



FOR 75 YEARS,
WE'VE BRIGHTENED LIVES,
SAFEGUARDED ENTITIES,
NURTURED ASPIRATIONS
AND SHOWN THE WAY.

AND WE SHALL CONTINUE
TO BETTER OURSELVES...

**UNITED INDIA -
GOING GLORIOUS**

वार्षिक प्रतिवेदन / ANNUAL REPORT
2012 - 2013



**युनाइटेड इंडिया इंश्यूरेन्स कंपनी लिमिटेड
UNITED INDIA INSURANCE COMPANY LTD.**



United India Insurance pays 106 Crores Dividend for the Year 2012-13



Shri Milind Kharat, CMD, United India Insurance presenting the Dividend Cheque to Shri P. Chidambaram, Hon'ble Union Finance Minister in the presence of Shri Rajiv Takru, Secretary, Department of Financial Services, Ministry of Finance and Smt. Ramma Bhasin, General Manager.





OUR VISION

We, The Company, will be

- the most preferred insurer in India, with global footprint & recognition.
- a trusted brand admired by all stakeholders.
- the best-in-class customer service provider leveraging technology & multiple channels.
- the provider of a broad range of innovative products to meet the needs of all customer segments.
- a great place to work with highly motivated and empowered employees.
- recognised for its contribution to the society.



PLATINUM JUBILEE CELEBRATIONS - MUMBAI



As a part of Platinum Jubilee Celebrations, a function was held in Mumbai on 28-12-2012 which was graced by
Shri Prithviraj Chavan,
Honourable Chief Minister of Maharashtra, as the Chief Guest.



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BOARD OF DIRECTORS



MILIND KHARAT
Chairman-cum-Managing Director



PRIYA KUMAR
Director



T.M. BHASIN
Director



A. THRIVIKRAMAN THAMPI
Director



S. SURENTHAR
Director, General Manager &
Financial Advisor



ASHA NAIR
Director & General Manager

DIRECTORS & EXECUTIVES

Chairman-cum-Managing Director
Milind Kharat (from 18-10-2012)
G. Srinivasan (upto 17-10-2012)

Directors

Priya Kumar
T.M. Bhasin
A. Thrivikraman Thampi
S. Surenther (from 10-9-2012)
V. Harshavardhan (upto 30-9-2012)
Asha Nair (from 1-10-2012)

Executives

Chairman-cum-Managing Director
Milind Kharat

General Managers

S. Surenther (from 10-9-2012)
V. Harshavardhan (upto 30-9-2012)
P.J. Joseph (upto 17-10-2012)
Asha Nair
B. Krishnamurthy
B.M. Thakkar (upto 09-11-2012)
M.V.V. Chalam (from 29-10-2012)
A. Hoda (from 29-10-2012)
V.E. Kaimal (from 29-10-2012)
T.L. Alamelu (from 29-10-2012)

Financial Advisor

S. Surenther (from 30-10-2012)
B.M. Thakkar (upto 29-10-2012)

Chief Vigilance Officer

Rajasekharan

Deputy General Managers

M. Elango
R.S. Singhal
A.K. Gupta
Ramma Bhasin
S.K. Munjal
S.P. Nanda
R. Shivakumar

P. Hemamalini
V. Sajan
A. Balasubramanian
M. Sashikala
Mohd. Zafir Alam
R. Hariharan
P.V.S. Laxmi Prasad
P.K. Mahapatra
K. Govindarajan
K.B. Vjiay Srinivas
N. Pauly Sukumar
V. Srinath
Usha Ramaswamy
B.B. Dash
Vinod Bharathan

Company Secretary

S. Venkataraman

Auditors

M/s. Manohar Chowdhry & Associates
M/s. Kalyanasundaram & Co.
M/s. V. Krishnan & Co.

Chief Underwriter

P.K. Mahapatra, Deputy General Manager

Chief Risk Officer

K. Govindarajan, Deputy General Manager

Chief Grievance Officer

V.E. Kaimal, General Manager

Chief Information Officer

B.L.Narasimha Rao, Chief Manager

Principal Compliance Officer (Anti-Money Laundering)

P. Hemamalini, Deputy General Manager

Chief Compliance Officer

V. Srinath, Deputy General Manager



RECOGNITION FOR THE COMPANY AWARDS & ACCOLADES



General Insurance Company of the Year 2012 and
'e' Business Leader Award 2012
at the Indian Insurance Awards 2012.



SKOCH Digital Inclusion Award 2012.



Best General Insurance Provider –
CNBC – TV 18 – IBFA Award – Indian Best Banks and
Financial Institutions Award.



Finnoviti Award – for
(a) Super Top-up Mediclaim Policy &
(b) Community based claims settlement.



SKOCH Financial Inclusion Award 2013
for efficient implementation of
M-Power – the premium payment service through Mobile.





M-Powered to win!



Shri Milind Kharat, CMD, United India Insurance receiving 'Skoch Financial Inclusion Award 2013' for ICT based Innovation-M-Power from Shri C. Rangarajan, Chairman, Prime Minister's Economic Advisory Council

United India wins
The Skoch Financial Inclusion Award 2013!
(For M-Power Project in the ICT based innovation category)



WINNING AGAIN



CNBC HAS AWARDED UNITED INDIA FOR BEING
THE BEST GENERAL INSURANCE PROVIDER
IN THE PUBLIC SECTOR
FOR THE YEAR 2012.



Notice

NOTICE is hereby given that the SEVENTY-FIFTH ANNUAL GENERAL MEETING of the Members of the Company will be held on FRIDAY the 24th May, 2013 at the Registered Office of the Company at 24, Whites Road, Chennai - 600 014 at 3.30 p.m. to transact the following business:

- (1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st March 2013.
- (2) To declare dividend on Equity Shares.
- (3) To authorise the Board of Directors to fix the remuneration of Auditors, to be appointed by the C & AG, for the year 2013-14.

(By Order of the Board)
for United India Insurance Company Limited

Chennai
20th May 2013

S. VENKATARAMAN
Company Secretary

Notes:

1. Any member, entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member.
2. The Proxy Form duly stamped and executed, should be deposited at the registered office of the company not less than forty eight hours before the time fixed for the commencement of the meeting.

CORPORATE MANAGEMENT



MILIND KHARAT
Chairman-cum-Managing Director



S. SURENTHER
Director, General Manager &
Financial Advisor



ASHA NAIR
Director & General Manager



B. KRISHNAMURTHY
General Manager



M.V.V. CHALAM
General Manager



A. HODA
General Manager



V.E. KAIMAL
General Manager



T.L. ALAMELU
General Manager



RAJASEKHARAN
Chief Vigilance Officer

CORPORATE MANAGEMENT



M. ELANGO
Dy. General Manager



S.P. NANDA
Dy. General Manager



R. SIVAKUMAR
Dy. General Manager



P. HEMAMALINI
Dy. General Manager



A. BALASUBRAMANIAN
Dy. General Manager



M. SASHIKALA
Dy. General Manager



P.K. MAHAPATRA
Dy. General Manager



K. GOVINDARAJAN
Dy. General Manager



V. SRINATH
Dy. General Manager



USHA RAMASWAMY
Dy. General Manager



B.B. DASH
Dy. General Manager

REGIONAL INCHARGES

Northern Zone



R.S. SINGHAL, DGM
Jaipur RO



RAMMA BHASIN, DGM
New Delhi RO-1



S.K. MUNJAL, DGM
New Delhi RO-2



S.P. AGARWAL, CRM
Chandigarh RO



M.K. GUPTA, CRM
Ludhiana RO



R.K. AGARWAL, CRM
Lucknow RO



S.N. SAXENA, CRM
Dehradun RO

Eastern Zone



P.V.S. LAXMI PRASAD, DGM
Kolkata RO



A.K. SEKHRI, CRM
Patna RO



SANJEEV KUMAR, CRM
Bhubaneswar RO



M.N. SONOWAL, CRM
Guwahati RO

REGIONAL INCHARGES

Western Zone



R. HARIHARAN, DGM
Pune RO



N. PAULY SUKUMAR, DGM
Bhopal RO



VINOD BHARATHAN, DGM
Mumbai RO-1



V.K. RAMACHANDER, CRM
Mumbai RO-2



K.K. PANDA, CRM
Nagpur RO



A.N. RAI, CRM
Ahmedabad RO



RAVI RAI, CRM
Vadodara RO

Southern Zone



A.K. GUPTA, DGM
Hyderabad RO



V. SAJAN, DGM
Kochi RO



MOHD. ZAFIR ALAM, DGM
Bangalore RO



K.B. VIJAY SRINIVAS, DGM
Chennai RO



S. CHOWDHURY, CRM
Vizag RO



V. RAGHUNATHAN, CRM
Madurai RO



Dr. A.D. VENIKAR, CRM
Hubli RO



ABDUL AZEEZ, CRM
Coimbatore RO

LARGE CORPORATE & BROKERS CELL INCHARGES



SOUMYA MUKHERJEE
LCB Mumbai



S.P. NATHAN
LCB Chennai



VIJAY SHARMA
LCB Delhi



M.P. JAYAPRAKASH
LCB Bangalore



A.R.K. REDDY
LCB Hyderabad



A.K. AGARWAL
LCB Pune

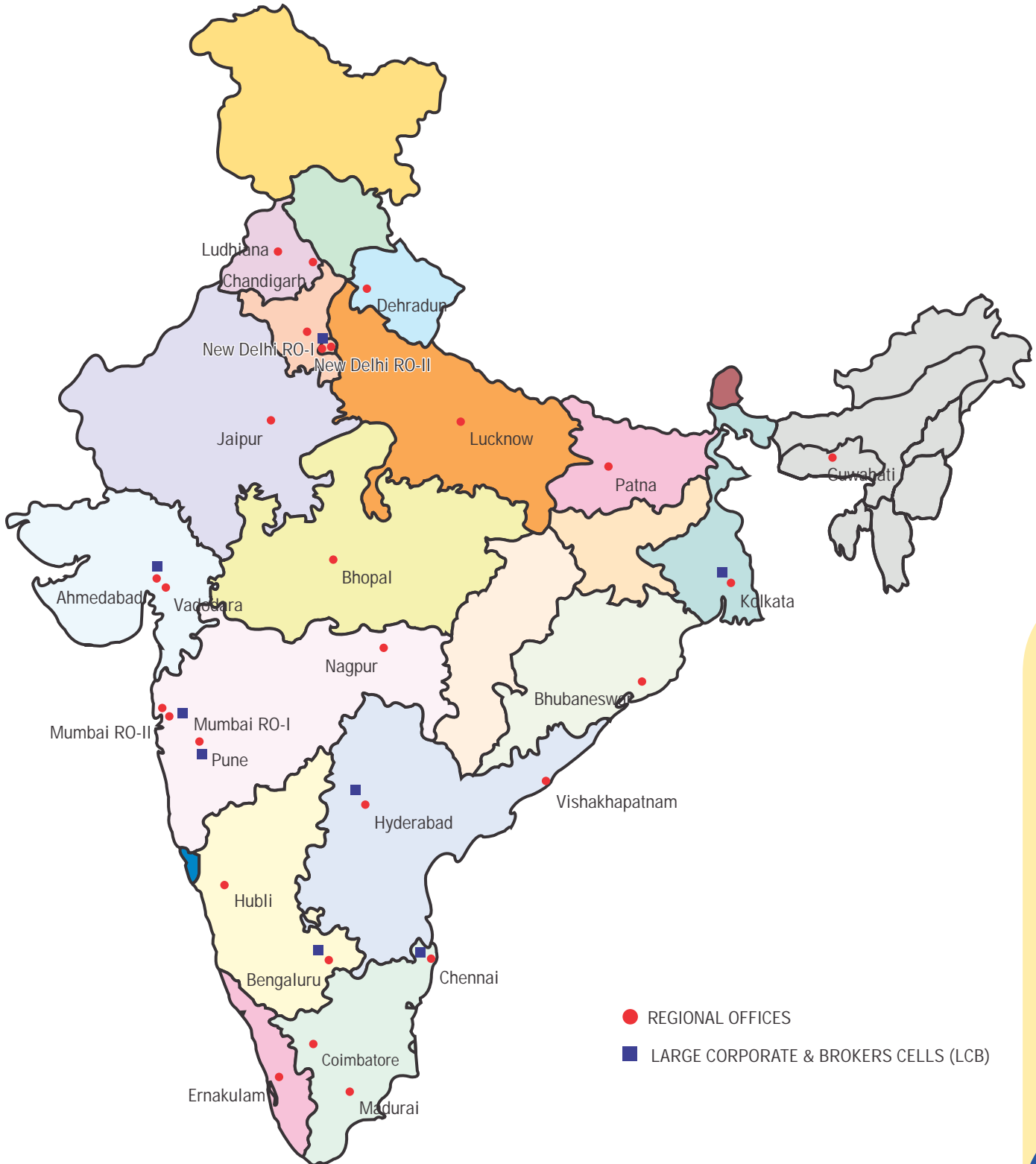


ASHIM KUMAR MUKHERJEE
LCB Kolkata



RAJEEV KUMAR SAXENA
LCB Ahmedabad

List of Regional Offices and Large Corporate & Brokers Cells (LCB)





From the CMD's Desk..

I wish to place on record my appreciation and gratitude to the Board of Directors, the employees, intermediaries, vendors, IRDA and our esteemed customers, for their continued support and goodwill for the Company, which helped it to perform better not only in terms of business growth but also in delivery of customer service. The Company has been growing in stature over the years and also strengthened its institutional fabric to be seen as a vibrant and leading non-life Insurance Company in India.

Although the business growth of the Company was subdued in the year, nevertheless the overall performance of the Company was good. The incurred claims ratio has come down year on year resulting in reducing underwriting losses. Notwithstanding the rise in the expenses of management, which was primarily due to enhanced provision towards gratuity and pension liabilities, the combined ratio has come down to 116%, a drop of 17% from what it was two years ago. The Company will continue to focus on growth, reduction in combined ratio and providing a better customer experience.

Owing to abysmally low general insurance penetration at 0.70% and density of USD 10, coupled with growing insurance literacy and awareness, highly favourable demographics, enhanced Government initiatives towards insurance inclusion of the large unsecured population, growing focus on infrastructure investment, etc., the potential for the growth of the industry in India is humongous. The Company has devised the right business strategy to capitalise on these growth opportunities and thereby serve the larger social and economic cause of the Country. The Company has a sound governance model guiding its operations by taking all the stakeholders on board, for its long term sustenance.

During the year, the Company has plans to expand its footprint by opening Offices upto Class IV unrepresented towns as also tie-up with BCs and BCAs as micro insurance agents and thus take general insurance into the untapped hinterland of the Country. The Company has tied up with Agricultural Insurance Company of India to sell crop insurance products in the notified districts of the Country and we plan to ramp up the same in the current year as part of the larger initiative to take insurance to the doorstep of the common man.

The Company has robust fundamentals, a large, talented and experienced workforce and an unalloyed zeal to deliver excellence across various business and operational parameters. I am sure with this eclectic combination, United India will continue to scale greater heights in performance and customer service delivery.

MILIND KHARAT

Performance Highlights for 2012-13

GROSS DIRECT
PREMIUM
₹ 9266.04
CRORES

NET EARNED
PREMIUM
₹ 7250.94
CRORES

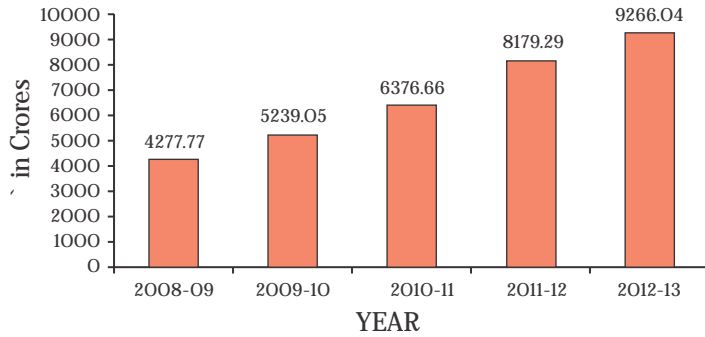
PROFIT
BEFORE TAX
₹ 617.86
CRORES

PROFIT
AFTER TAX
₹ 527.33
CRORES

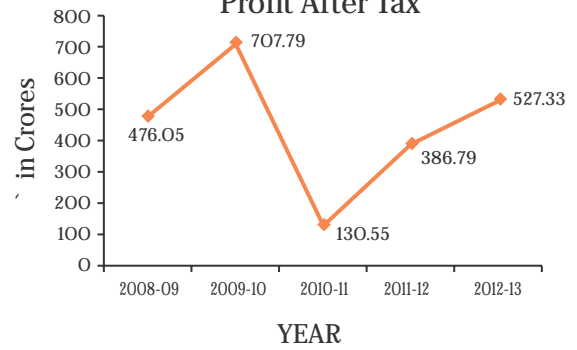
SOLVENCY
MARGIN
2.52

NET
WORTH
₹ 4944.92
CRORES

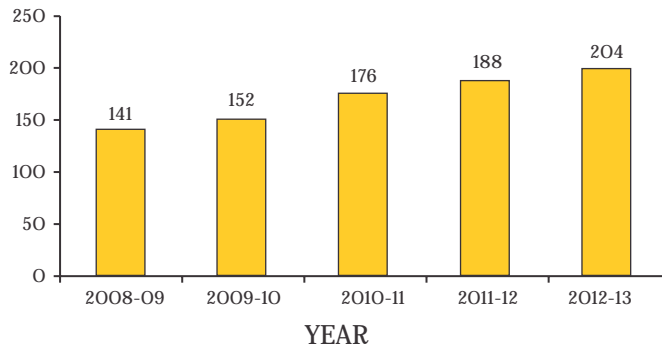
Premium Growth



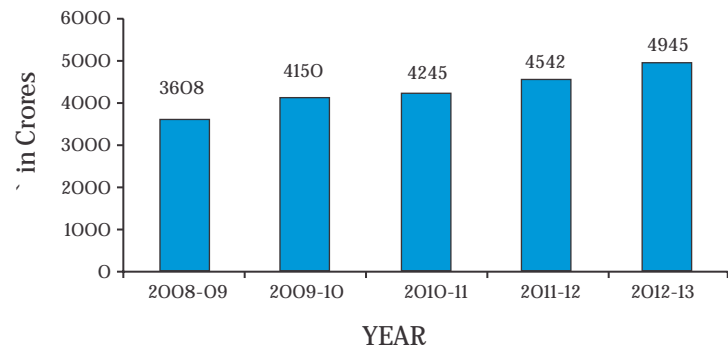
Profit After Tax



Number of Policies (No. in lakhs)



Net Worth



I) REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

The Directors have pleasure in presenting the Seventy-fifth Annual Report of the Company together with the Audited Statement of Accounts and Balance Sheet for the year ended March 31, 2013.

1. STATUTORY AUDITORS' REPORT

We have great pleasure in informing you that your Company's accounts have been certified by the statutory auditors' of the Company without any qualification in their audit report for the year 2012-13 consecutively for the fifth time confirming again the

strength of the quality of accounts. The financial results are finalized and placed before you on 26th April 2013 well ahead of almost all players in the industry and as a first amongst public sector insurance companies showing the strength of the internal resources.

The Company's performance in adoption of accounts by the board and the completion of Annual General Meeting well in advance as given in the table below proves your Company's consistent and qualitative submission of accounts.

Year	Statutory Audit Comments	CAG Comments on the Annual Accounts	Date of Board Meeting	Date of AGM
2008-09	Nil	Nil	30 April 2009	8 July 2009
2009-10	Nil	Nil	30 April 2010	31 May 2010
2010-11	Nil	Nil	28 April 2011	2 June 2011
2011-12	Nil	Nil	28 April 2012	31 May 2012
2012-13	Nil	Nil	26 April 2013	To be held

2. FINANCIAL PERFORMANCE

We are also pleased to report on business performance and operating results of the Company. (₹ in crores)

Particulars	Current Year 2012-13	Previous Year 2011-12
Gross Premium Income	9266.04	8179.29
Net Premium	7489.08	6779.52
Net Earned Premium	7250.94	6087.24
Claims Incurred	6134.92	5386.94
Commission	308.08	356.92
Operating Expenses	2001.62	1566.06
Other Income/(Expenses)	-42.27	23.31
Investment Income	1853.80	1668.65
Profit Before Tax	617.85	469.28
Provision for Taxation	90.52	82.49
Profit After Tax	527.33	386.79

3. BUSINESS REVIEW AND SUMMARY OF OPERATIONS

a) Reinsurance

The Reinsurance market is stable and reinsurers have maintained the rates in our non-proportional treaties. However, the capacity for proportional treaties continues to be a challenge, as many reinsurers are reluctant to lend capacity. The result is that Marine Hull surplus treaty became unavoidable to the market. The property surplus treaties were renewed with restrictive conditions like last year such as Event Limit, Loss Participation Clause etc.

The Company has successfully placed all its treaties with reinsurers who comply with the standards set by the IRDA.

The Obligation cession to GIC Re has been reduced to 5% from 10% with a capping depending on the line of business from 2013-14.

b) Corporate Transformation Project “Unisurge”

The details of performance of various business verticals which were established under Unisurge during the year 2012-13 are as follows:

- **Agency Vertical:**

The Umex Agency Channel which represents active and working individual agents completed a premium income of ` 4125.23 crores – accounting for 45% of the Company’s premium – with an accretion of ` 675.21 crores and registering a growth rate of 20%. The strength of active individual agents went upto 56,705 on 31-03-2013 from 47,266 agents as on 31-03-2012. During the year, 1,936 agents have been given portal facility through which 2,06,108 policies have been issued and a premium of ` 30.62 crores has been booked by the agents.

- **Motor Dealer Vertical:**

The motor dealer verticals completed a premium income of ` 356.22 crores – which

includes premium procured through National level tie-ups with 4 Automobile manufacturers making an accretion of ` 32.39 crores at a growth rate of 10%.

- **LCB:**

The LCB (Large Corporate and Broker Cells) Offices completed a premium of ` 968.72 crores with an accretion of ` 96.10 crores registering a growth rate of 11.01%.

- **Service Hub:**

As part of the Transformation Project 19 Service Hubs were started which achieved a claim disposal ratio of 93.37% with an average TAT of 42.1 days.

- **TP Hub:**

22 TP Hubs settled 13,833 claims during 2012-13 and achieved a claim settlement ratio of 33.95%. 2,588 claims were settled in conciliation by the TP Hubs.

c) Share Capital

Authorised Share Capital of the Company is ` 200 crores. The Paid Up Capital of the Company is ` 150 crores as on 31st March, 2013.

d) Reserves

An amount of ` 177.69 crores was transferred to General Reserves in the year 2012-13. The transfer represents 33.70% of the profit after tax. A sum of ` 225.65 crores was transferred to Contingency Reserve during the year.

(` in crores)

	2012-13	2011-12
Paid Up Capital	150.00	150.00
Reserves and Surplus	4802.63	4397.47

e) Dividend

The Directors recommend a dividend of 71% on the paid-up capital for the year ended 31st March 2013. Total outgo in the form of dividend, including taxes, will be ₹ 124 crores.

f) Solvency Margin

(₹ in crores)

- Required solvency margin under IRDA regulations 1833.25
- Available Solvency Margin 4615.81

The solvency ratio as on 31-03-2013 was 2.52 as against 2.71 as on 31-03-2012.

g) Compliance with Section 40C

	2012-13	2011-12
Percentage of expenses prescribed under the Act	19.68%	19.65%
Company's actual percentage of expenses	21.59%	19.14%
Percentage of expenses including Commission prescribed under the Act	25.04%	25.62%
Company's actual percentage of expenses including Commission	27.26%	25.36%

The above percentages are calculated on Gross Direct Premium.

h) Claims Management

The claims settlement ratio for suit and non-suit claims for the FY 2012-13 stands at 36.10% and 91.15% respectively. The Company has maintained its performance in the area of claims management over the years which have been a high priority area in its operations. The high claim settlement ratio has enabled the Company to better its customer service and the introduction of TP Hubs and Service Hubs have helped in faster claims settlements.

STATUS OF CLAIMS SETTLEMENT

	No. of o/s claims as on 01-04-2012	No. of claims intimated during 2012-13	No. of claims settled during 2012-13	No. of claims O/s as on 31-3-2013	Claims Settlement Ratio 2012-13
Suit	183776	117067	108604	192239	36.10%
Non-Suit	114049	2317498	2216234	215313	91.15%
Total	297825	2434565	2324838	407552	85.08%

The age-wise claims outstanding for the year 2012-13 is as follows : -

AGE-WISE ANALYSIS OF PENDING CLAIMS

Pending for	Suit	Non-Suit	Total
Less than 6 months	13457	161775	175232
More than 6 months	178782	53538	232320
Total	192239	215313	407552

i) Plans/Outlook of Industry and Company for 2013-14

The Company remains focused to retain its pre-eminent position and also increase its market share in 2013-14. The Company plans to grow in all segments and in all geographical regions to complete a premium of ` 11,000 crores. The Indian economy will ramp up its growth in the future with its emphasis on infrastructure projects – road, ports and power. There has been several silver linings observed in the recent past. The world commodity price, especially petroleum has come down. Furthermore with the rising disposable incomes, the penetration of general insurance which is at a dismal 0.71% of GDP is poised to increase. The automobile and health insurance sector will grow at much faster pace than the economic growth.

The total number of agents on roll has reached 56,705 enhancing our reach and rural penetration. The recruitment, training, hand holding and mentoring of new agents will continue with the objective of retail business development at the same time generating rewarding employment to the unemployed and underemployed youth. Premium from agency channel is expected to grow at a minimum of 40% in the coming year.

In order to expand our geographical reach and penetration, we intend to open 400 offices in Tier III and Tier IV towns. To take the insurance to the doorsteps of people living in the rural hinterland,

we intend to utilize the services of Business correspondents and get the most out of 'feet on street' marketing through the BCAs and micro agents.

The Company's initiatives leveraging the Information Technology through web marketing portals, Kiosk, M-Power are beginning to provide the needed fillip to the Company's growth and the company proposes to upgrade the capabilities in the current year. The Company's vertical for motor has been able to enter into business tie-ups with major automobile manufacturers and large number of dealers. Efforts to grow in motor at a rate higher than the market growth will continue in the coming year too. The Company also plans to target the middle class population for marketing our unique Health Care policies for achieving a profitable growth in the health segment. Bancassurance will be given a new thrust and we intend to expand on new tie-ups and strengthen the existing ones.

4. ACTIVITIES OF ACTUARIAL DEPARTMENT

Core actuarial functions like IBNR Estimation, compilation of Financial Condition Report, calculation of Economic Capital and Asset Liability Management of the Company have assumed importance in the Company's operations today. The Department plays a pivotal role to track the progress of Company's claims settlement and loss ratios and reports are generated for periodical review by top management. Support to the Actuary for rating of new products and providing

periodical reports to technical departments on the performance of existing products is also an area where the department plays an active role. The department also complies with reporting requirements of the Regulator, Ministry, GIPSA and GI Council. Apart from core actuarial functions, the department provides strategic insights and analytical reports for the top management. The company has recruited qualified actuarial personnel to strengthen the department.

5. MEASURES TAKEN TO ENHANCE CREDIBILITY OF INTERNAL CONTROLS AND FINANCIAL REPORTING

a) Internal Audit

The Internal Audit Department, being an independent, yet part and parcel of the Company, discharged its various assigned functions during the Financial Year, assisting the Management, Board of Directors and Audit Committee by reporting every matter for furtherance internal control, risk management process and good corporate governance.

The Department completed audit of all Divisional Offices, Motor Hubs and Large Corporate & Brokers Cell upto 31-12-2012 which was an enabling factor for completion of Statutory Audit.

The Department could conduct 26 Regional Audit Compliance Committee (R.A.C.C.) meetings during the year. All major pending Audit and Inspection queries were discussed in the presence of Regional Chiefs, Audit Compliance Officers and Divisional Managers/ Sr. Divisional Managers as the Department stressed emphasis on timely compliance of audit because of which internal control could be further strengthened.

Besides regular audit of Operating Offices and Regional Offices, the department conducted 7 (seven) Special Audit. Audit of 16 (sixteen) departments in Head Office were also conducted.

b) Audit Compliance

The Audit Compliance Department has been effectively functioning at Head Office and the Regional Offices to ensure timely compliance of queries raised by CAG Auditors and Internal Auditors of the Company.

The department has been able to create awareness for audit compliance in the Company and effectively facilitate faster settlement of pending audit queries through regular direct and video conference meetings with Regional Heads, Auditors and Regional Audit Compliance Officers.

During this financial year (2012-2013), the performance of each Regional Office was reviewed in the Zonal level meetings held at various places. These meetings have helped to percolate the message for effective Audit Compliance down the line.

c) Vigilance

Board and Corporate Management supported all efforts of Vigilance Administration in the Company with special focus on Predictive and Participative Vigilance as was emphasized by CVC. In order to build a Team of Insurance Professionals, well versed in Vigilance Matters and Skills, Company took an Institutional Membership in Vigilance Study Circle – Tamil Nadu Chapter. Regular Meetings of the Chapter were attended by CVO and Officials of HO Vigilance Dept. The knowledge and experience thus gathered was disseminated down the line to Vigilance Officers and Staff of Operating Offices/ROs. We too presented Case Studies.

- **Vigilance Awareness:**

CVO addressed DMs & BMs of Hyderabad RO on 21-06-2012, Kochi RO on 08-02-2013 and Vadodara RO on 27-02-2013. He had Interactive Sessions regarding Preventive Vigilance, Transparency, Objectivity and Speed in Decision Making. Importance of Collective

Decision Making along with maintenance of Proper Records/Speaking Orders was emphasized. CVO addressed the Participants on the topic "Vigilance Perspective" during All India Workshop of Estates and Administration Dept., held at Madurai for the period 23-11-2012 to 24-11-2012 and also interacted with the Participants during Open House. The Participants' perception regarding faster decision making was enhanced in view of the interaction. Importance of speedier decision making with Bonafide Intents and Orderly Record Keeping was emphasized.

- **Vigilance Administration & Leveraging IT:**

Our Company launched On-Line Submission of Annual Property Returns and we are the first Public Sector Insurance Company to do so. During our Annual Conference of VOs & DOs held at Varanasi on 7th March 2013, our CMD launched 'On-Line Vigilance Complaint Module'. CVO attended 3-days Workshop on 'Total Quality Management in Vigilance' conducted by ESCI, Hyderabad, which gave a new dimension of TQM in Vigilance Administration. The inputs were shared with the Desk Officers of HO Vigilance Department and VOs of ROs.

- **Vigilance Awareness Week:**

As per advice given by CVC, New Delhi, Vigilance Awareness Week was celebrated with gusto and enthusiasm throughout the Company for the period 29-10-2012 to 03-11-2012 and the thrust was to spread the CVC Message of 'Transparency in Public Procurement'. To spread Knowledge and Awareness on 'Vigilance', 3rd Issue of Half Yearly Newsletter "UNI-VigNews" was released by our CMD during the Vigilance Awareness Week. The Draft Vigilance Manual has been prepared and we are awaiting redrafting of CDA Rules.

