

वार्षिक प्रतिवेदन
Annual Report 2014-15

SNR
copy



Defining the Future

Leadership and beyond



न्यू इन्डिया एश्योरन्स
NEW INDIA ASSURANCE



The New India constitutes the commencement of a new and large commercial undertaking for India. It is not a Bombay Insurance Company, or a Company working solely in India, but may claim to be a Worldwide company.

Sir Dorab Tata



ACCOLADES



Dalal Street Investment Journal Award

- Overall Performance in General Insurance (PSU)

BT PSU Excellence Award

- BT PSU CMD of the year 2014

36th SKOCH Summit

- SKOCH Platinum award for Excellence in Non-Life Insurance 2014.

4th Indian Insurance Award organized by Fintelekt

- Personal Lines Growth Leader
- Underserved Market Penetration
- Technology Maturity

Lokmat Banking Financial Services & Insurance Awards 2014

- Award for outstanding contribution to the industry.

Institute Of Directors (iod) Fellowship Award 2014

- Distinguished Fellow of IOD.

India's SME Forum

- India's Best General Insurance Company for MSMEs.

Indira Gandhi Rajbhasha Puraskar

- Outstanding Performance in implementation of our official language.

Golden Peacock Award

- Excellence in Corporate Governance 2014.

SKOCH Challenger Award 2015

- Stellar Performance as the leader of The New India Assurance Co. Ltd.

6th DALAL Street Investment Journal PSU Award

- The Best General Insurance Company.



Key Performance Indicators

Gross Premium	Indian	₹ 13209 crore
Gross Premium	Foreign	₹ 2841 crore
Global Premium		₹ 16050 crore
Net Incurred Claims		₹ 11188 crore
Investment Income		₹ 3821 crore
Profit Before tax		₹ 1776 crore
Profit After tax		₹ 1431 crore
Solvency Ratio	(Global)	2.44 times
Dividend		₹ 300 crore



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

Overseas
Presence

Overseas Presence



- Abu Dhabi,
- Dubai,
- Bahrain
- Kuwait
- Oman
- Aruba
- Curacao
- Japan
- Hongkong

- Philippines
- Thailand
- Australia
- Fiji
- Mauritius
- UK
- New Zealand
- Nigeria
- Trinidad & Tobago

- St Lucia
- St Maarten
- Dominica
- Myanmar
- Singapore
- Saudi Arabia
- Kenya
- Guyana
- Sierra Leone
- Anguilla

We are New Indians



COMPANY'S FINANCIAL SUMMARY SINCE NATIONALISATION (From 1st JANUARY 1973)

(₹ IN CRORE)

Year	Gross Premium		Net Premium Total	Unexpired Risk	Earned Premium	Net incurred claims	Commission & Operating expense	U/W (profit +/- loss)	Investment Income	Net profit		Share capital	Dividend	General Reserve	Total Assets	Net Worth
	Indian	Foreign								PBT	PAT					
1973	44.45	8.18	52.63	4.1	45.08	24.12	14.25	4.91	5.51	6.90	4.06	3.84	0.46	13.98	114.81	16.04
1974	55.64	10.23	65.87	6.49	52.42	29.53	17.19	5.72	6.06	10.98	4.93	3.85	1.19	18.90	135.60	23.94
1975	67.61	12.10	79.71	7.3	62.87	36.52	19.31	7.30	8.38	14.61	7.02	3.85	2.31	25.00	162.45	30.02
1976	77.58	15.87	93.45	7.38	74.04	36.58	21.84	15.60	10.70	24.81	14.88	7.70	2.70	32.99	191.59	41.88
1977	81.51	15.76	97.27	4.64	84.65	45.59	25.49	13.57	12.91	21.03	8.45	7.70	2.70	38.75	220.97	51.57
1978	92.54	17.32	109.86	5.91	93.62	57.77	25.65	10.20	14.31	24.39	11.88	7.70	3.85	47.93	259.51	61.53
1979	105.15	16.24	121.39	3.22	102.26	65.15	30.96	6.15	16.39	18.23	7.10	11.00	3.85	47.89	258.95	69.13
1980	127.48	20.02	147.50	11.26	115.6	73.61	32.35	9.84	19.13	23.09	8.37	11.00	3.85	52.42	291.58	78.75
1981	164.72	26.20	190.92	22.00	140.13	98.16	34.43	7.54	23.76	24.70	8.86	11.00	3.85	57.42	350.24	89.86
1982	206.73	25.59	232.32	11.55	176.11	115.42	38.34	22.35	31.91	48.14	16.61	18.50	6.48	62.68	457.99	108.74
1983	248.78	25.59	274.37	23.77	201.83	131.80	42.48	27.55	48.84	75.17	29.11	18.50	7.40	85.32	583.59	132.40
1984	287.10	28.70	315.8	16.16	237.32	168.87	42.35	26.10	51.19	76.87	31.00	18.50	7.40	108.92	699.68	156.01
1985	338.41	31.80	370.21	25.87	271.11	199.94	65.86	5.31	63.14	68.90	39.40	18.50	7.40	133.52	828.52	180.61
1986	393.52	40.30	433.82	26.61	315.06	224.14	75.87	15.05	74.82	87.92	46.13	25.90	9.06	163.19	977.35	217.68
1987	446.93	55.70	502.63	31.7	366.93	258.28	90.07	18.58	86.62	104.00	53.27	25.90	9.06	207.39	1095.94	261.88
1988-89	660.22	73.32	733.54	35.84	540.91	423.30	147.65	-30.04	129.51	99.48	64.56	25.90	11.33	279.73	1325.34	334.21
1989-90	648.13	69.27	717.40	63.46	506.2	392.69	142.80	-29.29	130.76	101.18	70.94	25.90	9.06	351.12	1644.30	405.60
1990-91	837.22	88.65	925.87	79.54	631.01	532.98	152.18	-54.15	166.42	112.89	80.01	40.00	14.00	418.37	1889.23	486.90
1991-92	983.02	165.21	1148.23	135.11	806.97	656.42	197.65	-47.10	224.19	148.53	92.84	40.00	14.00	519.56	2411.63	588.08
1992-93	1175.06	211.73	1386.79	58.25	989.71	760.26	220.04	9.41	260.33	269.07	158.43	40.00	14.00	669.53	2908.07	738.05
1993-94	1362.63	253.89	1616.52	84.32	1113.75	831.84	245.01	36.90	285.81	322.41	193.48	40.00	14.00	876.25	3391.89	944.83
1994-95	1524.49	252.44	1776.93	66.64	1266.81	1194.94	249.30	-177.43	342.19	168.27	118.30	40.00	14.00	1012.87	4094.58	1081.39
1995-96	1867.48	264.55	2132.03	156.45	1460.21	1129.53	358.10	-27.42	432.91	395.08	241.40	40.00	20.00	1248.71	4688.00	1317.23
1996-97	2174.36	259.28	2433.64	93.27	1713.66	1263.04	529.57	-78.95	456.35	365.54	196.69	40.00	24.00	1434.00	5281.10	1502.52
1997-98	2433.73	254.84	2688.57	60.51	1884.49	1389.34	438.02	57.13	573.90	620.66	470.94	40.00	30.00	1923.76	6071.67	1964.87
1998-99	2729.48	288.16	3017.64	121.76	2065.16	1561.61	490.37	13.18	589.41	564.69	375.00	40.00	30.00	2483.12	6727.72	2524.23
1999-00	2979.53	327.00	3306.53	146.16	2331.29	1906.25	603.02	-177.98	685.74	435.32	287.29	40.00	30.00	2818.74	7664.71	2859.86
2000-01	3041.17	451.88	3493.05	95.02	2576.46	2279.74	742.76	-446.04	737.55	238.84	173.54	100.00	20.00	2966.28	8291.9	3067.39
2001-02	3512.33	685.73	4198.06	209.36	2858.87	2555.14	854.35	-529.60	752.00	208.19	142.00	100.00	20.00	3088.28	12273.02	3189.39
2002-03	3921.24	891.55	4812.79	219.27	3297.16	2699.51	1087.91	-490.26	762.14	312.82	255.81	100.00	40.00	3302.89	12984.75	3404.00
2003-04	4045.68	875.79	4921.47	45.49	3589.45	2713.58	1554.18	-678.31	1249.66	647.89	590.21	100.00	45.00	3843.50	17510.44	3943.50
2004-05	4210.81	892.35	5103.16	127.94	3767.17	2904.98	1520.76	-658.57	1450.73	797.88	402.23	150.00	80.00	4166.41	19827.19	4161.69
2005-06	4791.49	884.05	5675.54	221.66	4121.00	3632.01	1688.31	-1199.32	2010.79	855.57	716.38	200.00	130.00	4622.79	27025.58	4706.87
2006-07	5017.20	919.58	5936.78	216.65	4535.11	3643.61	1544.78	-653.27	2251.35	1613.93	1459.95	200.00	292.00	5741.11	27444.57	5972.55
2007-08	5276.91	874.55	6151.46	102.86	4811.42	4177.48	1478.33	-844.39	2344.62	1521.46	1401.13	200.00	283.00	6772.17	31944.14	6972.80
2008-09	5508.83	946.95	6455.78	251.01	5249.30	4671.86	2017.28	-1439.84	1686.82	297.22	224.14	200.00	45.00	6898.72	26930.76	7328.00
2009-10	6042.51	1056.63	7099.14	291.80	5710.86	5132.45	2298.15	-1719.74	2139.69	359.29	404.69	200.00	85.00	7203.95	36632.91	7430.21
2010-11	7097.14	1298.37	8395.51	718.90	6473.33	6524.87	2591.91	-2643.45	2329.99	-411.37	-421.56	200.00	Nil	782.71	39621.27	7111.54
2011-12	8542.86	2098.24	10641.10	896.62	7874.59	7087.53	2963.31	-2286.29	2344.42	156.16	179.31	200.00	40.00	6864.71	42162.74	7057.61
2012-13	10037.96	2466.63	12504.59	823.53	9450.64	8143.07	3217.26	-1834.85	2791.05	1011.22	843.66	200.00	170.00	7439.17	45670.4	7737.36
2013-14	11540.06	2763.78	14303.84	846.55	11232.06	9380.95	3802.96	-1951.86	3192.77	1294.4	1088.96	200	220	8313.13	53010.85	8621.3
2014-15	13209.39	2840.61	16050	623.41	13315.29	11188.04	4344.47	-2217.22	3820.6	1776.3	1431.23	200	300	9348	61719.63	9722



