

13th Annual Report

2012 - 2013

Health



Motor



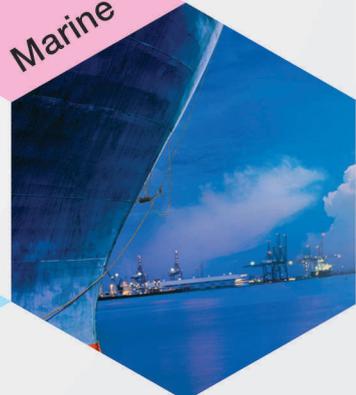
Travel



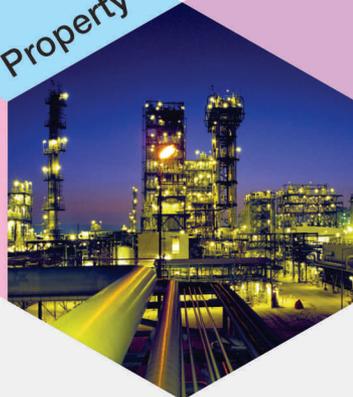
Home



Marine



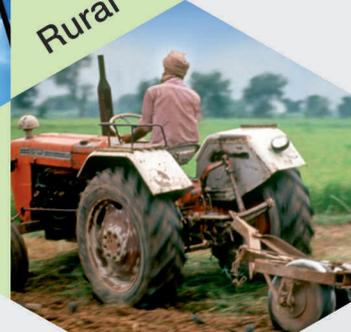
Property



Liability



Rural



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13th Annual Report

BOARD OF DIRECTORS

Mr. S. P. Talwar	Director
Mr. D. Sengupta	Director
Mr. Rajendra P. Chitale	Director
Mr. H. Ansari	Director
Mr. Soumen Ghosh	Director
Mr. Rakesh Jain	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
SBI
IDBI Bank
Yes Bank

AUDITORS

M/s. Singhi & Co.
M/s Pathak H. D. & Associates

REGISTERED OFFICE

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

CORPORATE OFFICE

570, Rectifier House,
Naigaum Cross Road,
Next to Royal Industrial Estate,
Wadala (W), Mumbai - 400 031.
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Fax : +91 - 22 - 30479650
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LONDON REPRESENTATIVE OFFICE

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

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DIRECTORS' REPORT

To the Members,

Your Directors present the Thirteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013.

Financial Results

(₹ in crore)

Particulars	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Gross Direct Premium	2,010.01	1,712.55
Insurance Profit/(Loss)	(144.22)	(384.48)
Investment Income on Shareholders fund	80.02	62.82
Profit/(Loss) before Tax	(92.77)	(341.60)
Provision for Deferred Tax	-	(1.60)
Profit/(Loss) after Tax	(92.77)	(343.20)

Dividend

Your Directors do not recommend any dividend for the year ended 31st March, 2013, in view of loss incurred during the year.

Operations

Your Company in the current year has underwritten Gross Direct Premium of ₹ 2,010.01 crore as against ₹ 1,712.55 crore in the previous year registering an increase by 17.37%. The main focus during the year was again to improve the profitability of the Company.

The income from investments for the year under review is ₹ 273.22 crore as against ₹ 201.58 crore in the previous year. The Net Loss before tax earned during the Financial Year 2012-13 is ₹ 92.77 crore as against ₹ 341.60 crore during the previous year. The Net Loss after tax stands at ₹ 92.77 crore during the period under review as against loss of ₹ 343.20 crore during the previous year. Indian Motor Third Party Insurance Pool losses accounted in the current year is ₹ 95.28 crore as against ₹ 216.97 crore in the previous year.

During the year the Company has undertaken various initiatives to improve its performance. The key initiatives implemented are reduction in usage of manual covernotes, recruitment of agents, implementation of in house health claims management for retail health claims, revision in the premium pricing based on analytics, significant increase in commercial line portfolio etc. All these initiatives will help the Company in long run.

Your Company had issued 28.96 Lac policies during the year as compared to 26.14 Lac in the previous year.

Industry Developments

As per the figures released by Insurance Regulatory and Development Authority (IRDA), the Gross Premium Underwritten by the industry for the Financial Year ended 31st March, 2013 was ₹ 69,081 crore as against ₹ 58,120 crore during the previous year showing growth rate of 19%.

Despite there being large number of players, the market is still under penetrated. The urban market is the major contributor for general insurance. Though the rural market does not have any significant contribution to this sector, it is growing rapidly over the past few years and is slowly becoming a huge potential market for general insurance in India. To capture the rural market, industry is adopting strategies to increase awareness levels among the people. This can be achieved through increasing the distribution levels and access points. Business generation through multiple distribution channels is the main agenda for these Companies.

On the property and liability insurance segments niche marketing and competition for small and medium size Companies would be the challenge. Project-insurance sector will continue to be the major work-horse; with continued economic development spurring investment in power sector, manufacturing and other industries, roads and buildings. Insurers with right technical support and adequate capacity would be able to benefit from this segment.

Health insurance is poised to record a significant growth in India in the coming years. Large number of the country's population is expected to come under the health insurance umbrella in the next few years.

Another area of opportunity is the government initiatives in health and Personal Accident covers for the populace. Rashtriya Swasthya Bima Yojana (RSBY) schemes and Group Personal Accident covers sponsored by State and Central Governments are providing huge opportunities to insurers.

Online selling of insurance policies to discerning customers, who access the Internet has gained momentum. Typically motor, travel and health policies are being sold more online. Many insurers have already realised this and are creating separate verticals to exploit this segment. The interplay of technology and telecom will be a major factor determining the growth of the industry in future.

The Honorable Finance Minister in his budget speech for the year 2013-14 has made an announcement that Banks will be permitted to act as Insurance Brokers so that the entire network of Bank Branches will be utilized to increase penetration. The Rashtriya Swasthya Bima Yojana covers 34 million families below the poverty line. It will now be extended to other categories such as rickshaw, auto-rickshaw and taxi drivers, sanitation workers, rag pickers and mine workers.

The premium rates in case of Motor Third Party have been increased. The increased premium rates were applicable from 1st April, 2013. Increase in the premium has been done to reduce the losses suffered by the Insurance Companies.

Corporate Governance

IRDA has issued comprehensive guidelines on Corporate Governance for adoption by the Insurance Companies. These guidelines were 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 recognize the expectations of all stakeholders as well as those of the regulator. Your Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the Government and the society. A separate Corporate Governance Report is presented in a separate section which forms part of the Annual Report. As required under the Corporate Governance Guidelines certificate from the Compliance Officer of the Company certifying that the Company has complied with the Corporate Governance Guidelines, also forms the part of the Annual Report.

Reinsurance

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

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

Information Technology

Last Financial Year witnessed rapid developments in IT to facilitate all aspects of business, from Retail and Commercial Underwriting and Claims, Distribution, Risk & Compliance, HR and Employee engagement. On the IT infrastructure side, technology refresh projects were run to weed out old desktops and laptops. The e-mailing solution and employee productivity applications were moved to cloud based solutions from Google.

Main IT objectives lined up at the start of the Financial Year and the achievements are as highlighted below:

Paper-based to Paper-less policy issuance: Usage of Covernotes for Motor was drastically reduced by moving Agents and other Channel partners to use Portal and POS systems. Electronic Covernotes or Policies are issued on-the-spot and can also be emailed to Customers. The policies come with security features like Digital Signature and 2-Dimensional barcodes which make them difficult to tamper with. Apart from generating policies, Agents get a rich set of reports and alerts on their business sourcing, renewal notices and claim status checks. Another new initiative was to use Mobile devices (Tablets) to issue Retail policies on the field, including collection of online payment using a Credit / Debit card swipe dongle which can be attached to the Tablets. This was first piloted in the Direct Sales team and roll-outs to Agents in under progress.

Commercial Underwriting, Claims & Reinsurance: Genisys Configurator from CMC is being implemented. Engineering, IAR and Fire SFSP products has been rolled out. Treaty program for the Financial Year is setup and Reinsurance apportionments are carried out in this application.

CRM, Business Intelligence (BI): A new CRM application ICE (Integrated Customer Engagement) was launched to provide multi-channel customer servicing capabilities to Call Center and Branches. Several BI dashboards were added for tracking key business metrics.

Reliance General Insurance Company Limited

Technology refresh: Old Desktops are getting replaced using a Virtual Desktop technology whereby all user data and applications will be stored in a centralized data center. This helps in giving better application performance, up to date applications and antivirus controls and reduces the risk of data leakage.

Personnel

In 2012-13 through 273 Training Programs, there were 3,341 participation from our employees, clocking about 3723.41 man days of training. This was achieved through a paradigm shift in analyzing training needs of our employees. Apart from attending specialized training programs at training institutes our employees attended both at the product as well as soft skill programs conducted in-house and at various locations. Focus was more on Non Motor Training and training to agents over and above our employees. Programs such as LITE (Learn, Implement, Train & Enhance Productivity) and KEP's (Knowledge Enhancement Programs) were conducted for Sales Managers and BSM's to strengthen their Non-motor subject knowledge and give them the winning edge in today's competitive market. For women employees a two day program called Fempower was facilitated to assist fine tune their balance between work and home. Leadership workshop was conducted for the zonal level team leaders in various functions to help them visit and share best practices and effective leadership skills required in the current environment. For our office Managers and Agency Development Managers a two day program ACE (Achieving Comprehensive Excellence) was specially designed to groom their skills on Non-Motor products & on Behavioral Skills. To help employees in the E1 to E4 grade get answers to their questions on – Business Etiquettes, E-mail Etiquettes, Time Management & Effective Communication, BET (Business Etiquettes & Time Management) program was conducted. For the new agents, WIN (Welcome & Induction) a special induction program was created to induct the new agent into Company's fold and expose them to RGI as a brand and train them on Company's wide range of product baskets. Over 1400 Agents were trained through various programs including WIN. For effective communication among the employees in their team, PowerTalk a one day Customized Communications Skills enhancement program catering to Sales, Operations teams and non sales employees was conducted. To help an employee manage himself best according to any situation a special workshop on Emotional Intelligence (EI) called EEM (Effective Emotion Management) was conducted.

Investments

The investment portfolio of the Company as on 31st March, 2013 is ₹ 3,257.80 crore (₹ 2,709.70 crore). The market value of the same is ₹ 3,271.24 crore (₹ 2,651.63 crore). The asset allocation among Debt and Equity is 97.93% (98.10%) and 2.07% (1.90%) respectively. The modified duration of the Debt portfolio stands at 3.47 years (3.02 years). The Debt portfolio comprises 31.45% (31.14%) in Sovereign Bonds – approved securities, 35.37% (37.39%) in AAA, 8.14% (3.05%) in AA+, 4.44% (0.76%) in AA/AA- rated and the remaining 20.59% (27.66%) in money market instruments and Fixed Deposits.

The income for the whole year was at ₹ 272.31 crore. The income from overall portfolio translated into a return of 8.91% from average total assets of ₹ 2997 crore debt and ₹ 59.79 crore equity. The MTM gain in debt has improved to positive ₹ 18.74 crore from ₹ 6.14 crore a quarter earlier and (-) ₹ 50.49 a year earlier. Similarly the MTM deficit in equity improved from (-) ₹ 5.29 crore against (-) ₹ 7.58 crore a year earlier.

Claims handling

Motor:

In the year 2012-13, the Motor Claims Department have disposed 140,602 claims against an intimation of 138,770 .

The Company has achieved a disposal ratio of 101.32% in the year.

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

1. Provider Management:

The Company has added 211 garages to cashless list spreading the network to 2399 which would help a customer get a cashless claim leading to more satisfaction in claim settlement.

2. Operating Efficiency:

- Claim status tracker and Claim Procedure are available on Interactive Voice Response [IVR] at our toll free number.
- Direct claim intimation through website allowed to Cashless network garages to facilitate a faster claim intimation.
- Claim cheque dispatch details and detailed breakup of claim amount have been added to the website view.
- Call centre bandwidth has been efficiently redistributed to serve other customer's requests due to reduced dependence on them on account of the three initiatives listed above.
- The Company has initiated joint efforts with police authorities and other agencies and has recovered 596 stoles vehicles this year.

Health:

FY 2012-13 has been extremely eventful in terms of extending the Health Service umbrella and bolstering the consistent service delivery to our valued Health Insurance Customers.

The service architecture is strengthened by means of:

- a. Centralization of the Health & Accident Claims Team at Hyderabad in July 2012.
- b. Dedicated Customer Relationship team focused on Customer engagement, guidance and education.
- c. Extensive and widely spread provider network with more than 3800 Hospitals, 65 Diagnostics Centers, 2000+ retail pharmacies and comprehensive Health & allied services network.
- d. Exclusive team venturing into various Wellness programs for Corporate.
- e. TPA Management & Corporate Relationship team – with zonal presence, ensuring Controls at the TPA operations and Corporate Client servicing.

A few initiatives that have aided....

- a. A successful completion of Six Sigma Project towards Optimization of Health Claims TAT.
- b. Enhanced and Proactive Customer Connect across Claims Cycle in form of SMS/E-Mails and Personalized Calling.
- c. Special Monitoring of all deficient cases supported with guidance towards timely resolution.
- d. End to End tracking of Claims payments.
- e. Dedicated team to channelize the provider contracts repository & analyzing the provider tariffs.

