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## DIRECTORS AND MANAGEMENT

### BOARD OF DIRECTORS

**R Beri**

*Chairman-cum-Managing Director*

### DIRECTORS

A M Sharan, IAS, *upto 8.6.2003*

G C Chaturvedi, IAS, *w.e.f. 9.6.03*

Nitin Doshi

Dr Azfar Shamshi

A V Purushothaman

V Leeladhar

G R Mhaisekar

R K Joshi

Kumar Bakhru

**GENERAL  
MANAGER &  
FINANCIAL  
ADVISOR**

V K Gupta, IRS

**APPOINTED  
ACTUARY**

A R Prabhu

### GENERAL MANAGERS

A V Purushothaman

M D Garde

Kumar Bakhru

M K Garg

**AGM &  
COMPANY  
SECRETARY**

A R Sekar

### ASSISTANT GENERAL MANAGERS

S Guha Ray

J K Gupta

M D Jhala

S Mamman

M D Damle(Smt)

U V Shenoy

M A Ramamoorthy

D R Dayama

N K Singh

A V Muralidharan

R D Variava

S S Khadilkar

S K Mutneja

P Manokaran

M A Kharat

V J Mehta

K J Prabhakar

K G Arora

**CHIEF  
VIGILANCE  
OFFICER**

V Ramakrishnan,  
*upto 30.9.02*

R B L Vaish,  
*w.e.f. 24.3.2003*

### INVESTMENT COMMITTEE

R Beri

A M Sharan, IAS  
*upto 8.6.03*

G C Chaturvedi, IAS  
*w.e.f. 19.7.03*

V Leeladhar

Nitin Doshi

Dr Azfar Shamshi

V K Gupta, IRS

M K Garg

A R Prabhu

### AUDIT COMMITTEE

A M Sharan, IAS  
*upto 8.6.03*

G C Chaturvedi, IAS  
*w.e.f. 19.7.03*

V Leeladhar

Nitin Doshi

Dr Azfar Shamshi

### STATUTORY AUDITORS

P.S.D. & Associates  
*Chartered Accountants*

Vyas & Vyas  
*Chartered Accountants*

Khandelwal Jain & Co  
*Chartered Accountants*

### REGISTERED OFFICE

New India Assurance Building, 87, M. G. Road, Fort, Mumbai 400 001.

Website : [www.niacl.com](http://www.niacl.com)

## BOARD OF DIRECTORS & MANAGEMENT



R. Beri  
*Chairman-cum-Managing Director*

### DIRECTORS



G. C. Chaturvedi, IAS



V. Leeladhar



G. R. Mhaisekar



Nitin Doshi



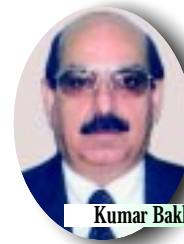
Dr. Azfar Shamshi



R. K. Joshi



A. V. Purushothaman



Kumar Bakhru

### GENERAL MANAGERS



V. K. Gupta



M. D. Garde



M. K. Garg



R. B. L. Vaish

### CVO



## FROM THE CMD'S DESK

The Indian economy performed reasonably well in 2002-03, inspite of the impact of number of adverse developments during the year, both internally and externally. The recession in developed countries, sluggishness in the world economy during 2003 is attributed to geo-political unrest and threat of terrorism. However, the Indian economy had a growth momentum in manufacturing sector, which registered a growth rate of 6.20% as against 4.00% in the previous year and resurgent growth in service sector, which registered a growth of 7.5% as against 6.3%. These stimulant growths augured well for the economy, but the country experienced its worst draughts in 15 years producing a contraction of real GDP originating from agricultural and allied activities. Despite the intensity of the supply shock to agriculture, the growth of GDP at 4.3% in 2002-03 was symptomatic of resilience and degree of weather proofing of the economy.

The year 2003-04 has begun on a strong positive note. Excessive rain fall relative to 'long period average' in July 2003 and revised projection suggesting a normal monsoon, have brightened the prospect for a substantial agriculture recovery this year. The farm product is expected to grow at 7.5%. The industrial growth measured during the first quarter of this fiscal year is 5.3%, compared to 4.3% in the corresponding period last year. It is expected that an industrial growth of 6.5% will be achieved in this financial year. The exports are projected to grow at 9% this year and imports would grow at a lower rate of 4.5% in the same period. The service sector is expected to maintain its 7% growth during this year also. Based on all these factors, the GDP is expected to grow at 6.5% this year. The inflation which had exhibited a rising trend towards the end of last financial year and had rested at 6.5%, has fallen to 4% as at the end of second quarter and with consequent agricultural recovery the inflation is expected to remain benign through out the fiscal year. On the other hand, the Global economy is exhibiting an environment of generalised uncertainty and low growth with undertone of slow recovery which may reverse the trend of long recession seen in recent times.

## GENERAL INSURANCE

It is now almost three years that the Insurance Industry was opened and presently there are 8 private players on the field competing with Public Sector Insurance Companies.

The Gross Premium of the Industry in India for the year 2002-03 was Rs. 14303 crores as against Rs. 11335 crores in the previous year, registering a growth of 26%. The share of Public Sector Insurance Companies constituted 91% of the premium. Yet the volume of premium mopped up from the market cannot itself be an indicator of its health. There are other subtle changes that indicate a growing awareness in the psyche of both the corporate and the lay consumers of the need



for future financial security and a reduction of risk. The Industry is expected to double its premium within 4 to 5 years and expects the premium income to rise to a level of 3% of GDP in 2005-06 as against the present level of 1.6%.

The General Insurance Industry in India witnessed the introduction of the long-awaited revision of Motor Tariff from 1.7.2002, Third Party Administration in Health Sector from 1.10.2002, Broker Bill paving way for the new intermediary in the marketing of insurance products and the Bancassurance.

The International Insurance Market which had hardened in 2001 following the events of 11th September, 2001, worsened during 2002. The event tested the strength and capacity of the insurance companies. There are deeper scrutiny by rating agencies and many companies were down graded. Though there was no sign of an end to the hard market due to many natural disasters like the flood in Europe the degree of hardening varied according to the class.

Many underwriters stopped / reduced writing re-insurance business. The erosion in capital was, to an extent compensated by infusion of fresh capital from Bermudan Market. World-wide reinsurers kept away from proportional treaties and even those who wrote, imposed restrictions, such as event limits, cessions limits and waiver of reserves. They expected results which ensured stipulated minimum return. Long-tail classes of business remained difficult with increased rates and restrictive conditions. Overall, the year 2002 did not produce strong results for many companies and their sharholders, other than the recently capitalised reinsurers. The decline in the worlds Equity Markets affected the results of many Insurers and Reinsurers.

In keeping with the Global trend to some extent, the industry has performed reasonably well on the premium front, though there is an underwriting deficit. Our profitability depends on Investment returns and therefore, the falling interest rates and low yield will have an impact on the profits. Fortunately, the industry's solvency cushion, estimated at twice the regulatory requirement, is reassuring. If the decline in the profit is not stemmed, it woud have an adverse impact on the solvency shield in course of time. We must, therefore, adopt stringent underwriting standards, shift business mix in favour of profitable segment, structure premium rates scientifically and implement loss control measures.

Thus, with the expected improvement in our economy, the Indian Insurance Sector should be vigilant and exhibit buoyancy in their approach even though the global insurance scenario is hardening. 'A time to fasten seat belts and get ready to savour fruits of prudent business ethics'.



## DIRECTORS' REPORT – 2002-03

REPORT OF THE BOARD OF DIRECTORS OF THE NEW INDIA ASSURANCE COMPANY LIMITED UNDER SECTION 217 OF THE COMPANIES ACT, 1956.

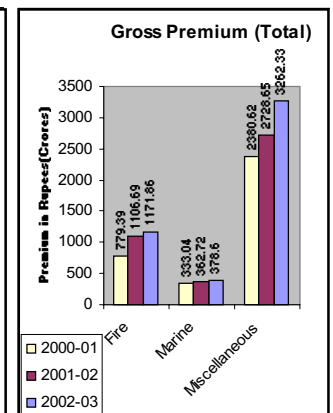
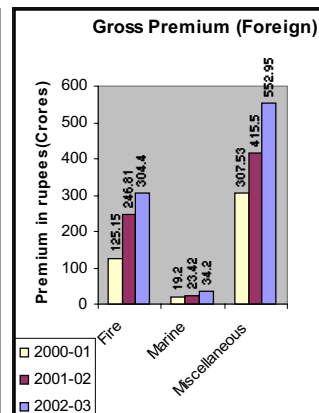
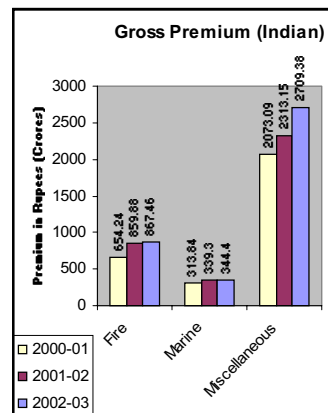
To The Members :

The Directors have pleasure in presenting the 84<sup>th</sup> Annual Report together with the Audited Statement of Accounts and Balance Sheet for the year ended 31<sup>st</sup> March, 2003.

### CLASS WISE UNDERWRITING PERFORMANCE

Rs in crores

	Year	Fire	Miscellaneous	Marine	Total
<b>Gross Premium</b>					
<b>In India</b>	<b>2002-03</b>	<b>867.46</b>	<b>2709.38</b>	<b>344.40</b>	<b>3921.24</b>
Growth %		<b>0.88%</b>	<b>17.13%</b>	<b>1.50%</b>	<b>11.64%</b>
	<i>2001-02</i>	<i>859.88</i>	<i>2313.15</i>	<i>339.30</i>	<i>3512.33</i>
		<i>31.43%</i>	<i>11.58%</i>	<i>8.11%</i>	<i>15.49%</i>
<b>Gross Premium</b>					
<b>Outside India</b>	<b>2002-03</b>	<b>304.40</b>	<b>552.95</b>	<b>34.20</b>	<b>891.55</b>
Growth %		<b>23.33%</b>	<b>33.08%</b>	<b>46.03%</b>	<b>30.01%</b>
	<i>2001-02</i>	<i>246.81</i>	<i>415.50</i>	<i>23.42</i>	<i>685.73</i>
		<i>97.21%</i>	<i>35.11%</i>	<i>21.98%</i>	<i>51.75%</i>
<b>Gross Premium</b>					
<b>Total</b>	<b>2002-03</b>	<b>1171.86</b>	<b>3262.33</b>	<b>378.60</b>	<b>4812.79</b>
Growth %		<b>5.89%</b>	<b>19.56%</b>	<b>4.38%</b>	<b>14.64%</b>
	<i>2001-02</i>	<i>1106.69</i>	<i>2728.65</i>	<i>362.72</i>	<i>4198.06</i>
		<i>41.99%</i>	<i>14.62%</i>	<i>8.91%</i>	<i>20.18%</i>





**UNDERWRITING RESULTS :**

(Rs. in Crores)

	Year	Fire	Miscellaneous	Marine	Total
<b>Net Premium</b>	<b>2002-03</b>	<b>821.70</b>	<b>2494.30</b>	<b>200.43</b>	<b>3516.43</b>
% to Gross		<b>70.12%</b>	<b>76.46%</b>	<b>52.94%</b>	<b>73.06%</b>
Growth %		<b>8.28%</b>	<b>18.82%</b>	<b>-4.60%</b>	<b>14.61%</b>
	<i>2001-02</i>	<i>758.84</i>	<i>2099.30</i>	<i>210.09</i>	<i>3068.23</i>
		<i>68.57%</i>	<i>76.94%</i>	<i>57.92%</i>	<i>73.09%</i>
Growth %		<i>26.55%</i>	<i>11.44%</i>	<i>11.68%</i>	<i>14.85%</i>
<b>Increase in Un-expired</b>					
<b>Risk Reserves</b>	<b>2002-03</b>	<b>31.43</b>	<b>197.50</b>	<b>-9.66</b>	<b>219.27</b>
% to Net Premium		<b>3.82%</b>	<b>7.92%</b>	<b>-4.82%</b>	<b>6.24%</b>
	<i>2001-02</i>	<i>79.60</i>	<i>107.79</i>	<i>21.97</i>	<i>209.36</i>
		<i>10.49%</i>	<i>5.13%</i>	<i>10.46%</i>	<i>6.82%</i>
<b>Net Incurred</b>					
<b>Claims</b>	<b>2002-03</b>	<b>467.37</b>	<b>2115.23</b>	<b>116.91</b>	<b>2699.51</b>
% to Net Premium		<b>56.88%</b>	<b>84.80%</b>	<b>58.33%</b>	<b>76.77%</b>
	<i>2001-02</i>	<i>371.77</i>	<i>2052.04</i>	<i>131.33</i>	<i>2555.14</i>
		<i>48.99%</i>	<i>97.75%</i>	<i>62.51%</i>	<i>83.28%</i>
<b>Net Commission</b>	<b>2002-03</b>	<b>33.41</b>	<b>170.13</b>	<b>-10.40</b>	<b>193.14</b>
% to Net Premium		<b>4.07%</b>	<b>6.82%</b>	<b>-5.19%</b>	<b>5.49%</b>
	<i>2001-02</i>	<i>8.50</i>	<i>81.66</i>	<i>-10.34</i>	<i>79.82</i>
		<i>1.12%</i>	<i>3.89%</i>	<i>-4.92%</i>	<i>2.60%</i>
<b>Operating Expenses</b>					
<b>Related to Insurance</b>					
<b>Business (including</b>					
<b>foreign Taxes)</b>	<b>2002-03</b>	<b>246.45</b>	<b>595.02</b>	<b>53.30</b>	<b>894.77</b>
% to Net Premium		<b>29.99%</b>	<b>23.86%</b>	<b>26.59%</b>	<b>25.45%</b>
	<i>2001-02</i>	<i>214.52</i>	<i>491.63</i>	<i>51.47</i>	<i>757.62</i>
		<i>28.27%</i>	<i>23.42%</i>	<i>24.50%</i>	<i>24.69%</i>
<b>Underwriting</b>					
<b>Profit/Loss (-)</b>	<b>2002-03</b>	<b>43.04</b>	<b>-583.58</b>	<b>50.28</b>	<b>-490.26</b>
% to Net Premium		<b>5.24%</b>	<b>-23.40%</b>	<b>25.09%</b>	<b>-13.94%</b>
	<i>2001-02</i>	<i>84.45</i>	<i>-633.82</i>	<i>15.66</i>	<i>-533.71</i>
		<i>11.13%</i>	<i>-30.19%</i>	<i>7.45%</i>	<i>-17.39%</i>



**Policyholders' Net**

<b>Investment Income</b>	<b>2002-03</b>	<b>72.34</b>	<b>358.75</b>	<b>35.08</b>	<b>466.17</b>
% to Net Premium		<b>8.80%</b>	<b>14.38%</b>	<b>17.5%</b>	<b>13.26%</b>
	<i>2001-02</i>	<i>73.50</i>	<i>336.51</i>	<i>35.23</i>	<i>445.24</i>
		<i>9.69%</i>	<i>16.03%</i>	<i>16.77%</i>	<i>14.51%</i>

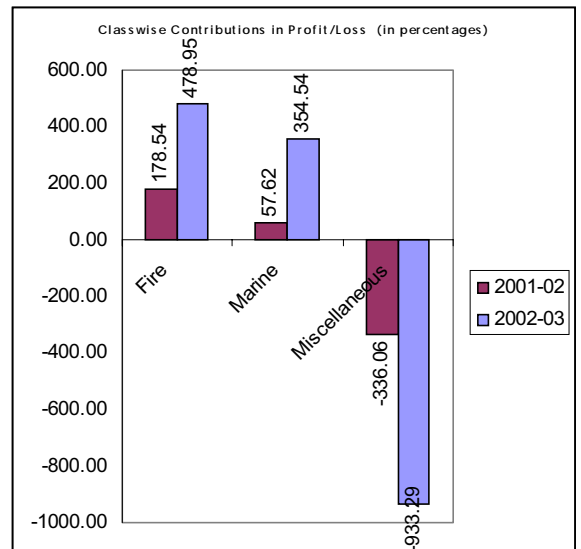
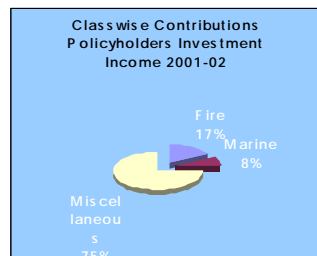
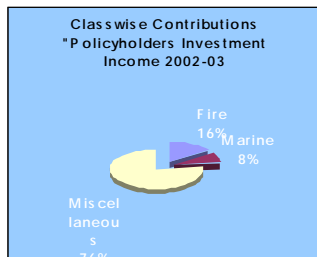
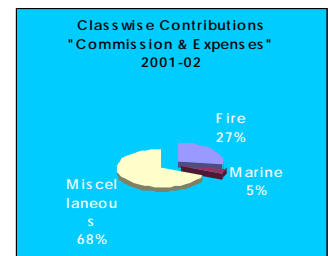
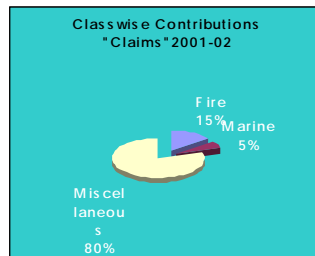
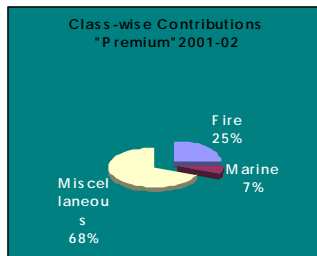
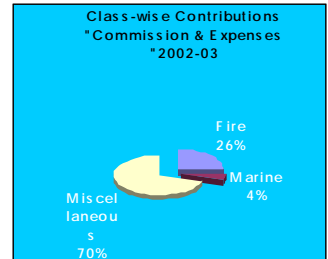
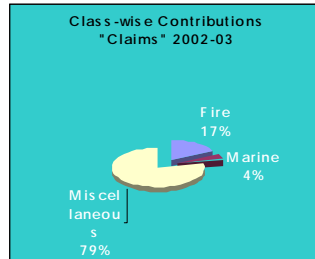
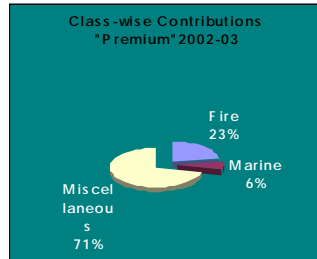
**Underwriting**

**Profit/Loss(-) Net of**

**Policyholders'**

**Investment**

<b>Income</b>	<b>2002-03</b>	<b>115.38</b>	<b>-224.83</b>	<b>85.36</b>	<b>-24.09</b>
% to Net Premium		<b>14.04%</b>	<b>-9.01%</b>	<b>42.59%</b>	<b>-0.69%</b>
	<i>2001-02</i>	<i>157.95</i>	<i>-297.32</i>	<i>50.88</i>	<i>-88.47</i>
		<i>20.81%</i>	<i>-14.16%</i>	<i>24.22%</i>	<i>-2.88%</i>







**PERFORMANCE REVIEW FOR THE YEAR 2002-03:**

(Rupees in crores)

<b>A. Gross Direct Premium</b>	<b>2002-03</b>	2001-02
(percentage change over previous year in italics)		
<b>In India</b>	<b>3921.24</b>	3512.33
	<i>11.64%</i>	<i>15.49%</i>
<b>Outside India</b>	<b>891.55</b>	685.73
	<i>30.01%</i>	<i>51.75%</i>
<b>Total</b>	<b>4812.79</b>	4198.06
	<i>14.64%</i>	<i>20.18%</i>

2002-03 was yet another year of impressive growth in which the Company earned a Gross Direct Premium Income of Rupees 4812.79 Crores against a target of Rupees 4555.00 Crores. The Gross Direct Premium Income grew by Rs. 614.73 Crores registering a growth of 14.64% over the previous year. The growth of 11.64% amounting to Rs. 408.91 Crores in Indian Business, despite increased competition from new entrants and from existing Insurers re-affirms the inherent strength of the Company.

The Company continued to show good growth in Foreign Business too showing an increase of Rs.205.82 Crores with a growth rate of 30.01%.

**B. Net Premium**

(Percentage change over previous year in italics)

<b>3516.43</b>	3068.23
<i>14.61%</i>	<i>14.85%</i>

The Net Premium grew by Rs. 448.20 Crores at 14.61% as against 14.85% of previous year. During the year, the Company by and large, continued to follow the same reinsurance programme designed indigenously last year, that has maintained retention levels in all classes of business.

**C. Incremental Un-expired Risks Reserves**

(Percentage to net premium in italics)

<b>219.27</b>	209.36
<i>06.24%</i>	<i>06.82%</i>

With continued good growth in business, Company has to provide higher incremental un-expired risk reserves of Rs. 219.27 Crores against Rs. 209.36 Crores made in previous year. The un-expired risk reserves of the Company now stand at Rs. 1858.43 Crores as against Rs. 1639.16 Crores of previous year.

## D. Incurred Claims

(percentage to net premium in italics)

<b>2699.51</b>	2555.14
<i>76.77%</i>	<i>83.28%</i>

During the year overall incurred claims declined by 6.51%. This reduction is mainly contributed by the fall in incurred claims of Motor Department from 118.85% to 85.05% as a result of improved risk selection, good claims management and increased premium base.

As stipulated by Insurance Regulatory & Development Authority, the appointed Actuary has valued the outstanding claim reserves.

## E. Commission

(percentage to net premium in italics)

<b>193.14</b>	79.82
<i>05.49%</i>	<i>02.60%</i>

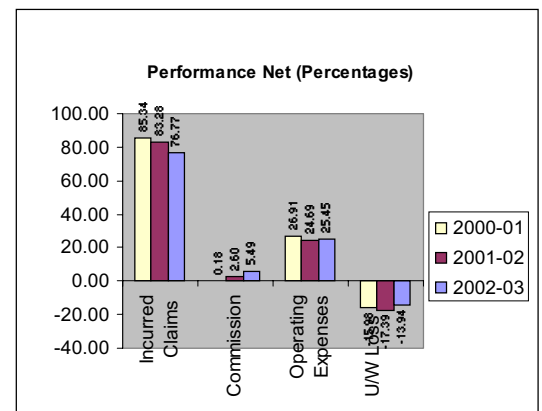
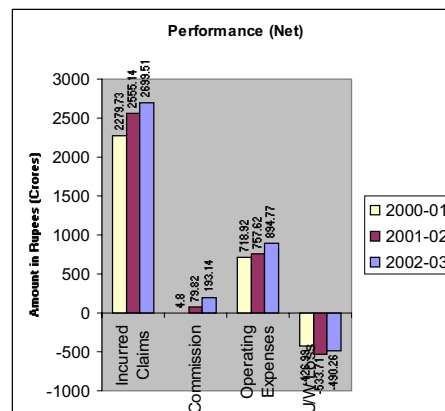
The increase in commission outgo was attributable to increased cost of acquisition of premium due to revision in commission rates and introduction of new categories of intermediaries in Domestic Market. The good growth in foreign premium also accounted for higher commission outgo.

## F. Operating Expenses Related to Insurance Business including Foreign Taxes and Exchange Gain/Loss

(percentage to net premium in italics)

<b>894.77</b>	757.62
<i>25.45%</i>	<i>24.69%</i>

Even after increased provision of Rs. 43.13 Crores towards leave encashment, Rs. 5.95 Crores for ex-gratia towards voluntary retirement scheme to Class II employees and Rs. 73.26 Crores towards doubtful debts, the operating expenses have shown only a marginal increase of 0.76%.





**G. Underwriting Result**

(percentage to net premium in italics)	<b>-490.26</b>	-533.71
	<i>-13.94%</i>	<i>-17.39%</i>

Despite additional impact of claim provisions, higher commission and operating expenses, Company's underwriting operations have shown modest improvement from - 17.39% to - 13.94%.

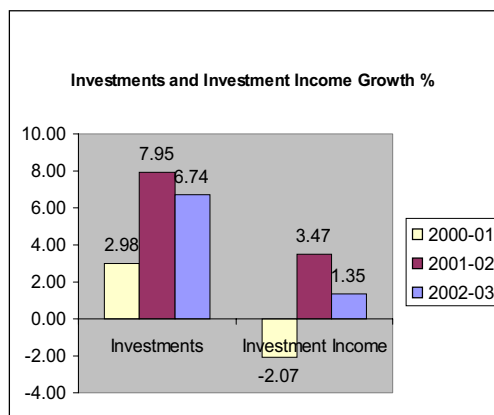
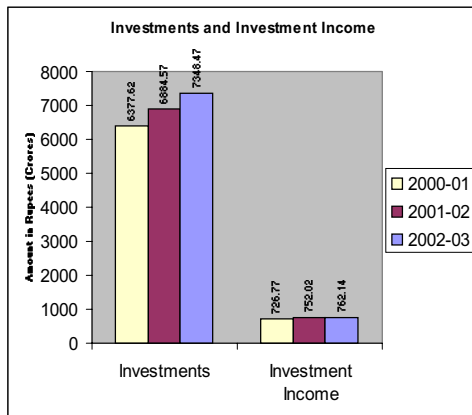
**H. Underwriting Result after crediting policyholders investment income**

(percentage to net premium in italics)	<b>-24.09</b>	-88.47
	<i>-0.69%</i>	<i>-2.88%</i>

**I. Investment Income (less provisions)**

Apportioned to Policyholders	<b>466.17</b>	445.24
<u>Apportioned to Shareholders</u>	<u><b>295.97</b></u>	<u>306.78</u>
<b>Total</b>	<b>762.14</b>	752.02

In the regime of falling interest rates and depressed market conditions the performance of Company's investments is quite impressive. The yield on Mean Funds has gone down marginally to 11.57% from 12.32%. The main reason for the decrease is the fact that the incremental investments during the year were at lower interest rates. The Non Performing Assets percentage has gone up from 11.05% to 12.40%. During the year, the Company used various options like 'One Time Settlement', Compromise, Restructuring under Corporate Debts Restructuring Mechanism and also initiated action under the recently enacted Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act to improve the recovery position. However, results of these steps will be reflected in two to three years' time.



**J. Other Income/Outgo (-)** **40.94** -10.10

Other income consists of interest received on Income Tax refunds, Adjustment of Interest on Income Tax of earlier years and other sundry balances written back during the year.

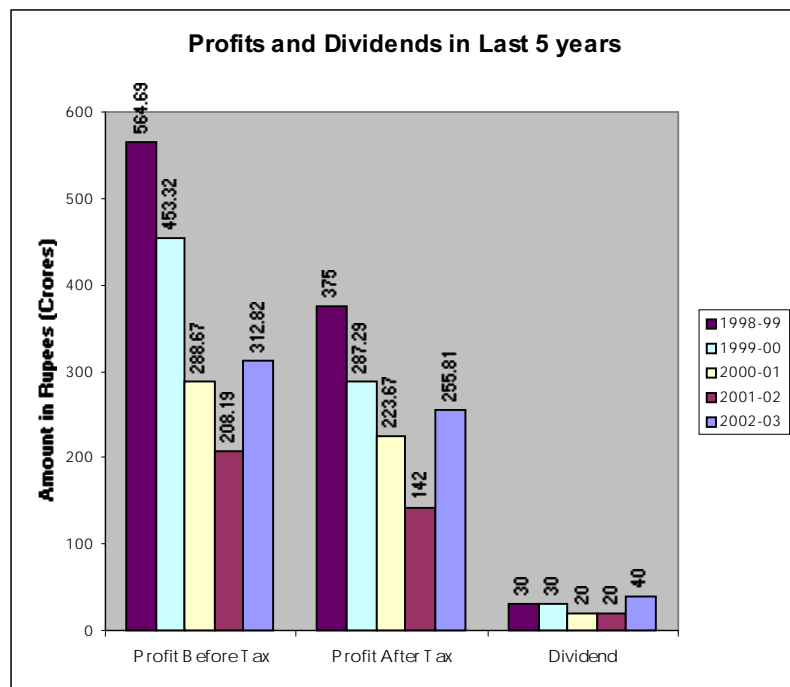
**K. Profit Before Tax** **312.82** 208.19

**L. Profit After Tax** **255.81** 142.00

**M. Dividend** **40.00** 20.00

**Dividend Tax** **5.13**

The Directors recommend the dividend to be increased from 20% paid during the previous year to 40% i.e. Rs. 4.00 per share for the year.



**N. Paid-up Capital** **100.00** 100.00

**O. General Reserves** **3302.89** 3088.28

The Company recorded the cumulative net deferred tax asset of Rs. 3.92 Crores as on 1.04.2002 by adjusting it in General Reserve. Further, an amount of Rs. 210.69 Crores representing 82.36% of the net profit after tax has been transferred to General Reserves against a minimum of 10% required under Rule 2 of the Companies (Transfer of Profit to Reserves) Rules 1975.



**P. Total Assets** **12984.75** 12236.15

Although there is a decline of 15.70% in fair value change account from Rs. 2730.46 Crores to Rs. 2301.76 Crores yet the total assets increased by Rs. 748.60 Crores. This includes deferred tax assets of Rs. 21.50 Crores, miscellaneous un-appropriated expenses of Rs. 23.80 Crores towards voluntary retirement scheme for Class II employees. Balance Rs. 703.30 Crores are net addition to the assets of the company.