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ANNUAL REPORTS OF SUBSIDIARIES

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Directors with Profile



Mr. G. Srinivasan

Chairman cum Managing Director (DIN No. 01876234)

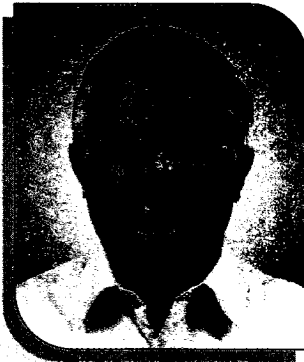
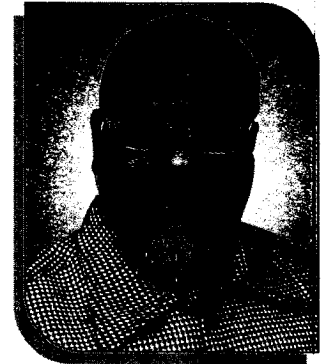
Mr. G. Srinivasan, B.Com, FIII, ACMA has taken charge as Chairman cum Managing Director of The New India Assurance Company Limited from 18th October 2012. Prior to his appointment as CMD of New India, he was the CMD of United India Insurance Company Ltd. He served as Managing Director of The New India Assurance Company (TNT) Ltd., Trinidad and Tobago and General Manager for The New India Assurance Company Ltd. He has over 25 years of experience in the Insurance Industry. His able and dynamic leadership has brought a positive turnaround in the performance of New India Assurance and has made this company a benchmark for all its competitors.

He is a Director of GIC Housing Finance Ltd., Insurance Information Bureau, GIC Re, Health Insurance TPA of India Ltd., General Insurance Corporation of India, Insurance Information Bureau & Chairman of National Insurance Academy, Pune. He is also the chairman of our subsidiary company New India Assurance Company (Trinidad and Tobago) Ltd., and director in Prestige Assurance Plc, Nigeria and India International Insurance Plc, Singapore.

Mr. Salamat Ullah,

Part Time Non Official Director (DIN No. 06475742)

Shri Salamat Ullah was appointed as part time Non – Official Director by Govt. of India on 19th December, 2012 for 3years. A Bachelor of Commerce from Delhi University, by profession he is an Businessman. He has been serving the various committees of Govt. of India in various Social, Cultural activities. He has also served as Director for Bank of Baroda, Director Punjab national Bank, Director, Bharat Wagon & Engineering Company. He has been presented with Sadbhavana Summan Award by Bhartiya Yuva Sanathan for recognition of social work and National Integration.



Mr. K. Sanath Kumar

Director & General Manager : (DIN No. 03444096)

Mr Sanath Kumar, joined the non -life Insurance Industry in 1979 , and has worked in almost all the wings of the business. He served as Branch Manager, Divisional Manager and also headed two Regions, Bhopal & Kerala. He had handled Corporate customers, Bancassurance , Micro Insurance, Rural & Govt sponsored mass Insurance schemes and large Industrial insurances. Mr Sanath Kumar has been General Manager in United India Insurance Co Ltd from 2008 onwards. He was in charge of IT systems and business Re engineering there and also pioneered Rural Insurance systems . In 2010 he moved to New India Assurance and set up the IT system & portal business for the Company and ran the business Re engineering. He is currently a member of the Board of New India Assurance Co Ltd and Prestige Assurance in Nigeria. Mr Sanath Kumar looks after Indian and International business for New India and also is in charge of B2B endeavor. He has made many presentations in Seminars in India and abroad.

Mr. KLR Babu

Director & General Manager : (DIN No. 06954320)

Mr. Babu has more than 33 years of experience which includes more than 27 years in marketing. He has continuous exposure and understanding of insurance business. He has been Regional in Charge of the Company and provided consummate leadership during his tenure in Surat and Hyderabad. He was also appointed as CEO of New India's Japan operations from 2007-11. After his return to India he was posted as General Manager in National Insurance. Mr. Babu was transferred back to New India Assurance in 2014 and became Whole Time Director in the Company. Mr. Babu has experience in all lines of insurance business. He worked in all levels of offices. He has vast experience in both administration and business development. Mr. Babu has the ability to build up people, problem solving and then conducting all of them into one symphony of growth.



