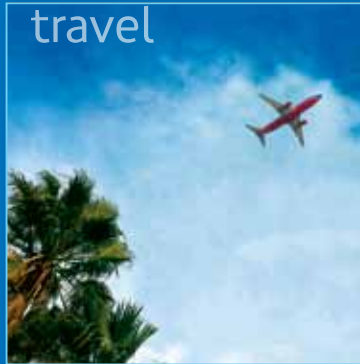


health



travel



motor



home



protecting
what you value



protecting
what
you value

RELIANCE
General Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

10th Annual Report

BOARD OF DIRECTORS

Mr. S.P.Talwar	Director
Mr. D. Sengupta	Director
Mr. Rajendra P. Chitale	Director
Mr. Soumen Ghosh	Director
Mr. K.A. Somasekharan	Executive Director & CEO

COMPANY SECRETARY

Mr. Mohan Khandekar

CHIEF FINANCIAL OFFICER

Mr. Hemant K. Jain

BANKERS

HDFC Bank limited

ICICI Bank Limited

HSBC

Citi Bank

ABN Amro Bank

Deutsche Bank

Axis bank

AUDITORS

M/s. Chaturvedi & Shah

M/s. V. Soundararajan & Co.

REGISTERED OFFICE

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

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 Flag Telecom Limited,
Sovereign Court, 1st Floor,
635, Sipson Road, Sipson, West Drayton,
Middlesex - UB7 OJE,
Tel.: 020 82824665

INDEX	Page No.(s)
Index & Company information	1
Director's Report & Management Report	2 & 7
Auditor's Report	10
Revenue Accounts	13
Profit & Loss Account	16
Balance Sheet	17
Schedules annexed to Balance Sheet, Revenue Account and Profit & Loss Account	18
Receipts and Payment Accounts	28
Accounting policies and Notes to Accounts	29

DIRECTORS' REPORT

To the Members,

Your Directors present the Tenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

Financial Results

(Rs. in crore)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Gross written premium	1979.65	1914.88
Insurance Profit/(Loss)	(126.23)	(98.64)
Investment Income on Shareholders fund	48.47	48.35
Profit/(Loss) before Tax	(90.55)	(50.17)
Provision for Taxation	-	(2.15)
Provision for Deferred Tax	40.12	-
Profit/(Loss) after Tax	(50.43)	(52.32)

Dividend

Your Directors do not recommend any dividend for the year ended 31st March, 2010, in view of loss incurred during the year.

Operations

Your Company in the current year has underwritten gross direct premium of Rs. 1,979.65 crore as against Rs. 1,914.88 crore in the previous year registering an increase by 3.40%. The main focus during the year was to improve the profitability of the Company. The private sector industry has grown by 12.82% & the Industry has grown by 13.42% during the same period and your company has grown by 3.40%.

Your Company has maintained 3rd position amongst Private Sector Insurers in Financial Year 2009-10.

The income from investment for the year under review is Rs.124.58 crore as against Rs. 127.38 crore in the previous year. The Net Loss before tax earned during the Financial Year 2009-10 is Rs. 90.55 crore as against Rs 50.17 crore during the previous year. The Net Loss after tax stands at Rs. 50.43 crore during the period under review as against loss of Rs. 52.32 crore during the previous year.

In order to control the costs and consolidate the bottom line your company has implemented effective methods to achieve the same. Your Company has taken various steps to ensure that operations of the Company are profitable.

Your Company had issued 33.36 Lac policies during the year as compared to 27.13 Lac in the previous year.

Infrastructure

Your Company has an extended network of 200 offices in 173 cities in 22 states. All these offices are fully functional. The office locations have been strategically located with a majority of them being in 2 and 3 tier cities. This wide Geographical spread has helped your Company in spreading the business across the country.

Industry Developments

The intense price competition subsequent to the detarriffing process initiated by the Insurance Regulatory and Development Authority (IRDA) continued in 2009-10 also especially in Corporate and Motor Premiums thereby significantly impacting the General Insurance Industry in India. The figures released by IRDA, the Gross premium underwritten by the industry for the Financial Year ended 31st March, 2010 was Rs. 34,755.21 crore as against Rs. 30,641.90 crore during the previous figure showing growth of 13.42%.The market share of Private Insurance Companies is about 40.9 % as compared to 41% in the previous year.

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 has taken necessary steps for compliance of these guidelines. Various committees required to be constituted under the guidelines have already been constituted by your company. 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.

Allotment of Shares

During the year under review your Company allotted on rights basis to Reliance Capital Limited, the holding Company 21,42,857 Equity shares of Rs. 10/- each at a premium of Rs. 970 per share, aggregating to Rs. 209.99 crore.

Customer Service and Grievances Redressal Cell

Your company's motto of believing in Service and doing it with pride has been the golden key to achieving results and growth year after year with customer satisfaction and brand loyalty as the primary focus.

A fully equipped call centre and Grievance Redressal Cell has enabled handling all grievances and escalation efficiently and effectively, there by ensuring a win win situation at all moments.

Our Customer service team is effectively providing service excellence through our centralized model of Operations at the Call Center and decentralized model at the branch.

State of the art CRM (Customer Relationship Management) has enabled the organization to manage multiple queries, requests and complaints from various customer touch points, making service delivery seamless.

Your Company is ISO 9001:2000 certified and is delivering Service Excellence the ISO way.

Reinsurance

Your company has a well structured reinsurance program supported by various leading reinsurers (with strong credit ratings) spread across the globe, in accordance with the guidelines laid down by Insurance Regulatory & Development Authority. The reinsurance program has an optimum mix of proportional treaties to enhance our automatic underwriting capacity and non proportional treaties to protect our net retentions.

Based on company's net worth, business plans, portfolio mix and detailed analysis of our 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.

Detariffing

During the year we have obtained approval from IRDA for various add-on products filed. These products are being introduced gradually in select geographies.

The market continues to be extremely difficult on account of price war post detariffing. There erstwhile tariff products continue to see pricing pressures whereas some erstwhile non-tariff lines such as group health has seen small to moderate increase. The market will take some more time to settle down but in the intervening period there is immense pressure on the underwriting results. Your company is committed to prudent underwriting norms in risk selection, assessment and pricing and would continuously focus on improving the underwriting performance.

Claims handling

Financial year 2009-10 has been a year in which customer satisfaction through efficient claims settlement continued to receive due attention. Total number of claims intimated in 2009-10 are 447,378 and 419,288 number of claims have been settled.

Reliance General Insurance

In view of increased motor portfolio, motor claims have increased from 272,413 to 304,589 and claim settlement at 280,297 have kept up pace with higher inflows. 58% of Motor claims have been settled within 21 days & overall Turn Around Time for all Motor claims including Theft/Personal Accident is 32 days.

Various initiatives were taken to improve upon the quality in claims processing and claims settlement such as:

- 1 Fast track Claim Settlement:** We have empowered our IMAs to approve claims upto Rs.10,000 after inspection of loss, which has facilitated faster settlement of claims.
- 2 Repair Cash loss:** In order to provide quick relief to customers, we settle claim on repair cash loss basis by giving immediate payment of claims upto Rs. 25,000 and beyond this, 75% on account payment is made and balance released on production of vehicle after repairs. This has been welcomed by customers particularly commercial vehicle segment which are not repaired at Dealer's end where generally cashless facility is extended.
- 3. National Electronic Fund Transfer Payments:** With a view to improve our delivery standards further, company has embarked upon payment of claim monies through electronic transfer to customers' bank account. This ensure immediate credit to customer's account and improves our Turn Around Time considerably.
- 4. Team for Recovery of Theft Vehicles:** The Company has set up a dedicated team for data collection of theft recovered vehicles from various Police Stations. The process has resulted in more number of stolen vehicles being recovered before and after claim settlement and thereby reducing the loss.
- 5 Online Web status Of Claims:** This initiative was taken last year to facilitate customer satisfaction by online viewing of claims status through our Website. This helps customers to directly check their claim status without calling up Call Centre or our Office. This facility has been availed by 3,705 Customers during 2009-10. We also have an IVR facility installed at the call centre to facilitate customers know status of claims.
- 5 Health Claims:** During the year we have received 129,660 claims under our Health Policies and settled 126,858 claims. 67% of Customers were able to avail Cashless facility through the network Hospitals of TPAs. In order to ensure quality in claims services by TPA, regular audits are conducted to ensure prompt payment of claims to Hospitals/customers and handling of customers' complaints by them.

Awards & Recognition

In the Financial Year 2009-2010, the IT team has won 3 prestigious awards. Two of these namely the EGDE award from Network Computing & Info world 100 (Top 100 IT project globally) were for the best IT project implementation. These were awarded for the Qlikview business dashboard and Claims Survey System projects respectively. The CIO 100 award was also awarded to RGICL for business technology leadership.

The Quality team has participated in the SCMHRD award held by Symbiosis and was awarded the "Certificate of Excellence" award for the project on "Fraud Identification in Health Claims".