Process & Certification

The annual periodic audits by DNV (Det Norske Veritas) were conducted in July 2012 to verify the adherence to the Quality Management System (QMS) requirements as per ISO 9001:2008 standard. Annual internal Business Process Management Systems audits have been completed between January 2013 to March 2013.

The Company has also won 1st prize in RCAP's Best Lean Six Sigma Award contest in Category A - Service Quality Improvement for Customers / Distributors held in February 2013. This is the 2nd consecutive year for winning an award in this category. The Company has also won RCAP's Company level award for most "Innovative Idea" in H1.

The Company was also nominated finalists at SCMHRD Lean Six Sigma Excellence Awards Contest and were called for a presentation to Quality Council of India (QCI) for D.L.Shah National Awards on Economics of Quality.

Awards and Recognition

The Company has won the prestigious award of "Risk Management – Service Provider of the Year" as part of Global Risk Awards, 2013, by The Institute of Risk Management, UK. The Company is the only Indian Company amongst various award categories that has won the award. Competitors in the grand finale for the above award were AON-UK, Marsh Risk Consulting-UK, StrateX Systems-UK & Zurich Risk Engineering- UK. The award was given in recognition of the best in service delivery among those that supply any risk management services to the industry i.e. best in class in providing risk management services to customers.

The organizer, The Institute of Risk Management (IRM) is the world's leading enterprise-wide risk education Institute. The IRM is an independent, well-respected advocate of the risk profession, owned by practising risk professionals operating internationally, with members and students in over 100 countries, drawn from a variety of risk-related disciplines and a wide range of industries.

The Institute of Risk Management's Global Risk Awards are among the most prestigious in the profession. They recognise and reward excellence in risk management, and enable the organisation to celebrate outstanding achievements. The awards provides an excellent platform for organisations to showcase achievements. The leading international education body in risk management, IRM is uniquely placed to recognise and reward risk management excellence across the globe.

Eminent experts from various parts of the World have involved in finalizing the winners. Their main criterion was focused on the range of practical qualities required for risk management excellence in today's world. A panel of 29 leading risk management professionals from 16 countries across five continents judged the finalists.

Customer Service and Grievances Redressal Cell

To capture the customers experience the Company has built a pop up window on the main page of our portal that gives us approximately 250 feedbacks on a monthly basis. This information is shared on a real time basis with the vertical heads for analysis and corrective action.

Reliance General Insurance Company Limited

This page also provides for customer survey which enables them to rate the Company. This website has received 1000 surveys with 76% of customers giving a positive response. The Company has acted on this survey rating and have taken necessary corrective steps.

The website portal is now integrated with CRM (Customer Relationship Management) now called as ICE (Integrated Customer Engagement) to enable customers to create service requests and also view their policy and claim details online.

Towards Customer Grievance Handling for Financial Year 2012-13, the Company had invested in the new CRM (Customer Relations Management) system called ICE. This was seamlessly integrated with the Integrated Grievance Management. Our processes and controls have significantly improved with the result. The number of customer complaints has come down from 10,226 (to 7,451 registering a 27% drop). On resolution of grievances the Company has been consistently operating with lower resolution time as compared with the Industry and on 31st March, 2013 as per data extracted from the Integrated Grievance Management Systems (IGMS) of IRDA the average resolution time for the industry stood at 5.74 days and the Company has recorded 4.29 days.

Some of the new initiatives undertaken this year to enhance customer service are:

- 1) SMS on dispatch of policy.
- 2) Increase utilization of NEFT transfer for claim cheque to avoid loss in transit.
- 3) Addition log in/Channel for workshop/garages who as a service provider can intimate claims.
- 4) The Company had undertaken a substantial number of projects to increase overall efficiency and customer satisfaction. In this regard the Company has closed 37 Six Sigma projects and an additional number of 49 projects are ongoing for the current Financial Year.

Allotment of Shares

During the year under review your Company has allotted on rights basis to Reliance Capital Limited, the holding Company 1,581,632 Equity shares of ₹ 10/- each at a premium of ₹ 970 per share, aggregating to ₹ 155 crore.

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 2013-14. The Company has received certificate Registration number 103 dated 8th February, 2013 from IRDA.

Directors

Mr. S. P. Talwar and Mr. Soumen Ghosh, Directors of the Company retires by rotation and being eligible offers them self for re-appointment at the ensuing Annual General Meeting. During the year Mr. Vijay Pawar ceased to be Director of the Company w.e.f. 31.10.2012. Board places on record its deep sense of appreciation for the valuable services rendered by Mr. Vijay Pawar during his tenure as Director.

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, 2013 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, 2013 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. Pathak H.D. & Associates, Chartered Accountants, and M/s. Singhi & Company, 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. Pathak H.D. & Associates and Singhi & Company, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of subsection (3) of Section 226 of the Companies Act, 1956, for such appointment.

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

Particulars of Employees

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

Inflow	:	On Reinsurance	16.94
		On Claims	Nil
		On Premium	20.99
		On Others	Nil
Outflow	:	On Reinsurance	58.92
		On claims	3.66
		On Premium	Nil
		On Others	0.37

Acknowledgement

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

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

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

For and on behalf of the Board of Directors

S. P. Talwar

Chairman

Place: Mumbai

Dated: May 3, 2013

Report on Corporate Governance

1. Philosophy on Corporate Governance

The Company has always maintained the highest standards of Corporate Governance. The principles which are set in corporate governance policy are disclosure, fairness, independence, transparency, accountability, responsibility, social responsibility, compliances and ethical standards. The Company strives to achieve its mission in the light of these corporate governance principles. These principles are not just words but are strictly followed in its true and strict sense in day to day working of Company. The Company has also framed a strong whistle blowing mechanism where employees without hesitation can raise concern or report a possible breach of law or regulation with appropriate measures to protect against retaliation against reporting employees. Timely disclosure on all material matters regarding the Company, including the financial situation, performance, ownership and governance arrangements, is part of a corporate governance framework. It also includes Compliance with legal and regulatory requirements. The presence of an active group of Independent Directors on the Board contributes a great deal towards ensuring confidence of the customers and stakeholders. The Company has laid emphasis on the cardinal values of fairness, transparency and accountability for performance at all levels, thereby enhancing the shareholders' value and protecting the interest of the stakeholders.

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

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

2. Board of Directors

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

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

Mr. Vijay Pawar, ceased to be a Director of the Company w.e.f. 31.10.2012. Out of the six Directors, four Directors are Independent Directors. As per the Corporate Governance guidelines issued by IRDA, your Company has constituted the Mandatory Committees viz. Audit Committee, Investment Committee, Policyholders Protection Committee & Risk Management Committee.

3. Audit Committee

Your Company has constituted an Audit Committee pursuant to the provisions of Section 292 A of the Companies Act, 1956 & IRDA Corporate Governance regulations. The Audit Committee comprises of Mr. S. P. Talwar, Director, Mr. D. Sengupta, Director and Mr. Soumen Ghosh, Director. Audit Committee inter alia advises the management on the areas where systems, process, internal audit, risk management can be improved. The minutes of the meeting of the Audit Committee are placed before the Board for review. Audit Committee recommends to the Board, appointment and remuneration of Auditors of the Company. Audit Committee had discussions with Statutory Auditors before the audit commences about the nature & scope of audit as well as post audit discussions for addressing areas of concern.

4. Investment Committee

Your Company has constituted an Investment Committee pursuant to the requirement of Corporate Governance Guidelines of IRDA. Presently the Committee consists of Mr. S. P. Talwar, Mr. Soumen Ghosh, Mr. Rakesh Jain, Mr. Hemant Jain, Mr. K. Ramkumar & Mr. Gopalkrishna Pai. The Investment Committee decides on the Investment Policy of the Company and reviews the Investment decisions taken by the Company. Report on Investment performance and Investment Portfolio is also placed before the Board for review.

5. Policyholders Protection Committee

Your Company has also constituted Policyholders Protection Committee as required under Corporate Governance Guidelines of IRDA. At present the Committee consists of Mr. S. P. Talwar, Mr. Soumen Ghosh, Mr. Rakesh Jain, & Mr. Mukul Kishore. The Committee reviews and monitors customer grievances on regular basis. Report of the Policyholders Protection Committee is also placed before the Board of Directors for review. The Company has Grievance Redressal Policy which is approved by the Board of Directors.

6. Risk Management Committee

Your Company has also constituted Risk Management Committee for monitoring all the risks across the various lines of business of the Company. Presently the Committee consists of Mr. D. Sengupta, Mr. Soumen Ghosh, Mr. Rakesh Jain, Mr. Mukul Kishore, Mr. Mohan Khandekar, Mr. Hemant Jain, Mr. K. Ramkumar & Mr. Sudarshanam Sundararajan.

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

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

7. Compliance Officer

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

Certification for compliance of the Corporate Governance Guidelines

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

Mohan Khandekar

Deputy Vice President & Company Secretary

ANNEXURE I FORMING PART OF CORPORATE GOVERNANCE REPORT

DETAILS OF NUMBER OF MEETINGS HELD, ATTENDED, COMPENSATION PAID ETC. DURING FINANCIAL YEAR 2012-13

BOARD MEETING

Name of the Director	Meeting held during FY 2012-13	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. S. P. Talwar	4	4	80,000
Mr. D. Sengupta	4	1	20,000
Mr. Rajendra Chitale	4	4	80,000
Mr. H. Ansari	4	4	80,000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Vijay Pawar (ceased to be Director w.e.f. 31.10.2012)	4	2	40,000

POLICYHOLDER PROTECTION COMMITTEE

Name of the Director	Meeting held during FY 2012-13	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. S. P. Talwar	4	4	80,000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Mukul Kishore	4	4	Nil

INVESTMENT COMMITTEE

Name of the Director	Meeting held during FY 2012-13	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. S. P. Talwar	4	4	80,000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Hemant Jain	4	4	Nil
Mr. Gopalkrishna Pai	4	4	Nil
Mr. K. Ramkumar	4	4	

AUDIT COMMITTEE

Name of the Director	Meeting held during FY 2012-13	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. S. P. Talwar	4	4	80,000
Mr. D. Sengupta	4	1	20,000
Mr. Soumen Ghosh	4	4	Nil

RISK MANAGEMENT COMMITTEE

Name of the Director	Meeting held during FY 2012-13	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. D. Sengupta	4	1	20,000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Mukul Kishore	4	4	Nil
Mr. Mohan Khandekar	4	4	Nil
Mr. Hemant Jain	4	4	Nil
Mr. Sudarshanam Sundararajan	4	4	Nil
Mr. K. Ramkumar	4	4	Nil

COMMITTEE OF EXECUTIVES (INVESTMENT)

Name of the Director/Member	Meeting held during FY 2012-13	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. Rakesh Jain (Executive Director & CEO)	12	12	Nil
Mr. Mukul Kishore	12	9	Nil
Mr. Hemant Jain	12	11	Nil
Mr. Sudarshanam Sundararajan	12	10	Nil
Mr. K. Ramkumar	12	11	Nil

ASSET - LIABILITY MANAGEMENT COMMITTEE

Name of the Director/Member	Meeting held during FY 2012-13	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. Soumen Ghosh	4	3	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Mukul Kishore	4	4	Nil
Mr. Hemant Jain	4	4	Nil
Mr. Sudarshanam Sundararajan	4	4	Nil
Mr. K. Ramkumar	4	4	Nil

ANNEXURE II FORMING PART OF CORPORATE GOVERNANCE REPORT

POLICYHOLDERS PROTECTION COMMITTEE

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

INVESTMENT COMMITTEE

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

AUDIT COMMITTEE

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

BOARD OF DIRECTORS

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

NOMINATION COMMITTEE

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

ETHICS COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMMITTEE OF EXECUTIVE (INVESTMENTS)

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

ASSET LIABILITY MANAGEMENT COMMITTEE

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

MANAGEMENT REPORT AS ON 31ST MARCH, 2013

- 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 analysis of claims outstanding and average claims settlement time for the five years.