- **Training & Annual Conference:**

Training Module for all Desk Officers & VOs was conducted at a 3-days Program at NIA, Pune

from 16-08-2012 to 18-08-2012. The then CMD Shri G. Srinivasan inaugurated the same and gave the Key Note Address. Director, CVC & Dy.Secretary, DoPT participated and guided the deliberations. The Annual Conference of VOs was organized at Varanasi from 07-03-2013 to 08-03-2013 wherein the performance of Vigilance Officers was reviewed and they were sensitized with the parameters of KRA, expectations of Head Office on both Qualitative & Quantitative Performance. Director, CVC interacted with the participants on various issues including Preventive Vigilance, Sensitizing People/Employees about corruption etc. On the occasion, 4th Issue of 'UNI-VigNews' was released by our CMD. CVO addressed DMs/BMs of Lucknow RO after CMD reviewed performance of RO on 7th March 2013 at Varanasi.

6. ENTERPRISE RISK MANAGEMENT

The Company has taken various steps during the year for imbuing risk culture among the employees and initiated certain measures to evaluate the risks at the enterprise level.

- To create awareness about risks and risk management among employees, a presentation on "ERM-Fundamentals" was made in various meetings.
- Various newspaper articles were analyzed from risk management perspective and ERM advisories were shared with ROs/HO departments as detailed below:
 - Fire accident in a commercial building in New Delhi
 - Lesson from Hurricane Sandy
 - Fire accident at ATC in Chennai airport
 - Cyber security
 - Disaster management in the Oil and Gas sector
 - Refilling of Fire extinguishers

- c) Two issues of ERM News Letter were released communicating ERM concepts, practices and various initiatives which have been implemented.
- d) Compliance reports were placed before the Risk Management Committee with regard to the Ministry advisories.

7. ANTI-MONEY LAUNDERING

The Prevention of Money Laundering Act (PMLA), 2002, is implemented in our Company since it has been made applicable to Insurance Companies. IRDA have been issuing amendments through circulars from time to time which have been regularly adopted by the Board of the Company and the same have been circulated to our Regional Offices for strict compliance.

IRDA have now advised modifications vide circular ref. IRDA/SDD/GDL/CIR/O20/O2/2013 dt. 8-2-2013 which are as follows :-

- The hitherto, exempt standalone health / mediclaim policies has been brought under the purview of AML/CFT requirements based on the assessed risks associated with each of the product profile.
- Where payments are made to third party service providers such as hospitals/ garages/ repairers etc., the KYC norms shall apply on the customers on whose behalf service providers act.

Considering the potential threat of the usage of the financial services by money launderers, it is essential to determine the true identity of all customers through "Know Your Customer" (KYC) norms. Amendments are made in the submission of documents under KYC norms.

In the event of any suspicious transactions (including suspicious cash transactions) it is essential to report to Financial Intelligence Unit-India (FIU-IND) set up by Government of India. No Suspicious transactions are reported in our Company since the implementation of the programme.

Anti-Money Laundering is headed by the Principal Compliance Officer at Corporate Office and Nodal

Officer at the Regional Offices. The Principal Compliance Officer would ensure that the Board approved AML program is being implemented effectively, including monitoring compliance by the Company's insurance agents with their obligations under the program. The compliance of AML guidelines at operating offices is monitored closely.

A session on Anti-Money Laundering is included in all the training programmes organized in our Corporate Learning Centre and in all the Regional Training Centres to create awareness among employees, agents, etc. about the programme.

For the sake of ready reference and to sensitize all concerned, Company's AML policy has been posted in our official website.

8. RIGHT TO INFORMATION ACT

The Right to Information Act passed on 15-06-2005 and came into force w.e.f. 12-10-2005. The Act confers on the citizens the right to seek information from Public Authorities on all its activities, with a view to ensure transparency and accountability in the functioning of the authority and to have an informed citizenry.

The Right to Information Cell is headed by the Central Public Information Officer at the Corporate Office and designated Public Information Officers at all the Regional Offices. The Divisional and Branch Managers are the ex-officio CPIOs of their respective offices. The disposals of appeals have been decentralized with effect from last week of May 2012 and the Regional-in-charges and LCB Chiefs are designated as Appellate Authority.

Office-wise, CPIO and Appellate Authority-wise mapping was done in our website so that citizens can submit their application to the respective CPIOs to get information quickly.

The CPIOs at the Branch/Divisions are expected to receive the applications, issue receipts and forward the same to the respective CPIOs of the Regional Offices to enable them to reply to the applications with a view to ensure uniformity.

With increase in awareness, the number of applications, first and second appeals has increased manifold. While the first appeals are disposed by the Appellate Authority, second appeals are heard by CIC and the orders passed by them are complied with by the Public Authority.

With a view to sensitize the Division In-charges as required by Act, Seven workshops have been conducted at various places for officials from the Division/Branch and Head of Deptts. of the respective Regional Offices.

Apart from sensitizing conducting Workshops, HO RTI Team has also organized one All India CPIO meet at Bangalore and another All India Meet for Appellate Authorities at Bhopal.

We have released two bulletins i.e. Unisandesh during second half of the financial year to create awareness among employees on the latest trends and importance of Act provisions.

Performance for the Year 2012-13

Applications/appeals are to be disposed off within thirty days from the date of receipt of the same as per the statute. However, wherever possible they are being disposed even faster. CIC orders are complied with as per the time schedule indicated in the order. Details of applications and appeals (for Company as a whole) disposed in the financial year 2012-13 are as shown below.

• Applications (For Company as a whole):

Opening Balance	23
Number of applications received	1,906
Number of applications disposed	1,886
Number pending	43
Disposal rate	97.77%

• Appeals (For Company as a whole):

Opening Balance	16
Number of appeals received	250
Number of appeals disposed	252
Number pending	14
Disposal rate	94.74%

Details of applications and appeals (received at Head Office alone) disposed in the financial year 2012-13 are as shown below.

• Applications (received at Head Office alone):

		Disposal Ratio (%)
Number of applications received	378	
Number of applications disposed	371	
Disposed within 25 days	293	77.51
Disposed within 30 days	354	93.65
Number pending	7	

• Appeals (received at Head Office alone):

Number of appeals received	134
Number of appeals disposed	133
Number pending	1
Disposal rate	99.25%

- As per the provisions of the RTI Act, we have taken steps for maximum dissemination of information in the Company website. However, more information is expected to be uploaded so that citizens need not resort to RTI channel. Further, some of the information uploaded needs to be revised subsequent to changes.
- Based on the directions of CIC, we have taken up with our HRM Department of our Company and also GIPSA and ensured publication of the promotion examination marks along with the results, which has resulted in reduction of RTI applications.
- Root cause analysis was carried out and found that 60% of the applications received were pertaining to Personnel Matters, viz. Recruitment, Promotion Exercise, CDA Rules, Terminal Benefits, Transfer Mobility Policy, Para 13.2 etc., the next highest being TPA issues.
- We have also developed a new software integrating the annual statistics and KRA Registers.

9. CUSTOMER CARE SERVICES

The Customer Care Department seeks to raise the standards of Customer Service every year. It strives to ensure compliance with the guidelines issued by IRDA on Grievance Redressal Mechanism. The Department ensures that the complaints are resolved to the satisfaction of the customers or, if the customer is not satisfied, he / she is advised to approach the Insurance Ombudsman or Consumer Forums for redressal of his / her grievance.

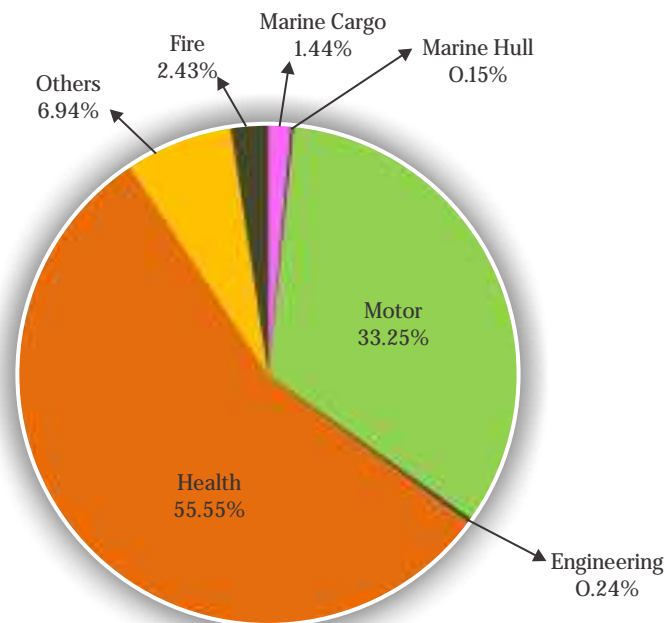
The Online portal for Grievance Redressal (UGMS) developed by the Company is web integrated to IRDA's Grievance Management System (IGMS). UGMS is a repository of complaints received from the policy holders throughout the country on various issues relating to policy and claims servicing.

The performance of the department during the year 2012-13.

SOURCE-WISE STATUS OF GRIEVANCES REGISTERED FOR THE YEAR 2012-13

Source of Grievance	Grievances Reported during the Year			Grievances Disposed during the Year	Grievances pending at the end of the Year	Disposal Ratio
	Opening Balance at the start of the Year (A)	Grievances received during the Year (B)	Total (A) + (B)			
IRDA	178	1,582	1,760	1,657	103	94.15
DPG / MINISTRY	7	97	104	94	10	90.38
Other Sources	151	5527	5678	5531	147	97.41
Total	336	7,206	7,542	7,282	260	96.55

LOB-wise Grievances reported for the year 2012-13



LOB-WISE GRIEVANCE REPORT FOR THE YEAR 2012-13

LOB	Grievances Reported during the Year			Grievances Disposed during the Year			Grievances Pending at the end of the Year
	Opening balance at the start of the Year (A)	Grievances received during the Year (B)	Total (A) + (B)	Past Grievances Disposed during the Year (C)	Received Grievances Disposed during the Year (D)	Total (C) + (D)	
Fire	19	175	194	17	158	175	19
Marine Cargo	13	104	117	13	99	112	5
Marine Hull	2	11	13	2	11	13	0
Motor	64	2,396	2,460	63	2,326	2,389	71
Engineering	2	17	19	2	13	15	4
Health	199	4,003	4,202	198	3,874	4,072	130
Others	37	500	537	35	471	506	31
Total	336	7,206	7,542	330	6,952	7,282	260

Out of the total complaints received-

- 5,336 grievances are acknowledged within 3 days.
- 2,804 grievances are resolved within 15 days adhering to the prescribed TAT of IRDA.
- 1,295 grievances between 15-30 days.
- 3,183 grievances has taken more than 30 days for resolving.

The department is constantly monitoring the performance of the ROs to ensure adherence to TAT in disposal of grievances. Periodical Review Meetings and Video Conferences with ROs are conducted for sensitizing the nominated Customer Care Nodal Officers on Customer Care Issues.

Trainings are inducted to the Frontline Officers of DO/BO in achieving "Excellence in Customer Care".

All India Workshop for Customer Care Nodal Officers was held on 4th and 5th Jan. 2013 at Bangalore and

prizes were distributed to consistent top performers by Smt. Yegna Priya Bharat, Joint Director, IRDA.

News Letter on "Customer Care" was published and circulated to all employees of UIIC.

10. OFFICIAL LANGUAGE IMPLEMENTATION

United India is well progressing in implementation of Official Language Policy as per the Annual Programme on O.L. Implementation of Govt. of India. Some of the noteworthy achievements in the period under review in Official Language Implementation include the following:

a) Accolades

Vadodara Regional Office, Bhilai-Durg (Bhopal Region) and Kanpur Divisional Office (Lucknow Regional Office) were honoured with Commendation Certificate and shield for the best performance in official language implementation by local TOLIC during the year. Lucknow Regional Office had a privilege of receiving commendation certificate from TOLIC, Lucknow, for publication of 'UNISWAR' Hindi House Magazine, is another feather to our cap.

b) All India Hindi Officers' Conference – Puri

A Two-Day All India Hindi Officers' Conference was organized on 11th and 12th February 2013 at Puri with an object to review the progress made in Official Language and appraise the various latest amendments made by Ministry in Official Language Implementation. It was resolved through group discussions to comply with the presidential orders and amendments issued from time to time including the amendments in the Ministry guidelines in the coming years.

c) Parliamentary Committee on Official Language

The Third Sub-Committee of Committee of Parliament on Official Language visited Mussorie Branch Office (Dehradun Region) on 30th May 2012 and Sholapur Divisional Office (Pune Region) on 30th January 2013 under the chairmanship of Prof. Alka Balram Kshtriya, M P. Ministry officials and Head Office Officials attended the meeting. The Committee appreciated the efforts taken for Official Language Implementation in the said offices.

The Parliamentary Committee on Noting and Drafting and Oral Evidence had discussions with Bangalore Regional Office on 29-12-2012. and suggestions were given for the progressive use of Hindi

d) TOLIC Activities Meeting

Ludhiana and Vadodara Regional Offices had a privilege of conducting TOLIC meeting for member offices of TOLIC under auspices of local TOLIC. This set as a stage for demonstrating our performance in Official Language Implementation in our Company.

e) Joint Seminar

One-day Joint Seminar was organized by Nagpur and Bhopal Regional Offices for Officers handling Official Language at Divisional Offices on 5-12-2012 at Nagpur. Official from Ministry of Home Affairs was also present.

Hindi Day /Week/ Month was celebrated in Head Office and in all offices of the Company during the month of September 2012. Competitions and Cultural programmes were a part of the celebrations.

Publication of Hindi House Magazine by Head Office and Regional Offices, Organization of Hindi workshops, inspection of offices, supply of bilingual software 'UNICODE', training of employees and awarding incentives on passing Hindi examinations were in accordance with Annual Programme.

11. RECOGNITION FOR THE COMPANY- AWARDS & ACCOLADES

During the year, the Company received the following prestigious awards:

- a) General Insurance Company of the Year 2012 and 'e' Business Leader Award 2012 at the Indian Insurance Awards 2012.
- b) SKOCH Digital Inclusion Award 2012.
- c) Best General Insurance provider – CNBC – TV 18 –IBFA Award – Indian Best Banks and Financial Institutions Award.
- d) Finnoviti Award – for (a) Super Top-up Mediclaim Policy & (b) Community based claims settlement.
- e) SKOCH Financial Inclusion Award 2013 for efficient implementation of M-Power – the premium payment service through Mobile.

12. CORPORATE COMMUNICATION

The vision of our company is to be a trusted brand admired by all stake holders. Keeping this in mind, Publicity department at the corporate office carries out all communication related activities of the company through various media with the basic objective to build and reinforce the brand image of the company. The activities are mainly focused to create awareness of our policies where our presence is low. All the communications are devised and executed in such a way that there is uniformity of content while permitting diversified approaches suited to local environment and there is perfect media-mix to maximize value for the money spent.

Advertising through Print, Television, Radio, outdoor, sponsorship of various events, etc. were taken up across the country. Platinum jubilee celebrations were held at various Regional centres actively supported by the department. Department had also successfully overseen major events like Launch of

Insurance Literacy programme in school at Chennai, which was graced by Dr. K. Rosaiah, His Excellency The Governor of Tamil Nadu and the Special Platinum Jubilee Celebrations at Mumbai for which Shri Prithviraj Chavan, Honourable Chief Minister of Maharashtra was the Chief Guest. The department has also arranged the Platinum Jubilee Mementoes for the employees. DVDs and study materials were printed for the Insurance Literacy programs in Schools. Designing and printing of various internal manuals, Diaries, Calendars apart from production of agency kits were also taken up by Communications Department.

Topical and landmark advertisements were released and the few creatives released for the completion of 75 years of our glorious service to the nation were well received.

For the ninth year in succession, we supported the Chennai Open Tennis Tournament, the only international ATP tennis tournament in South Asia as a Platinum Sponsor.

13. ENVIRONMENT RELIEF FUND

The Company has been appointed as the Fund Manager under Clause 4 of Environment Relief Fund Scheme 2008 as per Notification of Ministry of Environment and Forests GSR 768(E) dt. 4th November 2008, constituted under Sec.7A of the Public Liability Insurance Act 1991. The Company has been authorized to receive contribution from all General Insurance Companies and keep invested the same in Fixed Deposits as prescribed in the scheme. During the year 2012-13, an amount of ` 8.15 crores was received towards contribution from General Insurers and the same has been credited to the Fund. The total amount lying in Fixed Deposits as on 31-03-2013 is ` 451.42 crores.

14. NEW PRODUCT INTRODUCED DURING THE YEAR UNDER MARINE

Pursuant to the latest EU Regulations, the EU regulated P&I insurers including the International Group of P&I Clubs, informed the ship owners that they would not be in a position to grant cover for the trade pertaining to the carriage of petrochemical products from Iran beyond 1st May 2012 and for crude petroleum and petroleum products including Iranian

bunkers from Iran beyond 1st July 2012. Various Indian ship owners who are presently involved in the carriage of the above cargoes from Iran to India are thus left with no P&I cover from 1st July 2012.

In terms of directions from the Government, in consultation with GIC Re, to provide protection to ship owners who were carrying imported crude oil from Iran, we introduced a product for providing the Protection & Indemnity cover for the benefit of the ship operators from India.

15. COMPANY'S INNOVATIONS/BEST PRACTICES

Information Technology

The Company continued its journey in pursuit of information technology solutions for better service delivery mechanism to attract new customers through innovative products, smart marketing and aggressive distribution. With customer service as the hallmark, leveraging the latest technology to provide a world class service experience to the customers was essential and imperative.

United India made sustained efforts at multiple levels to meet the ever rising expectations of policy holders and simplify the process of access and delivery of services. Reflecting the company's ethos, United India constantly monitors customer preferences to ensure that UI remains an efficient and responsive organization, sensitive to the changing needs of customers, for whom time is always of great significance.

In this quest, United India emerged as the first ever general insurance company in India, to launch a touch screen KIOSK - "Quick Pick" which is both informational and transactional in nature, as a measure of secure, enhanced customer service delivery with plans to roll it out at strategic places across the country for the benefit of the general public.

The facility enables the customers to avail of fresh Motor, Health, Personal Accident & Overseas Medi-claim Policies and renewal of Motor & Health Policies any time on line by paying the premium through Net Banking, Credit/Debit Cards and avail of a digitally authenticated policy and receipt straightaway. In addition, the customer is instantaneously advised by a

KIOSKS

United India has realized the criticality of technology to promote insurance inclusion and has started with information and transactional kiosks, which will enable dissemination of information about the non-life insurance products and also, enable purchase of such retail products.

The project is unique in a way that it is first implemented by the Company. A kiosk for insurance products is one of its kinds in the country. To start with United India has placed tailor-made policies like Motor, Health and Overseas Medi-claim Policies where the policies are offered in package model. The pilot model is installed in the metro city of Chennai where we have our Head Office. On the basis of the experience, it is planned to place the kiosk in Tier III and Tier IV and Rural areas to serve the people who remain excluded from such benefits.

Worldwide KIOSK for insurance operations is at informative level only. Not many had implemented transactional kiosk for insurance. Our KIOSK is both informational and transactional. New policies and renewals can be done at the kiosk with premium collection through payment gateway and the policies, proposal form and receipt can be printed out immediately.

The present day customers are mobile, looking for value for money, tech savvy, well informed. One has to innovate out of the box solutions to attract such customers. The Kiosk model is one such model which will attract the young and mobile customers. Further, the ease of operations will eventually capture the rural

market as even an illiterate person can also operate the kiosk with ease looking at the icons displayed. And these customers need not go beyond 1 km. to buy the standardized products. These aspects will derive customer satisfaction and the same will propel the business growth of the company.

This kiosk model has not been employed by any other insurance company; United India Insurance Co. Ltd. is the first to use the technology. The model will help the company achieve its finance inclusion objectives. The company has already implemented the village adoption concept in the country as a pioneer in the industry. The kiosk which is based on self-service model scalable in multi-lingual platform will take the concept of general insurance to the nook and corner of the country. This model will “make the customer’s life easy” as far as purchase of general insurance products are concerned. This model is going to be a 24/7 operation accessible to the urban as well as rural masses. This captures the concept of Providing Urban Amenities in Rural Areas (PURA) as conceived by our former President Shri A.P.J. Abdul Kalam.

Kiosks can be both informative and transactional with minimum software development and the existing website with the portal facilities integrated with payment gateway may be made available for transactions by the public. Policy printing facility, credit card swiping facility etc., would be made available in the kiosk. At present, the policies would be delivered electronically through the mail id provided by the user.



KIOSK at UIIC Head Office, Chennai

M-POWER

Another technology United India has identified for leverage is the mobile platform, which is now an ubiquitous phenomenon in the nascent stages. United India is the first public sector non-life insurance company to foray into mobile premium payment territory with the launch of its 'M-Power' in September 2012. It is a mobile based real time fund transfer facility for payment of premium. The facility enables customers to remit the premium to UI's account through mobile phones, using the mobile number and MMID of the company. To avail the facility, the customer has to get the MMID from his/her bank, enable his mobile with the application given by the bank, and he/she is ready to avail of the convenience of M-power, anytime, every time.

M-Power facility enables renewal of policies as also payment of the premium for approved proposals. The premium remittance is acknowledged immediately through an SMS and insurance policy is delivered through e-mail to the customer. A simple and easy, safe and secure, fast and cost-effective facility has thus been launched by UIIC.

It is common knowledge that mobile phones have invaded every corner of the country. Regulators and Governments are encouraging mobile technology application in extending the benefits of the financial products to reach out to the needy. With over

920 million mobile subscribers comprising 35% of the residing in the rural hinterlands, this facility will bridge the outreach gap. It is simple to operate and transfer facility will enable the regular mobile user to handle his non-life insurance requirement at ease.

United India's insatiable urge to serve the poor through its financial inclusion programs helped it to think and act differently. United India, with its competencies developed over 30 years of exposure to these sectors is convinced that leverage of Technology is the next step to reach out to persons deprived of benefits of financial products and help in uplifting them from the bottom of the pyramid.

United India has actively collaborated with the Government agencies in implementing the RSBY scheme, rural insurance and micro insurance schemes and in implementing community based insurance solution under the name "Pudiyu Vazhvu" - IFAD assisted post -Tsunami projects.

With a holistic approach towards insurance inclusion, United India with its innovative initiatives extends maximum support to those people deprived of insurance protection. United India hopes that it's M-Power facility will be game changer in reaching out to the last mile population who need not have to locate and access a brick and mortar footprint of the company.



SMS to his mobile with the policy reference, duration of the insurance cover etc. and by an e-mail with a copy of the policy issued through the KIOSK.

The Company was accredited with the “e-business Leader Award 2012” at the Indian Insurance Awards and the Skoch Award for Digital Inclusion 2012 in recognition of its efforts for customer-friendly technology initiatives.

Adding to the value chain of customer service delivery channels, UI yet again seized the opportunity to be the industry first to capitalize on the mobile payments system moderated by the National Payments Commission of India for benefit of its customers. Using the technology enabling transaction from mobile to mobile, UI devised and rolled out M-Power – a unique concept of mobile based real time fund transfer for payment of premium, through the customer's mobile phone enabling the customers to remit the premium amount using UI's mobile no. and its MMID. In this process, the customer is immediately informed through an SMS on his mobile of the remittance of premium and the policy is issued to the customer, by mail/electronic mode.

UI's M-Power is simple and easy, safe and secure, fast and cost effective besides empowering the customers to remit the insurance premiums, without any hassle, anytime anywhere and saves the customers of their precious time and energy.

UI believes in shaping a novel customer experience through technology to influence fast service and deliver a dynamic way to nurture new customer relationships.

Amongst the plethora of customer centric initiatives, a new WCAG 2.0 Level AA compliant website with credible and original content providing valuable and timely information to the users has been launched with a significant distinction to serve differently enabled people.

As a further measure to enlarge business opportunities and issue online policies on web, the company increased its online product profile by notching up two additional product portals viz., “Householders Policy” and “Shopkeepers Policy” to the host of portal facilities available for the retail

customers and intermediaries on the website. It should be said that the company is the front runner in technology and provides a wide range of products and array of services to customers online.

The total number of online policies issued through intermediary and retail during 2012-13 stands at 3,92,669 nos. realizing a premium of ₹ 36.62 crores.

While the company has already provided the automated grievance reporting and redressal facility on the web to customers, the technology has now been extended and devised to enable the customers register complaints involving fraud/corruption against its public servants online, through a vigilance portal developed and posted on the company's website, in alignment with the Government's policy of transparency and commitment to clean governance.

The Bancassurance intermediary channel has been fortified by enabling partner Bank (Canara Bank & Indian Bank) branches to issue health policies on the fly to its customers using specially designed portal called “Arogya Raksha” and Indian Bank and Canara Bank have been enabled with this facility for its customers.

Further, the Company used its prowess to design a Crop Insurance Portal first of its kind in the industry for issuance of Crop Insurance Policies to the farmers in South, in line with the MoU, the company has with AIC, reiterating the company's commitment to serve the Rural and Social sectors.

On the Information Security Management System (ISMS) front, the company has imparted Information Security Awareness Training to the Regions across the country through Video Conferencing and increased awareness on the importance of information security through posters made available to all offices.

Understanding the significance of monitoring the network and systems and the risk of vulnerabilities and threats manifested in it, the Company in a bid to ensure safe transaction by customers on its portals, during the year has carried out the Vulnerability and Penetration Testing (VAPT) to secure ways for suitably fire walling the network, the systems and the customers and the operations adequately.

The Company has also been in the forefront for redefining the HR processes through the state-of-the-art SAP technology and has been the first and the only one in the industry to enable submission of Annual Property Returns and the Annual Performance Appraisal Reports online by all its officers in fulfilment of its commitment to the Go Green Initiative.

As part of the Anytime, Anywhere Insurance, CORE Insurance Solution was successfully rolled out with data migration in Motor Line of Business in 1,016 offices across all 26 Regions. This has enabled the Operating Offices to issue new as well as renewals in the new Application. Pilot run for Health and PA software was launched in 20 offices in the 2 pilot Regions of Kolkata and Vadodara.

Online issue of Motor policies through B2B portals has been enabled by giving access to the Application on

the Internet, empowering our intermediaries to service customers from the convenience of their desk. Our customers are enabled to avail of online policies, on renewal as well as afresh.

Anywhere claims settlement is now feasible as Claims servicing in CORE solution by OD and TP Service Hubs in addition to Operating Offices, has been enabled. The Third Party Claim Hubs are in a position to service the claims of other offices also based on the Courts they are dealing.

E-mail and SMS alerts for New Policy issuance and Policy renewal have been successfully implemented. Mails are being sent to the customers enclosing the soft copy of the Policy.

Dashboards giving the up to date premium figures of operating offices in CORE environment has been made available.

16. FOREIGN OPERATIONS:

Underwriting operations at Hong Kong ceased with effect from 01-04-2002 and New India Assurance Company Limited, Hong Kong looks after the Run-Off portfolio since then. As at 31-03-2013, 3 claims were outstanding as against 4 claims as at the end of previous year.

Statement of run-off operations in Hong Kong Agency for the year ended 31-03-2013

(A in crores)			
Details	Fire	Miscellaneous	Total
Net Premium	0 (0)	0 (0)	0 (0)
Incurred Claims	0 (0)	-0.4486 (0.0016)	-0.4486 (0.0016)
Expenses of Management	-	-	0.2445 (0.2242)
Other Income & Outgo			0 (0)
Underwriting Profit/Loss			0.2041 (-0.2258)
Investment Income			0.2359 (0.1997)
Net Profit/Loss			0.4400 (-0.0261)

Note : Previous year's figures have been shown in brackets.

Details of foreign exchange earnings & outgo:

Foreign Exchange earnings	175.87 crores
Foreign Exchange outgo	280.62 crores

II) MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC CONDITIONS, INSURANCE AS MARKET VIS-À-VIS PERFORMANCE OF UNITED INDIA

The Non-Life Industry recorded a robust growth of 19.1% in 2012-13 over the previous financial year. The growth trajectory was sustained by growth notched up in major segments like Property, Motor and Health. The Indian economy went through a challenging year due to continued slowdown in the western economies including the deepening Eurozone crisis leading to a subdued economic growth. The crude oil prices continued to be high leading to widening trade deficit. However, the general insurance industry in India continued its high growth trajectory thanks to strong growth drivers like highly favourable demographics, growing insurance literacy and awareness, large population remaining insurance excluded, a robust investment and infrastructure spending etc. Our economy displayed exemplary resilience and absorbed all the external shocks to grow at a rate of 5.00% against a growth of 6.90% last year. The efforts of the Reserve Bank in taming the high inflationary trend have of late started producing results and the phase of high interest cost and reduced credit expansion is expected to give way to moderate inflation and higher credit and economic growth in the coming year.

The reduced growth caused by the deceleration in industrial growth is expected to be reversed in current year as the economy is showing signs of a turn around and core sectors and manufacturing show signs of recovery. With the thrust on economic revival and acceleration of growth in Manufacturing Sector

and Rural Development in the Budget 2013-14, the GDP is expected to grow at 6.10% to 6.70% in the coming year.

It is pertinent to note that even in the face of reduced GDP Growth, the general insurance continued to record a robust 19% growth. Government of India has renewed its thrust on Infrastructure development in the country which would act as a catalyst to spur all round growth in the Indian economy. The Government has committed to spend US \$ 1 trillion to develop infrastructure during the XII five year plan (2012-2017). While the automobile industry in India is on a subdued growth during the year 2012-13, governments both at the centre and the states are keen to push the financial inclusion of the huge BPL population and unsecured people of the country. These factors would provide the necessary fillip for the continued robust growth trajectory of the Indian non-life insurance sector in the years to come.

For the year 2013-14, the General Insurance industry is poised to notch up a growth rate of over 20% to grow to ` 78,000 crores (excluding specialized companies).

The Company, growing at a rate of over 13%, completed a business of ` 9,266 crores with a market share of 14.33% out of the total premium of ` 64,673 crores accounted by the general insurance industry. The Company has registered a PAT of ` 527.33 crores. The market value of investments went upto ` 19,785.52 crores, and net worth to ` 4,944.92 crores.