**Q. Investments** **7348.47** 6884.57

The Investment Portfolio in India stood at Rs. 7348.47 Crores against Rs. 6884.57 Crores of the previous year, showing an increase of Rs. 463.90 Crores. Investments in socially oriented sectors comprising of Central and State Government Securities, Government Guaranteed Bonds, Infrastructure Investments and loans to State Governments for Housing/Fire Fighting Equipment amounted to Rs. 3771.53 Crores as against Rs. 2918.95 Crores as at the end of the previous year.

**R. Solvency Margin:**

<input type="checkbox"/> Required Solvency Margin under Insurance Regulatory & Development Authority Regulations	<b>906.06</b>	867.26
<input type="checkbox"/> Available Solvency Margin	<b>3126.36</b>	2372.52

The Company has strong solvency ratio of 3.45 against the required (under IRDA Regulations) solvency ratio of 1.

**S. Compliance with Section 40(c)**

<input type="checkbox"/> Percentage of expenses prescribed under the Act	<b>19.56%</b>	19.52%
<input type="checkbox"/> Company's actual percentage of expenses	<b>18.53%</b>	18.88%

The Company is well within the limits relating to expenses prescribed under Section 40C of the Insurance Act 1938.

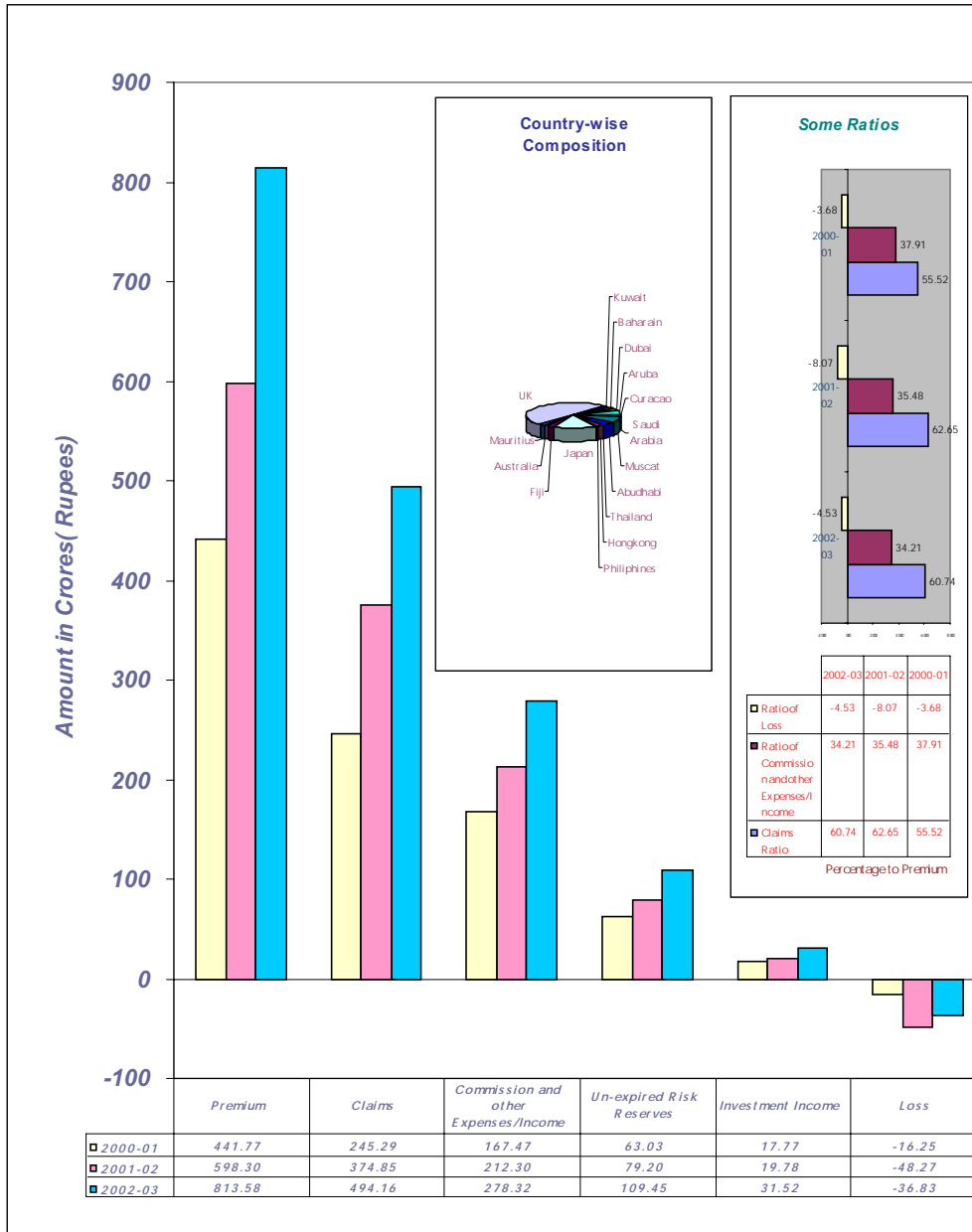


**Performance of Foreign Operations: (NET)** excluding Rs. 8.01 crs. net DR. c.y. (Rs. 4.04 crs. net DR. p.y.) representing foreign taxes, provision for bad debts and profit on sale of investment

(Rs in crores)

Country	Year	Premium	Claims	Commission	Unexpired	U/W	Investment	Net
				expenses	Risks	Result	Income	Profit/ Loss(-)
				and other	Reserves			
				outgo				
Thailand	2002-03	2.25	0.95	1.67	0.28	-0.65	0.47	-0.18
	2001-02	1.74	1.14	1.51	-0.23	-0.68	0.43	-0.25
Hongkong	2002-03	20.89	7.49	10.49	-5.15	8.06	0.59	8.65
	2001-02	32.05	18.87	11.97	5.52	-4.31	0.81	-3.50
Philippines	2002-03	1.88	0.55	1.97	0.26	-0.90	0.59	-0.31
	2001-02	1.36	0.61	0.97	-0.14	0.08	0.50	0.42
Japan	2002-03	120.73	52.04	55.57	7.08	6.04	0.68	6.72
	2001-02	106.03	51.68	58.44	-7.40	3.41	0.77	4.18
Fiji	2002-03	20.07	23.44	0.43	2.90	-6.70	1.07	-5.63
	2001-02	14.39	12.36	4.54	-3.39	0.88	1.44	2.32
Australia	2002-03	8.11	5.26	0.14	-0.18	2.89	1.62	4.51
	2001-02	8.38	9.80	0.16	0.04	-1.62	1.22	-0.40
Mauritius	2002-03	14.26	8.23	1.81	1.72	2.50	2.93	5.43
	2001-02	11.07	7.20	3.10	-0.12	0.89	0.68	1.57
UK	2002-03	398.52	272.59	127.20	70.91	-72.18	18.57	-53.61
	2001-02	256.20	171.00	82.17	68.04	-65.01	9.17	-55.84
Kuwait	2002-03	19.71	14.08	7.95	1.01	-3.33	0.19	-3.14
	2001-02	17.76	13.54	6.79	2.30	-4.87	0.23	-4.64
Bahrain	2002-03	22.94	13.26	7.35	4.42	-2.09	0.08	-2.01
	2001-02	14.85	13.58	4.00	0.89	-3.62	0.29	-3.33
Dubai	2002-03	24.95	20.81	9.04	3.86	-8.76	0.33	-8.43
	2001-02	19.22	11.34	5.66	1.02	1.20	0.52	1.72
Aruba	2002-03	36.81	14.90	15.85	1.93	4.13	2.08	6.21
	2001-02	32.91	12.88	12.13	0.97	6.93	1.60	8.53
Curacao	2002-03	13.84	3.83	5.38	1.26	3.37	0.80	4.17
	2001-02	10.99	4.65	3.92	-0.46	2.88	0.32	3.20
Saudi Arabia	2002-03	14.52	8.89	4.76	-0.89	1.76	0.00	1.76
	2001-02	16.30	10.56	4.01	0.57	1.16	0.00	1.16
Muscat	2002-03	50.51	28.40	14.37	5.40	2.34	1.43	3.77
	2001-02	40.58	21.77	8.31	9.44	1.06	1.75	2.81
Abudhabi	2002-03	43.59	19.44	14.34	14.64	-4.83	0.09	-4.74
	2001-02	14.37	13.87	4.62	2.15	-6.27	0.05	-6.22
Total	2002-03	813.58	494.16	278.32	109.45	-68.35	31.52	-36.83
	2001-02	598.30	374.85	212.30	79.20	-68.05	19.78	-48.27

## Performance of Foreign Operations (Net)





Our overseas operations during the year were affected by four major fire claims and two major motor claims in Bahrain, two major fire claims in Dubai and Kuwait and high TP awards in Asian Middle East Region and Japan.

Foreign operations not only achieved good premium growth but there is also reduction in claims, commission and management expense ratio during the year.

Foreign operations earned underwriting profit of Rs. 64.61 crores before taking into reserve strain of Rs.109.45 crores in 2002-03 as against Rs. 26.89 crores before reserve strain of Rs.79.20 crores in 2001-02.

## PLANS FOR 2003-04

### Domestic

For the year 2003-04 we have planned for a target of Rs.4100.00 Crores.

For effective servicing and reducing the operating cost, the Company has amalgamated/shifted 2 Divisional Offices and 10 Branches during the year under review. For augmenting our agency force, Company has taken special efforts for appointing Corporate and Brokership Agencies as under: -

Corporate Agents	Brokers
36 Nos.	87 Nos.

The tie-up arrangements made with various Financial Institutions and Non-Financial Institutions by providing them with special rate of commission are expected to boost the premium income during the financial year to a great extent.

The Training Centres opened by the Company for equipping the Individual Agents at 45 different Regional Office and Divisional Office Centres has also given great support to generate the premium from rural areas especially to satisfy the social obligations as laid down by Insurance Regulatory & Development Authority.

### Foreign

The Premium objective for 2003-04 is aimed at Rs.935 Crores (Gross) and Rs.891 Crores (net) with targeted accretion of 4.87%.

### **MOTOR LOSS CONTROL MEASURES:**

The following loss control measures were initiated/implemented during the financial





year with a view to reduce/minimise the incurred claims in Motor Own Damage (OD) and Third Party (TP) Damage/Loss :

- a) Micro Management of Offices with high claims ratio through verification of settled folders, systems, and analysis of Incurred Claims was undertaken with encouraging results.
- b) August 2002 was declared a "claims clearance month" when Third Party Damage Claims were also encouraged to be settled through Lok Adalat and Conciliation Committee in order to minimise compensation and interest out go.
- c) Detailed guidelines were issued to operating offices for improving underwriting standards and better claims management both in Own Damage and Third Party Damage.
- d) Regional Offices have a Manager dealing exclusively with Motor Third Party Damage Claims.
- e) Operating Offices are encouraged to settle Third Party Damage Claims through alternate forums such as Lok Adalat and Conciliation Committees.
- f) A workshop on Legal Claims was conducted in Jodhpur, which was attended by Officers handling Legal Department at Regional Offices, where various measures for effective management of Third Party Damage Claims were discussed.

There has been a significant improvement in the Motor Own Damage Claims Ratio even after making allowance for the effect of increased Tariff Rates. The Company is confident of achieving further improvement this year. Since Third Party Damage Claims have a long gestation period both for reporting and settlement, improvement is slow and spread over years. However, it is definite that the situation will improve in course of time.

## CLAIMS SETTLEMENT AND AGEWISE ANALYSIS

Sustained efforts in speeding up settlement of claims is reflected in our claims settlement ratio which is above 75%. The claims disposal ratios for the last three years were as follows:

2000-01	77.23%
2001-02	76.21%
2002-03	77.87%



Despite huge number of Third Party Claims pending in various Motor Accident Claims Tribunals, the Company has settled as many as 12, 67,423 claims achieving a claims settlement ratio of 77.87% this year. The Company has also Introduced "24 hours help-line" on experimental basis at Chennai Regional Office. These initiatives will definitely improve customer relationship in a big way.

Performance of the Company with regard to Claims Settlement during 2002-03.

No. of claims outstanding as on 1.04.2002	No. of claims intimated during 2002-03	No. of claims settled during 2002-03	No. of claims outstanding as on 31.03.2003	Claims Settlement Ratio	Corresponding Percentage for 2001-02
355551	1271986	1267423	360114	77.87%	76.21%

The details of claims pending (Gross Indian) as at 31.3.2003 are as follows:

**Claims pending as on 31.3.2003**

	<b>Number</b>	<b>Amount (in Crores)</b>
Outstanding for more than 6 months	230384	2939.73
Outstanding for less than 6 months	129730	1371.88
<b>Total</b>	<b>360114</b>	<b>4311.61</b>

Out of the above Claims, 233112 cases are pending before various Courts/Motor Accident Claims Tribunals. Agewise analysis of pending claims is as under :

<b>Pending for</b>	<b>Suit</b>	<b>Non-suit</b>	<b>Total</b>
Less than 3 months	27527	60840	88367
3 to 6 months	19397	16939	36336
6 months to 1 year	32309	28761	61070
1 to 3 years	64685	12592	77277
More than 3 years	89194	7870	97064
<b>Total</b>	<b>233112</b>	<b>127002</b>	<b>360114</b>

**RURAL INSURANCE, SOCIAL SECTOR INSURANCE AND SPECIAL SCHEMES :**

The Company continues to concentrate its penetration in the rural insurance sector. New India has been offering wide range of rural insurance products to meet the needs of the rural sector. Various new covers including package covers have



been developed over the years. With a view to enhancing awareness of rural insurance covers, publicity campaigns were undertaken in various parts of the country through mass contact programmes, cattle melas, cattle health camps etc. The Company participated in several exhibitions conducted in rural areas. Leaflets and pamphlets in vernacular language were distributed in weekly shandies and local festivals.

### Personal Accident Insurance Scheme for Kisan Credit Card (KCC) Holders :

New India is implementing the Personal Accident Insurance Scheme for Kisan Credit Card holders in the Western Zone. This is a personal accident insurance for Kisan Credit Card holders, which was evolved and is implemented as per Government directives. In the year 2002-03 about 94.77 lac members have been covered and a premium of Rs.2.23 crores was collected.

### Apathbandhu :

This is a personal accident insurance scheme offered to Andhra Pradesh State Government covering persons below the poverty line. The policy covers death resulting from accident. Persons in the age group of 18 to 69 years whose annual income is below Rs.11000/- per annum are covered under the scheme. The premium booked for the year 2002-03 for this scheme was Rs.12 crores.

### Gruharaksha :

This policy is issued to the State Government of Andhra Pradesh covering all the huts/houses of 'below poverty line' people in the State of Andhra Pradesh against fire and allied perils. The premium booked under this scheme for the year 2002-03 was Rs.6.72 Crores.

### The Performance of Socially Relevant Schemes of the Company for last five years are furnished in Annexure I to this Report.

### Claims Settlement and Agewise Analyses of Claims:

Performance of the Company with regard to claims settlement during 2002-03 :

No. of claims outstanding as on 1.04.2002	No. of claims intimated during 2002-03	No. of claims settled during 2002-03	No. of claims outstanding as on 31.03.2003	Claims Settlement Ratio	Corresponding Percentage for 2001-02
(1)	(2)	(3)	(4)	(5)	(6)
16389	101357	104673	13073	88.89%	62.81%

Status of claims settlement and age-wise analysis of pending claims as on 31.03.2003:

Pending for	Suit	Non-suit	Total
Less than 3 months	Nil	4870	4870
3 to 6 months	Nil	3645	3645
6 months to 1 year	Nil	2518	2518
1 to 3 years	Nil	1245	1245
More than 3 years	Nil	795	795
<b>Total</b>	<b>Nil</b>	<b>13073</b>	<b>13073</b>

## GRIEVANCES

The Company has a dedicated Grievance Cell in Head Office, which is headed by a Manager exclusively for the department. Grievances received at Head Office from various sources are taken up with respective offices to ensure their redressal in an expeditious manner and also to the satisfaction of the customer. Wherever advices from Technical Department are required on grievances, the same are referred to them who in turn extend guidance and advices to the Operating Offices.

Similarly, Grievance Cell is operational in all Regional Offices/Divisional Offices/Branches. At Regional Office level, an Officer in the rank of Deputy Manager heads the Cell. Head Office jointly with Regional Office holds review meetings periodically and if necessary with Customers to settle the dispute. The details of Grievances received/resolved in the year ending 31<sup>st</sup> March, 2003 are as under: -

Number of Grievances received	3590
Number of Grievances redressed	3082
Pending as on March, 2003	508
Grievance Redressal Ratio	86%

## CITIZENS CHARTER

The Board of Directors of the Company on 04.09.1997 adopted the CITIZENS CHARTER. A Zonal Advisory Committee (ZAC) had been formed under the Citizen's Charter of 1997, with the objective of interacting with customers so as to get a feedback on the steps to improve customer service. Since then several steps have been initiated towards the fulfilment of Company's commitments to the citizens. As part of commitment to improve transparency, efforts have been made to educate the customers by conducting several seminars and workshops.



The computerization of Company's operations has given a quantum leap in the quality of the service by enabling not only prompt issuance of documents but also by ensuring the correctness of the policy. Continuous efforts have been made to improve the Documents Issuance Ratio and Claims Settlement Ratio and also the quality of our claims servicing.

Several Ombudsman offices have been established in different parts of the country. Citizens now have an additional, easy and quick recourse to relief.

All offices of the company have established "May I Help You" counters to help citizens in all matters connected with Company's operations.

## **CUSTOMER SERVICE :**

Customer service has always remained the top priority of New India. As an on-going process regular customer service seminars and workshops were arranged at various centres to generate immense feedback based on which steps were taken to improve customer service. Research and Development Department of the Company is engaged in evolving new customer friendly products to match customers' expectations.

Before and After Sales services are also given equal importance. With introduction of computerisation in more than 1077 Offices, the Company could issue as many as 1,62,53,113 policies and achieved 99.45% Document Disposal Ratio during the year. Web enterprise solution for the customers and all intermediaries to do business 'On-line' is being planned. On completion it will facilitate conducting business on Internet.

The Document Disposal Ratios during the last three years were as follows:

2000-01	97.75%
2001-02	98.54%
2002.03	99.45%

## **REINSURANCE :**

For the Financial Year under review the Company had its own Reinsurance Programme for the second consecutive year. Retentions, which had been increased the previous year based on our own net worth, were continued. The treaties were placed with good securities.

The reinsurance market, which had hardened in 2001/02, continued to be hard. As from 1<sup>st</sup> April 2003, our new programme has been finalised. There is a slight

increase in the Company's Fire Surplus Treaty capacity. The Non-proportional Risk Programme for Fire and Engineering has been combined. Similarly, the Non-proportional Catastrophe Programme for Fire, Engineering and Property Portion of Miscellaneous has been combined.

## FINANCIAL RATING :

M/s A.M. Best (Europe) Company Limited, has rated our Company as 'A' Excellent for the fourth consecutive year. The rating reflects the Company's excellent Capital position, the maintenance of its leading position in the Indian Domestic Insurance Market and substantial return from its investment portfolio. The main offsetting factor include Company's reliance on the Indian investment and insurance market, continuing weakness in the Company's underwriting performance in the Indian Motor Market and uncertainties surrounding the economic environment in India. However, M/s A.M. Best believes the Company's current level of capital and surplus is sufficient to support the projected growth in premium income. Further, M/s A.M. Best expects the Company's loss experience to improve in 2003-04 in view of Company's decision on prudent underwriting of commercial motor business and improvement in the Motor Tariff will have a beneficial effect on the overall performance of the Company.



## TECHNO MARKETING DEPARTMENT :

The Techno Marketing Department at Head Office continues to offer services for the rapidly growing infrastructure sector and other mega projects through



project specific package insurance covers. The Department also analyses the complex risk exposures, that mega construction and operational ventures have, and advises the insured on managing them through suitable risk management techniques. Insurance solutions are developed through continuous inter-actions with re-insurers and brokers from International Market and the best comprehensive products are made available to the valued customers in India.

The client specific and project specific marketing approach has resulted in New India bagging leadership in a number of small medium and large infrastructure projects. Techno Marketing Department has successfully placed a number of Mega Risk Comprehensive Package Policies for petrochemical complexes and refineries in the International Market during the current year. Also Stand Alone Terrorism covers are being arranged from the International Market for the large clients in excess of Indian Terrorism Pool limits.

## **INFORMATION TECHNOLOGY :**

The Company completed the computerisation of all operating offices by deploying the application software 'Genisys' and subsequently took over the front line support services from CMC with effect from 1<sup>st</sup> October 2002. Over 200 Technical Support Service personnel have been trained for this purpose and Technical Support Service Centres have been established in Regional Offices. These employees carry out day-to-day 'Genisys' trouble-shooting and software support activities at the operating office level.

The Company has set up a Wide Area Network (WAN) by establishing leased line connectivity between Regional Offices and Head Office. IP phones have been installed in the Regional Offices and Head office facilitating more efficient and economical voice communication. Establishment of a Data Centre at Head Office is underway.

Procurement of software for consolidation of data across the organisation is at an advanced stage. Data repositories are planned at the Regional Offices and at the Head Office. Distributed databases of the operating offices will be consolidated at the Regional Office and transmitted to the Central repository at Head Office. This will enable the organisation to build up a corporate data repository, which will form the basis for a decision support system for the top management. In the second phase the software will be web-enabled to carry out transactions over the Internet.

The Company's website has been redesigned. The look and feel has been changed and the content has been enriched. Various product details, office addresses, financial results, Frequently Asked Questions (FAQs) etc. have been included. It also has a facility to lodge a grievance/or to file a complaint or to post feedback relating to the services offered by the Company. This, is expected to improve the quality of the customer-service rendered.



The Company is in the process of making it an interactive site, where a visitor can enter details of the risk and obtain an indicative on-line quote for some of the products. The website will facilitate premium reminder and have an insurance glossary, news reports, press releases etc.

The Company has set up a e-mail messaging system and intranet for the use of its employees. Each employee will have a unique e-mail ID with a common domain name. The Corporate email facility has considerably increased the speed and efficiency of the inter office communication. The intranet provides for a news bulletin, chat-room and instant messaging.

## **INTERNAL AUDIT :**

The Internal Audit Department of the Company has been laying emphasis on adherence to various systems & procedures laid down by the Company.

The Department has endeavoured to discharge functions commensurate with the changing scenario in the industry & also as per the directions given by the Audit Committee like conducting special audits of high loss offices, checking accuracy of underwriting returns etc. A separate compliance mechanism also has been evolved to strengthen the system for resolution of queries.

The Audit Committee had considered the Annual Accounts of the Company for 2001-02 had discussions with Statutory Auditors and recommended its adoption to the Board.

## **AUDIT COMMITTEE :**

The Audit Committee comprises of Mr. A.M. Sharan, Mr. V. Leeladhar, Mr. Nitin Doshi and Dr. Azfar Shamshi, all being Non-Executive Independent Directors. The Financial Advisor looking after Accounts & Audit functions attended the meetings as invitee. Mr. G. C. Chaturvedi, Joint Secretary, Ministry of Finance (Banking & Insurance) who replaced Mr. A. M. Sharan, is the new member of the Audit Committee since 19.07.2003.

Four Meetings of the Committee were held during the year. Number of Meetings attended by the Directors, who are members of the Committee is as under :

<b>Name of the Member</b>	<b>Number of Meetings attended by the Member</b>
Mr. A. M. Sharan	4
Mr. V. Leeladhar	3
Mr. Nitin Doshi	4
Dr. Azfar Shamshi	4





## VIGILANCE ACTIVITIES :

The Company has a vigilance set up headed by Chief Vigilance Officer (CVO) at Head Office, who is in the rank of Assistant General Manager and is on deputation from LIC of India. Central Vigilance Commission/Ministry of Finance appoints the Chief Vigilance Officer. Besides, there are Vigilance Officers posted at all the Regional Offices, who conduct investigations into complaints of corruption and malpractice and submit reports to the Chief Vigilance Officer for further action.

Vigilance activities of the Department are directed at Preventive, Detective as well as Punitive aspects of vigilance. By way of Preventive Vigilance, the Department carries out regular and surprise inspections of offices in a systematic manner. Whenever any serious irregularities having vigilance overtone are observed, necessary disciplinary actions are initiated against the staff concerned. System Studies on various matters such as issue of cover notes, disposal of salvage, empanelment of surveyors and advocates, delivery/dispatch of claim cheques etc. have been carried out and suitable remedial actions have been recommended to the authorities concerned.

As per the directive of the Central Vigilance Commission, Vigilance Awareness Week was observed from 31<sup>st</sup> October to 6<sup>th</sup> November 2002 in all offices of the Company with a view to sensitising our staff about Vigilance. Steps are taken to implement the instructions and guidelines issued by the Central Vigilance Commission and to complete the activities connected with the vigilance within the time frame prescribed by the Central Vigilance Commission.

## INVESTMENT COMMITTEE :

The Investment Committee comprises of Chairman-cum-Managing Director, Non-Executive Directors Mr. A.M. Sharan, Mr. V. Leeladhar, Mr. Nitin Doshi, Dr. Azfar Shamshi (appointed w.e.f. 20.06.2002) as well as Mr. V.K. Gupta, General Manager & Financial Advisor, Mr. M.K. Garg, General Manager Investments and Mr. A.R. Prabhu, Appointed Actuary. Since 19.07.2003 Mr. G. C. Chaturvedi, Joint Secretary, Ministry of Finance (Banking & Insurance) has replaced Mr. A. M. sharan.

Seven Meetings of the Committee were held during the year. Number of Meetings attended by the Directors, who are members of the Committee is as under :

Name of the Member	Number of Meetings attended by the Member
Mr. R. Beri	7
Mr. A. M. Sharan	7
Mr. V. Leeladhar	3
Mr. Nitin Doshi	7
Dr. Azfar Shamshi	5

## BOARD OF DIRECTORS :

General Managers, Mr. A.V. Purushothaman and Mr. Kumar Bakhru were appointed Functional Directors on the Board of Company w.e.f. 09.01.2003 for the period till their respective superannuation or until further orders whichever is earlier.

The President vide Order F.No.15/3/2003 Ins.IV dated 9<sup>th</sup> June, 2003 has appointed Mr. G. C. Chaturvedi, Joint Secretary (Banking & Insurance), Department of Economic Affairs, Ministry of Finance as Director on the Board of our Company with immediate effect till further orders vice Mr. A.M. Sharan, Ex-Joint Secretary (Banking & Insurance). Board places on record, deep appreciation for the contribution made by Mr. A. M. Sharan during his tenure as Director. His rich experience and diverse background had been beneficial in running the affairs of the Company.

Nine Meetings of the Committee were held during the year. Number of Meetings attended by the Directors, who are members of the Committee is as under :

Name of the Member		Number of Meetings attended by the Member
Mr. R. Beri	Chairman-cum-Managing Director	9
Mr. A. M. Sharan	Government Director	7
Mr. V. Leeladhar	Non-Executive Director	7
Mr. Nitin Doshi	Part-time Non-Official Director	9
Mr. G. R. Mhaisekar	Part-time Non-Official Director	9
Dr. Azfar Shamshi	Part-time Non-Official Director	8
Mr. R. K. Joshi	Non-Executive Director	8
Mr. A. V. Purushothaman	Functional Director (appointed on 09.01.2003)	2
Mr. Kumar Bakhru	Functional Director (appointed on 09.01.2003)	2

## ORGANISATION - STRUCTURE :

### Domestic :

The Company operates through 26 Regional Offices, 397 Divisional Offices, 644 Branches and 39 Direct Agent Branches. The premium procured during the year 2002-03 was Rs. 3921.24 Crores, as against Rs. 3512.33 crores in the year 2001-02, registering an increase of 11.64%.

### Foreign :

New India operates through a network of 18 Branches, 12 Agencies, 2 Associate Companies and 2 Subsidiary Companies including 1 fully owned subsidiary.



## **SCHEDULED CASTES, SCHEDULED TRIBES, OTHER BACKWARD CLASSES, PHYSICALLY HANDICAPPED AND EX-SERVICEMEN :**

The Government guidelines in the matter regarding reservations, concessions and safeguards to employees belonging to Schedule Caste, Schedule Tribe, Other Backward Class, Physically Handicapped and Ex-servicemen are observed. Due care continues to be maintained in the matter of assigning development functions, foreign postings and training to employees belonging to Schedule Caste and Schedule Tribe.

The Schedule Caste/Schedule Tribe Cell and the Other Backward Class Cell are functioning under the guidance of the Chief Liaison Officer. The Liaison Officers for Schedule Caste/Schedule Tribe/Physically handicapped and Other Backward Classes are posted at Head Office and are assisted by Assistant Liaison Officers at Regional Office level.

The year also marked the visit of the Chairman and Member of the National Commission for Schedule Castes and Schedule Tribes, to the Head Office.

Special workshops on reservation policy were held for Personnel Officers, Liaison/Asst. Liaison Officers and Office bearers of Schedule Caste/Schedule Tribe welfare groups. The workshops served to highlight issues in the implementation of the guidelines.

Special recruitment drive for clearance of backlog in the clerical cadres for Schedule Caste/Schedule Tribe was initiated. The process is under way.

## **PARTICULARS OF EMPLOYEES AND RECRUITMENT :**

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 which forms part of the report is given in Annexure-II.

