



Estbd. 1919

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## Board of Directors



**M. Ramadoss**  
*Chairman-cum-Managing Director*



**R. Gopalan**  
IAS, Director (Govt. nominee)



**M. D. Mallya**  
Director



**A. R. Sekar**  
Director, General Manager & Financial Advisor



**I. S. Phukela**  
Director & General Manager

## Corporate Management

## Directors & Management



**M. Ramadoss**  
Chairman-cum-Managing Director



**A. R. Sekar**  
Director, General Manager &  
Financial Advisor



**I. S. Phukela**  
Director & General Manager



**S. B. L. Gour**  
General Manager



**Sanath Kumar**  
General Manager



**R. K. Deka**  
General Manager



**Sadasiv Mishra**  
General Manager



**S. Sethuraman**  
General Manager



**Virander Kumar**  
General Manager



**A. R. Prabhu**  
Appointed Actuary



**K. V. Pathak**  
Chief Vigilance officer



**V. C. Jain**  
Company Secretary



Estbd. 1919

दि न्यू इन्डिया एश्योरन्स कं. लि.  
The New India Assurance Co. Ltd.

## BOARD OF DIRECTORS

**CHAIRMAN-CUM-MANAGING DIRECTOR**

**M. RAMADOSS**

## DIRECTORS

**R. GOPALAN, I.A.S.**

**M. RAZZACK**  
(up to 26.08.2010)

**SARAT PATTANAYAK**  
(up to 26.08.2010)

**M. D. MALLYA**

**SANJAY GUPTA**  
(up to 26.08.2010)

**A. R. SEKAR**

**I. S. PHUKELA**

## COMMITTEES OF BOARD

### AUDIT COMMITTEE

**M. RAZZACK - Chairman**  
(up to 26.08.2010)

**M. D. MALLYA**

**SANJAY GUPTA**  
(up to 26.08.2010)

**A. R. SEKAR**

### INVESTMENT COMMITTEE

**M. RAMADOSS - Chairman**

**M. D. MALLYA**

**SANJAY GUPTA**  
(up to 26.08.2010)

**A. R. SEKAR**

**A. R. PRABHU**

### REMUNERATION COMMITTEE

**R. GOPALAN, I.A.S. - Chairman**

**M. D. MALLYA**

**M. RAZZACK**  
(up to 26.08.2010)

### RISK MANAGEMENT COMMITTEE

**M. RAMADOSS - Chairman**

**SANJAY GUPTA**  
(up to 26.08.2010)

**A. R. SEKAR**

**I. S. PHUKELA**

### POLICYHOLDERS PROTECTION COMMITTEE

**M. RAMADOSS - Chairman**

**M. RAZZACK**  
(up to 26.08.2010)

**SARAT PATTANAYAK**  
(up to 26.08.2010)

**A. R. SEKAR**

**I. S. PHUKELA**

## FINANCIAL ADVISOR

**A. R. SEKAR**

### CHIEF VIGILANCE OFFICER

**A. R. SEKAR**  
(upto 23.11.2010)

**K. V. PATHAK**  
(from 23.11.2010)

### APPOINTED ACTUARY

**A. R. PRABHU**

### COMPANY SECRETARY

**A. R. SEKAR**  
(upto 13.08.2010)

**V. C. JAIN**  
(from 13.08.2010)

## GENERAL MANAGERS

A. R. SEKAR  
S. B. L. GOUR  
R. P. SAMAL \*  
SADASIV MISHRA  
S. SETHURAMAN

I. S. PHUKELA  
K. SANATH KUMAR  
N. TOBDAN \*  
R. K. DEKA  
VASANTHA KRISHNA \*

VIRANDER KUMAR

## DEPUTY GENERAL MANAGERS

N. TOPPO \*  
SUDIP SINHA \*  
NARENDRA KUMAR  
C. J. PHILIP  
V. HARISRINIVAS  
MITA BHATTACHARJEE  
M. D. HUSSAIN  
K. V. KRISHNA  
DINESH WAGHELA

SENTHIL KUMAR  
PRAMOD G. JOSHI \*  
J. P. SHEOKAND  
P. DUTTA  
RAFI AHMED  
ANIL KUMAR  
G. C. SHARMA  
C. K. GOLA  
RAJASEKHARAN \*

A. P. MITTAL \*  
ASWATHANARAYANA \*  
RAKESH KUMAR  
S. SEGAR  
K. SURYA RAO  
S. SIVARAMAN \*  
A. N. JHA  
BALACHANDRA BALASUBRAMANIAM \*  
C. NARAMBUNATHAN

\* On deputation to other companies / foreign offices

## AUDITORS

**CHATURVEDI & SHAH**  
Chartered Accountants

**FORD, RHODES, PARKS & CO.**  
Chartered Accountants

**S. R. GOYAL & CO.**  
Chartered Accountants

## REGISTERED & CORPORATE OFFICE

NEW INDIA ASSURANCE BUILDING  
87, M. G. ROAD, FORT, MUMBAI - 400 001  
[www.newindia.co.in](http://www.newindia.co.in)



## NOTICE OF THE 92<sup>nd</sup> ANNUAL GENERAL MEETING (ADJOURNED)

To,

**ALL SHARE HOLDERS / DIRECTORS / STATUTORY AUDITORS**

**NOTICE** is hereby given that the **92<sup>nd</sup> Annual General Meeting (Adjourned)** of the members of **The New India Assurance Company Limited** will be convened on **Wednesday, the 14<sup>th</sup> day of September 2011 at 4.00 p.m. at the Registered Office of the company at New India Assurance Building, 87, Mahatma Gandhi Road, Fort, Mumbai – 400 001** to transact the following business :-

1. To receive and adopt the Balance Sheet of the company as at 31<sup>st</sup> March 2011, Profit and Loss Account for the year ended 31<sup>st</sup> March 2011, the report of the Board of Directors for the period covered by the Accounts and the auditors' report on the Balance Sheet and Accounts.
2. To seek approval for grant of remuneration as required under Section 224(8) (aa) of Companies (Amendment) Act, 2000, for Central Joint Statutory Auditors at HO and Regional Office / Divisional Office / Hub Auditors for the financial year 2011-12 to be appointed by CAG under Section 619(2) of the Companies Act, 1956 and in addition , payment of out- of -pocket expenses and travelling expenses to the auditors, wherever necessary.

**By Order of the Board**

**V. C. JAIN**  
**COMPANY SECRETARY**

Place : Mumbai

Dated : 9<sup>th</sup> September, 2011

**Note :**

A Member entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the company. Proxies, in order to be effective, must be lodged with the company at its registered office at least 48 hours before the commencement of the meeting.

## DIRECTORS' REPORT 2010-11

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 hereby present the 92<sup>nd</sup> Annual Report together with the audited statement of accounts and balance sheet of the company for the year ended 31<sup>st</sup> March 2011.

### I. CLASS-WISE PERFORMANCE SUMMARY

		(₹ in crore)				
			Fire	Marine	Misc	Total
<b>Gross Direct Premium Income</b>	<b>India</b>	<b>CY</b>	<b>1049.26</b>	<b>549.56</b>	<b>5498.32</b>	<b>7097.14</b>
		<i>PY</i>	923.78	474.30	4644.42	6042.50
	(% Growth)	<b>CY</b>	<b>13.58</b>	<b>15.87</b>	<b>18.39</b>	<b>17.45</b>
		<i>PY</i>	19.46	6.32	8.28	9.69
	<b>Outside India</b>	<b>CY</b>	<b>305.19</b>	<b>57.02</b>	<b>766.16</b>	<b>1128.37</b>
		<i>PY</i>	288.14	50.37	718.12	1056.63
	(% Growth)	<b>CY</b>	<b>5.92</b>	<b>13.20</b>	<b>6.69</b>	<b>6.79</b>
		<i>PY</i>	28.03	-23.09	9.40	11.58
	<b>Global</b>	<b>CY</b>	<b>1354.46</b>	<b>606.58</b>	<b>6264.48</b>	<b>8225.51</b>
		<i>PY</i>	1211.92	524.67	5362.55	7099.14
	(% Growth)	<b>CY</b>	<b>11.76</b>	<b>15.61</b>	<b>16.82</b>	<b>15.87</b>
		<i>PY</i>	21.39	2.56	8.43	9.97
<b>Reinsurance Premium Accepted</b>	<b>India</b>	<b>CY</b>	<b>84.06</b>	<b>10.23</b>	<b>697.23</b>	<b>791.52</b>
		<i>PY</i>	68.66	5.40	635.85	709.91
	<b>Outside India</b>	<b>CY</b>	<b>544.95</b>	<b>15.93</b>	<b>114.67</b>	<b>675.55</b>
		<i>PY</i>	420.09	15.78	100.37	536.24
	<b>Global</b>	<b>CY</b>	<b>629.01</b>	<b>26.16</b>	<b>811.90</b>	<b>1467.07</b>
		<i>PY</i>	488.75	21.18	736.22	1246.15
<b>Reinsurance Premium Ceded</b>	<b>India</b>	<b>CY</b>	<b>416.78</b>	<b>317.93</b>	<b>1436.03</b>	<b>2170.74</b>
		<i>PY</i>	411.83	306.95	1346.57	2065.35
	<b>Outside India</b>	<b>CY</b>	<b>238.76</b>	<b>12.27</b>	<b>78.58</b>	<b>329.61</b>
		<i>PY</i>	191.83	9.92	75.53	277.28
	<b>Global</b>	<b>CY</b>	<b>655.54</b>	<b>330.20</b>	<b>1514.61</b>	<b>2500.35</b>
		<i>PY</i>	603.66	316.87	1422.10	2342.63
<b>Net Premium</b>	<b>India</b>	<b>CY</b>	<b>716.54</b>	<b>241.86</b>	<b>4759.52</b>	<b>5717.92</b>
		<i>PY</i>	580.61	172.75	3933.71	4687.07
	(% Growth)	<b>CY</b>	<b>23.41</b>	<b>40.00</b>	<b>20.99</b>	<b>21.99</b>
		<i>PY</i>	11.70	2.66	10.11	10.01
	(% to Gross Premium)	<b>CY</b>	<b>68.29</b>	<b>44.01</b>	<b>86.56</b>	<b>80.57</b>
		<i>PY</i>	62.85	36.42	84.70	77.57
	<b>Outside India</b>	<b>CY</b>	<b>611.38</b>	<b>60.68</b>	<b>802.25</b>	<b>1474.31</b>
		<i>PY</i>	516.40	56.23	742.96	1315.59
	(% Growth)	<b>CY</b>	<b>18.39</b>	<b>7.91</b>	<b>7.98</b>	<b>12.07</b>
		<i>PY</i>	-0.37	-18.95	13.94	6.11
	(% to Gross Premium)	<b>CY</b>	<b>200.33</b>	<b>106.42</b>	<b>104.71</b>	<b>130.66</b>
		<i>PY</i>	179.22	111.63	103.46	124.51



**I. CLASS-WISE PERFORMANCE SUMMARY (contd...)**

(₹ in crore)

		Fire	Marine	Misc	Total
<b>Global Net Premium</b>	<b>CY</b>	<b>1327.93</b>	<b>302.54</b>	<b>5561.77</b>	<b>7192.23</b>
	<i>PY</i>	<i>1097.01</i>	<i>228.98</i>	<i>4676.67</i>	<i>6002.66</i>
(% Growth)	<b>CY</b>	<b>21.05</b>	<b>32.12</b>	<b>18.93</b>	<b>19.82</b>
	<i>PY</i>	<i>5.67</i>	<i>-3.65</i>	<i>10.70</i>	<i>9.13</i>
(% to Gross Premium)	<b>CY</b>	<b>98.04</b>	<b>49.88</b>	<b>88.78</b>	<b>87.44</b>
	<i>PY</i>	<i>90.52</i>	<i>43.64</i>	<i>87.21</i>	<i>84.55</i>
<b>Addition / Reduction in Un-expired Risks Reserves</b>	<b>CY</b>	<b>115.46</b>	<b>73.54</b>	<b>529.91</b>	<b>718.91</b>
	<i>PY</i>	<i>29.44</i>	<i>-8.67</i>	<i>271.03</i>	<i>291.80</i>
(% to Net Premium)	<b>CY</b>	<b>8.69</b>	<b>24.31</b>	<b>9.53</b>	<b>10.00</b>
	<i>PY</i>	<i>2.68</i>	<i>-3.78</i>	<i>5.80</i>	<i>4.86</i>
<b>Earned Premium</b>	<b>CY</b>	<b>1212.47</b>	<b>229.00</b>	<b>5031.86</b>	<b>6473.33</b>
	<i>PY</i>	<i>1067.58</i>	<i>237.65</i>	<i>4405.64</i>	<i>5710.86</i>
<b>Incurred Claims Net</b>	<b>CY</b>	<b>1275.27</b>	<b>257.64</b>	<b>4994.96</b>	<b>6524.87</b>
	<i>PY</i>	<i>1068.78</i>	<i>190.75</i>	<i>3872.92</i>	<i>5132.45</i>
(% to Earned Premium)	<b>CY</b>	<b>104.93</b>	<b>112.51</b>	<b>99.27</b>	<b>100.80</b>
	<i>PY</i>	<i>100.11</i>	<i>80.27</i>	<i>87.91</i>	<i>89.87</i>
<b>Commission Net</b>	<b>CY</b>	<b>177.80</b>	<b>32.23</b>	<b>438.65</b>	<b>648.68</b>
	<i>PY</i>	<i>128.27</i>	<i>19.07</i>	<i>414.02</i>	<i>561.36</i>
(% to Earned Premium)	<b>CY</b>	<b>14.66</b>	<b>14.07</b>	<b>8.72</b>	<b>10.02</b>
	<i>PY</i>	<i>12.02</i>	<i>8.02</i>	<i>9.40</i>	<i>9.83</i>
<b>Operating Expenses</b>	<b>CY</b>	<b>404.26</b>	<b>96.72</b>	<b>1442.25</b>	<b>1943.23</b>
	<i>PY</i>	<i>359.69</i>	<i>86.59</i>	<i>1290.51</i>	<i>1736.79</i>
(% to Earned Premium)	<b>CY</b>	<b>33.34</b>	<b>42.24</b>	<b>29.66</b>	<b>30.02</b>
	<i>PY</i>	<i>33.69</i>	<i>36.44</i>	<i>29.29</i>	<i>30.41</i>
<b>U/W Results - Profit / (-)Loss</b>	<b>CY</b>	<b>-641.86</b>	<b>-157.59</b>	<b>-1844.00</b>	<b>-2643.45</b>
	<i>PY</i>	<i>-489.16</i>	<i>-58.76</i>	<i>-1171.81</i>	<i>-1719.74</i>
(% to Earned Premium)	<b>CY</b>	<b>-52.94</b>	<b>-68.82</b>	<b>-36.65</b>	<b>-40.84</b>
	<i>PY</i>	<i>-45.82</i>	<i>-24.73</i>	<i>-26.60</i>	<i>-30.11</i>
<b>Investment Income - Policy Holders</b>	<b>CY</b>	<b>254.57</b>	<b>68.60</b>	<b>1048.87</b>	<b>1372.04</b>
	<i>PY</i>	<i>183.44</i>	<i>70.64</i>	<i>962.09</i>	<i>1216.17</i>
<b>Revenue (Policy Holder) Account Surplus/(-) Deficit</b>	<b>CY</b>	<b>-387.29</b>	<b>-88.99</b>	<b>-795.13</b>	<b>-1271.41</b>
	<i>PY</i>	<i>-305.72</i>	<i>11.88</i>	<i>-209.72</i>	<i>-503.57</i>
<b>Investment Income-Share Holders</b>	<b>CY</b>				<b>957.95</b>
	<i>PY</i>				<i>923.52</i>
<b>Other Income less Outgo</b>	<b>CY</b>				<b>-97.91</b>
	<i>PY</i>				<i>-60.66</i>
<b>Profit / (-)Loss before Tax</b>	<b>CY</b>				<b>-411.37</b>
	<i>PY</i>				<i>359.28</i>



**I. CLASS-WISE PERFORMANCE SUMMARY (contd...)**

		(₹ in crore)
<b>Provision for Tax</b>	<b>CY</b>	<b>10.19</b>
	<i>PY</i>	-45.40
<b>Profit / (-)Loss after Tax</b>	<b>CY</b>	<b>-421.56</b>
	<i>PY</i>	404.69
<b>Dividend (Proposed)</b>	<b>CY</b>	<b>0.00</b>
	<i>PY</i>	85.00
<b>Dividend Tax</b>	<b>CY</b>	<b>-0.33</b>
	<i>PY</i>	14.45
<b>Transfer to Reserves</b>	<b>CY</b>	<b>-421.23</b>
	<i>PY</i>	305.24

**II PERFORMANCE REVIEW**

	(₹ in crore)	
	2010-11	2009-10
<b>A GROSS DIRECT PREMIUM (INDIA) :</b>	<b>7097.14</b>	6042.51
Percentage change over previous year :	<b>17.45</b>	9.69
<b>GROSS DIRECT PREMIUM (FOREIGN) :</b>	<b>1128.37</b>	1056.63
Percentage change over previous year :	<b>6.79</b>	11.58

Gross direct premium (GDP) in India has increased from ₹ 6042.51 crore. in 2009-10 to ₹ 7097.14 crore in 2010-11, recording a good growth of 17.45% in 2010-11 as against a moderate 9.69% growth registered during 2009-10.

Health continues to drive the growth story and is significantly supported by motor and fire segments. Other segments too have grown during the year. Geographically all the regions have contributed to this good growth. Thus healthy top-line growth successively for two years has enabled the company to continue to be a market leader in India with a global premium of ₹ 8225.51 crore. The company crossed yet another milestone during the year (first company to cross ₹ 8000 crore of premium income).

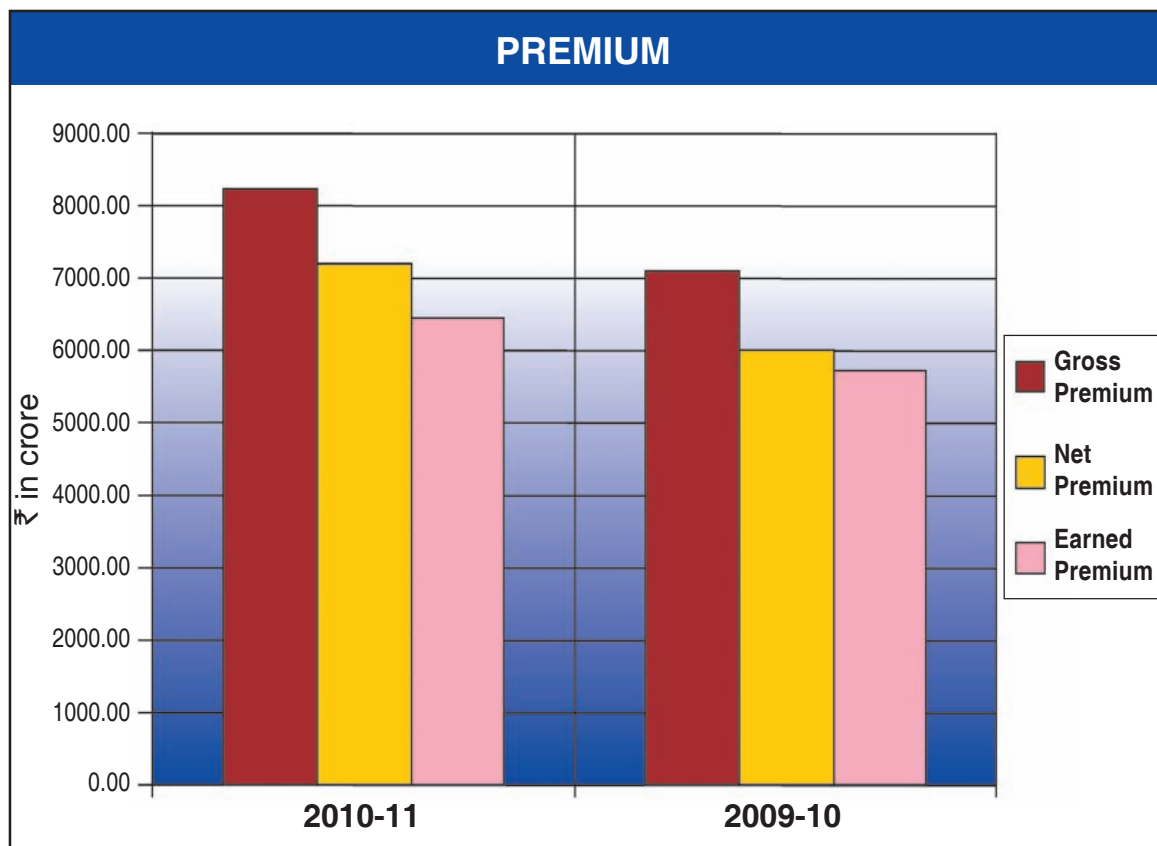
	(₹ in crore)	
	2010-11	2009-10
<b>B NET PREMIUM</b>	<b>7192.23</b>	6002.66
Percentage change over previous year :	<b>19.82</b>	9.13

The net premium income of the company grew by ₹ 1189.58 crore from ₹ 6002.65 crore to ₹ 7192.23 crore, with a retention ratio of 87.44 % in the current year, against previous year's ratio of 84.55 %.

The retention ratio of the company increased significantly from 84.55% in 2009-10 to 87.44% in 2010-11. As a result the company registered a much higher growth rate of 19.82% in the net premium against 9.13% growth in previous year. Thus the company is the first company to cross ₹ 7000 crore mark of net premium in the Indian insurance market. The net premium in 2010-11 is ₹ 7192.23 crore as against ₹ 6002.66 crore in 2009-10. An absolute growth of ₹ 1189.57 crore.



	(₹ in crore)	
	2010-11	2009-10
<b>C ADDITIONAL UNEXPIRED RISK RESERVE</b>	<b>718.91</b>	291.80
Percentage to net premium	<b>10.00</b>	4.86



	(₹ in crore)	
	2010-11	2009-10
<b>D INCURRED CLAIMS (NET)</b>	<b>6524.87</b>	5132.45
Percentage to earned premium	<b>100.80</b>	89.87

The incurred claims of the company during 2010-11 was ₹ 6524.87 crore against ₹ 5132.45 crore in the previous year. Global net incurred claims have shown an absolute increase of ₹ 1392.42 crore. This significant increase in claim ratio was mainly attributable to additional provisioning for motor pool claims in respect of previous 4 years and major catastrophic losses in foreign operations. The sustained efforts towards claims control/minimization did yield result in health segment where the claims ratio has come down by 10.52% (i.e. from 113.06% in 2009-10 to 102.54% in 2010-11). Similarly the claims ratio in motor OD segment was almost maintained at 67.60% in 2010-11 to 67.68% in the previous year. As stated the additional provisions for motor TP Pool and catastrophic losses were much higher than the improvements noted in health and motor segments resulting into increase in the claims ratio (substantial increase in URR by 422 crore is also a reason for poor incurred claims ratio on earned premium basis)

	(₹ in crore)	
	2010-11	2009-10
<b>E COMMISSION (NET)</b>	<b>648.68</b>	561.36
Percentage to earned premium	<b>10.02</b>	9.83

Net acquisition cost of business has gone up marginally by 0.19% from 9.83% in previous year to 10.02% in the current year.

	(₹ in crore)	
	2010-11	2009-10
<b>F OPERATING EXPENSES</b>	<b>1943.23</b>	1736.79
Percentage to earned premium	<b>30.02</b>	30.41

Operating expenses have increased by ₹ 206.44 crore. The increase was mainly contributed by extra burden arising from revision in wages and consequent increase in actuarial liability of the company for terminal benefits to the employees. It was also affected by the amendments to the Gratuity Act increasing the upper limit of liability from ₹ 3.5 lakh to ₹ 10 lakh. Despite these additional burden of expenses, operating expenses of 30.02% of earned premium during 2010-11 shows a reduction of 0.19% over previous years expense ratio of 30.41.

	(₹ in crore)	
	2010-11	2009-10
<b>G UNDERWRITING RESULTS</b>	<b>-2643.45</b>	-1719.75
Percentage to earned premium	<b>-40.84</b>	-30.11

The underwriting results of the current year were mainly affected by the additional provisions towards unexpired risk reserves, motor TP Pool provisions, catastrophic losses in the foreign operations and additional IBNR provisions. All of them together have increased the combined ratio from 130.11% in 2009-10 to 140.84% in 2010-11 and the underwriting loss went up from ₹ 1719.75 crore in 2009-10 to ₹ 2643.45 crore in 2010-11, an increase of ₹ 923.70 crore.

**H INVESTMENT INCOME (LESS PROVISIONS)**

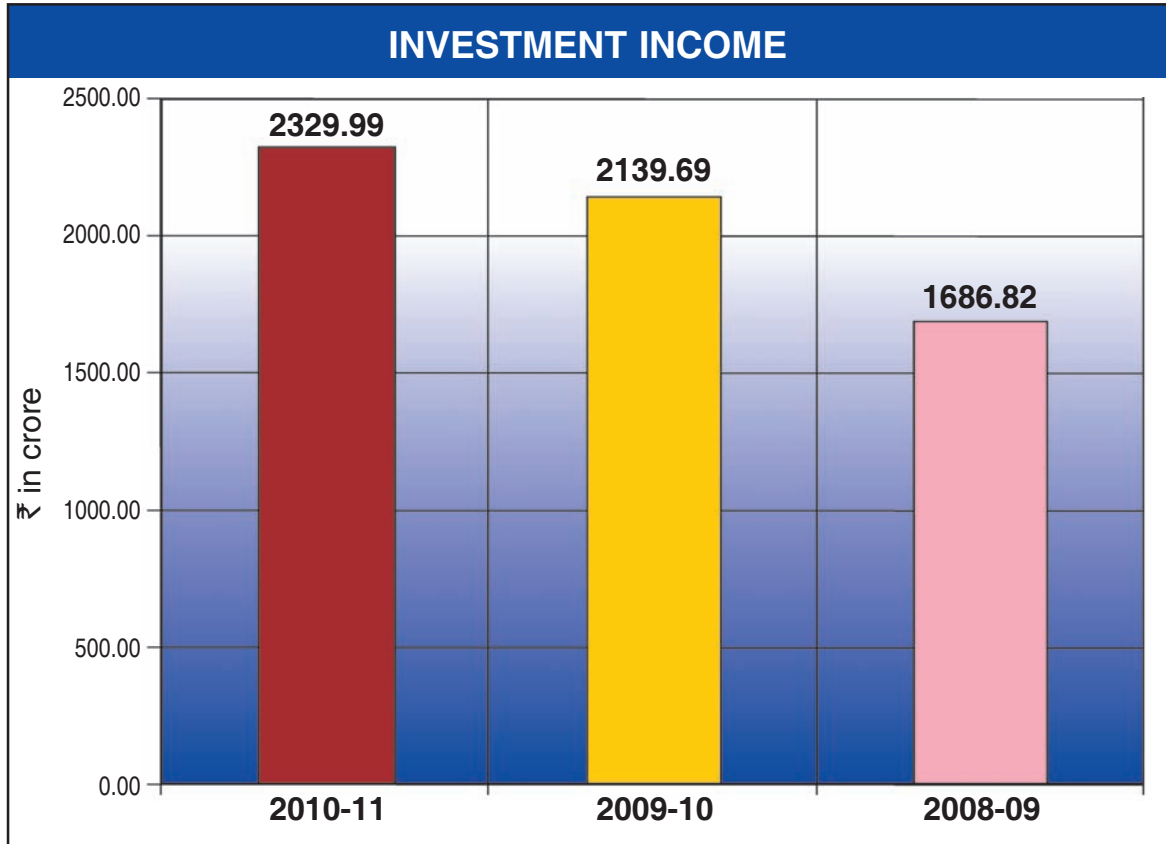
	(₹ in crore)	
	2010-11	2009-10
Apportioned to Policyholders	<b>1372.04</b>	1216.17
Apportioned to Shareholders	<b>957.95</b>	923.52
<b>Total</b>	<b>2329.99</b>	2139.69

Continued good investment performance enabled the company to earn an investment income of ₹ 2329.99 crore in the current year against ₹ 2139.69 crore in the previous year.



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The New India Assurance Co. Ltd.



(₹ in crore)

**I REVENUE ACCOUNT RESULTS**

Percentage to earned premium

	2010-11	2009-10
	-1271.41	-503.57
	-19.64	-8.82

The policyholders' account showed a net deficit of ₹ 1271.41 crore in the current year against ₹ 503.57 crore in the previous year. In percentage terms, the deficit has gone up to 19.64% as against 8.82% of previous year.

(₹ in crore)

	2010-11	2009-10
<b>J OTHER INCOME / OUTGO</b>	<b>-97.91</b>	<b>-60.66</b>
<b>K PROFIT / (-)LOSS BEFORE TAX</b>	<b>-411.37</b>	<b>359.29</b>
<b>L PROFIT / (-)LOSS AFTER TAX</b>	<b>-421.56</b>	<b>404.69</b>
<b>M PROPOSED FINAL DIVIDEND</b>	<b>0.00</b>	<b>45.00</b>
<b>N DIVIDEND TAX</b>	<b>0.33</b>	<b>7.65</b>
<b>O PAID-UP CAPITAL</b>	<b>200.00</b>	<b>200.00</b>
<b>P RESERVES AND SURPLUS</b>	<b>6911.54</b>	<b>7203.95</b>
<b>Q TOTAL ASSETS</b>	<b>39621.27</b>	<b>36832.91</b>
<b>R INVESTMENTS (AT COST)</b>	<b>13604.63</b>	<b>11851.03</b>

	2010-11	2009-10
	-97.91	-60.66
	-411.37	359.29
	-421.56	404.69
	0.00	45.00
	0.33	7.65
	200.00	200.00
	6911.54	7203.95
	39621.27	36832.91
	13604.63	11851.03

	(₹ in crore)	
	2010-11	2009-10
<b>S SOLVENCY MARGIN</b>		
(i) Required solvency margin under IRDA regulations (Global)	<b>1766.26</b>	1644.51
(ii) Available solvency margin (Global)	<b>5113.52</b>	5833.72
(iii) Required solvency margin under IRDA regulations (Indian)	<b>1459.64</b>	1429.33
(iv) Available solvency margin (Indian)	<b>6569.37</b>	6621.70

The Company's Global solvency ratio is 2.90 times and Indian solvency ratio is 4.50 times.

**T COMPLIANCE WITH SECTION 40 C**

(i) Percentage of expenses prescribed under the act	<b>19.61</b>	19.61
(ii) Company's actual percentage of expenses	<b>24.56</b>	26.04
(iii) Percentage of expenses including commission prescribed under the Act	<b>26.27</b>	27.15
(iv) Company's actual percentage of expenses including commission.	<b>31.54</b>	33.93

Provision for wage arrears and provision for terminal benefits have continued to affect the compliance with the provisions of section 40C.

**III. OVERVIEW OF COMPANY'S OPERATIONS**

**A. Indian**

Gross direct premium in India has increased from ₹ 6042.51 crore in 2009-10 to ₹ 7097.14 crore in 2010-11 recording an impressive growth of 17.45% as against 9.69% registered during 2009-10. The growth has more than doubled and is observed in all geographical segments as well as all classes of business. Health continues to be the major driver for growth followed by Motor. Thus during 2010-11 the company has crossed yet another milestone of ₹ 7000 crore and continued to be the market leader in India with a premium of ₹ 7097.14 crore.

The investment operations of the company contributed additional ₹ 190.30 crore to the Income. The continued good investment performance enabled the company to earn an investment income of ₹ 2329.99 crore in the year 2010-11 against ₹ 2139.69 crore in the year 2009-10.

The Investment portfolio has gone-up significantly from ₹ 11851.03 crore to ₹ 13604.63 crore. The market value of investments has also gone-up significantly to ₹ 30,336.64 crore in the year 2010-11 against ₹ 27,492.77 crore of previous year showing an increase of 10.34%.



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**INDIAN OPERATIONAL RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011.**

(₹ in crore)

Sr. No.	PARTICULARS	2010-11		2009-10	
		₹	%	₹	%
1	Gross premium	7097.14	17.45	6042.51	9.69
2	Net premium	5913.53	21.99	4844.59	11.73
3	Unexpired risk reserve	654.22	12.44	301.74	6.64
4	Net earned premium	5259.31	-	4542.85	-
5	Commission	319.90	6.08	270.23	5.95
6	Incurred claims	5583.67	106.17	4453.40	98.03
8	Management expenses	1817.15	34.55	1639.58	36.09
9	U/W (-)loss	(-)246.41	(-)46.80	(-)1820.36	40.07
10	Investment income	2230.11	42.40	2021.70	44.50
11	Other income	(-)97.91	(-)1.86	(-)60.66	(-)1.34
12	Profit / (-)loss before tax (PBT)	(-)329.21	(-)6.26	140.68	3.10

Note : Percentage shown in sr. no. 1 & 2 indicates the growth over previous year and the percentage shown in sr. no. 3 to 12 is percentage to 'net earned premium.'

**B. FOREIGN OPERATIONS :**

The gross premium completion is ₹ 1594.89 crore in 2010-11 as against ₹ 1427.79 crore in 2009-10 registering an accretion of 11.7%. The net premium is ₹ 1278.70 crore in 2010 -11 as against ₹ 1158.07 crore in 2009-10 showing an accretion of 10.4%.

The operations show net loss of ₹ 80.41 crore in 2010-11 as against net profit of ₹ 218.61 crore in 2009-10. This is mainly due to high incurred claims cost of ₹ 941.21 crore at 73.6%. The adverse claims ratio is attributed to cyclone Phet and Lulu supermarket claims in Muscat, Christchurch earthquake claims of our Sydney Branch, Tsunami claims in Japan etc.

**OVERSEAS OPERATIONAL RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011.**

(₹ in crore)

Sr. No.	PARTICULARS	2010-11		2009-10	
		₹	% to premium	₹	% to premium
1	Gross premium (Gross Direct plus Accepted)	1594.89	11.7	1427.79	3.7
2	Net premium	1278.70	10.4	1158.07	-0.5
3	Net earned premium	1214.01	-	1167.51	-
4	Incurred claims	941.20	77.53	679.04	58.16
5	Commission	328.78	27.08	291.14	24.94
6	Expenses of management	126.08	10.39	93.32	7.99
7	Underwriting profit / (-)loss before reserve strain	-117.35	-9.67	91.19	7.81
8	Reserve strain/(-)release	64.69	-	-9.44	-
9	Underwriting profit / (-)loss after reserve strain	-182.04	-14.99	100.63	8.62
10	Investment income	99.88	8.23	117.98	10.11
11	Net profit / (-)loss before tax	-82.16	-6.77	218.61	18.72

- i) Percentage shown in sr. no. 1 & 2 indicates the growth over previous year and the percentage shown in sr. no. 3 to 11 is percentage to 'net earned premium.'
- ii) Country-wise details are appended as "Annexure-I".

#### IV. PLAN for 2010-11 :

##### Domestic

"New India's" slogan of "Born to Lead" is consistent year after year and every year new benchmarks are set. In the year 2010-2011 the company achieved an ambitious target and completed premium of ₹ 7097.14 at a creditable growth of 17.45%. An increase in premium of ₹ 1000 crore in a year reflects hard work put in by each and every employee. It is an incredible achievement by any standard.

Indian economy is showing a sign of slight slowdown compared to previous year still New India is expected to grow higher than last year

##### Foreign

The premium target for 2011-12 is ₹ 1754 crore (Gross Premium) and ₹ 1407 crore (Net Premium) as against completion of ₹ 1594.89 crore (Gross Premium) and ₹ 1278.70 crore (Net Premium) in 2010-11.

#### V. ORGANISATION STRUCTURE

##### Domestic

The company has entered in phase of consolidation and restructuring of offices. The company has converted 42 offices as specialized offices to take care of bancassurance, brokers and auto tie-ups as also restructured 4 offices as Large Corporate Offices.

The company has opened two Regional Offices at (i) Dehradun & (ii) Belapur, Thane District (MRO-V) w.e.f. 01.04.2011.

As on 01.04.2011, the company has a network of 28 Regional Offices, 397 Divisional Offices, 588 Branch Offices, 29 Direct Agent Branches, totaling 1042 offices. In addition the company has 45 Extension Counters

##### Foreign

The company operates through a network of 19 branches, 7 agencies, 3 subsidiary companies and 4 associate companies in 20 countries.

#### VI. REINSURANCE

The direct insurance rates continued to be depressed during 2010-11 and coupled with a number of small and medium size losses the proportional treaty reinsurance were the main area of concern.

Under the circumstances the placement of proportional treaties was a challenge, but with some negotiations on terms on some treaties, the placement was completed mainly with the same set of reinsurers who have been continuing to support the company since many years.

The company endeavors to write more facultative inward business through its newly created facultative inward desk at Head Office for domestic and overseas risks.

The premium procured for facultative inward business for the year 2010-11 amounted to ₹ 5.10 crore. The projection for the next year 2011-12 is ₹ 15 crore.



The rates of non proportional treaties being directly linked to exposures and claims the placement was done mostly with the same set of securities.

Major world events during the year like the Australian floods, New Zealand earthquake and Japanese earthquake followed by tsunami, affected several reinsurers throughout the world. This led to shortage of capacity and some hardening of rates for 2011-12. The Company's catastrophic treaty placement however, progressed smoothly with no compromise on security rating or price for the year.

## VII. FIRE & ENGINEERING BUSINESS

### Fire Department

With a premium income of ₹ 1049 crore in India, registering a growth of about 14% and accretion of ₹ 126 crore, New India maintains its leadership in the fire line of business, with a market share of 22.6%. The fire portfolio of our foreign operations also grew by 14% from ₹ 627 crore in the previous year to ₹ 716 crore.

The continuing pressure on pricing coupled with a high incidence of attritional losses in the Indian market presents a challenge for underwriters. The total payout on claims for the domestic market, in this line of business was ₹ 701 crore during the year. The foreign operations were also impacted this year with a high incidence of claims. Global CAT events adversely affected our incurred claims ratio which deteriorated from 65% in the previous year to 144%, this year, with a claims outgo of ₹ 324 crore.

The company has initiated several loss control measures as well as underwriting discipline to control claims outgo.

For the 2011-12, projections for fire portfolio, the company has set a target of ₹ 1200 crore for our domestic operations, and ₹ 300 crore for our overseas operations. Risk management in fire, as part of ERM for the company would play a pivotal role in ensuring that the line of business registers robust and profitable growth in the coming years.

### Engineering Department

Company's Engineering department had set a target of 15% accretion over the previous year and has been able to cross the target. Accretion for the year ending 31<sup>st</sup> March 2011 is 17.5%. The total premium income is ₹ 334.20 crore as against ₹ 291.54 crore for 2009-10 and the company has been able to achieve this inspite of severe competition prevailing in the Indian market. This has been possible because the company has been able to acquire the business of several large projects all over the country. Engineering department has also made a big jump in premium in our foreign offices also. The net premium of the company's foreign offices is ₹ 78 crore compared to ₹ 48 crore for the last year which is an accretion of 56%.

Our overall underwriting experience is satisfactory with loss ratio at 57.89% on gross basis and 69.24% on net earned premium basis.

## VIII. TECHNO MARKETING

The Techno Marketing Department continues to maintain its number one position in the Indian market by underwriting more & more Large Risk operational policies and major project policies for major corporates including newly formed JVs for undertaking MEGA power and other infrastructure projects.

New India continues to dominate the Indian Mega Risk U/W market. The total contribution made by the dept was ₹ 470 cr. Out of the total about 170 Mega Risks existing in the country (Operational as well as projects), New India retains the dominant position by writing 80 risks as leaders and 60 risks as co insurer.



Many Mega Risks availed terrorism cover from International Market. By efficiently sourcing the terrorism capacity, New India earned a premium income of ₹ 36 crore. Market witnessed increasingly stiff competition with more and more players operating with increased capacities to underwrite Mega Risks. The company will continue to maintain the lead position by writing more and more Mega Risks, especially new projects, on the strength of underwriting capacity, competence and experience.

#### IX. BANCASSURANCE AND BROKERS' DISTRIBUTION CHANNEL

Brokers channel have contributed premium of ₹ 790.88 crore registering 41% growth over the last year. In order to enthuse and facilitate an opportunity to brokers to interact with our senior executives the company has organized brokers meet at Chennai.

Bancassurance channel contributed premium of ₹ 243.67 crore (p.y. ₹ 327.04 crore) through corporate agencies of Union bank of India, State Bank of India, Corporation Bank, Catholic Syrian Bank Ltd. and some of the cooperative banks. State Bank of India was a major participant in bancassurance business performance. However, with setting up of their own associate general insurance company, they have opted to transfer their corporate agency to SBI General Insurance Company Ltd.

#### X. MOTOR LOSS CONTROL MEASURES

##### Motor Own Damage (OD)

During the year, the market showed stiff competitive signs, primarily due to offering of discounts by the competitors, still the motor OD premium has shown an improved accretion rate of 14.60% against 7.72% of the previous year. Motor OD premium has constituted 58.33% of the gross motor premium of ₹ 2303.38 crore. At the same time, the incurred claim ratio of motor OD has remained flat at 67.92% of net earned premium.

In order to enhance customer's satisfaction, initiatives for centralized settlement of claims through setting up of claim hubs specifically for Motor OD claims continued during the year and 4 more hubs covering 19 operating offices were opened. Further 13 more operating offices were added to the already existing claim hubs. Total number of hubs operating across India now stand at 29 covering 332 operating offices. Improvement in quality of assessment and speedily settlement of claims is expected through these hubs. Motor OD premium is expected to grow at 18% in the current year with the increased number of tie-ups made with vehicle manufacturers.

##### Motor Third Party (TP)

The special focus on motor TP claims continued with sustained vigour throughout the year. Apart from reducing the outstanding claims amount through compromise and better management of all outstanding claims, reducing the incurred claims ratio was the goal. Target of 35% disposal ratio in all TP claims was achieved and 90% TP files were physically verified and 17840 number of claims were compromised through Lok Adalats and In-house conciliation.

The apex court decision in 2009 in Sarla Verma Vs. DTC became a new guiding principle for granting additional amount as loss of future income which increased the liability in death claims of those with permanent jobs.

The motor TP premium for the year 2010-11 recorded a growth of around 6% during the year. IRDA has revised the motor TP premium for non-commercial vehicles by 10% and commercial vehicles by 70% from April 2011. This will generate more premium and reduce TP losses to some extent in 2011-12.



## XI. HEALTH

Health is emerging as a significant growth driver for the company. During the year 2010-11 health line of business has grown by 28% to reach a premium of ₹ 2003 crore. Health now constitutes 28% of the domestic business. 43% of the domestic accretion came from health insurance. Heartening as the growth in Health insurance is, more gratifying is the fact that the growth in top line is also coupled with reduction in loss ratio. Incurred loss ratio on net earned premium has come down from 113% in the previous year to 103% in the year 2010-11. Group policy pricing was streamlined, performance of Third Party Administrators was closely monitored and Preferred Provider Network is an initiative spear headed by New India to control health care costs. The company will continue its efforts to leverage the growth opportunities without forsaking the need to control losses.

In 2011-12, the growth in health will be around 20% and we have set a target of reducing its claims ratio by another 5%.

## XII. RURAL INSURANCE, SOCIAL SECTOR INSURANCE AND SPECIAL SCHEMES

The New India Assurance is a pioneer non-life insurance company insuring all types of assets, belongings and lives of rural and social sector in the country. Insurance covers provided by the company are need-based/tailor-made for the benefit of rural and social sectors. Details of rural/social sector covers specially designed during the year are detailed herewith.

- **Insurance of fishermen in Odisha :** It is a comprehensive group JPA policy given to fishermen under FISHCOPFED covering 8,00,000 persons procuring a premium of ₹ 2.24 crore. Another 200000 lives are proposed to be enrolled in the next year.
- **Calf rearing Insurance Scheme :** This scheme is implemented jointly by Government of Odisha and our Bhubaneswar region. The company has procured ₹ 8 lakh as advance premium under this scheme.
- **Plantation insurance :** The company has extended Horticulture/Plantation Insurance Schemes in various parts of the country including Uttar Pradesh, Tamilnadu, North-East and Goa. The premium collected is ₹ 92 lakh.
- **Insurance of Drip Irrigation- Multi-periled lift irrigation policy :** The drip irrigation utilities of farmers in drought prone areas around Baroda in Gujarat are covered under special package policies through Gujarat Green Revolution, a subsidiary of Gujarat State Fertilizer Co. Ltd. During this year, 7,200 farmers are covered for a premium of ₹ 3.63 crore.
- **EMU bird insurance :** EMU a relative bird of Ostrich family, is reared by farmers in various places of India for breeding purposes. Company has devised a special policy for covering these birds and procured premium in states of Maharashtra, Andhra Pradesh and Gujarat. The premium collected during this year ₹ 10 lakh.
- **Elephant insurance :** The company has devised a special package cover against Elephant Insurance covering religious and commercial purpose elephants against accidents, diseases, cremation expenses, tranquilization expenses along with third party personal injury and third party property damage due to the acts of elephants. Also personal accident treatment expenses, medical expenses for their mahouts are covered.
- **Farmers' Package Insurance :** This is a composite package policy covering farmer's house, assets, cattle, livestock, agricultural implements, tractors and personal accident benefits. The company has covered about 42100 farmers with premium of ₹ 16.85 crore.