Corporate Management



Mr. G. Srinivasan
Chairman-Cum-Managing Director



Mr. K. Sanath Kumar
Director & General Manager



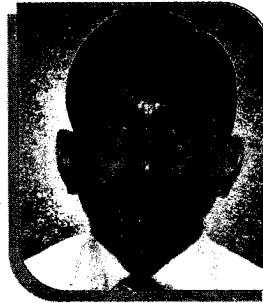
Mr. K.L.R. Babu
General Manager



Mr. P. Nayak
General Manager



Mr. Segar Sampathkumar
General Manager



Mr. Rafi Ahmed
General Manager



Mr. Rakesh Kumar
General Manager



Mr. V. Hari Srinivas
General Manager & FA



Mr. Anil Kumar
General Manager



Mr. Rajasekharan
General Manager



Mr. Mohd. Zafir Alam
General Manager



Mr. Lalit Kumar Vaid
General Manager & CVO



Mr. Sharad Ramnarayanan
Appointed Actuary



Mrs. Jayashree Nair
Company Secretary



DEPUTY GENERAL MANAGERS

A.P. Mittal

S.Pradhan *

Narinder Kumar

Susmita Mukherjee

Tajinder Mukherjee

Gyan Chandra Sharma

S.N. Rajeswari

K. Ravishankar

Aloke NarainJha

D. S. Sarma

S. Venkatachari

Dinesh Waghela

P.K. Sinha

V.R. Bhailume

C. Narambunathan

J.K. Garg *

R.M. Singh

Surjit Singh Hira

J.S. Dahiya

G. Shobha Reddy

Girish Radhakrishnan *

R. Saberwal *

R. Athiappan

K.P. Dash

Sanjiv Singh

I.V. Amaladoss

Renjit Gangadharan

R.K. Purohit

S.L. Khosa

Balla Swamy *

G.K. Patil

B. Rajamohan

S. Shankar

*On deputation to other companies/foreign offices

STATUTORY AUDITORS

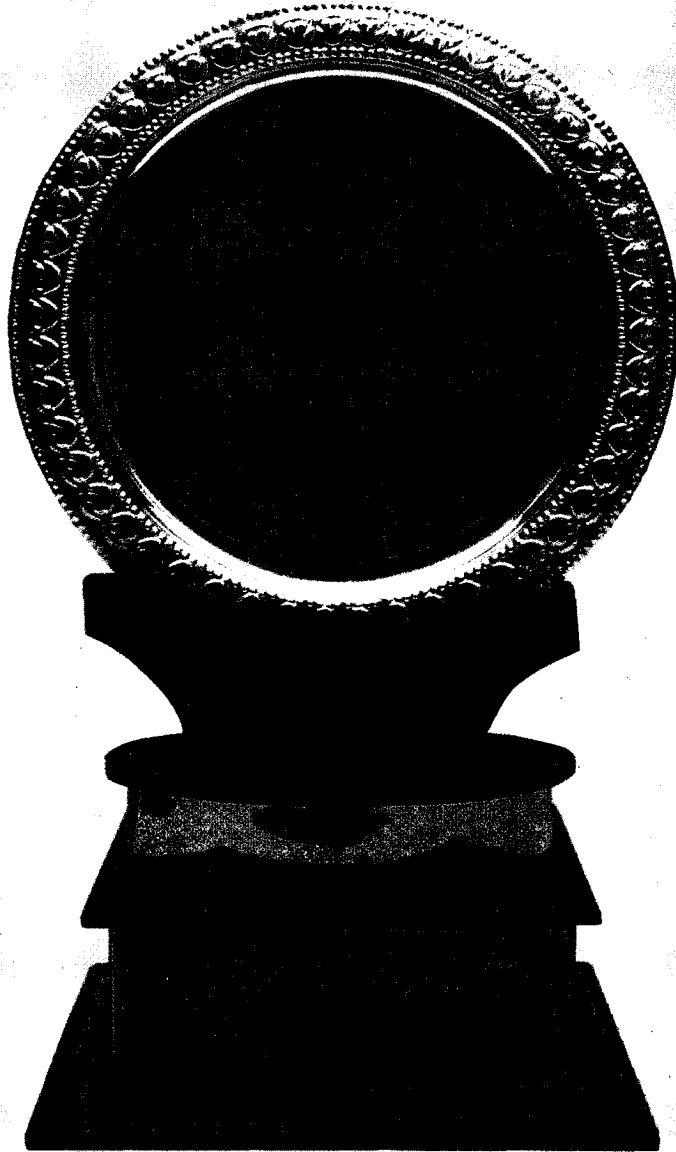
JCR & Co.

R. Devendra & Associates

A. Bafna & Co.



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The New India Assurance Co. Ltd.



We are New Indians



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The New India Assurance Co. Ltd.





Chairman's Message

Greetings to all !

The year 2014-15, in many ways brought in significant changes in India and its economy. A new Government was elected with simple majority, after quite some time of coalition governments. This created hope and optimism all around as the high growth of the economy in the previous years were coming down. There were some important legislations that were passed. To us the most important was The Insurance Laws (Amendment) Act 2015, which came out as an ordinance and later approved by Parliament. This enactment has triggered a series of epochal changes to the Industry that would significant impact as the market develops and matures.

The new legislation, which would allow the FDI investment in Insurance sector up to 49%, would bring in more competition, more active advent of global insurers, flow of investment into surrounding systems like brokers, surveyors, corporate agents and others. The capitalization of the industry would soon move to the equity market, with shares being traded actively, which would see the public shareholders driving the performance of the players. Obviously, the analysts who shape the market would drill deep into the performance and the market has to work towards profitability and better efficiencies.

While raising of the FDI limit is only one aspect of the legislation, the new change also bring in more powers to IRDAI, reinsurers setting up offices, new brands of intermediaries, new matrix of intermediary remuneration, higher penalties for errors & non compliances, tighter corporate governance norms and more.

We, at New India Assurance have been preparing for these changes. We are now resilient, flexible and have efficient processes and systems to continue our market leadership and move beyond.

Our Company performed much better in 2014-15, showing more growth, increasing the market share in spite of intense competition, increasing the profits, building reserves & net worth, and speeding up of claims settlement process. We have introduced more innovative products which were received well by the customers. We could bring down the cost, and today we have one of the lowest operating expense ratios in the Industry.

We have been, for the past two years, growing ahead of the market and increasing our market share which stood at 16.44 % at the end of FY 2015. No mean achievement as we have the highest base in the Industry!

AM Best maintained our credit rating and CRISIL affirmed us AAA class.

FY 2015 saw, New India stabilizing its portal presence with more products in our Customer Portals, Agency & brokers portals and in our B2B engagements. We forayed into innovative relationships with our corporate customers through Digital technology. The year also saw us having stronger footprints in G2 C (Government to Customer) with our products being sold through Common Service Centers, IT mission projects in Kerala, MP Online in Madhya Pradesh and others. Our products were sold well through web aggregators. Our mobile apps for customers & agents saw more traction, especially in renewals. Our agents took to digital node, quite enthusiastically. We also drove higher performance in OEM business, which led us to become the largest motor insurer as well.

We issued 24 million policies & processed 1.8 million claims in the year 2014-15! All our offices are synchronized into the Core Insurance solutions with over 200 products and 5,000 concurrent users.

New India has the unique feature of maintaining its market leadership intact, despite convulsions and tremors in the market for more than 40 years, without interruption! In this year we celebrated our Foundation day and Chairman, IRDA delivered the foundation day lecture on that day. We received the Golden Peacock Award for corporate governance consecutively for the 2nd year in 2014-15, another feather in our richly decorated hat. This has a cherished place in our hearts, among many awards we were bestowed with in the year.

The Company, incorporated in 1919, is becoming younger, as 450 officers joined us as direct recruits in 2014-15. We have the highest network among all insurers with 2200 Offices, with presence in almost all districts. Our Micro offices, 1100 of them, have become hubs for retail business.

Our Global business also brought in higher profitability and good growth and in many countries we are significant players. Our plans to expand our operations are at various stages of execution. Today, at any point of the day or night some office of New India would be serving customers at some part of the world. Literally, the sun never sets in New India Assurance Co Ltd.

And we are confident that the sun would shine brightly for us in 2015-16 as well as we head for Rs 18,000 Cr global business target. We have the strategies in place, systems at work, motivated and empowered personnel at all points, more products in anvil, and digital backbone intact.

It is indeed Leadership & beyond in New India Assurance !

G Srinivasan

Chairman Cum Managing Director



CIN No. U 99999 MH 1919 GOI 000526

NOTICE OF THE 96th ANNUAL GENERAL MEETING

To,

ALL SHAREHOLDERS/DIRECTORS/AUDITORS

NOTICE is hereby given that the **96th Annual General Meeting** of the members of **The New India Assurance Company Limited** will be convened on **Thursday, the 9th of July 2015, at 3.00 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 31st March 2015, Profit and Loss Account for the year ended 31st March 2015 and the report of the Board of Directors for the period covered by the Accounts.
2. To receive the auditors' report on the Balance Sheet and Accounts for the year ended 31st March 2015 along with C&AG comments/observations, if any.
3. To declare dividend for the year 2014-15
4. To authorize the Board of Directors to fix the remuneration of Auditors to be appointed by the C&AG for the year 2015-16.

By Order of the Board

**Jayashree Nair
COMPANY SECRETARY**

Dated : 7th July 2015

Place : Mumbai

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 2014-15

To The Members :

The Directors have immense pleasure in presenting the ninety fourth Annual Report of the company together with the audited statement of accounts and balance sheet for the year ended 31st March 2015

I. CLASS-WISE PERFORMANCE SUMMARY

(₹ in Lakhs)

			Fire	Marine	Misc.	Total
Gross Direct Premium Income	India	CY	1,644.89	665.28	10,899.22	13,209.39
		PY	1,411.77	711.46	9,416.83	11,540.06
	(% Growth)	CY	16.51	(6.49)	15.74	14.47
		PY	5.93	6.20	17.19	14.96
	Outside India	CY	818.61	105.76	1346.60	2270.97
		PY	725.41	119.83	1342.30	2187.55
	(% Growth)	CY	12.85	-11.74	0.32	3.81
		PY	21.82	15.89	18.09	19.18
	Global	CY	2463.50	771.04	12245.82	15480.36
		PY	2137.18	831.29	10759.13	13727.60
	(% Growth)	CY	15.27	-7.25	13.82	12.77
		PY	10.84	7.50	17.30	15.62
Re-insurance Premium Accepted	India	CY	98.52	12.60	321.41	432.53
		PY	92.81	16.86	151.91	261.58
	Outside India	CY	649.70	64.77	138.40	852.86
		PY	655.15	55.85	154.71	865.71
	Global	CY	748.22	77.37	459.81	1285.39
		PY	747.96	72.71	306.62	1127.29
Re-insurance Premium Ceded	India	CY	857.06	325.62	1148.10	2330.78
		PY	733.38	396.73	1075.62	2205.73
	Outside India	CY	346.34	41.94	107.88	496.16
		PY	385.43	54.76	130.37	570.56
	Global	CY	1203.40	367.56	1255.99	2826.95
		PY	1118.81	451.49	1205.99	2776.29
Net Premium	India	CY	886.35	352.26	10072.53	11311.14
		PY	771.20	331.59	8493.12	9595.91
	(% Growth)	CY	14.93	6.23	18.60	17.87
		PY	-7.27	-7.07	22.85	18.44
	(% to Growth Premium)	CY	53.88	52.95	92.42	85.63
		PY	54.63	46.61	90.19	83.15
	Outside India	CY	1121.97	128.59	1377.11	2627.67
		PY	995.13	120.92	1366.64	2482.69
	(% Growth)	CY	12.75	6.34	0.77	5.84
		PY	6.59	16.05	20.48	14.30
	(% to Gross Premium)	CY	137.06	121.58	102.27	115.71
		PY	137.18	100.91	101.81	113.49
	Global Net Premium	CY	2008.32	480.84	11449.64	13938.80
		PY	1766.33	452.51	9859.76	12078.60
	(% Growth)	CY	13.70	6.26	16.12	15.40
		PY	0.06	-1.84	22.51	17.56



