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ANNUAL REPORT
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भारतीय साधारण बीमा निगम
General Insurance Corporation of India



COMMAND MEN

VISION

To be a leading
global reinsurance and
risk solution provider

CORE VALUES

Trust and mutual respect
Professional excellence
Integrity and transparency
Commitment
Responsive service

T S



MISSION

To achieve our Vision by

- Building long-term mutually beneficial relationship with business partners
- Practising fair business ethics and values
- Applying “state-of-the-art” technology, processes including enterprise risk management and innovative solutions
- Developing and retaining highly motivated professional team of employees
- Enhancing profitability and financial strength befitting the global position

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Note : Key to Indian Numbering System 10 Lakhs = 1 Million; 1 Crore = 10 Million.

CORPORATE INFORMATION

DIRECTORS

Shri A.K. Roy	Chairman-cum-Managing Director w.e.f. 02.01.2012 Upto 31.12.2011
Shri Yogesh Lohiya	w.e.f. 04.05.2012 Upto 24.07.2011
Shri Sunil Soni	w.e.f. 25.07.2011 Upto 23.03.2012
Shri Tarun Bajaj	w.e.f. 21.05.2012 Upto 31.03.2012
Shri Rakesh Singh	Upto 03.11.2011
Shri D Sarkar	
Shri M.V. Nair	
Shri S.L. Mohan	
Shri S.B. Mathur	
Shri G. Srinivasan	
Smt. Bhagyam Ramani	Upto 31.01.2012
Shri B. Chakrabarti	w.e.f. 13.01.2012
Shri Sanjiv Kapoor	w.e.f. 26.09.2011
Dr. Sunil Gupta	w.e.f. 23.12.2011

MANAGEMENT

Chairman-cum-Managing Director

Shri A.K. Roy	w.e.f. 02.01.2012
Shri Yogesh Lohiya	Upto 31.12.2011

General Managers

Smt. Bhagyam Ramani	Upto 31.01.2012
Shri A.K. Roy	Upto 01.01.2012
Shri R. Raghavan	Upto 22.05.2012

Chief Vigilance Officer

Deputy General Managers

Shri Sujay Banarji	
Shri P.K. Bhagat	w.e.f. 14.11.2011
Shri N. Mohan	w.e.f. 14.11.2011
Shri S. Nallakuttalam	
Shri H.G. Rokade	Upto 11.11.2011
Shri P.N. Gandhi	
Shri P.K. Bhagat	Upto 13.11.2011
Shri A.K. Mittal	
Shri Y. Ramulu	
Smt. Alice Vaidyan	
Shri H.L. Teckchandani	Upto 21.02.2012
Shri Ashwani Kumar	
Shri R. Sundaram	
Shri B.N. Narsimhan	w.e.f. 30.01.2012
Shri B.N. Prasad	w.e.f. 30.01.2012
Shri D.T.V. Sastri	w.e.f. 30.01.2012

COMPANY SECRETARY

Smt. Suchita Gupta

AUDITORS

M/s. Contractor, Nayak & Kishnadwala,
5th Floor, Narayan Chambers
Near Suncity Cinema Hall
M.G. Road, Vile Parle (E), Mumbai - 400 057.
M/s. Manubhai & Co.
Chartered Accountants
2nd Floor, 'B' Wing, Premium House,
Near Gandhigram Rly. Station,
Navrangpura, Ahmedabad - 9.

BANKERS

Bank of India
State Bank of India
Bank of Baroda
Central Bank of India
Axis Bank

REGISTERED OFFICE

"Suraksha", 170, J. Tata Road,
Churchgate, Mumbai - 400 020.

CORPORATE CHRONICLE

Sr. No.	Date and Year	Event
1	22nd November 1972	General Insurance Corporation of India was formed in pursuance of Section 9(1) of the GIBNA Act and also under the Companies Act 1956 as Private Company Limited by Shares
2	1st January 1973	The general insurance business in India was nationalised, 107 general insurance companies were merged and GIC of India was formed as the holding Company with four subsidiaries: The New India Assurance Co. Ltd., National Insurance Co. Ltd., Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd.
3	1st January 1978	Loss Prevention Association of India was formed by GIC and its 4 subsidiaries
4	6th December 1978	Kenindia Assurance Company Ltd., was incorporated by merging branch operations of subsidiaries of GIC and LIC then operating in Kenya
5	1st January 1988	India International Insurance Pte. Ltd., was set up as a locally incorporated wholly owned subsidiary Company of GIC and four Public Sector Companies in Singapore
6	12th December 1989	GIC Housing Finance Co. Ltd. was set up by GIC of India and the four Public Sector Companies
7	25th May 1993	GIC Asset Management Co. Ltd. was set up by GIC of India and the four Public Sector Companies
8	19th April 2000	Insurance Regulatory Development Authority (IRDA) was formed
9	3rd November 2000	GIC notified as "Indian Reinsurer"
10	June 2001	London Representative Office set up
11	1st April 2002	GIC Re was appointed as Managers to the Terrorism/Pool/Insurance
12	April 2002	Moscow Representative Office set up
13	7th August 2002	GIBNA Act was amended
14	20th December 2002	Agricultural Insurance Company of India was set up by GIC Re, the 4 Public Sector Companies and NABARD
15	21st March 2003	GIC Re ceased to be a holding Company
16	April 2003	GIC Re started assuming risk in Life Reinsurance
17	April 2005	Dubai Representative Office set up
18	February 2006	SAP went live in GIC Re
19	27th April 2006	Loss Prevention Association of India was amalgamated with GIC Re
20	1st January 2007	Dubai Representative Office was upgraded to a Branch Office
21	1st April 2007	GIC Re was appointed as Managers to Indian Motor Third Party Insurance Pool
22	1st January 2008	London Representative Office was upgraded to branch Office and commenced its operations
23	19th June 2008	Signing of Co-operation Agreement with Hannover Re
24	10th October 2008	Retakaful Vertical launched
25	16th October 2008	GIC Re mandated to form Nat Cat Pool for Afro Asian Region by FAIR
26	16th January 2009	GIC Re registered as Eventual Reinsurer in Brazil
27	20th July 2010	Licence obtained for Branch Office at Malaysia
28	11th November 2010	GIC Re Malaysia Branch starts functioning
29	20th September 2011	Launch of e-thru platform by Mr. J. Hari Narayan, Chairman, IRDA

BOARD OF DIRECTORS



(L-R) Dr. Sunil Gupta; Mr. G. Srinivasan; Mr. Sunil Soni;
Mr. Ashok Kumar Roy; Mr. Bimalendu Chakrabarti;
Mr. D. Sarkar; Mr. S. B. Mathur; Mr. Sanjiv Kapoor.



Mr. Ashok Kumar Roy

CHAIRMAN-cum-MANAGING DIRECTOR

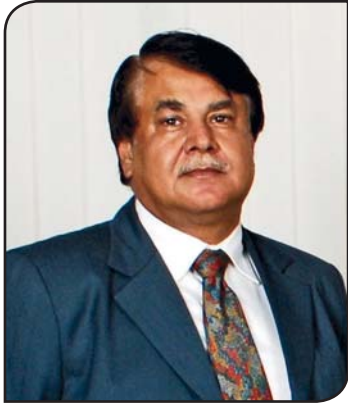
An Agriculture Engineer with B. Tech. (Hons) from the Indian Institute of Technology, Kharagpur and a Fellow of the Insurance Institute of India, Mr. Ashok K Roy joined the Indian General Insurance Industry as a direct recruit officer in 1979. He served the Oriental Insurance Co. Ltd. for 29 years in various capacities, primarily as property underwriter before moving to GIC Re in June 2008 as General Manager.

In December 2011, Mr. Roy took over as officiating Chairman-cum-Managing Director of Agriculture Insurance Company of India. He was made officiating CMD of GIC Re in January 2012 and confirmed in that position as Chairman-cum-

Managing Director of GIC Re in April 2012.

Mr. Roy is also the Chairman of GIC Housing Finance Ltd. and GIC Asset Management Co. Ltd. He is also a Director on the Board of several companies, including Life Insurance Corporation of India; Indian Register of Shipping, East Africa Reinsurance Co. Ltd., Kenindia Assurance Co. Ltd., Asian Reinsurance Corporation and ECGC of India Ltd.

Mr. Roy has been a member of Technical Sub Committee (Engineering) of TAC and was closely associated in Development of Core Insurance Solution (INLIAS). He also headed the core group for development of Fire & Engineering Module. He has been a speaker at several training programmes on Change Management, Negotiation Skills, and Corporate Governance. He is known for his various initiatives in HR Development in GIC Re. Setting up of an Innovation Centre at GIC Re has been his latest initiative at GIC Re.



Mr. Sunil Soni

An IAS officer of 1981 batch Mr. Sunil Soni belongs to the Maharashtra cadre. He is a Mechanical Engineer with distinction from Nagpur University and also holds a Masters in Business Management and Postgraduate Diploma in Information Technology from University of Western Sydney, Macarthur, Australia.

After serving in various capacities in the Government of Maharashtra, Mr. Soni was posted as Additional Secretary in the Department of Financial Services, Union Finance Ministry in April 2012.

Prior to joining the Indian Administrative Service, Mr. Soni was associated with M/s Larsen & Toubro, Mumbai. He was also employed with the Indian Railways Mechanical Engineering Service prior to his entry into the Indian Administrative Service.

Mr. Soni is also a Government nominee Director on the Board of Infrastructure Development Finance Company Limited (IDFC).

Mr. D. Sarkar

Chairman & Managing Director of Union Bank of India, Mr. D. Sarkar is a postgraduate in commerce and a qualified Fellow Chartered Accountant. In addition, he is also a Certified Associate of Indian Institute of Banking and Finance. Having started his career in Bank of Baroda, Mr. Sarkar worked in various capacities in the bank before assuming the office of the Executive Director of the Allahabad Bank in 2009. He is known for his expertise in Treasury & Corporate Credit focusing mainly on credit deployment.

Mr. Sarkar has been a Director on the Board of Central Securities Depository Ltd., Mumbai, Board of Bank of Baroda (Botswana) Ltd. (an overseas banking subsidiary of Bank of Baroda). He was also a Trustee on the Baroda Pioneer Asset Management Company Ltd., Mumbai.



Mr. S.B. Mathur, Secretary General, Life Insurance Council

Secretary General, Life Insurance Council Mr. S. B. Mathur was Chairman of the Life Insurance Corporation of India (LIC), the largest life insurance company in India from August 2002 to October 2004.

Post retirement from LIC, Mr. Mathur was appointed as the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI). Mr. Mathur, is at present, the Secretary General of Life Insurance Council.



Mr. G. Srinivasan

Mr. G. Srinivasan, Chairman-cum-Managing Director of United India Insurance Company Ltd., is a commerce graduate and also a fellow of the Insurance Institute of India besides being an Associate of the Institute of Cost & Works Accountants.

Mr. Srinivasan is also a Director on the Boards of GIC Housing Finance Limited and Kenindia Assurance Company Limited, Kenya. Mr. Srinivasan is also the Chairman of The General Insurers' (Public Sector) Association of India (GIPSA).

Mr. Srinivasan has an experience of over 25 years in the insurance industry. Prior to joining the United India Insurance Company Ltd., as its Chairman-cum-Managing Director he was the Managing Director of The New India Insurance Co. (TNT) Ltd., Trinidad, and General Manager for New India Insurance Co. Ltd.

Mr. Bimalendu Chakrabarti

Mr. Bimalendu Chakrabarti, ex-Chairman-cum-Managing Director, New India Assurance Company Limited is a Commerce graduate and a Chartered Accountant by profession. He joined the general insurance industry in 1974 as a direct recruit specialist officer and began his career with United India Insurance Company Limited.

During his stay in the Indian public sector, general insurance sector, Mr. Chakrabarti was also associated with GIC as Assistant General Manager (Investments) and General Manager (Investments). From GIC, Mr. Chakrabarti moved back to United India Insurance Company Ltd., where he served as General Manager, Executive Director and also as Chief Vigilance Officer of the Company.

In January 2005, Mr. Chakrabarti was appointed Chairman-cum-Managing Director of Kolkata-based National Insurance Company Limited. In October 2005, Mr. Chakrabarti was appointed Chairman-cum-Managing Director of Mumbai-based New India Assurance Company Ltd., which he served till his superannuation in 2009.

During his stay in the Indian General Insurance Industry, Mr. Chakrabarti served on various committees and was Chairman of GIPSA, Chairman of Prestige Assurance Plc. Lagos, Nigeria; Chairman of The New India Assurance Co., (Trinidad & Tobago) Ltd., Port of Spain; Chairman of India International Company Insurance Pte. Ltd., Singapore.





Mr. Sanjiv Kapoor

A Chartered Accountant by profession, Mr. Sanjiv Kapoor is a partner in the Chartered Accountant firm M/s S. K. Kapoor & Co., Kanpur. A commerce graduate, Mr. Kapoor is also a Fellow of the Institute of Chartered Accountants of India. He is a Director on the Board of several companies and these include HLL Life Care Ltd., UP Stock Exchange Limited, Sahara India Medical Institute Limited and Mahindra Ugine Steel Co. Ltd.

Mr. Kapoor has been the Partner In-charge on the audits of several large public sector companies and organisations that include Reserve Bank of India, Union Bank of India, State Bank of India, LIC of India, BSNL and NTPC Limited. He has also been a member of the SEBI inspection teams for a number of Mutual Funds.

Dr. Sunil Gupta

Dr. Sunil Gupta is a Chartered Accountant by profession, is a partner in M/s Sunil Ram & Co., Ghaziabad. A Commerce graduate and Ph D, Dr. Gupta is also a Fellow of the Institute of Chartered Accountants of India (FCA) and Institute of Cost & Works Accountants of India (FICWA).

He is a Shareholder Director on the Board of Dena Bank as well as on the Board of several private companies including NKG Infrastructure Ltd., Vinayak Comnet (P) Ltd., Suvipraa Infrastructure (P) Ltd., etc.

Dr. Gupta has been the Partner In-charge on the audits of several large public sector companies, Nationalised Banks and other organisations that include, Bharat Electronics Ltd., NAFED and Central Electronics Ltd. He is a member of ASSOCHAM, FICCI, CII, PHD Chamber of Commerce & Press Club of India, besides being a member of many social organisations, educational societies and clubs.

Dr. Gupta is also a member of Steel Consumers' Council of Ministry of Steel, Govt. of India.



MANAGEMENT



Sitting (L-R) Mr. P. N. Gandhi, Deputy General Manager; Mr. N. Mohan, General Manager; Mr. Ashok Kumar Roy, Chairman-cum-Managing Director; Mr. Sujay Banarji, General Manager, Mr. P. K. Bhagat, General Manager.

Standing (L-R) Deputy General Managers: Mrs. Alice G. Vaidyan; Mr. B. N. Prasad; Mr. S. Nallakuttalam; Mr. D. T. V. Sastri; Mr. A. K. Mittal; Mr. B. N. Narasimhan; Mr. Ashwani Kumar; Mr. R. Sundaram; Mr. Y. Ramulu.

NOTICE

NOTICE is hereby given that the **40th ANNUAL GENERAL MEETING** of the Members of the **GENERAL INSURANCE CORPORATION OF INDIA** will be held at the Registered Office of the Corporation at “Suraksha”, 170, J. Tata Road, Churchgate, Mumbai - 400 020, on 15th September, 2012 at 11.00 a.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors’ Report and Audited Statements of Account for the year ended 31st March, 2012.
2. To declare dividend on equity shares.
3. To fix remuneration of auditors for the year 2012-2013.

For and on behalf of the Board

(Suchita Gupta)
Company Secretary

Registered Office:
“Suraksha”,
170, J. Tata Road,
Churchgate,
Mumbai - 400 020

Dated : 7th September, 2012

Note :

1. A member entitled to attend and vote at the Meeting is entitled to appoint another person, whether a member or not, as his proxy to attend the meeting and vote thereat instead of himself.
2. The instrument appointing a proxy or other authority, if any, can be deposited at the Registered Office of the Corporation, not less than 48 hours before the time for holding the meeting.

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the Fortieth Annual Report on the working and affairs of the Corporation and the audited statements of account for the year ended 31st March, 2012.

FINANCIAL RESULTS:

The highlights of the financial results for the year under review are as under:

(₹ in Crores)			(₹ in Crores)		
	2011-12	2010-11		2011-12	2010-11
1. Net Premium	12558.24	10512.57	11. Distribution of LPA Assets	0.00	0.00
2. Net Earned Premium	11315.73	9544.03	12. Premium Deficiency	141.46	0.00
3. Net Incurred Claims	13986.41	8625.77	13. Interest on Service Tax	0.00	2.18
	123.6%	90.4%	14. Profit before Tax		
4. Net Commission	2066.63	1926.35	(7+8+9-10-11-12)	-2490.67	1189.35
	18.3%	20.2%	15. Income-tax Deducted at Source and Provision for tax incl. deferred taxes	21.92	155.94
5. Operating Expenses and Other Outgo less Other Income	92.40	96.43	16. Profit after Tax		
	1.0%	1.0%	(13-14)	-2468.75	1033.41
6. Investment Income Apportioned to Revenue less expenses	1417.07	1337.11	17. Balance of Profit b/f from previous year	0.06	0.06
7. Total Profit/Loss (-) (2+6-3-4-5)	-3412.64	232.59	18. Profit available for appropriation	-2468.69	1033.47
8. Interest, Dividends and Rents (gross)	838.12	880.08	19. Proposed Dividend incl. Dividend tax	-0.80	240.68
9. Other Income less Other Outgo	412.36	169.94	20. Transferred to General Reserves	0.00	792.73
10. Reserve for Doubtful Debts and Investment incl. Amortisation of Investments Written off	187.05	91.08	21. Balance of Profit carried forward (16+17-19-20)	-2467.89	0.06

(Net Earned Premium is arrived after adjustments for Reserve for Unexpired Risks)
(Percentages relate to the net earned premium of the corresponding year)

DIVIDEND

The Board has not recommended dividend for the year under review due to the losses incurred by the Corporation.

CAPITAL AND FUNDS

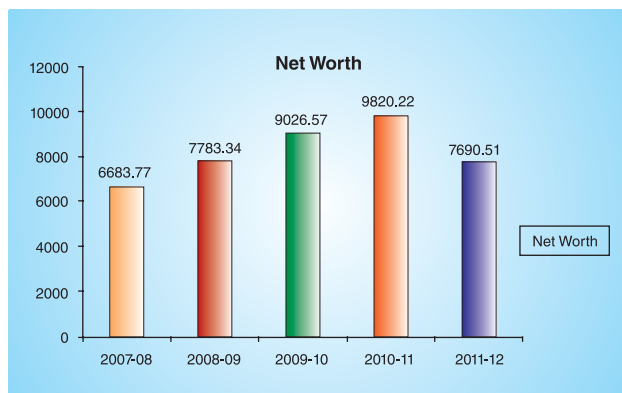
Capital and Funds of the Corporation stood at ₹ 31548.51 crores as on 31st March, 2012 as against ₹ 26457.20 crores in the previous year, the details of which are given below:

(₹ in Crores)

	As on 31.03.2012	As on 31.03.2011
Shareholders Funds		
Paid up Capital	430.00	430.00
General Reserve	9489.46	9495.93
Reserve for Pension & Gratuity	0.00	-6.47
Foreign Currency	238.94	-99.30
Translation Reserve		
Profit & Loss a/c	-2467.89	0.06
	7690.51	9820.22
Policyholders Fund	23858.00	16636.98
Total Funds	31548.51	26457.20

Net worth (Shareholders Funds) for the last 5 years

(₹ in Crores)



ASSETS

Total assets of the Corporation was ₹ 53730.91 crores as on 31st March, 2012 as compared to ₹ 49728.56 crores as on 31st March, 2011.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The operations and future prospects of the Corporation is dealt in the Management Discussion and Analysis Report which forms part of the Directors' Report.

INVESTMENTS

The total book value of investment of the Corporation in India (representing investments, loans and deposits) amounted to ₹ 22165.74 crores as on 31.3.2012 as against ₹ 19777.80 crores in the previous year.

The investment income of ₹ 2175.41 crores were apportioned to policyholders and shareholders as under:

(₹ in Crores)

Apportioned to Policyholders	₹ 1367.90
Apportioned to Shareholders	₹ 807.51

The mean yield on funds with profit on sale of investments stood at 10.37%. The net NPA% (non Performing Assets) was at 0.17%.

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (IRDA)

The Corporation being a Reinsurance Company, its working and functions are governed by the Insurance Regulatory and Development Authority (IRDA). The Corporation's existing paid-up equity capital of ₹ 430 crores conforms to the specifications of the IRDA. The Accounts of the Corporation are drawn up according to the stipulations prescribed in the IRDA (Preparation of Financial Statements and Auditor's Report), Regulations, 2002.

PERSONNEL AND INDUSTRIAL RELATIONS

I. STATEMENT UNDER SECTION 217(A) OF COMPANIES ACT, 1956:

The particulars of remuneration payable to the employees in terms of Section 217(2A) of the Companies Act, 1956 are annexed in a separate statement.

II. STAFF POSITION AS ON 31.03.2012:

Class I	-	Officers	330
Class III	-	Clerical Employees	116
Class IV	-	Sub-Staff	32
TOTAL			478

Composition of Scheduled Castes and Schedules Tribes in the employee strength:

Cadre	Total Employee Strength	Composition			
		SC	%	ST	%
Officers	330	49	14.85	16	4.85
Clerical	116	25	21.55	12	10.34
Sub-Staff	32	8	25	1	3.13
Total	478	82		29	

III. WELFARE OF SC/ST/OBC:

In consonance with the National Policy on reservation for SC/ST & OBC, GIC Re has framed rules accordingly which allow reservations and concessions/relaxation for SC/ST and OBC in recruitment and promotion wherever applicable. Special coaching classes for SC/ST employees are held in order to enable them to acquire knowledge so that they are able to give a better account of themselves in written test and interview.

Dr. Ambedkar Welfare Trust of GIC Re was established during the birth centenary year of Dr. B.R. Ambedkar. The Trust implemented various Welfare Schemes for the benefit of SC/ST/OBC employees.

FOREIGN EXCHANGE EARNINGS & OUTGO AND OTHER INFORMATION

The particulars of Foreign Exchange earnings/outgo as required by the Companies Act under Section 217(1) (e) is given below:

- i) Earnings ₹ 1782.09 crores
- ii) Outgo ₹ 1575.93 crores

The earnings included all receipts denominated in foreign currencies in respect of premium, recovery of claims, outward commission and investment earnings. The outgo comprised all payments in foreign currency in respect of outward premium, claims on reinsurance accepted, commission and expenses of management.

Expenses on (a) Entertainment (b) Foreign Tours and (c) Publicity and Advertisement amounted to ₹ 12,82,574/-, ₹ 1,47,38,391/- and ₹ 4,33,92,688/- respectively for the year under review.

ADDITIONAL INFORMATION REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

The Company is not engaged in any manufacturing activity and as such there are no particulars to disclose under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as regards Conservation of Energy or Technology absorption.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY OF THE CENTRAL GOVERNMENT

During the year under review, the Corporation

improved its performance in implementation of Official Language Policy of the Government of India and complied with the guidelines issued by the Ministry.

For implementation of Official Language Policy of the Government, inspections of various departments and Delhi office of the Corporation were carried out by the officials of Official Language Department.

Seven In-House workshops were organised and four meetings of Official Language Implementation Committee were conducted during the year.

In-house quarterly journal KSHITIJ was published regularly. During Hindi week celebrations, various competitions were held. The winners of these competitions were given prizes in an Awards function.

CMD's Shield was awarded to Investment Department as this department was found to be the best performing Department of the Corporation with regards to Official Language Implementation.

From Republic Day 2012 onwards O.L. Department has taken an initiative of displaying everyday an Hindi-English word with its Hindi Pronunciation on every computer as a campaign to make more and more Hindi words familiar to all.