Investments

The Investment Portfolio of the Company as on 31st March 2010 is Rs.1,665.54 crores (Rs. 1,433.56 crores). The asset allocation among Debt and Equity is 92.53% (90.88%) & 7.47% (9.12%) respectively. The Modified Duration of the Debt Portfolio stands at 2.04 (2.62). The Debt Portfolio comprises of 34.23% (34.25%) investment in Sovereign Bonds, 38.81% (45.82%) in AAA, 2.81% (5.73%) in AA+, 1.30% (1.54%) in AA rated and 0% (0.39%) in AA- Corporate Bonds and the remaining 22.85% (12.27%) in Short Term Instruments. In terms of Maturity Profile, 37.68% (26.22%) of the Investment Portfolio is invested in short term instruments, 31.59% (37.04%) in Medium term and 30.73% (36.74%) in longer tenor bonds.

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 2010-11. The company has received certificate Registration number 103 dated 10th March, 2010 from IRDA.

Directors

Mr Soumen Ghosh, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. During the Year Mr K.A.Somasekharan, President & CEO of the Company has been appointed as Executive Director & CEO of the Company for a period from 24th October, 2009 till 31st July, 2010.

Audit Committee

Your Company has constituted an Audit Committee pursuant to the provisions of Section 292 A of the Companies Act, 1956. The Audit committee comprises of Mr. S.P. Talwar, Director Mr.D.Sengupta, Director and Mr.Soumen Ghosh, Director. Internal Audit is being conducted regularly by Internal Auditors of the Company. The Company has also constituted Risk Management Committee for monitoring all the risks across the various lines of business of the Company.

Investment Committee

Your Company has constituted an Investment Committee pursuant to the requirement of IRDA regulations. During the year Investment Committee was reconstituted and comprises of Mr. S.P. Talwar- Director, Mr.Soumen Ghosh, Director, Mr. K.A. Somasekharan – Executive Director & CEO and Mr. Hemant Jain, Chief Financial Officer and Mr Krishna Cheemalapati, Chief Investment Officer & Mr Gopalkrishna Pai, Consulting Actuary.

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, 2010 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, 2010 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 V.Soundararajan & Co., Chartered Accountants, Joint Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letters from M/s Chaturvedi & Shah, Chartered Accountants and M/s V.Soundararajan & Co., 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.

Personnel

Your Company believes that it is imperative to invest more energy and time in reducing and managing Costs – Claims costs, Acquisition costs, Management costs – rather than Pricing in the General Insurance Industry since Pricing is extrinsic and Costs are intrinsic.

During fiscal 2010, your company surpassed, for the first time, our objective of reaching benchmark Employee Productivity figure of Rs. 1 Crore of Gross Premium per average Employee.

Reliance General Insurance

This was achieved through sustained efforts from all quarters and establishing set standards and norms in all functions – Sales, Underwriting, Claims, Operations & Servicing.

Based on agreed stricter norms – Gross Premium for Sales, Number of Accepted Proposals for Underwriting, Number of Processed Claims for Claims, Number of Policies generated for Operations – manning was agreed initially and fulfilled accordingly without any redundancies. Benchmarked Productivity was achieved through regular communication to supervisors which reiterated norms in their respective areas and ensuring adherence to those norms. Redundancies, if any, were managed through Internal Job Postings, Rotations and Skill based trainings.

Your company continued to strive to offer bigger roles to our internal talent thereby creating win-win scenario in a vastly competitive landscape where the War-for-Talent is becoming acute.

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

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 : (Rs. in crore)

Inflow	:	On Reinsurance	Rs.7.82
		On Claims	Rs. Nil
		On Premium	Rs. 4.88
		On Others	Rs. Nil
Outflow	:	On Reinsurance	Rs. 69.79
		On claims	Rs. 10.95
		On Premium	Rs. Nil
		On Others	Rs. 1.33

Acknowledgement

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

Your Directors appreciate the support received from policyholders and intermediaries.

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

Director

Soumen Ghosh

Director

K.A.Somasekharan

Executive Director & CEO

Place : Mumbai

Dated : June 7, 2010

MANAGEMENT REPORT ATTACHED TO THE FINANCIAL STATEMENT AS ON 31ST MARCH 2010

- 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 been 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 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.

(Rs. in thousands)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
30 days	170	78,697	112	19,878	4	619	15,158	310,578
31 days to 6 months	262	419,602	240	41,028	6	7,333	17,670	529,070
6 months to 1 year	125	132,266	122	46,945	3	945	2,856	166,150
1 year to 5 years	107	188,666	37	65,175	4	51,976	91	17,404
5 years and Above	-	-	-	-	-	-	-	-
Grand Total	664	819,231	511	173,027	17	60,872	35,775	1,023,202

Reliance General Insurance

(Rs. in thousands)

Period / Class	Motor TP		Engineering		Liability (WC)		Public Liability	
	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
30 days	836	12,087	131	35,056	21	3,162		-
31 days to 6 months	4,227	97,049	353	258,829	52	6,436	6	1,565
6 months to 1 year	4,409	170,531	109	179,678	30	3,854	2	211
1 year to 5 years	10,740	676,286	43	100,113	9	863	30	2,428
5 years and Above	-	-	-	-	-	-	-	-
Grand Total	20,212	955,954	636	573,675	112	14,316	38	4,204

(Rs. in thousands)

Period / Class	Health		Aviation		Personal Accident		Miscellaneous		Total	
	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
30 days	5,898	135,692	3	177	146	47,885	192	16,394	22,671	660,225
31 days to 6 months	4,595	80,310	1	27,675	398	94,442	374	126,837	28,184	1,690,177
6 months to 1 year	1,347	17,015	3	130,000	55	12,543	99	13,190	9,160	873,329
1 year to 5 years	1,580	95,299		-		-	52	163,921	12,693	1,362,131
5 years and Above	-	-	-	-	-	-	-	-	-	-
Grand Total	13,420	328,316	7	157,852	599	154,871	717	320,342	72,708	4,585,862

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 to individuals, firms, companies and organisations in which Directors are interested, excluding reimbursement-

(Rs. in thousands)

Sr. No.	Name of the Director	Entity in which Director is Interested	Interested As	Nature Of Payment	Amount of Payment During the Financial Year
1	S. P. Talwar	Reliance Communication Ltd.	Director	Server Maint. Charges	14,594
				Communication Charges	84,962
				Claims	156,995
		Reliance Infratel Limited	Director	Claim	14
		Reliance Communication Infra Limited	Director	Claims	23
		Wall Street Finance Limited	Director	Claims	5
		Reliance Securities Limited	Director	Claims	23
		Reliance Life Insurance Co. Ltd	Director	Claims	491
				Group Term Assurance Policy	4,135
Gratuity	1,308				
2	Rajendra P. Chitale	Reliance Capital Limited	Director	Claims	490
				Software Purchased	37,594
				Reimbursements paid for expenses (Rent, Communication, Electricity, Professional fees, Maintenance Charges)	48,906
		Reliance Life Insurance Company Limited	Director	Claims	491
				Gratuity	1,308
Group Term Assurance Policy	4,135				
3	Soumen Ghosh	Reliance Capital Asset Management Limited	Director	Claims	162
		Reliance Securities Limited	Director	Claims	23
		Reliance Life Insurance Co. Ltd	Director	Claims	491
				Group Term Assurance Policy	4,135
				Gratuity	1,308
4	K. A. Somasekharan	Reliance Money Infrastructure Limited	Director	Policy Management Charges	3,913
		Reliance Money Limited	Director	Claims	38
		Reliance Money Express Limited	Director	Foreign Currency Purchased	229

For and on behalf of the Board of Directors

S. P. Talwar
Director

K. A. Somasekharan
Executive Director and CEO

Soumen Ghosh
Director

Hemant K. Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2010

Mohan Khandekar
Company Secretary

Auditors' Report to the Shareholders

To,
The Members,
Reliance General Insurance Company Limited,

We have audited the attached Balance Sheet of **Reliance General Insurance Company Limited** (the Company) as at 31st March 2010, 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.

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.

The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and Receipts and Payments Account, have been drawn up in accordance with the Insurance Act 1938, Insurance Regulatory and Development Authority ('IRDA') (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').

As required by Regulations, we set out in the Annexure a statement certifying the matters specified in paragraph 4 of schedule C to the Regulations.

Further to our comments in the Annexure referred to above, 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 satisfactory;
- b) In our opinion, 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 Accounts referred to in this report are in agreement with the books of accounts;
- e) The estimate of 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 certified to the Company 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 31 March 2010 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Act.

In our opinion and to the best of our information and according to the information and explanations given to us:

- a) The accounting policies selected by the company are appropriate and the said policies, Balance Sheet, Revenue Accounts, Profit and loss Account and Receipts and Payments Account are in compliance with the Accounting Standards referred to under sub section 3C of section 211 of the Companies Act, 1956 and with the accounting principles prescribed by the Regulations and orders/direction issued by IRDA in this behalf;
- b) Investments have been valued in accordance with the provisions of Insurance Regulatory and Development Act, 1999 and Regulations framed there under;
- c) The Balance Sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payment account referred to in this report are in compliance with the accounting standards referred to under sub section 3C of section 211 of the Companies Act, to the extent they are non inconsistent with the accounting policies prescribed by IRDA;
- d) Without qualifying our opinion, we draw attention to Note no. 20 in Schedule 17, 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 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 as applicable to insurance companies:
 - i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010;
 - 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.