		Fire	Marine	Misc.	Total
(% to Gross Premium)	CY	81.52	62.36	93.50	90.04
	PY	82.65	54.43	91.64	87.99
Addition to Un-expired Risk Reserve)	CY	120.99	-130.20	632.72	623.51
	PY	-53.48	-8.50	908.58	846.55
(% to Net Premium)	CY	6.02	-27.08	5.53	4.47
	PY	-3.03	-1.88	9.21	7.01
Earned Premium	CY	1887.33	611.04	10816.92	13315.29
	PY	1819.81	461.01	8951.18	11232.00
Incurred Claims Net	CY	1441.52	321.67	9424.85	11188.04
	PY	1530.06	214.32	7636.57	9380.95
(% to Earned Premium)	CY	76.38	52.64	87.13	84.02
	PY	84.08	46.49	85.31	83.52
Commission Net	CY	403.15	42.58	838.14	1283.87
	PY	318.47	48.59	805.55	1172.61
(% to Net Premium)	CY	20.07	8.86	7.32	9.21
	PY	18.03	10.74	8.17	9.71
Operating Expenses	CY	594.41	117.61	2348.58	3060.60
	PY	518.98	121.89	1989.49	2630.36
(% to Net Premium)	CY	29.60	24.46	20.51	21.96
	PY	29.38	26.94	20.18	21.78
U/W Results	CY	-551.75	129.18	-1794.65	-2217.22
	PY	-547.70	76.22	-1480.38	-1951.86
Investment income - Policy Holders	CY	450.70	107.60	2031.19	2589.49
	PY	441.63	111.98	1585.67	2139.27
Revenue Account - Policy Holders	CY	-101.05	236.78	236.54	372.27
	PY	-106.07	188.19	105.29	187.41
Investment Income - Share Holders	CY				1231.11
	PY				1053.50
Other Income less Outgo	CY				172.92
	PY				53.49
Profit Before Tax	CY				1776.30
	PY				1294.40
Provision for Tax	CY				345.07
	PY				205.44
Profit After Tax	CY				1431.23
	PY				1088.96
Dividend (Proposed)	CY				300.00
	PY				220.00
Dividend Tax	CY				60.00
	PY				37.39
Transfer to Reserves	CY				1071.22
	PY				876.54

DIVIDEND

During the year the Directors recommended ₹ 300 crore at the rate of 150% as full and final dividend on date as against ₹ 220 crore at the rate of 110% in the previous year.



IIPERFORMANCE REVIEW (Global)

(₹ in Lakhs)

		2014-15	2013-14
A	Gross Direct Premium (India)	13209.39	11,540.06
	% change over previous year	14.47	14.96
	Gross Premium (Foreign)	2840.61	2,763.79
	% change over previous year	2.78	12.04
	Gross Global Premium	16050	14303.85

Gross Direct Premium (GDP) in India has increased from Rs. 11540.06 crore in 2013-14 to ₹ 13209.39 crore in 2014-15 recording a good growth of 14.47% in 2014-15. The company continues to be the market leader in India and is scaling to new heights. Good growth has been achieved by all the regions. The company crossed ₹ 13000 crore in Indian market itself in 2014-15.

B	Net Premium	13938.8	12,078.61
	% change over previous year	15.4	17.56
C	Additional Un-expired Risk Reserves	623.51	846.55
	% change over previous year	4.47	7.01
D	Incurred Claims (Net)	11188.04	9,380.95
	Percentage to earned premium	83.52	85.49
E	Commission (Net)	1283.87	1,172.61
	Percentage to Net premium	9.21	9.71
F	Operating Expenses	3060.6	2,630.36
	Percentage to earned premium	21.96	23.42

During the year, the company's operating expenses ratio to net earned premium has come down to 21.96% against 23.42% of 2013-14

G	Underwriting Results	(2,217.22)	(1,951.86)
H	Investment Income (Less Provision)		
	Appportioned to policyholders	2589.49	2139.27
	Appportioned to Shareholders	1231.11	1053.50
	Total	3820.60	3192.77
I	Revenue (Policyholders) Account Results	372.27	187.41
J	Other Income/Outgo	172.92	53.49
K	Profit Before Tax (PBT)	1776.3	1294.4
L	Profit After Tax (PAT)	1431.23	1088.96
M	Proposed Final Dividend	300.00	220.00
N	Dividend Tax	60.00	37.39
O	Paid-up Capital	200.00	200.00
P	Reserves and Surplus	10449.65	9493.42



Q	Total Assets	60969.00	53010.86
R	Investments (at cost)	24813.12	21011.00
S	Solvency Margin		
	i. Required solvency margin under IRDA regulations (Global)	3468.54	2,822.02
	ii. Available solvency margin (Global)	8447.68	7,355.82
	iii. Required solvency margin under IRDA regulations (Indian)	3407.23	2,616.00
	iv. Available solvency margin (Indian)	10521.97	9,310.00
The company's Global solvency ratio is 2.44 times (PY 2.61 times) and Indian solvency ratio is 3.09 times (PY.3.56 times)			
T	Compliance with Section 40C		
	i. Expenses prescribed under the act (excluding commission)	2608.7	2272.49
	ii. Actual expenses (excluding commission)	2781.94	2366.67
	iii. Difference	173.24	94.18

II State of Economy – An Overview

The Indian economy grew at 7.3 per cent in 2014-15. The country posted a 7.5 per cent growth in the January to March quarter of the fiscal, outpacing China's GDP of 7 per cent in that quarter. Slower farm growth has cooled down the GDP growth to 7.3 per cent while the manufacturing sector remains buoyant in contrast to the index of industrial production (IIP), Agriculture grew at 0.2 per cent in 2014-15 as against 3.7 per cent in the previous fiscal, while mining and quarrying grew a mere 2.4 per cent compared to 5.4 per cent a year ago. In contrast, trade, hotels, transport, communication and services relating to broadcasting grew at 10.7 %, while financial; real estate and professional services grew at 11.5 per cent.

For a large net importer of crude oil like India, the decline in crude prices since June 2014 by about 50 per cent is a favourable external development. Going forward, this could work towards improving growth prospects and easing inflation pressures further.

Though on the whole, the banking system has remained resilient, asset quality has seen sustained pressure due to continued economic slowdown. The levels of gross non-performing advances (GNPAs) and net NPAs (NNPAs) for the system have been increasing. As per preliminary data received at RBI for March 15, while the GNPAs have increased to 4.45% for the system as a whole, the NNPAs have also climbed up to 2.36%. Stressed Assets Ratio (Gross NPA+ Restructured Standard Advances to Gross Advances) for the system as a whole stood at 10.9% as at the end of March 2015.

Credit growth has considerable effect on the Non-life business. The credit grew between 12-13 % and even that year has been largely on the back of retail lending. Data available until February 2015 shows that the fastest growing segment was consumer durables (16.9%), followed by vehicle loans at 14.7% and housing 14.5%. Credit to industry, which accounts for bulk of bank lending, grew by 3.5% while personal loans (home, auto and consumer loans, among others) grew by over 13.5%.

The Indian automobile industry is finally seeing an uptick in sales. FY2014-15 numbers reveal all vehicle categories other than CVs are in positive territory and passenger car sales have returned to the black after three years. Automobile industry's fortunes are a major driver of Non-Life Insurance business.

The year 2014-15 brought in certain optimism in the market and more confidence among investors. It is predicated that this would translate in to more investments in 2015-16 in infrastructure and industries. Opening of more sectors for FDI, would push this trend further. Non-life Insurance is poised to grow at 15 % plus in the year 2015-16.



III. OVERVIEW OF COMPANY'S OPERATIONS

A) INDIAN OPERATIONS :

Gross direct premium in India has increased from ₹ 11540.06 crore in 2013-14 to ₹ 13209.39 crore in 2014-15 recording a growth of 14.47% during 2014-15. The growth is observed in all geographical segments as well as all classes of business.

