

## **INDEPENDENT AUDITOR'S REPORT**

**To**

**The Members of Raheja QBE General Insurance Company Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED ('the Company'), which comprise of the Balance Sheet as at March 31, 2013 and also the Revenue Accounts of Fire, Marine and Miscellaneous insurance (collectively known as the 'Revenue Accounts'), the Profit and Loss Account and the Receipts and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

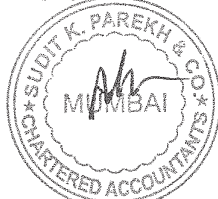
### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account have been drawn up in conformity with the Insurance Act, 1938, Insurance Regulatory and Development Authority ('IRDA') (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') read with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), to the extent applicable to the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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



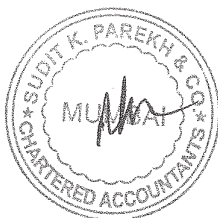
accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

1. In our opinion and to the best of our information and according to the explanations given to us, we report that:

- a. Investments of the Company have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders/directions issued by IRDA in this behalf;
- b. The accounting policies selected by the Company are appropriate and in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act and with the accounting principles prescribed in the Regulations and orders or directions issued by IRDA in this behalf.
- c. The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in compliance with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent they are not inconsistent with the accounting policies prescribed by the IRDA;
- d. The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account read together with the notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:
  - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - ii. in the case of the Revenue Accounts, of the deficit for the year then ended on that date;
  - iii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and



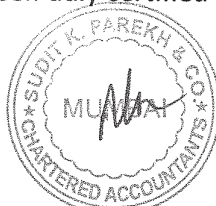
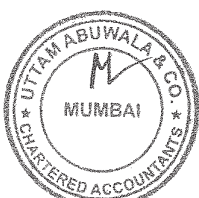
- iv. in the case of the Receipts and Payments Account, of the receipts and payments of the Company for the year ended on that date.
2. Further, on the basis of our examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- a. We have reviewed the management report attached to the financial statements for the year ended 31 March, 2013 and there are no apparent mistakes or material inconsistencies with the financial statements; and
  - b. Based on the information and explanations received during the course of our audit, management representations by officers of the Company charged with compliance and compliance certificates noted by the audit committee, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration.

#### **Report on Other Legal & Regulatory Requirements**

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

We report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
- b. In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
- c. As the Company's accounts are centralized and maintained at the Corporate Office, no returns for the purpose of our audit are prepared at the branches of the Company;
- d. The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by the report are in agreement with the books of account;
- e. The actuarial valuation of liabilities in respect of claims Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') at 31 March 2013 has been duly certified by the Company's appointed actuary.



The appointed actuary has also certified to the Company that the assumptions considered for such valuation are in accordance with the guidelines and norms issued by the IRDA and the Actuarial Society of India in concurrence with the IRDA. We have relied upon the appointed actuary's certificate in this regard;

- f. On the basis of the written representations received from the directors, as on March 31, 2013 and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Uttam Abuwala and Co.  
Chartered Accountants  
Firm Reg. No. 111184W

*MB*  
*30/4/13*

(M. B. Agarwal)  
Partner  
Membership No: 109143  
Mumbai; dated: 30<sup>th</sup> April, 2013



For Sudit K. Parekh & Co.  
Chartered Accountants  
Firm Reg. No. 110512W

*Raman Jokhakar*

(Raman Jokhakar)  
Partner  
Membership No: 103241  
Mumbai; dated: 30<sup>th</sup> April, 2013





## Auditors' Certificate

(Referred to in the Auditor's report to the members of Raheja QBE General Insurance Company Limited ('the Company') on the financial statements for the year ended 31 March, 2013)

Based on the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by the Company for the year ended 31 March, 2013, we certify that:

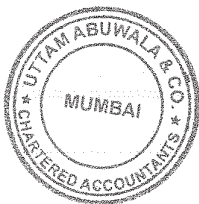
- We have verified the cash balances, to the extent considered necessary, securities relating to the Company's investments by actual inspection or on the basis of certificates / confirmations received from custodian and / or Depository Participants appointed by the Company, as the case may be;
- The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

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

For **Uttam Abuwala and Co.**  
Chartered Accountants  
Firm Reg. No.: 111184W W

*MB*  
*394/13*

(**M. B. Agarwal**)  
Partner  
Membership No.: 109143  
Mumbai; dated: 30<sup>th</sup> April, 2013



For **Sudit K. Parekh & Co.**  
Chartered Accountants  
Firm Reg. No.: 110512W

*Raman Jokhakar*

(**Raman Jokhakar**)  
Partner  
Membership No.: 103241  
Mumbai; dated: 30<sup>th</sup> April, 2013





## RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

### DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Sixth Annual Report of your Company together with the audited Accounts of the Company for the year ended March 31, 2013.

### REVIEW OF THE FINANCIAL PERFORMANCE FOR 2012-2013

(INR '000)		
Particulars	2012-13	2011-12
Gross Written Premium	283,660	228,310
Net Written Premium	179,984	148,000
Net Earned Premium	144,389	76,885
Net Incurred Claims	90,772	41,683
Net Commission	27,781	13,849
Expenses of Management	127,830	124,339
Other Income/ (Expenses)	1,168	2,474
Investment Income on Policy Holders Fund	18,235	11,651
<b>Insurance Profit/(Loss)</b>	<b>(82,591)</b>	<b>(88,861)</b>
Investment Income on Shareholders Fund	168,292	149,446
Income / (Expenses) other than Insurance Business	(4,420)	2,931
<b>Profit/(Loss) before Tax</b>	<b>81,281</b>	<b>57,654</b>
Provision for Taxation	-	(13)
Provision for Deferred Tax	(10,232)	(327)
<b>Profit/(Loss) after Tax</b>	<b>91,513</b>	<b>57,994</b>

### OPERATIONS

During the year 2012-2013, the Company has booked gross written premium of INR 283,660 thousands as against INR 228,310 thousands in the previous year registering a growth of around 25 %. The net earned premium stood at INR 144,389 thousands. The total income from investment for the year under review is INR 186,527 thousands as against INR 161,096



thousands in the previous year. The net profit before tax for the year 2012-13 was INR 81,281 thousands as against profit of INR 57,654 thousands for the year ended 2011-2012. The net profit after tax stood at INR 91,513 thousands during the year under review as compared to net profit of INR 57,994 thousands during the previous year.

The Liability Insurance Business, including Marine Liability, recorded a growth of 59 %, resulting in a Gross Written Premium of Rs. 19.93 crores (Rs. 12.55 crores)

Our Liability business continues to be driven on the core principles of prudent underwriting, efficient risk management while continuously implementing initiatives to improve the underwriting profit, at a time when market continues to witness aggressive competition and price reduction.

The Non-liability Insurances Business witnessed a correction of 17.2 %, with Gross Written Premium at 8.51 crores (10.03 crores) due to reduction in the pricing of the some major non liability business.

## **ECONOMIC SCENARIO**

Most analysts believe that there are early signs of a reversal in the stagflation environment with the government stepping in to correct the bad growth mix of high fiscal deficit and low investment.

It is also generally accepted that macro stability indicators will continue to show gradual improvement over the next 6-12 months. The government is expected to continue take policy measures to increase investment spending to slowly improve productivity and growth mix. The initial phase of recovery is expected to be driven by an improvement in growth mix and productivity growth rather than a big rise in investment to GDP or headline GDP growth.

"The starting point of macro stability environment (inflation, current account deficit and high banking sector loan deposit ratio) is still likely to constrain domestic demand from staging a strong recovery. As domestic demand growth remains constrained, external demand is likely to play an important role in supporting growth.



*According to Morgan Stanley the following indicators bode well:*

- Exports growth accelerated to 7% year-on-year in March vs. 4.2% in Feb.
- Private projects under implementation picked up a bit in QE March; public sector projects remained steady.
- WPI inflation decelerated to a 40-month low of below 6% in Mar. CPI inflation decelerated marginally, to 10.4%, in Mar, but remains high.
- 12-month trailing fiscal deficit has shown improving trend since Sep-12.
- Banking sector liquidity conditions have improved on seasonal factors in April.
- Global oil prices declined significantly. In rupee terms, oil prices are down 12% in 2013.

The long pending Companies Bill and Insurance Bill have been cleared by Lok Sabha but remain pending with Rajya Sabha for clearance.

## **OUTLOOK**

For Indian Insurance sector, growing wealth from the burgeoning middle class continues to represent a major source of insurance buying. This is essentially fuelled by higher demand for motor and health insurance. General Insurance sector continues to grow at 20 % plus per annum. The current level of under-penetration remains high on the agenda of the MOF, driven by none other than the Finance Minister himself. In terms of pricing, the market remains ultra-competitive.

Despite all immediate challenges, the Indian non-life industry presents immense long term opportunities. Profitable and sustainable niches present themselves from time to time. Emerging lifestyle, consumption and economic developments will increasingly strengthen the case for speciality play. Development of infrastructure offers opportunities in project and project PI space. Increased activity in the contract agriculture space generate a controlled opportunity for the agri specialty offerings. Increased inflow and outflow of trade represents growing need for marine cargo and related specialty insurances.



The brief to RQBE management team is to continue maintaining the 'passion' for profitable growth. Thereby, keep building upon the book of QBE speciality segments and exploring emerging profitable avenues. Most of the speciality offerings have started generating referrals.

At a high level, the action plan envisaged for the next year is:

1. Consolidate the RQBE Specialty lines (Liability, Trade Credit and Marine amongst others).
2. All locations to start delivering on targets.
3. Explore opportunities in affinity and like segments with the support of B2C platform.
4. Relationship building with partners and increased visibility and interactions with key customer segments
5. Continue actively positioning brand RQBE as a Knowledge Company.
6. Look at new emerging opportunities in the form of sub-broking; banks getting into broking as a means to increase our reach.

The fundamental Business and Underwriting Strategy of RQBE that every risk be treated on its merit and priced accordingly continues to hold good.

With a lean & multi-tasked team, controlled costs and a modest top-line; RQBE is well on its way to become the lowest cost insurer and will continue to strive for best 'Net Combined Operating Ratio' (NCOR) in the coming years.

## **INVESTMENTS**

The investment portfolio of the Company as on March 31, 2013 is INR 2,170,844 thousands. The Company's investment portfolio is prudently invested to minimize the risk while seeking reasonable returns. The weighted average annualized yield on investment for the year 2012-13 is 8.89 %.





## **REGISTRATION**

The Certificate of registration of your Company has been renewed by the Insurance Regulatory and Development Authority for 2013-14.

## **DIRECTORS**

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh Kapadia and Mr. James Rudkin retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

## **BOARD OF DIRECTORS**

- i. The total strength of the Board is seven Directors comprising one executive Director and six non-executive Directors.
- ii. During the year ended March 31, 2013, four Board Meetings were held on the following dates: (i) 26<sup>th</sup> April 2012, (ii) 16<sup>th</sup> August 2012 (iii) 19<sup>th</sup> November 2012 and (iv) 21<sup>st</sup> January 2013.
- iii. The independent directors are not paid any remuneration.
- iv. The following table gives details of the composition of the Board of Directors, qualification, field of specialization and status of Directorship held and attendance at Board Meetings :



Name	Qualification	Field of Specialization	Status Directorship	Attendance at Board Meetings
Mr. Akshay Raheja	B.Com, MBA	Industrialist	Non-executive	2
Mr. Manoj Chhabra	B. Com, FCA	Finance, General Management and Company matters	Non-executive	3
Mr. Rajesh Kapadia	B. Com, FCA	Chartered Accountant	Non-executive	2
Mr. Michael Goodwin	BVSc, FIAA, FAICD, FICP	Management and Actuarial Science	Non-executive	4
Mr. James Rudkin	B. Com	Finance, General Insurance	Non-executive	2
Ms. Ameeta Parpia	B.A, LLB	Advocate & Solicitor	Non-executive	4
Mr. Praveen Gupta	M.A., Dip DM (IDM UK), FCII (UK), FIII, MAICD	General Insurance	Executive	4

## CORPORATE GOVERNANCE

The Corporate Governance Guidelines for Insurance Companies has been implemented fully by the Company. A certificate from Compliance Officer and Company Secretary is attached with the report.

## COMMITTEES

In accordance with the requirements of the Corporate Governance Guidelines and the applicable provisions of the Companies Act, 1956, the Board of Directors has constituted the following Committees:

(i) **Audit Committee**

The Audit Committee comprises of five non-executive Directors - Mr. Rajesh Kapadia, Mr. Akshay Raheja, Mr. Manoj Chhabra, Mr. Michael Goodwin and Mr. James Rudkin. Mr. Rajesh Kapadia, Chairman of the Committee, is a practicing Chartered Accountant.

The Audit Committee has met four times during the year ended March 31, 2013 on (i) 26<sup>th</sup> April 2012, (ii) 16<sup>th</sup> August 2012 (iii) 19<sup>th</sup> November 2012 and (iv) 21<sup>st</sup> January 2013 and the details of attendance by the Committee Members are as follows:

Name of Director	No. of Audit Committee Meetings attended
Mr. Rajesh Kapadia	2
Mr. Akshay Raheja	2
Mr. Manoj Chhabra	3
Mr. Michael Goodwin	4
Mr. James Rudkin	3

(ii) **Investment Committee**

The Investment Committee comprises Mr. Akshay Raheja, Mr. Manoj Chhabra, Mr. Michael Goodwin, Mr. James Rudkin, Directors, Chief Executive Officer, Chief Financial Officer and Appointed Actuary and is chaired by Mr. Akshay Raheja.