The Joint Director (Rajbhasha), Ministry of Finance, New Delhi carried out an inspection and found that the implementation of Official Language in the Corporation was satisfactory.

Senior executives and official of Official Language Department attended Salahkaar Samiti meeting held at New Delhi.

GIC Re was awarded 2nd prize by Town Official Language Implementation Committee for the best performance in use of official language during the year.

VIGILANCE

The Vigilance Department of the Corporation is headed by Chief Vigilance Officer in the rank of Deputy General Manager. The emphasis of the Vigilance Department is on preventive vigilance. The Department also focuses on various systems improvement initiatives.

Since the focus of the Organisation, in concurrence with CVC guidelines, is to take proactive steps to avoid vigilance situation, Audit Reports are studied

and remarks made by Auditors are analysed. Surprise inspections are conducted periodically & lapses studied from vigilance angle; based on this, suggestions are advised for improvisation of systems and procedures of the Organisation. Importance of preventive vigilance are conveyed to all employees of GIC Re as an integral part of the training modules. The sole purpose of vigilance training is to focus and accept vigilance as an organisational objective and create an atmosphere conducive to "Zero Corruption" functioning, with role clarity and clear sense of direction. To improve vigilance administration CVO and other officers also participate in the vigilance training programmes/workshops conducted by reputed organisations.

Periodical discussions are held with the officials of various departments to ensure financial & office discipline and imbibe a culture of value & ethics in the organisation.

INTERNAL AUDIT DEPARTMENT

The Corporation has systems and controls in place which cover almost all areas of operations such as underwriting, claims, investment and finance.

The Corporation has been utilizing the services of professional audit firm M/s. Mayra & Khatri for Internal Audit and Concurrent Audit functions during the year 2011-12.

The internal audit team conducts audit of various departments on concurrent basis and also reviews the prevalent systems, and submits their report together with suitable recommendations, to the management on a monthly basis. The main audit findings and recommendations are placed before Audit Committee of the Board (ACB) for consideration. Status of progress on the implementation of approved recommendations by the Audit Committee of the Board is reported to ACB from time to time.

Reinsurance Underwriting Operations covering Treaty Acceptances and Cash Call Settlements and also Settlement of Accounts were audited on concurrent basis. Similarly, Investment operations were also subjected to audit on a concurrent basis, covering primary and secondary market transactions, Subsidiary Government Ledger (SGL) reconciliation for Central/State Government Securities and review of deployment of surplus funds. In line with RBI directions, audit confirmation of correctness of

balances in SGL /CSGL account is sent to RBI, at the end of each month.

Besides major expenditure incurred, both Revenue and Capital were also subjected to audit. Other operational departments were also covered by audit during the financial year.

RTI ACT, 2005

The Corporation has in place the stipulated structure to implement the RTI Act 2005, in the organisation. The setup is headed by General Manager designated as the Transparency Officer. A Deputy General Manager functions as the Appellate Authority, an Assistant General Manager is the Central Public Information Officer, while a Chief Manager discharges the duties of Assistant Public Information Officer under the provisions of the Act. The corporate website www.gicofindia.in also hosts information as relevant to the Corporation, under the Act.

The Corporation in view of its core activity of reinsurance business, does not have much interaction with the public at large and as such does not receive many applications under the Act. However, due to GIC Re's position as the erstwhile Holding Company, GIC Re continues to receive Applications from the customers of the four Public Sector Companies, under the Act, for their grievances with these companies.

During the period under review (2011-12) the Corporation received forty applications and three appeals under the RTI Act, 2005. All the applications were duly replied and appeals were disposed of well within the stipulated time period.

INFORMATION TECHNOLOGY MANAGEMENT GROUP (ITMG)

The Information Technology Management Group of GIC Re takes care of the IT infrastructure to the Corporation and ensures that the latest technology in hardware, software and networking is implemented in the organisation in line with the corporate mission statement of applying "state-of-the-art" technology.

As a prelude to the SAP Functional Upgrade of the SAP software to the latest ERP platform ECC 6.0, a scoping activity was undertaken for most modules of the software for effort estimation. The Functional Upgrade proposes better leveraging of the SAP environment with the objective of achieving improved efficiency in business processes.

The Electronic Data Interchange (Broker Connectivity) pilot project named “**eThru**” was completed during the year and was officially launched at a public function in September 2011. Two major business partners have on-boarded this platform which involved setting up a Web gateway for providing access through Internet/VPN and use of Web Forms or Web Services for exchange of messages. This project is based on the ACORD XML messaging standards applicable for Reinsurance and Large Commercials (RLC). An e-accounting initiative involving an international broker has been taken up in the second phase of this project aimed at achieving a comprehensive industry platform.

There is an in-house Data Centre at Suraksha and a Disaster Recovery site at Bengaluru which is stable and operational. It is proposed to outsource the data centre operations as well as extend the disaster recovery site for both SAP and non-SAP applications for professional management of the same and optimise uptime efficiency.

Digitisation of documents numbering around 6.55 lakhs have been completed during 2011-12 under the Document Management System. The total number of documents digitised since inception of the DMS implementation is around 41 lakhs. It is proposed to integrate the current system with SAP during the Functional Upgrade to enable faster and seamless conversion of documents into electronic mode.

During 2011-12, around 280 employees were trained in-house on various modules of SAP. An initiative was taken up to send employees for full-fledged certificate courses from SAP on various modules implemented at GIC Re in order to develop in-house professional expertise on the ERP. There are 4 certified SAP professionals in the Finance section as a result of this initiative.

There is a Business Continuity Plan (BCP) for IT operations designed to reduce risk from an unexpected disruption of the critical functions/operations necessary for the survival of the organization and includes all issues related to recovery of information systems and data, which are critical for business operations. This is part of the overall ERM framework currently put in place in the Corporation. An email server solution has been implemented to retrieve mails received on an external server during disasters spanning up to 2 days. As a part of this BCP, an alternate site has been set up at the Stock Exchange

Towers premises of the Corporation which will ensure continuity of critical operations during a disaster.

In order to comply with the regulatory requirements of IRDA for the investment portfolio, the limit management project was taken up and completed during the year.

As Manager to the Indian Motor Declined Risks Pool, GIC Re is in the process of developing a real time data capturing system for the Pool.

Indian Motor Third Party Insurance Pool (IMTPIP):

As per the directive of IRDA, Indian Motor Third Party Insurance Pool was setup by all General Insurers in India to collectively service Commercial Vehicle Third Party Insurance business. This arrangement was effective from 1st April, 2007.

The pooling of business among all insurers was achieved through a multi-lateral reinsurance arrangement between the Underwriting Insurer and GIC Re. The Participation of GIC Re in the pooled business was to the extent of statutory reinsurance cessions. The balance was shared among all the registered general insurers writing motor insurance business in proportion to their Market Share.

The Pool accounts for the fifth year (2011-12) have been audited and closed, the relevant information incorporated into the books of accounts of GIC Re and all Member Companies.

During the year 2011-12, 20 Member Companies including GIC Re, participated in the pooling arrangement. The total premium pooled for the year 2011-12 (March 2011 to February 2012) was ₹ 5,994.47 crore with 1.01 crore policies. The incurred claim amount was ₹ 7,125.59 crore with an operating loss of ₹ 2,315.45 crore.

In the pooled business, ₹ 599.45 crore was booked for GIC Re's account with incurred claims of ₹ 712.56 crore and an operating loss of ₹ 231.49 crore.

GIC Re earned Pool Administrator Fee (for March 2011 @0.75% & from April 2011 @0.50% of pooled premium) to meet all the expenses related to the Pool. For this purpose GIC Re has setup a separate Motor Pool Department with adequate manpower, hardware and software system. The net income earned of ₹ 28.97 crore (service charges income of ₹ 30.97 crore less expenses of ₹ 2 crore) is included in Miscellaneous Income of GIC Re.

TRAINING/HRD

Keeping in view GIC Re's role as Global Reinsurer, GIC Re Learning Academy has been imparting training to all levels of employees both internally and externally.

In the year 2011-12 training was imparted to all levels of employees both internally and externally.

Various programmes were conducted for the employees at GIC Re Learning Academy, National Insurance Academy, Pune and other Reputed Institutes.

The Summary of various programmes organised by NIA, other reputed organisations and GIC Re Learning Academy are indicated below :

Organisation	No. of Programmes	No. of Officers / Employees trained
GIC Re Learning Academy	32	474
National Insurance Academy, Pune	28	66
Other reputed organisation	44	132
Seminar /Conferences in foreign countries	12	17

Training department has also been assisting other programmes being conducted by various departments of GIC Re.

INVESTMENT IN INSURANCE COMPANIES

DOMESTIC OPERATIONS

Agriculture Insurance Company of India Ltd. (AICIL)

The Corporation holds 35% equity of AICIL and NABARD holds 30% while the balance is held equally to the extent of 8.75% by the four public sector non-life insurance companies. Company has declared dividend of 12.5% for financial year 2011-12.

OVERSEAS OPERATIONS

GIC Re has 4 overseas offices, viz., a Representative Office in Moscow and Branch Offices in London, Dubai and Malaysia.

The Corporation has exposure in the share capital of Kenindia Assurance Company Ltd., Kenya, India International Insurance Pte. Ltd., Singapore, Asian Reinsurance Corporation, Bangkok, and East Africa Reinsurance Company Ltd., Kenya. During the year, LIC (Mauritius) Offshore Ltd., Mauritius, has wound up the operations.

LONDON BRANCH (UK)

During the current financial year 2011-12, the Gross Premium written by the Branch was GBP 46.1 mn compared to GBP 41.41 mn last year and incurred a profit of GBP 6.30 mn as against a loss of GBP 4.48 mn last year.

DUBAI BRANCH (UAE)

During the current financial year 2011-12, the Gross Premium written by the Branch is AED 1195.85 mn compared to AED 865 mn last year and incurred a loss of AED 583.37 as against a profit of AED 8.7 mn last year.

MALAYSIA BRANCH

GIC Re has opened the Malaysia Branch in November, 2010. During the current financial year 2011-12, the Gross Premium written by the Branch is RM 261.80 mn and incurred a loss of RM 188.23 mn.

KENINDIA ASSURANCE CO. LTD., KENYA

The paid up share capital of the Company is Kshs 561mn. GIC Re has been allotted 80590 bonus shares during the year. The total shares held by GIC Re is 515,777 shares of Kshs 100 each as on 31.12.2011. The Corporations holding in the share capital of the Company is 9.19%.

Further, Kenindia has declared a dividend of Kshs 5/- per share for the year ended 31st December, 2011.

INDIA INTERNATIONAL INSURANCE PTE. LTD., SINGAPORE

Corporation holds 20% shares in India International Insurance Pte. Ltd., which has a share capital of S\$ 50 million.

The total shareholding of GIC Re in the Company is 10 mn shares each of 1 S\$.

The Company has declared the dividend of 5% for the financial year 2011.

ASIAN REINSURANCE CORPORATION, BANGKOK

The Corporation is holding 20.64% of the share capital as Associate Member of Asian Re in addition to holding 3.24% of the share capital as its Regular Member on behalf of the Government of India. The Company has not declared any dividend for the year 2011.

EAST AFRICA REINSURANCE COMPANY LTD., KENYA

The Corporation has 14.75% stake in the share capital of East Africa Reinsurance Company Ltd., an existing profit making reinsurance company in Kenya.

During the year, the Company has declared bonus issue of shares in the proportion of two new shares for every thirteen existing shares. The Corporation has received 14,752 Bonus Shares. The Company declared a dividend of 2% on the increased share capital for the year 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have 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 Corporation at the end of the financial year 2011-12 and of the profit or loss of the Corporation for that period;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;

4. The annual accounts have been prepared on a going concern basis.

AUDITORS

M/s. Contractor, Nayak & Kishnadwala and M/s. Manubhai & Co. were appointed as Joint Auditors to audit the accounts of the Corporation for the financial year 2011-12 by the Comptroller & Auditor General of India under Section 619 of the Companies Act, 1956.

SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT

As confirmed by the Ministry of Finance, Insurance Division, the Annual Report of the Corporation for the year 2010-11 along with Directors' Report were placed before both the Houses of Parliament under Section 619(A) read with 619(B) of the Companies Act, 1956 as per details given below:

LOK SABHA 9th December, 2011.

RAJYA SABHA 13th December, 2011

ACKNOWLEDGEMENT

The Board places on record its deep appreciation of the agents, brokers, staff and officers of the Corporation for their valuable contribution in achieving its plans and goals. The Directors are thankful for the guidance and support extended by Ministry of Finance, IRDA, and Principal Director of Commercial Audit and Ex-Officio Member, Audit Board- I, Mumbai.

For and on behalf of the Board

1st June, 2012
Mumbai.

A. K. Roy
Chairman-cum-Managing Director

STATEMENT OF GROSS REMUNERATION FOR THE FY 2011-12 U/S 217 (2A) (B) (ii) of CO'S ACT, 1956

Sr. No.	Name of the Employee	Designation	Remuneration*	Age	Qualification	Last Employment	With effect from
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL

* Including Gross Salary, Gratuity, Leave Encashment, Co's contribution to Provident Fund and Mediclaim but excludes all other perquisites i.e. Accommodation, LTS and reimbursement of expenses

CORPORATE GOVERNANCE

GIC Re strongly believes in good corporate governance and aims at being a good corporate citizen. It recognises the significance of effective corporate governance in achieving the trust and confidence of cedents, intermediaries, regulator and other stake holders.

GIC Re is a fully corporate governance compliant Company. Various requirements under the corporate governance regulatory framework which GIC Re has put in place discussed as follows:

Board of Directors:

GIC Re is governed by a Board of Directors under the chairmanship of Chairman-cum-Managing Director. The Board of GIC Re has seven directors which includes five independent directors. GIC Re Board has a whole-time Chairman. All the directors have executed a deed of covenant with the Corporation.

- The Board provides overall direction to the business, including projections on the capital requirements, revenue streams, expenses and profitability.
- It ensures full compliance with the Insurance Act and the regulations framed thereunder and other statutory requirements applicable to it.
- It addresses conflicts of interest situations.
- It ensures fair treatment of ceding companies and employees.
- It ensures information sharing with and disclosures to stakeholders, including investors, ceding companies, employees, the regulators, consumers, financial analysts and rating agencies.
- It establishes through whistle blowing mechanism an effective channel for encouraging and facilitating employees raising concerns or reporting a possible breach of law or regulations, with appropriate measures to protect against retaliation against reporting employees; a whistle blowing Policy has been put in place.

- It provides a conducive environment for developing a corporate culture that recognises and rewards adherence to ethical standards.

Changes in the Composition of the Board during the year:

Shri A.K. Roy, Chairman-cum-Managing Director was appointed as a Director on the Board of the Corporation w.e.f. 02.01.2012.

Shri Rakesh Singh, Additional Secretary, Ministry of Finance was appointed as a Director on the Board of the Corporation w.e.f. 25.07.2011.

Shri Bimalendu Chakrabarti was appointed as a Director on the Board of the Corporation w.e.f. 13.01.2012.

Shri Sanjiv Kapoor, Chartered Accountant was appointed as a Director on the Board of the Corporation w.e.f. 26.09.2011.

Dr. Sunil Gupta, Chartered Accountant was appointed as a Director on the Board of the Corporation w.e.f. 23.12.2011.

Shri Tarun Bajaj, Joint Secretary, Ministry of Finance ceased to be a Director on the Board of the Corporation w.e.f. 25.07.2011.

Shri S.L. Mohan, Secretary General, General Insurance Council of India ceased to be a Director on the Board of the Corporation w.e.f. 04.11.2011.

Shri Yogesh Lohiya, Chairman-cum-Managing Director, GIC Re ceased to be a Director on the Board of the Corporation w.e.f. 31.12.2011.

Smt. Bhagyam Ramani, General Manager, GIC Re ceased to be a Director on the Board of the Corporation w.e.f. 01.02.2012.

Shri Rakesh Singh, Additional Secretary, Ministry of Finance ceased to be a Director on the Board of the Corporation w.e.f. 23.03.2012.

Shri M.V. Nair Chairman & Managing Director, Union Bank of India and Chairman, Indian Banks' Association ceased to be a Director on the Board of the Corporation w.e.f. 01.04.2012.

The Directors wish to place on record the co-operation received from Shri Tarun Bajaj, Shri S.L. Mohan, Shri Yogesh Lohiya, Smt. Bhagyam Ramani, Shri Rakesh Singh and Shri M.V. Nair during their tenure as Directors on the Board and also for their valuable contribution to the cause of the General Insurance Industry.

The Board of Directors as on 31st March, 2012 consists of:

- | | |
|-------------------------------|------------------------------------|
| 1. Shri A.K. Roy | Chairman-cum-
Managing Director |
| 2. Shri M.V. Nair | Director |
| 3. Shri S.B. Mathur | Director |
| 4. Shri G. Srinivasan | Director |
| 5. Shri Bimalendu Chakrabarti | Director |
| 6. Shri Sanjiv Kapoor | Director |
| 7. Dr. Sunil Gupta | Director |

The statement showing the Board Meetings attended by the Directors are reflected in the table given below:

**STATEMENT SHOWING NUMBER OF BOARD MEETINGS ATTENDED
BY THE DIRECTORS DURING THE PERIOD APRIL 2011 TO MARCH 2012**

Names of Directors	Dates of Meetings				
	31.05.2011	09.08.2011	18.11.2011	27.12.2011	22.02.2012
Functional or Executive Directors					
Shri Yogesh Lohiya	Present	Present	Present	Present(*)	
Smt. Bhagyam Ramani	Present	Present	Present	Present(**)	
Shri A.K. Roy					Present(***)
Government Directors					
Shri Tarun Bajaj	Present(****)				
Shri Rakesh Singh		Absent(*****)	Present	Absent	Present
Non-Executive Directors					
Shri M.V. Nair	Absent	Absent	Absent	Absent	Absent
Shri S.L. Mohan	Present	Present(#)			
Shri S.B. Mathur	Present	Present	Present	Present	Absent
Shri G. Srinivasan	Present	Present	Present	Present	Present
Shri Sanjiv Kapoor			Present(##)	Absent	Present
Dr. Sunil Gupta				Present(###)	Present
Shri Bimalendu Chakrabarti					Present(####)

(*) Ceased as Director w.e.f. 31.12.2011 (**) Ceased as Director w.e.f. 31.01.2012 (***) Appointed as Director w.e.f. 02.01.2012 (****) Ceased as Director w.e.f. 25.07.2011 (***** Appointed as Director w.e.f. 25.07.2011 (#) Ceased as Director w.e.f. 04.11.2011 (##) Appointed as Director w.e.f. 26.09.2011 (###) Appointed as Director w.e.f. 23.12.2011 (####) Appointed as Director w.e.f. 13.01.2012

COMMITTEE OF THE BOARD

General Insurance Corporation of India has five Board level Committees, viz., Audit Committee, Investment Committee, Enterprise Risk Management Committee, Remuneration Committee and Ethics Committee.

AUDIT COMMITTEE

In compliance with Section 292(A) of the Companies Act, 1956, GIC Re has an Audit Committee which is headed by an Independent Director who is also a

Chartered Accountant.

- The Audit Committee oversees the financial statements, financial reporting, statement of cash flow and disclosure processes both on an annual and quarterly basis. It sets up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- The Committee oversees the efficient functioning of the internal audit department and review its reports

and monitors the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.

- The Committee is responsible for the recommendation of the appointment, remuneration, performance and oversight of the work of the auditors (internal/statutory/concurrent).

The following are the Members of the Audit Committee for the financial year 2011-12:

- Shri Tarun Bajaj upto (25.07.2011)
- Shri Rakesh Singh (w.e.f. 27.07.2011 upto 23.03.2012)
- Shri S.L. Mohan upto (04.11.2011)
- Shri S.B. Mathur
- Shri Sanjiv Kapoor (w.e.f. 11.11.2011)
- Dr. Sunil Gupta (w.e.f. 13.02.2012)

**STATEMENT SHOWING NUMBER OF AUDIT COMMITTEE MEETINGS
ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2011 TO MARCH 2012**

Names of Members	Dates of Meetings			
	31.05.2011	09.08.2011	18.11.2011	22.02.2012
Shri Tarun Bajaj	Present(*)			
Shri Rakesh Singh		Absent(**)	Present	Present
Shri S.L. Mohan	Present	Present(***)		
Shri S.B. Mathur	Present	Present	Present	Present
Shri Sanjiv Kapoor			Present(****)	Present
Dr. Sunil Gupta				Present(*****)

*Ceased w.e.f. 25.07.2011 **Appointed w.e.f. 27.07.2011 ***Ceased w.e.f. 04.11.2011 ****Appointed w.e.f. 11.11.2011 *****Appointed w.e.f. 13.02.2012

INVESTMENT COMMITTEE

GIC Re has an Investment Committee consisting of the CMD, 3 non-executive Directors, CIO, CFO and appointed Actuary.

- The Committee lays down annual investment policy and provides oversight to investment operations of the Corporation.
- The policy focuses on a prudential Asset Liability Management (ALM) supported by robust internal control systems. The investment policy and operational framework inter alia, encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments and above all protection of policyholders' funds.

- The Committee is responsible for a periodic review of the Investment policy based on the performance of investments and the evaluation of dynamic market conditions.

The members of the Investment Committee of the Board for the financial year 2011-12 are:

- Shri Yogesh Lohiya (upto 31.12.2011)
- Shri A.K. Roy
- Shri Tarun Bajaj (upto 25.07.2011)
- Smt. Bhagyam Ramani (upto 31.01.2012)
- Shri S.L. Mohan (upto 04.11.2011)
- Shri S.B. Mathur
- Shri G. Srinivasan
- Shri M.V. Nair
- Shri A.K. Garg
- Shri A.K. Mittal (w.e.f. 13.02.2012)
- Shri Bimalendu Chakrabarti (w.e.f. 13.02.2012)
- Shri N. Mohan (w.e.f. 13.02.2012)

**STATEMENT SHOWING NUMBER OF INVESTMENT COMMITTEE MEETINGS ATTENDED BY
THE MEMBERS DURING THE PERIOD APRIL 2011 TO MARCH 2012**

Names of Members	Dates of Meetings			
	31.05.2011	09.08.2011	18.11.2011	22.02.2012
Shri Yogesh Lohiya	Present	Present	Present(*)	
Shri A.K. Roy	Present	Present	Present	Present
Shri Tarun Bajaj	Present(**)			
Smt. Bhagyam Ramani	Present	Present	Present(***)	
Shri S.L. Mohan		Present(****)		
Shri S.B. Mathur	Present	Present	Present	Absent
Shri G. Srinivasan	Present	Present	Present	Present
Shri M.V. Nair	Absent	Absent	Absent	Absent
Shri A.K. Garg	Present	Present	Present	Present
Shri A.K. Mittal				Present (****)
Shri Bimalendu Chakrabarti				Present (****)
Shri N. Mohan				Absent (****)

* Ceased w.e.f. 31.12.2011 **Ceased w.e.f. 27.07.2011 (***) Ceased w.e.f. 31.01.2012 (****) Appointed w.e.f. 02.08.2011 & ceased w.e.f. 04.11.2011
(*****) Appointed w.e.f. 13.02.2012

REMUNERATION COMMITTEE

The Corporation has a Remuneration Committee of the Board of Directors with the following Members for the financial year 2011-12:

1. Shri Rakesh Singh (w.e.f. 27.07.2011 upto 23.03.2012)
2. Shri S.L. Mohan (upto 04.11.2011)
3. Shri S.B. Mathur
4. Dr. Sunil Gupta (w.e.f. 13.02.2012)

**STATEMENT SHOWING NUMBER OF REMUNERATION MEETING ATTENDED BY
THE MEMBERS DURING THE PERIOD APRIL 2011 TO MARCH 2012**

Names of Directors	Dates of Meetings	
	12.10.2011	
Shri Rakesh Singh	Present	
Shri S.L. Mohan	Present	
Shri S.B. Mathur	Present	

ENTERPRISE RISK MANAGEMENT COMMITTEE

The Corporation has an Enterprise Risk Management Committee of the Board of Directors and a Risk Management Committee (RMC) of the Management consisting of 3 General Managers and a Chief Risk Officer (CRO).