INDIAN OPERATIONAL RESULTS

Sr. No	PARTICULARS	2014 -15		2013 -14	
		₹	%	₹	%
1	Gross premium	13209.39	14.47	11540.06	14.96
2	Net premium	11592.02	17.49	9595.91	18.44
3	Increase in unexpired risk reserve	555.66	-	703.88	-
4	Net earned premium	11036.36	-	9126.93	-
5	Commission	637.51	5.50	580.69	6.37
6	Incurred claims	9887.02	89.59	8059.23	87.96
7	Management expenses	2896.34	24.99	2476.50	27.03
8	Other income (net of outgo)	170.06	1.54	43.92	0.48
9	Premium Deficiency	-	-	(35.19)	-
10	U/W (loss)	(2384.50)	(21.33)	(1954.29)	(21.33)
11	Investment income	3688.48	33.42	3066.70	33.47
12	Profit before tax (PBT)	1474.03	13.36	1156.33	12.62

Note :Percentage shown in sr. no. 1 & 2 indicates the growth over previous year and the percentage shown in sr. no. 5 to 12 is percentage to 'Net Earned Premium.'

B. FOREIGN OPERATIONS:

New India commenced its foreign operations, shortly after its formation in 1919. The London branch was opened in 1920. After that the Company saw a steady increase in presence abroad with Manila, Port Louis and Japan. Today New India has presence in 28 countries.

Today we operate in the following countries through Branches & agency offices.

United Kingdom, Japan, Hong Kong, Philippines, Thailand, Australia, New Zealand, Mauritius, Fiji, Dubai, Abu Dhabi, Bahrain, Kuwait, Oman, Aruba, Curacao.

Apart from these countries, we have subsidiaries in Nigeria (Prestige Assurance plc.), Trinidad and Tobago (New India Assurance T & T) & Sierra Leone. The New India T & T operates in countries such as St. Lucia, Dominica, St Martin & Anguilla. The Company has now expanded to Guyana. We have opened a Representative office in Myanmar. We have three associates namely Wafa Insurance (Saudi Arabia), Indian International Pte, Singapore and Ken India assurance Co Ltd, Nairobi.

The Company's Foreign operations, saw a gross premium turnover in rupee equivalent of ₹ 2840.60 Cr showing a growth rate of 2.8%. The net premium grew at 6.10%. The operations recorded an underwriting profit of ₹ 167.29 Cr in 2014-15 as against ₹ 2.43 Cr in the previous year. The Profit before Tax rose to ₹ 302.27 Cr as against ₹ 138.07 Cr in the previous year.

New India Assurance has taken a license to operate in DIFC, Dubai through a Regional office and is in the process of registering with Qatar Financial Centre, Doha



OVERSEAS OPERATIONAL RESULTS

Sr. No	PARTICULARS	2014-15		2013-14	
		₹	%	₹	%
1	Gross premium (Gross Direct plus Accepted)	2840.61	2.78	2763.79	12.04
2	Net premium	2346.79	6.06	2212.61	14.01
3	Increase in unexpired risk reserve	67.86	-	142.67	-
4	Net Earned Premium	2278.93	-	2069.94	-
5	Incurred claims	1301.02	57.09	1321.72	63.85
6	Commission	646.36	27.54	591.93	26.80
7	Expenses of management	164.26	7.00	153.86	7.43
8	Other outgo	2.86	0.13	9.57	0.46
9	Underwriting Profit/Loss after Reserve Strain	167.29	7.34	2.43	0.12
10	Investment income	132.12	5.80	126.08	5.70

Note : Percentage shown in Sr. No. 1 & 2 indicates the growth over previous year and percentage shown in Sr. no. 5 to 11 is percentage to net earned premium.

ORGANISATION STRUCTURE

The Company has entered in phase of expansion and restructuring of offices and has 63 specialized offices to take care of bancassurance, brokers and auto tie-ups. To have deeper penetration in the unexplored rural areas the company has opened 109 Micro Offices in this financial year.

As on 31.03.2015, the company has a network of 31 Regional Offices, 5 Large Corporate Offices, 439 Divisional Offices, 567 Branch Offices, 27 Direct Agents Branches and 1152 Micro Offices, totaling 2221.

Foreign

The company has its presence in 28 countries.

REINSURANCE

There were two major catastrophic events in India this year, viz. Jammu and Kashmir Floods and Hudhud Cyclone. Claims on account of these events were recovered from our proportional and non proportional treaties.

There was no major catastrophic event in other parts of the world and the capacity available in the International market was adequate.

The renewals of all the treaties were completed as per schedule and placement was done with well rated securities.

Inward treaty acceptances and facultative acceptances were done on selective basis.



TECHNO MARKETING

Techno Marketing Department is specially created at corporate office, as a single window facility for underwriting of Large Risks. With the help of dedicated offices set up at select centers, Techno Marketing department continued to maintain its number one position in the Indian market for underwriting maximum number of operational large risks in terms of numbers and premium volume.

Apart from operational large risk policies, Techno Marketing department also underwrites (as an exclusive function) large project policies, petrochemical plants, infrastructure projects including major power plants which have global participation. This department plays a key role in offering project policies of international standards and New India's presence is dominant in this sector.

Techno Marketing department also exclusively underwrites Stand Alone Terrorism policies, which are reinsurance driven.

Downward trend in world economy continued this year also and did influence adversely the investments in new projects. Few major thermal power project proposals were finalized but did not start due to coal linkage issues, both imported as well as indigenous. In effect, new business opportunities got reduced. On the other hand, with more number of insurers operating with increased capacity, competition became stiffer.

The company will continue to maintain the lead position in future by underwriting more projects as well as operational large risks on the strength of underwriting capacity, technical competence and experience.

FIRE AND ENGINEERING INSURANCE

With a premium income of ₹ 2979.92 cr, Fire and Engineering portfolio of the Company has continued to retain its dominant position in the insurance market. While these two portfolios have been viewed as flagship LOBs, the continuing pressure on pricing coupled with two catastrophic losses in the Indian Market presented a challenge to the underwriters. To meet the dynamic demands of the industry and control the inadequate pricing of products in a free market regime, IRDA came out with industry wise Burning Cost concept for certain occupancies under LOB Fire. By the very nature, these line of properties business are tied to the overall economic growth, specifically industrial growth in the country and that the country has been passing sluggish economic growth for the last two years and also the insurance market in India has been marked by reduced premium rates. In spite of all this, the company has been able to show a creditable growth of nearly 17% in Fire portfolio in 2014-2015 as compared to nearly 6% growth in 2013-14 and maintained leadership position in property insurance.

In the light of several unexpected losses arising out of J & K Flood and Hudhud cyclone, various levels of operations were geared up in the company to deal with this extraordinary national calamity. It is a matter of satisfaction to report that in respect of J & K Flood event, around 1850 nos. of Fire and Engineering claims were reported out of which 1800 claims were disposed off in a record time. Similarly, in the case of Hudhud Cyclone, around 670 Fire and Engineering claims were intimated out of which 630 claims were disposed off quickly and in a hassle-free manner. In most claims where final settlements were not possible, interim 'On Account' payments have been made.

HEALTH INSURANCE

The Company continues its predominant position in Health Insurance business with a growth rate of more than 20%. The Total Health Premium stands at ₹ 4017.63 crores in 2014-15 (as against ₹. 3349.39 crores in 2013-14).

The share of Health Premium in the total Domestic Premium has gone up from 28.7% to 30% this year.

New India continues to be the preferred insurer for major corporates. The company launched a new Retail Health Insurance product "New India Top-Up Mediclaim", which provides opportunity to top up the Health coverage upto 30 lakhs at reasonable Premium. This policy is well received by the public and we expect to see a spurt in the retail volume in coming years.



As part of claims control measures Head Office teams have conducted intensive audit of TPAs. The team has conducted 64 such audits in the year 2014-15. The PPN network, which has shown good results in the last four years, has been extended to include Pune. We have recruited seven more MBBS professionals in this year who have been placed at various Regional Offices for effective claims management and TPA control.

MARINE CARGO AND HULL INSURANCE

New India continues to maintain its leadership in Marine Line of Business with Highest Market Share in Cargo as well as Hull in the Indian Market. In Cargo Domestic Premium of ₹329 crores as against ₹ 320 crores last year, which is better than the industry growth rate of 1.6%. In Hull the business growth is affected adversely due to soft market and overall down turn in oil and energy sector, shipping activities and due to falling crude prices. Therefore the premium business of 336 crores as against last year's 391 crores mirrors market conditions. New India has approximately 40% of market share in Hull. and 16% in cargo business.