The number of employees recruited during the year and the employees' strength as on 31.03.2003 is shown below:

<b>Category</b>	<b>No. of employees recruited</b>	<b>Total No. of Employees</b>
Class I	-	5689
Class II	-	3535
Class III	13	11403
Class IV (excluding PTS)	15	2397
Total	28	23024
Part Time Sweepers	0	551
<b>Total</b>	<b>28</b>	<b>23575</b>

The appointments in the Class III and Class IV cadres were on compassionate grounds.

## **GENDER ISSUES AND EMPOWERMENT OF WOMEN :**

Women's Cells have been formed at Head Office and Regional Offices and are functioning actively. Issues relating to women are expeditiously redressed. Women's Day was also celebrated with enthusiasm.

## **HUMAN RESOURCE DEVELOPMENT :**

As part of the efforts in structural changes, the Company introduced the Special Voluntary Retirement Scheme for the Development Officers Cadre where 398 out of 3535 Development Staff opted to retire from the services of the Company. Efforts towards consolidation of offices continued during the year.

## **TRAINING :**

Training of human resources plays an important role for the success in a competitive business environment. The Company believes in continuous up-gradation of knowledge and skills of employees. Towards this endeavour, training has been imparted to the employees not only in our Training Centres but also at external institutions and institutions abroad.

During the year 2002-03, Corporate Training College & Zonal/Regional Training Centres have conducted programmes and imparted training for 7,653 employees. In addition, 657 employees were deputed to programmes organised by National Insurance Academy, Pune. Some of the programmes organised by National Insurance Academy are exclusively for New India. In order to meet the challenges due to the opening of the industry, 258 employees were deputed for programmes organised by selected external institutions as also to sharpen skills, 11 employees were deputed for programmes/conferences organised by institutions abroad. Special care was taken to depute employees belonging to Schedule Caste/Schedule Tribe categories for training.

With the up-gradation of Technology in the company, many IT related programmes such as E-Training in EDP, were initiated on Management Courses. 80 employees have undergone E-Learning. Special care was taken to make complete computer literacy in all the offices and most of the offices have achieved 80% computer literacy.

As per Insurance Regulatory & Development Authority Regulations, 46 Training Centres were accredited to impart Training for Agents for 100 hours and 50 hours Training. This training is extended to our Corporate Agents also. We have imparted Training for 8059 Agents in our Training Centres.



**INDUSTRIAL RELATIONS :**

Employee relations continued to be smooth and cordial during the year.

**STAFF WELFARE SCHEMES :**

The Company introduced amendments to the Housing Loan Scheme where the interest rates on supplementary loans were brought in tune with the market trends. Other employee benefit schemes such as Mediclaim, Loss of Baggage Policy, Accident whilst on duty, Group Savings Linked Insurance Scheme, Group Term Insurance, Group Insurance Scheme (EDLI) etc. continued to be maintained.

**SPORTS ACTIVITIES :**

The Company's Cricket Team at Mumbai reached the finals of the Times of India Shield Cricket Tournament in 'B' Division. The Tournament is considered a prestigious one in Indian Cricket. This is the second time after 1995 that our Cricket Team has reached the final.

First All India Zonal Cricket Tournament was held at Jaipur between 15<sup>th</sup> and 19<sup>th</sup> February 2003.

Table Tennis Team reached the final of the Mumbai District Table Tennis Association 'B' Division for the first time.

Football Team of the Company participated in the Senior Division of the Mumbai District Football Association in the Haywards 2000 Mumbai Football League.

**OFFICIAL LANGUAGE IMPLEMENTATION :**

For effective implementation of the Official Language Policy, 206 offices were inspected and their progress was reviewed. 68 workshops were organised during the year wherein 1282 employees were trained. Hindi Day and Hindi Fortnight celebrations were organised by all the offices with great enthusiasm in which number of competitions were conducted in Hindi to create interest among employees. In many of the offices employees also participated in various competitions organised by the Town Official Language Implementation Committee (TOLIC) and won awards.

Head Office as well as our Regional Offices at Kolkata, Jaipur, Chandigarh and Divisional Offices at Kanpur and Haldia were awarded by the concerned Town Official Language Implementation Committee (TOLIC) for best Official Language Implementation.

During the year, the Third Sub-committee of Parliamentary Committee on Official Language inspected our Mangalore Divisional Office, Haridwar Divisional Office,



Delhi and Coimbatore Regional Offices. The Committee expressed its satisfaction about the progress made by the Company in Official Language Implementation.

Deputy Director, Official Language Department, Regional Implementation Office, Mumbai and Under Secretary, Economic Affairs Department, Ministry of Finance inspected our Head Office and expressed satisfaction about the progress made by the Company in Official Language Implementation.

## **CERTAIN EXPENSES OF MANAGEMENT :**

The expenses of Management include (a) Entertainment (Indian & Foreign) (b) Foreign Tours undertaken by the Executives and (c) Publicity and Advertisement amounting to Rs. 135,54,816/-, Rs. 92,31,293/- and Rs. 9,03,28,095/- respectively.

## **AUDITORS :**

P.S.D. & Associates., Vyas & Vyas and Khandelwal Jain & Company as Central Statutory auditors, and various Branch Auditors at various Regional Offices and Divisional Offices in India and at Foreign Branch Offices, have been appointed for the year 2002-03 by the Comptroller and Auditor General of India under Section 619 of the Companies Act, 1956. The Board of Directors wish to convey their appreciation to all the Statutory Auditors for their valuable advice, guidance and co-operation.

## **SUBSIDIARY COMPANIES :**

### **The New India Assurance Co. (Sierra Leone) Ltd.**

Pursuant to Section 212 of the Companies Act, 1956 the Report and Accounts of the New India Assurance Co. (Sierra Leone) Ltd. for the year ended 31<sup>st</sup> December, 2002 are appended hereto:

The Subsidiary follows calendar year of accounting. The operations were carried out in a very difficult condition due to continued ethnic disturbances in the country. The Subsidiary made a loss for the Financial Year of Le 35,272,306 thus reducing the retained profit to Le 86,323,959.

The Subsidiary has not declared any dividend for the year 2002. The Subsidiary has ceased operations w.e.f. 01.01.2003

### **The New India Assurance Company (Trinidad & Tobago) Ltd.**

Pursuant to Section 212 of the Companies Act, 1956 the Report and Accounts of the New India Assurance Co. (Trinidad & Tobago) Ltd. for the year ended 31<sup>st</sup> December, 2002 are appended hereto:



83.9% of the capital of The New India Assurance Company (Trinidad & Tobago) Ltd. is held by the Company. The Authorised Capital of The New India Assurance Company (Trinidad & Tobago) Ltd. consists of 22,000,000 shares of no par value. The Issued and fully paid-up capital of the subsidiary consists of 17,418,945 shares of no par value i.e. TT\$ 17,418,000. The subsidiary follows calendar year of accounting.

During the year the Company has an underwriting profit of TT\$ 945,000 as against a loss of TT\$ 3,165,000 in the previous year. With Investment Income of TT\$ 3,980,000 and other income amounting to TT\$ 724,000, the Net Income for the year before taxation stands TT\$ 56,49,000.

## FOREIGN EXCHANGE EARNINGS & OUTGO :

The Foreign Exchange Earnings and Outgo during 2002-03 were as under:

Foreign Exchange Earned	Rs. 166.34 Crores
Foreign Exchange Outgo	Rs. 537.59 Crores

## SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT :

As confirmed by the Ministry of Finance, Insurance Division, the Annual Report of the Company for the year 2001-2002 along with the Directors' Report were placed before both the Houses of Parliament under Section 619(A) read with 619(B) of the Companies Act, 1956, as per details given below:

In RAJYA SABHA	-	On 10 <sup>th</sup> December 2002.
In LOK SABHA	-	On 13 <sup>th</sup> December 2002.

## REVIEW OF ACCOUNTS :

Information as required by the Comptroller and Auditor General for review of accounts of Insurance Companies is attached as an Annexure III to this Report.

## DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that;

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b) the Directors have selected accounting policies and applied them



consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the Profit or Loss of the Company for the year under review.

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have arranged preparation of the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

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

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

**ACKNOWLEDGEMENT :**

Directors, take this opportunity to thank the large body of Insuring public and valued clients whose enduring confidence and faith reposed in the Company has made possible the result achieved during the year.

Board also places on record its deep appreciation of the agents, surveyors and all the intermediaries, staff and officers at all our offices in India and abroad for their dedication and commitment in achieving plans and goals of the Company.

The Directors are pleased to place on record their gratitude for the guidance and support extended by General Insurance Corporation of India, General Insurers' (Public Sector) Association of India (GIPSA), Ministry of Finance (Insurance Division), Insurance Regulatory and Development Authority and the Principal Director of Commercial Audit & Ex-officio Member Audit Board - I, Mumbai.

- |                    |   |                                |
|--------------------|---|--------------------------------|
| R. Beri            | } | Chairman-cum-Managing Director |
| G.C. Chaturvedi    | } | Directors                      |
| V. Leeladhar       |   |                                |
| G.R. Mhaisekar     |   |                                |
| Nitin Doshi        |   |                                |
| Azfar Shamshi      |   |                                |
| R.K. Joshi         |   |                                |
| A.V. Purushothaman |   |                                |
| Kumar Bakhru       | } |                                |

Mumbai : 30<sup>th</sup> September, 2003.







**Performance of Socially Relevant Schemes During the last five years  
Annexure I to Directors' Report**

								Rs. In Lacs
Policy Details	Year	Number of Policies Sold	Number of Persons Covered	Amount of Premium	Number of Claims Reported	Number of Claims Settled	Amount of Claims Settled	Claims Ratio%
<b>Cattle and other Livestock</b>	1998-99		18088941	4192.81	48935	48507	3050.54	72.76
	1999-00		11676464	3594.82	231527	240507	3101.84	86.29
	2000-01		9470286	3899.26	46432	48504	3404.36	87.31
	2001-02		9330695	3538.54	42372	40778	2758.35	77.95
	2002-03		3358674	3163.24	39875	36003	2996.19	94.72
	<b>Total</b>			<b>51925060</b>	<b>18388.67</b>	<b>409141</b>	<b>414299</b>	<b>15311.28</b>
<b>Agriculture Pumpest</b>	1998-99		78213	179.21	4791	2795	68.72	38.35
	1999-00		58194	171.91	2228	2056	68.73	39.98
	2000-01		86203	197.95	3161	2816	60.62	30.62
	2001-02		51472	193.62	1848	2619	60.08	31.03
	2002-03		40885	146.35	3615	2062	54.09	36.96
	<b>Total</b>			<b>314967</b>	<b>889.04</b>	<b>15643</b>	<b>12348</b>	<b>312.24</b>
<b>Janata Personal Accident</b>	1998-99		25458784	5522.51	4310	3911	2222.54	40.25
	1999-00		34643755	3297.48	9550	9246	2546.62	77.23
	2000-01		19357759	2629.28	14052	10083	3246.99	123.49
	2001-02		18712370	3183.01	11139	6074	4515.08	141.85
	2002-03		16934769	668.96	10258	4349	4188.00	626.05
	<b>Total</b>			<b>115107437</b>	<b>15301.24</b>	<b>49309</b>	<b>33663</b>	<b>16719.23</b>
<b>Gramin Personal Accident</b>	1998-99		1661190	132.65	162	155	27.28	20.57
	1999-00		770622	46.71	393	440	117.37	251.27
	2000-01		876956	92.68	166	245	114.76	123.82
	2001-02		480243	53.50	66	200	132.38	247.44
	2002-03		203567	14.88	330	225	140.50	944.22
	<b>Total</b>			<b>3992578</b>	<b>340.42</b>	<b>1117</b>	<b>1265</b>	<b>532.29</b>
<b>Janarogya</b>	1998-99	24853	62961	57.69	4967	4022	76.45	132.52
	1999-00	33230	85683	67.63	5716	5122	98.79	146.07
	2000-01	28230	110934	69.08	6796	6086	119.41	172.86
	2001-02	41347	86461	70.88	6500	10437	134.58	189.87
	2002-03	26176	55791	47.64	3977	13412	90.63	190.24
	<b>Total</b>		<b>153836</b>	<b>401830</b>	<b>312.92</b>	<b>27956</b>	<b>39079</b>	<b>519.86</b>

Contd....



## Performance of Socially Relevant Schemes During the last five years - Annexure I to Directors' Report

Policy Details	Year	Number of Policies Sold	Number of Persons Covered	Amount of Premium	Number of Claims Reported	Number of Claims Settled	Amount of Claims Settled	Rs. In Lacs
								Claims Ratio%
<b>Mediclaim</b>	1998-99	336659	1503609	12111.57	60906	65039	8281.37	68.38
	1999-00	489150	2163876	16165.97	108247	90573	15629.37	96.68
	2000-01	609255	2951010	23915.71	275774	305406	20349.96	85.09
	2001-02	822534	2794510	26996.00	165368	116819	18853.00	69.84
	2002-03	937012	2317824	28943.69	174421	174186	30522.92	105.46
	<b>Total</b>	<b>3194610</b>	<b>11730829</b>	<b>108132.94</b>	<b>784716</b>	<b>752023</b>	<b>93636.62</b>	<b>86.59</b>
<b>Bhagyashree Child Welfare Policy</b>	1998-99	140	199	0.03	-	-	-	-
	1999-00	27317	99997	13.49	-	-	1.62	12.01
	2000-01	10714	174675	15.24	28	10	0.50	3.28
	2001-02	7716	24816	4.26	39	29	0.75	17.61
	2002-03	478	6970	1.95	59	32	8.00	410.26
	<b>Total</b>	<b>46365</b>	<b>306657</b>	<b>34.97</b>	<b>126</b>	<b>71</b>	<b>10.87</b>	<b>31.08</b>
<b>Rajrajeshwari Mahila Kalyan Yojana</b>	1998-99	310	827	0.16	-	-	-	-
	1999-00	11850	2468883	133.77	-	-	0.56	0.42
	2000-01	5995	3864086	234.42	976	827	169.13	72.15
	2001-02	26055	731351	60.40	893	937	19.64	32.52
	2002-03	1619	142191	34.71	322	215	31.52	90.81
	<b>Total</b>	<b>45829</b>	<b>7207338</b>	<b>463.46</b>	<b>2191</b>	<b>1979</b>	<b>220.85</b>	<b>47.65</b>
<b>Personal Accident Insurance Scheme (Kisan Credit Card Holders)</b>	1998-99	-	-	-	-	-	-	-
	1999-00	-	-	-	-	-	-	-
	2000-01	-	-	-	-	-	-	-
	2001-02	-	650356	135.91	20	1	0.50	0.37
	2002-03	-	9476856	223.40	381	137	65.94	29.52
	<b>Total</b>	<b>-</b>	<b>10127212</b>	<b>359.31</b>	<b>401</b>	<b>138</b>	<b>66.44</b>	<b>18.49</b>

□□□



Annexure II to Directors Report

**THE NEW INDIA ASSURANCE COMPANY LTD., MUMBAI  
INFORMATION AS PER SECTION 217 (2A) OF COMPNIES ACT, REGARDING EMPLOYEES DRAWING  
REMUNERATION OF RS.24,00,000 AND ABOVE FOR THE YEAR ENDED 31ST MARCH, 2003**

NAME OF THE EMPLOYEE	SERVICE IN YRS	DESIGNATION	REMUNERATION RS.	QUALIFICATIONS	DATE OF JOINING	AGE	LAST EMPLOYMENT HELD	PLACE
ABE M.	24	MANAGER	3,889,602	B.COM.	13/2/79	47	N.A.	TOKYO
AKIMOTO K.	17	IWAKUNI SUB B.M.	2,513,586	B.Com.	1/9/84	42	N.A.	HIROSHIMA
FUJIKAWA E.	30	SR. CLERK	2,879,196	B.A.	8/11/72	59	N.A.	TOKYO
GARDNER BROWN	39	BRANCH MANAGER	3,152,940	Chartered Insurer FCII	2002	57	Guardian Insurance	LONDON
H. P. SINGH	31	C.E.O.	3,551,352	B.A., M.B.A.	2/1/71	55	N.A.	TOKYO
IWAKIRI K.	12	SR.CLERK	2,625,901	B.Com.	25/6/90	55	N.A.	HIMEJI
IWATANI K.	19	FUKUYAMA SUB B.M.	2,572,744	B.COM.	1/4/84	41	N.A.	HIROSHIMA
KATO S.	24	SR. CLERK	3,190,431	B.A.	1/4/78	50	N.A.	SAPPORO
KOTERAZAWA T.	24	BRANCH MANAGER	4,128,978	B.COM.	1/4/78	59	N.A.	SAPPORO
KOTERAZAWA. M.	27	BR.MANAGER	4,404,869	B.Com.	15/3/76	48	N.A.	HIMEJI
MASUI Y.	14	MANAGER	3,082,051	B.COM.	27/3/89	51	N.A.	HIROSHIMA
MEKAWA H	2	MANAGER	2,811,876	B.COM.	4/1/00	43	N.A.	TOKYO
MONICA DUTTA	19	MARKETING MANAGER	3,130,180	M.A.,B.ed, PGDIM,FIII	1983	44	N.A.	LONDON
M SAITO	1	MANAGER	2,592,152	B.COM.	9/1/01	47	N.A.	TOKYO
N MACKENNEY	37	U/W MANAGER	3,228,010	ACII	1999	58	SUN ALLIANCE	LONDON
NAMIKI K.	29	SECRETARY	3,399,750	B.A.	25/2/74	49	N.A.	TOKYO
NOMURA N.	36	JR MANAGER	2,852,935	B.Com.	3/1/67	54	N.A.	TOKYO
OKUDA Y.	32	SUB MANAGER GIFU	3,300,343	B.A.	3/1/71	50	N/A	NAGOYA
OSHIUMI A.	17	SR. CLERK	2,551,670	GRADUATE	8/12/85	41	N.A.	TOKYO
PATIL B. P.	23	RESIDENT MANAGER	3,000,688	M.V.Sc.,L.L.B., F.I.I.I., DBM,DCM,ACII	6/16/80	49	Veterinary Officer, Mumbai	DUBAI
RAMADOSS M.	26	C.E. for U.K.	5,009,564	B.Com.,ACA,FIII	1976	50	N.A.	LONDON
S. BANERJEA.	16	MANAGER	2,746,625	B.Com.,MBA,FIII	13/7/87	39	N.A.	TOKYO
S.DOI	28	SR. CLERK	2,574,148	B.Com.	22/10/74	54	N.A.	TOKYO
SABA RATNASABAPATHY	25	ACCOUNTANT	2,673,919	ACEA	1995	49	HENLEY INDUSTRIES	LONDON
SADHANA TREHAN	20	MANAGER FOR H.K.	3,871,899	B.Sc.,MA,AIII	1/6/83	43	N.A.	HONGKONG
SASAOKA H.	23	SR..CLERK	2,838,148	GRADUATE	1/4/79	44	N.A.	SAPPORO
SATO H.	29	MANAGER	4,300,566	B.COM	1/3/74	51	N.A.	TOKYO
SAWADA T.	3	MANAGER	2,574,489	B.COM	1/4/00	58	MANAGER OF MITSUI SUMITOMO	TOKYO
SHIMODA N.	14	JR. MANAGER	2,869,608	HIGH SCHOOL	10/4/89	50	N.A.	HIROSHIMA
TAKASE O.	11	DEPUTY B.MANAGER	3,531,550	B.A.	1/10/91	47	N.A.	OSAKA
TERAMOTO K.	30	BR.MANAGER	3,934,694	B.A.	3/1/73	55	N.A.	HIROSHIMA
V. CHALIA	14	MANAGER FOR OSAKA	3,429,190	B.Com, I.C.W.A. FIII	20/4/87	38	N.A.	OSAKA
V.PARTHASARATHI	26	MANAGER FOR AUSTRALIA	2981877	B.Sc.,AIII	5/3/77	47	N.A.	SYDNEY
YAMAGUCHI Y.	8	DY. G.M.FOR JAPAN	3,016,648	B.COM.	9/1/65	62	MANAGER OF TOKYO M&F	TOKYO
YAMAMOTO A.	30	MANAGER	3,979,105	B.E.	12/2/73	57	N.A.	TOKYO
YOSHIMARA S.	23	BR. MANAGER	2,881,679	B.Com.	1/8/79	48	N.A.	OKAYAMA



## ANNEXURE III TO THE DIRECTORS' REPORT

NOTE : REVIEW OF ACCOUNTS HAS BEEN PREPARED WITHOUT TAKING INTO ACCOUNT COMMENTS UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 AND QUALIFICATIONS CONTAINED IN THE STATUTORY AUDITORS' REPORTS.

### 1. FINANCIAL POSITION

The table below summarises the Financial Position of the Company for the last Three Years (regrouped as per IRDA Rules).

	Rs in Crores		
	2002-2003	2001-2002	2000-2001
<b>LIABILITIES</b>			
a. Paid up Capital	<b>100.00</b>	100.00	100.00
b. Reserves and Surplus			
i) Free Reserves	<b>3304.00</b>	3089.39	2967.69
ii) Committed Reserves	<b>2315.38</b>	2736.14	0.06
c. Current Liabilities and Provisions			
i) Current Liabilities	<b>5058.09</b>	4483.05	3912.14
ii) Provisions	<b>2207.28</b>	1827.56	1576.86
<b>TOTAL LIABILITIES</b>	<b>12984.75</b>	12236.14	8556.75
<b>ASSETS</b>			
a. Investments			
i) Long Term Investments	<b>8598.25</b>	8354.32	4903.80
ii) Short Term Investments	<b>250.12</b>	338.23	238.15
b. Loans	<b>967.33</b>	1013.44	1079.97
c. Fixed Assets			
i) Gross Block	<b>298.45</b>	267.24	96.55
ii) Less Cumulative Depreciation	<b>189.20</b>	159.97	18.70
iii) Net Block	<b>109.25</b>	107.27	77.85
d. Deferred Tax	<b>21.50</b>	-	-
e. Cash and Bank Balances	<b>1587.46</b>	1152.86	1154.70
f. Advances and Other Assets	<b>1427.03</b>	1270.02	1102.28
g. Deferred Expenses	<b>23.81</b>	-	-
<b>TOTAL ASSETS</b>	<b>12984.75</b>	12236.14	8556.75
Capital Employed - c(iii)+a(ii)+7-3	<b>-4754.89</b>	-3939.51	-5496.10
Net Worth - a+b(i)	<b>3404.00</b>	3189.39	3067.69
Net Worth/Share	<b>340.40</b>	318.94	306.77



Annexure III to the Directors' Report (contd.)

	Rs in Crores		
	2002-2003	2001-2002	2000-2001
<b>2. RESERVES</b>			
<b>i) Free Reserves</b>			
a) General Reserves	<b>3302.89</b>	3088.28	2966.28
b) Investment Reserves	<b>1.11</b>	1.11	1.11
Sub - Total	<b>3304.00</b>	3089.39	2967.39
<b>ii) Committed Reserves</b>			
a) Capital Reserves	<b>0.06</b>	0.06	0.06
b) Fair Value Change A/c	<b>2301.76</b>	2730.46	--
c) Provision for Thinly Traded Shares	<b>13.56</b>	5.62	--
Sub - Total	<b>2315.38</b>	2736.14	0.06
TOTAL	<b>5619.38</b>	5825.53	2967.75
<b>3. CURRENT LIABILITIES AND PROVISIONS</b>			
<b>i) Current Liabilities</b>			
a) Agents Balances	<b>28.39</b>	20.02	20.17
b) Balances due to other Companies	<b>602.86</b>	528.55	327.07
c) Deposits held on Re-insurance Ceded	<b>9.00</b>	9.46	--
d) Premium received in Advance	<b>115.05</b>	169.48	196.88
e) Sundry Creditors	<b>284.78</b>	248.18	256.51
f) Claims Out-standing	<b>3929.08</b>	3384.38	3021.98
g) Others	<b>88.93</b>	122.98	89.53
Sub - Total	<b>5058.09</b>	4483.05	3912.14
<b>ii) Provisions</b>			
a) Reserves for Un-expired Risks	<b>1858.43</b>	1639.16	1429.80
b) Proposed Dividend	<b>40.00</b>	20.00	20.00
c) Dividend Distribution Tax	<b>5.13</b>	--	2.04
d) Reserve for Bad and Doubtful Debts	<b>303.72</b>	168.42	125.02
Sub - Total	<b>2207.28</b>	1827.58	1576.86
TOTAL	<b>7265.37</b>	6310.63	5489.00



Annexure III to the Directors' Report (contd.)

		Rs in Crores		
		2002-2003	2001-2002	2000-2001
<b>4. LOANS</b>				
a) Mortgage of Property - Housing Loan		311.08	312.50	290.98
b) Mortgage of Property - HUDCO		366.55	407.50	450.88
c) Housing Loan to Employees - Outside India		1.06	0.75	0.76
d) Housing Loan to State Government		257.31	255.75	313.69
e) Un-secured Loan		31.33	36.94	23.66
	TOTAL	<u>967.33</u>	<u>1013.44</u>	<u>1079.97</u>
<b>5. CASH AND BANK BALANCES</b>				
a) Cash including Cheques, Remittance in Transit etc.		64.76	60.49	55.94
b) Short term Deposit with Banks		507.46	495.02	604.29
c) Other Deposits		704.90	389.40	291.77
d) Current Account		205.25	122.04	92.30
e) Call Money with Banks		51.09	37.91	95.40
f) Call Money with Other Institutions		54.00	48.00	15.00
	TOTAL	<u>1587.46</u>	<u>1152.86</u>	<u>1154.70</u>
<b>6. ADVANCES AND OTHER ASSETS</b>				
<b>i) Advances</b>				
a) Reserve Deposits with Ceding Companies		39.77	41.69	23.09
b) Application Money		6.00	31.80	12.45
c) Pre-payments		16.03	2.68	2.50
d) Advance Tax		191.63	159.01	74.83
e) Others		21.27	16.14	16.81
	Sub - Total	<u>274.70</u>	<u>251.32</u>	<u>129.68</u>
<b>ii) Other Assets</b>				
a) Income Accrued on Investments		198.03	194.16	183.50
b) Outstanding Premium		6.61	17.23	15.60
c) Agents Balances		59.56	55.56	31.35
d) Foreign Agencies Balances		84.96	65.15	56.12
e) Amounts due from other Insurance Companies		705.56	559.97	470.59
f) Amount due from Subsidiaries		0.05	0.06	0.06
g) Deposit with Reserve Bank of India		10.75	10.75	215.38
h) Others		86.81	115.82	--
	Sub - Total	<u>1152.33</u>	<u>1018.70</u>	<u>972.60</u>
	TOTAL	<u>1427.03</u>	<u>1270.02</u>	<u>1102.28</u>



Annexure III to the Directors' Report (contd.)

		Rs in Crores		
		2002-2003	2001-2002	2000-2001
<b>7. CURRENT ASSETS</b>				
a)	Income Accrued on Investments	<b>198.03</b>	194.16	183.50
b)	Outstanding Premium	<b>6.61</b>	17.23	15.60
c)	Agents Balances	<b>59.56</b>	55.56	31.35
d)	Due from other Insurance Companies	<b>705.55</b>	559.97	470.59
e)	Due from Subsidiaries	<b>0.06</b>	0.06	0.06
f)	Deposits with Ceding Companies	<b>39.77</b>	41.69	23.09
g)	Application Money	<b>6.00</b>	31.80	12.45
h)	Pre-payments	<b>16.03</b>	2.68	2.50
i)	Advance Tax	<b>191.63</b>	159.01	74.83
j)	Cash / Cheques, in hand	<b>64.76</b>	60.49	55.94
k)	Short term Deposit with Banks	<b>507.46</b>	595.02	604.29
l)	Current Account Balances	<b>205.25</b>	122.04	92.30
m)	Call Money with Banks	<b>51.09</b>	37.91	95.40
n)	Call Money with Other Institutions	<b>54.00</b>	48.00	15.00
o)	Deferred Tax	<b>21.50</b>	--	--
p)	Deferred Expenses	<b>23.81</b>	--	--
TOTAL		<b>2151.11</b>	1925.62	1676.90
<b>8) QUICK ASSETS</b>				
Current Assets		<b>2151.11</b>	1925.62	1676.90
Less :	a) Income Accrued on Investments	<b>198.03</b>	194.16	183.50
	b) Deposits with Ceding Companies	<b>39.77</b>	41.69	23.09
	c) Pre-payments	<b>16.03</b>	2.68	2.50
	d) Advance Tax	<b>191.63</b>	159.01	74.83
TOTAL		<b>1705.65</b>	1528.08	1392.98

**LIQUIDITY AND SOLVENCY**

- The percentage of Current Assets to Total Assets decreased from 19.60 in 2000-01 to 15.74 in 2001-02 and Increased to 16.57 in 2002-03
- The Percentage of Current Assets to Current Liabilities (Including Provisions) Decreased from 30.55 in 2000-01 to 30.51 in 2001-02 and to 29.61 in 2002-03
- The percentage of Quick Assets to Current Liabilities decreased from 25.38 in 2000-01 to 24.21 in 2001-02 and to 23.48 in 2002-03



**Annexure III to the Directors' Report (contd.)**

Rs in Crores

**2002-2003**      2001-2002      2000-2001

- d. The percentage of Total Assets to Total Liabilities (excluding Paid-up Capital and Free Reserves) decreased from to 155.89 in 2000-01 and to 135.25 in 2001-02 and increased to 135.53 in 2002-03

**SOURCE AND UTILISATION OF FUNDS**

**a) Sources of Funds**

**Rs. in Crore**

**2002-2003**

i. Addition to Reserve and Surplus	13.12
ii. Addition to Cumulative Depreciation	29.23
iii. Addition to Outstanding Liabilities	544.70
iv. Addition to Share Capital	-
	587.05

**b) Utilisation of Funds**

i. Addition to Gross Block	31.22
ii. Addition to Investments	109.71
iii. Increase / Decrease in Working Capital	446.12
	587.05

**8. WORKING RESULTS**

**A. The Working results of the company for the last three years are given below**

a. Net Premium	<b>3516.43</b>	3068.23	2671.48
b. Expenses Commission Claims Increase in Un-expired Risk Reserves and Other Outgo / Income	<b>4006.67</b>	3601.94	3117.52
c. Underwriting results	<b>-490.26</b>	-533.71	-446.04
d. Investment Income (Policyholder Share) including Profit on Realisation of Investments (Net of NPA Provision)	<b>466.17</b>	445.24	--
e. Net Underwriting Profit/Loss(-)	<b>-24.09</b>	-88.47	-446.04
f. Investment Income (Shareholder Portion) including Profit on Realisation of Investments (Net of NPA Provision)	<b>295.97</b>	306.79	--
g. Other Income Less Outgo	<b>40.94</b>	-10.11	684.88
h. Profit Before Tax	<b>312.82</b>	208.21	238.84





Annexure III to the Directors' Report (contd.)

