Company Limited

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule - 13

Current Liabilities

(₹ In '000)

Particulars	Current Year		Previous Year	
Agents' Balances		80,391		19,984
Balances due to other insurance companies		702,911		229,274
Premium received in Advance		127,239		129,139
Unallocated Premium		220,965		159,766
Sundry Creditors		1,356,468		1,040,620
Claims Outstanding		14,198,999		10,576,806
Due to Officers / Directors		12		35
Others :				
- Unclaimed amount of policyholders	270,153		312,969	
- Environmental Relief Fund Payable	247		5	
- Reserve for Premium Deficiency	2,964		-	
- Temporary Overdraft as per books of accounts only	578,011		967,675	
- Service Tax & VAT Liability	-	851,375	7,822	1,288,471
Total		17,538,360		13,444,095

SCHEDULE - 14

PROVISIONS

(₹ In '000)

Particulars	Current Year		Previous Year	
Reserve for Unexpired Risk		5,943,121		5,734,624
For Taxation (less advance tax paid and Tax deducted at source)		-		-
Provision for doubtful debts		-		-
For Proposed Dividends		-		-
For Dividend distribution tax		-		-
Others :				
- For Leave Encashment	16,086		19,075	
- For Risk Reserves	100,000	116,086	-	19,075
Total		6,059,207		5,753,699

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(₹ In '000)

Particulars	Current Year		Previous Year	
Discount Allowed in issue of shares/ debentures		-		-
Others		-		-
Total		-		-

REGISTRATION NO AND DATE OF REGISTRATION WITH THE IRDA : REGN. NO. 103 DATED 23.10.2000

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ In '000)

Particulars	Current Year		Previous Year	
Cash and cash equivalents at the beginning of the year		(295,479)		(11,871)
Cash flows from operating activities :				
Direct Premiums received	17,123,573		16,477,259	
Payment to re-insurers, net of commissions and claims	(393,966)		5,223,741	
Payment to co-insurers, net of claims recovery	4,213		717,640	
Direct Claims Paid	(12,569,180)		(16,987,404)	
Direct Commission / Brokerage Payments	(815,048)		(122,971)	
Payment of other operating expenses	(3,280,879)		(4,233,511)	
Preliminary and pre-operating expenses	-		-	
Deposits, Advances, and Staff loans	(99,845)		424,174	
Service Tax (Net)	(20,594)		28,885	
Income tax paid (Net)	113		93,313	
Wealth tax paid	-		290	
Misc Receipts/payments	4,868		3,721	
Cash flow before extraordinary items		(46,745)		1,625,137
Cash flow from extraordinary operations		-		-
Cash flow from operating activities		(46,745)		1,625,137
Cash flows from investing activities :				
Purchase of investments (Net)	(19,461,026)		(37,956,088)	
Sale of Investments (Including gain/ Loss)	17,417,499		32,955,141	
Purchase of fixed Assets including CWIP	(74,853)		(65,069)	
Proceeds from sale of fixed assets	4,750		57,373	
Rent/ Interest/ Dividends received	1,405,701		1,263,120	
Investment in money market instruments and in liquid mutual funds (Net)	(3,329,758)		421,255	
Repayment received	-		-	
Loan Given	-		-	
Expenses related to investments	(7,068)		(4,476)	
Net Cash flow from investing activities		(4,044,755)		(3,328,744)
Cash flows from financing activities :				
Proceeds from issuance of share capital	4,430,000		1,419,999	
Proceeds from borrowings	-		-	
Repayment of borrowings	-		-	
Interest/ Dividend Paid	-		-	
Cash flow from financing activities		4,430,000		1,419,999
Cash and cash equivalents at the end of the year including Bank Overdraft		43,020		(295,479)
* Cash and cash Equivalent at the end of period:				
Cash & Bank balance as per schedule		621,031		672,196
Less: Temporary book over draft as per schedule		578,011		967,675
Cash and Cash Equivalent at the end of period		43,020		(295,479)

As per our Report of even date attached.

For Singhi & Co.

Chartered Accountants

Nikhil Singhi

Partner, Membership No. 061567

For Chaturvedi & Shah

Chartered Accountants

Vitesh Gandhi

Partner, Membership No. 110248

For Haribhakti & Co.

Chartered Accountants

Rakesh Rathi

Partner, Membership No. 045228

Place : Mumbai

Date : May 8, 2012

For and on behalf of the Board**S. P. Talwar**

Director

Vijay Pawar

Director

Soumen Ghosh

Director

Rakesh Jain

Executive Director & CEO

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Reliance General Insurance Company Limited

SCHEDULE - 16

Significant Accounting Policies forming part of the financial statements as at 31st March, 2012

1. Basis of Preparation of Financial Statements

The accompanying financial statements are drawn up in accordance with the Insurance Regulatory and Development Authority Act, 1999, The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, and orders and directions issued by IRDA in this behalf and the Regulations framed there under read with relevant provisions of The Insurance Act, 1938 and The Companies Act, 1956 to the extent applicable. The financial statements have been prepared under historical cost convention and on accrual basis in accordance with the generally accepted accounting principles, in compliance with the Accounting Standard (AS) as prescribed in the Companies (Accounting Standard) Rules 2006 to the extent applicable and conform to the statutory provisions in regard to general insurance operations in India.