- The Committee is supervising implementation of Enterprise Risk Management (ERM) framework which is expected to put in place a robust ERM system for effectively and efficiently managing the various risk exposures.
- The Committee assists the Board in effective

operation of the risk management system by performing specialised analysis and quality reviews; maintaining a group-wide and aggregated view on the risk profile of the insurer in addition to the solo and individual risk profile.

- Report to the Board details on the risk exposures and the actions taken to manage the exposures.
- Advise the Board with regard to risk management; decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.

The Corporation Enterprise Risk Management Committee of the Board consists of the following members for the financial year 2011-12.

1. Shri Yogesh Lohiya (upto 31.12.2011)
2. Shri A.K. Roy (w.e.f. 13.02.2012)
3. Shri Rakesh Singh (w.e.f. 27.07.2011 upto 23.03.2012)
4. Shri S.L. Mohan (upto 04.11.2011)
5. Shri S.B. Mathur (w.e.f. 11.11.2011)
6. Shri B. Chakrabarti (w.e.f. 13.02.2012)

The members of the Risk Management Committee (Management) are:

- Shri R. Raghavan, General Manager upto 22.05.2012
 Shri Sujay Banarji, General Manager
 Shri P.K. Bhagat, General Manager
 Shri R. Sundaram, Deputy General Manager – Chief Risk Officer

STATEMENT SHOWING NUMBER OF ENTERPRISE RISK MANAGEMENT MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2011 TO MARCH 2012

Names of Directors	Dates of Meetings
	31.05.2011
Shri Yogesh Lohiya	Present
Shri Tarun Bajaj	Present
Shri S.L. Mohan	Present

ETHICS COMMITTEE

GIC Re has put in place a 2-level Ethics Committee of which one is at the management level while the other is at the Board level. The set-up provides a robust support to the whistle-blowing mechanism where maintenance of confidentiality is of prime importance to provide adequate comfort level to the employees of the Corporation.

The members of the Ethics Committee (Board) for the financial 2011-12 are:

1. Shri Rakesh Singh (w.e.f. 27.07.2011 upto 23.03.2012)
2. Shri S.L. Mohan (upto 04.11.2011)
3. Shri S.B. Mathur
4. Shri Sanjiv Kapoor (w.e.f. 13.02.2012)

The members of the Ethics Committee (Management) are:

- Shri N. Mohan, General Manager
 Shri Y. Ramulu, Deputy General Manager
 Smt. Suchita Gupta, Assistant General Manager

CERTIFICATE OF COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Suchita Gupta, hereby certify that the Corporation has complied with the Corporate Governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Suchita Gupta
Assistant General Manager & Company Secretary

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

ECONOMIC ENVIRONMENT

India registered 6.7% financial growth in 2011-12. This is positively disconcerting when compared to the 8.4 per cent growth achieved in 2010-11.

Agriculture and service sectors performed well during the year under review and the slowdown can be attributed almost entirely to weakening industrial growth.

The services sector continues to be a star performer as its share in GDP has climbed from 58% in 2010-11 to 59% in 2011-12 with a growth rate of 9.4%. Agriculture and allied sectors too achieved a growth rate of 2.5% in 2011-12. The industrial sector has performed poorly, retreating to a 27% share of the GDP.

But, despite the low growth figure of 6.7%, India still remains one of the fastest growing economies. A majority of other major economies including some of the emerging economies saw a significant slowdown. The already fragile global economic environment turned sharply adverse midstream owing to the turmoil in the euro-zone countries and sharp ratings downgrades of sovereign debt in most major advanced countries.

Slowing down of the Indian economy can be attributed to a large extent to global factors, but domestic factors also played role. Tightening of monetary policy owing to high and persistent inflation and slowing investment and industrial activity are two major factors that affected the Indian economy in 2011-12. However, for the Indian economy, the outlook for growth and price stability at this juncture looks more promising.

Problems of inflation, revenue growth and much more have daunted the growth path but the country is still able to maintain momentum. There are signs from some high frequency indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent. It is predicted that the Indian Economy would grow by 7.6% in 2012-13 and 8.6% in 2013-14.

Another important area of concern to India is that of sustainable development and climate change. These are global concerns too. India too is seized of the gravity of the situation and is engaged constructively in global negotiations. Climate change challenges ahead are large and India is doing more than its fair share in reducing its energy-intensity of growth.

India is now much more closely integrated with the world economy as its share of trade to GDP of goods and services has tripled during the decade 2000-2010. At the same time, the extent of financial integration, measured by flows of capital as a share of GDP, has also increased dramatically and the role of India in the world economy has commensurately expanded, along with the other major members of emerging markets.

INDIAN INSURANCE SECTOR DEVELOPMENTS

The Indian general insurance market registered a growth of over 23 per cent in the year 2011-12. Market premium for non-life segment increased to ₹ 58,344.16 crore from ₹ 47,372.78 crore in the previous year.

Public sector companies booked a premium of ₹ 34,113.79 crore as compared to ₹ 27,990.10 crore in the previous year, registering y-o-y growth of 21.9%. Private companies have by comparison grown y-o-y at a rate of 25.0% from ₹ 19,382.68 crore to ₹ 24,230.36 crore. Market share of public sector stood at 58.5% (previous year 59.1%) and that of private sector at 41.5% (previous year 40.9%).

About 52% of the market premium growth has been contributed by the motor class with health contributing another 19%. Motor and health together form 64% of the industry premium.

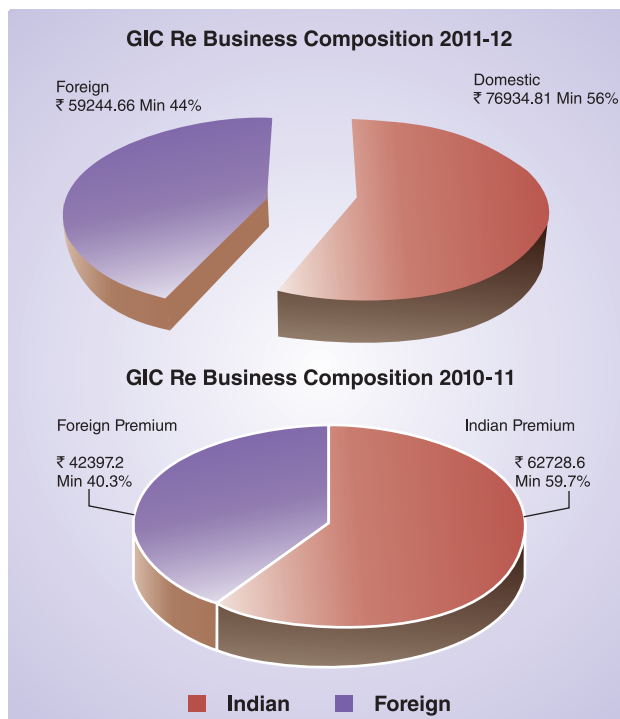
Motor grew 31%, Liability 22%, Personal Accident 22%, Health 19% and Marine Cargo growing at 20%, (all year on year).

Significant growth in motor premium can be attributed to third party insurance premium rate increases across private and commercial vehicles from April 2011.

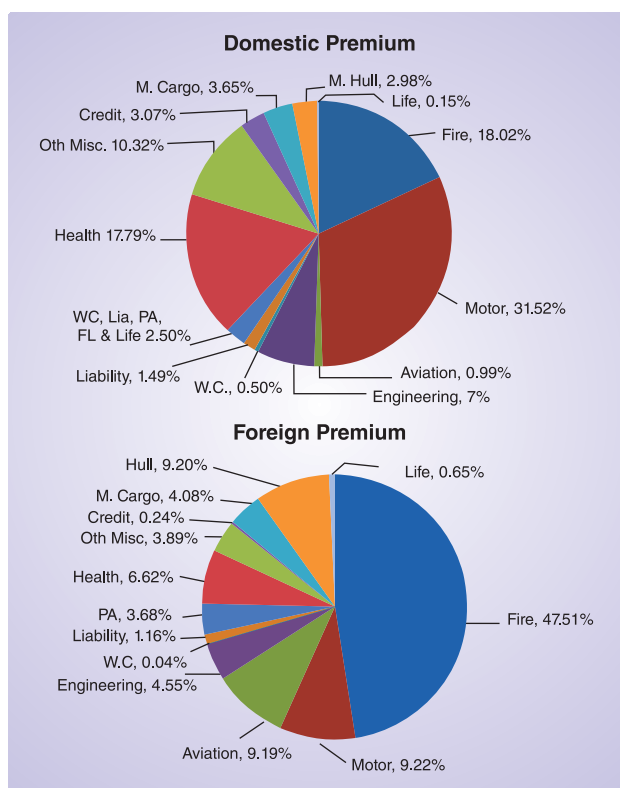
On the life side, the first year market premium for 2011-12 shrunk from ₹ 125,826 crore to ₹ 114,233 crore in the previous year registering a de-growth of over 9%.

This was on account of shrinkage in premium for individual segment while group segment saw healthy growth of over 15%. Market share of Life Insurance Corporation grew from 68.7% to 71.4% during the year.

INTERNATIONAL AND DOMESTIC BUSINESS COMPOSITION



NET PREMIUM BREAK-UP



GIC Re's BUSINESS PERFORMANCE

During 2011-12 the Corporation registered a growth rate of 16.6%. The premium growth in the domestic market was lukewarm at 9.4%. The Corporation's gross premium income during the year 2011-12 was ₹ 13618 crores and the income, during the year from investments was registered at ₹ 2255 crores. Underwriting results show an overall loss of ₹ 4971 crores in 2011-12 compared to an underwriting loss of ₹ 1104 crores in the previous year. The ratio of total business expenses to the earned Premium, i.e., Combined Ratio stood at 143.90%. The Solvency margin of the Corporation as on 31st March 2012 was 1.59.

CLASSWISE PERFORMANCE

FIRE

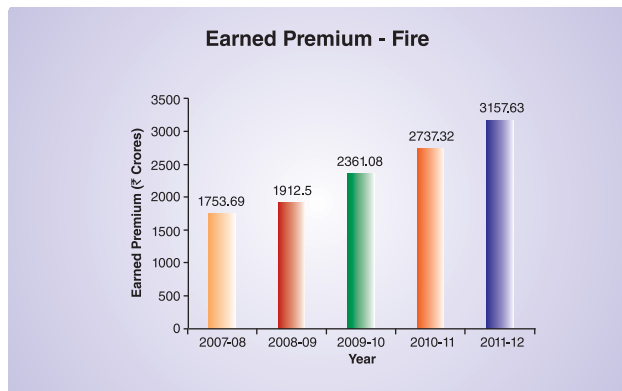
Fire Business recorded a growth of 15.34%. The earned premium for the year was ₹ 3,157 crores as compared to ₹ 2,737 crores in the previous year. GIC Re's domestic premium grew by 30% (₹ 980 crores from ₹ 753 crores). As was done in the previous year, the commissions under the obligatory cession for domestic business were finalised based on performance. The commission as a percentage to earned premium for the fire portfolio stands reduced to 15.4% as against 22.4% in the expiring year.

GIC Re's foreign inward business grew by 9.7% (₹ 2,178 crores from ₹ 1,985 crores). The growth was due to the contribution made by HO and the three foreign branches giving GIC Re property book a global spread. The retro business continues to contribute to the premium growth.

Incurred claims stood at ₹ 5230 crores. The major single loss during the year from the domestic market affecting the books of GIC Re on net basis was Gujarat Narmada Valley Fertilizers (GNFC). There was no major CAT Loss in the domestic market but for a claim on Teesta Urja from an earthquake in North Eastern India on 18 Sep. 2011. Also a few claims have been reported from Thailand floods under interest abroad.

The world witnessed a series of major CAT events in the year 2010-11. Earthquake in Japan and New Zealand, floods in Australia in 2011-12, floods in

Thailand and tornadoes in USA. These events jolted major reinsurers across the globe and GIC Re was no exception. GIC Re's books were affected by development of claims which were reported towards the end of last financial year and primarily from Thailand floods which occurred during the current year. Overall incurred losses from the Thailand floods have been provided at a very prudent estimate of ₹ 1,956 crores.



MARINE HULL

The Marine Hull business recorded a healthy growth of 16.8% in gross premium over the previous year. Despite the growth, this class of business suffered losses in tune with other classes of business and in line with the global marine hull portfolio. The earned premium for the year was ₹ 515.37 crores as compared to ₹ 455.40 crores in the previous year. The net premium for the year ending 2011-12 showed an upward trend of 23.60%. The increase in net premium can be attributed to the selective and quality underwriting as also to the cost & expense control measures adopted by the department. This growth is also on account of increasing participation in foreign & domestic treaties and facultative accounts worldwide.

The increase in premium volume was made possible despite the increased capacity of domestic players, competitive pricing, moderate economic recession and a soft reinsurance market last year. Looking at the ever decreasing rate of premium and deductibles in the domestic market, certain corrective measures have been taken to improve the rates and deductibles and the same were implemented during this year's fleet renewals. Further corrective measures included

imposing loss corridor/loss participation clause in loss making treaties.

Two major losses were reported in 2011-12. Formosa Product loss of 2009 was reported in 2011-12. Another loss reported pertained to a vessel of the Mercator Lines fleet. The losses largely came from obligatory cessions and proportional treaty arrangements as also from losses contributed by our foreign branches.

GIC of India continues to administer the Govt. of India Hull War risk scheme for Indian Flag Vessels as also the Marine Hull pool. It is observed that generally the ship owners prefer the Institute of London War Risk Scheme which, though restrictive in coverage, is cheaper than the GOI War Risk Scheme. The recent increased incidence of piracy & abduction in the Arabian Sea and Gulf of Aden and subsequent declaration of the entire Indian Ocean and Arabian Sea as excluded areas by the Joint Hull Committee in its latest report has generated the interest of the Indian clients and Insurers in the GOI War Risk Scheme.

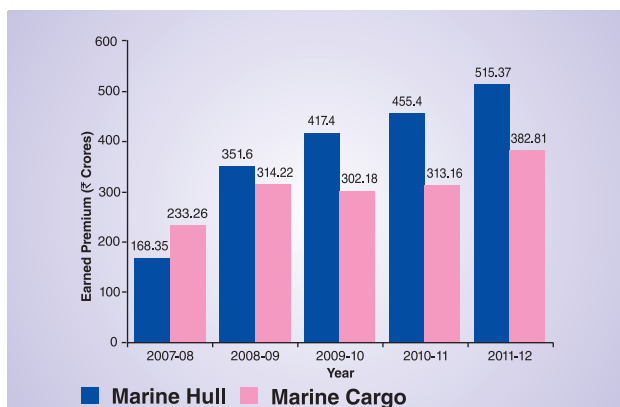
MARINE CARGO

Domestic business accounts for 65% of GIC Re's cargo portfolio. Reflecting the domestic market growth in cargo premium of 20%, GIC Re's cargo premium has gone up by about 23% for 2011-12 over the previous year.

This reflects the pick-up in international trade mainly for commodities. However, project cargo shipments is seeing a slowdown in line with the overall slowdown in infrastructure activity. The growth is also as a result of price stability on major accounts.

Cargo Gross Premiums for 2011-12 is ₹ 522 crores as compared to ₹ 421 crores as in the previous year. The earned premium for the year was ₹ 382.81 crores as compared to ₹ 313.16 crores in the previous year.

Incurred claims stood at ₹ 392 crores (₹ 327 crores for previous year). Whilst no significant individual losses have been reported during the year, attritional losses have increased through the treaty writings. The process of improving the treaty performance is ongoing and the outlook for 2012-13 appears positive.



OIL AND ENERGY

GIC Re's off-shore oil & energy business continues to show a steady growth with profitability. The aim is to develop the portfolio adopting a cautious underwriting approach.

55% of premium comes from foreign business which reflects GIC Re's position as a recognised energy reinsurance provider.

Offshore energy premium accounted for in 2011-12 is USD 40 million as compared to USD 42 million in 2010-11. The lower premium is on account of bringing down GIC Re's writings from countries under various international sanctions.

There have been a few mid-sized losses in 2011-12 such as the Cairn Energy (India): ₹ 13 crores, KS Endeavour (Nigeria): ₹ 30 crores.

The business has a good growth potential both in the domestic market and overseas and remains a prime area of focus for GIC Re as a dominant Energy Reinsurer in the market.

OTHER MISCELLANEOUS

GIC Re's Other Miscellaneous business, including Agriculture and PA but excluding Motor Portfolio, continues to show a healthy growth year on year both in domestic and international business.

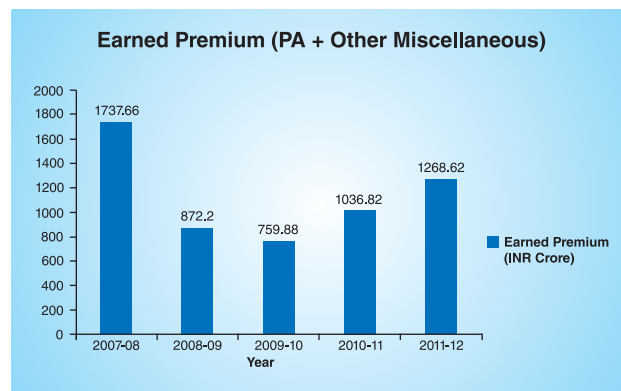
Other Miscellaneous portfolio has been showing constant growth in terms of Earned Premium both in domestic as well as foreign business with an improved growth of 22.35% for 2011-12 over 2010-11.

The Earned Premium for 2011-12 is ₹ 1268.62 crores whereas for 2010-11 it was ₹ 1036.82 crores. Gross written premium for 2011-12 is ₹ 1435.20 crores as

against ₹ 1245.14 crores for 2010-11.

Incurred claims stood at ₹ 1336.05 crores for 2011-12. No significant losses have been reported during the year.

The Corporation constantly endeavours to provide sufficient capacity through both treaty and facultative reinsurance to domestic market in order to maximize retention within the country.



AVIATION

Airline market remained benign during the year 2011 in terms of loss activity and fatalities. Market capacity remained broadly unchanged. Softening trends were observed in the ratings. The overall recovery in the world economy was reflected in the growth of exposures. The market premium for airlines at lead terms showed significant softening and following markets reacted by seeking to bridge the gap between lead terms and their verticalised (lower than the leader's) terms.

Gross Premium at ₹ 620.63 crore as against ₹ 754.01 crores registered a de-growth of 17.7% over the previous year. Net Premium for the year was ₹ 550.73 crores as compared to ₹ 548.32 crores and remained stable. Earned Premium for the year was ₹ 550.85 crores as compared to ₹ 507.66 crores for 2010-11 registering a growth of 8.5%.

The total incurred claims for 2011-12 is ₹ 522.43 crores. Some of the GIC Re's major losses during the year were Caribbean Airlines, Asiana Airlines, Egypt Air, Thai Airways, Tame Lineas, Buddha Air, Air KBZ, Georgian Airways and Spicejet Airlines (Domestic). Put together, these large losses summed up to ₹ 150 crores approximately.

There was no recovery arising out of the major losses

except in case of Asiana, since the GIC Re's incurred loss in each of the cases was below the deductible.



LIABILITY

Globally, prices in Liability lines remained stable, with renewals remaining flat or experiencing slight decreases in rates as capacity remained in abundance.

Rates for Directors and Officers insurance for companies with US exposure experienced significant increases. Withdrawal of capacity by some major reinsurers resulted in shortage of capacity for Product Liability covers for pharmaceutical companies having global exposure.

The Indian Liability insurance market continues to witness growth of around 20% year on year representing around 2.4% of the total Gross Domestic Non-Life Premium. Increased treaty capacities with local insurers coupled with an increase in the number of players added to aggressive pricing.

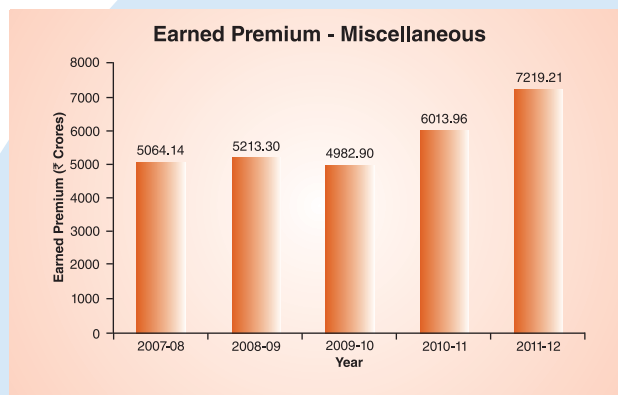
Liability business registered an overall flat growth of 0.3% over the previous year. Gross Premium for the year is ₹ 183.30 crores as against ₹ 182.67 crores.

The only major loss for Domestic Business pertains to Errors and Omission cover of Oracle Financial Services Limited, which has reported 100% incurred loss amount of ₹ 56.80 crores.

Overall the market continued to be soft on almost all lines other than for high hazard risks such as pharmaceuticals, chemicals and such critical risks. The premiums have continued to drop by about 0-15% for small to mid-size accounts. The drop is comparatively low on mid to large accounts. The penetration levels increased on products like Directors & Officers covers. Amongst all other products D&O

cover continues to be the fastest growing product.

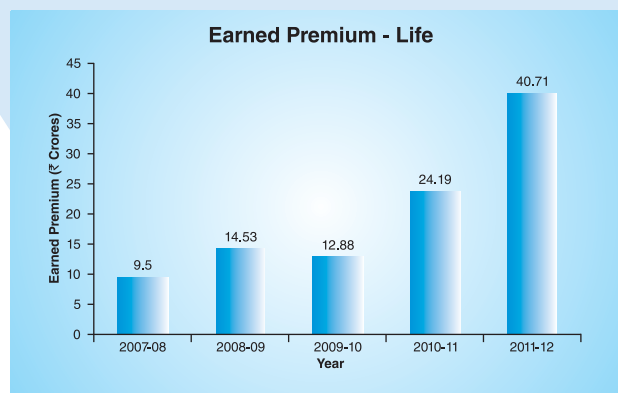
GIC Re continued to play an important role in providing need based capacity to the Indian market.



LIFE REINSURANCE

GIC Re and Hannover Re have a cooperation agreement for development of Life Reinsurance business in India since 2008. Extensive marketing efforts are being made jointly since then with emphasis on product development and this has resulted in growth of GIC Re's Indian life reinsurance business. This year 5 private Life Insurance companies have entered into new treaty agreements with HLR/GIC Re, in addition to our existing book of Indian business.

New life insurance business of Indian life insurance companies has shown negative growth of 9.21%. However, the market shows overall growth of around 9% to 10% in 2011-12. Net Written Premium of the Corporation has increased to ₹ 47.07 crores from ₹ 34.35 crores in the previous year, a growth of 37.03%. Earned Premium has increased this year to ₹ 40.71 crores from ₹ 24.19 crores in the last year. Operating profit has increased to ₹ 22.94 crores from ₹ 4.01 crores.

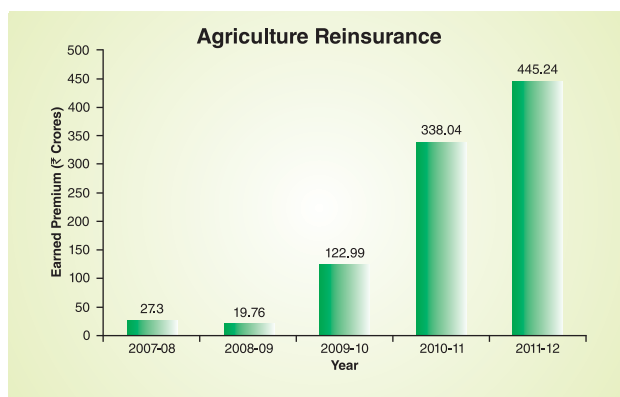


AGRICULTURE REINSURANCE

GIC Re continued its Agriculture Reinsurance portfolio during the year by providing reinsurance support for agriculture and index based weather insurance schemes.