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 31st March, 2010 and there is no apparent mistake or material inconsistency with the financial statements; and
- b) Based on our audit procedures, we certify that the Company has complied with the terms and conditions of registration as per subsection 4 of section 3 of the Insurance Act, 1938.

For V. Soundararajan & Co.,
Chartered Accountants

V. S. Sukumar
Partner
Membership No. 18203
Firm Registration No. 3943S

For Chaturvedi & Shah
Chartered Accountants

H.P. Chaturvedi
Partner
Membership No. 33523
Firm Registration No. 101720W

Place : Mumbai
Dated : April 24, 2010

AUDITORS' CERTIFICATE

(Referred to in the Auditor's report to the members of **Reliance General Insurance Company Limited** (the company) on the financial statements for the year ended 31st March, 2010)

Based on the information and explanation given to us and to the best of our knowledge and belief and based on our examination of books of accounts and other records maintained by the company, we certify that:

- a) We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments 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;
- 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 has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of insurance Companies) regulations 2002, ('the Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For V. Soundararajan & Co.,
Chartered Accountants

For Chaturvedi & Shah
Chartered Accountants

V. S. Sukumar

Partner

Membership No. 18203

Firm Registration No. 3943S

H.P. Chaturvedi

Partner

Membership No. 33523

Firm Registration No. 101720W

Place : Mumbai

Dated : April 24, 2010

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

(Rs. In '000)

REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2010			
Fire Insurance Business			
Particulars	Schedule	Current Year	Previous Year
Premium Earned (Net)	1	407,430	415,146
Profit / (loss) on sale/redemption of Investments (Net)		13,374	12,684
Interest, Dividend & Rent – Gross		59,250	57,460
TOTAL (A)		480,054	485,290
Claims Incurred (Net)	2	317,232	288,940
Commission & Brokerage (Net)	3	(141,866)	(148,091)
Operating Expenses related to Insurance Business	4	114,870	163,441
Reserve for Premium Deficiency		-	-
TOTAL (B)		290,236	304,290
Operating Profit/(Loss) from Fire Business C= (A) - (B) transferred to Profit & Loss Account		189,818	181,000

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.

Schedules referred to above, significant accounting policies and notes to accounts form an integral part of the Financial Statements

As per our Report of even date attached.

For and on behalf of the Board**For V. Soundararajan & Co.**

Chartered Accountants

S.P. Talwar

Director

V.S.Sukumar

Partner

Membership No. 18203

Soumen Ghosh

Director

For Chaturvedi & Shah

Chartered Accountants

K.A.Somasekharan

Executive Director & CEO

H.P.Chaturvedi

Partner

Membership No. 33523

Hemant K. Jain

Chief Financial Officer

Place : Mumbai

Date : April 24, 2010

Mohan Khandekar

Company Secretary

Reliance General Insurance

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

(Rs. In '000)

REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2010			
Marine Insurance Business			
Particulars	Schedule	Current Year	Previous Year
Premium Earned (Net)	1	179,990	151,073
Profit / (loss) on sale/redemption of Investments (Net)		2,837	3,430
Interest, Dividend & Rent – Gross		12,570	15,537
TOTAL (A)		195,397	170,040
Claims Incurred (Net)	2	178,105	184,906
Commission & Brokerage (Net)	3	(5,319)	1,046
Operating Expenses related to Insurance Business	4	48,175	72,194
Reserve for Premium Deficiency		(25,400)	25,400
TOTAL (B)		195,561	283,546
Operating Profit/(Loss) from Marine Business C= (A) - (B) transferred to Profit & Loss Account		(164)	(113,506)

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.

Schedules referred to above, significant accounting policies and notes to accounts form an integral part of the Financial Statements.

As per our Report of even date attached.

For and on behalf of the Board

For V. Soundararajan & Co.

Chartered Accountants

S.P. Talwar

Director

V.S.Sukumar

Partner

Membership No. 18203

Soumen Ghosh

Director

For Chaturvedi & Shah

Chartered Accountants

K.A.Somasekharan

Executive Director & CEO

H.P.Chaturvedi

Partner

Membership No. 33523

Hemant K. Jain

Chief Financial Officer

Place : Mumbai

Date : April 24, 2010

Mohan Khandekar

Company Secretary

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

(Rs. In '000)

REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2010			
Miscellaneous Insurance Business			
Particulars	Schedule	Current Year	Previous Year
Premium Earned (Net)	1	13,405,064	13,322,422
Profit / (loss) on sale/redemption of Investments (Net)		173,479	161,389
Interest, Dividend & Rent – Gross		768,561	731,082
Exchange Gain / (loss)		1,180	320
TOTAL (A)		14,348,284	14,215,213
Claims Incurred (Net)	2	11,361,605	10,262,723
Commission & Brokerage (Net)	3	(204,691)	(168,412)
Operating Expenses related to Insurance Business	4	4,643,285	5,174,786
Reserve for Premium Deficiency		-	-
TOTAL (B)		15,800,199	15,269,097
Operating Profit/(Loss) from Miscellaneous Business C= (A) - (B) transferred to Profit & Loss Account		(1,451,915)	(1,053,884)

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.

Schedules referred to above, significant accounting policies and notes to accounts form an integral part of the Financial Statements.

As per our Report of even date attached.

For and on behalf of the Board**For V. Soundararajan & Co.**

Chartered Accountants

S.P. Talwar

Director

V.S.Sukumar

Partner

Membership No. 18203

Soumen Ghosh

Director

For Chaturvedi & Shah

Chartered Accountants

K.A.Somasekharan

Executive Director & CEO

H.P.Chaturvedi

Partner

Membership No. 33523

Hemant K. Jain

Chief Financial Officer

Place : Mumbai

Date : April 24, 2010

Mohan Khandekar

Company Secretary

Reliance General Insurance

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

(Rs. In '000)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2010		
Particulars	Current Year	Previous Year
Operating Profit / (Loss) transferred from Revenue Account		
a. Fire Insurance	189,818	181,000
b. Marine Insurance	(164)	(113,506)
c. Miscellaneous Insurance	(1,451,915)	(1,053,884)
	(1,262,261)	(986,390)
Income from Investments		
Interest, Dividend & Rent – Gross	395,473	396,039
Profit on sale/redemption of investments	105,803	91,032
Less: Loss on sale/redemption of investment	(16,537)	(3,604)
	484,739	483,467
Other Income		
Profit on sale of assets	(209)	(1,735)
Miscellaneous Income	13,750	6,869
	13,541	5,134
TOTAL (A)	(763,981)	(497,789)
Provisions (Other than Taxation)		
(a) For diminution in the value of investment	-	-
(b) For doubtful debts	-	-
(c) Others (refer note 18 of notes to accounts)	(137,600)	-
Other Expenses		
Expenses other than those related to Insurance Business	(3,889)	(3,893)
Exchange Gain / (loss)	-	-
TOTAL (B)	(141,489)	(3,893)
Profit / (Loss) Before Tax	(905,470)	(501,682)
Provision for Taxation		
Current Tax	-	-
Deferred Tax	401,200	-
Fringe Benefit Tax	-	(21,500)
Income Tax earlier year tax	-	-
Net Profit / (Loss) After Tax	(504,270)	(523,182)
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	(504,270)	(523,182)
Balance of Profit / Loss brought forward from last year	(1,654,654)	(1,131,472)
Balance carried forward to Balance Sheet	(2,158,924)	(1,654,654)
Basic & Diluted Earning Per Share	(4.46)	(4.81)

Significant accounting policies and notes to accounts form integral part of the financial statement.

As per our Report of even date attached.

For V. Soundararajan & Co.
Chartered Accountants

V.S.Sukumar
Partner
Membership No. 18203

For Chaturvedi & Shah
Chartered Accountants

H.P.Chaturvedi
Partner
Membership No. 33523

Place : Mumbai
Date : April 24, 2010

For and on behalf of the Board

S.P. Talwar
Director

Soumen Ghosh
Director

K.A.Somasekharan
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

(Rs. In '000)

BALANCE SHEET AS AT 31st March, 2010			
Particulars	Schedule	Current Year	Previous Year
Sources of funds			
Share Capital	5&5A	1,152,239	1,130,811
Reserves and Surplus	6	8,918,392	6,839,821
Share Application Money		-	-
Fair Value Change Account		(88,817)	(695,844)
Borrowings	7	-	-
Total		9,981,814	7,274,788
Application of funds			
Investments	8	16,566,610	13,639,726
Loans	9	300,627	300,627
Fixed Assets	10	475,067	643,735
Deferred Tax		409,735	8,535
Current Assets			
Cash and Bank Balances	11	824,256	1,142,390
Advances and Other Assets	12	7,423,960	5,594,945
Sub-Total (A)		8,248,216	6,737,335
Current Liabilities	13	11,025,054	8,809,835
Provisions	14	7,152,311	6,899,989
Sub-Total (B)		18,177,365	15,709,824
Net Current Assets (C = A - B)		(9,929,149)	(8,972,489)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit & Loss Account		2,158,924	1,654,654
Total		9,981,814	7,274,788

Significant Accounting Policies 16

Notes to Accounts 17

Schedules referred to above, significant accounting policies and notes to accounts form an integral part of the Financial Statements

As per our Report of even date attached.