2. Use of Estimates

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

3. Revenue Recognition

a) Premium

Premium net of service tax is recognized as income over the contract period or the period of risk which ever is appropriate. Any subsequent revisions to or cancellations of premium are recognised in the year in which they occur.

b) Commission

- I. Commission income on reinsurance cessions is recognized as income in the period in which reinsurance premium is ceded.
- II. Profit commission under reinsurance treaties wherever applicable, is recognized on accrual. Any subsequent revisions of profit commission are recognized for in the year in which final determination of the profits are intimated by reinsurers.

c) Income earned on investments

Interest income is recognized on accrual basis. Accretion of discount and amortization of premium relating to debt securities is recognized over the holding / maturity period on constant yield method. Dividend is recognized when right to receive dividend is established. Realised profit or loss on sale/redemption of securities is recognized on trade date basis. In determining the realised profit and loss, the cost of securities is arrived at on weighted average cost basis. Further, in case of listed equity shares and mutual funds the profit and loss also includes accumulated changes in the fair value previously recognized in the fair value change account under the equity and includes effects on accumulated fair value changes, previously recognized, for specific investments sold/redeemed during the year.

4. 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.

5. Reinsurance

- i. Reinsurance is ceded in the year in which the risk commences and recognized over the Contract period. Any subsequent revision to refunds or cancellation of premiums are recognized in the year in which they occur.
- ii. Reinsurance inward is accounted to the extent of the returns received from the reinsurers.

6. Reserve for Unexpired Risk

- i. Reserve for unexpired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the succeeding accounting periods, subject to the provisions of requirements under Section 64V (1) (ii)(b) of the Insurance Act, 1938. Reserve for unexpired risk is made at 100% of net premium for marine hull business and 50% of net premium for other class of business except unexpired risk in Health segment.
- ii. In case of Health segment, the Reserve for Unexpired Risks is created at the end of the Accounting period based on the 1/365 method as per IRDA Circular No. IRDA/F&A/CIR/49/Mar-09 dated 24th March, 2009 and IRDA/F&I/CIR/F&A/015/02/2011 dated 2nd February, 2011.

7. Claims Incurred

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey / legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

Estimated liability for outstanding claims at Balance Sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation.

Estimated liability for outstanding claims is determined by management on the basis of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information.

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on actuarial estimate duly certified by the appointed actuary of the Company. IBNR/IBNER has been created on re-insurance accepted from Indian Motor Third Party Insurance Pool (IMTPIP) based on actuarial estimates received from the IMTPIP.

8. Acquisition Cost

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

9. Loans

Loans are stated at historical cost, subject to provision for impairment, if any.

10. 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 subsequent accounting period as the reserve for unexpired risk. Premium deficiency is calculated by line of business as per IRDA circular F&A/ CIR/ 017/ May-04 dated 18th May 2004. The company considers maintenance as relevant costs incurred for ensuring claim handling operations.

11. Investments

- i. Investments are carried at cost on weighted average basis. Cost includes brokerage, securities transactions tax, stamp duty and other charges incidental to transactions.
- ii. Investment in debt securities is shown in the Balance sheet at historical cost subject to amortisation/accretion of the premium/discount over the maturity period based on constant yield method.
- iii. Investment in equity shares as at the Balance Sheet date is stated at fair value, being the lowest of last quoted closing price

Reliance General Insurance Company Limited

on the National Stock Exchange or Bombay Stock Exchange. Unrealized gains/losses are credited / debited to fair value change account.

- iv. Investment in Mutual Funds units is stated at previous day's Net Asset Value (NAV) at the Balance Sheet date. Unrealized gains/losses are credited / debited to fair value change account.
- v. In accordance with the regulations, unrealized gain/loss arising due to changes in fair value of listed equity shares is taken to the fair value change account. This balance in the fair value change account is not available for distribution, pending realization.

12. Impairment of Investments

The Company assesses at each Balance Sheet date whether there is any indication that any investment in equity or units of mutual funds is impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognized in the revenue(s)/profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and investment is restated to that extent.

13. Employee Stock Option Plan

The company follows the intrinsic method for computing the compensation cost, for options granted under the Plan. The difference, if any, between the intrinsic value and the exercise price, being the compensation cost is amortized over the vesting period of the options.

14. Fixed Assets & Depreciation/Amortisation

- i. Fixed assets are stated at cost less accumulated depreciation.
- ii. Depreciation on Fixed Assets is provided on Written down Value basis at the rates and the manner provided in Schedule XIV to the Companies Act, 1956.
- iii. Lease Hold Improvements, is amortized over the primary period of lease. Assets purchased for value not exceeding ₹ 5000/- is written off during the year of purchase.
- iv. Intangible assets are stated at cost of acquisition less accumulated amortization. The same is amortized over a period of three years on straight line basis.

15. Impairment of Assets

The Company assesses at each Balance Sheet Date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in the profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

16. Employee Benefits

I. Short Term Employee Benefits

All Short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

II. Defined Contribution Plan

Provident fund

Each eligible employee and the Company make an equal contribution at a percentage of the basic salary specified under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further obligations under the plan beyond its periodic contributions. The company contribution towards this fund is charged to profit and loss account and revenue accounts as applicable.

Superannuation

The Company has incorporated a superannuation trust. The superannuation contribution is based on a percentage of basic salary payable to eligible employees for the period of service. The company contribution towards this trust is charged to profit and loss account and revenue accounts as applicable.

III. Defined Benefit Plan

The Company has incorporated a gratuity trust. Gratuity, which is a Defined Benefit Scheme is accounted for on the basis of an actuarial valuation done at the year end and is charged to the profit and loss account and revenue accounts as applicable.

IV. Other Long Term Employee Benefits

Accrued Leave is a Long Term Employee Benefit. Compensated absences are provided based on actuarial valuation as at Balance Sheet date and is recognized in the profit and loss account and revenue accounts as applicable.

17. Foreign Currency Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year end are reinstated at the year end rates. Non-monetary foreign currency items are carried at cost. Any gain or loss on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account and Revenue Accounts as applicable.