- **Special Insurance Schemes for farmers and adivasis** : Our company participated in the welfare activities of farmers and adivasi farmers and adivasis in Maharashtra state. We have insured around 60 lakh farmers and 3 lakh adivasis against Group Janata Personal Accident Insurance scheme collecting a business of around ₹ 11.9 crore.
- **Ganna Kamgar Vima Yojana** : An accidental cover is given to sugarcane farmers/mill workers during sugarcane cutting season only. It also covers cart, implements and life of these people against accidents. This year the company has collected premium of ₹ 24 lakh.
- **Rajiv Gandhi Medical Insurance Scheme (RGMIS)** : To provide comprehensive health care services exclusively to all the members of BPL families in Karaikal region, under union territory of Pondicherry during the year 2010-11. The community insurance scheme is covered for a premium of ₹ 3.18 crore. This is a Group family floater policy and about 29000 BPL families are covered under this scheme. The sum assured is ₹ 1,50,000/- per family on floater basis.
- **Gopal Raksha Scheme** : Our Vizag regional office has procured a premium of ₹ 1.43 crore this year. This scheme provides insurance benefits to milk producers of Andhra Pradesh against cattle, dwellings and Janta Personal Accident Insurance Scheme.
- **RSBY** : Under Rashtriya Swasthya Bima Yojana Policy scheme of Government of India, New India provide covers in 2 districts of West Bengal, 1 district of Manipur and 2 districts of Himachal Pradesh and have procured a total premium of ₹ 28.22 crore in 2011-12.

Apart from the above the company during this year has extended Rural Group Janata Personal Accident coverage benefits as a welfare measure to the beneficiaries /members of the several institutions/banks during 2010-11. Few of the leading beneficiaries, institutions/banks are as follows :

Sr. No.	Name of Institutions/ Banks	Premium (in lakh)
1	The Akola Dist. Central Co-op. Bank, Loan borrowers	180.00
2	Maharashtra Adiwasi Vikas Maha Mandal & members of the various societies	360.00
3	State of Maharashtra covering farmers in the State, Pune	465.50
4	State of Maharashtra covering farmers in the state, MRO IV	362.60
5	Group JPA for fishermen of Odisha state, FISHCOPFED	224.00

### XIII. CLAIMS SETTLEMENT AND AGEWISE ANALYSIS

The company had taken target of 90% claims settlement in respect of non-suit claims. The actual ratio in respect of non-suit claims in 2010-11 was 88.65%.

However, the overall claims settlement ratio including suit claims (comprising mainly of motor TP claims) is 74.25% in 2010-11.

Number of claims outstanding as on 01.04.2010	3,73,597
Number of claims intimated during 2010-11	9,17,074
Number of claims settled during 2010-11	9,55,576
Number of claims outstanding as on 31.03.2011	3,35,095



Age-wise classifications of outstanding claims as on 31.03.2011 is given below :

Claims outstanding for less than three months	48,352
Claims outstanding for more than three months but less than one year	85,804
Claims outstanding for more than one year	2,00,939
<b>Total</b>	<b>3,35,095</b>

Out of a total 3,35,095 pending claims as on 31st March 2011, 2,26,239 claims are Motor TP claims which are pending at various MACTs across the country.

#### IV. INFORMATION TECHNOLOGY

##### Centralized Web based Insurance Software Solutions (CWISS) :

Year 2010-11 has been a watershed year in our Information System platform, as the company moved from a distributed data base to a centralized data base with all offices being online with our data centre. The project, CWISS, was kicked off with Tata Consultancy Services as the System Integrator & Consortium leader to design, develop and implement an end to end Business Software Solution to handle underwriting, claims management, financials & accounting, HRM, customer relations, analytics and web based services to customers and stake holders.

The roll out which began in the year 2009-10 got completed in the year 2010-11. The project team also set up training sessions for users and technical support teams.

The company could meet the target date of complete roll out, as all its offices migrated to CWISS in all lines of products. The company completely shifted out of the legacy platform, Genisys in all its operations. The year 2011-12 would be the year of consolidation, stabilization of the application software, value addition, training and facilitation and also would build further downstream projects to take New India to the cutting edge of technology driven insurance business.

In order to have the Business Continuity Plan in place in case of any disaster situation, the three way DR set up has been commissioned to ensure Zero Data Loss to meet any eventuality. The system uses Oracle database on Sun Solaris Platform, Microsoft platform, Oracle Financials, Oracle Siebel CRM package & People soft for HRM. The solutions include Document Management as well which will be taken up this year.

Company has integrated SMS and E mail messages on real time basis with the core application to inform the customers on various transactions. The company has also provided a web facility for customers to register their comments or grievances, which is duly integrated with the IRDA Grievance System. The Call center is also made part of the CRM package and any requests or requirements are being fed into it and being tracked centrally.

The compensation system has been migrated to People Soft, where more modules are being rolled out. In the current year all significant HR components would be brought under People Soft and then made a part of CWISS.

The company plans to install desk top management solutions, implement unified communication system, video communications, data warehousing and analytics and mobile applications, in the current year.

## XV. PROJECT NEW ENERGY – BUSINESS TRANSFORMATION EXERCISE

### New Energy : (BUSINESS PROCESS ENGINEERING)

Company has been maintaining its leadership in the market in business and financial soundness for more than 50 years. With the opening up of market and the aggressive foray by private sector, it was decided in 2007 to go in for a Business Process Engineering named as 'New Energy'.

The initiatives included Agency Performance Enhancement Programme (APEP), Bancassurance, Brokers, Claims Hubs in suit & non suit claims, HR & organizational reforms, cash flow optimization and training.

HR initiatives form a significant part of New Energy. The company is happy to announce that New India was the first public sector general insurance company that was able to disburse performance linked incentive to over 4000 employees for the year 2009-10. This was the first time a profit sharing scheme was introduced in the general insurance public sector companies and it has proved to be a powerful motivating tool. Concurrently a stringent Performance Management System was put in place for increasing the productivity of employees. For the year 2009-10 the KPAs and incentives were linked to group performance. In 2010-11 it was scaled up to higher levels of management.

The claims hubs are another significant area of transformational change. The company moved around 30% of all claims to hubs in 2010-11 and plan to scale this up to 60-70% in 2011-12. Increased commitment to our valued customers with better monitoring and proper systems is the raison d'être of our claims hubs. The company has around 60 such hubs across the country.

The MACT (Suit claims) hubs are also showing promise with great strides made this past year in making correct provisions and focusing on quick settlement through compromise.

The APEP programme had brought in more than 12,000 agents under it and these agents are being groomed and trained by the agency managers located at all companys' offices. The programme also drives the recruitment & deployment of new agents. The company has various offices specialized in bancassurance and some others exclusively catering to broker business. These verticals created for focusing on emerging segments have brought in good quality business to us and at the same time entrenching in the respective segments. While there are 24 offices which specializes in Bancassurance, 13 offices at different parts of India caters to brokers.

The large Corporate Offices, currently set up in Delhi, Chennai and in Kolkatta, builds on the traditional dominance of New India on mega project insurances. These offices have added many new large customers and have been at the cutting edge of designing & developing new covers of global standards, to the complex demands in the project & industrial sector. Company's Regional office-III at Mumbai has been the Industry leader in large corporate & provides underwriting support to the complex needs of large brokers.

Our 23 specialized offices catering to tie ups with automobile dealers and manufacturers have created a significant presence in this segment of Motor Insurance. All the Regional Offices have Health Managers. This health insurance vertical interact closely with TPAs, monitor the claims trend in health insurance and also inspect claims incidents have been at the forefront of containing the losses in health insurance. These claims management initiatives in motor & health had enabled the company to bring down the loss experience in these two largest segments.

The New Energy is improved continuously to maintain the current leadership of New India, and to take the dominance to more segments of non life insurance business.



## XVI. HUMAN RESOURCE DEVELOPMENT

### Particulars of employees and recruitment :

The number of employees recruited during the year and the employee strength as on 31<sup>st</sup> March 2011 are shown below :

Category	Number of Recruitment	Total Number of Employees
Class I	14	5923
Class II (Marketing & Administration)	Nil	2433
Class III	Nil	8706
Class IV (Excluding Part Time Sweepers)	Nil	1971
Part Time Sweepers	Nil	384
<b>Total</b>	<b>14</b>	<b>19417</b>

### Training :

The company provides ample opportunities to its employees for knowledge and skills updation through regular training programmes. The company's training set-up is as under:-

1. One Corporate Training College in Mumbai ,
2. Two Zonal Training Centres at Kolkata and Chennai and
3. Twenty one Regional Training Centres.

Besides, thirty three Agents Training Centres are operating throughout the country for training of agents.

The company also nominates its employees for training at National Insurance Academy, Pune, co-promoted by the company alongwith its public sector counterparts and LIC. It imparts insurance training of a high calibre to Insurance professionals. The Academy also offers research facilities in the field of insurance.

Apart from training facilities offered at its own training centers and National Insurance Academy, Pune, the company nominates its employees to various technical and personality development programmes, policy awareness and updation programmes organized by external Institutes like College of Insurance, ASSOCHAM, CBI Academy, Gaziabad, Institute of Public Administration, Bombay Chambers of Commerce & Industry, Institute of Actuaries of India, FICCI, Academy of Resource Management, BSE, Bombay Management Association, Administrative Staff College of India, The Institute of Chartered Accountants of India, Confederation of Indian Industry, International Business Centre etc.

Executives and officers also attend International Seminars, Conferences, trainings conducted by IUMI, IMIA, Avon Insurance, London, M/s Richards Hogg & Lindley London etc.

The details of training programmes attended by the employees for the period from 01/04/2010 to 31/03/2011 are given in the table below :-

Centres	Total number of Programme	Total number of participants
NIA, Pune	72	495
External Institutes	17	37
Training Abroad	11	15
CTC	59	1378
<b>Total</b>	<b>159</b>	<b>1925</b>



### Training activities at Corporate Training College during 2010-11 :

The company has its own Corporate Training College at Andheri, Mumbai, which caters to the training needs of officials mainly in scale I, II and III. Apart from conducting refresher courses in various branches of non-life insurance, the college also conducts programmes on management subjects. Management Development programmes (2 modules) are targeted at officers promoted from class III. Having regard to changing training requirements, college has also introduced training programmes on several new topics viz. Marketing Strategies, Risk Management, Communication Skills & Customer Service, Functioning of Verticals for claims & u/w, Planning for Retirements for retiring officials, Programme for Legal Officers etc. The College also conducted programmes specifically targeted for women officers/employees .

During 2010-11, Corporate Training College conducted 59 programmes covering 1378 officials. Of these, 322 officials were from Schedule Caste Category, 106 from Schedule Tribe, 135 from Other Backward Classes and remaining 815 from General Category. On behalf of I.T. department Head Office, college also facilitated conduct of 44 CWISS related programmes covering 615 officers/employees. Thus, during the year, 103 programmes were conducted at the College covering 1993 officers/employees.

During 2011-12. Corporate Training College plans to conduct 75 programmes covering over 1500 employees. Programmes to be conducted on behalf of I.T. department will be over and above these projections.

### Scheduled Caste (SC), Scheduled Tribes (ST), Other Backward Class (OBC), People with Disabilities (PWD) and Ex-servicemen

Representations of above employees under various cadres as on 31.03.2011 are as under :

Category/Level	Total Number	Number and Percentage			
		SC	%	ST	%
Group A (Officers)	5923	1271	21.46	339	5.72
Group B (Development officers Marketing and Administration)	2433	229	9.41	70	2.88
Group C (Clerical)	8706	1965	22.57	687	7.89
Group D (Sub staff)	1971	829	42.06	160	8.12
Part-time Sweepers	384	253	65.89	32	8.33
Total	19417	4547	23.42	1288	6.63

The company strictly adheres to the government norms and guidelines on regular basis regarding reservations, concessions and safeguards the interest of employees belonging to SC/ST/OBC/PWD/ and Ex-servicemen. A special cell is actively functioning at Head Office and Regional Office level for SC/ST/OBC employees. A Liaison Officer under the charge of Chief Liaison Officer assists this cell at Head Office, whereas, Assistant Liaison Officer heads the cell at various Regional Offices.

A defined mechanism has been provided under which, on yearly basis, the liaison officer from the Head Office inspects the rosters pertaining to recruitment and promotions at all Regional Offices. The inspection report with observations of liaison officer, are put up to the Chief Liaison Officer & General Manager (Personnel) for further directions and sent back to respective Regional Offices with necessary advices. Based on the inspection report, efforts are taken by the concerned Regional Office in coordination with Head Office rectify the shortcomings in procedure, if any, observed by the Liaison Officer.



Special attention is given to the complaints and grievances of the SC/ST/OBC employees and they are investigated thoroughly and resolved within the shortest possible time.

Pre-promotional training programmes were duly imparted to all eligible SC/ST/ employees for promotion to various cadres.

Similarly, for Class III and for Class III to I promotional exercise, pre-promotional training is imparted to SC/ST employees under Dr. B.R.Ambedkar Welfare Trust. Regular training programmes are conducted on personality development, stress management, motivation etc. for SC/ST employees of various cadres. Various benefits under Dr. B. R. Ambedkar Welfare Trust have been given to SC/ST/OBC employees. SC/ST Liaison Officers workshops are conducted in a year. SC /ST employees have been nominated for NIA training programme Pune on regular basis.

The company is providing financial support on behalf of Dr. B. R. Ambedkar Welfare Trust, to various SC/ST welfare activities which are aimed towards welfare of people of the community on the eve of Mahaparinirvan day i.e. 6<sup>th</sup> December of Dr. Babasaheb Ambedkar at Chaitya Bhomi, Dadar, every year.

#### **Gender Issues and Empowerment of Women :**

Power of women has been acknowledged in all spheres of life and the company has a strong women force equipped with adequate opportunities for self and career development. A significant number of women officers, as on 31.03.2011, holding senior positions in India and in our offices abroad in the cadre of -

Deputy General Manager	1
Chief Regional Manager	1
Divisional/Sr. Divisional Manager	19
Branch Manager/ Sr. Branch Manager	20

- On recommendations of the Head Office Women's Committee, sexual harassment at work place has been incorporated as misconduct in our CDA rules after due approval from the Board of Directors.
- Efforts are made to educate women employees on legal provisions and facilities within the organization, towards safe and healthy work atmosphere. These programmes are conducted at CTC and are aimed towards harmonious inter-personal relations and understanding.
- Company's representative participated in various programmes such as National Meet of Women in Public Sector, programme on "**Managing High Profile Portfolio in Corporate Sector**" and similar events conducted during the year.

#### **Industrial Relations**

The industrial relations scenario of the company maintained a high level of mutual understanding and efficacy. Various proactive interventions were initiated to ensure problem solving at budding stage. The protection of interest of women employees was tightly put in place by a full-fledged committee designated to expeditiously attend to women-at-work related complaints. Due to fast disposal of enquiries and meeting-out speedy punishments, strict adherence to rules and regulations of the company is becoming more apparent.

The company has been striving to humanize the management machinery to enable the management to



evoke a more favorable response from it's employees and get their maximum co-operation. The department / office in charges have developed high qualities of leadership and function as a "leader of the team" whereby, they command the respect , affection, confidence and co-operation of the subordinate employees whom they are called upon to lead.

### **Sports Activities**

The company has always focused on the development of sports activities for the benefit of the employees. During the current year also, the company conducted All India Badminton tournament as also zonal tournaments for carrom, cricket, table tennis etc. The response and participation from the employees towards the said activities have been very encouraging.

## **XVII.OFFICIAL LANGUAGE IMPLEMENTATION**

### **Hindi Training**

Five days training programmes for all classes of employees not possessing working knowledge of Hindi were organized at Ernakulam, Bhubaneshwar and Guwahati. 53 employees were imparted working knowledge of hindi. Cash prizes were distributed to the successful participant employees.

### **Conference**

All India Hindi Officers' Conference was held at Shantiniketan (Kolkata) on 04-05 December 2010. The topic of discussion in the conference was – inclusive growth, distribution channels and language.

### **Incentive scheme for writing technical books in hindi**

For the year 2010-11 the company had received two entries from our employees on the following titles :

- Customer care
- Rural insurance in India.

### **Incentive Scheme for Work done in Hindi**

The scheme is again revised and re-implemented in region'A' also for all cadre of employees (except class-4).

### **Publication of House Magazine 'Arjan'**

Two issues consisting 100 pages were published which was highly appreciated by respected and known dignitary of Official Language Parliamentary Committee Smt. Poonam Juneja, Secretary. The issue was a centre of attraction for every member of Official Language Implementation Committee at Head Office.

### **Inspection**

Inspection of progressive use of hindi was carried out at 269 offices by Head Office and Regional Hindi Officers.

### **Inspection by the Parliamentary Committee on Official Language**

Third sub-committee of Parliamentary Committee on Official Language reviewed position and progress of hindi in the company at Ambala DO and Coimbatore RO. Madam Alka Kshtriya, Convener and other



honorable members of the committee were satisfied with our achievements and efforts taken for promotion of use of hindi and other Indian languages in our routine and service. Our Dharmashala branch, Trishur DO, Ernakulam RO and Jhansi DO were revied by Draft and Evidence Committee on Official Language.

#### **Promotion of Hindi & other Indian Languages**

Integration of language policy with main stream and growth of insurance, expansion of company's market share in rural and social sector will develop with help of hindi and other Indian languages. This is important for our distribution channels to be more equipped with the language of the region/masses. For this translation of 10 specified documents of rural and personal line was done in languages specified in 8<sup>th</sup> schedule of the Constitution.

The company has completed the translation of above said documents in Tamil, Telugu, Oriya, Gujarati, Marathi and Bangla. The Gujarati and Bangla translation was inaugurated by honorable member of Parliament and Convener of Official Language Parliamentary Committee Prof. Alka Kshatriya and Shri Bharat Singh Solanki, State Railway Minister. The Punjabi, Marathi, Kannada, Assamees translation are ready for launch.

This is a step towards inclusive growth and expansion of New India's market share as well as insurance propagation among masses which provide wider customer base.

#### **Translation of Users' Manuals**

This year the company has translated user's manuals for I.T. Department. In this connection the company has completed CRM manual, Engineering Part 1 & 3, Credit Shield, Fire Part-1 and Aviation Part-2. These manuals were translated by Shri Bhupendra Kumar (DRO-1), Shri Gopal Hare (DRO-2) and Shri Gopal Verma (Surat R.O.), Dr. M.S. Meet (MRO-2) and Shri A.P.Nandi (MRO-1).

#### **Workshop**

51 hindi workshops were organised at different stations in which 773 employees are benefited. A special workshop for women employees of H.O. was conducted on the occasion of International Women Day.

#### **Script Magic Software (CWISS)**

TCS has developed a Script Magic Software with the help of Hindi and I.T. Department. This software is developed to convert the English version of our policy schedule of all line of business in Hindi. A trainers' training programme in this regard was held in Ludhiana, Bhopal, Ernakulam, Vizag and Mumbai.

### **XVIII. PUBLICITY ACTIVITIES**

Publicity and marketing play a vital role of promoting the corporate image and popularizing the company's products among urban, semi-urban and rural masses. No matter what market share a brand enjoys one has to market one's products to keep in pace with the ever-changing scenario of globalisation and stiff competition. Publicity can generate great sales through great advertisements. For this, careful planning is a must and that's what exactly the company has done to reach out to the target customers through the various advertising medias.

Electronic media, outdoor media and print media were utilized for publicity purpose. Hoardings and Glow Signs have been placed at many major road junctions, highways, railway stations and airports. Advertisements are also displayed on transit media like buses, trains, baggage trolleys and barricades. Banner display at local events help the company in brand building in rural areas.

The company participates in fairs, exhibitions, and also sponsor various social gatherings, sports and cultural events. It organizes customer seminars, customer awareness camps to educate the customers about the various insurance policies and the procedures/ requirements for speedy settlement of claims.

This year the company ventured into Television and Radio Activities on Pan India basis reaching out to all age groups. Interviews conducted by publications with our senior executives.

The company has a strong conviction that the publicity is a tool to reach real masses and educate them about their insurance requirement.

## XIX. VIGILANCE ACTIVITIES

The vigilance department comprises of the Chief Vigilance Officer, a Chief Manager, 3 Vigilance Officers at Head Office and 25 Vigilance Officers posted in Regional Offices.

The thrust of vigilance department is mainly on proactive and preventive aspects of vigilance and creating awareness about the same in the various cadres of officers and employees in the company so as to reduce the number of cases arising out of system lapses and supervisory failures on the part of office in-charges. We have, therefore, organised awareness programmes and workshops for various section of the employee. 50 such programmes were conducted during 2010-11.

Surprise inspection of various offices is an effective tool for detection of irregularities /system lapses committed at operational level and is particularly helpful for Divisional Managers and Branch Managers for understanding the importance of control and supervision and identify the weak areas. 286 surprise inspections have been conducted during 2010-11. Training programmes were held at Corporate Training College which includes preventive vigilance aspects/measures, in various training modules. The "Vigilance Handbook for Line Managers" was released by CVO during the year on 14<sup>th</sup> January, 2011.

Zone wise groups of VO's were formed to study system improvements on the following topics. Groups submitted their papers which were read and circulated during VO's conference, as under.

Sl. No.	Topic	Zone
1	Weakness in handling consumer forum and ombudsmen cases	Northern Zone I
2	Effective control of health insurance portfolio	Northern Zone -II
3	Cheque dishonour/Third party cheques in General Insurance, a proactive vigilance view	Southern Zone
4	Improvement of settlement of TP Lok Adalat cases	Eastern Zone
5	Review of system and procedures – at HO/ROs	Western Zone

The ongoing objective of vigilance department is to create awareness amongst the employees and officers of the company and to inculcate the concept that 'Vigilance is a management function' and every 'New Indian' is a 'vigilance person' in his area of operation.

Keeping the above objective in view, vigilance department endeavours to ensure creating an atmosphere conducive to 'zero-corruption' functioning with role clarity and clear sense of direction.

## XX. INTERNAL AUDIT

The Internal Audit Department has continued its thrust in detecting and rectifying systems and procedural lapses, enhancing the performance of audit compliance cells at the various operating offices for faster resolution of pending audit queries – both Internal and C.A.G.



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दि न्यू इन्डिया एश्योरन्स कं. लि.  
The New India Assurance Co. Ltd.

With the help of H.O., internal audit officials and executives from H.O. – 25 Audit Workshops were conducted during the year, which has substantially helped in resolving the pending queries and in the process, the number has come down to a great extent. The result was extremely encouraging.

In order to streamline the audit department and to enhance its effectiveness the time gap between the conduct of audit and subsequent submission of report has been directed to be reduced to maximum two weeks. Our focus areas in all audits that are carried out are TPA audit, audit of TP claims with special emphasis on court recovery cases along with checking of provisioning of claims and monitoring and enforcing of AML guidelines. The Regional Office Audit teams have been instructed to include “System audit” in their audit methodology, so that procedures and methods are further improved.

Various attempts were made to switchover from traditional audit interventions to Risk Based Audit. This year also during the All India Audit Conference at Poovar, it was once again emphasized that the company should concentrate more on Risk Based Audit.

## XXI. CITIZENS' CHARTER

New India's citizen charter which was adopted by its Board of Directors in 2003 gives clear direction to the company's customer service endeavors. Utmost care is taken to adhere to the assurances mentioned in the citizen's charter and are displayed at prominent places at Head Office, Regional Office and Operating Offices.

## XXII. CUSTOMER SERVICE

Customer service is an integral part of our business. Without customers, the company would not and could not exist in the business. Customer Service Cells are well established at company's corporate office and all regional offices. “May I help You ?” counters have been provided in all Regional Offices, Divisional offices and Branch offices for customer service.

The web users searching for insurance tend to use the internet to help them locate an insurance office. Our company's website <http://newindia.co.in> provides office addresses, contact numbers of all offices for convenience of the customers. Online information on the company's various products is also provided for the benefit of public.

Company continuously monitors the customer service and takes necessary action to ensure our customers are cared for.

### Company's call centre at Pune

In order to render better, efficient and value added customer service to the existing as well as prospective clients, the call center was inaugurated at Pune on 19<sup>th</sup> June 2010, as an integral part of our customer relationship management and the company's toll free number 1800-209-1415 is available to the customer 24 X 7 for inquiries of various products, tracking status of motor claims and grievances, both in Hindi and English.

The customer can access preliminary information viz. information on company, salient features of company's products and status of motor claims through “interactive voice response system” (IVRS) on toll-free number.

Further, queries of customers are addressed by the call center people. If the customer requires further details on our products or additional information, then such oral requests are communicated by the call center to our respective offices (either nearest or policy issuing office) in the form of “Service Requests” for further follow-up through “Internet” in CRM application. Such requests from customers are then replied/resolved by our respective operating offices.

This new endeavor of "Customer Service" is a tribute to the customers and will definitely become a key element of our business strategy in the coming days.

### XXIII. FINANCIAL RATING

A. M. Best, one of the premier financial rating agency has retained the rating of **A-(excellent)** for The New India Assurance Company Limited, with a negative outlook. It indicates New India's strong adjusted capitalization and leading business position in the indian market.

### XXIV. GRIEVANCE REDRESSAL

The company has a full fledged grievance department at its corporate office headed by a Chief Manager. At Regional Office grievance department is headed by the Regional Manager/Manager and in the Divisional Office, the department is headed by the Divisional in-charge. With the implementation of Grievance Redressal Policy approved by the board on 23.03.2008, grievance redressal policy along with the list of grievance redressal officers at regional office level and the list of offices of Insurance Ombudsman are placed on our website.

The company is continuously focusing on improvement on customer service and in order to mitigate the hardship a customer/policy holder may face in lodging a complaint/grievance, a new channel for loading online registration of grievance was introduced with effect from 9<sup>th</sup> December 2010, where a customer can directly lodge the complaint using link provided on our web site. The online registration will provide an opportunity to register the complaint without any hassle and also helps us to constantly monitor the grievance and reduce turn around time.

Effective customer service is the key to the success of any business organization and realizing the importance of effective customer service in a service sector industry like us, the company has adopted the policy for holding retail customers meet at regional office level to understand the needs and wants of the customers and to have an insight to the acceptability of our products and delivery standard by the customers. Meetings were organized by our Ernakulam and Guwahati regional office where retail customers were invited for their opinion, observation and comment on our products and delivery standards. The suggestions received from the customers are placed before Policy Holders' Protection Committee meeting for their review and suggestions to make the customers' meet more meaningful.

IRDA has introduced Integrated Grievance Management System (IGMS) to provide a centralized and online access to the policy holders. Policy holders may register the grievance in IGMS or in the Insurers system. In both the scenarios, the grievance details will be synchronized between IGMS and the insurers's system. The New India Assurance Company Ltd. was the only public sector non life insurance company chosen by the regulator to pilot this initiative. NIA with the help of their IT vendor is in the process of implementing it in a phased manner.

The grievance redressal status for the year is given below :-

#### GRIEVANCE REDRESSAL STATUS (APRIL 2010 TO MARCH 2011)

	O/s. as on 1.4.2010	Registered from 1.4.2010 to 31.03.2011	Resolved from 1.4.2010 to 31.03.2011	O/s. as on 31.03.2011
DPG & OTHERS	5	44	46	3
I.R.D.A.	83	795	654	224
HODT	273	942	1074	141
RODT	313	3066	3199	180
TOTAL	674	4847	4973	548



## XXV. CORPORATE LEGAL MATTERS

In pursuance with the action plan initiated last year regarding review of performance in management of court cases by dealing offices, the same has been carried out by physical verification of case files by a team of officers from the Corporate Legal Department Findings of the same were submitted to the management with suggestion about remedial measures for effective management of court cases. It is further buttressed by way of holding interaction with the officers of the operating units and panel advocates to reduce the number and cost of litigation by way of settlement through various Alternate Disputes Redressal System (ADRS), more particularly in Motor TP claims and Consumer Forum cases. Efforts resulted in reduction of around 30,000+ motor third party cases and 1,000+ consumer forum cases.

## XXVI. RIGHT TO INFORMATION ACT, 2005

The Central Public Information Cell set up at Head Office in the year 2005, continued to process the requests for information as well as disposal of appeals speedily and efficiently and in conformity to the ideals of transparency and accountability. It was also ensured from the Central Public Information Officers (CPIO) & First Appellate Authorities (FAA) of 26 Regional Offices to respond promptly and precisely and within the provisions of the Act, to the information seekers.

Decentralization of the functions of CPIO/FAA at Regional Office level w.e.f. 01.04.2010 has been helpful in disposing of applications & appeals expeditiously.

The company has appointed Transparency Officer, at the level of General Manager, immediately on receipt of advices from the Central Information Commission (CIC) to fulfill the statutory requirements of the RTI Act for uploading maximum information on website which has been done effectively.

The CPI Cell, Head Office has arranged various workshops for CPIOs & FAAs, of Regional Offices wherein they were apprised of the latest amendments in the RTI Act and the landmark decisions given by the CIC, New Delhi. The company's official website, as per CIC guidelines, is up-dated from time to time, so far as RTI Act is concerned.

### Progress in 2010-11 :

	Requests	First Appeals	Second Appeals at CIC
Opening Balance as on 01/04/2010	23	0	
Received during the year including case transferred to other Public Authorities	1910	394	71
Cases transferred to other Public Authorities	152	31	–
Decisions where requests/appeals rejected	217	83	–
Decisions where requests/appeals disposed off	1501	265	71
Closing Balance as on 31.03.2011	63	15	NIL

## XXVII. CERTAIN EXPENSES OF MANAGEMENT

Expenses of management of the company include:

- Entertainment (indian & foreign) : ₹ 0.83 crore (previous year - ₹ 1.00 crore)
- Foreign tours undertaken by the executives : ₹ 1.47 crore (previous year - ₹ 1.75 crore)
- Publicity and advertisement : ₹ 39.70 crore (previous year - ₹ 28.34 crore)

## XXVIII. FOREIGN EXCHANGE EARNINGS & OUTGO

The company's foreign exchange earning for the year 2010-11 is ₹ 318.79crore i.e. ₹ 314.18 crore amounted to re-insurance activities and ₹ 4.61 crore from dividend, management fees and profit on sale



of rights issue (previous year – ₹ 283.53 crore) whereas the outgo in foreign currency has been ₹ 425.20 crore (previous year – ₹ 452.90 crore).

## XXIX. CORPORATE GOVERNANCE

Corporate Governance is broad framework which defines the way company functions and interacts with its environment. It is compliance with laws and regulations in each of the markets the company operates in, leading to effective management of the organization and brings direction and control to the affairs of the company. It involves management cohesive policies, guidance and decision rights for a given area of responsibility, empowerment & accountability.

The company's philosophy on corporate governance lays strong emphasis on transparency, accountability and integrity. Company believes that good corporate governance is essential to achieving long term corporate goals and for meeting the needs and aspirations of its stakeholders, including policyholders. All employees are guided by its company's policies on important issues including company's relationship with customers, policyholders and government.

### ● Board of directors :

The 100% paid-up share capital of the company is held by the Central Government of India and the directors on the board of the company are appointed by the Central Government.

The board comprises of a perfect blend of experts from the fields of insurance, banking and finance. Presently, board comprises of the Chairman cum Managing Director and four directors. The Composition of Board of directors of the company is as under :

Sl. No.	Name & Designation of Directors	Qualification	Category of Directorship
1.	M. Ramadoss Chairman-cum-Managing Director	B.Com, ACA, FIII, ACII	Chairman-cum- Managing Director
2.	R. Gopalan, I.A.S. Secretary, Dept. of Economic Affairs, Ministry of Finance, Govt. of India..	B.Sc, Chemistry, M.A. Eco (Boston University) M.P.A. (Harvard University)	Non-executive Director
3.	M. D. Mallya Chairman & Managing Director, Bank of Baroda	B.E., P.G. Diploma in Management	Ex-officio Director
4.	M. Razzack, Chartered Accountant	B.Com, FCA	Part-time non official Director (ceased on 26.08.2010)
5.	Sanjay Gupta Chartered Accountant	B.Sc, FCA, ISA (ICAI)	Part-time non official Director (ceased on 26.08.2010)
6.	Sarat Pattanayak Social Worker	B.A., L.L.B.	Part-time non official Director (ceased on 26.08.2010)
7.	A. R. Sekar General Manager & Financial Advisor	FCS, MBA, FIII, CAIIB, BGL, B.Com	Whole-time Director
8.	I. S. Phukela General Manager	B.Sc, Mech. Engg.(Hons.), AIII	Whole-time Director



The board underwent the following changes in its composition since the date of last Directors' Report, i.e., 13<sup>th</sup> August 2010 :

The following directors ceased to be directors of the company on completion of their term of office as directors :

- 1) M. Razzack : Ceased from 27<sup>th</sup> August 2010
- 2) Sanjay Gupta : Ceased from 27<sup>th</sup> August 2010
- 3) Sarat Pattanayak : Ceased from 27<sup>th</sup> August 2010

During the year ended 31<sup>st</sup> March 2011, eight board meetings were held. The date of meetings and attendance of directors during the meetings are given below :

Name of the Director	31.05.2010	29.06.2010	13.08.2010	21.08.2010	15.11.2010	03.02.2011	15.02.2011	19.02.2011
M. Ramadoss	✓	✓	✓	✓	✓	✓	✓	✓
R. Gopalan	Leave of absence	✓	✓	✓	✓	Leave of absence	Leave of absence	Leave of absence
M. D. Mallya	✓	✓	✓	Leave of absence	✓	Leave of absence	Leave of absence	Leave of absence
M. Razzack	✓	✓	✓	✓	NA	NA	NA	NA
Sanjay Gupta	✓	✓	✓	✓	NA	NA	NA	NA
Sarat Pattanayak	✓	✓	✓	✓	NA	NA	NA	NA
A. R. Sekar	✓	✓	✓	✓	✓	✓	✓	✓
I. S. Phukela	✓	✓	✓	✓	✓	✓	✓	✓

**Note :**

- ✓ : Attended the meeting  
N A : Not applicable

The Board places on record its warm appreciation to Mr. M. Razzack, Mr. Sanjay Gupta and Mr. Sarat Pattanayak for the valuable services rendered by them during their tenure as directors of the company.

In terms of IRDA directions Mr. A. R. Prabhu Appointed Actuary was present in all the board meeting held during the year.

**Committees of the Board :**

There are presently 5 committees of the Board of directors - Audit Committee, Investment Committee, Remuneration Committee, Risk Management Committee and Policyholders Protection Committee.

The minutes of all Board and Committee meetings are placed before the board and noted by the directors at the Board Meetings. The composition of all the committees including the number of meetings held during the year ended 31<sup>st</sup> March 2011 and the related attendance are as follows :

**(i) Audit Committee :**

The company had constituted Audit Committee on 28/08/2000 at the 1440<sup>th</sup> board meeting, as per Section 292A of the Companies Act, 1956. The committee was reconstituted from time to time and was last reconstituted at 1501<sup>st</sup> board meeting held on 30.03.2010.



Composition :

1. M. Razzack - ceased on 27<sup>th</sup> August 2010.
2. M. D. Mallya
3. Sanjay Gupta - ceased on 27<sup>th</sup> August 2010.
4. A. R. Sekar

Three meetings of the audit committee were held during the year ended 31<sup>st</sup> March 2011. The dates of meeting and attendance of members at meetings are given below :

Name of the Member	29.06.2010	13.08.2010	21.08.2010
M. Razzack	✓	✓	✓
M. D. Mallya	✓	✓	Leave of absence
Sanjay Gupta	✓	✓	✓
A. R. Sekar	✓	✓	✓

**Note :**

- ✓ : Attended the meeting  
N A : Not applicable

After cessation of Mr. Razzack and Mr. Sanjay Gupta as director of the company, appointment of new directors is not yet made by the Government of India. Hence, required number of Audit Committee meetings could not be held during the year for want of required number of independent directors as members of the committee, as prescribed under Companies Act, 1956.

**(ii) Investment Committee :**

The Investment Committee of the board was constituted in the 1441<sup>st</sup> board meeting held on 14.10.2000 and was reconstituted from time to time. The committee was last reconstituted in 1500<sup>th</sup> board meeting held on 04.02.2010. The composition of the committee is as follows:

Composition :

1. M. Ramadoss (Chairman)
2. M. D. Mallya
3. Sanjay Gupta - ceased on 27<sup>th</sup> August 2010.
4. A. R. Sekar
5. A. R. Prabhu

During the year ended 31<sup>st</sup> March 2011, the committee held four meetings. The dates of meeting and attendance of members at meetings are as follows :

Name of the Member	13.08.2010	15.11.2010	15.03.2011	30.03.2011
M. Ramadoss	✓	✓	✓	✓
M. D. Mallya	✓	✓	✓	✓
Sanjay Gupta	✓	NA	NA	NA
A. R. Sekar	✓	✓	✓	✓
A. R. Prabhu	✓	✓	✓	✓

**Note :**

- ✓ : Attended the meeting  
N A : Not applicable



**(iii) Remuneration Committee :**

Remuneration Committee of the company was constituted in 1486<sup>th</sup> Board meeting held on 29/09/2007 in compliance with the Government directives and was re-constituted in 1501<sup>st</sup> Board meeting held on 30<sup>th</sup> March 2010. During the year, the committee consisted of the following members :

1. R. Gopalan (Chairman)
2. M. D. Mallya
3. M. Razzack - ceased on 27<sup>th</sup> August 2010.

No meeting of the Remuneration Committee was held during the year.

**iv) Risk Management Committee :**

Risk Management Committee was formed in 1500<sup>th</sup> board meeting held on 04/02/2010 as per the IRDA directives. The committee consists of the following members :

1. M. Ramadoss (Chairman)
2. Sanjay Gupta - ceased on 27<sup>th</sup> August 2010.
3. A. R. Sekar
4. I. S. Phukela

Mr. A.R. Prabhu, Appointed Actuary and General Manager/s of technical departments are permanent invitees in all meetings of the committee. During the financial year 2010-11, the Committee held four meetings. The dates of meetings and attendance of members at the meetings are as follows :

Name of the Member	13.08.2010	15.11.2010	03.02.2011	30.03.2011
M. Ramadoss	✓	✓	✓	✓
Sanjay Gupta	✓	NA	NA	NA
A. R. Sekar	✓	✓	✓	✓
I. S. Phukela	✓	✓	✓	✓

**Note :**

- ✓ : Attended the meeting  
N A : Not applicable

**v) Policyholder Protection Committee :**

Policyholder Protection Committee was formed in 1500<sup>th</sup> board meeting held on 04/02/2010 as per the IRDA directives. The committee comprises of the following members :

1. M. Ramadoss ( Chairman)
2. M. Razzack - ceased on 26<sup>th</sup> August 2010.
3. Sarat Pattanayak - ceased on 26<sup>th</sup> August 2010.
4. A. R. Sekar
5. I. S. Phukela

Mr. A.R. Prabhu, Appointed Actuary and General Manager (grievance department) are permanent invitees in all meetings of the committee.

During the financial year 2010-11, the Committee held four meetings. The dates of meetings and attendance of members at the meetings are as follows :

Name of the Member	13.08.2010	15.11.2010	03.02.2011	30.03.2011
M. Ramadoss				
M. Razzack	✓	NA	NA	NA
Sarat Pattanayak	✓	NA	NA	NA
A. R. Sekar	✓	✓	✓	✓
I. S. Phukela	✓	✓	✓	✓

**Note :**

- ✓ : Attended the meeting  
N A : Not applicable

● **Company Secretary :**

As approved by the board in its 1504<sup>th</sup> meeting held on 13<sup>th</sup> August 2010, Mr. V. C. Jain, Chief Manager was appointed as Secretary of the company with effect from 13<sup>th</sup> August 2010 vice Mr. A. R. Sekar, Director, General Manager and Financial Advisor. Mr. Jain is an Associate member of the Institute of Company Secretaries of India and qualified to act as Company Secretary. He has been working in Board Secretariat Department of the company and is well-versed with the company secretarial work.

Board places on record its warm recognition to Mr. A. R. Sekar for the outstanding contribution rendered by him to the company during his tenure as Company Secretary.

● **Independent Directors' remuneration and disclosure :**

**(A) Remuneration to Directors :**

During the year under review, company had three independent directors on the Board and all of them ceased to be director of the company from 27<sup>th</sup> August 2010. The remuneration paid to independent directors during the year 2010-11 is as under :

1. M. Razzack	₹ 30,000/-
2. Sanjay Gupta	₹ 32,500/-
3. Sarat Pattanayak	₹ 22,500/-

The remuneration includes sitting fees only for attending Board meetings/Committee meetings of the company. No sitting fees is payable to Chairman-cum-Managing Director, whole time directors and directors representing Govt. of India and banks.

**(B) Disclosures :**

- During the year, there are no pecuniary relationships or transactions with the Non-Executive Directors.
- Financial Statements accurately and fairly represent the financial condition of the company.
- There has not been any significant changes in the accounting policies of the company during the year.



- The company has Business Risk Management process which is periodically reviewed by the Risk Management Committee to determine its effectiveness.
- Whistle Blower Policy– being a government company, the CVC guidelines are applicable to the company. Hence no separate whistle blower mechanism has been formulated.
- Solvency Margin of the company for the year 2010-11 is 2.90 (previous year 3.55)

### XXX. PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE COMPANY ACT, 1956

The particulars of employees drawing remuneration of ₹ 60 lakh and above for the year ended 31<sup>st</sup> March 2011 as required under Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975, as under :

- **Employees drawing a remuneration of ₹ 60,00,000/- and above for the year ended 31<sup>st</sup> March 2011 (information U/s 217(2A) of Companies Act 1956) :**

Name of Employee	Service in Yrs.	Designation	Remuneration	Qualification	Date of joining	Age	Last employment held	Place
B. Balachandra	27	Chief Operating Officer	7,140,945	BSC, AIII	01/06/1983	51	Glaxo Ltd.	Sydney
Kouda K.	1	Chief Underwriter	6,386,230	--	16/07/2009	53	Cardiff	Tokyo

### XXXI. AUDITORS

Under Section 619 of the Companies Act, 1956, the Comptroller and Auditor General of India, appointed M/s. Chaturvedi & Shah, M/s. Ford, Rodhes, Park & Co. and M/s. S. R. Goyal & Co. as the Central Statutory Auditors of the company for the year 2010-11. Branch auditors for the various regional offices and divisional offices in India and for the foreign branch offices were also appointed for the year. The Board expresses its gratitude for the directions and guidance given by the statutory auditors in drawing up the company's annual results.

### XXXII. RENEWAL OF LICENCE BY THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (IRDA)

The company has received the certificate of renewal of registration dated 28.02.2011 for the year 2011-12.

### XXXIII. SUBSIDIARY COMPANIES

The company has 3 subsidiary companies. The names and details of New India's shareholding are as under :

Sr. No.	Name of the subsidiary	Total paid-up capital (number of shares)	New India's shareholding (number of shares)	% holding of New India Assurance
1.	The New India Assurance Company (Trinidad & Tobago) Limited	17,418,946	146,12,444	83.89
2.	The New India Assurance Company (Sierra Leone) Limited	250,000	250,000	100.00
3.	Prestige Assurance Plc. Nigeria	2,149,985,000	1,096,555,085	51.00

The performance of subsidiaries for the year ended 31<sup>st</sup> December 2010 is summarized below :

(Figures in '000)

Name of the subsidiary	Currency	U/w Profit/(-)Loss		Investment Income		Other Income		Net Income (before tax)		Dividend	
		2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
NIA (T&T) Ltd.	\$	11573	9391	5373	5892	-884	1299	12762	16582	1741	1741
NIA (S. Leone) Ltd.	Le	-17124	-15327	20337	20245	NIL	NIL	3213	4918	NIL	NIL
Prestige Assurance	N	912351	702406	674056	936498	10497	18143	822561	864682	214998	429997

- All the subsidiary companies follow the calendar year for finalisation of accounts. Therefore, performance has been given for the year ended 31<sup>st</sup> December 2010.
- The New India Assurance Company (Sierra Leone) Limited has closed down business operations with effect from 1<sup>st</sup> January 2003 due to the civil disturbances prevailing in that country. The Company has not declared any dividend for the year 2010.
- In compliance with the provisions of the Section 212 of the Companies Act 1956, the report and audited accounts of the subsidiary companies are appended hereto.

#### XXXIV. ADOPTION OF ACCOUNTS BY SHAREHOLDERS

The company's annual accounts for the year 2009-10 were adopted by the shareholders at the Annual General Meeting held on 16<sup>th</sup> August 2010.

#### XXXV. GENERAL BODY MEETING

The last three Annual General Body meetings (AGMs) of the company were held at the registered office of the company at 87, M. G. Road, Fort, Mumbai – 400 001 on the following dates :

Monday, 16<sup>th</sup> August 2010

Monday, 17<sup>th</sup> August 2009

Saturday, 9<sup>th</sup> August 2008

#### XXXVI. SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT

The Ministry of Finance, Department of Financial Services, (Insurance Division) has confirmed that the annual report of the company for the financial year 2009-10 along with the directors' report was placed before Rajya Sabha on 23.11.2010 and Lok Sabha on 26.11.2010 as per the requirement of Section 619A read with section 619B of the Companies Act, 1956.

#### XXXVII. 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 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 financial year and of the 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 31<sup>st</sup> March, 2011 on 'going concern' basis.

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

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

**XXXIX. ACKNOWLEDGEMENT**

The Board of Directors thanks Government of India, Ministry of Finance, Department of Financial Services (Insurance Division), Insurance Regulatory & Development Authority (IRDA), General Insurers' (Public Sector) Association of India (GIPSA) General Insurance Council and other government and regulatory agencies for their valuable guidelines and continuous support provided to the company throughout the year.