GIC Re's international Agriculture portfolio is well diversified and consists of business from various countries predominantly in Asia & Africa.

The total Reinsurance premium increased from ₹ 338.04 crores in 2010-11 to ₹ 445.24 crores in 2011-12 showing a growth rate of 31.71%. Out of total premium in 2011-12, Indian market contributes for ₹ 360.2 crores while ₹ 84.9 crores is written from rest of the world.



HEALTH

The Gross Direct premium of Health business in India was ₹ 13,325 crores in 2011-12 against ₹ 9,944.03 crores in 2010-11, at a growth rate of 34% p.a.

GIC Re's Health portfolio comprises obligatory cessions, some selective domestic treaties besides the Health Business written by the foreign branches.

GIC Re's Gross Written Premium and Earned Premium during the Financial Year 2011-12 are ₹ 1760.36 crores and ₹ 1688.42 crores, at a growth rate of 6.9% and 26.24% respectively over 2010-11.

Incurred claims for 2011-12 is ₹ 1842.45 crores whereas for 2010-11, it was ₹ 1357.93 crores. This is due to increase in incurred losses of gross direct health portfolio.

This year has also seen an addition to the Standalone Health Companies in domestic market namely Max Bupa Health Insurance Co.

MOTOR

The Motor Premium of ₹ 2,971.33 crores for the year ending 2011-12 showed a growth rate of 30%, in comparison to premium figures of ₹ 2,285.69 crores of 2010-11. Domestic business accounts for 81.62% of GIC Re's Motor portfolio.

Incurred claim has increased from ₹ 2,801 crores to ₹ 3,114 crores as compared to last year, mainly due to obligatory losses and the fact that GIC Re continues paying the Third Party Liability claims made by the 4 PSUs pertaining to the years prior to 2007.

With the winding up of the Indian Motor Third Party Liability Pool with effect from 1.4.2012 and formation of the Declined Pool, the Third Party Liability of commercial vehicles would now be protected under the respective companies Motor Non-Proportional programme protecting their net retention.

The winding of the Motor TP Pool resulted in GIC Re absorbing an additional provision of ₹ 811 crores which also impacted the overall incurred loss of Motor portfolio. Though, IRDA allowed staggering of this provisioning over a three year period, GIC Re decided to absorb the entire provisioning in 2011-12 itself.

TERRORISM RISK INSURANCE POOL

The Indian Market Terrorism Risk Insurance Pool was formed as an initiative by all the non-life insurance companies in India in April 2002, after terrorism cover was withdrawn by international reinsurers post-9/11. The Pool has thus completed a decade of successful operations. All Indian non-life insurance companies and GIC Re are members of the Pool. The Pool is applicable to insurance of terrorism risk covered under property insurance policies. The Pool offered limit of indemnity of ₹ 7,500 million per location for terrorism risk cover till 31.3.2012. From 1st April, 2012, the limit has been increased to ₹ 10,000 million per location. Premium rates for terrorism cover, which were last revised upwards from 1.4.2009 after the losses reported from 26/11 Mumbai terrorist attack event, have been reduced w.e.f. 1.4.2012.

GIC Re continues to successfully administer the Pool. Apart from its role as Pool Manager, GIC Re also contributes capacity to the Pool and participates as a reinsurer on the Pool's excess of loss reinsurance protection.

The Pool's premium income has grown from ₹ 388.7 crores in 2010-11 to ₹ 457.7 crores in 2011-12, an increase of 17.75%. The claim paid by the Pool during 2011-12 is ₹ 41.5 crores, which includes balance payment of losses arising out of the 26/11 Mumbai

terrorist attack. The Pool has settled all losses arising out of the 26/11 event for a total amount of ₹ 377 crores. No major losses were reported to the Pool during 2011-12.

SEGMENTWISE CLAIMS EXPERIENCE

		INDIAN			FOREIGN		
		Earned Premium	Incurred Claims	Incurred Claims Ratio	Earned Premium	Incurred Claims	Incurred Claims Ratio
Fire	2011-12	980.00	799.01	82%	2177.67	4431.33	203%
Fire	2010-11	752.75	629.71	84%	1984.58	1570.78	79%
Engineering	2011-12	422.47	307.9	73%	268.55	200.81	75%
Engineering	2010-11	405.85	184.65	45%	259.95	138.44	53%
Marine	2011-12	387.31	411.1	106%	510.71	853.12	167%
Marine	2010-11	315.37	222.59	71%	453.18	321.19	71%
Misc. Other	2011-12	2612.14	2036.89	78%	748.42	1291.70	173%
Misc. Other	2010-11	2186.26	1931.96	88%	521.19	411.56	79%
Life	2011-12	12.79	8.59	67%	27.93	8.96	32%
Life	2010-11	11.15	8.62	77%	13.04	9.28	71%
Aviation	2011-12	59.62	44.99	75%	491.23	477.44	97%
Aviation	2010-11	60.83	108.29	178%	446.83	286.89	64%
Motor	2011-12	2183.68	2705.48	124%	432.64	408.95	95%
Motor	2010-11	1775.56	2507.74	141%	357.51	294.08	82%
Total	2011-12	6658.48	6314.10	95%	4657.23	7672.30	165%
Total	2010-11	5507.76	5593.56	102%	4036.28	3032.22	75%

CREDIT RATING

International rating agency AM Best has maintained the Corporation's rating at "A" - (Excellent). The rating reflects excellent risk adjusted capitalisation and leading business position in Indian market with the offsetting factor being reliance on investment income from portfolio highly concentrated in Indian equity market.

Indian credit rating agency Credit Analysis & Research Limited (CARE) has reaffirmed AAA (In) Claims Paying Ability rating. Insurers with this rating have the highest financial strength to meet policyholders' obligations and impact of any adverse business & economic factors on the claims paying ability is minimal.

INVESTMENT

After two successive years of fairly robust growth of 8.4%, GDP is estimated to decelerate sharply

to 6.7% during 2011-12 with a marked slowdown in agriculture, manufacturing, construction, etc. The slowdown in Industry reflected a number of factors including domestic policy uncertainties, cumulative impact of monetary tightening and slackening of demand. Corporate pipeline investment shrunk and new investments continues to remain tepid. Higher interest rates and rising input prices, among other factors, are likely to have adversely affected the investment sentiments.

The fiscal correction, as indicated in the Union Budget, along with other policy measures is expected to address supply side bottlenecks in agriculture, energy and transport sectors. This is such expected to create conditions for revival of investment in the economy.

During the year 2011-12, against the backdrop of a large and persistent liquidity deficit, RBI continued

to inject durable primary liquidity into the system with a view to preserve stable credit conditions. The secondary impact of durable liquidity injections by way of CRR cuts and OMO purchases also considerably eased the liquidity conditions.

A major concern on the inflation front continued to be high fuel prices driven by the increase in international oil prices. Headline inflation has declined since December 2011 largely on account of transitory factors including a favourable base effect and seasonal decline in vegetable prices which was in line with RBI indicative trajectory.

Despite slowdown in domestic growth and oil price increase, equity market stayed vibrant in Q4 2011-12 conditioned by revival in global markets, the surge in FII inflows and decline in domestic inflation.

The gross market borrowing programme of the Central Government through dated Securities was to the tune of ₹ 5,110 billion, a 16.7% hike over the previous year. Following the Union Budget announcement of a higher than anticipated market borrowing programme and subsequent issuance of auction calendar for dated securities, the 10-year yield rose steadily to 8.63% as on March 30, 2012.

Based on IRDA guidelines, the Corporation invests 45% in Directed Sector comprising Central/State Government Securities, Government Guaranteed Bonds, Housing and Infrastructure Sector. Balance 55% is invested in Market Sector and these investments are subject to prudential and exposure norms.

The investment portfolio of the Corporation stood at ₹ 22,165.74 crores as against ₹ 19,777.80 crores showing an increase of ₹ 2,387.94 crores representing a growth of 12.07% over the previous year. Income from investments stood at ₹ 2,175.41 crores with a mean yield on funds at 10.37%. The net non-performing assets percentage was at 0.17%.

GIC RE'S REINSURANCE PROGRAMME

The Corporation has arranged both Risk and Catastrophe Excess of Loss Reinsurance, in respect of various classes of business, for protecting its net retained Portfolios under domestic business. On large sized risks, wherever found necessary, the Corporation arranges for facultative retro. CAT protection has also been arranged for select business and territories in respect of Foreign Inward Business.

The Corporation has continued the ART contract and cessions under both domestic and foreign business are made thereunder. Placements have been made with securities meeting the stipulations laid down by the Regulator.

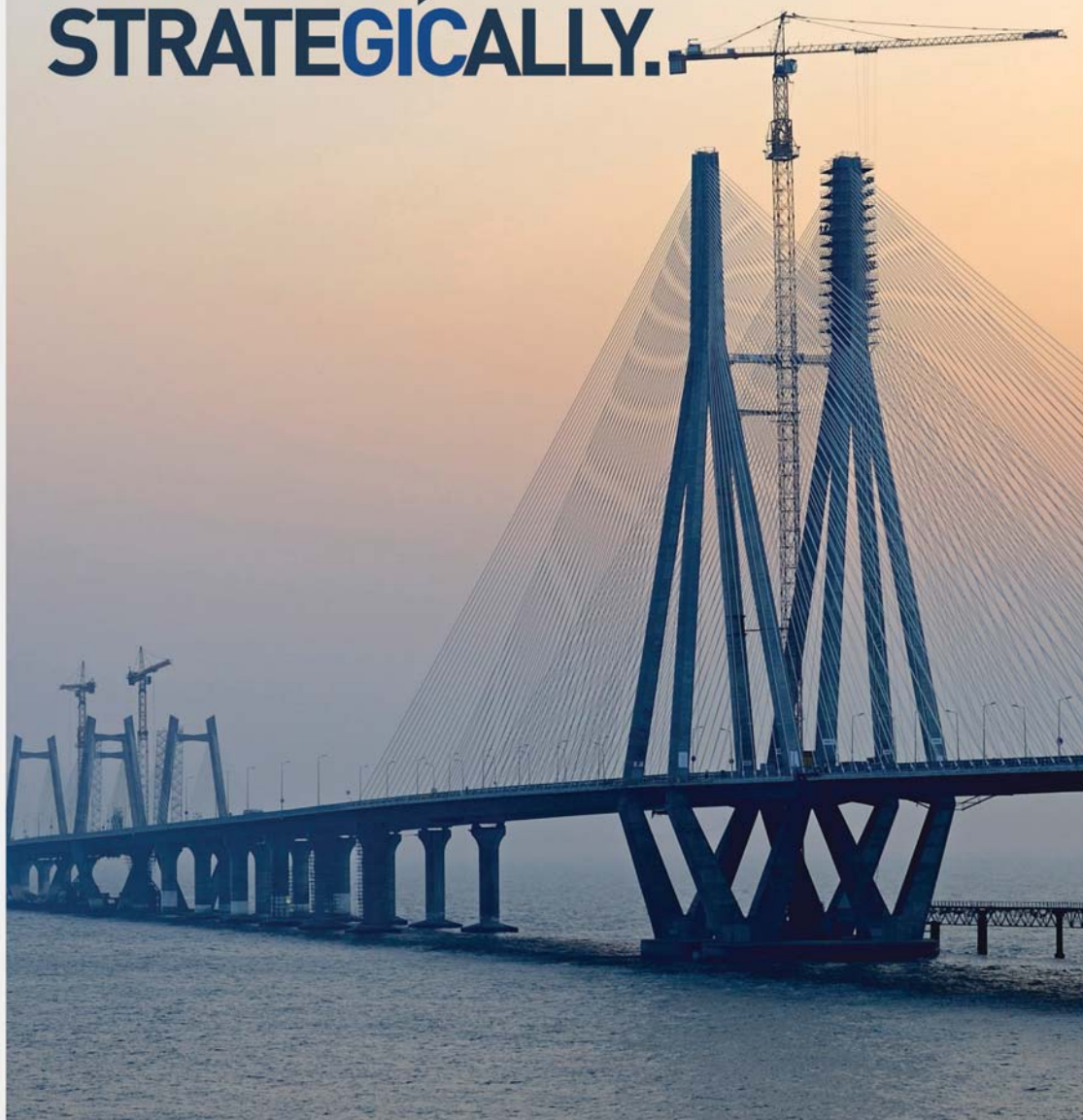
FUTURE OUTLOOK

Indian Insurance Industry has the potential for exponential growth in the year ahead. The factors that have catalysed the sectoral growth in the last decade still persist and should continue to spur growth of the sector for several years ahead. During 2011-12, the General Insurance Sector achieved a growth of over 23 per cent. In 2012-13 too it is expected to register an excellent rate of growth. Motor & Health, despite the economic slow down, are once again expected to lead the rally like in the previous years.

The general Indian macro-economic environment impacts the Indian Insurance Sector too. Factors like interest rates, inflation, bearish sentiment in the capital markets, and pressure on the Indian rupee have impacted the insurance industry too.

The Indian Insurance Sector is facing a talent crunch. Insurance companies are finding it difficult to attract talent. Insurance is a long term business and takes time for the manpower to get into the nuances of the business. As such, in the absence of talented manpower, the industry is likely to suffer in the long run. To sum up, the Indian Insurance Industry is still a virgin and emerging landscape, with immense possibilities and tremendous potential.

STAY AHEAD, STRATEGICALLY.



Reinsure with GIC Re. Be two steps ahead of everyone, always.

- Net worth: **US\$ 1.5 Billion** ■ Total assets: **US\$ 10.5 Billion**
- Rated **A-(Excellent)** by A.M. Best Co. for Financial Strength
- Rated **AAA (In)** by CARE for Claims Paying Ability
- Ranks **14th** among Top 40 Global Reinsurance Groups (**Standard and Poor's** Ranking for 2011)



आम जनता की सेवा
GIC Re

General Insurance Corporation of India
Global Reinsurance Solutions

GIC/12-13/8276 mumbai

Head Office: Suraksha, 170, J. Tata Road, Churchgate, Mumbai - 400 020, India. | **Tel:** +91 22 2286 7000
Branch Offices: Dubai, London, Kuala Lumpur | **Representative Office:** Moscow | **Email:** info@gicofindia.com | **Website:** www.gicofindia.in

MANAGEMENT REPORT

In accordance with Part IV of Schedule B of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the management of the Corporation hereby:

1. Confirms that the Registration No. 112 granted by the Authority continues to be valid.
2. Certifies that all the dues payable to the statutory authorities have been duly paid.
3. Confirms that the shareholding pattern as well as transfer of shares during the year is in accordance with the statutory or regulatory requirements.
4. Declares that the funds of the holders of policies in India are not directly or indirectly invested outside India.
5. Confirms that the required solvency margins have been maintained.
6. Certifies that the values of all the assets of the Corporation including that of Terrorism Risk Insurance Pool business for which GIC Re is acting as Manager, have been reviewed on the date of the Balance Sheet and that in 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 several headings "Loans," "Investments," "Interest, Dividends and Rents outstanding," "Interest, Dividends and Rents accruing but not due," "Amounts due from other persons or Bodies carrying on insurance business," "Sundry Debtors," "Cash" and the several items specified under "Other Accounts".
7. Confirms that the Corporation's risk exposure consists of a) Obligatory and Additional Quota Share Cessions; b) Facultative support given to Indian Insurance companies; c) The Corporation's share in Indian Insurance companies through First/Second Surplus Treaties and Excess of Loss programme; d) The Corporation's share in Market Surplus Treaties, and e) Foreign Inward business accepted. The exposures are adequately protected by the Corporation's

reinsurance programme for 2011-12.

8. The Corporation's overall top ten risk exposure is in the following countries:

United Arab Emirates, South Korea, Israel, Saudi Arabia, Taiwan, Egypt, Indonesia, Oman, Turkey, Kuwait.

For the above countries, catastrophic protection beyond the Corporation's authorised retentions have been purchased upto a limit of USD 70/110 min. Egypt is not considered to be a catastrophic prone territory and the exposures written have been covered for a limit of USD 15 min xs USD 7.5 min under the Risk-cum-Cat XL cover. The Corporation has a Reinsurance Protection Policy in place duly approved by the Board.

9. Certifies that the Corporation does not operate directly in any other country. It has its representative office at Moscow and Branch Offices at Kuala Lumpur, Dubai and London.
10. The Corporation being a reinsurance company does not settle claims directly to the Insured except in the case of run off liabilities in Aviation department. The portion of the claims recoverable under the reinsurance obligations of the Corporation are settled with the reinsured through periodical accounts statements. The position of outstanding claims under the categories of Indian, Foreign Inward and Aviation Business are as disclosed in Note No. 9.6 of the Disclosures forming part of Financial Statements.
11. This is to certify that the values as shown in the Balance Sheet, of the investments and stocks and shares have been arrived at as stated in Significant Accounting Policies No. 7.
12. Declares that the review of asset quality and performance is as mentioned below for Loans and Investments:

LOANS

Loan Assets (including loans to employees as on 31.3.2012 stood at ₹ 499.19 crores compared to ₹ 595.39 crores in the previous year. Out of the total loan amount of ₹ 499.19 crores, ₹ 492.33 crores are

either secured or guaranteed by the Government bodies representing 98.63 % and the balance ₹ 6.86 crores are unsecured. Interest income from loans amounted to ₹ 57.63 crores. Standard performing assets account for ₹ 408.98 crores and the net non performing assets is ₹ 11.50 crores after making provision of ₹ 78.71 crores.

INVESTMENTS

The book value of the investment (including deposits) as on 31.3.2012 has increased to ₹ 21,669.21 crores from ₹ 19,185.14 crores. The realizable value of investments is at ₹ 39,238.53 crores as on 31.3.2012 showing an appreciation of 81.08% over book cost. Income from investment including Profit on Sale amounted to ₹ 2,050.66 crores as against ₹ 2,154.03 crores in the previous year. Of the total investment of ₹ 21,669.21 crores, ₹ 7,657.62 crores are invested in Government Securities and State Guaranteed Bonds. Book value of equity shares is at ₹ 6,236.98 crores and market value stood at ₹ 23,309.77 crores showing an appreciation of ₹ 17,072.79 crores (273.73%).

The Corporation has complied with the regulation of investments prescribed by IRDA for the purpose of investment limits in housing and infrastructure and social sector. The compliance has been made on aggregate basis.

13. Confirms that :

- i. In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures.
- ii. The management has adopted accounting policies and applied them consistently (including those specifically required by various IRDA regulations) 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 and net profit of the Company for the year.

iii. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938/ Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken.

iv. The financial statements are prepared on a going concern basis.

v. The Management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

14. Certifies that no payment has been made to individuals, firms, companies and organisations in which the Directors of the Corporation are interested.

For and on behalf of the Board of Directors

A. K. Roy

Chairman-cum-Managing Director

1st June, 2012

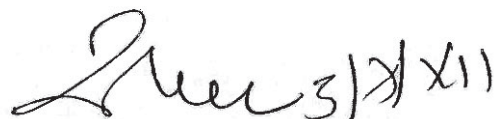
COMMENTS OF THE COMPTROLLER

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GENERAL INSURANCE CORPORATION OF INDIA FOR THE YEAR ENDED 31 MARCH, 2012.

The preparation of financial statements of General Insurance Corporation of India for the year ended 31 March, 2012 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standard prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 1 June, 2012.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of General Insurance Corporation of India for the year ended 31 March, 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619(4) of the Companies Act, 1956.

**For and on the behalf of the
Comptroller and Auditor General of India**



(DHIREN MATHUR)

Principal Director of Commercial Audit and
Ex-Officio Member Audit Board-I, Mumbai

Place: Mumbai
Dated: 03/07/2012

AUDITORS' REPORT

To

The Members of

General Insurance Corporation Of India

1. We have audited the attached Balance Sheet of GENERAL INSURANCE CORPORATION OF INDIA, as at 31st March, 2012, and also the Revenue Accounts of Fire, Miscellaneous, Marine and Life Insurance and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the returns of three Foreign Branches audited by local auditors and one Foreign Representative Office certified by the local Auditor appointed by the Company.

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 3 We report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and found them satisfactory.
- (b) In our opinion, proper books of account as required by law have been maintained by the Corporation so far as it appears from our examination of those books.
- (c) The reports of three Foreign Branches audited by other auditors and one

Representative Office certified by other auditor had been forwarded to us and considered by us and were found adequate for the purpose of our audit.

- (d) The Balance Sheet, Revenue Accounts, Profit and Loss Account and Cash Flow statement which are dealt with by this report are in agreement with the books of account and returns.
- (e) The Balance Sheet, The Revenue Accounts and the Profit and Loss Account have been drawn in accordance with the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002 read with section 211 of the Companies Act, 1956 except for the Cash Flow Statement, (Refer Note 18) which is prepared under Indirect Method, whereas IRDA regulations require Cash Flow Statement to be prepared under direct method.
- (f) The actuarial valuation of liabilities is duly certified by the appointed actuary including to the effect that the assumptions for such valuation are in accordance with the guidelines issued by the Institute of Actuaries of India to its members and has been forwarded to IRDA.
- (g) As per General Circular No. 8/2002 dated 22/3/2002 of the Department of Company Affairs, the Directors of the Government Companies are exempt from the applicability of the provisions of Section 274(1) (g) of the Companies Act, 1956.
- (h) In our opinion, the Balance Sheet, Revenue Accounts, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable to the Corporation, and are also in conformity with the accounting principles as prescribed in the IRDA Regulations.
- (i) Investments have been valued in accordance with the provisions of the Insurance Act, 1938 (4 of 1938) and IRDA (Auditor's Report) Regulations, 2002.

- (j) The accounting policies selected by the Corporation are appropriate and are in compliance with the applicable accounting standards and with the accounting principles, as prescribed in the IRDA (Auditor's Report) Regulations, 2002 or any order or direction issued by the IRDA in this behalf.
- (k) We have reviewed the management report and there is no apparent mistake or material inconsistencies with the financial statements.
- (l) The Corporation has complied with the terms and conditions of the registration stipulated by the Authority (IRDA).
- (m) In our opinion and to the best of our information and according to the explanation given to us, the financial statements are prepared in accordance with the requirements of the Insurance Act, 1938 (4 of 1938), the IRDA Act, 1999 (41 of 1999) and the Companies Act, 1956 (1 of 1956), to the extent applicable and in the manner so required and the financial statements read with significant accounting policies and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies.
- (i) of state of affairs of the Corporation, in so far it relates to the Balance Sheet as at 31st March, 2012;
- (ii) of surplus, in so far it relates to the revenue account of Life business for the financial year ended on 31st March, 2012;
- (iii) of deficit, so far it relates to revenue accounts of Fire, Miscellaneous and Marine Insurances businesses for the financial year ended on 31st March, 2012;
- (iv) of loss, in so far it relates to the Profit and Loss Account for the financial year ended on 31st March, 2012;
- (v) of the cash flows, in so far it relates to the Cash Flow Statement for the financial year ended on 31st March, 2012;
4. Without qualifying our report, we draw attention to note no. 16 in respect of third party motor pool provision for the reason stated in the said note.
5. We further certify that:
- (a) We have verified the cash balances, investments and securities relating to loans given by the Corporation on test check basis, by actual inspection or by production of certificates or other documentary evidence except to the extent of investments of the value aggregating to ₹ 1221 thousands as mentioned in Notes 1.1 (a) to the accounts.
- (b) The Corporation has not undertaken any transaction relating to any trust as a trustee. However, the Corporation is acting as a Manager of Terrorism pool and the investments, assets and liabilities pertaining to it are disclosed separately in accounts.
- (c) No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds.