18. Provision for Taxation

The Company provides for Income Tax in accordance with the provisions of Income Tax Act 1961. Provision for Income Tax is made on the basis of estimated taxable income for the year at current rates. Tax expenses comprises of both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current tax represents the amounts of Income Tax payable/recoverable in respect of the taxable income/loss for the reporting period.

Deferred Tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation and carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty backed by the convincing evidence of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realized.

19. Allocation of Expenses

- i. Expenses relating to insurance business are allocated on the basis of net premium written to the Revenue Accounts.
- ii. Expenses relating to investment activities are charged to the Profit and Loss Account.

20. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

SCHEDULE - 17**Notes forming part of the Accounts as on 31st March 2012****1. Contingent Liabilities:**

- a. Partly paid investments: Nil (Previous year Nil)
- b. Underwriting commitments outstanding: Nil (Previous year Nil)

Reliance General Insurance Company Limited

- c. Claims, other than those under policies, not acknowledged as debts: 10,338 thousands (Previous year Nil)
- d. Guarantees given by or on behalf of the company: ₹ 2,608 thousands (Previous year Nil)
- e. Statutory demands/liabilities in dispute, not provided for:

The company has disputed the demand raised by the income tax department for non deduction of tax at source for A. Y. 2009-10 for ₹ 1,238 thousands (Previous year ₹ 1,238 thousands).

- f. Reinsurance obligations to the extent not provided for in accounts: Nil (Previous year Nil)
 - g. Others Nil (Previous year Nil).
- 2. The management has sent confirmation letters to the vendors asking for their registrations under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). However, no confirmations have been received by management and therefore no provision has been made for the same. However, in view of the management, the impact of interest, if any, that may be payable in accordance with Provisions of the Act is not expected to be material.
 - 3. There are no encumbrances to the assets of the company in and outside India.
 - 4. The company has not invested any amount in real estate in the current financial year.

5. Premium

- i. All premiums net of reinsurance are written and received in India.
 - ii. Premium income recognised on "Varying Risk Pattern" is Nil. (Previous year: Nil)
- 6. i. There are no commitments made and outstanding for Loans (Previous year Nil).
 - ii. The commitments made and outstanding for Investments are ₹ 214,103 thousands. (Previous year ₹ 456,906 thousands).
- 7. Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets(net of advances) is ₹ 6,855 thousands (Previous year ₹ Nil thousands).

8. Allocation of Investment Income

Investment Income has been allocated between revenue accounts and profit and loss account on the basis of the ratio of average policyholders funds to average shareholders fund respectively; average being the balance at the beginning of the year and at the end of the year.

Further, Investment Income between Policy Holders is allocated on the basis of Gross Written Premium.

- 9. As per IRDA circular No IRDA/F&A/CIR/49/ Mar-09 dated 24th March, 2009 and IRDA/F&I/CIR/F&A/015/02/2011 dated 2nd February, 2011 in respect of Health segment, the Unexpired Risk Reserve (URR) has been created on the basis of 1/365 method which is less than as provided under Section 64V(1)(ii)(b) of the Act, due to which it is resulting in an accounting surplus amounting to ₹ 95,447 thousands (Previous Year ₹ 99,800 thousands) and as per circular the said amount needs to be transferred to the Contingency Reserve and such accounting surplus shall not be available for distribution to the shareholders without the explicit approval of the Authority. Due to unavailability of profits, the said reserve has not been created.

10. Employee Benefit:

- a) Define Contribution Plan: During the year company has recognized ₹ 45,709 thousands as expenses (Previous year ₹ 43,854 thousands)
- b) Define Benefit Plan: The disclosure required under the define benefit plan as per AS 15 for gratuity fund is as follow:

Particulars	Current Year	Previous Year
I. Assumptions :		
Discount Rate	8.50%	8.25%
Rate of Return on Plan Assets	8.50%	8.25%
Salary Escalation	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the Year	30,300	29,817
Interest Cost	2,500	2,385
Current Service Cost	8,844	10,112
Benefit Paid	(4,752)	(4,494)
Actuarial (Gain)/Loss on obligations	(1,802)	(7,520)
Liability at the end of the Year	35,090	30,300
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	33,533	35,904
Expected Return on Plan Assets	2,767	2,872
Contributions	-	4
Benefit Paid	(4,752)	(4,494)
Actuarial Gain/(Loss) on Plan Assets	(1,454)	(753)
Fair Value of Plan Assets at the end of the Year	30,097	33,533
Total Actuarial Gain/(Loss) To Be Recognised	345	6,767
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	2,767	2,872
Actuarial Gain/(Loss) on Plan Assets	(1,454)	(753)
Actual Return on Plan Assets	1,313	2,119
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	35,090	30,300
Fair Value of Plan Assets at the end of the Year	30,097	33,533
Difference	4,993	(3,233)
Amount Recognised in the Balance Sheet	4,993	(3,233)
VI. Expenses Recognised in the Income Statement :		
Current Service Cost	8,844	10,112
Interest Cost	2,500	2,385
Expected Return on Plan Assets	(2,767)	(2,872)
Net Actuarial (Gain)/Loss To Be Recognised	(345)	(6,767)
Expense Recognised in P& L	8,226	2,858
VII. Amount Recognised in the Balance Sheet :		
Opening Net Liability	(3,233)	(6,087)
Expense as above	8,226	2,858
Employers Contribution paid	-	(4)
Closing Net Liability	4,993	(3,233)