	Rs in Crores		
	2002-2003	2001-2002	2000-2001
i. Provision for Taxation	<b>57.01</b>	66.20	65.30
j. Profit After Tax	<b>255.81</b>	142.01	173.54
Analysis of Ratios			
k. i) The ratio of Incurred Claims to Net Premium	<b>76.77%</b>	83.28%	85.35%
ii) The ratio of Expenses of Management and Commission to Net premium	<b>30.94%</b>	33.98%	24.42%
<b>B. Details of Working Results</b>			
<b>I. Net Profit (+) / Loss (-)</b>			
a. Fire Insurance	<b>115.38</b>	157.95	36.13
b. Marine Insurance	<b>85.37</b>	50.89	14.16
c. Burglary and House Breaking Insurance	<b>9.75</b>	11.80	22.32
d. Motor Vehicle Insurance	<b>-86.71</b>	-324.91	-429.49
e. Other Insurance	<b>-137.28</b>	38.07	-90.45
f. Jewellers Block Policies	<b>-10.60</b>	-22.27	1.29
TOTAL	<b>-24.09</b>	-88.47	-446.04
<b>II. Net Premium Earned</b>			
a. Fire Insurance	<b>790.27</b>	679.24	599.64
b. Marine Insurance	<b>210.09</b>	188.12	188.12
c. Burglary and House Breaking Insurance	<b>51.00</b>	48.82	42.73
d. Motor Vehicle Insurance	<b>1342.66</b>	1143.83	1097.34
e. Other Insurance	<b>885.34</b>	787.70	733.17
f. Jewellers Block Policies	<b>17.80</b>	11.77	10.48
TOTAL	<b>3297.16</b>	2858.88	2671.48
<b>III. Expenses of Management</b> (including commission, investment income and Taxes)			
a. Fire Insurance	<b>207.52</b>	149.52	200.11
b. Marine Insurance	<b>7.81</b>	5.89	53.42
c. Burglary and House Breaking Insurance	<b>25.65</b>	22.51	10.98
d. Motor Vehicle Insurance	<b>157.92</b>	54.00	266.29
e. Other Insurance	<b>219.64</b>	150.35	205.46
f. Jewellers Block Policies	<b>3.20</b>	4.94	1.70
TOTAL	<b>621.74</b>	387.21	737.96



**Annexure III to the Directors' Report (contd.)**

	Rs in Crores		
	2002-2003	2001-2002	2000-2001
<b>IV. Incurred Claims</b>			
a. Fire Insurance	<b>467.37</b>	371.77	392.69
b. Marine Insurance	<b>116.91</b>	131.34	141.76
c. Burglary and House Breaking Insurance	<b>15.60</b>	14.51	7.42
d. Motor Vehicle Insurance	<b>1271.45</b>	1414.74	1184.60
e. Other Insurance	<b>802.98</b>	594.28	547.01
f. Jewellers Block Policies	<b>25.20</b>	28.50	6.26
<b>TOTAL</b>	<b>2699.51</b>	2555.14	2279.74

**C. The working results of Foreign Operations of the company for the last three years are tabulated below**

a. Net Operating (+) Profit / (-) Loss	<b>-68.35</b>	-66.11	-35.98
b. Net of Other Income	<b>31.52</b>	19.90	17.82
c. Net (+) Profit / (-) Loss	<b>-36.83</b>	-46.21	-18.16

Place : Mumbai  
Date : 25th September, 2003

**BALVINDER SINGH**

*Principal Director of Commercial Audit  
& Ex Officio Member , Audit Board I, Mumbai*

□□□

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF THE NEW INDIA ASSURANCE COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31ST MARCH, 2003.**

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956, on the Accounts of The New India Assurance Company Limited, Mumbai for the year ended 31st March, 2003.

Place : Mumbai  
Date : 25th September, 2003

**BALVINDER SINGH**

*Principal Director of Commercial Audit  
& Ex Officio Member , Audit Board I, Mumbai*

□□□



**ADDENDUM TO DIRECTORS' REPORT DATED 30TH SEPTEMBER, 2003  
AS PER SECTION 217 (3) OF THE COMPANIES ACT, 1956 - EXPLANATION  
FOR THE QUALIFICATIONS IN THE AUDITORS' REPORT DATED  
26TH AUGUST, 2003**

The Management's explanation for the qualifications mentioned in the above report, which are not explained by way of notes are as follows:

1. Para '1' of Auditors' Report (Sr. no. 8(a) of notes forming part of financial statements) for the year ended 31-03-2003 - Regarding Delayed Submission and Non-Submission of Investment Returns to IRDA.

IRDA returns require details/information, which is quite exhaustive as well as varied in nature. At present the department does not have suitable integrated software in use. As such the details required in the IRDA returns are not generated through software and are to be prepared manually. Investment Portfolio being very large and varied, we found it difficult to collate and compile the data and submit the returns on time.

We are in the process of finalizing integrated software for the Investment Department. However, we have noted the observations made by the Auditors and all efforts are being made to submit the IRDA returns on time.

Sr. no. 8(b) ( i ) and ( ii ) of notes forming part of financial statements for the year ended 31-03-2003 - Regarding non-compliances/contraventions of IRDA regulations, we have to mention that under normal circumstances placement of domestic treaties is expected to be completed by April so that Treaty Slips and Cover Notes can be submitted to IRDA within the stipulated time. However, following the events of September 11, 2001, the Reinsurance market, which had already begun hardening, became extremely hard during the beginning of 2002. Due to this, placement of our treaties became very difficult and tardy. Moreover, there was some delay in receipt of XL treaty cover notes and placement of our surplus treaties could not be concluded till August 2002. It became administratively feasible for us to submit the copies of the required documents to IRDA only by August 2002.

2. Para '2' of Auditors' Report (Sr. no. 3 of notes forming part of financial statements) for the year ended 31-03-2003 - Regarding non-reconciliation of reinsurer's balances, we have to mention that detailed reconciliation of Reinsurance Balance is in progress and will be completed at the earliest.
3. Para '3' of the Auditors' Report, (Accounting policy no. XI (b)) - regarding non-provision of tax liability on income in foreign countries, we have to inform that as per the standard practice, tax liability on income in foreign countries is



accounted for on actual payment basis since the liability cannot be ascertained with reasonable accuracy before filing of the returns in foreign countries. Therefore, no provision has been made in respect of tax liability on income in foreign countries.

4. Para '4' of the Auditors' Report - Regarding Strengthening of Internal Audit System we would like to inform that the Company does have adequate systems and procedures for compliance of observations of Internal Audit.

Internal Audit Department carries out audit as per guidelines laid down by Committee constituted by GIC in 1986, to review the working of Internal Audit Departments of the Subsidiaries. All the offices are comprehensively audited at least once during the year. Moreover in consonance with the changing business situations, we are undertaking special assignments like audit of high loss offices, adequacy of Claims provisions, concurrent audit of large policies.

In order to streamline and expedite resolution of pending audit queries as per directives of the Audit Committee Audit Compliance Committees have been formed at each of RO centers whose functioning is overseen by a Committee consisting two AGMs at HO. Besides to give more thrust in this area one more AGM has been entrusted with the assignment of audit compliance.

During the year 2002-03, 329 workshops were held wherein 5706 queries amounting to Rs. 765.58 lacs were either resolved or recommended for closure. In total 8196 queries amounting to Rs. 976.96 lacs were resolved during 2002-03.

Thus effective steps have been taken to resolve/reduce the audit queries and observations and our endeavour continues in this regard.

R. Beri	}	Chairman-cum-Managing Director
G.C. Chaturvedi	}	Directors
V. Leeladhar		
G.R. Mhaisekar		
Nitin Doshi		
Azfar Shamshi		
R.K. Joshi		
A.V. Purushothaman		
Kumar Bakhru	}	

Mumbai : 30<sup>th</sup> September, 2003.





## MANAGEMENT REPORT

1. We confirm that the registration granted by the Insurance Regulatory & Development Authority is valid during the year. The same is renewed for the year 2003-04.
2. We confirm that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares during the year are in accordance with the statutory or regulatory requirements.
4. We confirm that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. We confirm that the required solvency margins have been maintained.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and in the best of our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings- "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and several items specified under "Other Account".
7. The overall risk exposure for the risks accepted by us is limited to Rs.75 crores per risk except in respect of two policies issued to Reliance Industries Ltd. in which case there is an exposure of Rs.150 crores per policy. The same has been approved by the Board. We have made adequate reinsurance arrangements to mitigate the loss arising out of any major claim.
8. We have overseas operations in 23 countries and the overall country and exposure risk is satisfactory in terms of political scenario and foreign currency stability.
9. The average claim settlement time during the preceding five years is as under:

Year	Number of days
2002-03	99
2001-02	118
2000-01	71
1999-00	86
1998-99	76



10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority and shown in the balance sheet.
11. All investment assets are reviewed periodically and assets are classified into performing and non-performing based on Reserve Bank of India Prudential Norms.
12. It is hereby confirmed:
  - (i) That in preparation of financial statements, the applicable accounting standards, principles and policies have been followed, except that the accounting of Tax Liability in Foreign Countries is made on cash basis which is not in conformity with Accounting Standard – 22 on Accounting for Taxes on Income.
  - (ii) That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit of the company for the year except as mentioned in para 12 (i) above.
  - (iii) That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938(4 of 1938) and Companies Act 1956(1 of 1956) for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
  - (iv) That the management has prepared the financial statements on a going concern basis.
  - (v) That the management has ensured that the internal audit system commensurate with the size and nature of business exists and is operating effectively. The management is in the process of further strengthening internal audit system.
13. There are no payments made to individuals, firms, companies and organizations in which directors of the company are interested.

Mumbai : 26<sup>th</sup> August, 2003.

**R Beri**  
*Chairman-cum-Managing Director*





## AUDITORS' REPORT

**To the Members,  
The New India Assurance Company Limited**

We have audited the attached Balance Sheet of The New India Assurance Company Limited as at 31<sup>st</sup> March, 2003 and the annexed Fire, Marine & Miscellaneous Insurance Revenue Accounts, Profit and Loss Account and Receipts & Payments Account of the Company for the year ended on that date, in which are incorporated (a) Returns from twenty-six Regional Offices, three hundred and ninety seven Divisional Offices and eight Foreign Branches audited by other firms of auditors appointed by the Central Government; (b) Returns from eight Foreign Agencies audited by local auditors appointed by the Company; and (c) Returns of four unaudited run-off Foreign Agencies.

We report that:

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Further to our comments in the aforesaid paragraphs, we state that:

- 1) *Attention is invited to note number 8 regarding non-compliance of Insurance Regulatory and Development Authority Regulations during the year. However, these non-compliances do not have any impact on the working results of the company.*
- 2) *In absence of reconciliation of reinsurers' balances and non availability of balance confirmations as stated in note number 3, we are unable to comment on the impact of adjustments arising out of confirmation/reconciliation of such balances, on the Financial Statements.*
- 3) *The accounting policy number XI(b) regarding Tax Liability in Foreign Countries, is not in accordance with the Accounting Standard 22 on Accounting*



*for Taxes on Income, in as much as, the current tax is accounted for on cash basis instead of the amount payable on the taxable income for the period and the deferred tax is not recognized, impact of which is not ascertained.*

- 4) *The Internal Audit system needs to be further strengthened and the observations of Internal Auditors are not complied/attended to in a timely and effective manner.*

#### **SUBJECT TO ABOVE :**

- a. We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit and found them satisfactory.
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payments Account are in agreement with the books of accounts and returns.
- d. In our opinion and to the best of our information, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable to the company and are also in conformity with the accounting principles as prescribed in the Insurance Regulatory & Development Authority Regulations (*except as stated in para 3 above*).
- e. The report of the Regional Auditors consolidating Divisional Auditors' report, report of the Foreign Branches' and Foreign Agencies' Auditors have been forwarded to us and considered by us and were adequate for the purposes of our audit.
- f. The Actuarial valuation of the liabilities as at 31<sup>st</sup> March 2003, has been certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate for forming our opinion on the financial statements of the company.
- g. As per Circular No. 8/2002 dated 22.03.2002 of the Department of Company Affairs the directors of the Government Companies are exempted from applicability of the provisions of section 274 (1)(g) of the Companies Act, 1956.
- h. We have reviewed the Management Report and there is no apparent mistake or material inconsistency with the financial statements.
- i. The Company has complied with the terms and conditions of the registration stipulated by the Insurance Regulatory and Development Authority.





- j. In our opinion, the investments have been valued in accordance with the provisions of the Insurance Act, 1938 and the applicable Insurance Regulatory & Development Authority Regulations.
- k. In our opinion, the accounting policies selected by the Company, are appropriate and are in compliance with the applicable accounting standards and with the accounting principles, as prescribed in the Insurance Regulatory & Development Authority Regulations (*except as stated in para 3 above*) and,
- l. In our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payments Account have been drawn up in accordance with the applicable provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required and the financial statements read with significant accounting policies and notes thereon, give a true and fair view :
- (i) of the state of affairs of the company in so far it relates to the Balance Sheet as at 31<sup>st</sup> March, 2003,
  - (ii) of the surplus in so far it relates to the Revenue Accounts of Fire and Marine Business and Deficit for Miscellaneous Business for the financial year ended on that date,
  - (iii) of the profit in so far it relates to the Profit and Loss Account for the financial year ended on that date and
  - (iv) for the receipts and payments in so far it relates to the Receipts and Payments Account for the financial year ended on that date.

---

For **P.S.D. & ASSOCIATES**  
*Chartered Accountants*

For **VYAS & VYAS**  
*Chartered Accountants*

For **KHANDELWAL JAIN & CO.**  
*Chartered Accountants*

**PRAKASH SHARMA**  
PARTNER

**O. P. VYAS**  
PARTNER

**NARENDRA JAIN**  
PARTNER

**MEMBERSHIP NO. 72332**

**MEMBERSHIP NO. 14081**

**MEMBERSHIP NO. 48725**

MUMBAI

DATED : 26<sup>TH</sup> AUGUST 2003.





**Certificate for the year ended 31<sup>st</sup> March, 2003 as required by schedule 'C' of Insurance Regulatory & Development Authority Regulations 2002 for Preparation of Financial Statements and Auditor's Report of Insurance Companies.**

**We certify that:**

1. (a) We have verified Cash and Bank balance, Investment and Securities relating to loans, subject to paragraph (b) herein mentioned below, on following basis:

Sr. No.	Asset	Nature of verification
1.	Cash	Management Certificate and branch auditor's report.
2.	Bank Balance	Bank Certificate and branch auditor's report.
3.	Investments	Custodians' Certificate (RBI & SHCIL) and Management's Certificate.
4.	Securities relating to loan	Management Certificate.

- (b) i) No confirmation was available from custodian in respect of following:
- a) Investment purchases amounting to Rs.11.75 lacs are pending for transfer in Company's favour;
  - b) Investments in shares/bonds having an average book value of Rs.0.72 lacs are under objection;
  - c) Shares amounting to Rs.1.05 lacs are under litigation;
  - d) Shares amounting to Rs.3.71 lacs for which no evidence of ownership were available.
  - e) The number of shares/debentures actually held by Stock Holding Corporation of India Ltd. (Custodian) on behalf of the company is in excess of the number of shares/debentures held as per the books of the Company. The book value of such excess is Rs.3.59 lacs.
- ii) No confirmation was available in respect of foreign investments amounting to Rs.35.10 lacs.
2. To the best of our information and the explanations given to us, the company has not undertaken any trust as trustee.
3. No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders' funds.

As per our report of even date

For **P.S.D. & ASSOCIATES**  
*Chartered Accountants*

For **VYAS & VYAS**  
*Chartered Accountants*

For **KHANDELWAL JAIN & CO.**  
*Chartered Accountants*

**PRAKASH SHARMA**  
PARTNER

**O. P. VYAS**  
PARTNER

**NARENDRA JAIN**  
PARTNER

**MEMBERSHIP NO. 72332**

**MEMBERSHIP NO. 14081**

**MEMBERSHIP NO. 48725**



**SHARE HOLDERS' FUNDS AND POLICY HOLDERS' FUNDS**

Amounts in Rupees

	Balances		%	Balances		%			
	As on 31.03.2002			As on 31.03.2003					
<b>A</b>	<b>Share Holders Funds</b>								
	Share Capital	1000000000		1000000000					
	Capital Reserves	575088		575088					
	General Reserves	30882819117		33040582853					
	Investment Reserves	11132024		11132024					
		31894526229	38.83	34052289965	37.04				
<b>B</b>	<b>Policy Holders Funds</b>								
	<b>Un-expired Risks Reserves</b>	<b>Outstanding Claims</b>	<b>Total</b>	<b>Un-expired Risks Reserves</b>	<b>Outstanding Claims</b>	<b>Total</b>			
	<b>As on 31.03.02</b>	<b>As on 31.03.02</b>	<b>As on 31.03.02</b>	<b>As on 31.03.03</b>	<b>As on 31.03.03</b>	<b>As on 31.03.03</b>			
	Fire	3794217399	4000900000	7795117399	4108507467	5230056453	9338563920		
	Marine	2100912316	1679399999	3780312315	2004329273	2195008567	4199337840		
	Misc	10496489986	28163500006	38659989992	12471461989	31865745360	44337207349		
		16391619701	33843800005	50235419706	61.17	18584298729	39290810380	57875109109	62.96
<b>C</b>	<b>Total Funds</b>		<b>82129945935</b>	<b>100.00</b>	<b>91927399074</b>		<b>100.00</b>		

**The Balances as no 31.03.2002 are used as basis for Apportionment of Investment Income for the year 2002-03**

Average Shareholders Funds (Rupees In Crores) -  $(3189.45 + 3405.23) / 2 = 3297.34$

Average Policyholders Funds (Rupees In Crores) -  $(5023.54 + 5787.51) / 2 = 5405.53$



## Fire Insurance Revenue Account for the Year ended 31st March,2003

Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

Particulars	Schedule	Current Year (Rs'000)	Previous Year (Rs'000)
1. Premium Earned (Net)	1	790,27,25	679,24,04
2. Profit on Sale or Redemption of Investments (PolicyHolders)	-	15,25,25	5,50,64
3. Interest Dividend and Rent (Gross) (PolicyHolders)	-	68,37,06	78,26,91
<b>Total (A)</b>		<b>873,89,56</b>	<b>763,01,59</b>
1. Claims Incurred (Net)	2	467,37,13	371,76,97
2. Commission	3	33,41,27	8,50,02
3. Operating Expenses Related to Insurance Business	4	245,61,38	213,96,96
4. Others - Foreign Taxes	-	83,18	55,38
Amortisation, Write-off, Provisions - Investments (PolicyHolders)	-	11,28,69	10,27,57
<b>Total (B)</b>		<b>758,51,65</b>	<b>605,06,90</b>
Operating Profit/Loss(-) C=(A-B)	-	115,37,91	157,94,69
Appropriations			
Transfer to Share Holders Account.(Profit and Loss Account)	-	115,37,91	157,94,69
Transfer to Catastrophic Reserves	-	-	-
Transfer to Other Reserves	-	-	-
<b>Total</b>		<b>115,37,91</b>	<b>157,94,69</b>

Significant Accounting Policies and Notes to Accounts form integral part of the Revenue Account

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of accounts, 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.

<b>A R Sekar</b> Company Secretary	<b>V Leeladhar</b> Director	<b>Nitin Doshi</b> Director	<b>R Beri</b> Chairman-cum-Managing Director
As per our report of even date			
For <b>P.S.D. &amp; Associates</b> Chartered Accountants <b>Prakash Sharma</b> Partner	For <b>Vyas &amp; Vyas</b> Chartered Accountants <b>O P Vyas</b> Partner	For <b>Khandelwal Jain &amp; Co.</b> Chartered Accountants <b>Narendra Jain</b> Partner	
<b>MEMBERSHIP NO. 72332</b>	<b>MEMBERSHIP NO. 14081</b>	<b>MEMBERSHIP NO. 48725</b>	

Mumbai : 26th August, 2003.



**Schedules to Fire Insurance Revenue Account**

Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

<b>Particulars</b>	<b>Current Year (Rs'000)</b>	<b>Previous Year (Rs'000)</b>
<b>SCHEDULE 1</b>		
<b>PREMIUM EARNED (NET)</b>		
Premium from Direct Business- In India	<b>867,45,88</b>	859,89,04
- Outside India	<b>304,40,16</b>	246,80,60
- Total	<b>1171,86,04</b>	1106,69,64
Add: Premium on Reinsurance Accepted	<b>202,59,08</b>	105,36,78
Less: Premium on Reinsurance Ceded	<b>552,74,97</b>	453,22,07
Net Premium	<b>821,70,15</b>	758,84,35
Adjustment for Change in Reserve for Un-Expired Risks	<b>31,42,90</b>	79,60,31
<b>Total Premium Earned (Net)</b>	<b>790,27,25</b>	679,24,04
<b>SCHEDULE 2</b>		
<b>CLAIMS INCURRED (NET)</b>		
Claims Paid Direct	<b>395,20,54</b>	629,00,84
Add: Claims on Reinsurance Accepted	<b>104,26,13</b>	89,30,49
Less: Claims on Reinsurance Ceded	<b>155,01,10</b>	311,55,17
Net Claims Paid	<b>344,45,57</b>	406,76,16
Add: Claims Outstanding at End (Net)	<b>523,00,56</b>	400,09,00
Less : Claims Outstanding at Beginning (Net)	<b>400,09,00</b>	435,08,19
<b>Total Incurred Claims (Net)</b>	<b>467,37,13</b>	371,76,97
<b>SCHEDULE 3</b>		
<b>COMMISSION (Net)</b>		
Direct	<b>90,03,75</b>	68,61,02
Add : Reinsurance Accepted	<b>41,36,06</b>	74,01,94
Less : Reinsurance Ceded	<b>97,98,54</b>	134,12,94
<b>Net Commission</b>	<b>33,41,27</b>	8,50,02



**Marine Insurance Revenue Account for the Year ended 31st March, 2003**

Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

<b>Particulars</b>	<b>Schedule</b>	<b>Current Year (Rs'000)</b>	<b>Previous Year (Rs'000)</b>
1. Premium Earned (Net)	1	<b>210,09,12</b>	188,12,42
2. Profit on Sale or Redemption of Investments (PolicyHolders)	-	<b>7,39,68</b>	2,63,92
3. Interest Dividend and Rent (Gross) (PolicyHolders)	-	<b>33,15,70</b>	37,51,45
<b>Total (A)</b>		<b>250,64,50</b>	228,27,79
1. Claims Incurred (Net)	2	<b>116,90,54</b>	131,33,54
2. Commission	3	<b>-10,40,37</b>	-10,34,21
3. Operating Expenses Related to Insurance Business	4	<b>53,22,29</b>	51,37,57
4. Others- Foreign Taxes		<b>7,95</b>	9,25
Amortisation, Write-off, Provisions - Investments (PolicyHolders)		<b>5,47,37</b>	4,92,52
<b>Total(B)</b>		<b>165,27,78</b>	177,38,67
Operating Profit/Loss(-) C=(A-B)		<b>85,36,72</b>	50,89,12
Appropriations			
Transfer to Share Holders Account.(Profit and Loss Account)	-	<b>85,36,72</b>	50,89,12
Transfer to Catastrophic Reserves	-	-	-
Transfer to Other Reserves	-	-	-
<b>Total</b>		<b>85,36,72</b>	50,89,12

Significant Accounting Policies and Notes to Accounts form integral part of the Revenue Account

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of accounts, 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.

<b>A R Sekar</b> Company Secretary	<b>V Leeladhar</b> Director	<b>Nitin Doshi</b> Director	<b>R Beri</b> Chairman-cum-Managing Director
As per our report of even date			
For <b>P.S.D. &amp; Associates</b> <i>Chartered Accountants</i> <b>Prakash Sharma</b> Partner	For <b>Vyas &amp; Vyas</b> <i>Chartered Accountants</i> <b>O P Vyas</b> Partner		For <b>Khandelwal Jain &amp; Co.</b> <i>Chartered Accountants</i> <b>Narendra Jain</b> Partner
<b>MEMBERSHIP NO. 72332</b>	<b>MEMBERSHIP NO. 14081</b>		<b>MEMBERSHIP NO. 48725</b>

Mumbai : 26th August, 2003.



**Schedules to Marine Insurance Revenue Account**

Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

<b>Particulars</b>	<b>Current Year (Rs'000)</b>	<b>Previous Year (Rs'000)</b>
<b>SCHEDULE 1</b>		
<b>PREMIUM EARNED (NET)</b>		
Premium from Direct Business- In India	<b>344,39,91</b>	339,30,13
- Outside India	<b>34,20,50</b>	23,42,38
- Total	<b>378,60,41</b>	362,72,51
Add: Premium on Reinsurance Accepted	<b>18,50,85</b>	25,30,88
Less: Premium on Reinsurance Ceded	<b>196,67,97</b>	177,94,27
Net Premium	<b>200,43,29</b>	210,09,12
Adjustment for Change in Reserve for Un-Expired Risks	<b>-9,65,83</b>	21,96,70
<b>Total Premium Earned (Net)</b>	<b>210,09,12</b>	188,12,42
 <b>SCHEDULE 2</b>		
<b>CLAIMS INCURRED (NET)</b>		
Claims Paid Direct	<b>153,48,05</b>	327,15,65
Add: Claims on Reinsurance Accepted	<b>17,45,69</b>	22,60,78
Less: Claims on Reinsurance Ceded	<b>105,59,29</b>	222,25,38
Net Claims Paid	<b>65,34,45</b>	127,51,05
Add: Claims Outstanding at End (Net)	<b>219,50,09</b>	167,94,00
Less : Claims Outstanding at Beginning (Net)	<b>167,94,00</b>	164,11,51
<b>Total Incurred Claims (Net)</b>	<b>116,90,54</b>	131,33,54
 <b>SCHEDULE 3</b>		
<b>COMMISSION (Net)</b>		
Direct	<b>12,83,26</b>	10,01,42
Add : Reinsurance Accepted	<b>4,13,04</b>	5,60,89
Less : Reinsurance Ceded	<b>27,36,67</b>	25,96,52
<b>Net Commission</b>	<b>-10,40,37</b>	-10,34,21



**Miscellaneous Insurance Revenue Account for the Year ended 31st March,2003**

Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

<b>Particulars</b>	<b>Schedule</b>	<b>Current Year (Rs'000)</b>	<b>Previous Year (Rs'000)</b>
1. Premium Earned (Net)	1	<b>2296,79,52</b>	1991,51,09
2. Profit on Sale or Redemption of Investments (PolicyHolders)	-	<b>75,64,49</b>	25,21,00
3. Interest Dividend and Rent (Gross) (PolicyHolders)	-	<b>339,08,51</b>	358,34,46
<b>Total (A)</b>		<b>2711,52,52</b>	2375,06,55
1. Claims Incurred (Net)	2	<b>2115,23,19</b>	2052,03,56
2. Commission	3	<b>170,12,83</b>	81,66,61
3. Operating Expenses Related to Insurance Business	4	<b>591,78,79</b>	489,01,61
4. Others - Foreign Taxes		<b>3,23,18</b>	2,61,43
Amortisation, Write-off, Provisions - Investments (PolicyHolders)		<b>55,97,78</b>	47,04,58
<b>Total(B)</b>		<b>2936,35,77</b>	2672,37,79
Operating Profit/Loss(-) C=(A-B)		<b>-224,83,25</b>	-297,31,24
Appropriations			
Transfer to Share Holders Account.(Profit and Loss Account)	-	<b>-224,83,25</b>	-297,31,24
Transfer to Catastrophic Reserves	-	-	-
Transfer to Other Reserves	-	-	-
<b>Total</b>		<b>-224,83,25</b>	-297,31,24

Significant Accounting Policies and Notes to Accounts form integral part of the Revenue Account

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of accounts, 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.