For, CONTRACTOR, NAYAK & KISHNADWALA

Chartered Accountants

FIRM REGN. No. 101961W

For MANUBHAI AND CO.

Chartered Accountants

FIRM REGN. No. 106041W

HIREN SHAH

Partner

MEMBERSHIP No.100052

KRISHANKANT B. SOLANKI

Partner

MEMBERSHIP No.110299

Place: Mumbai

Date: June 01, 2012

Compliance Certificate

We have conducted the audit of accounts of General Insurance Corporation of India for the year ended March, 31, 2012 in accordance with the directions/sub-directions issued by the C & AG of India under Section 619(3)(a) of the Companies Act, 1956 and certify that we have complied with all directions/sub-directions issued to us.

For, Contractor, Nayak & Krishnadwala
Chartered Accountants
Firm Regn. No. 101961W

Hiren Shah
Partner
Membership No. 100052

Place : Mumbai
Date : June 5, 2012

For, Manubhai & Co.
Chartered Accountants
Firm Regn. No. 106041W

Krishankant B. Solanki
Partner
Membership No. 110299

Place : Ahmedabad
Date : June 5, 2012

REVENUE ACCOUNTINGS

Registration No. 112
Date of Registration with IRDA : 2nd April, 2001

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012 IN RESPECT OF FIRE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	31576 337	27373 264
2. Profit on sale of Investments (Net)		724 455	1285 365
3. Profit/-Loss on Exchange Fluctuation		2 218	-117 150
4. Interest, Dividend & Rent - Gross		3480 854	2702 189
Total (A)		35783 864	31243 668
1. Claims Incurred (Net)	2	52303 961	22004 887
2. Commission (Net)	3	7176 222	6509 120
3. Operating Expenses related to Insurance Business	4	350 648	251 916
4. Expenses relating to Investments		8 403	8 300
Total (B)		59839 234	28774 223
Operating Profit /- Loss from Fire Business C = (A-B)		-24055 370	2469 445
APPROPRIATIONS			
Transfer to Shareholders' Account		-24055 370	2469 445
Total (C)		-24055 370	2469 445

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Fire Insurance Business have been fully debited in the Fire Insurance Revenue Accounts as expenses.

As per our report of even date

For MANUBHAI & CO.
Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI
Partner
Membership No.: 110299

Mumbai
Dated : 1st June, 2012

For CONTRACTOR, NAYAK & KISHNADWALA
Chartered Accountants
Firm Regn No. 101961W

HIREN C. SHAH
Partner
Membership No.: 100052

A. K. Roy
Chairman-cum-Managing Director

Sunil Soni
Director

G. Srinivasan
Director

Sunil Gupta
Director

N. Mohan
General Manager
(Finance)

B. Chakrabarti
Director

D. Sarkar
Director

Suchita Gupta
Company Secretary

**REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012
IN RESPECT OF MISCELLANEOUS BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	72192 080	60139 643
2. Profit on sale of Investments (Net)		1450 664	2515 593
3. Profit/- Loss on Exchange Fluctuation		82 414	-98 418
4. Interest, Dividend & Rent - Gross		6970 140	5288 466
Total (A)		80695 298	67845 284
1. Claims Incurred (Net)	2	74741 586	58636 096
2. Commission (Net)	3	10934 501	10675 387
3. Operating Expenses related to Insurance Business	4	602 158	454 516
4. Expenses relating to Investments		16 827	16 244
5. Premium Deficiency		1414 674	0
Total (B)		87709 746	69782 243
Operating Profit /- Loss from Miscellaneous Business C = (A-B)		-7014 448	-1936 959
APPROPRIATIONS			
Transfer to Shareholders' Account		-7014 448	-1936 959
Total (C)		-7014 448	-1936 959

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Miscellaneous Insurance Business have been fully debited in the Miscellaneous Insurance Revenue Accounts as expenses.

As per our report of even date

For MANUBHAI & CO.
Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI
Partner
Membership No.: 110299

Mumbai
Dated : 1st June, 2012

**For CONTRACTOR, NAYAK &
KISHNADWALA**
Chartered Accountants
Firm Regn No. 101961W

HIREN C. SHAH
Partner
Membership No.: 100052

A. K. Roy
Chairman-cum-Managing Director
Sunil Soni Director
G. Srinivasan Director
Sunil Gupta Director
N. Mohan General Manager (Finance)
B. Chakrabarti Director
D. Sarkar Director
Suchita Gupta Company Secretary

REVENUE ACCOUNTS

Registration No. 112
Date of Registration with IRDA : 2nd April, 2001

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012 IN RESPECT OF MARINE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	8981 772	7685 571
2. Profit on sale of Investments (Net)		266 124	513 328
3. Profit/-Loss on Exchange Fluctuation		24 218	10 310
4. Interest, Dividend & Rent - Gross		1278 670	1079 155
Total (A)		10550 784	9288 364
1. Claims Incurred (Net)	2	12643 110	5437 852
2. Commission (Net)	3	2531 111	2042 160
3. Operating Expenses related to Insurance Business	4	74 181	51 704
4. Expenses relating to Investments		3 087	3 315
Total (B)		15251 489	7535 031
Operating Profit /- Loss from Marine Business C = (A-B)		-4700 705	1753 333
APPROPRIATIONS			
Transfer to Shareholders' Account		-4700 705	1753 333
Total (C)		-4700 705	1753 333

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Marine Insurance Business have been fully debited in the Marine Insurance Revenue Accounts as expenses.

As per our report of even date

For MANUBHAI & CO.

Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner
Membership No.: 110299

Mumbai

Dated : 1st June, 2012

For CONTRACTOR, NAYAK & KISHNADWALA

Chartered Accountants
Firm Regn No. 101961W

HIREN C. SHAH

Partner
Membership No.: 100052

A. K. Roy

Chairman-cum-Managing Director

Sunil Soni

Director

G. Srinivasan

Director

Sunil Gupta

Director

N. Mohan

General Manager
(Finance)

B. Chakrabarti

Director

D. Sarkar

Director

Suchita Gupta

Company Secretary

REVENUE ACCOUNTS

Registration No. 112
Date of Registration with IRDA : 2nd April, 2001

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012 IN RESPECT OF LIFE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	407 106	241 866
2. Profit on sale of Investments (Net)		4 855	4 842
3. Profit/-Loss on Exchange Fluctuation		-2 363	1 202
4. Interest, Dividend & Rent - Gross		23 328	10 180
Total (A)		432 926	258 090
1. Claims Incurred (Net)	2	175 423	178 944
2. Commission (Net)	3	24 484	36 826
3. Operating Expenses related to Insurance Business	4	3 521	2 143
4. Expenses relating to Investments		56	31
Total (B)		203 484	217 944
Operating Profit /- Loss from Life Business C = (A-B)		229 442	40 146
APPROPRIATIONS			
Transfer to Shareholders' Account		229 442	40 146
Total (C)		229 442	40 146

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Life Insurance Business have been fully debited in the Life Insurance Revenue Accounts as expenses.

As per our report of even date

For MANUBHAI & CO.
Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI
Partner
Membership No.: 110299

Mumbai
Dated : 1st June, 2012

For CONTRACTOR, NAYAK & KISHNADWALA
Chartered Accountants
Firm Regn No. 101961W

HIREN C. SHAH
Partner
Membership No.: 100052

A. K. Roy
Chairman-cum-Managing Director

Sunil Soni Director	B. Chakrabarti Director
G. Srinivasan Director	D. Sarkar Director
Sunil Gupta Director	
N. Mohan General Manager (Finance)	Suchita Gupta Company Secretary

PROFIT & LOSS ACCOUNTS

Registration No. 112
Date of Registration with IRDA : 2nd April, 2001

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2012

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Operating Profit/-Loss			
(a) Fire Insurance		-24055 370	2469 445
(b) Marine Insurance		-4700 705	1753 333
(c) Miscellaneous Insurance		-7014 448	-1936 959
(d) Life Insurance		229 442	40 146
2. Income from Investments			
(a) Interest, Dividend & Rent - Gross		6937 370	5963 945
(b) Profit on sale of Investments (Net)		1443 844	2836 902
3. Other Income:			
Profit on Exchange		3381 161	266 297
Profit on sale of Assets (Net)		895	237
Interest on Income-tax Refund		490 633	1194 290
Motor Pool Service Charges		257 435	238 147
Miscellaneous Receipts		10 292	20 046
Total (A)		-23019 451	12845 829
4. Provision for Doubtful Loans, Investment & Debts		1506 990	364 256
5. Amortisation of premium on Investments		202 050	227 330
6. Diminution in the value of investments written off		161 486	319 238
7. Other Expenses :			
Expenses relating to Investments		16 748	18 319
Sundry Balances written off (Net)		3	1 298
Interest on Service Tax		0	21 902
Total (B)		1887 277	952 343
Profit Before Tax		-24906 728	11893 486
Provision for Taxation :			
Current Tax		7	2755 000
Wealth Tax		2 728	1 916
Deferred Tax		-35 340	-32 877
Provision for Tax in respect of earlier years		-186 624	-1164 647
Profit after Tax		-24687 499	10334 094
Balance brought forward from last year		599	610
Profit available for appropriation		-24686 900	10334 704
Appropriations			
(a) Proposed dividend		0	2064 000
(b) Dividend distribution tax		-7 972	342 805
(c) Transfer to General Reserve		0	7927 300
(d) Balance carried forward to Balance Sheet		-24678 928	599
		-24686 900	10334 704

EPS ₹ -574/- (PY ₹ 240/-)

As per our report of even date

For MANUBHAI & CO.

Chartered Accountants

Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner

Membership No.: 110299

Mumbai

Dated : 1st June, 2012

For CONTRACTOR, NAYAK &

KISHNADWALA

Chartered Accountants

Firm Regn No. 101961W

HIREN C. SHAH

Partner

Membership No.: 100052

A. K. Roy

Chairman-cum-Managing Director

Sunil Soni

Director

G. Srinivasan

Director

Sunil Gupta

Director

N. Mohan

General Manager
(Finance)

B. Chakrabarti

Director

D. Sarkar

Director

Suchita Gupta

Company Secretary

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
SOURCES OF FUNDS			
Share Capital	5	4300 000	4300 000
Reserves and Surplus	6	72605 078	93902 190
Fair Value Change Account		170727 874	188177 072
Total		247632 952	286379 262
APPLICATION OF FUNDS			
Investments	8	369460 864	367793 346
Loans	9	4991 930	5953 935
Fixed Assets	10	494 018	448 945
Deferred Tax Asset		50 500	15 160
Current Assets:			
Cash and Bank Balances	11	69143 742	46697 490
Advances and Other Assets	12	93168 102	76376 758
Sub-Total (A)		162311 844	123074 248
Current Liabilities	13	213447 278	147664 245
Provisions	14	76228 926	63242 127
Sub-Total (B)		289676 204	210906 372
Net Current Assets (C) = (A-B)		-127364 360	-87832 124
Total		247632 952	286379 262
CONTINGENT LIABILITIES		11285 470	10947 692

Significant Accounting Policies & Notes to Accounts form integral part of the Balance Sheet

As per our report of even date

For MANUBHAI & CO.
Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI
Partner
Membership No.: 110299
Mumbai
Dated : 1st June, 2012

For CONTRACTOR, NAYAK & KISHNADWALA
Chartered Accountants
Firm Regn No. 101961W

HIREN C. SHAH
Partner
Membership No.: 100052

A. K. Roy
Chairman-cum-Managing Director
Sunil Soni **B. Chakrabarti**
Director Director
G. Srinivasan **D. Sarkar**
Director Director
Sunil Gupta
Director
N. Mohan **Suchita Gupta**
General Manager Company Secretary
(Finance)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH, 2012

SCHEDULE 1

Premium Earned (Net)

A FIRE INSURANCE

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	42007 735	34674 173
Less: Premium on Reinsurance ceded	6524 474	6296 639
Net Premium	35483 261	28377 534
Adjustment for change in reserve for unexpired risks	-3906 924	-1004 270
Total Premium Earned (Net)	31576 337	27373 264
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	29713 273	22856 852
Less: Premium on Reinsurance ceded	0	0
Net Premium	29713 273	22856 852
Adjustment for change in reserve for unexpired risks	-3550 133	-1526 205
Total Premium Earned (Net)	26163 140	21330 647
(2) AVIATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	6206 311	7540 076
Less: Premium on Reinsurance ceded	699 000	2056 923
Net Premium	5507 311	5483 153
Adjustment for change in reserve for unexpired risks	1 213	-406 595
Total Premium Earned (Net)	5508 524	5076 558
(3) ENGINEERING		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	8081 814	8031 430
Less: Premium on Reinsurance ceded	1172 068	969 364
Net Premium	6909 746	7062 066
Adjustment for change in reserve for unexpired risks	362	-404 109
Total Premium Earned (Net)	6910 108	6657 957

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012**

**SCHEDULE 1
Premium Earned (Net)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(4) WORKMEN'S COMPENSATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	407 710	204 891
Less: Premium on Reinsurance ceded	0	0
Net Premium	407 710	204 891
Adjustment for change in reserve for unexpired risks	-101 837	3 717
Total Premium Earned (Net)	305 873	208 608
(5) LIABILITY		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	1833 037	1826 691
Less: Premium on Reinsurance ceded	125 501	128 977
Net Premium	1707 536	1697 714
Adjustment for change in reserve for unexpired risks	-9 721	-192 523
Total Premium Earned (Net)	1697 815	1505 191
(6) PERSONAL ACCIDENT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	4103 450	2837 492
Less: Premium on Reinsurance ceded	19 096	16 131
Net Premium	4084 354	2821 361
Adjustment for change in reserve for unexpired risks	-632 317	-564 211
Total Premium Earned (Net)	3452 037	2257 150
(7) HEALTH		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	17603 628	16474 055
Less: Premium on Reinsurance ceded	0	0
Net Premium	17603 628	16474 055
Adjustment for change in reserve for unexpired risks	-719 451	-3099 666
Total Premium Earned (Net)	16884 177	13374 389

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2012

SCHEDULE 1 Premium Earned (Net)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(8) OTHER MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	10248 581	9613 872
Less: Premium on Reinsurance ceded	696 800	638 870
Net Premium	9551 781	8975 002
Adjustment for change in reserve for unexpired risks	-317 568	-863 917
Total Premium Earned (Net)	9234 213	8111 085
(9) FINANCIAL LIABILITY/CREDIT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	2507 973	1564 414
Less: Premium on Reinsurance ceded	0	0
Net Premium	2507 973	1564 414
Adjustment for change in reserve for unexpired risks	-471 780	53 644
Total Premium Earned (Net)	2036 193	1618 058
TOTAL MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	80705 777	70949 773
Less: Premium on Reinsurance ceded	2712 465	3810 265
Net Premium	77993 312	67139 508
Adjustment for change in reserve for unexpired risks	-5801 232	-6999 865
Total Premium Earned (Net)	72192 080	60139 643
C MARINE INSURANCE		
(1) MARINE CARGO		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	5224 863	4215 390
Less: Premium on Reinsurance ceded	195 096	293 607
Net Premium	5029 767	3921 783
Adjustment for change in reserve for unexpired risks	-1201 667	-790 180
Total Premium Earned (Net)	3828 100	3131 603

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2012

SCHEDULE 1 Premium Earned (Net)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(2) MARINE HULL		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	7742 795	6628 282
Less: Premium on Reinsurance ceded	1137 438	1284 852
Net Premium	6605 357	5343 430
Adjustment for change in reserve for unexpired risks	-1451 685	-789 462
Total Premium Earned (Net)	5153 672	4553 968
TOTAL MARINE		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	12967 658	10843 672
Less: Premium on Reinsurance ceded	1332 534	1578 459
Net Premium	11635 124	9265 213
Adjustment for change in reserve for unexpired risks	-2653 352	-1579 642
Total Premium Earned (Net)	8981 772	7685 571
D LIFE INSURANCE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	498 298	345 091
Less: Premium on Reinsurance ceded	27 567	1 610
Net Premium	470 731	343 481
Adjustment for change in reserve for unexpired risks	-63 625	-101 615
Total Premium Earned (Net)	407 106	241 866
E TOTAL ALL CLASSES		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	136179 468	116812 709
Less: Premium on Reinsurance ceded	10597 040	11686 973
Net Premium	125582 428	105125 736
Adjustment for change in reserve for unexpired risks	-12425 133	-9685 392
Total Premium Earned (Net)	113157 295	95440 344

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012**

**SCHEDULE 2
Claims Incurred (Net)**

A FIRE INSURANCE

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	23970 278	16451 318
Less: Reinsurance ceded	1968 193	1787 923
Net Claims Paid	22002 085	14663 395
Add: Claims Outstanding at the end of the year	64612 978	34311 102
Less: Claims Outstanding at the beginning of the year	34311 102	26969 610
Total Claims Incurred	52303 961	22004 887
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	22914 760	19500 511
Less: Reinsurance ceded	0	0
Net Claims Paid	22914 760	19500 511
Add: Claims Outstanding at the end of the year	48480 865	40251 415
Less: Claims Outstanding at the beginning of the year	40251 415	31733 679
Total Claims Incurred	31144 210	28018 247
(2) AVIATION		
Claims Paid		
Direct	3 332	8 705
Add: Reinsurance accepted	4196 542	4086 965
Less: Reinsurance ceded	642 016	371 679
Net Claims Paid	3557 858	3723 991
Add: Claims Outstanding at the end of the year	6971 867	5305 467
Less: Claims Outstanding at the beginning of the year	5305 467	5077 680
Total Claims Incurred	5224 258	3951 778
(3) ENGINEERING		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	2804 199	3065 721
Less: Reinsurance ceded	167 199	185 236
Net Claims Paid	2637 000	2880 485
Add: Claims Outstanding at the end of the year	9071 131	6620 777
Less: Claims Outstanding at the beginning of the year	6620 777	6270 387
Total Claims Incurred	5087 354	3230 875

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2012

SCHEDULE 2 Claims Incurred (Net)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(4) WORKMEN'S COMPENSATION		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	71 593	40 645
Less: Reinsurance ceded	0	0
Net Claims Paid	71 593	40 645
Add: Claims Outstanding at the end of the year	210 407	100 365
Less: Claims Outstanding at the beginning of the year	100 365	50 961
Total Claims Incurred	181 635	90 049
(5) LIABILITY		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	504 122	245 771
Less: Reinsurance ceded	0	0
Net Claims Paid	504 122	245 771
Add: Claims Outstanding at the end of the year	974 245	636 110
Less: Claims Outstanding at the beginning of the year	636 110	847 295
Total Claims Incurred	842 257	34 586
(6) PERSONAL ACCIDENT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	2476 668	1621 560
Less: Reinsurance ceded	0	1 819
Net Claims Paid	2476 668	1619 741
Add: Claims Outstanding at the end of the year	514 464	651 469
Less: Claims Outstanding at the beginning of the year	651 469	575 808
Total Claims Incurred	2339 663	1695 402
(7) HEALTH		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	14260 254	13468 800
Less: Reinsurance ceded	7	7
Net Claims Paid	14260 247	13468 793
Add: Claims Outstanding at the end of the year	6133 249	1968 987
Less: Claims Outstanding at the beginning of the year	1968 987	1858 525
Total Claims Incurred	18424 509	13579 255

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012**

**SCHEDULE 2
Claims Incurred (Net)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(8) OTHER MISCELLANEOUS		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	5026 757	3915 383
Less: Reinsurance ceded	14 496	36 892
Net Claims Paid	5012 261	3878 491
Add: Claims Outstanding at the end of the year	12546 077	6537 537
Less: Claims Outstanding at the beginning of the year	6537 537	5314 695
Total Claims Incurred	11020 801	5101 333
(9) FINANCIAL LIABILITY/CREDIT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	763 274	1711 027
Less: Reinsurance ceded	0	0
Net Claims Paid	763 274	1711 027
Add: Claims Outstanding at the end of the year	2583 139	2869 514
Less: Claims Outstanding at the beginning of the year	2869 514	1645 970
Total Claims Incurred	476 899	2934 571
TOTAL MISCELLANEOUS		
Claims Paid		
Direct	3 332	8 705
Add: Reinsurance accepted	53018 169	47656 383
Less: Reinsurance ceded	823 718	595 633
Net Claims Paid	52197 783	47069 455
Add: Claims Outstanding at the end of the year	87485 444	64941 641
Less: Claims Outstanding at the beginning of the year	64941 641	53375 000
Total Claims Incurred	74741 586	58636 096
C MARINE INSURANCE		
(1) MARINE CARGO		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	2939 318	2080 923
Less: Reinsurance ceded	4 540	123 189
Net Claims Paid	2934 778	1957 734
Add: Claims Outstanding at the end of the year	4999 539	4006 594
Less: Claims Outstanding at the beginning of the year	4006 594	2686 226
Total Claims Incurred	3927 723	3278 102

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2012

SCHEDULE 2 Claims Incurred (Net)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(2) MARINE HULL		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	4697 624	4786 246
Less: Reinsurance ceded	561 191	1481 762
Net Claims Paid	4136 433	3304 484
Add: Claims Outstanding at the end of the year	9460 899	4881 945
Less: Claims Outstanding at the beginning of the year	4881 945	6026 679
Total Claims Incurred	8715 387	2159 750
TOTAL MARINE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	7636 942	6867 169
Less: Reinsurance ceded	565 731	1604 951
Net Claims Paid	7071 211	5262 218
Add: Claims Outstanding at the end of the year	14460 438	8888 539
Less: Claims Outstanding at the beginning of the year	8888 539	8712 905
Total Claims Incurred	12643 110	5437 852
D LIFE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	224 187	105 393
Less: Reinsurance ceded	1 447	862
Net Claims Paid	222 740	104 531
Add: Claims Outstanding at the end of the year	111 158	158 475
Less: Claims Outstanding at the beginning of the year	158 475	84 062
Total Claims Incurred	175 423	178 944
E TOTAL ALL CLASSES		
Claims Paid		
Direct	3 332	8 705
Add: Reinsurance accepted	84849 576	71080 263
Less: Reinsurance ceded	3359 089	3989 369
Net Claims Paid	81493 819	67099 599
Add: Claims Outstanding at the end of the year	166670 018	108299 757
Less: Claims Outstanding at the beginning of the year	108299 757	89141 577
Total Claims Incurred	139864 080	86257 779

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012
SCHEDULE 3
Commission**

A FIRE INSURANCE

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	7433 866	6833 836
Less: Commission on Reinsurance Ceded	257 644	324 716
Net Commission	7176 222	6509 120
Break-up of Commission		
Brokerage	1160 922	1012 546
Commission Paid	6015 300	5496 574
Total Commission	7176 222	6509 120
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	3083 341	3042 331
Less: Commission on Reinsurance Ceded	0	0
Net Commission	3083 341	3042 331
Break-up of Commission		
Brokerage	140 925	107 906
Commission Paid	2942 416	2934 424
Total Commission	3083 341	3042 330
(2) AVIATION		
Commission Paid		
Direct	- 41	0
Add: Reinsurance Accepted	1005 764	1225 975
Less: Commission on Reinsurance Ceded	64 046	69 637
Net Commission	941 677	1156 338
Break-up of Commission		
Brokerage	365 705	366 275
Commission Paid	575 972	790 064
Total Commission	941 677	1156 339

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2012

SCHEDULE 3 Commission

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(3) ENGINEERING		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1858 474	1958 930
Less: Commission on Reinsurance Ceded	33 986	80 784
Net Commission	1824 488	1878 146
Break-up of Commission		
Brokerage	93 716	54 605
Commission Paid	1730 772	1823 541
Total Commission	1824 488	1878 146
(4) WORKMEN'S COMPENSATION		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	58 724	33 799
Less: Commission on Reinsurance Ceded	0	0
Net Commission	58 724	33 799
Break-up of Commission		
Brokerage	630	677
Commission Paid	58 094	33 122
Total Commission	58 724	33 799
(5) LIABILITY		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	296 704	292 780
Less: Commission on Reinsurance Ceded	796	934
Net Commission	295 908	291 846
Break-up of Commission		
Brokerage	20 589	22 214
Commission Paid	275 319	269 632
Total Commission	295 908	291 846