For and on behalf of the Board

For V. Sundararajan & Co.
Chartered AccountantsS.P. Talwar
DirectorV.S.Sukumar
Partner
Membership No. 18203Soumen Ghosh
DirectorFor Chaturvedi & Shah
Chartered AccountantsK.A.Somasekharan
Executive Director & CEOH.P.Chaturvedi
Partner
Membership No. 33523Hemant K. Jain
Chief Financial OfficerPlace : Mumbai
Date : April 24, 2010Mohan Khandekar
Company Secretary

Reliance General Insurance

(SCHEDULES FORMING PART OF FINANCIAL STATEMENTS)

SCHEDULE- 1

PREMIUM EARNED (NET)

(Rs. In '000)

Particulars	Financial year ending	Premium from direct business written#	Premium on rein-surance 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	Mar-10	1,395,733	60,397	1,120,900	335,230	72,200	407,430
	Mar-09	1,368,383	22,277	967,873	422,787	(7,641)	415,146
Marine Cargo	Mar-10	273,343	-	137,906	135,437	35,300	170,737
	Mar-09	322,319	-	143,635	178,684	(31,214)	147,470
Marine Hull	Mar-10	22,766	-	17,613	5,153	4,100	9,253
	Mar-09	47,683	-	39,617	8,066	(4,463)	3,603
Marine Total	Mar-10	296,109	-	155,519	140,590	39,400	179,990
	Mar-09	370,002	-	183,252	186,750	(35,677)	151,073
Motor OD	Mar-10	9,057,078	-	921,736	8,135,342	(322,700)	7,812,642
	Mar-09	8,288,145	-	843,908	7,444,237	(6,963)	7,437,274
Motor TP	Mar-10	4,130,021	1,693,466	2,955,697	2,867,790	(173,236)	2,694,554
	Mar-09	3,360,035	1,578,619	2,420,816	2,517,838	(52,847)	2,464,991
Motor Total	Mar-10	13,187,099	1,693,466	3,877,433	11,003,132	(495,936)	10,507,196
	Mar-09	11,648,180	1,578,619	3,264,724	9,962,075	(59,810)	9,902,265
Employer's Liability	Mar-10	68,095	-	7,985	60,110	6,100	66,210
	Mar-09	82,508	-	8,862	73,646	(15,613)	58,033
Public Liability	Mar-10	118,334	-	92,860	25,474	6,700	32,174
	Mar-09	174,926	-	140,638	34,288	(9,201)	25,087
Engineering	Mar-10	1,038,754	8,721	720,735	326,740	(80,000)	246,740
	Mar-09	1,192,290	3,467	977,736	218,021	11,413	229,434
Aviation	Mar-10	406,053	-	387,193	18,860	(6,800)	12,060
	Mar-09	110,115	-	103,888	6,227	(2,475)	3,752
Personal Accident	Mar-10	340,597	-	226,262	114,335	27,400	141,735
	Mar-09	420,951	-	265,692	155,259	(20,421)	134,838
Health	Mar-10	2,387,479	-	294,862	2,092,617	125,000	2,217,617
	Mar-09	3,108,208	-	345,351	2,762,857	6,389	2,769,246
Other Misc.	Mar-10	558,262	-	388,130	170,132	11,200	181,332
	Mar-09	673,286	-	499,588	173,698	26,069	199,767
Misc Total	Mar-10	18,104,673	1,702,187	5,995,460	13,811,400	(406,336)	13,405,064
	Mar-09	17,410,464	1,582,086	5,606,479	13,386,071	(63,649)	13,322,422
Total	MAR'10	19,796,515	1,762,584	7,271,879	14,287,220	(294,736)	13,992,484
Total	MAR'09	19,148,849	1,604,363	6,757,604	13,995,608	(106,968)	13,888,641

- Includes premium reversal arising out of cancellation pertaining to previous years amounting to Rs. 81,242 thousands.

* - Including Indian Motor Third Party Insurance Pool Transactions (Refer note no. 19 in schedule 17 of notes to accounts)

(SCHEDULES FORMING PART OF FINANCIAL STATEMENTS)**SCHEDULE- 2****CLAIMS INCURRED (NET)***(Rs. In '000)*

Particulars	Financial year ending	Claims Paid from direct business written	Claims Paid on reinsurance Accepted	Claims Recovered on reinsurance ceded	Net Claims Paid (3+4-5)	Outstanding Claims on 31-03-2010 *	Outstanding Claims on 31-03-2009 *	Net Claims Incurred (6+7-8)
1	2	3	4	5	6	7	8	9
Fire	Mar-10	779,642	16,363	532,948	263,057	274,149	219,974	317,232
	Mar-09	1,057,877	8,110	769,226	296,761	219,974	227,794	288,940
Marine Cargo	Mar-10	307,107	-	159,218	147,889	76,795	75,291	149,393
	Mar-09	280,953	-	139,413	141,540	75,291	41,592	175,239
Marine Hull	Mar-10	65,515	-	41,692	23,823	15,178	10,289	28,712
	Mar-09	2,699	-	2,316	383	10,289	1,004	9,667
Marine Total	Mar-10	372,622	-	200,910	171,712	91,973	85,580	178,105
	Mar-09	283,652	-	141,729	141,923	85,580	42,596	184,906
Motor OD	Mar-10	5,883,217	-	631,663	5,251,554	1,322,896	908,000	5,666,450
	Mar-09	5,325,981	-	917,280	4,408,701	908,000	722,591	4,594,110
Motor TP	Mar-10	2,123,632	-	1,356,838	766,794	6,373,689	4,465,492	2,674,991
	Mar-09	630,921	-	262,825	368,096	4,465,492	2,238,767	2,594,821
Motor Total	Mar-10	8,006,849	-	1,988,501	6,018,348	7,696,585	5,373,492	8,341,441
	Mar-09	5,956,902	-	1,180,105	4,776,797	5,373,492	2,961,358	7,188,931
Employer's Liability	Mar-10	21,217	-	2,820	18,397	17,982	17,828	18,551
	Mar-09	30,922	-	5,152	25,770	17,828	7,082	36,516
Public Liability	Mar-10	6,867	-	2,167	4,700	8,117	23,197	(10,380)
	Mar-09	8,294	-	1,659	6,635	23,197	712	29,120
Engineering	Mar-10	471,490	23	372,168	99,345	136,831	90,703	145,473
	Mar-09	406,991	45	319,290	87,746	90,703	50,256	128,192
Aviation	Mar-10	125,740	-	84,287	41,453	27,820	20,290	48,983
	Mar-09	1,103	-	889	214	20,290	200	20,305
Personal Accident	Mar-10	320,845	-	217,628	103,217	50,753	49,594	104,376
	Mar-09	317,181	-	215,189	101,992	49,594	24,888	126,698
Health	Mar-10	2,635,351	-	288,956	2,346,395	580,990	358,671	2,568,714
	Mar-09	2,856,611	-	426,821	2,429,790	358,671	247,899	2,540,562
Other Misc.	Mar-10	337,878	-	206,645	131,233	89,673	76,458	144,448
	Mar-09	334,493	-	156,861	177,632	76,458	61,692	192,399
Misc Total	Mar-10	11,926,237	23	3,163,172	8,763,088	8,608,751	6,010,234	11,361,605
	Mar-09	9,912,497	45	2,305,966	7,606,576	6,010,234	3,354,087	10,262,723
Total	MAR'10	13,078,501	16,386	3,897,030	9,197,857	8,974,872	6,315,787	11,856,942
Total	MAR'09	11,254,026	8,155	3,216,921	8,045,260	6,315,787	3,624,478	10,736,569

* - Including Indian Motor Third Party Insurance Pool Transactions (Refer note no. 19 in schedule 17 of notes to accounts)

Reliance General Insurance

(SCHEDULES FORMING PART OF FINANCIAL STATEMENTS)

SCHEDULE- 3

COMMISSION (NET)

(Rs. In '000)

Particulars	Financial year ending	Commission paid on direct business written	Brokerage paid on direct business	Commission paid on reinsurance accepted	Commission received from reinsurance ceded	Net commission (3+4+5-6)
1	2	3	4	5	6	7
Fire	Mar-10	18,557	31,073	3,479	194,975	(141,866)
	Mar-09	17,008	41,805	4,752	211,656	(148,091)
Marine Cargo	Mar-10	5,076	7,762	248	17,764	(4,678)
	Mar-09	7,347	16,837	114	20,760	3,538
Marine Hull	Mar-10	41	1,802	5	2,489	(641)
	Mar-09	49	2,585	13	5,139	(2,492)
Marine Total	Mar-10	5,117	9,564	253	20,253	(5,319)
	Mar-09	7,396	19,422	127	25,899	1,046
Motor OD	Mar-10	35,137	124,881	-	174,539	(14,521)
	Mar-09	58,185	123,780	-	169,134	12,831
Motor TP	Mar-10	-	-	-	31,695	(31,695)
	Mar-09	-	-	-	24,040	(24,040)
Motor Total	Mar-10	35,137	124,881	-	206,234	(46,216)
	Mar-09	58,185	123,780	-	193,174	(11,209)
Employer's Liability	Mar-10	990	2,764	-	1,396	2,358
	Mar-09	1,260	2,518	-	1,657	2,121
Public Liability	Mar-10	248	2,259	-	13,078	(10,571)
	Mar-09	537	4,182	6	12,834	(8,109)
Engineering	Mar-10	6,513	34,725	1,718	191,710	(148,754)
	Mar-09	8,305	41,820	565	269,386	(218,696)
Aviation	Mar-10	136	2,498	4,709	1,771	5,572
	Mar-09	330	179	141	3,338	(2,688)
Personal Accident	Mar-10	6,330	8,307	25	60,123	(45,461)
	Mar-09	6,052	19,609	51	60,477	(34,765)
Health	Mar-10	26,450	89,077	191	45,250	70,468
	Mar-09	75,369	112,968	-	70,075	118,262
Other Misc.	Mar-10	9,980	7,010	5	49,082	(32,087)
	Mar-09	8,547	25,930	2	47,807	(13,328)
Misc Total	Mar-10	85,784	271,521	6,648	568,644	(204,691)
	Mar-09	158,585	330,986	765	658,748	(168,412)
Total	MAR'10	109,458	312,158	10,380	783,872	(351,876)
Total	MAR'09	182,989	392,213	5,644	896,303	(315,457)