Reliance General Insurance Company Limited

11. Out of 1,95,210 claims (previous year 44,237 claims) reported and outstanding amounting to (Gross) ₹ 6,789,225 thousands (previous year ₹ 5,561,418 thousands), 17,970 Claims amounting to ₹ 3,828,004 thousands (previous year 19,740 Claims amounting to ₹ 3,696,113 thousands) are outstanding for more than six months from the date of intimation. These are outstanding on account of various reasons such as pending reinstatement, incomplete documents etc.
12. The deferred tax assets and liabilities arising due to timing differences have been recognized in the financial statements as under:

Deferred Tax Asset/(Liability) (Net) as at 31st March, 2012 comprises of the following -

(₹ In '000)

Particulars	Current Year	Previous Year
Deferred Tax Asset		
Related to Fixed Assets	13,404	9,327
Related to Leave Encashment Provision	5,219	6,380
Unabsorbed Depreciation	326,648	279,872
Carry forward losses	46,840	131,564
Total	392,111	427,143
Deferred Tax Liability		
Reserve for Unexpired Risk	19,377	38,408
Total	19,377	38,408
Deferred Tax Asset/(Liability)(Net)	372,734	388,734
Deferred tax expense/(income) recognized in the Profit and Loss A/c	16,000	21,000

13. Employee Stock Option Plan (ESOP)

The company had introduced the Employee Stock Option Plan during the F. Y. 2008-09 under which options were granted to the employees of the Company on the basis of their performance and other eligibility criteria. During the year the Company granted Nil equity shares (Previous year Nil) to Reliance General Insurance Employees' Benefit Trust. These options are planned to be settled in cash or equity at the time of exercise and have maximum period of 7 years from the date of respective grants. The plan existing during the year is as follows:

Exercise Period	On completion of 3 years	30%
	On completion of 4 years	30%
	On completion of 5 years	40%

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:

Particulars	Current Year			Previous Year		
	No of stock options	Weighted average exercise Price (Rs.)	Weighted average remaining contractual Life (in Years)	No of stock options	Weighted average exercise Price (Rs.)	Weighted average remaining contractual Life (in Years)
Outstanding at beginning of year	524,600	70	4.46	664,300	70	4.46
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Lapsed / Forfeited	64,700	-	-	139,700	-	-
Outstanding at the year end	459,900	70	-	524,600	70	-
Exercisable at end of year	459,900	70	-	524,600	70	-

19. Indian Motor Third Party Insurance Pool (IMTPIP)

- (a) In accordance with the directions of IRDA, the Company, together with other insurance companies, participates in the Indian Motor Third Party Insurance Pool (IMTPIP). The IMTPIP is a multilateral reinsurance arrangement, in which all member companies are compulsorily required to participate. The IMTPIP is administered by the General Insurance Corporation of India ('GIC'). The IMTPIP covers reinsurance of third party risks of specified motor vehicles ("Specified Risks"). Amounts collected as premium in respect of Specified Risks are ceded at 100% of such premium, 100% of claims incurred against risks ceded being recoverable from the pool.

In accordance with the terms of the agreement, each participant company is compulsorily required to share in the revenues, expenses, assets and liabilities of the IMTPIP, including Unexpired Risks Reserve, in the proportion that the company's Gross Direct Premium written in India (GDPI), bears to the total GDPI of all participant companies. The Company's share as specified above is recorded based on the returns submitted by GIC, under the respective heads.

- (b) IRDA through its orders dated December 23, 2011, January 3, 2012 and March 22, 2012 has directed the dismantling of the Pool on a clean cut basis and advised recognition of the Pool liabilities as per loss ratios estimated by Government's Actuary Department UK ("GAD Estimates") at 159.00%, 188.00%, 200.00% and 213.00% for underwriting year 2007-08, 2008-09, 2009-10 and 2010-11 respectively and for the current year at 145% with the option to recognise the additional liabilities for the period 2009-10, 2010-11 and 2011-12 over a three year period. The company has exercised this option and IMTPIP liability relating to underwriting years 2009-10, 2010-11, 2011-12 has been recognized for ₹ 1,008,021 thousands based on straight line basis over three years beginning with financial year 31st March, 2012 and additional IMTPIP liability of ₹ 1,161,719 thousands relating to underwriting years 2007-08 and 2008-09 has been accounted for and recognized in full in the financial year ending 31st March, 2012. Further, the Company has received unaudited statements from GIC for the period starting from 1st March, 2011 till 28th February, 2012, working out ultimate loss ratios as mentioned above. Accordingly, during the year the Company has accounted for its share in total operating loss, which amounted to ₹ 2,169,741 thousands, including ₹ 1,667,320 thousands, being additional underwriting loss for the period 2007-08 to 2011-12. Transitional liabilities that remain unrecognised as on March 31, 2012 is ₹ 1,265,477 thousands. Accordingly, the loss of the company for the year ended 31st March 2012 have been lower by ₹ 1,265,477 thousands.
- (c) The business (Gross Written Premium) transacted on account of pool is amounting to ₹ 3,281,625 thousands during the period 1st March 2011 to 28th February, 2012 and investment of the pool fund as on 28th February, 2012 is ₹ 5,327,059 thousands.

20. In respect of premises taken on operating lease, the lease agreements are generally mutually renewable/ cancelable by the lessor/lessee except for one premise.

Non Cancellable Operating Lease.

The total of future minimum lease rent payable under operating lease for premises & assets for each of the following periods:

(₹ In '000)

Particulars	Current Year	Previous year
Not later than one year	40,256	89,198
Later than one year and not later than five years	62,886	142,647
Later than five years	Nil	Nil

Lease payment debited to the Profit and Loss account during the year ₹ 322,426 thousands (Previous year ₹ 127,550 thousands).

