

- 1 25
- 2 26
- 3 27
- 4 28
- 5 29
- 6 30
- 7 31
- 8 32
- 9 33
- 10 34
- 11 35
- 12 36
- 13 37
- 14 38
- 15 39<sup>th</sup>
- 16 वां
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

# ANNUAL REPORT

वार्षिक प्रतिवेदन

2010-11



भारतीय साधारण बीमा निगम  
General Insurance Corporation of India

# COMMANN

## VISION

To be a leading  
global reinsurance and  
risk solution provider

## CORE VALUES

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

# DOCUMENTS

## MISSION



To achieve our Vision by

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

# C O N T E N T S

• Corporate Information .....	1
• Corporate Chronicle .....	2
• Board of Directors .....	3
• Management .....	6
• Notice .....	7
• Directors' Report .....	8
• Corporate Governance .....	16
• Management Discussion and Analysis Report .....	21
• Management Report .....	31
• Comments of the Comptroller .....	33
• Auditors' Report .....	34
• Revenue Accounts .....	37
• Profit and Loss Account .....	41
• Balance Sheet .....	42
• Schedules Forming Part of Financial Statements .....	43

• Significant Accounting Policies and Notes Forming Part of the Accounts .....	63
• Summary of Financial Statements .....	77
• Ratios for Non-Life Companies .....	79
• Cash Flow Statement .....	82
• Balance Sheet Abstract and Company's General Business Profile .....	84
• Performance Highlights .....	85
• Awards, Recognitions & Certifications .....	87
• Notable Events/Visits .....	89
• Corporate Social Responsibility .....	91
• Summer Internships .....	92
• Encomiums .....	93
• Decade's (2001-2010) Financial Highlights .....	95

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

## CORPORATE INFORMATION

### DIRECTORS

Shri Yogesh Lohiya	Chairman-cum-Managing Director
Shri Rakesh Singh	w.e.f. 25.07.2011
Shri Tarun Bajaj	Up to 25.07.2011
Shri M.V. Nair	
Shri S.B. Mathur	
Shri S.L. Mohan	
Shri M. Ramadoss	Upto 03.07.2010
Shri G. Srinivasan	w.e.f. 28.07.2010
Smt. Bhagyam Ramani	
Shri Kamlesh S. Vikamsey	Upto 27.08.2010
Shri M.V. Rajeev Gowda	Upto 27.08.2010

### MANAGEMENT

#### Chairman-cum-Managing Director General Managers

Shri Yogesh Lohiya	
Smt. Bhagyam Ramani	
Shri M. Ramaprasad	Upto 08.10.2010
Shri A.K. Roy	
Shri R. Raghavan	
Shri Sujay Banarji	w.e.f. 17.08.2010
Shri S. Nallakuttalam	w.e.f. 14.10.2010

#### Chief Vigilance Officer Deputy General Managers

Shri H.G. Rokade	
Shri P.N. Gandhi	
Shri P.K. Bhagat	
Shri A.K. Mittal	
Shri Y. Ramulu	
Smt. Alice Vaidyan	
Shri H.L. Teckchandani	
Shri Ashwani Kumar	w.e.f. 31.08.2010
Shri R. Sundaram	w.e.f. 01.01.2011

### COMPANY SECRETARY AUDITORS

Smt. Suchita Gupta  
M/s. Thakur Vaidyanath Aiyar & Co.  
Chartered Accountants  
11-B, Vatsa House,  
(Noble Chambers),  
Janmabhoomi Marg,  
Fort, Mumbai - 400001.

M/s Sodani & Company  
Chartered Accountants  
319, City Centre,  
570, M.G. Road,  
Indore – 452001 (M.P.)

### BANKERS

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

### REGISTERED OFFICE

"Suraksha", 170, J. Tata Road,  
Churchgate, Mumbai - 400020

## CORPORATE CHRONICLE

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



# BOARD OF DIRECTORS

(l-r) Mrs. Bhagyam Ramani, Mr. G. Srinivasan, Mr. Tarun Bajaj, Mr. Yogesh Lohiya (Chairman-cum-Managing Director), Mr. S.L. Mohan, Mr. S.B. Mathur, Mr. M.V. Nair.



**Mr. Yogesh Lohiya**

Chairman-cum-Managing Director, Mr. Yogesh Lohiya is a mechanical engineering graduate and an Associate of the Insurance Institute of India. He also holds a post-graduate diploma in management. He joined the Insurance Industry in The Oriental Insurance Company Ltd. (OICL) as a direct recruit officer in October 1977.