2. OPERATING PERFORMANCE-
a) SEGMENTAL PERFORMANCE-

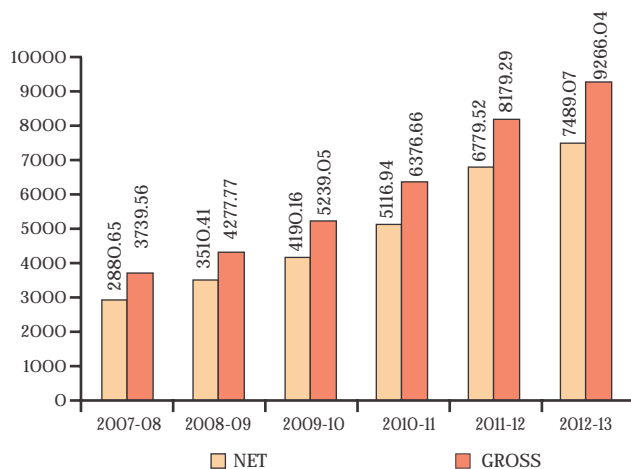
CLASS-WISE PERFORMANCE SUMMARY

(A in crores)

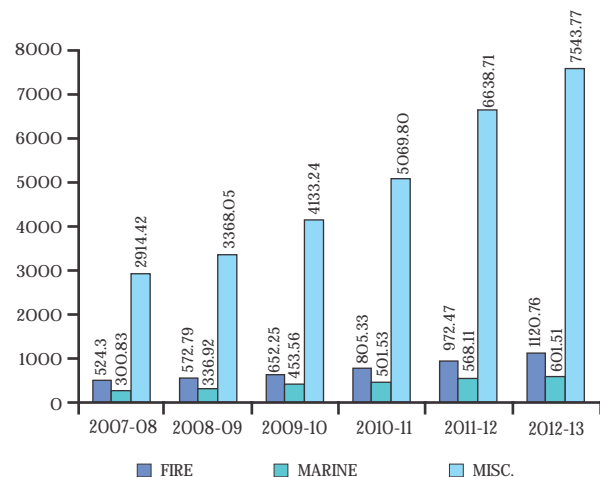
		Year	Fire	Marine	Misc.	Total	
Gross Direct Premium Percentage Growth	In India	2012-13	1120.76	601.51	7543.77	9266.04	
			15.25%	5.88%	13.63%	13.29%	
		2011-12	972.47	568.11	6638.71	8179.29	
			20.76%	13.28%	30.95%	28.27%	
		Outside India	2012-13	0.00	0.00	0.00	0.00
				0.00%	0.00%	0.00%	0.00%
	2011-12	0.00	0.00	0.00	0.00		
		0.00%	0.00%	0.00%	0.00%		
	Total	2012-13	1120.76	601.51	7543.77	9266.04	
			15.25%	5.88%	13.63%	13.29%	
	2011-12	972.47	568.11	6638.71	8179.29		
		20.76%	13.28%	30.95%	28.27%		
Reinsurance Premium Accepted	In India	2012-13	98.96	9.12	232.03	340.11	
			2011-12	69.52	12.84	1043.68	1126.05
	Outside India	2012-13	29.45	5.75	16.40	51.61	
			2011-12	21.03	2.87	21.17	45.06
	Total	2012-13	128.41	14.88	248.43	391.72	
			2011-12	90.55	15.71	1064.85	1171.11
Reinsurance Premium Ceded	In India	2012-13	294.10	41.03	1058.96	1394.09	
			2011-12	265.72	76.52	1750.41	2092.65
	Outside India	2012-13	159.79	272.77	342.03	774.60	
			2011-12	128.64	230.32	119.27	478.23
	Total	2012-13	453.89	313.80	1400.99	2168.68	
			2011-12	394.36	306.84	1869.68	2570.88

Net Premium Percentage Increase over previous year Percentage to Gross Premium	In India	2012-13	925.63	569.60	6716.84	8212.06
			19.24%	12.92%	13.23%	13.86%
			82.59%	94.70%	89.04%	88.63%
		2011-12	776.28	504.43	5931.99	7212.69
			29.67%	29.11%	33.24%	32.55%
			79.83%	88.79%	89.35%	88.18%
	Outside India	2012-13	-130.34	-267.01	-325.63	-722.99
			21.12%	17.39%	231.92%	66.91%
			0.00%	0.00%	0.00%	0.00%
		2011-12	-107.61	-227.45	-98.10	-433.17
			21.47%	60.67%	3.99%	33.48%
			0.00%	0.00%	0.00%	0.00%
Total	2012-13	795.28	302.58	6391.21	7489.07	
		18.94%	9.24%	9.55%	10.47%	
		70.96%	50.30%	84.72%	80.82%	
	2011-12	668.66	276.98	5833.88	6779.52	
		31.09%	11.18%	33.87%	32.49%	
		68.76%	48.75%	87.88%	82.89%	
Increase in Unexpired Risk Reserves Percentage to Net Premium		2012-13	60.51	17.71	159.92	238.13
			7.61%	5.85%	2.50%	3.18%
		2011-12	84.25	15.25	592.79	692.29
			12.60%	5.51%	10.16%	10.21%
Net Premium Earned		2012-13	734.77	284.88	6231.29	7250.94
			584.41	261.73	5241.10	6087.24
		2011-12	551.51	217.48	5365.92	6134.92
			69.35%	71.88%	83.96%	81.92%
Net Incurred Claims Percentage to Net Premium		2011-12	441.88	216.69	4728.37	5386.94
			66.08%	78.23%	81.05%	79.46%
		2012-13	24.40	31.12	252.55	308.08
			3.07%	10.29%	3.95%	4.11%
Net Commission Percentage to Net Premium		2011-12	10.65	8.50	337.78	356.92
			1.59%	3.07%	5.79%	5.26%
		2012-13	24.40	31.12	252.55	308.08
			3.07%	10.29%	3.95%	4.11%

Operating Expenses Related to Insurance business including Foreign Taxes & Exchange Gain / Loss Percentage to Net Premium	2012-13	246.29 30.97%	99.07 32.74%	1656.26 25.91%	2001.62 26.73%
	2011-12	180.29 26.96%	74.40 26.86%	1311.37 22.48%	1566.06 23.10%
Underwriting Results Percentage to Net Premium	2012-13	-87.43 -10.99%	-62.80 -20.75%	-1043.45 -16.33%	-1193.67 -15.94%
	2011-12	-48.41 -7.24%	-37.86 -13.67%	-1136.41 -19.48%	-1222.68 -18.03%
Investment Income Apportioned, including Profit on realisation of Investments (Net of Provision for Non-Performing Assets) Percentage to Net Premium	2012-13	134.91 16.96%	49.55 16.38%	1060.79 16.60%	1245.25 16.63%
	2011-12	87.85 13.14%	49.12 17.74%	874.61 14.99%	1011.58 14.92%
Other Income Outgo	2012-13	2.15 0.27%	1.00 0.33%	20.38 0.32%	23.53 0.31%
	2011-12	-0.34 -0.05%	-0.16 -0.06%	-2.55 -0.04%	-3.05 -0.05%
Operating Results in Policy Holders' Account Percentage to Net Premium	2012-13	49.64 6.24%	-12.25 -4.05%	37.73 0.59%	75.12 1.00%
	2011-12	39.10 5.85%	11.10 4.01%	-264.35 -4.53%	-214.15 -3.16%



PREMIUM ANALYSIS - GLOBAL (A in Crores)



GROSS DIRECT PREMIUM IN INDIA (A in Crores)

b) SUMMARY

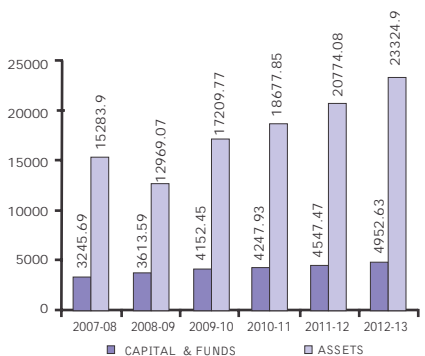
(A in crores)

Details	2012-13	2011-12
Operating Results in Policyholders' Account	75.12	-214.15
Investment Income Apportioned, including Profit on realization of Investments (Net of Provision for Non-Performing Assets) – Shareholders' Account	532.09	588.51
Other Income & Outgo	10.65	94.92
Profit Before Tax	617.86	469.28
Provision for Tax	91.14	68.55
Add: Tax Adjustments	-0.62	13.94
Net Profit after Tax	527.33	386.79
Less: Amount transferred to/from General Reserve	177.69	144.11
Amount transferred to Contingency Reserve	225.65	152.04
Balance proposed for Dividend	106.00	78.00
Corporate Dividend Tax	18.00	12.64

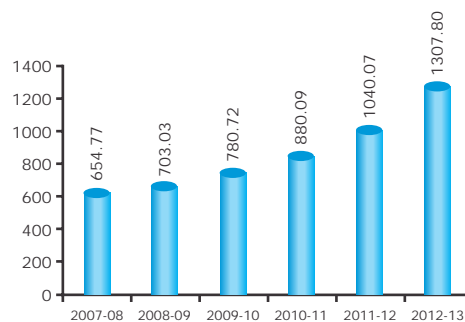
c) CAPITAL & FUNDS

(A in crores)

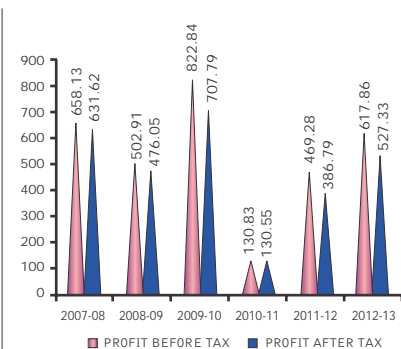
Details	As on 31-03-2013	As on 31-03-2012
Paid-up Capital	150.00	150.00
Capital Reserve	1.36	1.36
General Reserve	4568.41	4238.68
Contingency Reserve	225.65	152.04
Investment Reserve	0.86	0.86
Foreign Currency Translation Reserve	6.35	4.53
Total	4952.63	4547.47



CAPITAL & FUNDS AND TOTAL ASSETS (A in Crores)



INTEREST, DIVIDEND AND RENT (A in Crores)



PROFIT ANALYSIS (A in Crores)

(A in crores)

3. PERFORMANCE REVIEW:

	2012-13	2011-12
Gross Direct Premium	9266.04	8179.29
Percentage change over previous year	13.29%	28.27%

The Company recorded a growth rate of 13.29% as against 28.27% in the previous year. The reduction in growth rate is due to the general slowdown in the economy and sluggishness in the motor vehicle sales during the last quarter of the year. However, the Company maintained its market share of over 14% in the current year as well.

	2012-13	2011-12
Net Premium	7489.07	6779.52
Percentage change over previous year	10.47%	32.49%

The net premium grew by A 709.55 crores to A 7489.07 crores in the year 2012-13. The retention ratio stands at 80.82% as compared to 82.89% in the previous year.

	2012-13	2011-12
Change in Unexpired Risk Reserves	238.13	692.29
Percentage to Net Premium	3.18%	10.21%
Incurred Claims (Net)	6134.92	5386.94
Percentage to Net Premium	81.92%	79.46%
Commission (Net)	308.08	356.92
Percentage to Net Premium	4.11%	5.26%
Operating expenses relating to Insurance Business (including Exchange Loss / Gain)	2001.62	1566.06
Percentage to Net Premium	26.73%	23.10%

	2012-13	2011-12
Investment Income (Net of provisions)	1777.34	1600.09
Other Income	34.18	91.87
Total Income	1811.52	1691.96
Apportioned to Policyholders	1268.78	1008.53
Apportioned to Shareholders	542.74	683.43

- Investment income increased by ` 177.25 crores in 2012-13 as compared to 2011-12. The mean yield on investments (including profit on sale and other income) is 12.17% as compared to 13.05% in 2011-12. The Company followed the IRDA norms/related RBI guidelines relating to classification of loans and debentures and provision for Non-Performing Assets. The net NPA as a percentage to Total Investments stood at 0.17% as on 31-03-2013 as against 0.02% as on 31-03-2012.
- Book value of total investments as at 31st March, 2013 aggregated to ` 15,938.45 crores from ` 13,269.34 crores in the previous year and the net accretion during the year amounted to ` 2,669.11 crores as against ` 2,021.77 crores in 2011-12.

	(A in crores)	
	2012-13	2011-12
Total Assets	23324.90	20774.08
Investment Assets (at Book Value)	15938.45	13269.34

- The Market Value of our equity portfolio as at 31st March, 2013 stood at ` 6,970.07 crores as compared to book value of ` 3,223.09 crores. The corresponding value for the previous year was ` 6,899.35 crores and ` 3,012.53 crores respectively..

Compliance with IRDA Regulations:

As on 31st March 2013, the Company has complied with IRDA Regulation on Investments including investment in Infrastructure as under:

Category	Investment as on 31-3-2013 (A in crores)	% to total investments	Prescribed Limit
Central Government, State Government and Other Approved Securities	5011.35	31.44%	Not less than 30%
Housing and Loans to State Govt. Housing and Fire Fighting	1587.73	9.96%	Not less than 5%
Investment in Infrastructure	2560.33	16.06%	Not less than 10%

4. Key Accounting Ratios

Particulars	2012-13 (%)	2011-12 (%)
Technical Reserve Ratio	157.10	147.43
Net Retention Ratio	80.82	82.89
Operating Profit Ratio	1.00	-3.16
Net Earning Ratio	7.04	5.71
Return on Networth	10.65	8.52
Reinsurance Ratio	23.40	31.43

5. Contribution to National Ex-Chequer

The Company has contributed to National Ex-Chequer towards payment of various taxes and dividend amounting to ` 1,237.20 crores in the year 2012-13 as against ` 727.08 crores in the year 2011-12. (` in crores)

Particulars	2012-13	2011-12
Corporate Tax	112.16	62.53
Wealth Tax	0.76	0.69
Dividend to Government	78.00	30.00
Dividend Tax	12.64	4.86
Service Tax	1033.62	629.00
Total	1237.20	727.08

6. Human Resources Development and Personnel

a) Organizational Network

As on 31-03-2013, the Company has 1,593 offices:

Regional Offices	26
Large Corporate & Brokers' Cell	8
Divisional Offices	393
Branch Offices	669
Micro Offices	497
Total	1,593

b) HCM activities for the year 2012-13

- Successful Implementation of ONLINE Property Returns –April 2012.
- Class II Promotion Policy MODULE completed and handed over to the user department- April 2012.
- Class II Appraisal MODULE also completed and handed over to the user department – May 2012.
- Time Management Module introduced at HO & 10 Regions & 1 LCB-September 2012.
- Evaluation of Time Management and Leave balance of all HO Employees are reconciled as on 01-01-2013.
- Training and Event Management Module completed and handed over for implementation by Training Cell of HRM–July 2012.
- Payroll Module moved to Production, HO & all ROs are on parallel run.
- Training to all Regions on online APAR imparted.

c) Performance Management System (PMS)

Continuing the PMS process for the year 2012-13, Key Result Area (KRA) based Targets were finalized for all the Operating Groups and Individual Executives. The fourth year of implementation of the PMS process in the Company witnessed an increased awareness about the PLI Scheme, among the employees, which resulted in an enhanced level of motivation and productivity which to a large extent contributed to the all-round good performance of the Company.

The KRA performance appraisal process for the year 2011-12 was completed for all the Groups and individual Executives.

Individual KRA Targets for Managers (Scale IV) and Chief Managers (Scale V) was introduced in the year 2012-13. The KRAs of these two cadres would be integrated into the performance appraisal process relevant to them for the year 2012-13.

It is expected that the KRAs and the PLI scheme would continue to engender a healthy competition among the offices in the Company to perform in an excellent and synergistic manner so as to facilitate the Company to achieve its objectives for the years to come.

d) Break up of Number of Employees

The Company has 16,637 employees with the following class-wise break-up:

Class	No. of Employees
Class I	5,807
Class II Marketing - 1,120 Administration - 498	1,618
Class III	7,031
Class IV	2,078
PTE	103
Total	16,637

e) Recruitment:

As in the earlier years, the addition to Scale I by way of recruitment of young and talented officers has been continued in the year 2012 also to meet the manpower requirements of the organization. We have recruited 303 officers in the disciplines of IT (47), Accounts (27), Engineers (10), Law (14), Actuary (1) and Generalists (204). Besides, the Board accorded approval to fill up 400 vacancies in Scale I for 2012-13 and 600 vacancies in Assistants for 2012-13, the process for which is underway. Campus recruitment process for 2013-14 initiated since September 2012 and 6 MBA candidates from NIA, Pune were selected for the post of Scale I officers. In addition, 11 Doctors are selected for recruitment to Scale I.

f) Training:

The role of HR is vital towards the accomplishment of vision and mission of any organization. The Company strives continuously to equip the workforce to update and face the emerging trends with confidence. To prepare Regional Personnel Officers and Regional Training Teams to meet the organizational needs. All India Trainers' Meet was held at Aurangabad in December 2012 followed by All India Personnel Officers' Meet at Kolkata in February 2013.

In addition to Corporate Training Centre 'Nalanda' at Chennai, Twenty-four Regional Centres and seventy Agents' Training Centres are also operating throughout the country.

Out of recruitment of officers we conducted Induction-cum-Orientation Training Programme at Corporate

Learning Centre for 98 specialists, 200 generalists in 3 batches upto 8 weeks each.

National Insurance Academy at Pune co-promoted by the Company along with its Public Sector Counterparts and LIC, imparts Insurance training on specialized insurance topics to the officers. The Academy also offers research facilities on insurance related subjects. Officers have been trained at various External Training institutions like College of Insurance, Institute of Public Enterprises, ASSOCHAM, MDI and Industrial Management Academy, IIM and ISB.

Top level executives have attended overseas Seminars and Meetings organized by International Associations. Special training was conducted in February 2013 for 36 Top operational level Management (Scale-V) on challenging strategic issues of our company and industry.

Details of Training Programmes attended by employees during the year 2012-13:

Name of Training Centre	No. of Programmes	Participant Employees
Corporate Training Dept., HO	5	339
Corporate Learning Centre, Nalanda	65	2026
Regional Training Centres (24)	878	15,413
National Insurance Academy	86	828
Other External Institutes	29	78
Total	1,063	18,684
Agents Training Centre (70)	532	9643
Broker Training Centre (at LC)	7	100

Apart from the above, 10,251 participated in customer seminars/workshops conducted by Regional Offices. Head Office Departments also organized 14 seminars attended by 900 employees.

The number of officers trained at NIA is the highest forever in the company. Also Regional Training Centre have excelled in training activities imparting training to 5,316 Class I (94%), 1,644 Class II and 8,453 Class III in the year 2012-13. The Soft Skill Training to all employees of Operating Offices has been completed as on 30th June 2012. At this special juncture of Company's Platinum Jubilee Training has taken a leading role to equip the employees to cope up with the rapidly changing work environment.

g) Welfare of SC/ST/OBC/PH/Ex-servicemen

The Company complies with the guidelines of Government on extending reservation of posts, relaxations of age in recruitment and reservation of posts in promotion for SC/ST. The Company also adheres to the guidelines issued by the Government on reservation for OBC categories in recruitment as well as those governing Physically Handicapped personnel concessions. Incentives and financial support are being extended from Dr. Ambedkar Welfare Trust Fund to the SC/ST and OBC employees.

The Company conducted a Workshop for Liaison Officers on Reservation Policy in February 2013. Shri.C.C.Unnikrishnan, Corporate Consultant (Retd.

Deputy Secretary to Government of India) has taken the session with regard to the Reservation Policy in detail.

Honourable Members of the National Commission for Scheduled Castes, New Delhi, visited RO, Ludhiana, Bangalore in the year 2012. Shri Raju Parmer, Member, National Commission for SC, Delhi visited our RO, Dehradun on 25-07-2012 for reviewing the implementation of Reservation Policy.

Out of 1,531 Officers who were trained at Learning Centre, the number of SC/ST and OBC Officers were 290, 99 and 234 respectively. Similarly, out of 828 Officers trained at NIA, Pune, the number of Officers participated in various training programmes in SC, ST category were 198 and 60 respectively. Also our Regional Training Centres have trained 15,413 employees, where adequate participation of SC, ST employees were ensured.

During the year 2012-13, 503 SC/ST Officers are eligible for promotion to the next cadre and they were all given Pre-promotional Training at our various Regional Training Centres.

Adequate representation is also being given in the allotment of Staff Quarters as per reservation guidelines.

7. CORPORATE SOCIAL RESPONSIBILITY

a) Corporate Social Responsibility Initiatives

The Company adopted villages as part of insurance inclusion, envisaging development of health, hygiene, environment and educational infrastructure of the village and also spread the message of insurance to everyone in the village. Towards this, UIIC had adopted 9 villages during the year 2012-13 in various states. So far, our Company has adopted 17 villages in various parts of the country. The list of villages adopted during 2012-13 were as follows:

Village	District	State	UIIC Regional Office
Bhatupara	Murshidabad	West Bengal	Kolkata
Palipalem	East Godavari	Andhra Pradesh	Vizag
Sanbandha	Bankura	West Bengal	Kolkata
Tape	Ranchi	Jharkhand	Patna
Palaiya Senjai	Sivagangai	Tamil Nadu	Madurai
Jalsan	Anand	Gujarat	Vadadora
Thuvarangadu	Tirunelveli	Tamil Nadu	Madurai
Kothimangalam	Kancheepuram	Tamil Nadu	Chennai
Guradiya	Bhopal	Madhya Pradesh	Bhopal

h) Sports Activities

The Central Sports Committee has committed itself to promote sports activities amongst the employees so as to facilitate the participation of the employees in various sports. Various events are conducted regularly on an All India basis to develop sportsmanship attitude among the employees, an attitude which strives for fair play, courtesy towards team mates and opponents, ethical behaviour, integrity and grace in victory or defeat. A sports person can take quick decisions depending upon the situation he is in and this helps him to be in good stead in other areas of life as well.

During the year 2012-13, Platinum Jubilee All India Carrom Tournament and Platinum Jubilee All India Badminton Tournament were organized at Coimbatore and Bhopal respectively. Zonal selection for All India Table tennis tournament and Regional selection for All India Cricket tournament had been activated.

Employees were also nominated to various outside tournaments including the National level tournaments apart from participating in Regional level tournaments.

b) Micro Insurance

Micro Insurance is a valuable tool to reduce the vulnerability of the poor and protect them against specific risks. Hence, the Company had opened 10 Micro Insurance Cells in the following Regions - Bangalore, Chennai, Hyderabad, Jaipur, Kochi, Lucknow, Madurai, Nagpur, Pune & Vizag. The Company procured a premium of ₹ 611.12 crores under Micro Insurance for the year 2012-13 as against ₹ 473.90 crores in the previous year recording a growth rate of 28.96%.

c) Others

The Company covered 4,13,89,624 lives in Social Sector as against 2,92,15,418 in the previous year, achieving a growth rate of 70.59%. The Rural Sector premium saw a growth of 27.42%. The Company continued to be a major player in National Livestock Insurance Programme.

d) Agriculture Insurance

United India has entered an agreement with AIC to do Weather Based Crop Insurance (WBCIS) and Modified National Agriculture Insurance Scheme (MNAIS) to cover Non-loanee farmers in South on pilot basis with Coinsurance arrangements. Our share in the total premium would be 49% and that of AIC is 51%. We have been allotted 48 Districts in all 4 Southern States. We have recruited 10 Agri. Specialists for this purpose. The MoU was renewed for 3 more years w.e.f. 28-03-2013. Total number of farmers covered FY 2012-13 was 29,723. We are the first GIPSA company to venture into underwriting of Crop Insurance by online through Crop Insurance Portal. This is another

milestone for United India Insurance Co. to achieve social objective.

e) Rural Sector, Social Sector and Micro Insurance

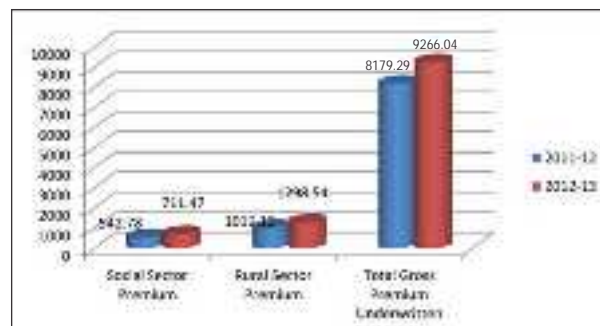
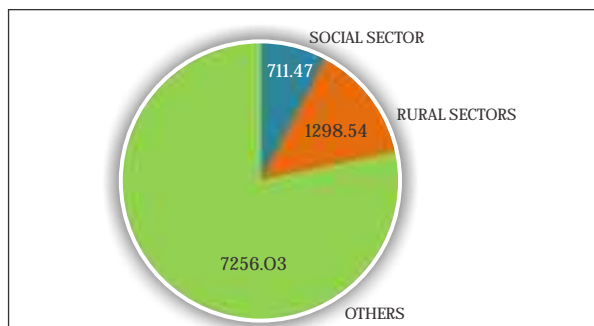
The Company has been always consistently focusing on Rural, Social Sector and Micro Insurance. It has been complying with the IRDA obligations on Rural and Social Sector business during the previous years and in the current year as well. The Company is the leader in Rural and Social Sector insurance, primarily targeted at the vulnerable, poor and BPL sections of the population, who have been outside the ambit of insurance coverage for a long time.

Publicity campaigns were undertaken in various parts of the country through mass contact programmes, TV advertisements, Cattle health camps etc. so as to increase the awareness of rural insurance products.

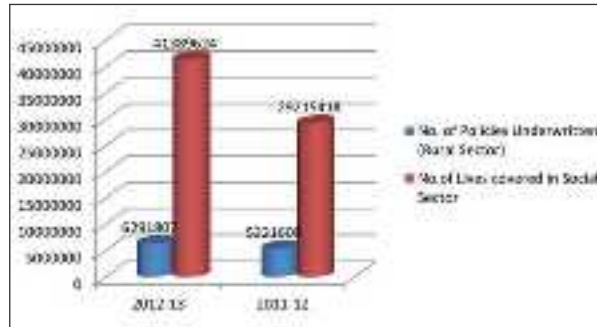
The share of Rural and Social Sector Premium in the Gross Premium underwritten by the Company is as under:

(A in crores)

Particulars	2012-13	2011-12
Total Gross Premium underwritten	9266.04	8179.29
Rural Sector Premium	1298.54	1019.13
No. of Policies underwritten (Rural Sector)	6291807	5321609
Social Sector Premium	711.47	542.78
No. of lives covered in Social Sector	41389624	29215418



GROWTH IN RURAL AND SOCIAL SECTOR



Rural Sector – Premium - 14.01%
 Social Sector – No. of Lives - 41.67%

8. Health Insurance Scheme for BPL Families

Universal Health Insurance Scheme aims to provide health insurance benefits to economically weaker sections of the Society. The Company has also put in place community based insurance solutions as an innovative method of delivering insurance service, for which, United India has tie-up with Pudhu Vaazvu (VKP) and IFAD (International Fund for Agricultural Development) assisted post-Tsunami Sustainable Livelihood Programme implemented by Tamil Nadu Corporation for Development of Women Ltd. wherein the Coastal Area of the Tsunami Affected people in Tamil Nadu are covered with Health Insurance, Fire Insurance, Personal Accident Insurance & Cattle Insurance. We have started with 6 Coastal Districts viz. Nagapattinam, Kanyakumari, Villupuram, Cuddalore, Thiruvallur and Kancheepuram.

9. Rashtriya Swasthya Bima Yojana (RSBY)

RSBY is a major Health Insurance scheme for the Below Poverty Line population (unorganised sector) of the Country conceived and implemented by the Ministry of Labour and Employment, Govt. of India and State Govts. UIIC is a leading player in the RSBY health insurance scheme covering 64.02 lakh families consisting of 2.20 crore lives across the country. During this year, the company had provided cover in 76 Districts of 9 States.



10. Donations

Company made the donations amounting to ` 0.25 crores to Cancer Institute, Chennai.

PLATINUM JUBILEE CELEBRATIONS

Our Company's Platinum Jubilee celebrations were launched in New Delhi on 18th February 2012. The then Finance Minister Shri Pranab Mukherjee participated in the function and delivered a keynote address and launched a new product during the function.

In October 2012, the Company embarked on a prestigious project of insurance literacy awareness programme in Schools in a pompous function held in Chennai. Dr.K.Rosaiah, Hon'ble Governor of Tamil Nadu graced the function and released the insurance literacy literature and CD and gave away prizes to meritorious students from various Government Schools. Our esteemed clients from the city participated in the function.

In continuation of the celebrations, we held a function in the financial capital of the country, Mumbai in which Shri Prithviraj Chavan, Hon'ble Chief Minister of Maharashtra participated and delivered the keynote address. The function was attended by our valued

customers, Brokers and our employees in large number. The function gave a great fillip to the company's image.

In Bangalore the function was held during January 2013 where Shri K.H. Muniappa, Hon'ble Minister for Small and Micro Industries graced the function and addressed our clients and brokers from the IT City.

We hosted functions in Kolkata and Pune also during the month and our CMD addressed our clients and brokers during the meetings.

In order to motivate our employees and to take the platinum jubilee message of 'Going Glorious ' across the company, we have organized a series of tournament and competitions for our employees. Platinum Jubilee Badminton and Carrom Tournaments were held at Bhopal and Coimbatore respectively. A music competition for employees was conducted in January/ February 2013.

CATCH THEM YOUNG

INSURANCE LITERACY PROGRAMME FOR SCHOOLS

The Government is keen to promote financial literacy at all levels and United India Insurance Company Limited, as a responsible Public Sector General Insurance Company, has taken the mantle of leadership in spreading the insurance literacy among the young students of our country, who are going to be the future consumers of the economy to become insurance literate. Therefore, United India carefully has drawn up this initiative of Corporate Social Responsibility to promote the insurance literacy programme in schools.

Commemorating the company's 75th year of service to the Nation, United India rolled out the initiative by identifying 75 Government and/or Government Aided Schools across the country. We have conducted insurance and safety awareness classes, conducted insurance related competitions, provided sponsors driven Student Safety Insurance Cover to all the students and also provided various infrastructure facilities needed by the identified schools. We have

also brought out 2 CDs and booklets on Insurance and Safety for distribution among the schools.

United India has brought and promoted many schemes for the welfare of rural folks, BPL Families and the general public. Once again UIIC has rededicated itself to promote yet another programme, viz., Insurance Literacy and Financial Inclusion for our countrymen in a major way as their contribution to Indian society.



His Excellency Dr. K. Rosaiah, The Governor of Tamil Nadu has launched Insurance Literacy Programme in Schools at Chennai

Performance in Health, Rural and Social Lines in the past five years

(A in Lakhs)

Policy Details	Year	No. of Policies issued	No. of persons Insured	Amount of Premium collected	No. of claims reported	Incurred claims amount	No. of claims settled	Claims settled amount	Incurred claims ratio %
MEDICLAIM POLICIES									
Mediclaim (Individual+Group)	2008-09	873806	5299612	85319.77	430881	99405.82	378186	94416.29	110.00
	2009-10	954765	6051624	123437.41	596312	141673.68	536245	143463.46	114.77
	2010-11	986082	8828139	155833.34	732937	157806.68	698819	154861.92	101.00
	2011-12	1278706	10358867	193861.12	759521	177071.36	718008	180718.64	91.00
	2012-13	1139956	12653608	196913.50	775713	175569.84	729624	177000.95	89.10
SOCIAL AND RURAL SECTOR - A GLIMPSE									
Jan Arogya	2008-09	46198	70548	49.42	798	61.73	1276	63.61	124.91
	2009-10	38205	74583	41.00	844	53.97	1349	55.50	132.05
	2010-11	27862	54391	30.00	580	44.63	851	44.61	149.26
	2011-12	6670	68405	37.73	991	37.44	991	37.54	99.22
	2012-13	34984	81902	45.19	805	42.57	806	42.26	94.20
Janata Personal Accident Policy	2008-09	4902481	5254210	3310.15	2815	2908.50	4973	2992.66	87.87
	2009-10	4823956	5170051	3257.13	3598	3777.93	7211	4326.63	115.99
	2010-11	4623141	4954829	3121.54	2711	3021.68	4212	3135.55	96.80
	2011-12	180541	5650782	3560.00	4877	3281.88	4770	3123.27	92.19
	2012-13	155066	4164652	3305.42	3434	2534.81	3373	2248.65	76.69
Universal Health Insurance	2008-09	734536	3121778	3966.50	27352	2344.40	19035	2379.66	59.11
	2009-10	378785	1453630	3067.65	19719	1690.23	10100	1764.66	55.10
	2010-11	229266	879835	1856.75	13676	1336.52	12781	1298.96	71.98
	2011-12	35583	652928	1377.90	9083	1408.88	9212	1389.55	102.24
	2012-13	27069	198263	564.25	7433	681.16	7368	745.25	120.72
Cattle Insurance	2008-09	2604846	5195652	7464.93	45746	4538.30	76854	4614.61	60.79
	2009-10	2695868	5391736	7660.42	55824	5484.16	94184	5651.03	71.59
	2010-11	3007495	6014989	8545.92	61213	7076.14	75142	7002.11	82.80
	2011-12	231324	7242977	10290.61	43440	7230.35	42141	6981.12	70.26
	2012-13	2765254	6251821	9976.28	39240	7555.03	38123	7304.40	76.73

III) REPORT ON CORPORATE GOVERNANCE

Corporate governance has gained greater importance over the years as it makes the corporates stronger, more efficient and more accountable to the stakeholders. As regards the insurance sector, the emphasis is on aspects like protection of the interests of the policyholders, maintenance of solvency, sound long term investment policy and assumption of underwriting risks on a prudential basis and evaluation of overall risk management across the structure of the organization.