21. The company has under written during the year rural insurance premium of ₹ 1,508,536 thousands (previous year ₹ 1,438,808 thousands) representing 8.81% of Gross Direct Premium (previous year 8.69 %) and under the social sector, the company has underwritten insurance covers to 410,964 lives generating a premium of ₹ 21,224 thousands (previous year 511,790 lives generating a premium of ₹ 23,216 thousands).

22. Extent of risk retained and reinsured is set out below (excluding excess of loss and catastrophe reinsurance):

(₹ In '000)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
	% of business written	% of business written
Risk Retained	60%	64%
Risk Reinsured	40%	36%
	100%	100%

The percentages above are calculated on Direct Business not considering Reinsurance Inward Business.

23. Managerial Remuneration:

(₹ In '000)

Particulars	Current Year	Current Year	Previous Year	Previous Year
	Mr. Rakesh Jain@	Mr. Vijay Pawar^	Mr. Vijay Pawar*	Mr. K. A. Somasekhar#
Salaries	5,838	4,705	5,191	16,083
Perquisites	-	-	-	61
Contribution to Provident Fund and Super Annuation	570	242	267	307
Provision for Gratuity and Leave Encashment	138	97	107	999

@from 20th October 2011 to 31st March 2012

^From 1st April 2011 to 19th October 2011

* From 19th August, 2010 to 31st March, 2011

From 1st April, 2010 to 18th August, 2010

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

The managerial remuneration in excess of ₹15,000 thousands for each managerial personnel have been charged to Profit & Loss Account.

24. Basis used by actuary for determining IBNR /IBNER.

The liability for IBNR claims including IBNER (excluding IMTPIP) for the year ending 31st March, 2012 has been estimated by the appointed actuary in compliance with guidelines issued by IRDA vide Circular no. 11/IRDA/ACTL/IBNR/2005-06.

The appointed actuary has adopted the basic paid chain ladder method for line of business where claims development in past years is considered to be representative of future claim development except for Motor TP (excluding IMTPIP) for which ultimate loss ratio method has been followed.

25. Claims

Claims, less reinsurance paid to claimant in/outside India are as under:

(₹ In '000)

Particulars	Current Year	Previous year
In India	8,975,498	11,667,427
Outside India	60,995	44,454

There are no claims which are settled and unpaid for a period of more than six months as on the Balance Sheet date.

The company does not have any liability relating to claims where the claim payment period exceeds four years.

Reliance General Insurance Company Limited

26. As per IRDA Circular No 005/IRDA/F&A/CIR/MAY-09 dated May 07, 2009, below table mentions the details of the penalty imposed by various regulators and Government authorities:

SI No.	Authority	Non - Compliance/ Violation	Amount in ₹ ('000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	Nil	-	-	-
2	Service Tax Authorities	Nil	-	-	-
3	Income Tax Authorities	Nil	-	-	-
4	Any other Tax Authorities	Nil	-	-	-
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	-	-	-
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	-	-	-
8	Competition Commission of India	Nil	-	-	-
9	Any other Central/State/Local Government / Statutory Authority	Nil	-	-	-

27. As per IRDA Circular No. IRDA/F&I/CIR/CMP/174/11/2010 dated 4th November, 2010, below table mentions the age-wise analysis of unclaimed amount of the policyholders as on 31st March, 2012:

Particulars	Total Amount	Age - wise Analysis (₹ In '000)							
		0-30 Days	1-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
a) Claim Settled but not paid to the policy holders /insured due to any reason except under litigation from the insured / policyholders.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Any other sum due/payable to the insured/policyholder on completion of the policy terms or otherwise	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Particulars	Total Amount	Age - wise Analysis ₹ ('000)							
		0-30 Days	1-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
c) Any excess collection of premium/tax or any other charges which is refundable to the policyholders either as per the terms of the conditions of the policy or as per Law or as per the direction of the authority but not refunded so far.	27,598	1,758	6,264	2,632	3,127	3,357	4,836	5,624	NIL
d) Cheques issued by the company under "a", "b" or "c" above & cheques have not been encashed by the policyholders/insured . * (Stale Cheques)	242,555	Nil	Nil	41,776	41,509	35,489	33,322	27,492	62,967

* Cheques issued within validity period of financial instruments but not presented for payment amounting to ₹ 594,524 thousands are not included under unclaimed amount of policy holders as on March 31, 2012.

28. As per the requirement of Accounting Standard 18 'Related Party Disclosures' as notified by the Companies (Accounting Standard) Rules, 2006, following are the list of related parties with the relationship.

A) List of related parties relationships, where control exists.

Ultimate Holding Company
Reliance Innoventures Private Limited
Holding Company
Reliance Capital Limited
Subsidiary of Holding Co. (including fellow subsidiary)
Reliance Capital Asset Management Limited
Reliance Asset Management (Singapore) Pte Limited
Reliance Asset Management (Mauritius) Limited
Reliance Capital Asset Management (UK) Plc.
Reliance Asset Management (Malaysia) SDN BHD
Reliance Capital Pension Fund Limited
Reliance Capital Trustee Co. Limited
Reliance Gilts Limited
Reliance Equity Advisors (India) Limited
Reliance Consultants (Mauritius) Limited
Reliance Venture Asset Management Private Limited
Reliance Money Precious Metals Private Limited (formerly Reliance Capital Research Private Limited)