Marine Business generated by Foreign Offices is 51.93 crores in Cargo and 53.83 crores in Hull. The Total Marine Business globally is 771 crores compared to ₹ 831 crs last year.

This year the major initiative of Marine Cargo Department was to launch E-Marine which facilitates issuance of online certificates on 24x7 basis from anywhere. The claim process has also been stream lined for speedy services for our customers.

Despite soft market conditions the ICR in Cargo Portfolio is at 41% and is considered highly profitable. CAT losses such as Hudhud and Kashmir floods have impacted the results. The claims Management and recovery have shown drastic improvement towards profitability of the portfolio.

The projection for the next year is to achieve good growth. With the expected high level of investment in Infrastructure in projects and overall GDP growth, the business growth prospects for next year are quite good.

AVIATION INSURANCE

New India Assurance has been a pioneer in this Line of Business, having issued its First Aviation policy covering the historic flight of Sir J R D Tata from Karachi to Bombay in 1932. Since then, New India has been maintaining its lead position in India in terms of Net Aviation Insurance Business.

Driven by a strong Aviation department at HO, having long underwriting experience, New India not only enjoys goodwill in domestic market but also stands as a preferred reinsurer in the international market.

New India has been the lead Insurer for the National carrier, Indigo and now the latest Indian Airline i.e. Tata Singapore (Vistara) and coinsurer in rest of the Indian Airlines. It has also been a preferred Insurer for HAL, the Aviation R&D organization and various flying academies apart from other organizations dealing with General Aviation.

New India is extending its support to more than 200 Aviation Programs across the Globe, including British Airways, Singapore Airlines, Malaysian Airlines and Emirates.

Aviation Insurance is an extremely specialized and highly sensitive line of business. The company relies on careful and responsible underwriting philosophy besides protecting its excess exposure under well designed XOL program.

AUTO TIE-UP

Auto Tie-up assumes significance in the current environment as Motor Insurance accounts for more than 40% business in General Insurance and Auto tie-up continues to be main source of new vehicles business as well as one to two year old vehicles business through dealer points. The Company has emerged as a leading player in Auto Tie-up business and our Tie-ups include the biggest names in Automobile manufactures like Maruti, Hyundai, Chevrolet, Ford India, HSI, Tata Motors, Ashok Leyland, Volvo-Eicher, M & M.



In the concluded Financial year the Company established 3 important OEM Tie-ups (Suzuki, M&M & Yamaha) . At present we have 19 Centralized Auto Tie-ups and about 2500 local Auto tie-ups. We registered more than 30% growth in Auto tie-up business.

The company has extended the facility of Dealer portal to Auto-Dealers all over India and also arranged cash-less claim service to all auto dealers in the tie-up so that more and more customers continue to be benefitted with value added services at single-point contact.

The company is in the process of entering into more Tie-ups with Automobile Manufacturers, Financiers, and Dealers in coming financial year which will generate higher volumes. The Company targets emerging as the No. 1 player in the Auto Tie-up business in India in 2015-16.

Motor Own Damage (O.D.)

During 2014-15, our company became the industry leader in Motor Premium. The company's Motor Portfolio outperformed the industry by registering a growth of one and a half times more as compared to industry growth. Our overall Motor business grew @16.5% as against industry average of 10.8%. Motor OD and Motor TP segments grew @12.62% and 20.43% respectively against the industry average growth of 4.3% and 18.8%.

During the year new product of 'Long Term 2 Wheeler Liability only' and 'Long Term 2 Wheeler Package Policy' were introduced. Add on cover of Zero Depreciation was also attached to this long term package policy.

Similarly, Zero Depreciation add on cover for passenger carrying (hire and reward) vehicles upto seating capacity of 1+9 was implemented.

Company has secured approval from IRDAI for extension of Zero Depreciation add on cover for Private Cars from the present 3 years to 7 years of age of private car. Various other add on covers like "Return to Invoice", "NCB Protection", "Engine Protect", "Road tax" etc. are proposed to be filed with IRDAI for approval. The Motor OD portfolio continues to register U/W profit in 2014-15 as well.

The Claim Settlement Ratio in Motor OD remained at 93%. For the purpose of faster claim settlement and improved customer service, 158 more offices were brought under the Claim Hubs. As on date, 35 Claim Hubs are operating across the country handling claims of 795 Operating Offices.

Motor Third Party (TP):

Corporate Management, in an effort to further enhance the effective handling of Motor TP Portfolio bifurcated the Motor Technical Dept. and an exclusive General Manager was entrusted to look after Motor TP. The Company also recruited fresh batches of Legal Officers who were posted at offices across the country having substantial pendency of legal cases. The Company continued its focus on settlements through conciliation and was able to further reduce the number of outstanding claims of around 11000 claims than the previous year. Corporate Management also initiated steps to open a Central Hub in New Delhi and Mumbai for effective handling of Cases & Appeals. Preparatory work has begun. Despite the growing competition, the marketing strategies adopted by the company and premium increase in some classes of vehicles helped record a healthy growth of over 20% on Gross Direct basis.

The Company again set a new record by settling 17,127 claims in the Mega National Lok Adalat in December last and 24,722 in the entire year. Various knowledge & skill enhancing workshops were held at some select ROs and a TP Hub conference was held in Bengaluru in February 15 to equip TP Hubs with better handling of Motor TP Claims. A major thrust to review all outstanding claims was also stressed upon and for regular revisiting provisions based on current court trends. Constant coordination between the underwriting offices under whose policy claims had arisen and the claims handling offices where the claims were reported was ensured so that updated inputs are available to the offices.

The company was able to reduce its ICR to below 115% on net earned premium basis for the year.

**MISCELLANEOUS AND LIABILITY INSURANCE**

New India continues to be market leader in Liability Insurance for the fifth consecutive year. This year we achieved a domestic premium of ₹ 264.40 crores (gross) in the Liability line of business with a favorable Incurred claim ratio of 32.54%. The Miscellaneous Portfolio of New India offers a wide range of corporate, niche, customized as well as retail products suitably packaged to suit the needs of the clients. The Company has achieved a gross domestic premium completion of ₹ 936.98 crores in the year 2014-15

BROKERS AND BANCASSURANCE

The Broker Channel this year showed impressive performance by registering premium of ₹ 2392.00 Crs showing accretion of 23% compared to last fiscal year. Currently we have 343 brokers on rolls with us. With the objective of giving focused services to the brokers and to derive maximum efficiency and profitability from the brokers' channel, we have 11 exclusive brokers' specialized offices & LCBOs catering to needs of brokers. Also to foster progress of Broker Channel, on regular basis, Brokers meets are conducted in major cities to facilitate exchange dialogue with top Authorities. This enables us to invite suggestion and feedback for enhancing the efficiency of the channel and build formidable relationship.

AGENCY DEVELOPMENT

Agency department took up very effectively the task to empower the Agents and agent Managers who are the single point of contact for all Agents working in operating offices. In the 2014-15, 7515 new Agents were recruited after giving them extensive training so that they can effectively take up the challenge. We also provided a 24 x 7 portal facility to approximately 5500 Agents who are now empowered to issue retail policies on 24 x 7 basis. These agents issued more than 3.15 Lakhs policies and collected ₹ 89 Crs. of premium through Agents' Portal in 2014 - 15. The department hopes that in the financial year 2015 - 16, Agents' Portal will generate approximately ₹ 200 Crs. premium and more than 7.5 Lakhs policies. The department undertook the task of empowering the Agent Manager and trained more than 500 Agent Manager / Nodal Officer in 7 batches. The advantage of providing training to all Agent Manager / Nodal Officer in 7 batches. The advantage of providing training to all Agent Managers is that they are aware of the company's Programme without any dilution, at the ground level. Agency Department also distributed Agents Club Benefit and conducted meeting of CMD Club Agents within time frame. To popularize our policies, the department took initiative in translating the Agent's Manual in different vernacular and we have already released the translated version of Marathi, Gujarati and Tamil. The department in consultation with different Technical depts. announced various prize schemes under Motor, Miscellaneous and health departments. The department also takes care of 32 Corporate Agents and more 180 Micro Agents. All these activities resulted in a premium income of ₹ 6536 Crs. from the Agency Channel with a growth rate of 9% during the year 2014 - 15.

RURAL AND SOCIAL SECTOR AND MICRO INSURANCE :

The New India Assurance is the pioneer Non-Life Insurance Company in insuring all types of assets and lives of Rural and Social Sector members in the country. Insurance covers provided by the Company are need-based/tailor-made for the benefit of Rural and Social Sectors and Rural Insurance activities are village specific.