SCHEDULE 3 A

Particulars	Paid in India		Paid outside India		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Agents	92,282	113,554	-	-	92,282	113,554
Brokers	312,158	392,213	-	-	312,158	392,213
Corporate agency	17,176	69,435	-	-	17,176	69,435
Referral	-	-	-	-	-	-
Total	421,616	575,202	-	-	421,616	575,202

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs. In '000)

Particulars	Current Year		Previous Year	
Employees' remuneration & welfare benefits		1,035,742		1,498,194
Company's contribution to Provident fund and others		54,435		52,512
Travel, conveyance and vehicle running expenses		43,306		95,439
Rents, rates & taxes		341,193		403,409
Repairs		127,535		176,379
Printing & Stationery		566,108		552,002
Communication expenses		137,676		207,645
Postage expenses		636,066		604,621
Legal & professional charges		151,664		193,911
Directors' Sitting fees		500		520
Auditors remuneration				
a. Audit fees	2,150		1,900	
b. Tax Audit fees	350		300	
c. Certification Fees	85	2,585	75	2,275
Advertisement and Publicity		71,036		132,543
Interest and Bank Charges		31,975		31,852
Entertainment expenses		1,205		3,880
Office maintenance expenses		99,053		135,489
Office management expenses		953,752		872,547
Recruitment & Training expenses		13,399		21,343
Depreciation		316,437		229,256
Subscriptions and membership fees		23,790		16,083
Coinsurance Expenses (net)		14,162		7,858
Miscellaneous expenses		188,600		176,556
TOTAL		4,810,219		5,414,314
Allocation:				
Fire Revenue Account		114,870		163,441
Marine Revenue Account		48,175		72,194
Miscellaneous Revenue Account		4,643,285		5,174,786
Expenses not relating to Insurance Business taken in Profit & Loss A/c		3,889		3,893
TOTAL		4,810,219		5,414,314

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-5

SHARE CAPITAL

(Rs. In '000)

Particulars	Current Year		Previous Year	
Authorized Share Capital 20,00,00,000 Equity Shares of Rs10 each		2,000,000		2,000,000
Issued ,Subscribed and Paid-up Share Capital 115,223,941 Equity Shares of Rs10 each fully paid (Previous year 11,30,81,084 Equity shares) Note: Of the above 110,929,269 shares are held by Holding Company, Reliance Capital Limited (previous year 108,786,412 Equity shares).		1,152,239		1,130,811

SCHEDULE-5A

PATTERN OF SHARE HOLDING

(As certified by the Management)

Shareholder	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters- Indian				
Holding Company- Indian	110,929,269	96%	108,786,412	96%
Holding Company- Foreign	-	-	-	-
Others				
Reliance General Insurance Employees Benefit Trust	4,294,672	4%	4,294,672	4%
Total	115,223,941	100%	113,081,084	100%

SCHEDULE-6

RESERVES AND SURPLUS

Particulars	Current Year		Previous Year	
Share Premium		8,918,392		6,839,821
Surplus in Profit and Loss Account		-		-
Total		8,918,392		6,839,821

SCHEDULE-7

BORROWINGS

Particulars	Current Year		Previous Year	
Debentures/ Bonds		-		-
Banks		-		-
Financial Institutions		-		-
Others (to be specified)		-		-
Total		-		-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8 INVESTMENTS

(Rs. In '000)

Particulars	Current Year		Previous Year	
LONG TERM INVESTMENTS				
Government securities and Government guaranteed bonds including Treasury Bills	3,563,948		3,219,330	
Other Approved Securities	1,342,781		554,112	
Other Investments :				
(a) Equity Shares	975,335		470,445	
(b) Mutual Funds	-		-	
(c) Debentures/ Bonds	2,025,963		2,486,581	
Investments in Infrastructure and social sector	2,287,788		3,048,417	
Other than Approved Investments	87,388		101,240	
		10,283,203		9,880,125
SHORT TERM INVESTMENTS				
Government securities and Government guaranteed bonds including Treasury Bills	301,255		673,069	
Other Approved Securities	68,111		-	
Other Investments :				
(a) Equity Shares	-		-	
(b) Mutual Funds	760,000		563,000	
(c) Debentures/ Bonds	3,344,157		2,174,818	
Investments in Infrastructure and social sector	1,007,125		298,714	
Other than Approved Investments	802,759		50,000	
		6,283,407		3,759,601
Total		16,566,610		13,639,726

Notes :

- The market value of all investments as at 31st March 2010 is Rs. 16,475,150 thousands (previous year Rs. 13,688,922 thousands)
- Government Securities includes Rs. 104,894 Thousand as at 31st March 2010 (Previous year Rs. 108,463 thousands), deposit u/s 7 of the Insurance Act, 1938.
- All the above investments are performing assets.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9

LOANS

(Rs. 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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 10 - FIXED ASSETS AS AT 31st March 2010

(Rs. In '000)

Description	Gross Block			Depreciation			Net Block	
	As at 01-04-09	Additions	Deductions/ Adjustments	As at 31-03-10	For the year	Deductions/ Adjustments	As at 31-03-10	As at 31-03-09
Furniture & Fittings	91,445	33	534	90,944	9,188	217	49,604	41,339
Leasehold Improvements	76,742	-	-	76,742	37,042	-	56,395	20,347
Information Technology Equipment	300,200	648	36,248	264,600	49,434	27,708	193,106	128,820
Intangible Asset (Computer Software)	351,538	151,446	-	502,984	190,098	-	357,544	184,092
Vehicles	22,895	-	916	21,979	2,396	541	15,141	9,610
Office Equipment	231,860	7,512	11,572	227,799	26,893	7,432	84,824	166,496
Plant & Machinery	12,340	-	747	11,593	1,387	138	3,215	10,373
Capital WIP	36,143	55,300	53,189	38,254	-	-	-	36,143
Total	1,123,163	214,939	103,206	1,234,895	316,437	36,036	759,827	643,735
Previous Year	846,813	339,271	62,921	1,123,163	246,289	30,463	479,428	583,211

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-11

CASH AND BANK BALANCES

(Rs. In '000)

Particulars	Current Year		Previous Year	
Cash (including cheques, drafts and stamps on hand)		28,694		17,650
Bank Balances				
(a) Short Term Deposit Accounts	-		-	
(b) Current Accounts	795,562		372,977	
(c) Cheques in Transit	-	795,562	724,022	1,096,999
Other (Cash in Transit)		-		27,741
Total		824,256		1,142,390

SCHEDULE-12

ADVANCES AND OTHER ASSETS

Particulars	Current Year		Previous Year	
Advances				
Prepayments	182,054		43,038	
Advance tax paid and taxes deducted at source (Net of provision for taxation)	85,139		70,335	
Rental Deposits	189,557		182,382	
Advances to Staff	728		9,471	
Unutilised Service Tax Credit	21,063		57,485	
Other Advances	296,407		685,715	
Less : Provision (refer note 18 of notes to accounts)	(137,600)	637,348	-	1,048,426
Other Assets				
Income accrued on investments	387,690		384,379	
Outstanding Premium	-		11,119	
Agents' Balances	1,817		-	
Due from other entities carrying on insurance business	6,397,105		4,151,021	
ERF Investment in Fixed Deposit with Banks	-	6,786,612	-	4,546,519
Total		7,423,960		5,594,945

SCHEDULE-13

CURRENT LIABILITIES

Particulars	Current Year		Previous Year	
Agents' Balances		765		2,219
Balances due to other insurance companies		214,175		117,618
Premium received in Advance		206,141		463,701
Sundry creditors		792,841		938,120
Claims Outstanding (Includes claims related to IMTPIP of Rs. 4,865,963 (Rs. 2,792,214). Refer note no.19)		8,974,872		6,315,788
Environmental Relief Fund Payable		133		9
Premium Deficiency		-		25,400
Temporary Book Overdraft as per accounts		836,127		946,980
Total		11,025,054		8,809,835

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-14

PROVISIONS

(Rs. In '000)