<b>A R Sekar</b> Company Secretary	<b>V Leeladhar</b> Director	<b>Nitin Doshi</b> Director	<b>R Beri</b> Chairman-cum-Managing Director
As per our report of even date			
For <b>P.S.D. &amp; Associates</b> <i>Chartered Accountants</i> <b>Prakash Sharma</b> Partner	For <b>Vyas &amp; Vyas</b> <i>Chartered Accountants</i> <b>O P Vyas</b> Partner		For <b>Khandelwal Jain &amp; Co.</b> <i>Chartered Accountants</i> <b>Narendra Jain</b> Partner
<b>MEMBERSHIP NO. 72332</b>	<b>MEMBERSHIP NO. 14081</b>		<b>MEMBERSHIP NO. 48725</b>

Mumbai : 26th August, 2003.





**Schedules to Miscellaneous Insurance Revenue Account**

Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

<b>Particulars</b>	<b>Current Year (Rs'000)</b>	<b>Previous Year (Rs'000)</b>
<b>SCHEDULE 1</b>		
<b>PREMIUM EARNED (NET)</b>		
Premium from Direct Business- In India	<b>2709,38,58</b>	2313,14,36
- Outside India	<b>552,94,05</b>	415,49,99
- Total	<b>3262,32,63</b>	2728,64,35
Add: Premium on Reinsurance Accepted	<b>49,31,02</b>	41,46,42
Less: Premium on Reinsurance Ceded	<b>817,34,41</b>	670,80,97
Net Premium	<b>2494,29,24</b>	2099,29,80
Adjustment for Change in Reserve for Un-Expired Risks	<b>197,49,72</b>	107,78,71
<b>Total Premium Earned (Net)</b>	<b>2296,79,52</b>	1991,51,09
 <b>SCHEDULE 2</b>		
<b>CLAIMS INCURRED (NET)</b>		
Claims Paid Direct	<b>2173,03,55</b>	2104,59,86
Add: Claims on Reinsurance Accepted	<b>42,55,46</b>	34,00,00
Less: Claims on Reinsurance Ceded	<b>470,58,27</b>	480,13,12
Net Claims Paid	<b>1745,00,74</b>	1658,46,74
Add: Claims Outstanding at End (Net)	<b>3186,57,45</b>	2816,35,00
Less : Claims Outstanding at Beginning (Net)	<b>2816,35,00</b>	2422,78,18
<b>Total Incurred Claims (Net)</b>	<b>2115,23,19</b>	2052,03,56
 <b>SCHEDULE 3</b>		
<b>COMMISSION (Net)</b>		
Direct	<b>315,28,87</b>	218,57,99
Add : Reinsurance Accepted	<b>10,94,64</b>	9,88,61
Less : Reinsurance Ceded	<b>156,10,68</b>	146,79,99
Net Commission	<b>170,12,83</b>	81,66,61



**Profit and Loss Account for the Year Ended 31st March, 2003**

Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

<b>Particulars</b>	<b>Schedule</b>	<b>Current Year (Rs'000)</b>	<b>Previous Year (Rs'000)</b>
1. Operating Profit/Loss(-)			
a) Fire Insurance	-	<b>115,37,91</b>	157,94,69
b) Marine Insurance	-	<b>85,36,72</b>	50,89,12
c) Miscellaneous Insurance	-	<b>-224,83,25</b>	-297,31,24
2. Income from Investments			
a. Interest Dividend and Rent (Gross) (Share Holders)		<b>279,74,55</b>	326,69,26
b. Profit on Sale of Investment (Share Holders)	-	<b>62,40,71</b>	22,98,32
Less: Loss(-) on Sale of Investment (Share Holders)	-	-	-
3. Other Income-Misc. Receipts, Credit balances written back		<b>21,89,96</b>	9,15,99
Total (A)=1+2+3		<b>339,96,60</b>	270,36,14
4. Provisions(Other Than Taxation)			
a. For Diminution in Value of Investments (Share Holders)	-	<b>16,18,39</b>	21,14,21
b. For Doubtful Debts-Investments (Share Holders)	-	<b>23,63,03</b>	15,95,85
c. Others-Amortisation, Provision for Thinly Traded Shares (Share Holders)	-	<b>6,36,74</b>	5,78,97
5. Other Expenses			
a. Expenses other than those related to Insurance Business	-	-	-
b. Bad debts writtten off	-	-	-
c. Others-Interest on Income / Service Tax	-	<b>-19,04,74</b>	19,25,20
d. Profit/Loss(-) on Sale of Assets		<b>91</b>	1,82
Total (B)=(4+5)		<b>27,14,33</b>	62,16,05
Profit Before Tax (A-B)	-	<b>312,82,27</b>	208,20,09
Provision for Taxation - Current Tax	-	<b>105,88,00</b>	66,19,85
Deferred Tax		<b>-17,57,68</b>	-
Earlier Years Tax		<b>-31,29,11</b>	-
Profit After Tax		<b>255,81,06</b>	142,00,24
Appropriations			
a. Interim Dividend Paid During the Year	-	-	-
b. Proposed Final Dividend	-	<b>40,00,00</b>	20,00,00
c. Dividend Distribution Tax	-	<b>5,12,50</b>	-
d. Transfer to Reserves or Other Accounts	-	-	-
e. Transfer to General Reserves		<b>210,68,56</b>	122,00,24
Balance brought forward from the Previous year	-	-	-
Profit/Loss(-) Carried forward to the Balance Sheet	-	-	-
Basic and Diluted Earnings per Share (Rupees) (Refer Note 11(b))		<b>25.58</b>	14.20

Significant Accounting Policies and Notes to Accounts form integral part of the Profit & Loss Account

<b>A R Sekar</b> Company Secretary	<b>V Leeladhar</b> Director	<b>Nitin Doshi</b> Director	<b>R Beri</b> Chairman-cum-Managing Director
As per our report of even date			
For <b>P.S.D. &amp; Associates</b> <i>Chartered Accountants</i> <b>Prakash Sharma</b> Partner	For <b>Vyas &amp; Vyas</b> <i>Chartered Accountants</i> <b>O P Vyas</b> Partner	For <b>Khandelwal Jain &amp; Co.</b> <i>Chartered Accountants</i> <b>Narendra Jain</b> Partner	
<b>MEMBERSHIP NO. 72332</b>	<b>MEMBERSHIP NO. 14081</b>	<b>MEMBERSHIP NO. 48725</b>	

Mumbai : 26th August, 2003.



**Balance Sheet as at 31st March, 2003**

Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

<b>Particulars</b>	<b>Schedule</b>	<b>Current Year (Rs'000)</b>	<b>Previous Year (Rs'000)</b>
<b>A. Sources of Funds</b>			
1. Share Capital	5 & 5A	<b>100,00,00</b>	100,00,00
2. Reserves and Surplus	6	<b>3304,05,83</b>	3089,45,26
3. Fair Value Change Account	-	<b>2301,75,93</b>	2730,46,45
4. Borrowings	7	-	-
<b>Total A</b>		<b>5705,81,76</b>	5919,91,71
<b>B. Application of Funds</b>			
1. Investments	8	<b>8848,37,34</b>	8692,56,24
2. Loans	9	<b>967,32,50</b>	1013,44,11
3. Fixed Assets	10	<b>109,25,28</b>	107,26,66
4. Deferred Tax Assets	-	<b>21,49,69</b>	-
5. Current Assets			
a. Cash and Bank Balances	11	<b>1587,46,42</b>	1152,86,14
b. Advances and Other Assets	12	<b>1427,03,35</b>	1270,02,02
Sub Total(a+b)		<b>3014,49,77</b>	2422,88,16
c. Current Liabilities	13	<b>5058,08,93</b>	4483,03,03
d. Provisions	14	<b>2220,83,89</b>	1833,20,43
Sub Total(c+d)		<b>7278,92,82</b>	6316,23,46
Net Current Assets (a+b-c-d)		<b>-4264,43,05</b>	-3893,35,30
6. Miscellaneous Expenditure (to the extent not, writtenoff or adjusted)	15	<b>23,80,00</b>	-
7. Debit Balance in Profit and Loss Account	-	-	-
<b>Total B</b>		<b>5705,81,76</b>	5919,91,71

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

<b>A R Sekar</b> Company Secretary	<b>V Leeladhar</b> Director	<b>Nitin Doshi</b> Director	<b>R Beri</b> Chairman-cum-Managing Director
As per our report of even date			
For <b>P.S.D. &amp; Associates</b> <i>Chartered Accountants</i> <b>Prakash Sharma</b> Partner	For <b>Vyas &amp; Vyas</b> <i>Chartered Accountants</i> <b>O P Vyas</b> Partner		For <b>Khandelwal Jain &amp; Co.</b> <i>Chartered Accountants</i> <b>Narendra Jain</b> Partner
<b>MEMBERSHIP NO. 72332</b>	<b>MEMBERSHIP NO. 14081</b>		<b>MEMBERSHIP NO. 48725</b>

Mumbai : 26th August, 2003.



Registration Number : 90

Date of Registration with IRDA : 2nd April, 2001.

Particulars	Current Year (Rs'000)	Previous Year (Rs'000)
<b>SCHEDULE - 4</b>		
<b>OPERATING EXPENSES RELATED TO INSURANCE BUSINESS</b>		
1. Employees Remuneration and Welfare Benefits	590,39,79	510,82,60
2. Travel Conveyance and Vehicle Running Expenses	29,91,45	28,31,29
3. Training Expenses	3,37,45	2,67,28
4. Rent Rates and Taxes	34,90,26	33,77,86
5. Repairs	34,16,33	25,72,15
6. Printing and Stationery	25,30,92	24,53,32
7. Communication Expenses	19,64,03	18,63,40
8. Legal and Professional Charges	31,24,10	32,58,17
9. Auditors fees and Expenses etc As Auditors	2,41,18	2,20,47
10. Advertisement and Publicity	9,14,23	12,15,22
11. Interest and Bank charges	6,08,71	5,83,26
12. Others - Exchange Gain (-) / Loss	-37,42,04	-24,27,73
Provision for Bad and Doubtful Debts	73,25,98	4,10,32
IT Implementation	6,12,10	14,54,63
Others	32,84,75	26,04,98
13. Depreciation	29,23,22	36,68,92
<b>Total</b>	<b>890,62,46</b>	<b>754,36,14</b>
Apportioned to		
Fire Business	245,61,38	213,96,96
Marine Business	53,22,29	51,37,57
Miscellaneous Business	591,78,79	489,01,61

**SCHEDULE - 5**

**SHARE CAPITAL**

1. Authorised Capital		
30,00,00,000 Equity Shares of Rs 10 Each	300,00,00	300,00,00
2. Issued Capital		
10,00,00,000 Equity Shares of Rs 10 Each	100,00,00	100,00,00
3. Subscribed Capital		
10,00,00,000 Equity Shares of Rs 10 Each	100,00,00	100,00,00
4. Called Up Capital		
10,00,00,000 Equity Shares of Rs 10 Each	100,00,00	100,00,00
5. Less : Calls Unpaid	-	-
Add : Equity Shares Forfeited- (Amount Original Paid Up)	-	-
Less : Preliminary Expenses (Expenses Including Commission or Brokerage on Underwriting or Subscription of Shares)	-	-
<b>Total</b>	<b>100,00,00</b>	<b>100,00,00</b>

**SCHEDULE - 5A**

**PATTERN OF SHARE HOLDINGS as certified by Management**

(Numbers in thousands)

Share Holder	Current Year		Previous Year	
	Numbers	% of Holding	Numbers	% of Holding
Promoters				
Indian	10,00,00	100	10,00,00	100
Foreign	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>10,00,00</b>	<b>100</b>	<b>10,00,00</b>	<b>100</b>



Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

Particulars	Current Year (Rs'000)	Previous Year (Rs'000)
<b>SCHEDULE - 6</b>		
<b>RESERVES AND SURPLUS</b>		
1. Capital Reserve (Op. Balance)	5,75	5,75
Addition during the year	-	-
Deduction during the year	-	-
(Cl.Balance)	5,75	5,75
2. Capital Redemption Reserve	-	-
3. Share Premium	-	-
4. General Reserves (Op Balance)	3088,28,19	2966,27,95
Add - Cumulative Dererred Tax Asset up to 1.4.2002	3,92,01	-
Addition during the year - Balance transferred from P & L Account	210,68,56	122,00,24
Deduction during the year	-	-
Less: debit balance in Profit and loss Account	-	-
Less: Amount utilised for Buy-back	-	-
(Cl. Balance)	3302,88,76	3088,28,19
5. Catastrophe Reserve	-	-
6. Other Reserves	-	-
Investment Reserves (Op. Balance)	1,11,32	1,11,32
Addition during the year	-	-
Deduction during the year	-	-
(Cl.Balance)	1,11,32	1,11,32
7. Balance of Profit in Profit and Loss Account	-	-
<b>Total</b>	<b>3304,05,83</b>	<b>3089,45,26</b>

## SCHEDULE - 7

### BORROWINGS

1. Debentures / Bonds	-	-
2. Banks	-	-
3. Financial Institutions	-	-
6. Others	-	-
<b>Total</b>	<b>Nil</b>	<b>Nil</b>



Registration Number : 90

Date of Registration with IRDA : 2nd April, 2001.

Particulars	Current Year (Rs'000)	Previous Year (Rs'000)
<b>SCHEDULE - 8</b>		
<b>INVESTMENTS</b>		
<b>Long Term Investments</b>		
1. Government Securities - Central Government Securities	<b>1953,08,67</b>	1548,41,07
State Government Securities	<b>547,77,74</b>	496,36,97
Government Guaranteed Securities	<b>262,55,80</b>	279,77,44
British Government Dominion Security	<b>63,45,18</b>	58,82,03
Foreign Government Security	<b>103,41,43</b>	48,18,62
2. Other Approved Securities		
3. Other Investments		
a. Shares		
aa. Equity	<b>3687,98,98</b>	3958,00,89
Equity Share Odd Lots	-	-
bb. Preference	-	-
Preference Shares	<b>40,95,81</b>	50,65,65
Preference Shares of Railways in India		
b. Mutual Funds	<b>266,28,16</b>	232,39,99
c. Derivative Instruments	-	-
d. Debenture/Bonds		
Debentures in India	<b>1289,88,25</b>	1328,36,10
Other Debentures Foreign	<b>115,56,52</b>	62,32,87
e. Other securities		
Foreign Shares	<b>6,53,32</b>	6,78,47
Foreign Preference Shares	<b>11</b>	11
Foreign Securities	-	30
Special Deposit with Govt. of India	<b>156,00,00</b>	275,00,00
f. Subsidiaries	<b>9,22,97</b>	9,22,97
g. Investment Properties (Real Estate)	-	-
4. Investment in Infrastructure and Social Sector	<b>95,52,36</b>	-
5. Other Than Approved Investments	-	-
<b>Total</b>	<b>8598,25,30</b>	8354,33,48



Registration Number : 90

Date of Registration with IRDA : 2nd April, 2001.

Particulars	Current Year (Rs'000)	Previous Year (Rs'000)
<b>SCHEDULE - 8 (Contd.)</b>		
<b>Short Term Investments</b>		
1. Government Securities - Central Government Securities	<b>7,68,00</b>	120,38,13
State Government Securities	<b>12,99,22</b>	4,99,70
Government Guaranteed Securities	<b>29,90,24</b>	14,57,98
British Government Dominion Security	<b>7,52,27</b>	14,43,73
Foreign Government Security	<b>7,73,63</b>	12,21,13
2. Other Approved Securities	-	-
3. Other Investments		
a. Shares		
aa. Equity	-	-
Equity Share Odd Lots	-	-
bb. Preference	-	-
b. Mutual Funds	-	-
c. Derivative Instruments	-	-
d. Debenture/Bonds		
Debentures in India	<b>65,28,68</b>	93,60,25
Other Debentures Foreign	-	7,01,84
e. Other securities		
Special Deposit With Govt. of India	<b>119,00,00</b>	71,00,00
f. Subsidiaries	-	-
g. Investment Properties (Real Estate)	-	-
4. Investment in Infrastructure and Social Sector		-
-		
5. Other Than Approved Investments	-	-
<b>Total</b>	<b>250,12,04</b>	338,22,76
<b>Grand Total</b>	<b>8848,37,34</b>	8692,56,24
<b>Investments</b>		
1. In India	<b>8534,91,92</b>	8473,54,17
2. Outside India	<b>313,45,42</b>	219,02,07

(Debentures includes Rs. 916609213.14 considered doubtful and reserved per Sch 14.5)

(Investment in Associates amounting to Rs1151612/- ( Pre. Yr. Rs. 1151612/-) are included in equity shares stated above)



Registration Number : 90

Date of Registration with IRDA : 2nd April, 2001.

Particulars	Current Year (Rs'000)	Previous Year (Rs'000)
<b>SCHEDULE - 9</b>		
<b>LOANS</b>		
<b>1. Security-wise classification</b>		
Secured		
a. On Mortgage of Property		
aa. In India		
Loan Against Mortgage of Property		
Housing, Vehicle, and Computer Loans to Employees	311,07,82	312,49,57
Term Loans Direct, Term Loans PFPS and Loan to HUDCO	366,56,53	407,49,91
bb. Outside India Housing Loan to Employees	1,04,50	74,77
b. On Shares, Bonds, Government Securities	-	-
c. Others	62	-
Loans Guaranteed By Banks/Governments		
Term Loans Direct, Loans to State Govt Housing, Loans to State Govt FF	257,30,20	255,75,42
Loans GIC HF	-	-
Unsecured (Term Loans, Bridge Loans, Short Term Loans, Certificate of Deposit, Commercial Paper)	31,32,83	36,94,44
<b>Total</b>	<b>967,32,50</b>	<b>1013,44,11</b>
<b>2. Borrower-wise Classification</b>		
a. Central and State Governments (Term Loans, Housing and FF)	421,33,13	250,27,69
b. Banks and Financial Institutions	-	-
c. Subsidiaries	-	-
d. Industrial Undertakings(Term Loans, Bridge Loans, Short Term Loans, Loans to PFPS)	227,90,15	247,07,61
e. Others-Housing Loans, Vehicle Loans, Computer Loans to Employees	312,12,32	313,24,33
GIC Housing Finance, HUDCO, Term Loans to PFPS	6,00	193,86,26
Commercial Paper	5,90,28	8,98,22
Others	62	-
<b>Total</b>	<b>967,32,50</b>	<b>101,34,411</b>
<b>3. Performance-wise Classification</b>		
a. Loans classified as standard		
aa. In India Term Loans, Bridge Loans, State Govt. Housing and FF, Loans to HUDCO, PFPS	437,17,60	529,59,88
Housing, Vehicle and Computer Loans to Employees	311,07,82	312,49,57
Placement under Certificate of Deposit	62	-
Commercial Papers	5,90,28	8,98,22
bb. Outside India (Loans to Employees)	1,04,50	74,77
b. Non Performing Loans less provisions		
aa. In India (Term Loans, Bridge Loans, short Term Loans, Loans PFPS)	212,11,68	161,61,67
bb. Outside India	-	-
<b>Total</b>	<b>967,32,50</b>	<b>1013,44,11</b>
<b>4. Maturity-wise Classifications</b>		
a. Short Term(Term Loans, Direct Bridge Loans, Short Term Loans, Term Loans PFPS Commercial Paper)	7,65,79	60,11,97
Placement under Certificate of Deposit	62	-
b. Long Term (Term Loans Direct, Loans State Govt. Housing and FF, Loans to HUDCO and Loans PFPS)	647,53,77	640,07,81
Housing, Vehicle, and Computer Loans to Employees.	312,12,32	313,24,33
<b>Total</b>	<b>967,32,50</b>	<b>1013,44,11</b>

(Direct Term Loans includes Rs 63637514.08 considered doubtful and reserved per Sch 14.5)  
 (Commercial paper includes Rs 147571.2 considered doubtful and reserved per Sch 14.5)  
 (Bridge loans include Rs 670000 considered doubtful and reserved per Sch 14.5)  
 (Term Loans PFPS includes Rs 1020010720.87 considered doubtful and reserved per Sch 14.5)  
 (Short term loans includes Rs 104759465 considered doubtful and reserved per Sch 14.5)



Date of Registration : 2nd April, 2001.

 Registration Number : 90  
**SCHEDULE - 10**
**FIXED ASSETS SCHEDULE AS ON 31st MARCH, 2003**

Particulars	COST / GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Opening As on 1/4/02	Additions	Deletions	Closing As on 31/3/03	Opening As on 1/4/02	Additions	Deletions	Closing As on 31/3/03	Opening As on 1/4/02	Closing As on 31/3/03
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-
Land Freehold	1,32,81	-	-	1,32,81	-	-	-	-	1,32,81	1,32,81
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	104,71,06	4,49,76	-	109,20,82	38,83,34	4,98,96	-	43,82,30	65,87,72	65,38,52
Furniture and Fittings	31,96,90	1,34,77	3,60	33,28,07	26,05,05	1,63,02	13,27	27,54,80	5,91,85	5,73,27
Information and Technology Eqpt.	92,39,19	15,26,18	2,15,65	105,49,72	69,90,39	19,25,33	1,28,34	87,87,38	22,48,80	17,62,34
Vehicles	7,18,22	11,93,49	66,38	18,45,33	4,15,90	2,46,30	58,41	6,03,79	3,02,32	12,41,54
Office Equipments	10,61,07	13,86	17,65	10,57,28	8,83,21	53,44	41,87	8,94,78	1,77,86	1,62,50
<u>Others:</u>										
Air Conditioners	5,82,62	61,07	7,27	6,36,42	3,46,51	96,04	17,87	4,24,68	2,36,11	2,11,74
Air Coolers	1,13,68	3,96	1,32	1,16,32	63,46	23,02	1,59	84,89	50,22	31,43
Water coolers	1,66,63	10,14	2,35	1,74,42	92,53	34,28	4,14	1,22,67	74,10	51,75
Television	4,87	1,22	-	6,09	2,59	79	-	3,38	2,28	2,71
Fans Heaters and Other Ele.eqp.	8,81,70	82,94	45,46	9,19,18	5,90,16	1,67,55	26,35	7,31,36	2,91,54	1,87,82
Electrical Fittings at Co's Office Property	38,15	3,32	24	41,23	24,65	5,40	2,09	27,96	13,50	13,27
A/C Plant at H O	34,56	-	-	34,56	31,16	51	-	31,67	3,40	2,89
Lifts	2,42	-	-	2,42	2,42	-	-	2,42	-	-
A/C at Company's Property	15,68	22	-	15,90	15,67	3	-	15,70	1	20
Lifts at Company's Property	39,24	-	-	39,24	27,60	1,75	-	29,35	11,64	9,89
Electrical Installations at Co's Property	24,40	81	-	25,21	21,90	74	3	22,61	2,50	2,60
<b>Total</b>	<b>267,23,20</b>	<b>34,81,74</b>	<b>3,59,92</b>	<b>298,45,02</b>	<b>159,96,54</b>	<b>32,17,16</b>	<b>2,93,96</b>	<b>189,19,74</b>	<b>107,26,66</b>	<b>109,25,28</b>
Work in Progress	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>267,23,20</b>	<b>34,81,74</b>	<b>3,59,92</b>	<b>298,45,02</b>	<b>159,96,54</b>	<b>32,17,16</b>	<b>2,93,96</b>	<b>189,19,74</b>	<b>107,26,66</b>	<b>109,25,28</b>
Previous Year	203,43,60	69,29,93	5,50,33	267,23,20	125,58,67	38,34,92	3,97,05	159,96,54	77,84,93	107,26,66



Registration Number : 90

Date of Registration with IRDA : 2nd April,2001.

Particulars	Current Year (Rs'000)	Previous Year (Rs'000)	
<b>SCHEDULE - 11</b>			
<b>CASH AND BANK BALANCES</b>			
1. Cash( Including Cheques ,Drafts and Stamps) (Includes Remittance in Transit Rupees 28147887.50) (Foreign Balances Include Rupees 20720000 considered doubtful and reserved per Sch. 14.5)	<b>64,76,05</b>	60,48,95	
2. Bank Balances			
a. Deposit Accounts			
aa. Short Term(Due within 12 Months)	<b>507,46,30</b>	495,02,39	
bb. Others	<b>704,90,15</b>	389,39,96	
b. Current Accounts (Foreign Balances Include Rupees 5438885 considered doubtful and reserved per Sch. 14.5)	<b>205,24,30</b>	122,04,28	
c. Others	-	-	
3. Money at Call and Short Notice			
With Banks	<b>51,08,96</b>	37,90,56	
With Other Institutions	<b>54,00,66</b>	48,00,00	
4. Others			
<b>Total</b>	<b>1587,46,42</b>	1152,86,14	
CASH AND BANK BALANCES	IN INDIA	<b>685,85,59</b>	608,29,38
CASH AND BANK BALANCES	OUTSIDE INDIA	<b>901,60,83</b>	544,56,76
<b>TOTAL</b>		<b>1587,46,42</b>	1152,86,14



Registration Number : 90

Date of Registration with IRDA : 2nd April, 2001.

Particulars	Current Year (Rs'000)	Previous Year (Rs'000)
<b>SCHEDULE - 12</b>		
<b>ADVANCES AND OTHER ASSETS</b>		
<b>ADVANCES</b>		
1. Reserve Deposits with Ceding Companies <i>(Includes Rupees 93984377 (RI) considered doubtful and reserved per Sch. 14.5)</i>	<b>39,76,50</b>	41,68,54
2. Application Money for Investments	<b>6,00,00</b>	31,80,00
3. Pre-payments	<b>16,02,74</b>	2,68,38
4. Advances to Directors / Officers	-	-
5. Advance Tax Paid and Taxes Deducted at Source (Net of Provision for Taxation)	<b>191,63,32</b>	159,00,98
6. Others	<b>21,27,57</b>	16,13,97
<b>Total (A)</b>	<b>274,70,13</b>	251,31,87
<b>OTHER ASSETS</b>		
1. Income Accrued on Investments <i>(Includes Rupees 11605530 considered doubtful and reserved per Sch. 14.5)</i>	<b>198,03,25</b>	194,16,07
2. Outstanding Premiums	<b>6,61,53</b>	17,23,25
3. Agents Balances <i>(Foreign Balances Include Rupees 21834741 considered doubtful and reserved per Sch. 14.5)</i>	<b>59,56,11</b>	55,56,12
4. Foreign Agencies Balances <i>(Foreign Balances Include Rupees 16285869 considered doubtful and reserved per Sch. 14.5)</i>	<b>84,96,39</b>	65,15,27
5. Due from other Entities Carrying Insurance Business (Including Reinsurers) <i>(Reinsurers Balances Include Rupees 670107565 considered doubtful and reserved per Sch. 14.5)</i>	<b>705,55,89</b>	559,96,61
6. Due from Subsidiaries/Holding Companies <i>(Includes Rupees 537744 considered doubtful and reserved per Sch. 14.5)</i>	<b>5,38</b>	5,60
7. Deposit with Reserve Bank of India Pursuant to section 7 of Insurance Act 1938	<b>10,75,17</b>	10,75,17
8. Others <i>(Foreign Balances Include Rupees 3009550 considered doubtful and reserved per Sch. 14.5)</i> <i>(Sundry Debtors(Investment)Include Rupees 66240562.60 considered doubtful and reserved per Sch. 14.5)</i> <i>(Misc. Debtors include Rupees 699481.75 considered doubtful and reserved per Sch. 14.5)</i> <i>(Includes Rupees 19761600 considered doubtful and reserved per Sch. 14.5)</i>	<b>86,79,50</b>	115,82,06
<b>Total (B)</b>	<b>1152,33,22</b>	1018,70,15
<b>TOTAL(A+B)</b>	<b>1427,03,35</b>	1270,02,02



Registration Number : 90

Date of Registration with IRDA : 2nd April, 2001.