Reliance General Insurance Company Limited

Reliance Money Express Limited	
Reliance Equities International Private Limited	
Reliance Home Finance Limited (formerly Reliance Home Finance Private Limited)	
Reliance Capital (Singapore) Pte. Limited	
Reliance Securities Limited	
Reliance Investment Banking Services Limited	
Reliance Commodities Limited	
Reliance Financial Limited	
Reliance Alternative Investments Services Private Limited	
Reliance Exchangenext Limited	
Reliance Spot Exchange Infrastructure Limited	
Quant Capital Private Limited	
Quant Broking Private Limited	
Quant Securities Private Limited	
Quant Commodities Private Limited	
Quant Commodity Broking Private Limited	
Quant Capital Advisors Private Limited	
Quant Capital Finance and Investments Private Limited	
Quant Investments Services Private Limited	
Reliance Wealth Management Limited	
Qoppa Trading Private Limited	
QCAP Trade Private Limited (Formerly Valankulam Investments and Trading Private Limited)	
Reliance Composite Insurance Broking Limited (w.e.f. October 18, 2011)	
Reliance Capital Partners (partnership firm)	
Reliance Capital Infrastructure Partners (partnership firm)	
Individual Promoter	
Shri Anil D. Ambani, person having control during the year	
Key Management personnel and their relatives	
Mr. Rakesh Jain	Executive Director and CEO (w.e.f. 20.10.2011)
Mr. Vijay Pawar	Executive Director and CEO (Upto 19.10.2011)

B) Transaction during the period with related parties:

(₹ In '000)

Sr No.	Name of the Related Party	Relationship	Nature of transaction	For the Year ended 31 st March, 2012	For the Year ended 31 st March, 2011
1	Reliance Capital Limited	Holding Company	Share Capital Received	45,205	14,490
			Share Premium Received	4,384,795	1,405,510
			Claim	498	776
			Premium	3,179	2,886
			Reimbursement paid for exps (Rent, Communication, Electricity, Professional fees, Maintenance Charges)	40,201	42,430

Sr No.	Name of the Related Party	Relationship	Nature of transaction	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
			Management fees	64,777	72,588
			Reimbursement paid for IT services	35,988	16,925
			Reimbursement received for exps(Rent, Communication,Electricity,canteen exp)	10,181	3,387
			Sale of Server	-	335
			Policy management services paid	-	113
			Debentures purchased	-	823,039
			Debenture Sold	-	50,126
			Interest Due on Debenture	78,549	24,404
			Outstanding balance in CD A/c	832	632
			Debtors	1,151	(40,961)
2	Reliance Capital Asset Management Limited	Fellow Subsidiary	Claim	-	156
			Premium	11,389	8,799
			Reimbursement received for exps(Rent, Communication,Electricity,canteen exp)	1,536	1,319
			Outstanding balance in CD A/c	212	1,126
			Debtors	237	112
3	Reliance Equity Advisor Limited	Fellow Subsidiary	Premium	50	24
			Outstanding balance in CD A/c	15	15
4	Reliance Home Finance Private Limited	Fellow Subsidiary	Reimbursement received for exps(Rent, Communication,Electricity,canteen exp)	130	84
			Premium	-	1
			Outstanding balance in CD A/c	25	25
5	Reliance Money Express Limited	Fellow Subsidiary	Foreign Currency Return	-	154
			Premium	76	134
			Foreign Currency Purchased	23	144
			Outstanding balance in CD A/c	434	434
6	Reliance Securities Limited	Fellow Subsidiary	Reimbursement received for exps(Rent, Communication,Electricity,canteen exp)	2,603	2,610
			Claim	5	-
			Premium	136	38
			Debtors	196	273
7	Reliance Spot Exchange Infra-structure Limited	Fellow Subsidiary	Premium	71	67
			Outstanding balance in CD A/c	22	22
8	Reliance Composite Insurance Broking Limited (w.e.f. October 18, 2011)	Fellow Subsidiary	Premium	16	-
			Reinsurance Premium Paid	202,117	-
			RI Claim Received	83,637	-
			RI Commission Received	10,460	-
			Commission Paid	15,894	-

Reliance General Insurance Company Limited

Sr No.	Name of the Related Party	Relationship	Nature of transaction	For the Year ended 31 st March, 2012	For the Year ended 31 st March, 2011
			Debtors	14,032	-
9	Reliance Innoventures Private Limited	Ultimate Holding Company	Premium	2,391	3,147
			Claim	-	39
10	Quant Capital Private Limited	Fellow Subsidiary	Premium	329	38
11	Reliance Capital Trustee Co. Limited	Fellow Subsidiary	Premium	9,432	7,897
12	Reliance Capital Partners	Fellow Subsidiary	Premium	507	544
13	Rakesh Jain	Key Managerial Personnel	Remuneration	6,546	-
14	Vijay Pawar	Key Managerial Personnel	Remuneration	5,044	5,565
			Premium	-	28
15	K.A. Somasekhran	Key Managerial Personnel	Remuneration	-	17,450
16	Independent Directors		Sitting Fees	720	720

Note: Related Party relationship is as identified by the management and relied upon by the auditors.

29. Segment Information for the year ended on 31st March, 2012

- Revenue and expenses have been identified to a segment on the basis of relationship to the operating activities of the segment. Revenue and expenses, which relate to enterprise as a whole and are not allocable to a segment on reasonable basis, have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(₹ In '000)