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012
SCHEDULE 3
Commission**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(6) PERSONAL ACCIDENT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	703 801	480 882
Less: Commission on Reinsurance Ceded	2 105	532
Net Commission	701 696	480 350
Break-up of Commission		
Brokerage	50 486	29 941
Commission Paid	651 210	450 409
Total Commission	701 696	480 350
(7) HEALTH		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1839 019	1943 337
Less: Commission on Reinsurance Ceded	0	0
Net Commission	1839 019	1943 337
Break-up of Commission		
Brokerage	80 053	71 440
Commission Paid	1758 966	1871 897
Total Commission	1839 019	1943 337
(8) OTHER MISCELLANEOUS		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1665 931	1828 876
Less: Commission on Reinsurance Ceded	337	37 818
Net Commission	1665 594	1791 058
Break-up of Commission		
Brokerage	80 602	64 723
Commission Paid	1584 992	1726 335
Total Commission	1665 594	1791 058

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2012

SCHEDULE 3 Commission

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(9) FINANCIAL LIABILITY/CREDIT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	524 054	58 182
Less: Commission on Reinsurance Ceded	0	0
Net Commission	524 054	58 182
Break-up of Commission		
Brokerage	4 553	2 258
Commission Paid	519 501	55 924
Total Commission	524 054	58 182
TOTAL MISCELLANEOUS		
Commission Paid		
Direct	- 41	0
Add: Reinsurance Accepted	11035 812	10865 092
Less: Commission on Reinsurance Ceded	101 270	189 705
Net Commission	10934 501	10675 387
Break-up of Commission		
Brokerage	837 259	720 040
Commission Paid	10097 242	9955 346
Total Commission	10934 501	10675 386
C MARINE INSURANCE		
(1) MARINE CARGO		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1069 659	896 572
Less: Commission on Reinsurance Ceded	- 561	1 147
Net Commission	1070 220	895 425
Break-up of Commission		
Brokerage	66 650	49 674
Commission Paid	1003 570	845 751
Total Commission	1070 220	895 425

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012
SCHEDULE 3
Commission**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(2) MARINE HULL		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1606 543	1272 396
Less: Commission on Reinsurance Ceded	145 652	125 661
Net Commission	1460 891	1146 735
Break-up of Commission		
Brokerage	244 146	228 482
Commission Paid	1216 745	918 253
Total Commission	1460 891	1146 735
TOTAL MARINE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2676 202	2168 968
Less: Commission on Reinsurance Ceded	145 091	126 808
Net Commission	2531 111	2042 160
Break-up of Commission		
Brokerage	310 796	278 156
Commission Paid	2220 315	1764 004
Total Commission	2531 111	2042 160
D LIFE INSURANCE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	24 484	36 826
Less: Commission on Reinsurance Ceded	0	0
Net Commission	24 484	36 826
Break-up of Commission		
Brokerage	11 582	6 012
Commission Paid	12 902	30 814
Total Commission	24 484	36 826
E TOTAL ALL CLASSES		
Commission Paid		
Direct	- 41	0
Add: Reinsurance Accepted	21170 364	19904 722
Less: Commission on Reinsurance Ceded	504 005	641 229
Net Commission	20666 318	19263 493
Break-up of Commission		
Brokerage	2320 559	2016 754
Commission Paid	18345 759	17246 739
Total Commission	20666 318	19263 493

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012**

SCHEDULE 4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Employees' remuneration & welfare benefits	512 865	385 280
2 Travel, conveyance and vehicle running expenses	24 910	23 163
3 Training expenses	7 291	3 884
4 Rents, rates and taxes	25 434	20 417
5 Repairs	138 339	134 929
6 Printing & stationery	3 153	3 212
7 Communication	11 204	10 988
8 Legal & professional charges	44 802	28 407
9 Auditors' fees, expenses, etc.		
(a) as auditor	6 015	5 729
(b) as advisor or in any other capacity, in respect of		
(i) Taxation matters	250	200
(ii) Others	624	1 560
10 Advertisement and publicity	43 532	24 767
11 Interest & Bank Charges	32 397	11 688
12 Others	135 754	74 917
13 Depreciation	43 938	31 138
Total	1030 508	760 279

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012**

**SCHEDULE 5
SHARE CAPITAL**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Authorised Capital 10,00,00,000 Equity Shares of ₹ 100/- Each	10000 000	10000 000
2 Issued & Subscribed Capital 4,30,00,000 Equity Shares of ₹ 100/- Each	4300 000	4300 000
3 Called-up Capital 4,30,00,000 Equity Shares of ₹ 100/- Each (Includes 4,06,00,000 shares issued by capitalisation of Capital Redemption Reserve and General Reserve and 5,00,000 partly paid shares (₹ 50 per share paid) made fully paid-up shares by capitalisation of General Reserve)	4300 000	4300 000
Total	4300 000	4300 000

**SCHEDULE 5A
SHARE CAPITAL PATTERN OF SHAREHOLDING
[As certified by the Management]**

Shareholders	Current Year Number of Shares % of Holding	Previous Year Number of Shares % of Holding
Promoters Indian	4,30,00,000 100%	4,30,00,000 100%

**SCHEDULE 6
RESERVES AND SURPLUS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 General Reserve Opening Balance	94959 300	87032 000
Less: Transfer from Reserve for Pension, Gratuity & Leave Encashment	64 712	
Add: Transfer from Profit & Loss A/c	0	7927 300
	94894 588	94959 300
2 Opening Balance Reserve for Pension, Gratuity & Leave Encashment	-64 712	-64 712
Less: Transfer to General Reserve	64 712	
	0.00	
3 Foreign Currency Translation Reserve	2389 418	-992 997
4 Balance of Profit in Profit & Loss Account	-24678 928	599
Total	72605 078	93902 190

**SCHEDULE 7
BORROWINGS
NIL**

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2012

SCHEDULE 8 INVESTMENTS - SHAREHOLDERS' FUND

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Long Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	25283 163	23666 330
2 Other Approved Securities	1892 859	2152 084
3 Approved Investments		
(a) Shares		
(aa) Equity - Indian	77780 126	87728 018
Equity - Foreign	7 816	7 816
(bb) Debentures - Foreign		
(bb) Preference	15 640	17 859
(b) Mutual Funds / Venture Funds		
(c) Debentures Indian	6667 715	5094 747
(d) Debentures Foreign	350 559	350 764
(e) Guaranteed Equity	186	198
(f) Subsidiaries		
(g) Associates - Indian		
Associates - Foreign	591 162	591 162
4 Investments in Infrastructure and Social Sector	17140 559	18626 719
5 Other Investments (Excl. Associate Co.)		
(a) Equity/Preference/Debentures/Venture Funds	4350 353	4884 521
(b) Associates Equity - Indian	700 000	700 000
(c) Equity - Foreign		
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	1020 035	592 434
2 Other Approved Securities	69 170	265 870
3 Approved Investments		
(a) Shares		
(aa) Equity		
(bb) Preference		
(b) Mutual Funds		
(c) Debentures and Bonds	572 393	403 953
(d) Subsidiaries		
(e) Commercial Paper	548 704	322 493
4 Investments in Infrastructure and Social Sector	1086 559	1262 848
5 Other Investments	140 884	99 451
Total	138217 883	146767 267

Figures for the previous year have been regrouped where necessary.

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012
SCHEDULE 8 A
INVESTMENTS - POLICYHOLDERS' FUND**

Particulars		Current Year (₹ '000)	Previous Year (₹ '000)
Long-Term Investments			
1	Government securities and Government guaranteed bonds including Treasury Bills	42810 462	36036 824
2	Other Approved Securities	3205 065	3276 987
3	Approved Investments		
	(a) Shares		
	(aa) Equity - Indian	131700 418	133583 833
	Equity - Foreign		
	(bb) Debentures - Foreign		
	(cc) Preference	26 482	27 193
	(b) Mutual Funds/Venture Funds		
	(c) Debentures Indian	11290 042	7757 793
	(d) Debentures Foreign		
	(e) Guaranteed Equity	314	302
	(f) Subsidiaries		
	(g) Associates Indian		
	(h) Associates Foreign		
4	Investments in Infrastructure and Social Sector	29023 080	28362 986
5	Other Investments (Excl. Associate Co.)		
	(a) Equity/Preference/Debentures/Venture Funds	7366 192	7437 681
	(b) Associates - Indian		
	(c) Equity - Foreign		
Short-Term Investments			
1	Government securities and Government guaranteed bonds including Treasury Bills	1727 164	902 102
2	Other Approved Securities	117 122	404 841
3	Approved Investments		
	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Debentures/Bonds	969 199	615 102
	(d) Subsidiaries		
	(e) Commercial Paper	929 087	546 058
4	Investments in Infrastructure and Social Sector	1839 804	1922 944
5	Other Investments	238 550	151 434
Total		231242 981	221026 080

Figures for the previous year have been regrouped where necessary.

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012
SCHEDULE 9
LOANS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Security-wise Classification		
Secured		
(a) On mortgage of property *		
(aa) In India	1016 517	1685 568
(bb) Outside India	0	0
(b) On Shares, Bonds, Government Securities	0	0
(c) Others (to be specified)	3906 826	4183 780
Unsecured	68 587	84 587
Total	4991 930	5953 935
2 Borrower-Wise Classification		
(a) Central and State Governments	3906 826	4183 780
(b) Banks and Financial Institutions	0	0
(c) Subsidiaries	0	0
(d) Industrial Undertakings	1009 146	1574 848
(e) Others	75 958	195 307
Total	4991 930	5953 935
3 Performance-Wise Classification		
(a) Loans classified as standard		
(aa) In India	4089 838	4605 808
(bb) Outside India	0	0
(b) Non-performing loans less provisions		
(aa) In India	114 959	746 358
(bb) Outside India	0	0
Provisions **	787 133	601 769
Total	4991 930	5953 935
4 Maturity-Wise Classification		
(a) Short - Term	382 405	559 842
(b) Long - Term	4609 525	5394 093
Total	4991 930	5953 935

* Includes Term Loans of ₹ 400 thousand on which creation of security is pending (Previous year ₹ 40819 thousand)

** Includes Provision for Bad and Doubtful Loans

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012
SCHEDULE 10
FIXED ASSETS**

(₹ '000)

Particulars	Cost/Gross Block				Depreciation				Net Block	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Upto 31.03.2011	Twelve months end 31.03.2012	On Sales/ Adjustment	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Leasehold Land	247 253			247 253	72 115	3 434		75 549	171 704	175 138
Buildings	417 852	16 177		434 029	189 494	13 586		203 080	230 949	228 358
Furniture & Fittings	18 972	52		19 024	16 957	615	56	17 516	1 508	2 015
I.T. Equipment	88 357	24 246	17 522	95 081	75 144	15 845	17 614	73 375	21 706	13 213
I.T. Software	22 259	35 225	6 188	51 296	7 416	5 480	6 176	6 720	44 576	14 843
Vehicles	13 853	11 464	2 055	23 262	5 762	3 671	625	8 808	14 454	8 091
Office Equipment	9 932	3 152	194	12 890	6 588	688	183	7 093	5 797	3 344
AC & Water Coolers	12 345			12 345	11 205	209		11 414	931	1 140
Elevators	2 073			2 073	2 049	4		2 053	20	24
Canteen Appliances	440			440	246	29		275	165	194
Electrical Installation	11 584			11 584	10 600	137		10 737	847	984
Fire Alarm Systems	3 408			3 408	1 807	240		2 047	1 361	1 601
Total	848 328	90 316	25 959	912 685	399 383	43 938	24 654	418 667	494 018	448 945
Previous years	875 609	35 792	63 073	848 328	429 088	31 138	60 843	399 383		

The figures are inclusive of Appreciation/Depreciation due to foreign currency fluctuation.

**SCHEDULE 11
CASH AND BANK BALANCES**

Particulars		Current Year (₹ '000)	Previous Year (₹ '000)
1	Cash & Stamps (includes cheques on hand of ₹ 514,05,59,038)	5140 859	65
2	Bank Balances		
	(a) Deposit Accounts - Short-term (due within 12 months)	62661 263	42721 357
	(b) Current Accounts [Includes cash at bank of ₹ 339,335/- pertaining to Terrorism Pool (PY ₹ 312,550.75/-)]	1185 479	3290 197
	(c) Remittances in Transit	0	0
3	Money at Call and Short Notice		
	(a) With Bank	144 148	194 369
	(b) With other Institutions	11 993	491 502
Total		69143 742	46697 490
Balances with non-scheduled banks		Nil	Nil

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012
SCHEDULE 12
ADVANCES AND OTHER ASSETS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Advances		
1 Reserve Deposits with Ceding Companies	14116 973	11527 470
2 Application Money for Investments	0	0
3 Pre-payments	49 067	42 709
4 Advances to Directors/Officers	3 097	1 545
5 Advance Tax Paid and TDS	19062 408	26832 028
Less: Provision for Taxation	<u>9786 811</u>	<u>12659 109</u>
	9275 597	14172 919
6 Others	18 781	36 508
7 Deferred Commission	400 651	326 790
Total (A)	<u>23864 166</u>	<u>26107 941</u>
Other Assets		
1 Income accrued on investments	5257 383	3907 102
2 Due from other entities carrying on insurance business (including reinsurers)*	36115 081	23162 745
3 Deposit U/S-7 of Insurance Act	301 481	303 541
4 Sundry Debtors	140 138	309 848
5 Sundry Deposits	237 527	238 219
6 MAT Credit	0	771 571
7 Terrorism Pool Assets	27252 326	21575 791
Total (B)	<u>69303 936</u>	<u>50268 817</u>
Total (A+B)	<u>93168 102</u>	<u>76376 758</u>

* Includes ₹ 2,095,304 thousand (PY ₹ 1,094,719 thousand) for provision for bad and doubtful debts

**SCHEDULE 13
CURRENT LIABILITIES**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Balances Due to other insurance companies	9764 729	8442 524
2 Deposits held on reinsurance ceded	9323 677	7669 577
3 Sundry Creditors	436 528	1676 596
4 Claims Outstanding	166670 018	108299 757
5 Terrorism Pool Liabilities	27252 326	21575 791
Total	<u>213447 278</u>	<u>147664 245</u>

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH, 2012
SCHEDULE 14
PROVISIONS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Reserve for Unexpired Risk	70495 275	58070 141
2 Reserve for Premium Deficiency	1414 674	0
3 For Proposed Dividends	0	2064 000
4 For Dividend Distribution Tax	0	342 805
5 For Doubtful Loans, Investments and Debts	4020 016	2513 026
6 For Leave Encashment	149 796	81 672
7 Provision for Pension	103 593	104 245
8 Provision for Gratuity	38 322	46 888
9 Provision for Settlement	7 250	6 850
10 For PLLI Arrears	0	12 500
Total	76228 926	63242 127

**SCHEDULE 15
MISCELLANEOUS EXPENDITURE**

NIL

SIGNIFICANT ACCOUNTING POLICIES

I. SIGNIFICANT ACCOUNTING POLICIES :

1. ACCOUNTING CONVENTION

The Balance Sheet, the Profit and Loss Account and the Revenue Accounts are drawn up in accordance with the provisions of Section 11(1) of the Insurance Act, 1938 read with the provisions of Sub-sections (1), (2), (3C) and (5) of Section 211 and Sub-section (5) of Section 227 of the Companies Act, 1956. The financial statements also conform to the stipulation specified under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002. The said statements are prepared on historical cost convention and on accrual basis except as otherwise stated and conform to the statutory provisions and practices prevailing in the General Insurance Industry in India.

2. REINSURANCE BUSINESS

2.1 Reinsurance Revenues

Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the year end, estimates are made for accounts not yet received, based on available information and current trends.

In respect of Indian Market Terrorism Risk Insurance Pool and Indian Motor Third Party Insurance Pool, only the Corporation's share of revenues is recorded as premium.

2.2 Outstanding Claims

2.2.1 Estimated liability for outstanding claims in respect of Reinsurance business carried out in India is based on advices received as of different dates up to the date of finalisation of accounts and wherever such advices are not received, on estimates based on available information, current trends, past underwriting experience of the management and actuarial estimation bases.

2.2.2 Provision for claims incurred but not reported (IBNR) is made as certified by the appointed actuary.

3. FOREIGN CURRENCY TRANSACTIONS

3.1 Revenue transactions in foreign currencies are converted at the daily rate of exchange on the day accounts are received and transactions are booked. The rates have been taken from Thomson Reuters India Pvt. Ltd.

3.2 Non-Monetary items including fixed assets and investments abroad are reported using the exchange rate applicable on the date of acquisition.

3.3 Monetary items such as receivables, payables and balances in bank accounts held in foreign currencies are converted using the closing rates of exchange at the balance sheet date.

3.4 The exchange gain/loss relating to revenue transaction, due to conversion of foreign currencies, are accounted for as revenue.

3.5 Foreign operations

Foreign branch operations is considered as "non integral business" as prescribed in AS11 "The effects of changes in foreign exchange rates" (revised 2003) and translated accordingly.

4. RESERVE FOR UNEXPIRED RISK

Reserve for Unexpired Risk in respect of Marine Insurance and Terrorism Risk Business (included in Fire and Engineering) is made at 100% of Net Premium, while for all other classes of insurance, is made at 50% of Net Premium and for London Branch as per local practice. Any additional provision as required by IRDA, shall be provided for foreign branches.

5. OPERATING EXPENSES RELATING TO INSURANCE BUSINESS (EXPENSES OF MANAGEMENT)

5.1 Depreciation

- (i) Depreciation on fixed assets is charged on written-down value method at the higher of the rates specified in the Income Tax Rules, 1962 and those specified in Schedule XIV to the Companies Act, 1956. In respect of leasehold properties and intangible assets amortisation is made over the period of lease/use.
- (ii) Depreciation is provided on a pro-rata basis on additions to fixed assets and on assets sold/discarded/destroyed during the year.

5.2 Retirement Benefits to Employees

Liabilities on account of retirement benefits to the employees such as pension, gratuity and leave encashment are provided for on accrual basis, based on actuarial valuation and in compliance with Accounting Standard 15.

5.3 Apportionment of Expenses

Balance of operating expenses relating to insurance business are apportioned to the Revenue Accounts on the basis of Gross Direct Premium plus Reinsurance Premium accepted, giving weight of 75% for Marine business and 100% for Fire, Miscellaneous and Life Reinsurance business.

Expenses relating to investment are apportioned between Revenue and Profit & Loss Account in the same proportion as stated in Significant Accounting Policy No. 6.

6. APPORTIONMENT OF INTEREST, DIVIDENDS AND RENTS

The income from interest, dividends and rent is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the beginning of the year. The same is further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund

at the beginning of the year. Shareholders' fund consists of share capital and free reserves. Policyholders' Fund consists of provisions for outstanding claims and reserves for unexpired risks.

7. INVESTMENTS

7.1 Prudential norms prescribed by Reserve Bank of India and the IRDA are followed in regard to:

- (i) Revenue recognition,
- (ii) Classification of assets into performing and non-performing; and
- (iii) Provisioning against performing and non-performing assets.

7.2 Purchases and Sales of shares, bonds, debentures and Government securities are accounted for on the date of contracts.

7.3 The cost of investments includes premium on acquisition and other related expenses.

7.4 Short term money market instruments such as Collateralised Borrowing and Lending Operations (CBLO), Commercial Paper and Treasury Bill, which are discounted at the time of contract at the agreed rate are accounted at their discounted value.

7.5 Investment portfolio in respect of equity shares are segregated into actively traded and thinly traded as prescribed by the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

7.6 [a] Investments in equity shares that are actively traded are valued at fair value. Fair value for this purpose is lowest of the last quoted closing price at NSE/BSE in the month of March.

[b] Investment in units of mutual funds are valued at Fair value as per IRDA

guidelines 2003-04. Fair value for this purpose is the last quoted NAV in the month of March.

- 7.7 a) Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken under the head "Fair Value Change Account" and on realisation reported in Profit and Loss Account.
- b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.
- c) Provision is made for diminution in value of investments relating to thinly traded and unlisted shares equivalent to the amount of difference in average book cost and break-up value of the shares except in companies where de-merger has taken place during the Financial Year and latest audited accounts are not available.
- Break-up value is computed from the annual reports of companies not beyond 21 months in case of those companies which close their annual accounts on dates other than 31st March or beyond 12 months in case of those companies which close their accounts on 31st March.
- d) Provision is made for diminution in value of investment relating to units of venture capital funds equivalent to the amount of difference in book cost and Net Asset Value (NAV).

- 7.8 Investment in equity and preference shares of companies, the net worth of which has been fully impaired or where the latest available audited accounts are beyond 21 months in case of those companies which close their annual accounts on dates other than 31st March or beyond 12 months in case of those

companies which close their annual accounts on 31st March, as on the date of Balance Sheet are valued as under :

1. Actively traded equity shares : At their Market Value.
2. Thinly traded equity shares : Written down to nominal value of ₹ 1/- per company.
3. Preference shares : At a value proportionate to the face value of the equity shares that bears to its market value and carrying cost is reduced by the diminution value.

- 7.9 Final Dividend is accounted for as income in the year of declaration and Interim dividend is accounted as income where the warrants are dated 31st March or earlier.

- 7.10 Dividends/Interest on shares/debentures under objection/pending deliveries is accounted for on realisation/payment.

- 7.11 Profit or Loss on sale of investments is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the beginning of the year. The same are further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the beginning of the year. Shareholders' fund consists of Share Capital and Free Reserves. Policyholders' fund consists of provisions for outstanding claims and reserves for unexpired risks.

Profit/Loss on sale of investments is computed at average book value of investments on the date of sale.

- 7.12 Expenses relating to safe custody, straight through processing and bank charges etc. on investments are charged to Profit and Loss Account and Revenue Accounts as stated in Significant Accounting Policy No.5.3.

7.13 Debt securities including Government securities and Redeemable Preference shares have been considered as 'held to maturity' securities and have been measured at historical cost subject to amortisation of premium paid over residual period. The call date has been considered as maturity date for amortisation of Perpetual Bonds.

7.14 In case of repos transaction, difference between the selling and buying value is treated as interest income.

7.15 Investments in foreign equities are valued at cost as these are only strategic investments in associate companies. Impairment, if any, will be recognized as an expense.

7.16 Income received from the Fixed Maturity Mutual Fund (Dividend Option) is booked as dividend.

8. FIXED ASSETS

Fixed assets are stated at cost less depreciation. Cost of shares in Co-operative Societies/ Companies for property rights acquired is included under the head 'Buildings' under Fixed Assets.

9. COMPLIANCE WITH ACCOUNTING STANDARDS

The Corporation has complied with relevant accounting standards prescribed by ICAI to the extent applicable and IRDA guidelines in preparation of its financial statements.

1. NOTES FORMING PART OF THE ACCOUNTS :

1. The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 have been adopted for presentation of the accounts.

1.1 (a) Out of investment held in shares and debentures of the value of ₹ 297,142,249 thousands (Previous year ₹ 305,727,105 thousands), no confirmations regarding actual custody or other documentary evidence for investments of the book value of ₹ 1221 thousands (Previous year ₹ 1221 thousands) were available.

(b) The number of shares/debentures actually held by the Corporation/Custodian of the Corporation is in excess of number held as per the books of the Corporation. The face value of such excess is ₹ 599 thousands (Previous year ₹ 587 thousands).

(c) Sale of equity shares of a Company contracted through public offer in 1995-96 for ₹ 4,000 thousands (Previous year ₹ 4,000 thousands) has not been accounted for till date, on account of the significant uncertainty regarding completion of the sale, as the matter is subjudice.

(d) The Fixed Maturity Mutual Fund Schemes are close ended mutual fund schemes with definite maturity date and with indicative returns.