Particulars	Current Year (Rs'000)	Previous Year (Rs'000)
<b>SCHEDULE - 13</b>		
<b>CURRENT LIABILITIES</b>		
1. Agents Balances	28,39,36	20,01,96
2. Balances Due to Other Insurance Companies	602,85,92	528,53,96
3. Deposits Held on Reinsurance Ceded	9,00,28	9,45,90
4. Premium Received in Advance	115,04,90	169,47,89
5. Un-allocated Premium	-	-
6. Sundry Creditors	284,77,52	248,17,08
7. Due to Subsidiaries / Holding Company	-	-
8. Claims Outstanding <i>(Includes Rupees 1123350 (RI) considered doubtful and reserved per Sch. 14.5)</i>	3929,08,10	3384,38,00
9. Due to Officers/Directors	-	-
10. Others	88,92,85	122,98,24
<b>Total</b>	<b>5058,08,93</b>	<b>4483,03,03</b>

## SCHEDULE - 14

### PROVISIONS

1. Reserve for Un-Expired Risks	1858,42,99	1639,16,20
2. For Taxation less Advance Tax Paid and TDS	-	-
3. For Proposed Dividend	40,00,00	20,00,00
4. For Dividend Distribution Tax	5,12,50	-
5. Others - Reserve for Bad and Doubtful debts.	303,71,84	168,42,24
Provision for Diminution in Value of Thinly Traded Shares	13,56,56	5,61,99
<b>Total</b>	<b>2220,83,89</b>	<b>1833,20,43</b>

## SCHEDULE - 15

### MISCELLANEOUS EXPENDITURE

1. Discount Allowed in Issue of Shares and Debentures	-	-
2. Others - Ex - Gratia VRS (Deferred Expenses not adjusted during the year)	23,80,00	-
<b>Total</b>	<b>23,80,00</b>	<b>Nil</b>

## SEGMENT REPORTING SCHEDULE UNDER INSURANCE REGULATORY & DEVELOPMENT AUTHORITY REGULATIONS - BUSINESS CLASS WISE SEGMENTATION FOR THE YEAR ENDED 31-03-2003

Rupees in Thousands

Department / Class of Business	Year	Premium (Net)	Reserves for un-expired Risks at Year Beginning	Reserves for un-expired Risks at Year End	Premium Earned (Net)	Profit on Realisation of Investments (Policyholders)	Foreign Taxes	Interest Dividend and Rent (Policyholders)	Claims Paid (Net)	Outstanding Claims at the Year End (Net)	Outstanding Claims at the Year Beginning (Net)	Claims Incurred (Net)	Commission (Net)	Operating Expenses Relating to Insurance Business	Investment Provisions (Policyholders)	Revenue A/c Result
Fire	2002-2003	8217015	3794218	4108508	7902725	152525	8318	683706	3444557	5230056	4000900	4673713	334127	2456138	112869	1153791
	2001-2002	7588435	2998187	3794218	6792404	55064	5538	782691	4067616	4000900	4350819	3717697	85002	2139696	102757	1579469
Marine Cargo	2002-2003	1620926	1752286	1620926	1752286	55432	648	248482	825674	947177	1080721	692130	-15370	307656	41021	1030115
	2001-2002	1752286	1648962	1752286	1648962	20262	705	288016	1012461	1080721	1055338	1037844	-36424	311936	37813	605366
Marine Hull	2002-2003	383403	348626	383403	348626	18536	147	83088	-172229	1247832	598679	476924	-88667	224573	13716	-176443
	2001-2002	348626	232280	348626	232280	6130	220	87129	262644	598679	585813	275510	-66997	201821	11439	-96454
Marine Total	2002-2003	2004329	2100912	2004329	2100912	73968	795	331570	653445	2195009	1679400	1169054	-104037	532229	54737	853672
	2001-2002	2100912	1881242	2100912	1881242	26392	925	375145	1275105	1679400	1641151	1313354	-103421	513757	49252	508912
Motor	2002-2003	14949877	5951624	7474939	13426562	579148	17113	2596083	11121312	25240210	23646992	12714530	996710	3311994	428573	-867129
	2001-2002	11903249	5486694	5951624	11438319	193751	15112	2754047	10872576	23646992	20372179	14147389	538299	2572822	361569	-3249074
Workmen's Compensation	2002-2003	1771906	597711	885953	1483664	24284	9802	108857	340291	1830490	643400	1527381	462870	366088	17971	-767307
	2001-2002	1195422	320861	597711	918572	4289	6360	60968	245942	643400	251590	637752	266817	229095	8004	-164199
Personal Accident	2002-2003	678368	298427	339184	637611	10491	690	47027	366810	330677	237741	459746	25980	151207	7763	49743
	2001-2002	596854	276314	298427	574741	3934	366	55920	388952	237741	248741	377952	2525	140046	7342	106364
Aviation	2002-2003	44779	53617	22389	76007	4402	-4	19732	127443	154223	171356	110310	-60069	236394	3258	-189747
	2001-2002	107235	32170	53617	85788	1295	129	18415	101119	171356	140734	131741	-49389	159071	2418	-138472
Engineering	2002-2003	1074493	395755	537246	933002	18852	667	84507	546231	531165	567732	509664	-118631	334861	13951	2955849
	2001-2002	791509	454409	395755	850163	9024	481	128269	459201	567732	749960	276973	-234284	325625	16840	601821
Health	2002-2003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2001-2002	2002-2003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2001-2002	2002-2003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2001-2002	2002-2003	6423501	3199356	3211751	6411106	119272	4050	534645	4947987	3778980	2896279	5830688	394423	1517335	88262	-769734
2001-2002	2001-2002	6398711	2848171	3199356	6047526	39807	3695	565827	4516884	2896279	2464614	4948549	292693	1463502	74285	-129564
Total of Miscellaneous	2002-2003	24942924	10496490	12471462	22967952	756449	32318	3390851	17450074	31865745	28163500	21152319	1701283	5917879	559778	-2248325
	2001-2002	20992980	9418619	10496490	19915109	252100	26143	3683446	16584674	28163500	24227818	20520356	816661	4890161	470458	-2973124

\* Includes Health and Public/Product Liability Class of Business

**SEGMENT REPORTING SCHEDULE UNDER INSURANCE REGULATORY & DEVELOPMENT AUTHORITY REGULATIONS -  
GEOGRAPHICAL SEGMENTATION FOR THE YEAR ENDED 31st MARCH, 2003**

Rupees In Thousands

DESCRIPTION	INDIAN		FOREIGN		TOTAL	
	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002
Premium (Gross)	39212437	35123353	8915471	6857297	48127908	41980650
Premium (Accepted)	1239538	693200	1464557	1028208	2704095	1721408
Premium (Ceded)	13861812	11809713	1805923	1210018	15667735	13019731
Premium (Net)	26590163	24006840	8574105	6675487	35164268	30682327
Reserve for Un-expired Risk at the end	14128763	12889559	4455536	3502061	18584299	16391620
Reserve for Un-expired Risk at beginning	12889559	11683807	3502061	2614241	16391620	14298048
Premium Earned (Net)	25350959	22801088	7620630	5787667	32971589	28588755
Profit on Realisation of Investments	955670	327913	27272	5643	982942	333556
Foreign Taxes	0	0	41431	32606	41431	32606
Interest, Dividend and Rent	4193555	4597323	212572	143959	4406127	4741282
Paid Claims (Net)	17346324	18372445	4201752	3554950	21548076	21927395
O/S Claims at the end (Net)	31837323	29583730	7453487	4260070	39290810	33843800
O/S Claims at the beginning (Net)	29583730	27093971	4260070	3125817	33843800	30219788
Incurred Claims (Net)	19599917	20862204	7395169	4689203	26995086	25551407
Commission (Net)	-373905	-1008185	2305278	1806427	1931373	798242
Operating Expenses Relating to Insurance Business	7710852	6996345	1195394	547269	8906246	7543614
Investment Provisions	710444	618508	16940	3959	727384	622467
Revenue Account Result	2852876	257452	-3093738	-1142195	-240862	-884743



**RECEIPTS AND PAYMENT ACCOUNT/(CASH FLOW STATEMENT) FOR THE PERIOD 01-04-2002 to 31-03-2003**

Description	Current Year (Rs'000)	Previous Year (Rs'000)
<b>Net Profit Appropriated to General Reserves</b>	<b>210,68,56</b>	122,00,24
<b>Add Back Financing Items</b>		
Dividend and Dividend Tax	45,12,50	
<b>Add Back Taxation Provisions</b>	<b>57,01,21</b>	
Adjustments for Deferred Tax	-17,57,68	
<b>Add Back Investment Items</b>		
Investment Income	-720,35,83	
Profit on Realisation of Investments	-160,70,13	
Provisions for Investment	75,17,55	
Write-off of Investments	43,74,46	
Loss on Sale of Assets	91	
<b>Add Back Non Cash Operating Items</b>		
Depreciation	29,23,21	
Provisions for - Outstanding Claims	544,70,10	
- Expenses adjusted for Deferred Expenditure	55,36,99	
- Un-expired Risks Reserves	219,26,79	
- Bad and Doubtful Debts	73,25,98	
- Balances Written Back	16,10,02	
	<b>260,36,08</b>	
Adjustment for Increase in working capital	5155,69,62	172,09,59
Tax Paid	-72,05,87	-169,93,76
<b>Net Generation of Funds from Operations</b>	<b>5554,68,39</b>	91,03,14
<b>Investment Activities</b>		
Net Addition to Assets	-31,22,74	-66,42,57
Net Additions to Investments	-5831,45,63	-861,10,23
Net Reductions in Loans	46,11,61	66,53,14
Investment Income received	716,48,65	790,17,02
<b>Net Generation / Utilisation of funds From Investing Activities</b>	<b>-5100,08,11</b>	-70,82,64
<b>Financing Activities</b>		
Dividend Paid	20,00,00	-22,04,00
<b>Net Utilisation of Funds for Financing Activities</b>	<b>-20,00,00</b>	-22,04,00
Total Funds Generated during the year	<b>434,60,28</b>	-1,83,50
Cash and Bank Balances at the beginning of the year 01-04-2002	<b>1152,86,14</b>	
Cash and Bank Balances at the end of the year 31-03-2003	<b>1587,46,42</b>	434,60,28

Significant Accounting Policies and Notes to Accounts form integral part of the Receipts and Payments Account (Cash Flow Statement)

<b>A R Sekar</b> Company Secretary	<b>V Leeladhar</b> Director	<b>Nitin Doshi</b> Director	<b>R Beri</b> Chairman-cum-Managing Director
As per our report of even date			
For <b>P.S.D. &amp; Associates</b> <i>Chartered Accountants</i> <b>Prakash Sharma</b> Partner	For <b>Vyas &amp; Vyas</b> <i>Chartered Accountants</i> <b>O P Vyas</b> Partner		For <b>Khandelwal Jain &amp; Co.</b> <i>Chartered Accountants</i> <b>Narendra Jain</b> Partner
MEMBERSHIP NO. 72332	MEMBERSHIP NO. 14081		MEMBERSHIP NO. 48725

Mumbai : 26th August, 2003.



**SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING  
PART OF FINANCIAL STATEMENTS AS ON 31st MARCH, 2003**

**SIGNIFICANT ACCOUNTING POLICIES**

**I ACCOUNTING CONVENTION:**

The Financial Statements are drawn up in accordance with the provisions of section 11 (1) of the Insurance Act, 1938, regulations framed under Insurance Regulatory and Development Authority Act, 1999, read with the provisions of sub-sections (1), (2) and (5) of section 211, sub-section (5) of section 227 of the Companies Act, 1956. The said statements prepared on the historical cost convention and on accrual basis, comply with accounting standards referred in section 211 (3C) of the Companies Act, 1956 to the extent applicable, and conform to practices prevailing in the general insurance industry except as otherwise stated.

**II BASIS OF INCORPORATION:**

**A Reinsurance Accepted :**

Reinsurance returns have been incorporated for the advices received as of different dates of subsequent year except in case of foreign insurance companies where returns received up 31<sup>st</sup> March are incorporated.

**B Reinsurance Ceded:**

Reinsurance cessions are accounted for on the basis of actuals or estimates wherever actuals are not available.

**C Outstanding Claims:**

1. Estimated liability for outstanding claims at the year end are based on survey reports, information provided by clients and other sources, past experience and other applicable laws and includes:
  - i) in respect of direct business, claim intimations received upto the year end.
  - ii) in respect of reinsurance accepted, advices received as of different dates of subsequent year and
  - iii) provision for Claims Incurred but not Reported (IBNR) and provision for Claims Incurred But not Enough Reported (IBNER), as certified by Appointed Actuary.





2. All the outstanding claims for direct business are provided net of salvage (if any) .
3. In respect of Motor Third Party Claims where court summons have been served on the Company without adequate policy particulars to establish liability of the Company, provision is made as under:
  - i) 100% of the estimated liability, where such claims are outstanding for more than one year.
  - ii) 1/3<sup>rd</sup> of the estimated liability, for all such claims for which court summons have been served on the Company during the year.
4. Interest on Motor Accident Claims Tribunal claims is provided based on the prevailing trends in the Motor Third Party Claim Awards.

### III PREMIUM RECOGNITION

Premium income is recognized on assumption of risk.

### IV RESERVE FOR UN-EXPIRED RISK

Reserve for un-expired risk is made at 100% of net premium for Marine business and 50% of net premium for other classes of business.

### V FOREIGN CURRENCY TRANSACTIONS :

- (i) Revenue transactions of reinsurance in foreign currencies are converted at the average of buying and selling rates of exchange at last day of the previous quarter.
- (ii)
  - a) Revenue transactions, except depreciation, in Foreign Branches and Agencies are converted at the average exchange rate as on last day of the previous four quarters.
  - b) Depreciation on fixed assets held in foreign branches and agencies is provided on written down rupee value at the year end.
  - c) Provision for outstanding claims of foreign branches and agencies are converted at the average of buying and selling rate prevailing at the year end.
- (iii)
  - a) Foreign Investments transactions during the year are converted at the average of buying and selling exchange rates prevailing as on the last day of the month of purchase or sale.



- b) Fixed Assets acquired abroad during the year are converted at the average of buying and selling exchange rates prevailing on the last day of month of purchase.
  
- (iv) Other assets and liabilities in foreign currencies are converted at the average of buying and selling rates of exchange prevailing at the year end
  
- (v) The exchange gain/loss due to conversion of foreign currencies is taken to revenue.

## VI FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

## VII EXPENSES OF MANAGEMENT

### a) Depreciation:

- i) Depreciation on fixed assets is charged on written down value method at the rates prescribed in the schedule XIV of the Companies Act, 1956. However, where corresponding rates are higher under the Income Tax Rules, 1962, the same are adopted. In case of leasehold properties amortisation is made over the lease period.
  
- ii) Depreciation is provided at 50% of the applicable rates as above on additions made to fixed assets, which are put into use for less than six months. No depreciation is provided on assets sold/discarded/destroyed during the year.

### b) Retirement benefits of employees:

- i) Liability for gratuity, pension and leave encashment at the year end is accounted for based on actuarial valuation.
  
- ii) Ex-gratia payable on Voluntary Retirement Scheme to employees is amortised over five years

### c) Basis for apportionment of management expenses:

Expenses of management including provision for bad and doubtful debts and exchange gain/loss, are apportioned to the revenue accounts on the basis of gross direct premium plus reinsurances accepted giving



weightage of 75% for marine business and 100% each for fire and miscellaneous business.

#### **VIII BASIS FOR APPORTIONMENT OF INCOME FROM INVESTMENTS:**

Investment Income (net of expenses) is apportioned between Shareholders' Fund and Policyholders' Fund in proportion to the balance of these funds at the beginning of the year.

Investment Income (net of expenses) belonging to Policyholders is further apportioned to Fire, Marine and Miscellaneous Departments in proportion to respective Technical Reserves balance at the beginning of the year.

Shareholders' Funds for this purpose consist of Share Capital, General Reserves, Capital Reserves and Investment Reserves. Policyholders' Funds consist of Technical Reserves i.e. Un-expired Risk Reserves plus Outstanding Claims.

#### **IX SALVAGE/CLAIM RECOVERIES:**

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

#### **X LOANS AND INVESTMENTS**

- 1 Short Term Money Market Instruments such as Commercial Papers and Certificate of Deposit, are shown at their discounted value and the difference between the acquisition cost and the redemption value is apportioned on time basis and recognised as accrued income.
- 2 Contracts for purchase and sale of shares, bonds and debentures are accounted for as "Investments" as on date of transaction.
- 3 Brokerage, transfer stamps and transfer charges etc. on acquisition of investments are capitalised and included in the cost of investments.
- 4
  - a) Dividend is accounted for as income in the year of declaration. Dividend on shares/interest on debentures under objection/pending delivery is accounted for on realisation. Interim dividend is accounted where the warrants are dated 31<sup>st</sup> March or earlier.
  - b) Dividend on foreign investments is accounted for net of tax deducted at source.



- 5** Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except in respect of debentures/bonds where profit/loss is worked out individual scripwise.
- 6** The Company follows the Prudential Norms prescribed by the Reserve Bank of India as applicable to Term Lending Institutions as regards asset classification, recognition of income and provisioning for non-performing loans/advances.
- 7** Investment in Government Securities, Debt Securities and Redeemable Preference Shares are considered as held till maturity and valued at cost. However, in terms of Insurance Regulatory & Development Authority Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.
- 8**

  - a)** Investments in Mutual Fund/s/Venture Fund/s are valued at Net Asset Value (NAV) at the year end and the difference between cost/book value and Net Asset Value (NAV) is accounted in Fair Value Change Account. However, if there is impairment in value, the same is charged to revenue and the book value of investment is reduced accordingly. Any reversal of impairment loss earlier recognized, shall be taken to revenue to the extent of reduction in impairment recognized earlier.
  - b)** In case of non-availability of Net Asset Value (NAV) as at the Balance Sheet date, investment is shown at cost.
- 9**

  - a)** Investment Portfolio in respect of Equity/Equity related instruments is segregated into Actively Traded and Thinly Traded as prescribed by Insurance Regulatory & Development Authority Regulations. The shares are treated as Thinly Traded by taking into consideration transactions in the month of March on both National Stock Exchange and Bombay Stock Exchange.
  - b)** Actively Traded Equity/Equity related instruments are valued at last quoted price in March. The difference between cost and quoted value is accounted in Fair Value Change Account.
- 10** Investment in thinly traded Equity Shares and Unlisted Equity Shares are shown at cost. However, difference between cost and break-up value is provided at as diminution in value. If the break-up value is negative then the provision is made for the entire cost.
- 11** Investment in Listed Equity/Equity related instruments/Preference shares made in those companies which are making losses continuously



for last 3 years and where capital is eroded are considered to have Impairment in value.

Valuation of such Investments is done as under:

- a) If the published accounts of a company are not available for last 3 accounting years ending on or immediately preceding the date of working out Impairment in value, it is presumed that the value of investments is fully impaired and is written-off to a nominal value of Re1/- per company.
  - b) In respect of Actively Traded Equity Shares:- Least of Cost Price or Break-up Value provided Break-up Value is positive. However, if Break-up Value is negative the Nominal Value is taken at Re. 1/- per company.
  - c) In respect of Other than Actively Traded Equity Shares:- Lower of Cost Price or Break-up Value provided Break-up Value is positive. However, if Break-up Value is negative the Nominal Value is taken at Re. 1/- per company.
  - d) In respect of Preference Shares, if the dividend is not received for the last three years :- The Preference Shares are written down to a value which will bear to its face value, the same proportion as value taken for writing down equity shares bears to the face value of the equity shares. However, if equity shares are written off to Re.1/- per company, Preference Shares also will be written off to a Nominal Value of Re.1/- per company.
- 12** The quotations available on National Stock Exchange are considered for valuation of Equity Shares. If the shares are not Listed/Traded on National Stock Exchange, then quotation available on Bombay Stock Exchange, Calcutta Stock Exchange, Delhi Stock Exchange and Madras Stock exchange are considered in that order.
- 13** REVERSE REPO Transactions are treated as secured lending transactions and accordingly disclosed in the financial statements. The difference between total consideration at the 1<sup>st</sup> and 2<sup>nd</sup> leg of the transaction is treated as interest income.
- 14** "Collateralised Borrowing and Lending Obligation"(CBLO), which is issued at Discount to the Face Value, is treated as Money Market Instrument as per Reserve Bank of India Notification. Discount earned at the time of lending through "Collateralised Borrowing and Lending



Obligation" (CBLO) is shown as income which is apportioned on time basis.

- 15 a) Unrealised gains, losses arising due to changes in the fair value of listed equity shares and derivative instruments are taken under the head "Fair Value Change Account" and on realisation reported in profit and loss account.
- b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.

## **XI. TAX LIABILITY ON INCOME**

### **(a) Tax Liability in India.**

- i) Tax expense for the year, comprises current tax and deferred tax.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income, at currently enacted tax rates.

- ii) Deferred Tax Assets are recognized only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

### **(b) Tax Liability in Foreign Countries.**

Tax liability in foreign countries is accounted for on actual payment basis.

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## NOTES FORMING PART OF FINANCIAL STATEMENTS

1. The Accounts incorporate Audited Accounts of Branches in Fiji and Thailand on calendar year basis prepared as per local laws.
2. House Properties for which execution of legal documents is in progress amount to Rs.526.21 Lakhs (Previous Year Rs. 552.43 Lakhs).
3. (a) Reinsurers balances are subject to confirmation/reconciliation and consequential adjustments.  
(b) Reinsurance acceptance transactions pertaining to the year with Indian Companies have been booked for advices received upto 23.08.2003.
4. As certified by Custodian, Securities are held in the name of Company as on 31.03.2003. Variations and other differences are under reconciliation and are not having material impact on the state of affairs of the Company.
5. Certificates of confirmation are awaited for earlier years' Foreign Investments amounting to Rs.35.10 Lakhs (Previous Year Rs. 55.80 Lakhs) of which Rs 13.80 lakhs have been provided.
6. (a) Provision for standard assets @ 0.25% has been made as per Reserve Bank of India guidelines on (i) Term Loan, (ii) Debentures, (iii) Short Term Loans, and (iv) Commercial Papers.  
(b) Interest Income amounting to Rs.7518.79 Lakhs (Previous year Rs. 6813.89 Lakhs) has not been accounted for on Non-Performing Assets during the year in accordance with Prudential Norms for Income Recognition prescribed by Reserve Bank of India [Refer Significant Accounting Policy number X (6)] on Loans and Investments and the aggregate amount of such interest as at 31<sup>st</sup> March 2003 is amounting to Rs.31170.78 Lakhs (Previous year Rs. 23651.99 lakhs).  
(c) During the year the Company has undertaken under CDR (Corporate Debt Restructuring) System, restructuring of corporate debt/loans etc. as under:

		Rs. in lacs
1)	Total amount of assets subject to restructuring under CDR	7165.58
2)	Total amount of standard assets subjected to CDR	Nil
3)	Total amount of sub-standard assets subjected to CDR	Nil
4)	Total amount of doubtful assets subjected to CDR	7165.58



7. Short-term investments (Schedule – 8) in debentures and other guaranteed securities include those, which are fully repayable in the next year. As regards those debentures and other guaranteed securities, which have fallen due and remain unpaid as on 31.03.2003, they have been shown under long term investments as their realisability is unascertainable. However, necessary provision, wherever required, has been made.
8. (a) Returns prescribed by Regulation 6 of Insurance Regulatory & Development Authority Investment Regulations, 2000 have not been submitted/timely submitted with respect to exposure of investment. Some other returns have also not been submitted in time.  
  
(b) The following non-compliances/contraventions of Insurance Regulatory & Development Authority (General Insurance–Reinsurance) Regulations, 2000 have been observed:
  - i) In certain cases, facultative placements outside India have been made by the Company with the Reinsurers not having the rating prescribed in Regulation 3 (7) without obtaining approval from Insurance Regulatory & Development Authority.
  - ii) Copies of Reinsurance Treaty Slips and Excess of Loss Cover Notes along with the list of Reinsurers and their share in reinsurance arrangements have not been submitted within the time stipulated in Regulation 3 (5).  
(c) Segmental reporting in respect of Health Insurance and Public & Product Liability Insurance is not disclosed separately as required by Insurance Regulatory & Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002.
9. During the year, changes in significant accounting policies are as under:
  - (a) Accounting Policy Number X 8 (a) for Investment in Mutual Funds, Venture Funds & impairment in value is charged to Revenue A/c and Book Value of the Investments is reduced accordingly. This has resulted in reduction of profit for the year and investment in mutual funds by Rs. 343 lacs.
  - (b) Accounting Policy Number VII for depreciation on additions made to Fixed Assets in Foreign Offices. This has resulted in increase in profit for the year and Fixed Assets at the year end by Rs.4.21 lacs.





10. Prior Period items have been included in the respective heads amounting to Rs 95.88 Lacs (Credit) (previous year Rs.245.89 Lacs Debit) consisting of the following:

	Rs. In Lacs	
(i) Direct Premium	20.67	CR
(ii) Direct Commission	0.91	DR.
(iii) Direct Claims	21.03	DR.
(iv) Management Expenses	22.07	DR.
(v) Bad and Doubtful Debts	118.69	CR.
(vi) Interest on Housing Loan	0.53	CR
<b>TOTAL (NET)</b>	<b>95.88</b>	<b>CR.</b>

11. Disclosures as required by Accounting Standards (AS) issued by The Institute of Chartered Accountants of India (ICAI): -

**A. Related Party Disclosures as per Accounting Standard 18**

**(1) Company's Related Parties**

**(a) Subsidiaries**

- i) The New India Assurance Co. (T & T) Ltd. – Port of Spain, Trinidad & Tobago
- ii) The New India Assurance Co. (S.L.) Ltd. – Free Town, Sierra Leone

**(b) Associates**

- i) The New India Assurance Co. (Ghana) Ltd. – West Africa
- ii) Prestige Assurance Plc. – Nigeria

**(c) Key Management Personnel of the Company**

- i) Mr. R. Beri
- ii) Mr.A.V.Purushothaman
- iii) Mr. Kumar Bakhru



**(2) Transactions with Related Parties:**

Nature of Relationship	Nature of Transaction	Amount (Rs. In Lacs)	Closing Balance as on 31.03.03 (Rs. In Lacs)
i) Subsidiaries	Premium on Reinsurance Accepted	172.55	61.90 Cr.
	Commission on Reinsurance Accepted	34.38	
ii) Key Management Personnel	Salary and Allowances	15.25	Nil
	Assets purchased by way of adjustment of outstanding loan	4.15	

**B. Disclosure as per Accounting Standard 20-“Earnings Per Share”:**

	<b>31.03.2003</b>	31.03.2002
Net profit attributable to Shareholders (Rs. In lacs)	<b>25581.06</b>	14200.23
Weighted Average Number of Equity Shares issued	<b>10,00,00,000</b>	10,00,00,000
Basic Earnings per Share of Rs.10/- each (Rs.)	<b>25.58</b>	14.20

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

**C. Accounting Standard – 22 Deferred Tax Assets**

Consequent to the Standard on Accounting for Taxes on Income becoming mandatory for the Company w.e.f. April 1, 2002, the Company recorded the Cumulative Net Deferred Tax Assets of Rs. 392.00 lacs until April 1, 2002, and adjusted against General Reserves. The Deferred Tax Assets for the year ended 31<sup>st</sup> March 2003 have been included in the Provision for Taxation. The break-up of Deferred Tax Asset into the major components is as under:

<b>Particulars</b>	<b>Amount (in lacs)</b>
Depreciation	492.06
Exgratia on VRS	218.70
Leave Encashment & Others	1438.92
<b>Total</b>	<b>2149.68</b>



12. During the year, the Company has made provision of Rs. 7197.39 lacs and charged the same to Profit & Loss A/c. towards doubtful debts in respect of long outstanding balances of reinsurers and parties which are liquidated or are in the process of liquidation.
13. In terms of the General Insurance Business (Nationalization) Amendment Act, 2002 coming into effect from 21<sup>st</sup> March 2003, the share holding of the Company stands transferred from General Insurance Corporation (GIC) to the Government of India with effect from that date.
14. During the year, the Company introduced a Voluntary Retirement Scheme for Class II (Devl.Officers), which was sanctioned to 367 employees of the Company. Consequent to this, an ex-gratia compensation liability amounting to Rs.2975.51 lakhs payable to the employees sanctioned for VRS, out of which the Company has charged off 1/5 of the amount i.e. Rs.595.10 lacs in the current year.
15. Additions in vehicle includes Rs. 1086.40 lacs vehicle on loan basis transferred to the Company's name and outstanding loan is squared off as per conveyance scheme 2002 for Class I officers approved by the Board.
16. Previous year figures have been re-grouped wherever required, to make the figures comparable with current year figures.

<b>A R Sekar</b> Company Secretary	<b>V Leeladhar</b> Director	<b>Nitin Doshi</b> Director	<b>R Beri</b> Chairman-cum- Managing Director
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For <b>P.S.D. &amp; ASSOCIATES</b> <i>Chartered Accountants</i>	For <b>VYAS &amp; VYAS</b> <i>Chartered Accountants</i>	For <b>KHANDELWAL JAIN &amp; CO.</b> <i>Chartered Accountants</i>
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<b>PRAKASH SHARMA</b>	<b>O. P. VYAS</b>	<b>NARENDRA JAIN</b>
PARTNER	PARTNER	PARTNER

**MEMBERSHIP NO. 72332    MEMBERSHIP NO. 14081    MEMBERSHIP NO. 48725**

MUMBAI  
DATED : 26<sup>TH</sup> AUGUST 2003.

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**DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS**

1. The details of Contingent Liabilities are as under:

		Current year Rs. in lacs	Previous year Rs. in lacs
(a)	Partly-paid up investments	154.48	137.07
(b)	Underwriting commitments outstanding	Nil	Nil
(c)	Claims, other than those under policies, not acknowledged as debts	519.26	588.67
(d)	Guarantees given by or on behalf of the Company	1289.29	2152.63
(e)	Statutory demands/liabilities in dispute not provided for	4.52	5.11
(f)	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
(g)	Others (matters under Litigation)	1538.61	1558.38

2. The details of encumbrances to the assets of the Company are as under:

		Current year Rs. in lacs	Previous year Rs. in lacs
(a)	In India	1575.00	1075.00
(b)	Outside India	2637.00	1858.05

3.

	Current year Rs. in lacs	Previous year Rs. in lacs
Commitments made and outstanding for loans and investments	15570.92	9662.10
Commitments made for fixed Assets	257.22	25.34

4. Claims, less reinsurance, paid to claimants:

	Current year Rs. in lacs	Previous year Rs. in lacs
In India	173463.24	183724.45
Outside India	42017.52	35549.50



5. There are no claim liabilities where claim payment period exceeds four years.

6.