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Employer Liability	Public Liability	Engineering	Aviation	Personal Accident	Health	Other Miscellaneous	Total Enterprise
Segment Revenues												
Earned Premium	302292	97743	913	8802133	53410	21905	119566	(15122)	171493	1943694	132845	11630872
2010-11	307523	119663	5952	9943570	58776	27855	148222	(29282)	126086	2069598	160076	12938039
Commission	(54492)	(6814)	(88)	418391	3869	(5604)	(97196)	399	17160	126351	10748	412724
2010-11	(82666)	(4637)	(509)	(595)	1555	(6913)	(137530)	2885	(7044)	7209	3089	(225156)
Investment income	83285	28410	581	1013919	4237	9995	64937	2613	18335	161297	39817	1427426
2010-11	49201	10253	397	822931	2871	5542	26932	21132	14168	117730	20567	1091724
Misc Income	0	0	0	0	0	0	0	0	0	0	4829	4829
2010-11	0	0	0	0	0	0	0	0	0	0	(1045)	(1045)
Total	440069	132967	1582	9397661	53778	37504	281699	(12908)	172668	1978640	166743	12650403
2010-11	439390	134553	6858	10767096	60092	40310	312684	(11035)	147298	2180119	178599	14255964
Segment Expenses												
Claims	264308	102028	866	10157873	22490	6031	107620	6713	156615	1667195	166947	12658686
2010-11	176091	90256	(11191)	10146709	7297	(6106)	175095	28271	81171	2559115	67106	13313814
Premium Deficiency	0	2964	0	0	0	0	0	0	0	0	0	2964
2010-11	0	0	0	0	0	0	0	0	0	0	0	0
Management Expenses	117775	30732	664	2880866	17180	7536	51445	(4553)	69154	612589	50179	3833567
2010-11	107431	39822	366	3431027	21429	11876	(7497)	(15119)	52416	769618	57339	4468708
Total	382083	135724	1530	13038739	39670	13567	159065	2160	225769	2279784	217126	16495217
2010-11	283522	130078	(10825)	13577736	28726	5770	167598	13152	133587	3328733	124445	17782522
Net Profit/loss	57986	(2757)	52	(3641078)	14108	23937	122634	(15068)	(53101)	(301144)	(50383)	(3844814)
2010-11	155868	4475	17683	(2810640)	31366	34540	145086	(24187)	13711	(1148614)	54154	(3526558)
Unallocated items												
Investment income												628179
2010-11												532616
Other income / Provision												19392
2010-11												41225
Expenses												218750
2010-11												144876
Net Profit before tax												(3415993)
2010-11												(3097593)
Income tax												(16000)
2010-11												(18424)
Net profit after tax												(3431993)
2010-11												(3116017)

Reliance General Insurance Company Limited

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Employer Liability	Public Liability	Engineering	Aviation	Personal Accident	Health	Other Miscellaneous	Total Enterprise
Assets												
Segment Assets												Nil
2010-11												Nil
Unallocated Assets												30735618
2010-11												25416339
Total												30735618
2010-11												25416339
Liabilities												
Segment Liabilities	533066	128053	3924	17596921	49316	31220	236948	1031	230001	1238011	220869	20269360
2010-11	460239	148605	21178	13275324	49507	21131	347454	37820	125997	1563805	177608	16228668
Unallocated Liabilities												10466258
2010-11												8975771
Total												30735618
2010-11												25204439

Notes:

1. Segment Reporting is made as per the modification prescribed by the Insurance Regulatory and Development Authority Regulations wherein details are to be given for fire, marine cargo, marine hull and eight classes of miscellaneous insurance
2. Since the company's entire business is conducted within India, there are no reportable geographical segments for the year.

30. Summary of financial Results:

(₹ In '000)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
OPERATING RESULTS						
Gross Premium Written	17,125,473	16,554,261	19,796,515	19,148,849	19,464,171	9,122,274
Net Premium Income	11,839,369	11,548,005	14,287,220	13,995,608	13,374,457	5,043,141
Income From Investment	14,27,425	1,091,724	1,030,071	981,582	676,689	169,678
Other Income	4,829	1,045	1,180	320	(53)	518
Total Income	13,271,623	12,640,774	15,318,471	14,977,510	14,051,093	5,213,337
Commission	115,058	(416,255)	(664,034)	(707,671)	(1,224,282)	(1,022,675)
Brokerage	297,666	191,099	312,158	392,214	426,660	228,388
Operating Expenses	3,833,566	4,468,708	4,806,330	5,410,421	5,628,590	1,809,223
Claims and Increase in Unexpired Risk Reserve and other outgo	12,870,147	11,923,780	12,126,278	10,868,938	11,280,950	1,731,844
Operating Profit/ (Loss)	(3,844,814)	(3,526,558)	(1,262,261)	(986,390)	(2,060,824)	(134,006)
NON OPERATING RESULTS						
Total Income under Shareholders account	428,821	428,965	356,791	484,708	432,396	158,395
Profit / (Loss) before Tax	(3,415,993)	(3,097,593)	(905,470)	(501,682)	(1,628,426)	22,435
Provision for tax	16,000	18,424	(401,200)	21,500	27,086	6,148
Profit / (Loss) after Tax	(3,431,993)	(3,116,017)	(504,270)	(523,182)	(1,655,512)	16,288
MISCELLANEOUS						
Policy holder's Account						
Total Funds	20,180,364	15,544,875	9,064,638	7,323,751	8,168,807	3,737,423
Total Investments	20,180,364	15,544,875	9,064,638	7,323,751	8,168,807	3,737,423
Yield on Investment	11.39%	10.57%	8.34%	9.75%	11.36%	9.20%
Share holders Account						
Total Funds	6,840,959	5,826,954	7,501,972	6,315,974	4,938,533	2,594,045
Total Investments	6,840,959	5,826,954	7,501,972	6,315,974	4,938,533	2,594,045
Yield on Investment	11.39%	10.57%	8.34%	9.75%	11.27%	9.20%
Paid up Equity Capital	1,211,933	1,166,729	1,152,239	1,130,811	1,071,538	1,030,721
Net Worth	7,138,048	6,218,545	7,822,890	5,620,133	4,840,336	2,594,045
Total Assets	30,735,614	25,416,339	26,000,252	21,297,597	17,403,551	7,352,067
Yield on total investment	11.39%	10.57%	8.34%	9.75%	11.28%	9.20%
Earnings Per Share	(29.24)	(26.80)	(4.46)	(4.81)	(15.92)	0.16
Book Value Per Share	59.52	53.27	68.66	55.85	46.09	25.17
Total Dividend	-	-	-	-	-	-
Dividend Per Share	-	-	-	-	-	-