Company has been a major player in the Rural & social sector Insurance business in India, with a range of products offering protection to a wide variety of activities like sericulture, farming of cattle / goat/ camel/ poultry, Agricultural pump set, fish farming in fresh & brackish water, bullock carts, horticulture & floriculture and others. We also have low cost offerings in personal accident & health segments like Janata & Gramin Personal accident, Jan Arogya Bima, Universal Health insurance & Janata mediclaim.

The Company got approval from IRDAI for 21 Micro Insurance Products to add benefits to the rural and BPL families.

Company's Regional Offices have participated in centrally sponsored cattle schemes, corporate dairy schemes and state/local based schemes. Company has entered into an agreement with Agriculture Insurance Company Limited for a period of 3 years for marketing AICL products. Company's Bangalore RO has associated with Mysore Zoo Authorities in covering various animals such as Giraffe, Sarus Crane, Wolf, Hyena, Black Swan, Horned Rhinoceros which were transshipped from Mysore to Patna Zoo.

Company also conducts training in Rural, Micro & Agriculture Insurance to create awareness among the staff with regard to the various products offered by the Company.



In order to facilitate General Insurance spread and education company has translated most of the policy documents in regional language – Marathi and provided to all the distribution channels in the region. This literature has been widely welcomed by six Grampanchayats involved in spread of General Insurance market and strengthening of agency channel.

PRADHAN MANTRI JAN DHAN YOJANA :

Associating with Prime Minister's Jan Dhan Yojana, New India has started reaching to the untouched by mapping our operational offices with district offices of banks, SSAs, wards & municipalities for providing insurance services to the most needy through our divisional, branch & micro offices by providing our general and micro non-life products.

GOVERNMENT BUSINESS DEPT:

RSBY & Govt. Business Dept. was formed as a new Department in July 2013 to exclusively deal with Government business with a focused approach and to keep track on all Government sponsored and Mass schemes to ensure Growth and Profitability of the scheme so that it can sustain for long.

This focused approach has started giving the desired result which is evident in the performance figures :

Stream	Target ₹	Premium ₹	ICR
RSBY	125 crore	163 crore	70%
Other Government Business	100 crore	233 crore	97%

Both the streams have surpassed their target in the current year. Few major proposals are going to be finalised during this financial year 2015-16 and we expect continuous growth in this financial year also.

As per indications, it is likely that RSBY will undergo changes. For the time being states have been permitted to continue the present RSBY scheme for another six months. The implementing agency for mass health insurance scheme is being shifted from Ministry of Labour and Employment to Health.

With the aggressive pricing rates it is important to micro manage the claims at granular level more closely and minutely. Steps have been taken to monitor all the ongoing schemes at regular intervals by the Department.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :

In its commitment to the government of India for Corporate Social Responsibility, New India has spent ₹ 4.39 crore towards various CSR Initiatives. Some of the activities included adoption of villages, tie up with Artificial Limbs Manufacturing Corporation of India for providing artificial devices to the physically challenged persons, media sensitization seminars for Women development studies, providing drinking facility in villages, Skill development activities to impart training to the unemployed and such other activities for the benefit of the Society.

Company would be stepping up CSR activities with the review of our CSR policy, adoption of villages and engaging in Swachh Bharat Abhiyaan of prime minister of India by constructing 198 toilets for students in the interiors of Uttar Pradesh.

PROJECT NEW ENERGY

The Business re-engineering process of the Company, named 'New Energy', continued to be the corner stone of its business strategy. Business verticals formed under New Energy, drove the initiatives in Large Corporate & Broker's business, Agency build up, Bancassurance segment, single window facilities to small & medium brokers, centralized units for quick processing of non-suit claims, specialized infrastructure for Motor Third party & other suit claims and internal communications. In the year, CMD, sent out greetings to all the employees on festivals and occasions, and directly communicated, the quarterly results, information on various awards and other matters on direct corporate communications. The 35 Hubs for non-suit claims across the country carried on an intense claims drive in financial year, 14-15, to ensure that the pendency of claims are significantly brought down and TAT improved. The campaign was quite successful, resulting in lower claims ratios. The 44 Third Party Claim hubs also ensured that the MACT claims are reviewed and examined continuously to maximize the disposal through Courts and other alternative dispute resolution forums.

CUSTOMER CARE

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 dealing with the issues raised by company's customers. Online information on the Company's various products are provided in the website <http://newindia.co.in>, for the benefit of the public.

The Company's Call Center established in 2010 forms an integral part of Customer Relationship Management Activity. The toll free number of the company 1800-209-1415 is available to the customer 24x7 for inquiries of various products, tracking status of Motor Claims and Grievances, both in Hindi and English. Service requests for further follow up are replied/resolved by company's respective operating offices. This initiative and endeavor of 'Customer Service' is a key and vital element of our business strategy for a continuous and progressive growth in the General Insurance Industry with value added products matching the Customer's needs and requirements.

Company's CRM Module is integrated with IRDA's IGMS site. All grievances are registered by New India/Customer through the CRM Module and the same is a mirror reflection on the IGMS Site.

The Grievance Redressal position for the period 1.4.2014 to 31.03.2015 is as under:

Outstanding grievances as on 01.04.2015	126
Registered (from 01.04.2013 to 31.03.2015)	3204
Resolved (from 01.04.2013 to 31.03.2015)	3229
Outstanding as on 31.03.2015	101
Disposal ratio	97%

ENTERPRISE RISK MANAGEMENT

ERM helps to identify the risks in each of our functional areas and across geographies and operating offices. After such identification, the same are measured in relation to the extent of their frequency and intensity and evaluated against our company's risk appetite / tolerance and then necessary responses through internal control systems are taken to mitigate the impact of the risks.

The Company has a designated Chief Risk Officer who reports to the Risk Management Committee of the Board of the Company. During the year 2014-15, all the major lines of businesses and departments have conducted detailed study of their operational risks, identified risk areas, put forth solutions and action plans to manage and mitigate these risks.

The ERM framework is intended to be embedded within the Company in such a manner that risk is recognised and managed as a critical dimension in the decision-making process at all levels. New India desires to progress to a fundamentally risk based performance management system.

In pursuance of the above, the Company decided to carry out the process for selection of a Risk Management Consultant so as to bring in not only outside experience and expertise but also an outsider's perspective through a tendering process.

CLAIMS MANAGEMENT

The company had kept target of 90% claims settlement in respect of Non-suit Claims. The actual ratio of settlement in respect of Non-suit claims in 2014-15 was 95.8%.

However the overall claim settlement ratio including suit claims (comprising mainly of Motor TP Claims) was 89% in 2014-15.

Number of claims O/s as on 01.04.2014	270367
Number of claims intimated during 2014-15	2386105
Number of claims settled during 2014-15	2377029
Number of claims O/s as on 31.03.2015	279443

Age-wise classifications of outstanding claims as on 31.03.2015 are given here under:



Claims outstanding for less than 3 months	90644
Claim outstanding for more than 3 months but less than 1 year	38029
Claim outstanding for more than 1 year	150770

PUBLICITY

Publicity plays a vital role in building up company's brand Image and reaching out to the ultimate customer about the company's products and services.

In order to keep abreast of the globalization & tough competition by private players in the market the onus upon us, for favourably influencing the opinion of our esteemed customer to the service provided by our organization. The company has strategically planned out the advertising of our brand through various media.

Outdoor Media & Print Media has been effectively used all over the country to promote our Company Brand and to thank our Esteemed Customers whose trust in 'US' motivated us to cross Global Premium of Rs. 16,000 crores and helped us to attain the Top -Most position in General Insurance business in India.

To promote our brand advertising in Electronic Media i.e. Television and Radio has been utilized on Pan India basis during National festivals, Budget Day, Election Counting Day and also various month-long/fortnight campaigns for newly launched Top-UP Mediclaim and New India Corporate Advertising through catchy Jingle on Radio by appealing to large mass of audience thus enabling us to get greater visibility and mileage. We also advertised in Digital Media during the Main Festivals.

We also Organised Press Conferences to apprise the press fraternity of the various financial achievements made during the year and also the launch of products. All major Publications gave wide coverages to our achievements and our brand got a greater exposure.

New Hoardings, Glow Signs and Neon Signs have been placed at many major road junctions, highways, railways stations and advertisement on Digital Screens on Railway Stations. Inside Airport Branding has been taken up on Mumbai, Delhi, Chennai Kolkata, Cochin and Hyderabad Airports. Advertisements have also been displayed on transit media like buses, trains, container trucks keeping in mind the demography.

The company has been participating as a Sponsor in various Customer Seminars and Awareness Camps to expand our customer base by educating the client on the services/products provided by the Organization & thus promoting our brands. Banner displays in various regional festivals, fairs, exhibitions, musical & cultural events have enhanced our presence within the masses & helped us in getting wide mileage.