The details of the Board and its Sub-committees are given below:

BOARD OF DIRECTORS

- Smt. Priya Kumar, Shri S. Surenter and Smt. Asha Nair were appointed as Directors with effect

from 11-5-2012, 10-9-2012 and 1-10-2012 respectively.

- Shri Arvind Kumar and Shri V. Harshavardhan ceased to be Directors w.e.f. 11-5-2012 and 1-10-2012 respectively. The Board placed on record its appreciation of the valuable services rendered by Shri Arvind Kumar and Shri.V. Harshavardhan as Directors of the Company.
- Shri G. Srinivasan ceased to be CMD of the Company w.e.f. 18-10-2012. The Board placed on record its appreciation of the valuable services rendered by Shri G. Srinivasan as CMD of the Company.

1. BOARD MEETING DETAILS

Six meetings of the Board were held during the year i.e. on 28th April 2012, 6th July 2012, 6th August 2012, 11th October 2012, 2nd November 2012 and 4th February 2013.

Director	No. of Meetings held during his/her tenure	No. of Meetings Attended
1. Shri. Milind Kharat, CMD	2	2
2. Shri. G. Srinivasan, CMD	4	4
3. Shri. Arvind Kumar	1	1
4. Smt. Priya Kumar	5	5
5. Shri. T.M. Bhasin	6	2
6. Shri. A. Thrikraman Thampi	6	5
7. Shri. S. Surenter	3	3
8. Smt. Asha Nair	3	3
9. Shri. V. Harshavardhan	3	1

In terms of IRDA directions, Shri. S. Krishnan, Actuary was present in three Board meetings held during the year.

2. Details of Investment Committee Meeting

Four meetings of the Investment Committee were held during the year i.e. on 6th July 2012, 6th August 2012, 2nd November 2012 and 4th February 2013. The Investment Committee monitors the implementation of the investment policy as approved by the Board apart from monitoring the investment functions.

Member	No. of Meetings held during his/her tenure	No. of Meetings attended
1. Shri. Milind Kharat, CMD	2	2
2. Shri. G. Srinivasan, CMD	2	2
3. Shri. T.M. Bhasin, Director	4	1
4. Shri. A. Thrivikraman Thampi, Director	4	4
5. Smt. Asha Nair, Director	3	3
6. Shri. S. Surenter, Director, GM & FA	2	2
7. Shri. B.M. Thakkar, GM	3	3
8. Shri. M.V.V. Chalam, GM	1	1
9. Shri. S. Krishnan, Actuary	3	3

3. Details of Audit Committee Meetings

The Audit Committee reviews accounting policies and also the structure, efficacy and process of the internal control systems prevailing in the company. The Committee deliberates on the Financial statement of the company before placing the same before the Board of Directors for adoption.

The Committee dealt with pending audit objections having implications of ` 2 lacs and above raised by the Internal Auditors, queries raised by the C&AG and also the matters related to Concurrent audit of Investment Department. The Committee played a pro-active role in reviewing the status of the Internal Audit in the company and also suggested improvements in the same.

Director	No. of Meetings held during his/her tenure	No. of Meetings attended
Shri. Arvind Kumar, Director	1	1
Smt. Priya Kumar, Director	3	3
Shri. T.M. Bhasin, Director	4	2
Shri. A. Thrivikraman Thampi, Director	4	3
Smt. Asha Nair, Director	2	2
Shri. V. Harshavardhan, Director	1	-

Four meetings of the Audit Committee were held during the year i.e. on 28th April 2012, 6th August 2012, 2nd November 2012 and 4th February 2013.

4. Policyholders Protection Committee

Four Meetings held during the year i.e. on 6th August 2012, 2nd November 2012, 26th December 2012 and 4th February 2013.

Director	No. of Meetings held during his/her tenure	No. of Meetings attended
Shri. Milind Kharat, CMD	3	3
Shri. G. Srinivasan, CMD	1	1
Smt. Priya Kumar, Director	4	4
Shri. T.M. Bhasin, Director	4	2
Smt. Asha Nair, Director	3	3
Shri. V. Harshavardhan, Director	1	-

5. Risk Management Committee

Four Meetings held during the year i.e. on 6th August 2012, 2nd November 2012, 26th December 2012 and 4th February 2013.

Director	No. of Meetings held during his/her tenure	No. of Meetings attended
Shri. Milind Kharat, CMD	3	3
Shri. G. Srinivasan, CMD	1	1
Smt. Priya Kumar, Director	4	4
Shri. S. Surenter, Director	3	3
Shri. V. Harshavardhan, Director	1	-

6. Property Review Committee

Property Review Committee was established as per directions of the Ministry. Three Meetings were held during the year i.e. on 6th August 2012, 2nd November 2012, and 4th February 2013.

Director	No. of Meetings held during his/her tenure	No. of Meetings attended
Shri. Milind Kharat, CMD	2	2
Shri. G. Srinivasan, CMD	1	1
Smt. Priya Kumar, Director	3	3
Shri. A. Thrivikraman Thampi, Director	3	3
Shri. S. Surenter, Director	2	2
Shri. V. Harshavardhan, Director	1	-

7. Statutory Auditors

M/s. Manohar Chowdhry & Associates, M/s. Kalyanasundaram & Co. and M/s. V. Krishnan & Co., Chartered Accountants were appointed for the period under review, as Statutory Auditors by the Comptroller & Auditor General of India u/s 619 of The Companies Act 1956, in addition to the auditors appointed for various Regional and Divisional Offices.

8. Particulars of Employees u/s 217 (2A) of the Companies Act, 1956

During the year under review, none of the employees were paid remuneration in excess of the limit specified u/s 217 (2A) of The Companies Act, 1956.

9. Expenses of Management during the Year on Entertainment, Foreign Tours and Publicity and Advertisement are as follows :

Entertainment	₹ 3,31,492.50
Foreign Tours	₹ 44,65,442.00
Publicity and Advertisement	₹ 49,74,53,469.61

10. Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

In the preparation of the annual accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures:

- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of

the financial year and of the profit or loss of the Company for the year under review;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the annual accounts for the financial year ended 31st March 2013, on a going concern basis.

11. Placing of Annual Report before The Parliament

For the 9th consecutive year (upto 2011-12), The Comptroller And Auditor General of India, under Section 619(4) of the Companies Act, has cleared the accounts of the company without any comments.

The Annual Report of the Company along with the Directors' Report for the year ending 31-03-2012 was placed under Section 619-A read with 619-B of the Companies Act 1956 on 05-09-2012 and 06-09-2012 on the tables of Lok Sabha and Rajya Sabha respectively.

12. Acknowledgements

The Board of Directors conveys its sincere thanks to all clients for their continued patronage. Board also places on record its appreciation for the good work done by employees and agents, brokers and other intermediaries of the company. The Board also thanks the Appointed Actuary, consulting Actuary, Statutory Auditors, Insurance Division of the Ministry of Finance, Insurance Regulatory and Development Authority, General Insurers' (Public Sector) Association and Member Audit Board for their guidance and support.

For and on behalf of Board

Chennai
26th April 2013

MILIND KHARAT
Chairman-cum-Managing Director

Profile of the Board of Directors

Name (S/Shri/Smt)	Qualification	Field of Specialization	Status of Directorship
Milind Kharat	M.A., LLB, FIII	Insurance	1. Director, GIC Housing Finance Limited 2. Director, Kenindia Assurance Company Limited, Kenya 3. Director, Central Insurance Repository Limited
Priya Kumar, IIS	B.A. (Hons.) Economics, M.A.Economics MBA	Finance	Nil
T.M. Bhasin	M.Sc., MBA, LLB., CAIIB	Banking	CMD, Indian Bank
A. Thri vikraman Thampi	B.A., LLB.	Advocate	Nil
S. Surenther	B.A., FCA, AIII	Insurance	Director, Agriculture Insurance Co. of India
Asha Nair	M.A., FIII	Insurance	Director, VST Industries Ltd.

Certification for Compliance of the Corporate Governance Guidelines

I, S. Venkataraman, hereby certify that the Company has complied with the corporate governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

S.VENKATARAMAN
COMPANY SECRETARY

SHAREHOLDERS AND POLICYHOLDERS' FUNDS – 2012-13

SHAREHOLDERS' FUNDS

(A in '000)				(A in '000)			
		Balance as on 31-03-2013	Percentage			Balance as on 31-03-2012	Percentage
SHARE CAPITAL		1500000				1500000	
CAPITAL RESERVE		13589				13589	
GENERAL RESERVES		45684073				42386855	
MISCELLANEOUS / SPECIAL RESERVES		72160				1574271	
TOTAL SHAREHOLDERS' FUNDS		47269822	28.66			45474715	31.27

POLICYHOLDERS' FUNDS

(A in '000)				(A in '000)				
	Unexpired Risks Reserves as on 31-03-2013	Outstanding Claims Reserves as on 31-03-2013	Total Reserves as on 31-03-2013	Percentage	Unexpired Risks Reserves as on 31-03-2012	Outstanding Claims Reserves as on 31-03-2012	Total Reserves as on 31-03-2012	Percentage
FIRE	4155696	6533538	10689234		3550604	4947864	8498468	
MARINE	1769956	3307774	5077730		1592896	2647670	4240566	
MISCELLANEOUS	29304310	72585363	101889673		27705151	59509395	87214546	
TOTAL POLICYHOLDERS' FUNDS	35229962	82426675	117656637	71.34	32848651	67104929	99953580	68.73
TOTAL FUNDS			164926459	100.00			145428295	100.00

The balance as on 01-04-2012 are used as basis for apportionment of investment income of 2012-13 between Policyholders and Shareholders.

Average Shareholders Funds - A 46372268.50

Average Policyholders Funds - A 108805108.50

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED INDIA INSURANCE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of United India Insurance Company Limited ("the Company"), which comprise of Balance Sheet as at 31st March, 2013, the Fire, Marine and Miscellaneous Revenue Accounts, the Profit & Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information annexed thereto, in which the accounts and returns of 26 Regional Offices, 8 Large Corporate and Broker Cells (LCBs) and 393 Divisional Offices audited by other firms of Chartered Accountants and an Overseas run-off operations audited by an Overseas Auditor, are incorporated.

The Financial Statements have been drawn in accordance with the Insurance Act, 1938, The Insurance Regulatory and Development Authority Act, 1999, Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 read with Section 211 of the Companies Act, 1956, to the extent applicable.

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 in accordance with the Insurance Act, 1938, The Insurance Regulatory and Development Authority Act, 1999, Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, read with Section 211 of the Companies Act, 1956 to the extent applicable. 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 misstatements, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Insurance Act, 1938, The Insurance Regulatory and Development Authority Act, 1999, Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Revenue Accounts, of the surplus/(deficit) for the year ended 31st March, 2013;
- c) in the case of Profit & Loss Account, of the profit for the year ended 31st March, 2013; and

- d) in the case of the Cash Flow Statement, of the receipts and payments for the year ended 31st March, 2013.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

- a) Note No. 30 to the financial statements, which describes deferment of the liability on account of pay revision and enhancement in the limit for gratuity under "Payment of Gratuity Act, 1972" by the Company to the extent of R 564000 thousands pursuant to the exercise of the option for the accounting treatment for the same prescribed under paragraph "i" of Insurance Regulatory and Development Authority Circular No: IRDA/F&A/CIR/ACT/O69/O4/2011 dated 18th April, 2011;
- b) Note No.22(C) to the financial statements, which describes deferment of the liability on dismantling of the Indian Motor Third Party Insurance Pool by the Company to the extent of R 2563482 thousands pursuant to the exercise of the option for the accounting treatment for the same prescribed under paragraph 3(b) of Insurance Regulatory and Development Authority Order No. IRDA/F&A/ORD/MTTPP/O7O/O3-2012 dated 22nd March, 2012.

Report on Other Legal and Regulatory requirements

As required by Section 227(3) of the Companies Act, 1956, The Insurance Regulatory and Development Authority Act, 1999, and The Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulation 2002:

We report that:

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and found them to be satisfactory;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) In our opinion, proper returns of Regional Offices, Divisional Offices, LCBs and Overseas run-off operations, which were not visited by us,

have been received and these were considered adequate for the purpose of audit;

- d) The Reports of the Auditors on the accounts of Regional Offices, Divisional Offices, LCBs and Overseas run-off operations and such other particulars and information thereon have been taken into consideration;
- e) The Balance Sheet, Revenue Accounts, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the returns received from Regional Offices, Divisional Offices, LCBs and Overseas run-off operations, which were not visited by us;
- f) In our opinion, the Balance Sheet, Revenue Accounts, Profit & Loss Account, Cash Flow Statement and the Accounting Policies of the Company comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable and with the accounting principles as prescribed by The Insurance Regulatory and Development Authority Act, 1999 and IRDA (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002;
- g) As per Circular number 8/2002 dated 22-03-2002 issued by the Department of Company Affairs, the directors of the Government Companies are exempted from the applicability of the provisions of Section 274(1)(g) of the Companies Act, 1956. Therefore, the requirement of disclosure u/s 274(1)(g) does not apply;
- h) The Company has valued its investments in accordance with provisions of The Insurance Regulatory and Development Authority Act, 1999, IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002;
- i) The actuarial valuation of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) has been duly certified by the appointed actuary. The appointed actuary has certified to the Company that the assumptions used for such valuation are appropriate and are in accordance with the requirement of the IRDA and Actuarial Society of

India in concurrence with IRDA. We have relied on the appointed actuary's certificate in this regard.

Further, we certify that:

- a) We have reviewed the Management Reports and there is no apparent mistake or material inconsistency with the financial statements;
- b) The company has complied with terms and conditions of the registration stipulated by the IRDA;
- c) To the best of our information and explanations given to us and representations made by the Company, the Company is not the trustee of any trust;
- d) We have verified the cash and bank balances, investments and securities relating to loans by actual inspection or by production of certificates

and other documentary evidences except in the case of investment referred to in Note number 11;

- e) The Company has complied with the instructions issued by the IRDA in relation to the business transacted on account of Indian Motor Third Party Insurance Pool and Indian Motor Third Party Declined Risk Insurance Pool for Commercial Vehicles and the investment of funds from these pools;
- f) To the best of our information and explanations given to us and representation made by the company, no part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the Policyholders' Funds.

For Kalyanasundaram & Co.
ICAI FRN:OO1676S
Chartered Accountants

CA T.S. Ravichandran
Partner
Membership No.O23809

Place : Chennai
Date : 26th April, 2013

For Manohar Chowdhry & Associates
ICAI FRN:OO1997S
Chartered Accountants

CA M.S.N.M. Santosh
Partner
Membership No.221916

For V. Krishnan & Co.
ICAI FRN : OO1541S
Chartered Accountants

CA M. Gopinath
Partner
Membership No.O23819

Comments of the Comptroller & Auditor General of India Under Section 619(4) of the Companies Act, 1956 on the accounts of United India Insurance Company Limited, Chennai, for the year ended 31st March 2013.

The preparation of financial statements of United India Insurance Company Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory & Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 26 April 2013.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of United India Insurance Company Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 619(4) of the Companies Act, 1956.

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

M.V. Rajeswari
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board, Chennai

Place : Chennai - 600 034
Date : 22-05-2013



Shri Milind Kharat, CMD, United India Insurance receiving 'Finnoviti Award 2012' for Innovative Product, Super Top-Up Policy

FINNOVITI 2012
AWARDS

“FINNOVITI AWARD 2012” for
Innovative Product, Super Top-Up Policy

Board Meeting Moments



“Smile of Success” after adoption of Accounts by the Board

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FINANCIAL STATEMENTS AND SCHEDULES
FOR THE YEAR ENDED 31st MARCH 2013

UNITED INDIA INSURANCE COMPANY LIMITED

Registration No. : 545, Date of Renewal with IRDA : 16th March 2012

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Schedule	Current Year (A '000)	Previous Year (A '000)
Premium earned (Net)	1	7347748	5844120
Profit/Loss on sale/redemption of Investments (Net)		319409	345088
Sundry Balances written back (Net)		6751	-80
Exchange Loss/Gain		266	319
Interest, Dividend & Rent – Gross		1074454	571000
TOTAL (A)		8748628	6760447
Claims Incurred (Net)	2	5515123	4418788
Commission	3	244003	106464
Operating Expenses related to Insurance Business	4	2462885	1802934
Others			
Expenses relating to Investments		1350	1153
Amortisation of Premium on Investments		12439	12522
Amount written off in respect of depreciated investments		3702	10490
Provision for Bad and Doubtful Debts		-14481	3639
Provision for diminution in the value of other than actively traded Equities		27234	13473
TOTAL (B)		8252255	6369463
Operating Profit / (Loss) C=(A-B)		496373	390984
APPROPRIATIONS			
Transfer to Shareholders' Account		496373	390984
Transfer to Catastrophe Reserve			
Transfer to Other Reserves			
TOTAL (C)		496373	390984

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

For and on behalf of Board

MILIND KHARAT
Chairman-cum-Managing Director

S. SURENTER
Director and Financial Advisor

S. VENKATARAMAN
Company Secretary

Priya Kumar
T.M. Bhasin
A. Thrivikraman Thampi
Asha Nair

} Directors

Vide our report of date attached

For Kalyanasundaram & Co.
ICAI FRN:OO1676S
Chartered Accountants
CA T.S. Ravichandran, Partner
Membership No.O23809
Chennai
26th April 2013

For Manohar Chowdhry & Associates
ICAI FRN:OO1997S
Chartered Accountants
CA M.S.N.M. Santosh, Partner
Membership No.221916

For V. Krishnan & Co.
ICAI FRN:OO1541S
Chartered Accountants
CA M. Gopinath, Partner
Membership No.O23819

UNITED INDIA INSURANCE COMPANY LIMITED
Registration No. : 545, Date of Renewal with IRDA : 16th March 2012
MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Schedule	Current Year (A '000)	Previous Year (A '000)
Premium earned (Net)	1	2848766	2617286
Profit/Loss on sale/redemption of Investments (Net)		158886	192973
Sundry Balances written back (Net)		2718	-33
Exchange Loss/Gain		96	433
Interest, Dividend & Rent – Gross		358843	319302
TOTAL (A)		3369309	3129961
Claims Incurred (Net)	2	2174815	2166914
Commission	3	311250	85006
Operating Expenses related to Insurance Business	4	990665	743959
Others			
Expenses relating to Investments		672	645
Amortisation of Premium on Investments		6188	7002
Amount written off in respect of depreciated investments		1841	5866
Provision for Bad and Doubtful Debts		-7204	2035
Provision for diminution in the value of other than actively traded Equities		13547	7535
TOTAL (B)		3491774	3018962
Operating Profit / (Loss) C=(A-B)		-122465	110999
APPROPRIATIONS			
Transfer to Shareholders' Account		-122465	110999
Transfer to Catastrophe Reserve			
Transfer to Other Reserves			
TOTAL (C)		-122465	110999

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

Priya Kumar
T.M. Bhasin
A. Thrivikraman Thampi
Asha Nair

} Directors

For and on behalf of Board
MILIND KHARAT
Chairman-cum-Managing Director
S. SURENTER
Director and Financial Advisor
S. VENKATARAMAN
Company Secretary

For Kalyanasundaram & Co.
ICAI FRN:OO1676S
Chartered Accountants
CA T.S. Ravichandran, Partner
Membership No.O23809
Chennai
26th April 2013

Vide our report of date attached
For Manohar Chowdhry & Associates
ICAI FRN:OO1997S
Chartered Accountants
CA M.S.N.M. Santosh, Partner
Membership No.221916

For V. Krishnan & Co.
ICAI FRN:OO1541S
Chartered Accountants
CA M. Gopinath, Partner
Membership No.O23819

UNITED INDIA INSURANCE COMPANY LIMITED
Registration No. : 545, Date of Renewal with IRDA : 16th March 2012
MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Schedule	Current Year (A '000)	Previous Year (A '000)
Premium earned (Net)	1	62312924	52410953
Profit/Loss on sale/redemption of Investments (Net)		3275443	3435800
Sundry Balances written back (Net)		45325	-582
Transfer fees, etc.		9997	11321
Interest, Dividend & Rent – Gross		7791117	5685039
TOTAL (A)		73434806	61542531
Claims Incurred (Net)	2	53659228	47283674
Commission	3	2525541	3377752
Operating Expenses related to Insurance Business	4	16562630	13113657
Others			
Expenses relating to Investments		13848	11476
Amortisation of Premium on Investments		127559	124675
Amount written off in respect of depreciated investments		37959	104440
Provision for Bad and Doubtful Debts		-148498	36233
Provision for diminution in the value of other than actively traded Equities		279272	134146
TOTAL (B)		73057539	64186053
Operating Profit / (Loss) C=(A-B)		377267	-2643522
APPROPRIATIONS			
Transfer to Shareholders' Account		377267	-2643522
Transfer to Catastrophe Reserve			
Transfer to Other Reserves (to be specified)			
TOTAL (C)		377267	-2643522

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

For and on behalf of Board

MILIND KHARAT
Chairman-cum-Managing Director

S. SURENTER
Director and Financial Advisor

S. VENKATARAMAN
Company Secretary

Priya Kumar
T.M. Bhasin
A. Thri vikraman Thampi
Asha Nair

} Directors

Vide our report of date attached

For Kalyanasundaram & Co.
ICAI FRN:OO1676S

Chartered Accountants

CA T.S. Ravichandran, Partner
Membership No.O23809
Chennai

26th April 2013

For Manohar Chowdhry & Associates

ICAI FRN:OO1997S

Chartered Accountants

CA M.S.N.M. Santosh, Partner
Membership No.221916

For V. Krishnan & Co.

ICAI FRN:OO1541S

Chartered Accountants

CA M. Gopinath, Partner
Membership No.O23819

UNITED INDIA INSURANCE COMPANY LIMITED
 Registration No. : 545, Date of Renewal with IRDA : 16th March 2012
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Schedule	Current Year (A '000)	Previous Year (A '000)
OPERATING PROFIT/(LOSS)			
Fire Insurance		496373	390984
Marine Insurance		-122465	110999
Miscellaneous Insurance		377267	-2643522
INCOME FROM INVESTMENTS			
Interest, Dividend & Rent – Gross		3853556	3825388
Profit on sale of investments		1706244	2311905
OTHER INCOME			
Profit/Loss on sale of assets and other incomes		29149	973627
TOTAL (A)		6340124	4969382
PROVISIONS (Other than taxation)			
For diminution in the value of investments		145479	90265
For doubtful debts		-77356	24380
OTHER EXPENSES			
Expenses other than those related to Insurance Business		7214	7722
Bad Debts written off		0	0
Amortisation of Premium on Investments		66448	83892
Amount written off in respect of depreciated investments		19773	70276
TOTAL (B)		161558	276536
Profit Before Tax (C) = (A - B)		6178566	4692846
Provision for Taxation		911400	685500
Taxation relating to earlier years		-6180	139449
Profit After Tax (D)		5273346	3867897
Appropriations			
Proposed final dividend		1060000	780000
Dividend distribution tax		180005	126423
Transferred to General Reserve		1776854	1441110
Transfer to Contingency Reserve for unexpired risks		2256487	1520364
Balance carried forward to Balance Sheet		-	-
Basic and diluted earning per share (A)		35.15	25.79

For and on behalf of Board

MILIND KHARAT
Chairman-cum-Managing Director

S. SURENTER
Director and Financial Advisor

S. VENKATARAMAN
Company Secretary

Priya Kumar
T.M. Bhasin
A. Thrivikraman Thampi
Asha Nair

} Directors

Vide our report of date attached

For Kalyanasundaram & Co.
ICAI FRN:OO1676S
Chartered Accountants
CA T.S. Ravichandran, Partner
Membership No.O23809
Chennai
26th April 2013

For Manohar Chowdhry & Associates
ICAI FRN:OO1997S
Chartered Accountants
CA M.S.N.M. Santosh, Partner
Membership No.221916

For V. Krishnan & Co.
ICAI FRN:OO1541S
Chartered Accountants
CA M. Gopinath, Partner
Membership No.O23819

UNITED INDIA INSURANCE COMPANY LIMITED
Registration No. : 545, Date of Renewal with IRDA : 16th March 2012
BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Schedule	Current Year (A '000)	Previous Year (A '000)
SOURCES OF FUNDS			
SHARE CAPITAL	5	1500000	1500000
RESERVES AND SURPLUS	6	48026309	43974715
FAIR VALUE CHANGE ACCOUNT		37469837	38868135
BORROWINGS	7	0	0
TOTAL		86996146	84342850
APPLICATION OF FUNDS			
INVESTMENTS	8	187662793	163841667
LOANS	9	3337534	3556867
FIXED ASSETS	10	1110292	1034451
CURRENT ASSETS			
CASH AND BANK BALANCES	11	13323534	13697494
ADVANCES AND OTHER ASSETS	12	27814860	25610357
SUB-TOTAL (A)		41138394	39307851
CURRENT LIABILITIES	13	104998571	85740526
PROVISIONS	14	41254295	37657459
SUB-TOTAL (B)		146252866	123397985
NET CURRENT ASSETS (C)=(A-B)		-105114472	-84090134
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15		
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT			
TOTAL		86996146	84342850

Priya Kumar
T.M. Bhasin
A. Thrivikraman Thampi
Asha Nair



Directors

For and on behalf of Board
MILIND KHARAT
Chairman-cum-Managing Director
S. SURENTER
Director and Financial Advisor
S. VENKATARAMAN
Company Secretary

For Kalyanasundaram & Co.
ICAI FRN:001676S
Chartered Accountants
CA T.S. Ravichandran, Partner
Membership No.023809
Chennai
26th April 2013

Vide our report of date attached

For Manohar Chowdhry & Associates
ICAI FRN:001997S
Chartered Accountants
CA M.S.N.M. Santosh, Partner
Membership No.221916

For V. Krishnan & Co.
ICAI FRN:001541S
Chartered Accountants
CA M. Gopinath, Partner
Membership No.023819

CONTINGENT LIABILITIES

As on 31-03-2013

Sl. No.	Particulars	Current Year (A '000)	Previous Year (A '000)
1	Partly Paid-up Investments	83.09	NIL
2	Claims other than those under policies, not acknowledged as debts	1060615	1006305
3	Underwriting commitments outstanding (in respect of Shares and Securities)	NIL	NIL
4	Guarantees given by or on behalf of the Company	NIL	NIL
5	Statutory demands / liabilities in dispute, not provided for	4459022	1205169
6	Reinsurance obligations to the extent not provided for	NIL	NIL
7	Letters of credit given on behalf of the Company	NIL	NIL
	Total	5519720.09	2211474

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1 - PREMIUM EARNED (NET)

As on 31-03-2013 (A '000)

Particulars	Fire		Marine		Misc.		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Premium from Direct business	11207643	9724720	6015062	5681114	75437671	66387095	92660376	81792929
Add : Reinsurance accepted	1284134	905484	148758	157097	2484325	10648528	3917217	11711109
Less : Reinsurance ceded	4538937	3943576	3137993	3068421	14009913	18696806	21686843	25708803
Net Premium	7952840	6686628	3025827	2769790	63912083	58338817	74890750	67795235
Adjustment for change in reserve for unexpired risks	-605092	-842508	-177061	-152504	-1599159	-5927864	-2381312	-6922876
Premium Earned (Net)	7347748	5844120	2848766	2617286	62312924	52410953	72509438	60872359

SCHEDULE - 2 - CLAIMS INCURRED (NET)

As on 31-03-2013 (A '000)

Particulars	Fire		Marine		Misc.		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
CLAIMS PAID								
Direct Business	4743263	4309491	2353368	2619749	47544116	43067454	54640747	49996694
Add: Reinsurance accepted	900783	251510	88791	135692	10723185	27672682	11712759	28059884
Less : Reinsurance ceded	1714596	1463495	927448	1135505	17684042	41607289	20326086	44206289
Net Claims paid	3929450	3097506	1514711	1619936	40583259	29132847	46027420	33850289
Add: Claims Outstanding at the end of the year-Direct	12156864	9857791	9533182	6842323	80446117	77991970	102136163	94692084
Add:Claims Outstanding at the end of the year-RI Accepted	846734	587608	389201	387944	1140147	970749	2376082	1946301
Less: Claims outstanding at the end of the year-RI Ceded	6470060	5497535	6614610	4582598	9000900	19453324	22085570	29533457
Add: Claims Outstanding at the end of the Year-Net	6533538	4947864	3307773	2647669	72585364	59509395	82426675	67104928
Less: Outstanding claims at the beginning of the year - Direct	9857792	8198487	6842324	5166270	77991969	39979259	94692085	53344016
Less: Claims outstanding at the beginning of the year - RI Accepted	587608	404043	387943	369095	970749	16807089	1946300	17580227
Add: Claims outstanding at the beginning of the year - RI Ceded	5497535	4975948	4582598	3434674	19453323	15427780	29533456	23838402
Less: Claims outstanding at the beginning of the year - Net	4947865	3626582	2647669	2100691	59509395	41358568	67104929	47085841
Claims Incurred (Net)	5515123	4418788	2174815	2166914	53659228	47283674	61349166	53869376

SCHEDULE - 3 - COMMISSION (NET)

As on 31-03-2013 (A '000)

Particulars	Fire		Marine		Misc.		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
COMMISSION								
Direct Business	645602	641422	498290	335716	4108135	4106037	5252027	5083175
TOTAL (A)	645602	641422	498290	335716	4108135	4106037	5252027	5083175
Add : Commission on Reinsurance accepted	183026	141599	31475	26164	365477	560538	579978	728301
Less : Commission on Reinsurance ceded	584625	676557	218515	276874	1948071	1288823	2751211	2242254
Commission (Net)	244003	106464	311250	85006	2525541	3377752	3080794	3569222

Break-up of the expenses (Gross) incurred to procure business.