Ms. Gayle Adams has been appointed as an "Appointed Actuary" of the Company with effective from 1<sup>st</sup> February 2013 in place of Mr. A.P. Peethambaran.

The Committee has met four times during the year ended March 31, 2013 (i) 26<sup>th</sup> April 2012, (ii) 16<sup>th</sup> August 2012 (iii) 19<sup>th</sup> November 2012 and (iv) 21<sup>st</sup> January 2013 and the details of attendance by the Committee Members are as follows:

Name of Director	No. of Investment Committee Meetings attended
Mr. Akshay Raheja	2
Mr. Manoj Chhabra	3
Mr. James Rudkin	3
Mr. Michael Goodwin	4
Mr. Praveen Gupta	4
Chief Financial Officer	4
Appointed Actuary	3

(iii) **Risk Management Committee**

The Risk Management Committee comprises of:

- Mr. Akshay Raheja – Chairman
- Mr. Rajesh Kapadia
- Mr. Michael Goodwin
- Mr. James Rudkin
- Mr. Praveen Gupta
- Mr. Kiran Kumar

The Committee has met four times during the year ended March 31, 2013 (i) 26<sup>th</sup> April 2012, (ii) 16<sup>th</sup> August 2012 (iii) 19<sup>th</sup> November 2012 and (iv) 21<sup>st</sup> January 2013 and the details of attendance by the Committee Members are as follows:

Name of Director	No. of Risk Management Committee Meetings attended
Mr. Akshay Raheja	2
Mr. Rajesh Kapadia	2
Mr. James Rudkin	3
Mr. Michael Goodwin	4
Mr. Praveen Gupta	4
Mr. Kiran Kumar	-



(iv) **Policyholder Protection Committee**

The Policyholder Protection Committee comprises of:

- Mr. Michael Goodwin - Chairman
- Mr. Rajesh Kapadia
- Mr. Praveen Gupta
- Mr. Vivek Saxena

The Committee has met four times during the year ended March 31, 2013, (i) 26<sup>th</sup> April 2012, (ii) 16<sup>th</sup> August 2012 (iii) 19<sup>th</sup> November 2012 and (iv) 21<sup>st</sup> January 2013 and the details of attendance by the Committee Members are as follows:

Name of Director	No. of Policy Holder Protection Committee Meetings attended
Mr. Michael Goodwin	4
Mr. Rajesh Kapadia	2
Mr. Praveen Gupta	4
Mr. Vivek Saxena	-

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, relating to Directors' Responsibility Statement, the Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that:

1. In preparation of the Annual Accounts for the year ended March 31, 2013, the applicable Accounting Standards have been followed and there has been no material departure;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2013 and of the profit of the Company for the year ended on that date;





3. They have taken proper and sufficient care to the best of their knowledge for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the accounts for the year ended March 31, 2013 on a going concern basis.

#### **PARTICULARS OF EMPLOYEES**

Information required to be given pursuant to the provisions of section 217 (2A) of the Companies Act, 1956 is annexed hereto marked Annexure I and forms part of this report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under :

- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (2) Foreign exchange earnings and outgo :

Foreign exchange earnings:	INR 12,932 thousands
Foreign exchange expenditure:	INR 35,929 thousands

#### **AUDITORS**

M/s. Uttam Abuwala & Co, Joint Statutory Auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting and has given consent for re-appointment. As per the requirement of the IRDA Guidelines, one of the Joint Statutory Auditors should have a term of five years and cannot accept statutory audit assignment in your Company. M/s. Sudit



K. Parekh & Co., Chartered Accountants, have completed the term of five years and have expressed their inability to continue as a Joint Statutory Auditor of the Company.

M/s. Shah Gupta & Co., Chartered Accountants, have expressed their willingness to be appointed as Joint Statutory Auditor of the Company, subject to the approval of shareholders.

Confirmation from the Auditors have been received to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

#### **ACKNOWLEDGEMENTS**

The Board takes this opportunity to express its sincere appreciation for the assistance and co-operation received from Prism Cement Limited and QBE Holdings (AAP) Pty Ltd, the promoter companies, the Insurance Regulatory and Development Authority, various Central and State Government departments/agencies, banks and other business associates connected with the Company.

For and on behalf of the Board

A handwritten signature in dark ink, appearing to read 'Akshay Raheja', written over a horizontal line.

Akshay Raheja  
Director

A handwritten signature in dark ink, appearing to read 'Michael Goodwin', written over a horizontal line.

Michael Goodwin  
Director

Place : Mumbai

Date : April 30, 2013



### COMPLIANCE CERTIFICATE

In accordance with the provisions of Corporate Governance Guidelines issued by Insurance Regulatory and Development Authority, I, Ashish Kumar, Compliance Officer & Company Secretary of the Company hereby certify that the Company has complied with the provisions of Corporate Governance Guidelines for Insurance companies notified by IRDA as amended from time to time and to the extent applicable and nothing has been concealed or suppressed.

A handwritten signature in black ink, appearing to read 'Ashish Kumar'.

ASHISH KUMAR  
Compliance Officer & Company Secretary

MUMBAI  
April 30, 2013

Annexure to the Directors' Report

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975, an forming part of the Directors' Report for the year ended March 31, 2012

Employee name	Title/Role	Qualifications	Age	Experience (in years)	Joining date	Gross remuneration (Rs)	Previous employment and designation
Praveen Gupta	MD& C.E.O.	MA, Dip DM (IDM UK), FCII (UK), FIII, MAICD	56	35	Mar 10, 2008	17,405,567	Bajaj Allianz GIC - GM

# **RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED**

## **MANAGEMENT REPORT**

In accordance with the provisions of the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted:

1. The registration certificate granted on 11th December, 2008 by Insurance Regulatory and Development Authority is valid. IRDA has renewed the registration for FY 2012-13.
2. We certify that all dues payable to statutory authorities have been duly paid.
3. We confirm that the shareholding pattern is in accordance with the statutory and regulatory requirements. There is no transfer of shares during the year.
4. We confirm that the company did not directly or indirectly invest any policyholder's funds outside India.
5. We confirm that the required solvency margins under the Insurance Act, 1938 have been maintained.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and in management's belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings – "Loans and Advances", "Investments", "Interest", "Sundry Debtors", "Cash", "Interest accruing but not due", "Agents balances", "Amounts due from other persons or Bodies carrying on insurance business" and the several items specified under "Other Accounts".
7. The Company is exposed to a variety of risks associated with general insurance business such as kind of risks undertaken and fluctuations in value of assets. The Company has adopted a 'Risk Management Strategy' to mitigate the overall risk exposure.
8. We confirm that company does not have operations in any country outside India.
9. The average claims settlement time for FY 2012-13 and ageing analysis of claims registered and not settled (excluding provision for IBNR/IBNER, claims relating to inward re-insurance from terrorism pool, the Indian Motor Third Party Insurance Pool, the Indian Motor Third Party Declined Risk Pool and reinsurance recovered) is given in – Annexure I
10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority and are shown in the Balance Sheet. The market value of Debt securities is based on the procedure issued by Fixed Income Money Market and Derivatives Association of India (FIMMDA).



11. The Company's investment portfolio is in line with the Insurance Regulatory and Development Authority (IRDA) regulations and circulars and the internal guidelines set by the Investment committee. We ensure that all the investments are made with the objective of the effective management of the funds available for Investment. As of the Balance Sheet date 31.71 % of investments are made in Government Securities, 11.51% in Housing Bond, 11.55% in Infrastructure Bonds and 45.23% in approved investments.

We ensure all measures are in place to adhere to all investment regulatory norms.

12. We also confirm that :


- In preparation of financial statements, the applicable accounting standards, principles and policies have been followed and there has been no material departure;
- The management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2013 and Rs.91,513 (in thousands) profit of the Company for the year;
- The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) / Companies Act, 1956 (1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The management has prepared the financial statements on a going concern basis;
- The management has ensured that the internal audit system is commensurate with the size and the nature of business and is operating effectively.

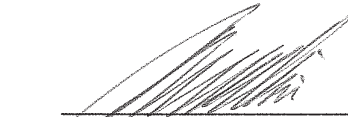
13. The schedule of payments which have been made to individuals, firms, companies and organizations in which Directors of the insurer are interested is as below:

(Rs. '000)					
Sr. No	Entity to whom the payment is made	Name of the interested Director	Nature of interest	Amount paid	Nature of Payment
1.	Prism Cement Limited	Mr. Rajesh Kapadia	Director	915	Claim payment
		Mr. Akshay Raheja	Director	360	Leave and License fee
		Mr. Manoj Chhabra	Managing Director		
2.	QBE Insurance (International) Ltd - Australia	Mr. Michael Goodwin	Director	452	Reimbursement of expenses
				103	Reimbursement of training expenses
				102	Reimbursement of subscription expenses


3.	QBE Re Services Pty Ltd.	Mr. Michael Goodwin	Director	738	Reimbursement of training expenses
4.	Windsor Realty Pvt. Ltd.	Mr. Akshay Raheja	Director	16,342	Leave and License fee
5.	G. M. Kapadia & Co.	Mr. Rajesh Kapadia	Partner	349	Professional fees

For and on behalf of the Board of Directors

  
 Akshay Raheja  
 Director

  
 Michael Goodwin  
 Director

  
 Praveen Gupta  
 Managing Director &  
 Chief Executive Officer

  
 Ashish Kumar  
 Company Secretary

Mumbai,  
 Dated: 30<sup>th</sup> April 2013

### ANNEXURE I - Average Claims Settlement Time and Ageing Analysis

Line of Business	2012-13		2011-12		2010-11		2009-10	
	No. of Claims	Average Settlement Time (days)	No. of Claims	Average Settlement Time (days)	No. of Claims	Average Settlement Time (days)	No. of Claims	Average Settlement Time (days)
Fire	2	219	2	456	-	-	-	-
Motor OD	7	247	7	122	12	90	2	44
Motor TP	8	478	-	-	-	-	1	69
Marine	4	273	3	196	1	59	-	-
Group Personal Accident	44	134	40	90	45	63	3	53
Miscellaneous	3	156	7	82	1	78	-	-
All Risk	9	199	-	-	-	-	-	-
Engineering	7	358	-	-	1	39	-	-
Liability	6	140	-	-	-	-	-	-
Workmen Compensation	4	272	-	-	-	-	-	-

### Ageing Analysis of Open Claims as on 31st March, 2013 (Rs'000)

Line of Business	Fire		Marine		Engineering		Liability		Motor Own Damage		Motor TP Pool		Group Personal Accident		Misc.		Total	
	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt
Period																		
0-30 days	-	-	-	-	-	-	4	220	-	-	-	-	3	57	1	5	8	282
31-180 days	-	-	-	-	1	2125	7	944	1	28	-	-	4	237	4	6548	17	9882
181 days & above	2	4450	1	36	-	-	15	5285	1	510	1	190	2	136	2	580	24	11187

### Ageing Analysis of Open Claims as on 31st March, 2012 (Rs'000)

Line of Business	Fire		Marine		Engineering		Liability		Motor Own Damage		Motor TP Pool		Group Personal Accident		Misc.		Total	
	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt
Period																		
0-30 days	-	-	-	-	2	595	-	-	-	-	1	3651	9	329	2	121	14	4696
31-180 days	-	-	1	36	1	155	4	520	3	190	2	320	8	491	4	2674	23	4386
181 days & above	-	-	2	676	2	3060	3	685	-	-	4	430	1	101	-	-	12	4952

**Ageing Analysis of Open Claims as on 31st March, 2011 (Rs'000)**

Line of Business	Fire		Marine		Engineering		Liability		Motor Own Damage		Motor TP Pool		Group Personal Accident		Total	
	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt
0-30 days	-	-	-	-	-	-	2	750	-	-	-	884	-	-	2	1634
31-180 days	-	-	1	205	-	-	1	60	1	4	1	105	3	161	7	535
181 days & above	2	4487	-	-	-	-	-	-	-	-	1	55	1	101	4	4643

**Ageing Analysis of Open Claims as on 31st March, 2010 (Rs'000)**

Line of Business	Fire		Marine		Engineering		Liability		Motor Own Damage		Group Personal Accident		Total	
	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt	Nos.	Amt
0-30 days	-	-	-	-	-	-	-	-	1	39	10	273	11	312
31 days - 6 months	-	-	-	-	-	-	-	-	2	260	5	125	7	415



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs. '000)

Particulars	Schedule	31.03.2013	31.03.2012
<b>Sources of Funds</b>			
Share Capital	5	20,70,000	20,70,000
Share Application Money		-	-
Reserves and Surplus	6	-	-
Fair Value Change Account		765	700
Borrowings	7	-	-
<b>Total</b>		<b>20,70,765</b>	<b>20,70,700</b>
<b>Application of Funds</b>			
Investments	8	21,70,844	20,01,308
Loans	9	-	-
Fixed Assets	10		
Gross Block		45,078	43,897
Less: Accumulated Depreciation		32,330	25,789
Net Block		12,748	18,108
Deferred Tax Asset		10,559	327
Current Assets			
Cash and Bank Balances	11	11,037	8,615
Advances and Other Assets	12	82,485	64,511
<b>Sub-Total (A)</b>		<b>93,522</b>	<b>73,126</b>
Current Liabilities	13	1,56,549	91,887
Provisions	14	1,33,462	94,899
<b>Sub-Total (B)</b>		<b>2,90,011</b>	<b>1,86,786</b>
<b>Net Current Assets (C = A - B)</b>		<b>(1,96,489)</b>	<b>(1,13,660)</b>
Miscellaneous Expenditure	15	-	-
(to the extent not written off or adjusted)			
Debit balance in Profit and Loss Account		73,103	1,64,617
<b>Total</b>		<b>20,70,765</b>	<b>20,70,700</b>
Significant Accounting Policies & Notes to Accounts	16		

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

As per our Report of even date attached.