2. (a) Provision for standard assets @ 0.40% has been made as per IRDA-Prudential norms for income recognition, Asset Classification and provisioning and other related methods in respect of debt portfolio amounting to ₹ 261,825 thousands (Previous year ₹ 236,112 thousands).

(b) During the year, the Corporation has undertaken under CDR (Corporate Debt Restructuring) System, following fresh cases of restructuring of corporate debt / loans etc., as under :

(₹ in thousands)

Sr. No	Particulars	Current Year	Previous Year
	Total Amount of assets subjected to restructuring under CDR	35,509.09	578,908
	The break-up of the same is given hereunder :		
(i)	Total amount of standard assets subjected to restructuring under CDR	35,509.09	100,000
(ii)	Total amount of sub-standard assets subjected to restructuring under CDR	-	474,288
(iii)	Total amount of doubtful assets subjected to restructuring under CDR	-	-
(iv)	Total amount of loss assets subjected to restructuring under CDR	-	4,620
	TOTAL	35,509.09	578,908

3. A scheme of Productivity Linked Lump-sum Incentive to the employees has not been applicable for the year ended 31st March, 2012, therefore provision of ₹ NIL has been made for the year ended 31st March, 2012, (Previous year ₹ 12,500 thousands).

The break up of Net Deferred Tax Assets is as under :

(₹ in thousands)

Particulars	As on 31.03.2012		As on 31.03. 2011	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Timing difference on account of difference in book depreciation & depreciation under Income Tax Act, 1961.	-	19,377	-	173,616
Provision for employees benefits	175,026	-	101,022	-
Others	-	-	-	-
Foreign Branches	-	-	119,314	-
TOTAL	175,026	19,377	220,336	173,616
Net Timing Differences	155,649	-	46,720	-
Net Deferred Tax	50,500	-	15,160	-

Figures relating to the previous year have been regrouped wherever necessary.

On prudence basis recognition of deferred tax asset on unabsorbed depreciation and carry forward losses has not been given effect in the books of account.

4. The balances of amount Due To/From other persons/bodies carrying on insurance business and deposits held/are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on receipt/confirmation of the same after examination.

The Corporation has carried out extensive reconciliation of amount Due To/From deposits, debtors, creditors, other person/bodies carrying on insurance business and deposits held/given. The statements received from the various brokers and cedant companies up to 31.03.2012 have been reviewed and necessary adjustment entries have been passed.

Receivables in respect of Companies in Liquidation and all over 3 years are fully provided, excluding balances of Domestic Companies. Thus Corporation has made a cumulative provision of ₹ 2,095,304 thousands for doubtful receivables.

5. Disclosure as per Accounting Standard -22 "Accounting for Taxes on Income":

Deferred Tax assets are recognised only if there is a virtual certainly backed by convincing evidence that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

6. Other Income include following net income of Motor Pool.

(₹ in thousands)

Details	Administrator Fees	Expenses	Net Income
2011-12	277,494	20,059	257,435
2010-11	271,949	33,802	238,147

7. ART Cover :

The Corporation has entered into ART agreement with Swiss Re for providing (1) top end umbrella protection for both domestic and foreign inward business and further (2) to take exposures from the net retained shares on other protections. The two contracts were combined and renewed for a three-year period from 1st May 2010 for a cover of ₹ 2,000,000 thousands for domestic and \$ 20 million for foreign business. This agreement provides a cost-effective complement to the traditional excess of loss protection and protects the Corporation's portfolio suitably.

8. Underwriting of Direct business stopped from 1st April, 2001. Figures shown in Revenue Accounts pertaining to run-off business. Run-off liabilities are sufficiently provided for based on advices received.

9. Disclosures forming part of financial statements as required by the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 :

9.1 Contingent Liabilities :

- Partly paid-up investments ₹ NIL (Previous year ₹ 3,930 thousand).
- Underwriting commitments outstanding ₹ Nil (Previous year ₹ Nil).
- Claims, other than under policies not acknowledged as debts: ₹ Nil (Previous year ₹ Nil).
- Guarantees/LC given by or on behalf of the Corporation ₹ 5,811,173 thousands (Previous year ₹ 4,644,804 thousands).
- Statutory demand/liabilities in dispute - Income-tax demands disputed in appeal, not provided for ₹ 4,604,563 thousands (Previous year ₹ 6,298,958 thousands).

(f) Reinsurance obligations to the extent not provided for in the accounts ₹ Nil in view of Significant Accounting Policy No. 2.1.

(g) The Corporation has put forth new commission rates on obligatory cessions for three domestic Insurance Companies. However, these rates are not acceptable by them. Hence, the difference arising in commission due to such non acceptance has not been provided by the Corporation. Contingent liability of ₹ 2,162,637 thousands has been shown to that extent, of which ₹ 1,292,903 thousands has already been deducted by the domestic Insurance Companies.

9.2 As at 31st March, 2012 all the assets of the Corporation in and outside India are free from encumbrances except for :

- The Government of India stock 12.30%, 2016 for ₹ 301,480 thousands (Previous year 12.30%, 2016 for ₹ 303,541 thousands) deposited with Bank of India as security under Section 7 of the Insurance Act, 1938 and,
- The Government of India Stock, 7.95% 2032 for ₹ 10,117 thousands and, 8.07% 2017 for ₹ 10,194 thousands and 8.20% 2022 for ₹ 29,976 thousands, 8.08% 2022 for ₹ 20,018 thousands, 8.13% 2022 for ₹ 39,512 thousands and 8.26% 2027 for ₹ 39,333 thousands total amounting to ₹ 149,150 thousands (Previous year total amounting to ₹ 150,630 thousands) and cash deposit of ₹ 2900 thousands (Previous year ₹ 2900 thousands) with Clearing Corporation of India Limited as deposit towards Settlement Guarantee Fund.

[c] In view of margin requirements as recommended by SEBI vide Circular dated 19/03/2008, Corporation has provided Fixed Deposits amounting to ₹ 80,000 thousands (Previous year ₹ 80,000 thousands) as margins in cash segments viz. FDR of ₹ 50,000 thousands (Previous year ₹ 50,000 thousands) as collateral is held with NSCCL and FDR of ₹ 30,000 thousands (Previous year ₹ 30,000 thousands) as collateral is held with BSE.

[d] Margin FDR held by Bank for issue as LC/BG of ₹ 5,811,173 thousands (Previous year ₹ 4,644,804 thousands).

9.3 The Commitments made and outstanding for Loans, Investments and Fixed Assets (if any) as at 31st March, 2012 are ₹ 445,800 thousands (Previous year ₹ 574,832 thousands).

9.4 Disclosures of Claims less reinsurance during the

financial year 2011-12 paid in India are ₹ 51,627,746 thousands (Previous year ₹ 45,706,215 thousands) and outside India are ₹ 29,866,073 thousands (Previous year ₹ 21,393,381 thousands).

9.5 Actuarial assumptions for determination of claim liabilities in the case of claims where the claim payments period exceeds four years - Nil as there are no such liabilities reported.

9.6 Ageing of claims - distinguishing between claims outstanding for different periods :

The Corporation being a reinsurance company does not settle claims directly with the Insured. The companies after settling the claims with their Insured would recover the claims from the Corporation as per the reinsurance obligations. Such recoveries are settled with the companies through periodical account statements. Nevertheless the outstanding losses as intimated by the companies in respect of facultative business are classified according to the outstanding period as per the details given below:

Details as on 31.3.2012

(₹ in thousands)

SL No.	Outstanding Period	FIRE		MARINE		ENGINEERING		AVIATION		LIABILITY		MISCELLANEOUS		TOTAL	
		No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
1	30 days	54	37,392	12	7,905	16	3,135	49	116,163	0	0	2	713	133	165,307
2	> 30 days up to six (6) months	254	1,840,622	84	216,704	162	504,043	197	487,041	4	2,054	17	41,414	718	3,091,878
3	> 6 months up to 1 year	300	2,888,414	80	240,122	229	198,261	173	547,663	2	963	4	44,183	788	3,919,606
4	> 1 year to up to 5 years	1065	3,685,822	407	766,415	752	423,256	1,403	3,404,885	20	227,852	29	64,287	3676	8,572,518
5	> 5 years	41	368,747	9	12,249	44	14,919	134	922,258	2	56,625	2	7,441	232	1,382,238
	Total	1714	8,820,996	592	1,243,395	1203	1,143,614	1956	5,478,009	28	287,494	54	158,038	5547	17,131,547

Details as on 31.3.2011

(₹ in thousands)

SL No.	Outstanding Period	FIRE		MARINE		ENGINEERING		AVIATION		LIABILITY		MISCELLANEOUS		TOTAL	
		No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
1	30 days	63	171,194	24	18,408	35	125,469	75	174,739	3	1,238	1	2,669	201	493,717
2	> 30 days up to six (6) months	357	671,875	66	77,186	206	85,681	217	405,965	2	1,186	6	910	854	1,242,803
3	> 6 months up to 1 year	391	1,193,734	110	359,828	216	195,922	220	1,060,497	3	15,088	4	1,383	944	2,826,452
4	> 1 year to up to 5 years	812	2,725,264	331	497,313	646	339,348	1244	3,208,411	19	250,583	32	128,816	3084	7,149,735
5	> 5 years	2	16,892	1	1,340	0	0	43	279,222	0	0	0	0	46	297,454
	Total	1625	4,778,959	532	954,075	1103	746,420	1799	5,128,834	27	268,095	43	133,778	5129	12,010,161

9.7 Premiums, less reinsurance, written from business during the financial year 2011-12 in India are ₹ 70,925,116 thousands (Previous year ₹ 62,728,585 thousands) and outside India are ₹ 54,657,313 thousands (Previous year ₹ 42,397,151 thousands).

9.8 Claims settled and remaining unpaid for a period of more than six months as on 31-03-2012 Nil (Previous year Nil).

9.9 Value of contracts in relation to investments, for

- a) Purchases, where deliveries are pending ₹ Nil (Previous year ₹ Nil).

- b) Sales, where payments are overdue ₹ Nil (Previous year ₹ Nil).

9.10 The basis of apportionment of operating expenses to the Revenue Accounts has been stated in the Significant Accounting Policy No. 5.3.

9.11 The historical cost of investments valued on Fair Value basis is ₹ 60,641,764 thousands (Previous year ₹ 58,889,556 thousands).

9.12 Computation of Managerial Remuneration is as follows:

(₹ in thousands)

Sr. No.	Name	Designation	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite
1	Shri Yogesh Lohiya	Chairman-cum-Managing Director	3,013	72	112	NIL	16
2	Shri A K Roy	Chairman-cum-Managing Director {Officiating}	290	18	26	0.10	5

- Shri Yogesh Lohiya, CMD retired on 31.12.2011.
- Shri A.K.Roy was Officiating CMD from 02.01.2012 till 31.03.2012.

9.13 The basis of amortisation of debt securities is as stated in Significant Accounting Policy No. 7.13.

9.14 Provisions regarding unrealised gains/losses has been stated in the Significant Accounting Policies No. 7.7.

9.15 The Corporation does not hold any properties for investment purposes.

10. The Corporation generally makes payments to its creditors within a period of 45 days as stipulated in Micro, Small and Medium Enterprises Act 2006. The Corporation is in the

process of identifying Micro, Small and Medium Enterprises as defined in above referred act. Hence relevant disclosures are not made. The Corporation has neither received any claims for interest nor provided any interest payable to Micro, Small and Medium Enterprises as required by aforesaid act.

11. Segment Reporting as per Accounting Standard-17 "Segment Reporting" of ICAI, has been complied with as required by IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

INDIAN BUSINESS

(₹ in Thousands)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Operating Expenses		Exchange Gain/-Loss		Net Result	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Fire Insurance	9,799,644.39	7,527,460.45	7,990,700.09	6,297,090.82	1,507,496.11	1,685,505.62	97,959.23	73,023.43	(1,819.64)	(6,994.79)	201,669.33	(535,154.21)
Motor Insurance	21,836,769.44	17,755,561.44	27,054,728.99	25,077,446.18	2,024,823.17	2,368,116.53	171,362.22	120,614.62	32.21	(160.22)	(7,414,112.73)	(9,810,776.11)
Aviation Insurance	596,252.11	608,255.87	449,894.40	1,082,853.34	61,079.82	75,897.87	5,376.67	6,599.99	(3,252.41)	(3,345.36)	76,648.81	(560,440.69)
Engineering Insurance	4,224,643.01	4,058,475.39	3,079,226.13	1,846,487.82	1,004,382.33	1,051,062.95	38,075.80	32,520.97	(383.98)	(1,760.60)	102,574.77	1,126,643.03
Other Miscellaneous Insurance	26,126,136.29	21,862,559.93	20,368,824.15	19,319,598.11	3,417,408.25	3,507,487.17	193,964.59	164,107.88	3,055.40	(4,538.74)	2,148,994.70	(1,133,171.98)
Marine Cargo	2,446,334.20	1,904,240.42	1,927,411.73	2,586,293.06	356,250.01	445,878.63	14,887.67	12,760.49	(7,660.89)	(2,592.43)	140,123.89	(1,143,284.20)
Marine Hull	1,427,099.32	1,249,547.69	2,184,429.40	(360,353.63)	248,167.85	189,646.97	12,163.21	9,783.93	348.22	(1,186.09)	(1,017,312.92)	1,409,284.33
Life	127,851.37	111,478.29	85,854.27	86,184.80	781.34	20,703.24	815.51	871.23	-	-	40,400.24	3,719.02
TOTAL	66,584,730.12	55,077,579.48	63,141,069.17	55,935,600.50	8,620,388.87	9,344,298.99	534,604.89	420,282.55	(9,681.10)	(20,578.24)	(5,721,013.91)	(10,643,180.80)

FOREIGN BUSINESS

Class of Business	Earned Premium		Incurred Claims		Net Commission		Operating Expenses		Exchange Gain/-Loss		Net Result	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Fire Insurance	21,776,692.63	19,845,803.49	44,313,260.65	15,707,796.37	5,668,725.78	4,823,614.32	252,688.77	178,892.66	4,037.55	(110,155.58)	(28,453,945.02)	(974,655.45)
Motor Insurance	4,326,370.82	3,575,086.24	4,089,481.20	2,940,801.93	1,058,517.37	674,214.29	43,749.35	22,111.64	(5,850.43)	(11,672.98)	(871,227.54)	(73,714.60)
Aviation Insurance	4,912,271.78	4,468,301.31	4,774,363.79	2,868,924.42	880,597.73	1,080,440.45	46,673.29	50,864.05	42,510.91	(54,796.66)	(746,852.11)	413,275.74)
Engineering Insurance	2,685,464.97	2,599,482.46	2,008,127.24	1,384,387.04	820,105.25	827,083.25	23,688.54	18,375.28	29,930.30	(6,813.10)	(136,525.77)	362,823.79
Other Miscellaneous Insurance	7,848,171.40	5,211,920.06	12,916,940.46	4,115,596.74	1,667,586.86	1,091,084.19	79,267.37	39,322.08	16,372.24	(15,330.13)	(7,163,251.05)	(49,413.07)
Marine Cargo	1,381,765.74	1,227,362.92	2,000,310.48	691,808.76	713,970.22	449,546.75	14,392.10	7,213.79	13,609.08	(6,694.46)	(1,333,297.98)	72,099.16
Marine Hull	3,726,572.82	3,304,419.82	6,530,958.04	2,520,103.90	1,212,722.59	957,087.95	32,738.59	21,945.56	17,921.79	20,782.91	(4,031,924.60)	(173,934.68)
Life	279,254.98	130,387.71	89,568.44	92,759.30	23,702.72	16,123.24	2,705.46	1,271.87	(2,363.13)	1,202.22	160,915.24	21,435.52
TOTAL	46,572,565.15	40,362,764.01	76,723,010.31	30,322,178.45	12,045,928.51	9,919,194.42	495,903.48	339,996.93	116,168.33	(183,477.78)	(42,576,108.82)	(402,083.58)

TOTAL (INDIAN + FOREIGN)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Operating Expenses		Exchange Gain/-Loss		Net Result	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Fire Insurance	31,576,337.03	27,373,263.94	52,303,960.74	22,004,887.19	7,176,221.89	6,509,119.95	350,648.00	251,916.09	2,217.91	(117,150.37)	(28,252,275.69)	(1,509,809.66)
Motor Insurance	26,163,140.26	21,330,647.67	31,144,210.19	28,018,248.11	3,083,340.54	3,042,330.82	215,111.57	142,726.26	(5,818.22)	(11,833.19)	(8,285,340.27)	(9,884,490.71)
Aviation Insurance	5,508,523.90	5,076,557.18	5,224,258.19	3,951,777.76	941,677.55	1,156,338.32	52,049.96	57,464.04	39,258.50	(58,142.02)	(670,203.30)	(147,164.95)
Engineering Insurance	6,910,107.98	6,657,957.85	5,087,353.38	3,230,874.87	1,824,487.58	1,878,146.20	61,764.34	50,896.25	29,546.32	(8,573.70)	(33,951.00)	1,489,466.83
Other Miscellaneous Insurance	33,610,307.69	27,074,479.99	33,285,764.62	23,435,194.85	5,084,995.11	4,598,571.35	273,231.97	203,429.96	19,427.65	(19,868.87)	(5,014,256.35)	(1,182,585.05)
Marine Cargo	3,828,099.93	3,131,603.34	3,927,722.21	3,278,101.81	1,070,220.23	895,425.39	29,279.77	19,974.28	5,948.19	(9,286.89)	(1,193,174.09)	(1,071,185.04)
Marine Hull	5,153,672.14	4,553,967.51	8,715,387.44	2,159,750.26	1,460,890.44	1,146,734.92	44,901.79	31,729.49	18,270.01	19,596.82	(5,049,237.52)	1,235,349.65
Life	407,106.35	241,866.00	175,422.71	178,944.10	24,484.06	36,826.47	3,520.98	2,143.10	(2,363.13)	1,202.22	201,315.48	25,154.54
TOTAL	113,157,295.27	95,440,343.49	139,864,079.47	86,257,778.96	20,666,317.38	19,263,493.42	1,030,508.37	760,279.48	106,487.23	(204,056.02)	(48,297,122.73)	(11,045,264.38)

12. Related party Disclosures as per Accounting Standard - 18 "Related Party Transaction" issued by ICAI :

a) Associate Company :

- Kenindia Assurance Company Limited, Nairobi, Kenya
- Asian Reinsurance Corporation, Thailand
- India International Pte Limited, Singapore
- East Africa Reinsurance Company, Kenya

• Agriculture Insurance Company of India Limited, India

b) Key Management Personnel :

- Shri Yogesh Lohiya, CMD upto 31.12.2011.
- Shri A.K. Roy, CMD {Officiating} from 02.01.2012 till 31.03.2012.

Nature and volume of transactions : With (a) above

(₹ in thousands)

Name of the Company	Kenindia Assurance Company Limited		Asian Reinsurance Corporation		India International Pte Ltd.	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Premium Accepted	159,259	214,139	188,591	169,145	588,229	1,377,166
Premium Ceded	-	-	33,616	108,730	-	(766)
Net Premium	159,259	214,139	154,975	60,415	588,229	1,376,400
Commission Paid	58,511	81,279	60,816	60,398	152,599	394.253
Commission Recovered	-	-	4,849	17,715	-	-
Net Commission	58,511	81,279	55,967	42,683	152,599	394,253
Claims Paid	298,662	132,362	139,802	153,881	729,815	880,982
Claims Recovered	-	-	31,324	47,995	-	-
Net Claims	298,662	132,362	108,478	105,886	729,815	880,982
Balance on 31st March (-) Indicates amount payable by GIC	(321,206)	(113,700)	19,014	6,501	163,291	280,008

(₹ in thousands)

Name of the Company	Agriculture Insurance Company of India Limited		East Africa Reinsurance Company	
	2011-12	2010-11	2011-12	2010-11
Premium Accepted	3,501,124	2,149,797	10,527	7,562
Premium Ceded	3,075	5,233	-	-
Net Premium	3,498,049	2,144,565	10,527	7,562
Commission Paid	706,562	428,019	1,103	931
Commission Recovered	-	-	-	-
Net Commission	706,562	428,019	1,103	931
Claims Paid	1,343,673	610,627	6,467	845
Claims Recovered	-	-	-	-
Net Claims	1,343,673	610,627	6,467	845
Balance on 31st March				
(-) Indicates amount payable by GIC	-	-	909	604

In terms of Para 9 of AS-18, no. disclosure has been made in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

13. Investment in Associate Companies (as on 31st March, 2012)

(₹ in thousands)

Sr. No.	Name of the Company	Currency	No. of Shares	Face Value	% Holding	Acquisition Cost
1	Kenindia Assurance Co. Ltd., Kenya	Kshs	515,777	100 Kshs	09.19%	7,247
2	India International Ins. Pte Ltd., Singapore	S.D.	10,000,000	1 S.D.	20.00%	29,479
3	Asian Reinsurance Corporation, Bangkok	USD	7,222	1000 USD	23.88%	474,519
4	East Africa Reinsurance Co. Ltd., Kenya	Kshs	110,641	1000 Kshs	14.75%	79,917
	Total Foreign Investment					591,162
1	Agriculture Insurance Co. of India Ltd., India	INR	7,000	10 INR	35.00%	700,000
	Total Indian Investment					700,000

Investment in Associate Companies (As on 31st March, 2011)

₹ in thousands)

Sr. No.	Name of the Company	Currency	No. of Shares	Face Value	% Holding	Acquisition Cost
1	Kenindia Assurance Co. Ltd., Kenya	Kshs	435,186	100 Kshs	09.19%	7,247
2	India International Ins. Pte Ltd., Singapore	S.D.	10,000,000	1 S.D.	20.00%	29,479
3	Asian Reinsurance Corporation, Bangkok	USD	7,222	1000 USD	23.88%	474,519
4	East Africa Reinsurance Co. Ltd., Kenya	Kshs	95,889	1000 Kshs	14.75%	79,917
	Total Foreign Investment					591,162
1	Agriculture Insurance Co. of India Ltd., India	INR	7,000	10 INR	35.00%	700,000
	Total Indian Investment					700,000

14. Employees Benefits

The Corporation has classified the various benefits provided to employees as under :

- 1 Pension Superannuation Scheme
- 2 Defined Benefit Plan
 - (a) Leave Encashment
 - (b) Gratuity
 - (c) Provident Fund
- 3 Settlement Benefit

During the year the Corporation has recognised the following amounts in the Profit and Loss Account:

(₹ in thousands)

	Year ending 31st March, 2012	Year ending 31st March, 2011
Pension Superannuation Scheme (Employees' Pension Fund)	103,593	99,946
Leave Encashment (Earned Leave and Sick Leave)	79,463	8,560
Gratuity (Employees Gratuity Fund)	38,322	46,888
Provident Fund (Employees Provident Fund)	348*	12,514
Settlement Benefit	400	NIL

* Provident Fund for current year is adjusted with reversal of ₹ 43 lacs of previous year.