Ageing of Claim Outstanding:-

FY 2012-13

(₹ in 000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	102	233,153	81	23,645	1	762	4,838	295,023
31 days to 6 Months	95	239,330	128	41,628	-	-	6,597	874,416
6 Months to 1 Year	58	360,188	49	16,432	-	-	1,672	330,631
1 Year to 5 Years	110	401,783	109	173,743	4	7,174	2,864	376,088
5 Years and Above	-	-	-	-	-	-	-	-
Grand Total	365	1,234,454	367	255,448	5	7,936	15,971	1,876,158

(₹ in 000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count*	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	573	264,018	48	27,691	22	1,661	9	1,928
31 days to 6 Months	2,779	1,485,066	142	152,370	45	13,209	38	6,079
6 Months to 1 Year	2,807	1,789,199	175	217,270	6	1,551	4	1,320
1 Year to 5 Years	15,653	7,182,245	116	224,215	-	-	70	15,708
5 Years and Above	-	-	-	-	-	-	2	1,536
Grand Total	21,812	10,720,528	481	621,546	73	16,421	123	26,571

(₹ in 000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	57,081	185,704	-	-	174	14,513	103	28,885	63,032	1,076,983
31 days to 6 Months	208,609	145,578	1	2,328	640	45,288	331	96,829	219,405	3,102,121
6 Months to 1 Year	28,729	64,449	7	1,506	413	25,099	333	103,749	34,253	2,911,394
1 Year to 5 Years	927	60,617	7	729,697	644	39,382	875	126,804	21,379	9,337,456
5 Years and Above	-	-	-	-	-	-	-	-	2	1,536
Grand Total	295,346	456,348	15	733,531	1,871	124,282	1,642	356,267	338,071	16,429,490

(*Excluding Claim Count on Motor Pool Policies)

FY 2011-12

(₹ in 000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	60	60,988	142	14,741	1	25	5,159	293,925
31 days to 6 Months	117	454,117	151	71,287	2	549	6,469	773,110
6 Months to 1 Year	79	356,185	58	140,275	4	1,299	1,160	203,935
1 Year to 5 Years	61	331,333	22	34,238	2	5,408	218	67,968
5 Years and Above	1	2,735	-	-	-	-	-	-
Grand Total	318	1,205,358	373	260,541	9	7,281	13,006	1,338,937

(₹ in 000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	1,012	129,022	39	31,165	12	1,665	-	-
31 days to 6 Months	3,840	499,643	109	204,529	35	6,567	12	3,825
6 Months to 1 Year	3,568	338,949	86	195,178	17	9,562	13	2,931
1 Year to 5 Years	12,292	915,131	54	220,807	29	6,245	21	2,896
5 Years and Above	-	-	-	-	-	-	-	-
Grand Total	20,712	1,882,745	288	651,679	93	24,038	46	9,652

(₹ in 000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	84,530	99,634	9	1,623	228	29,590	127	33,691	91,319	696,069
31 days to 6 Months	74,289	74,012	-	-	479	43,117	418	134,397	85,921	2,265,152
6 Months to 1 Year	81	7,341	2	100	86	9,864	20	14,777	5,174	1,280,395
1 Year to 5 Years	24	1,745	10	924,177	13	12,047	49	22,879	12,795	2,544,873
5 Years and Above	-	-	-	-	-	-	-	-	1	2,735
Grand Total	158,924	182,731	21	925,900	806	94,618	614	205,744	195,210	6,789,225

Reliance General Insurance Company Limited

FY 2010-11

(₹ in 000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	70	30,486	67	8,516	-	-	6,432	198,153
31 days to 6 Months	203	284,975	201	78,684	4	68	5,351	419,770
6 Months to 1 Year	125	294,164	114	26,403	1	38	1,190	177,272
1 Year to 5 Years	74	275,798	50	50,921	1	17,062	406	104,340
5 Years and Above	-	-	-	-	-	-	-	-
Grand Total	472	885,423	432	164,524	6	17,168	13,379	899,536

(₹ in 000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	964	119,642	70	25,212	15	875	-	-
31 days to 6 Months	3,672	322,787	184	134,673	46	2,733	1	83
6 Months to 1 Year	3,927	204,117	130	270,031	41	6,570	2	52
1 Year to 5 Years	12,215	685,914	110	184,026	24	3,414	10	2,850
5 Years and Above	-	-	-	-	-	-	-	-
Grand Total	20,778	1,332,460	494	613,942	126	13,593	13	2,984

(₹ in 000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	3,308	67,100	1	20	191	11,617	125	11,854	11,243	473,474
31 days to 6 Months	2,932	80,011	7	6,562	420	35,408	233	26,077	13,254	1,391,831
6 Months to 1 Year	524	41,663	5	1,243,360	87	8,009	99	20,491	6,245	2,292,170
1 Year to 5 Years	510	18,355	-	-	19	11,841	76	49,422	13,495	1,403,943
5 Years and Above	-	-	-	-	-	-	-	-	-	-
Grand Total	7,274	207,129	13	1,249,941	717	66,875	533	107,843	44,237	5,561,418

FY 2009-10

(₹ in 000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	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

(₹ in 000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count	Amount	Count	Amount	Count	Amount	Count	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

(₹ in 000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	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

FY 2008-09

(₹ in 000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	128	204,697	76	20,557	76	8,313	7,139	748,368
31 days to 6 Months	152	142,901	217	108,471	107	59,840	10,274	447,669
6 Months to 1 Year	31	160,859	40	32,639	8	54,843	3,867	438,143
1 Year to 5 Years	19	195,596	6	19,491	2	1,095	4,151	538,706
5 Years and Above	0	0	0	0	-	-	-	-
Grand Total	330	704,053	339	181,157	193	124,091	25,431	2,172,887

(₹ in 000)

Period / Class	Engineering		Liability		Public Liability		Health	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	112	108,749	16	1,160	8	25,697	6,611	110,779
31 days to 6 Months	203	246,438	45	4,287	33	9,846	2,572	28,011
6 Months to 1 Year	64	189,579	11	1,793	0	-	3	192
1 Year to 5 Years	5	13,948	-	-	2	383	-	-
5 Years and Above	-	-	-	-	0	-	-	-
Grand Total	384	558,714	72	7,241	43	35,925	9,186	138,982

(₹ in 000)

Period / Class	Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	-	-	157	25,766	114	30,325	14,437	1,284,411
31 days to 6 Months	1	40,181	178	27,747	233	30,065	14,015	1,145,456
6 Months to 1 Year	-	-	14	1,221	10	147,599	4,048	1,026,868
1 Year to 5 Years	-	-	1	100	-	-	4,186	769,319
5 Years and Above	-	-	-	-	-	-	-	-
Grand Total	1	40,181	350	54,834	357	207,990	36,686	4,226,055

Reliance General Insurance Company Limited

Average claims settlement time

Product/Class	FY 2012-13		FY 2011-12		FY 2010-11		FY 2009-10		FY 2008-09	
	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)
Fire	808	110	1,060	136	1,440	126	1,631	80	2,056	79
Marine Cargo	884	64	1,011	95	1,604	82	3,418	32	5,061	25
Marine Hull	4	154	9	38	13	313	9	96	5	36
Motor OD	124,718	38	174,492	34	231,934	43	252,397	34	236,998	30
Engineering	575	148	828	148	1,302	120	1,386	90	1,926	58
Liability	75	211	88	209	103	156	144	94	310	50
Public Liability	18	200	13	159	23	26	16	130	76	51
Health	896,690	129	152,771	99	74,654	57	96,323	93	NA	NA
Aviation	8	434	1	431	4	158	5	125	-	-
Public Accident	1,949	96	2,024	65	2,826	77	2,461	69	3,862	41
All Other Misc	1,141	78	2,613	63	2,132	75	2,327	44	6,414	33
Total	1,026,870		334,710		316,035		360,117		256,708	

Notes: The above ageing does not include Motor Third Party claims which have to be settled through MACT and other judicial bodies.

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:

- a) 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;
- b) 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;
- c) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) / Companies Act, 1956 (1 of 1956), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the management has prepared the financial statements on a going concern basis;
- e) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

14) Details of payments during the financial year to Individuals, Firms, Companies and Organisations in which Directors are interested, including reimbursement

(₹ In '000)

Sr No.	Name Of Director	Entity in which Director is Interested	Interested As	Nature Of Payment	Amount
1	Mr. S. P. Talwar	Reliance Life Insurance Company Limited	Director	Claim Paid	879
				Gratuity	14,122
				Term Insurance policy	3,609
				Reimbursement paid for Rent and Office Maintenance	1,594
		Reliance Communications Limited	Director	Claim Paid	26,135
				Marketing Expenses	1,050
				Reimbursement paid for Rent and Office Maintenance	2,040
				Reimbursement paid for Software Maintenance	19,152
		Kalpatru Power Transmission Limited	Director	Claim Paid	92
				Uttam Galva Steels Limited	Director
2	Mr. Rajendra Chitale	Reliance Capital Limited	Director	Claim Paid	463
				Reimbursement paid for expenses (Rent, Communication, Electricity, Professional fees, Maintenance Charges)	10,509
				Management fees	82,441
				Reimbursement paid for IT services	28,358
				Advertisement Hoarding Charges paid	548
		Reliance Life Insurance Company Limited	Director	Claim Paid	879
				Gratuity	14,122
				Term Insurance policy	3,609
				Reimbursement paid for Rent and Office Maintenance	1,594
				3	Mr. Soumen Ghosh
Gratuity	14,122				
Term Insurance policy	3,609				
Reimbursement paid for Rent and Office Maintenance	1,594				
Reliance Capital Asset Management Limited	Director	Claim Paid	138		
Reliance Home Finance Limited	Director	Reimbursement paid for expenses (Market Intelligent & Feedback)	17		

For and on behalf of the Board of Directors

D. Sengupta
Director

S. P. Talwar
Director

H. Ansari
Director

Rajendra Chitale
Director

Soumen Ghosh
Director

Rakesh Jain
Executive Director and CEO

Hemant K. Jain
Chief Financial Officer

Mohan Khandekar
Company Secretary

Place: Mumbai
Date: April 23, 2013

AUDITORS' REPORT

To the Members of
Reliance General Insurance Company Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **RELIANCE GENERAL INSURANCE COMPANY LIMITED** (the "Company") which comprises of the Balance Sheet as at March 31, 2013, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account for the year then ended and a summary of significant accounting policies and other explanatory information, annexed thereto.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company in accordance with the requirements of the Insurance Act, 1938, 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 (the "IRDA Financial Statements Regulation") and the Companies Act, 1956, to the extent applicable and in the manner so required. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements have been prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, the IRDA Financial Statements Regulation and the Companies Act 1956, to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - ii. in the case of the Revenue Account, 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 for the year ended on that date.

Emphasis of Matter and Other Matters

Emphasis of Matter

5. Without qualifying our opinion, we draw attention to Note 16 in Schedule 17 to the financial statement, regarding Insurance Regulatory and Development Authority Order no. IRDA/F&A/ORD/MTAP/070/03/2012 dated 22nd March 2012 relating to IMTPIP liability for underwriting years 2009-10, 2010-11, 2011-12, wherein the Company has opted to amortise the transitional liability on straight line basis over three years beginning with financial year 31st March, 2012. Accordingly, ₹ 952,789 thousand has been charged to Revenue Account and the unamortised transitional liability amounting to ₹ 792,765 thousand has been carried forward as per the Order.

Other Matters

6. The actuarial valuation of liabilities with respect to claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The Appointed Actuary has certified to the Company that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ("IRDA") and the Actuarial Society of India in concurrence with IRDA. We have relied on the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.
7. Audit of the previous year figures presented as comparatives was carried out by M/s Singhi & Co., Chartered Accountants, M/s Chaturvedi & Shah, Chartered Accountants, and M/s Haribhakti & Co., Chartered Accountants, being the auditors of the Company for that year.

Report on Other Legal and Regulatory Requirements

8. As required under Schedule C of IRDA Financial Statements Regulations, read with section 227 of the Companies Act, 1956, 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 purposes of our audit and have found them to be satisfactory;
 - b. in our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
 - c. the financial accounting systems of the Company are centralized and therefore accounting returns are not required to be submitted by branches and other offices;
 - d. the Balance Sheet, Revenue Account, Profit and Loss Account and Receipts and Payments account referred to in this report are in agreement with the books of account;
 - e. in our opinion and to the best of our information and according to the explanations given to us, investments of the Company have been valued in accordance with the provisions of the Insurance Act, 1938 and the regulations/directions issued by the IRDA in this behalf;
 - f. in our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and in compliance with applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956 and the Rules framed there under, except as stated in para 5 above, to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders or directions issued by the IRDA in this behalf;
 - g. the Balance Sheet, Revenue Account, Profit and Loss Account and Receipts and Payments Account referred to in this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 and the Rules framed there under, except as stated in para 5 above, to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders or directions issued by the IRDA in this behalf; and
 - h. Based on the written representations received from the Directors of the Company, as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2013 from being appointed as a Director in terms of Section 274 (1) (g) of the Companies Act, 1956.
9. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate of even date on the matters specified in paragraph 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.

For Pathak H.D. & Associates

Chartered Accountants
Firm Registration No.107783W

Mukesh Mehta

Partner
Membership No. 043495

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Nikhil Singhi

Partner
Membership No. 061567

Place: Mumbai
Date: April 23, 2013

AUDITORS' CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and other records maintained by Reliance General Insurance Company Limited (the "Company") for the year ended March 31, 2013, we certify that:

- 1) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2013 and have found no apparent mistake or material inconsistency with the financial statements;
- 2) Based on management representations and the compliance certificate submitted to the Board by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration as per sub-section 4 of section 3 of the Insurance Act, 1938;
- 3) We have verified the cash balances, to the extent considered necessary and securities relating to Company's loans and investments as at March 31, 2013, by actual inspection or on the basis of certificates/ confirmations received from the Custodians/Depository Participants appointed by the Company, as the case may be;
- 4) The Company is not a trustee of any trust; and
- 5) No part of the assets of the Policyholders' 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 Policyholders' Funds.