The Board of Directors are also grateful to the valued customers, individual, bankers, corporate agents, surveyors, stakeholders and public at large for the patronage and confidence reposed in the company.

The Board of Directors places on record their appreciation for the commitment, sense of involvement and dedication exhibited by each staff member in the overall development and growth of the company and look forward to the continued support and whole-hearted cooperation for the realization of the corporate goals in the years ahead.

**For and on behalf of the Board**

**M. RAMADOSS**  
**CHAIRMAN-CUM-MANAGING DIRECTOR**

**Place : New Delhi**  
**Dated : 16<sup>th</sup> July 2011**

ANNEXURE I TO DIRECTORS' REPORT

DETAILS OF COUNTRY - WISE OPERATIONAL RESULTS FOR FOREIGN BRANCHES AND AGENCIES  
FOR THE FINANCIAL YEAR 2010-11

(₹ IN CRORES)

Directors' Report

COUNTRY		GROSS PREM.		NET PREM.		CLAIMS		COMMISSION		MGT. EXP.		RES. STR.		INCOME		U/W PROFIT		INVTMENT INCOME		NET PROFIT	
		₹	₹	₹	%	₹	%	₹	%	₹	%	₹	%	₹	%	₹	%	₹	%	₹	%
ABU DHABI	C.Y.	67.21	51.81	24.04	46.4	14.12	27.3	0.87	1.7	4.16	8.0	0.00	0.0	8.62	16.6	2.17	4.2	10.79	20.8		
	P.Y.	52.30	44.44	25.39	57.1	13.09	29.5	0.81	1.8	0.20	0.5	0.00	0.0	4.95	11.1	2.67	6.0	7.62	17.1		
DUBAI	C.Y.	162.52	141.34	47.73	33.8	41.60	29.4	4.17	3.0	14.83	10.5	0.07	0.0	33.08	23.4	4.35	3.1	37.43	26.5		
	P.Y.	142.34	115.84	59.11	51.0	34.87	30.1	5.61	4.8	2.91	2.5	0.11	0.1	13.45	11.6	4.71	4.1	18.16	15.7		
BAHRAIN	C.Y.	52.58	41.25	27.60	66.9	11.34	27.5	1.27	3.1	0.40	1.0	0.00	0.0	0.64	1.6	1.90	4.6	2.54	6.2		
	P.Y.	49.94	39.69	21.21	53.4	10.50	26.5	1.27	3.2	0.41	1.0	0.03	0.1	6.33	15.9	0.96	2.4	7.29	18.4		
KUWAIT	C.Y.	50.68	47.38	30.02	63.4	16.06	33.9	1.02	2.2	0.75	1.6	0.00	0.0	-0.47	-1.0	0.75	1.6	0.28	0.6		
	P.Y.	50.04	46.14	22.01	47.7	15.64	33.9	1.10	2.4	0.41	0.9	-0.15	-0.3	6.83	14.8	1.20	2.6	8.03	17.4		
MUSCAT	C.Y.	243.39	219.68	172.40	78.5	51.91	23.6	1.99	0.9	26.56	12.1	0.02	0.0	-33.16	-15.1	11.30	5.1	-21.86	-10.0		
	P.Y.	214.33	171.24	92.29	53.9	41.00	23.9	1.51	0.9	8.94	5.2	0.01	0.0	27.51	16.1	13.41	7.8	40.92	23.9		
SAUDI ARABIA	C.Y.	-0.04	-0.08	-0.28	350.0	-0.01	12.5	0.05	-62.5	0.70	-875.0	0.06	-75.0	-0.48	600.0	0.00	0.0	-0.48	600.0		
	P.Y.	-0.30	-1.45	-5.68	391.7	-0.06	4.1	0.09	-6.2	-5.26	362.8	0.00	0.0	9.46	-652.4	0.00	0.0	9.46	-652.4		
ARUBA	C.Y.	47.92	42.84	12.74	29.7	15.82	36.9	1.35	3.2	2.03	4.7	0.17	0.4	11.07	25.8	3.89	9.1	14.96	34.9		
	P.Y.	43.46	38.77	15.97	41.2	13.13	33.9	1.45	3.7	0.14	0.4	0.19	0.5	8.27	21.3	4.24	10.9	12.51	32.3		
CURACAO	C.Y.	21.09	19.25	8.02	41.7	7.25	37.7	0.95	4.9	1.33	6.9	0.08	0.4	1.78	9.2	0.45	2.3	2.23	11.6		
	P.Y.	18.75	16.57	2.49	15.0	4.90	29.6	0.66	4.0	0.45	2.7	-0.03	-0.2	8.04	48.5	0.74	4.5	8.78	53.0		
TOTAL FOR AGENCIES	C.Y.	645.35	563.47	322.27	57.2	158.09	28.1	11.67	2.1	50.76	9.0	0.40	0.1	21.08	3.7	24.81	4.4	45.89	8.1		
	P.Y.	570.86	471.24	232.79	49.4	133.07	28.2	12.50	2.7	8.20	1.7	0.16	0.0	84.84	18.0	27.93	5.9	112.77	23.9		
MAURITIUS	C.Y.	57.53	49.00	26.72	54.5	7.55	15.4	3.16	6.4	2.82	5.8	0.00	0.0	8.75	17.9	7.70	15.7	16.45	33.6		
	P.Y.	52.71	43.19	22.39	51.8	6.63	15.4	4.58	10.6	2.91	6.7	0.12	0.3	6.80	15.7	8.49	19.7	15.29	35.4		
HONGKONG	C.Y.	38.85	37.94	25.92	68.3	13.34	35.2	2.72	7.2	-0.59	-1.6	0.00	0.0	-3.45	-9.1	0.71	1.9	-2.74	-7.2		
	P.Y.	40.29	39.57	13.58	34.3	15.83	40.0	2.83	7.2	5.65	14.3	0.00	0.0	1.68	4.2	0.77	1.9	2.45	6.2		
PHILIPPINES	C.Y.	20.83	17.02	6.89	40.5	4.06	23.9	1.49	8.8	1.80	10.6	0.00	0.0	2.78	16.3	2.53	14.9	5.31	31.2		
	P.Y.	19.68	12.97	9.75	75.2	3.02	23.3	1.20	9.3	1.92	14.8	0.12	0.9	-2.80	-21.6	3.54	27.3	0.74	5.7		
THAILAND	C.Y.	10.64	6.78	4.83	71.2	1.58	23.3	1.85	27.3	0.90	13.3	0.00	0.0	-2.38	-35.1	1.12	16.5	-1.26	-18.6		
	P.Y.	7.18	5.05	3.69	73.1	1.35	26.7	2.15	42.6	-0.74	-14.7	0.65	12.9	-0.75	-14.9	0.54	10.7	-0.21	-4.2		
AUSTRALIA	C.Y.	75.40	18.34	121.81	664.2	10.16	55.4	4.84	26.4	-7.80	-42.5	0.02	0.1	-110.65	-603.3	12.68	69.1	-97.97	-534.2		
	P.Y.	63.65	34.25	25.01	73.0	7.30	21.3	2.79	8.1	6.10	17.8	-0.36	-1.1	-7.31	-21.3	5.51	16.1	-1.80	-5.3		
FIJI	C.Y.	55.83	44.26	21.85	49.4	5.32	12.0	4.88	11.0	-4.62	-10.4	0.11	0.2	16.94	38.3	8.32	18.8	25.26	57.1		
	P.Y.	61.26	52.85	38.54	72.9	5.42	10.3	3.69	7.0	-3.14	-5.9	-2.87	-5.4	5.47	10.4	5.04	9.5	10.51	19.9		
AUCKLAND	C.Y.	22.25	17.86	9.45	52.9	2.33	13.0	2.11	11.8	2.46	13.8	0.02	0.1	1.53	8.6	0.94	5.3	2.47	13.8		
	P.Y.	16.87	13.02	7.44	57.1	1.60	12.3	2.25	17.3	1.58	12.1	0.03	0.2	0.18	1.4	0.53	4.1	0.71	5.5		
JAPAN	C.Y.	210.19	174.94	110.89	63.4	35.46	20.3	63.89	36.5	3.81	2.2	0.24	0.1	-38.87	-22.2	2.51	1.4	-36.36	-20.8		
	P.Y.	205.33	167.13	89.22	53.4	33.73	20.2	58.21	34.8	8.46	5.1	-0.04	0.0	-22.53	-13.5	2.18	1.3	-20.35	-12.2		
UNITED KINGDOM	C.Y.	458.02	349.09	290.58	83.2	90.89	26.0	26.74	7.7	15.15	4.3	-0.96	-0.3	-75.23	-21.6	38.36	11.0	-36.87	-10.6		
	P.Y.	389.96	318.80	236.19	74.1	83.19	26.1	26.28	8.2	-40.38	-12.7	-0.98	-0.3	12.54	3.9	63.24	19.8	75.78	23.8		
TOTAL FOR BRANCHES		949.54	715.23	618.94	86.5	170.69	23.9	111.68	15.6	13.93	1.9	-0.57	-0.1	-200.58	-28.0	74.87	10.5	-125.71	-17.6		
		856.93	686.83	445.81	64.9	158.07	23.0	103.98	15.1	-17.64	-2.6	-3.33	-0.5	-6.72	-1.0	89.84	13.1	83.12	12.1		
RUN-OFF & OTHERS								-0.50										-0.59			
				0.44				-23.16						22.51		0.21		22.72			
TOTAL		1594.89	1278.70	941.21	73.6	328.78	25.7	122.85	9.6	64.69	5.1	-1.47	-0.1	-180.30	-14.1	99.89	7.8	-80.41	-6.3		
TOTAL		1427.79	1158.07	679.04	58.6	291.14	25.1	93.32	8.1	-9.44	-0.8	-3.38	-0.3	100.63	8.7	117.98	10.2	218.61	18.9		

C. Y. - Current year  
P. Y. - Previous year

ANNEXURE II TO DIRECTORS' REPORT

**RURAL INSURANCE, SOCIAL SECTOR INSURANCE AND SPECIAL SCHEME**

Policy Details	Year	No. of Polcies Sold	No. of Persons Covered	Amt of Premium (₹ in Lacs)	No. of Clms Reported	No. of Clms Settled	Amt of Clm Settled (₹ in Lacs)	Claims Ratio(%)
<b>Cattle Insurance</b>	2005-06	175,612	594,380	3,842.76	35,158	31,397	2,483.22	53.29
	2006-07	181,054	635,092	4,128.10	39,926	42,631	3,055.25	74.01
	2007-08	152,999	536,683	3,488.44	33,739	36,252	2,162.87	62.00
	2008-09	223,287	753,223	4,519.34	23,319	23,478	2,705.29	59.86
	2009-10	237,431	880,935	4,805.61	14,816	15,497	2,906.84	60.49
	2010-11	305,469	605,270	3,562.28	23,182	11,147	1,656.91	46.51
<b>Livestock Insurance</b>	2005-06	71,520	245,306	676.73	7,520	5,737	183.19	50.34
	2006-07	77,058	320,332	896.93	9,975	10,761	350.00	39.02
	2007-08	71,318	292,230	818.27	9,102	9,817	540.72	66.08
	2008-09	94,313	386,456	1,082.11	12,035	11,987	684.75	63.28
	2009-10	110,999	454,828	1,273.56	13,259	15,756	916.96	71.99
	2010-11	57,897	252,313	473.84	2,619	2,493	183.51	38.73
<b>Agriculture Pumpset</b>	2005-06	36,525	57,320	163.58	3,025	2,555	56.20	43.54
	2006-07	40,220	58,306	166.19	4,115	4,022	75.25	45.23
	2007-08	21,853	31,680	90.30	2,236	2,147	39.79	44.06
	2008-09	15,917	109,616	65.77	1,628	1,598	28.07	42.68
	2009-10	12,062	83,066	49.84	510	508	8.79	17.64
	2010-11	11,367	12,916	35.14	109	121	4.66	13.26
<b>Janta Personal Accident</b>	2005-06	682,025	6,542,400	1,308.48	7,592	5,250	2,260.00	156.90
	2006-07	685,520	7,278,901	1,400.72	5,020	5,966	1,820.93	130.35
	2007-08	608,708	6,463,304	1,243.77	4,458	4,012	1,187.96	95.51
	2008-09	781,527	7,647,701	1,317.89	1,701	1,698	1,805.60	137.01
	2009-10	846,569	8,284,173	1,427.57	4,790	2,131	1,357.21	95.07
	2010-11	1,049,351	4,421,513	1,500.03	1,879	1,640	1,075.62	71.71
<b>Gramin Personal Accident</b>	2005-06	4,250	117,895	33.33	315	195	17.73	163.13
	2006-07	18,671	121,295	50.98	675	546	34.50	67.71
	2007-08	16,521	107,329	45.11	597	483	24.24	53.74
	2008-09	18,341	1,045,261	51.10	243	212	65.60	128.38
	2009-10	21,683	1,235,698	60.41	182	159	49.23	81.49
	2010-11	32,454	136,747	46.39	58	50	54.74	118.00
<b>Universal Health Insurance Scheme</b>	2005-06	2,150	4,884	5.07	150	88	4.16	82.05
	2006-07	5,291	23,098	38.14	851	476	32.79	85.97
	2007-08	6,936	32,170	46.96	508	460	32.14	64.33
	2008-09	4,212	51,903	60.05	1,064	912	31.71	52.81
	2009-10	5,791	493,968	575.86	10,553	10,477	361.74	62.81
	2010-11	8,973	287,098	399.96	13,474	11,596	418.89	104.73
<b>Mediclaim</b>	2005-06	1,221,880	5,711,438	59,083.40	977,121	757,391	70,376.26	119.11
	2006-07	1,130,913	6,232,431	74,841.55	613,463	552,623	74,105.50	99.02
	2007-08	1,234,554	8,560,474	113,929.10	813,463	752,623	93,213.00	81.82
	2008-09	1,437,947	5,982,784	133,767.00	671,877	610,973	127,189.00	99.10
	2009-10	1,446,268	6,095,223	152,695.80	743,754	734,492	149,597.25	97.97
	2010-11	1,613,626	7,166,982	199,920.82	608,009	551,733	182,320.47	91.20
<b>Jan Arogya Bima Policy</b>	2005-06	20,061	83,631	62.56	3,461	47,132	88.85	142.02
	2006-07	17,669	105,393	96.14	2,796	2,332	91.15	94.81
	2007-08	8,230	20,637	21.27	1,022	1,072	36.39	171.09
	2008-09	9,689	16,152	16.26	1,089	804	20.31	121.50
	2009-10	14,049	25,258	30.09	1,069	945	31.26	103.88
	2010-11	7,525	16,375	15.03	768	684	19.46	129.47



## **Addendum to Directors' Report dated 16<sup>th</sup> July, 2011, As per Section 217(3) of the Companies Act, 1956**

### **Response to qualifications in Auditors' Report dated 16<sup>th</sup> July, 2011**

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

1. Para 1 a. of Auditors' Report regarding non availability of confirmation of loans and investments.

Demand notices to state government for outstanding dues are sent on half yearly basis, indicating, balances outstanding on account of principal as well as over dues of interest and these have not been disputed by the respective state governments. As regards term loan accounts, which are restructured, reconciliation of balances as per the company's records and borrowers' records is carried out and accounts have already been suitably modified. Hence there is no material impact on the financial statements.

2. Para 1 b. of Auditors' Report regarding historical /weighted average cost of listed equity/equity related instruments, the value of which were impaired on or before 31.03.2000.

The company has prepared accounts as per IRDA regulations for the first time for the year 2001-02. IRDA Regulations on preparations of financial statements require insurers to assess at each balance sheet date whether any impairment in value of specified assets has occurred and to recognize the same in revenue. Further, the regulations also require the company to incorporate any reversal of impairment loss recognized in earlier years.

The company as per its own internal guidelines, as also guidelines issued by GIC has been working out impairment value in respect of equity and preference shares. The exercise has been carried out for more than 25 years before notification of the same by IRDA in 2000-01. Further, over the years the historical cost has undergone changes on account of subscription to rights shares allotment of bonus shares, conversion of other security into equity etc. More over, the company did not have the practice of working out reversal of impairment loss recognized in the earlier years and hence the details of amounts impaired prior to 31.03.2000 is not available. This has been clearly stated in company's accounting policies

3. Para 1 c. of Auditors' Report regarding non reconciliation of re-insurers' and coinsurer's balances and inter office accounts.

Regarding outward treaty reinsurance arrangements, statement of accounts have been sent to all re-insurers up to 4<sup>th</sup> quarter 2010-11. In few cases, wherever some minor errors were brought to our notice, the same have been rectified in the current fiscal (2011-12).

In respect of inward treaty balances, we have accounted all transactions as per the statements received from other public sector insurers up to 4<sup>th</sup> quarter of 2010-11. Hence, stands automatically reconciled.

Reconciliation of facultative balances which were in arrears for some time, has been taken up vigorously. In respect of aviation and marine departments considerable progress has been achieved in the first four months of the current year 2011-12. Remaining balances are being taken up with all urgency.

Inter-office accounts reconciliation is a continuous process. The inter-office accounts for transfer of funds have been reconciled and outstanding items have been listed out for further action. Similarly,



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The New India Assurance Co. Ltd.

the inter-office account for reconciled balances and for profit or loss of the previous years has also been reconciled and outstanding items have been listed out for further action. These are the major inter-office accounts and the reconciliation of other interoffice accounts is in progress

4. Para 1 d. of Auditors' Report regarding accounting of tax liability in Foreign Countries.

The company's foreign operations have been spread in 20 countries. The recognition of deferred tax liability/asset requires the complete information on the tax laws of all these countries. In view of the differing provisions and difficulties involved in getting the complete information, it has not been possible to ascertain and account reasonably correct deferred tax asset liability arising from our foreign operations. However, the financial impact of the same is not material.

5. Para 2 of Auditors' Report regarding substantial strengthening in the areas of internal audit and coverage and compliance.

The financial, underwriting, claims and reinsurance soft ware have many built in controls, which minimize irregularities. In addition, surprise inspections and anti fraud audits have become integral part of our internal audit system. The internal audit department has taken up special in-depth audit of operational thrust areas like bancassurance, corporate agencies, TPA administration and Auto tie-ups and TP Claims with special emphasis on court recovery cases. The Regional office audit teams have been instructed to include system audit in their audit methodology. The time gap between conduct of audit and subsequent submission of reports has been directed to be reduced to two weeks. The department is aware of the need for changes in the coverage of audit programmes and has been adapting itself to the changed working environment. During the year 2010-11, 25 workshops were held for ensuring better compliance of the audit observations. This has substantially helped in resolving pending queries and the number of outstanding queries has come down to a great extent. With all these above steps, we are sure our internal audit department is well prepared to meet the audit needs of our company. In addition, the investment operations are subject to concurrent audit by an independent professional.

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**For and on behalf of the Board**

**M. Ramadoss**  
**Chairman-cum-Managing Director**

Dated : 22.07.2011

Place : Mumbai

## Certificate on Financial Statements

This is to certify that the financial statements of the company for the year ended 31<sup>st</sup> March 2011 placed before the board of directors for adoption and approval, do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

**Dinesh R. Waghela**  
Chief Financial Officer

**M. Ramadoss**  
Chairman cum Managing Director

Place : New Delhi  
Dated : 16<sup>th</sup> July 2011

## Certificate of Compliance of the Corporate Governance Guidelines

I, V. C. JAIN hereby certify that the company has complied with the Corporate Governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

**V. C. JAIN**  
Company Secretary

Place : New Delhi  
Dated : 16<sup>th</sup> July 2011



## 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 2011-12.
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.200 Crores per risk except in respect of certain risks in which case there is an exposure of Rs.300 Crores PML 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 20 countries. The foreign branches have their own reinsurance arrangements to protect their exposure. Over and above there is an excess of loss protection available, which takes care of the exposure risk of the company as a whole, including domestic and foreign branches. The foreign branches/agencies generate enough revenue in local currencies to meet their liabilities arising out of their operations. Hence there is no major currency risk in the countries we operate. As regards the country risk, by and large all the countries in which we operate are politically stable. We also have well defined acceptance limits for foreign operations, which limits our exposure in these countries.
9. The average claim settlement time during the preceding five years is as under :

Year	No. of days
2010-11	51
2009-10	88
2008-09	137
2007-08	138
2006-07	132

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 IRDA norms.

12. It is hereby confirmed :
- (i) That in preparation of financial statements, the applicable accounting standards, principles and policies have been followed, except amortisation of additional actuarial liability for gratuity as per I.R.D.A. circular no. IRDA/F&A/CIR/ACT/069042011 dated 18.04.2011
  - (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 loss 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.
13. There are no payments made to individuals, firms, companies and organizations in which directors of the company are interested.

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**V. C. Jain**  
*Company Secretary*

**I. S. Phukela**  
*Director*

**A. R. Sekar**  
*Director*

**M. Ramadoss**  
*Chairman-cum-Managing Director*

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011



## 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 (the Company) as at 31<sup>st</sup> March, 2011 and the annexed the revenue accounts of Fire, Marine and Miscellaneous Insurance Revenue Accounts (collectively known as 'Revenue Accounts'), Profit and Loss Account and Receipts and 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 five Divisional Offices audited by the other firms of auditors appointed by the Central Government;
- (b) Returns from eight Foreign Branches audited by other firms of auditors appointed by the company;
- (c) Returns of one unaudited Foreign Branch;
- (d) Returns from seven foreign agencies audited by local auditors appointed by the company;
- (e) Returns of one unaudited Foreign Agency; and
- (f) Returns of eight unaudited Run-off Foreign Agencies,

(in all covering total premium of Rs.8221.55 crores and claims of Rs.6550.91 crores. )

**The Balance Sheet, the Revenue Accounts and the Profit and Loss Account have been drawn up in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority ('IRDA') (Preparations of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDA Regulations') read with Section 211 of the Companies Act, 1956 ('the Act').**

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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Without qualifying our opinion, attention is invited to Notes to Accounts :

- a. Note number 8(a), 8(b) (ii), 8 (c) and 8 (d) in Schedule 16 B regarding non-compliance of Insurance Regulatory and Development Authority (IRDA) Regulations during the year.
- b. Note number 12 in Schedule 16 B, which describe deferment of gratuity liability of the company to the extent of Rs.13724.80 lakhs, pursuant to the circular dated 18-04-2011 of IRDA to Public sector insurance companies.
- c. Note number 8 (b) (i) in Schedule 16 B, non disclosure of segment reporting in respect of Public and Product Liability of Foreign Business.

We report that :

1. a. ***In view of non-availability of balance confirmations of some loans and investments (Refer***

**Note number 9, notes to accounts in Schedule 16 B), we are unable to comment on the impact of adjustments arising out of reconciliation / confirmation of such balances on the financial statements.**

- b. The historical/weighted average cost of listed and unlisted equity / equity related instruments / preference shares, the value of which were impaired on or before 31.03.2000 is not available with the Company. As a result, the reversal of impairment losses recognized in Profit and Loss / Revenue Account prior to 01.04.2000 has not been accounted for. (Refer Significant Accounting Policy in schedule 16 under 13 L and M (II)).**
  - c. Balances due to/ from persons or bodies carrying on insurance business and balances of inter office accounts are pending for reconciliation/confirmation as stated in Note number 3 (a) and (c) of Notes to accounts, in schedule 16 B. Consequential effect, if any, is not ascertainable.**
  - d. The accounting of Tax Liability in Foreign Countries is not in accordance with Accounting Standard 22 - Accounting for Taxes on Income for not recognizing deferred tax assets and liabilities for operations in foreign branches. (Refer Notes to accounts note number 11 C ii 3 in Schedule 16 B)**
- 2. The company's internal audit system requires substantial strengthening in the areas of audit coverage and compliance.**
  - 3. Overall impact of the above Para 1 (a) to (d) and the consequential effects on Revenue Accounts, Profit and Loss Account and Reserve and Surplus as on 31<sup>st</sup> March, 2011 are not ascertainable.**

**Subject to above, we further report that :**

- a. We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit and 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.
  - d. The actuarial valuations of liability in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at 31<sup>st</sup> March, 2011, have been duly certified by the Company's Appointed Actuary and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuations are in accordance with guidelines and norms prescribed by the Insurance Regulatory and Development Authority (IRDA) and the Actuarial Society of India in concurrence with the IRDA.
  - e. As per Circular Number 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.
  - f. The reports of the regional auditors consolidating divisional auditors' reports, reports 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, except that in case of some foreign branches, the system of reporting needs to be strengthened.
4. We further report that in our opinion and to the best of our information and according to the information and explanation given to us;
    - a. The Balance Sheet, Profit and Loss Account and Receipts and Payment 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 IRDA Regulations, except preparation of Receipts and Payments Account has been drawn by "Indirect Method" instead of "Direct Method" as required by Part I of Schedule B.
- b. The investments have been valued in accordance with the provisions of the Insurance Act, 1938, the regulations and orders/ directions issued by IRDA in this regard.
- c. The said accounts read together with significant accounting policies and notes to accounts thereon 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 subject to paragraph 1(a) to (d) above, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies :
- (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, 2011;
- (ii) of the deficit, in so far it relates to the Revenue Accounts of Fire, Marine and Miscellaneous Business for the financial year ended on that date;
- (iii) of the Loss, 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.
5. Further on the basis of our examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that :
- a. We have reviewed the management report attached to the financial statements for the year ended 31<sup>st</sup> March, 2011 and there is no apparent mistake or material inconsistency with the financial statements; and
- b. Based on the information and explanations received during the normal course of our audit and management representation by officer of the Company charged with the compliance, nothing has come to our attention which causes to believe that the Company has not complied with the terms and conditions of registration as stipulated by the IRDA.

**For CHATURVEDI & SHAH**  
Firm Registration No:101720W  
Chartered Accountants

**For FORD, RHODES, PARKS & CO.**  
Firm Registration No:102860W  
Chartered Accountants

**For S. R. GOYAL & CO.**  
Firm Registration No:001537C  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner  
Membership No. 110248

**Shrikant B. Prabhu**  
Partner  
Membership No. 35296

**Ajay K. Atolia**  
Partner  
Membership No.077201

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011

## 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 FOR THE YEAR ENDED 31 MARCH 2011.

The preparation of financial statements of The New India Assurance Company Limited for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 16 July 2011.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of The New India Assurance Company Limited for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619 (4) of the Companies Act, 1956.

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

**(ALKA R. BHARDWAJ)**  
Principal Director of Commercial Audit and  
Ex-Officio Member Audit Board-I, Mumbai

Place : Mumbai  
Date : 18.08.2011



**Certificate for the year ended 31<sup>st</sup> March, 2011 as required by Schedule 'C' of Insurance Regulatory & Development Authority Regulations, 2002 for Preparation of Financial Statements and Auditor's Report of Insurance Companies in case of The New India Assurance Company Limited.**

**We certify that :**

- 1 (a) We have verified cash balances, to the extent considered necessary, and securities related to the Company's Loans and Investments, subject to paragraph (b) herein mentioned below, on following basis :

Sr. No.	Asset	Nature of Verification
i)	Cash	Physical verification, Management Certificate and Regional / Branch Auditors' reports.
ii)	Investments	Custodians' Certificate (RBI, HDFC Bank & SHCIL) and Management's Certificate.
iii)	Securities relating to loan	Management's Certificate.

- (b) i) No confirmations were available from custodian in respect of following:
- a) Investments in equity shares having book value of ₹ 1.18 lakhs are under objection.
  - b) Equity shares and Debentures/Bonds amounting to ₹ 1.38 lakhs and ₹ 79.84 lakhs respectively for which no evidence of ownership was available.
- ii) The number of equity shares, preference shares, other approved securities and Debentures /Bonds actually held by Stock Holding Corporation of India Ltd. (Custodian) on behalf of the Company are in excess of the number of equity shares, preference and Debentures/ Bonds held as per the books of the Company. The book value of such excess is ₹ 17.68 lakhs, ₹ 2.29 lakhs, and ₹ 8.67 lakhs respectively.
- iii) Investment in Term Loans, Loans to State Government for the purpose of Housing & Fire Fighting Equipments, Investments in Pass Through Certificates (PTC) and Balances on account of restructuring/rescheduling of debts are subject to confirmations/ reconciliations.
- iv) No confirmations were available in respect of foreign investments amounting to ₹ 2.92 lakhs.
- 2 To the best of our information and explanations given to us, the Company has not undertaken any trust as trustee.
- 3 No part of the assets of policyholders' funds has been directly or indirectly applied in contravention of the provision of the Insurance Act, 1938 relating to the application and Investments of the Policy Holders' funds.

As per our report of even date

**For CHATURVEDI & SHAH**  
Firm Registration No:101720W  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner  
Membership No. 110248

**For FORD,RHODES, PARKS & CO.**  
Firm Registration No:102860W  
Chartered Accountants

**Shrikant B. Prabhu**  
Partner  
Membership No. 35296

**For S. R. GOYAL & CO.**  
Firm Registration No:001537C  
Chartered Accountants

**Ajay K. Atolia**  
Partner  
Membership No.077201

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011

## Fire Insurance Revenue Account for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Revenue Account

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium earned (net)	1	12124747	10675820
2. Profit on sale or redemption of investments (policyholders)	-	1086873	784746
Loss on sale or redemption of investments (policyholders)		0	0
3. Interest dividend and rent (gross)	-	1482325	1050607
<b>Total (A)</b>		<b>14693945</b>	<b>12511173</b>
1. Claims incurred (net)	2	12722669	10687797
2. Commission	3	1777956	1282719
3. Operating expenses related to insurance business	4	4042548	3596707
4. Others - Foreign taxes		51	194
Amortisation, writeoff, provisions - investments		23516	973
<b>Total (B)</b>		<b>18566740</b>	<b>15568390</b>
Operating profit/loss ( ) C=(A-B)		<b>(3872795)</b>	<b>(3057217)</b>
Appropriations			
Transfer to share holders account (profit and loss account)	-	<b>(3872795)</b>	<b>(3057217)</b>
Transfer to catastrophic reserves	-	0	0
Transfer to other reserves	-	0	0
<b>Total</b>		<b>(3872795)</b>	<b>(3057217)</b>

Significant accounting policies and notes to accounts 16

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 account, 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.

The schedules referred to above form integral part of the revenue account.

<b>V. C. Jain</b> Company Secretary	<b>I. S. Phukela</b> Director	<b>A. R. Sekar</b> Director	<b>M. Ramadoss</b> Chairman-Cum-Managing Director
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As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner  
Membership No. 110248

**For FORD, RHODES, PARKS & CO.**  
Chartered Accountants

**Shrikant B. Prabhu**  
Partner  
Membership No. 35296

**For S. R. GOYAL & CO.**  
Chartered Accountants

**Ajay K. Atolia**  
Partner  
Membership No.077201

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011



## Marine Insurance Revenue Account for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium earned (net)	1	2289914	2376571
2. Profit on sale or redemption of investments (policyholders)	-	292865	302214
Loss on sale or redemption of investments (policyholders)		0	0
3. Interest dividend and rent (gross)	-	399423	404600
<b>Total (A)</b>		<b>2982202</b>	<b>3083385</b>
1. Claims incurred (net)	2	2576432	1907526
2. Commission	3	322264	190709
3. Operating expenses related to insurance business	4	967194	865810
4. Others - Foreign taxes		0	104
Amortisation, writeoff, provisions - investments		6336	375
<b>Total (B)</b>		<b>3872226</b>	<b>2964524</b>
Operating profit/loss( ) C=(A-B)		<b>(890024)</b>	118861
Appropriations			
Transfer to share holders account (profit and loss account)	-	(890024)	118861
Transfer to catastrophic reserves	-	0	0
Transfer to other reserves	-	0	0
<b>Total</b>		<b>(890024)</b>	<b>118861</b>
Significant accounting policies and notes to accounts	16		

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 account, 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.

The schedules referred to above form integral part of the revenue account.

<b>V. C. Jain</b> Company Secretary	<b>I. S. Phukela</b> Director	<b>A. R. Sekar</b> Director	<b>M. Ramadoss</b> Chairman-Cum-Managing Director
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As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner  
Membership No. 110248

**For FORD, RHODES, PARKS & CO.**  
Chartered Accountants

**Shrikant B. Prabhu**  
Partner  
Membership No. 35296

**For S. R. GOYAL & CO.**  
Chartered Accountants

**Ajay K. Atolia**  
Partner  
Membership No.077201

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011

## Miscellaneous Insurance Revenue Account for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium earned (net)	1	50318571	44056179
2. Profit on sale or redemption of investments (policyholders)	-	4478142	4115806
Loss on sale or redemption of investments (policyholders)		0	0
3. Interest dividend and rent (gross)	-	6107486	5510182
<b>Total (A)</b>		<b>60904199</b>	<b>53682167</b>
1. Claims incurred (net)	2	49949581	38729174
2. Commission	3	4386491	4140249
3. Operating expenses related to insurance business	4	14422524	12898123
4. Others - Foreign taxes		0	6960
Amortisation, writeoff, provisions - investments		96889	5106
<b>Total (B)</b>		<b>68855485</b>	<b>55779612</b>
Operating profit/loss( ) C=(A-B)		<b>(7951286)</b>	<b>(2097445)</b>
Appropriations			
Transfer to share holders account (profit and loss account)	-	<b>(7951286)</b>	<b>(2097445)</b>
Transfer to catastrophic reserves	-	0	0
Transfer to other reserves	-	0	0
<b>Total</b>		<b>(7951286)</b>	<b>(2097445)</b>
Significant accounting policies and notes to accounts	16		

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 account, 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.

The schedules referred to above form integral part of the revenue account.

<b>V. C. Jain</b> Company Secretary	<b>I. S. Phukela</b> Director	<b>A. R. Sekar</b> Director	<b>M. Ramadoss</b> Chairman-Cum-Managing Director
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As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner  
Membership No. 110248

**For FORD, RHODES, PARKS & CO.**  
Chartered Accountants

**Shrikant B. Prabhu**  
Partner  
Membership No. 35296

**For S. R. GOYAL & CO.**  
Chartered Accountants

**Ajay K. Atolia**  
Partner  
Membership No.077201

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011



## Profit and Loss Account for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Profit & Loss Account

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Operating profit/loss			
a. Fire insurance	-	(3872795)	(3057217)
b. Marine insurance	-	(890024)	118861
c. Miscellaneous insurance		(7951286)	(2097445)
2. Income from investments			
a. Interest dividend and rent (gross) - shareholders		5578048	5289263
b. Profit on sale of investment - shareholders	-	4089947	3950791
Less : Loss on sale of investment - shareholders	-	0	0
3. Other income-misc receipts - credit balances written back		(29969)	159244
<b>Total (A)=1+2+3</b>		<b>(3076079)</b>	<b>4363497</b>
4. Provisions(other than taxation)			
a. Others - amortisation, provision for thinly traded shares - shareholders	-	35511	45517
b. For doubtful debts - investments (shareholders)	-	(18305)	(37245)
c. For doubtful debts - operations		930587	775134
d. For diminution in value of investments (shareholders)	-	71284	(3371)
5. Other expenses(other than those related to insurance business)			
a. Others - interest on income/service tax	-	22512	3380
b. (Profit)/loss on sale of assets		(4856)	(13658)
c. Penalty for breach of tariff		852	1000
<b>Total (B)=(4+5)</b>		<b>1037585</b>	<b>770757</b>
Profit before tax (A-B)	-	(4113664)	3592740
Provision for taxation - current tax	-	165582	537954
deferred tax		(72774)	(712735)
wealth tax		9133	5800
MAT Credit entitlement		0	(285000)
Profit after tax		(4215605)	4046721
Appropriations			
a. Proposed final dividend	-	0	850000
b. Dividend distribution tax	-	(3284)	144458
c. Transfer to general reserves		(4212321)	3052263
Profit/loss (-) carried forward to the balance sheet	-	0	0
Basic and diluted earnings per share (Rs.) {Refer Note 11 B to Notes to Accounts in Schedule 16 B}		(21.08)	20.23
Significant accounting policies and notes to accounts	16		

The schedules referred to above form integral part of the Profit and Loss Account

<b>V. C. Jain</b> Company Secretary	<b>I. S. Phukela</b> Director	<b>A. R. Sekar</b> Director	<b>M. Ramadoss</b> Chairman-Cum-Managing Director
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As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**For FORD,RHODES, PARKS & CO.**  
Chartered Accountants

**For S. R. GOYAL & CO.**  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner  
Membership No. 110248

**Shrikant B. Prabhu**  
Partner  
Membership No. 35296

**Ajay K. Atolia**  
Partner  
Membership No.077201

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011



## Balance Sheet as at 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Balance Sheet

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
<b>A. Sources of Funds</b>			
1. Share Capital	5 & 5A	2000000	2000000
2. Reserves and Surplus	6	69115405	72302068
3. Fair Value Change Account	-	167320075	156417365
4. Borrowings	7	0	0
<b>Total A</b>		<b>238435480</b>	<b>230719433</b>
<b>B. Application of Funds</b>			
1. Investments	8	284782244	262032190
2. Loans	9	4856564	5593472
3. Fixed Assets	10	1568312	1621507
4. Deferred Tax Assets		1018563	945789
5. Current Assets			
a. Cash and Bank Balances	11	53044531	43651882
b. Advances and Other Assets	12	50942487	54484215
<b>Sub total(a+b)</b>		<b>103987018</b>	<b>98136097</b>
c. Current Liabilities	13	112783566	94805749
d. Provisions	14	46366135	42803873
<b>Sub total(c+d)</b>		<b>159149701</b>	<b>137609622</b>
Net Current Assets (a+b-c-d)		<b>(55162683)</b>	<b>(39473525)</b>
6. Miscellaneous Expenditure - Contribution to Gratuity Fund-Deferred (to the extent not written off or adjusted)	15	1372480	0
<b>Total B</b>		<b>238435480</b>	<b>230719433</b>
Significant accounting policies and notes to accounts	16		
The schedules referred to above form integral part of the Balance Sheet			

<b>V. C. Jain</b> Company Secretary	<b>I. S. Phukela</b> Director	<b>A. R. Sekar</b> Director	<b>M. Ramadoss</b> Chairman-Cum-Managing Director
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As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner  
Membership No. 110248

**For FORD, RHODES, PARKS & CO.**  
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Partner  
Membership No. 35296

**For S. R. GOYAL & CO.**  
Chartered Accountants

**Ajay K. Atolia**  
Partner  
Membership No.077201

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011



## Schedules to Fire Insurance Revenue Account for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 1 - FIRE</b>		
<b>Premium Earned (net)</b>		
Premium from direct business - in India	10492612	9237825
- outside India	3051940	2881379
<b>Total</b>	<b>13544552</b>	<b>12119204</b>
Add: Premium on reinsurance accepted	6290105	4887509
Less: Premium on reinsurance ceded	6555334	6036542
Net premium	13279323	10970171
Adjustment for change in reserve for un-expired risks	1154576	294351
<b>Total premium earned (net)</b>	<b>12124747</b>	<b>10675820</b>
<b>SCHEDULE 2 - FIRE</b>		
<b>Claims Incurred (Net)</b>		
Claims Paid Direct	8392817	5991657
Add: Claims on reinsurance accepted	2492418	3322733
Less: Claims on reinsurance ceded	3901527	3533475
Net claims paid	6983708	5780915
Add: Claims outstanding at end (net)	19999105	14260144
Less : Claims outstanding at beginning (net)	14260144	9353262
<b>Total incurred claims (net)</b>	<b>12722669</b>	<b>10687797</b>
<b>SCHEDULE 3 - FIRE</b>		
<b>Commission (Net)</b>		
Commission - Direct	1412864	1321263
Add : Commission on reinsurance accepted	1053411	897403
Less : Commission on reinsurance ceded	688319	935947
<b>Commission (net)</b>	<b>1777956</b>	<b>1282719</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	1097120	1003542
Direct Brokerage	180958	173296
Corporate Agency Commission	134786	144424
Referrals	0	0
<b>Total commission</b>	<b>1412864</b>	<b>1321262</b>

## Schedules to Marine Insurance Revenue Account for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Schedules

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 1 - MARINE</b>		
<b>Premium Earned (Net)</b>		
Premium from direct business - in India	5495614	4743022
- outside India	570175	503682
<b>Total</b>	<b>6065789</b>	<b>5246704</b>
Add: Premium on reinsurance accepted	261563	211840
Less: Premium on reinsurance ceded	3302036	3168630
Net premium	3025316	2289914
Adjustment for change in reserve for un-expired risks	735402	(86657)
<b>Total premium earned (net)</b>	<b>2289914</b>	<b>2376571</b>
<b>SCHEDULE 2 - MARINE</b>		
<b>Claims Incurred (Net)</b>		
Claims paid direct	3039059	3704177
Add: Claims on reinsurance accepted	301234	185081
Less: Claims on reinsurance ceded	1654186	1787818
Net claims paid	1686107	2101440
Add: Claims outstanding at end (net)	3920894	3030569
Less : Claims outstanding at beginning (net)	3030569	3224483
<b>Total incurred claims (net)</b>	<b>2576432</b>	<b>1907526</b>
<b>SCHEDULE 3 - MARINE</b>		
<b>Commission (Net)</b>		
Commission - Direct	503718	412821
Add : Commission on reinsurance accepted	50154	32955
Less : Commission on reinsurance ceded	231608	255067
<b>Commission (net)</b>	<b>322264</b>	<b>190709</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	353023	310767
Direct Brokerage	147148	100034
Corporate Agency Commission	3547	2020
Referrals	0	0
<b>Total commission (net)</b>	<b>503718</b>	<b>412821</b>



## Schedules to Miscellaneous Insurance Revenue Account for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 1 - MISCELLANEOUS</b>		
<b>Premium Earned (Net)</b>		
Premium from direct business - in India	54983151	46444289
- outside India	7661629	7181214
<b>Total</b>	<b>62644780</b>	<b>53625503</b>
Add: Premium on reinsurance accepted	8118963	7362151
Less: Premium on reinsurance ceded	15146099	14221143
Net premium	55617644	46766511
Adjustment for change in reserve for un-expired risks	5299073	2710332
<b>Total premium earned (net)</b>	<b>50318571</b>	<b>44056179</b>
<b>SCHEDULE 2 - MISCELLANEOUS</b>		
<b>Claims Incurred (Net)</b>		
Claims paid direct	47944812	42877183
Add: Claims on reinsurance accepted	4663600	2525695
Less: Claims on reinsurance ceded	10326924	9037981
Net claims paid	42281488	36364897
Add: Claims outstanding at end (net)	65639158	57971065
Less : Claims outstanding at beginning (net)	57971065	55606788
<b>Total incurred claims (net)</b>	<b>49949581</b>	<b>38729174</b>
<b>SCHEDULE 3 - MISCELLANEOUS</b>		
<b>Commission (Net)</b>		
Commission - Direct	5613803	5472449
Add : Commission on reinsurance accepted	719435	932969
Less : Commission on reinsurance ceded	1946747	2265169
<b>Commission (net)</b>	<b>4386491</b>	<b>4140249</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	4745719	4507461
Direct Brokerage	558976	496123
Corporate Agency Commission	309108	468865
Referrals	0	0
<b>Total commission</b>	<b>5613803</b>	<b>5472449</b>

## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Schedules

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE - 4</b>		
<b>Operating expenses related to insurance business</b>		
1. Employees remuneration and welfare benefits	14154444	11626294
2. Travel conveyance and vehicle running expenses	440074	424465
3. Training expenses	32920	25671
4. Rent rates and taxes	626708	672114
5. Repairs and maintenance	535818	454485
6. Printing and stationery	424078	334902
7. Communication expenses	381607	451057
8. Legal and professional charges	385596	318539
(Outsourcing expenses) - (Refer Note No. 8d in Sch 16B)	0	0
9. Auditors fees, expenses etc. as Auditor	45714	39389
Auditors fees, expenses etc. as Advisor or other Capacity - Taxation	0	0
Auditors fees, expenses etc. as Advisor or other Capacity - Insurance	0	0
Auditors fees, expenses etc. as Advisor or other Capacity - Mgt Services	0	0
Auditors fees, expenses etc. in other Capacity	0	0
10. Advertisement and publicity	396967	283423
11. Interest and bank charges	36884	53193
12. Others - Exchange gain(-)/loss	83893	102882
Provision for bad and doubtful debts	0	2129
IT implementation	181585	120482
Input service tax recovery	(176078)	852267
Other taxes	255422	213429
Others	994617	766026
13. Depreciation	632017	619893
<b>Total</b>	<b>19432266</b>	<b>17360640</b>
Apportioned to fire segment	4042548	3596707
Apportioned to marine segment	967194	865810
Apportioned to miscellaneous segment	14422524	12898123
<b>Total</b>	<b>19432266</b>	<b>17360640</b>



## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE - 5</b>		
<b>Share Capital</b>		
1. Authorised capital 30,00,00,000 (Previous Year 30,00,00,000) Equity shares of Rs 10 each	<b>3000000</b>	3000000
2. Issued capital 20,00,00,000 (Previous Year 20,00,00,000) Equity shares of Rs 10 each	<b>2000000</b>	2000000
3. Subscribed capital 20,00,00,000 (Previous Year 20,00,00,000) Equity shares of Rs 10 each	<b>2000000</b>	2000000
4. Called up capital 20,00,00,000 (Previous Year 20,00,00,000) Equity shares of Rs 10 each	<b>2000000</b>	2000000
<b>Total</b>	<b>2000000</b>	2000000

Note : Of the above 19,61,49,366 shares are issued as fully paid up bonus shares by capitalisation of General Reserves.