A) Change in the Present Value of Obligation

(₹ in thousands)

	Pension	Pension	Gratuity	Gratuity	Leave Salary	Leave Salary	Settlement	Settlement
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Present Value of Obligation at 1 April	701,951	626,304	148,538	106,398	81,672	73,112	6,850	6,850
Interest Cost	53,873	47,731	11,378	8,215	6,080	5,467	522	522
Past Service Cost	0	0	0	0	0	0	0	0
Current Service Cost	24,294	27,267	9,090	8,890	7,920	6,437	200	0
Curtailment Cost/(Credit)	0	0	0	0	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0	0	0	0	0
Benefit Paid	-57,086	-59,343	-12,627	-7,421	-11,340	-9,543	0	0
Actuarial Gain/Loss on Obligation	121,258	59,993	20,905	32,456	65,463	6,199	-322	-522
Present Value of Obligation at 31 March	844,290	701,952	177,284	148,538	149,795	81,672	7,250	6,850

B) Change in the Fair Value of Plan Assets

(₹ in thousands)

	Pension	Pension	Gratuity	Gratuity	Leave Salary	Leave Salary	Settlement	Settlement
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Fair Value of Plan Assets as at 1 April	602,006	521,165	101,650	97,215	0	0	0	0
Expected return on Plan Assets	50,002	5,362	5,760	8,177	0	0	0	0
Actuarial Gain/Loss on Obligation	45,829	29,683	-2,709	-5,504	0	0	0	0
Contribution	99,946	105,139	46,887	9,183	11,340	9,543	0	0
Benefit Paid	-57,086	-59,343	-12,627	-7,421	-11,340	-9,543	0	0
Fair Value of Plan Assets at 31 March	740,697	602,006	138,961	101,650	0	0	0	0
Unpaid Amount	0	0	0	0	0	0	0	0
Fair Value of Plan (Net) Assets at 31 March	740,697	602,006	138,961	101,650	0	0	0	0

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ in thousands)

	Pension	Pension	Gratuity	Gratuity	Leave* Salary	Leave Salary	Settlement	Settlement
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Present Value of Obligation	844,290	701,951	177,283	148,538	149,795	81,672	7,250	6,850
Fair Value of Plan Assets	740,696	602,006	138,960	101,650	0	0	0	0
Unfunded Net Asset/ (Liability) Recognised in Balance Sheet	(103,593)	(999,45)	(38,323)	(46,888)	(149,795)	(81,672)	(7,250)	(6,850)

* EL + SL

D) Expenses recognised in the Profit and Loss Account

(₹ in thousands)

For year ending 31st March, 2012	Pension	Gratuity	Leave Salary*	Settlement
Current Service Cost	24,294	9,090	7,920	200
Interest Cost	53,873	11,378	6,080	522
Curtailment Cost/(Credit)	NIL	NIL	NIL	NIL
Settlement Cost/(Credit)	NIL	NIL	NIL	NIL
Net actuarial (gains)/losses recognized in the period	25,426	17,854	65,463	-322
Total Expenses recognized in the Profit & Loss A/c	103,593	38,322	79,463	400

* EL + SL

(₹ in thousands)

For year ending 31st March, 2011	Pension	Gratuity	Leave Salary	Settlement
Current Service Cost	27,267	8,890	6,437	NIL
Interest Cost	47,731	8,215	5,467	522
Curtailment Cost/(Credit)	NIL	NIL	NIL	NIL
Settlement Cost/(Credit)	NIL	NIL	NIL	NIL
Net actuarial (gains)/losses recognized in the period	24,948	29,783	-3,344	-522
Total Expenses recognized in the Profit & Loss A/c	99,946	46,888	8,560	NIL

E) Plan Assets

(In %)

	Pension	Pension	Gratuity	Gratuity	Leave* Salary	Leave Salary	Settlement	Settlement
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Government Securities {Central & State}	48.80	46.60	36.00	37.00	0.00	0.00	0.00	0.00
High quality Corporate Bonds	50.70	52.80	59.00	58.00	0.00	0.00	0.00	0.00
Others	0.5	0.5	5.00	5.00	0.00	0.00	0.00	0.00

EL+SL*F) Actuarial Assumption**

(In %)

	Pension	Pension	Gratuity	Gratuity	Leave* Salary	Leave Salary	Settlement	Settlement
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Discount Rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.85
Expected return on assets	8.00	8.00	8.00	8.00	0.00	0.00	0.00	0.00
Salary Escalation	10.00	4.00	10.00 FSY & 10.00 TA	7.00	10.00 FSY & 10.00 TA	7.00	10.00	7.00
Attrition/ withdrawal Rate	3.00	3.00	3.00	2.00	3.00	2.00	3.00	2.00
Indian Assured Lives Mortality	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96

EL+SL*G) Other Disclosures****Pension**

(₹ in thousands)

Particulars	2011 - 12	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Experience Adjustment					
On obligation	121,258	59,993	433	-5,946	-18,937
On plan assets	45,829	29,683	30,647	22,732	-56,091
Present Value of obligation	844,290	701,951	626,304	551,863	400,839
Fair Value of plan assets	740,697	0	521,165	409,466	334,040
Excess of obligation over plan assets	103,594	701,951	105,139	142,398	66,800

Gratuity

(₹ in thousands)

Particulars	2011 - 12	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Experience Adjustment					
On obligation	20,905	32,456	2,276	946	-2,987
On plan assets	-2,709	-5,504	106	1,613	-2,420
Present Value of obligation	177,284	148,538	106,398	92,652	85,245
Fair Value of plan assets	138,960	101,650	97,215	88,266	83,506
Excess of obligation over plan assets	38,324	46,888	9,183	4,385	1,738

Leave Salary

(₹ in thousands)

Particulars	2011 - 12	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Experience Adjustment					
On obligation	65,463	6,199	40	-1,369	-1,639
On plan assets	0	0	0	0	0
Present Value of obligation	149,795	81,672	73,112	70,736	65,435
Fair Value of plan assets	0	0	0	0	0
Excess of obligation over plan assets	149,795	81,672	73,112	70,736	65,435

Settlement

(₹ in thousands)

Particulars	2011 - 12	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Experience Adjustment					
On obligation	322	-522	-527	-245	266
On plan assets	0	0	0	0	0
Present Value of obligation	7,250	6,850	6,850	6,650	6,101
Fair Value of plan assets	0	0	0	0	0
Excess of obligation over plan assets	7,250	6,850	6,850	6,650	6,101

The guidance of implementing AS 15 (revised 2005) "Employee Benefits" states benefits involving employer established provident funds, which require interest shortfall to be provided, are to be considered as defined benefit plans. Pending determination of Liability in view of issue in making reasonable actuarial assumption by the Actuarial Society of India, effect in this respect has not been ascertained.

Actuarial gain/loss has been charged to Profit and Loss Account.

15. Additional Provision of ₹ 7,647 thousands has been made in respect of Reserve for Unexpired Risk as required by IRDA for 2011-12 for London Branch (Previous year ₹ 16843 thousands).
16. Based on the statements received from the Pool, liability for IBNR claim for Third Party Motor Pool was provided in the past. During the current year, the IRDA carried out independent assessment of the provision required for Indian Motor Third Party Pool (Commercial Vehicles) and vide its order IRDA/NL/ORD/MPL/003/01/2012 dated January 3, 2012 directed all General Insurance and Reinsurance

Companies to make a provision of not less than 159%, 188%, 200% and 213% for the underwriting years 2007-2008, 2008-2009, 2009-2010 and 2010-2011 respectively. Due to this, additional provision of ₹ 8,111,497 thousands has been created during the current year.

Further the IRDA vide its order IRDA/NL/ORD/MPL/72/03/2012 dated March 22, 2012 declares the ultimate loss ratio of not less than 145% for the underwriting year 2011-12 accordingly provision of ₹ 9,116,790 thousands has been created of which premium deficiency reserve has been created of ₹ 1,414,674 thousands during the current year.

During the year, the IRDA vide its order IRDA/NL/ORD/MPL/277/12/2011 dated December 23, 2011 directed the dismantling of the Indian Motor Third Party Insurance Pool (IMTPIP). Further, the Company has exercised the option given under paragraph 3(a) of the IRDA Order No. IRDA/F&A/ORD/MTPP/070/03/2012 dated March 22, 2012 the additional IMTPIP liabilities upon re-estimation of actuarially determined liabilities relating to underwriting years (accounting years as the practice is) 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 are accounted for and recognized in full in the financial year ending March 31, 2012 itself.

17. Earnings Per Share (EPS) as per Accounting Standards 20 issued by ICAI :

	2011-12	2010-11
Basic and Diluted EPS	₹ -574	₹ 240
Profit after Tax	₹ -24,687,499 thousands	₹ 10,334,094 thousands
Number of equity shares	43,000,000	43,000,000
Nominal value of share	₹ 100/-	₹ 100/-

18. The Corporation has prepared Cash flow statement adopting the indirect method.

19. Tax liabilities in respect of foreign operation, if any, is accounted on actual basis.

20. Prior period items have not been separately disclosed, as the amount is not material.

21. The summary of the financial statements of the Corporation for the last five years is as per Annexure I.

22. The Accounting Ratios of the Corporation are stated in Annexure II.

23. Tax credit under section 115 JAA of Income Tax Act has been included in Schedule 12 – Advances and other Assets as on 31st March, 2012.

24. a) The details of exchange (gain)/loss on account of revaluation included in the Claims incurred net are as under:

(₹ in thousands)

Class of Business	Amount
Fire	2,570,935
Life	1,301
Marine	411,926
Miscellaneous	960,368
Total	3,944,530

b) Reference / Benchmark Exchange Rates :

	Average INR Rate {April' 11 to March' 12}	Average INR Rate {April' 10 to March' 11}	Closing INR Rate {31.03.2012}	Closing INR Rate {31.03.2011}
AED	13.0066893	12.3950493	13.8516000	12.1231930
GBP	76.1843170	70.7225627	81.4428700	71.3700120
MYR	15.6171167	14.4974157	16.6214670	14.7173550
USD	47.7720723	45.5212355	50.8700000	44.5200000
Euro	65.6726137	60.0859900	67.8758410	63.0625800

25. Details of the penalty payable by the Corporation during the year 2011-12 are given below :

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

26. Performance of Overseas Branches :

(₹ in thousands)

	Dubai	Malaysia	London
Gross Premium	15,553,996	4,088,602	3,511,190
Net Premium	15,043,762	3,886,268	2,878,993
Earned Premium	13,047,815	1,557,137	2,419,352
Incurred Claims	19,574,369	3,972,856	2,529,349
Net Commission	3,394,737	932,257	584,797
Expenses of Management	156,077	14,006	78,416
Profit/-Loss on Exchange	7,580	-1,246	-6,971
Underwriting Profit/Loss	-10,069,788	-3,363,229	-780,181
Net Inv. Income in Rev. A/c	195,055	6,630	123,819
Revenue Profit Loss	-9,874,734	-3,356,599	-656,362

27. Dividend Distribution Tax represents excess provision made in earlier year written back.

28. Figures relating to the previous year have been regrouped/rearranged, wherever necessary.

As per our report of even date

For MANUBHAI & CO.Chartered Accountants
Firm Regn No. 106041W**KRISHNAKANT B. SOLANKI**Partner
Membership No.: 110299

Mumbai

Dated : 1st June, 2012

For CONTRACTOR, NAYAK & KISHNADWALAChartered Accountants
Firm Regn No. 101961W**HIREN C. SHAH**Partner
Membership No.: 100052**A. K. Roy**

Chairman-cum-Managing Director

Sunil Soni

Director

G. Srinivasan

Director

Sunil Gupta

Director

N. MohanGeneral Manager
(Finance)**B. Chakrabarti**

Director

D. Sarkar

Director

Suchita Gupta

Company Secretary

Summary of Financial Statements for the period ended 31st March, 2012

(₹ lakhs)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATING RESULTS					
1 Gross Premium Written	1361795	1168127	973692	806113	931555
2 Net Premium Income	1255824	1051258	877687	740233	831114
3 Income from investments (net)	141707	133713	129570	113883	128976
4 Profit on Exchange Fluctuation	1065	-2041	-82	794	-72
5 Total Income	1398596	1182930	1007175	854910	960018
6 Commissions (Net) (Including Brokerage)	206663	192635	193025	174918	208965
7 Operating Expenses	10305	7603	7146	6312	5697
8 Net Incurred Claims	1398641	862578	685639	624389	601036
9 Change in Unexpired Risk Reserve	124251	96854	70044	-40384	108219
9a Premium Deficiency	14147	0	0	0	0
10 Operating Profit/loss	-355411	23260	51321	89675	36101
Operating Profit/Loss					
NON-OPERATING RESULT					
11 Total Income under Shareholders' account (Net)	106344	95675	77698	91484	70629
12 Profit/(Loss) before tax	-249067	118935	129020	181159	106730
13 Provision for tax	-2192	15594	-48440	40439	7451
14 Profit/(loss) after tax	-246875	103341	177460	140720	99279
MISCELLANEOUS					
15 Policyholders' Account :					
Total funds	2385800	1663700	1375264	1228973	1167140
Total Investments	2748688	2513658	2257069	1573195	1996337
Yield on Investments	10.37	12.56	11.93	10.70	13.40
16 Shareholders' Account :					
Total funds	768546	992599	913326	776982	668962
Total Investments	1622452	1651028	1430637	898073	1154075
Yield on Investments	10.37	12.56	11.93	10.70	13.40

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
17 Paid-up equity Capital	43000	43000	43000	43000	43000
18 Net worth	768546	992599	913326	776982	668962
19 Total assets	5373092	4972856	4384213	3001964	3601283
20 Yield on total investments	10.4	12.56	11.93	11	13.40
21 Earnings per share (₹)	-574	240	413	327	231
22 Book Value per share (₹)	1733	2308	2124	1807	1556
23 Total Dividend	0	20640	35260	27950	19780
24 Dividend per share (₹)	0	48	82	65	46

As per our report of even date

For MANUBHAI & CO.

Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner
Membership No.: 110299
Mumbai
Dated : 1st June, 2012

For CONTRACTOR, NAYAK & KISHNADWALA

Chartered Accountants
Firm Regn No. 101961W

HIREN C. SHAH

Partner
Membership No.: 100052

A. K. Roy

Chairman-cum-Managing Director

Sunil Soni

Director

G. Srinivasan

Director

Sunil Gupta

Director

N. Mohan

General Manager
(Finance)

B. Chakrabarti

Director

D. Sarkar

Director

Suchita Gupta

Company Secretary

RATIOS FOR NON-LIFE COMPANIES

		Ratio/Percentage	
Performance Ratio		2011-12	2010-11
1	Gross Premium Growth Rate (segment-wise) (Gross premium for the current year divided by the gross premium for the previous year)		
	Fire Insurance	21.1	7.7
	Motor Insurance	30.0	15.6
	Aviation Insurance	-17.7	21.7
	Engineering insurance	0.6	7.1
	W.C.	99.0	-3.5
	Liability	0.3	29.7
	PA	44.6	64.6
	Health	6.9	61.2
	Other Miscellaneous Insurance	6.6	22.7
	FL/Credit	60.3	-6.4
	Marine Cargo	23.9	22.2
	Marine Hull	16.8	31.3
	Life	44.4	146.1
2	Gross Premium to shareholders fund ratio : (Gross premium for the current year divided by paid-up capital plus free reserves)	177.2	117.7
3	Growth rate of shareholders' funds (Shareholders' funds as at the current balance sheet date divided by shareholders' funds as at the previous balance sheet date)	-21.7	8.7
4	Net retention ratio (segment-wise) (Net premium divided by gross premium)		
	Fire Insurance	84.5	81.8
	Motor Insurance	100.0	100.0
	Aviation Insurance	88.7	72.7
	Engineering insurance	85.5	87.9
	W.C.	100.0	100.0
	Liability	93.2	92.9
	PA	99.5	99.4
	Health	100.0	100.0
	Other Miscellaneous Insurance	93.2	93.4
	FL/Credit	100.0	100.0
	Marine Cargo	96.3	93.0

Performance Ratio	Ratio/Percentage	
	2011-12	2010-11
Marine Hull	85.3	80.6
Life	94.5	99.5
5 Net commission ratio (segment-wise) (Commission net of reinsurance for a class of business divided by net premium)		
Fire Insurance	20.2	22.9
Motor Insurance	10.4	13.3
Aviation Insurance	17.1	21.1
Engineering insurance	26.4	26.6
W.C.	14.4	16.5
Liability	17.3	17.2
PA	17.2	17.0
Health	10.4	11.8
Other Miscellaneous Insurance	17.4	20.0
FL/Credit	20.9	3.7
Marine Cargo	21.3	22.8
Marine Hull	22.1	21.5
Life	5.2	10.7
6 Expenses of management to gross premium ratio (Expenses of management divided by the total gross premium)	0.8	0.7
7 Combined ratio : (Claims paid plus expenses divided by gross premium)	60.6	58.1
8 Technical reserves to net premium ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	190.0	158.3
9 Underwriting balance ratio (Segment-wise) (Underwriting profit divided by net premium for the respective class of business)		
Fire Insurance	-67.8	8.7
Motor Insurance	-17.8	-25.5
Aviation Insurance	0.5	10.7
Engineering insurance	12.1	34.1
W.C.	19.6	48.2
Liability	39.3	77.0
PA	13.6	7.1
Health	-15.1	-9.6
Other Miscellaneous Insurance	-26.8	22.5
FL/Credit	53.4	-73.1

Performance Ratio	Ratio/Percentage	
	2011-12	2010-11
Marine Cargo	-10.3	-12.9
Marine Hull	-63.3	42.3
Life	48.7	11.7
10 Operating profit ratio (Underwriting profit plus investment income divided by net premium)	-21.6	10.6
11 Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	33.0	32.9
12 Net earnings ratio: (Profit after tax divided by net premium)	-19.7	9.8
13 Return on net worth (Profit after tax divided by net worth)	-32.1	10.5
14 Reinsurance ratio : (Risk reinsured divided by gross premium)	7.8	10.0

As per our report of even date

For MANUBHAI & CO.
Chartered Accountants
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D. Sarkar
Director

Suchita Gupta
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

As per Indirect Method

(₹ In thousands)

	31st March 2012	31st March 2011
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation as per Profit & Loss A/c	-24906 729	11893 486
Adjustments for:		
Exchange -Loss/Gain charged	-3487 648	-62 241
Provision for Diminution in Value of Investment	161 486	319 238
Provision for Doubtful Loans, Investments & Debts	1506 990	364 256
Amortisation of Premium on Investment	202 050	227 330
Depreciation	43 938	31 138
-Profit /Loss on sale of Assets	- 895	- 237
Provision for Leave Encashment & Salary Arrears	46 806	-3 243
Sundry Balances Written off/ -back	3 -1527 270	1 298 877 539
Operating Profit before working capital changes	-26433 999	12771 025
Changes in Unexpired Risk Reserves	12425 134	9685 392
Changes in Premium Deficiency Reserve	1414 674	
Changes in Provisions for Outstanding Claims	58370 260	19158 181
Changes in Income accrued on Investments	-1350 281	-673 412
Changes in Balances with Insurance Companies	-12565 535	866 469
Changes in Advance and Deposits	-4796 548	-5356 888
Changes in other Current Liabilities	4436 467 57934 171	4172 464 27852 206
Cash generated from operations	31500 172	40623 231
Income Tax Paid (Net)	5081 211	-3872 720
Net Cash from Operating Activities	36581 383	36750 511
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-90 317	-35 792
Proceeds from sale of Fixed Assets	2 201	2 426

CASH FLOW STATEMENT

	31st March 2012	31st March 2011
Foreign Currency Translation Reserve	3382 415	9 186
Changes in net Investments	-18518 246	-13433 933
Net Cash used in Investing Activities	-15223 947	-13458 113
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	-2064 000	-3526 000
Dividend Tax Paid	-334 832	-585 625
Net Cash from Financing Activities	-2398 832	-4111 625
D) Effect of Foreign Exchange on Cash & Cash equivalents (Net)	3487 648	62 241
Net increase in Cash and Cash equivalents (A+B+C+D)	22446 252	19243 014
Cash and Cash equivalents at beginning of period	46697 490	27454 476
Cash and Cash equivalents at the end of period	69143 742	46697 490

As per our report of even date

For MANUBHAI & CO.
Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI
Partner
Membership No.: 110299
Mumbai
Dated : 1st June, 2012

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Director

Suchita Gupta

Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	16133	State Code	11
Balance Sheet Date	31/03/2012		

II. Capital Raised During the year (Amount in ₹ Thousand)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities	24 76 32 952	Total Assets	24 76 32 952
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Sources of Funds

Paid-up Capital	43 00 000	Reserves & Surplus	7 26 05 078
Secured Loans	N I L	Unsecured Loans	N I L
Deferred Taxation Liability	0	Fair Value Change Account	17 07 27 874

Application of Funds

Net Fixed Assets	4 94 018	Investment	37 44 52 794
Net Current Assets	-12 73 64 360	Misc. Expenditure	N I L
Accumulated Losses	N I L	Deferred Tax Asset	50 500

IV. Performance of Company (Amount in ₹ Thousand)

Turnover	13 99 84 502	Total Expenditure	16 48 91 230
Profit/Loss Before Tax	-2 49 06 728	Profit/Loss After Tax	-2 46 87 499
Earning per Share in ₹	(574.00)	Dividend @ %	0

V. Generic Name of The Principal Product/Services of Company (as per Monetary terms)

Item Code No.	NOT APPLICABLE
Product Description	REINSURANCE SERVICE

PERFORMANCE HIGHLIGHTS

(₹ & \$ in '000)

	as on 31.03.2012		as on 31.03.2011	
	₹	\$	₹	\$
Net Earned Premium	113 157 295	2 224 441	95 440 343	2 143 763
Net Claims	139 864 079	2 749 441	86 257 779	1 937 506
% to Earned Premium	123.6%	123.6%	90.4%	90.4%
Net Commission	20 666 317	406 257	19 263 493	432 693
% to Earned Premium	18.3%	18.3%	20.2%	20.2%
Operating Expenses and Other Outgo less Other Income	924 021	18 164	964 335	21 661
Premium Deficiency	1 414 674	27 810	0	0
Investment Income Less Expenses apportioned to Revenue a/c	14 170 716	278 567	13 371 229	300 342
Revenue Profit/Loss(-)	-35 541 080	- 698 665	2 325 965	52 245
Investment Income Less Expenses apportioned to P/L a/c	8 364 466	164 428	8 782 528	197 272
Other Income less Other Outgo	4 140 412	81 392	1 695 817	38 091
Res. for Doubtful Debts, Investment W/off & Amortisation of Prem.on Inv.	1 870 527	36 771	910 824	20 459
PROFIT BEFORE TAX	-24 906 728	- 489 615	11 893 487	267 149
Provision for tax including deferred tax	- 219 229	- 4 310	1 559 392	35 027
PROFIT AFTER TAX	-24 687 499	- 485 306	10 334 094	232 123
ASSETS:				
Investments	369 460 864	7 262 844	366 924 795	8 241 797
Loans	4 991 930	98 131	5 953 935	133 736
Fixed Assets	494 018	9 711	448 945	10 084
Cash and Bank Balances	69 143 742	1 359 224	47 566 041	1 068 420
Advances and Other Assets	93 168 102	1 831 494	76 376 758	1 715 561
Deferred Tax Asset	50 500	993	15 160	341
TOTAL ASSETS	537 309 156	10 562 397	497 285 635	11 169 938
LIABILITIES:				
Share Capital	4 300 000	84 529	4 300 000	96 586
Reserve and Surplus	72 605 078	1 427 267	93 902 190	2 109 214
Deferred Tax Liabilities	0	0	0	0
Fair Value Change Account	170 727 874	3 356 160	188 177 072	4 226 799
Current Liabilities & Provisions	289 676 204	5 694 441	210 906 373	4 737 340
TOTAL LIABILITIES	537 309 156	10 562 397	497 285 635	11 169 938

1 \$ = ₹ 50.87 as on 31.03.2012

1 \$ = ₹ 44.52 as on 31.03.2011

(Percentage relate to the net earned premium of the corresponding Quarter)

Solely for the convenience of readers, performance highlights have been converted into United States Dollar as on 31st December

USD Exchange Rate

50.87

44.52



We are Here There Everywhere. The strateGIC choice in Reinsurance

• Total assets: **US\$ 10.5 billion** • Net worth: **US\$ 1.5 billion** • Rated **AAA (In)** by CARE for Claims Paying Ability • Rated **A- (Excellent)** by A.M.Best Co. for Financial Strength • Ranks **14th** among Top 40 Global Reinsurance Groups (Standard and Poor's Ranking for 2011)



अवकाशले रक्षित्वयामि
GIC Re

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Global Reinsurance Solutions

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NOTES



भारतीय साधारण बीमा निगम "सुरक्षा"

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