Mr. Lohiya is also the Chairman of GIC Housing Finance Ltd. and GIC Asset Management Co. Ltd. He is also on the Boards of several companies including Life Insurance Corporation of India, Indian Register of Shipping, Export Credit Guarantee Corp. of India Ltd., Kenindia Assurance Co. Ltd., Kenya and East Africa Reinsurance Co. Ltd., Kenya.

Mr. Lohiya is Executive Member of various committees of the Federation of Afro Asian Insurers and Reinsurers (FAIR) and also member of various committees of Trade & Commerce Associations as well as Insurance Advisory Committee of Insurance Regulatory and Development Authority. He is also a visiting faculty at several institutes of higher learning. A prolific writer, Mr. Lohiya has authored several books on various issues related to the Insurance sector.



**Mr. Rakesh Singh**

Mr. Rakesh Singh is a Graduate in Science and a Post Graduate in History from the University of Allahabad. He also holds a Post Graduate Degree in Economics and Social Sciences from the University of Manchester. Before joining the Indian Administrative Service (IAS) in 1978 he also taught History for about two years at the University of Allahabad.

During his career in the IAS comprising 32 years, he has the experience of public sector management in the State of Punjab of about 13 years as the Chief Executive. He also has 7 years of experience in finance, having worked for two years as Finance Secretary of Chandigarh and for 5 years in the Ministry of Finance, Government of India. Apart from a long and rich experience of District Administration in the State of Punjab, Mr. Singh has specialised in the fields of Industry Promotion, Housing & Urban Development, Environment and Power Sector.

Mr. Singh has been inducted as Government nominee Director on the Board of GIC Re with effect from the 25th of July 2011.



**Mr. Tarun Bajaj**

Joint Secretary in the Department of Financial Services in the Ministry of Finance, Mr. Bajaj is an IAS officer of the 1988 batch of Haryana cadre. A post graduate in Management from IIM Ahmedabad, he is also a Chartered Financial Analyst. He also holds a post-graduate degree from the London School of Economics and Political Science. Mr. Bajaj is also a Director on the Boards of United India Insurance Co. Ltd., Agriculture Insurance Company of India Limited, Bank of India, and the Irrigation & Water Resources Finance Corporation Ltd.



**Mr. M.V. Nair**

Chairman and Managing Director of Union Bank of India, Mr. Nair was also the Chairman of Indian Banks' Association (IBA). He serves as a Director on the Board of Agricultural Finance Corporation Ltd. He is also a member on the Governing Board of Institute of Banking Personnel Selection (IBPS) and serves on its Finance Committee, a member on the High Powered Committee set up by the Reserve Bank of India (RBI) and headed by Smt. Usha Thorat, Dy. Governor, RBI to review the Lead Bank Scheme.



**Mr. S.B. Mathur**

Secretary General, Life Insurance Council, Mr. S. B. Mathur was Chairman of the Life Insurance Corporation of India (LIC), the largest life insurance company in India from August 2002 to October 2004. Post retirement from LIC, Mr. Mathur was appointed as the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI).



**Mr. S.L. Mohan**

Secretary General, General Insurance Council, Mr. S. L. Mohan was Chairman & Managing Director of the Oriental Insurance Company Limited, a public sector general insurance company from May 2002 till Feb 2005. He was appointed as Secretary General of General Insurance Council in November 2008.



**Mr. G. Srinivasan**

Chairman and Managing Director of United India Insurance Company Limited, Mr. G. Srinivasan is a Fellow of the Indian Insurance Institute and an Associate of the Institute of Cost and Works Accountants. With over 25 years of experience in the Insurance Industry, Mr. Srinivasan is also a director on the Boards of GIC Housing Finance Limited and KenIndia Assurance Co. Ltd.



**Mrs. Bhagyam Ramani**

Director on the Board of the Corporation and also General Manager in-charge of Investment & Accounts in the Corporation Mrs. Bhagyam Ramani has over 3 decades of experience in the area of investment & accounts.

Mrs. Ramani is also a visiting faculty at College of Insurance, Mumbai and National Insurance Academy, Pune. She delivers lectures on subjects related to Investment. Mrs. Ramani is a member on the Board of Larsen & Toubro Ltd., Agriculture Insurance Co. Ltd., National Stock Exchange Ltd., Milestone Capital Services Ltd. and IDBI Trusteeship Services Ltd. She is also a Trustee for Tariff Advisory Committee (Employees') Pension Fund and a member of Insurance Institute of India.