### SCHEDULE 5A

#### Pattern of shareholding

(As certified by Management)

Numbers in (000)

Share holder	Current year		Previous year	
	Numbers	% of holding	Numbers	% of holding
Promoters - Indian	<b>200000</b>	<b>100</b>	200000	100
- Foreign	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>200000</b>	<b>100</b>	200000	100

## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Schedules

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 6</b>		
<b>Reserves and surplus</b>		
1. Capital reserve (Op. balance)	575	575
Addition during the year	0	0
Deduction during the year	0	0
(Cl. balance)	575	575
2. Capital redemption reserve	0	0
3. Share premium	0	0
4. General reserves (Op. balance)	72039462	68987199
Addition during the year - balance transferred from P & L account	(4212321)	3052263
Transfer from Investment Reserve	0	0
Net deduction during the year	0	0
(Cl. balance)	67827141	72039462
5. Catastrophe reserve	0	0
6. Other reserves		
a. Foreign currency translation reserve		
Opening balance	(187469)	1784249
Addition during the year (Refer note no 17 to notes to accounts in schedule 16 B)	1025658	(1971718)
Deduction during the year	0	0
(Cl. balance)	838189	(187469)
b. Contingency reserves for unexpired risks	449500	449500
7. Balance of profit in profit and loss account	0	0
<b>Total</b>	<b>69115405</b>	<b>72302068</b>
<b>SCHEDULE 7</b>		
<b>Borrowings</b>		
1. Debentures / bonds	-	-
2. Banks	-	-
3. Financial institutions	-	-
4. Others	-	-
<b>Total</b>	<b>Nil</b>	<b>Nil</b>





## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 8</b>		
<b>Investments</b>		
<b>Long term investments</b>		
1. Government securities		
Central Government securities	31525861	28714927
State Government securities	11350913	10535199
Foreign Government securities	1485308	1598977
2. Other approved securities	95806	359516
3. Other investments		
a. Shares		
aa. Equity	191542042	178032651
Equity share odd lots		
bb. Preference		
Preference shares	6286	8
Preference shares of railways in India	0	0
b. Mutual funds	0	0
c. Derivative instruments	0	0
d. Debentures/Bonds/PTCs	0	0
Debentures in India	13529286	11204373
Other Debentures - Foreign	0	67827
e. Other Securities (to be specified)		
Foreign shares	27976	0
Foreign preference shares	0	17
Foreign securities	0	0
Special deposit with Government of India	0	0
f. Subsidiaries	597099	595564
g. Investment properties (real estate)	0	0
4. Investment in infrastructure and social sector	13797201	16021047
5. Investment in housing bonds	7638519	3624904
6. Other than approved investments	3460753	3549255
<b>Total</b>	<b>275057050</b>	<b>254304265</b>

## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Schedules

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 8 CONTINUED</b>		
<b>Short term investments</b>		
1. Government securities		
Central Government securities	1596316	2162253
State Government securities	565615	488831
Government Guaranteed securities	0	0
Foreign Government securities	0	345448
2. Other approved securities	213770	11467
3. Other investments		
a. Shares		
aa. Equity	0	0
Equity share odd lots	0	0
bb. Preference	0	0
b. Mutual funds	0	0
c. Derivative instrument	0	0
d. Debentures/Bonds/PTCs	2393790	1067445
Debentures in India	0	0
Other debentures Foreign	0	0
e. Other securities	0	0
Special deposit with Government of India	0	0
f. Subsidiaries	0	0
g. Investment properties (real estate)	0	0
4. Investment in infrastructure and social sector	3718982	1903848
5. Investment in housing bonds	1236721	1748633
6. Other than approved investments	0	0
<b>Total</b>	<b>9725194</b>	<b>7727925</b>
<b>Grand Total</b>	<b>284782244</b>	<b>262032190</b>
<b>Investments</b>		
<b>1. India</b>	<b>282489351</b>	<b>259213782</b>
<b>2. Outside India</b>	<b>2292893</b>	<b>2818408</b>
<i>Investment in Foreign Associates included in equity above</i>	<b>182509</b>	182509
<i>Aggregate amount of Companies Investments in other than listed equity shares Book Value</i>	<b>628530</b>	638400
<i>Market Value</i>	<b>615209</b>	665568
<i>Preference Shares and FITL Preference Shares (LTUA) amounting to ₹ 110329129 (P.Y. ₹ 154499437) is netted against interest suspense of an equal amount. Debentures and FITL Debentures amounting to ₹ 46875666 (P.Y. ₹ 28341975) are netted against interest suspense of an equal amount. Equity Shares (LTUA) amounting to ₹ 6481537 (P.Y. ₹ 6481537) is netted against interest suspense of an equal amount.</i>		
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 8</b>		
<i>Debentures - Standard Provisions</i>	<b>65573</b>	50961
<i>Housing Sector Bonds - Standard Provisions</i>	<b>35512</b>	21503
<i>Infrastructure Investments - Standard Provisions</i>	<b>70126</b>	71769
<i>Investments In OAS - Standard Provisions</i>	<b>1238</b>	1484
<i>Other than approved Investments</i>	<b>575035</b>	598040
<i>Equity - Thinly traded and unlisted equity - diminution in value</i>	<b>13321</b>	26881
<i>Equity - Long Term Unapproved Thinly traded and unlisted equity - diminution in value (F)6034/12</i>	<b>292</b>	292
<i>Equity Subsidiary - Long Term Unapproved Thinly traded and unlisted equity - diminution in value (F)6039/12</i>	<b>1535</b>	1535
<i>Investments In France Agency (Foreign &amp; France)</i>	<b>1838</b>	1838
<b>Total</b>	<b>764470</b>	<b>774303</b>



## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 9</b>		
<b>Loans</b>		
1. Security-wise classification		
Secured		
a. On mortgage of property		
aa. In India		
Loan against mortgage of property		
Housing, vehicle and computer loans to employees	2133612	2321693
Direct Term Loans	1137557	1316027
bb. Outside India housing, vehicle loan to employees	6081	5846
b. On shares, bonds, Government securities	0	0
c. Others		
Loans guaranteed by banks/governments-loans to State Government housing, FFE Loans to Hudco	1410655	1771827
Unsecured (Term loans, bridge loans, short-term loans, Term Loan PFPS)	168659	178079
<b>Total</b>	<b>4856564</b>	<b>5593472</b>
2. Borrower-wise classification		
a. Central and State Governments (term loans, housing and FFE)	1366655	1499493
b. Banks and financial institutions	0	0
c. Subsidiaries	0	0
d. Industrial undertakings (term loans, bridge loans, short-term loans, loans to PFPS)	1229730	1322335
e. Others - Housing loans, vehicle loans, computer loans to employees HUDCO, Term loans and PFPS	2139693	2327539
<b>Total</b>	<b>4856564</b>	<b>5593472</b>
3. Performance-wise classification		
a. Loans classified as standard		
aa. In India : Term loans, bridge loans, State Government housing and FF, loans to HUDCO, PFPS	1576721	1872604
Housing, vehicle and computer loans to employees	2133612	2321693
bb. Outside India (loans to employees)	6081	5846
b. Non-performing loans less provisions		
aa. In India (term loans, bridge loans, short-term loans, loans PFPS)	1140150	1393329
bb. Outside India	0	0
<b>Total</b>	<b>4856564</b>	<b>5593472</b>
4. Maturity-wise classifications		
a. Short-term (term loans, direct bridge loans, short-term loans, term loans PFPS)	0	0
b. Long-term		
(term loans direct, loans State Government housing and FF, loans to HUDCO and loans PFPS)	2716871	3265933
Housing, vehicle, and computer loans to employees.	2139693	2327539
<b>Total</b>	<b>4856564</b>	<b>5593472</b>
PFPS and FITL PFPS amounting to '1018820131 (P.Y. '1017014127) and FITL Short Term Loan amounting to '1675199 (P.Y. '1675199) and Direct Term Loans amounting to '15758739 (P.Y. '46799876) are netted against interest suspense of an equal amount.		
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 9</b>		
Direct Term Loans (Investments) standard provision	157	558
Direct Term Loans (Investments)	21680	26453
Bridge Loan Investments	400	400
Term Loans PFPS standard provision	823	161
Term Loans PFPS	993866	1035520
Short Term Loans Investments	87468	89469
Loans to HUDCO standard provision	176	1089
Housing Loans to State Govts. - standard provision	4918	5378
Housing Loans to State Govts.	73993	74059
FFE Loans to State Govts. - standard provision	233	304
FFE Loans to State Govts.	4858	4858
<b>Total</b>	<b>1188572</b>	<b>1238249</b>

## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

### SCHEDULE 10

#### Fixed Assets

₹ (000)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Opening Balance	Additions	Deletions	* Closing Balance	Opening Balance	Additions	Deletions	* Closing Balance	Closing	Opening
	01/04/2010	During 2010-11		31/03/2011	01/04/2010	During 2010-11		31/03/2011	31/03/2011	01/04/2010
<b>Intangibles</b>	714410	185852	16879	<b>883383</b>	307252	285157	0	<b>592409</b>	<b>290974</b>	407158
<b>Land-Freehold</b>	16091	59869	0	<b>75960</b>	0	0	0	<b>0</b>	<b>75960</b>	16091
<b># Buildings</b>	1338350	56604	(2002)	<b>1396956</b>	722643	38405	(990)	<b>762038</b>	<b>634918</b>	615707
<b>Furnitures &amp; Fittings</b>	448339	19291	3372	<b>464258</b>	381817	14892	2043	<b>394666</b>	<b>69592</b>	66522
<b>Information &amp; Technology Equipments</b>	2240089	178092	19448	<b>2398733</b>	2031814	208328	45977	<b>2194165</b>	<b>204568</b>	208275
<b>Vehicles</b>	606808	65365	64476	<b>607697</b>	357129	72861	47195	<b>382795</b>	<b>224902</b>	249679
<b>Office Equipments</b>	115934	6890	1915	<b>120909</b>	100875	3298	2406	<b>101767</b>	<b>19142</b>	15059
<b>Other Assets</b>	245175	11344	1680	254839	202159	9075	4651	206583	48256	43016
<b>Grand Total</b>	5725196	583307	105768	<b>6202735</b>	4103689	632016	101282	<b>4634423</b>	<b>1568312</b>	1621507
<b>Previous Year</b>	5189160	697202	161166	<b>5725196</b>	3607454	619893	123658	<b>4103689</b>	<b>1621507</b>	1581706

\*The figures are inclusive of appreciation/depreciation due to foreign currency fluctuation.

#Due to currency conversion.



## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 11</b>		
<b>Cash and Bank balances</b>		
1. Cash (including cheques ,drafts and stamps)	3445314	2369001
2. Bank balances		
a. Deposit accounts		
aa. Short - term (due within 12 months)	15487210	7321538
bb. Others	26296609	22140702
b. Current accounts	4001199	5731458
3. Money at call and short notice		
With banks	1116553	1120386
With other institutions	2697646	4968797
<b>Total</b>	<b>53044531</b>	<b>43651882</b>
<b>Cash and bank balances</b>	<b>IN INDIA</b>	<b>23001799</b>
<b>Cash and bank balances</b>	<b>OUTSIDE INDIA</b>	<b>30042731</b>
<b>Total</b>	<b>53044530</b>	<b>43651882</b>
<i>1 above includes remittance in transit</i>	4860	5796
<i>Balances with non scheduled banks included in 2b above</i>	5624391	173053
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 11</b>		
<i>Foreign balances included in 2abb above (France 911897)</i>	29075	27830
<i>Foreign balances included in 2b above (France 911897)</i>	8986	8602
<i>Indian balances included in 2b above</i>	43232	94745
<b>Total</b>	<b>81293</b>	<b>131177</b>

## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Schedules

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 12</b>		
<b>Advances and other assets</b>		
<b>A. Advances</b>		
1. Reserve deposits with ceding companies	592175	151072
2. Application money for investments	0	50000
3. Pre-payments	276836	320363
4. Advances to directors / officers	0	0
5. Advance tax paid and taxes deducted at source (net of provision for taxation)	14198743	13530555
6. Others	534122	573967
<b>Total (A)</b>	<b>15601876</b>	<b>14625957</b>
<b>B. Other assets</b>		
1. Income accrued on investments	3093928	2724594
2. Outstanding premiums	972967	908726
3. Agents balances	1353188	899830
4. Foreign agencies balances	996688	649244
5. Due from other entities carrying insurance business (including reinsurers)	25843752	32025404
6. Due from subsidiaries/holding companies	482	494
7. Deposit with R B I pursuant to section 7 of Insurance Act 1938	107518	107518
8. Others - A. Other accrued income	598925	506789
B. Others including sundry debtors	2373163	2035659
<b>Total (B)</b>	<b>35340611</b>	<b>39858258</b>
<b>TOTAL (A+B)</b>	<b>50942487</b>	<b>54484215</b>

Sundry Debtors amounting to ₹ 6604231 (P. Y. ₹ 22056782) are netted against interest suspense of an equal amount.

**Provision made for Bad and Doubtful debts shown under Schedule 14.5 against assets in Schedule 12**

Reinsurance balances included in A1 above	93984	93984
Reinsurance balances included in B5 above	902108	902108
Reinsurance balances included in B8 above	494	494
Foreign balances included in A1 above (France 911871 & 873)	10591	10137
Foreign balances included in B1 above (France 911897)	128	123
Foreign balances included in B3 above (Fiji, Mauritius, Bangkok, Japan, Hongkong)	35458	26431
Foreign balances included in B4 above (Manila & Dubai)	14429	12676
Foreign balances included in B5 above (Mauritius, Singapore, France)	1960	1843
Foreign balances included in B6 above (Ghana, T&T, Kuala Lumpur)	482	453
Foreign balances included in B8 above (Equitorial Bank London)	4602	4144
Indian / Miscellaneous debtors included in B3 above	0	8144
Indian Reinsurance Balances / Miscellaneous Debtors included in B5B above	1500000	600000
Indian Coinsurance Balances/Miscellaneous Debtors included in B5A above	15681	15219
Indian miscellaneous debtors included in B8B above	52231	82323
Indian miscellaneous debtors included in 12 B 4 above	192096	175134
Other TCS	18554	18554
Sundry debtors(5192) investments Indian included in B8 above - standard provision	1425	0
Sundry debtors(5192) investments Indian included in B8 above	3851	3851
Sundry debtors(5192) investments(F) Indian included in B8 above	658	664
Income accrued on Investments(5131) Indian included in B1 above	5	5
<b>Total</b>	<b>2848737</b>	<b>1956287</b>



## Schedules for the year ended 31st March, 2011

[Registration No.190, Renewal Date 28.02.2011]

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>SCHEDULE 13</b>		
<b>Current Liabilities</b>		
1. Agents balances	317390	465286
2. Balances due to other insurance companies	13256979	11211214
3. Deposits held on reinsurance ceded	5833	14787
4. Premium received in advance	1481885	535671
5. Un-allocated premium	0	0
6. Sundry creditors - Other than service tax payable	7260823	5542284
Service tax payable	(849692)	98375
7. Due to subsidiaries / holding company	0	0
8. Claims outstanding	89559157	75261778
9. Due to officers/directors	0	0
10. Others	777103	945982
Policy Holders Fund - Excess Premium Collected	170101	129647
Policy Holders Fund - Refund Premium Due	181231	131618
Policy Holders Fund - Stale Cheques	622756	469107
<b>Total</b>	<b>112783566</b>	<b>94805749</b>
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 13</b>		
Indian balances included in 1 above	7636	443
Indian balances included in 4 above	1611	16663
Indian balances included in 6 above	41337	8419
Reinsurance balances included in 8 above	1123	1123
Foreign balances included in 2 above (Singapore, France)	2460	2307
<b>Total</b>	<b>54167</b>	<b>28955</b>
<b>SCHEDULE 14</b>		
<b>Provisions</b>		
1. Reserve for un-expired risks	38347391	31158340
2. Provision for taxation (net of payment of taxes)	0	0
3. Provision for proposed dividend	0	850000
4. Provision for dividend distribution tax	0	144458
5. Others - Reserve for bad and doubtful debts.	4922096	4100266
Provision for diminution in value of thinly traded/unlisted shares	15148	28709
Provision for Wage Arrears	0	3645000
Provision for Leave Encashment	3081500	2877100
<b>Total</b>	<b>46366135</b>	<b>42803873</b>
<b>SCHEDULE 15</b>		
<b>Miscellaneous Expenditure</b>		
1. Discount allowed in issue of shares and debentures	0	0
2. Others - Contribution to Gratuity Trust (Deferred expenses to the extent not written off)	1372480	0
<b>Total</b>	<b>1372480</b>	<b>0</b>



## Receipts & Payments Account /Cash Flow Statement for the period 01.04.2010 to 31.03.2011

[Registration No.190, Renewal Date 28.02.2011]

Description	Amount in ₹ (000) Current Year	Amount in ₹ (000) Previous Year
<b>Operating Activities</b>		
Profit Appropriated to General Reserve	(4212321)	3052263
<b>Adjustments for Non-Cash Items</b>		
Unexpired Risks Reserves	7189051	2918026
Provisions - Outstanding Claims	14297379	7077245
Depreciation	632017	619893
Provision - Dividend and Dividend Tax	(3284)	994458
Provision for Taxes	174715	258754
Deferred Tax	(72774)	(712735)
Reserve for Doubtful Debts	(707551)	979350
Foreign Currency Translation Reserve	1025658	(1971718)
Other Provisions - Outstanding Expenses	403126	2865864
Prepaid Expenses	43527	(2451)
Deferred - Contribution to Gratuity Trust	(1372480)	0
Profit or Loss on Sale of Asset	(4856)	(13658)
Balances Written Back	26007	(145017)
	<b>17418214</b>	<b>15920274</b>
<b>Items considered separately</b>		
Investment Items - Interest Dividend & Rent	(13567283)	(12254652)
Investment Items - Profit on sale of Investments	(9947827)	(9153557)
Provision for Thinly Traded Shares	(13560)	1105
Provision for Bad Debts	(62828)	(86292)
Impairment	244665	(7811)
Amortisation	46954	104353
<b>Total</b>	<b>(5881665)</b>	<b>(5476580)</b>
Net Increase / Decrease in Current assets	5958707	(1300707)
<b>Net Cash Flow from Operating Activities Before Tax</b>	<b>77042</b>	<b>(6777287)</b>
Net Tax Expense	(925801)	(1016752)
<b>Net Cash Flow from Operating Activities After Tax</b>	<b>(848759)</b>	<b>(7794039)</b>
<b>Investing Activities</b>		
Interest, Dividend and Rent	13197948	12033642
Net Increase/decrease in Investments	(2128308)	7031264
Net Increase/decrease in Loans	736908	345152
Net Additions to Assets	(573966)	(646036)
<b>Net Cash Flow from Investing Activities</b>	<b>11232582</b>	<b>18764022</b>
<b>Financing Activities</b>		
<b>Dividend Paid</b>	<b>(991174)</b>	<b>(526478)</b>
<b>Increase/Decrease in Cash and Bank Balances during the year</b>	<b>9392649</b>	<b>10443505</b>
Cash and Bank Balances as per Schedule 11 at the end of the period	53044531	43651882
Cash and Bank Balances as per Schedule 11 at the beginning of the period	43651882	33208377

**V. C. Jain**                      **I. S. Phukela**                      **A. R. Sekar**                      **M. Ramadoss**  
Company Secretary                      Director                      Director                      Chairman-Cum-Managing Director

As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner

Membership No. 110248

**For FORD,RHODES, PARKS & CO.**  
Chartered Accountants

**Shrikant B. Prabhu**  
Partner

Membership No. 35296

**For S.R. GOYAL & CO.**  
Chartered Accountants

**Ajay K. Atolia**  
Partner

Membership No.077201

Place : New Delhi

Dated : 16<sup>th</sup> July, 2011

## Segment Reporting Schedules

### SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - INDIAN

₹ (000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	10492612	9237825	2657861	1960131	2837753	2782891	5495614	4743022
Premium Accepted	840558	686634	1962	25	100355	54010	102317	54035
Premium Ceded	-4167768	-4118279	-773914	-533023	-2405424	-2536450	-3179338	-3069473
<b>Net Premium</b>	<b>7165402</b>	<b>5806180</b>	<b>1885909</b>	<b>1427133</b>	<b>532684</b>	<b>300451</b>	<b>2418593</b>	<b>1727584</b>
Unexpired Risk Reserve Opening	2903090	2599039	1427132	1268419	300452	414377	1727584	1682796
Unexpired Risk Reserve Closing	-3582701	-2903090	-1885909	-1427132	-532684	-300452	-2418593	-1727584
<b>Net Earned Premium</b>	<b>6485791</b>	<b>5502129</b>	<b>1427132</b>	<b>1268420</b>	<b>300452</b>	<b>414376</b>	<b>1727584</b>	<b>1682796</b>
Profit on Realisation of Investment	1086757	783667	186094	174162	106740	127636	292834	301798
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	1366974	943698	234078	209728	134262	153701	368340	363429
Investment Provisions	-23726	-898	-4063	-200	-2330	-146	-6393	-346
<b>Total Investment Income</b>	<b>2430005</b>	<b>1726467</b>	<b>416109</b>	<b>383690</b>	<b>238672</b>	<b>281191</b>	<b>654781</b>	<b>664881</b>
Claims Paid Direct	7006057	4528370	1580275	1396020	1335420	1773335	2915695	3169355
Claims Paid Accepted	110911	575781	-175	1552	104672	141680	104497	143232
Claims Paid Ceded	-1541318	-1677319	-382895	-357585	-1207611	-1040508	-1590506	-1398093
<b>Net Claim Paid</b>	<b>5575650</b>	<b>3426832</b>	<b>1197205</b>	<b>1039987</b>	<b>232481</b>	<b>874507</b>	<b>1429686</b>	<b>1914494</b>
CI O/S Claims Direct	18432712	15832571	2776870	2108101	4940067	4925390	7716937	7033491
CI O/S Claims Accepted	1120928	1001876	0	0	231359	249431	231359	249431
CI O/S Claims Ceded	-6636253	-7137299	-1013178	-764945	-3466688	-3924822	-4479866	-4689767
<b>Net Cl. O/S Claim</b>	<b>12917387</b>	<b>9697148</b>	<b>1763692</b>	<b>1343156</b>	<b>1704738</b>	<b>1249999</b>	<b>3468430</b>	<b>2593155</b>
Op O/S Claims Direct	-15832571	-12759581	-2108101	-1993505	-4925390	-4764620	-7033491	-6758125
Op O/S Claims Accepted	-1001876	-1189025	0	0	-249431	-143989	-249431	-143989
Op O/S Claims Ceded	7137299	9345428	764945	790660	3924822	3341223	4689767	4131883
<b>Net Op. O/S Claim</b>	<b>-9697148</b>	<b>-4603178</b>	<b>-1343156</b>	<b>-1202845</b>	<b>-1249999</b>	<b>-1567386</b>	<b>-2593155</b>	<b>-2770231</b>
Incurred Claims Direct	9606198	7601360	2249044	1510617	1350096	1934104	3599140	3444721
Incurred Claims Accepted	229963	388632	-175	1552	86599	247122	86424	248674
Incurred Claims Ceded	-1040272	530811	-631128	-331870	-749477	-1624106	-1380605	-1955976
<b>Net Incurred Claims</b>	<b>8795889</b>	<b>8520803</b>	<b>1617741</b>	<b>1180299</b>	<b>687218</b>	<b>557120</b>	<b>2304959</b>	<b>1737419</b>
Commission Direct	667902	622895	317422	257332	42799	33774	360221	291106
Commission Accepted	46919	35364	61	3	18232	9890	18293	9893
Commission Ceded	-568610	-788018	-77345	-84705	-129067	-150365	-206412	-235070
<b>Net Incurred Commission</b>	<b>146211</b>	<b>-129759</b>	<b>240138</b>	<b>172630</b>	<b>-68036</b>	<b>-106701</b>	<b>172102</b>	<b>65929</b>
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	3736195	<b>3369186</b>	444224	<b>354841</b>	449675	<b>456200</b>	893899	811041
<b>Revenue Accounts Result</b>	<b>-3762499</b>	<b>-4531634</b>	<b>-458862</b>	<b>-55660</b>	<b>-529733</b>	<b>-211052</b>	<b>-988595</b>	<b>-266712</b>

Estab. 1919



दि. नू. इन्शुरन्स कं. लि.  
 The New India Assurance Co. Ltd.

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - INDIAN ₹ (000)

Segment	Total Misc.		Motor OD		Motor TP		Motor TP Pool	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	54983153	46444290	13435011	11720609	3810939	3584175	5787859	5404609
Premium Accepted	6976034	6358447	0	0	662	0	5394649	5074444
Premium Ceded	-14360292	-13465797	-2015415	-2344122	-382409	-357760	-5781281	-5404609
<b>Net Premium</b>	<b>47598895</b>	<b>39338235</b>	<b>11419596</b>	<b>9376487</b>	<b>3429192</b>	<b>3226415</b>	<b>5401227</b>	<b>5074444</b>
Unexpired Risk Reserve Opening	19669203	17412750	4688244	4353688	1613208	1616554	2537222	2480428
Unexpired Risk Reserve Closing	-24474341	-19669203	-6052386	-4688244	-1748888	-1613208	-2862650	-2537222
<b>Net Earned Premium</b>	<b>42793757</b>	<b>37081782</b>	<b>10055454</b>	<b>9041931</b>	<b>3293512</b>	<b>3229761</b>	<b>5075799</b>	<b>5017650</b>
Profit on Realisation of Investment	4477943	4113576	649672	586639	1627804	1816147	824195	541487
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	5910480	5289244	817189	706435	2220070	2431432	1124072	724935
Investment Provisions	-97246	-4950	-14183	-672	-35219	-2253	-17832	-672
<b>Total Investment Income</b>	<b>10291177</b>	<b>9397871</b>	<b>1452678</b>	<b>1292402</b>	<b>3812655</b>	<b>4245326</b>	<b>1930435</b>	<b>1265751</b>
Claims Paid Direct	43413480	38578378	8034320	7582193	9447095	9900029	3983596	1984540
Claims Paid Accepted	3911789	2035671	0	0	0	0	3134277	1478155
Claims Paid Ceded	-9573938	-8623615	-1386414	-1657489	-1714945	-1859937	-4010556	-1984540
<b>Net Claim Paid</b>	<b>37751331</b>	<b>31990434</b>	<b>6647906</b>	<b>5924704</b>	<b>7732150</b>	<b>8040092</b>	<b>3107316</b>	<b>1478155</b>
CI O/S Claims Direct	58237489	58063049	2942213	2833291	31938183	35486057	10594316	7731851
CI O/S Claims Accepted	22084543	13359179	0	0	0	0	20421152	12435914
CI O/S Claims Ceded	-21146976	-19394531	-442115	-514530	-6644704	-7526948	-10594316	-7731851
<b>Net CI. O/S Claim</b>	<b>59175056</b>	<b>52027697</b>	<b>2500098</b>	<b>2318761</b>	<b>25293479</b>	<b>27959109</b>	<b>20421152</b>	<b>12435914</b>
Op O/S Claims Direct	-58063049	-56970371	-2833291	-2671829	-35486057	-40047602	-7731851	-4172929
Op O/S Claims Accepted	-13359215	-8316543	0	0	0	0	-12435914	-7555162
Op O/S Claims Ceded	19394531	15593328	514530	469591	7526948	8004810	7731851	4172929
<b>Net Op. O/S Claim</b>	<b>-52027733</b>	<b>-49693586</b>	<b>-2318761</b>	<b>-2202238</b>	<b>-27959109</b>	<b>-32042792</b>	<b>-12435914</b>	<b>-7555162</b>
Incurred Claims Direct	43587919	39671056	8143242	7743655	5899220	5338483	6846061	5543462
Incurred Claims Accepted	12637113	7078307	0	0	0	0	11119514	6358907
Incurred Claims Ceded	-11326386	-12424820	-1313999	-1702427	-832702	-1382076	-6873021	-5543462
<b>Net Incurred Claims</b>	<b>44898646</b>	<b>34324543</b>	<b>6829243</b>	<b>6041228</b>	<b>5066518</b>	<b>3956407</b>	<b>11092554</b>	<b>6358907</b>
Commission Direct	3924408	3855539	1135386	1204418	0	-1328	0	-2162
Commission Accepted	523604	753244	0	0	66	0	49308	507444
Commission Ceded	-1862109	-2217834	-302288	-527427	0	-71815	-578786	-539803
<b>Net Incurred Commission</b>	<b>2585903</b>	<b>2390950</b>	<b>833098</b>	<b>676991</b>	<b>66</b>	<b>-73143</b>	<b>-529478</b>	<b>-34520</b>
Foreign Taxes	0	2225	0	1404	0	0	0	0
Operating Expenses Related to Insurance	13326561	12310770	3447477	3292624	776852	758008	2279133	2216188
<b>Revenue Accounts Result</b>	<b>-7726177</b>	<b>-2548835</b>	<b>398314</b>	<b>322086</b>	<b>1262731</b>	<b>2833815</b>	<b>-5835975</b>	<b>-2257174</b>

## Segment Reporting Schedules

### SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - INDIAN ₹ (000)

Segment	Total Motor		Health		*Liability		Personal Accident	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	23033809	20709393	20033687	15524733	1630583	1268768	1254908	1031994
Premium Accepted	5394649	5074444	5395311	5074444	0	0	22797	21534
Premium Ceded	-8179105	-8106491	-2003367	-1553415	-295188	-513571	-229980	-219546
<b>Net Premium</b>	<b>20250015</b>	<b>17677346</b>	<b>18030320</b>	<b>13971318</b>	<b>1358192</b>	<b>776731</b>	<b>1047492</b>	<b>824177</b>
Unexpired Risk Reserve Opening	8838674	8450670	6985659	5651030	388365	435951	412088	394859
Unexpired Risk Reserve Closing	-10663924	-8838674	-9015160	-6985659	-706260	-388365	-523746	-412088
<b>Net Earned Premium</b>	<b>18424765</b>	<b>17289342</b>	<b>16000819</b>	<b>12636689</b>	<b>1040297</b>	<b>824317</b>	<b>935834</b>	<b>806948</b>
Profit on Realisation of Investment	3101671	2944273	533050	425213	202397	175444	61938	62303
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	4161331	3862802	670496	512045	254584	211271	77908	75026
Investment Provisions	-67234	-3597	-11637	-487	-4419	-201	-1352	-71
<b>Total Investment Income</b>	<b>7195768</b>	<b>6803479</b>	<b>1191909</b>	<b>936771</b>	<b>452562</b>	<b>386514</b>	<b>138494</b>	<b>137258</b>
Claims Paid Direct	21465011	19466762	17957760	15565428	254785	198198	903847	768159
Claims Paid Accepted	3134277	1478155	0	0	1946	983	12489	19340
Claims Paid Ceded	-7111915	-5501966	-1808887	-1709859	-33928	-109559	-283513	-362627
<b>Net Claim Paid</b>	<b>17487372</b>	<b>15442951</b>	<b>16148873</b>	<b>13855569</b>	<b>222803</b>	<b>89622</b>	<b>632823</b>	<b>424872</b>
CI O/S Claims Direct	45474712	46051199	3151345	2844839	1725608	1643692	624684	826235
CI O/S Claims Accepted	20421152	12435914	0	0	957	1405	130118	264
CI O/S Claims Ceded	-17681135	-15773329	-210718	-198968	-406061	-640182	-134680	-245030
<b>Net CI. O/S Claim</b>	<b>48214729</b>	<b>42713784</b>	<b>2940627</b>	<b>2645871</b>	<b>1320504</b>	<b>1004915</b>	<b>620122</b>	<b>581469</b>
Op O/S Claims Direct	-46051199	-46892360	-2844839	-2416983	-1643692	-584392	-826235	-764479
Op O/S Claims Accepted	-12435914	-7555162	0	0	-1405	0	-264	-145
Op O/S Claims Ceded	15773329	12647330	198968	176523	640182	270511	245030	107249
<b>Net Op. O/S Claim</b>	<b>-42713784</b>	<b>-41800192</b>	<b>-2645871</b>	<b>-2240460</b>	<b>-1004915</b>	<b>-313881</b>	<b>-581469</b>	<b>-657375</b>
Incurred Claims Direct	20888523	18625600	18264266	15993285	336702	1257498	702295	829916
Incurred Claims Accepted	11119514	6358907	0	0	1498	2387	142343	19458
Incurred Claims Ceded	-9019722	-8627965	-1820637	-1732304	200194	-479231	-173164	-500409
<b>Net Incurred Claims</b>	<b>22988315</b>	<b>16356542</b>	<b>16443629</b>	<b>14260981</b>	<b>538394</b>	<b>780654</b>	<b>671474</b>	<b>348965</b>
Commission Direct	1135386	1200928	1626040	1591647	185972	152119	138066	125114
Commission Accepted	49374	507444	0	0	2185	2153	6769	1313
Commission Ceded	-881074	-1139045	-284755	-276079	-42153	-84308	-33624	-35850
<b>Net Incurred Commission</b>	<b>303686</b>	<b>569328</b>	<b>1341285</b>	<b>1315568</b>	<b>146004</b>	<b>69964</b>	<b>111211</b>	<b>90577</b>
Foreign Taxes	0	1404	0	32	0	187	0	44
Operating Expenses Related to Insurance	6503461	6266824	3694987	<b>3104835</b>	416174	<b>392633</b>	264465	241156
<b>Revenue Accounts Result</b>	<b>-4174929</b>	<b>898723</b>	<b>-4287173</b>	<b>-5107956</b>	<b>392287</b>	<b>-32607</b>	<b>27178</b>	<b>263464</b>

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The New India Assurance Co. Ltd.

# SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - INDIAN ₹ (000)

Segment	Aviation		Engineering		Credit Shield		Total Other Misc.		Grand Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	744032	643957	3342042	2918273	223696	278304	4720396	4068868	70971379	60425136
Premium Accepted	43638	46879	698738	584246	160388	307238	632598	312377	7918909	7099118
Premium Ceded	-588931	-470625	-1728845	-1615655	-152282	-194155	-1182594	-792339	-21707398	-20653548
<b>Net Premium</b>	<b>198739</b>	<b>220211</b>	<b>2311935</b>	<b>1886864</b>	<b>231802</b>	<b>391387</b>	<b>4170400</b>	<b>3588906</b>	<b>57182890</b>	<b>46870706</b>
Unexpired Risk Reserve Opening	110105	26672	943432	785473	195694	151890	1795186	1516205	24299877	21694585
Unexpired Risk Reserve Closing	-101357	-110105	-1202206	-943432	-118218	-195694	-2143470	-1795186	-30475635	-24299877
<b>Net Earned Premium</b>	<b>207487</b>	<b>136778</b>	<b>2053161</b>	<b>1728905</b>	<b>309278</b>	<b>347583</b>	<b>3822116</b>	<b>3311220</b>	<b>51007132</b>	<b>44266707</b>
Profit on Realisation of Investment	66051	58815	173343	131531	43444	25032	296049	290965	5857534	5199041
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	83082	70825	218040	158391	59250	33512	385789	365372	7645794	6596371
Investment Provisions	-1442	-67	-3784	-151	-940	-31	-6438	-345	-127365	-6194
<b>Total Investment Income</b>	<b>147691</b>	<b>129573</b>	<b>387599</b>	<b>289771</b>	<b>101754</b>	<b>58513</b>	<b>675400</b>	<b>655992</b>	<b>13375963</b>	<b>11789219</b>
Claims Paid Direct	343174	217555	1034388	933541	35447	53732	1419068	1375003	53335232	46276103
Claims Paid Accepted	17440	27659	129599	47544	414220	272412	201819	189578	4127197	2754684
Claims Paid Ceded	-126372	-136023	-255197	-279582	-24824	-39554	70699	-484445	-12705762	-11699027
<b>Net Claim Paid</b>	<b>234242</b>	<b>109191</b>	<b>908790</b>	<b>701503</b>	<b>424843</b>	<b>286590</b>	<b>1691585</b>	<b>1080136</b>	<b>44756667</b>	<b>37331760</b>
CI O/S Claims Direct	683775	719626	2750883	2176467	196598	535574	3629884	3265417	84387138	80929111
CI O/S Claims Accepted	14328	6110	406855	279146	773074	413047	338059	223293	23436830	14610486
CI O/S Claims Ceded	-305133	-396010	-1335650	-949476	-113147	-355076	-960452	-836460	-32263095	-31221597
<b>Net CI. O/S Claim</b>	<b>392970</b>	<b>329726</b>	<b>1822088</b>	<b>1506137</b>	<b>856525</b>	<b>593545</b>	<b>3007491</b>	<b>2652250</b>	<b>75560873</b>	<b>64318000</b>
Op O/S Claims Direct	-719626	-858929	-2176467	-1859292	-535574	-402358	-3265417	-3191578	-80929111	-76488077
Op O/S Claims Accepted	-6110	-10369	-279146	-129949	-413047	-180105	-223329	-440813	-14610522	-9649557
Op O/S Claims Ceded	396010	512163	949476	943969	355076	270433	836460	665150	31221597	29070639
<b>Net Op. O/S Claim</b>	<b>-329726</b>	<b>-357135</b>	<b>-1506137</b>	<b>-1045272</b>	<b>-593545</b>	<b>-312030</b>	<b>-2652286</b>	<b>-2967241</b>	<b>-64318036</b>	<b>-57066995</b>
Incurred Claims Direct	307322	78253	1608804	1250716	-303529	186948	1783536	1448840	56793257	50717137
Incurred Claims Accepted	25658	23399	257308	196741	774246	505355	316547	-27940	12953501	7715613
Incurred Claims Ceded	-35495	-19870	-641370	-285089	217104	-124197	-53295	-655755	-13747263	-13849985
<b>Net Incurred Claims</b>	<b>297485</b>	<b>81782</b>	<b>1224742</b>	<b>1162368</b>	<b>687821</b>	<b>568106</b>	<b>2046787</b>	<b>765145</b>	<b>55999494</b>	<b>44582765</b>
Commission Direct	6764	10446	203218	200708	27832	18763	601130	555814	4952531	4769540
Commission Accepted	3219	4976	282909	102412	34386	66626	144762	68320	588816	798501
Commission Ceded	-24098	-19379	-352786	-478971	-64933	-47509	-178686	-136693	-2637131	-3240922
<b>Net Incurred Commission</b>	<b>-14115</b>	<b>-3957</b>	<b>133341</b>	<b>-175851</b>	<b>-2715</b>	<b>37880</b>	<b>567206</b>	<b>487441</b>	<b>2904216</b>	<b>2327120</b>
Foreign Taxes	0	193	0	145	0	0	0	220	0	2225
Operating Expenses Related to Insurance	251308	264916	924705	805311	78281	123835	1193181	1111264	17956655	16490997
<b>Revenue Accounts Result</b>	<b>-179500</b>	<b>-76583</b>	<b>157972</b>	<b>226703</b>	<b>-352355</b>	<b>-323725</b>	<b>690342</b>	<b>1603142</b>	<b>-12477271</b>	<b>-7347181</b>
<b>* Sub Segment</b>	<b>Premium</b>		<b>Claims Paid</b>		<b>Claims O/s at end</b>		<b>Claims O/s at beginning</b>		<b>Incurred Claims</b>	
	<b>C.Y.</b>	<b>P.Y.</b>	<b>C.Y.</b>	<b>P.Y.</b>	<b>C.Y.</b>	<b>P.Y.</b>	<b>C.Y.</b>	<b>P.Y.</b>	<b>C.Y.</b>	<b>P.Y.</b>
Workmens' Compensation (Sub Segment of liability Insurance)	780371	778541	202893	169769	443067	266986	266986	142912	378974	293842
Product Liability (Sub Segment of liability Insurance)	102072	NA	0	NA	0	NA	0	NA	0	NA
Export credit Insurances (Sub Segment of credit shield Insurance)	14492	42089	0	18187	573	0	0	20828	573	-2641



## Segment Reporting Schedules

### SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - FOREIGN

₹ (000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Total Misc.	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	3051940	2881379	447257	385615	122918	118067	570175	503682	7661629	7181212
Premium Accepted	5449547	4200875	37306	42412	121940	115394	159246	157806	1142928	1002408
Premium Ceded	-2387566	-1918263	-37131	-12192	-85567	-86965	-122698	-99157	-785806	-755347
<b>Net Premium</b>	<b>6113921</b>	<b>5163991</b>	<b>447432</b>	<b>415835</b>	<b>159291</b>	<b>146496</b>	<b>606723</b>	<b>562331</b>	<b>8018751</b>	<b>7428273</b>
Unexpired Risk Reserve Opening	2581995	2591695	415835	557449	146495	136325	562330	693774	3714138	3260257
Unexpired Risk Reserve Closing	-3056960	-2581995	-447432	-415835	-159291	-146495	-606723	-562330	-4208072	-3714138
<b>Net Earned Premium</b>	<b>5638956</b>	<b>5173691</b>	<b>415835</b>	<b>557449</b>	<b>146495</b>	<b>136326</b>	<b>562330</b>	<b>693775</b>	<b>7524817</b>	<b>6974392</b>
Profit on Realisation of Investment	116	1079	20	240	11	176	31	416	199	2231
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	115351	106909	19753	23759	11330	17412	31083	41171	197006	220936
Investment Provisions	210	-76	36.4	-16	20	-13	57	-29	357	-156
<b>Total Investment Income</b>	<b>115677</b>	<b>107912</b>	<b>19809.4</b>	<b>23983</b>	<b>11361</b>	<b>17575</b>	<b>31171</b>	<b>41558</b>	<b>197562</b>	<b>223011</b>
Claims Paid Direct	1386759	1463287	90493	72778	32872	462044	123364	534822	4531331	4298807
Claims Paid Accepted	2381507	2746952	15739	19656	180998	22194	196737	41850	751812	490023
Claims Paid Ceded	-2360209	-1856156	-10447	-360	-53233	-389366	-63680	-389726	-752984	-414365
<b>Net Claim Paid</b>	<b>1408058</b>	<b>2354083</b>	<b>95784</b>	<b>92074</b>	<b>160637</b>	<b>94872</b>	<b>256421</b>	<b>186946</b>	<b>4530159</b>	<b>4374465</b>
CI O/S Claims Direct	4916588	2650167	189463	233973	178845	168648	368308	402621	6073293	5642776
CI O/S Claims Accepted	9703358	4433940	53901	55633	105426	73904	159327	129537	821378	609969
CI O/S Claims Ceded	-7538228	-2521111	-75069	-94592	-101	-152	-75170	-94744	-430568	-309378
<b>Net CI. O/S Claim</b>	<b>7081718</b>	<b>4562996</b>	<b>168295</b>	<b>195014</b>	<b>284170</b>	<b>242400</b>	<b>452465</b>	<b>437414</b>	<b>6464103</b>	<b>5943367</b>
Op O/S Claims Direct	-2650167	-2819296	-233973	-240411	-168648	-221704	-402621	-462115	-5642776	-5400853
Op O/S Claims Accepted	-4433940	-4137401	-55633	-62315	-73904	-29256	-129537	-91571	-609933	-892937
Op O/S Claims Ceded	2521111	2206613	94592	99177	152	257	94744	99434	309378	380588
<b>Net Op. O/S Claim</b>	<b>-4562996</b>	<b>-4750084</b>	<b>-195014</b>	<b>-203549</b>	<b>-242400</b>	<b>-250703</b>	<b>-437414</b>	<b>-454252</b>	<b>-5943331</b>	<b>-5913202</b>
Incurred Claims Direct	3653180	1294159	45982	66340	43069	408988	89051	475328	4961849	4540726
Incurred Claims Accepted	7650926	3043491	14008	12973	212521	66842	226529	79815	963259	207057
Incurred Claims Ceded	-7377326	-2170655	9075	4226	-53182.22	-389262	-44107	-385036	-874173	-343155
<b>Net Incurred Claims</b>	<b>3926780</b>	<b>2166995</b>	<b>69065</b>	<b>83539</b>	<b>202408</b>	<b>86568</b>	<b>271473</b>	<b>170107</b>	<b>5050935</b>	<b>4404628</b>
Commission Direct	744962	698368	117928	99872	25569	21843	143497	121715	1689396	1616909
Commission Accepted	1006492	862039	9881	11990	21980	11072	31861	23062	195829	179369
Commission Ceded	-119709	-147929	-10701	-3197	-14496	-16800	-25197	-19997	-84639	-47335
<b>Net Incurred Commission</b>	<b>1631745</b>	<b>1412478</b>	<b>117108</b>	<b>108665</b>	<b>33053</b>	<b>16115</b>	<b>150161</b>	<b>124780</b>	<b>1800586</b>	<b>1748943</b>
Foreign Taxes	51	194	0	77	0	27	0	104	0	4735
Operating Expenses Related to Insurance	306353	227520	36424	23962	36871	30807	73295	54769	1095963	587353
<b>Revenue Accounts Result</b>	<b>-110296</b>	<b>1474416</b>	<b>213047</b>	<b>365189</b>	<b>-114476</b>	<b>20384</b>	<b>98572</b>	<b>385573</b>	<b>-225105</b>	<b>451744</b>

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 The New India Assurance Co. Ltd.