Agents	371223	330642	229629	217928	2882721	2802956	3483573	3351526
Brokers	153546	176920	266022	113770	964017	1013947	1383585	1304637
Corporate Agency	120833	131854	2642	4011	265535	276256	389010	412121
Referral	0	2006	-3	7	-4138	12878	-4141	14891
TOTAL (B)	645602	641422	498290	335716	4108135	4106037	5252027	5083175

SCHEDULE - 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

As on 31-03-2013 (A '000)

Particulars	Fire		Marine		Misc.		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Employees' remuneration and Welfare benefits	1849562	1308138	744629	539112	12418486	9478623	15012677	11325873
Travel, conveyance and vehicle running expenses	66136	55446	26627	22851	444057	401759	536820	480056
Training Expenses	4259	6306	1715	2599	28598	45694	34572	54599
Rents, rates & taxes	63884	51790	25719	21344	428933	375266	518536	448400
Repairs	19495	17932	7848	7390	130894	129930	158237	155252
Printing and Stationery	19952	18179	8033	7492	133967	131724	161952	157395
Communication	29760	24364	11981	10041	199814	176542	241555	210947
Legal and Professional charges	9940	7235	4002	2982	66738	52421	80680	62638
Auditors' fees, expenses etc.								
a) as Auditor	3544	2762	1427	1138	23798	20013	28769	23913
b) as Advisor or in any other capacity, in respect of								
i) Taxation matters	0	0	0	0	0	0	0	0
ii) Insurance matters	0	0	0	0	0	0	0	0
iii) Management services; and	0	0	0	0	0	0	0	0
c) Any other capacity	351	263	141	109	2354	1909	2846	2281
Advertisement and publicity	61286	36237	24674	14934	411494	262568	497454	313739
Interest and Bank Charges	4688	2956	1887	1218	31473	21416	38048	25590
Depreciation	45269	57725	18225	23790	303947	418267	367441	499782
Service Tax on Premium A/c	379	346	152	142	2545	2505	3076	2993
Outsourcing Expenses	114349	90687	47125	37374	828556	657106	990030	785167
Others	170031	122568	66480	51443	1106976	937914	1343487	1111925
Total	2462885	1802934	990665	743959	16562630	13113657	20016180	15660550

SCHEDULE - 5 - SHARE CAPITAL

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
Authorised Capital 20000000 Equity Shares of A 10/- each	2000000	2000000
Issued Capital 15000000 Equity Shares of A 10/- each (includes 14,63,74,857 Equity Shares of A 10/- each issued as Bonus Shares by Capitalisation of General Reserve and Share Premium Account)	1500000	1500000
Subscribed Capital 15000000 Equity Shares of A10/- each (includes 14,63,74,857 Equity Shares of A10/- each issued as Bonus Shares by Capitalisation of General Reserve and Share Premium Account)	1500000	1500000
Called up Capital 15000000 Equity Shares of A10/- each (includes 14,63,74,857 Equity Shares of A 10/- each issued as Bonus Shares by Capitalisation of General Reserve and Share Premium Account)	1500000	1500000
Less : Calls unpaid	0	0
Add : Equity Shares forfeited (Amount originally paid up)	0	0
Less : Par Value of Equity Shares bought back	0	0
Less : Preliminary Expenses	0	0
Less : Expenses including commission or brokerage on Underwriting or subscription of Shares	0	0
Total	1500000	1500000

SCHEDULE - 5A - PATTERN OF SHARE HOLDING
(As certified by the Management)

As on 31-03-2013 (A '000)

Particulars	Current Year		Previous Year	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters				
Indian				
Government of India	149999970	100%	149999970	100%
Nominees of Govt. of India	30	100%	30	100%
Total	150000000		150000000	

SCHEDULE - 6 - RESERVES & SURPLUS

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
Capital Reserve	13589	13589
Capital Redemption Reserve	0	0
Share Premium	0	0
General Reserve (Opening)	42386855	40945745
Add: Transfer from Profit & Loss Account	1776854	1441110
Add: Contingency Reserve for Unexpired Risks transferred to General Reserve	1520364	0
Closing Balance	45684073	42386855
Contingency Reserve (Opening)	1520364	0
Add: Contingency Reserve for Unexpired Risks transferred from P & L	2256487	1520364
Less: Transferred to General Reserve	1520364	0
Closing Balance	2256487	1520364
Catastrophe Reserve	0	0
Other Reserves - Investment Reserve (Opening)	8628	8628
Additions during the year	0	0
Closing Balance	8628	8628
Foreign Currency Translation Reserve (Opening)	45279	11254
Additions during the year	18253	34025
Closing Balance	63532	45279
Balance of Profit in Profit & Loss Account	0	0
Total	48026309	43974715

SCHEDULE - 7 - BORROWINGS

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
Debentures / Bonds	0	0
Banks	0	0
Financial Institutions	0	0
Others (to be specified)	0	0
Total	0	0

SCHEDULE - 8 - INVESTMENTS

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
INVESTMENTS		
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	47827033	38841565
Other Approved Securities	10475	10475
Other Investments		
(a) Shares		
(aa) Equity	59888936	58348951
(bb) Preference	5076	0
(b) Mutual Funds	0	0

Particulars	Current Year	Previous Year
(c) Derivative Instruments	0	0
(d) Debentures and Bonds	24073828	19150868
(e) Other Securities	0	0
(f) Subsidiaries	762	762
(g) Investment Properties - Real Estates	0	0
	83968602	77500581
Investments in Infrastructure and Social Sector	40698851	35301772
Other than Approved Investments	7072801	5026564
SUB-TOTAL	179577762	156680957
SHORT TERM INVESTMENTS		
Government Securities and Government guaranteed bonds including Treasury Bills	2151461	2441189
Other Approved Securities		
Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	8045
(b) Mutual Funds	758939	715236
(c) Derivative Instruments	0	0
(d) Debentures and Bonds	1481935	1626761
(e) Other Securities - Commercial Papers	0	487441
(f) Subsidiaries	0	0
(g) Investment Properties - Real Estates	0	0
	2240874	2837483
Investments in Infrastructure and Social Sector	3081261	1712493
Other than Approved Investments	611435	169545
SUB-TOTAL	8085031	7160710
TOTAL	187662793	163841667
NOTE :		
* Aggregate amount of Company's Investment other than listed equity securities and derivative instruments.		
Book Value	118581873	95029740
Market Value	119734490	94831400

SCHEDULE - 9 - LOANS

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
LOANS		
SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of Properties		
(aa) In India	1823038	1832936
(bb) Outside India		
(b) On Shares, Bonds, Govt. Securities		
(c) On Others (Govt. Guaranteed Loans)	1326560	1490892
Unsecured	187936	233039
TOTAL	3337534	3556867
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	1326560	1478892
(b) Banks and Financial Institutions	0	0
(c) Subsidiaries	0	0
(d) Industrial Undertakings	470011	547696
(e) Others-Loans to HUDCO	0	12000
(f) Others-Employees Housing Loan	1540962	1518279
TOTAL	3337534	3556867

Particulars	Current Year	Previous Year
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	3172575	3138492
(bb) Outside India		
(b) Non-performing loans less provisions		
(aa) In India*	164959	418374
(bb) Outside India		
TOTAL	3337534	3556867
MATURITY-WISE CLASSIFICATION		
(a) Short Term	165648	175520
(b) Long Term	3171885	3381347
TOTAL	3337534	3556867

Note: * Provision of R 164958.99 (previous year R 392601.73) against non-performing loans is grouped under Provision for Bad & Doubtful Debts in Schedule 14.

1) Provision against non-performing loans - ` 164958.99

2) Loans considered doubtful and loss assets are ` 164958.99 and amount of provision created against such loans ` 164958.99.

SCHEDULE - 10 - FIXED ASSETS

As on 31-03-2013 (A '000)

Particulars	COST / GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening	Additions/ Transfers	Deductions/ Transfers	Closing	Upto last year	For the year	On sales/ adjustments	To date	As at year end	Previous Year
Goodwill										
Intangibles	327283	50867	0	378150	260913	54675	0	315588	62562	66370
Land-Freehold	3694	0	0	3694	0	0	0	0	3694	3694
Land-Leasehold	2642	0	0	2642	691	26	0	717	1925	1951
Leasehold Properties	113871	0	0	113871	50295	1670	0	51965	61906	63576
Building	587011	3925	0	590936	367986	12552	0	380538	210398	219025
Furniture & Fittings	278661	12380	1018	290023	236391	11268	923	246736	43287	42270
Information Technology Equipment	1876149	141839	22799	1995189	1777840	126260	22220	1881880	113309	98309
Vehicles	532824	191555	108352	616027	149417	128928	68430	209915	406112	383407
Office Equipment	102894	9650	2509	110035	74461	5953	1882	78532	31503	28433
Others - Electrical Equipments	366157	60965	1730	425392	276786	18811	1641	293956	131436	89371
Other Assets	126127	18380	16545	127961	88837	7299	12334	83802	44159	37290
Total	4317313	489561	152954	4653920	3283617	367441	107430	3543628	1110292	1033697
Work-in-Progress	754	0	754	0	0	0	0	0	0	754
Grand Total	4318067	489561	153708	4653920	3283617	367441	107430	3543628	1110292	1034451
Previous Year	3750649	765829	198411	4318067	2886436	500282	103101	3283617	1034451	864213

SCHEDULE - 11 - CASH AND BANK BALANCES

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
Cash (including cheques, drafts and stamps)	1130113	3805088
Bank Balances		
Deposits Accounts		
Short-term (due within 12 months)	7892359	6559269
Others		
Current Accounts	3649008	2524997
Others - Remittance in transit	302276	808140
Money at Call and Short Notice	0	0
With other Institutions	349778	0
Total	13323534	13697494
Balances with non-scheduled banks included in Bank Balances	45642	46575

SCHEDULE - 12 - ADVANCES AND OTHER ASSETS

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
ADVANCES		
Reserve Deposits with ceding companies	4285643	3449945
Application money for investments	0	0
Prepayments	71233	62362
Advances to Directors/Officers	465	514
Advance tax paid and Taxes deducted at Source (Net of provision for taxation)	823881	700000
Others	0	0
Staff Advances and Loans (1032 considered doubtful)	257893	220388
TOTAL (A)	5439115	4433209
OTHER ASSETS		
Income accrued on investments	4809396	3799244
Outstanding Premiums (228 considered doubtful)	521117	323017
Agents' Balances (29 considered doubtful)	934	93
Due from other entities carrying on insurance business (including reinsurers) (A 735259 considered doubtful)	11458760	11561139
Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)	124483	125121
Others	0	0
Deposits, Advances & Other Accounts (A 30243 considered doubtful)	5461055	5368534
Inter Office Adjustments (Net)	0	0
TOTAL (B)	22375745	21177148
TOTAL (A + B)	27814860	25610357

SCHEDULE - 13 - CURRENT LIABILITIES

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
Agents' Balances	1026861	856781
Balances due to other insurance companies	6743111	3798049
Deposits held on re-insurance ceded	130763	195930
Premiums received in advance	869160	1672138
Unallocated Premium	0	0
Sundry Creditors	12523935	11139154
Due to subsidiaries / holding companies	0	0
Claims Outstanding	82426675	67103889
Due to Officers/Directors	0	0
Others		
Former Shareholders' Fund	1330	1330
Inter Office Adjustments (Net)	0	0
Excess Collection / Refund Premium/ST Refundable not refunded	291343	260326
Cheques issued but not encashed by Insured/Policyholder	985393	712929
TOTAL	104998571	85740526

SCHEDULE - 14 - PROVISIONS

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
Reserve for Unexpired Risk	35229962	32848650
For proposed dividends	1060000	780000
For dividend distribution tax	180005	126423
Provision for diminution in value of other than actively traded equities	753854	288322
For Leave Encashment	1950000	1850000
Provision for Employee Short term benefits	67500	67500
For Wage Arrears	560000	0
For Loans, Investments and Other Assets	1452974	1696564
TOTAL	41254295	37657459

SCHEDULE - 15 - MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

As on 31-03-2013 (A '000)

Particulars	Current Year	Previous Year
Discount allowed in issue of shares/debentures	0	0
Others (to be specified)	0	0
TOTAL	0	0

UNITED INDIA INSURANCE COMPANY LIMITED
Registration No. : 545, Date of Renewal with IRDA : 16th March 2012
SEGMENTAL REPORT - BREAK-UP FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Fire	
	Current Year	Previous Year
PREMIUM EARNED		
Premium from Direct business written	11207643	9724720
Add : Premium on Reinsurance accepted	1284134	905484
Less : Premium on Reinsurance ceded	4538937	3943576
Net Premium	7952840	6686628
Adjustment for change in reserve for unexpired risks	-605092	-842508
Premium Deficiency (if any)		
PREMIUM EARNED (NET)	7347748	5844120
CLAIMS INCURRED		
Direct Claims paid	4743263	4309491
Add: Reinsurance accepted	900783	251510
Less : Reinsurance ceded	1714596	1463495
Net Claims Paid	3929450	3097506
Add : Claims Outstanding at the end of the year - Direct	12156864	9857791
Add: Claims Outstanding at the end of the year - RI Accepted	846734	587608
Less: Claims outstanding at the end of the year - RI Ceded	6470060	5497535
Add: Claims Outstanding at the end of the Year - Net	6533538	4947864
Less: Outstanding claims at the beginning of the year - Direct	9857792	8198487
Less: Claims outstanding at the beginning of the year - RI Accepted	587608	404043
Add: Claims outstanding at the beginning of the year - RI Ceded	5497535	4975948
Less: Claims outstanding at the beginning of the year - Net	4947865	3626582
Claims Incurred (Net)	5515123	4418788
COMMISSION		
Direct	645602	641422
TOTAL (A)	645602	641422
Add : Commission on Reinsurance accepted	183026	141599
Less : Commission on Reinsurance ceded	584625	676557
COMMISSION (NET)	244003	106464
Note : The Profit/Commission, if any, are to be combined with the Re-insurance accepted or Re-insurance ceded figures.		
Break-up of the expenses (Gross) incurred to procure business		
Agents	371223	330642
Brokers	153546	176920
Corporate Agency	120833	131854
Referral	0	2006
TOTAL (B)	645602	641422

S. Venkataraman
Company Secretary

S. Surether
Director and Financial Advisor

(A '000)

Marine Cargo		Marine Hull		Marine Total		Misc. Total	
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
3213020	3317252	2802042	2363862	6015062	5681114	75437671	66387095
13251	30219	135507	126879	148758	157097	2484325	10648528
714530	993681	2423463	2074740	3137993	3068421	14009913	18696806
2511741	2353790	514086	416001	3025827	2769790	63912083	58338817
-78976	-125944	-98085	-26561	-177061	-152504	-1599159	-5927864
2432765	2227846	416001	389440	2848766	2617286	62312924	52410953
1821863	2192036	531505	427714	2353368	2619749	47544116	43067454
19766	7091	69025	128601	88791	135692	10723185	27672682
487738	784515	439710	350990	927448	1135505	17684042	41607289
1353891	1414612	160820	205325	1514711	1619936	40583259	29132847
3373901	3731779	6159281	3110545	9533182	6842323	80446117	77991970
41120	30106	348081	357837	389201	387944	1140147	970749
1418015	1895743	5196595	2686854	6614610	4582598	9000900	19453324
1997006	1866142	1310767	781528	3307773	2647669	72585364	59509395
3731779	2776374	3110545	2389896	6842324	5166270	77991969	39979259
30106	63669	357837	305427	387943	369095	970749	16807089
1895744	1282799	2686854	2151875	4582598	3434674	19453323	15427780
1866141	1557243	781528	543448	2647669	2100691	59509395	41358568
1484756	1723510	690059	443404	2174815	2166914	53659228	47283674
460192	289416	38098	46300	498290	335716	4108135	4106037
460192	289416	38098	46300	498290	335716	4108135	4106037
3883	4519	27592	21645	31475	26164	365477	560538
61505	132278	157010	144597	218515	276874	1948071	1288823
402570	161657	-91320	-76652	311250	85006	2525541	3377752

212051	201810	17578	16117	229629	217928	2882721	2802956
246892	85075	19130	28695	266022	113770	964017	1013947
1252	2523	1390	1488	2642	4011	265535	276256
-3	7	0	0	-3	7	-4138	12878
460192	289416	38098	46300	498290	335716	4108135	4106037

MILIND KHARAT
Chairman-cum-Managing Director

UNITED INDIA INSURANCE COMPANY LIMITED
Registration No. : 545, Date of Renewal with IRDA : 16th March 2012
SEGMENTAL REPORT - BREAK-UP FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Motor OD	
	Current Year	Previous Year
PREMIUM EARNED		
Premium from Direct business written	15832040	14020981
Add : Premium on Reinsurance accepted	0	0
Less : Premium on Reinsurance ceded	1583189	1402096
Net Premium	14248851	12618885
Adjustment for change in reserve for unexpired risks	-814982	-1409697
Premium Deficiency (if any)		
PREMIUM EARNED (NET)	13433869	11209188
CLAIMS INCURRED		
Direct Claims paid	6584726	5892115
Add: Reinsurance accepted	0	0
Less : Reinsurance ceded	661193	594682
Net Claims Paid	5923533	5297433
Add : Claims Outstanding at the end of the year - Direct	3525946	2805995
Add: Claims Outstanding at the end of the year - RI Accepted	4754	4754
Less: Claims outstanding at the end of the year - RI Ceded	332745	267095
Add: Claims Outstanding at the end of the Year - Net	3197955	2543655
Less: Outstanding claims at the beginning of the year - Direct	2805995	2110793
Less: Claims outstanding at the beginning of the year - RI Accepted	4754	4754
Add: Claims outstanding at the beginning of the year - RI Ceded	267095	214191
Less: Claims outstanding at the beginning of the year - Net	2543654	1901356
Claims Incurred (Net)	6577834	5939732
COMMISSION		
Direct	1431700	1371423
TOTAL (A)	1431700	1371423
Add : Commission on Reinsurance accepted	0	0
Less : Commission on Reinsurance ceded	237478	280415
COMMISSION (NET)	1194222	1091008
Note : The Profit/Commission, if any, are to be combined with the Re-insurance accepted or Re-insurance ceded figures.		
Break-up of the expenses (Gross) incurred to procure business		
Agents	1235715	1168160
Brokers	132661	149440
Corporate Agency	64839	47477
Referral	-1516	6346
TOTAL (B)	1431700	1371423

S. Venkataraman
Company Secretary

S. Surether
Director and Financial Advisor

(A '000)

Motor TP		Motor DR Pool		Motor TP Pool		Motor Total		WC/Emp. Liab.	
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
17376915	5691420	689758	0	0	9845867	33898713	29558267	875311	813003
7979	12706	0	0	763135	8547569	771114	8560275	0	0
1760467	584207	551807	0	0	9845867	3895463	11832169	87531	81300
15624427	5119919	137951	0	763135	8547569	30774364	26286374	787780	731703
-5252254	-512122	-68976	0	4273785	-1808340	-1862427	-3730159	-28039	-53594
10372173	4607797	68975	0	5036920	6739229	28911937	22556215	759741	678109
6614523	7656750	1251	0	4578126	4068573	17778626	17617438	157369	132529
13818	11815	0	0	10046726	27010061	10060544	27021876	0	0
1061641	1392980	1001	0	10946732	36256551	12670567	38244213	17381	15615
5566700	6275584	250	0	3678120	-5177916	15168603	6395101	139988	116914
24228580	20570183	998899	0	38558129	43136255	67311554	66512433	460912	321896
1364	1316	0	0	0	0	6118	6070	0	0
3652872	3781826	799119	0	0	10946732	4784736	14995653	24718	25511
20577072	16789672	199780	0	38558129	32189523	62532936	51522850	436194	296385
20570183	21272165	0	0	43136255	7248903	66512433	30631861	321896	280441
1316	777	0	0	0	16256135	6070	16261666	0	0
3781826	4320926	0	0	10946732	7248903	14995653	11784020	25511	21177
16789673	16952016	0	0	32189523	16256135	51522850	35109507	296385	259264
9354099	6113240	200030	0	10046726	10755472	26178689	22808443	279797	154035
-514	0	0	0	1	0	1431187	1371423	84358	79671
-514	0	0	0	1	0	1431187	1371423	84358	79671
2744	4447	0	0	5172	42754	7916	47201	0	0
260653	0	0	0	0	0	498131	280415	13130	16260
-258423	4447	0	0	5173	42754	940972	1138209	71228	63411

-109	3	0	0	1	-1	1235607	1168162	72899	67480
-405	0	0	0	0	0	132256	149440	11047	11256
0	-3	0	0	0	1	64839	47475	413	931
0	0	0	0	0	0	-1516	6346	0	4
-514	0	0	0	1	0	1431187	1371423	84358	79671

MILIND KHARAT
Chairman-cum-Managing Director

UNITED INDIA INSURANCE COMPANY LIMITED
Registration No. : 545, Date of Renewal with IRDA : 16th March 2012
SEGMENTAL REPORT - BREAK-UP FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Personal Accident	
	Current Year	Previous Year
PREMIUM EARNED		
Premium from Direct business written	1909325	1882383
Add : Premium on Reinsurance accepted	13893	12810
Less : Premium on Reinsurance ceded	457085	452247
Net Premium	1466133	1442946
Adjustment for change in reserve for unexpired risks	-11593	-54257
Premium Deficiency (if any)		
PREMIUM EARNED (NET)	1454540	1388689
CLAIMS INCURRED		
Direct Claims paid	1066820	1239562
Add: Reinsurance accepted	13600	8682
Less : Reinsurance ceded	272130	315225
Net Claims Paid	808290	933019
Add : Claims Outstanding at the end of the year - Direct	903666	750249
Add: Claims Outstanding at the end of the year - RI Accepted	12555	4177
Less: Claims outstanding at the end of the year - RI Ceded	177968	190735
Add: Claims Outstanding at the end of the Year - Net	738253	563691
Less: Outstanding claims at the beginning of the year - Direct	750249	735425
Less: Claims outstanding at the beginning of the year - RI Accepted	4177	654
Add: Claims outstanding at the beginning of the year - RI Ceded	190735	199938
Less: Claims outstanding at the beginning of the year - Net	563691	536140
Claims Incurred (Net)	982852	960570
COMMISSION		
Direct	221498	233264
TOTAL (A)	221498	233264
Add : Commission on Reinsurance accepted	4168	3843
Less : Commission on Reinsurance ceded	111933	106263
COMMISSION (NET)	113733	130843
Note : The Profit/Commission, if any, are to be combined with the Re-insurance accepted or Re-insurance ceded figures.		
Break-up of the expenses (Gross) incurred to procure business		
Agents	143688	135959
Brokers	48842	73395
Corporate Agency	28919	23452
Referral	49	458
TOTAL (B)	221498	233264

(A '000)

Aviation		Engineering		Other Misc.		Liability		Health & Hosp.	
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
639470	461774	5637459	5332649	5448219	5477062	601084	543832	26428090	22318125
62535	40331	457033	716628	1161198	1301149	18552	17335	0	0
615696	433911	2879107	2454513	1207999	1102918	110946	107966	4756086	2231783
86309	68194	3215385	3594765	5401418	5675294	508690	453201	21672004	20086342
-9058	-9649	190810	-479038	136938	-759555	-27745	8609	11955	-850221
77251	58545	3406195	3115727	5538356	4915739	480945	461810	21683959	19236121
130627	442426	1457027	1203613	2002064	1968465	144265	83172	24807318	20380250
39567	21903	8634	255525	589993	364545	10847	151	0	0
115718	320283	476511	358120	362284	278173	28485	33607	3740966	2042054
54476	144046	989150	1101018	2229773	2054837	126627	49715	21066352	18338196
203419	160613	4637671	4836545	2495748	2026526	751406	417442	3681741	2966265
46632	89401	527533	523085	538844	316066	8465	31950	0	0
145692	143121	2449349	3034787	787290	713789	157360	108832	473787	240895
104359	106892	2715855	2324843	2247302	1628804	602511	340561	3207954	2725371
160613	37810	4836545	3356952	2026526	2210369	417442	254369	2966265	2472032
89401	45690	523085	210699	316066	280368	31950	8012	0	0
143121	28152	3034787	2333634	713789	803773	108832	58396	240895	198689
106893	55348	2324843	1234016	1628803	1686964	340560	203985	2725370	2273344
51942	195590	1380162	2191845	2848272	1996677	388578	186291	21548936	18790223
12895	12467	328669	312932	636808	659496	74543	69199	1318177	1367586
12895	12467	328669	312932	636808	659496	74543	69199	1318177	1367586
7160	2742	120907	235282	223477	269736	1849	1734	0	0
26872	16845	629381	436654	197410	196390	6499	12611	464715	223385
-6817	-1637	-179805	111561	662875	732841	69893	58322	853462	1144201

2581	1653	124463	121692	416310	408874	38919	34873	848254	864262
10255	10814	201378	186521	106227	103325	33230	30636	420782	448561
59	0	3301	4368	116508	141681	2401	3757	49095	54593
0	0	-473	351	-2238	5616	-7	-67	46	170
12895	12467	328669	312932	636808	659496	74543	69199	1318177	1367586

UNITED INDIA INSURANCE COMPANY LIMITED

Registration No. : 545, Date of Renewal with IRDA : 16th March 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Current Year 31-3-2013 (A '000)	Previous Year 31-3-2012 (A '000)
I. Cash Flow from Operating Activities		
Premium received from policyholders, including advance receipts, net of coinsurance	98021260	83800430
Other Receipts	232922	180938
Payments to reinsurers, net of commission and claims	-3859498	-5453163
Payments to coinsurers, net of claims recovery	-6337256	-557639
Payments of claims	-54640748	-49996695
Payments of commission and brokerage	-5085625	-4862925
Payments of other operating expenses	-16253333	-16580052
Deposits, advances and staff loans	-21049	122100
Income taxes paid/refund (net)	-476861	1789566
Service tax paid/refund (net)	-265139	355437
Other payments/collections (net)	-1578441	80875
Gain/Loss on Foreign Exchange Fluctuations	-32185	-34692
Cash flow before extraordinary activities	9704047	8844179
Extraordinary Activities	0	0
Cash flow after Extraordinary Activities	9704047	8844179
Net Cash Flow from the Operating Activities	9704047	8844179
II. Cash Flow from the Investing Activities		
Purchase of fixed assets	-418447	-672920
Proceeds from sale of fixed assets	36159	16683
Purchase of investments (net)	-173182662	-74313317
Sale Value of Investments	153254223	61086441
Rents/Interests/Dividends received	11164261	9231966

Expenses relating to investments	-25118	-24950
Net Cash Flow from the Investing Activities	-9171584	-4676097
III. Cash Flow from the Financing Activities		
Proceeds from issuance of share capital	0	0
Proceeds from borrowing	0	0
Repayments of borrowing	0	0
Interest/Dividends paid	-906423	-348555
Net Cash Flow from the Financing Activities	-906423	-348555
IV. Effect of foreign exchange rates on cash and cash equivalents (net)	0	0
Net increase in Cash and Cash Equivalents	-373960	3819528
Cash and Cash Equivalents at the beginning of the year	13697494	9877966
Cash and Cash Equivalents at the end of the year	13323534	13697494

For and on behalf of Board

MILIND KHARAT
Chairman-cum-Managing DirectorS. SURENTER
Director and Financial AdvisorS. VENKATARAMAN
Company Secretary

Priya Kumar
T.M. Bhasin
A. Thrivikraman Thampi
Asha Nair

} Directors

Vide our report of date attached

For Kalyanasundaram & Co.
ICAI FRN:OO1676S
Chartered AccountantsFor Manohar Chowdhry & Associates
ICAI FRN:OO1997S
Chartered AccountantsFor V. Krishnan & Co.
ICAI FRN:OO1541S
Chartered AccountantsCA T.S. Ravichandran, Partner
Membership No.O23809CA M.S.N.M. Santosh, Partner
Membership No.221916CA M. Gopinath, Partner
Membership No.O23819Chennai
26th April 2013

Significant Accounting Policies and Notes forming part of Financial Statements as on 31st March 2013

I. Significant Accounting Policies

1. ACCOUNTING CONVENTION:

The Balance Sheet, the Profit and Loss Account, Revenue Accounts, Schedules and Cash Flow Statement are drawn in accordance with the provisions of Section 11 (1A) of the Insurance Act, 1938, read with provisions of sub-section (5) of Section 227 of the Companies Act, 1956 and the Insurance Regulatory and Development Authority (IRDA) Act, 1999 along with the instructions issued by IRDA from time to time. The said statements are prepared on historical cost convention and on accrual basis of accounting, comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable, and also with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, and conform to the practices prevailing in the General Insurance Industry in India except as otherwise stated.

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

3. PREMIUM:

3.1 Direct Business:

3.1.1 Premium income is recognised on assumption of risk. A reserve for unearned

premium for each segment representing that part of the recognized premium attributable to the succeeding accounting periods, calculated on time apportionment basis is created. This forms part of the unexpired risk reserves.

3.1.2 Premium refunds are accounted on the basis of endorsements passed during the year.

3.2 Reinsurance:

3.2.1 The returns from foreign reinsurance companies to the extent received upto 31st March and the returns from Indian Reinsurers received upto finalisation of accounts of the relevant accounting year are incorporated.

3.2.2 Reinsurance cessions are made on the basis of advices / returns received from the operating offices. Wherever full particulars are not available, reinsurance cessions are estimated on the basis of information available.

3.2.3 Pool Cessions / Acceptances: Premium, Claims, Service charges, Investment income and expenses in respect of Terrorism Pool retro and Motor TP Pool / Declined Pool retro are accounted as per the statements received from GIC (Pool Administrator) upto finalisation of accounts. Premium, Claims, Service charges and expenses of our cessions in respect of Terrorism Pool / Motor TP Pool / Declined Pool are accounted upto 31st March.

3.3 Reserve for Unexpired Risk:

The Reserve for unexpired risk are made at 50% of net premium, except in the case of Marine Hull business and Terrorism, where it is made at 100% of net premium. In the case of Health business, the Reserve for Unexpired Risk is made based on 1/365 method.

4. CLAIMS:

4.1 Direct Business:

- a) Estimated Liability for outstanding claims at the year end are based on survey reports, advices of Leaders, information provided by clients and other sources upto the date of finalisation of accounts, past experience and other applicable laws.
- b) All expenses directly attributable to claims including exchange fluctuations gains / losses are accounted as part of claims.
- c) In respect of unidentified motor third party claims outstanding for more than one year, provision is made at the rate of 100% of the estimated liability. In other cases, provision is made at the rate of 1/3rd of the estimated liability.

4.2 Reinsurance:

- a) Liability for outstanding claims in respect of Indian Inward Acceptances is based on returns received up to finalisation of accounts.
 - b) Liability for outstanding claims in respect of Foreign Inward Acceptances is based on Actuarial Valuation and returns received upto finalisation of accounts.
- 4.3 Claims Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) is made on the basis of actuarial valuation.

4.4 Salvage and Other Recoveries:

Recoveries under claims and disposal of salvage are accounted on realisation and are credited to claims.

5. EXPENSES OF MANAGEMENT:

5.1 Apportionment of expenses:

Expenses of Management are apportioned to the Revenue Accounts on the basis of gross direct premium plus reinsurance accepted, giving weightage of 75% for Marine business and 100% for Fire and Miscellaneous business. Expenses relating to policy stamps and reinsurance are

directly taken to respective Revenue Accounts. Expenses relating to Investment, such as safe custody, collection of interest/dividend bank charges etc., are apportioned between Revenue Accounts and Profit and loss Account based on policyholders' and shareholders' funds as at the beginning of the year.

5.2 Depreciation:

5.2.1 Depreciation on fixed assets (except Software considered under intangible assets) is charged on written down value method at the higher of the rates specified in the Income Tax Rules, 1962 and those specified in Schedule XIV to the Companies Act, 1956.

5.2.2 Depreciation is provided at 50% of the applicable rates on additions to fixed assets held for less than 180 days. No depreciation is provided on assets sold, discarded or destroyed during the year.

5.2.3 Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.

5.2.4 Assets whose actual cost does not exceed five thousand rupees are written off in the year of acquisition, by retaining 1 per cent as book value.