The compliance with conditions stated in the regulations is the responsibility of the Company's management. Our responsibility is to perform the above-mentioned procedures on the particulars and state our findings. We performed the above-mentioned procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The above-mentioned procedures include examining evidence supporting the particulars on a test basis. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

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

For Pathak H.D. & Associates
Chartered Accountants
Firm Registration No.107783W

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Mukesh Mehta
Partner
Membership No. 043495

Nikhil Singhi
Partner
Membership No. 061567

Place: Mumbai
Date: April 23, 2013

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Fire Insurance Business

Registration No. & Date of Registration with the IRDA:- Regn no.103 dated 23.10.2000

(₹ in 000)

Particulars	Schedule	2012-13	2011-12
Premium Earned (Net)	1	355,667	302,292
Profit / (loss) on sale/redemption of Investments (Net)		10,769	9,772
Interest, Dividend & Rent – Gross		113,760	73,513
TOTAL (A)		480,196	385,577
Claims Incurred (Net)	2	207,203	264,308
Commission	3	(62,387)	(54,492)
Operating Expenses related to Insurance Business	4	105,373	117,775
Reserve for Premium Deficiency		-	-
TOTAL (B)		250,189	327,591
Operating Profit/(Loss) from Fire Business C= (A) - (B)		230,007	57,986
Appropriations			
Transfer to Shareholders' Accounts		230,007	57,986
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		230,007	57,986
Significant accounting policies and notes to accounts to the Financial Statements	16 & 17		

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

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

As per our Report of even date attached For and on behalf of the Board

For Singhi & Co.

Chartered Accountants
(Firm Registration no. 302049E)

D. Sengupta

Director

S. P. Talwar

Director

Nikhil Singhi

Partner, Membership No. 061567

H. Ansari

Director

Rajendra Chitale

Director

For Pathak H. D. & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Soumen Ghosh

Director

Rakesh Jain

Executive Director & CEO

Mukesh Mehta

Partner, Membership No. 043495

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Place : Mumbai

Date : April 23, 2013

Reliance General Insurance Company Limited

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013 Marine Insurance Business

Registration No. & Date of Registration with the IRDA:- Regn no.103 dated 23.10.2000

(₹ in 000)

Particulars	Schedule	2012-13	2011-12
Premium Earned (Net)	1	86,911	98,656
Profit / (loss) on sale/redemption of Investments (Net)		1,820	3,401
Interest, Dividend & Rent – Gross		19,227	25,590
TOTAL (A)		107,958	127,647
Claims Incurred (Net)	2	110,210	102,894
Commission	3	13,624	(6,902)
Operating Expenses related to Insurance Business	4	29,463	31,396
Reserve for Premium Deficiency		17,936	2,964
TOTAL (B)		171,233	130,352
Operating Profit/(Loss) from Marine Business C= (A) - (B)		(63,275)	(2,705)
Appropriations			
Transfer to Shareholders' Accounts		(63,275)	(2,705)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		(63,275)	(2,705)
Significant accounting policies and notes to accounts to the Financial Statements	16 & 17		

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

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

As per our Report of even date attached

For and on behalf of the Board

For Singhi & Co.

D. Sengupta

S. P. Talwar

Chartered Accountants
(Firm Registration no. 302049E)

Director

Director

Nikhil Singhi

Partner, Membership No. 061567

H. Ansari

Director

Rajendra Chitale

Director

For Pathak H. D. & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Soumen Ghosh

Director

Rakesh Jain

Executive Director & CEO

Mukesh Mehta

Partner, Membership No. 043495

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Place : Mumbai

Date : April 23, 2013

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Miscellaneous Insurance Business

Registration No. & Date of Registration with the IRDA:- Regn no.103 dated 23.10.2000

(₹ in 000)

Particulars	Schedule	2012-13	2011-12
Premium Earned (Net)	1	13,155,573	11,229,924
Profit / (loss) on sale/redemption of Investments (Net)		141,829	152,159
Interest, Dividend & Rent – Gross		1,644,588	1,162,990
Exchange Gain / (loss)		(5,883)	2,231
Misc Income		3,773	2,598
TOTAL (A)		14,939,880	12,549,902
Claims Incurred (Net)	2	12,290,518	12,291,484
Commission	3	497,770	474,118
Operating Expenses related to Insurance Business	4	3,760,525	3,684,395
Reserve for Premium Deficiency		-	-
TOTAL (B)		16,548,813	16,449,997
Operating Profit/(Loss) from Miscellaneous Business C= (A) - (B)		(1,608,933)	(3,900,095)
Appropriations			
Transfer to Shareholders' Accounts		(1,608,933)	(3,900,095)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		(1,608,933)	(3,900,095)
Significant accounting policies and notes to accounts to the Financial Statements	16 & 17		

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

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

As per our Report of even date attached

For and on behalf of the Board

For Singh & Co.

Chartered Accountants
(Firm Registration no. 302049E)

D. Sengupta

Director

S. P. Talwar

Director

Nikhil Singhi

Partner, Membership No. 061567

H. Ansari

Director

Rajendra Chitale

Director

For Pathak H. D. & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Soumen Ghosh

Director

Rakesh Jain

Executive Director & CEO

Mukesh Mehta

Partner, Membership No. 043495

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Place : Mumbai

Date : April 23, 2013

Reliance General Insurance Company Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Registration No. & Date of Registration with the IRDA:- Regn no.103 dated 23.10.2000

(₹ in 000)

Particulars	2012-13		2011-12	
Operating Profit / (Loss)				
a. Fire Insurance	230,007		57,986	
b. Marine Insurance	(63,275)		(2,705)	
c. Miscellaneous Insurance	(1,608,933)	(1,442,201)	(3,900,095)	(3,844,814)
Income from Investments				
Interest, Dividend & Rent – Gross	731,028		554,475	
Profit on sale/redemption of investments	103,283		76,840	
Less: Loss on sale/redemption of investment	(34,083)	800,228	(3,136)	628,179
Other Income				
Profit/(Loss) on sale of assets	(10,031)		(6,070)	
Miscellaneous Income	38,751	28,720	25,462	19,392
TOTAL (A)		(613,253)		(3,197,243)
Provisions (Other than Taxation)				
(a) For diminution in the value of investment	-		-	
(b) For doubtful debts	(305,106)		(170,506)	
(c) Others :-				
Provision related to control account	-		58,824	
Risk reserve	-		(100,000)	
Standard Assets	(1,203)	(306,309)	-	(211,682)
Other Expenses				
Expenses other than those related to Insurance Business		(8,130)		(7,068)
Exchange Gain / (loss)		-		-
TOTAL (B)		(314,439)		(218,750)
Profit / (Loss) Before Tax		(927,692)		(3,415,993)
Provision for Taxation				
Current Tax		-		-
Deferred Tax		-		(16,000)
Net Profit / (Loss) After Tax		(927,692)		(3,431,993)
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		(927,692)		(3,431,993)
Balance of Profit / Loss brought forward from last year		(8,706,934)		(5,274,941)
Balance carried forward to Balance Sheet		(9,634,626)		(8,706,934)
Basic & Diluted Earning Per Share		(7.61)		(29.24)

Significant accounting policies and notes to accounts form an integral part of the Financial Statements refer schedule 16 & 17

As per our Report of even date attached

For Singhi & Co.

Chartered Accountants
(Firm Registration no. 302049E)

Nikhil Singhi

Partner, Membership No. 061567

For Pathak H. D. & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Mukesh Mehta

Partner, Membership No. 043495

Place : Mumbai

Date : April 23, 2013

For and on behalf of the Board

D. Sengupta

Director

H. Ansari

Director

Soumen Ghosh

Director

Hemant K. Jain

Chief Financial Officer

S. P. Talwar

Director

Rajendra Chitale

Director

Rakesh Jain

Executive Director & CEO

Mohan Khandekar

Company Secretary

BALANCE SHEET AS AT 31ST MARCH, 2013

Registration No. & Date of Registration with the IRDA:- Regn no.103 dated 23.10.2000

(₹ in 000)

Particulars	Schedule	31.03.2013		31.03.2012	
Sources of funds					
Share Capital	5&5A		1,227,750		1,211,933
Reserves and Surplus	6		16,242,881		14,708,698
Fair Value Change Account			(53,002)		(75,646)
Borrowings	7		-		-
Total			17,417,629		15,844,985
Application of funds					
Investments	8		32,524,961		27,021,327
Loans	9		299,424		300,627
Fixed Assets	10		250,407		251,205
Deferred Tax Assets			372,735		372,735
Current Assets					
Cash and Bank Balances	11	545,783		621,031	
Advances and Other Assets	12	9,475,344		2,182,970	
Sub-Total (A)		10,021,127		2,804,001	
Current Liabilities	13	27,795,034		17,549,673	
Provisions	14	7,890,617		6,062,171	
Sub-Total (B)		35,685,651		23,611,844	
Net Current Assets (C = A - B)			(25,664,524)		(20,807,843)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15		-		-
Debit Balance in Profit & Loss Account			9,634,626		8,706,934
Total			17,417,629		15,844,985
Significant accounting policies and notes to accounts to the Financial Statements	16 & 17				

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

As per our Report of even date attached

For and on behalf of the Board

For **Singhi & Co.****D. Sengupta****S. P. Talwar**Chartered Accountants
(Firm Registration no. 302049E)

Director

Director

Nikhil Singhi

Partner, Membership No. 061567

H. Ansari

Director

Rajendra Chitale

Director

For **Pathak H. D. & Associates**Chartered Accountants
(Firm Registration no. 107783W)**Soumen Ghosh**

Director

Rakesh Jain

Executive Director & CEO

Mukesh Mehta

Partner, Membership No. 043495

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Place : Mumbai

Date : April 23, 2013

Reliance General Insurance Company Limited

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 1

Premium Earned (Net)

(₹ in 000)

Particulars	Financial year	Premium from direct business written	Premium on reinsurance accepted	Premium on reinsurance ceded	Net Premium (3+4-5)	Change in reserve for unexpired risks	Net Premium Earned (6+7)
1	2	3	4	5	6	7	8
Fire	2012-13	1,684,248	287,830	1,555,176	416,902	(61,235)	355,667
	2011-12	1,163,250	337,995	1,136,628	364,617	(62,325)	302,292
Marine Cargo	2012-13	278,105	1,297	164,107	115,295	(29,800)	85,495
	2011-12	396,806	1,151	302,814	95,143	2,600	97,743
Marine Hull	2012-13	6,557	-	5,283	1,274	142	1,416
	2011-12	8,117	-	6,062	2,055	(1,142)	913
Marine Total	2012-13	284,662	1,297	169,390	116,569	(29,658)	86,911
	2011-12	404,923	1,151	308,876	97,198	1,458	98,656
Motor OD	2012-13	7,484,862	48	773,171	6,711,739	(250,645)	6,461,094
	2011-12	6,984,737	-	767,749	6,216,988	160,285	6,377,273
Motor TP	2012-13	5,431,906	294,383	602,149	5,124,140	(1,192,490)	3,931,650
	2011-12	4,365,237	1,807,176	3,499,463	2,672,950	(248,090)	2,424,860
Motor Total	2012-13	12,916,768	294,431	1,375,320	11,835,879	(1,443,135)	10,392,744
	2011-12	11,349,974	1,807,176	4,267,212	8,889,938	(87,805)	8,802,133
Employer's Liability	2012-13	76,689	-	7,824	68,865	(8,025)	60,840
	2011-12	59,182	-	5,997	53,185	225	53,410
Public Liability	2012-13	285,426	153	256,847	28,732	(2,975)	25,757
	2011-12	139,601	33	116,304	23,330	(1,425)	21,905
Engineering	2012-13	848,941	62,427	762,600	148,768	(2,660)	146,108
	2011-12	906,987	80,079	827,800	159,266	(39,700)	119,566
Aviation	2012-13	22,801	-	24,120	(1,319)	5	(1,314)
	2011-12	36,487	2,647	53,231	(14,097)	(1,025)	(15,122)
Personal Accident	2012-13	222,814	2,756	25,718	199,852	8,700	208,552
	2011-12	256,090	-	41,997	214,093	(42,600)	171,493
Health	2012-13	2,955,306	2,663	499,730	2,458,239	(275,320)	2,182,919
	2011-12	2,252,848	257	356,611	1,896,494	47,200	1,943,694
Other Misc.	2012-13	802,397	13	667,003	135,407	4,560	139,967
	2011-12	556,131	52	400,838	155,345	(22,500)	132,845
Misc Total	2012-13	18,131,142	362,443	3,619,162	14,874,423	(1,718,850)	13,155,573
	2011-12	15,557,300	1,890,244	6,069,990	11,377,554	(147,630)	11,229,924
Total	2012-13	20,100,052	651,570	5,343,728	15,407,894	(1,809,743)	13,598,151
	2011-12	17,125,473	2,229,390	7,515,494	11,839,369	(208,497)	11,630,872

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 2

Claims Incurred (Net)

(₹ in 000)