For Uttam Abuwala & Co.  
Chartered Accountants  
Firm Registration No. 111184W

M.B. Agarwal  
Partner  
Membership No. 109143

For Sudit K. Parekh & Co.  
Chartered Accountants  
Firm Registration No. 110512W

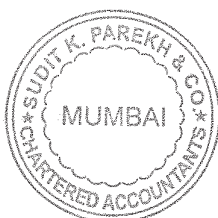
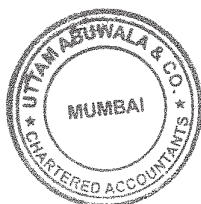
Raman Jokhakar  
Partner  
Membership No. 103241

For and on behalf of the Board of Directors

Akshay Raheja  
Director

Michael Goodwin  
Director

Mumbai,  
Date: 30th April, 2013



Praveen Gupta  
Managing Director &  
Chief Executive Officer

Mumbai,  
Date: 30th April, 2013

Ashish Kumar  
Company Secretary





## RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

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

(Rs. '000)

Particulars	Schedule	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>1. Operating Profit / (Loss) transferred from Revenue Account</b>			
a. Fire Insurance		(4,280)	(10,646)
b. Marine Insurance		748	(1,314)
c. Miscellaneous Insurance		(79,059)	(82,591)
			(88,861)
<b>2. Income from Investments</b>			
a) Interest, Dividend & Rent – Gross		1,63,473	1,46,140
b) Profit on sale/redemption of investments		4,819	3,306
Less: loss on sale of investments		-	1,49,446
<b>Profit / (Loss) on Sale of Assets</b>		-	105
<b>3. Other Income</b>		-	-
<b>TOTAL (A)</b>		<b>85,701</b>	<b>60,690</b>
<b>4. Provisions (other than taxation)</b>			
a) For diminution in the value of investment		-	-
b) For doubtful debts		-	-
c) Others		-	-
<b>5. Other Expenses</b>			
a) Expenditure other than those related to Insurance Business	4A	4,420	3,036
b) Bad debts written off		-	-
c) Others		4,420	3,036
<b>TOTAL (B)</b>		<b>4,420</b>	<b>3,036</b>
<b>Profit/ (Loss) Before Tax</b>		<b>81,281</b>	<b>57,654</b>
<b>Provision for Taxation</b>			
Current Tax/MAT payable		9,999	-
MAT Credit Entitlement		(9,999)	-
Excess provision written back		-	(13)
Deferred Tax (Income)/ Expense		(10,232)	(327)
Wealth Tax		(10,232)	(340)
<b>Net Profit/ (Loss) After Tax</b>		<b>91,513</b>	<b>57,994</b>
<b>Appropriations</b>			
a) Interim dividend paid during the year		-	-
b) Proposed final dividend		-	-
c) Dividend distribution tax		-	-
d) Transfer to any reserve or Other Accounts		-	-
e) Transfer to Contingency Reserve for Unexpired Risks		-	-
Add: Balance brought forward from last year		(1,64,617)	(2,22,611)
<b>Balance carried forward to Balance Sheet</b>		<b>(73,103)</b>	<b>(1,64,617)</b>
<b>Significant Accounting Policies &amp; Notes to Accounts</b>	16		
<b>Basic &amp; Diluted Earning per Share (Face value per share Rs.10)</b>		<b>0.44</b>	<b>0.28</b>

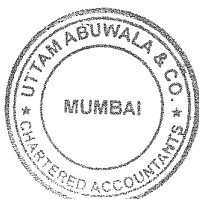
The Schedules referred to above form an integral part of Financial Statements.

As per our Report of even date attached.

For Uttam Abuwala & Co.  
Chartered Accountants  
Firm Registration No. 111184W

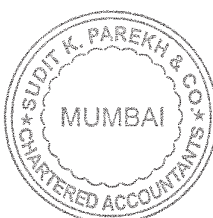
M.B. Agarwal  
Partner  
Membership No. 109143

Mumbai,  
Date: 30th April, 2013



For Sudit K. Parekh & Co.  
Chartered Accountants  
Firm Registration No. 110512W

Raman Jokhakar  
Partner  
Membership No. 103241



For and on behalf of the Board of Directors

Akshay Raheja  
Director

Michael Goodwin  
Director

Praveen Gupta  
Managing Director &  
Chief Executive Officer

Ashish Kumar  
Company Secretary

Mumbai,  
Date: 30th April, 2013



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs '000)

Particulars	Schedule	For the year ended 31.03.2013				For the year ended 31.03.2012			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
Premiums earned (Net)	1	5,123	668	1,38,598	1,44,389	4,851	610	73,893	79,354
Profit / Loss on sale/redemption of Investments		37	1	485	523	25	1	232	258
Others - Foreign Exchange Gain / (Loss)		(146)	-	(461)	(607)	(26)	-	2,500	2,474
Others - Investment Income from Terrorism Pool		1,465	-	310	1,775	-	-	-	-
Interest, Dividend & Rent – Gross		1,243	34	16,435	17,712	1,097	25	10,271	11,393
<b>TOTAL (A)</b>		<b>7,722</b>	<b>703</b>	<b>1,55,367</b>	<b>1,63,792</b>	<b>5,947</b>	<b>636</b>	<b>86,895</b>	<b>93,479</b>
Claims Incurred (Net)	2	3,130	(358)	88,000	90,772	3,171	1,191	37,321	41,683
Commission	3	(102)	67	27,816	27,781	(719)	182	14,386	13,849
Operating Expenses related to Insurance Business	4	8,974	246	1,18,610	1,27,830	11,973	276	1,12,090	1,24,339
Premium Deficiency Reserve		-	-	-	-	2,168	301	-	2,469
<b>TOTAL (B)</b>		<b>12,002</b>	<b>(45)</b>	<b>2,34,426</b>	<b>2,46,383</b>	<b>16,593</b>	<b>1,950</b>	<b>1,63,797</b>	<b>1,82,340</b>
<b>Operating Profit/(Loss) from Fire/ Marine/ Miscellaneous Business C = (A - B)</b>		<b>(4,280)</b>	<b>748</b>	<b>(79,059)</b>	<b>(82,591)</b>	<b>(10,646)</b>	<b>(1,314)</b>	<b>(76,901)</b>	<b>(88,861)</b>
<b>Appropriations</b>									
Transfer to Shareholder's Account		-	-	-	-	-	-	-	-
Transfer to Catastrophe Reserve		-	-	-	-	-	-	-	-
Transfer to Other Reserves		-	-	-	-	-	-	-	-
<b>TOTAL (C)</b>		<b>(4,280)</b>	<b>748</b>	<b>(79,059)</b>	<b>(82,591)</b>	<b>(10,646)</b>	<b>(1,314)</b>	<b>(76,901)</b>	<b>(88,861)</b>

As required by Section 40C of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of General Insurance business transactions in India by the Company have been fully recognised in the revenue account as expenses

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

As per our Report of even date attached.

For Uttam Abuwala & Co.  
Chartered Accountants  
Firm Registration No. 111184W

For Sudit K. Parekh & Co.  
Chartered Accountants  
Firm Registration No. 110512W

For and on behalf of the Board of Directors

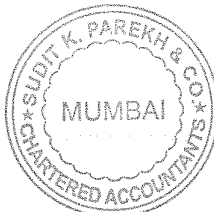
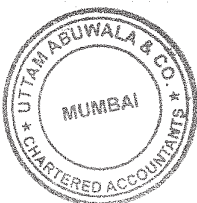
M.B. Agarwal  
Partner  
Membership No. 109143

Raman Johkhar  
Partner  
Membership No. 103241

Akshay Rameja  
Director

Michael Goodwin  
Director

Mumbai,  
Date: 30th April, 2013



Praveen Gupta  
Managing Director &  
Chief Executive Officer

Ashish Kumar  
Company Secretary

Mumbai,  
Date: 30th April, 2013



# RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

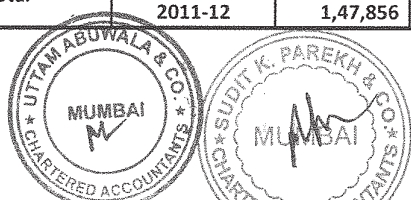
## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### Schedule- 1

#### Premium Earned (Net)

(Rs '000)

Particulars	Year	Premium from direct business written	Premium on reinsurance accepted	Premium on reinsurance ceded	Net Premium	Adjustment for change in reserve for unexpired risks	Net Premium Earned
1	2	3	4	5	6	7	8
Fire	2012-13	8,700	11,211	14,118	5,793	670	5,123
	2011-12	5,421	16,564	16,692	5,293	442	4,851
Marine Cargo	2012-13	376	170	147	399	(269)	668
	2011-12	269	238	(261)	768	158	610
Marine Hull	2012-13	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-
Marine Total	2012-13	376	170	147	399	(269)	668
	2011-12	269	238	(261)	768	158	610
Motor (OD)	2012-13	1,185	-	332	853	(330)	1,183
	2011-12	2,005	-	561	1,444	(177)	1,621
Motor (TP)	2012-13	3,062	342	1,098	2,306	(6,519)	8,825
	2011-12	1,404	16,114	1,404	16,114	6,386	9,728
Employer's Liability	2012-13	1,691	-	471	1,220	60	1,160
	2011-12	1,460	-	409	1,051	390	661
Public Liability	2012-13	22,854	3,241	8,253	17,842	5,787	12,055
	2011-12	9,917	1,094	3,243	7,768	(101)	7,869
Other Liability	2012-13	1,18,155	55,058	67,041	1,06,172	37,654	68,518
	2011-12	68,910	45,571	45,295	69,186	36,430	32,756
Engineering	2012-13	4,168	619	2,136	2,651	522	2,129
	2011-12	3,134	873	1,856	2,151	(111)	2,262
Aviation	2012-13	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-
Personal Accident	2012-13	6,223	-	1,743	4,480	501	3,979
	2011-12	5,036	-	1,410	3,626	830	2,796
Health	2012-13	151	-	15	136	91	45
	2011-12	-	-	-	-	-	-
All Risk	2012-13	45,166	-	7,722	37,444	(3,005)	40,449
	2011-12	49,674	-	9,526	40,148	24,362	15,786
Other Misc.	2012-13	1,287	-	599	688	433	255
	2011-12	626	-	175	451	37	414
Misc Total	2012-13	2,03,942	59,260	89,410	1,73,792	35,194	1,38,598
	2011-12	1,42,166	63,652	63,879	1,41,939	68,046	73,893
Total	2012-13	2,13,018	70,641	1,03,675	1,79,984	35,595	1,44,389
	2011-12	1,47,856	80,454	80,310	1,48,000	68,646	79,354





RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

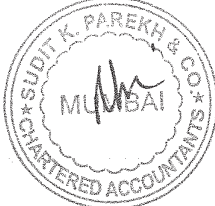
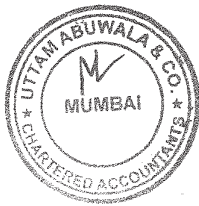
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule - 2

Claims Incurred (Net)

(Rs '000)

Particulars	Year	Claims Paid from direct business written	Claims Paid on re-insurance accepted	Claims Recovered on reinsurance ceded	Net Claims Paid	Out-standing Claims at the closing of the period	Out-standing Claims at the beginning of the year	Net Claims Incurred
1	2	3	4	5	6	7	8	9
Fire	2012-13	1,196	18	120	1,094	5,560	3,524	3,130
	2011-12	2,885	704	3,048	541	3,524	894	3,171
Marine Cargo	2012-13	122	-	12	110	301	769	(358)
	2011-12	900	1	90	811	769	389	1,191
Marine Hull	2012-13	-	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-	-
Marine Total	2012-13	122	-	12	110	301	769	(358)
	2011-12	900	1	90	811	769	389	1,191
Motor (OD)	2012-13	380	-	38	342	411	576	177
	2011-12	550	-	55	495	576	714	357
Motor (TP)	2012-13	1,837	32,922	4,105	30,654	5,725	20,613	15,766
	2011-12	-	624	-	624	20,613	4,281	16,956
Employer's Liability	2012-13	1,320	-	132	1,188	909	258	1,839
	2011-12	-	-	-	-	258	206	52
Public Liability	2012-13	-	-	-	-	3,396	3,349	47
	2011-12	-	-	-	-	3,349	3,443	(94)
Other Liability	2012-13	127	-	46	81	22,604	13,875	8,810
	2011-12	60	-	6	54	13,875	9,172	4,757
Engineering	2012-13	4,561	48	721	3,888	2,474	3,519	2,843
	2011-12	3	9	209	(197)	3,519	470	2,852
Aviation	2012-13	-	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-	-
Personal Accident	2012-13	1,384	-	138	1,246	1,318	1,515	1,049
	2011-12	5,142	-	615	4,527	1,515	946	5,096
Health	2012-13	-	-	-	-	33	-	33
	2011-12	-	-	-	-	-	-	-
All Risk	2012-13	22,391	-	2,239	20,152	43,267	6,052	57,367
	2011-12	1,382	-	138	1,244	6,052	-	7,296
Other Misc.	2012-13	152	-	15	137	32	100	69
	2011-12	19	-	2	17	100	68	49
Misc Total	2012-13	32,152	32,970	7,434	57,688	80,169	49,857	88,000
	2011-12	7,156	633	1,025	6,764	49,857	19,300	37,321
Total	2012-13	33,470	32,988	7,566	58,892	86,030	54,150	90,772
	2011-12	10,941	1,338	4,163	8,116	54,150	20,583	41,683





# RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

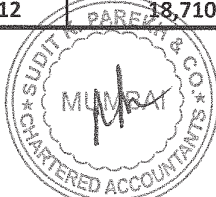
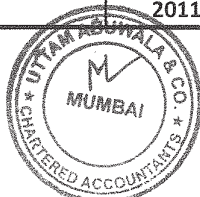
## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### Schedule – 3

#### Commission (Net)

(Rs '000)

Particulars	Year	Commission paid on direct business	Commission paid on reinsurance accepted	Commission received from reinsurance ceded	Net commission
1	2	3	4	5	6
Fire	2012-13	390	1,479	1,971	(102)
	2011-12	283	1,371	2,373	(719)
Marine Cargo	2012-13	56	17	6	67
	2011-12	46	32	(104)	182
Marine Hull	2012-13	-	-	-	-
	2011-12	-	-	-	-
Marine Total	2012-13	56	17	6	67
	2011-12	46	32	(104)	182
Motor (OD)	2012-13	119	-	18	101
	2011-12	200	-	40	160
Motor (TP)	2012-13	20	-	44	(24)
	2011-12	-	-	-	-
Employer's Liability	2012-13	134	-	25	109
	2011-12	124	-	36	88
Public Liability	2012-13	3,345	461	719	3,087
	2011-12	1,309	109	391	1,027
Other Liability	2012-13	17,620	8,208	7,156	18,672
	2011-12	8,840	3,894	6,238	6,496
Engineering	2012-13	436	-	147	289
	2011-12	300	-	238	62
Aviation	2012-13	-	-	-	-
	2011-12	-	-	-	-
Personal Accident	2012-13	160	-	93	67
	2011-12	60	-	51	9
Health	2012-13	8	-	2	6
	2011-12	-	-	-	-
All Risk	2012-13	6,087	-	677	5,410
	2011-12	7,452	-	993	6,459
Other Misc.	2012-13	181	-	82	99
	2011-12	96	-	11	85
Misc Total	2012-13	28,110	8,669	8,963	27,816
	2011-12	18,381	4,003	7,998	14,386
Total	2012-13	28,556	10,165	10,940	27,781
	2011-12	18,710	5,406	10,267	13,849







# RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

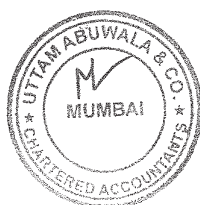
## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Schedule – 3A

Commission Paid - Direct

(Rs '000)

Particulars	Year	Agents	Brokers	Corporate Agency	Referral	Others	Total
1	2	3	4	5	6	7	8
Fire	2012-13	-	390	-	-	-	390
	2011-12	-	283	-	-	-	283
Marine Cargo	2012-13	-	56	-	-	-	56
	2011-12	-	46	-	-	-	46
Marine Hull	2012-13	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-
Marine Total	2012-13	-	56	-	-	-	56
	2011-12	-	46	-	-	-	46
Motor (OD)	2012-13	-	119	-	-	-	119
	2011-12	-	200	-	-	-	200
Motor (TP)	2012-13	12	8	-	-	-	20
	2011-12	-	-	-	-	-	-
Employer's Liability	2012-13	-	134	-	-	-	134
	2011-12	-	124	-	-	-	124
Public Liability	2012-13	11	3,334	-	-	-	3,345
	2011-12	-	1,309	-	-	-	1,309
Other Liability	2012-13	-	17,620	-	-	-	17,620
	2011-12	-	8,840	-	-	-	8,840
Engineering	2012-13	-	436	-	-	-	436
	2011-12	-	300	-	-	-	300
Aviation	2012-13	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-
Personal Accident	2012-13	-	160	-	-	-	160
	2011-12	-	60	-	-	-	60
Health	2012-13	-	8	-	-	-	8
	2011-12	-	-	-	-	-	-
All Risk	2012-13	-	6,087	-	-	-	6,087
	2011-12	-	7,452	-	-	-	7,452
Other Misc.	2012-13	-	181	-	-	-	181
	2011-12	-	96	-	-	-	96
Misc Total	2012-13	23	28,087	-	-	-	28,110
	2011-12	-	18,381	-	-	-	18,381
Total	2012-13	23	28,533	-	-	-	28,556
	2011-12	-	18,710	-	-	-	18,710







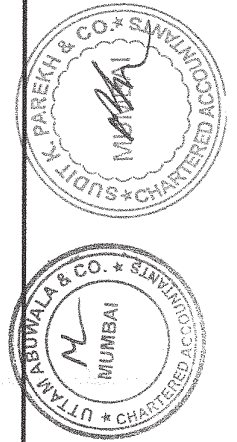
RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

RAHEJA  
QBE

IRDA Registration No. 141 dated 11th December, 2008

(Rs '000)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013								
Schedule - 4	2012-13				2011-12			
	Fire	Marine	Miscellaneous*	Total	Fire	Marine	Miscellaneous *	Total
Expenditure related to Insurance Business								
Employees' remuneration & welfare benefits	4,648	128	61,442	66,218	6,291	145	58,892	65,328
Travel, conveyance and vehicle running expenses	412	11	5,446	5,869	466	11	4,367	4,844
Training Expenses	59	2	780	841	86	2	803	891
Rents, rates & taxes	1,582	43	20,911	22,536	2,144	49	20,069	22,262
Repairs	180	5	2,378	2,563	208	5	1,948	2,161
Printing & Stationery	36	1	474	511	42	1	394	437
Communication Expenses	192	5	2,540	2,737	322	7	3,013	3,342
Legal & professional charges	305	8	4,033	4,346	464	11	4,340	4,815
Auditor's fees, expenses etc.								
a) As auditor	52	1	687	740	71	2	663	736
b) As adviser or in any other capacity, in respect of								
i) Taxation matters	9	-	116	125	11	-	104	115
ii) Insurance matters	-	-	-	-	-	-	-	-
iii) Management Services and	-	-	-	-	-	-	-	-
c) in any other capacity	4	-	56	60	6	-	54	60
Advertisement and Publicity	68	2	896	966	164	4	1,538	1,706
Interest and Bank Charges	4	-	47	51	7	-	63	70
Others								
a) Office maintenance expenses	279	8	3,687	3,974	359	8	3,365	3,732
b) Subscriptions and membership fees	209	6	2,763	2,978	141	3	1,316	1,460
c) Miscellaneous expenses	417	11	5,509	5,937	247	6	2,315	2,568
d) Entertainment Expenses	59	2	776	837	82	2	763	847
Depreciation	459	13	6,069	6,541	863	20	8,082	8,965
TOTAL	8,974	246	1,18,610	1,27,830	11,974	276	1,12,089	1,24,339





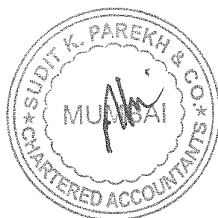
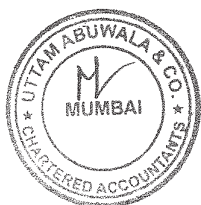
# RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

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

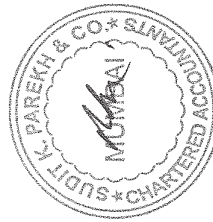
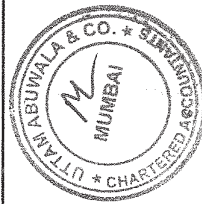
(Rs '000)

Schedule - 4A	2012-13	2011-12
<b>Expenditure other than those related to Insurance Business</b>		
Employees' remuneration & welfare benefits	3,912	2,391
Travel, conveyance and vehicle running expenses	-	-
Training Expenses	-	-
Rents, rates & taxes	-	-
Repairs	-	-
Printing & Stationery	-	-
Communication	-	-
Legal & professional charges	180	355
Auditor's fees, expenses etc.		
a) As auditor	-	-
b) As adviser or in any other capacity, in respect of	-	-
i) Taxation matters	-	-
ii) Insurance matters	-	-
iii) Management Services and	-	-
c) in any other capacity	-	-
Advertisement and Publicity	-	-
Interest and Bank Charges	328	290
Others		
a) Office maintenance expenses	-	-
b) Recruitment & Training expenses	-	-
c) Subscriptions and membership fees	-	-
d) Miscellaneous expenses	-	-
e) Entertainment Expenses	-	-
Depreciation	-	-
<b>TOTAL</b>	<b>4,420</b>	<b>3,036</b>



(Rs '000)

* Miscellaneous	2012-13												2011-12												(RS '000)
	Motor (OD)	Motor (TP)	Employer's Liability	Public Liability	Other Liability	Enginee rmg	Aviation	Personal Accident	Health	All Risk	Other Misc.	Total	Motor (OD)	Motor (TP)	Employer's Liability	Public Liability	Other Liability	Engineer ing	Aviation	Personal Accident	Health	All Risk	Other Misc.	Total	
Employees' remuneration & welfare benefits	277	795	395	6,092	40,435	1,117	-	1,453	35	10,544	301	61,442	574	5,013	418	3,151	32,756	1,146	-	1,441	-	14,214	179	59,892	
Travel, conveyance and vehicle running expenses	25	70	35	540	3,584	99	-	129	3	934	27	5,446	43	372	31	234	2,428	85	-	107	-	1,054	13	4,367	
Training Expenses	4	10	5	77	513	14	-	18	0	134	4	780	8	68	6	43	446	16	-	20	-	194	2	803	
Rents, rates & taxes	94	270	134	2,073	13,764	380	-	494	12	3,588	102	20,911	195	1,708	142	1,074	11,163	391	-	491	-	4,844	61	20,069	
Repairs	11	31	15	236	1,565	43	-	56	1	408	12	2,378	19	166	14	104	1,083	38	-	48	-	470	6	1,948	
Printing & Stationery	2	6	3	47	313	9	-	11	0	81	2	474	4	34	3	21	218	8	-	10	-	95	1	394	
Communication Expenses	11	33	16	252	1,673	46	-	60	1	436	12	2,540	29	256	21	161	1,677	59	-	74	-	727	9	3,013	
Legal & professional charges	18	52	26	400	2,655	73	-	95	2	692	20	4,033	42	369	31	232	2,415	84	-	106	-	1,048	13	4,340	
Auditor's fees, expenses etc.																									
a) As auditor	3	9	4	68	454	12	-	16	0	118	3	687	6	56	5	35	370	13	-	16	-	160	2	663	
b) As adviser or in any other capacity, in respect of																									
i) Taxation matters	1	2	1	11	76	2	-	3	0	20	-	116	1	9	1	6	57	2	-	3	-	25	-	104	
ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
iii) Management Services and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
c) In any other capacity	0	1	-	6	37	1	-	1	0	10	-	56	1	5	-	3	30	1	-	1	-	13	-	54	
Advertisement and Publicity	4	12	6	89	589	16	-	21	1	154	4	896	15	131	11	82	855	30	-	38	-	371	5	1,538	
Interest and Bank Charges	0	1	-	5	31	1	-	1	0	8	-	47	1	5	-	3	36	1	-	2	-	15	-	63	
Others																									
a) Office maintenance expenses	17	48	24	366	2,425	67	-	87	2	633	18	3,687	33	286	24	180	1,873	65	-	82	-	812	10	3,365	
b) Subscriptions and membership fees	12	36	18	274	1,818	50	-	65	2	474	14	2,763	13	112	9	70	732	26	-	32	-	318	4	1,316	
c) Miscellaneous expenses	25	71	35	546	3,627	100	-	130	3	945	27	5,509	23	197	16	124	1,287	45	-	57	-	559	7	2,315	
d) Entertainment expenses	3	10	5	77	512	14	-	18	0	133	4	776	7	65	5	41	425	15	-	19	-	184	2	763	
Depreciation	27	79	39	602	3,994	110	-	143	3	1,042	30	6,069	79	688	57	432	4,495	157	-	198	-	1,951	25	8,082	
TOTAL	534	1,536	761	11,761	78,064	2,154	-	2,801	65	20,354	580	1,18,610	1,093	9,540	794	5,996	62,346	2,182	-	2,745	-	27,054	339	1,12,089	



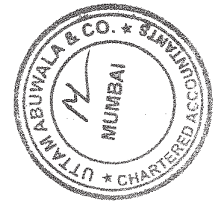


RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

SCHEDULE 10 : FIXED ASSETS

IRDA Registration No. 141 dated 11th December, 2008

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013										
(Rs '000)										
PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1-Apr-12	Addi- tions	Deduc- tions	As at 31-Mar-13	Up to 1-Apr-12	For the Period	Deductions/ Adjustments	Up to 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software	8,847	354	-	9,201	6,227	1,947	-	8,174	1,027	2,620
Land - Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	11,120	-	-	11,120	4,020	1,850	-	5,870	5,250	7,100
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	3,919	-	-	3,919	889	245	-	1,134	2,785	3,030
Information Technology Equipment	15,187	909	-	16,096	11,275	1,780	-	13,055	3,041	3,911
Vehicles	1,974	-	-	1,974	1,513	394	-	1,907	67	461
Office Equipment	2,289	104	-	2,393	1,864	326	-	2,190	203	425
Others	-	-	-	-	-	-	-	-	-	-
TOTAL	43,336	1,367	-	44,703	25,788	6,542	-	32,330	12,373	17,547
WORK - IN - PROGRESS	-	375	-	375	-	-	-	-	375	560
GRAND TOTAL	43,336	1,742	-	45,078	25,788	6,542	-	32,330	12,748	18,107
Previous Year	38,775	5,929	807	43,897	17,630	8,966	807	25,789	18,108	21,262





RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

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

(Rs '000)

Schedule - 5	As at 31.03.2013	As at 31.03.2012
<b>Share Capital</b>		
<b>Authorised Capital</b>		
22,00,00,000 ( Previous year 22,00,00,000) Equity Shares of Rs10 each	22,00,000	22,00,000
<b>Issued Capital</b>		
20,70,00,000 ( Previous year 20,70,00,000 ) Equity Shares of Rs10 each fully paid up	20,70,000	20,70,000
<b>Subscribed Capital</b>		
20,70,00,000 ( Previous year 20,70,00,000 ) Equity Shares of Rs10 each fully paid up	20,70,000	20,70,000
<b>Called up Capital</b>		
20,70,00,000 (Previous year 20,70,00,000) Equity Shares of Rs10 each fully paid up	20,70,000	20,70,000
Less: Calls unpaid	-	-
Add: Equity shares forfeited (amount originally paid up)	-	-
Less: Par value of Equity Shares bought back	-	-
Less: Preliminary expenses to the extent not written off	-	-
Less: Expense including commission or brokerage on underwriting or subscription of Shares	-	-
<b>Total</b>	<b>20,70,000</b>	<b>20,70,000</b>

Note: Of the above 153,180,000 (Previous year 153,180,000) shares are held by the holding company Prism Cement Limited.







RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

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

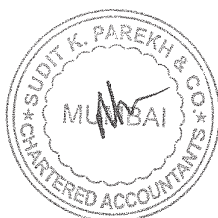
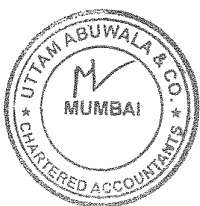
Schedule - 5A	As at 31.03.2013		As at 31.03.2012	
Pattern of Share Holding (As certified by the Management)				
Shareholder	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters				
-Indian	15,31,80,000	74%	15,31,80,000	74%
-Foreign	5,38,20,000	26%	5,38,20,000	26%
Others	-	-	-	-
Total	20,70,00,000	100%	20,70,00,000	100%

(Rs '000)

Schedule - 6	As at 31.03.2013		As at 31.03.2012
Reserves and Surplus			
Capital Reserve		-	-
Capital Redemption Reserve		-	-
Share Premium		-	-
General Reserve		-	-
Less: Debit balance in Profit & Loss Account		-	-
Less: Amount utilized for Buy-back		-	-
Catastrophe Reserve		-	-
Other Reserves		-	-
Balance of Profit and Loss Account		-	-
Total		-	-

(Rs '000)

Schedule - 7	As at 31.03.2013		As at 31.03.2012
Borrowings			
Debentures /Bonds		-	-
Banks		-	-
Financial Institutions		-	-
Others		-	-
Total		-	-







RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

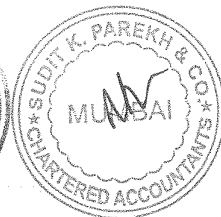
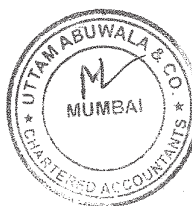
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. '000)

Schedule - 8	As at 31.03.2013		As at 31.03.2012
<b>Investments</b>			
<b>Long Term Investments</b>			
Government securities and Government guaranteed bonds including Treasury Bills	1,47,632		1,46,557
Other Approved Securities	-		-
Other Investments	-		-
a) Shares	-		-
aa) Equity	-		-
bb) Preference	-		-
b) Mutual Funds	-		-
c) Derivative Instruments	-		-
d) Debentures/ Bonds	-		2,49,574
e) Other Securities	-		-
f) Subsidiaries	-		-
g) Investment Properties - Real Estate	-		-
Investments in Infrastructure and Social Sector	1,00,704		2,01,708
Other than Approved Investments	-		-
<b>Total (A)</b>		<b>2,48,336</b>	<b>5,97,839</b>
<b>Short Term Investments</b>			
Government securities and Government guaranteed bonds including Treasury Bills	5,40,640		4,88,370
Other Approved Securities	-		-
Other Investments	-		-
a) Shares	-		-
aa) Equity	-		-
bb) Preference	-		-
b) Mutual Funds	44,706		46,064
c) Derivative Instruments	-		-
d) Debentures/ Bonds	2,49,810		50,170
e) Other Securities	-		-
i) Fixed Deposits	4,60,100		2,00,000
ii) Certificate of Deposits	4,77,156		5,18,511
f) Subsidiaries	-		-
g) Investment Properties - Real Estate	-		-
Investments in Infrastructure and Social Sector	1,50,096		1,00,354
Other than Approved Investments	-		-
<b>Total (B)</b>		<b>19,22,508</b>	<b>14,03,469</b>
<b>Total (A+B)</b>		<b>21,70,844</b>	<b>20,01,308</b>

**Notes:**

- Aggregate book value of investments other than listed equity shares is Rs. 2,170,844 thousands. (Previous year Rs. 2,001,308 thousands)
- Aggregate market value of investments other than listed equity shares is Rs. 2,170,739 thousands. (Previous year Rs. 1,992,224 thousands)
- Government Securities include Rs. 98,421 thousands (previous year Rs. 97,704 thousand) as at 31st March 2013, Deposit u/s 7 of the Insurance Act, 1938.
- Investments of Rs. 1,922,508 thousands (previous year Rs. 1,403,469 thousands) maturing within 12 months from the Balance Sheet date and investments made with the specific intention to dispose of within 12 months from the date of the Balance Sheet are classified as short term Investments.





RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

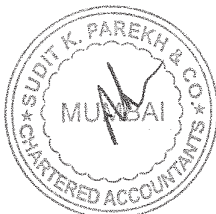
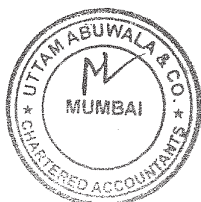
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. '000)

Schedule - 9	As at 31.03.2013		As at 31.03.2012
<b>Loans</b>			
<b>Security-wise classification</b>			
Secured			
a) On mortgage of property			
aa) In India		-	-
bb) Outside India		-	-
b) On Shares, Bonds, Government Securities		-	-
c) Others		-	-
Unsecured			
<b>Total</b>		-	-
<b>Borrower-wise classification</b>			
a) Central and State Government		-	-
b) Banks and Financial Institutions		-	-
c) Subsidiaries		-	-
d) Industrial Undertakings		-	-
e) Others		-	-
<b>Total</b>		-	-
<b>Performance wise classification</b>			
a) Loans classified as standard			
aa) In India		-	-
bb) Outside India		-	-
b) Non-performing loans less provisions			
aa) In India		-	-
bb) Outside India		-	-
<b>Total</b>		-	-
<b>Maturity wise classification</b>			
a) Short Term		-	-
b) Long Term		-	-
<b>Total</b>		-	-

(Rs. '000)

Schedule - 11	As at 31.03.2013		As at 31.03.2012
<b>Cash and Bank Balances</b>			
Cash (including cheques, drafts and stamps)		1	-
<b>Bank Balances</b>			
a) Deposit Accounts			
aa) Short Term (due with in 12 months)		-	-
bb) Others		-	-
b) Current Accounts		11,036	8,615
c) Others			
<b>Money at Call and Short Notice</b>			
a) with Banks		-	-
b) with other Institutions		-	-
Others			
<b>Total</b>		11,037	8,615
Balances with non scheduled banks included in above		-	-





RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

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

(Rs. '000)

Schedule - 12	As at 31.03.2013	As at 31.03.2012
<b>Advances and Other Assets</b>		
<b>Advances</b>		
Reserve deposits with ceding companies	-	-
Application Money for investments	-	-
Prepayments	3,612	3,348
Advance to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	-	636
MAT Credit Entitlement	9,999	-
Others		
a) Service Tax Input Credit (Net of Service Tax payable)	-	9,679
b) Advance to employees	-	35
c) Other Advances	-	-
<b>Total (A)</b>	<b>13,611</b>	<b>13,698</b>
<b>Other Assets</b>		
Income accrued on investments	36,269	30,200
Outstanding Premiums	-	-
Agent's balances	-	-
Foreign agencies balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	16,204	4,351
Due from Subsidiaries/holding	-	-
Deposit with Reserve Bank of India pursuant to section 7 of Insurance Act, 1938	-	-
Others - Rental Deposits	16,192	16,192
Other Deposits	209	70
<b>Total (B)</b>	<b>68,874</b>	<b>50,813</b>
<b>Total (A+B)</b>	<b>82,485</b>	<b>64,511</b>

(Rs. '000)

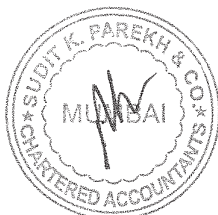
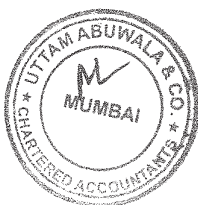
Schedule - 13	As at 31.03.2013	As at 31.03.2012
<b>Current Liabilities</b>		
Agents' Balances	3,198	1,639
Balances due to other insurance companies	44,473	10,005
Deposits held on re-insurance ceded	-	-
Premium received in Advance	1,081	5,568
Unallocated Premium	636	2,171
Sundry creditors	20,894	18,355
Due to subsidiaries/holding company	-	-
Claims Outstanding	86,032	54,148
Due to Officers/Directors	-	-
Dues to Policyholders	-	1
Others - Service Tax payable (net of Input credit)	235	-
<b>Total</b>	<b>1,56,549</b>	<b>91,887</b>

(Rs. '000)

Schedule - 14	As at 31.03.2013	As at 31.03.2012
<b>Provisions</b>		
Reserve for Unexpired Risk	1,26,184	90,588
Reserve for Premium Deficiency	2,469	2,469
For taxation (less advance tax paid and taxes deducted at source)	2,698	-
For Proposed Dividend	-	-
For Dividend distributions tax	-	-
Others - Provision for Employee Benefits	2,111	1,842
<b>Total</b>	<b>1,33,462</b>	<b>94,899</b>

(Rs. '000)

Schedule - 15	As at 31.03.2013	As at 31.03.2012
<b>Miscellaneous Expenditure (To the extent not written off or adjusted)</b>		
Discount allowed in issue of shares/ debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

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

(Rs. '000)

	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>Cash flows from operating activities</b>		
Premium received including advance premium & Service tax	2,76,825	2,44,901
Payment to Reinsurers net of claims & commissions	(90,609)	(50,239)
Receipt/payment to coinsurers net of claims recovery	16,877	(373)
Claims paid	(32,477)	(10,941)
Commission paid	(27,069)	(20,019)
Payment of Other Operating Expenses	(1,22,053)	(1,17,013)
Service tax paid	(21,901)	(10,160)
Fringe Benefit Tax Paid	-	-
Income tax paid	(6,665)	-
Wealth tax paid	-	-
Deposit Receipt/ Paid	(139)	3,583
Miscellaneous Income	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(7,210)</b>	<b>39,739</b>
<b>Cash flows from investing activities</b>		
Purchase of investments (Net)	(22,71,554)	(33,79,118)
Sale of Investments (including gain/loss)	21,93,200	32,82,735
Purchase of fixed Assets	(1,367)	(5,928.61)
Sale of Fixed Assets (including gain/loss)	-	105
Interest, Dividends received	89,353	68,841
<b>Net Cash Flow from Investing Activities</b>	<b>9,632</b>	<b>(33,365)</b>
<b>Cash flows from financing activities</b>		
Capital infusion	-	-
Share Application Money received	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / Decrease in Cash &amp; Cash equivalents</b>	<b>2,422</b>	<b>6,374</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>8,615</b>	<b>2,241</b>
<b>Cash and cash equivalents at the end of year</b>	<b>11,037</b>	<b>8,615</b>

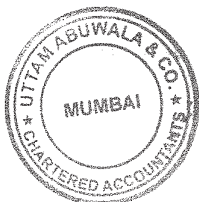
The Schedules referred to above form an integral part of Financial Statements.

As per our Report of even date attached.

For Uttam Abuwala & Co.  
Chartered Accountants  
Firm Registration No. 111184W

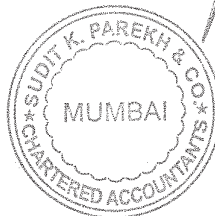
M.B. Agarwal  
Partner  
Membership No. 109143

Mumbai,  
Date: 30th April 2013



For Sudit K. Parekh & Co.  
Chartered Accountants  
Firm Registration No. 110512W

Raman Johakar  
Partner  
Membership No. 103241



For and on behalf of the Board of Directors

Akshay Raheja  
Director

Michael Goodwin  
Director

Praveen Gupta  
Managing Director &  
Chief Executive Officer

Ashish Kumar  
Company Secretary

Mumbai,  
Date: 30th April 2013



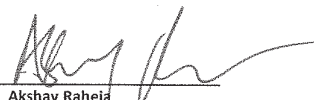

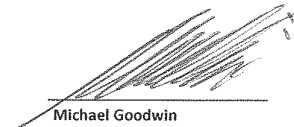
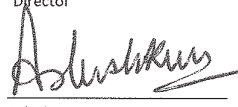
## RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

Balance Sheet Abstract and Company's general business profile for the year ended 31st March, 2013

I.	Registration Details	State Code :	11	
	Registration No.	U66030MH2007PLC173129		
	Balance Sheet Date	Date	Month	Year
		31	3	2013
II.	Capital raised during the period (Amounts in Rs. thousands)			
	Public Issue	Nil		
	Bonus Issue	Nil		
	Rights Issue	Nil		
	Private Placement	Nil		
III.	Position of Mobilisation and Deployment of Funds (Amounts in Rs. thousands)			
	Total Liabilities	19,97,661		
	Total Assets	19,97,661		
	Sources of Funds			
	Paid-up Capital	20,70,000		
	Loans	Nil		
	Reserves & Surplus	(72,339)		
	Deferred Tax Liability	Nil		
	Application of Funds			
	Net Fixed Assets	12,748		
	Investments	21,70,844		
	Net Current Assets	(1,96,489)		
	Miscellaneous Expenditure	-		
IV.	Performance of Company (Amount in Rs. thousands)			
	Total Revenue	4,71,963		
	Total Expenditure	3,89,467		
	Profit/Loss before Tax (tick appropriate box + for Profit, - for Loss)			
	+	81,281		
	Profit/(Loss) after Tax			
	+	91,513		
	Earning Per Share in Rs.			
	-	(0.44)		
	Dividend rate %	Nil		
V.	Generic Name of the principal products/services of company			
	Item Code No. (ITC Code)	-		
	Product description	General Insurance		

Note : The Company being an insurance Company, the accounts of the Company are not required to be made in accordance with Schedule VI. Further, the Insurance Act, 1938 requires the financial statement of the Company to be split in Revenue Accounts and Profit and Loss Account. In view of this, it is not possible to give all the information as required by Part IV of this schedule.