5.2.5 Cost of Lease Hold properties have been amortised over the period of Lease.

5.3 Employee Benefits:

The Company has adopted the policy of accounting employee benefits in accordance with Accounting Standard 15 (Revised) issued by Companies (Accounting Standards) Rules, 2006 as under:

5.3.1 Provident Fund:

Provident Fund is a defined contribution scheme as the company pays fixed monthly contribution at pre-determined rates to a separate trust. The obligation of the Company is limited to such fixed contribution.

5.3.2 Post-Employment Benefits

Pension and Gratuity liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation made at the end of the financial year. The schemes are funded by the company and are managed by separate Trusts.

5.3.3 Encashment of Earned Leave

Accumulated Earned Leave (EL), which is encashable at the time of retirement, is provided for based on actuarial valuation.

5.3.4 Short Term Benefits

Short term employee benefits which fall due wholly within twelve months after the end of the period in which the employees render the related service such as Leave Travel Subsidy (LTS), Medical Benefits, etc., are provided on the basis of estimates.

6. TRANSLATION/CONVERSION OF FOREIGN CURRENCIES:

6.1 Items of income and expenditure, Monetary items as at the Balance Sheet date of foreign branch and foreign currency transactions in Indian operations are translated as under:

6.1.1 Items of income and expenditure at the quarterly average rates.

6.1.2 Monetary items as at the Balance Sheet date are converted at the exchange rates prevailing at that date.

6.2 Exchange differences on account of translation of the balances relating to foreign branch (non-integral) is accumulated in a Foreign Currency Translation Reserve until the closure of the operation. On the closure of this non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred will be recognized as income or as expenses in the year of such closure.

6.3 The difference in translation arising out of foreign currency transaction in Indian operations is recognized in the relevant Revenue accounts / Profit and Loss Account as applicable.

7. LOANS & INVESTMENT:

7.1 Purchase and sale of shares, bonds & debentures are accounted for on the date of contract (trade date).

7.2 The cost of investment includes Securities Transaction Tax (wherever applicable), premium on acquisition and other direct expenses incurred for the acquisition of the investment and is net of commission/fee earned thereon.

7.3 Investments maturing within 12 months from the Balance Sheet date are classified as Short Term Investments except in respect of Equity Shares which are treated as Long Term Investments. All other investments are classified as Long Term Investments.

7.4 Money market instruments such as Certificate of Deposit, Commercial Papers and CBLO which are discounted at the time of contract, are accounted at their discounted value.

7.5 Investments in debt securities including Government Securities and redeemable Preference Shares are shown at cost subject to amortisation. The premium, based on weighted average cost is amortised over the residual period of maturity, including the years of investment and excluding the year of redemption, by considering put/call option.

7.6 Investments in Equity shares that are actively traded are valued at the last quoted closing price on NSE as on the Balance Sheet date. However, in case of any stock not being listed in NSE, Equity shares will be valued based on last quoted closing price in BSE as on the Balance Sheet date. Investments in Equity shares of companies outside India that are quoted and actively traded are valued at last quoted price at London Stock Exchange as on the Balance Sheet date. The unrealised gains/losses are recognised in Fair Value Change account.

7.7 Investments in Unlisted/Thinly traded equity shares including shares held in companies incorporated outside India are valued at cost and provision is made for diminution in value of such investments when break-up value is lower than the cost. In case the break-up value is negative, provision is made at 100% of book value.

- 7.8 a) Investment in units of Mutual Funds, are valued at Net Asset Value as at the Balance Sheet date as declared by the funds and unrealized gains/ losses are recognized in Fair Value Change Account.
- b) Investments in Venture Capital Funds are valued at cost. Provision is made for diminution in value of such investments where Net Asset Value as at the Balance Sheet date is lower than cost. Wherever Net Asset Value as on Balance Sheet date is not available, latest available Net Asset Value is considered.
- 7.9 Impairment**
- 7.9.1 Impairment is recognized in equity shares of companies which have been continuously incurring losses during three immediately preceding years and the capital of which has been partially or fully eroded, or where the audited annual accounts for the three immediately preceding years are not available.
- 7.9.2 Investments are written down as under:
- 1) Equity shares which are actively traded are written down to their market value.
 - 2) Equity shares other than actively traded, are written down to the break up value and where the break up value is negative, are written down to ` 1/- per company.
- 7.9.3 The Company follows the prudential norms prescribed by the Insurance Regulatory and Development Authority / related RBI guidelines as regards asset classification, recognition of income and provisioning pertaining to loans / advances / debentures.
- 7.9.4 In respect of preference shares other than those in the nature of advances, provision for permanent diminution is made to the extent of 100%. The permanent diminution is reckoned as follows:
- a) The preference dividend is not paid for three consecutive years (or)
 - b) The maturity proceeds have not been received for three consecutive years (or)
 - c) The company has incurred losses in three immediately preceding years and the capital of which has been partially or fully eroded (or)
 - d) Where the audited annual accounts for the three immediately preceding years are not available.
- 7.10 Profit or Loss on realization/sale of investment is computed by taking weighted average book value of each investment.
- 7.11 Dividend income (other than interim dividend) is accounted for as income in the year of declaration. Interim dividends are accounted on the basis of declaration in the Board Meeting held on or before 31st March of the financial year and realized subsequently. Dividend on Equity Shares held outside India and dividend on Preference Shares are accounted on receipt basis. Income from shares and debentures, which are under objection / pending delivery, is accounted for on receipt basis.
- 7.12 Revenue with respect to Venture Capital Funds is recognised on Receipt basis.
- 7.13 Amounts received towards compensation for future loss of interest is recognized as income only to the extent attributable to the accounting year and the balance is kept in interest received in advance account for apportionment in the relevant years.
- 7.14 Investment income, profit/loss on sale/realisation of investment, expenditure relating to investments, amortisation of premium on investments, amount written off/written down in respect of depreciated investments, provision for non-performing investment/diminution in value are apportioned to Revenue accounts and Profit & Loss account on the basis of Policy-holders' Fund and Shareholders' Fund as at the beginning of the year.

8. a) **FIXED ASSETS:**

Fixed assets are assets held with the intention of being used for purpose of producing or providing goods and services and are not held for sale in the ordinary course of business. The cost of fixed assets comprise the purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost to bring the asset to the working condition for intended use. Further, any trade discounts and rebates are deducted in arriving at the cost.

Fixed assets are stated at cost less accumulated depreciation.

b) **Intangible Assets:**

Intangible Assets are stated at cost of development / acquisition less accumulated amortisation. The same is amortised over a period of three years on straightline basis. Software development / acquisition costs, except those which meet the recognition criteria as laid down in Accounting Standard 26 (AS 26), are charged to revenue.

9. **TAXATION**

9.1 Provision for taxation is made after due consideration of the applicable judicial pronouncements and opinions from the company's counsel.

9.2 Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

10. **PROVISIONS AND CONTINGENCIES**

10.1 The Company creates provision based on a reliable estimate for the present obligation of a past event that might cause outflow of resources in future.

10.2 Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources.

10.3 Contingent assets are neither recognized nor disclosed in the financial statements.

II. Notes to Accounts

(Previous year's figures, wherever necessary, have been shown in brackets)

1. Contingent Liability :

(A in thousands)

Particulars	31-03-2013	31-03-2012
On partly paid shares	83	0
Claims other than those under policies, not acknowledged as debts	1060615	1006305
Guarantees given by or on behalf of the Company	0	0
Statutory demands / liabilities in dispute, not provided for	4459022	1205169

Note: Statutory demands include a sum of R 4312315 thousands (A 1054780 thousands) in respect of income tax which is under dispute and contested by the IT Department before the appellate authority. The Income Tax authorities

have suo-motto adjusted the refund due to the company amounting to A1054780 thousands (A1054780 thousands).

2. (a) Encumbrances to Assets of the Company within and outside India :

(A in thousands)

Particulars	31-03-2013	31-03-2012
Deposits towards margin money for issue of letters of credit / bank guarantee	7000	7000
Deposits made in court as per orders / attachments of bank accounts for claims	44685	44487
Deposits made to comply with Overseas Statutory requirements	0	0

2. (b) Investments / Deposits made in accordance with statutory requirements :

(A in thousands)

Particulars	31-03-2013	31-03-2012
Deposit with Bombay Stock Exchange towards Margin Money for trading in Capital Market as per SEBI Circular dated 19.3.08 regarding Margin of Institutional Trades in the Cash Market	50000	50000
Deposit with National Stock Exchange towards Margin Money for trading in Capital Market as per SEBI Circular dated 19.3.08 regarding Margin of Institutional Trades in the Cash Market	100000	100000
10.70% GOI 2020 deposited with HDFC Bank in accordance with Section 7 of Insurance Act 1938, to adhere to minimum deposit requirement of Insurance Regulatory and Development Authority - FV A 120010 thousands.	124482	125121
10.70% GOI 2020 deposited with Clearing Corporation of India for CBLO operation - FV A 10000 thousands.	10372	10426
Margin money deposited with Clearing Corporation of India for CBLO operations	100	100

3. Commitments made and outstanding on account of loans, investments and fixed assets :

(A in thousands)

Particulars	31-03-2013	31-03-2012
Loans and Investment	533512	583830
Core Insurance Project - Software and Hardware	1129200	1161900
Commitments for Estates	300350	298250
Commitments for EDP	384642	168026
Stamp duty and Registration charges and Interest on properties in dispute and pending conveyance (estimated at)	5852	17854

4. Claims less reinsurance, paid to claimants in/outside India :

(A in thousands)

Business	In India	Outside India
Fire	3642563 (3040562)	286887 (56944)
Marine	1483982 (1606961)	30729 (12976)
Miscellaneous	40496501 (29083208)	86759 (49639)

5. Age-wise outstanding claims statements for five years are enclosed.

6. Premium less reinsurance written from business in/outside India :

(A in thousands)

Business	In India	Outside India
Fire	7658317 (6476376)	294523 (210253)
Marine	2968280 (2741123)	57547 (28668)
Miscellaneous	63748036 (58127127)	164047 (211689)

7. Other income includes interest on income tax refund of A 53014 thousands (A 997904 thousands) pertaining to various years.

8. In respect of Purchases of Investments, no deliveries are pending and in respect of sale of Investment, no payments are overdue as on 31-03-2013.

9. In accordance with the regulation prescribed by IRDA, unrealized gains (net) amounting to A 37469837 thousands (A 38868136 thousands)

arising due to changes in the fair value of listed equity shares and mutual funds are taken to fair value change account. The historical cost of such investments amounted to A 31611083 thousands (A 29943791 thousands). Pending realization, the credit balance in the fair value change account is not available for distribution.

Break up of Market value and historical costs of investments which have been valued on fair value basis is as follows :

(A in thousands)

Particulars	Market Value	Historical Cost	Fair value change
Equity Shares of PSU	15698502 (15352222)	12187333 (10675897)	3511169 (4676325)
Equity Shares of Companies in India other than PSU	52399513 (52624855)	18462319 (18452582)	33937194 (34172273)
Equity Shares outside India	21506 (19570)	32 (32)	21474 (19538)
Mutual Fund	961399 (815280)	961399 (815280)	0 (0)
Total	69080920 (68811927)	31611083 (29943791)	37469837 (38868136)

10. Shares of the book value of A 12 thousands (A 12 thousands) have not been registered in the name of the Company as they are under objection.

11. Unidentified Quantitative differences in Investments, arising out of reconciliation between the book figures and the year-end certificate received from SHCIL (Custodian of the Company's investments) are tabulated as under:

(A in thousands)

Particulars			31-03-2013	31-03-2012
Equity & Preference Shares	Short	Book Value	0	0
Debentures	Short	Book Value	4947	5620
Total	Short	Book Value	4947	5620
Equity & Preference Shares	Excess	Face Value	0	1392

12. Out of the total investment assets of A 159384488 thousands (A 132693440 thousands), A 666507 thousands (A 636745 thousands) is considered as non-performing assets in terms of Insurance Regulatory and Development Authority guidelines. The aggregate amount of income not

recognised for the current accounting year on NPA (net of waiver/collections) as per related IRDA guidelines is A (-)1470217 thousands (A 146877 thousands) and upto 31st March 2013 is A 2853782 thousands (A 4323999 thousands).

13. Restructured Assets :

(A in thousands)

Sl. No.	Particulars	CDR restructuring	Other restructuring	Total
1.	Total amount of assets subjected to restructuring	10259 (246355)	90656 (35804)	100915 (282159)
2.	The amount of standard assets subjected to restructuring	10000 (186355)	NIL (NIL)	10000 (186355)
3.	The amount of Sub-Standard assets subjected to restructuring	NIL (30000)	NIL (NIL)	NIL (30000)
4.	The amount of Doubtful and other assets subjected to restructuring	259 (30000)	90656 (35804)	90915 (65804)

14. (i) As per Part I of Schedule B of IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, Debt Securities shall be considered as 'Held to Maturity Securities' and shall be measured at historical costs subject to amortisation.

The Company, in line with IRDA Regulations is also treating debt securities as 'Held to Maturity'. However, amortisation of premium is done over the remaining period of maturity

(including the year of investment and excluding the year of redemption)/upto the date of put/call option-where such option is available, consistently on a conservative basis.

(ii) The Company does not have Real Estate Investment Property.

15. In accordance with Circular No. IRDA/F&I/CIR/INV/250/12/2012 dated 4-12-2012, the details of exposure in Repo/Reverse Repo transactions are given below:

(A in thousands)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average Outstanding during the year	Outstanding as on 31st March
Securities Sold under Repo				
(i) Government Securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
(ii) Corporate Debt Securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Securities Purchased under Reverse Repo				
(i) Government Securities	100006 (99499)	1089513 (726323)	320346 (272575)	NIL (NIL)
(ii) Corporate Debt Securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

16. In view of the change in Significant Accounting Policy No. 7.6 in respect of valuation of equity shares, there is an increase of R 64827 thousands in the fair value change account as on 31-03-2013. There is no impact on the profit of the Company during the year.
17. Being a Government Company, the Company is exempted from computation of managerial remuneration in terms of Notification No. 235 dated 31st January 1978 u/s.620 of the Companies Act, 1956.
18. Barring disputed cases, no settled insurance claim remained unpaid for more than six months as on the Balance Sheet date.
19. Depreciation on Fixed Assets is provided as per the Accounting Policy of the Company at the following rates:
- | | |
|---|--------|
| i) Furniture & Fixtures | 18.10% |
| ii) Motor Cars | 25.89% |
| iii) Computer & WAN Equipments | 60.00% |
| iv) Freehold Buildings-Office | 10.00% |
| v) Freehold Buildings-Residence | 5.00% |
| vi) Bicycles | 20.00% |
| vii) Electrical fittings, equipments etc. | 15.00% |
20. Fixed Assets include Land and House Properties valued at R 51590 thousands (R 184942 thousands) which are pending Conveyance and Registration. This includes properties under dispute worth R 920 thousands (R 11146 thousands), properties purchased from LPA R 4719 thousands (R 15995 thousands) and properties acquired from erstwhile insurance units R 575 thousands (R 575 thousands).
21. Sundry Creditors include an amount of R 1439888 thousands (R 2557782 thousands) being unencashed cheques issued from zero balance payment accounts.
22. Indian Motor Third Party Insurance Pool (IMTPIP)
- a) IMTPIP has been dismantled with effect from 01-04-2012 vide IRDA Circular No. IRDA/NL/ORD/MPL/276/12/2011 dated 23-12-2011. An additional premium of R 763135 thousands has been accounted in the current year which pertains to March 2012 being the difference between the Actual Audited figures received from IMTPIP and the estimated premium accounted in the year 2011-12.
- No reserve for unexpired risk has been created as on 31-03-2013 for this additional premium as the same is pertaining to March 2012.
- b) The Total liability recognized during the year on account of IMTPIP are as follows:

S.No.	Particulars	A in thousands
1	Liability on account of Additional Premium pertaining to March 2012 (145% of E 763135 thousands).	1106546
2	Liability on account of earned premium for the current year	6376696
3	Unrecognized and unamortized liability [refer Note 22(c)]	2563483
	Total Liability	10046725

- c) The Authority through its Order No. IRDA/F&A/ORD/MTPP/O7O/O3-2012 dated 22-03-2012, issued guidelines on the recognition of transitional liabilities following the

dismantling of IMTPIP. The Transitional liabilities recognized based on the above circular are detailed below:

Particulars	A in thousands
Total Liability as on 31-03-2012	15879645
Liability accounted in 2011-12	10752680
Unrecognized and Unamortized liability as on 31-03-2012	5126965
Liability accounted in 2012-13*	2563483
Unrecognized and unamortized liability as on 31-03-2013	2563482

* Had the liability been accounted in the year 2011-12, the profit of the Company for the year ended 31st March 2013 would have been higher by R 2563483 thousands.

23. Indian Motor Third Party Declined Risk Insurance Pool (Declined Risk Pool)
a) The IRDA vide its Circular No. IRDA/NL/ORD/MPL/277/12/2011 dated 23-12-2011 has announced the formation

of Declined Risk Pool for Commercial Vehicles falling under Class 'A', 'B' & 'C' for standalone Third Party liability insurance (Act only insurance) with effect from 01-04-2012. The Act only insurance of commercial vehicles which are declined as per the norms of IRDA and underwriting policy of the respective company are covered under the pool.
b) The business transacted by the Company on account of Declined Risk Pool is as follows:

Particulars	Premium (A in thousands)	Claims incurred * (A in thousands)
Gross Direct under Motor DR Pool	689758	1000149
Obligatory Cession at 10%	68976	100015
DR Pool Cession at 70%	482831	700104

* Claims incurred have been accounted at 145% of the premium.

- c) The provisional cash settlement (net) received from the Declined Risk Pool upto 31-12-2012 amounts to R 150667 thousands. This has been invested as per IRDA Regulations along with the regular investments of the Company.
24. Terrorism Pool retro figures received from GIC (Pool Administrator) accounted in 2012-13 includes figures for the 3 quarters of the current year, and also provisional IV quarter figures received from GIC for 2012-13.
25. The Company's Agency at Hong Kong ceased underwriting operations with effect from 01-04-2002 and the transactions relating to run off operations have been accounted. Pending final IBNR/IBNER report, the NIL provision based on the Actuary's report for the previous year has been considered for current year.
26. The Company has created the reserve for Unexpired Risk as at the end of the accounting period based on 1/365 method in the Health segment as per IRDA

Circular No. IRDA/F&I/CIR/O15/O2/2011 dated February 2, 2011. The difference between the reserve on the basis of 1/365 method and URR as would have been created based on Section 64V(1)(ii)(b) of the Insurance Act, 1938 has been transferred to "Contingency Reserve for Unexpired Risk" and the same will be transferred to General Reserve in the succeeding year.

Consequently, the Company has transferred an amount of R 2256487 thousands (R 1520364 thousands) to Contingency Reserve for Unexpired Risks being the difference of URR between 1/365 method and the URR as would have been created based on Section 64V(1)(ii)(b) of the Insurance Act, 1938. This has resulted in profit being overstated by R 2256487 thousands (R 1520364 thousands) for the year ended 31st March 2013.

27. Reconciliation of Inter-Office accounts is in progress and in the opinion of the Company the effect of the same will not be material.
28. Confirmation has been received in respect of balances Due from / Due to other persons or bodies

carrying on Insurance business, except in a few cases, where reconciliation is in progress.

29. a) Accounting Ratios as prescribed by IRDA are enclosed in Annexure I.
b) Segmental reporting in the format prescribed by IRDA is given along with Schedules.
c) A summary of financial statements for the last five years is attached.

30. Gratuity

Insurance Regulatory and Development Authority, vide its Circular No. IRDA/F&A/CIR/ACT/O69/O4/2011 dated 18-4-2011, had allowed amortization of additional gratuity liability over a period of five years commencing from the year 2010-11. Accordingly the company had amortized one-fifth of the total liability of R 1410000 thousands in each of the years commencing from 2010-11 as follows:

Particulars		(A in thousands)
Total gratuity liability		1410000
Amortized in year 2010-11	282000	
Amortized in year 2011-12	<u>282000</u>	<u>564000</u>
Unrecognized and unamortized gratuity liability as on 01-04-2012		846000
Amount amortized in 2012-13*		<u>282000</u>
Unrecognized and unamortized gratuity liability as on 31-03-2013		<u>564000</u>

* Had this been charged in the year 2010-11, the profit of the Company for the year ended 31st March 2013 would have been higher by R 282000 thousands.

The unrecognized and unamortized liability of R 564000 thousands does not include any amount relating to separated / retired employees.

31. In line with the accounting policy and as per the Accounting Standard AS-15 (Revised), the summarized position of post employment benefits are recognized in the Profit & Loss A/c and Balance Sheet as under:

A. Changes in the defined benefit obligations :

(A in thousands)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of defined benefit obligation as at 1st April 2012	15960000	5940000	1850000
Interest Cost	1356600	504900	157300
Current service cost	516100	135000	78600
Past Service Cost (due to increase in gratuity ceiling and pay revision)	0	0	0
Less: Benefits paid	2533154	478357	31409
Actuarial loss/ (gain) on obligations	3100454	298457	-104491
Present value of defined benefit obligation as at 31st March 2013	18400000	6400000	1950000

B. Changes in the Fair Value of Plan Assets :

(A in thousands)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Fair Value of Plan Assets as at 1st April 2012	15960000	5940000	1850000
Expected return of Plan Assets	1356600	504900	157300
Employer's Contribution (Regular)	359500	0	0
Less: Benefits paid	2533154	478357	31409
Actuarial loss / (gain)	-125546	-47343	-25891
Fair Value of Plan Assets as at 31st March 2013	15017400	5919200	1950000
Actual return on Plan Assets	1270519	459932	NA

C. Net Actuarial loss / (gain)

(A in thousands)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Actuarial loss / (gain) on obligation (A)	3100454	298457	-104491
Actuarial loss / (gain) on Plan Assets. (B)	-125546	-47343	-25891
Net Actuarial loss / (gain) (A) + (B)	-3226000	-345800	78600
Actuarial loss / (gain) recognized in the period	-3226000	-345800	78600
Unrecognized actuarial loss / (gain) at the end of the year	0	0	0

D. Amount recognized in Balance Sheet

(A in thousands)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of defined benefit obligation as at 31st March 2013	18400000	6400000	1950000
Less: Fair Value of Plan Assets as at 31st March 2013	15017400	5919200	1950000
Funded in Advance	0	0	0
Unrecognized transitional liability	0	0	0
Unfunded net liability / (asset) recognized in Balance Sheet	3382600	480800	0

E. Expenses recognized in the Profit & Loss Account

(A in thousands)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service cost	516100	135000	78600
Interest cost	1356600	504900	157300
Transitional liability recognized during the year	0	0	0
Less: Expected return on plan assets & contribution	1356600	504900	157300
Net Actuarial loss/(gain) recognized in the year	-3226000	-345800	78600
Net benefit expense	3382600	762800	100000

F. Movements in the Liability recognized in the Balance Sheet

(A in thousands)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Opening Net Liability	1030000	732000	0
Net Benefit Expense	3382600	762800	100000
Contribution paid	1030000	732000	0
Closing Net Liability	3382600	762800	100000

G. Investment percentage maintained by the Trust

(in %)

Particulars	Pension (Funded)	Gratuity (Funded)
Central Government & State Government securities	55.00	55.00
Investment in Corporate Bonds	40.00	40.00
Other investments	5.00	5.00

H. Principal Actuarial assumption at the Balance Sheet date (expressed as weighted average) (in %)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Discount rate	8.5	8.5	8.5
Expected rate of return on plan assets	8.5	8.5	8.5
Rate of escalation in salary	3.5	3.5	3.5
Employee turnover	NOT SIGNIFICANT		
Mortality	LIC (1994-96) TABLE OF MORTALITY RATES		
Method used	Projected Unit Credit Method		

I. Basis of Actuarial assumption considered

Particulars	Basis of assumption
Discount rate	Yield on 10 Year Government Securities
Expected rate of return on plan assets	One year Interest rate
Rate of escalation in salary	The estimate of future salary increase, considered in actuarial valuations takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.
Employee turnover	NOT SIGNIFICANT

32. The expenses incurred under the following heads are disclosed :

- | | | |
|--------------------------|---|---|
| i) Outsourcing expenses | - | A 1389620 thousands (A 1467509 thousands) |
| ii) Business Development | - | A 990030 thousands (A 785167 thousands) |
| iii) Marketing Support | - | NIL (NIL) |

33. Related party disclosures: AS-18

a) Name of the Related Party and their relationship with the Company:

- | | | |
|------------------------|---|---|
| a) Subsidiary | : | Zenith Securities and Investments Limited |
| b) Associate Companies | : | 1. India International Insurance Pvt. Ltd., Singapore
2. Ken India Assurance Co. Ltd., Kenya |

b) Details of Transactions :

Sl. No.	Particulars	India International Insurance Pvt. Ltd.		Ken India Assurance Co. Ltd.	
		2012-13	2011-12	2012-13	2011-12
1.	Investment in Equity (No. of Shares)	10000000	10000000	515776	435186
		(A in thousands)			
2.	Dividend received during the year	21598	14453	1691	1993
3.	Reinsurance transactions:				
	- Due to - Direct	78024	0	0	0
	- Due from- Direct	0	0	0	0
4.	Other Dues receivable	0	0	0	0
5.	Directors' Remuneration	0	0	146.10	0

Since the Company and its Subsidiary are State controlled, no disclosures are made pertaining to the transactions with them in accordance with the requirements of the Accounting Standard AS-18.

- c) Key Management Personnel:
 Sri Milind Kharat, Chairman cum Managing Director (from 18th November, 2012) (Director & General Manager upto 20th April, 2012)
 Sri G. Srinivasan, Chairman cum Managing Director (upto 17th November, 2012)
 Sri S. Surenter, Director & General Manager (from 10th September, 2012)
 Sri V. Harshavardhan, Director & General Manager (upto 30th September, 2012)
 Smt Asha Nair, Director & General Manager (from 1st October, 2012)

d) Nature of Transactions:

1. Salaries, allowances and contributions - A 5922 thousands (A 3870 thousands)
2. Loan Balances due as on 31-03-2013 - A 12 thousands (NIL)

34. Disclosure as per AS-20 "Earnings Per Share"

(A in thousands)

Sl.No.	Particulars	31-03-2013	31-03-2012
1	Net Profit attributable to Shareholders (A in thousands)	5273346	3867897
2	Weighted Average Number of Equity Shares issued (in Nos.)	15,00,00,000	15,00,00,000
3	Basic earnings per Share of A 10/- each (A)	35.15	25.79

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remains the same.

35. The Company has taken various commercial premises and residential flats under cancelable operating leases. These lease agreements are normally renewed on expiry. Lease terms are based on individual agreements. Lease rental expense in respect of operating leases charged

to revenue account is R 518538 thousands (R 448400 thousands).

36. The effect of timing difference is not material. Hence recognition of Deferred Tax Asset/Liability in terms of Accounting Standard AS-22 is not required for the year.
37. In the opinion of the management, there is no impairment of assets of the company that require any adjustment to be made in terms of Accounting Standard AS-28.

38. Prior period items have been included in the respective heads and consist of the following: (A in thousands)

Particulars	31-03-2013	31-03-2012
Prior period income	5822	611
Prior period expenses	17149	183334

39. The sector-wise Gross Premium underwritten as certified by the Management as follows: (A in thousands)

Sl. No.	Particulars	31-03-2013		31-03-2012	
		Value	%	Value	%
1.	Rural Sector [No. of Policies issued - 6291807 (5321609)]	12985412	14.01	10191384	12.46
2.	Social Sector [Lives covered - 41389624 (29215418)]	7114663	7.68	5427821	6.64
3.	Other Sector	72560301	78.31	66174132	80.90
	Total Business	92660376	100.00	81793337	100.00

40. The details for extent of risk retained and reinsured are as follows:

(in %)

Sl. No.	Particulars	31-03-2013	31-03-2012
1.	Risk Retained (%)	80.82	82.89
2.	Risk Reinsured (%)	19.18	17.11

41. Details of Provisions

(A in thousands)

Particulars	Provision for Income Tax		Provision for Leave Encashment (Long Term)		Provision for Bad and Doubtful Debts	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012
Opening balance	1842249	1611447	1850000	1816000	1696564	1622921
Additions	911400	685500	100000	34000	8017	126933
Utilisation	7668	6903	0	0	0	0
Reversals	1156653	447795	0	0	251607	53290
Closing balance	1589328	1842249	1950000	1850000	1452974	1696564

42. Premium deficiency in the following segments of business has been identified as on 31-03-2013 and disclosed as advised by IRDA:

(A in thousands)

Segment	Deficiency	
	31-03-2013	31-03-2012
MotorTP	0	487649
MotorTP Pool	0	1102768
Marine Hull	72279	11717
Aviation	0	58206

43. The Company has made a provision of R 560000 thousands (Nil) towards wage revision which is effective from 1st August 2012 to its employees on the basis prescribed by General Insurance Public Sector Association (GIPSA).

44. The Company was appointed as Fund Manager for "Environment Relief Fund" (ERF) vide Ministry of Environment and Forest's Gazette

Notification dated 4.11.08 for a period of five years. Pending receipt of clarification regarding Constitution, method of calculation of fees, statutory requirements and other operational issues, the Company in terms of the said notification has recognised Fund Manager's service charges to the tune of R 5997 thousands (R 4938 thousands) as income during the year, based on the unaudited accounts of the Fund.

45. Details of penal actions taken by various Government Authorities:

(A in thousands)

Sl. No	Authority	Non-Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority		0	0	0
2	Service Tax Authorities		0	0	0
3	Income Tax Authorities		0	0	0
4	Any other Tax Authorities		0	0	0
5	Enforcement Directorate/Adjudicating Authority/Tribunal or any Authority under FEMA		0	0	0
6	Registrar of Companies / NCLT / CLB / Department of Corporate Affairs or any Authority under Companies Act, 1956		0	0	0
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation		0	0	0
8	Securities and Exchange Board of India		0	0	0
9	Competition Commission of India		0	0	0
10	Any other Central/State/Local Government/ Statutory Authority	Breach of tariff	0	0	0

No other penal action has been taken by any other Government Authority during the year.

46. The information as to amount due to suppliers under the Micro, Small and Medium Enterprises Development Act 2006 is not readily available with the Company and hence disclosure in respect of the amount payable to such Micro, Small and Medium Enterprises as at 31st March 2013 has not been made in the financial statements.
47. Regrouping/reclassifying/rearranging of previous year figures has been done wherever necessary to conform to current year groupings/classifications.
48. Figures in the narrative part of financial statements are in thousands of Rupees, conforming to IRDA norms.