Particulars	Financial year	Claims Paid from direct business written	Claims Paid on reinsurance Accepted	Claims Recovered on reinsurance ceded	Net Claims Paid (3+4-5)	Out-standing Claims at the year end	Out-standing Claims at the year beginning	Net Claims Incurred (6+7-8)
1	2	3	4	5	6	7	8	9
Fire	2012-13	728,771	140,529	676,217	193,083	303,027	288,907	207,203
	2011-12	869,645	30,046	680,085	219,606	288,907	244,205	264,308
Marine Cargo	2012-13	216,939	12,079	141,643	87,375	101,723	78,667	110,431
	2011-12	186,564	-	99,003	87,561	78,667	64,200	102,028
Marine Hull	2012-13	386	-	39	347	1,214	1,782	(221)
	2011-12	1,807	-	902	905	1,782	1,821	866
Marine Total	2012-13	217,325	12,079	141,682	87,722	102,937	80,449	110,210
	2011-12	188,371	-	99,905	88,466	80,449	66,021	102,894
Motor OD	2012-13	3,724,843	-	386,738	3,338,105	1,892,076	1,459,119	3,771,062
	2011-12	4,503,658	-	446,866	4,056,792	1,459,119	1,337,823	4,178,088
Motor TP	2012-13	3,483,145	366,453	121,016	3,728,582	13,872,071	11,597,898	6,002,755
	2011-12	3,538,379	1,522,076	2,547,454	2,513,001	11,597,898	8,131,114	5,979,785
Motor Total	2012-13	7,207,988	366,453	507,754	7,066,687	15,764,147	13,057,017	9,773,817
	2011-12	8,042,037	1,522,076	2,994,320	6,569,793	13,057,017	9,468,937	10,157,873
Employer's Liability	2012-13	21,496	-	2,269	19,227	29,412	21,460	27,179
	2011-12	16,399	-	1,839	14,560	21,460	13,530	22,490
Public Liability	2012-13	3,147	-	1,550	1,597	13,077	8,177	6,497
	2011-12	2,159	-	812	1,347	8,177	3,493	6,031
Engineering	2012-13	523,178	31,373	429,559	124,992	137,135	148,976	113,151
	2011-12	458,673	78	304,841	153,910	148,976	195,266	107,620
Aviation	2012-13	218,651	183	211,580	7,254	443	6	7,691
	2011-12	333,942	-	325,316	8,626	6	1,919	6,713
Personal Accident	2012-13	202,112	-	47,120	154,992	122,037	94,697	182,332
	2011-12	213,905	-	111,043	102,862	94,697	40,944	156,615
Health	2012-13	2,091,227	-	285,861	1,805,366	637,499	377,568	2,065,297
	2011-12	2,054,392	-	280,731	1,773,661	377,568	484,034	1,667,195
Other Misc.	2012-13	105,052	-	44,023	61,029	175,267	121,742	114,554
	2011-12	389,657	-	285,995	103,662	121,742	58,457	166,947
Misc Total	2012-13	10,372,851	398,009	1,529,716	9,241,144	16,879,017	13,829,643	12,290,518
	2011-12	11,511,164	1,522,154	4,304,897	8,728,421	13,829,643	10,266,580	12,291,484
Total	2012-13	11,318,947	550,617	2,347,615	9,521,949	17,284,981	14,198,999	12,607,931
	2011-12	12,569,180	1,552,200	5,084,887	9,036,493	14,198,999	10,576,806	12,658,686

Reliance General Insurance Company Limited

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 3

Commission (Net)

(₹ in 000)

Particulars	Financial year	Commission Paid	Commission paid on reinsurance accepted	Commission received from reinsurance ceded	Net commission (3+4-5)
1	2	3	4	5	6
Fire	2012-13	100,177	16,103	178,667	(62,387)
	2011-12	65,347	12,514	132,353	(54,492)
Marine Cargo	2012-13	27,667	19	13,945	13,741
	2011-12	21,325	53	28,192	(6,814)
Marine Hull	2012-13	277	-	394	(117)
	2011-12	517	-	605	(88)
Marine Total	2012-13	27,944	19	14,339	13,624
	2011-12	21,842	53	28,797	(6,902)
Motor OD	2012-13	694,040	-	112,744	581,296
	2011-12	522,543	-	104,152	418,391
Motor TP	2012-13	-	-	80,551	(80,551)
	2011-12	-	-	-	-
Motor Total	2012-13	694,040	-	193,295	500,745
	2011-12	522,543	-	104,152	418,391
Employer's Liability	2012-13	6,808	-	1,150	5,658
	2011-12	4,752	-	883	3,869
Public Liability	2012-13	6,632	2	13,129	(6,495)
	2011-12	3,439	-	9,043	(5,604)
Engineering	2012-13	34,684	3,646	146,888	(108,558)
	2011-12	52,053	4,263	153,512	(97,196)
Aviation	2012-13	(547)	-	2,479	(3,026)
	2011-12	1,343	383	1,327	399
Personal Accident	2012-13	18,825	27	2,275	16,577
	2011-12	20,357	-	3,197	17,160
Health	2012-13	176,388	27	65,218	111,197
	2011-12	172,665	3	46,317	126,351
Other Misc.	2012-13	37,279	-	55,607	(18,328)
	2011-12	31,563	1	20,816	10,748
Misc Total	2012-13	974,109	3,702	480,041	497,770
	2011-12	808,715	4,650	339,247	474,118
Total	2012-13	1,102,230	19,824	673,047	449,007
	2011-12	895,904	17,217	500,397	412,724

Schedule 3 A

Commission Paid - Direct

(₹ In 000)

Particulars	Paid in India		Paid Outside India	
	2012-13	2011-12	2012-13	2011-12
Agents	749,828	567,737	-	-
Brokers	309,406	297,666	-	-
Corporate agency	42,996	30,501	-	-
Referral	-	-	-	-
Total	1,102,230	895,904	-	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 4

Operating Expenses related to insurance business

(₹ in 000)

Particulars	2012-13	2011-12
Employees' remuneration & welfare benefits	1,189,717	1,022,840
Company's contribution to Provident fund and others	61,820	54,488
Travel, conveyance and vehicle running expenses	66,986	47,911
Rents, rates & taxes	387,021	565,007
Repairs	248,813	240,706
Printing & Stationery	48,118	151,622
Communication expenses	85,154	126,917
Postage expenses	40,426	164,540
Legal & professional charges	147,316	156,332
Auditors Fees, expenses, etc.		
a. As auditor	3,568	4,500
b. As advisor or in any other capacity	-	-
c. In any other capacity	-	-
	3,568	4,500
Advertisement and Publicity	1,165,923	631,911
Interest & Bank Charges	33,969	31,947
Others :		
Directors' Sitting fees	580	720
Entertainment Expenses	2,593	2,263
Office Maintenance Expenses	143,290	146,952
Training & Recruitment Expenses	42,147	20,529
Depreciation	106,304	115,059
Office Management Expenses	60,253	311,471
Subscriptions and Membership Fees	24,097	23,074
Coinsurance Expenses (net)	13,137	(844)
Service Tax Expenses	19,576	15,172
Miscellaneous expenses	12,683	7,517
TOTAL	3,903,491	3,840,634
Allocation:		
Fire Revenue Account	105,373	117,775
Marine Revenue Account	29,463	31,396
Miscellaneous Revenue Account	3,760,525	3,684,395
Expenses not relating to Insurance Business taken in Profit & Loss A/c	8,130	7,068
TOTAL	3,903,491	3,840,634

Reliance General Insurance Company Limited

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 5

Share Capital

(₹ in 000)

Particulars	2012-13		2011-12	
Authorized Capital				
20,00,00,000 (Previous Year 20,00,00,000) Equity Shares of ₹10 each		2,000,000		2,000,000
Issued Capital				
12,27,74,960 (Previous Year 12,11,93,328) Equity Shares of ₹10 each		1,227,750		1,211,933
Subscribed Capital				
12,27,74,960 (Previous Year 12,11,93,328) Equity Shares of ₹10 each		1,227,750		1,211,933
Called Up Capital				
12,27,74,960 (Previous Year 12,11,93,328) Equity Shares of ₹10 each		1,227,750		1,211,933
Less: Calls Unpaid		-		-
Add : Equity Share forfeited (Amount originally paid up)		-		-
Less: Par value of Equity shares bought back		-		-
Less:		-		-
(i) Preliminary Expenses to the extent not written off		-		-
(ii) Expenses including commission or brokerage on underwriting or subscription of shares		-		-
Total		1,227,750		1,211,933

Note: Of the above 11,84,80,288 shares are held by Holding Company, Reliance Capital Limited (previous year 116,898,656 Equity shares).

Schedule – 5A

Pattern of Share Holding (As certified by the Management)

(₹ in 000)

Shareholder	2012-13		2011-12	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters- Indian				
Holding Company- Indian	118,480,288	96.50%	116,898,656	96.46%
Holding Company- Foreign	-	-	-	-
Others				
Reliance General Insurance Employees Benefit Trust	4,294,672	3.50%	4,294,672	3.54%
Total	122,774,960	100.00%	121,193,328	100%

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**Schedule – 6****Reserves and Surplus**

(₹ in 000)

Particulars	2012-13		2011-12	
Capital Reserve		-		-
Capital Redemption Reserve		-		-
Share Premium		16,242,881		14,708,698
General Reserve		-		-
Catastrophe Reserve		-		-
Other Reserves		-		-
Balance in Profit and Loss Account		-		-
Total		16,242,881		14,708,698

SCHEDULE – 7**Borrowings**

(₹ in 000)

Particulars	2012-13		2011-12	
Debentures/ Bonds		-		-
Banks		-		-
Financial Institutions		-		-
Others		-		-
Total		-		-

Reliance General Insurance Company Limited

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

SCHEDULE – 8

Investments

(₹ in 000)

Particulars	2012-13		2011-12	
LONG TERM INVESTMENTS				
Government securities and Government guaranteed bonds including Treasury Bills	7,998,452		7,186,897	
Other Approved Securities	2,005,494		587,512	
Other Investments :				
(a) Shares				
(aa) Equity	495,110		345,940	
(bb) Preference	-		-	
(b) Mutual Funds	-		-	
(c) Derivative Instruments	-		-	
(d) Debentures/ Bonds	7,622,541		3,081,264	
(e) Other securities	-		-	
Investments in Infrastructure and social sector	6,737,392		6,213,191	
Other than Approved Investments	353,539		50,997	
Total Long Term Investments		25,212,528		17,465,801
SHORT TERM INVESTMENTS				
Government securities and Government guaranteed bonds including Treasury Bills	47,220		405,672	
Other Approved Securities	-		64,302	
Other Investments :				
(a) Shares				
(aa) Equity	-		-	
(bb) Preference	-		-	
(b) Mutual Funds	-		170,053	
(c) Derivative Instruments	-		-	
(d) Debentures/ Bonds	6,257,267		7,541,732	
(e) Other securities	-		-	
Investments in Infrastructure and social sector	757,895		1,177,375	
Other than Approved Investments	250,051		196,392	
Total Short Term Investments		7,312,433		9,555,526
Total		32,524,961		27,021,327

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

(₹ in 000)

Particulars	Current Year	Previous Year
Book Value	31,903,742	26,581,358
Market Value	32,091,212	26,076,450

2. Government Securities include ₹ 134,247 thousand as at 31st March, 2013 (as at 31st March, 2012 ₹ 136,629 thousand), deposit u/s 7 of the Insurance Act, 1938.

3. All the above investments are performing assets.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
SCHEDULE – 9
Loans

(₹ in 000)

Particulars	2012-13		2011-12	
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	299,424		300,627	
TOTAL		299,424		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	299,424		300,627	
TOTAL		299,424		300,627
PERFORMANCE-WISE CLASSIFICATION				
(a) Loans classified as standard				
(aa) In India	299,424		300,627	
(bb) Outside India	-		-	
(b) Non-performing loans less provisions				
(aa) In India	-		-	
(bb) Outside India	-		-	
TOTAL		299,424		300,627
MATURITY-WISE CLASSIFICATION				
(a) Short Term	-		-	
(b) Long Term	299,424		300,627	
TOTAL		299,424		300,627

* Net of Provision of ₹ 1,203/- (₹ in 000) (Previous Year Nil)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 10
Fixed Assets

(₹ in 000)

Description	Gross Block			Depreciation			Net Block		
	As at 01-04-12	Additions	Deductions	As at 31-03-13	As at 01-04-12	For the year	Deductions	As at 31-03-13	As at 31-03-12
Furniture & Fittings	84,884	1,053	11,710	74,227	58,187	7,225	9,259	18,074	26,697
Leasehold Improvements	68,493	150	39,590	29,053	67,607	363	39,591	674	886
Information Technology Equipment	273,332	23,565	33,182	263,715	222,708	25,270	31,778	47,515	50,624
Intangible Asset (Computer Software)	572,388	67,637	-	640,025	516,700	50,860	-	72,465	55,688
Vehicles	8,790	-	7,583	1,207	7,478	257	6,729	201	1,312
Office Equipment	221,275	9,328	26,546	204,057	120,143	21,577	19,002	81,339	101,132
Plant & Machinery	10,232	-	775	9,457	4,686	752	413	4,432	5,546
Total	1,239,394	101,733	119,386	1,221,741	997,509	106,304	106,772	224,700	241,885
Capital WIP	9,320	26,633	10,246	25,707	-	-	-	25,707	9,320
Grand Total	1,248,714	128,366	129,632	1,247,448	997,509	106,304	106,772	250,407	251,205
Previous Year (2011-12)	1,211,391	98,487	61,164	1,248,714	909,161	115,059	26,711	997,509	251,205

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 11

Cash and Bank Balances

(₹ in 000)

Particulars	2012-13		2011-12	
Cash (including cheques, drafts and stamps on hand)		59,102		27,790
Bank Balances				
(a) Deposit Accounts				
(aa) Short - term (due within 12 months)	1,400		2,608	
(aa) Others	-		-	
(b) Current Accounts	292,721		433,441	
(c') Cheques on Hand	192,560	486,681	157,192	593,241
Money at Call and Short Notice				
(a) Within Bank	-		-	
(b) With other Institutions	-	-	-	-
Others		-		-
Total		545,783		621,031
Balances with non-scheduled banks included in (Current Accounts) above		-		-