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - FOREIGN

₹ (000)

Segment	Motor		Health		Liability (W. C.)		Personal Accident		Aviation	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	5270492	4786709	147867	147610	618418	690627	158119	164698	0	-2
Premium Accepted	124186	112933	0	0	1291	974	8881	8868	584944	646386
Premium Ceded	-393094	-212046	-7793	-41004	-47566	-67594	-14900	-25209	0	-1988
<b>Net Premium</b>	<b>5001584</b>	<b>4687596</b>	<b>140074</b>	<b>106606</b>	<b>572143</b>	<b>624007</b>	<b>152100</b>	<b>148357</b>	<b>584944</b>	<b>644396</b>
Unexpired Risk Reserve Opening	2343797	2096959	53303	0	312005	399100	74179	67309	322198	102267
Unexpired Risk Reserve Closing	-2650839	-2343797	-70037	-53303	-297514	-312005	-76050	-74179	-298321	-322198
<b>Net Earned Premium</b>	<b>4694542</b>	<b>4440758</b>	<b>123340</b>	<b>53303</b>	<b>586634</b>	<b>711102</b>	<b>150229</b>	<b>141487</b>	<b>608821</b>	<b>424465</b>
Profit on Realisation of Investment	70	808	57	586	21	242	7	86	7	81
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	68958	80030	56579	58008	21483	23934	6575	8499	7011	8024
Investment Provisions	125	-57	103	-41	39	-17	12	-6	13	-6
<b>Total Investment Income</b>	<b>69153</b>	<b>80781</b>	<b>56739</b>	<b>58553</b>	<b>21543</b>	<b>24159</b>	<b>6594</b>	<b>8579</b>	<b>7031</b>	<b>8099</b>
Claims Paid Direct	3023199	2948058	109995	133290	783496	705983	57134	64485	68	-2131
Claims Paid Accepted	152388	142477	0	0	1185	1135	5569	3860	489809	270818
Claims Paid Ceded	-158862	-224787	-20142	-47586	239	-13642	-1944	-5102	-4537	0
<b>Net Claim Paid</b>	<b>3016725</b>	<b>2865748</b>	<b>89853</b>	<b>85704</b>	<b>784920</b>	<b>693476</b>	<b>60759</b>	<b>63243</b>	<b>485340</b>	<b>268687</b>
CI O/S Claims Direct	2550721	2440576	122	129	2045191	2153163	45490	33464	123000	129000
CI O/S Claims Accepted	65697	68474	0	0	5358	61	28859	24535	501792	309048
CI O/S Claims Ceded	-38730	-55983	0	0	-172452	-181172	-71	-388	0	0
<b>Net Cl. O/S Claim</b>	<b>2577688</b>	<b>2453067</b>	<b>122</b>	<b>129</b>	<b>1878097</b>	<b>1972052</b>	<b>74278</b>	<b>57611</b>	<b>624792</b>	<b>438048</b>
Op O/S Claims Direct	-2440576	-2069720	-129	0	-2153163	-2274589	-33464	-27311	-129000	-121000
Op O/S Claims Accepted	68474	-281781	0	0	-61	0	-24535	-10335	-309048	-484466
Op O/S Claims Ceded	55983	117009	0	0	181172	167473	388	914	0	0
<b>Net Op. O/S Claim</b>	<b>-2453067</b>	<b>-2234492</b>	<b>-129</b>	<b>0</b>	<b>-1972052</b>	<b>-2107116</b>	<b>-57611</b>	<b>-36732</b>	<b>-438048</b>	<b>-605466</b>
Incurred Claims Direct	3133344	3318914	109988	133417	675523	584555	69162	70638	-5932	5870
Incurred Claims Accepted	149611	-70830	0	0	6482	1197	9894	18061	682553	95401
Incurred Claims Ceded	-141609	-163761	-20142	-47586	8959	-27340	-1625	-4576	-4538	0
<b>Net Incurred Claims</b>	<b>3141346</b>	<b>3084323</b>	<b>89846</b>	<b>85831</b>	<b>690964</b>	<b>558412</b>	<b>77431</b>	<b>84123</b>	<b>672083</b>	<b>101271</b>
Commission Direct	1193092	1136385	29251	28087	139157	163077	36510	39737	0	0
Commission Accepted	4146	4675	0	0	328	221	2722	2736	105745	118385
Commission Ceded	-17994	-290	-44	-42	-1392	-1338	-1138	-4796	0	-86
<b>Net Incurred Commission</b>	<b>1179244</b>	<b>1140770</b>	<b>29207</b>	<b>28045</b>	<b>138093</b>	<b>161960</b>	<b>38094</b>	<b>37677</b>	<b>105745</b>	<b>118299</b>
Foreign Taxes	0	2987	0	68	0	398	0	95	0	411
Operating Expenses Related to Insurance	390246	222350	418263	209669	47110	26515	29936	16285	28449	17889
<b>Revenue Accounts Result</b>	<b>52859</b>	<b>71109</b>	<b>-357237</b>	<b>-211757</b>	<b>-267990</b>	<b>-12024</b>	<b>11362</b>	<b>11886</b>	<b>-190424</b>	<b>194694</b>



## Segment Reporting Schedules

### SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - FOREIGN

Rs. (000)

Segment	Engineering		Total Other Misc.		Grand Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	700008	406117	766725	985453	11283744	10566273
Premium Accepted	309846	156348	113780	78194	6751721	5361089
Premium Ceded	-229873	-79195	-92580	-328311	-3296070	-2772767
<b>Net Premium</b>	<b>779981</b>	<b>483270</b>	<b>787925</b>	<b>735336</b>	<b>14739395</b>	<b>13154595</b>
Unexpired Risk Reserve Opening	241635	227472	367021	367150	6858463	6545726
Unexpired Risk Reserve Closing	-405590	-241635	-409721	-367021	-7871755	-6858463
<b>Net Earned Premium</b>	<b>616026</b>	<b>469107</b>	<b>745225</b>	<b>735465</b>	<b>13726103</b>	<b>12841858</b>
Profit on Realisation of Investment	19	181	18	247	346	3726
Other Income/Expense (Apportioned)	0	0	0	0	0	0
Interest Dividend and Rent	18399	17943	18001	24498	343440	369016
Investment Provisions	33	-12	32	-17	624	-261
<b>Total Investment Income</b>	<b>18451</b>	<b>18112</b>	<b>18051</b>	<b>24728</b>	<b>344410</b>	<b>372481</b>
Claims Paid Direct	296163	132411	261276	316711	6041455	6296916
Claims Paid Accepted	74502	44880	28358	26853	3330056	3278825
Claims Paid Ceded	-45050	-25765	-522688	-97483	-3176873	-2660247
<b>Net Claim Paid</b>	<b>325615</b>	<b>151526</b>	<b>-233053</b>	<b>246081</b>	<b>6194638</b>	<b>6915494</b>
Cl O/S Claims Direct	810421	375516	498348	510928	11358189	8695564
Cl O/S Claims Accepted	136560	153899	83112	53952	10684063	5173446
Cl O/S Claims Ceded	-190891	-71150	-28424	-685	-8043966	-2925233
<b>Net Cl. O/S Claim</b>	<b>756090</b>	<b>458265</b>	<b>553036</b>	<b>564195</b>	<b>13998286</b>	<b>10943777</b>
Op O/S Claims Direct	-375516	-377320	-510928	-530913	-8695564	-8682264
Op O/S Claims Accepted	-153899	-96244	-53916	-20111	-5173410	-5121909
Op O/S Claims Ceded	71150	90708	685	4484	2925233	2686635
<b>Net Op. O/S Claim</b>	<b>-458265</b>	<b>-382856</b>	<b>-564159</b>	<b>-546540</b>	<b>-10943741</b>	<b>-11117538</b>
Incurred Claims Direct	731068	130606	248696	296723	8704080	6310213
Incurred Claims Accepted	57163	102535	57555	60693	8840714	3330363
Incurred Claims Ceded	-164792	-6207	-550426	-93685	-8295605	-2898846
<b>Net Incurred Claims</b>	<b>623439</b>	<b>226934</b>	<b>-244174</b>	<b>263731</b>	<b>9249188</b>	<b>6741730</b>
Commission Direct	139097	81393	152289	168230	2577855	2436992
Commission Accepted	63648	39661	19240	14047	1234182	1064470
Commission Ceded	-56095	-15043	-7976	-25740	-229545	-215261
<b>Net Incurred Commission</b>	<b>146650</b>	<b>106011</b>	<b>163553</b>	<b>156537</b>	<b>3582492</b>	<b>3286201</b>
Foreign Taxes	0	308	0	469	51	5033
Operating Expenses Related to Insurance	104676	54382	77284	40263	1475612	869642
<b>Revenue Accounts Result</b>	<b>-240289</b>	<b>99584</b>	<b>766613</b>	<b>299194</b>	<b>-236830</b>	<b>2311733</b>

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 The New India Assurance Co. Ltd.

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - GLOBAL ₹ (000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Total Misc.	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	13544552	12119204	3105118	2345746	2960671	2900958	6065789	5246704	62644780	53625503
Premium Accepted	6290105	4887509	39268	42437	222295	169404	261563	211841	8118962	7362151
Premium Ceded	-6555334	-6036542	-811045	-545215	-2490991	-2623415	-3302036	-3168630	-15146099	-14221145
<b>Net Premium</b>	<b>13279323</b>	<b>10970171</b>	<b>2333341</b>	<b>1842968</b>	<b>691975</b>	<b>446947</b>	<b>3025316</b>	<b>2289915</b>	<b>55617643</b>	<b>46766509</b>
Unexpired Risk Reserve Op.	5485085	5190734	1842967	1825868	446947	550702	2289914	2376570	23383341	20673006
Unexpired Risk Reserve Cl.	-6639661	-5485085	-2333341	-1842967	-691975	-446947	-3025316	-2289914	-28682413	-23383338
<b>Net Earned Premium</b>	<b>12124747</b>	<b>10675820</b>	<b>1842967</b>	<b>1825869</b>	<b>446947</b>	<b>550702</b>	<b>2289914</b>	<b>2376571</b>	<b>50318571</b>	<b>44056177</b>
Profit on Realisation of Investment	1086873	784746	186114	174402	106751	127812	292865	302214	4478142	4115807
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	1482325	1050607	253831	233487	145592	171113	399423	404600	6107486	5510180
Investment Provisions	-23516	-974	-4027	-216	-2310	-159	-6336	-375	-96889	-5106
<b>Total Investment Income</b>	<b>2545682</b>	<b>1834379</b>	<b>435918</b>	<b>407673</b>	<b>250033</b>	<b>298766</b>	<b>685952</b>	<b>706439</b>	<b>10488739</b>	<b>9620882</b>
Claims Paid Direct	8392816	5991657	1670768	1468798	1368292	2235379	3039059	3704177	47944811	42877183
Claims Paid Accepted	2492418	3322733	15564	21208	285670	163874	301234	185082	4663600	2525695
Claims Paid Ceded	-3901527	-3533475	-393342	-357945	-1260843	-1429874	-1654186	-1787819	-10326924	-9037981
<b>Net Claim Paid</b>	<b>6983707</b>	<b>5780915</b>	<b>1292989</b>	<b>1132061</b>	<b>393118</b>	<b>969379</b>	<b>1686108</b>	<b>2101440</b>	<b>42281488</b>	<b>36364897</b>
CI O/S Claims Direct	23349300	18482738	2966333	2342074	5118912	5094038	8085244	7436112	64310781	63705825
CI O/S Claims Accepted	10824286	5435816	53901	55633	336785	323335	390686	378968	22905920	13969148
CI O/S Claims Ceded	-14174481	-9658410	-1088247	-859537	-3466789	-3924974	-4555036	-4784511	-21577544	-19703909
<b>Net CI. O/S Claim</b>	<b>19999105</b>	<b>14260144</b>	<b>1931987</b>	<b>1538170</b>	<b>1988908</b>	<b>1492399</b>	<b>3920894</b>	<b>3030569</b>	<b>65639158</b>	<b>57971064</b>
Op O/S Claims Direct	-18482738	-15578877	-2342074	-2233916	-5094038	-4986324	-7436113	-7220240	-63705825	-62371224
Op O/S Claims Accepted	-5435816	-5326426	-55633	-62315	-323335	-173245	-378967	-235560	-13969148	-9209480
Op O/S Claims Ceded	9658410	11552041	859537	889837	3924974	3341480	4784510	4231317	19703908	15973916
<b>Net Op. O/S Claim</b>	<b>-14260144</b>	<b>-9353262</b>	<b>-1538170</b>	<b>-1406394</b>	<b>-1492399</b>	<b>-1818089</b>	<b>-3030569</b>	<b>-3224483</b>	<b>-57971064</b>	<b>-55606788</b>
Incurred Claims Direct	13259378	8895519	2295026	1576957	1393165	2343092	3688191	3920049	48549768	44211783
Incurred Claims Accepted	7880889	3432123	13833	14525	299120	313964	312953	328489	13600373	7285363
Incurred Claims Ceded	-8417598	-1639844	-622053	-327644	-802659	-2013368	-1424712	-2341012	-12200559	-12767973
<b>Net Incurred Claims</b>	<b>12722669</b>	<b>10687798</b>	<b>1686806</b>	<b>1263838</b>	<b>889626</b>	<b>643688</b>	<b>2576432</b>	<b>1907526</b>	<b>49949581</b>	<b>38729174</b>
Commission Direct	1412864	1321263	435350	357204	68368	55617	503718	412821	5613803	5472448
Commission Accepted	1053411	897403	9942	11993	40212	20962	50154	32955	719435	932969
Commission Ceded	-688319	-935947	-88046	-87902	-143563	-167165	-231608	-255067	-1946747	-2265169
<b>Net Incurred Commission</b>	<b>1777956</b>	<b>1282719</b>	<b>357246</b>	<b>281295</b>	<b>-34983</b>	<b>-90586</b>	<b>322264</b>	<b>190709</b>	<b>4386491</b>	<b>4140249</b>
Foreign Taxes	51	194	0	77	0	27	0	104	0	6960
Operating Expenses Related to Insurance	4042548	3596706	480648	378803	486546	487007	967194	865810	14422524	12898123
<b>Revenue Accounts Result</b>	<b>-3872795</b>	<b>-3057218</b>	<b>-245815</b>	<b>309529</b>	<b>-644209</b>	<b>-190668</b>	<b>-890024</b>	<b>118861</b>	<b>-7951285</b>	<b>-2097445</b>

## Segment Reporting Schedules

### SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - GLOBAL ₹ (000)

Segment	Motor OD		Motor TP		Motor TP Pool		Total Motor TP	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	18705503	16507318	3810939	3584175	5787859	5404609	9598798	8988784
Premium Accepted	124186	112933	662	0	5394649	5074444	5395311	5074444
Premium Ceded	-2408509	-2556168	-382409	-357760	-5781281	-5404609	-6163690	-5762369
<b>Net Premium</b>	<b>16421180</b>	<b>14064083</b>	<b>3429192</b>	<b>3226415</b>	<b>5401227</b>	<b>5074444</b>	<b>8830419</b>	<b>8300859</b>
Unexpired Risk Reserve Op.	7032041	6450647	1613208	1616554	2537222	2480428	4150430	4096982
Unexpired Risk Reserve Cl.	-8703225	-7032041	-1748888	-1613208	-2862650	-2537222	-4611538	-4150430
<b>Net Earned Premium</b>	<b>14749996</b>	<b>13482689</b>	<b>3293512</b>	<b>3229761</b>	<b>5075799</b>	<b>5017650</b>	<b>8369311</b>	<b>8247411</b>
Profit on Realisation of Investment	649742	587447	1627804	1816147	824195	541487	2451999	2357634
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	886147	786465	2220070	2431432	1124072	724935	3344142	3156367
Investment Provisions	-14058	-729	-35219	-2253	-17832	-672	-53051	-2925
<b>Total Investment Income</b>	<b>1521831</b>	<b>1373183</b>	<b>3812655</b>	<b>4245326</b>	<b>1930435</b>	<b>1265751</b>	<b>5743090</b>	<b>5511077</b>
Claims Paid Direct	11057519	10530251	9447095	9900029	3983596	1984540	13430691	11884569
Claims Paid Accepted	152388	142477	0	0	3134277	1478155	3134277	1478155
Claims Paid Ceded	-1545276	-1882276	-1714945	-1859937	-4010556	-1984540	-5725501	-3844477
<b>Net Claim Paid</b>	<b>9664631</b>	<b>8790452</b>	<b>7732150</b>	<b>8040092</b>	<b>3107316</b>	<b>1478155</b>	<b>10839466</b>	<b>9518247</b>
Cl O/S Claims Direct	5492934	5273867	31938183	35486057	10594316	7731851	42532499	43217908
Cl O/S Claims Accepted	65697	68474	0	0	20421152	12435914	20421152	12435914
Cl O/S Claims Ceded	-480845	-570513	-6644704	-7526948	-10594316	-7731851	-17239020	-15258799
<b>Net Cl. O/S Claim</b>	<b>5077786</b>	<b>4771828</b>	<b>25293479</b>	<b>27959109</b>	<b>20421152</b>	<b>12435914</b>	<b>45714631</b>	<b>40395023</b>
Op O/S Claims Direct	-5273867	-4741549	-35486057	-40047602	-7731851	-4172929	-43217908	-44220531
Op O/S Claims Accepted	-68474	-281781	0	0	-12435914	-7555162	-12435914	-7555162
Op O/S Claims Ceded	570513	586600	7526948	8004810	7731851	4172929	15258799	12177739
<b>Net Op. O/S Claim</b>	<b>-4771828</b>	<b>-4436730</b>	<b>-27959109</b>	<b>-32042792</b>	<b>-12435914</b>	<b>-7555162</b>	<b>-40395023</b>	<b>-39597954</b>
Incurred Claims Direct	11276586	11062569	5899220	5338483	6846061	5543462	12745281	10881945
Incurred Claims Accepted	149611	-70830	0	0	11119514	6358907	11119514	6358907
Incurred Claims Ceded	-1455608	-1866188	-832702	-1382076	-6873021	-5543462	-7705723	-6925538
<b>Net Incurred Claims</b>	<b>9970589</b>	<b>9125551</b>	<b>5066518</b>	<b>3956407</b>	<b>11092554</b>	<b>6358907</b>	<b>16159072</b>	<b>10315314</b>
Commission Direct	2328478	2340803	0	-1328	0	-2162	0	-3490
Commission Accepted	4146	4675	66	0	49308	507444	49374	507444
Commission Ceded	-320282	-527717	0	-71815	-578786	-539803	-578786	-611618
<b>Net Incurred Commission</b>	<b>2012342</b>	<b>1817761</b>	<b>66</b>	<b>-73143</b>	<b>-529478</b>	<b>-34520</b>	<b>-529412</b>	<b>-107663</b>
Foreign Taxes	0	4391	0	0	0	0	0	0
Operating Expenses Related to Insurance	3837723	3514974	776852	758008	2279133	2216188	3055984	2974196
<b>Revenue Accounts Result</b>	<b>451173</b>	<b>393195</b>	<b>1262731</b>	<b>2833815</b>	<b>-5835976</b>	<b>-2257174</b>	<b>-4573244</b>	<b>576641</b>

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 The New India Assurance Co. Ltd.

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - GLOBAL ₹ (000)

Segment	Health		Liability		Personal Accident		Aviation	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	20181554	15672343	2249001	1959395	1413027	1196692	744032	643955
Premium Accepted	0	0	24088	22508	31445	20597	628582	693265
Premium Ceded	-2011160	-1594419	-342754	-581165	-244880	-244755	-588931	-472613
<b>Net Premium</b>	<b>18170394</b>	<b>14077924</b>	<b>1930335</b>	<b>1400738</b>	<b>1199592</b>	<b>972534</b>	<b>783683</b>	<b>864607</b>
Unexpired Risk Reserve Op.	7038962	5651030	700370	835051	486267	462168	432303	128939
Unexpired Risk Reserve Cl.	-9085197	-7038962	-1003774	-700370	-599796	-486267	-399678	-432303
<b>Net Earned Premium</b>	<b>16124159</b>	<b>12689992</b>	<b>1626931</b>	<b>1535419</b>	<b>1086063</b>	<b>948435</b>	<b>816308</b>	<b>561243</b>
Profit on Realisation of Investment	533107	425799	202418	175686	61945	62389	66058	58896
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	727075	570053	276067	235205	84483	83525	90093	78849
Investment Provisions	-11534	-528	-4380	-218	-1340	-77	-1429	-73
<b>Total Investment Income</b>	<b>1248648</b>	<b>995324</b>	<b>474105</b>	<b>410673</b>	<b>145088</b>	<b>145837</b>	<b>154722</b>	<b>137672</b>
Claims Paid Direct	18067755	15698718	1038281	904181	960981	832644	343242	215424
Claims Paid Accepted	0	0	3131	2118	18058	23200	507249	298477
Claims Paid Ceded	-1829029	-1757445	-33689	-123201	-285457	-367729	-130909	-136023
<b>Net Claim Paid</b>	<b>16238726</b>	<b>13941273</b>	<b>1007723</b>	<b>783098</b>	<b>693582</b>	<b>488115</b>	<b>719582</b>	<b>377878</b>
Cl O/S Claims Direct	3151467	2844968	3770799	3796855	670174	859699	806775	848626
Cl O/S Claims Accepted	0	0	6315	1466	158977	24799	516120	315158
Cl O/S Claims Ceded	-210718	-198968	-578513	-821354	-134751	-245418	-305133	-396010
<b>Net Cl. O/S Claim</b>	<b>2940749</b>	<b>2646000</b>	<b>3198601</b>	<b>2976967</b>	<b>694400</b>	<b>639080</b>	<b>1017762</b>	<b>767774</b>
Op O/S Claims Direct	-2844968	-2416983	-3796855	-2858981	-859699	-791790	-848626	-979929
Op O/S Claims Accepted	0	0	-1466	0	-24799	-10480	-315158	-494835
Op O/S Claims Ceded	198968	176523	821354	437984	245418	108163	396010	512163
<b>Net Op. O/S Claim</b>	<b>-2646000</b>	<b>-2240460</b>	<b>-2976967</b>	<b>-2420997</b>	<b>-639080</b>	<b>-694107</b>	<b>-767774</b>	<b>-962601</b>
Incurred Claims Direct	18374254	16126702	1012225	1842053	771457	900554	301390	84123
Incurred Claims Accepted	0	0	7980	3584	152237	37519	708211	118800
Incurred Claims Ceded	-1840779	-1779890	209153	-506571	-174789	-504985	-40033	-19870
<b>Net Incurred Claims</b>	<b>16533475</b>	<b>14346812</b>	<b>1229358</b>	<b>1339066</b>	<b>748905</b>	<b>433088</b>	<b>969568</b>	<b>183053</b>
Commission Direct	1655291	1619734	325129	315196	174576	164851	6764	10446
Commission Accepted	0	0	2513	2374	9491	4049	108964	123361
Commission Ceded	-284799	-276121	-43545	-85646	-34762	-40646	-24098	-19465
<b>Net Incurred Commission</b>	<b>1370492</b>	<b>1343613</b>	<b>284097</b>	<b>231924</b>	<b>149305</b>	<b>128254</b>	<b>91630</b>	<b>114342</b>
Foreign Taxes	0	100	0	585	0	139	0	604
Operating Expenses Related to Insurance	4113250	3314504	463284	419148	294401	257441	279756	282805
<b>Revenue Accounts Result</b>	<b>-4644410</b>	<b>-5319713</b>	<b>124297</b>	<b>-44631</b>	<b>38540</b>	<b>275350</b>	<b>-369924</b>	<b>118111</b>

## Segment Reporting Schedules

### SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - GLOBAL ₹ (000)

Segment	Engineering		Credit Shield		Total Other Misc.		Grand Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	4042050	3324390	223696	278304	5487121	5054321	82255121	70991411
Premium Accepted	1008584	740594	160388	307238	746378	390571	14670630	12461501
Premium Ceded	-1958718	-1694850	-152282	-194155	-1275174	-1120650	-25003469	-23426317
<b>Net Premium</b>	<b>3091916</b>	<b>2370134</b>	<b>231802</b>	<b>391387</b>	<b>4958325</b>	<b>4324242</b>	<b>71922282</b>	<b>60026595</b>
Unexpired Risk Reserve Op.	1185067	1012945	195694	151890	2162207	1883355	31158340	28240310
Unexpired Risk Reserve Cl.	-1607796	-1185067	-118218	-195694	-2553191	-2162207	-38347390	-31158337
<b>Net Earned Premium</b>	<b>2669187</b>	<b>2198012</b>	<b>309278</b>	<b>347583</b>	<b>4567341</b>	<b>4045390</b>	<b>64733232</b>	<b>57108568</b>
Profit on Realisation of Investment	173362	131712	43444	25032	296067	291212	5857880	5202767
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	236439	176334	59250	33512	403790	389870	7989234	6965387
Investment Provisions	-3751	-163	-940	-31	-6406	-362	-126741	-6455
<b>Total Investment Income</b>	<b>406050</b>	<b>307883</b>	<b>101754</b>	<b>58513</b>	<b>693451</b>	<b>680720</b>	<b>13720373</b>	<b>12161700</b>
Claims Paid Direct	1330551	1065952	35447	53732	1680344	1691714	59376686	52573017
Claims Paid Accepted	204101	92424	414220	272412	230177	216431	7457253	6033510
Claims Paid Ceded	-300247	-305347	-24824	-39554	-451989	-581928	-15882634	-14359275
<b>Net Claim Paid</b>	<b>1234405</b>	<b>853029</b>	<b>424843</b>	<b>286590</b>	<b>1458532</b>	<b>1326217</b>	<b>50951305</b>	<b>44247252</b>
Cl O/S Claims Direct	3561304	2551983	196598	535574	4128232	3776345	95745328	89624675
Cl O/S Claims Accepted	543415	433045	773074	413047	421171	277245	34120893	19783932
Cl O/S Claims Ceded	-1526541	-1020626	-113147	-355076	-988876	-837145	-40307060	-34146830
<b>Net Cl. O/S Claim</b>	<b>2578178</b>	<b>1964402</b>	<b>856525</b>	<b>593545</b>	<b>3560527</b>	<b>3216445</b>	<b>89559161</b>	<b>75261777</b>
Op O/S Claims Direct	-2551983	-2236612	-535574	-402358	-3776345	-3722491	-89624674	-85170341
Op O/S Claims Accepted	-433045	-226193	-413047	-180105	-277245	-460924	-19783933	-14771466
Op O/S Claims Ceded	1020626	1034677	355076	270433	837145	669634	34146831	31757274
<b>Net Op. O/S Claim</b>	<b>-1964402</b>	<b>-1428128</b>	<b>-593545</b>	<b>-312030</b>	<b>-3216445</b>	<b>-3513781</b>	<b>-75261777</b>	<b>-68184533</b>
Incurred Claims Direct	2339872	1381322	-303529	186947	2032232	1745564	65497337	57027351
Incurred Claims Accepted	314471	299276	774246	505355	374102	32753	21794215	11045975
Incurred Claims Ceded	-806162	-291296	217104	-124197	-603721	-749440	-22042869	-16748829
<b>Net Incurred Claims</b>	<b>1848181</b>	<b>1389302</b>	<b>687821</b>	<b>568105</b>	<b>1802613</b>	<b>1028877</b>	<b>65248684</b>	<b>51324498</b>
Commission Direct	342315	282101	27832	18763	753419	724044	7530384	7206532
Commission Accepted	346557	142073	34386	66626	164002	82367	1822998	1863327
Commission Ceded	-408881	-494014	-64933	-47509	-186662	-162433	-2866676	-3456183
<b>Net Incurred Commission</b>	<b>279991</b>	<b>-69840</b>	<b>-2715</b>	<b>37880</b>	<b>730759</b>	<b>643978</b>	<b>6486706</b>	<b>5613677</b>
Foreign Taxes	0	453	0	0	0	689	51	7258
Operating Expenses Related to Insurance	1029381	859693	78281	123835	1270464	1151527	19432266	17360639
<b>Revenue Accounts Result</b>	<b>-82316</b>	<b>326287</b>	<b>-352355</b>	<b>-323724</b>	<b>1456956</b>	<b>1901039</b>	<b>-12714103</b>	<b>-5035802</b>



## SHAREHOLDERS AND POLICYHOLDERS FUNDS

### Shareholders' Funds

	Balances as on 31.03.2010	Percentage	Balances as on 31.03.2011	Percentage
Share Capital	2000000000		2000000000	
Capital Reserves	575088		575088	
General Reserves	72039460626		67827139436	
Miscellaneous Reserves / Special Reserves	262030587		1287688833	
<b>Total</b>	<b>74302066301</b>	<b>41.11</b>	<b>71115403357</b>	<b>35.73</b>

### Policyholders' Funds

	Unexpired Risks Reserves as on 31.03.2010	Outstanding Claims Reserves as on 31.03.2010	Total Reserves as on 31.03.2010	Percentage	Unexpired Risks Reserves as on 31.03.2011	Outstanding Claims Reserves as on 31.03.2011	Total Reserves as on 31.03.2011	Percentage
Fire	5485085414	14260143667	19745229081		6639661213	19999105446	26638766659	
Marine	2289913814	3030569347	5320483161		3025315783	3920893887	6946209670	
Miscellaneous	23383341020	57971064744	81354405764		28682413818	65639157805	94321571623	
<b>Total</b>	<b>31158340248</b>	<b>75261777758</b>	<b>106420118006</b>	<b>58.89</b>	<b>38347390814</b>	<b>89559157137</b>	<b>127906547951</b>	<b>64.27</b>
<b>Total Funds</b>			<b>180722184307</b>	<b>100.00</b>			<b>199021951309</b>	<b>100.00</b>

The balances as on 01.04.2010 are used as basis for apportionment of investment income of 2010-11 between policyholders' and shareholders'

Average Shareholders' Funds (Rs in crores)	$(7430.21+7111.54)/2$	7270.875	38.29
Average Policyholders' Funds (Rs in crores)	$(10642.01+12790.65)/2$	11716.33	61.71
<b>Average Total Funds (Rs. in crores)</b>		<b>18987.21</b>	<b>100.00</b>





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The New India Assurance Co. Ltd.

## SCHEDULE 16

# Significant Accounting Policies and Notes forming part of Financial Statements as on 31st March, 2011

### 16 A. Significant Accounting Policies

#### 1. 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 & 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 historical cost convention and on accrual basis, comply with accounting standards referred in section 211 (3C) of the Companies Act, 1956, and Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 to the extent applicable, and conform to practices prevailing in the general insurance industry except as otherwise stated.

#### 2. Use of Estimates

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

#### 3. Revenue Recognition

##### A. Premium

Premium income is recognized on assumption of risk. A reserve for Unearned Premium for each segment, representing that part of the recognized premium attributable to the succeeding accounting periods, calculated on time apportionment basis is created. This forms part of the un-expired risk reserves.

Reinsurance premium is recognized as per the terms of the reinsurance contracts. A reserve for Unearned Premium for each segment, representing that part of the recognized reinsurance premium attributable to the succeeding accounting periods, is created in the ratio, in which unearned premium of the direct business bears to the recognized premium of such business. This also forms part of the un-expired risk reserves.

Any subsequent revisions to or cancellations of premium are recognised in the year in which they occur.

##### B. Commission

Commission income on reinsurance cessions is recognized as income in the year in which reinsurance premium is ceded.

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



**4. Premium Received in Advance**

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

**5. Reserves for Un-expired Risk/s**

Reserve for un-expired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the succeeding accounting periods, subject to minimum at 100% of net premium for marine business and 50% of net premium for other classes of business.

**6. Reinsurance Accepted**

Reinsurance returns have been incorporated for the advices received up to the date of finalisation of accounts and on estimation basis wherever advices are not received.

**7. Reinsurance Ceded**

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

**8. Premium Deficiency**

Premium deficiency is calculated where the sum of expected claims costs, related expenses and maintenance costs exceed the related unearned premiums. The deficiency is recognised, only to the extent of excess of unearned premium plus premium deficiency so calculated over the un-expired risk reserves at the percentages mentioned herein above. For the purpose of recognition of premium deficiency only three major segments viz., Fire, Marine and Miscellaneous are considered as directed by IRDA vide circular no. F & A/CIR/017/MAY -04 dated 18<sup>th</sup> May 2004. Premium deficiency forms part of the un-expired risk reserves.

**9. Acquisition Costs.**

Acquisition costs are primarily related to acquisition of insurance contracts and have been expensed in the year in which they are incurred.

**10. Incurred Claims**

Claims are recognized as and when reported.

Claims paid (net of recoveries including salvages retained by the insured, includes interest paid towards claims and all expenses directly incurred in relation to their assessment) are charged to respective revenue accounts.

Claims outstanding at the year-end are provided based on survey reports, information provided by clients and other sources, past experience and applicable laws and includes :

- In respect of direct business, claim intimations received up to the year-end.
- In respect of reinsurance accepted, advices received as of different dates of subsequent year up to the date of finalisation of accounts and on estimation basis wherever advices are not received.
- Provision for claims incurred but not reported (IBNR) and provision for claims incurred but not enough reported (IBNER). The said provisions have been determined by Appointed Actuary, which is in accordance with accepted actuarial practice, requirement of Insurance Act 1938, IRDA Regulations and stipulations of the Institute of Actuaries of India.

All the outstanding claims for direct business are provided net of estimated salvage (if any).



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 :

- 100% of the estimated liability, where such claims are outstanding for more than one year.
- 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.

Interest on motor accident claims tribunal (MACT) claims is provided based on the prevailing trends in the motor third party claim awards.

#### 11. Salvage and Claim Recoveries

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

#### 12. Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of obligation. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### 13. Loans and Investments

- A Loans are measured at historical cost subject to impairment. Company reviews the quality of its loan assets and provides for impairment if any.
- B Short Term Money Market Instruments such as Commercial Papers and Certificate of Deposits 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.
- C Contracts for purchase and sale of shares, bonds, debentures are accounted for as "Investments" as on date of transaction.
- D The cost of investments includes premium on acquisition, brokerage, transfer stamps, transfer charges and is net of incentive/ fee if any, received thereon.
- E Dividend income (other than interim 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.

Dividend on foreign investments is accounted for net of withholding tax.

Interest income is recognized on accrual basis on time proportion except income on non-performing assets is recognized on realization.

Amount received towards compensation for future loss of interest is recognised as income only to the extent attributable to the accounting year and balance is kept in interest received in advance account for apportionment in the relevant year.

- F Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except:
- In respect of Government Securities/Debentures/Bonds under Trading Portfolio, the profit/loss is worked out specific scrip wise.

- In respect of Government Securities sold from Investment Portfolio, the profit/loss is worked out on first in first out basis (FIFO).
- G The Company follows the prudential norms prescribed by the Insurance Regulatory and Development Authority as regards asset classification, recognition of income and provisioning pertaining to loans/advances.
- H 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 and Development Authority Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.
- I 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 NAV is accounted in Fair Value Change Account. However, if there is reduction in NAV in case of venture fund, the same is charged to revenue and the book value of investment is reduced accordingly. Any appreciation in NAV to the extent of loss earlier recognised, is taken to revenue.  
  
In case of non-availability of NAV as at the balance sheet date, investment is shown at cost.
- J Investment Portfolio in respect of equity/ equity related instruments is segregated into actively traded and thinly traded as prescribed by Insurance Regulatory and 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 (NSE) and Bombay Stock Exchange (BSE).  
  
Actively traded equity/ equity related instruments are valued at lowest of the last quoted closing price in March at National Stock Exchange or Bombay Stock Exchange. If the shares are traded/ listed only on either of the stock exchanges then the quotation available on the respective stock exchange is considered. The difference between weighted average cost and quoted value is accounted in Fair Value Change Account.
- K Investment in thinly traded equity shares and unlisted equity shares are shown at cost. However, difference between cost and break-up value is provided for as diminution in value. If the break-up value is negative then the provision is made for the entire cost. Further, if the published accounts of an unlisted company are not available for last three accounting years ending on or immediately preceding the date of working out diminution in value, then the provision is made for the entire cost.
- L In case of investment in listed and unlisted equity/ equity related instruments / preference shares where the value has been impaired on or before 31.03.2000, the historical/ weighted average costs are not available with the Company. As a consequence, the carrying value of such investments as on 01.04.2000 is presumed to be the historical/ weighted average cost
- M Investments 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. Further, if the published accounts of a company are not available for last three accounting years ending on or immediately preceding the date of working out impairment in value, it is presumed that the value of investment is fully impaired and is written off to a nominal value of ₹ 1/- per company.
  - I. Valuation of such investments is done as under :
    - i) In respect of actively traded equity shares : - least of cost price, market price or break-up value provided break-up value is positive. However, if the break-up value is negative the nominal value is taken at ₹ 1/- per company.



- ii) 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 ₹ 1/- per company.
- iii) In respect of preference shares, if the dividend is not received for the last three years, such preference shares are written down to a value which will bear to its face value, the same proportion as value taken/ which would have been taken for writing down equity shares bears to the face value of the equity shares. However, if the equity shares are written down to ₹ 1/- per company, preference shares are also written down to a nominal value of ₹ 1/- per company.
- II. Once the value of investment in listed equity/ equity related instruments / preference share is impaired in accordance with the above mentioned policy, then the reversal of such impairment losses are recognised in revenue/ profit and loss until only when the accumulated losses of such investee companies are completely wiped out and capital is fully restored as per the latest available published accounts on or immediately preceding the date of working out the reversal. However, in respect of investments where the historical or weighted average cost is not available as mentioned in Policy No.13-L, reversal of impairment loss is carried out and recognised only to the extent of impairment losses accounted after 31<sup>st</sup> March 2000.
- N “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.
- O “Collateralized 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 CBLO is shown as income, which is apportioned on time basis.
- P Un-realised gains / losses arising due to changes in the fair value of listed equity shares other than enumerated in Accounting Policy 13-L are taken under the head “Fair Value Change Account” and on realisation reported in profit and loss account.
- Pending realisation, the credit balance in the “Fair Value Change Account” is not available for distribution.

#### 14. Foreign Currency Transactions

- Reinsurance operations:  
Revenue transactions of re-insurance in foreign currencies are converted at the average of buying and selling rates of exchange of each quarter in which they are accounted.  
Monetary assets and liabilities of re-insurance in foreign currencies are converted at the closing rate.
- Foreign operations :
  - As per the Accounting Standard (AS) 11 “The Effects of Changes in Foreign Exchange Rates”, foreign branches/agencies are classified as ‘non-integral foreign operations’.
  - The assets and liabilities (including contingent liabilities), both monetary and non-monetary of the non-integral foreign operations are translated at the closing rate,

- Income and expense items of the non-integral foreign operations are translated at the average exchange rate of the year.
- Depreciation on fixed assets held in foreign branches and agencies is provided on written down rupee value at the year-end at the rates and in the manner as stated in "Depreciation" policy stated herein below.
- All resulting exchange difference is accumulated in a foreign currency translation reserve until the disposal of the net investment.
- Foreign investments transactions during the year are converted at the exchange rates prevailing as on the last day of the month of purchase or sale.
- Other assets and liabilities in foreign currencies are converted at the average of buying and selling rates of exchange prevailing at the year end.
- The exchange gain/loss due to conversion of foreign currencies other than relating to non-integral foreign operations is taken to revenue(s) account and profit and loss account as applicable.

#### 15. Fixed Assets

- Fixed assets are stated at cost less depreciation.
- The fixed assets are assessed for any indication that an asset is impaired. In case the recoverable amount of the fixed assets is lower than its carrying amount a provision is made for the impairment loss.
- Lease payment for assets taken on operating lease are recognized as an expense in the revenue(s) accounts and profit and loss account over the lease term.

#### 16. Depreciation

- 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 leased period.
- 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.

#### 17. Intangible Assets

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

#### 18. Employee Benefits

Employee benefits comprise of both defined contributions and defined benefit plans.

Provident Fund is a defined contribution plan company's contribution towards provident fund is charged to the Profit and Loss Account and Revenue Accounts as applicable. Further company has no further obligation beyond the periodic contributions.

Pension, Gratuity and Leave Encashment are defined benefit plans. The company has incorporated a Pension Trust and Gratuity Trust. The company's liability towards pension,



gratuity and leave encashment is accounted for on the basis of an actuarial valuation done at the year end and is charged to Revenue Accounts and Profit and Loss Account as applicable except in case of pension for the employee who joined from 1<sup>st</sup> January, 2004 which is defined contribution plan wherein contribution towards pension fund is charged to the Profit and Loss Account and Revenue Accounts as applicable. Further, company has no further obligation beyond the periodic contributions.

All short term employee benefits are accounted on undiscounted basis during the accounting period based on service rendered by the employees.

#### **19. Expenses of Management-Basis of Apportionment**

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.

#### **20. Income from Investments -Basis of Apportionment**

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 segments 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 Foreign Currency Translation Reserve.

Policyholders' Funds consist of Technical Reserves i.e. Un-expired Risk Reserve plus Provisions for Outstanding Claims.

#### **21. Taxation**

- Tax expense for the year, comprises current tax and deferred tax.
- Current income tax expense comprises taxes on income from operations in India and in foreign jurisdiction. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.
- Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax on future income. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.
- A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.
- Deferred tax assets are recognized only if there is a virtual certainty backed by convincing evidence that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.
- Refund of income tax is accounted on realisation basis.



## 16 B. 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. No material changes have been reported after the finalization of accounts of these branches. The accounts of one Agency and eight Runoff Agencies have been incorporated on the basis of unaudited accounts.
- 2 Buildings include ₹ 666.26 Lakhs (Previous Year ₹ 249.89 Lakhs) in respect of which the deeds of conveyance are yet to be executed.
- 3
  - a The balance appearing in the amount due to / from persons or bodies carrying on insurance business are subject to confirmation / reconciliation and consequential adjustments if any. The company has started extensive reconciliation process and has identified non moving old entries exceeding five years being gross debit of ₹ 65900.00 lakhs and gross credit of ₹ 23700.00 lakhs. Pending reconciliation the company has provided an amount of ₹ 24977.10 lakhs upto 31.03.2011 towards doubtful debts as a prudent measure.
  - b Reinsurance acceptance transactions pertaining to the year have been booked for advices received upto 7th June, 2011.
  - c The balances of inter-office accounts included in net current assets amounting to ₹ 85.68 lakhs (Credit), previous year ₹ 480.34 lakhs (Debit), are subject to reconciliations and consequential adjustments if any.
- 4 As certified by the custodian, securities are held in the name of the company as on 31.03.2011. Variations and other differences are under reconciliation and are not expected to have a material impact on the state of affairs of the company.
- 5 Certificates of confirmation are awaited for earlier years' Foreign Investments amounting to ₹ 2.92 lakhs (Previous Year ₹ 18.27 lakhs). However, the same are fully provided for.
- 6
  - a Provision for standard assets @ 0.40% amounting to ₹ 1801.83 Lakhs (Previous Year ₹ 1532.07 Lakhs) has been made as per Insurance Regulatory and Development Authority guidelines on (i) Term Loan (PFPS/DTL), (ii) Debentures, (iii) Infrastructure Investments, (iv) Bonds/Debentures of HUDCO, (v) Bonds/Debentures of Institutions accredited to NHB and (vi) Loans to HUDCO for Housing (vii) Govt. Guaranteed Bonds/Securities (viii) Housing and Fire fighting Loans to State Governments (ix) Debtors.
  - b During the year, the Company has undertaken restructuring of corporate debt/loans etc. as under:

Sr. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
	Total amount of assets subjected to restructuring	322.71	4,289.74
	The break up of the same is given here under :		
(i)	Total amount of standard assets subjected to restructuring	-	-
(ii)	Total amount of sub-standard assets subjected to restructuring	-	-
(iii)	Total amount of doubtful assets subjected to restructuring	-	-
(iv)	Total amount of loss assets subjected to restructuring	322.71	4,289.74
	<b>Total</b>	<b>322.71</b>	<b>4,289.74</b>





**c** Details of Non Performing Assets (NPA).

**I) Details of Non Performing Assets (NPA)**

Sr. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
(i)	Opening Balance	20492.51	21560.36
(ii)	Additions During the Year	1223.18	23.55
(iii)	Reductions During the Year	3099.59	1091.40
(iv)	Closing Balance	18616.10	20492.51
	Percentage of Net NPAs to Net Assets	1.37%	1.73%

**II) Details of Provisions on NPA (other than standard provisions)**

Sr. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
(i)	Opening Balance	18326.50	19295.08
(ii)	Incremental Provision During the Year	-714.98	-968.58
(iii)	Closing Balance	17611.52	18326.50

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 31.03.2011, they have been shown under long-term investments, as their realisability is unascertainable. However, necessary provision, wherever required, has been made.

8 a There are following cases of non-compliance/contravention of Insurance Regulatory & Development Authority (Investment) Regulations, 2000 :

The company is in the process of improving the system to ensure that the investment exposure at any point of time does not exceed the prescribed limits under Regulation 5. However, there is no case of violation of the prescribed exposure limits.

b There are following cases of non-compliance/contravention of Insurance Regulatory & Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 :

i) Segmental reporting in respect of Public and Product Liability is not disclosed separately for foreign business.

ii) Receipts & Payments Account/(Cash Flow Statement) has been drawn by "Indirect Method" instead of "Direct Method" as required by Part I of Schedule B of the regulation.

c As per IRDA circular no IRDA/F&I/CIR/CMP/174/11/2011 dated 04.11.2010, company is required to give the detail of age-wise analysis of unclaimed amount of the policy holders for the year ended 31st March, 2011. Accordingly the unclaimed amount pertaining to the excess premium collected, refund premium and the amount lying in stale cheque account is ₹ 9740.88 lakhs and unclaimed amount towards claim is not ascertainable. Further, as required, age-wise analysis is not available.

d The separate disclosure requirement as per IRDA circular dated 28.03.2008 in respect of outsourcing expenses has not been complied.