Priya Kumar
T.M. Bhasin
A. Thri vikraman Thampi
Asha Nair

} Directors

For and on behalf of Board

Milind Kharat
Chairman-cum-Managing Director

S. Surether
Director and Financial Advisor

S. Venkataraman
Company Secretary

Vide our report of date attached

For Kalyanasundaram & Co.
ICAI FRN:OO1676S
Chartered Accountants

For Manohar Chowdhry & Associates
ICAI FRN : OO1997S
Chartered Accountants

For V Krishnan & Co.
ICAI FRN : OO1541S
Chartered Accountants

CA T.S.Ravichandran, Partner
Membership No.O23809

CA M.S.N.M. Santhosh, Partner
Membership No.221916

CA M. Gopinath, Partner
Membership No.O23819

Chennai
26th April 2013

United India Insurance Company Limited

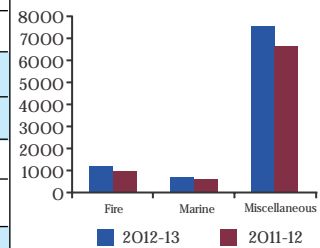
Registration No. 545, Date of Renewal with IRDA : 16th March 2012

Annexure I: Accounting Ratios

(A in '000)

Particulars	Gross Premium		Growth	
	2012-13	2011-12	2012-13	2011-12
1. Gross Direct Premium Growth Rate				
Fire	11207642.66	9724720.06	15.25%	20.76%
Marine Cargo	3213019.91	3317251.52	-3.14%	21.31%
Marine Hull	2802042.32	2363862.27	18.54%	3.64%
Motor	33898712.44	29558267.23	14.68%	39.16%
W.C.	875311.19	813002.95	7.66%	17.16%
P.A.	1909325.12	1882383.34	1.43%	9.41%
Aviation	639470.01	461773.51	38.48%	83.94%
Engineering	5637457.96	5332649.41	5.72%	27.51%
Health	26428090.12	22318124.61	18.42%	30.38%
Liability	601084.88	543832.04	10.53%	-2.08%
Other Misc.	5448219.12	5477062.26	-0.53%	10.93%
Grand Total	92660375.72	81792929.20	13.29%	28.27%
2. Gross Direct Premium to Shareholders' Funds				
Gross Premium	92660375.72	81792929.20		
Shareholders' Fund (at the beginning of year)	84342850.00	89641850.00		
Ratio	109.86%	91.24%		
3. Growth rate of Shareholders' Funds				
At the end of the year	86996146.00	84342850.00		
At the beginning of the year	84342850.00	89641850.00		
Growth rate	3.15%	-5.91%		
4. Net Retention Ratio				
	Net Premium	Net Premium	2012-13 Retention Ratio	2011-12 Retention Ratio
Fire	7952839.62	6686628.58	70.96%	68.76%
Marine Cargo	2511740.74	2353789.60	78.17%	70.96%
Marine Hull	514085.90	416000.87	18.35%	17.60%
Motor	30774364.01	26286373.00	90.78%	88.93%
W.C.	787780.07	731702.65	90.00%	90.00%
P.A.	1466133.00	1442946.05	76.79%	76.66%
Aviation	86308.78	68193.77	13.50%	14.77%
Engineering	3215383.90	3594764.84	57.04%	67.41%
Health	21672004.03	20086341.44	82.00%	90.00%

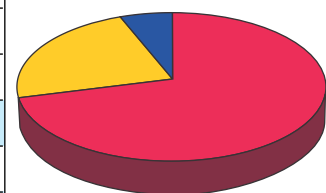
GROSS PREMIUM
(` in crores)



(A in '000)

Liability	508690.90	453201.13	84.63%	83.33%
Other Misc.	5401418.63	5675293.61	99.14%	103.62%
Grand Total	74890749.59	67795235.55	80.82%	82.89%
5. Net Commission Ratio	Net Commission	Net Commission	2012-13 Ratio	2011-12 Ratio
Fire	244003.49	106463.72	3.07%	1.59%
Marine Cargo	402569.76	161657.11	16.03%	6.87%
Marine Hull	-91319.97	-76651.61	-17.76%	-18.43%
Motor	940971.05	1138209.16	3.06%	4.33%
W.C.	71228.70	63410.71	9.04%	8.67%
P.A.	113733.01	130843.15	7.76%	9.07%
Aviation	-6816.87	-1636.85	-7.90%	-2.40%
Engineering	-179805.45	111560.65	-5.59%	3.10%
Health	853461.32	1144201.51	3.94%	5.70%
Liability	69894.15	58322.11	13.74%	12.87%
Other Misc.	662874.83	732842.26	12.27%	12.91%
Grand Total	3080794.02	3569221.93	4.11%	5.26%
6. Expenses of management to Gross Direct Premium ratio	2012-13	2011-12		
Expenses of Management	20016179.23	15660550.30		
Gross Direct Premium	92660375.72	81792929.20		
Ratio	21.60%	19.15%		
7. Combined Ratio	2012-13	2011-12		
Gross Incurred Claims	62084825.25	59155240.90		
Expenses of Management	20016179.23	15660550.30		
Direct Commission	5252027.11	5083175.12		
Total	87353031.59	79898966.32		
Gross Direct Premium	92660375.72	81792929.20		
Ratio	94.27%	97.68%		
8. Technical Reserves to net premium ratio	2012-13	2011-12		
Reserve for Unexpired Risks	35229962.36	32848650.47		
Premium Deficiency Reserve	0.00	0.00		
Reserve for O/s Claims	82426674.47	67103889.47		
Total	117656636.83	99952539.94		
Net Premium	74890749.59	67795235.55		
Ratio	157.10%	147.43%		

COMBINED RATIO 2012-13

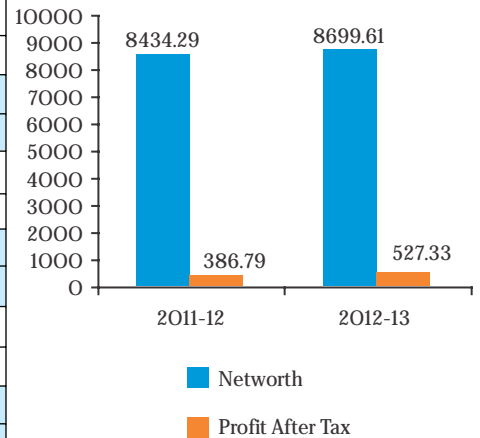


■ Direct Commission 6%
 ■ Gross Incurred Claims 71%
 ■ Expenses of Management 23%

(A in '000)

9. Underwriting Balance Ratio	Underwriting Profit 2012-13	Underwriting Profit 2011-12	For the year ended 31-03-2013	For the year ended 31-03-2012
Fire	-874263.67	-484065.33	-10.99%	-7.24%
Marine Cargo	16136.44	-83927.35	0.64%	-3.57%
Marine Hull	-644099.71	-294666.12	-125.29%	-70.83%
Motor	-5654409.15	-7861433.54	-18.37%	-29.91%
W.C.	216978.61	323160.71	27.54%	44.17%
P.A.	-61469.05	-24603.89	-4.19%	-1.71%
Aviation	-107675.13	-221347.19	-124.76%	-324.59%
Engineering	975109.00	-210173.05	30.33%	-5.85%
Health	-6472530.53	-4487420.39	-29.87%	-22.34%
Liability	-109343.59	121883.37	-21.50%	26.89%
Other Misc.	778865.17	995803.38	14.42%	17.55%
Grand Total	-11936701.62	-12226789.38	-15.94%	-18.03%
10. Operating Profit Ratio	2012-13	2011-12		
Underwriting Profit	-11936701.62	-12226789.38		
Investment Income	12452542.51	10115779.99		
Others	235334.99	-30528.75		
Operating Profits	751175.87	-2141538.15		
Net Premium	74890749.59	67795235.55		
Ratio	1.00%	-3.16%		
11. Liquid Assets to Liabilities Ratio	2012-13	2011-12		
Liquid Assets*	49264589.7	46518960.22		
Policyholders' Liabilities	117656636.83	99952539.94		
Ratio	41.87%	46.54%		
12. Net Earnings Ratio	2012-13	2011-12		
Profit after Tax	5273345.58	3867897.03		
Net Premium	74890749.59	67795235.55		
Ratio	7.04%	5.71%		
13. Return on Network	2012-13	2011-12		
Profit after Tax	5273345.58	3867897.03		
Network	86996146.00	84342850.00		
Ratio	6.06%	4.59%		
14. Available Solvency Margin Ratio to Required Solvency Margin Ratio				
Available Solvency Margin	46158149.00	42804635.00		
Required Solvency Margin	18332476.00	15776383.00		
Ratio	2.52	2.71		
15. NPA Ratio				
Gross NPA Ratio	0.42%	0.48%		
Net NPA Ratio	0.17%	0.02%		

RETURN ON NETWORK
(in crores)



* Liquid Assets consists of Cash and Bank balances, Short-term Loans and Short-term Investments and Advances & Deposits except Deposit with RBI.

Summary of Financial Statements

(A in Crores)

S.No.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
	OPERATING RESULTS					
1	Gross Premiums Written	9266.04	8179.29	6376.66	5239.05	4277.77
2	Net Premium Income #	7489.07	6779.52	5116.94	4190.16	3510.41
3	Income from Investments (Net) @	1245.25	1011.58	1099.62	999.89	653.75
4	Other income / outgo (Pl. specify)	23.53	-3.05	18.27	61.81	5.80
5	Total income	8757.86	7788.05	6234.83	5251.85	4169.96
6	Commissions (Net)	308.08	356.92	271.54	232.95	199.44
7	Brokerage					
8	Operating Expenses	2001.62	1566.06	1725.38	1156.99	1031.40
9	Claims, increase in Unexpired Risk Reserve and other outgoes	6373.05	6079.23	4854.95	3681.20	2826.36
10	Operating Profit / Loss	75.12	-214.15	-617.04	180.71	112.76
	NON-OPERATING RESULTS					
11	Total income under Shareholders' Account	542.74	683.44	747.87	642.13	390.15
12	Profit / (Loss) before tax	617.86	469.28	130.83	822.84	502.91
13	Provision for tax	90.52	82.49	0.28	115.05	26.86
14	Profit / Loss after tax	527.33	386.79	130.54	707.79	476.05
	MISCELLANEOUS					
15	Policyholders' Account :					
	Total funds	11765.66	9995.25	7301.16	6093.78	5723.83
	Total investments					
	Yield on investments					
16	Shareholders' Account :					
	Total funds	4952.63	4547.47	4247.93	4152.45	3613.59
	Total investments					
	Yield on investments					
17	Paid up equity capital	150.00	150.00	150.00	150.00	150.00
18	Net worth	4944.92	4541.58	4245.45	4149.75	3608.08
19	Total assets	23324.90	20774.09	18677.84	17209.77	12969.08
20	Yield on total investments	10.67%	8.48%	10.15%	8.86%	8.57%
21	Earnings per Share (A)	35.15	25.79	8.70	47.19	31.74
22	Book value per Share (A)	329.66	302.77	283.03	276.65	250.54
23	Total Dividend	106.00	78.00	30.00	142.00	96.00
24	Dividend per Share (A)	7.07	5.20	2.00	9.47	6.40
	# Net of reinsurance					
	@ Net of losses					

Management Report on Financial Statements as on 31-03-2013
prepared in accordance with the provisions of IRDA
(Preparation of Financial Statements and Auditors' Report of
Insurance Companies Regulations 2002)

1. We confirm that the Registration Certificate granted under Section 3 of Insurance Act, 1938 by the Insurance Regulatory and Development Authority (IRDA) has been renewed and is valid as on 31st March 2013.
 2. We certify that all the undisputed dues payable to statutory authorities have been duly paid.
 3. We hereby confirm that the share holding pattern is in accordance with the statutory and regulatory requirements and there is no transfer of shares during the year.
 4. The Management hereby confirms and declares that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India
 5. We confirm that required solvency margin has been maintained.
 6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and necessary provisions made for diminution/decline in value of assets. The assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the headings – Loans, Investments, Application Money for Investments, House property in India, Agents Balances, Outstanding Premium, Interest, Dividends and Rents outstanding, Interest, Dividends and Rents accrued but not due, amounts due from persons or bodies carrying on insurance business, reserve deposits due from companies on account of reinsurance, sundry debtors, advance tax and other tax payments, cash, vehicle loans on contribution basis less recoveries (other than fixed assets which is stated at cost less depreciation).
 7. We confirm that the Company evaluates and monitors closely all risks underwritten under each portfolio for the risk exposure. Remedial action is initiated to mitigate the risks effectively. Reinsurance Programme is drawn keeping in view the risk exposure on every portfolio commensurate with the capacity of the company. The risk exposure per risk/event for the net account is protected at appropriate levels on the adequate requirement of the Company on exposure to multiple perils.
 8. The Company's Hong Kong Agency has ceased underwriting operations with effect from close of business as of 31-03-2002. The revenue transactions and the assets and liabilities continue to be accounted in our books of accounts. The Company has no direct operation in any other foreign country.
 9. Agewise analysis of the claims for the preceding five years ending 31-03-2013, in terms of O67/IRDA/F & A/CIR/March '08 dated 28-03-2008, has been given in the Annexure.
 10. We certify that for the purpose of balance sheet, the investments other than actively traded equity shares and units of mutual funds (other than venture capital funds) which have declared NAVs have been shown at or below cost. Equity Shares that are actively traded in the market are valued at the last quoted closing price on NSE as on the balance sheet date and where any stock is not being listed in NSE, the Equity Shares are valued based on the last quoted closing price on BSE as on the balance sheet date. Units of Mutual Funds (other than venture capital funds) are valued at Net Asset Value as at the balance sheet date as declared by the funds. Investment in Venture Capital Funds are valued at cost and provision is made for diminution in value of such investment where net asset value as at the balance sheet date is lower than cost. Wherever Net Asset Value as on the balance sheet is not available, latest available Net Asset Value is considered.
- The unrealized gain/loss arising due to changes in fair value of actively traded equity shares and mutual fund investments are not taken to revenue but are taken to the fair value change account in accordance with the regulation. Pending realization, the balance in the fair value change account is not available for distribution.
- For the purpose of comparison of market value of investments, government securities and debt securities other than non-performing assets have been valued on the basis of FIMMDA guidelines.

All other instruments other than actively traded equity shares and units of Mutual Funds (other than venture Capital Funds) which have declared NAV have been valued at cost less provisions made, if any.

11. Performance of Investment

Total Book Value of Investment including loans and deposits has increased to R 15938.45 Crores from R 13269.34 Crores in the previous year. The Net accretion during the year amounted to R 2669.11 Crores as against R 2021.79 Crores in 2011-12.

The Investment Income is R 1217.52 Crores as compared to R 1001.22 Crores in the previous year. During the said period, the mean yield on Investment funds has been 8.34% as compared to 8.17% in the previous year. Profit on sale / redemption of Investments booked during the year is R 546 Crores compared to R 628.58 Crores.

12. The Net Non-Performing Assets, as a percentage to total investments is at 0.17% as on 31-03-2013 as against 0.02% as on 31-03-2012.

13. It is hereby confirmed that

a) in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable Accounting Standards, Principles and Policies have been followed

along with proper explanations relating to material departures;

b) the Management has selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year;

c) the Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Insurance Act, 1938 (4 of 1938)/Companies Act, 1956 (1 of 1956), for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Management has prepared the financial statements on a going concern basis; and

e) the Management has ensured that an Internal Audit System commensurate with the size and nature of the business is in place and is operating effectively.

14. The related party transactions are disclosed in the Notes forming part of accounts.

Priya Kumar
 T.M. Bhasin
 A. Thrikraman Thampi
 Asha Nair

} Directors

Milind Kharat
 Chairman-cum-Managing Director

S. Surenter
 Director and Financial Advisor

Chennai
 26th April 2013

Ageing of Claims as at 31-03-2013 (INDIAN BUSINESS)

Department	O/s for 30 days or less		O/s for 3 months or less but more than 30 days		O/s for 6 months or less but more than 3 months		O/s for 1 year or less but more than 6 months.	
	(I) (i)		(I) (ii)		(I) (iii)		(I) (iv)	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Fire	372	795538	281	709293	458	2001440	748	3445897
Marine Cargo	635	559067	645	203556	820	340722	1416	468737
Marine Hull	47	164438	40	76982	46	3011128	78	143410
Motor OD	9318	635854	16541	502582	19002	614260	18411	1014751
Motor TP Pending in MACT	1082	4952051	1485	331738	3032	876490	6871	1124290
Motor TP Others	59	8513	65	17258	88	14714	117	121411
Motor DR Pool	17	965131	30	-597	38	2156	95	4602
Motor TP Pool	695	25472461	1549	371307	3061	795175	8606	2009343
Workmen Comp.	127	258056	105	24270	122	11768	209	36893
Personal Acc.	1017	380680	896	86805	796	71607	1040	136158
Aviation	2	47405	8	40658	7	25605	3	7790
Engineering	716	433925	525	263025	603	639574	942	800932
Other Misc.	2124	300397	2487	256903	2480	296319	3157	577525
Liabilities	28	112190	26	33975	36	7566	63	40023
Health & Hosp.	155128	2231100	3104	436134	1872	436191	2140	413486
Total	171367	37316805	27787	3353889	32461	9144713	43896	10345247

Ageing of Claims as at 31-03-2012 (INDIAN BUSINESS)

Department	O/s for 30 days or less		O/s for 3 months or less but more than 30 days		O/s for 6 months or less but more than 3 months		O/s for 1 year or less but more than 6 months.	
	(I) (i)		(I) (ii)		(I) (iii)		(I) (iv)	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Fire	432	759513	488	1394164	412	1099618	655	2452913
Marine Cargo	956	631291	567	216728	947	271307	1388	1227673
Marine Hull	45	304534	62	47214	27	157217	48	185105
Motor OD	14242	1079970	9244	493752	6212	461297	5400	423982
Motor TP Pending in MACT	2269	3330164	2236	462745	2763	611164	5612	1161066
Motor TP Others	682	135451	1895	313847	768	87409	1503	287866
Motor TP Pool	3273	33233101	3403	866207	4299	1037477	8999	2042040
Workmen Comp.	143	116128	107	20144	116	19842	190	36472
Personal Acc.	951	332118	647	67911	643	70464	781	73092
Aviation	2	34252	3	35626	2	1753	8	86555
Engineering	642	405635	488	540663	501	578890	752	861225
Other Misc.	2257	245140	3046	194988	2434	224727	2201	461267
Liabilities	22	62590	33	7226	41	95245	93	30650
Health & Hosp.	7306	1918871	2365	417238	1493	366807	1901	150611
Total	33222	42588758	24584	5078451	20658	5083218	29531	9480516

(A in '000)

O/s for 3 years or less but more than 1 year		O/s for 5 years or less but more than 3 years		O/s for more than 5 years		Total	
(I) (v)		(I) (vi)		(I) (vii)			
No.	Amount	No.	Amount	No.	Amount	No.	Amount
577	2874852	106	658288	273	1671556	2815	12156864
1131	887886	106	307054	105	606880	4858	3373901
112	629438	24	1422106	42	711779	389	6159281
8143	615117	957	112394	351	30987	72723	3525946
24902	4128257	20387	2829605	74813	9773423	132572	24015854
196	37787	11	1813	42	48	578	201543
195	-5649	115	7047	236	26210	726	998899
32350	6855909	15989	2863100	934	190836	63184	38558129
340	68288	202	27645	234	27002	1339	453922
959	111586	69	35072	145	81758	4922	903666
9	81961	0	0	0	0	29	203419
817	2126503	86	281796	56	91916	3745	4637671
2336	656187	451	133908	1827	274510	14862	2495748
177	259071	97	256003	214	42578	641	751406
1737	140338	269	10576	169	13917	164419	3681741
73981	19467530	38869	8946407	79441	13543399	467802	102117988

(A in '000)

O/s for 3 years or less but more than 1 year		O/s for 5 years or less but more than 3 years		O/s for more than 5 years		Total	
(I) (v)		(I) (vi)		(I) (vii)			
No.	Amount	No.	Amount	No.	Amount	No.	Amount
524	2454672	98	236237	277	1460675	2886	9857792
987	743317	142	72571	130	568892	5117	3731779
94	1664349	19	439355	50	312771	345	3110545
3488	276756	372	42733	245	27506	39203	2805995
20497	3082319	20223	3176197	45670	6292090	99270	18115744
2881	430697	3543	444006	5095	744684	16367	2443959
23178	4679631	6704	1277800	0	0	49856	43136255
396	63335	199	29622	217	23253	1368	308796
633	60001	131	29067	124	117596	3910	750249
3	2427	0	0	0	0	18	160613
684	1762225	79	125584	50	562324	3196	4836545
2268	498544	555	112897	2018	288963	14779	2026526
185	165050	125	15990	159	40691	658	417442
2200	89123	421	9712	123	13904	15809	2966265
58018	15972445	32611	6011771	54158	10453348	252782	94668505

Ageing of Claims as at 31-03-2011 (INDIAN BUSINESS)

Department	O/s for 30 days or less		O/s for 3 months or less but more than 30 days		O/s for 6 months or less but more than 3 months		O/s for 1 year or less but more than 6 months.	
	(I) (i)		(I) (ii)		(I) (iii)		(I) (iv)	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Fire	342	2000727	253	514233	318	474971	617	1545717
Marine Cargo	550	565647	429	153122	520	240392	837	334444
Marine Hull	29	159988	21	42891	24	44949	43	211699
Motor OD	7732	482455	6331	327726	5374	282598	8390	455663
Motor TP Pending in MACT	1588	207035	1803	289844	2400	399952	5529	863656
Motor TP Others	305	2203808	313	39246	339	31342	866	158367
Motor TP Pool	1965	403581	2548	437549	3476	675846	7881	1470894
Workmen Comp.	100	125386	75	11423	99	14229	230	28826
Personal Acc.	773	322085	615	45999	575	46119	648	61784
Aviation	2	28158	1	4000	1	50	2	3600
Engineering	569	1111652	349	157977	386	500468	621	744547
Other Misc.	1378	339170	1119	138597	1183	222430	1405	349818
Liabilities	27	38366	26	4065	46	14206	73	31555
Health & Hosp.	8734	1559721	2462	161429	1754	436162	2342	184914
Total	24094	9547779	16345	2328101	16495	3383714	29484	6445483

Ageing of Claims as at 31-03-2010 (INDIAN BUSINESS)

Department	O/s for 30 days or less		O/s for 3 months or less but more than 30 days		O/s for 6 months or less but more than 3 months		O/s for 1 year or less but more than 6 months.	
	(I) (i)		(I) (ii)		(I) (iii)		(I) (iv)	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Fire	379	1089274	281	437876	425	1221019	499	1284942
Marine Cargo	559	495220	290	100118	448	162220	678	1145210
Marine Hull	24	129888	17	22590	29	42435	28	1096389
Motor OD	7545	538888	5774	300168	4708	297353	4609	319118
Motor TP Pending in MACT	1785	2134124	2075	260588	3206	249428	8237	1068841
Motor TP Others	362	110765	322	46183	533	67415	1367	171525
Motor TP Pool	2097	359482	2497	383908	4077	704202	8175	1354688
Workmen Comp.	95	84148	134	23487	118	14238	163	17371
Personal Acc.	742	307217	572	44171	521	41432	802	51209
Aviation	1	105518	1	1061	1	1913	0	0
Engineering	556	534613	409	516787	422	326285	459	269385
Other Misc.	1163	209704	1044	288792	1135	252542	1292	437023
Liabilities	34	22167	34	5461	37	7635	83	170904
Health & Hosp.	7341	1702885	2440	110973	1254	92550	1379	59676
Total	22683	7823893	15890	2542163	16914	3480667	27771	7446281

(A in '000)

O/s for 3 years or less but more than 1 year		O/s for 5 years or less but more than 3 years		O/s for more than 5 years		Total	
(I) (v)		(I) (vi)		(I) (vii)			
No.	Amount	No.	Amount	No.	Amount	No.	Amount
465	1956827	111	291086	259	1414926	2365	8198487
785	881326	188	56127	135	545315	3444	2776373
55	1266477	15	564717	50	99175	237	2389896
7777	482331	426	37378	352	42642	36382	2110793
26832	3539567	31735	3859042	66200	7489675	136087	16648772
4249	631500	5466	633348	8111	913749	19649	4611360
22677	3912549	1299	348484	0	0	39846	7248903
369	49589	150	18653	203	20875	1226	268981
1343	70857	109	86285	117	102297	4180	735425
1	2002	0	0	0	0	7	37810
512	713319	121	75160	56	53829	2614	3356952
1746	626704	1105	185068	1783	348583	9719	2210370
168	111266	132	13765	146	41146	618	254369
2062	96986	279	7971	55	24849	17688	2472032
69041	14341300	41136	6177084	77467	11097061	274062	53320523

(A in '000)

O/s for 3 years or less but more than 1 year		O/s for 5 years or less but more than 3 years		O/s for more than 5 years		Total	
(I) (v)		(I) (vi)		(I) (vii)			
No.	Amount	No.	Amount	No.	Amount	No.	Amount
590	1224225	118	453314	221	1212798	2513	6923448
896	308607	114	53908	152	534863	3137	2800146
34	444803	24	242789	50	90244	206	2069138
2431	205280	275	27014	332	29617	25674	1717437
37310	4903387	33003	4098064	63440	7176704	149056	19891136
6596	843272	5746	655537	6609	745290	21535	2639987
11853	2090087	0	0	0	0	28699	4892367
377	54311	168	21965	194	17699	1249	233219
771	60358	105	248556	115	130685	3628	883628
4	2754	0	0	0	0	7	111246
566	388629	98	47608	66	525559	2576	2608866
1692	423586	1517	218749	1553	262773	9396	2093169
225	26933	104	14109	155	37443	672	284652
1453	84529	153	5728	62	10941	14082	2067282
64798	11060761	41425	6087341	72949	10774616	262430	49215721

Ageing of Claims as at 31-03-2009 (INDIAN BUSINESS)

Department	O/s for 30 days or less		O/s for 3 months or less but more than 30 days		O/s for 6 months or less but more than 3 months		O/s for 1 year or less but more than 6 months.	
	(I) (i)		(I) (ii)		(I) (iii)		(I) (iv)	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Fire	371	759044	302	373849	389	1103557	606	1104444
Marine Cargo	508	271741	451	157521	609	116301	1038	307118
Marine Hull	35	42358	23	13134	20	11723	22	368780
Motor OD	10589	574700	6591	344291	4173	257495	4090	289619
Motor TP Pending in MACT	2455	2589273	2408	347815	3727	498306	9714	1371898
Motor TP Others	539	65912	504	182454	629	84943	2037	272773
Motor TP Pool	1748	345695	2284	446332	3098	579789	5171	992084
Workmen Comp.	122	72601	127	11147	134	15149	198	27706
Personal Acc.	1067	545979	1095	72766	1062	72360	959	69946
Aviation	1	143838	2	2707	0	0	1	1450
Engineering	711	508267	588	191730	562	153878	706	352615
Other Misc.	1916	211970	1898	190501	1519	279347	1874	240952
Liabilities	63	410745	51	5941	68	15979	113	18611
Health & Hosp.	8426	1733743	3050	263452	1515	62413	1950	325547
Total	28551	8275866	19374	2603640	17505	3251240	28479	5743543

(A in '000)

O/s for 3 years or less but more than 1 year		O/s for 5 years or less but more than 3 years		O/s for more than 5 years		Total	
(I) (v)		(I) (vi)		(I) (vii)			
No.	Amount	No.	Amount	No.	Amount	No.	Amount
453	1689851	109	141563	276	1351592	2506	6523900
677	339024	78	43346	142	558175	3503	1793226
29	376587	27	1742236	47	88167	203	2642985
2113	168199	331	35477	456	36138	28343	1705919
41494	5802675	32895	4234362	68706	8202401	161399	23046730
7484	1019611	6887	736495	5034	706341	23114	3068529
3250	639900	0	0	0	0	15551	3003800
336	40937	169	23159	210	18632	1296	209331
549	270665	140	232980	119	133734	4991	1398430
1	255	0	0	4	53958	9	202208
686	391914	75	8987	87	544252	3415	2151643
2622	426500	1302	181959	1409	262599	12540	1793828
259	28162	74	16101	142	44836	770	540375
1583	76941	113	4208	90	3452	16727	2469756
61536	11271221	42200	7400873	76722	12004277	274367	50550660

United India Insurance Company Limited
Registration No. : 545, Date of Renewal with IRDA : 16th March 2012

Statement showing the Age-wise Analysis of the
unclaimed amount of the Policyholders as on 31st March 2013

Annexure to Schedule 13

(A in '000s)

Particulars	AGE-WISE ANALYSIS							
	Total Amount	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							
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	291343	60999	36307	24994	20378	15594	17871	115201
Cheques issued but not encashed by the policyholder/ insured	985393	18287	123588	185382	236427	192133	44909	184667

UNITED INDIA INSURANCE COMPANY LIMITED

Registration No. : 545, Date of Renewal with IRDA : 16th March 2012

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.

State Code

(Refer Code List)

Balance Sheet

Date Month Year

II. Capital Raised During the Year (A in Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (` in Thousands)

Total Liabilities

Total Assets

Source of Funds

Paid-up Capital

Reserves & Surplus

Current Liabilities

Unexpired Risk Reserves and Provisions

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Loans

Accumulated Losses

Deferred Expenditure

IV. Performance of Company (A in Thousands)

Turnover - Premium Income

	7	2	5	0	9	4	3	8
--	---	---	---	---	---	---	---	---

Investment & Other Income

	1	8	6	3	2	2	5	4
--	---	---	---	---	---	---	---	---

Profit/Loss Before Tax

	+			6	1	7	8	5	6	6
--	---	--	--	---	---	---	---	---	---	---

(+ for Profit - for Loss)

Total Expenditure

	8	4	9	6	3	1	2	6
--	---	---	---	---	---	---	---	---

Profit / Loss After Tax

+		5	2	7	3	3	4	6
---	--	---	---	---	---	---	---	---

Earning per Share in `

					3	5	.	1	5
--	--	--	--	--	---	---	---	---	---

Dividend at %

	7	1
--	---	---

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

Item Code No. (ITC Code)

																		N	A
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---

Product Description

G	E	N	E	R	A	L		I	N	S	U	R	A	N	C	E				
B	U	S	I	N	E	S	S													

Item Code No. (ITC Code)

																		N	A
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---

Product Description

																			N	A

Item Code No. (ITC Code)

																			N	A
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---

Product Description

																			N	A

Note: For ITC Code of Products, please refer to the publication Indian Trade Classification based on harmonised commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Kolkata - 700 001.

Statement of Interest in the Subsidiary Company Under Section 212 of the Companies Act, 1956

A) The extent of the Company's interest in the subsidiary for the year ended 31st March 2013:

Out of 20,000 shares of Zenith Securities & Investments Limited of ` 100/- each fully paid, the Company holds 13,890 shares (69.45%).

B) The net aggregate amount of Subsidiary's profit after deducting its losses or vice versa so far as it concerns Members of the Company and is not dealt with in the Company's accounts:

- i) for the year ended 31st March, 2013 :
Profit ` 5,477.40 thousands.
- ii) for the previous financial years of the Subsidiary since it became the Company's Subsidiary: Profit ` 5,01,05.73 thousands.

C) The net aggregate amount of the Subsidiary's profit after deducting its losses or vice versa so far as these are dealt with in the Company's accounts:

i) for the year ended 31st March 2013 on the Subsidiary:

Nil

ii) for the previous financial years of the Subsidiary since it became subsidiary:
Nil

The Directors of the Subsidiary Company have recommended a dividend of 60% on the Equity Shares for the year ended 31st March 2013 which as and when declared by the Subsidiary Company in its General Meeting will be credited in the accounts for the year ended 31st March 2013 in proportion to the Company's interest in the subsidiary.

Chennai
29th April 2013

MILIND KHARAT
Chairman-cum-Managing Director

WE DESERVED
TO WIN AGAIN



UI has seen its Platinum Jubilee Year dawn with a rewarding moment of being awarded **GENERAL INSURER OF THE YEAR - PUBLIC SECTOR** for the second consecutive year by Bloomberg UTV.



Central Finance & Accounts (CFAC) Team with Statutory Auditors

ZENITH SECURITIES AND INVESTMENTS LIMITED

Directors' Report to the Members for the year ended 31st March, 2013

The Directors have pleasure in presenting the Annual Report on the working of the Company for the year ended 31st March, 2013.