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

Schedule – 12

Advances and Other Assets

(₹ in 000)

Particulars	2012-13		2011-12	
Advances				
Reserve deposits with Ceding Companies		-		-
Application money for investments		-		-
Prepayments		32,021		27,560
Advances to Directors/ Officers		-		-
Advance tax paid and taxes deducted at source (Net of provision for taxation)		5,808		12,324
Others				
- Rental & Other Deposits	185,868		206,916	
- Advances to Staff	1,359		682	
- Unutilised Service Tax Credit and VAT	45,286		27,050	
- Other Advances	427,179		366,456	
Less : Provision	(219,176)	440,516	(219,176)	381,928
Other Assets				
Income accrued on investments	1,233,849		867,962	
Outstanding Premium	247,184		3	
Agents' Balances	1,288		3,080	
Due from other entities carrying on insurance business	7,094,119		1,060,619	
Less Provision for doubtful debts	(372,206)		(170,506)	
Motor Pool Transitional Liabilities (Unamortised Losses)	792,765	8,996,999	-	1,761,158
Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)		-		-
Total		9,475,344		2,182,970

Reliance General Insurance Company Limited

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 13

Current Liabilities

(₹ in 000)

Particulars	2012-13		2011-12	
Payable to Agents'		77,862		80,391
Balances due to other insurance companies		369,338		702,911
Premium received in Advance		356,885		127,239
Unallocated Premium		372,452		619,306
Sundry Creditors		1,257,136		906,934
Claims Outstanding	24,279,579		14,198,999	
Add : Provision for Doubtful Reinsurance Recoveries	103,406	24,382,985	-	14,198,999
Due to Officers / Directors		12		12
Others :				
- Unclaimed amount of policyholders	335,386		270,153	
- Environmental Relief Fund Payable	116		247	
- Temporary Book Overdraft as per accounts	491,281		578,011	
- Employee Related Payables	21,197		15,065	
- Service Tax & VAT Liability	57,314		14,277	
- Other Statutory Dues	73,070	978,364	36,128	913,881
Total		27,795,034		17,549,673

Schedule – 14

Provisions

(₹ in 000)

Particulars	2012-13		2011-12	
Reserve for Unexpired Risk		7,752,864		5,943,121
For Taxation (less advance tax paid and Tax deducted at source)		-		-
Provision for doubtful debts		-		-
For Proposed Dividends		-		-
For Dividend distribution tax		-		-
Reserve for Premium Deficiency		20,900		2,964
Others :				
- For Leave Encashment	16,853		16,086	
- For Risk Reserves	100,000	116,853	100,000	116,086
Total		7,890,617		6,062,171

SCHEDULE – 15

Miscellaneous Expenditure (To the extent not written off or adjusted)

(₹ in 000)

Particulars	2012-13		2011-12	
Discount Allowed in issue of shares/ debentures		-		-
Others (to be specified)		-		-
Total		-		-

RECEIPTS AND PAYMENTS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2013

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

(₹ in 000)

Particulars	Current Year		Previous Year	
Cash and cash equivalents at the beginning of the year		43,020		(295,479)
Cash flows from operating activities :				
Direct Premiums received	20,329,699		17,123,573	
Payment to re-insurers, net of commissions and claims	(2,271,151)		(393,966)	
Payment to co-insurers, net claims recovery	(85,559)		4,213	
Direct Claims Paid	(11,318,948)		(12,569,180)	
Direct Commission / Brokerage Payments	(1,096,720)		(815,048)	
Payment of other operating expenses	(3,363,052)		(3,280,879)	
Preliminary and pre-operating expenses	-		-	
Deposits, Advances, and Staff loans	(366,468)		(99,845)	
Service Tax (Net)	24,800		(20,594)	
Income tax paid (Net)	7,318		113	
Wealth tax paid	-		-	
Misc Receipts/payments	(2,110)		4,868	
Cash flow before extraordinary items		1,857,809		(46,745)
Cash flow from extraordinary operations		-		-
Cash flow from operating activities		1,857,809		(46,745)
Cash flows from investing activities :				
Purchase of investments	(41,295,279)		(19,461,026)	
Sale of Investments (Including gain/ Loss)	32,924,066		17,417,499	
Purchase of fixed Assets	(98,782)		(74,853)	
Proceeds from sale of fixed assets	2,583		4,750	
Rent/ Interest/ Dividends received	2,134,095		1,405,701	
Investment in money market instruments and in liquid mutual funds (Net)	2,945,121		(3,329,758)	
Repayment received	-		-	
Loan Given	-		-	
Expenses related to investments	(8,130)		(7,068)	
Net Cash flow from investing activities		(3,396,327)		(4,044,755)
Cash flows from financing activities :				
Proceeds from Issuance of Share Capital	1,549,999		4,430,000	
Proceeds from borrowings	-		-	
Repayment of borrowings	-		-	
Interest/ Dividend Paid	-		-	
Cash flow from financing activities		1,549,999		4,430,000
Cash and cash equivalents at the end of the year including Bank Overdraft		54,502		43,020
Cash and cash Equivalent at the end of year:				
Cash & Bank balance as per schedule		545,783		621,031
Less: Temporary book over draft as per schedule		491,281		578,011
Cash and Cash Equivalent at the end		54,502		43,020

As per our Report of even date attached

For Singhi & Co.

Chartered Accountants
(Firm Registration no. 302049E)

Nikhil Singhi

Partner, Membership No. 061567

For Pathak H. D. & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Mukesh Mehta

Partner, Membership No. 043495

For and on behalf of the Board

D. Sengupta

Director

H. Ansari

Director

Soumen Ghosh

Director

Hemant K. Jain

Chief Financial Officer

S. P. Talwar

Director

Rajendra Chitale

Director

Rakesh Jain

Executive Director & CEO

Mohan Khandekar

Company Secretary

Place : Mumbai

Date : April 23, 2013

Reliance General Insurance Company Limited

SCHEDULE – 16

Significant accounting policies forming part of the financial statements as at 31st March, 2013

1. Background

Reliance General Insurance Company Limited (“the Company”) was incorporated on August 17, 2000 as a Company under the Companies Act, 1956 (“the Act”). The Company obtained regulatory approval to undertake General Insurance business on October 23, 2000 from the Insurance Regulatory and Development Authority (“IRDA”) and has also obtained its certificate of renewal of registration with validity until March 31, 2014.

2. Basis of Preparation of Financial Statements

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

3. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles require 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.

4. Revenue Recognition

a. Premium income

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

b. Income from reinsurance ceded

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

c. Income earned on investments

Interest income is recognized on accrual basis. Accretion of discount and amortization of premium relating to debt securities is recognized over the holding / maturity period on constant yield method. Dividend is recognized when right to receive dividend is established.

Realised profit or loss on sale/redemption of securities is recognized on trade date basis. In determining the realised profit and loss, the cost of securities is arrived at on weighted average cost basis. Further, in case of listed equity shares and mutual funds the profit and loss also includes accumulated changes in the fair value previously recognized in the fair value change account under the equity and includes effects on accumulated fair value changes, previously recognized, for specific investments sold/redeemed during the year.

5. 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.

6. Reinsurance Premium

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

7. Reserve for Unexpired Risk

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

8. Claims Incurred

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

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

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

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

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on actuarial estimate duly certified by the appointed actuary of the Company.

9. 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.

10. Loans

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

11. 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 cost as relevant costs incurred for ensuring claim handling operations.

Reliance General Insurance Company Limited

12. 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 and fair value is the last quoted closing price on the National Stock Exchange. However, in case of any stock not being listed in National Stock Exchange, then the last quoted closing price in Bombay Stock Exchange is taken as fair value. 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 crystallizations.

13. 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.

14. 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.

15. Fixed Assets & Depreciation/Amortisation

- i. Fixed assets are stated at cost less accumulated depreciation.
- ii. Depreciation on Fixed Assets is provided on Written down Value basis at the rates and the manner provided in Schedule XIV to the Companies Act, 1956.
- iii. Lease Hold Improvements, is amortized over the primary period of lease.
- iv. Assets purchased for value not exceeding ₹ 5000/- is fully depreciated in the year of purchase.
- v. 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.
- vi. Based on the management's estimate of use lives for Mobile Handset, Camera, Tablet PC are amortized over a period of two years on straight line basis.

16. 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.

17. 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.

18. Foreign Currency Transaction

Transactions denominated in foreign currencies are 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.

19. 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.

20. Allocation of Expenses

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

Reliance General Insurance Company Limited

21. Earnings per share

Earnings per share is calculated by dividing the profit after tax in the profit and loss account by the weighted average number of equity shares outstanding during the year.

22. 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 2013

1. Contingent Liabilities:

(₹ in 000)

Particulars	At March 31, 2013	At March 31, 2012
Partly paid up investments	-	-
Underwriting commitments outstanding	-	-
Claims, other than under policies, not acknowledged as debt	11,415	10,338
Guarantees given by or on behalf of the Company	1,400	2,608
Statutory demands/liabilities in dispute, not provided for(see note below)	2,310	1,238
Reinsurance obligations to the extent not provided for in accounts	-	-
Others	-	-

Note:- The Company has disputed the demand raised by the income tax department for non deduction of tax at source and penalty for A. Y. 2009-10 for ₹ 1,238 thousand and 1,072 thousand respectively (Previous year ₹ 1,238 thousand).

- 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.
- There are no encumbrances to the assets of the Company in and outside India.
- The Company has not invested any amount in real estate in the current financial year.

5. Commitments:

- There are no commitments made and outstanding for Loans in the current financial year (Previous year Nil).
- The commitments made and outstanding for Investments are ₹ 102,177 thousand. (Previous year ₹ 161,440 thousand).
- Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets(net of advances) is ₹ 76,402 thousand (Previous year ₹ 6,855 thousand).

6. Premium:

- All premiums net of reinsurance are written and received in India.
- Premium income recognised on “Varying Risk Patten” is Nil. (Previous year: Nil)

7. Claims:

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

(₹ in 000)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
In India	9,491,068	8,975,498
Outside India	30,881	60,995

- ii. There are no claims which are settled and unpaid for a period of more than six months as on the Balance Sheet date.
- iii. Ageing of gross claims outstanding is set out in the table below:

(₹ in 000)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
More than six months	12,250,386	3,828,004
Others	4,278,064	2,961,221

- iv. Claims where the claim payment period exceeds four years is Nil. (Previous year Nil)

8. Investments:

- i. Value of contracts in relation to investments for:

(₹ in 000)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Purchases where deliveries are pending	102,177	161,440
Sales where payment are overdue	-	-
Sales where deliveries are pending	162,125	52,663

- ii. Historical cost of investments valued at fair value on Balance Sheet date is ₹ 674,220 thousand (Previous year ₹ 881,912 thousand).
- iii. 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 funds respectively; average being the balance at the beginning of the year and at the end of the year. Further, investment income between policyholders is allocated on the basis of Gross Direct Premium.

9. Reserve for unexpired risk on health:

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 ₹ 100,999 thousand (Previous Year ₹ 95,447 thousand) 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:

- i. Define Contribution Plan: During the year Company has recognized ₹ 46,446 thousand as expenses (Previous year ₹ 45,709 thousand)

Reliance General Insurance Company Limited

- ii. Define Benefit Plan: The disclosure required under the define benefit plan as per AS 15 for gratuity fund is as follow:

(₹ in 000)

Gratuity	For the Year ended March 31, 2013	For the Year ended March 31, 2012
I. Assumptions		
Discount Rate	8.25%	8.50%
Rate of Return on Plan Assets	8.70%	8.50%
Salary Escalation	5.00%	5.00%
II. Table Showing Change in Benefit Obligation		
Liability at the beginning of the Year	35,090	30,300
Interest Cost	2,983	2,500
Current Service Cost	8,906	8,844
Benefit Paid	(7,602)	(4,752)
Actuarial Gain/(Loss) on Plan Obligation	4,418	(1,802)
Liability at the end of the Year	43,795	35,090
III. Tables of Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Year	30,097	33,533
Expected Return on Plan Assets	2,558	2,767
Contributions	14,175	-
Benefit Paid	(7,602)	(4,752)
Actuarial Gain/(Loss) on Plan Assets	(111)	(1,454)
Fair Value of Plan Assets at the end of the Year	39,117	30,097
Total Actuarial Gain/(Loss) to be recognised	(4,529)	345
IV. Actual Return on Plan Assets		
Expected return on Plan Assets	2,558	2,767
Actuarial Gain/(Loss) on Plan Assets	(111)	(1,454)
Actual return on Plan Assets	2,447	1,313
V. Amount Recognised in the Balance Sheet		
Liability at the end of the Year	43,795	35,090
Fair Value of Plan Assets at the end of the Year	39,117	30,097
Difference	4,678	4,993
Amount Recognised in the Balance Sheet	4,678	4,993
VI. Expenses Recognised in the Income Statement		
Current Service Cost	8,906	8,844
Interest Cost	2,983	2,500
Expected Return on Plan Assets	2,558	(2,767)
Net Actuarial Gain/(Loss) to be recognized	(4,529)	(345)
Expense Recognised in P&L	13,860	8,226
VII. Amount Recognised in the Balance Sheet		
Opening Net Liability	4,994	(3,233)
Expense as above	13,859	8,226
Employers Contribution Paid	14,175	-
Closing Net Liability	4,678	4,993

11. Deferred Taxes:

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

(₹ in 000)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Deferred Tax Asset		
Related to Fixed Assets	19,215	13,404
Related to Leave Encashment Provision	5,468	5,219
Unabsorbed Depreciation	348,052	326,648
Carry Forward Losses	-	46,841
Total	372,735	392,112
Deferred Tax Liability		
Reserve for Unexpired Risk	-	19,377
Total	-	19,377
Deferred Tax Asset/(Liability)(Net)	372,735	372,735
Deferred Tax Expense/(Income) recognised in Profit and Loss A/c	-	16,000

12. Employee Stock Option Plan (ESOP):

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

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

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

Particulars	For the Year ended March 31, 2013			For the Year ended March 31, 2012		
	No. of Stock Options	Weighted Average Exercise Price (₹)	Weighted Average remaining Contractual Life (Years)	No. of Stock Options	Weighted Average Exercise Price (₹)	Weighted Average remaining Contractual Life (Years)
Outstanding at the beginning of the year	459,900	70	2.42	524,600	70	4.46
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Lapsed/Forfeited	45,000	-	-	64,700	-	-
Outstanding at the end of the year	414,900	70	-	459,900	70	-
Exercisable at the end of the year	414,900	70	-	459,900	70	-

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.