	Current year	Previous year
Claims outstanding for more than six months (Gross Indian)		
Number of Claims	230384	245979
Amount (Rupees)	293973.47 lacs	322545.98 lacs
Claims outstanding for less than six months (Gross Indian)		
Number of Claims	129730	109572
Amount (Rupees)	137187.62 lacs	129808.80 lacs
Total Number of claims outstanding (Gross Indian )	360114	355551
Amount (Rupees)	431161.09 lacs	452354.78 lacs

7. Premiums, less reinsurances, written from business

	Current year Rs. in lacs	Previous year Rs. in lacs
In India	265901.63	240068.40
Outside India	85741.05	66754.87

8. Premium is recognized as income on assumption of the risk. A reserve for un-expired risks is created @100% of net premium for marine business and @50% of net premium for other classes of business.

9. The details of contracts in relation to investments, for

	Current year Rs. in lacs	Previous year Rs. in lacs
Purchases where deliveries are pending	162.89	392.16
Sales where payments are overdue	212.95	166.47

10. Operating expenses relating to insurance business 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% each for fire and miscellaneous business.

11. Investments are valued at weighted average cost in accordance with Company's accounting policy. Historical cost is not available for Investments valued on Fair Value Basis.

12. Computation of managerial remuneration: Being a Government Company, the Company is exempted vide notification: GSR 235, dated 31<sup>st</sup> January 1978 u/s 620 of the Companies Act, 1956.
13. Amortisation of debt securities is done from the date of investment on the basis of actual number of days upto 31<sup>st</sup> March 2003. While working out amortisation any put/call option is not considered, but partial redemption, if any, are taken into account.
14. (a) Unrealised gains/losses arising due to change in the fair value of listed equity shares and derivative instruments have been taken to equity under the head "Fair Value Change Account" and on realization will be transferred to profit and loss account.  
  
(b) Pending realization, the credit balance in the "Fair Value Change Account" is not available for distribution.
15. The Company does not have Real Estate Investment Property.
16. A. Claims settled and remaining unpaid for a period of more than six months as on balance sheet date are as under:

Number of claims – 'Nil'. Amount 'Nil'.  
(Previous year - 'Nil').

- B. All significant accounting policies forming part of the financial statements are disclosed separately.
- C. 1. Investments made in accordance with statutory requirements are as under:

		Current year Rs. in lacs	Previous year Rs. in lacs
(a)	In India- Under Sec.7 of Insurance Act 1938	1075.00	Nil
(b)	Outside India- Statutory Deposits under local laws	9048.39	12722.75

2. Segregation of investments into performing and non-performing investments is as under:

	Current Year Rs. in lacs	Previous Year Rs. in lacs
Performing (Standard) Investments	126173.55	162045.91
Non Performing Investments	38611.15	31735.81
Total Book Value (Closing Value)	164784.70	193781.72

3. Sector-wise break-up of gross direct premium written in India is as under:

Sector	Amount (Rupees in Crores)		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Rural	326.79	233.01	8.33	6.63
Social	109.05	89.73	2.79	2.56
Others	3485.40	3189.60	88.88	90.81
Total	3921.24	3512.34	100.00	100.00

Number of policies issued - Details not available.

4. A summary of financial statements for 5 years is as under :

(Rupees in Crores)

		2002-2003	2001-02	2000-01	1999-2000	1998-1999
<b>OPERATING RESULTS</b>						
1.	Gross Premium Written	4812.79	4198.06	3493.05	3306.53	3017.64
2.	Net Premium Income #	3516.43	3068.23	2671.48	2477.45	2186.92
3.	Income from Investments (Net) @	762.14	752.02	726.77	752.74	636.29
4.	Other Income	40.94	Nil	25.80	Nil	Nil
5.	<b>Total Income</b>	4319.51	3820.25	3424.05	3230.19	2823.21
6.	Commission	193.14	79.82	4.80	-71.65	-86.07
7.	Brokerage	Nil	Nil	Nil	Nil	Nil
8.	Operating Expenses	894.76	774.53	737.96	674.67	576.44
9.	Claims, increase in Un-expired Risk Reserve and Other outgos	2918.79	2757.71	2392.62	2173.85	1768.15
10.	<b>Operating Profit/Loss</b>	312.82	208.19	288.67	453.32	564.69
11.	Total Income under shareholders' account	*	*	*	*	*
12.	Profit/(loss) Before Tax	312.82	208.19	288.67	453.32	564.69
13.	Provision for Tax	57.01	66.19	65.00	148.03	189.69
14.	Net Profit/(loss) After tax	255.81	142.00	223.67	287.29	375.00
<b>MISCELLANEOUS</b>						
15.	Policy holders' Account:					
	Total Funds (Beginning of Year)	5023.54	4451.78	3999.83	3481.21	3220.98
	Total Investments	*	*	*	*	*
	Yield on Investments	*	*	*	*	*



(Rs. In crores)

		2002-2003	2001-02	2000-01	1999-2000	1998-1999
16.	Shareholders' Account:					
	Total Funds (Beginning of Year)	3189.45	3067.45	2859.92	2524.28	1964.92
	Total Investments	7348.00	6884.57	6377.62	6192.94	5451.83
	Yield on Investments	*	*	*	*	*
17.	Paid up equity capital	100.00	100.00	100.00	40.00	40.00
18.	Net worth (End of Year)	3404.00	3189.39	3067.39	2859.86	2524.23
19.	Total Assets	12984.75	12236.14	8696.50	8165.75	7218.31
20.	Yield on Total Investments	9.96	11.05	11.83	12.93	12.25
21.	Earnings per share (Rs.)	25.58	14.20	17.35	35.91	46.88
22.	Book Value per share (Rs.)	10.00	10.00	10.00	5.00	5.00
23.	Total Dividend	40.00	20.00	20.00	30.00	30.00
24.	Dividend per share (Rs.)	4.00	2.00	2.00	3.75	3.75
#	Net of Re-insurance					
@	Net of losses					
*	Points 15 & 16 may be given separately, if feasible					

## 5. Various Financial Ratios

### 1. Gross Premium Growth

Rate (Segment wise)

	Segment		Gross Premium		
	2002-2003	2001-2002	Growth	Growth	Growth %
	Rs.	Rs.	Rs.	%	P.Y.
Fire	11718603914	11066963862	651640052	5.89%	42.00%
Marine Cargo	2249132181	2294025670	-44893489	-1.96%	-6.95%
Marine Hull	1536908392	1333225557	203682835	15.28%	54.14%
<b>Sub Total</b>	<b>3786040573</b>	<b>3627251227</b>	<b>158789346</b>	<b>4.38%</b>	<b>8.91%</b>
Motor	18444090347	14538666529	3905423819	26.86%	9.26%
WC	2048515265	1297342204	751173061	57.90%	85.49%
PA	831209209	791666879	39542330	4.99%	12.95%
Aviation	1292100628	857841870	434258758	50.62%	628.44%
Engineering	1681461897	1697806593	-16344696	-0.96%	-7.71%
Health					
Liability					
Others	8325885971	8103110708	222775263	2.75%	13.45%
<b>Sub Total</b>	<b>32623263318</b>	<b>27286434783</b>	<b>5336828535</b>	<b>19.56%</b>	<b>14.62%</b>
<b>Grand Total</b>	<b>48127907805</b>	<b>41980649872</b>	<b>6147257933</b>	<b>14.64%</b>	<b>20.18%</b>





2.	Gross Premium to Share Holders Funds Ratio	Gross Premium	4812.79 Crores			
		Share holder's Fund (beginning of year)	3188.28 Crores			
		Ratio	1.51 Times (P.Y. 1.37 Times)			
3.	Growth Rate of Share Holders Funds	2002-2003 Rs. In Crs.	2001-2002 Rs. In Crs.	Growth Rs. In Crs.	Growth %	
	Share Holders Funds (at end)	3402.89	3188.28	214.61	6.73% (P.Y.3.98%)	
4.	Net Retention Ratio	Segment	Premium Gross Rs.	Premium Net Rs.	Retention Ratio C.Y.	
					Retention Ratio P.Y.	
		Fire	11718603914	8217014934	70.12 %	68.67%
		Marine Cargo	2249132181	1620926555	72.07 %	76.38%
		Marine Hull	1536908392	383402717	24.95 %	26.15%
		<b>Sub Total</b>	<b>3786040573</b>	<b>2004329273</b>	<b>52.94 %</b>	<b>57.92%</b>
		Motor	18444090347	14949877628	81.06 %	81.87%
		WC	2048515265	1771906734	86.50 %	92.14%
		PA	831209209	678367531	81.61 %	75.39%
		Aviation	1292100628	44778786	3.47 %	12.50%
		Engineering	1681461897	1074492383	63.90 %	46.62%
		Health Liability				
		Others	8325885971	6423500915	77.15 %	78.97%
		<b>Sub Total</b>	<b>32623263318</b>	<b>24942923977</b>	<b>76.46 %</b>	<b>76.94%</b>
		<b>Grand Total</b>	<b>48127907805</b>	<b>35164268183</b>	<b>73.06 %</b>	<b>73.09%</b>
5.	Net Commission Ratio	Segment	Commission Net Rs.	Premium Net Rs.	Commission Ratio C.Y.	Commission Ratio P.Y.
		Fire	334126619	8217014934	4.07 %	1.12%
		Marine Cargo	-15369461	1620926555	-0.95 %	-2.08%
		Marine Hull	-88667841	383402717	-23.13 %	-19.22%
		<b>Sub Total</b>	<b>-104037302</b>	<b>2004329273</b>	<b>-5.19 %</b>	<b>-4.92%</b>
		Motor	996710592	14949877628	6.67 %	4.52%
		WC	462869814	1771906734	26.12 %	22.32%
		PA	25979055	678367531	3.83 %	0.42%
		Aviation	-60069344	44778786	-134.15 %	-46.06%
		Engineering	-118630652	1074492383	-11.04 %	-29.60%
		Health Liability				
		Others	394424008	6423500915	6.14 %	4.57%
		<b>Sub Total</b>	<b>1701283474</b>	<b>24942923977</b>	<b>6.82 %</b>	<b>3.89%</b>
		<b>Grand Total</b>	<b>1931372791</b>	<b>35164268183</b>	<b>5.49 %</b>	<b>2.60%</b>



6.	Expenses of Management to Gross Premium Ratio	Expenses	894.77 Crs.			
		Gross Premium	4812.79 Crs.			
		Ratio		18.59 % (P.Y. 18.05%)		
7.	Combined Ratio	Claims	2699.51 Crs.			
		Expenses	894.77 Crs.			
		Sub Total	3594.28 Crs.			
		Gross Premium	4812.79 Crs.			
		Ratio		74.68 % (P.Y. 70.28%)		
8.	Technical Reserves (at end) to Net Premium Ratio	Un-expired Risk Reserves	1858.43 Crs.			
		Reserves for Premium Deficiency	0 Crs.			
		Outstanding Claims	3929.08 Crs.			
		Total Technical Reserves	5787.51 Crs.			
		Net Premium	3516.43 Crs.			
		Ratio		1.65 Times (P.Y. 1.64 Times)		
9.	Underwriting Balance Ratio (after credit of Policyholders Investment Income)	Segment	U/W Profit Rs. In Crs.	Premium (Net) Rs. In Crs.	Ratio C.Y.	Ratio P.Y.
		<b>Fire</b>	<b>115.38</b>	<b>821.70</b>	<b>14.04 %</b>	<b>20.81%</b>
		Marine Cargo	103.01	162.09	63.55 %	34.55%
		Marine Hull	-17.64	38.34	-46.02 %	-27.67%
		<b>Sub Total</b>	<b>85.37</b>	<b>200.43</b>	<b>42.59 %</b>	<b>24.22%</b>
		Motor	-86.71	1494.988	-5.80 %	-27.30%
		WC	-76.73	177.19	-43.30 %	-13.74%
		PA	4.97	67.84	7.33 %	17.83%
		Aviation	-18.97	4.48	-423.64 %	-129.20%
		Engineering	29.58	107.45	27.54 %	76.03%
		Health	-	-	-	-
		Liability	-	-	-	-
		Others	-76.97	642.350	-11.98 %	-2.03%
		<b>Sub Total</b>	<b>-224.83</b>	<b>2494.29</b>	<b>-9.01 %</b>	<b>-14.16%</b>
		<b>Grand Total</b>	<b>-24.08</b>	<b>3516.43</b>	<b>-0.68 %</b>	<b>-2.88%</b>



10.	Operating Profit Ratio		
		Underwriting Result	-490.26 Crs.
		Investment Income	762.14 Crs.
		Others	21.90 Crs.
		Sub Total	293.78 Crs.
		Net Premium	3516.43 Crs.
		Ratio	8.35 % (P.Y. 7.41%)
11.	Liquid Assets to Liabilities Ratio (at end)		
		Liquid Assets	3014.50 Crs.
		Policy Holders Liabilities	5787.51 Crs.
		Ratio	52.09 % (P.Y. 48.23%)
12.	Net Earnings Ratio		
		Profit After Tax	255.81 Crs.
		Net Premium	3516.43 Crs.
		Ratio	7.27 % (P.Y. 4.63%)
13.	Return on Net Worth at end (including all reserves)		
		Profit After Tax	255.81 Crs.
		Net Worth	3404.06 Crs.
		Ratio	7.51 % (P.Y. 4.45%)
14.	Reinsurance Ratio		
		Risk Reinsured (premium)	1566.77 Crs.
		Gross Premium	4812.79 Crs.
		Ratio	32.55 % (P.Y. 31.01%)

6. Interest, Dividend and Rent is apportioned between Revenue Account and Profit and Loss Account in proportion to the balance in shareholders funds and policyholders' funds at the beginning of the year. The same is further apportioned to fire, marine and miscellaneous revenue accounts in proportion to the technical reserve balance at the beginning of the year.

<b>A R Sekar</b> Company Secretary	<b>V Leeladhar</b> Director	<b>Nitin Doshi</b> Director	<b>R Beri</b> Chairman-cum- Managing Director
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For <b>P.S.D. &amp; ASSOCIATES</b> <i>Chartered Accountants</i>	For <b>VYAS &amp; VYAS</b> <i>Chartered Accountants</i>	For <b>KHANDELWAL JAIN &amp; CO.</b> <i>Chartered Accountants</i>
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<b>PRAKASH SHARMA</b> PARTNER	<b>O. P. VYAS</b> PARTNER	<b>NARENDRA JAIN</b> PARTNER
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**MEMBERSHIP NO. 72332    MEMBERSHIP NO. 14081    MEMBERSHIP NO. 48725**

MUMBAI  
DATED : 26<sup>TH</sup> AUGUST 2003.





**Balance Sheet Abstract and Company's General Business profile  
The Companies Act(1 of 1956) Schedule VI – Part IV**

(Rs in '000)

**I. Registration Details**

Registration Number	5 2 6	State Code	1 1
Balance Sheet	3 1 0 3 2 0 0 3		

**II. Capital Raised During the Year**

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**

Total Liabilities	:	1 2 9 8 4 7 4 5 8	Total Assets	:	1 2 9 8 4 7 4 5 8
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**Sources of Funds**

Paid up capital	:	1 0 0 0 0 0 0	Current Liabilities	:	5 0 5 8 0 8 9 3
Reserves	:	5 6 0 5 8 1 7 6	Un-expired Risk Reserves and Provisions	:	2 2 2 0 8 3 8 9

**Application of Funds**

Net Fixed Assets	:	1 0 9 2 5 2 8	Investments	:	8 8 4 8 3 7 3 4
Current Assets	:	3 0 1 4 4 9 7 7	Loans	:	0 9 6 7 3 2 5 0
Accumulated Losses	:	N I L	Deferred Expenditure:		2 3 8 0 0 0
Deferred Tax Assets	:	0 2 1 4 9 6 9			

**IV. Performance of The Company**

Turnover Premium Income:	4 8 1 2 7 9 0 8	Total Expenditure	5 2 6 2 1 0 7 6
Investment Income	7 6 2 1 3 9 5		
Profit Before Tax	3 1 2 8 2 2 7	Profit After Tax	2 5 5 8 1 0 6
Earning Per Share in Rs.:	2 5 . 5 8	Dividend @ %	4 0

**V. Generic Names of Three Principal Products / Services of the Company (as per Monetary Terms.)**

Item Code No.  
ITC Code  
Product  
Description

N O T A P P L I C A B L E

Item Code No.  
ITC Code  
Product  
Description

N O T A P P L I C A B L E

Item Code No.  
ITC Code  
Product  
Description

N O T A P P L I C A B L E



**THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LTD.**

**DIRECTORS' REPORT**

The Directors present their annual report together with the financial statements for the year ended 31 December 2002.

**STATEMENT OF DIRECTORS RESPONSIBILITIES**

Company Law requires the Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period. In preparing those financial statements, the Directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act Cap. 249. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company continued to be that of carrying on insurance business. However, the Company has ceased business operations with effect from 1 January 2003.

**DIRECTORS**

The directors at 31 December 2002, and their interests in the Share Capital of the Company were as Follows:

		Shares of Le 2.00 each	
		End of year	Beginning of year
R. Beri	- (Appointed 20.6.02)	--	--
K. N. Bhandari	- (Resigned 28.2.02)	--	--
A. V. Purushothaman	- (Appointed 18.12.02)	--	--
M. D. Garde	- (Appointed 18.12.02)	--	--
M. Ramadoss	- (Appointed 18.12.02)	2	2
Anil Chopra	-	--	--

**AUDITORS**

In accordance with Section 130 of the Companies Act Cap 249 of the Laws of Sierra Leone a resolution for the re-appointment of PKF, as Auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

**TRADING RESULTS**

The results for the year and other key indicators are set out in the attached financial statements. The Company made a loss for the financial year of Le 35,272,306, thus reducing the retained profits to Le 86,323,959.

The Directors do not therefore recommend the payment of dividend for the year.

By Order of the Board

Free Town  
24th March, 2003

Lennap Services Limited  
*Secretary*



**THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LTD.**

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED**

We have audited the financial statements on pages 4 to 11 (page 95 to 99 of this Report) which have been prepared under the accounting policies set out on page 7 (page 97 of this Report).

**Respective responsibilities of Directors and Auditors**

As described on page 1 (page 93 of this Report) the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and correct view of the state of the Company's affairs as at 31 December, 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act Cap. 249, and the Insurance Act 2000.

Free Town  
24th March, 2003.

Pannell Kerr Forster  
Chartered Accountants



**THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED  
PROFIT AND LOSS ACCOUNT YEAR ENDED 31ST DECEMBER, 2002**

	Notes	2002 Le 000	2001 Le 000
UNDERWRITING (LOSS)		<b>(160,163)</b>	(80,110)
INVESTMENT INCOME		<b>61,047</b>	71,171
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<b>(99,116)</b>	(8,939)
OTHER INCOME		<b>63,844</b>	2,345
		<b>(35,272)</b>	(6,594)
TAXATION	3	--	--
(LOSS) FOR THE FINANCIAL YEAR		<b>(35,272)</b>	(6,594)

Movements on reserves are set out in note 9.

**BALANCE SHEET 31ST DECEMBER, 2002**

	Notes	2002 Le 000	2001 Le 000
<b>FIXED ASSETS</b>			
Tangible Assets	4	--	--
Investments	5	<b>60,000</b>	684,724
<b>CURRENT ASSETS</b>			
Debtors	6	<b>2,427</b>	101,161
Deposits, Bank and Cash Balances		<b>365,939</b>	77,658
		<b>368,366</b>	178,819
<b>CREDITORS</b>			
Amounts falling due within one year	7	<b>357,975</b>	708,288
Balance of funds		--	37,371
		<b>357,975</b>	745,659
<b>NET CURRENT (LIABILITIES)</b>		<b>10,391</b>	(566,840)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>70,391</b>	117,884
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	<b>500</b>	500
Profit and loss account	9	<b>86,324</b>	121,596
Exchange equalisation account		<b>(28,647)</b>	(16,312)
Contingency reserve		<b>12,214</b>	12,100
		<b>70,391</b>	117,884

Approved by the board on 24th March, 2003

**ANIL CHOPRA** Director

**M. RAMADOSS** Director



## THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED

### CASH FLOW STATEMENT YEAR ENDED 31ST DECEMBER, 2002

	2002		2001	
	Le 000	Le 000	Le 000	Le 000
<b>OPERATING ACTIVITIES</b>				
Operating (loss) before taxation	(160,163)		(80,110)	
Depreciation	--		552	
(Decrease) / Increase in creditors	(386,843)		151,442	
Decrease in debtors	98,734		30,376	
Exchange equalisation	(12,335)		(22,672)	
Net cash inflow / outflow from operating activities		(460,607)		79,588
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received	61,047			71,171
Other Income received	63,844			--
<b>INVESTING ACTIVITIES</b>				
(Increase) in treasury bills	624,724		(168,223)	
Proceeds from sale of fixed assets	--		2,345	
Net cash (inflow/outflow) from investing activities		749,615		(165,878)
		<u>289,008</u>		<u>(15,119)</u>
Analysis of changes in cash and cash equivalents during the year:				
Beginning of year		76,931		92,050
Net cash (outflow) / inflow		289,008		(15,119)
End of year		<u>365,939</u>		<u>76,931</u>





**THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED  
31ST DECEMBER, 2002**

**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material to the Company's affairs:

**(a) Accounting convention**

The financial statements set out on pages 4 to 11 (page 95 to 99 of this Report) are prepared under the historical cost convention.

**(b) Depreciation**

Depreciation is provided on the straight line basis at the following annual rates, which have been calculated to write off the cost of the assets over their expected useful lives:

Motor vehicles	25%
Office fixtures and fittings	15%
Residential equipment	15%

**(c) Balances of funds**

These represent premiums unearned at the balance sheet date calculated on a percentage basis.

**(d) Outstanding claims**

Full provision is made by management for the estimated cost of claims notified but not settled at the date of balance sheet using all the information available, after taking account of recoveries under reinsurance contracts.

**(e) Underwriting profit**

The total underwriting profit is stated after charging the operating expenses of the Company for the year. These expenses have been related to individual underwriting accounts in proportion to the premiums earned.

**(f) Foreign currencies**

Balances expressed in foreign currencies have been translated at the rates of exchange ruling at 31 December, 2002.

**2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging the following:

	<b>2002</b>	2001
	<b>Le 000</b>	Le 000
Auditors' remuneration	<b>4,000</b>	4,000
Depreciation	<b>--</b>	522
	<b>=====</b>	<b>=====</b>

**3. TAXATION**

No provision has been made for taxation as there was an adjusted loss for the year.

contd. ....



**THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER, 2002 (Contd.)**

**4. TANGIBLE FIXED ASSETS**

	Motor vehicles Le 000	Office fixtures and fittings Le 000	Residential equipment Le 000	TOTAL Le 000
<b>COST</b>				
Beginning and end of year	1,824	8,440	2,652	12,916
<b>DEPRECIATION</b>				
Beginning of year and end of year	1,824	8,440	2,652	12,916
Charge	--	--	--	0
Disposals	--	--	--	0
End of Year	1,824	8,440	2,652	12,916
<b>NET BOOK AMOUNT</b>				
End of year and beginning of year	--	--	--	--

**5. INVESTMENTS**

**Investments comprised :**

	2002 Le 000	2001 Le 000
Deposit with the Bank of Sierra Leone	60,000	60,000
Sierra Leone Government Treasury Bills	--	624,724
	<b>60,000</b>	<b>684,724</b>

**6. DEBTORS**

**Debtors comprised :**

	2002 Le 000	2001 Le 000
Outstanding premiums	--	67,954
Taxation	2,262	2,262
Sundry debtors	165	30,945
	<b>2,427</b>	<b>101,161</b>

**7. CREDITORS**

**Amounts falling due within one year comprised :**

	2002 Le 000	2001 Le 000
Outstanding claims	--	810
Sundry creditors	4,000	277,235
Amount due to insurance companies	353,975	413,516
Dividends payable	--	16,000
Bank Overdraft	--	727
	<b>357,975</b>	<b>708,288</b>

contd. ....



**THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED  
31ST DECEMBER, 2002 (Contd.)**

**8. CALLED UP SHARE CAPITAL**

Called up share capital comprised allotted called up and fully paid ordinary shares of Le 2.00 each. The authorised share capital of the company throughout the year was Le 500,000 divided into 250,000 ordinary shares of Le 2.00 each.

**9. PROFIT AND LOSS ACCOUNT**

The movement on this account during the year was as follows:-

	<b>Le 000</b>
Beginning of year	<b>121,596</b>
(Loss) for the year	<b>(35,272)</b>
End of year	<b>86,324</b>

**10. LIBERIA BRANCH**

In view of the current situation in Liberia, the financial statements for 2002 as in the case of 2001 represent only the transactions of the Freetown office.

**11. CAPITAL COMMITMENTS**

There were no capital commitments at 31 December, 2002 (2001 - Nil).

**12. CONTINGENT LIABILITIES**

The Company had denied liability for claims amount to Rs 8,679,769 United States Dollars and 7,770,556 Liberian Dollars on the Liberia Branch arising from situation in Liberia. There is Pending litigation for which the Company has obtained legal opinion that it will incur no liability on these claims.

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## THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED SHORT TERM BUSINESS REVENUE ACCOUNT YEAR ENDED 31ST DECEMBER, 2002

	2002		2001	
	Le 000	Le 000	Le 000	Le 000
Premiums written less reinsurance		2,291		82,687
Less increase / decrease in provision for unearned premiums		37,209		(11,188)
Premium earned		39,500		71,499
Commission received from reinsurers		393		26,417
		<u>39,893</u>		<u>97,916</u>
Claims incurred	10,555		3,278	
Commission paid	374		13,091	
Expenses	189,013		154,933	
Contingency reserve	114		6,724	
		<u>200,056</u>		<u>178,026</u>
Underwriting (Loss)		<u>(160,163)</u>		<u>(80,110)</u>
Underwriting (Loss) comprised:				
Fire		(18,510)		(31,767)
Marine		(27,842)		(12,107)
Motor		(95,072)		(15,587)
Miscellaneous accident		(18,739)		(20,649)
		<u>(160,163)</u>		<u>(80,110)</u>

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**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD & TOBAGO) LTD**

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
THE NEW INDIA ASSURANCE COMPANY (TRINIDAD & TOBAGO) LTD**

We have audited the balance sheet of the Company as at 31st December, 2002 and the statements of income, changes in shareholders' equity and cash flow for the year then ended, as set out on pages 3 to 20 (page 102 to 111 of this Report). These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 31st December, 2002 and the results of its operations and cash flows for the year then ended in accordance with International Accounting Standards.

ERNST & YOUNG

Port of Spain.

TRINIDAD:

3rd April, 2003



## THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

### BALANCE SHEET AT 31ST DECEMBER, 2002

	Notes	2002 \$'000	2001 \$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	3	646	609
Investment property	4	4,000	4,000
Investments	5	21,075	18,810
Deferred tax asset	14	5,220	2,640
		<u>30,941</u>	<u>26,059</u>
<b>Current assets</b>			
Trade and other receivables	6	6,492	6,926
Taxation recoverable		139	136
Cash and cash equivalents	7	22,527	21,910
Term deposits		13,749	11,968
		<u>42,907</u>	<u>40,940</u>
<b>Total assets</b>		<u>73,848</u>	<u>66,999</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital	8	17,617	17,617
Net Unrealised gains on available for sale Investments.		6,517	4,492
Statutory surplus reserve	9	8,552	8,552
Accumulated losses		(953)	(8,496)
<b>Total equity</b>		<u>31,733</u>	<u>22,165</u>
<b>Current liabilities</b>			
Insurance funds	10	10,095	8,132
Trade and other payables	11	30,850	36,027
Provision for taxation		1,170	675
		<u>42,115</u>	<u>44,834</u>
<b>Total equity and liabilities</b>		<u>73,848</u>	<u>66,999</u>

These financial statements were approved by the Board of Directors and authorized for issue on 3<sup>rd</sup> April, 2003 and are signed on their behalf by:

: Director

: Director

### STATEMENT OF INCOME AND UNRELIEVED LOSSES FOR THE YEAR ENDED 31ST DECEMBER, 2002

		2002 \$'000	2001 \$'000
<b>Gross premiums written</b>		<u>26,378</u>	<u>22,114</u>
Underwriting profits/(losses) transferred from insurance revenue statements:			
Property		(1,418)	(2,466)
Motor		2,334	1,547
Other classes		29	(2,246)
		<u>945</u>	<u>(3,165)</u>
Investment income		3,980	4,304
Revaluation of investment property		--	2,001
Other income		724	958
Net income for the year before taxation	13	5,649	4,098
Taxation	14	1,894	597
Net income for the year after taxation		<u>7,543</u>	<u>4,695</u>

The notes on pages 8 to 20 (page 104 to 111 of this Report) form part of these financial statements.