- 9 Investment in term loans, loans to State Government for the purpose of housing & fire fighting equipments and balances on account of restructuring/rescheduling of debts are subject to confirmations and reconciliations. The impact of adjustments if any, arising out of confirmations / reconciliations of such balances on financial statements are unascertainable.
- 10 Prior period items have been included in the respective heads amounting to ₹ 840.91 Lakhs (Debit) (Previous Year ₹ 30018.51 Lakhs (Debit) consisting of the following :-

Sr. No.	Particulars	₹ In Lakhs			
		Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Premium	-	59.90	534.00	3.21
2	Commission	91.48	-	1.32	168.08
3	Claims	138.48	-	22,806.88	4,108.14
4	Expenses	702.48	31.63	14,264.81	3,309.07
	<b>Total</b>	<b>932.44</b>	<b>91.53</b>	<b>37,607.01</b>	<b>7,588.50</b>

11. Disclosure 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
- iii) Prestige Assurance Plc. – Nigeria

**b Associates**

- i) India International Insurance Pvt. Ltd., Singapore
- ii) KenIndia Assurance Co. Ltd., Kenya
- iii) United Insurance Co. Ltd., Jordan
- iv) Saudi Indian Company for Co Operative Insurance, Riyadh

**c Entities over which control exist**

- i) The New India Assurance Company (Employees) Pension Fund
- ii) The New India Assurance Company Limited Employee Gratuity Fund
- iii) The New India Assurance Company Limited Staff Provident Fund

**d Key management personnel of the company**

- i) M. Ramadoss
- ii) A. R. Sekar
- iii) I. S. Phukela



**2 Transactions with related parties :**

Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
i)	Subsidiaries	Management fees earned	31.12	34.43
		Premium on Reinsurance Accepted	409.25	393.91
		Commission on Reinsurance Accepted	(83.26)	(79.41)
		Claims Paid	(78.28)	(76.89)
		Dividend income received	380.93	703.75
		Other Amount Due (From Prestige Assurance Plc-out of Rights Subscription)	-	-
ii)	Associates	Premium on Reinsurance Accepted	536.66	342.46
		Commission on Reinsurance Accepted	(163.84)	(118.92)
		Claims Paid	(587.16)	(473.92)
		Dividend income received	164.56	132.63
		Investment in shares	-	-
		Dividend receivable	0.05	0.05
iii)	Entity over which control exits	Sale of investment - Other amount payable	-	-
iv)	Key management personnel	Salary and allowances	51.02	39.85

**B Disclosure as per Accounting Standard 20- "Earnings Per Share" :**

Particulars	Current Year	Previous Year
Net profit attributable to shareholders (₹ In Lakhs)	(42,156.05)	40,467.21
Weighted average number of equity shares issued	200,000,000	200,000,000
Basic and diluted earnings per share of ₹10/- each (₹)	(21.08)	20.23

The company does not have any outstanding diluted potential equity share. Consequently, the basic and diluted earnings per share of the company remain the same.

**C Taxation**

**Income Tax**

- i Provision for Tax - Current tax shown in Profit & Loss Account includes ₹ 1655.82 lakhs (Previous year ₹ -1310.47 lakhs) relating to foreign taxes.
- ii The Income tax assessments of the company have been completed up to assessment year 2008-09. Major disputed demands are in respect of capital gain taxes and exempt dividends. Based on the decisions of the appellate authority and the interpretations of the relevant provisions, the management is of the opinion that the demands are likely to be either deleted or substantially reduced and accordingly no provisions have been made for the same.

### Deferred Taxes

The major components of temporary differences resulting into deferred tax assets are as under :

	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
i)	Fixed Assets	(84.33)	(355.36)
ii)	Leave Encashment	10,235.97	9,779.26
iii)	Estimated Disallowance u/s 40(a) (ia)	33.99	33.99
	<b>Total</b>	<b>10,185.63</b>	<b>9,457.89</b>

#### Notes

- 1 A sum of ₹ 727.74 lakhs (Previous year ₹ 7127.35 Lakhs) has been credited to the Profit & Loss Account on account of increase in deferred assets during the year.
- 2 On prudence basis recognition of deferred tax asset on unabsorbed depreciation and carry forward losses has not been given effect in the books of account.
- 3 Above deferred tax asset does not include impact of deferred tax in respect of operations of foreign branches.

### D Accounting Standard 15 – Employee Benefits

The details of employee benefits for the period on account of gratuity, superannuation which are funded defined employee benefit plans and encashment which is an unfunded defined benefit plan are as under.

(₹ in Crores)

#### I Components of employer expense

		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		<b>Funded</b>				<b>Unfunded</b>	
A	Current Service Cost	8,376	7,229	2,366	2,067	1,370	1,054
B	Interest Cost	15,374	14,224	3,052	2,786	2,114	1,766
C	Expected Return on Plan Assets	(16,066)	(13,682)	(3,942)	(2,547)	-	-
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	(2,561)	(1,409)
F	Past Service Cost	-	-	-	-	-	-
G	Actuarial Losses/(Gains)	(18)	6,080	(1,476)	(2,200)	1,121	4,170
H	Total expense recognized in the statement of Profit and Loss Account	7,666	13,851	-	106	2,044	5,581
	Pension Gratuity and Leave Encashment expenses have been recognized in "Employee Remuneration and Welfare Benefits" under schedule 4.	-	-	-	-	-	-



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		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
<b>II</b>	<b>Actual Returns for the year 31.03.2011</b>	16,368	15,464	3,775	3,143	-	-
<b>III</b>	<b>Net (Asset)/Liability recognized in Balance Sheet at 31.03.2011</b>						
A	Present Value of Defined Benefit Obligation	232,020	205,915	67,986	40,460	30,815	28,771
B	Fair Value of Plan Assets	235,210	209,275	67,747	39,939	-	-
C	Status (Surplus/Deficit)	(3,190)	(3,360)	239	521	30,815	28,771
D	Un recognized Past Service Cost	-	-	-	-	-	-
E	Net (Asset)/Liability recognized in Balance Sheet	(3,190)	(3,360)	239	521	30,815	28,771
<b>IV</b>	<b>Change in Defined Benefit Obligation during the year ended 31.03.2011</b>						
A	Past value of the Defined Benefit Obligation at the beginning of the period	205,915	177,603	40,460	34,728	28,771	23,190
B	Current Service Cost	8,376	7,229	2,366	2,067	1,370	1,054
C	Interest Cost	15,374	14,224	3,052	2,786	2,114	1,766
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	-	-
F	Plan Amendments	-	-	-	-	-	-
G	Acquisitions	-	-	-	-	-	-
H	Actuarial Losses/(Gains)	12,594	18,092	24,014	1,593	1,121	4,170
I	Asset Loss / (Gain)	-	-	-	-	-	-
J	Benefits Paid	(10,239)	(11,233)	(1,906)	(714)	(2,561)	(1,409)
K	Present Value of Defined Benefit Obligation at the end of the period	232,020	205,915	67,986	40,460	30,815	28,771
<b>V</b>	<b>Change in the Fair Value of Assets during the year ended 31.03.2011</b>						
A	Plan Assets at the beginning of the period	209,275	176,314	39,939	34,313	-	-
B	Acquisition Adjustment	-	-	-	-	-	-
C	Expected Return on Plan Assets	16,066	13,682	3,942	2,547	-	-
D	Asset (Losses)/Gains	(18)	9,632	(1,363)	3,793	-	-
E	Actual Company Contributions	20,126	20,880	27,135	-	-	-
F	Benefits Paid	(10,239)	(11,233)	(1,906)	(714)	-	-
G	Plan Assets at the end of the period	235,210	209,275	67,747	39,939	-	-

		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
<b>VI</b>	<b>Actuarial Assumptions</b>						
A	Discount Rate	8.50%	7.50%	8.50%	7.50%	-	-
B	Expected Return on Plan Assets	8.50%	8.25%	8.50%	8.25%	-	-
C	Rate of Escalation in Salary	5.00%	6.75%	5.00%	6.75%	-	-
<b>VII</b>	<b>Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2011</b>					-	-
A	Government Securities	23.86%	40.00%	27.48%	40.00%	-	-
B	High Quality Corporate Bonds	60.91%	57.00%	69.69%	57.00%	-	-
C	Others	15.23%	3.00%	2.83%	3.00%	-	-
<b>VIII</b>	<b>Basis used to determine the expected rate of return on plan assets</b>	The expected rate of return on plan assets is based on the current portfolio of the assets, investment strategy and the market scenario, in order to protect capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.					

- 12 During the year the limit of gratuity payable to the employee was enhanced consequent to amendment to the Payment of Gratuity Act, 1972, (Government Gazette notification dated 24.05.2010). The maximum amount of gratuity payable has been increased from ₹ 3.50 lakhs to ₹ 10.00 lakhs per employee. As a result the gratuity liability of the company has increased by ₹ 17156.00 lakhs.

In terms of requirement of the Accounting Standard (AS-15) Employee Benefits, the entire amount of ₹ 17156.00 lakhs is required to be charged to the Profit & Loss Account. However, as permitted by IRDA vide circular no. IRDA/F&A/CIR/ACT/069042011 dated 18.04.2011, an amount of ₹ 13724.80 lakhs being 4/5th of ₹ 17156.00 lakhs will be amortised over the next four years. This amount does not include any amount payable to the employee separated/retired. Had such circular not been issued by IRDA the losses of the company would have been higher by ₹ 13724.80 lakhs pursuant to the requirement of AS-15.

- 13 During the year, the company has reviewed its fixed assets for impairment of loss as required by Accounting Standard 28 on impairment of assets. In the opinion of the management no provision for impairment loss is considered necessary.
- 14 Pre-payment premium received in present value terms on account of restructuring/reduction of interest rates in respect of loans/debentures is spread over the remaining tenure of such loans/debentures. Accordingly ₹ 111.90 Lakhs (P.Y ₹ 170.24 Lakhs) has been considered as income received in advance and shown in Schedule – 13 Current Liabilities under the head “Others”.



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- 15** The management is currently in the process of identifying enterprises which have been provided goods and services to the company which qualify under the definition of medium and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such micro, small, and medium enterprises as at 31st March 2011 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

- 16** Indian Motor Third Party Insurance Pool (IMTPIP)

In accordance with the directions of IRDA, the company, together with other insurance companies, participates in the Indian Motor Third Party Insurance Pool (IMTPIP). The IMTPIP is a multilateral reinsurance arrangement, in which all member companies are compulsorily required to participate. The IMTPIP is administered by the General Insurance Corporation of India ('GIC'). The company has ceded 100% of third party premium of commercial vehicles collected to the pool and has recorded its share of results based on the audited statements received from the pool for the period from 1st March 2010 to 28th February 2011.

Based on the statement received from the pool, liability for claims for the third party pool was provided in the past. During the current year, the IRDA has carried out independent assessment of the provisions required vide its order IRDA/NL/ORD/MPL/046/03/2011 dated 12th March 2011 and directed all general insurance companies to make claims provision of 153% of net earned premium for each of the four years from inception of the pool (i.e. 2007-08). Due to this an additional provision of ₹ 45600 lakhs has been created during the year.

IRDA has also indicated that there will be peer review of the provisions by independent actuary and further provision, if any, will be made once the review is completed. The impact of the same in the financial statement is not determinable.

- 17** Foreign Exchange Reserve Account has decreased by ₹ 10256.58 Lakhs (Credit) due to depreciation of foreign currency under the following heads (Previous Year ₹ 19720.24 Lakhs (Debit) consisting of the following.

(₹ In Lakhs)

Srl No.	Particulars	Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Head Office Account	-	7,077.56	15,020.01	-
2	Outstanding Claims	-	3,168.06	4,686.84	-
3	Fixed Assets	-	10.96	10.33	-
	<b>Total</b>	-	<b>10,256.58</b>	<b>19,717.18</b>	-



- 18 As per IRDA Circular No 005/IRDA/F&A/CIR/MAY-09 dated May 07, 2009, below table mentions the details of the penalty imposed by various regulators and Government authorities during the year :

Sr. No.	Authority	Non-Compliance/ Violation	Amount in ₹ ('000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority / TAC	Breach of Tariff	-	852	-
2	Service Tax Authorities	Nil	-	-	-
3	Income Tax Authorities	Nil	-	-	-
4	Any other Tax Authorities	Nil	-	-	-
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	-	-	-
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	-	-	-
8	Competition Commission of India	Nil	-	-	-
9	Any other Central/State/ Local Government / Statutory Authority	Nil	-	-	-

- 19 The company's office premises and residential flats for employees are obtained on operating lease and are renewable / cancellable at mutual consent. There are no restrictions imposed by lease agreements. Lease terms are based on individual agreements. Significant leasing arrangements are in respect of operating lease for premises. Aggregate lease rentals amounting to ₹ 6680.85 Lakhs (PY ₹ 5325.36 Lakhs) in respect of obligation under operating lease are charged to Revenue Account.



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## 16C Disclosures Forming Part of Financial Statements

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	The details of contingent liabilities are as under :		
	(a) Partly-paid up investments	171.27	20.62
	(b) Underwriting commitments outstanding	-	-
	(c) Claims, other than those under policies, not acknowledged as debts	19,399.68	21,388.30
	(d) Guarantees given by or on behalf of the company	1,442.47	1,106.77
	(e) Statutory demands/liabilities in dispute not provided for	212,165.98	127,478.00
	(f) Reinsurance obligations to the extent not provided for in accounts	-	-
	(g) Others (matters under litigation) to the extent quantifiable	2,000.82	470.27
2	The details of encumbrances to the assets of the company are as under :		
	(a) In India	3,532.68	2,525.62
	(b) Outside India	4,077.01	1,277.32
3	Commitment made and outstanding for Loans Investments and Fixed Assets	6,283.59	11,410.60
4	Claims, less reinsurance, paid to claimants :		
	(a) In India	428,577.85	318,965.02
	(b) Outside India	80,935.18	44,683.95
5	Claim liabilities where claim payment period exceeds four years.	-	-
6	Amount of claims outstanding for more than six months (Gross Indian)	564,720.41	539,790.09
	Number of claims	251,375	318,212
	Amount of claims outstanding for less than six months (Gross Indian)	184,540.97	201,721.08
	Number of claims	83,720	154,873
	Total amount of claims outstanding (Gross Indian)	749,261.38	741,511.17
	Total Numbers of claims outstanding	335,095	473,085
7	Premiums, less reinsurances, written from business		
	a) In India	571,791.19	468,707.06
	b) Outside India	147,431.62	131,558.90
8	The details of contracts in relation to investments, for		
	a) Purchases where deliveries are pending	166.64	443.92
	b) Sales where payments are overdue	-	-
	c) Sales where deliveries are pending	3,663.55	3,892.72
9	Amount of claims settled and remaining unpaid for a period of more than six months as on balance sheet date are as under :	3.00	-
	Numbers of claims	1	-

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
10	Investments made in accordance with statutory requirements are as under :		
	(a) In India- Under Sec.7 of Insurance Act 1938	1,075.27	1,075.27
	(b) Outside India- Statutory Deposits under local laws	168,020.27	21,095.71
11	Segregation of investments into performing and non-performing investments where NPA provision is required as per IRDA Guidelines is as under :		
	Performing (Standard) Investments	450,457.49	383,016.50
	Non Performing Investments	18,616.10	20,492.51
	<b>Total Book Value (Closing Value)</b>	<b>469,073.59</b>	<b>403,509.01</b>

- 12 All significant accounting policies forming part of the financial statements are disclosed separately.
- 13 Premium is recognized as income on assumption of the risk. Reserve for un-expired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the succeeding accounting periods, subject to minimum at 100% of net premium for marine business and 50% of net premium for other classes of business.
- 14 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.
- 15 The historical/weighted average cost of investments in equity shares / venture funds, is ₹ 263056.75 lakhs (Previous year ₹ 237437.53 Lakhs) and ₹ 553.68 Lakhs (Previous year ₹ 1119.55 Lakhs) respectively. However, the historical/weighted average cost in respect of investment in listed equity/ equity related instruments/preference shares, the value of which had impaired on or before 31st March, 2000 is not available with the company, and hence, the carrying value of the same as on 01.04.2000 is presumed to be the historical/weighted average cost.
- 16 Computation of managerial remuneration: Being a government owned company, the company is exempted vide notification : GSR 235, dated 31st January 1978 u/s 620 of the Companies Act, 1956.
- 17 Amortisation of debt securities is done from the date of investment on the basis of actual number of days upto the date of sale/ redemption/ 31st March, 2011 While working out amortisation put/call option is not considered. However, partial redemption if any, is taken into account.
- 18 a) Unrealised gains / losses arising due to change in the fair value of listed equity shares and equity related instruments have been taken to "Fair Value Change Account" and on realisation will be transferred to profit and loss account.
- b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.
- 19 The company does not have Real Estate Investment Property.
- 20 Sector-wise break-up of gross direct premium written in India (Details of number of policies sector wise issued not available) is as under :

Sector	Current Year			Previous Year		
	(₹ in Crores)	Percentage	Number of Policies/lives	(₹ in Crores)	Percentage	Number of policies/lives
Rural	571.22	8.05	958794	380.07	6.29	1429540
Social	414.18	5.84	18744535	200.16	3.31	9548803
Others	6,111.74	86.12	-	5,462.28	90.40	-
<b>Total</b>	<b>7,097.14</b>	<b>100.00</b>	<b>-</b>	<b>6,042.51</b>	<b>100.00</b>	<b>-</b>



## 21 Performance Ratios

### i) Gross Premium Growth rates

SEGMENT	(₹ in Crores)			
	Current Year	Previous Year	Current Year (%)	Previous Year (%)
Fire	1354.46	1211.92	11.76	21.39
Marine Cargo	310.51	234.57	32.37	1.41
Marine Hull	296.07	290.10	2.06	3.50
<b>Marine Total</b>	<b>606.58</b>	<b>524.67</b>	<b>15.61</b>	<b>2.56</b>
Motor	2830.43	2549.61	11.01	5.12
Personal Accident	141.30	119.67	18.07	7.47
Aviation	74.40	64.40	15.53	-17.65
Engineering	404.20	332.44	21.59	14.24
Health	2018.16	1567.23	28.77	15.61
Liability*	224.90	195.94	14.78	0.77
Others	571.08	533.26	7.09	8.88
<b>Misc sub Total</b>	<b>6264.47</b>	<b>5362.55</b>	<b>16.82</b>	<b>8.43</b>
<b>Grand Total</b>	<b>8225.51</b>	<b>7099.14</b>	<b>15.87</b>	<b>9.97</b>

\*Liability includes workmens' compensation

### ii) Gross Premium to Share Holders Funds Ratio

Particulars	(₹ in Crores)	
	Current Year	Previous Year
Gross Premium	8225.51	7099.14
Share Holders Funds (beginning of the year)	7403.21	7322.15
Ratio (Times)	1.11	0.97

### iii) Growth Rate of Shareholders Funds

	(₹ in Crores)				
	Current Year	Previous Year	Growth Amount	Growth % CY	Growth % PY
Share Holders Funds	7111.54	7430.21	-318.67	-4.29	1.48

iv) Net Retention Ratios

Segment	Premium Gross	Premium Net	Retention Ratio CY(%)	
			Retention Ratio CY(%)	Retention Ratio PY(%)
Fire	1354.46	1327.93	98.04	90.52
Marine Cargo	310.51	233.33	75.14	78.57
Marine Hull	296.07	69.20	23.37	15.41
<b>Marine Total</b>	<b>606.58</b>	<b>302.53</b>	<b>49.87</b>	<b>43.64</b>
Motor	2830.43	2525.16	89.21	87.72
Personal Accident	141.30	119.96	84.90	81.27
Aviation	74.40	78.37	105.34	134.25
Engineering	404.20	309.19	76.49	71.29
Health	2018.16	1817.04	90.03	89.83
Liability*	224.90	193.03	85.83	71.49
Others	571.08	519.02	90.88	88.43
<b>Misc Sub Total</b>	<b>6264.47</b>	<b>5561.77</b>	<b>88.78</b>	<b>87.21</b>
<b>Grand Total</b>	<b>8225.51</b>	<b>7192.23</b>	<b>87.44</b>	<b>84.55</b>

\*Liability includes workmens' compensation

v) Net Commission Ratio

Segment	Commission Net	Premium Net	Commission Ratio CY(%)	
			Commission Ratio CY(%)	Commission Ratio PY(%)
Fire	177.80	1327.93	13.39	11.69
Marine Cargo	35.72	233.33	15.31	15.26
Marine Hull	-3.50	69.20	-5.06	-20.27
<b>Marine Total</b>	<b>32.22</b>	<b>302.53</b>	<b>10.65</b>	<b>8.33</b>
Motor	148.29	2525.16	5.87	7.65
Personal Accident	14.93	119.96	12.45	13.19
Aviation	9.16	78.37	11.69	13.22
Engineering	28.00	309.19	9.06	-2.95
Health	137.05	1817.04	7.54	9.54
Liability*	28.41	193.03	14.72	16.56
Others	72.81	519.02	14.03	14.46
<b>Misc Sub Total</b>	<b>438.65</b>	<b>5561.77</b>	<b>7.89</b>	<b>8.85</b>
<b>Grand Total</b>	<b>648.67</b>	<b>7192.23</b>	<b>9.02</b>	<b>9.35</b>

\*Liability includes workmens' compensation



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## vi) Expenses of Management to Gross Premium Ratio

(₹ in Crores)

Particulars	2010-11	2009-10
Expenses	1943.23	1736.06
Gross Premium	8225.51	7099.14
Ratio (%)	23.62	24.45

## vii) Combined Ratio

Particulars	2010-11	2009-10
Claims	6524.87	5132.45
Expenses	1943.23	1736.06
Commission	648.67	561.37
<b>Sub Total</b>	<b>9116.77</b>	<b>7429.88</b>
Net Premium	7192.23	6002.66
Ratio (%)	126.76	123.78

## viii) Technical Reserves (at End) to Net Premium Ratio

Particulars	2010-11	2009-10
Unexpired Risks Reserves	3834.74	3115.83
Reserves for Premium Deficiency	0	0
Outstanding Claims	8955.92	7526.18
Total Technical Reserves	12790.66	10642.01
Net Premium	7192.23	6002.66
Ratio (Times)	1.78	1.77

## ix) Underwriting Balance Ratios (after credit of policy holders investment income)

(₹ in Crores)

Segment	U/W Profit/ (-) Loss	Net Premium	Ratio Current Year (%)	Ratio Previous Year (%)
Fire	-387.28	1327.93	-29.16	-27.87
Marine Cargo	-24.58	233.33	-10.53	16.79
Marine Hull	-64.42	69.20	-93.09	-42.65
<b>Marine Total</b>	<b>-89.00</b>	<b>302.53</b>	<b>-29.42</b>	<b>5.19</b>
Motor	-412.20	2525.16	-16.32	4.34
Personal Accident	3.85	119.96	3.21	28.32
Aviation	-36.99	78.37	-47.20	13.66
Engineering	-8.23	309.19	-2.66	13.77
Health	-464.44	1617.04	-25.56	-37.79
Liability*	12.43	193.03	6.44	-3.18
Others	110.45	519.02	21.28	33.45
<b>Misc Sub Total</b>	<b>-795.13</b>	<b>5561.77</b>	<b>-14.30</b>	<b>-4.49</b>
<b>Grand Total</b>	<b>-1271.41</b>	<b>7192.23</b>	<b>-17.68</b>	<b>-8.39</b>

\*Liability includes workmens' compensation

x) Operating Profit Ratio

(₹ in Crores)

Particulars	2010-11	2009-10
Underwriting Result	-1271.41	-503.58
Investment Income	957.95	923.52
Others	-97.91	-60.66
<b>Sub Total</b>	<b>-411.37</b>	<b>359.28</b>
Net Premium	7192.23	6002.66
Ratio (%)	-5.72	5.99

xi) Liquid Assets to Liabilities Ratio

Particulars	2010-11	2009-10
Liquid Assets	10398.24	9813.61
Policy holders Liabilities	12790.66	10642.01
Ratio (%)	81.30	92.22

xii) Net Earnings Ratio

Particulars	2010-11	2009-10
Profit/(-)Loss After Tax	-421.56	404.67
Net Premium	7192.23	6002.66
Ratio (%)	-5.86	6.74

xiii) Return on Net Worth

Particulars	2010-11	2009-10
Profit/(-)Loss After Tax	-421.56	404.67
Net Worth	7111.54	7430.21
Ratio (%)	-5.93	5.45

xiv) Reinsurance Ratio

Particulars	2010-11	2009-10
Risks Reinsured (Premium)	2500.35	2342.63
Gross Premium	8225.51	7099.14
Ratio (%)	30.40	33.00

22 Summary of Financial Statements for Last Five Years

(₹ In Crores)

Sr. No.	Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
	<b>OPERATING RESULTS</b>					
1	Gross Premium Written	8225.51	7099.14	6455.78	6151.46	5936.78
2	Net Premium Income#	7192.23	6002.66	5500.31	4914.28	4751.77
3	Income from Investments(Net)@	2329.99	2139.69	1686.82	2344.62	2251.35
4	Other Income	-97.91	-60.66	50.24	21.23	15.85
5	<b>Total Income</b>	<b>9424.31</b>	<b>8081.69</b>	<b>7237.37</b>	<b>7280.13</b>	<b>7018.97</b>





(₹ In Crores)

Sr. No.	Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
6	Commissions/Brokerage	<b>648.67</b>	561.37	560.82	459.23	390.89
7	Brokerage (included in commissions)	-	-	-	-	-
8	Operating Expenses	<b>1943.23</b>	1736.06	1455.01	1019.10	1153.89
9	Claims, Increase in Unexpired Risk Reseraves and Other Out-Go	<b>7243.78</b>	5424.97	4924.32	4280.32	3860.27
10	Operating Profit/(-)Loss	<b>-411.37</b>	359.29	297.22	1521.48	1613.92
11	Total Income under Shareholders a/c	-	-	-	-	-
12	Profit/(-)Loss before Tax	<b>-411.37</b>	359.29	297.22	1521.48	1613.92
13	Provision for Tax	<b>10.19</b>	-45.40	73.08	120.33	153.98
14	Net Profit/(-)Loss after Tax	<b>-421.56</b>	404.69	224.14	1401.15	1459.94
15	Policy Holders' Account (Beginning)					
	Total Funds	<b>12790.66</b>	9642.48	8712.89	8229.39	7758.91
	Total Investments	*	*	*	*	*
	Yield on Investments	*	*	*	*	*
16	Shareholders' Account (Beginning)					
	Total Funds	<b>7430.21</b>	7322.15	6972.80	5972.55	4706.87
	Total Investments	<b>13604.63</b>	11851.03	10771.71	11236.00	11009.61
	Yield on Investments	*	*	*	*	*
17	Paid up Equity Capital	<b>200.00</b>	200.00	200.00	200.00	200.00
18	Net Worth	<b>7111.54</b>	7430.21	7328.00	6972.80	5972.55
19	Total Assets	<b>39621.27</b>	36832.91	26931.58	31944.14	27444.57
20	Yield on Total Investments( %)	<b>17.09</b>	15.91	13.18	19.54	20.74
21	Earning per Share ( ₹ )	<b>-21.08</b>	20.23	11.21	70.06	73.00
22	Book Value per Share ( ₹ )	<b>355.58</b>	372.21	366.40	348.64	298.63
23	Total Dividend	<b>0</b>	85.00	45.00	283.00	292.00
24	Dividend per Share ( ₹ )	<b>0</b>	4.25	2.25	14.15	14.60
#	Net of Re-insurance					
@	Net of losses					
*	Points 15 & 16 may be given separately, if feasible					

23 Age wise analysis of outstanding claims as on 31.03.2011  
(Gross Indian excluding provision for IBNR)

Department	Less than 3 months		3 - 6 months		6 months - 1 year	
	Numbers	Amount (₹ in lacs)	Numbers	Amount (₹ in lacs)	Numbers	Amount (₹ in lacs)
Fire	981	33,923.16	507	13,495.11	884	34,531.41
Marine Cargo	1,487	10,178.26	660	1,759.98	791	4,779.59
Marine Hull	66	35,484.63	9	208.54	17	3,968.66
Motor OD	20,712	11,291.45	6,349	4,247.65	5,439	4,288.98
Motor TP	4,713	10,256.71	3,355	5,137.03	7,250	11,738.95
Health	11,737	9,559.22	11,299	3,987.12	8,284	4,923.36
Liability	776	10.14	342	540.09	438	1,199.29
Motor TP Pool	6,728	13,191.13	4,819	10,455.06	9,986	21,132.66
Personal Accident	1,530	1,370.74	562	785.08	774	548.66
Aviation	6	(225.01)	3	1,750.20	7	646.46
Engineering	1,112	2,169.09	637	2,945.13	902	7,974.88
Credit Guarantee	-	-	-	-	-	-
Misc - Traditional	884	6,016.78	441	2,730.54	463	2,451.95
Rural	2,002	1,445.00	868	255.12	1,296	489.00
Urban Non-Traditional	748	731.39	363	367.88	593	848.49
Credit Shield	22	466.27	2	7.48	1	1.46
<b>Total</b>	<b>53,504</b>	<b>135,868.96</b>	<b>30,216</b>	<b>48,672.01</b>	<b>37,125</b>	<b>99,523.80</b>

Department	1 - 2 years		2 - 3 years		3 - 5 years	
	Numbers	Amount (₹ in lacs)	Numbers	Amount (₹ in lacs)	Numbers	Amount (₹ in lacs)
Fire	607	31,727.71	213	7,704.48	226	7,456.50
Marine Cargo	451	2,752.27	146	791.09	72	1,113.74
Marine Hull	19	3,797.44	22	939.80	21	1,229.95
Motor OD	3,281	2,939.51	1,699	1,510.43	834	875.62
Motor TP	14,772	23,919.50	23,390	36,563.58	48,717	81,935.80
Health	3,109	2,153.72	790	302.59	518	245.45
Liability	485	781.70	275	8,208.81	268	714.94
Motor TP Pool	17,724	36,639.86	10,728	22,152.09	1,230	2,371.97
Personal Accident	306	414.68	87	117.33	46	138.74
Aviation	30	891.37	33	616.02	26	1,855.42
Engineering	438	3,984.86	118	1,969.36	72	746.56
Credit Guarantee	-	-	-	-	-	-
Misc - Traditional	470	3,032.23	188	893.43	184	1,093.63
Rural	979	557.85	607	563.51	586	631.09
Urban Non-Traditional	427	577.35	240	211.64	306	913.65
Credit Shield	5	157.95	14	972.13	3	10.70
<b>Total</b>	<b>43,103</b>	<b>114,328.00</b>	<b>38,550</b>	<b>83,516.29</b>	<b>53,109</b>	<b>101,333.76</b>



Department	5 years and above		Total	
	Numbers	Amount (₹ in lacs)	Numbers	Amount (₹ in lacs)
Fire	279	33,008.75	3,697	161,847.12
Marine Cargo	104	2,873.77	3,711	24,248.70
Marine Hull	36	1,021.65	190	46,650.67
Motor OD	887	848.49	39,201	26,002.13
Motor TP	75,005	114,560.26	177,202	284,111.83
Health	57	81.98	35,794	21,253.45
Liability	342	431.11	2,926	11,886.08
Motor Pool	3	0.40	51,218	105,943.16
Personal Accident	62	931.61	3,367	4,306.84
Aviation	8	153.29	113	5,687.75
Engineering	62	4,728.95	3,341	24,518.83
Credit Guarantee	17	129.37	17	129.37
Misc - Traditional	373	4,697.75	3,003	20,916.32
Rural	1,799	1,973.85	8,137	5,915.42
Urban Non-Traditional	454	577.34	3,131	4,227.73
Credit Shield	-	-	47	1,615.98
<b>Total</b>	<b>79,488</b>	<b>166,018.57</b>	<b>335,095</b>	<b>749,261.38</b>

24. Interest, dividends and rent is apportioned between revenue accounts 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.
25. The details of premium deficiency as required by IRDA circular no. F&A/CIR/017/May-04 dated 18.05.2004 are furnished below. However, no provision is required to be made since major segments of Fire, Marine & Miscellaneous group have no deficiency.

(₹ in Lakhs)

Segment	Relevant premium	Expected claim cost and related expenses (based on incurred claim ratio of preceding 3 years)	Expected maintenance cost	Surplus provision in unearned premium	Deficiency
Marine Hull	6,919.75	(14,131.89)	(2,649.06)	3,415.95	(6,445.25)
Health	90,851.97	(97,428.46)	(7,721.24)	7,209.05	(7,088.68)
Aviation	3,996.78	(3,767.10)	(443.63)	152.01	(61.94)
Credit Shield	1,184.76	(1,676.40)	(98.92)	2.47	(588.09)
Motor TP	17,488.88	(27,736.45)	(1,360.15)	-	(11,607.72)
Motor TP Pool	28,626.50	(44,039.41)	(4,149.84)	-	(19,562.75)

**V. C. Jain**                      **I. S. Phukela**                      **A. R. Sekar**                      **M. Ramadoss**  
Company Secretary              Director                      Director                      Chairman-Cum-Managing Director

As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**Vitesh D. Gandhi**  
Partner  
Membership No. 110248

**For FORD, RHODES, PARKS & CO.**  
Chartered Accountants

**Shrikant B. Prabhu**  
Partner  
Membership No. 35296

**For S.R. GOYAL & CO.**  
Chartered Accountants

**Ajay K. Atolia**  
Partner  
Membership No.077201

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
AS PER SCHEDULE VI – PART A OF THE COMPANY ACT, 1956**

(₹ in 000)

Balance Sheet Abstract

**I. Registration Details**

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

**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	3 9 7 5 8 5 1 8 1	Total Assets	3 9 7 5 8 5 1 8 1
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**Sources of Funds**

Paid-up capital	2 0 0 0 0 0 0	Reserves & Surplus	2 3 6 4 3 5 4 8 0
Current Liabilities	1 1 2 7 8 3 5 6 6	Un-expired Risk Reserves and Provisions	4 6 3 6 6 1 3 5

**Application of Funds**

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

**IV. Performance of The Company**

Turnover Premium Income	8 2 2 5 5 1 2 1	Total Expenditure	1 0 1 6 2 6 5 9 7
Investment & Other Income	2 3 4 8 5 1 4 0		
Profit/(-) Loss Before Tax	(-) 4 1 1 3 6 6 4	Profit/(-)Loss After Tax	(-) 4 2 1 5 6 0 5
Earning Per Share in ₹	(-) 2 1 . 0 8	Dividend @ %	N I L

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

ITC Code	Not Applicable
Product	Not Applicable
Description	Not Applicable

**V. C. Jain**  
Company Secretary

**I. S. Phukela**  
Director

**A. R. Sekar**  
Director

**M. Ramadoss**  
Chairman-cum-Managing Director

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011

## Interest in the Subsidiary

### STATEMENT OF INTEREST IN THE SUBSIDIARY COMPANIES AS ON 31<sup>ST</sup> MARCH 2011 UNDER SECTION 212 OF THE COMPANIES ACT, 1956

		Particulars of Interest in the Subsidiaries	The New India Assurance Company (Trinidad & Tobago) Limited	The New India Assurance Company (Sierra Leone) Limited	Prestige Assurance Plc., Limited
a.	(i)	Paid up capital of the subsidiary	TT\$ 17418000 consisting of 17418946 shares of no par value.	Le 500000 divided into 250000 ordinary shares of Le 2.00 each.	N 1074992500 consisting of 2149985000 shares of 50 Kobos each.
	(ii)	New India's share in the subsidiary	83.90%	100%	51%
b.	(i)	Net aggregate amount of the subsidiary's profits after deducting its losses or vice versa so far as it concerns members of the company and is not dealt with in the company's accounts	C. Y. : TT\$ 12762000 P. Y. : TT\$ 16582000	C. Y. : Le 3213000 P. Y. : Le 4918000	C. Y. : N 822561000 P. Y. : N 864682000
	(ii)	Net aggregate amount of subsidiary's profits after deducting its losses or vice versa or so far as these are dealt with in the company's accounts	C. Y. : Nil P. Y. : Nil	C. Y. : Nil P. Y. : Nil	C. Y. : Nil P. Y. : Nil
c.	(i)	Dividend proposed by the subsidiary	C. Y. : TT\$ 1741000 P. Y. : TT\$ 1741000	C. Y. : Nil P. Y. : Nil	C. Y. : N 214998000 P. Y. : N 429997000
	(ii)	New India's Share of dividend (dividend for the year under review will be accounted during 2011-12 on receipt)	C. Y. : TT\$ 1461000 P. Y. : TT\$ 1461000	C. Y. : Nil P. Y. : Nil	C. Y. : N 109649000 P. Y. : N 219298000

**V. C. JAIN**

*Company Secretary*

**I. S. PHUKELA**

*Director*

**A. R. SEKAR**

*Director*

**M. RAMADOSS**

*Chairman-cum-Managing Director*

Place : New Delhi  
Dated : 16<sup>th</sup> July, 2011

Estbd. 1919



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 The New India Assurance Co. Ltd.

**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of The New India Assurance Company (Trinidad and Tobago) Limited (the Company, which comprise the statement of financial position as at December 31, 2010, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

***Auditors' Responsibility***

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2010 and its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants

Port of Spain  
Trinidad and Tobago, West Indies



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The New India Assurance Co. Ltd.

Subsidiaries

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

### STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2010

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2010	2009
		\$	\$
<b>ASSETS</b>			
Property, plant and equipment	4	1,802	1,096
Investment property	5	13,000	16,300
Deferred tax asset	6(i)	11,420	8,209
Reinsurance assets	10	43,824	39,668
Trade and other receivables	7	34,671	29,886
Investments	8	56,563	47,311
Term deposits		41,484	30,003
Cash and cash equivalents		38,543	39,519
<b>Total assets</b>		<b>241,307</b>	<b>211,992</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Stated capital	9	17,617	17,617
Capital reserve		10,235	7,020
Catastrophe reserve fund		1,600	1,600
Statutory surplus reserve		8,552	8,552
Retained earnings		68,223	52,927
		<b>106,227</b>	<b>87,716</b>
<b>LIABILITIES</b>			
Insurance contracts	10	119,115	107,150
Deferred tax liability	6(ii)	3,906	1,863
Provision for taxation		1,624	1,765
Trade and other payables	11	10,435	13,498
		<b>135,080</b>	<b>124,276</b>
<b>Total equity and liabilities</b>		<b>241,307</b>	<b>211,992</b>

The accompanying notes form an integral part of these financial statements.

Signed on behalf of the Board

Director

Director



**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME - DECEMBER 31, 2010**

(Expressed in thousands of Trinidad and Tobago dollars)

Subsidiaries

	Note	2010	2009
		\$	\$
Insurance contracts premium revenue		106,564	95,190
Reinsurers' share of insurance contracts premium revenue		(40,046)	(35,621)
<b>Net insurance contracts premium revenue</b>		<b>66,518</b>	<b>59,569</b>
Gross change in unearned premium provision and unexpired risks		(7,376)	(4,493)
Reinsurers' share of change in unearned premium provision and unexpired risks		3,340	800
<b>Net change in unearned premium provision and unexpired risks</b>		<b>(4,036)</b>	<b>(3,693)</b>
<b>Net insurance revenue</b>		<b>62,482</b>	<b>55,876</b>
Reinsurance commissions		8,944	8,024
Investment and other income	12	4,489	7,191
Revaluation loss of investment property		(3,300)	-
<b>Total revenue</b>		<b>72,615</b>	<b>71,091</b>
Gross claims incurred		(36,202)	(40,782)
Reinsurers' share of gross claims incurred		6,007	12,821
<b>Net insurance claims incurred</b>		<b>(30,195)</b>	<b>(27,961)</b>
Agents and brokers commissions		(17,455)	(14,909)
Other operating and administrative expenses		(12,203)	(11,639)
<b>Total claims incurred and other expenses</b>		<b>(59,853)</b>	<b>(54,509)</b>
Profit before tax		12,762	16,582
Taxation	6(v)	480	401
<b>Net profit for the year</b>		<b>13,242</b>	<b>16,983</b>

The accompanying notes form an integral part of these financial statements.



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The New India Assurance Co. Ltd.

Subsidiaries

**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME - DECEMBER 31, 2010 (contd...)**

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2010	2009
		\$	\$
<b>Net Profit for the year</b>		<b>13,242</b>	16,983
<b>Other comprehensive income</b>			
Foreign currency translation differences for foreign operations		<b>3,795</b>	(2,490)
Net change in fair value of available for sale financial assets		<b>3,215</b>	457
<b>Total comprehensive income for the year</b>		<b>20,252</b>	14,950
<b>Net profit attributable to shareholders</b>		<b>13,242</b>	16,983
<b>Total comprehensive income attributable to shareholders</b>		<b>20,252</b>	14,950

The accompanying notes form an integral part of these financial statements.

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

STATEMENT OF CHANGES IN EQUITY - DECEMBER 31, 2010

(Expressed in thousands of Trinidad and Tobago dollars)

Subsidiaries

	Stated Capital	Capital Reserves	Catastrophe Reserve	Statutory Surplus Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at January 1, 2010</b>	<u>17,617</u>	<u>7,020</u>	<u>1,600</u>	<u>8,552</u>	<u>52,927</u>	<u>87,716</u>
Net profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,242</u>	<u>13,242</u>
<b>Other comprehensive income</b>						
Foreign currency translation differences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,795</u>	<u>3,795</u>
Net unrealised gain on revaluation of available-for-sale investments, net of tax	<u>-</u>	<u>3,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,215</u>
Total other comprehensive income	<u>-</u>	<u>3,215</u>	<u>-</u>	<u>-</u>	<u>3,795</u>	<u>7,010</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>3,215</u>	<u>-</u>	<u>-</u>	<u>17,037</u>	<u>20,252</u>
<b>Transaction with owners, recorded directly in equity</b>						
Dividends paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,741)</u>	<u>(1,741)</u>
<b>Total transaction with owner</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,741)</u>	<u>(1,741)</u>
<b>Balance at December 31, 2010</b>	<u>17,617</u>	<u>10,235</u>	<u>1,600</u>	<u>8,552</u>	<u>68,223</u>	<u>106,227</u>

The accompanying notes form an integral part of these financial statements.



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

**STATEMENT OF CHANGES IN EQUITY - DECEMBER 31, 2010**

(Expressed in thousands of Trinidad and Tobago dollars)

	Stated Capital	Capital Reserves	Catastrophe Reserve	Statutory Surplus Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at January 1, 2009</b>	<b>17,617</b>	<b>6,563</b>	<b>1,600</b>	<b>8,552</b>	<b>40,175</b>	<b>74,507</b>
Net profit for the year	-	-	-	-	16,983	16,983
<b>Other comprehensive income</b>						
Foreign currency translation differences	-	-	-	-	(2,490)	(2,490)
Net unrealised gain on revaluation of available-for-sale investments, net of tax	-	457	-	-	-	457
Total other comprehensive income	-	457	-	-	(2,490)	(2,033)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>457</b>	<b>-</b>	<b>-</b>	<b>14,493</b>	<b>14,950</b>
<b>Transaction with owners, recorded directly in equity</b>						
Dividends paid	-	-	-	-	(1,741)	(1,741)
<b>Total transaction with owner</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,741)</b>	<b>(1,741)</b>
<b>Balance at December 31, 2009</b>	<b>17,617</b>	<b>7,020</b>	<b>1,600</b>	<b>8,552</b>	<b>52,927</b>	<b>87,716</b>

The accompanying notes form an integral part of these financial statements

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

STATEMENT OF CASH FLOWS - DECEMBER 31, 2010

(Expressed in thousands of Trinidad and Tobago dollars)

Subsidiaries

	2010	2009
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	12,762	16,582
Adjustments for :		
Depreciation	324	295
Revaluation loss on investment property	3,300	-
Gain on disposal of property, plant and equipment	80	-
Foreign currency translation gain (loss)	3,795	(2,490)
Interest income	(4,831)	(5,306)
Dividend income	(542)	(586)
Operating profit before working capital changes	14,888	8,495
Change in other receivables and reinsurance assets	(7,556)	(14,945)
Change in insurance contracts liabilities	11,965	17,279
Change in other creditors	(3,063)	(1,662)
Corporation taxes paid	16,234	9,167
	(2,061)	(1,423)
Net cash from operating activities	14,173	7,744
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Interest received	3,446	3,610
Dividends received	542	586
Additions to property, plant and equipment	(1,030)	(239)
Proceeds from disposal of property, plant and equipment	81	-
Purchase of investments and term deposits	(52,010)	(15,970)
Redemption of investments and term deposits	35,563	7,791
Net cash used in investing activities	(13,408)	(4,222)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Dividends paid	(1,741)	(1,741)
Net cash used in financing activities	(1,741)	(1,741)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(976)	1,781
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	39,519	37,738
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	38,543	39,519
<b>Represented by :</b>		
Cash in hand and at bank	38,543	39,519

The accompanying notes form an integral part of these financial statements.



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

### NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010

#### 1. Incorporation and principal activity

The New India Assurance Company (Trinidad and Tobago) Limited (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, St. Maarten and Anguilla. The Company also maintains run-off portfolios in the islands of Antigua, and Barbados. The registered office and principal place of business is located at 22 St Vincent Street, Port of Spain.

These financial statements were authorized for issue by the Board of Directors.

#### 2. Statement of accounting policies

##### (a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board.

##### (b) Basement of measurement

These financial statements are prepared on the historical cost basis except for the measurement at fair value of available-for-sale investments and investment property. No account is taken of the effects of inflation.