For and on behalf of the Board of Directors

  
Akshay Raheja  
Director  
Praveen Gupta  
Managing Director &  
Chief Executive Officer  
Michael Goodwin  
Director  
Ashish Kumar  
Company SecretaryMumbai  
Date: 30th April 2013



**RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED**

**IRDA Registration No. 141 dated 11<sup>th</sup> December, 2008**

**Schedule 16:**

Significant Accounting policies and Notes forming part of financial statements for the year ended 31<sup>st</sup> March, 2013:

**1. Background:**

Raheja QBE General Insurance Company Limited ('the Company') was incorporated on 14<sup>th</sup> August, 2007, as a Company registered under the Companies Act, 1956. The Company is a 74:26 Joint venture between Prism Cement Limited and QBE Holdings (AAP) Pty Ltd. The Company is registered with Insurance Regulatory and Development Authority ('IRDA') and obtained its license on 11<sup>th</sup> December, 2008.

**2. Significant Accounting Policies:**

**2.1 Basis of preparation of Financial Statements:**

The financial statements are prepared and presented in accordance with generally accepted accounting principles followed in India under the historical cost convention, on the accrual basis of accounting and in accordance with statutory requirements of the Insurance Act, 1938, Insurance Regulatory and Development Authority (IRDA) Act, 1999, Insurance Regulatory and Development Authority (Preparation of financial statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations') and order/directions prescribed by IRDA in this behalf, the Companies Act, 1956 ('The Act') to the extent applicable and comply with the notified accounting standards under The Companies Accounting Standards Rules, 2006, to the extent applicable and current practices prevailing in the Insurance Industry.

**2.2 Use of Estimates:**

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

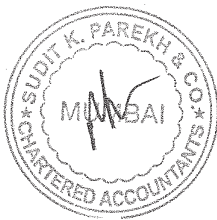
**2.3 Revenue Recognition:**

**Premium Income:**

Premium (net of service tax), on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate. Any subsequent revision to or cancellation is recognized in year in which they occur.

**Commission on Reinsurance Ceded:**

Commission received on reinsurance ceded is recognized in the period in which reinsurance premium is ceded.





Profit commission under reinsurance treaties wherever applicable, is recognized on accrual. Any subsequent revisions of profit commission are recognized for in the year in which final determination of the profits are intimated by reinsurers.

Investment Income:

Interest income on fixed interest bearing debt securities and fixed deposits with scheduled banks is recognized on accrual basis.

Dividend income is recorded when the right to receive the dividend is established.

Amortization of premium and accretion of discount relating to debt securities is recognized over the holding/maturity period of security on straight line basis.

The net realized gain or losses on the debt securities are the difference between the net sale consideration and the amortized cost, which is computed on a weighted average basis as on the date of sale. In case of mutual fund units, the profit or loss on actual sale of investment includes effects of accumulated fair value changes previously recognized and credited to Fair Value Change account.

Sale consideration for the purpose of realized gain or loss is net of brokerage and taxes, if any and excludes accumulated interest received on sales.

**2.4 Reinsurance Ceded**

Reinsurance cost in respect of proportional reinsurance ceding is accrued at policy inception. Non proportional reinsurance cost is recognized when incurred and due. Any subsequent revision to refunds or cancellations of premiums are recognized in the year in which they occur.

**2.5 Reinsurance Accepted**

Reinsurance inward acceptances are accounted on the basis of returns/intimations to the extent received, from the insurers.

**2.6 Premium Deficiency**

Premium deficiency is recognized if the ultimate amount of expected net claim costs, related expenses and maintenance costs exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk. Premium deficiency is calculated by line of business.

**2.7 Acquisition Costs**

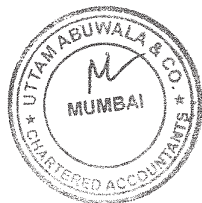
Acquisition costs are defined as costs that vary with, and are primarily related to, the acquisition of new and renewal of insurance contracts viz. commission, policy issue expenses etc, are expensed in the year in which they are incurred.

**2.8 Premium Received In Advance**

Premium received in advance represents the premium received in respect of policies issued during the year, where the risk commences only subsequent to the balance sheet date.

**2.9 Reserved for Unexpired Risk**

Reserve for unexpired risk represents that part of net premium (net of proportional reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and 50% in case of other businesses based on net premium written during the year as required under Section 64V(1)(ii)(b) of the Insurance Act, 1938.





## 2.10 Claims Incurred

Claims are recognized as and when reported. Claims paid (net of reinsurance recoveries) are charged to the respective revenue account. Provision is made for estimated value of claims outstanding as at the balance sheet date net of reinsurance recoveries. Reserve is maintained for each claim which at all times reflects the amount likely to be paid on each claim, as anticipated and estimated by the management in the light of past experience and subsequently modified for changes, as appropriate. Amounts received/receivable from the reinsurers/ coinsurers under the terms of the reinsurance and coinsurance arrangements respectively, are recognized together with the recognition of claim.

## 2.11 IBNR (Claims Incurred but not reported) and IBNER (Claims Incurred but not enough reported)

IBNR represents that amount of all claims that may have been incurred prior to the end of current accounting year but not have been reported or claimed. The IBNR provision also includes provision if any required for claims incurred but not enough reported. The IBNR (including IBNER) is determined based on the actuarial principles by the Appointed Actuary.

## 2.12 Contribution to The Indian Motor Third Party Insurance Pool (IMTPIP)

In accordance with the directions of IRDA, the company together with the other general insurance companies participated in the Indian Motor Third Party Insurance Pool (IMTPIP). The IMTPIP had covered reinsurance of third party risks of specified commercial motor vehicles.

IRDA vide its order IRDA/NL/ORD/MPL/276/12/2011 dated December 23, 2011, January 3, 2012 and March 22, 2012 had directed dismantling of IMTPIP w.e.f March 31, 2012. The Company had recognized transitional liabilities up to the year 2011-12 based on the return received from IMTPIP in compliance with the IRDA order IRDA/F&A/ORD/MTPP/070/03-2012.

## 2.13 Contribution to The Indian Motor Third Party Declined Risk Insurance Pool (IMTPDRIP)

In accordance with the directions of IRDA, the company together with the other general insurance companies participates in the Indian Motor Third Party Declined Risk Insurance Pool (IMTPDRIP). The IMTPDRIP is administered by the General Insurance Corporation of India (GIC). IRDA vide its order IRDA/NL/ORD/MPL/277/2011 dated 23<sup>rd</sup> December, 2011 created IMTPDRIP for Stand-alone Third Party Liability Insurance for commercial vehicles. Each member is required to have its own underwriting manual for accepting or ceding the risk to the IMTPDRIP and file the same with IRDA. Accordingly, the company has filed its underwriting manual for FY 2012-13 with Authority.

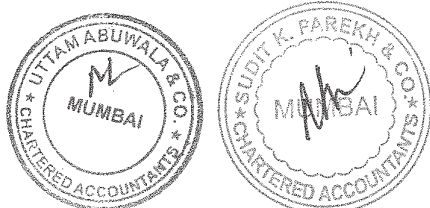
The Authority has mandated obligation on each insurance company to underwrite a minimum percentage of such business which shall be in proportion to the sum of fifty percent of the member's percentage share in total gross premium and fifty percent of the member's percentage share in total motor premium of the industry in the current year.

The IMTPDRIP shall be extinguished at the end of every underwriting year on a clean cut basis, by transferring the risks at par to the members who have not fulfilled their mandatory obligations. Such transfer shall be in proportion to the shortfall of each member.

The company's share of premium, claims and expenses of pool is recorded as inward reinsurance business, based on returns submitted by GIC, under the respective heads of income or expense as the case may be and included within the Motor Third Party sub-segment of the Miscellaneous Revenue Account. Accordingly, such share has been recorded by the company up to 31<sup>st</sup> December, 2012 based on the return received from IMTPDRIP. The company has recognized related income and expense for the quarter January 2013 to March 2013 on an estimated basis, in the absence of availability of data from IMTPDRIP.

## 2.14 Contribution to the Terrorism Pool

The Company in accordance with the IRDA requirements participates in the Terrorism Pool. Terrorism pool is managed by the General Insurance Corporation of India (GIC). Amounts collected as terrorism



premium in accordance with the requirement of Tariff Advisory Committee (TAC) are ceded at 100% of the terrorism premium collected to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retro cedes to the company to the extent of the share agreed to be borne by the company in the risk. Amount so retro ceded by GIC is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool has been recorded only up to 31st December 2012.

## **2.15 Management Expenses**

Operating expenses related to the Insurance Business are allocated to specific business segment on the basis of Gross Written Premium.

Expenses related to Investment activities of share holders fund are charged to the profit and loss account.

## **2.16 Income from Investments**

Income earned from investments is allocated to the revenue accounts and the profit and loss account on the basis of funds available from insurance operations and share holders fund and are further allocated to the lines of business in proportion of their respective gross written premium.

## **2.17 Fixed Assets, Depreciation/Amortization and Impairment:**

Fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price plus any expense directly attributable to bringing the asset to its working condition for its intended use.

Intangible assets comprising computer softwares are stated at cost less amortization.

Assets costing up to Rs. 5,000/- are depreciated fully in the year of acquisition.

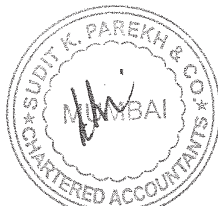
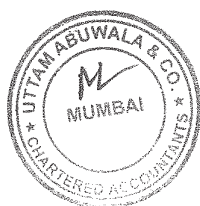
Depreciation on fixed assets is provided on Straight Line Basis using higher of the rates based on economic useful lives of assets as estimated by the management and the rates specified under Schedule XIV to the Companies Act, 1956. The rates of depreciation followed by the Company are as follows:

Particulars	Depreciation rates as per books (SLM)
Vehicles	20.00%
Office Equipments	25.00%
Furniture & Fittings	6.33%
Information Technology Equipments	33.33%
Software (Intangible Assets)	33.33%

Leasehold Improvements are amortized over the lease term. Depreciation is charged on assets from the date the asset is capitalized on a pro-rata basis.

### Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.



## 2.18 Foreign Currency Transactions:

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. All exchange differences arising on settlements/ conversion are recognized in the revenue accounts or profit and loss account as applicable. Monetary items denominated in foreign currencies at the year- end are reinstated at the exchange rate prevailing at balance sheet date.

## 2.19 Investments:

Investments are made in accordance with the Insurance Act, 1938, The IRDA (Investment) Regulation, 2000, The IRDA (Investment) (Amendment) Regulation, 2008 and various circulars/ notifications issued by IRDA in this context from time to time.

Investments are recorded on trade date at cost. Cost includes brokerage, transfer charges, etc. but exclude accrued interest up to the date of purchase.

### Classification:

Investments maturing within a period of twelve months from the date of balance sheet are classified as "Short term Investments" and other investments are classified as "Long term Investments".

### Valuation of Debt Securities:

Debt securities are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortization of premium or accretion of discount on straight line basis over the period of maturity/holding.

### Valuation of Mutual Fund:

Mutual fund units are stated at their 'Net Asset Value' (NAV) as at balance sheet date and any unrealized profit or loss (i.e. difference between cost and NAV) is debited/ credited to fair value change account.

### Fair Value Change Account:

Fair value change account represents unrealized gains or losses in respect of investments in equity securities, derivative instruments and mutual fund units outstanding at the close of the year. The profit or loss on sale of investment includes accumulated changes in fair value previously recognized in respect of that particular investment. This balance of fair value change account is not available for distribution, pending realization.

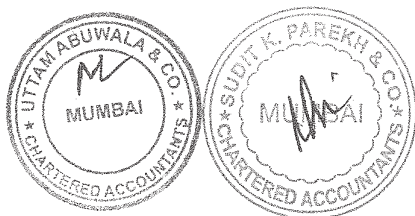
### Impairment of Investments:

The Company at each balance sheet date assesses whether any impairment has occurred to the investments. An impairment loss is recognized as an expense in revenue / profit and loss account to the extent of the difference between re-measured fair value of the security/investment and its acquisition cost as reduced by any previous impairment loss recognized as expense in revenue / profit and loss account. Any reversal of impairment loss previously recognized as expense in revenue / profit and loss account is credited to revenue / profit and loss account.

## 2.20 Employee Benefits:

### 2.20.1 Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries and bonus are recognized in the period in which the employee renders the related service.



## **2.20.2 Post Employment benefits:**

### **2.20.2.1 Defined Contribution Plans:**

The Company contributes to approved Employees Provident Fund Scheme and the Employees Superannuation Fund maintained with Life Insurance Corporation of India (LIC). The Company's contribution paid/payable under the scheme is recognized as an expense in the revenue accounts/ profit and loss account during the period in which the employee renders the related service.