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2002

	Stated capital	Net Unrealised Gains	Statutory surplus reserve	Accumu- lated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 31st December, 2000</b>	17,617	4,380	8,552	(13,301)	17,248
Net income for the year after taxation	—	—	—	4,695	4,695
Transfer from unrealised gains on adoption of IAS 40	—	(110)	—	110	—
Gain on revaluation of, available for sale investments	—	222	—	—	222
<b>Balance at 31st December, 2001</b>	17,617	4,492	8,552	(8,496)	22,165
Net income for the year after taxation	—	—	—	7,543	7,543
Gain on revaluation of, available for sale investments	—	2,025	—	—	2,025
<b>Balance at 31st December, 2002</b>	17,617	6,517	8,552	(,953)	31,733

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2002

	2002 \$'000	2001 \$'000
<b>Cash flows from operating activities</b>		
Net profit before taxation	5,649	4,098
Adjustments to reconcile net cash provided by operating activities:		
Gain on sale of fixed assets	--	(30)
Depreciation	151	224
Foreign exchange gain on investments	(309)	(50)
Revaluation of investment property	--	(2,001)
Operating profit before working capital changes	5,491	2,241
Increase in receivables	(361)	(149)
Increase/(decrease) in insurance funds	1,963	(763)
Decrease in claims provisions and other creditors	(5,177)	(3,080)
Decrease/(increase) in associated company balance	795	(1,065)
Corporation taxes paid (net)	(51)	(51)
Net cash generated from/(used in) operating activities	2,660	(2,867)
<b>Cash flows from investing activities</b>		
Purchase of investments	(649)	(3,112)
Redemption of investments	575	19,513
(Increase)/decrease in term deposits	(1,781)	5,482
Proceeds on disposal of fixed assets	--	25
Additions to fixed assets	(188)	(25)
Net cash (used in)/generated from investing activities	(2,043)	21,883
<b>Net increase cash and short term funds</b>	617	19,016
<b>Cash and short term funds at beginning of year</b>	21,910	2,894
<b>Cash and short term funds at end of year</b>	22,527	21,910
<b>Represented by:</b>		
Cash in hand and at bank	22,527	21,910

The notes on pages 8 to 20 (page 104 to 111 of this Report) form part of these financial statements.



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER, 2002

**1. Incorporation and principal activity**

The company is incorporated in the Republic of Trinidad and Tobago and is a subsidiary of The New India Assurance Company Limited, Mumbai, India. The company carries on general insurance business in Trinidad and Tobago, Dominica, St. Lucia and St. Maarten. The Company also maintains run-off portfolios in the islands of Antigua, Barbados and Grenada. The registered office and principal place of business is located at 22 St. Vincent Street, Port of Spain.

**2. Statement of accounting policies**

**a) Basis of preparation**

These financial statements are prepared on the historical cost convention as modified by the revaluation of investments available for sale and investment property and no account is taken of the effects of inflation. The accounting policies conform with International Accounting Standards.

**b) Foreign currency transactions**

These financial statements are expressed in Trinidad and Tobago dollars. Foreign currency transactions during the year are translated at the exchange rates ruling at that date. Monetary assets and liabilities in foreign currencies at the year-end are translated at the closing exchange rates for the year. Profits and losses thus arising are dealt with in the Income Statement.

**c) Fixed assets (note 3)**

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided at rates sufficient to write-off the cost of the assets over their estimated useful lives.

The rates and methods used are as follows:

Leasehold improvements	20% on cost
Motor vehicles	20 - 25% on cost
Office equipment	10 - 25% on reducing balance

**d) Investment property (note 4)**

Investment properties are stated at fair value. Gains or losses arising from changes in the fair value of investment properties are included in the income statement in the period which they arise.

In December 2001, freehold and leasehold lands were re-valued by independent professional valuers, Raymond and Pierre. The company's records were adjusted to reflect this revaluation.

**e) Investments (note 5)**

**Available for sale**

These are quoted securities, government and corporate bonds, which are held with the intention of not generating profits from market movements, and the general purpose is to hold these securities for an indefinite period. These securities may be sold if there are significant changes in market conditions, need for liquidity, changes in funding sources and terms and changes in foreign currency risk. These securities are stated at fair value on quoted market prices. All unrealised gains and losses are excluded from arriving at income and reported as part of shareholders' equity in the capital reserve account.

contd. ....





THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER, 2002 (Contd.)

**Held to maturity investments**

These are government and other bonds with fixed or determinable payments and fixed maturity, purchased with the intention of being held to maturity and are stated at amortised cost.

**f) Underwriting results**

Underwriting profits and losses are stated after allowing for reinsurance premiums, claims recoveries, management expenses, commissions and after making adequate provisions for unearned premiums, unexpired risks and outstanding claims.

**g) Insurance funds (note 10)**

Provision for unearned premiums represents the proportions of the premiums written in the year less reinsurances thereon which relate to periods of insurance subsequent to the balance sheet date and are computed on a monthly pro rata fractional basis (the "24th's" method).

Provision for unexpired risks represents the amounts set aside at the end of the year in respect of subsequent risks to be borne by the company under contracts of insurance in force at the end of the year and are computed at a percentage of the provision for unearned premiums at the end of the year.

**h) Capital reserves**

This represents the revaluation adjustment based on market prices of 'available for sale' investments. All unrealised gains and losses are excluded from determining income and reported as part of shareholders equity in the capital reserve account.

**i) Outstanding claims (note 11)**

Outstanding claims comprise the estimated cost of all claims incurred but not settled at the balance sheet date, less recoveries from reinsurers. Provision is also made for claims incurred but not reported (IBNR) until after the balance sheet date. Differences between the provision for outstanding claims and subsequent settlements and revisions are included in the insurance revenue statements in later years.

**j) Taxation (note 14)**

Deferred taxes are provided for the expected future consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities using current corporation tax rates.

Deferred tax assets related to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available which the unused tax losses can be utilised. This asset has been calculated using enacted tax rates.

i) Business in Trinidad and Tobago

Corporation tax is charged at 35% of the chargeable profits for the year.

ii) Business outside Trinidad and Tobago

The basis of tax chargeable varies from country to country. Adequate provision for this is made in these financial statements.

contd. ....



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER, 2002 (Contd.)

Premium taxes in overseas territories are deducted from the relevant premium income in the insurance revenue statements.

- iii) Business levy is charged on "world-wide" income at 0.25%. The amount for 2002 is \$36,926 (2001: \$34,340).

**k) Premium income**

Premium income is accounted for in these financial statements when invoiced, which corresponds in the main to the date the insurance cover becomes effective. Any subsequent revisions to or cancellations of premiums are accounted for in the year during which these occur.

**l) Investment income**

Investment income on fixed term deposits and investments are dealt with in these financial statements on the accruals basis.

Dividends are accounted for on a cash basis with in these financial statements.

**m) Employee benefits**

The directors have agreed to pay a discretionary gratuity to employees on retirement after 10 years or more of service. The liability arising amounts to approximately \$731,968 at 31st December, 2002 (2001:\$687,050) which is fully provided for in these financial statements.

**n) Expenses of management**

Expenses of management are apportioned to the various insurance revenue statements on the basis of gross premium income written for each class of business with the exception of Barbados which are directly allocated.

**o) Income and expenditure**

Other income and expenditure items are accounted for on the accrual basis.

**p) Cash and cash equivalents**

For the purposes of the statements of cash flows, cash and cash equivalents are short term, highly liquid investments that are both readily convertible to known amounts of cash and so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

**q) Use of estimates**

The preparation of financial statements in conformity with International Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**r) Comparative figures**

Certain changes in presentation have been made during the year and comparative figures have been restated accordingly. These changes have had no impact on the prior year profit.

contd. ....



**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Contd.)**

**3. Fixed assets**

	Leasehold improv. \$'000	Office equipment & motor vehicles \$'000	Total 2002 \$'000	Total 2001 \$'000
<b>Cost</b>				
At beginning of year	353	2,600	2,953	2,987
Additions	--	188	188	25
Disposals	--	--	--	(59)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	353	2,788	3,141	2,953
<b>Depreciation</b>				
At beginning of year	324	2,020	2,344	2,176
Current year	6	145	151	224
Disposals	--	--	--	(56)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	330	2,165	2,495	2,344
<b>Written down value</b>	<hr/>	<hr/>	<hr/>	<hr/>
	23	623	646	609

**4. Investment property**

	2002 \$'000	2001 \$'000
Land		
As at 1st January	4,000	1,999
Net gain – from fair value adjustment	--	2,001
	<hr/>	<hr/>
<b>As at 31st December</b>	4,000	4,000
	<hr/> <hr/>	<hr/> <hr/>

Investment property are stated at fair value, which has been determined based on the valuations performed by independent professionally qualified valuers as at 31st December, 2001, on the basis of open market value. This property is re-valued every three years.

contd. ....



**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Contd.)**

**5. Investments**

	<b>Market value 2002 \$'000</b>	<b>Market value 2001 \$'000</b>
<b>Investments available for sale</b>		
Bonds	7,643	7,201
Quoted shares	7,028	5,392
	<u>14,671</u>	<u>12,593</u>
<b>Investments held to maturity</b>		
Bonds	6,404	6,217
<b>Total investments</b>	<u>21,075</u>	<u>18,810</u>

**Note:**

Bonds and securities and deposits pledged with the Supervisor of Insurance amount to \$15,473,982 at 31st December, 2002 (2001: \$16,440,800).

	<b>2002 \$'000</b>	<b>2001 \$'000</b>
<b>6. Trade and other receivables</b>		
Amounts due from agents and others, less provision	4,863	4,321
Amounts due from reinsurers		
- on proportional treaty from New India, Mumbai	474	1,269
- on proportional treaty from other reinsurers	367	864
- on excess of loss treaty from Singapore Re	217	217
Other receivables	571	255
	<u>6,492</u>	<u>6,926</u>
<b>7. Cash and cash equivalents</b>		
Cash in hand and at bank	19,057	3,259
Short term treasury bills	3,470	18,651
	<u>22,527</u>	<u>21,910</u>
<b>8. Stated capital</b>		
Authorised		
22,000,000 shares of no par value	22,000	22,000
Issued and fully paid		
17,418,945 shares of no par value	17,418	17,418
Share premium	199	199
	<u>17,617</u>	<u>17,617</u>

contd. ....



**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Contd.)**

**9. Statutory surplus reserve**

As required by section 171 of the Insurance Act, 1980 of Trinidad and Tobago at least 25% of the company's profit for the year is to be appropriated towards a surplus account until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. In this section "surplus" means the excess of Assets over all Liabilities of the company including its liability in respect of outstanding unexpired policies. No appropriation to the segregated statutory surplus reserve is required since the surplus of the company as defined above is in excess of the outstanding unexpired policies.

<b>10. Insurance funds</b>	<b>2002 \$'000</b>	<b>2001 \$'000</b>
Provisions for unearned premiums and unexpired risks		
Property	<b>1,800</b>	1,550
Motor	<b>8,112</b>	6,443
Other classes	<b>183</b>	139
	<hr/> <b>10,095</b> <hr/>	<hr/> 8,132 <hr/>

**Note:**

Provisions for unexpired risks have been calculated at 10% of the provisions for unearned premiums.

**11. Trade and other payables**

Sundry creditors and accruals	<b>2,138</b>	2,879
Amounts due to reinsurers on current account (net)	<b>2,785</b>	2,222
Outstanding claims (note 2(i))	<b>25,927</b>	30,926
	<hr/> <b>30,850</b> <hr/>	<hr/> 36,027 <hr/>

**12. Expenses of management**

Expenses of management include the following:

Directors' fees	<b>38</b>	30
Interest income	<b>3,234</b>	4,118
Interest expense	<b>32</b>	43

**13. Net income before taxation**

Net income before taxation is arrived at after charging:

Depreciation	<b>151</b>	224
Staff costs	<b>1,936</b>	1,850

contd. ....



## THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Contd.)

14. Taxation	2002 \$'000	2001 \$'000
<b>(i) Tax charge for the year</b>		
Since the company has un-utilised tax losses, the applicable tax is therefore business levy. Current year's tax provision is the product of gross receipts by the applicable tax rate as follows:		
Gross receipts	26,378	22,114
Business levy @ 0.25%	(37)	(34)
Green fund	(18)	(17)
Provision for taxation in St. Maarten Dominica and St. Lucia	(631)	(137)
Deferred tax	2,580	785
	<u>1,894</u>	<u>597</u>
<b>(ii) Reconciliation between tax loss and accounting profit multiplied by the applicable tax rate</b>		
Accounting profit	5,649	4,098
Tax at 35%	1,977	1,434
Expenses not deductible	28	28
Income exempt from tax	(266)	(907)
Other	155	42
	<u>1,894</u>	<u>597</u>
<b>(iii) Deferred taxation</b>		
Deferred tax asset at beginning of year	2,640	1,855
Transfer from statement of income and retained earnings	2,580	785
Deferred tax asset at end of year	5,220	2,640

The company has unutilised tax losses in Trinidad and Tobago of approximately \$17.5 million at 31st December, 2002 .

Deferred tax assets have been recognised in these financial statements for carry forward unutilised tax losses. This position will be re-assessed at the next financial year end.

contd. ....



## THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2002

(Contd.)

### 15. Contingent liabilities

#### a) 27th July, 1990

The company has denied liability for claims intimated arising from the events of 27th July, 1990. This is based on legal advice which is reinforced by reinsurers' common stand that these losses are not covered under treaty wordings. Also, no provision has been made for legal costs which may be incurred in respect of court actions arising out of these claims.

#### b) Claims in litigation

The Company is defending various legal actions relating to claims in dispute. These have risen in the normal course of business. After taking legal advice, management has established certain provisions that are reflected in these financial statements.

The actual outcome of these legal actions could result in payments that differ from the provisions established by management.

### 16. Financial instruments

#### (a) Fair values

With the exception of insurance contracts, which are specifically excluded under International Accounting Standard No. 32, the estimated fair values of certain other financial instruments have been determined using available market information or other appropriate valuation methodologies that require considerable judgement in interpreting market data and developing estimates. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the company could realise in the current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values.

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value are as follows:

##### (i) Short term financial assets and liabilities

The carrying amount of short term financial assets and liabilities comprising cash and short term funds, interest receivable, sundry debtors, customer deposits and other liabilities are a reasonable estimate of their fair values because of the short maturity of these instruments.

##### (ii) Investments

The fair value of trading investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimates using quoted market prices of similar investments.

#### (b) Credit risk

The company is mainly exposed to credit risk from its brokers, agents and reinsurers balances. Provisions have been set up against these balances for potential credit losses.

#### (c) Interest rate and market risk

The company is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flow.

### 17. Related party transactions

Included in these financial statements are the following related party transactions with New India Mumbai:

	2002 \$'000	2001 \$'000
Management fees	750	750
Reinsurance premiums	1,517	875

### 18. Number of employees

The company has 34 full time employees as at 31st December, 2002 (2001:33).



## THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED INSURANCE REVENUE STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2002

	2002 \$'000	2001 \$'000
<b>Property</b>		
Amount of fund at beginning of year		
Provision for unearned premiums	1,550	1,569
Provision for outstanding claims	476	689
Premiums less reinsurances	1,256	493
Commissions received	2,584	1,832
	<u>5,866</u>	<u>4,583</u>
Commissions paid	1,739	1,442
Claims paid (net of recoveries)	318	892
Expenses of management	2,601	2,689
Loss transferred to income statement	(1,418)	(2,466)
Amount of fund at end of year		
Provision for unearned premiums	1,800	1,550
Provision for outstanding claims (net)	826	476
	<u>5,866</u>	<u>4,583</u>
<b>Motor</b>		
Amount of fund at beginning of year		
Provision for unearned premiums	6,443	7,158
Provision for outstanding claims	19,886	22,224
Premiums less reinsurances	13,204	11,183
Commissions received	21	21
	<u>39,554</u>	<u>40,586</u>
Commissions paid	2,182	2,042
Claims paid (net of recoveries)	6,038	7,403
Expenses of management	3,022	3,265
Profit transferred to income statement	2,334	1,547
Amount of fund at end of year		
Provision for unearned premiums	8,112	6,443
Provision for outstanding claims (net)	17,866	19,886
	<u>39,554</u>	<u>40,586</u>
<b>Other classes</b>		
Amount of fund at beginning of year		
Provision for unearned premiums	139	168
Provision for outstanding claims	10,562	10,382
Premiums less reinsurances	311	313
Commissions received	8	11
	<u>11,020</u>	<u>10,874</u>
Commissions paid	75	40
Claims paid (net of recoveries)	3,428	2,285
Expenses of management	74	94
Loss transferred to income statement	29	(2,246)
Amount of fund at end of year		
Provision for unearned premiums	182	139
Provision for outstanding claims (net)	7,232	10,562
	<u>11,020</u>	<u>10,874</u>



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED  
SCHEDULES FOR THE YEAR ENDED 31ST DECEMBER, 2002

All classes of Insurance	Total									
	2002 \$'000	2001 \$'000	Trinidad \$'000	Barbados \$'000	Dominica \$'000	St. Lucia \$'000	Antigua \$'000	St. Maarten \$'000	Grenada \$'000	Guyana \$'000
<b>1. Net income/(loss) for the year</b>										
Gross premiums written	26,378	22,114	12,457	--	8,336	3,504	--	2,081	--	--
Underwriting profits/(losses)										
Property	(1,418)	(2,466)	(742)	2	(326)	(232)	9	(129)	--	--
Motor	2,334	1,547	951	80	1,141	(157)	172	123	17	7
Liability	21	(2,288)	50	--	13	10	--	4	(56)	--
Workmen's compensation	4	83	(15)	--	8	11	--	--	--	--
CAR/EAR	(3)	(50)	--	(3)	--	--	--	--	--	--
Marine - cargo	(1)	3	(2)	--	1	--	--	--	--	--
Personal accident	8	6	3	--	5	--	--	--	--	--
Investment income	945	(3,165)	245	79	842	(368)	181	(2)	(39)	7
Other income / (loss)	3,980	4,304	3,151	111	230	370	--	109	9	--
Revaluation of property	724	958	25	(79)	488	197	66	85	(58)	--
Profit/(loss) on ordinary activities before taxation	--	2,001	--	--	--	--	--	--	--	--
Taxation - current year	5,649	4,098	3,421	111	1,560	199	247	192	(88)	7
Net income/(loss) for the year	1,894	597	2,524	--	(452)	(24)	--	(154)	--	--
	7,543	4,695	5,945	111	1,108	175	247	38	(88)	7

(Continued)

**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**  
**SCHEDULES FOR THE YEAR ENDED 31ST DECEMBER, 2002**  
(Continued)

	Total		Liability		Workmen's Compensation		CAR/EAR		Marin-Cargo		Personal Accident	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2. Other classes</b>												
Amount of fund at beginning of year:-												
Provision for:												
- unearned premiums	139	168	71	74	59	85	--	--	1	5	8	4
- outstanding claims	10,562	10,382	10,231	10,048	301	297	17	16	13	15	--	6
Premiums less reinsurances	311	313	154	142	148	132	1	19	3	2	5	18
Commissions received	8	11	--	2	--	--	--	--	3	2	5	7
	<b>11,020</b>	<b>10,874</b>	<b>10,456</b>	<b>10,266</b>	<b>508</b>	<b>514</b>	<b>18</b>	<b>35</b>	<b>20</b>	<b>24</b>	<b>18</b>	<b>35</b>
Commissions paid	75	40	18	17	52	12	--	3	2	1	3	7
Claims paid (net of recoveries)	3,428	2,285	3,303	2,197	117	21	--	61	8	5	--	1
Expenses of management	74	94	33	38	32	37	--	5	3	1	6	13
Profit/(loss) transferred to income statement	29	(2,246)	21	(2,288)	4	83	(3)	(50)	(1)	3	8	6
Amount of fund at end of year												
Provision for:												
- unearned premiums	182	139	87	71	90	59	--	--	1	1	4	8
- outstanding claims (net)	7,232	10,562	6,994	10,231	213	302	21	16	7	13	(3)	--
	<b>11,020</b>	<b>10,874</b>	<b>10,456</b>	<b>10,266</b>	<b>508</b>	<b>514</b>	<b>18</b>	<b>35</b>	<b>20</b>	<b>24</b>	<b>18</b>	<b>35</b>

(Continued)



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

SCHEDULES FOR THE YEAR ENDED 31ST DECEMBER, 2002

(Continued)

3. Investment income

	Average Yield		2002 \$'000	2001 \$'000
	2002 %	2001 %		
Interest :				
Treasury bills	4.95	9.74	548	1,707
Fixed deposits	6.46	6.61	831	966
Government bonds	8.89	10.41	594	362
Company bonds and debentures	7.77	9.52	548	915
Savings account	6.38	4.38	712	168
Dividends	--	--	747	186
	<u>7.23</u>	<u>7.96</u>	<u>3,980</u>	<u>4,304</u>

Total

	Trinidad \$'000	Overseas \$'000	2002 \$'000	2001 \$'000
--	--------------------	--------------------	----------------	----------------

4. Expenses of management

Salaries	1,700	119	1,819	1,742
National insurance	55	7	62	63
Group insurance	54	1	55	45
<b>Direct staff costs</b>				
Ratio to administration expenses 33.98% (2001: 30.5%)	1,809	127	1,936	1,850
Rent (schedule 5)	565	45	610	559
Legal and professional expenses	80	34	114	116
Advertising	189	117	306	393
Printing and stationery	100	55	155	146
Miscellaneous expenses	184	78	262	218
Overseas travel	291	50	341	319
Telephones	224	33	257	264
Entertainment and public relations	98	9	107	130
Motor vehicle expenses	47	4	51	40

(Continued)



## THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED.

### SCHEDULES FOR THE YEAR ENDED 31ST DECEMBER, 2002

(Continued)

	Trinidad \$'000	Overseas \$'000	2002 \$'000	Total 2001 \$'000
Depreciation and leasehold improvements	132	19	151	220
Library and training	5	--	5	6
Subscriptions	102	19	121	133
Insurance	37	7	44	13
Postage	46	21	67	70
Repairs and maintenance - office equipment	38	4	42	20
Audit fees	80	--	80	63
Donations	37	13	50	49
Directors' fees	39	--	39	30
Electricity	16	4	20	17
Computer expenses	37	--	37	37
Interest and bank charges	10	22	32	42
Travelling	75	3	78	68
Pension and gratuities/severance	50	--	50	252
Uniforms	(8)	--	(8)	13
Management fees	750	--	750	750
Bad debts	--	--	--	230
<b>Total management expenses</b>	<u>5,033</u>	<u>664</u>	<u>5,697</u>	<u>6,048</u>

(Continued)



**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED.**

**SCHEDULES FOR THE YEAR ENDED 31ST DECEMBER, 2002**

(Continued)

Allocated on the basis of gross premiums written	2002 %	2001 %	2002 \$'000	2001 \$'000
CAR/EAR	--	0.07	--	5
Property	<b>45.66</b>	44.41	<b>2,601</b>	2,689
Motor	<b>53.05</b>	54.06	<b>3,022</b>	3,265
Liability	<b>0.58</b>	0.64	<b>33</b>	38
Workmen's compensation	<b>0.56</b>	0.58	<b>32</b>	37
Marine-cargo	<b>0.05</b>	0.02	<b>3</b>	1
Personal accident	<b>0.10</b>	0.22	<b>6</b>	13
	<b><u>100.00</u></b>	<b><u>100.00</u></b>	<b><u>5,697</u></b>	<b><u>6,048</u></b>
<b>5. Rent expense (Schedule 4)</b>				
Trinidad:				
Port of Spain			<b>499</b>	498
San Fernando			<b>48</b>	44
Chaguanas			<b>18</b>	17
			<b><u>565</u></b>	<u>559</u>
Overseas:				
St. Lucia			<b>45</b>	--
			<b><u>610</u></b>	<u>559</u>

□□□



## REGIONAL OFFICES IN INDIA

### WEST ZONE

#### AHMEDABAD REGIONAL OFFICE

5th Floor, Popular House,  
Opp. Swastik Market, Ashram Road,  
**Ahmedabad - 380 009**  
Tel : (079) 6585791, 6586809  
Fax : (079) 6585639, 6582709

#### BHOPAL REGIONAL OFFICE

Paryavas Bhavan, Block-3, 2nd Floor,  
Jail Road, (Arera Hills), **Bhopal - 462 001**  
Tel : (0755) 2553684, 2554803, 2554908  
Fax : (0755) 2553143, 2571040

#### MUMBAI REGIONAL OFFICE I

New India Bhavan, 34-38, Bank Street,  
Fort, **Mumbai - 400 023**  
Tel : (022) 22661621, 22660470  
Fax : (022) 22663077, 22615692

#### MUMBAI REGIONAL OFFICE II

Jeevan Seva Bldg., S.V. Road,  
Santacruz (W), **Mumbai - 400 050**  
Tel : (022) 26175131  
Fax : (022) 26119171

#### MUMBAI REGIONAL OFFICE III

New India Centre, 3rd Floor,  
17/A, Cooperage, **Mumbai - 400 039**  
Tel : (022) 22822604, 22822008  
Fax : (022) 22853513

#### MUMBAI REGIONAL OFFICE IV

New India Centre, 6th Floor,  
17/A, Cooperage Road,  
**Mumbai - 400 039**  
Tel : (022) 22814439, 22817193  
Fax : (022) 22817201

#### NAGPUR REGIONAL OFFICE

Gopal Krishna Bhavan, Jhansi Rani Square,  
Sitaburdi, **Nagpur - 440 112**  
Tel : (0712) 2561147, 2561149  
Fax : (0712) 2561182

#### PUNE REGIONAL OFFICE

Sharda Centre, 2nd Floor, Behind Nal Stop,  
Karve Road, **Pune - 411 004**  
Tel : (020) 25466964, 25412169  
Fax : (020) 25449759

#### SURAT REGIONAL OFFICE

6th Floor, Metro Tower, Near Kinnary Cinema,  
Man Darwaza, Ring Road, **Surat - 395 002**  
Tel : (0261) 8339445, 8365474  
Fax : (0261) 8334757

#### VADODARA REGIONAL OFFICE

9th Floor, Suraj Plaza II, Sayaji Ganj,  
**Vadodara - 390 005**  
Tel : (0265) 2363004, 2362215, 2363006  
Fax : (0265) 2361231

### NORTH ZONE

#### CHANDIGARH REGIONAL OFFICE

36-37, Sector 17-A, P.B. No. 49,  
**Chandigarh - 160 017**  
Tel : (0172) 704079, 705065  
Fax : (0172) 703603, 703245

#### DELHI REGIONAL OFFICE I

Level 5, Tower II, Jeevan Bharti Building,  
124, Connaught Place, **New Delhi - 110 001**  
Tel : (011) 23325112, 14, 23325580  
Fax : (011) 23325111

#### DELHI REGIONAL OFFICE II

Gulab Bhavan, 6, Bahadur Shah Zafar Marg,  
**New Delhi - 110 002**  
Tel : (011) 23317570, 71, 72  
Fax : (011) 23317579

#### JAIPUR REGIONAL OFFICE

Nehru Place, 2nd Floor, Tonk Road,  
**Jaipur - 302 015**  
Tel : (0141) 2742291, 2743507  
Fax : (0141) 2743405

#### KANPUR REGIONAL OFFICE

Green House, 15/60, Civil Lines,  
P.O. Box 151, **Kanpur - 208 001**  
Tel : (0512) 2305127, 2305036  
Fax : (0512) 2304129, 2304625

#### LUDHIANA REGIONAL OFFICE

Surya Towers, 4th Floor, The Mall,  
**Ludhiana - 141 001**  
Tel : (0161) 2413404, 5, 6, 7  
Fax : (0161) 2413409, 2413408

### SOUTH ZONE

#### BANGALORE REGIONAL OFFICE

2-B, Unity Building Annexe,  
Mission Road,  
**Bangalore - 560 027**  
Tel : (080) 22224812, 13, 14  
Fax : (080) 22227359

#### COIMBATORE REGIONAL OFFICE

Obli Towers, 594-D.B.R.D.,  
R. S. Puram,  
**Coimbatore - 641 002**  
Tel : (0422) 2544110, 2546989  
Fax : (0422) 2548979

#### CHENNAI REGIONAL OFFICE

Spencer Towers, 3rd Floor,  
770-A, Anna Salai,  
**Chennai - 600 002**  
Tel : (044) 28493000, 01, 02, 03, 04  
Fax : (044) 28493012, 13

#### ERNAKULAM REGIONAL OFFICE

P.B. No. 1049, 36/707,  
Kandamkulathy Towers,  
M.G. Road, **Kochi - 682 011**  
Tel : (0484) 2361547, 2361556  
Fax : (0484) 2370593

#### HYDERABAD REGIONAL OFFICE

104, Block, A B & E, 5th Floor,  
Surya Towers, Opp. Gymkhana Ground,  
Sardar Patel Road, **Secunderabad - 500 003**  
Tel : (040) 27841846, 27849215  
Fax : (040) 27849315

#### VISAKHAPATNAM REGIONAL OFFICE

47-10-12, 3rd & 4th Floor, Pavan Paradise,  
Near Diamond Park, 2nd Lane,  
Dwaraka Nagar, **Visakhapatnam - 530 020**  
Tel : (0891) 2751459, 2751411  
Fax : (0891) 2505961

### EAST ZONE

#### BHUBANESHWAR REGIONAL OFFICE

Alok Bharati Towers,  
1st Floor, Shaheed Nagar,  
**Bhubaneswar - 751 007**  
Tel : (0674) 2511467, 2508690, 2502269  
Fax : (0674) 2503458

#### GUWAHATI REGIONAL OFFICE

G.S. Road, Bhangagarh, **Guwahati - 781 005**  
Tel : (0361) 2529426, 2529946  
Fax : (0361) 2529425

#### KOLKATTA REGIONAL OFFICE

4, Mangoe Lane, 1st Floor,  
**Kolkatta - 700 001**  
Tel : (033) 22487720, 22480445, 6, 8  
Fax : (033) 22487781

#### PATNA REGIONAL OFFICE

B.S.F.C. Building,  
6th & 7th Floor, Fraser Road,  
**Patna - 800 001**  
Tel : (0612) 2231060, 2231049  
Fax : (0612) 2227001