The Company continues to carry on investment activities. The Total Investments of the Company stood at A 594 Lakhs (A553.17 Lakhs for Previous Year) [Market Value of Quoted Investments stood at A4279.61 Lakhs - (Previous Year A3692.27 Lakhs) and Book Value of Unquoted Investments stood at A292.28 Lakhs - (Previous Year A292.28 lakhs)], as against its Paid-Up Capital of A20 Lakhs.

FINAL RESULTS:

Working of the Company for the Current Year was satisfactory which projected a Profit of A54.74 Lakhs. (Previous Year A33.93 Lakhs).

DIVIDEND:

The Directors are pleased to recommend the payment of Dividend at the rate of A60/- per share i.e. 60% (Previous Year A60/- per share i.e. 60%) amounting to A 12.00 Lakhs on which Corporate Tax on distribution of Dividend @ 16.2225 comes to A 1.95 Lakhs. Thus total outgo will be A13.95 Lakhs.

DIRECTORS' RESPONSIBILITY STATEMENT :

- i) In the preparation of annual accounts, the applicable accounting standards have been followed.
- ii) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the end of the Financial

Year 2012-2013 and of the Profit of the Company for that period.

- iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) We have prepared the Annual Accounts on a going concern basis.

BOARD OF DIRECTORS :

Mr. Lalit P.Mehta, a Director retires from the Board under the Scheme of Rotation and being eligible offers himself for re-election.

Mr. M.V.V. Chalam, has been appointed as a Director in place of Mr. B.M.Thakkar by the United India Insurance Company, Chennai, as its Nominee Director. Board has put on record his valuable services rendered during his term as Director, on the Board.

DISCLOSURE UNDER SECTION 217(2A):

During the financial year 2012-13, none of the employees are in receipt of remuneration in excess of the applicable revised limits i.e. A5 lakh per month & A60 lakh per annum as prescribed in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rule, 2011.

The Company is not engaged in any manufacturing activity and therefore, no particulars are separately disclosed regarding energy conservation or technology absorption. There are no payments or receipts in foreign currency which are required to be disclosed under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.



AUDITORS :

M/s. Karia & Shah, Chartered Accountants, Mumbai, have been appointed by the Comptroller and Auditor General of India, as Auditors of the Company, for the period under review, under Section 619 of the Companies Act, 1956.

For the next financial year, Central Government of India has yet to appoint Auditors of the Company.

ACKNOWLEDGEMENTS :

The Directors wish to place on record their appreciation for the active support and guidance received from the parent company, United India Insurance Co. Ltd., and Directors and Officers who have been associated with the Company in the past, without which the Company could not have grown to its present strong position.

Registered Office :
Mehta House,
79/91, Mumbai Samachar Marg,
Mumbai - 400 001.

Dated : 29th April 2013

By Order of the Board

D.N. Shukla
Director

M.V.V. Chalam
Director

KARIA & SHAH CHARTERED ACCOUNTANTS

Late B. B. Karia (B.com., FCA)
 Sanjay Shah (B.com., FCA, ISA)
 Madhuri Khot (M.com., FCA, ISA)
 Hasan Fidvi (B.com., FCA)
 Sujata Subramanian (B.com., FCA)
 Mayank Nagaria (B.com., ACA, ISA)

Off: 309, 3rd Floor, Rajgir Sadan,
 Opp. Sion Rly. Station, Laxmi Baug,
 Sion (W), Mumbai - 400022.
 Tel: 24044828/24072650
 Fax: 24044828
 E-mail: kariashah@yahoo.com

Auditor's Report

TO,

THE MEMBERS OF
 ZENITH SECURITIES AND INVESTMENTS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of ZENITH SECURITIES AND INVESTMENTS LTD. which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement 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 in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit/loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of 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;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For KARIA & SHAH
Chartered Accountants
FRN: 112203W

Mayank Nagaria
Partner
Membership No.: 141568

Place : Mumbai
Date : 29 April, 2013

Annexure to the Auditor's Report

The Annexure referred to in paragraph 1 of Our Report of even date to the members of ZENITH SECURITIES AND INVESTMENTS LTD. on the accounts of the Company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
 2. The Company is in the business of Long Term Investment in Shares & Mutual Funds. The Shares & Mutual Funds are not held as Inventories. Hence, Inventories Schedule is not applicable.
 3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the order are not applicable to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- Thus sub-clauses (f) & (g) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of investments & fixed assets and payment for expenses & for sale of investments. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
 5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed five lacs rupees in a financial year, therefore requirement of reasonableness of transactions does not arise.
 6. The Company has not accepted any deposits from the public covered under Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
 7. As per information & explanations given by the management, the Company do not have an internal audit system, the management is of the opinion that considering its size and the nature of its business no internal audit is required.
 8. As per information & explanations given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act.
 9. (a) According to the records of the company, it is regular in depositing undisputed statutory dues with the appropriate authorities except in the case of Income tax

- payable & provided in the books of accounts for A.Y.2011-12 ` 2200/- and also FBT payable and provided in the books of accounts for the A.Y. 2006-07 ` 3000/-, A.Y. 2007-08 Rs.1700/-, A.Y. 2008-09 ` 1200/- & A.Y.2009-10 ` 1400/-, but same has not been paid and no Return of FBT has been filed with the Income Tax Authorities and any other statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes except the income tax dues payable for A.Y.2003-04 amounting to ` 6,977/- which has not been paid.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to information and explanations given to us, the Company is investing in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further, the investments specified are held in their own name.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds, short term or long term, are raised during the year by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
 19. The Company has no outstanding debentures during the period under audit.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For KARIA & SHAH
Chartered Accountants
FRN: 112203W

Mayank Nagaria
Partner
Membership No.: 141568

Place : Mumbai
Date : 29 April, 2013

Comments of the Comptroller & Auditor General of India Under Section 619(4) of the Companies Act, 1956 on the accounts of Zenith Securities and Investments Limited for the year ended 31st March, 2013.

The preparation of financial statements of Zenith Securities and Investments Limited for the year ended 31st March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit

in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29 April 2013.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of Zenith Securities and Investment Limited for the year ended 31 March 2013 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

Y. N. Thakare
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I, Mumbai.

Place : Mumbai
Date : 23-05-2013

ZENITH SECURITIES AND INVESTMENTS LIMITED
BALANCE SHEET AS AT 31st MARCH 2013

Particulars	Note No.	As at 31-3-2013		As at 31-3-2012	
		A ('00)	A ('00)	A ('00)	A ('00)
A) EQUITY AND LIABILITIES					
1) Shareholders' funds					
a) Share capital	3		20,000		20,000
b) Reserves and Surplus	4		574,001		533,174
c) Money received against share warrants			-		-
			594,001		553,174
2) Share application money pending allotment			-		-
3) Non-current liabilities					
a) Long-term borrowings			-		-
b) Deferred tax liabilities (net)	5		26		14
c) Other long-term liabilities			-		-
d) Long-term provisions			-		-
			26		14
4) Current liabilities					
a) Short-term borrowings			-		-
b) Trade payables	6		2,015		1,852
c) Other current liabilities	7		3,033		1,971
d) Short-term provisions	8		14,077		14,042
			19,125		17,865
TOTAL			613,152		571,053
B) ASSETS					
1) Non-current assets					
a) Fixed assets					
i) Tangible assets	9a		387		181
ii) Intangible assets			-		-
iii) Capital work-in-progress			-		-
iv) Intangible assets under development			-		-
b) Non-current investments	10		591,754		555,036
c) Deferred tax assets (net)			-		-
d) Long-term loans and advances	11		106		106

Particulars	Note No.	As at 31-3-2013		As at 31-3-2012	
		A ('00)	A ('00)	A ('00)	A ('00)
e) Other non-current assets			-		-
TOTAL			592,247		555,323
2) Current assets					
(a) Current investments			-		-
(b) Inventories			-		-
(c) Trade receivables			-		-
(d) Cash and cash equivalents	12		17,150		12,443
(e) Short-term loans and advances	13		12		14
(f) Other current assets	14		3,743		3,273
			20,905		15,730
TOTAL			613,152		571,053
Summary of Significant Accounting Policies The accompanying notes are an integral part of the Financial Statements.	2.1				

In terms of our report attached.
 For KARIA & SHAH
 Firm Registration No : 112203W
 Chartered Accountants
 CA Mayank Nagaria
 Partner
 Membership No. 141568
 Place : Mumbai
 Date : 29th April 2013

For and on behalf of the Board of Directors

Homi F. Mehta
 Chairman

M.V.V. Chalam
 D.N. Shukla
 Directors

ZENITH SECURITIES AND INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Note No.	For the year ended 31.03.2013		For the year ended 31.03.2012	
		A ('00)	A ('00)	A ('00)	A ('00)
A) CONTINUING OPERATIONS					
1) Revenue from operations (gross)	15		72,538		58,295
Less : Excise duty			-		-
Revenue from operations (net)			72,538		58,295
2) Other income	16		108		92
3) Total revenue (1+2)			72,646		58,387
4) Expenses					
a) Cost of materials consumed			-		-
b) Purchases of stock-in-trade			-		-
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade			-		-
d) Employee benefits expense			-		-
e) Finance costs	17		142		68
f) Depreciation and amortisation expense	9b		52		9
g) Other expenses	18		17,632		24,351
Total expenses			17,826		24,428
5) Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)			54,821		33,959
6) Exceptional items			-		-
7) Profit / (Loss) before extraordinary items and tax (5 + 6)			54,821		33,959
8) Extraordinary items			-		-
9) Profit / (Loss) before tax (7 + 8)			54,821		33,959
10) Tax expense :					
a) Current tax expense for current year			35		22
b) (Less): MAT credit (where applicable)			-		-
c) Current tax expense relating to prior years			-		-
d) Net current tax expense			-		-
(e) Deferred tax			12		5
11) Profit / (Loss) from continuing operations (9 +10)			54,774		33,932

Particulars	Note No.	As at 31.3.2013		As at 31.3.2012	
		A ('00)	A ('00)	A ('00)	A ('00)
B) DISCONTINUING OPERATIONS					
12.1 Profit / (Loss) from discontinuing operations (before tax)			-		-
12.2 Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations			-		-
12.3 Add / (Less): Tax expense of discontinuing operations			-		-
a) on ordinary activities attributable to the discontinuing operations			-		-
b) on gain / (loss) on disposal of assets / settlement of liabilities			-		-
13. Profit / (Loss) from discontinuing operations (12.1 + 12.2 + 12.3)			-		-
C) TOTAL OPERATIONS			-		-
14. Profit / (Loss) for the year (11 + 13)			54,774		33,932
15. Earnings per equity share {nominal value of share A 100/- (31 March 2013 : A 100/-)}:					
(a) Basic					
i) Continuing operations	19a		3		2
ii) Total operations	19b		3		2
(b) Diluted					
i) Continuing operations	19c		3		2
ii) Total operations	19d		3		2
Summary of Significant Accounting Policies	2.1				

In terms of our report attached.
For KARIA & SHAH
Firm Registration No : 112203W
Chartered Accountants
CA Mayank Nagaria
Partner
Membership No. 141568
Place : Mumbai
Date : 29th April 2013

For and on behalf of the Board of Directors

Homi F. Mehta
Chairman

M.V.V. Chalam
D.N. Shukla
Directors

ZENITH SECURITIES AND INVESTMENTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	31.03.2013		31.03.2012	
	A('00)	A('00)	A('00)	A('00)
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		54,821		33,959
Adjustments for:				
Depreciation and amortisation	52		9	
Dividend income	(72,538)		(58,295)	
Provision for diminution of equity shares & mutual funds	12,363			
Profit on auction of shares	(108)			
Net (gain) / loss on sale of investments			(65)	
Adjustments to the carrying amount of investments			19,851	
Other non-cash charges (specify)			-	
Net unrealised exchange (gain) / loss		(60,231)		(38,500)
Operating profit / (loss) before working capital changes		(5,411)		(4,541)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Short-term loans and advances	2		(2)	
Other current assets	(473)		1,715	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	163		(75)	
Other current liabilities	1,062		(148)	
		754		1,490
Cash generated from operations		(4,657)		(3,051)
Net income tax (paid) / refunds	-		-	
Net cash flow from / (used in) operating activities (A)		(4,657)		(3,051)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(256)			
Proceeds from sale of fixed assets				
Purchase of investments				
- Equity Shares	(110,035)			
- Mutual Funds	(25,828)			
- Others			(88,017)	
Proceeds from redemption of Short-Term Mutual Funds	86,782		0	
- Others	0		92	
Dividend received				
- Others	72,646		58,294	

Particulars	31.03.2013		31.03.2012	
	A('00)	A('00)	A('00)	A('00)
Net cash flow from / (used in) investing activities (B)		23,309		(29,631)
C. Cash flow from financing activities				
Dividends paid	(12,000)		(10,000)	
Tax on dividend	(1,946)		(1,661)	
Net cash flow from / (used in) financing activities (C)		(13,946)		(11,661)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		4,707		(44,343)
Cash and cash equivalents at the beginning of the year		12,443		56,786
Cash and cash equivalents at the end of the year		17,150		12,443
Reconciliation of Cash and cash equivalents with the Balance Sheet				
Cash and cash equivalents as per Balance Sheet (Refer Note 12)	17,150		12,443	
Less: Bank balances not considered as Cash and cash equivalents as defined		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 12		17,150		12,443
Components of Cash and cash equivalents:				
(a) Cash on hand		-		-
(b) Cheques, drafts on hand				
(c) Balances with Banks				
i) In current accounts		14,206		10,502
ii) In EEFC accounts		-		-
iii) In deposit accounts with original maturity of less than 3 months		-		-
iv) In earmarked accounts (give details) (Refer Note (ii) below)		2,944		1,941
(d) Others (specify nature)		-		-
(e) Current investments considered as part of Cash and cash equivalents		-		-
Total Cash and Cash equivalents (Note 12):		17,150		12,443

Notes :

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with Banks can be utilised only for the specific identified purposes. Summary of Significant Accounting Policies 2.1.

In terms of our report attached.
For KARIA & SHAH
Firm Registration No : 112203W
Chartered Accountants
CA Mayank Nalaria
Partner
Membership No. 141568
Place : Mumbai
Date : 29th April 2013

For and on behalf of the Board of Directors

Homi F. Mehta
Chairman

M.V.V. Chalam
D.N. Shukla
Directors

Notes Forming part of Financial Report 31st March, 2013

Note	Particulars	2.3. Use of estimates
1. Corporate information	<p>Zenith Securities & Investment Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is an investment company and the main business is of investing in short or long term investments. The main risk is on account of the market movements and performance of the company's shares and mutual funds in which investments have been made.</p>	<p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
2. Basis of Preparation	<p>The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared those financial statements to comply with all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year, except for the change in accounting policy explained below.</p>	2.4. Cash and cash equivalents (for purposes of Cash Flow Statement)
Significant accounting policies	2.1. Change in accounting policy:	<p>Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
Presentation and disclosure of financial statements:	<p>The company has reclassified the previous year figures in accordance with the requirements applicable in the year.</p>	2.5. Cash flow statement
2.2 Basis of accounting and preparation of financial statements	<p>These accounts are prepared on the historical cost basis.</p>	<p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
		2.6. Depreciation
		<p>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.</p>

2.7. Revenue recognition

All Revenue are accounted on accrual basis except to the extent stated otherwise.

2.8. Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9. Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

2.10. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Regarding unquoted equity and preference shares, hundred percent provision made for the diminution in value and shown as a deduction from the investment.

Regarding quoted shares, whenever market value is less than cost price, the amount has been provided as diminution in the value.

Regarding following unquoted shares held by the Company, the cost of these investments is shown as zero.

Sl. No.	Name of the Scrip	Face Value (A)	Number of Shares	Cost (A)
(a)	Clive Mills Limited	10	450	-
(b)	Structural Engineering Works Limited	100	500	-

2.11. Leases

Operating Leases

For premises taken on lease, lease rental payable are charged to the revenue.

2.12 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period,

unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.13. Taxes on income

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act 1961.

Deferred tax resulting from timing difference between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent there is a reasonable certainty that the deferred tax assets will be adjusted in future.

2.14. Impairment of assets

Carrying amount of assets is reviewed at each Balance Sheet date if there is indication of impairment based on the internal and external factors.

The assets are treated as impaired when the carrying amount of assets exceeds its recoverable amount and such impairment loss is charged to Profit & Loss account in the year in which such impairment is identified. The impairment loss recognised in prior accounting period(s) is reversed to the extent of decrease in the impairment loss.

2.15. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and 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 estimate 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. Contingent liabilities are disclosed in the Notes.

Note 3: SHARE CAPITAL

	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Authorised 20,000 Equity Shares of A 100 each (Previous Year 20,000 Equity Shares of A 100 each)	20,000	20,000
	20,000	20,000
Issued & Subscribed 20,000 Equity Shares of A100 each (Previous Year 20,000 Equity Shares of A100 each)	20,000	20,000
	20,000	20,000
Paid Up 20,000 Equity Shares of A100 each (Previous Year 20,000 Equity Shares of A100 each)	20,000	20,000
Total	20,000	20,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Equity Shares	A ('00)	A ('00)
At the beginning of the period {20,000 shares (Previous Year: 20,000 shares)}	20,000	20,000
Issued during the period	-	-
Outstanding at the end of the period { 20,000 shares (Previous Year: 20,000 shares)}	20,000	20,000

b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of A 100/- per share. Each share holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount per share dividend recognized as distributions to equity shareholders was A 60/- (31 March, 2012: A60/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c)	Shares held by the holding company: Out of equity shares issued by the Company, shares held by its holding company are as below:	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
	United India Insurance Co. Ltd. - The holding company 13,890 (31 March 2012: 13,890) equity shares of A 100/- each fully paid	13,890	13,890
d)	Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:		
	Equity shares allotted as fully paid bonus shares by capitalising General Reserve in the financial year 2005-06	10,000	10,000
e)	Details of shareholders holding more than 5% shares in the company:		
	United India Insurance Co. Ltd. - The holding company {69.45% (31 March 2012: 69.45%)}	13,890	13,890
	Homi Mehta & Sons Private Limited {7.99% (31 March 2012: 7.99%)}	1,598	1,598

Note 4 : RESERVES & SURPLUS

Particulars	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
CAPITAL RESERVES		
As per last Balance Sheet	3,515	3,515
GENERAL RESERVE		
As per last Balance Sheet	236,271	226,271
ADD: Transfer from Profit and Loss account	15,000	10,000
	251,271	236,271
STATUTORY RESERVE (Created pursuant to Section 45IC of the RBI Act,1934 as amended by the RBI (Amendment) Act, 1997)		
SPECIAL RESERVES		
As per Last Balance Sheet	147,120	140,120
ADD: Transfer from Profit and Loss account	12,000	7,000
	159,120	147,120

PROFIT AND LOSS ACCOUNT		
Balance as per last financial statements	146,268	143,283
Profits for the year	54,774	33,932
Less: Appropriations		
Transfer to General Reserve	(15,000)	(10,000)
Transfer to Special Reserve	(12,000)	(7,000)
Proposed final dividend {amount per share A 60/- (31 March 2012 A 60/-)}	(12,000)	(12,000)
Tax on Proposed Dividend	(1,947)	(1,947)
Net Surplus in the statement of Profit & Loss	160,095	146,268
Total Reserves & Surplus	574,001	533,174

Note 5 : DEFERRED TAX LIABILITIES (NET)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	A ('00)	A ('00)
Fixed Assets - WDV as per Books	386	181
Fixed Assets - WDV as per Income Tax	303	136
Difference	83	45
Tax @ 30%	25	13
Education Cess @ 3%	1	1
Total Deferred Tax Liability	26	14
Total Deferred Tax Assets	-	-
Total Deferred Tax Liability {Net}	26	14

Note 6: TRADE PAYABLES:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	A ('00)	A ('00)
Due to Related Parties	1,711	1,543
Others	304	309
Total	2,015	1,852

Note 7: OTHER CURRENT LIABILITIES:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	A ('00)	A ('00)
Unclaimed / Unpaid Dividends *	2,944	1,941
TDS payable on Professional Fees	89	30
Total	3,033	1,971

* There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31 March 2013. These amounts shall be paid to the fund as and when they become due.

Note 8: SHORT TERM PROVISIONS:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	A ('00)	A ('00)
Provision for Income Tax	57	22
Provision for Fringe Benefit Tax		
AY 2006-07	30	30
AY 2007-08	17	17
AY 2008-09	12	12
AY 2009-10	14	14
Proposed Dividend	12,000	12,000
Tax on Proposed Dividend	1,947	1,947
Total	14,077	14,042

Note 9a: FIXED ASSETS - TANGIBLE ASSETS

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	A ('00)	A ('00)
Office Equipments/Computer:		
Gross Block		
Balance as on 01.04.2012	219	219
Additions	258	-
Disposals	-	-
Acquisitions through business combinations	-	-
Reclassified as held for sale	-	-
Revaluation Increase	-	-
Effect of foreign currency exchange differences	-	-
Borrowing cost capitalised	-	-
Other adjustments	-	-
Balance as on 31.03.2013	477	219

Accumulated depreciation and impairment		
Balance as on 01.04.2012	38	29
Depreciation / Amortisation expense for the year	52	9
Eliminated on disposal of assets	-	-
Eliminated on reclassification as held for sale	-	-
Impairment losses recognised in statement of Profit and Loss	-	-
Reversal of impairment losses recognised in statement of Profit and Loss	-	-
Other adjustments	-	-
Balance as on 31.03.2013	90	38
Net Block		
Balance as on 31.03.2013	387	181
Balance as on 31.03.2012	181	-

Note 9b: DEPRECIATION AND AMORTISATION RELATING TO CONTINUING OPERATIONS:

Particulars	For the year ended	For the year ended
	31 March, 2013	31 March, 2012
	A ('00)	A ('00)
Depreciation and amortisation for the year on tangible assets as per Note 9a	52	9
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to discontinuing operations	-	-
Total	52	9

Note 10: NON-CURRENT INVESTMENTS:

Particulars	For the year ended	For the year ended
	31 March, 2013	31 March, 2012
	A ('00)	A ('00)
Investments (At Cost)		
A. Trade Investment		
a) Investment in equity instruments:		
i) of other entities - Quoted	423,356	313,321
- Unquoted	3,842	3,842
b) Investment in Preference shares:		
i) of other entities - Quoted	-	-
- Unquoted	654	654
c) Investment in Mutual Funds:	226,828	287,782
Total	654,680	605,599

Less: Provision for diminution in value of investments:		
Quoted equity instruments	(32,730)	(21,615)
Unquoted equity instruments	(3,842)	(3,842)
Unquoted Preference shares	(654)	(654)
Mutual Funds	(25,700)	(24,452)
Total	591,754	555,036
Aggregate amount of quoted investments:		
Book Value	423,356	313,321
Market Value	4,279,605	3,692,271
Aggregate amount of unquoted investments - Book Value:	231,324	292,278
Aggregate provision for diminution in value of investments:	-62,926	50,563

Note 11: LONG-TERM LOANS AND ADVANCES:

Particulars	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Security Deposits: Unsecured, considered good	106	106
Total	106	106

Note 12: CASH AND CASH EQUIVALENTS

Particulars	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Balances with banks: on current accounts	14,151	10,502
on unpaid dividend accounts	2,944	1,941
Cash on hand	55	-
Total	17,150	12,443

Note 13: SHORT-TERM LOANS AND ADVANCES:

Particulars	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Prepaid Expenses: Unsecured, considered good	12	14
Total	12	14

Note 14: OTHER CURRENT ASSETS

Particulars	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Others		
Dividend due but not received	3,743	3,273
Total	3,743	3,273

Note 15: Revenue from operations

Particulars	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Dividend income:		
from long-term investments - others	72,538	58,295
Total	72,538	58,295

Note 16: Other Income

Particulars	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Profit on auction of Shares	108	0
Net gain on redemption of: long-term investments	-	65
Adjustments to the carrying amount of investments - reversal of reduction in the carrying amount of:		
long-term investments	-	27
Other non-operating Income (net of expenses directly attributable to such income): Fractional Entitlements	-	-
Total	108	92

Note 17: Finance Costs

Particulars	For the year ended 31 March, 2013 A ('00)	For the year ended 31 March, 2012 A ('00)
Interest expense on:		
Others		
- Interest on delayed / deferred payment of income tax & TDS (incl. Bank Charges)	142	68
Total	142	68

Note 18: Other Expenses

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	A ('00)	A ('00)
Rent including lease rentals (Refer Para 2.11)	168	168
Rates & Taxes	-	25
Repairs & Maintenance - Machinery	8	3
Travelling and conveyance	12	27
Printing and Stationery	141	149
Legal and Professional Fees	3,395	2,173
Auditors' Remuneration - As Audit Fees	337	337
- Out of Pocket expenses	-	31
Directors' Sitting Fees	570	840
Directors' Conveyance Allowance	300	420
Professional Tax Penalty	3	-
Provision for Diminution	12,363	19,878
Miscellaneous Expenses	335	300
Total	17,632	24,351

Note 19: Earnings per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	A ('00)	A ('00)
Basic		
a) Continuing Operations		
Net Profit /(loss) for the year from continuing operations	54,774	33,932
Less : Preference dividend and tax thereon	-	-
Net Profit /(loss) for the year from continuing operations attributable to the equity shareholders	54,774	33,932
Weighted average number of equity shares (in Nos.)	20,000	20,000
Par value per share (in actual A)	100	100
Earnings per share from continuing operations - Basic	3	2

Basic		
b) Total Operations		
Net Profit / (loss) for the year	54,774	33,932
Less: Preference dividend and tax thereon	-	-
Net Profit / (loss) for the year attributable to the equity shareholders	54,774	33,932
Weighted average number of equity shares (in Nos.)	20,000	20,000
Par value per share (in actual A)	100	100
Earnings per Share - Basic	3	2
Diluted		
c) Continuing Operations		
Net Profit / (loss) for the year from continuing operations	54,774	33,932
Less: Preference dividend and tax thereon	-	-
Net Profit / (loss) for the year from continuing operations attributable to the equity shareholders	54,774	33,932
Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
Net Profit / (loss) attributable to the equity shareholders from continuing operations (on dilution)	54,774	33,932
Weighted average number of equity shares for Basic EPS (in Nos.)	20,000	20,000
Add: Effects of Warrants, ESOP's and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS (in Nos.)	20,000	20,000
Par value per share (in actual A)	100	100
Earnings per share from continuing operations - Diluted	3	2
Diluted		
d) Total Operations		
Net Profit / (loss) for the year	54,774	33,932
Less: Preference dividend and tax thereon	-	-
Net Profit / (loss) for the year attributable to the equity shareholders	54,774	33,932

Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
Net Profit /(loss) attributable to the equity shareholders (on dilution)	54,774	33,932
Weighted average number of equity shares for Basic EPS (in Nos.)	20,000	20,000
Add: Effects of Warrants, ESOP's and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS (in Nos.)	20,000	20,000
Par value per share (in actual A)	100	100
Earnings per share - Diluted	3	2

Note 20 : Contingent Liabilities

20.1 Sundry creditors for expenses includes A 171,166/- amount payable since O1-02-2003. The landlord, Sir Homi Mehta Trust, had sent the notice for the eviction of the premises occupied by the Company and had also filed the suit in the Court of Small Causes mainly for the eviction. In the said suit, the landlord, had prayed for the interim relief of A 110/- Per Sq Feet Per Month or at such rate as the Hon. Court may deem fit after enquiry under Order 20 Rule 12 (O. 20 R. 12) of the Code of Civil Procedure.

The trial court decreed and ordered eviction from the suit premises. On appeal before the Small Causes Court the judgment of the trial

court was set aside in July 2008. However, thereafter landlord has filed a Civil Revisionary Application against this judgment in the Bombay High Court, which is pending.

The Small Causes Court had also ordered for an enquiry in terms of O.20 R.12 for manse profit, which is pending. In view of this the manse profit is not quantifiable at this stage and not provided for the same.

20.2 As per records, there is A 6,977/- income tax dues payable for the Assessment year 2003-04 which is disputed and remain outstanding as on 31st March, 2013.

Note 21: Related Parties Disclosure

Related party disclosure as required by Accounting Standard – 18 : 'Related Party

Disclosures' issued by the Institute of Chartered Accountants of India are given below.

Name, Relationship and Transaction of related parties :

Sl. No.	Particulars and Related Party	Nature of transaction	Amount (A) ('OO)
(a)	Holding Company United India Insurance Co. Ltd.	Dividend	A 8,334/-
(b)	Key Management Personnel Mr. Homi F Mehta - Chairman	Meeting Fees Conveyance Dividend	A 150/- A 100/- A 41/-
(c)	Relative of Key Management Personnel Mrs. Anaheeta Mehta - Wife of Homi Mehta Mrs. Zarine Chothia - Sister of Homi Mehta	-- Dividend	-- A 11/-
(d)	Associate Concern / Trust Savatex Private Limited Sir Homi Mehta Trust	-- Rent	-- A 168/-

Note 22: Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to

correspond with the current year's classification / disclosure.

In terms of our report attached.
 For KARIA & SHAH
 Firm Registration No : 112203W
 Chartered Accountants
 CA Mayank Nagaria
 Partner
 Membership No. 141568
 Place : Mumbai
 Date : 29th April 2013

For and on behalf of the Board of Directors

Homi F. Mehta
 Chairman

M.V.V. Chalam
 D.N. Shukla
 Directors

ZENITH SECURITIES AND INVESTMENTS LIMITED

STATEMENT PURSUANT TO PART VI OF SCHEDULE IV TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No. 4 3 2

State Code 1 1

Balance Sheet 3 1 O 3 2 O 1 3
Date Month Year

II. Capital Raised During the Year (A in Thousands)

Public Issue
 N I L

Rights Issue
 N I L

Bonus Issue
 N I L

Private Placement
 N I L

III. Position of Mobilisation and Deployment of Funds (A in Thousands)

Total Liabilities
 6 1 3 1 5

Total Assets
 6 1 3 1 5

Source of Funds

Paid-up Capital
 2 0 0 0

Reserves & Surplus
 5 7 4 0 0

Secured Loans

N I L

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets
 3 9

Investments
 5 9 1 7 5

Net Current Assets
 1 8 6

Misc. Expenditure
 N I L

Accumulated Losses

N I L

IV. Performance of Company (` in Thousands)

Turnover

					7	2	6	5
--	--	--	--	--	---	---	---	---

+ - Profit / Loss Before Tax

								5	4	8	2
--	--	--	--	--	--	--	--	---	---	---	---

Earning per Share in A

			2	7	3	.	8	5
--	--	--	---	---	---	---	---	---

Total Expenditure

						1	7	8	3
--	--	--	--	--	--	---	---	---	---

+ - Profit / Loss After Tax

								5	4	7	7
--	--	--	--	--	--	--	--	---	---	---	---

Dividend at %

6	0
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V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.(ITC Code)

										N	A
--	--	--	--	--	--	--	--	--	--	---	---

Product Description

										N	A
--	--	--	--	--	--	--	--	--	--	---	---

Note: For ITC Code of Products, please refer to the publication Indian Trade Classification based on harmonised commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Kolkata -700 001.



Board Meeting



Statutory Auditors handing over the Audit Report



Press Meet held at Chennai on 29th April 2013





Insurance is the subject matter of solicitation

युनाइटेड इंडिया इंश्यूरेन्स कंपनी लिमिटेड
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