### **2.20.2.2 Defined Benefit Plans:**

The Company contributes to an approved gratuity fund maintained with the Life Insurance Corporation of India. Company's contributions paid/payable under the scheme are recognized as an expense in the revenue accounts/profit and loss account during the period in which the employee renders the related service. Accumulating compensated leave entitlements are provided for on the basis of actuarial valuation on the balance sheet date.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the future obligation under the defined benefit plan is based on the market yields on government securities at the balance sheet date. Actuarial gains or losses are recognized immediately in the revenue/profit and loss account.

## **2.21 Segment Reporting:**

The Company's primary reportable segments are business segments, which have been identified in accordance with the regulations. Segment revenue and results have been disclosed in the financial statements. Due to inherent complexities segment assets and liabilities have been identified to the extent possible in the statement annexed hereto. There are no reportable geographical segments since the Company provides services only to customers in the Indian market or to Indian interests overseas and does not distinguish any reportable regions within India.

## **2.22 Leases:**

Lease payments for assets taken on operating lease are recognized as an expense in the revenue / profit and loss account over the lease term.

## **2.23 Earning Per Share:**

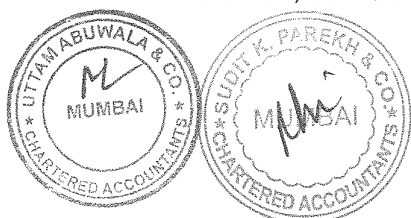
The basic earnings per share is computed by dividing the net profit or loss in the Profit and Loss account attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed, by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the reporting period after adjusting for the effects of all dilutive potential equity shares.

## **2.24 Taxation:**

Income Tax Expense comprises current tax (i.e. amount of tax determined in accordance with the income tax law) and Deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternate Tax (MAT) credit is recognized as an asset to the



extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realized.

#### 2.24.1 Provisions and Contingencies:

A provision is recognized when an enterprise has present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow is remote, no provision or disclosure is made.

### 3. NOTES TO ACCOUNTS

#### 3.1 Statutory disclosures as required by IRDA:

##### 3.1.1 Contingent Liabilities:

(Rs. '000)		
Particulars	As at March 31, 2013	As at March 31, 2012
Partly paid up investments	NIL	NIL
Under writing commitments outstanding	NIL	NIL
Claims, other than those under policies not acknowledged as debt	NIL	NIL
Guarantees given by or on behalf of the Company	NIL	NIL
Statutory demands/liabilities in dispute, not provided for	NIL	NIL
Reinsurance obligations to the extent not provided in the accounts	NIL	NIL
Others	NIL	NIL

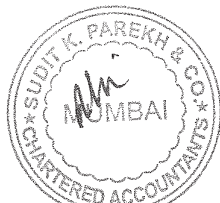
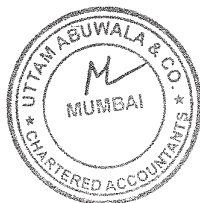
##### 3.1.2 Encumbrances:

The assets of the Company are free from all encumbrances.

##### 3.1.3 Commitments:

Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets is Rs. 563 thousands (Previous year NIL).

There are no commitments made and outstanding for investments and loans.





### 3.1.4 Claims

Claims, less reinsurance paid to claimant –

(Rs. '000)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
In India	58,892	8,116
Outside India	NIL	NIL

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

Ageing of claims less reinsurance is set out in the table below –

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
More than six months	9,442	4,070
Others	8,907	7,780

Claims settled and remaining unpaid for more than six months is Rs. NIL (Previous year Rs. NIL).

3.1.5 Extent of premium income recognized based on varying risk pattern is Rs. NIL (previous year Rs. NIL).

3.1.6 All premiums net of reinsurance are written and received in India.

3.1.7 **Value of contracts in relation to investment, for:**

There are no contracts outstanding in relation to purchases where deliveries are pending and sales where payments are outstanding/ overdue at the end of the year.

Investments made are in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) (Amendment) Regulations, 2000.

The Company has no non-performing assets for the purpose of income recognition as per the directions of IRDA.

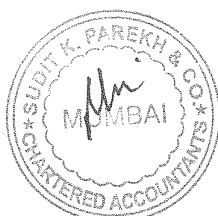
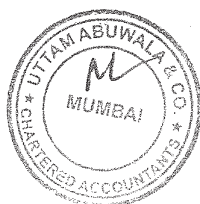
The historical cost of investments in mutual funds which have been valued on a fair value basis is Rs. 43,942 thousands (Previous year Rs. 45,363).

Investments under Section 7 of the Insurance Act, 1938 are as follows:

(Rs. '000)

Name of Security	As at March 31, 2013	As at March 31, 2012
7.17% Government stock 2015	98,421	97,704

The Company does not have any investment in property as at 31<sup>st</sup> March, 2013. (Previous year Rs. NIL)



### 3.1.8 Managerial Remuneration:

(Rs. '000)

Particular's	As at March 31, 2013	As at March 31, 2012
Salaries and Allowances	12,389	11,525
Perquisites	908	901
Bonus	3,000	2,862
Contribution to Provident Fund	624	581
Contribution to Superannuation Fund	484	535
<b>Total</b>	<b>17,405</b>	<b>16,404</b>

Expenses towards gratuity funding and Leave Encashment provision are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information.

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

### 3.1.9 Extent of risk written and reinsured based on the gross written premium /net written premium (excluding excess of loss and catastrophe reinsurance).

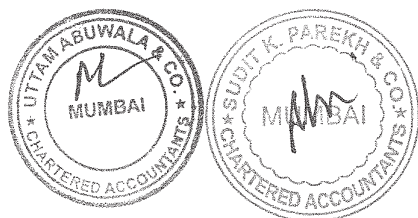
Particulars	Year	Risk Retained	Risk Reinsured
		% of business written	% of business written
Fire	2012-13	33.23%	66.77%
	2011-12	25.90%	74.10%
Marine	2012-13	93.03%	6.97%
	2011-12	94.67%	5.33%
Miscellaneous	2012-13	78.81%	21.19%
	2011-12	79.26%	20.74%
<b>Total</b>	<b>2012-13</b>	<b>75.64%</b>	<b>24.36%</b>
	<b>2011-12</b>	<b>74.16%</b>	<b>25.84%</b>

### 3.1.10 Percentage of Business Sector wise ( Based on the gross direct premium)

Business Sector	For the year ended March 31, 2013			For the year ended March 31, 2012		
	GDP (Rs.'000)	No. of Lives	% of GDP	GDP	No. of Lives	% of GDP
Rural	14,467	-	6.79%	9,560	-	6.47%
Social	853	16,058	0.4%	1,828	14,138	1.24%
Urban	197,699	-	92.81%	136,469	-	92.29%
<b>Total</b>	<b>213,019</b>	<b>-</b>	<b>100.00</b>	<b>147,857</b>	<b>-</b>	<b>100.00</b>

### 3.1.11 Reinsurance Regulations

As per Insurance Regulatory and Development Authority (General Insurance – reinsurance) Regulations, 2000, surplus over and above domestic reinsurance arrangements class-wise can be placed by the insurer independently complying with the sub regulation (7) subject to a limit of 10% of the total reinsurance premium ceded outside India being placed with any one reinsurer. Where it is necessary in respect of specialized reinsurer to cede a share exceeding such limit to any particular reinsurer, the insurer may seek the specific approval of the authority giving reasons for such cession.





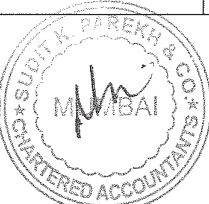
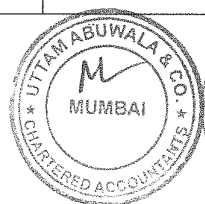
In term of IRDA Reinsurance Regulations, the Company has submitted details in respect of its reinsurance program for the year 2012-13 to the Authority and also communicated all the facultative placements on direct proposals placed during the financial year.

### 3.1.12 Employee benefits:

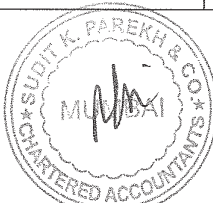
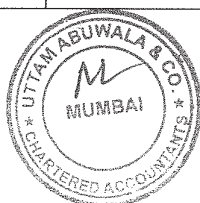
Disclosures as per AS-15 (revised) "Employee Benefits" are as follows:

(Rs. '000)

	Particulars	Gratuity		Leave Encashment	
		2012-13	2011-12	2012-13	2011-12
<b>I</b>	<b>Change in Defined Benefit Obligation</b>				
	Liability at the beginning of the year	2,456	1,605	1,473	1,175
	Interest cost	264	193	160	118
	Current service cost	844	807	564	461
	Past Service cost (Non vested benefit)	-	-	-	-
	Past Service cost (Vested benefit)	-	-	-	-
	Benefits Paid	-	-	(62)	(4)
	Net actuarial gain/ loss on obligation	(423)	(149)	(148)	(277)
	Liability at the end of the year	3,140	2,456	1,987	1,473
<b>II</b>	<b>Fair value of plan assets</b>				
	Fair value of plan assets as at the beginning of the year	2,086	1,397	-	-
	Expected return on the plan assets	186	139	-	-
	Contributions by employer	715	560	62	-
	Benefit Paid	-	-	(62)	-
	Actuarial gain/loss on plan assets	28	(9)	-	-
	Fair value of plan assets as at the end of the year	3,016	2,086	-	-
	Total actuarial Gain/Loss to be recognized	452	140	148	278
<b>III</b>	<b>Actual Return on Plan Assets</b>				



	Particulars	Gratuity		Leave Encashment	
		2012-13	2011-12	2012-13	2011-12
	Expected return on plan assets	186	139	-	-
	Actuarial Gain/loss on Plan Assets	28	(9)	-	-
	Actual Return on Plan Assets	215	129	-	-
<b>IV</b>	<b>Amount recognized in the Balance Sheet</b>				
	Liability at the end of the year	3,140	2,456	1,987	1,473
	Fair value of plan assets as at the end of the year	3,016	2,086	-	-
	Difference	124	369	1,987	1,473
	Unrecognized Past service cost	-	-	-	-
	Net asset or liability recognized in the B/S	124	369	1,987	1,473
<b>V</b>	<b>Expense recognized in Profit and Loss Account</b>				
	Current service cost	844	807	564	461
	Interest cost on benefit obligation	264	193	160	118
	Expected return on plan assets	(186)	(139)	-	-
	Net actuarial gain/loss to be recognized	(452)	(140)	(148)	(278)
	Past service cost (Non vested benefit recognized)	-	-	-	-
	Past service cost (vested benefit recognized)	-	-	-	-
	Expense recognized in the Profit and Loss account	469	722	576	301
<b>VI</b>	<b>Balance Sheet Reconciliation</b>				
	Opening net Liability	369	208	1,473	1,175
	Expenses as above	469	722	576	301
	Contribution by employers/Benefit paid	(715)	(560)	(62)	(4)
<b>VII</b>	<b>Actuarial Assumption for the year</b>				
	Discount Rate	8%	8%	8%	8%

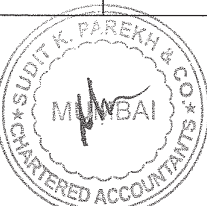
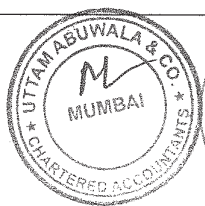


	Particulars	Gratuity		Leave Encashment	
		2012-13	2011-12	2012-13	2011-12
	Escalation Rate	7%	6%	7%	6%
	Rate of Return on Plan Assets	8.5%	8.5%	-	-
	Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method

The Company has recognized Rs. 5,708 thousands (previous year Rs. 4,517 thousands) as an expense in respect of defined contribution plan.

### 3.1.13 Summary of Financial Statements

Particulars	(Rs.'000)				
	2012-13	2011-12	2010-11	2009-10	2008-09
Operating Results					
Gross written premium	283,660	228,310	88,026	19,433	-
Net premium income	179,984	148,000	(476)	(28,221)	-
Income from investment	18,235	11,651	4,319	330	-
Miscellaneous Income	1,168	2,474	567	197	-
Total Income	199,387	162,125	4,411	(27,694)	-
Commission	27,781	13,849	3,581	1	-
Operating Expense	127,830	124,339	142,905	119,481	-
Claims, Increase in URR and other outgoes	126,367	112,797	35,372	9,428	-
Operating Profit/Loss	(82,591)	(88,860)	(177,447)	(156,603)	-
Non Operating Results	-	-	-	-	-
Total Income Under Share holder's account	168,292	149,551	106,302	100,805	54,413
Profit/Loss before tax	81,281	57,654	(72,723)	(57,193)	(66,191)
Provision for tax	(10,232)	(339)	-	-	405
Profit/Loss after tax	91,513	57,994	(72,723)	(57,193)	(66,596)
Miscellaneous Policy holder's account		Not applicable being general insurance company			
Total Funds	-	-	-	-	-
Total Investments	-	-	-	-	-



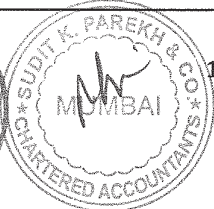
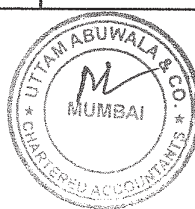
Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Yield on investments	-	-	-	-	-
Shareholder's account		Not applicable being general insurance company			
Total Funds	-	-	-	-	-
Total Investments	-	-	-	-	-
Yield on investments	-	-	-	-	-
Paid up Equity Capital	2,070,000	2,070,000	2,070,000	2,070,000	2,000,000
Net Worth	1,997,661	1,906,084	1,847,499	1,920,456	1,978,025
Total Assets	2,287,672	2,092,869	1,915,698	1,949,531	1,987,983
Yield on Total Investments	8.89%	8.49%	6.86%	5.61%	-
Earning per Share	0.44	0.28	(0.35)	(0.28)	(0.87)
Book value per Share	9.65	9.21	8.93	9.28	9.89
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-

#### 3.1.14 Analytical Ratios as on 31<sup>st</sup> March :

For ratios as at March 31, 2013 refer Annexure 1a and for March 31, 2012 refer Annexure 1b.