Reliance General Insurance Company Limited

13. Premium Deficiency:

In accordance with circular no F&A/ CIR/ 017/ May-04 dated 18th May 2004, there is no premium deficiency in the miscellaneous segment in current year, however there was premium deficiency under following sub segments of miscellaneous segment in previous year.

(₹ in 000)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Miscellaneous	-	28,286
Rural	-	11,340
Energy	-	9,659

14. Details of Outsourcing, Business Development and Marketing Support Expenses:

(₹ in 000)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Outsourcing Expenses	766,933	448,086
Business Development	936,520	615,796
Marketing Support	205,300	12,987

15. Terrorism Pool:

In accordance with the requirements of IRDA, the Company together with other insurance Companies participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (GIC). Amount collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee (TAC) are ceded at 100% of the terrorism premium collected to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retrocedes to the Company, terrorism premium to the extent of the Company's share in the risk which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly statements received from GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the last statement received from GIC

The Company has ensured that it has created liability to the extent of premium retroceded to the Company through reserve for unexpired risks.

16. Indian Motor Third Party Insurance Pool (IMTPIP):

(a) In accordance with the directions of IRDA, the Company, together with other insurance Companies, had participated in the Indian Motor Third Party Insurance Pool (IMTPIP). The IMTPIP was a multilateral reinsurance arrangement, in which all member Companies were compulsorily required to participate. The IMTPIP was administered by the General Insurance Corporation of India ('GIC'). The IMTPIP had covered reinsurance of third party risks of specified motor vehicles ("Specified Risks"). Amounts collected as premium in respect of Specified Risks were 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 was 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 had been recorded based on the returns submitted by GIC, under the respective heads.

- (b) IRDA through its Orders dated December 23, 2011, January 3, 2012 and March 22, 2012 had directed the dismantling of the Pool on a clean cut basis and advised recognition of the Pool liabilities as per loss ratios estimated by Government's Actuary Department UK ("GAD Estimates") at 159%, 188%, 200%, 213.00% and 145% for underwriting year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively with the option to recognise the additional liabilities for the period 2009-10, 2010-11 and 2011-12 over a three year period, The Company had exercised this option and IMTPIP liability relating to underwriting years 2009-10, 2010-11, 2011-12 is being recognized based on straight line basis over three years beginning with financial year 31st March, 2012. Accordingly, the profit of the Company would have been higher by ₹ 472,713 thousand pursuant to recognition of the said liability in the year of dismantling of IMTPIP.
- (c) Transitional Liabilities (TL) recognized in current year is as follow:

(₹ in 000)

Particulars	Unrecognised as on March 31, 2012	Accounted during the year	Recognized during the year	Unrecognised as on March 31, 2013
Opening	1,265,477	-	632,738	632,739
Based on audited statement for the month of March, 2012	-	66,159	44,106	22,053
Net Loss on Earned Premium released on unexpired risk reserve during the year		413,917	275,945	137,973
Total	1,265,477	480,076	952,789	792,765

17. Indian Motor Third Party Decline Risk Pool (IMTPDRP):

In accordance with the directions of IRDA, the Company, together with other insurance Companies, is participating in the Indian Motor Third Party Decline Risk Pool (IMTPDRP). The IMTDRP is a multilateral reinsurance arrangement, in which all member Companies are compulsorily required to participate. The IMTDRP is administered by the General Insurance Corporation of India (GIC).

The Authority vide Order dated January 03, 2012 has created IMTPDRP for Act only Commercial Vehicle third party risks i.e. Act only policies.

Under this arrangement, any business relating to Act only policies of Commercial Vehicles which does not fall within the underwriting parameters of insurers shall be ceded to IMTPDRP. This arrangement is called the Declined Risk Pool

IRDA has mandated that every insurer has to comply with the obligation to underwrite a minimum percentage of such policies that is calculated as an average of insurer's total gross premium percentage share in the industry and gross motor premium percentage share in the industry.

The insurers are required to retain 20% of such risk, while 10% is ceded to GIC under obligatory cession and remaining 70% ceded to IMTPDRP.

The Company has received its share of premium, claims and expenses of the pool, which is recorded as inward reinsurance business, based on the statement received from GIC. Accordingly the Company has recognized pool retrocession up to 9 month ended 31st December, 2012, the accounts for which statement received.

Company has accounted for its share in Decline Risk Pool for the 3 months period January 2013 to March 2013 on provisional basis based on management estimate and recorded the net amount under claims incurred. Unexpired risks reserve is provided for at 50% of net premium of such inward business, being the minimum rate specified in Section 64V(1) (ii) of the Insurance Act, 1938.

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18. Contribution to Solatium Fund:

In accordance with the requirements of the IRDA circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company has provided 0.1% of gross written premium on all motor third party policies towards contribution to the solatium fund.

19. Leases:

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

Non Cancelable Operating Lease

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

(₹ in 000)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Not later than one year	49,331	40,256
Later than one year and not later than five years	35,086	62,886
Later than five years	-	-

Lease payment debited to the Profit and Loss account during the year ₹ 244,617 thousand (Previous year ₹ 322,426 thousand).

20. Sectorwise business based on Gross Direct Premium (GDP):

Particulars	For the Year ended March 31, 2013		For the Year ended March 31, 2012	
	GDP (₹ in 000)	% of GDP	GDP (₹ in 000)	% of GDP
Rural	1,705,577	8.49	1,508,536	8.81
Urban	18,394,476	91.51	15,616,937	91.19
Total	20,100,053	100.00	17,125,473	100.00

Particulars	For the Year ended March 31, 2013		For the Year ended March 31, 2012	
	GDP (₹ in 000)	No. of lives	GDP (₹ in 000)	No. of lives
Social Sector	22,897	240,556	21,224	410,964

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

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	% of business written	% of business written
Risk Retained	74%	60%
Risk Reinsured	26%	40%

22. Managerial Remuneration:

(₹ in 000)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Salaries	13,388	10,543
Perquisites	-	-
Contribution to Provident Fund and Superannuation	2,304	812
Provision for Gratuity and Leave Encashment	308	235

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

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

23. Basis used by Actuary for determining IBNR / IBNER:

The liability for IBNR claims including IBNER for the year ending 31st March, 2013 has been estimated by the Appointed Actuary in compliance with guidelines issued by IRDA vide Circular no. 11/IRDA/ACTL/IBNR/2005-06.

The Appointed Actuary has adopted the basic paid claims chain ladder method for all line of business except for Motor Third Party for which ultimate loss ratio method has been followed. Under the basic paid claims chain ladder method, the trends from past claims development are referred to for determining the future claims development.

24. 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:

(₹ in 000)

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

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25. As per IRDA Circular No. IRDA/F&I/CIR/CMP/174/11/2010 dated 4th November, 2010, below table mention the age-wise analysis of unclaimed amount of the policyholders as on 31st March, 2013:

(₹ in 000)

Particulars	Total	0-30 Days	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
Claim Settled but not paid to the policy holders/insured due to any reason except under litigation from the insured/policyholders.	1,392	789	603	-	-	-	-	-	-
Any other sum due/payable to the insured/policyholder on completion of the policy terms or otherwise.	-	-	-	-	-	-	-	-	-
Any excess collection of premium/tax or any other charges which is refundable to the policyholders either as per the terms of the conditions of the policy or as per law or as per the direction of the authority but not refunded so far.	31,235	1,197	2,154	2,964	4,783	2,450	3,017	3,505	11,165
Cheques Issued by the Company under "a", "b" or "c" above & cheques have not been encashed by the policyholders/Insured. *(Stale Cheques)	302,759	-	35,389	31,809	26,119	21,715	34,448	31,952	121,327

*Cheques issued within validity period of financial instruments but not presented for payment amounting to ₹ 724,521 thousand are not included under unclaimed amount of policy holders as on March 31, 2013.

26. 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.

1. List of related parties relationships, where control exists.

Ultimate Holding Company	
Reliance Innoventures Private Limited	
Holding Company	
Reliance Capital Limited	
Subsidiary of Holding Company (Including Fellow Subsidiary)	
1.	Reliance Capital Asset Management Limited
2.	Reliance Asset Management (Singapore) Pte. Limited
3.	Reliance Asset Management (Mauritius) Limited
4.	Reliance Capital Asset Management (UK) Plc.
5.	Reliance Asset Management (Malaysia) SDN. BHD.

6.	Reliance Capital Pension Fund Limited
7.	Reliance Capital Trustee Co. Limited
8.	Reliance Gilts Limited
9.	Reliance Equity Advisors (India) Limited
10.	Reliance Consultants (Mauritius) Limited
11.	Reliance Money Express Limited
12.	Reliance Money Precious Metals Private Limited
13.	Reliance Venture Asset Management Private Limited
14.	Reliance Equities International Private Limited
15.	Reliance Home Finance Limited
16.	Reliance Capital (Singapore) Pte. Limited
17.	Reliance Securities Limited
18.	Reliance Composite Insurance Broking Limited
19.	Reliance Investment Banking Services Limited
20.	Reliance Commodities Limited
21.	Reliance Financial Limited
22.	Reliance Alternative Investments Services Private Limited
23.	Reliance Wealth Management Limited
24.	Reliance Exchangenext Limited
25.	Reliance Spot Exchange Infrastructure Limited
26.	Indian Agri Services Private Limited (w.e.f April 30, 2012)
27.	Quant Capital Private Limited
28.	Quant Broking Private Limited
29.	Quant Securities Private Limited
30.	Quant Commodities Private Limited
31.	Quant Commodity Broking Private Limited
32.	Quant Capital Advisors Private Limited
33.	Quant Capital Finance and Investments Private Limited
34.	Quant Investments Services Private Limited
35.	QOPPA Trading Private Limited
36.	QCAP Trade Private Limited
37.	Quant Alternative Asset Management Private Limited (w.e.f. October 12, 2012)
38.	Emerging Money Mall Limited (w.e.f. February 20, 2013)
Person Having Control	
Shri Anil D. Ambani	
Key managerial personnel	
Rakesh Jain	

Reliance General Insurance Company Limited

2. Transaction during the period with related parties:

(₹ in 000)

S. No.	Name of the Related Party	Relationship	Nature of transaction	For the Year ended March 31, 2013	For the Year ended March 31, 2012
1	Reliance Capital Limited	Holding Company	Share Capital Received	15,816	45,205
			Share Premium Received	1,534,183	4,384,795
			Claim Paid	463	498
			Premium	4,471	3,179
			Reimbursement paid for expenses (Rent, Communication, Electricity, Professional fees, Maintenance Charges)	10,509	40,201
			Management fees	82,441	64,777
			Reimbursement paid for IT services	28,358	35,988
			Reimbursement received for expenses (Rent, Communication, Electricity, Canteen expenses)	12,788	10,181
			Advertisement Hoarding Charges paid	548	-
			Interest Due on Debenture	73,214	78,549
			Outstanding balance in CD A/c	948	832
Debtors	355	1,151			
2	Reliance Capital Asset Management Limited	Fellow Subsidiary	Premium	13,523	11,389
			Claim Paid	138	-
			Reimbursement received for expenses (Rent, Communication, Electricity, Canteen expenses)	2,473	1,536
			Outstanding balance in CD A/c	649	212
			Debtors	219	237
3	Reliance Capital Trustee Co. Limited	Fellow Subsidiary	Premium	41,266	9,432
4	Reliance Equity Advisor (India) Limited	Fellow Subsidiary	Premium	19	50
			Outstanding balance in CD A/c	15	15
5	Reliance Home Finance Limited	Fellow Subsidiary	Reimbursement received for expenses (Rent, Communication, Electricity, Canteen exp)	-	130
			Reimbursement paid for expenses (Market Intelligent & Feedback)	17	-
			Outstanding balance in CD A/c	25	25
6	Reliance Money Express Limited	Fellow Subsidiary	Return on Foreign Exchange	-	-
			Premium	14	76
			Foreign Currency Purchased	625	23
			Outstanding balance in CD A/c	434	434
7	Reliance Securities Limited	Fellow Subsidiary	Reimbursement received for expenses (Rent, Communication, Electricity, Canteen expenses)	1,859	2,603
			Premium	60	136
			Brokerage paid for stock exchange trading	40	111
			Claim Paid	-	5
			Debtors	155	196
8	Reliance Spot Exchange Infrastructure Limited	Fellow Subsidiary	Premium	-	71
			Outstanding balance in CD A/c	22	22