Particulars	Current Year		Previous Year	
Reserve for Unexpired Risk		7,124,658		6,829,922
Provision for Leave Encashment		27,653		70,067
Total		7,152,311		6,899,989

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

Particulars	Current Year		Previous Year	
Discount Allowed in issue of shares/ debentures		-		-
Others (to be specified)		-		-
Total		-		-

Reliance General Insurance

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

RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD ENDED 31st March, 2010

(Rs. In '000)

Particulars	Current Year		Previous Year	
Cash and cash equivalents at the beginning of the year		195,409		(562,086)
Cash flows from operating activities :				
Direct Premiums received	19,629,825		19,391,542	
Payment to re-insurers, net of commissions and claims	(2,773,157)		(2,732,285)	
Payment to co-insurers, net claims recovery	(235,595)		(482,221)	
Direct Claims Paid	(13,078,500)		(11,254,025)	
Direct Commission / Brokerage Payments	(424,869)		(575,074)	
Payment of other operating expenses	(4,264,029)		(4,624,053)	
Preliminary and pre-operating expenses	-		-	
Deposits, Advances, and Staff loans	131,205		(395,565)	
Income tax paid (Net)	(10,387)		(3,030)	
Wealth tax paid	(27)		(89)	
Other Receipts/payments	14,931		7,191	
Cash flow before extraordinary items		(1,010,605)		(667,610)
Cash flow from extraordinary operations		-		-
Cash flow from operating activities		(1,010,605)		(667,610)
Cash flows from investing activities :				
Purchase of investments (Net)	(26,509,508)		(12,668,744)	
Sale of investment (including gain/loss)	25,803,372		12,831,481	
Purchase of fixed Assets	(214,939)		(339,272)	
Proceeds from sale of fixed assets	66,961		30,724	
Rent/ Interest/ Dividends received	943,667		955,669	
Investment in money market instruments and in liquid mutual funds (Net)	(1,382,339)		(980,858)	
Repayment received	-		-	
Loan Given	-		(300,627)	
Expenses related to investments	(3,889)		(3,893)	
Net Cash flow from investing activities		(1,296,675)		(475,520)
Cash flows from financing activities :				
Proceeds from issuance of share capital	2,100,000		1,900,627	
Proceeds from borrowings	-	7	-	
Repayment of borrowings	-		-	
Interest/ Dividend Paid	-		-	
Cash flow from financing activities		2,100,000		1,900,627
Cash and cash equivalents at the end of the year including Bank Overdraft*		(11,871)		195,409
* Cash and cash Equivalent at the end of period:				
Cash & Bank balance as per schedule		824,256		1,142,390
Less: Temporary book over draft as per schedule		(836,127)		(946,981)
Cash and Cash Equivalent at the end of period		(11,871)		195,409

As per our Report of even date attached.

For V. Soundararajan & Co.
Chartered Accountants

V.S.Sukumar
Partner

Membership No. 18203

For Chaturvedi & Shah
Chartered Accountants

H.P.Chaturvedi
Partner

Membership No. 33523

Place : Mumbai
Date : April 24, 2010

For and on behalf of the Board

S.P. Talwar
Director

Soumen Ghosh
Director

K.A.Somasekharan
Executive Director & CEO

Hemant K. Jain
Chief Financial Officer

Mohan Khandekar
Company Secretary

SCHEDULE – 16

Significant Accounting Policies forming part of the financial statements as at 31st March 2010

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 confirm 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 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 in the year of the final determination of the profits and as 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 a straight-line basis. Dividend is recognized when right to receive dividend is established.

d) Profit/Loss on sale of securities

Profit or loss on sale/redemption of securities is recognized on trade date basis 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. 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 reported and outstanding are provided net of estimated salvage and net of claims recoverable from reinsurer / coinsurer based on intimations received up to the date of Balance Sheet, survey reports, information provided by insured, past experience and other applicable laws.

Reliance General Insurance

Claims outstanding include provision for claims incurred but not reported ('IBNR') and also for claims incurred but not enough reported ('IBNER'). The said provision has been determined by Appointed Actuary, which is in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938, IRDA Regulations and the stipulations of the Institute of Actuaries of India.

6. 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.

7. 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.

8. Reserve for Unexpired Risk

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.

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 March 24, 2009 and IRDA/F&I/CIR/F&A/081/12/2009 dated December 17, 2009.

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 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

- 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 Rs. 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.

Reliance General Insurance

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. Expenses of Management

- 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 2010

1. Contingent Liabilities:

- a. Partly paid investments: Nil (Previous year Nil)
- b. Underwriting commitments outstanding: Nil (Previous year Nil)
- c. Claims, other than those under policies, not acknowledged as debts: Nil (Previous year Nil)
- d. Guarantees given by or on behalf of the company: Nil (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 Rs. 1,238 thousands (Previous year Nil) and demand raised by the income tax department for assessment completed for the A. Y. 2007-08 for Rs. 8,524 thousands (Previous year Nil). Further, the company has disputed the demand revised by the income tax department for A. Y. 2006-07 for Rs. 462 thousands (Previous year 1,767 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.
 - i. There are no commitments made and outstanding for Loans (Previous year Nil).
 - ii. The commitments made and outstanding for Investments are Rs. 594 thousands. (Previous year Rs. 374,666 thousands).

6. Estimated amount of commitment pertaining to contracts remaining to be executed in respect of Fixed Assets (net of advance) is Rs. 2,600 thousands (Previous year Rs. 55,345 thousands).
7. Excess depreciation for the earlier years amounting to Nil (Previous year Rs. 17,033 thousands) is adjusted against depreciation for the year.

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 March 24, 2009 and IRDA/F&I/CIR/F&A/081/12/2009 DT. December 17, 2009 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 Rs. 76,309 thousands (Previous Year Rs. 289,754 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 Rs. 49,901 thousands as expenses (Previous year Rs. 61,709 thousands)
- b) Define Benefit Plan: The disclosure required under the define benefit plan as per AS 15 for gratuity fund is as follow:

	Current Year	Previous Year
I. Assumptions :		
Discount Rate Previous Year	7.50%	8.00%
Discount Rate Current Year	8.00%	7.50%
Rate of Return on Plan Assets Previous Year	7.50%	8.00%
Rate of Return on Plan Assets Current Year	8.00%	7.50%
Salary Escalation Previous Year	5.00%	6.00%
Salary Escalation Current Year	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the Year	20,508,814	15,321,127
Interest Cost	1,538,161	1,225,690
Current Service Cost	11,738,598	10,780,780
Benefit Paid	(1,276,962)	(1,194,346)
Actuarial (Gain)/Loss on obligations	(2,691,123)	(5,624,437)
Liability at the end of the Year	29,817,489	20,508,814
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	29,654,148	7,912,245
Expected Return on Plan Assets	2,224,061	632,980
Contributions	2,112,796	7,006,965
Benefit Paid	(1,276,962)	(1,194,346)
Actuarial Gain/(Loss) on Plan Assets	3,190,302	15,296,305
Fair Value of Plan Assets at the end of the Year	35,904,346	29,654,148
Total Actuarial Gain/(Loss) To Be Recognised	5,881,425	20,920,742
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	2,224,061	632,980
Actuarial Gain/(Loss) on Plan Assets	3,190,302	15,296,305
Actual Return on Plan Assets	5,414,363	15,929,284

Reliance General Insurance

	Current Year	Previous Year
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	29,817,489	20,508,814
Fair Value of Plan Assets at the end of the Year	35,904,346	29,654,148
Difference	(6,086,857)	(9,145,334)
Amount Recognised in the Balance Sheet	(6,086,857)	(9,145,334)
VI. Expenses Recognised in the Income Statement :		
Current Service Cost	11,738,598	10,780,780
Interest Cost	1,538,161	1,225,690
Expected Return on Plan Assets	(2,224,061)	(632,980)
Net Actuarial (Gain)/Loss To Be Recognised	(5,881,425)	(20,920,742)
Expense Recognised in P& L	5,171,273	(9,547,252)
VII. Amount Recognised in the Balance Sheet :		
Opening Net Liability	(9,145,334)	7,408,882
Expense as above	5,171,273	(9,547,252)
Employers Contribution paid	(2,112,796)	(7,006,965)
Closing Net Liability	(6,086,857)	(9,145,334)

11. Out of 72,705 claims (previous year 36,686 claims) reported and outstanding amounting to (Gross) Rs. 4,585,862 thousands (previous year Rs. 4,226,055 thousands), 21,853 Claims amounting to Rs. 2,235,459 thousands (previous year 8,234 claims amounting to Rs. 1,796,188 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, 2010 comprises of the following -

(Rs. in thousands)

	Current Year	Previous Year
Deferred Tax Asset		
Related to Fixed Assets	5,049	-
Related to Leave Encashment Provision	9,186	23,815
Unabsorbed Depreciation	243,380	112,415
Carry forward losses	193,246	-
Total	450,860	136,230
Deferred Tax Liability		
Related to Fixed Assets	-	53,830
Reserve for Unexpired Risk	41,125	73,865
Total	41,125	127,695
Deferred Tax Asset/(Liability)(Net)	409,735	8,535
Deferred tax expense/(income) recognized in the Profit and Loss A/c	(401,200)	-

Deferred Tax Asset on carry forward loss has been created after considering substantial reduction in operating expenses achieved and revision in product pricing and underwriting policy in retail segment.