#### 3.1.15 Details of penal action from Government Authorities:

Sl No.	Authority	Non-Compliance/ Violation	Amount in Rs.		
			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

\*Post listing

### 3.1.16 Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders

Particulars	Total Amount (INR'000)	AGE-WISE ANALYSIS						
		1-6 months	7-12 months	13-18 months	19- 24 months	25 - 30 months	31 - 36 months	Beyond 36 Months
claims settled but not paid to the policyholders / insureds due to any reasons except under litigation from the insured / policyholders	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
sum due to the insured / policyholders on maturity or otherwise	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Cheques issued but not encashed by the policyholder/ insured	2,063	1,903	160	NIL	NIL	NIL	NIL	NIL

## 3.2 Other Disclosures

### 3.2.1 Contribution to the Environment Relief fund

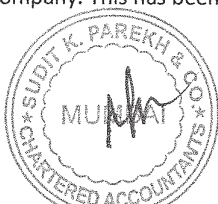
The Company has collected an amount of Rs. 363 thousands (previous year – Rs. 229 thousands) towards Environment Relief Fund from Public Liability policies. The company has paid all the amounts collected towards Environment Relief Fund up to 31<sup>st</sup> March, 2013, to the United India Insurance Company Limited.

### 3.2.2 Contribution to the Solatium Fund

In accordance with the IRDA requirements, the Company has provided 0.10% of total third party premium on all motor policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the Solatium Fund.

### 3.2.3 Micro and Small scale business entities:

There are no dues to Micro and Small Enterprises which are outstanding at the balance sheet date. This information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company. This has been relied upon by the auditors.



### 3.2.4 Prior period adjustments:

Operating expenses includes prior period income/ (expenses) as under –

(Rs.'000)

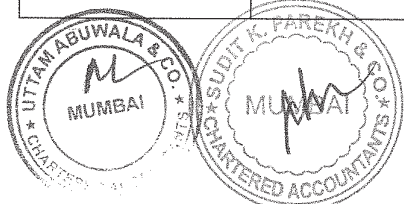
SR. No.	Particulars	2012-13	2011-12
1	Rent, Rates & Taxes	-	(551)
2	Provision for IT Support & Internet charges	-	-
3	Subscription & Membership fees	-	-
4	Employees Remuneration & Welfare Benefits	-	-
5	Travel, conveyance and vehicle running expenses	-	(106)
6	Professional Charges	-	-
7	Expenses (Communication, Office maintenance & Custodian charges)	-	-
8	Communication Expense	-	(30)
9	Office Utilities Expense	-	(21)
10	Entertainment Expense	-	(1)

### 3.2.5 Segmental Reporting :

Segment revenue and segment results have been incorporated in the financial statements. However, assets and liabilities, given the nature of business, have been allocated among the various segments to the extent possible.

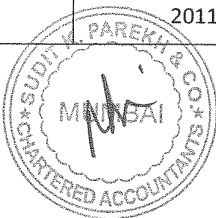
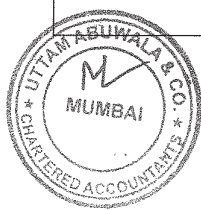
(Rs.'000)

Segment	Year	Claims Outstanding	Advance Premium	Reserve for unexpired risk
Fire	2012-13	5,560	-	2,041
	2011-12	3,524	-	1,356





Marine Cargo	2012-13	301	-	199
	2011-12	769	-	467
Marine Hull	2012-13	-	-	-
	2010-11	-	-	-
Motor OD	2012-13	411	-	523
	2011-12	576	-	853
Motor TP	2012-13	5,725	406	1,536
	2011-12	20,613	88	8,055
Employer's Liability	2012-13	909	-	621
	2011-12	258	-	561
Engineering	2012-13	2,475	-	1,620
	2011-12	3,519	-	1,097
Public Liability	2012-13	3,397	-	9,661
	2011-12	3,349	298	3,874
Other Liability	2012-13	22,604	444	85,127
	2011-12	13,875	5,021	47,474
Personal Accident	2012-13	1,318	231	2,788
	2011-12	1,515	8	2,286
Health	2012-13	33		91
	2011-12	-	-	-



All Risk	2012-13	43,267	-	21,358
	2011-12	6,052	-	24,364
Other Misc.	2012-13	32	-	618
	2011-12	100	153	202
Total	2012-13	86,032	1,081	126,183
	2011-12	54,148	5,568	90,588

### 3.2.6 Related Party disclosures:

- a. Following is the list of related parties:

Nature of Relationship	Name of the Related Party
Holding Company	Prism Cement Limited
Enterprise where Director is having significant influence	Windsor Realty Private Limited
Enterprise where Director is having significant influence	Globus Stores Private Limited
Joint Venture Partner	QBE Holdings (AAP) Pty Limited
Holding Company of Joint Venture Partner	QBE Insurance Group Limited
Fellow Subsidiary of Joint Venture Partner	QBE Insurance (International) Limited QBE Insurance (Europe) Limited QBE Insurance (Australia) Limited QBE Management Services Pty Limited QBE Re Services Pty Limited
Key Management personnel and relative of such personnel	Mr. Praveen Gupta – Chief Executive Officer & Managing Director



b. Details of transactions with related parties:

(Rs.'000)

Particulars	Nature of Transactions	2012-13		2011-12	
		Rupees	Receivable /(Payable)	Rupees	Receivable /(Payable)
Prism Cement Limited	Premium received**	9,441	-	8,512	-
	Premium deposit**	224	-	404	-
	Contribution towards Environmental Relief Fund	138	-	144	-
	Claims paid	915	(3,731)	5,062	(1,461)
	Rent paid	360	-	260	-
	Security Deposit	-	300	300	300
Windsor Realty Private Ltd.	Re-imbursement of expenses	-	-	20	-
	Rent paid	16,342	-	16,395	-
	Security Deposit	-	15,762	-	15,762
Globus Stores Pvt. Ltd.	Premium received**	270	-	287	-
	Premium deposit**	6	-	-	-
QBE Insurance (International) Limited	Training expenses	103	-	-	-
	Subscription fees	102	-	-	-
	Re-imbursement of expenses	452	-	-	-
QBE Management Services Pty Limited	Data Communication Charges	-	(1,222)	1,568	(1,222)
QBE Insurance (Europe) Limited	Reinsurance premium paid	29,801	(8,155)	27,568	(9,014)
	Reinsurance commission received	5,614	1,945	5,886	1812
	Claim Recovery	30	-	-	-
QBE Insurance (Australia) Limited	Reinsurance premium paid	314	(314)	-	-
	Reinsurance commission received	63	63	-	-
QBE Re Services Pty Ltd.	Re-imbursement of expenses	-	-	14	-
	Training expenses	738	-	478	-
Praveen Gupta	Remuneration*	17,405	(3,000)	16,404	(3,100)

\*Expenses towards gratuity funding and Leave Encashment are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information.

\*\* The premium/premium deposit amounts are excluding service tax and other levies.

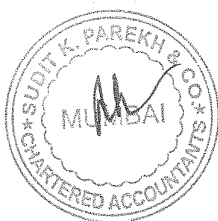
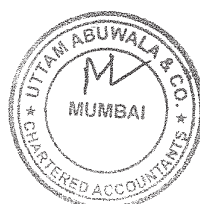
3.2.7 Lease:

The Company has taken office premises on lease.

a. Lease rent debited to Profit and Loss Account:

(Rs.'000)

Particulars	As at March 31, 2013	As at March 31, 2012
Leave and License Expenses	18,156	17,413



- b. The minimum lease payments to be made in future towards non cancelable operating lease agreements are as follows:

(Rs. '000)

Particulars	As at March 31, 2013	As at March 31, 2012
Not later than one year	14,288	17,146
Later than one year and not later than five years	NIL	14,288
Later than five years	NIL	NIL

- c. The period of lease agreement is for 5 years, with a lock in period of 3 years and renewable with an escalation clause at the option of the lessee.

### 3.2.8 Earnings per Share:

Particulars	As at March 31, 2013	As at March 31, 2012
Net profit / (Loss) for the period (Rs in '000)	91,513	57,994
Total no of share outstanding at end of year	207,000,000	207,000,000
Weighted average no of equity share	207,000,000	207,000,000
Nominal value per share	Rs. 10	Rs. 10
Basic Earning per share	0.44	0.28
Diluted Earning per share	0.44	0.28

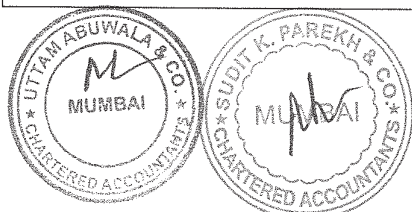
**Note:** As there were no dilutive or potential equity shares issued, no reconciliation between the denominator used for computation of basic and diluted earnings per share is necessary.

### 3.2.9 Deferred taxes:

Accounting Standard 22 – 'Accounting for Taxes on Income' requires the Company to accrue taxes on income in the same period as the revenue and expenses to which they relate. As the taxable income is different from the reported income due to timing differences, there arises a potential deferred tax asset or deferred tax liability, as the case may be. The components of the Company's deferred tax liabilities and assets are tabulated below:

(Rs. '000)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Deferred Tax Assets:</b>		
Unexpired risk reserve	-	185
Leave Encashment	283	92




Gratuity	205	50
Unabsorbed Depreciation/ Losses	4,555	-
Fixed Assets (Depreciation)	5,516	-
<b>Deferred Tax Assets</b>	<b>10,559</b>	<b>327</b>

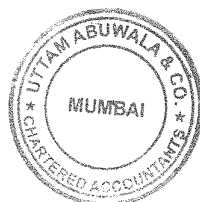
3.2.10 Previous years figures have been regrouped / reclassified wherever necessary to confirm to current year classifications.

As per our Report of even date attached.


**For Uttam Abuwala & Co.**  
Chartered Accountants  
Firm Registration No. 111184W

  
**M.B. Agarwal**  
Partner  
Membership No. 109143

Mumbai,  
Date: 30<sup>th</sup> April 2013





**For Sudit K. Parekh & Co.**  
Chartered Accountants  
Firm Registration No. 110512W

  
**Raman Jokhakar**  
Partner  
Membership No 103241




**For and on behalf of the Board of Directors**

  
**Akshay Raheja**  
Director

  
**Michael Goodwin**  
Director

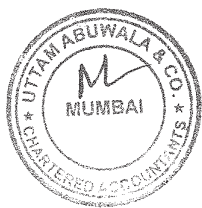
  
**Praveen Gupta**  
Chief Executive Officer  
& Managing Director

  
**Ashish Kumar**  
Company Secretary

Mumbai,  
Date: 30<sup>th</sup> April 2013

**Annexure-1 a Analytical Ratios as at March 31, 2013**

Particulars	Fire	Marine	Misc	Total
Gross Premium growth rate	60.49%	39.64%	43.45%	44.07%
Gross Premium to Avg. Shareholder's fund ratio	-	-	-	10.66%
Growth rate of Shareholder's fund	-	-	-	4.80%
Net Retention Ratio	66.60%	106.41%	85.22%	84.49%
Net Commission Ratio	4.48%	14.94%	13.78%	13.40%
Expense of Management to Gross Premium ratio	107.63%	80.38%	71.94%	73.41%
Combined Ratio	121.37%	112.84%	87.71%	89.13%
Technical Reserve to Net Premium ratio	168.63%	200.99%	117.45%	119.28%
Underwriting balance ratio	(121.03)%	(14.03)%	(37.70)%	(40.33)%
Operating Profit Ratio	(61.51)%	(70.34)%	(27.96)%	(28.82)%
Liquid Ratio	-	-	-	895.50%
Net Earning Ratio	-	-	-	50.85%
Return on net worth	-	-	-	4.58%
Reinsurance ratio	70.90%	22.44%	33.97%	36.55%





**Annexure-1 b Analytical Ratios as at March 31, 2012**

Particulars	Fire	Marine	Misc	Total
Gross Premium growth rate	117.46%	(18.83)%	208.13%	201.98%
Gross Premium to Avg. Shareholder's fund ratio	-	-	-	7.76%
Growth rate of Shareholder's fund	-	-	-	3.15%
Net Retention Ratio	97.64%	285.24%	99.84%	100.10%
Net Commission Ratio	5.22%	17.03%	12.93%	12.65%
Expense of Management to Gross Premium ratio	226.08%	119.61%	91.77%	96.75%
Combined Ratio	279.30%	454.17%	96.81%	104.15%
Technical Reserve to Net Premium ratio	133.15%	200.37%	97.66%	99.46%
Underwriting balance ratio	(172.16)%	(125.16)%	(41.81)%	(46.90)%
Operating Profit Ratio	(110.01)%	(82.52)%	(34.41)%	(37.36)%
Liquid Ratio	-	-	-	959.26%
Net Earning Ratio	-	-	-	39.19%
Return on net worth	-	-	-	3.04%
Reinsurance ratio	75.92%	22.44%	31.04%	35.18%