Reliance General Insurance Company Limited

31. Financial Ratios:

Particulars	Financial Years	Gross Direct premium Growth Rate	Net Retention Ratio (segment wise)	Net Commission Ratio (segment wise)	Underwriting Balance Ratio
		(Gross direct premium for the current year divided by the gross direct premium for the previous year)	(Net premium divided by gross direct premium)	(Gross Commission Paid net of reinsurance commission divided by net premium for that segment)	(Underwriting profit divided by net premium for the respective class of business)
Fire	2011-12	9%	31%	-15%	-7%
Fire	2010-11	-24%	26%	-30%	38%
Marine Cargo	2011-12	79%	24%	-7%	-30%
Marine Cargo	2010-11	-19%	47%	-4%	-6%
Marine Hull	2011-12	-5%	25%	-4%	-26%
Marine Hull	2010-11	-62%	11%	-53%	1817%
Motor	2011-12	6%	78%	5%	-52%
Motor	2010-11	-18%	82%	0%	-41%
Employer Liability	2011-12	-5%	90%	7%	19%
Employer Liability	2010-11	-9%	90%	3%	51%
Public Liability	2011-12	17%	17%	-24%	60%
Public Liability	2010-11	1%	26%	-22%	94%
Engineering	2011-12	56%	18%	-61%	36%
Engineering	2010-11	-44%	-3%	706%	-607%
Aviation	2011-12	-92%	-39%	-3%	125%
Aviation	2010-11	12%	-9%	-7%	115%
Personal Accident	2011-12	-16%	84%	8%	-33%
Personal Accident	2010-11	-10%	45%	-5%	0%
Health	2011-12	-11%	84%	7%	-24%
Health	2010-11	7%	79%	0%	-63%
Other Miscellaneous	2011-12	25%	28%	7%	-61%
Other Miscellaneous	2010-11	-20%	34%	2%	22%
Total	2011-12	3%	69%	3%	-45%
Total	2010-11	-16%	70%	-2%	-40%

32. Other Ratios

Ratio	Basis	Current Year	Previous Year
Gross Premium To Shareholder's Fund Ratio	Gross direct premium for the current year divided by paid up capital plus free reserves	240%	266%
Growth Rate of Shareholder's Fund	Shareholders' funds as at the current balance sheet date divided by shareholders' funds as at the previous balance sheet date.	15%	-21%
Expenses of Management to Gross Premium	Expenses of Management (operating expenses related to insurance business plus direct commissions paid) divided by gross direct premium	28%	29%
Combined Ratio	Claims plus expenses of management (operating expenses related to insurance business plus direct commissions paid) divided by gross direct premium	101%	132%
Technical Reserves to net premium ratio	Reserve for un-expired risks plus premium deficiency reserve plus reserve for outstanding claims (including IBNR and IBNER) divided by net premium	170%	141%
Operating profit ratio	Underwriting profit/loss plus investment income divided by net premium	-27%	-26%
Liquid Assets to Liabilities ratio	Liquid assets (Short Term Investments (Schedule 8) plus Short Term Loan (Schedule 9) plus Cash & Bank Balances (Schedule 11)) of the insurer divided by policyholders liabilities (claims outstanding (Schedule 13) plus reserve for unexpired risk and Premium Deficiency (Schedule 14))	51%	41%
Net earnings ratio	Profit after tax divided by net premium	-29%	-27%
Return on Net Worth ratio	Profit after tax divided by net worth	-48%	-50%
NPA Ratio		-	-

Note: The above ratios have been calculated as per IRDA Circular IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010.

Reliance General Insurance Company Limited

33. Earnings per share information:

- i. Net profit / (loss) after tax available for equity shareholder is ₹ (3,431,993) thousands (previous year ₹ (3,116,017) thousands).
- ii. Weighted average number of equity shares outstanding during the year is ₹ 117,371,131 (previous year ₹ 116,276,331).
- iii. Basic and Diluted Earning Per Share ₹ (29.24) (previous year ₹ (26.80))

34. Prior year figures have been reclassified, wherever necessary, to confirm to current year's presentation.

(₹ In '000)

Previous Year 2010-11		Regrouped in Current Year		Amount
Schedule	Old grouping	Schedule	New grouping	
Schedule -13	Sundry Creditors	Schedule -13	Due to officers/Directors	35
Schedule - 4	Miscellaneous Expenses	Schedule - 4	Legal & professional Charges	7,296
Schedule - 4	Miscellaneous Expenses	Schedule - 4	Office Maintenance Expenses	5,614
Schedule - 4	Legal & professional Charges	Schedule - 4	Office Management Expenses	65,810
Schedule - 12	Prepayments	Schedule - 12	Rental & Other Deposits	1,700
Schedule - 11	Cash(including drafts and stamps on hand)	Schedule - 11	(c) Cheques on Hand	17,840

For and on behalf of the Board of Directors

S. P. Talwar
Director

Soumen Ghosh
Director

Vijay Pawar
Director

Rakesh Jain
Executive Director and CEO

Hemant K. Jain
Chief Financial Officer

Mohan Khandekar
Company Secretary

Place: Mumbai
Date: May 8, 2012



RELIANCE

General Insurance

Reliance General Insurance Co. Ltd.

Corporate Office:

570, Rectifier House, Naigaum Cross Road, Wadala (W), Mumbai 400031

Registered Office:

Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400001

www.reliancegeneral.co.in

An ISO 9001:2008 Certified Company