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. Accordingly, the Company issued a total of nil equity shares (Previous year 4,294,672 equity shares at a price of Rs. 70 per equity share) 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	694,300	70	6.05 years	Nil	Nil	
Granted	Nil	Nil		694,300	70	
Exercised	Nil	Nil		Nil	Nil	
Lapsed / Forfeited	30,000	Nil		Nil	Nil	
Outstanding at the year end	664,300	70	4.46 years	694,300	70	6.05 years
Exercisable at end of year	664,300	70	-	694,300	70	-

The fair value of the options granted was estimated on the date of grant using the Black-Scholes model with the following assumptions:

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Risk Free Interest Rate	-	7.98%
Expected Life	-	7 year
Volatility	-	-
Dividend yield	-	-

The Company has chosen to account for the plan by Intrinsic Value Method. The total expense recognized for the year arising from stock option plan as per intrinsic value method is Nil (Previous Year Nil) The net results and Earning Per Share (EPS) for the year, had the Company adopted the fair value method, would have been unchanged.

14. Value of contracts in relation to investments for:

(Rs. in thousands)

Particulars	Current Year	Previous Year
Purchases where deliveries are pending	Nil	210,823
Sales where payments are overdue	Nil	Nil
Sales where deliveries are pending	594	163,843

15. The historical cost of Investments valued at fair value on Balance Sheet date is Rs. 1,243,911 thousands (Previous year Rs. 1,307,060 thousands).

16. In accordance with circular no. F&A/ CIR/ 017/ May-04 dated 18th May 2004 there is no premium deficiency on an overall basis in the miscellaneous segment, although there is a premium deficiency under following sub segments –

(Rs. in thousands)

Sub-segment	Current Year	Previous Year
Liability	-	3,167
Rural	19,229	15,664
Aviation	30,617	14,120
Health	153,572	-

Reliance General Insurance

17. Pursuant to the regulatory requirement vide circular 067/IRDA/F&A/CIR/Mar-08, dated 28th March, 2008 , the additional disclosure is given under:

(Rs. in thousands)

Particulars	Current Year	Previous Year
Outsourcing Expenses	192,595	311,037
Business Development	6,742	30,477
Marketing Support	64,295	102,065

18. During the current year, provision has been created for Rs. 137,600 thousands towards balances in control account related to premium. While arriving at the provision amount, required adjustments pertaining to reinsurance, commissions and taxes have been considered based on existing patterns with an assumption that the premium will be reversed.

19. Indian Motor Third Party Insurance Pool (IMTPIP)

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 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. Accordingly, such share has been recorded by the Company, only up to 28th February 2010, the date up to which the return is submitted by GIC.

20. Coinsurer's balances are subject to confirmations and consequential adjustments.
21. The total of future minimum lease rent payable under operating lease for each of the following periods:

(Rs. in thousands)

Particulars	Current Year	Previous Year
Not later than one year	135,944	151,385
Later than one year and not later than five years	240,448	197,030
Later than five years	6,316	Nil

Lease payment debited to the Profit and Loss account during the year Rs. 142,206 thousands (Previous year Rs. 129,556 thousands)

22. The company has under written during the year rural insurance premium of Rs. 1,832,378 thousands (previous year Rs. 1,396,248 thousands) representing 9.26% of Gross Direct Premium (previous year 7.29 %) and under the social sector, the company has underwritten insurance covers to 5,636,735 lives generating a premium of Rs. 105,311 thousands (previous year 39,406,819 lives generating a premium of Rs. 110,353 thousands).
23. Extent of risk retained and reinsured is set out below (excluding excess of loss and catastrophe reinsurance):

(Rs. in thousands)

Particulars	For the year ended 31st March 2010	For the year ended 31st March 2009
	% of business written	% of business written
Risk Retained	66%	67%
Risk Reinsured	34%	33%
	100%	100%

24. Managerial Remuneration:

(Rs. in thousands)

Particulars	Current Year	Previous Year
Salaries	9,243	15,754
Perquisites	158	-
Contribution to Provident Fund and Super Annuation	793	865
Provision for Gratuity and Leave Encashment	2864	2,691
Total	13,058	19,310

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

25. There are no claims which are settled and unpaid for a period of more than six months as on the Balance Sheet date.
26. The company does not have any liability relating to claims where the claim payment period exceeds four years.
27. 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 Rs. ('000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	Violation of the File and Use Guidelines	2,000	2,000	-
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	-	-	-

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.

Holding Company

Reliance Capital Limited

Subsidiary of Holding Co. (including fellow subsidiary)

Reliance Capital Asset Management Limited

Reliance Capital Trustee Company Limited

Reliance Capital Services Private Limited

Reliance Equity Advisors (India) Limited

Medybiz Private Limited

Reliance Home Finance Private Limited

Reliance Equities International Private Limited

Reliance Capital (Singapore) Pte. Limited

Reliance Consumer Finance Private Limited

Reliance Securities Limited

Reliance Capital Partners

Key Management personnel and their relatives

Mr. K. A. Somasekharan

Executive Director and CEO

Reliance General Insurance

B) Transaction during the period with related parties:

(Rs. in thousands)

Sr. no.	Related Party	Relationship	Nature of transaction	Current Year	Previous Year
1.	Reliance Capital Ltd	Holding company	Share Capital Money Received	21,429	16,327
			Share Premium Money Received	2,078,571	1,583,673
			Premium	2,553	4,688
			Claims	490	708
			Software Purchased	37,594	2,879
			Sale of Server	248	105
			Reimbursements received for expenses (Rent, Communication, Electricity)	3,079	1,039
			Reimbursements paid for expenses (Rent, Communication, Electricity, Professional fees, Maintenance Charges)	48,906	59,778
			Outstanding balance in CD A/c	50	75
2	Reliance Capital Asset Management Ltd.	Fellow Subsidiary	Advisory fees	-	598
			Premium	11,506	6,852
			Claims	162	165
			Reimbursements received for expenses (Rent, Communication, Electricity)	5,353	-
			Outstanding balance in CD A/c	1,214	877
3	Reliance Capital Trustee Co Ltd	Fellow Subsidiary	Premium	2,672	1,861
4	Reliance Money Express Ltd.	Fellow Subsidiary	Premium	3,550	2,409
			Foreign Currency Purchased	229	186
			Foreign Currency Returned	85	-
			Outstanding balance in CD A/c	518	-
5	Reliance Equity Advisors India Ltd	Fellow Subsidiary	Premium	22	45
			Outstanding balance in CD A/c	15	25
6	Reliance Securities Ltd	Fellow Subsidiary	Premium	8,764	12,355
			Claims	23	24
7	Medybiz Pvt. Ltd	Fellow Subsidiary	Premium	28	35
8	Reliance Capital Services Pvt. Ltd	Fellow Subsidiary	Premium	782	1,581
			Policy Management Paid	56,297	-
			Claim Paid	12	-
			Reimbursements received for expenses (Rent, Maintenance)	1,228	1,076
			Outstanding balance in CD A/c	381	147
9	Reliance Equities International Pvt. Ltd	Fellow Subsidiary	Premium	296	217
			Claims	-	24
			Outstanding balance in CD A/c	40	13
10	Reliance Consumer Finance Pvt. Ltd.	Fellow Subsidiary	Premium	7,900	94
			Claim	440	-
			Reimbursements received for expenses (Rent, Electricity)	5,989	5,562
			Outstanding balance in CD A/c	591	1,698
11	Reliance Capital Partners	Fellow Subsidiary	Premium	528	367
12	Reliance Home Finance	Fellow Subsidiary	Premium	219	-
			Outstanding balance in CD A/c	26	-
13	K.A. Somasekharan	Key Managerial Personnel	Remuneration	13,058	19,310
			Premium	23	20
14	Independent Directors		Sitting Fees	500	520

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 2010

- a. 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”.
- b. 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”.