##### (c) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

These financial statements are presented in Trinidad and Tobago dollars which is the Company's functional and presentation currency. All financial information presented in Trinidad and Tobago dollars has been rounded to the nearest thousand. Some financial information in the prior year have been updated to conform with current year's presentation.

##### (d) Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in notes 2(s) and (t) and note 20.

**THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)**

(e) *Foreign currency*

**i) Transactions and balances**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Trinidad and Tobago dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income. There are no non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency.

**ii) Foreign operations**

The assets and liabilities and income and expenses of foreign operations are translated to Trinidad and Tobago dollars at exchange rates at the reporting date.

(f) *Segmental reporting*

A geographical segment is one engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

(g) *Impairment of assets*

Judgement is required to determine whether there are indicators of impairment. If impairment is indicated then the amount is determined using the techniques described in accounting policy (n)(i).

(h) *Property, plant and equipment*

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

The asset's residual value, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

(i) *Investment property*

Property held for capital appreciation is classified as investment property and is stated at fair value. Investment properties are valued annually either by way of Directors valuation or an external professional valuer. The property is externally valued at least once every three (3) years. Fair value is the estimated amounts for which a property can be exchanged on the date of





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

### NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)

valuation between a willing buyer and a willing seller in an arm's length transaction. Investment properties are derecognized when either its use has changed or it has been disposed off or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Gains or losses arising from changes in the fair values are recognized in the statement of comprehensive income in the period in which they arise.

#### (j) *Reinsurance assets*

The Company assumes and cedes reinsurance in the normal course of business. Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities. Premiums on reinsurance assumed are recognized as revenue in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Amounts due to reinsurers are estimated in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contract. Premiums ceded and claims reimbursed are presented on a gross basis.

An impairment review is performed on all reinsurance assets when an indication of impairment occurs. Reinsurance assets are impaired only if there is objective evidence that the company may not receive all amounts due to it under the terms of the contract and that this can be measured reliably.

#### (k) *Insurance receivables*

Insurance receivables are recognized when due and measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of income.

#### (l) *Financial instruments*

##### i) **Classification**

The Company classifies its investments as either held to maturity financial assets or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated.

Held-to-maturity financial assets comprise fixed or determinable income securities that the company has the positive intention and ability to hold until maturity.

Available-for-sale financial assets are financial assets that are not financial assets at fair value through profit and loss, originated by the Company, or held-to-maturity.

##### ii) **Recognition**

All regular way purchases and sales of financial assets are recognized on the settlement date. From this date, any gains and losses arising from changes in fair value of assets are recognised.

##### iii) **Measurement**

Financial instruments are initially measured at cost, being the fair value plus the transaction costs that are directly attributable to the acquisition of the instrument. A financial asset is

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

**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)**

derecognized when the contractual right to receive cash flows expire or when the asset is transferred.

Subsequent to initial recognition all available-for-sale assets are measured at fair value, based on readily available market prices at the close of business on the balance sheet date for listed instruments or by reference to current market values of another instrument which is substantially the same. If prices are not readily available, the fair value is based on either valuation models or management's estimate of amounts that could be realised under current market conditions. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions.

Any available-for-sale asset that does not have a quoted market price in an active market and where fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

Gains and losses arising from the change in the fair value of available-for-sale investments subsequent to initial recognition are accounted for as changes in the capital reserve until the investment is derecognized or the investment is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported in equity is transferred to the statement of comprehensive income.

All non-trading financial liabilities and held-to-maturity assets are measured at amortised costs less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. The amortisation of premiums and discounts is taken to the statement of comprehensive income.

*(m) Cash and cash equivalents*

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost.

*(n) Impairment*

The carrying amounts of the Company's assets, other than deferred tax assets (see accounting policy (z)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy (n)(i)) and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In order to determine whether negative revaluations on investment securities correctly represent impairment, all investment securities for which the market value has been significantly below cost price for a considerable period of time, are individually reviewed. A distinction is made between negative revaluations due to general market fluctuations and due to issuer specific developments. The impairment review focuses on issuer specific developments regarding financial condition and future prospects, taking into account the intent and ability to hold the securities under the Company's long-term investment strategy. Impairment losses are recognised in the statement of comprehensive income.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss



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

### NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)

that had been recognised directly in equity is recognised in the statement of comprehensive income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income.

#### i) Calculation of recoverable amount

The recoverable amount of the Company's held-to-maturity financial assets carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the statement of comprehensive income. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income, the impairment loss shall be reversed, with the amount of the reversal recognised in the statement of comprehensive income.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (o) Capital reserve

All unrealized gains and losses arising from the revaluation of available-for-sale investments are recognized as part of shareholders equity in the capital reserve.

#### (p) Catastrophe reserve

On an annual basis, the Directors determine an amount that is transferred to a catastrophe reserve. This is treated as an appropriation of retained earnings and is included as a separate component of equity.

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

**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)**

(q) *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 from general insurance business, for the preceding year is to be appropriated towards a Statutory Surplus Reserve until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. This reserve is not distributable.

(r) *Product classification*

Insurance contracts

Insurance contracts are defined as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependant on both the probability of an insured event and the magnitude of its potential effect.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

Any contracts not considered insurance contracts under IFRS are classified as investment contracts.

All contracts held by the Company as at December 31, 2010 have been classified as insurance contracts.

(s) *Claims*

Reported outstanding general insurance claims comprise the estimated costs of all claims incurred but not settled at the statement of financial position date, less any reinsurance recoveries. In estimating the liability for the cost of reported claims not yet paid, the Company considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims incurred but not reported until after the statement of financial position date. Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the statement of comprehensive income in the year the claims are settled.

The estimation of claims incurred but not reported ("IBNR") is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the company, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insurer until many years after the event giving rise to the claims has happened.

(t) *Insurance contract liabilities*

General insurance contract liabilities

General insurance contract liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. Significant delays can be experienced in the notification and settlement of certain type of general insurance claims, therefore the ultimate cost of which cannot be known with certainty at the statement of financial position date.

Provision for unearned premiums

The proportion of written premiums attributable to subsequent periods is deferred as unearned premium. The change in the provision for unearned premium is taken to the income statement in the order that revenue is recognized over the period of risk.



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

### NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)

#### Provision for unexpired risks

Provision for unexpired risks represents the amount 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 as a percentage of the provision for unearned premiums at the end of the year.

#### (u) *Provision for other insurance financial liabilities*

A provision is recognised when the Company has a present legal or constructive obligation, as a result of past events, which it is probable, will result in an outflow of resources and when a reliable estimate of the amount of the obligation can be made.

#### (v) *Employee benefits*

The directors have agreed to pay a gratuity to managerial employees on retirement after ten years or more of service. For non-managerial employees, a discretionary gratuity on retirement after ten years or more of service will be paid. The liability arising is adequately provided for in these financial statements.

#### (w) *Revenue recognition*

##### Premium income

Premiums written are recognized on policy inception and earned on a pro rata basis over the term of the related policy coverage.

##### Commission income

The fee is recognized as revenue in the period in which it is received unless these relate to service to be provided in future periods. If the fees are for services to be provided in future periods, these are deferred and recognized in the income statement as the service is provided over the term of the contract. Initiation and other front-end fees are also deferred and recognized over the term of the contract.

##### Investment income

Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset or an applicable floating rate. Interest income includes the amortization of any discount or premium. Investment income also includes dividends, which are recognized as received.

##### Realised gains and losses recorded in the income statement

Realised gains and losses on the sale of property and equipment and of available for sale financial assets are calculated as the difference between net sales proceeds and the original cost. Realised gains and losses are recognized in the statement of comprehensive income when the sale transaction occurs.

#### (x) *Expenses of management*

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

#### (y) *Other income and expenditure*

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

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

### NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)

#### (z) Taxation

Tax on income comprises current tax from business inside and outside of Trinidad and Tobago and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rate enacted by the statement of financial position date, business levy and green fund levy, charged on worldwide income, and any adjustment of tax payable for the previous years.

Premium taxes in overseas territories are deducted from the relevant premium income recognised.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities which affect neither accounting nor taxable income (loss).

Deferred tax is calculated on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. The effect on the deferred tax of any changes in the tax rate is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

### 3. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2010 and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the company, except:

IFRS 9 Financial Instruments, published on November 12, 2009 as part of phase 1 of the IASB's comprehensive project to replace IAS 39. The requirements of this standard represent a significant change from the existing requirements in IAS39 in respect of financial assets.

The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividends on such investments are recognized in profit or loss, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in profit or loss.

The standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.



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

**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)**

**4. Property, plant and equipment**

	Leasehold Improvements	Office Equipment & Motor Vehicles	Total 2010	Total 2009
	\$	\$	\$	\$
<b>Cost</b>				
At beginning of year	515	3,748	<b>4,263</b>	4,024
Addition	-	1,030	<b>1,030</b>	239
Disposals	-	(259)	<b>(259)</b>	-
At end of year	<u>515</u>	<u>4,519</u>	<u><b>5,034</b></u>	<u>4,263</u>
<b>Depreciation</b>				
At beginning of year	421	2,746	<b>3,167</b>	2,872
Current year	6	318	<b>324</b>	295
Disposals	-	(259)	<b>(259)</b>	-
At end of year	<u>427</u>	<u>2,805</u>	<u><b>3,232</b></u>	<u>3,167</u>
Net written down value	<u>88</u>	<u>1,714</u>	<u><b>1,802</b></u>	<u>1,096</u>

**5. Investment property**

Investment property comprises properties at 6A Victoria Avenue and 47 New Street, Port of Spain not in use at present. Raymond & Pierre Limited completed a valuation as at February 23, 2011 on the basis of market value for existing use. The properties were valued at \$ 13 million and the revaluation loss of \$ 3.3 million was debited to the statement of comprehensive income in the year.

	2010	2009
	\$	\$

**6. Taxation**

**(i) Deferred tax asset**

Unutilised tax losses	<b>3,566</b>	676
Foreign currency translation	-	623
Claims	<b>7,854</b>	6,910
	<u><b>11,420</b></u>	<u>8,209</u>



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Deferred tax assets have been recognized in these financial statements for carried forward unutilised tax losses because management believes it will be utilized in the near future. This position will be re-assessed at the next financial year-end.

The Company has unutilised tax losses in Trinidad and Tobago of approximately \$14,265 as at December 31, 2010 (2009: \$2,278).

	2010	2009
	\$	\$
<b>(ii) The movement in the deferred tax asset comprised :</b>		
Balance at beginning of year	8,209	6,265
Unutilised tax losses	2,267	(5,722)
Foreign currency translation	-	623
Claims	944	7,043
	<b>11,420</b>	<b>8,209</b>
<b>(iii) Deferred tax liability</b>		
The deferred tax liabilities are attributable to the following items :		
Unrealised gains on revaluation of available-for-sale investments	(2,861)	(1,790)
Foreign currency translation	(949)	-
Property, plant and equipment	(96)	(73)
	<b>(3,906)</b>	<b>(1,863)</b>
<b>(iv) The movement in the deferred tax account comprised :</b>		
Balance at beginning of year	(1,863)	(2,226)
Unrealised gains on revaluation of available for sale investments	(1,071)	398
Foreign currency translation	(949)	-
Property, plant and equipment	(23)	(35)
	<b>(3,906)</b>	<b>(1,863)</b>
<b>(v) Tax charge for the year</b>		
Current year - Business levy	110	152
- Green fund levy	55	76
- Provision for taxation in St. Maarten, Dominica and St. Lucia	1,585	1,982
Deferred tax expense relating to the origination/reversal of temporary differences	653	(1,655)
Utilisation of tax losses	286	4,247
Prior year under (over) provision	7	(163)
Prior year over statement of deferred tax asset	(3,176)	(5,040)
	<b>(480)</b>	<b>(401)</b>



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	2010	2009
	\$	\$
The following is a reconciliation between tax and accounting profit multiplied by the applicable tax rate.		
Profit before tax	12,762	16,582
Tax at the applicable rate	2,856	4,991
Expenses not deductible for tax purposes	24	30
Income exempt from tax	(356)	(447)
Business levy	110	152
Green fund	55	76
Prior year under (Over) provision	7	(163)
Prior year over statement of deferred tax asset	(3,176)	(5,040)
	<b>(480)</b>	<b>(401)</b>
<b>7. Trade and other receivables</b>		
Insurance receivables	27,833	23,969
Amounts due from reinsurers		
- New India, Mumbai	2,277	2,281
- Other reinsurers	2,422	1,217
Other receivables	2,139	2,419
	<b>34,671</b>	<b>29,886</b>
<b>8. Investments</b>		
<b>Available-for-sale</b>		
Bonds and other securities	36,137	30,062
Quoted shares	13,517	12,418
Unquoted shares	315	315
	<b>49,969</b>	<b>42,795</b>
<b>Held to maturity</b>		
Bonds	6,594	4,516
<b>Total investments</b>	<b>56,563</b>	<b>47,311</b>

Bonds and securities pledged with the Inspector of Financial Institutions amount to \$ 37,358 at December 31, 2010 (2009 : \$ 31,837).

In addition \$ 4,517 (2009 : \$ 3,995) of term deposits of totalling \$ 41,484 (2009 : \$ 30,003) at December 31, 2010 are pledged with the Inspector of Financial Institutions.

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**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)**

	2010	2009
	\$	\$
<b>9. Stated capital</b>		
Authorised 22,000,000 shares of no par value		
Issued and fully paid 17,418,946 shares of no par value	<b>17,418</b>	17,418
Share premium	<b>199</b>	199
	<b>17,617</b>	17,617

	Notes	2010			2009		
		Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
		\$	\$	\$	\$	\$	\$
Provision for claims reported by policyholders		<b>46,843</b>	<b>(20,317)</b>	<b>26,526</b>	43,048	(19,650)	23,398
Provision for claims incurred but not reported (IBNR)		<b>8,096</b>	<b>(3,208)</b>	<b>4,888</b>	7,302	(3,059)	4,243
Total claims reported and IBNR	11 (a)	<b>54,939</b>	<b>(23,525)</b>	<b>31,414</b>	50,350	(22,709)	27,641
Provision for unearned Premiums	11 (b)	<b>58,342</b>	<b>(18,454)</b>	<b>39,888</b>	51,636	(15,418)	36,218
Provision for unexpired Risk	11 (c)	<b>5,834</b>	<b>(1,845)</b>	<b>3,989</b>	5,164	(1,541)	3,623
Total insurance contracts liabilities		<b>119,115</b>	<b>(43,824)</b>	<b>75,291</b>	107,150	(39,668)	67,482

(a) The provision for claims reported by policy holders may be analysed as follows :

	2010			2009		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	50,350	(22,709)	27,641	36,917	(13,338)	23,579
Claims incurred	36,202	(6,007)	30,195	40,782	(12,821)	27,961
Claims paid During the year	<b>(31,613)</b>	<b>5,191</b>	<b>(26,422)</b>	(27,181)	3,412	(23,769)
Foreign exchange	-	-	-	(168)	38	(130)
At December 31	<b>54,939</b>	<b>(23,525)</b>	<b>31,414</b>	50,350	(22,709)	27,641



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(b) The provision for unearned premiums may be analysed as follows :

	2010			2009		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	51,636	(15,418)	36,218	48,140	(14,877)	33,263
Premium written in the year	106,564	(40,046)	66,518	95,190	(34,746)	60,444
Premium earned during the year	(99,858)	37,010	(62,848)	(91,694)	34,205	(57,489)
At December 31	<u>58,342</u>	<u>(18,454)</u>	<u>39,888</u>	<u>51,636</u>	<u>(15,418)</u>	<u>36,218</u>

(c) The provision for unexpired risk may be analysed as follows :

	2010			2009		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	5,164	(1,541)	3,623	4,814	(1,488)	3,326
Net incurred and utilised during the year	670	(304)	366	350	(53)	297
At December 31	<u>5,834</u>	<u>(1,845)</u>	<u>3,989</u>	<u>5,164</u>	<u>(1,541)</u>	<u>3,623</u>

#### 11. Trade and other payables

	2010	2009
	\$	\$
Sundry creditors and accruals	5,383	4,541
Amounts due to reinsurer		
New India, Mumbai	2,070	2,981
Other reinsurers	2,982	5,976
	<u>10,435</u>	<u>13,498</u>

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**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)**

**12. Investment and other income**

	2010	2009
	\$	\$
Interest income	4,831	5,306
Dividend income	542	586
Foreign exchange (loss) gain and disposal of property, plant and equipment	(884)	1,299
	<b>4,489</b>	<b>7,191</b>

**13. Profit before taxation**

Profit before taxation is arrived at after charging :

Depreciation	324	295
Staff costs	5,319	4,707
Directors' fees	108	108
Interest expense	52	43

**14. Insurance contracts liabilities and reinsurance assets – terms, assumptions and sensitivities**

Terms and conditions

The major classes of general insurance written by the Company include motor, property, and other miscellaneous types of general insurance. Risks under these policies usually cover a 12 month duration.

For these insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and claims incurred but not yet reported) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the balance sheet date.

The provisions are refined as part of a regular ongoing process and as claims experience develops, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Assumptions

The principal assumption underlying the estimates is the Company's past claims development experience. This includes assumptions in respect of average claim costs and claim numbers for each accident year. Claims provisions are separately analysed by geographical area and class of business. In addition, larger claims are usually separately assessed by loss adjusters. Judgement is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process, etc, is not possible to



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### NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)

quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the balance sheet date.

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent financial statements.

#### 15. Fair value of financial instruments

With the exception of insurance contracts which are specifically excluded under IAS 32, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, estimates made do not necessarily reflect the amounts that the Company would realize in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

The fair value information is based on information available to management as at the dates presented. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these financial statements since those dates and, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

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

The carrying amount of short-term financial assets and liabilities comprising cash and short-term funds, trade and other receivables and trade and other payables 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 estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value.

#### 16. Insurance and risk management

##### a. *Introduction and overview*

The Company has exposure to the following risks from its use of financial instruments:

- ❖ Insurance risk
- ❖ Credit risk
- ❖ Liquidity
- ❖ Interest rate
- ❖ Foreign currency

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)**

**b. Insurance risk**

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the premiums written or the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid being greater than originally estimated and subsequent development of long-term claims.

**Management of insurance risk**

The variability of risks is improved by careful selection and implementation of underwriting strategy and guidelines as well as the use of reinsurance arrangements. The majority of reinsurance business ceded is placed on a quota share basis with retention limits varying by product line.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

**c. Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises on reinsurance assets, investment securities and insurance receivables.

**Management of credit risk**

Reinsurance

Reinsurance is placed with high rated counterparties and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year and are subject to regular reviews. At each year-end, management performs assessment of creditworthiness of reinsurers to update reinsurance purchase strategy and ascertains suitable allowance for impairment of reinsurance assets.

Investment securities

The Company limits its exposure by setting maximum limits of portfolio securities with a single issuer or group of issuers. The Company also only makes use of institutions with high creditworthiness.

Insurance receivables

The credit risk in respect of customer balances, incurred on non payment of premiums or contributions will only persist during the grace period specified in the policy document on the expiry of which the policy is either repaid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

An estimate of the fair value of collateral and other security enhancements held against financial assets is nil.





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### NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was :

	Carrying amount	
	2010	2009
	\$	\$
Available for sale investments	49,969	42,795
Held-to-maturity investments	6,594	4,516
Trade and other receivables	34,671	29,886
Reinsurance assets	43,824	39,668
Term deposits	41,484	30,003
Cash and Cash equivalents	38,543	39,519
	<b>215,085</b>	<b>186,387</b>

The aging of receivables at the reporting date was :

	Gross 2010	Impairment 2010	Gross 2009	Impairment 2009
	\$	\$	\$	\$
Not past due	9,002	-	9,435	-
Past due 0-30 days	6,277	-	6,953	-
Past due 31-120 days	11,188	-	6,412	-
More than one year	2,833	1,467	2,612	1,443
	<b>29,300</b>	<b>1,467</b>	<b>25,412</b>	<b>1,443</b>

The movement in the allowance for impairment in respect of receivables during the year was as follows :

	2010	2009
	\$	\$
Balance at 1 January	1,443	1,190
Impairment loss recognized	-	254
Foreign exchange	24	-
Balance at December 31	<b>1,467</b>	<b>1,443</b>

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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)

d. **Liquidity**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

**Management of liquidity risk**

The major liquidity risk confronting the Company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and the maturity of investment securities. The Company sets limits on the minimum portion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover claims at unexpected levels of demand.

The table below shows the maturity profile of financial liabilities :

	Maturing			Total
	Within 1 yr	Between 1 to 5 yrs	Over 5 yrs	
	\$	\$	\$	\$
<b>2010</b>				
<b>Liabilities</b>				
Insurance contracts	119,115	-	-	119,115
Trade and other payables	10,435	-	-	10,435
	<u>129,550</u>	<u>-</u>	<u>-</u>	<u>129,550</u>
<b>2009</b>				
<b>Liabilities</b>				
Insurance contracts	107,150	-	-	107,150
Trade and other payables	13,498	-	-	13,498
	<u>120,648</u>	<u>-</u>	<u>-</u>	<u>120,648</u>

e. **Interest rates**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest-bearing financial instruments recognized in the balance sheet.

**Management of interest rate risk**

The investment committee comprises of three non-executive members and is responsible for reviewing the investment portfolio of the company and setting the general direction as to the types of investments that would comprise the company's portfolio. The aim is to balance the risk and returns with an objective of maximizing investment income.



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At the reporting date the interest rate profile of the interest-bearing financial instruments was :

	Carrying amount	
	2010	2009
<b>Fixed rate instruments</b>		
Term deposits	41,484	30,003
Investments	42,721	34,578
Short term treasury bills	-	-
	<b>84,205</b>	<b>64,581</b>
<b>Variable rate instruments</b>		
Cash and cash equivalents	38,543	39,519

**f. Foreign currency**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a foreign currency, that is, in a currency other than the functional currency in which they are measured. The company carries on general insurance business in Trinidad and Tobago, Dominica, St. Lucia, St. Maarten and Anguilla. The functional and presentation currency is Trinidad and Tobago dollars. Foreign currency risk arises in the islands of operation.

The table below summarises the exposure to foreign currency exchange rate risk.

**2010**

Details	BDOS	TT\$	EC\$	FLS	Total
<b>Assets</b>					
Cash and cash equivalents	51	35,822	1,898	772	38,543
Term deposits	-	29,118	12,366	-	41,484
Investments	606	50,469	5,488	-	56,563
Trade and other receivables	5,824	11,109	17,134	604	34,671
Other assets	-	25,995	227	-	26,222
Reinsurance assets	4,194	22,571	13,243	3,816	43,824
<b>Total assets</b>	<b>10,675</b>	<b>175,084</b>	<b>50,356</b>	<b>5,192</b>	<b>241,307</b>
<b>Liabilities</b>					
Insurance contracts	6,185	75,526	33,212	4,192	119,115
Deferred tax liability	-	3,906	-	-	3,906
Provision for taxation	-	65	1,030	529	1,624
Trade and other payables	18,102	19,878	(23,519)	(4,026)	10,435
<b>Total liabilities</b>	<b>24,287</b>	<b>99,375</b>	<b>10,723</b>	<b>695</b>	<b>135,080</b>
<b>Net exposure</b>	<b>(13,612)</b>	<b>75,709</b>	<b>39,633</b>	<b>4,497</b>	<b>106,227</b>

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The table below summarises the exposure to foreign currency exchange rate risk.

**2009**

<b>Details</b>	<b>BDOS</b>	<b>TT\$</b>	<b>EC\$</b>	<b>FLS</b>	<b>TOTAL</b>
<b>Assets</b>					
Cash and cash equivalents	25	35,708	3,234	552	39,519
Term deposits	-	15,981	11,172	2,850	30,003
Investments	606	43,296	3,409	-	47,311
Trade and other receivables	5,229	10,632	13,689	336	29,886
Reinsurance assets	4,273	23,197	10,392	1,806	39,668
Other assets	-	25,525	80	-	25,605
<b>Total assets</b>	<b>10,133</b>	<b>154,339</b>	<b>41,976</b>	<b>5,544</b>	<b>211,992</b>
<b>Liabilities</b>					
Insurance contracts	6,369	70,622	27,915	2,244	107,150
Deferred tax liability	-	1,863	-	-	1,863
Provision for taxation	-	72	1,200	493	1,765
Trade and other payables	17,809	23,089	(22,704)	(4,696)	13,498
<b>Total liabilities and equity</b>	<b>24,178</b>	<b>95,646</b>	<b>6,411</b>	<b>(1,959)</b>	<b>124,276</b>
<b>Net exposure</b>	<b>(14,045)</b>	<b>58,693</b>	<b>35,565</b>	<b>3,585</b>	<b>87,716</b>

**17. Segmental reporting**

The relevant segmental information for the Company is as follows :

**2010**

	<b>Trinidad &amp; Tobago</b>	<b>Other islands</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenue	49,509	23,106	72,615
Profit before tax	8,599	4,163	12,762
Total assets	171,890	69,417	241,307
Total liabilities	99,375	35,705	135,080
Purchase of property, plant and equipment	693	337	1,030
Depreciation	284	40	324



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2009

	Trinidad & Tobago	Other islands	Total
	\$	\$	\$
Total revenue	50,970	20,121	71,091
Profit before tax	11,137	5,445	16,582
Total assets	154,339	57,653	211,992
Total liabilities	95,646	28,630	124,276
Purchase of property, plant and equipment	238	1	239
Depreciation	260	35	295

#### 18. Operating leases

	2010	2009
	\$	\$
Non-cancellable operating lease rentals are payable as follows :		
Less than one year	1,491	1,407
Between one and five years	7,455	7,035

The company leases the facilities under operating leases. The leases typically run for a period of 1-3 years, with an option to renew the lease after that date. Lease payments are increased on renewal to reflect market rentals.

During the year ended December 31, 2010 \$ 1,465 (2009: \$ 1,430) were recognised as an expense in the statement of comprehensive income in respect of operating leases.

#### 19. Related party transactions

##### (a) Identity of related party

The Company has a related party relationship with its parent and with its directors and executive officers.

##### (b) Related party transactions

A number of transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and condition.

	2010	2009
	\$	\$
<b>Income and expenses</b>		
Management fees	500	500
Reinsurance premiums	3,631	3,675
Directors' fees	108	108

Amounts due from related parties are disclosed in note 7.

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**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010 (contd...)**

**(c) Transactions with key management personnel**

In addition to their salaries, the Company also provides non-cash benefits to executive officers. The key management personnel compensation is as follows :

	2010	2009
	\$	\$
<b>Short-term employee benefits</b>		
Accommodation	150	137
Vehicle	486	-

**20. Use of accounting estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the date of the financial statements and income and expenses during the reporting period. Actual results could differ from these estimates.

Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below :

● *Held-to-maturity investments*

The company follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires judgement. In making this judgement, the company evaluates its intention and ability to hold such investments to maturity. If the company fails to keep these investments to maturity other than for the specific circumstances for example, selling other than an insignificant amount close to maturity it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value, not amortised cost. If the entire class of held-to-maturity investments is compromised, the fair value would be recorded in investments with a corresponding entry in the capital reserve in shareholders' equity.

● *Determining fair values*

Fair value reflects the present value of future cash flows associated with a financial asset or liability where an active market exists. Observable market prices or rates are used to determine fair value. For financial instruments with no active market or a lack of price transparency, fair values are estimated using calculation techniques based on factors such as discount rates, credit risk and liquidity. The assumptions and judgements applied here affect the derived fair value of the instruments.

● *Impairment of assets*

The identification of impairment and the determination of recoverable amounts is an intently uncertain process involving various assumptions and factors, including the financial condition of the counter party, expected future cash flows, observable market prices and expected net selling prices.

● *Litigation*

There are certain legal proceedings outstanding against the Company. Appropriate provision has been made in these financial statements to reflect the loss that in management's opinion is likely to occur.



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

### DIRECTORS' REPORT

The Directors present their annual report together with the financial statements for the year ended 31 December 2010.

#### 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, judgments 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 Sierra Leone Companies Act Cap 2009. 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 ACTIVITY

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.

The liabilities include "Due to Insurance Companies" which is due to New India in Mumbai as the re-insurer of the company's operations in certain areas.

#### DIRECTORS

The directors as at 31 December 2010, 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
I. S. Phukela	-	-
M. Vasnatha Krishna	-	-

#### AUDITORS

In accordance with Section 308 of the Companies Act 2009 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 profit for the financial year of Le 2,249,140 after tax, thus turning the operations into a accumulated profit of Le 7,268,068.

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

BY ORDER OF THE BOARD

SECRETARY

26th April, 2011  
London.



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

We have audited the financial statements on pages 140 to 143 which have been prepared under the accounting policies set out on page 141.

**Respective responsibilities of Directors and Auditors**

As described on page 138 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 judgments 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.

**Going Concern**

We draw attention to note 10, which states that the Company has a deficiency of net assets amounting to Le 927,902 this year.

**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, 2010 and of its results for the year then ended and have been properly prepared in accordance with the Sierra Leone Companies Act Cap 2009, and the Insurance Act 2000.

**FREETOWN**  
17th May, 2011

**Chartered Accountants**



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

**PROFIT AND LOSS ACCOUNT – 31 DECEMBER 2010**

	Notes	2010 Le 000	2009 Le 000
Investment Income		20,337	20,245
Other Income		-	-
		<b>20,337</b>	20,245
Operating Expenses		(17,124)	(15,327)
Operating Before Taxation		3,213	4,918
Taxation	3	(964)	(1,475)
Profit for the financial year	2	<b>2,249</b>	3,443

Movement on reserves is setout in note 9.

**BALANCE SHEET – 31 DECEMBER 2010**

	Notes	2010		2009	
		Le 000	Le 000	Le 000	Le 000
<b>Fixed Assets</b>					
Tangible assets	4		-		-
Investments	5		307,539		240,000
<b>Current Assets</b>					
Debtors	6	22,665		18,978	
Deposits, bank and cash balances		42,211		104,163	
		<b>64,876</b>		<b>123,141</b>	
<b>Creditors</b>					
Amounts falling due within one year	7	(373,343)		(366,318)	
		<b>(373,343)</b>		<b>(366,318)</b>	
<b>Net Current Liabilities</b>			<b>(308,467)</b>		<b>(243,177)</b>
<b>Total Assets Less Current Liabilities</b>			<b>(928)</b>		<b>(3,177)</b>
<b>Capital and Reserves</b>					
Called up share capital	8		500		500
Profit and loss account	9		7,268		5,019
Exchange equalisation account			(20,910)		(20,910)
Contingency reserves			12,214		12,214
			<b>(928)</b>		<b>(3,177)</b>

Approved by the Board on 17th May, 2011

I. S. Phukela Director

M. Vasanthakrishna Director

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

**CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2010**

	2010		2009	
	Le 000	Le 000	Le 000	Le 000
<b>OPERATING ACTIVITIES</b>				
Operating profit / (Loss) before taxation	3,213		4,918	
(Increase) in debtors	(3,687)		12,620	
Net cash inflow / (outflow) from operating activities		(474)		17,538
<b>FINANCING ACTIVITIES</b>				
Exchange gain	-		-	
Net cash (outflow) / inflow from financing activities		-		-
Net cash (outflow) / inflow		(474)		17,538
Analysis of changes in cash and cash equivalents during the year :		6,061		2,000
Beginning of year		104,163		24,625
Net cash (outflow) / inflow		(474)		17,538
Less : Transfer from Fixed deposits		(67,539)		60,000
End of year		42,211		104,163

**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2010**

**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 140 to 143 are prepared under the historical cost convention.

**2. PROFIT FOR THE FINANCIAL YEAR**

Profit for the financial year is stated after charging the following :

	2010 Le 000	2009 Le 000
Auditors' remuneration	8,000,000	7,000,000

**3. TAXATION**

Taxation has been provided at 30% on the net profit for the year.



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

**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2010**

**4. TANGIBLE FIXED ASSETS**

	Motor vehicles	Office fixtures and fittings	Residential equipment	Total
	Le 000	Le 000	Le 000	Le 000
<b>COST</b>				
Beginning and end of year	-	-	-	-
<b>DEPRECIATION</b>				
Beginning of year and end of year	-	-	-	-
Charge	-	-	-	-
Disposals	-	-	-	-
End of year	-	-	-	-
<b>NET BOOK AMOUNT</b>				
End of year and Beginning of year	-	-	-	-

**2010**                      2009  
**Le 000**                      Le 000

**5. INVESTMENTS**

Investments comprised :

Treasury Bill	<b>52,320</b>	-
Deposit with the Bank of Sierra Leone	-	-
Deposit with Rokel Commercial Bank Sierra Leone Ltd.	<b>255,219</b>	240,000
	<b>307,539</b>	240,000

**6. DEBTORS**

Debtors comprised :

Taxation	<b>6,230</b>	8,669
Sundry Debtors	<b>165</b>	165
Interest Receivable	<b>16,270</b>	10,144
	<b>22,665</b>	18,978

**7. CREDITORS**

Amounts falling due within one year comprised :

Sundry creditors	<b>19,368</b>	12,343
Amounts due to Insurance Companies	<b>353,975</b>	353,975
	<b>373,343</b>	366,318

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2010**

**9. PROFIT AND LOSS ACCOUNT**

The movement on this account during the year was as follows.

	Le 000
Beginning of year	5,019
Profit for the year	2,249
End of year	<u>7,268</u>

**10. GOING CONCERN**

The Directors have confirmed their intention to maintain financial support for the foreseeable future to enable the Company to continue normal operations. The financial statements are therefore drawn on a going concern basis.

**11. LIBERIA BRANCH**

In view of the current situation in Liberia, the financial statements for 2008 as in case of 2002 to 2007 represent only the transactions of the Freetown office.

**12. CAPITAL COMMITMENTS**

There were no capital commitments as at 31 December 2010.

**13. CONTINGENT LIABILITIES**

The Company had denied liability for claims amounting to 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.

**SHORT TERM BUSINESS REVENUE ACCOUNT YEAR ENDED 31 DECEMBER 2010**

	2010		2009	
	Le 000	Le 000	Le 000	Le 000
Premiums written less reinsurance		-		-
Less increase/decrease in provision for unearned premiums		-		-
Premiums earned		-		-
Commission received from reinsurers		-		-
Claims incurred	-		-	
Commission paid	-		-	
Expenses	17,124		15,327	
Contingency reserve	-		-	
		<u>17,124</u>		<u>15,327</u>
Underwriting (loss)		<u>17,124</u>		<u>15,327</u>
Underwriting (loss) comprised :				
Fire		-		-
Marine		-		-
Motor		-		-
Miscellaneous accident		-		-
Expenses		<u>17,124</u>		<u>15,327</u>
		<u>17,124</u>		<u>15,327</u>



## PRESTIGE ASSURANCE PLC (NIGERIA)

### REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Prestige Assurance Plc**, as at 31 December 2010, set out on pages 150 to 158 which have been prepared on the basis of the significant accounting policies on pages 145 to 149 and other explanatory notes on pages 159 to 169.

#### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Statement of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

#### BASIS OF OPINION

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### OPINION

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act CAP C20 LFN 2004, the applicable provisions of the Insurance Act CAP 117 LFN 2004 and relevant guidelines issued by the National Insurance Commission. The financial statements give a true and fair view of the financial position of **Prestige Assurance Plc** as at 31 December 2010, and of its financial performance and its Cash flows for the year then ended in accordance with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board.

#### Chartered Accountants

Lagos, Nigeria

## PRESTIGE ASSURANCE PLC (NIGERIA)

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2010

The following are the significant accounting policies adopted by the Company in the preparation of its financial statements. These policies have been constantly applied to all year's presentations, unless otherwise stated.

#### 1. BASIS OF ACCOUNTING

The financial statements are prepared in compliance with Nigerian Statements of Accounting Standards (SAS), The Companies and Allied Matters Act (CAMA) CAP C20 LFN 2004, The Insurance Act and Regulation 2003 and its interpretation issued by the National Insurance Commission in its insurance industry policy guidelines.

The financial statements are presented in the functional currency, Nigeria naira and prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts 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.

The Annual accounting basis is used to determine the underwriting result of each class of insurance business written.

#### 2. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are stated at the cost, less depreciation on a straight-line basis over the estimated useful life of the assets, taking into consideration any residual value, excluding the costs of day-to-day servicing.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Assets on lease are accounted for in accordance with the substance and financial reality of the transaction. Depreciation is provided to write off the related assets over the period of the lease.

Income from assets on lease is accrued evenly over the respective period of the leases.

#### 3. DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT

Depreciation is calculated to write off the cost of property, plant & equipment during their expected useful lives on a straight-line basis. In the case of revalued property, plant & equipment, depreciation is calculated by reference to the enhanced value of the assets concerned. The principal annual rates of depreciation, which are consistent with those of previous years, are :

Leasehold Land & Buildings	-	2% or amortised over the life of lease if less than 50 years
Furniture, Fittings & Equipment	-	10%
Computers	-	33 $\frac{1}{3}$ %
Motor Vehicles	-	25%
Plant & Machinery	-	12 $\frac{1}{2}$ %





## PRESTIGE ASSURANCE PLC (NIGERIA)

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2010 (contd...)

Depreciation is not calculated on property, plant & equipment until they are brought into use. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit or loss.

#### 4. PROVISION FOR UNEXPIRED RISKS

Reserves for unexpired risks are those proportions of the premiums written in a year, that relate to the period of risks from January in the following accounting year to the subsequent date of expiry of the policies and have been computed in accordance with Section 20(1)(a) of the Insurance Act 2003, which stipulates that provision for unexpired risk shall be calculated on a time apportionment basis of the risks accepted in the year.

#### 5. PROVISION FOR OUTSTANDING CLAIMS/INCURRED BUT NOT YET REPORTED

Full provision is made for the estimated amount of outstanding claims notified but not settled at the date of the balance sheet, using the best information available at that time. Provision is also made for the cost of claims incurred but not reported (IBNR) until after the balance sheet date on the basis of claims notified but not settled in compliance with the provisions of Section 20(1) (b) of the Insurance Act 2003. Similarly, provisions are made for "unallocated claims expenses" being the estimated administrative expenses that will be incurred after the balance sheet date in settling all claims outstanding as at the date, including IBNR.

Differences between the provisions for outstanding claims at a balance sheet date and the subsequent settlement are included in the revenue Account of the following year.

#### 6. CONTINGENCY RESERVE

Contingency reserve is calculated at 3% of the total premium or 20% of the Net Profit before tax which ever is greater in accordance with Section 21(2) of the Insurance Act 2003 until the accumulated reserve reaches the amount of the minimum paid-up capital or 50 per centum of the net premiums (which ever is greater).

#### 7. FOREIGN CURRENCIES TRANSLATION

The financial statements are presented in Naira, which is the Company's functional and presentation currency. Income and expenses denominated in foreign currencies are translated to the Naira at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency balances are converted to the Naira at the applicable rates of exchange ruling at the balance sheet date. Any profits or loss arising on the conversion of foreign currencies is included in the profit and loss account.

#### 8. INVESTMENTS

Long-term investments are stated at cost or revalued amount on Balance Sheet date while short-term investments are stated at cost less provision for diminution in values.

No provision is made for diminution in the market value of government securities, as it is the Company's policy to hold such Securities until maturity.

#### 9. INVESTMENT INCOME

Interest and rental income are shown gross and are accounted for on accrual basis. Dividends are accounted for on the basis of the amounts actually received during the year.

## PRESTIGE ASSURANCE PLC (NIGERIA)

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2010 (contd...)

#### 10. DEBTORS

Debtors are stated at cost after writing off bad debts and deducting provision for other specific debts considered doubtful of recovery. An allowance for specific debt is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables.

In line with statutory guidelines set by NAICOM, allowance for outstanding premium is made as follows :

<u>Period outstanding</u>	<u>% allowance required</u>
Under- 90 Days	Nil
91-180 Days	50%
Above 180 Days	100%

#### 11. EMPLOYEES' RETIREMENT BENEFITS

##### i) Pension Fund Scheme

The Company operates a defined contributory retirement benefits scheme for members of staff, which is independent of its finances and is managed by Pension Fund Administrators. The Scheme, which is funded by contributions from the Company (15%), is consistent with the provisions of the Pension Reform Act 2004. The company's contribution in each year is charge against income and is included in staff cost.

##### ii) Gratuity Scheme

The company operates a non-contributory and defined benefit service gratuity scheme for its employees. The employees' entitlement to retirement benefits under the service gratuity scheme depends on the individual years of service, terminal salary and conditions of service. Benefits payable to employees on Retirements or resignation are accrued over the service life of the employee Concerned based on current salary at the balance sheet date. The Company's Contribution to the service gratuity scheme is charged to the income statement.

#### 12. TAXATION

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax, education tax and deferred income/capital gains tax.

##### i) Income Tax

Income tax payable is provided by applying the currently enacted tax rates on the profit of the company as adjusted for taxation purposes.

##### ii) Deferred Taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates and tax laws that have been enacted at the balance sheet date.



## PRESTIGE ASSURANCE PLC (NIGERIA)

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2010 (contd...)

iii) **Capital Gain Tax**

Capital Gain Tax is included in the tax expenses for the period to which it relates. Capital Gain Tax relating to a disposal of an extra ordinary item is deducted from such item.

iv) **Value Added Tax**

Non-recoverable VAT paid in respect of an expense and non-recoverable VAT paid in respect of property, plant & equipment is capitalized as part of the cost of the property, plant and equipment.

The net amount owing to or due from the tax authority is included in the recoverable VAT outstanding for over three years is fully provided for output VAT is excluded from the turnover shown in the profit and loss account.

v) **Withholding Tax**

The withholding tax credit is used to set off against income tax payable. Tax credit, which is considered irrecoverable, is written off as part of the tax charge for the year.

13. **CLAIMS**

- a. Gross Claims Paid: Consist of direct claims, plus reinsurance claims
- b. Gross Claims Incurred: Consist of claims and claims handling expenses paid during the financial year after adjusting for movement in provision for outstanding claims and IBNR.
- c. Net Claims Incurred: is gross claims incurred after adjusting for reinsurance claims recoveries.

14. **MAINTENANCE EXPENSES**

Maintenance expenses are apportioned amongst the various classes of insurance business on the basis of net premium earned in each class.

15. **PREMIUM**

- (a) Gross Premium: is recognized at the point of attachment of risk to a policy before cost of reinsurance cover.
- (b) Gross Premium Earned: Is written after adjusting for the unearned portion of the premium.
- (c) Unearned Premium: Premium relating to risk for period not falling within the accounting period forward as unearned premium.
- (d) Net Premium Earned: Net premium Earned represents gross premium less reinsurance cost.

16. **COMMISSION**

Commissions are recognized on ceding business to reinsurers and other insurance companies.

17 (a) **REINSURANCE**

Proportional and non-proportional reinsurance premiums are accounted for on an accrual basis. Reinsurance premium are recognized as outflows in accordance with the tenor of the reinsurance contract.

(b) **REINSURANCE COST**

Reinsurance cost represents outward premium paid to reinsurance companies less unexpired portion as at the end of the accounting year.

(c) **REINSURANCE RECOVERIES**

Reinsurance recoveries represent that portion of claims paid/ payable on risks ceded out in respect of which recoveries are received/ receivable from the reinsurer.

## PRESTIGE ASSURANCE PLC (NIGERIA)

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2010 (contd...)

#### (d) PREPAID REINSURANCE

Unexpired reinsurance cost is determined on a time apportionment basis and is reported under other asset in the balance sheet.

#### 18. ASSETS ON LEASE

Assets on lease to customers are stated at cost less accumulated depreciation. Depreciation is provided on an appropriate basis to write-off the related assets cost over the period of the lease, and is included in operating expenses. Rental income from assets on lease to customers is credited to lease income on a consistent basis over the lease term.

#### 19. PROVISIONS

Provisions is recognized when the Company has present obligation, whether legal or constructive, as a result of a past event for which it is possible that an outflow of a resources embodying economic benefit will be recognized to settle the obligation in accordance with the statement of Accounting Standard (SAS23).

#### 20. UNCLAIMED DIVIDEND

Unclaimed Dividends are amounts payable to shareholders in respect of dividend previously declared by the company, which have remained unclaimed by the shareholder. In compliance with section 385 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004, unclaimed dividend after twelve years are transferred to general reserves.

#### 21. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise of cash on hand and deposits held with banks. Cash equivalents are short term, highly liquid instruments, which are :

- (a) Readily convertible into cash, whether in local or foreign currency; and
- (b) So near to their maturity dates as to present significant risk of changes in value as a result of changes in interest rates.
- (c) For the purpose of reporting cash flows, cash and cash equivalents include cash on hand; cash balances with banks and bank overdrafts.

#### 22. DIVIDEND PAYABLE

Proposed dividend for the year, is recognized as a liability after the balance sheet date when declared and approved by shareholders at the Annual General Meeting.

#### 23. DEFERRED ACQUISITION EXPENSES

Prepaid expenses include deferred acquisition expenses. These expenses are incurred as a result of direct business earned from brokers. The deferred portion is calculated based on the percentage of unearned premium to written premium.

#### 24. REINSURANCE PREMIUM COST (INCLUDING PREPAID REINSURANCE PREMIUM)

Reinsurance costs have been apportioned on time basis. Therefore, unexpired portion has been recognized as assets in the balance sheet.



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दि न्यू इन्डिया एश्योरन्स कं. लि.  
The New India Assurance Co. Ltd.