S. No.	Name of the Related Party	Relationship	Nature of transaction	For the Year ended March 31, 2013	For the Year ended March 31, 2012
9	Reliance Composite Insurance Broking Limited (w.e.f. October 18, 2011)	Fellow Subsidiary	Premium	21	16
			Brokerage	14,847	15,894
			Debtors	-	14,032
			Creditors	972	-
10	Reliance Innoventures Pvt. Limited	Ultimate Holding Company	Premium	4,793	2,391
11	Quant Capital Pvt. Limited	Fellow Subsidiary	Premium	23	329
12	Quant Broking Private Limited	Fellow Subsidiary	Premium	22	-
			Brokerage paid for stock exchange trading	52	-
13	Reliance Wealth Management Limited	Fellow Subsidiary	Premium	38	-
14	Shri Anil D. Ambani	Person having control	Premium	120	126
15	Rakesh Jain	Key Managerial Personnel	Remuneration	16,000	6,546
16	Vijay Pawar	Key Managerial Personnel	Remuneration	-	5,044

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

27. Segment Information for the year ended on 31st March, 2013

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

(₹ in 000)

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Employer Liability	Public Liability	Engineering	Aviation	Personal Accident	Health	Other Miscellaneous	Total
Segment Revenues:												
Premium												
2012-13	355,667	85,495	1,416	10,392,744	60,840	25,757	146,108	(1,314)	208,552	2,182,919	139,967	13,598,151
2011-12	302,292	97,743	913	8,802,133	53,410	21,905	119,566	(15,122)	171,493	1,943,694	132,845	11,630,872
Commission												
2012-13	(62,387)	13,741	(117)	500,745	5,658	(6,495)	(108,558)	(3,026)	16,577	111,197	(18,328)	449,007
2011-12	(54,492)	(6,814)	(88)	418,391	3,869	(5,604)	(97,196)	399	17,160	126,351	10,748	412,724
Investment Income												
2012-13	124,529	20,562	485	1,400,882	5,665	21,104	62,768	1,686	16,477	218,507	59,328	1,931,993
2011-12	83,285	28,410	581	1,013,919	4,237	9,995	64,937	2,613	18,335	161,297	39,817	1,427,426

Reliance General Insurance Company Limited

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Employer Liability	Public Liability	Engineering	Aviation	Personal Accident	Health	Other Miscellaneous	Total
Misc. Income												
2012-13	-	-	-	-	-	-	-	-	-	-	(2,110)	(2,110)
2011-12	-	-	-	-	-	-	-	-	-	-	4,829	4,829
Total Segment Revenues												
2012-13	542,583	92,316	2,018	11,292,881	60,847	53,356	317,434	3,398	208,452	2,290,229	215,513	15,079,027
2011-12	440,069	132,967	1,582	9,397,661	53,778	37,504	281,699	(12,908)	172,668	1,978,640	166,743	12,650,403
Segment Expenses:												
Claims												
2012-13	207,203	110,431	(221)	9,773,817	27,179	6,497	113,151	7,691	182,332	2,065,297	114,554	12,607,931
2011-12	264,308	102,028	866	10,157,873	22,490	6,031	107,620	6,713	156,615	1,667,195	166,947	12,658,686
Premium Deficiency												
2012-13	-	17,936	-	-	-	-	-	-	-	-	-	17,936
2011-12	-	2,964	-	-	-	-	-	-	-	-	-	2,964
Management Expenses												
2012-13	105,373	29,141	322	2,992,524	17,406	7,262	37,602	(333)	50,513	621,327	34,224	3,895,361
2011-12	117,775	30,732	664	2,880,866	17,180	7,536	51,445	(4,553)	69,154	612,589	50,179	3,833,567
Total Segment Expenses												
2012-13	312,576	157,508	101	12,766,341	44,585	13,759	150,753	7,358	232,845	2,686,624	148,778	16,521,228
2011-12	382,083	135,724	1,530	13,038,739	39,670	13,567	159,065	2,160	225,769	2,279,784	217,126	16,495,217
Net Profit/(Loss)												
2012-13	230,007	(65,192)	1,917	(1,473,460)	16,262	39,597	166,681	(3,960)	(24,393)	(396,395)	66,735	(1,442,201)
2011-12	57,986	(2,757)	52	(3,641,078)	14,108	23,937	122,634	(15,068)	(53,101)	(301,144)	(50,383)	(3,844,814)
Unallocated items												
Investment Income												
2012-13												800,228
2011-12												628,179
Provision/(Other Income)												
2012-13												277,589
2011-12												192,290
Expenses												
2012-13												8,130
2011-12												7,068
Net Profit before tax												
2012-13												(927,692)
2011-12												(3,415,993)
Income tax												
2012-13												-
2011-12												(16,000)

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Employer Liability	Public Liability	Engineering	Aviation	Personal Accident	Health	Other Miscellaneous	Total
Net Profit after tax												
2012-13												(927,692)
2011-12												(3,431,993)
Assets:												
Segment Assets												
2012-13												-
2011-12												-
Unallocated Assets												
2012-13												43,468,654
2011-12												30,735,618
Total Assets												
2012-13												43,468,654
2011-12												30,735,618
Liabilities:												
Segment Liabilities												
2012-13	571,914	181,609	24,114	29,021,124	65,374	33,517	225,403	1,463	228,653	1,787,572	372,892	32,513,635
2011-12	533,066	128,053	3,924	17,596,921	49,316	31,220	236,948	1,031	230,001	1,238,011	220,869	20,269,360
Unallocated Liabilities												
2012-13												10,955,019
2011-12												10,466,258
Total Liabilities												
2012-13												43,468,654
2011-12												30,735,618

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.

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28. Summary of Financial Results:

(₹ in 000)

Particulars	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
Operating Results					
Gross Premium Written	2,0751,622	19,354,863	18,182,817	21,559,099	20,753,212
Net Premium Written	15,407,894	11,839,369	11,548,005	14,287,220	13,995,608
Income from Investment	1,931,993	1,427,425	1,091,724	1,030,071	981,582
Other Income	(2,110)	4,829	1,045	1,180	320
Total Income	17,337,777	13,271,623	12,640,774	15,318,471	14,977,510
Commission and Brokerage Net	449,007	412,724	(225,156)	(351,876)	(315,457)
Operating Expenses	3,895,361	3,833,566	4,468,708	4,806,330	5,410,421
Claims and Increase in Unexpired Risk Reserve and Other Outgo	14,435,610	12,870,147	11,923,780	12,126,278	10,868,938
Operating Profit/(Loss)	(1,442,201)	(3,844,814)	(3,526,558)	(1,262,261)	(986,390)
Non Operating Results					
Total Income under Shareholder's Account	514,509	428,821	428,965	356,791	484,708
Profit/(Loss) before tax	(927,692)	(3,415,993)	(3,097,593)	(905,470)	(501,682)
Provision for tax	-	16,000	18,424	(401,200)	21,500
Profit/(Loss) after tax	(927,692)	(3,431,993)	(3,116,017)	(504,270)	(523,182)
Miscellaneous					
Policyholder's Account					
Total Funds	25,061,691	20,180,364	15,544,875	9,064,638	7,323,751
Total Investments	25,061,691	20,180,364	15,544,875	9,064,638	7,323,751
Yield on Investments	10.07%	11.39%	10.57%	8.34%	9.75%
Shareholder's Account					
Total Funds	7,463,270	6,840,959	5,826,954	7,501,972	6,315,974
Total Investments	7,463,270	6,840,959	5,826,954	7,501,972	6,315,974
Yield on Investments	10.07%	11.39%	10.57%	8.34%	9.75%
Paid up Equity Capital	1,227,750	1,211,933	1,166,729	1,152,239	1,130,811
Net Worth	7,783,003	7,138,048	6,218,545	7,822,890	5,620,133
Total Assets	43,468,654	30,735,618	25,416,339	26,000,255	21,297,597
Yield on total Investments	10.07%	11.39%	10.57%	8.34%	9.75%
Earnings Per Share (₹)	(7.61)	(29.24)	(26.80)	(4.46)	(4.81)
Book Value Per Share (₹)	63.82	59.52	53.27	68.66	55.85
Total Dividend	-	-	-	-	-
Dividend Per Share (₹)	-	-	-	-	-

29. Financial Ratios:

Particulars	Financial Year	Gross Direct Premium Growth Rate	Net Retention Ratio	Net Commission Ratio	Underwriting Balance Ratio
		(Gross direct premium for the current year divided by 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)	(Underwriting profit divided by net premium)
Fire	2012-13	45%	25%	-15%	25%
	2011-12	9%	31%	-15%	-7%
Marine Cargo	2012-13	-30%	41%	12%	-59%
	2011-12	79%	24%	-7%	-30%
Marine Hull	2012-13	-19%	19%	-9%	112%
	2011-12	-5%	25%	-4%	-26%
Motor	2012-13	14%	92%	4%	-24%
	2011-12	6%	78%	5%	-52%
Employer Liability	2012-13	30%	90%	8%	15%
	2011-12	-5%	90%	7%	19%
Public Liability	2012-13	104%	10%	-23%	64%
	2011-12	17%	17%	-24%	60%
Engineering	2012-13	-6%	18%	-73%	70%
	2011-12	56%	18%	-61%	36%
Aviation	2012-13	-38%	-6%	229%	428%
	2011-12	-92%	-39%	-3%	125%
Personal Accident	2012-13	-13%	90%	8%	-20%
	2011-12	-16%	84%	8%	-33%
Health	2012-13	31%	83%	5%	-25%
	2011-12	-11%	84%	7%	-24%
Other Miscellaneous	2012-13	44%	17%	-14%	7%
	2011-12	25%	28%	7%	-61%
Total	2012-13	17%	77%	3%	-22%
	2011-12	3%	69%	3%	-45%

30. Other Ratios:

Ratio	Basis	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Gross Premium to Shareholder's Fund ratio	Gross direct premium for the current year divided by paid up capital plus free reserves	258%	240%
Growth Rate of Shareholder's Fund	Shareholder's Funds as at current balance sheet date divided by Shareholder's Funds as at previous balance sheet date.	9%	15%
Expenses of Management to Gross Premium	Expenses of Management (operating expenses related to insurance business plus direct commission paid divided by gross direct premium)	25%	28%
Combined Ratio	Claims plus expenses of management (operating expenses related to insurance business plus direct commission paid) divided by gross direct premium	81%	101%
Technical Reserves to Net Premium Ratio	Reserve for Unexpired risks plus premium deficiency reserve plus reserve for outstanding claims(including IBNR and IBNER) divided by net premium	209%	170%
Operating Profit Ratio	Underwriting profit/loss plus investment income divided by net premium	-4%	-27%

Reliance General Insurance Company Limited

Ratio	Basis	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Liquid Assets to Liabilities Ratio	Liquid assets(short term investment plus short term loan plus cash and bank balances of the insurer) divided by policyholders liabilities(claims outstanding plus reserve for unexpired risk and premium deficiency)	24%	51%
Net Earnings Ratio	Profit after tax divided by net premium	-6%	-29%
Return on net worth ratio	Profit after tax divided by net worth	-12%	-48%
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.

31. Earnings per share information:

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Profit/(Loss) available to equity shareholders (₹ in 000)	(927,692)	(3,431,993)
Weighted Average number of equity shares outstanding during the year	121,981,977	117,371,131
Basic earning per share (₹)	(7.61)	(29.24)
Diluted earning per share (₹)	(7.61)	(29.24)

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

(₹ in 000)

Previous Year Grouping		Regrouped in Current Year		
Schedule	Description	Schedule	Description	Amount
Schedule-4	Rents, rates and taxes	Schedule-4	Service Tax Expenses	15,172
Schedule-12	Unutilised Service Tax Credit and VAT	Schedule-13	Service Tax and VAT Liability	14,277
Schedule-13	Reserve for Premium Deficiency	Schedule-14	Reserve for Premium Deficiency	2,964
Schedule-13	Sundry Creditors	Schedule-13	Unallocated Premium	398,341
Schedule-13	Sundry Creditors	Schedule-13	Employee Related	15,065
Schedule-13	Sundry Creditors	Schedule-13	Statutory Liabilities	36,128

For and on behalf of the Board of Directors

D. Sengupta

Director

S. P. Talwar

Director

H. Ansari

Director

Rajendra Chitale

Director

Soumen Ghosh

Director

Rakesh Jain

Executive Director and CEO

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary

Place: Mumbai

Date: April 23, 2013



RELIANCE

General Insurance

Reliance General Insurance Company Limited

Corporate Office:

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

Registered Office:

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

www.reliancegeneral.co.in

An ISO 9001:2008 Certified Company