Reliance General Insurance

(Rs. in thousands)

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Employer Liability	Public Liability	Engineering	Aviation	Personal Accident	Health	Other Miscellaneous	Total Enterprise
Segment Revenues												
Premium	407430	170737	9253	10507196	66210	32174	246740	12060	141735	2217617	181332	13992484
2008-09	415146	147470	3603	9902265	58033	25087	229434	3752	134838	2769246	199767	13888641
Commission	(141866)	(4678)	(641)	(46216)	2358	(10571)	(148754)	5572	(45461)	70468	(32087)	(351876)
2008-09	(148091)	3538	(2492)	(11209)	2121	(8109)	(218696)	(2688)	(34765)	118262	(13328)	(315457)
Investment income	72624	14223	1184	686165	3543	6157	54049	21128	17723	124228	29047	1030071
2008-09	70144	16522	2445	597092	4229	8967	61118	5645	21578	159329	34513	981582
Exchange Gain	0	0	0	0	0	0	0	0	0	0	(1180)	(1180)
2008-09	0	0	0	0	0	0	0	0	0	0	(320)	(320)
Total	621920	189638	11078	11239577	67395	48902	449543	27616	204919	2271377	243646	15375611
2008-09	633381	160454	8540	10510566	60141	42163	509248	12085	191181	2810313	247928	15186000
Segment Expenses												
Claims	317232	149393	28712	8341440	18551	(10380)	145473	48983	104376	2568714	144448	11856942
2008-09	288940	175239	9667	7188931	36516	29120	128192	20305	126698	2540562	192399	10736569
Premium Deficiency	0	(24794)	(606)	0	0	0	0	0	0	0	0	(25400)
2008-09	0	24794	606	0	0	0	0	0	0	0	0	25400
Management Expenses	114870	46409	1766	3681007	20597	8729	111960	6463	39178	717055	58296	4806330
2008-09	163441	69076	3118	3851139	28470	13255	84282	2407	60020	1068065	67148	5410421
Total	432102	171008	29872	12022447	39148	(1651)	257433	55446	143554	3285769	202744	16637872
2008-09	452381	269109	13391	11040070	64986	42375	212474	22712	186718	3608627	259547	16172390
Net Profit/loss	189818	18630	(18794)	(782870)	28247	50553	192110	(27830)	61365	(1014392)	40901	(1262261)
2008-09	181000	(108655)	(4851)	(529504)	(4845)	(212)	296774	(10627)	4463	(798314)	(11619)	(986390)
Unallocated items												
Investment income												484739
2008-09												483467
Other income												13541
2008-09												5134
Expenses												141489
2008-09												3893
Net Profit before tax												(905470)
2008-09												(501682)
Income tax												(401200)
2008-09												21500
Net profit after tax												(504270)
2008-09												(523182)
Assets												
Segment Assets												Nil
2008-09												(Nil)
Unallocated Assets												26000252
2008-09												21297597
Total												26000252
2008-09												21297597
Liabilities												
Segment Liabilities	442149	144795	21178	13200243	48982	21117	346831	37820	108753	1550990	176673	16099531
2008-09	460173	178591	20388	10381214	54928	42897	220702	23491	134994	1453671	174659	13145710
Unallocated Liabilities												9900721
2008-09												8151887
Total												26000252
2008-09												21297597

Notes:

- 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
- Since the company's entire business is conducted within India, there are no reportable geographical segments for the year.

30. Summary of financial Results:

(Rs. in thousands)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
OPERATING RESULTS						
Gross Premium Written	19,796,515	19,148,849	19,464,171	9,122,274	1,623,311	1,616,797
Net Premium Income	14,287,220	13,995,608	13,374,457	5,043,141	555,429	619,618
Income From Investment	1,030,071	981,582	676,689	169,678	46,678	49,248
Other Income	1,180	320	(53)	518	(39)	1,993
Total Income	15,318,471	14,977,510	14,051,093	5,213,337	602,068	670,859
Commission	(664,034)	(707,671)	(1,224,282)	(1,022,675)	(185,877)	(221,969)
Brokerage	312,158	392,214	426,660	228,388	46,391	25,304
Operating Expenses	4,806,330	5,410,421	5,628,590	1,809,223	274,512	343,118
Claims and Increase in Unexpired Risk Reserve and other outgo	12,126,278	10,868,938	11,280,950	1,731,844	344,381	522,944
Operating Profit/ (Loss)	(1,262,261)	(986,390)	(2,060,824)	(134,006)	109,091	1,462
NON OPERATING RESULTS						
Total Income under Shareholders account	356,791	484,708	432,396	158,395	103,777	70,641
Profit / (Loss) before Tax	(905,470)	(501,682)	(1,628,426)	22,435	210,755	72,104
Provision for tax	(401,200)	21,500	27,086	6,148	67,061	14,356
Profit / (Loss) after Tax	(504,270)	(523,182)	(1,655,512)	16,288	143,694	58,335
MISCELLANEOUS						
Policy holder's Account :						
Total Funds	9,064,638	7,323,751	8,168,807	3,737,423	620,781	344,224
Total Investments	9,064,638	7,323,751	8,168,807	3,737,423	620,781	344,224
Yield on Investment	8.34%	9.75%	11.36%	9.20%	7.12%	6.69%
Share holders Account :						
Total Funds	7,501,972	6,315,974	4,938,533	2,594,045	1,572,633	1,384,065
Total Investments	7,501,972	6,315,974	4,938,533	2,594,045	1,572,633	1,384,065
Yield on Investment	8.34%	9.75%	11.27%	9.20%	7.12%	6.69%
Paid up Equity Capital	1,152,239	1,130,811	1,071,538	1,030,721	1,020,007	1,020,007
Net Worth	7,501,972	6,307,442	4,938,533	2,594,045	1,572,633	1,384,065
Total Assets	26,000,252	21,297,597	17,403,551	7,352,067	2,546,196	2,221,995
Yield on total investment	8.34%	9.75%	11.28%	9.20%	7.12%	6.69%
Earning Per Share	(4.46)	(4.81)	(15.92)	0.16	1.41	0.57
Book Value Per Share	68.66	55.85	46.09	25.17	15.42	13.57
Total Dividend	-	-	-	-	-	-
Dividend Per Share	-	-	-	-	-	-

Reliance General Insurance

31. Financial Ratios:

Particulars	Gross premium Growth Rate	Net Retention Ratio	Net Commission Ratio	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	2%	24%	-42%	35%
2008-09	-4%	31%	-35%	26%
Marine Cargo	-15%	50%	-3%	-15%
2008-09	2%	55%	2%	-56%
Marine Hull	-52%	23%	-12%	-399%
2008-09	83%	17%	-31%	-83%
Motor	13%	83%	0%	-13%
2008-09	-8%	86%	0%	-11%
Employer Liability	-17%	88%	4%	41%
2008-09	-4%	89%	3%	-12%
Public Liability	-32%	22%	-41%	174%
2008-09	217%	20%	-24%	-27%
Engineering	-13%	31%	-46%	42%
2008-09	15%	18%	-100%	108%
Aviation	269%	5%	30%	-260%
2008-09	49%	6%	-43%	-261%
Personal Accident	-19%	34%	-40%	38%
2008-09	4%	37%	-22%	-11%
Health	-23%	88%	3%	-54%
2008-09	13%	89%	4%	-35%
Other Miscellaneous	-17%	30%	-19%	6%
2008-09	11%	26%	-8%	-27%
Total	3%	72%	-2%	-16%
2008-09	-2%	73%	-2%	-14%

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	267%	341%
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.	32%	16%
Expenses of Management to Gross Premium	Expenses of Management (operating expenses related to insurance business plus direct commissions paid) divided by gross direct premium)	26%	31%
Combined Ratio	Claims plus expenses of management (operating expenses related to insurance business plus direct commissions paid) divided by gross direct premium	92%	90%
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)	113%	94%
Operating profit ratio	Underwriting profit/loss plus investment income divided by net premium)	-6%	-3%
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))	44%	37%
Net earnings ratio	Profit after tax divided by net earned premium	-4%	-4%
Return on Net Worth ratio	Profit after tax divided by net worth	-7%	-9%
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.

33. Earnings per share information:

- Net profit/(loss) after tax available for equity shareholder is Rs (504,270) thousands (previous year Rs. (523,182) thousands).
- Weighted average number of equity shares outstanding during the year is 113,140,631 (Previous year 108,866,958).
- Basic and Diluted Earning Per Share Rs. (4.46) (previous year Rs. (4.81))

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

(Rs. in thousands)

Previous year 2008-09			2008-09 Regrouped in Current year		
Line Item	Schedule	Old grouping	Schedule	New grouping	Amount
Agents' Balances	Sch 13	Current Liabilities	Sch 13	Sundry creditors	26,546
Balances due to other insurance companies	Sch 13	Current Liabilities	Sch 12	Due from other entities carrying on insurance business	32,359

Reliance General Insurance

35. Balance sheet Abstract of Company's General Business Profile:

Registration Details

Registration No.

Balance Sheet Date:

State Code

Capital raised during the year (Amount in Rs. thousands)

Public issue

Bonus issue

Right Issue

Private Placement

Position of Mobilisation and Development of funds (Amount in Rs. thousands)

Total Liabilities

Total Assets

Sources of funds

Paid-up Capital

Reserves & Surplus

Fair value change Loans

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Deferred Tax

Miscellaneous Expenditure

Performance of Company: (Amount in Rs. thousands)

Turnover

Profit Before Tax

Earning Per Share (Rs.)

Total Expenditure

Profit After Tax

Dividend Rate

Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No.

NOT APPLICABLE

Product Description

GENERAL INSURANCE

Note:

The company being a general insurance company, the accounts of the company are not required to be made in accordance with Schedule VI. Further, as per Insurance act 1938, the insurance accounts of the company to be split between policy holder's and share holder's fund. In view of the above it is not possible to give information required in Para III and Para IV of the above statement.

For and on behalf of the Board of Directors

S. P. Talwar

Director

K. A. Somasekharan

Executive Director and CEO

Soumen Ghosh

Director

Hemant K. Jain

Chief Financial Officer

Place : Mumbai

Date : April 24, 2010

Mohan Khandekar

Company Secretary

RELIANCE General Insurance
Anil Dhirubhai Ambani Group

A Reliance Capital Company

Reliance General Insurance Company Limited

Corporate Office 570, Naigaum Cross Road, Next to Royal Industrial Estate, Wadala (W), Mumbai - 400031

Registered Office Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400001

www.reliancegeneral.co.in