Subsidiaries

**PRESTIGE ASSURANCE PLC (NIGERIA)**  
**BALANCE SHEET AT 31 DECEMBER, 2010**

	Notes	2010 N	2009 N
<b>Assets</b>			
Cash and Bank Balances		343,973,921	323,517,834
Short term investments	1	2,213,609,442	2,419,812,758
Premium Debtors	2	1,468,626,437	1,307,473,399
Reinsurance Debtors	3	467,983,600	303,771,004
Other Debtors and prepayments	4	127,440,980	65,407,133
Deffered Acquisition Cost	5	132,814,377	118,503,599
Outstanding Claims Recoverable	6	347,089,812	474,313,227
Long term investments	7	1,235,114,046	1,016,941,414
Statutory Deposit	8	300,000,000	300,000,000
Fixed Assets	9	917,053,932	608,196,301
<b>Total Assets</b>		<b>7,553,706,547</b>	<b>6,937,936,669</b>
<b>Liabilities</b>			
Creditors :			
Amount falling due within one year	10	1,010,181,811	769,579,070
Insurance Funds	11	1,379,124,748	1,471,348,246
Taxation payable	22.2	316,552,514	289,154,591
Deferred tax liabilities	22.3	92,196,675	64,133,940
		<b>2,798,055,748</b>	<b>2,594,215,847</b>
<b>Net Assets</b>		<b>4,755,650,799</b>	<b>4,343,720,822</b>
<b>Capital and Reserves</b>			
Authorised share capital		2,000,000,000	2,000,000,000
Paid up share capital	12	1,074,992,330	1,074,992,330
Share Premium	13	1,170,820,337	1,349,985,726
Bonus Issue Reserve	14	179,165,389	-
Statutory Contingency Reserve	15	1,124,121,873	957,947,969
Equity Revaluation Reserve	16	139,229,847	-
General Reserve	17	1,067,321,023	960,794,797
<b>Shareholders' Funds</b>		<b>4,755,650,799</b>	<b>4,343,720,822</b>
<b>Total liabilities and Reserves</b>		<b>7,553,706,547</b>	<b>6,937,936,669</b>

Approved by the Board

DIRECTORS

The statement of significant accounting policies on pages 145 to 149 and accompanying notes on pages 159 to 169 form part of these Financial Statements.

**PRESTIGE ASSURANCE PLC (NIGERIA)**  
**PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER, 2010**

	Notes	2010		2009	
		N	N	N	N
Direct Premium			3,029,257,537		2,900,173,043
Inward reinsurance premiums			845,194,723		545,273,756
Gross Written Premium			3,874,452,260		3,445,446,799
Decrease/(Increase) in unearned Premium			(14,403,229)		(486,846,466)
Gross Premium Earned			3,860,049,031		2,958,600,333
Outward reinsurance premiums			(2,159,695,967)		(1,606,501,034)
Decrease/(Increase) in prepaid reinsurance			164,212,597		303,771,004
Reinsurance Cost			(1,995,483,370)		(1,302,730,030)
Net Premium Earned	18		1,864,565,661		1,655,870,303
Commission Received			457,232,933		307,270,794
<b>Total Income</b>			<b>2,321,798,594</b>		<b>1,963,141,097</b>
Direct Claims Paid			975,830,029		727,190,121
Inward reinsurance claims paid			9,180,588		294,115,833
Gross Claims Paid			985,010,617		1,021,305,954
Increase/(Decrease) in Outstanding Claims			20,596,689		58,559,773
Gross Claims Incurred			1,005,607,306		1,079,865,727
Outward reinsurance recoveries			(667,401,604)		(663,506,403)
Net Claims incurred			338,205,702		416,359,324
Underwriting Expenses :					
Acquisition cost	19		575,737,935		362,522,216
Maintenance expenses	19		495,503,522		481,853,820
<b>Total Expenses</b>			<b>1,409,447,159</b>		<b>1,260,735,360</b>
<b>Underwriting Profit</b>			<b>912,351,435</b>		<b>702,405,737</b>
Investment Income :					
Interest Received		165,327,102		339,947,546	
Lease Rental Income		481,680,987		528,724,211	
Dividend Received		18,621,731		28,631,289	
Profit on disposal of investment		2,892,718		37,423,256	
Profit on disposal of fixed Assets		5,533,755		1,771,724	
			<b>674,056,293</b>		<b>936,498,026</b>
Other Incomes	20		10,497,496		18,143,186
<b>Net Operating Income</b>			<b>1,596,905,224</b>		<b>1,657,046,949</b>
Expenses of Management		555,805,515		624,367,584	
Provision for Bad and Doubtful Debts		210,230,186		159,262,854	
			<b>(766,035,701)</b>		<b>(783,630,438)</b>
Profit before tax			830,869,523		873,416,511
Information Tech Dev. levy			(8,308,695)		(8,734,165)
Profit before tax after I.T.D. Levy			822,560,828		864,682,346
Income Taxation	22.1		(306,799,497)		(264,395,414)
Deferred Tax	22.3		(28,062,735)		(7,214,625)
Profit after tax			487,698,596		593,072,307
APPROPRIATION :					
Statutory Contingency Reserve	15		(166,173,904)		(174,683,302)
Retained Earnings	17		321,524,692		418,389,005
Earnings per share (actual)	27		22.68		27.58

The statement of significant accounting policies on pages 145 to 149 and accompanying notes on pages 159 to 169 form part of these Financial Statements.



**PRESTIGE ASSURANCE PLC (NIGERIA)**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 2010**

	2010	2009
	N	N
<b>IN RESPECT OF ACCIDENT INSURANCE BUSINESS</b>		
Direct Premium	418,834,741	411,892,940
Inward reinsurance premiums	357,125,319	306,754,497
Gross Premium Written	775,960,060	718,647,437
Decrease/(Increase) in unearned Premium	(21,814,279)	(120,571,906)
Gross Premium Earned	754,145,781	598,075,531
Outward reinsurance premiums	(658,150,002)	(310,707,760)
Decrease/(Increase) in prepaid reinsurance	29,742,098	93,775,364
Reinsurance Cost	(628,407,904)	(216,932,396)
Net Premium Earned	125,737,877	381,143,135
Commission received	125,310,495	99,905,493
<b>TOTAL INCOME</b>	<b>251,048,372</b>	<b>481,048,628</b>
Direct Claims Paid	162,001,320	72,383,280
Inward reinsurance claims paid	815,266	1,918,125
Gross Claims Paid	162,816,586	74,301,405
Increase/(Decrease) in Outstanding Claims	(29,026,419)	21,585,125
Gross Claims Incurred	133,790,167	95,886,530
Outward reinsurance recoveries	(141,823,353)	(66,829,722)
Net Claims Incurred	(8,033,186)	29,056,808
Underwriting Expenses :		
Acquisition cost	130,571,016	122,195,838
Maintenance expenses	99,237,497	100,504,530
Profit to Profit and Loss Account	29,273,045	229,291,452
	<b>251,048,372</b>	<b>481,048,628</b>



**PRESTIGE ASSURANCE PLC (NIGERIA)**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 2010**

	2010 N	2009 N
<b>IN RESPECT OF WORKMEN COMPENSATION INSURANCE BUSINESS</b>		
Direct Premium	<b>63,167,813</b>	56,657,891
Inward reinsurance premiums	-	220,144
Gross Premium Written	<b>63,167,813</b>	56,878,035
Decrease/(Increase) in unearned Premium	<b>(1,122,086)</b>	(3,195,318)
Gross Premium Earned	<b>62,045,727</b>	53,682,717
Outward reinsurance premiums	-	-
Decrease/(Increase) in prepaid reinsurance	-	-
Reinsurance Cost	-	-
Net Premium Earned	<b>62,045,727</b>	53,682,717
Commission received	-	-
<b>TOTAL INCOME</b>	<b>62,045,727</b>	53,682,717
Direct Claims Paid	<b>24,655,649</b>	27,226,383
Inward reinsurance claims paid	<b>3,224,339</b>	3,395,597
Gross Claims Paid	<b>27,879,988</b>	30,621,980
Increase/(Decrease) in Outstanding Claims	<b>286,000</b>	(15,955,500)
Gross Claims Incurred	<b>28,165,988</b>	14,666,480
Outward reinsurance recoveries	-	-
Net Claims Incurred	<b>28,165,988</b>	14,666,480
Underwriting Expenses :		
Acquisition cost	<b>9,890,724</b>	6,365,367
Maintenance Cost	<b>8,078,529</b>	7,954,527
Profit/(Loss) to Profit and Loss Account	<b>15,910,486</b>	24,696,343
	<b>62,045,727</b>	53,682,717



**PRESTIGE ASSURANCE PLC (NIGERIA)**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 2010**

	2010 N	2009 N
<b>IN RESPECT OF MOTOR INSURANCE BUSINESS</b>		
Direct Premium	325,750,383	342,122,123
Inward reinsurance premiums	3,274,881	3,307,976
Gross Premium Written	329,025,264	345,430,099
Decrease/(Increase) in unearned Premium	(14,859,458)	(39,920,654)
Gross Premium Earned	314,165,806	305,509,445
Outward reinsurance premiums	(6,187,810)	(2,779,022)
Decrease/(Increase) in prepaid reinsurance	2,226,665	-
Reinsurance Cost	(3,961,145)	(2,779,022)
Net Premium Earned	310,204,661	302,730,423
Commission received	308,193	486,328
<b>TOTAL INCOME</b>	<b>310,512,854</b>	<b>303,216,751</b>
Direct Claims Paid	58,835,814	83,792,782
Inward reinsurance claims paid	193,795	-
Gross Claims Paid	59,029,609	83,792,782
Increase/(Decrease) in Outstanding Claims	(10,543,500)	(15,551,250)
Gross Claims Incurred	48,486,109	68,241,532
Outward reinsurance recoveries	(1,410,000)	-
Net Claims incurred	47,076,109	68,241,532
Underwriting Expenses :		
Acquisition cost	37,282,828	22,495,709
Maintenance expenses	42,079,026	48,309,210
Profit to Profit and Loss Account	184,074,891	164,170,300
	<b>310,512,854</b>	<b>303,216,751</b>

**PRESTIGE ASSURANCE PLC (NIGERIA)**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 2010**

	2010 N	2009 N
<b>IN RESPECT OF MARINE AND AVIATION INSURANCE BUSINESS</b>		
Direct Premium	898,279,650	835,678,607
Inward reinsurance premiums	255,515,042	104,417,059
Gross Premium Written	1,153,794,692	940,095,666
Decrease/(Increase) in unearned Premium	(76,650,465)	(100,605,620)
Gross Premium Earned	1,077,144,227	839,490,046
Outward reinsurance premiums	(662,586,206)	(483,546,207)
Decrease/(Increase) in prepaid reinsurance	56,814,758	9,513,902
Reinsurance Cost	(605,771,448)	(474,032,305)
Net Premium Earned	471,372,779	365,457,741
Commission received	118,849,053	86,192,240
<b>TOTAL INCOME</b>	<b>590,221,832</b>	<b>451,649,981</b>
Direct Claims Paid	164,347,294	-
Inward reinsurance claims paid	3,659,570	287,020,785
Gross Claims Paid	168,006,864	287,020,785
Increase/(Decrease) in outstanding claims	(20,201,674)	5,058,328
Gross Claim Incurred	147,805,190	292,079,113
Outward reinsurance recoveries	(190,775,077)	(231,202,138)
Net Claims Incurred	(42,969,887)	60,876,975
Underwriting Expenses :		
Acquisition cost	94,183,907	77,617,867
Maintenance expenses	147,558,750	131,474,585
Profit to Profit and Loss Account	391,449,062	181,680,554
	<b>590,221,832</b>	<b>451,649,981</b>



**PRESTIGE ASSURANCE PLC (NIGERIA)**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 2010**

	2010 N	2009 N
<b>IN RESPECT OF FIRE INSURANCE BUSINESS</b>		
Direct Premium	1,323,224,950	1,253,821,482
Inward reinsurance premiums	229,279,481	130,574,080
Gross Premium Written	1,552,504,431	1,384,395,562
Decrease/(Increase) in unearned Premium	100,043,059	(222,552,968)
Gross Premium Earned	1,652,547,490	1,161,842,594
Outward reinsurance premiums	(832,771,949)	(809,468,045)
Decrease/(Increase) in prepaid reinsurance	75,429,076	200,481,738
Reinsurance Cost	(757,342,873)	(608,986,307)
Net Premium Earned	895,204,617	552,856,287
Commission received	212,765,192	120,686,733
<b>TOTAL INCOME</b>	<b>1,107,969,809</b>	<b>673,543,020</b>
Direct Claims Paid	565,989,952	543,787,676
Inward reinsurance claims paid	1,287,618	1,781,326
Gross Claims Paid	567,277,570	545,569,002
Increase/(Decrease) in Outstanding Claims	80,082,282	63,423,070
Gross Claims Incurred	647,359,852	608,992,072
Outward reinsurance recoveries	(333,393,174)	(365,474,543)
Net Claims Incurred	313,966,678	243,517,529
Underwriting Expenses :		
Acquisition cost	303,809,460	133,847,435
Maintenance expenses	198,549,721	193,610,968
Profit to Profit and Loss Account	291,643,950	102,567,088
	<b>1,107,969,809</b>	<b>673,543,020</b>

**PRESTIGE ASSURANCE PLC (NIGERIA)**  
**STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER, 2010**

	2010		2009	
	N	N	N	N
<b>Cash Flows from Operating Activities</b>				
Premium received from policy holders	3,436,945,157		3,447,193,269	
Commission received	457,232,933		307,270,794	
Other operating receipts	10,497,496		18,143,186	
Reinsurance receipts in respect of claims	733,525,483		732,255,208	
Cash paid to and on behalf of employees	(375,107,459)		(383,038,259)	
Reinsurance premium paid	(1,899,151,222)		(1,731,137,671)	
Other operating cash payments	(1,302,030,489)		(589,017,172)	
Claims paid	(664,161,745)		(978,520,823)	
VAT paid	(6,543,926)		(6,450,209)	
IT Development Levy paid	(8,734,165)		(10,000,204)	
Company Income Tax paid	(278,976,104)		(300,833,074)	
	<u>103,495,959</u>		<u>505,865,045</u>	
Net cash provided by operating activities		<b>103,495,959</b>		<b>505,865,045</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant & equipment	(669,358,231)		(485,797,313)	
Purchase of investments	(94,013,584)		(6,852,168)	
Realisation of /(Addition to) other investments	206,203,316		(434,144,029)	
Sale of property, plant & equipment	5,533,755		1,771,724	
Dividend received	18,621,731		28,631,289	
Interest received	165,327,102		339,947,546	
Lease rental received	481,680,987		528,724,211	
Profit on sale of investment	17,963,518		37,423,255	
	<u>131,958,594</u>		<u>9,704,515</u>	
Net Cash provided by investing activities		<b>131,958,594</b>		<b>9,704,515</b>
<b>Cash Flows from Financing Activities</b>				
Dividend paid	(214,998,466)		(429,996,932)	
	<u>(214,998,466)</u>		<u>(429,996,932)</u>	
Net cash provided by financing activities		<b>(214,998,466)</b>		<b>(429,996,932)</b>
Increase in cash and cash equivalents		<u><b>20,456,087</b></u>		<u><b>85,572,628</b></u>

The accompanying notes form part of this Statement of Cash Flows.



## PRESTIGE ASSURANCE PLC (NIGERIA)

### STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER, 2010 (Contd...)

	2010 N	2009 N
<b>1. Reconciliation of Operating Profit to the Cash provided by operating Activities</b>		
Operating profit before tax	830,869,523	873,416,512
Investment income	(674,056,293)	(936,498,026)
Depreciation	360,500,600	439,225,228
Provision for Bad and Doubtful Debts	210,230,186	159,262,854
Increase /(Decrease) in unearned premiums	14,403,229	486,846,466
Increase /(Decrease) in creditors	240,602,740	65,319,440
Increase /(Decrease) in claims provisions	(106,626,727)	532,873,002
(Increase) /Decrease in premium debtors	(371,383,224)	70,495,275
(Increase)/Decrease in other debtors and prepayment	(62,033,847)	(13,216,697)
(Increase) /Decrease in deferred acquisition expenses	(14,310,778)	(82,941,500)
(Increase) /Decrease in outstanding claims recoverable	127,223,415	(474,313,227)
(Increase) /Decrease in prepaid reinsurance premium	(164,212,596)	(303,771,004)
IT Development levy paid	(8,734,165)	(10,000,204)
Tax paid	(278,976,104)	(300,833,074)
Cash provided by operating activities	<u>103,495,959</u>	<u>505,865,045</u>

### 2. Analysis of Changes in Cash and Cash Equivalents and other liquid Investments

	Cash & Cash Equivalents N	Investments N	Total N	2009 N
Balance as at 1 January 2009	323,517,834	3,436,754,172	3,760,272,006	3,458,840,273
Net cash inflow	20,456,087	-	20,456,087	85,572,628
Purchase of investments	-	(112,189,732)	(112,189,732)	433,497,174
Sales of Investment	-	(15,070,799)	(15,070,799)	-
Investments revaluation Surplus	-	139,229,847	139,229,847	(217,638,069)
	<u>343,973,921</u>	<u>3,448,723,488</u>	<u>3,792,697,409</u>	<u>3,760,272,006</u>

### 3. Analysis of the Balance of cash and cash equivalents and other liquid investments

	2010 N	2009 N	Changes during the year N
Total cash and cash equivalents	343,973,921	323,517,834	20,456,087,340
Investments	3,448,723,488	3,436,754,172	11,969,316
	<u>3,792,697,409</u>	<u>3,760,272,006</u>	<u>32,425,403</u>

**PRESTIGE ASSURANCE PLC (NIGERIA)**

**NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010**

	2010 N	2009 N
<b>1. SHORT TERM INVESTMENTS</b>		
Commercial Papers	736,408,459	783,111,111
Bankers Acceptances	1,434,806,095	1,516,831,434
Bond (Market value N37.5m)	-	37,500,000
Call Deposits	42,394,888	82,370,213
	<b>2,213,609,442</b>	<b>2,419,812,758</b>
<b>2. PREMIUM DEBTORS</b>		
Outstanding Premiums	789,569,121	603,359,563
Amounts due from Re-Insurance and Insurance Companies	639,582,389	705,706,268
Amounts due from Insurance Brokers and Agents	793,392,693	542,095,148
	<b>2,222,544,203</b>	<b>1,851,160,979</b>
Provision on doubtful debts (note 2.1)	(753,917,766)	(543,687,580)
	<b>1,468,626,437</b>	<b>1,307,473,399</b>
<b>2.1 MOVEMENTS IN PROVISION FOR BAD DEBTS</b>		
Balance beginning of year	543,687,580	384,424,726
Charge during the year	210,230,186	159,262,854
	<b>753,917,766</b>	<b>543,687,580</b>
<b>2.2</b> The Age analysis of premium debtors and related provisions are as follows :		
	<b>Gross Premium</b>	<b>Provision</b>
	N	N
Under 90 days	1,291,545,107	-
91- 180 days	354,162,658	177,081,329
Above 180 days	576,836,437	576,836,437
	<b>2,222,544,202</b>	<b>753,917,766</b>
<b>3. PREPAID REINSURANCE PREMIUM</b>		
Accident	123,517,461	93,775,364
Fire	275,910,814	200,481,738
Motor	2,226,665	-
Marine and Aviation	66,328,660	9,513,902
	<b>467,983,600</b>	<b>303,771,004</b>
<b>4. OTHER DEBTORS AND PREPAYMENTS</b>		
Staff Loan	40,816,527	34,177,504
Prepayment	21,412,317	22,333,943
Interest Receivable	4,806,730	8,895,686
Others	60,405,406	-
	<b>127,440,980</b>	<b>65,407,133</b>





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The New India Assurance Co. Ltd.

## PRESTIGE ASSURANCE PLC (NIGERIA)

### NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010 (Contd...)

	2010 N	2009 N
<b>5. DEFERRED ACQUISITION COST</b>		
Deferred acquisition cost represent commissions on unearned premium relating to the unexpired risk		
The movement in the deferred acquisition cost during the year is as shown below		
Balance, beginning of year	118,503,599	35,562,100
Increase during the year	14,310,778	82,941,499
Balance as at year end	<u>132,814,377</u>	<u>118,503,599</u>
<b>6. OUTSTANDING CLAIMS RECOVERABLE</b>		
Accident	81,443,394	63,649,092
Fire	212,231,918	321,751,500
Marine and Aviation	53,414,500	88,912,635
	<u>347,089,812</u>	<u>474,313,227</u>
<b>7. LONG TERM INVESTMENTS</b>		
These comprise of :		
<b>(i) Quoted investments</b>		
<b>Ordinary shares</b>		
Balance, beginning of the year	591,761,605	613,568,990
Addition during the year	94,013,584	6,852,168
Disposal during the year	(15,070,799)	-
	<u>670,704,390</u>	<u>620,421,158</u>
Transferred to equity revaluation reserve (Note 16)	139,229,847	(28,659,553)
Balance Carried Forward	<u>809,934,237</u>	<u>591,761,605</u>
<b>(ii) Unquoted investments at cost</b>		
<b>Ordinary shares</b>		
Balance as at December	<u>425,179,809</u>	425,179,809
<b>Total Long Term Investments</b>	<u>1,235,114,046</u>	<u>1,016,941,414</u>

The directors are of the opinion that the market value of unquoted investments is not lower than cost.

7.1 Ordinary Shares of quoted investments were valued at market value in line with NAICOM guidelines 2010.

<b>8. STATUTORY DEPOSIT</b>	<u>300,000,000</u>	<u>300,000,000</u>
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The represent deposit with the Central Bank of Nigeria, the sum of N300m (2009 N300m). This is in accordance with section 10(2) of the Insurance Act, 2003.

**PRESTIGE ASSURANCE PLC (NIGERIA)**

**NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010 (Contd...)**

**9. PROPERTY, PLANT & EQUIPMENT**

	Plant & Machinery	Leasehold Land & Building	Building Under Construction	Furniture Fixtures & Fittings	Computer Equipment	Motor Vehicles	Assets on Lease	Total
	N	N	N	N	N	N	N	N
<b>Cost :</b>								
At 1st January,2010	22,110,435	165,375,323	-	32,389,006	53,831,159	75,777,489	1,471,940,377	1,821,423,789
Additions	6,526,978	-	388,370,331	1,595,600	8,443,322	8,900,000	255,522,000	669,358,231
Disposal	-	-	-	-	-	(3,000,000)	(505,062,800)	(508,062,800)
At 31st December,2010	<u>28,637,413</u>	<u>165,375,323</u>	<u>388,370,331</u>	<u>33,984,606</u>	<u>62,274,481</u>	<u>81,677,489</u>	<u>1,222,399,577</u>	<u>1,982,719,220</u>
<b>Depreciation :</b>								
At 1st January,2010	15,187,361	19,551,990	-	19,965,000	46,507,915	59,962,211	1,052,053,011	1,213,227,488
Charge for the year	2,292,078	2,909,371	-	2,109,235	7,861,703	12,283,000	333,045,213	360,500,600
Disposal	-	-	-	-	-	(3,000,000)	(505,062,800)	(508,062,800)
At 31st December,2010	<u>17,479,439</u>	<u>22,461,361</u>	<u>-</u>	<u>22,074,235</u>	<u>54,369,618</u>	<u>69,245,211</u>	<u>880,035,424</u>	<u>1,065,665,288</u>
<b>Net book value :</b>								
At 31st December, 2010	<u>11,157,974</u>	<u>142,913,962</u>	<u>388,370,331</u>	<u>11,910,371</u>	<u>7,904,863</u>	<u>12,432,278</u>	<u>342,364,153</u>	<u>917,053,932</u>
At 31st December,2009	<u>6,923,074</u>	<u>145,823,333</u>	<u>-</u>	<u>12,424,006</u>	<u>7,323,244</u>	<u>15,815,278</u>	<u>419,887,366</u>	<u>608,196,301</u>

The leasehold land and buildings with a netbook value of N145,823,333 were professionally valued at N400,000,000 on the 16th November 2009 by Messrs Obasi & Co., Estate Surveyors and Valuers on the basis of open market value of N600,000,000. In line the with the National Insurance Commission's guideline, this can only be brought into the books of account after 3 years of the valuation.

**10. CREDITORS**

	2010 N	2009 N
<b>Amounts Falling due within one year :</b>		
Amounts due to Re-Insurance and Insurance Companies	<b>343,510,558</b>	82,965,813
Amounts due to Insurance Brokers and Agents	<b>188,345,904</b>	94,175,991
Amounts due to Policy Holders	<b>70,207,341</b>	119,350,848
Sundry Creditors and Accrued charges	<b>408,118,008</b>	473,086,419
	<u><b>1,010,181,811</b></u>	<u>769,579,071</u>



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**PRESTIGE ASSURANCE PLC (NIGERIA)**

**NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010 (Contd...)**

			2010 N	2009 N
<b>11. INSURANCE FUNDS</b>				
Unexpired Risks :				
Accident			190,696,131	168,881,852
Fire			180,969,213	281,012,272
Workmen's Compensation			11,801,741	10,679,655
Motor			107,970,879	93,111,421
Marine and Aviation			229,529,690	152,879,225
			<u>720,967,654</u>	<u>706,564,425</u>
Outstanding Claims :	<b>Gross</b>	<b>Provision for IBNR</b>	<b>Total</b>	
	N	N	N	N
Accident	100,602,949	10,060,295	110,663,244	121,895,362
Fire	332,576,818	33,257,682	365,834,500	405,003,500
Workmen's Compensation	20,050,000	2,005,000	22,055,000	21,769,000
Motor	15,450,000	1,545,000	16,995,000	27,538,500
Marine and Aviation	129,644,864	12,964,486	142,609,350	188,577,459
	<u>598,324,631</u>	<u>59,832,463</u>	<u>658,157,094</u>	<u>764,783,821</u>
<b>Total Insurance Funds</b>			<u>1,379,124,748</u>	<u>1,471,348,246</u>
<b>12. SHARE CAPITAL</b>				
4,000,000,000 Ordinary Shares of 50k each			<u>2,000,000,000</u>	<u>2,000,000,000</u>
<b>Issued and Fully Paid :</b>				
2,149,984,660 Ordinary Shares of 50k each			<u>1,074,992,330</u>	<u>1,074,992,330</u>
<b>13 Share Premium</b>				
At 1 January			1,349,985,726	1,349,985,726
Transfer to Bonus Issue Reserve (Note 14)			(179,165,389)	-
At 31 December			<u>1,170,820,337</u>	<u>1,349,985,726</u>
<b>14 Bonus Issue Reserve</b>				
Transfer From Share Premium (Note 13)			<u>179,165,389</u>	-
<b>15 Statutory Contingency Reserve.</b>				
At 1 January			957,947,969	783,264,667
Additional provision made during the year			166,173,904	174,683,302
At 31 December			<u>1,124,121,873</u>	<u>957,947,969</u>

**PRESTIGE ASSURANCE PLC (NIGERIA)**

**NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010 (Contd...)**

	2010 N	2009 N		
<b>16 Equity Revaluation Reserve</b>				
At 1 January	-	188,978,516		
Movement during the year	<b>167,889,400</b>	(217,638,069)		
	<b>167,889,400</b>	(28,659,553)		
Diminution Written Off	<b>(28,659,553)</b>	-		
Diminution Transferred to Profit and loss account	-	28,659,553		
At 31 December	<b>139,229,847</b>	-		
<b>17 General Reserve</b>				
At 1 January	<b>960,794,797</b>	972,402,724		
Dividend declared/paid	<b>(214,998,466)</b>	(429,996,933)		
Retained Earnings	<b>321,524,692</b>	418,389,006		
At 31 December	<b>1,067,321,023</b>	960,794,797		
<b>18 NET PREMIUM EARNED AND UNDERWRITING PROFITS</b>				
	2010 N	2010 N	2009 N	2009 N
	NET PREMIUM EARNED	UNDER- WRITING PROFIT/(LOSS)	NET PREMIUM EARNED	UNDER- WRITING PROFIT
Accident Insurance Business	<b>125,737,877</b>	<b>29,273,045</b>	381,143,135	229,291,452
Fire Insurance Business	<b>895,204,617</b>	<b>291,643,950</b>	552,856,287	102,567,088
Workmen's Compensation Insurance Business	<b>62,045,727</b>	<b>15,910,486</b>	53,682,717	24,696,343
Motor Insurance Business	<b>310,204,661</b>	<b>184,074,891</b>	302,730,423	164,170,300
Marine and Aviation Business	<b>471,372,779</b>	<b>391,449,062</b>	365,457,741	181,680,554
	<b>1,864,565,661</b>	<b>912,351,434</b>	1,655,870,303	702,405,737
<b>19 Underwriting Expenses</b>			2010 N	2010 N
Acquisition Cost :				
- Commission Paid			<b>575,737,935</b>	362,522,216
- Maintenance Expenses			<b>495,503,522</b>	481,853,819
			<b>1,071,241,457</b>	844,376,035
<b>20 Other operating Income</b>				
Sundry Income			<b>881,586</b>	1,741,537
Gain on exchange			<b>9,615,910</b>	16,401,649
			<b>10,497,496</b>	18,143,186



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## PRESTIGE ASSURANCE PLC (NIGERIA)

### NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010 (Contd...)

	2010 N	2009 N
<b>21 Profit on Ordinary Activities</b>		
<b>Before Taxation</b>		
This is stated after Charging and (Crediting) :		
Directors' Remuneration :		
Fees	950,000	950,000
Gratuity	1,320,480	1,272,000
Other remuneration	14,595,840	16,426,351
Depreciation of property, plant & equipment	360,500,600	439,225,228
Auditors' Remuneration	4,000,000	3,500,000
Exchange Loss (Gain)	(9,615,910)	(16,401,649)
(Profit) /loss on disposal of Investment	(2,892,718)	(37,423,256)
(Profit) /loss on disposal of fixed assets	(5,533,755)	(1,771,724)
Lease Rental Income	<b>(481,680,987)</b>	<b>(528,724,211)</b>
<b>22 Taxation</b>		
<b>22.1 Per profit and Loss Account</b>		
Profit and Loss Account -		
Income Tax on Profit for the year	278,569,697	238,758,417
Education Tax	28,229,800	25,636,997
Information Technology Tax	8,308,695	8,734,165
	<b>315,108,192</b>	273,129,579
Deferred Taxation (Note 22.3)	<b>28,062,735</b>	7,214,625
	<b>343,170,927</b>	280,344,204
<b>22.2 Per Balance Sheet</b>		
Balance at 1st January	289,154,591	326,858,290
Charge for the Year (Income Tax and Education Tax)	306,799,497	264,395,414
Information Technology Tax	8,308,695	8,734,165
Payment during the year	<b>(287,710,269)</b>	<b>(310,833,278)</b>
Balance at 31 December	<b>316,552,514</b>	289,154,591
The charge for taxation in these accounts is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 as amended and the Education tax CAP E4 LFN 2004		
<b>22.3 Deferred taxation</b>		
At 1 January	64,133,940	56,919,315
Provision made in the year	28,062,735	7,214,625
At 31 December	<b>92,196,675</b>	64,133,940

The company has adopted the Statement of Accounting Standard SAS 19 on deferred taxation which is now computed using the liability method.

**PRESTIGE ASSURANCE PLC (NIGERIA)**

**NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010 (Contd...)**

**23 Information Technology Development**

The Nigeria Information Technology Development Agency (NITDA) Act was signed into Law on 24 April, 2007. Section 12(2a) of the Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.

	2010	2009
	N	N
At 1 January	-	36,158,577
Declared during the year	<b>214,998,466</b>	429,996,932
Payments during the year	<b>(214,998,466)</b>	(466,155,509)
At 31 December	-	-

A final dividend of 6k per 50k share held has been proposed. This is subject to shareholders' ratification at the Annual General Meeting.

	2010	2009
	Number	Number
<b>25 Information Regarding Directors and Employees</b>		
<b>i) Employees</b>		
Number of persons employed in the financial year and staff costs were as follows :		
Managerial	6	4
Senior Staff	41	40
Junior Staff	38	38
	<b>85</b>	82
<b>ii) Analysis of staff costs</b>	N	N
Salaries and welfare	<b>321,593,887</b>	322,148,270
Staff gratuity and pension	<b>21,570,222</b>	24,359,901
	<b>343,164,109</b>	346,508,171
Medical	<b>17,941,511</b>	18,008,215
Training	<b>14,001,839</b>	18,521,873
	<b>375,107,459</b>	383,038,259
<b>Gratuity</b>		
At 1 January	<b>20,029,873</b>	30,029,873
Payment during the year	-	(10,000,000)
At 31 December	<b>20,029,873</b>	20,029,873



## PRESTIGE ASSURANCE PLC (NIGERIA)

### NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010 (Contd...)

#### iii) Chairman's and Directors' Emoluments, Pensions and Compensation for loss of office :

Emoluments :

Chairman	150,000	150,000
Other Directors	600,000	600,000
Gratuity	1,320,480	1,290,000
Other Emolument of Executives	14,595,840	16,426,351
Emolument of highest paid director	14,595,840	16,426,351

The table below shows number of directors of the Company excluding the chairman whose emoluments fell within bands shown below :

N	N	Number	Number
10,001	20,000	Nil	Nil
20,001	30,000	Nil	Nil
50,001	60,000	Nil	Nil
70,001	80,000	Nil	Nil
Above	80,000	6	6

#### iv) Emoluments Waived

Number of directors who have waived their rights to receive emoluments Nil Nil

#### v) Scale of Employees Remuneration

The number of employees in respect of emoluments within the following ranges were :

		2010 Number	2009 Number
250,000	300,000	3	3
300,001	350,000	24	23
350,001	400,000	11	10
400,001	450,000	5	5
450,001	500,000	6	6
500,001	and above	36	35
		85	82

## 26 Proposed Dividend

In respect of the current year, the directors proposed that a dividend of 6kobo per ordinary share will be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in the financial statements in accordance with the statement of accounting standard 23. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose name appear in the register of members at closure date. The gross dividend to be paid is N128,999,080.



**PRESTIGE ASSURANCE PLC (NIGERIA)**

**NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2010 (Contd...)**

**27 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit after tax attributable to ordinary shareholders the number of ordinary shares in issue during the year.

	2010	2009
	N	N
Profit after tax for the year attributable to ordinary shareholders	<u>487,698,596</u>	<u>593,072,308</u>
Ordinary shares in issue	<u>2,149,984,660</u>	<u>2,149,984,660</u>
Basic Earnings per share (kobo)	<u>22.68</u>	<u>27.58</u>

**28 Financial Commitments**

There is capital commitment of N755million for the building of the Company's new head office for a period of 60 weeks.

**29 Contingent Liabilities**

There were no contingent liabilities at 31st December, 2010.

**30 Post Balance Sheet Events**

No events or transactions have occurred since the balance sheet date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements.

**31 Reclassification of Balances**

Where necessary, comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the statement of Accounting Standard No.2 (SAS 2).

**32 Prestige Assurance Plc is a subsidiary of the New India Assurance Co. Ltd., Mumbai, India.**

**33 Approval of Financial Statements**

The Financial Statements were approved by the Board of Directors on 30 March 2011.



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**PRESTIGE ASSURANCE PLC (NIGERIA)**

**STATEMENT OF VALUE ADDED YEAR ENDED 31ST DECEMBER, 2010**

	2010 N	%	2009 N	%
Net Premium Earned	1,864,565,661		1,655,870,303	
Commissions - Net	(118,505,002)		(55,251,422)	
	<u>1,746,060,659</u>		<u>1,600,618,881</u>	
Claims incurred and other services expenses-Local	(872,445,561)		(868,314,259)	
	<u>873,615,098</u>		<u>732,304,622</u>	
Investment Income	674,056,293		936,498,026	
Other Operating Income	10,497,496		18,143,186	
<b>VALUE ADDED</b>	<u><u>1,558,168,887</u></u>	<u><u>100</u></u>	<u><u>1,686,945,834</u></u>	<u><u>100</u></u>
<b>Applied as follows :</b>				
<b>To pay employees :</b>				
Salaries, wages and other benefits	375,107,459	24	383,038,259	23
<b>To pay Provider of Capital :</b>				
Contingency Reserve	166,173,904	11	174,683,302	10
<b>To pay Government :</b>				
Taxation	306,799,497	20	264,395,414	16
<b>To provide for assets replacement and growth</b>				
Depreciation	360,500,600	23	439,225,228	26
Retained for Company's growth	321,524,692	21	418,389,006	25
Deferred Taxation	28,062,735	2	7,214,625	-
	<u><u>1,558,168,887</u></u>	<u><u>100</u></u>	<u><u>1,686,945,834</u></u>	<u><u>100</u></u>

**PRESTIGE ASSURANCE PLC (NIGERIA)**

**FIVE YEAR FINANCIAL SUMMARY YEAR ENDED 31ST DECEMBER, 2010**

	2010 N'000	2009 N'000	2008 N'000	2007 N'000	2006 N'000
<b>ASSETS EMPLOYED</b>					
Net Current Assets	3,774,805	3,954,066	2,788,821	2,629,351	2,697,986
Investments	1,235,114	1,016,941	1,227,727	1,609,824	768,055
Statutory Deposit	300,000	300,000	300,000	300,000	20,000
Fixed Assets	917,054	608,196	561,624	555,405	495,627
	<b>6,226,973</b>	<b>5,879,203</b>	<b>4,878,172</b>	<b>5,094,580</b>	<b>3,981,668</b>
Insurance Funds	(1,379,125)	(1,471,348)	(451,629)	(343,170)	(298,041)
Deferred Taxation	(92,197)	(64,134)	(56,919)	(69,491)	(66,272)
	<b>4,755,651</b>	<b>4,343,721</b>	<b>4,369,624</b>	<b>4,681,919</b>	<b>3,617,355</b>
<b>FINANCED BY :</b>					
Share Capital	1,074,992	1,074,992	1,074,992	859,994	797,652
Bonus Issue Reserve	179,166	-	-	214,998	-
Share Premium	1,170,820	1,349,986	1,349,986	1,349,986	1,335,829
Statutory Contingency Reserve	1,124,122	957,948	783,265	585,261	404,947
Investment Revaluation Reserve	139,230	-	188,978	859,909	466,928
General Reserve	1,067,321	960,795	972,403	811,771	611,999
<b>SHAREHOLDERS FUNDS</b>	<b>4,755,651</b>	<b>4,343,721</b>	<b>4,369,624</b>	<b>4,681,919</b>	<b>3,617,355</b>
<b>INCOME AND PROFIT</b>					
Gross Premium Written	3,874,452	3,445,447	3,008,391	2,260,710	1,539,098
Gross Premium Earned	3,860,049	2,958,600	1,576,116	1,180,858	889,602
Net Premium Earned	1,864,566	1,655,870	1,532,178	1,163,192	881,121
Investment and other Income	684,554	954,641	915,335	752,780	488,677
Profit before taxation	830,870	873,417	1,000,020	901,569	600,484
Taxation	306,799	264,395	290,943	263,485	193,068
Profit after taxation	487,699	593,072	711,649	638,084	407,416
Proposed dividend/paid	-	214,998	429,997	343,998	257,998
Statutory Contingency Reserve	166,174	174,683	198,004	180,314	120,097
Retained Profits	321,525	418,389	513,645	457,770	287,319
Earnings per 50k share (actual)	22.68	27.58	33.10	39.48	41.91

During the five years period the following bonus shares were approved for allotments :

27 July 2006 one for every four shares	N91,530,423
31 July 2008 one for every four shares	N214,998,466

Basic earnings per share is calculated by dividing the net profit after tax attributable to ordinary Shareholders by the number of ordinary shares in issue during the year.



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The New India Assurance Co. Ltd.

## OFFICES IN INDIA

SR. NO.	REGIONAL OFFICES	DIVISIONAL OFFICES	BRANCH OFFICES	DIRECT AGENT BRANCHES	EXTENTION COUNTERS	TOTAL
1	HEAD OFFICE	0	0	0	0	1
2	MUMBAI - I	11	1	0	0	12
3	MUMBAI - II	13	5	3	0	21
4	MUMBAI - III	10	2	0	0	12
5	MUMBAI - IV	9	0	1	0	10
6	MUMBAI - V	7	6	1	0	14
7	PUNE	24	30	1	2	57
8	NAGPUR	10	17	1	0	28
9	AHMEDABAD	15	14	1	2	32
10	BARODA	10	6	0	3	19
11	SURAT	9	6	1	1	17
12	DELHI - I	20	14	1	0	35
13	DELHI - II	12	21	2	0	35
14	JAIPUR	11	21	1	0	33
15	DEHRADUN	9	26	1	3	39
16	CHANDIGARH	18	36	1	3	58
17	LUDHIANA	17	31	1	4	53
18	KANPUR	16	39	1	1	57
19	BHOPAL	19	29	1	0	49
20	KOLKATA	20	30	1	0	51
21	GUWAHATI	9	22	0	2	33
22	PATNA	10	29	1	0	40
23	BHUBANESHWAR	10	23	1	3	37
24	HYDERABAD	21	18	2	0	41
25	VISHAKHAPATNAM	13	22	1	1	37
26	BENGALURU	23	40	0	0	63
27	CHENNAI	20	21	4	8	53
28	COIMBATORE	18	35	0	8	61
29	ERNAKULAM	13	44	1	4	62
	<b>TOTAL</b>	<b>397</b>	<b>588</b>	<b>29</b>	<b>45</b>	<b>1060</b>

As on 01.04.2011

## FOREIGN OFFICES

### A. FOREIGN BRANCHES

	Country	Branches	Year of commencement of operations
1.	Japan (Seven)	1. Tokyo	1950
		2. Nagoya	1964
		3. Hiroshima	1973
		4. Okayama	1980
		5. Sapporo	1978
		6. Osaka	1962
		7. Himeji	1996
2.	Hong Kong (One)	8. Hong Kong	1952
3.	Philippines (One)	9. Manila	1930
4.	Thailand (One)	10. Bangkok	1948
5.	Australia (One)	11. Sydney	1955
6.	Fiji (Four)	12. Suva	1954
		13. Lautoka	1967
		14. Labasa	1982
		15. Nadi	1996
7.	Mauritius (One)	16. Port Louis	1935
8.	U.K. (Two)	17. London - Fenchurch	1920
		18. Ipswich	2000
9.	New Zealand (One)	19. Auckland	2004

### B. FOREIGN AGENCIES

	Country	Agencies	Year of commencement of operations
1.	Abu Dhabi (U.A.E.)	1. Abu-Dhabi	1973
2.	Dubai (U.A.E.)	2. Dubai	1961
3.	Bahrain (One)	3. Bahrain	1959
4.	Kuwait (One)	4. Kuwait	1953
5.	Oman (One)	5. Muscat	1975
6.	Dutch Caribbean (One)	9. Aruba	1963
7.	Netherlands Antilles (One)	10. Curacao	1954



### C. SUBSIDIARIES

	Country		Year of commencement of operations
1.	Nigeria	1. Lagos	1970
		2. Kano	
		3. Port Harcourt	
2.	Trinidad & Tobago	1. Port of Spain	1966
		2. St. Lucia (Castries)	
		3. Dominica (Roseau)	
		4. St. Maarten (Philipsburg)	
3.	Sierra Leone	1. Freetown	1973

### D. ASSOCIATES

1. India International Insurance Pvt. Ltd., Singapore
2. Kenindia Assurance Co. Ltd., Kenya
3. United Insurance Co. Ltd., Jordan
4. Saudi Indian Company for Co Operative Insurance, Riyadh



## दि न्यू इन्डिया एश्योरंस कंपनी लिमिटेड

(भारत सरकार का उपक्रम)

**THE NEW INDIA ASSURANCE CO. LTD.**

(A Government of India Undertaking)

**प्रधान कार्यालय :** न्यू इन्डिया एश्योरंस बिल्डिंग, 87, महात्मा गांधी रोड, फोर्ट, मुंबई - 400 001.

दूरभाष : 91+22+2270 8100 / 2270 8400 ❖ फैक्स : 91+22+2262 2355

**Head Office :** New India Assurance Building, 87, M. G. Road, Fort, Mumbai - 400 001.

Tel. : 91+22+2270 8100 / 2270 8400 ❖ Fax : 91+22+2262 2355

website : <http://newindia.co.in>



वार्षिक प्रतिवेदन  
**Annual Report**  
**2010 - 11**



दि न्यू इंडिया एश्योरन्स कंपनी लिमिटेड  
**The New India Assurance Company Limited**



मुख्य क्षेत्रीय प्रबंधक, मुंबई क्षेत्रीय कार्यालय - 5, एम. वी. परांजपे, अध्यक्ष सह प्रबंध निदेशक, एम. रामादौस की उपस्थिति में, मुंबई क्षेत्रीय कार्यालय - 5 के उद्घाटन के अवसर पर दीप प्रज्वलित करते हुए ।  
Chief Regional Manager, Mumbai Regional Office - V, M. V. Paranjape lighting the lamp during the inauguration of Mumbai Regional Office - V in the presence of Chairman-cum-Managing Director, M. Ramadoss.





उत्तराखंड के गवर्नर महामहीम मार्गरेट अल्वा की उपस्थिति में, देहरादून क्षेत्रीय कार्यालय के उद्घाटन के अवसर पर अध्यक्ष सह प्रबंध निदेशक, एम. रामादौस दीप प्रज्ज्वलित करते हुए ।

Chairman-cum-Managing Director, M. Ramadoss lighting the lamp during the inauguration of Dehradun Regional Office in the presence of Governor of Uttarakhand, Her Excellency Margaret Alva.