RIGHT TO INFORMATION ACT

The Central Public Information Cell set up at Head Office in 2005 continued to process the requests for information as well as disposal of appeals promptly and efficiently. The cell continues to put the company in a high image of transparency and accountability keeping in conformity with the grand objectives of the RTI Act. The Central Public Information Officers (CPIOs) of 28 Regional Offices also joined the campaign for promoting the ideals of the Act under the umbrella of CPI Cell at Head Office.

With a view to maintaining uniformity, consistency and improved standard of approach the function of FAA was centralized at Head Office w.e.f. 1st June 2012 and has been vested in the rank of Deputy General Manager.

In compliance with the directive of CIC, company has appointed Transparency Officer in the rank of General Manager to monitor proper implementation of the mandate of RTI Act. Maximum information on website u/s 4(1)(b) has been uploaded.

Total number of RTI requests has shown a marginal increase during the financial year 2014-15 from 2159 to 2242 (recruitment exercise contributing 130 applications in last quarter). Percentage of First appeal and Second appeal to requests received is 13.84% and 3.12% respectively. Low escalation to appellate level is indicative of quality response at CPIO level and decisions at CPO level sustained scrutiny of Central Information Commission in over 75% of appeals.

The CPI Cell, Head Office has arranged various workshops for CPIOs, Office-in-charges and other officers of Regional Offices wherein they were sensitized on the latest amendments in the RTI Act and landmark decisions given by the honorable Supreme Court, High Courts and CIC, New Delhi. This was done to educate and assist them in taking reasoned, appropriate as well as time bound decisions as stipulated in the Act.

The Company's official website as per CIC guidelines is updated from time to time, as far as RTI Act is concerned.

Performance in 2014-15 :

	Requests	First Appeals	Second Appeals at CIC
Opening balance as on 01.04.2014	34	0	0
Received during the year including case transferred to other Public Authorities	2242	315	71
No. of cases transferred to Public Authorities	137	-	-
Decisions where request/appeals rejected	644	-	-
Decisions where requests/appeals disposed off	1447	315	71
Closing balance as on 31.03.2015	48	0	0

ANTI MONEY LAUNDERING

The company has been complying with the Prevention of Money Laundering Act (PMLA) 2002 since it has been made applicable to insurance companies' w.e.f. 01.08.2006. Amendments issued by IRDA are adopted by the board from time to time. The Principal Compliance Officer posted at Corporate Office monitors the compliance of AML guidelines.

INDUSTRIAL DISPUTES AND DISCIPLINE DEPARTMENT

Industrial Disputes and Discipline Department had set in place online submission of Annual Property Returns w.e.f. 01.04.2014 – which has become fully operational, even for employees who are being newly inducted into the company. The Industrial Disputes and Discipline Department is now working totally in consonance to e Governance as prescribed by the Ministry of Finance - DFS, in relation of most of the Communications - other than important Court papers. The department is also giving online clearances/ NOC for officers and employees immediately on the receipt of the same after verification of the records for various purposes like NOC for Passport, Retirement, Foreign Visits and so on; thereby, reducing the time of the whole process and moving towards paperless transactions and real-time approvals. The Department is constantly studying the rules and regulations of the Company, awards of courts and other directions of the Government of India, so as to bring policy framework for eliciting co-operation and responsive flexibility between employees, associations/Unions and the Management. The Industrial Disputes and Discipline Department is also servicing aspects of Harassment of Women in Work Place and is giving final touches to our in-house Policy on this aspect which shall soon be placed before of Board of Directors for approval. Totally integrated management options and well as, compatible reciprocal concepts, have helped the Department and the Company as a whole, in bringing about an extremely amicable IR atmosphere.

INFORMATION TECHNOLOGY

The strategic call taken by New India Assurance in the year 2008 to go for IT Transformation by conceptualizing the Project 'CWISS' (Centralized Web Based Insurance software solutions) got implemented and stabilized in all offices of



the Company on Centralised Architecture and has started yielding results in terms of Managing the Business more efficiently.

Following milestones have been achieved during the year:

- The power of CWISS has been leveraged during the year to have various B2B, B2C, B2G integration in order to strengthen the delivery channel and increase the reach.
To name a few
- Integration with Maruti and other major Auto Tie-ups gave us huge Premium Accretion
- Integration with MP Online Channel increased our reach to the remotest corner of Madhya Pradesh for delivery of various Policies on real time basis
- Integration with CSC made us deliver the Motor TP Policy in the farthest hamlet of the country where we don't have our physical presence. This channel is soon being authorized by IRDA to provide more policies from other lines of business
- Integration with the Web Aggregator i.e. Policy Bazaar has been a great success. It is not out of place to mention that NIA is the only PSU Insurance Company available on this Portal otherwise there were only private sector Insurer on this channel earlier.
- The Agents Portal has become quite popular now and we even crossed ₹ 1 crore premium collection in a day through this channel.
- The Company has contributed over 10% of our Gross Premium Income through the On Line Portals Channel, which is quite significant.
- The HRM Module was leveraged to conduct On Line Election for MBS Office bearers where every employee of the company spread across 2000 offices was empowered to cast their vote from their own office electronically and the result was published at the end of the specified polling time in few minutes.
- Portal for issuance of Certificates online to customers holding Marine Policies got implemented
- The power of ICT was exploited to allot Surveyors on real time basis by the system and the acceptance from surveyors being acknowledged over Mobile and email on 24*7 basis. This experiment is running live for Maruti tie-ups claims and based on the success of this experiment the similar deployment will be made for all other claims in phases. The objective is to reduce the TAT in allotment of surveyors. The Surveyors are empowered to update the survey related information on Portal from their Smart Mobile or any other access device to speed up the claims processing.
- Centralized printing of renewal notices launched. Policy Booklet with customized terms and conditions designed for Motor and Health got launched as a pilot in a few offices.
- Kiosk application has been developed in Windows 8 and pilot lounge designed for walk in customers and agents
- The world class HRMS Module i.e. Peoplesoft application implemented under CWISS was further enhanced to empower all employees to file Online Annual Property returns through self service HRMS Portal.
- Incentive Module developed for Class II officers got implemented
- Investment Software upgraded.
- Details of unclaimed Policy Holders Funds posted on website.
- The MIS has been strengthened substantially for all stake holders to monitor their domain effectively



The implementation of Project 'UTKARSH' to bring over 15000 PCs spread across the country under centralized Desktop Management System ensured following:

- each PC is provided with latest Anti Virus update from central location on day to day basis,
- all OS patches are uploaded in PC from central location,
- no unauthorized software is permitted now to be loaded by any user on any PC,
- Only formally procured software licenses are used on various PCs now.

The department achieved another milestone by migrating all old PCs from obsolete Window Operating System (as declared by Microsoft) to latest Window Operating system before the specified date declared by the OEM.

M/s E & Y has been appointed to re-visit the existing IT Security Policy keeping in mind today's state of the art foot print of IT landscape of the company under CWISS project and create a new Security Policy for the company to abide by the security compliance.

HUMAN RESOURCES DEVELOPMENT AND PERSONNEL

• Staff Welfare Schemes

By keeping the employees' interest foremost, the Company has continued to implement welfare schemes for its employees viz. Group Medclaim Policy covering employees and family members and Lumpsum payment for Domiciliary treatment, Employees Deposit Linked Life Insurance, Housing Loan and Vehicle Loans at subsidized rate of interest, Group Savings Linked Life Insurance, Group Term Life Insurance, Retirement Benefit and Death Relief Schemes managed by Mutual Benefit Society for employees, Leave Travel Subsidy, Group Personal Accident policy for employees providing 24 hours cover against accidental death or permanent disablement.

In addition to the 24 hours accidental cover, Special leave is sanctioned and medical expenses are reimbursed if employee meets with Accident whilst on duty. The Company also provided Exgratia relief scheme which provides reimbursement of uncovered medical expenses for high cost/protracted treatment. Employees are encouraged to undertake management courses for which financial assistance is provided.

The Company has provided online access to all employees with suitable training for ensuring more transparency and speedy settlement related to their benefits.

Employee strength as of 31st March 2015:

Cate gory of employees	Male	Female	Total
Class I	5525	1692	7217
Class II	1629	53	1682
Class III	5628	1803	7431
Class IV (Excluding Part Time Sweepers)	1425	464	1889
Part Time Sweepers	18	3	21
TOTAL	14225	4015	18240

* Ex-Servicemen and PWD included in Total



Recruitment and Reservation:

The number of employees recruited during the 2014-15 year is as follows:

Category of employees	SC	ST	OBC	Total	Ex-Ser*	PWD*
Class -I	76	25	147	458	11	28
Class -II	0	0	0	0	0	0
Class III	0	01	12	36	0	0
Class IV (Excluding Part Time Sweepers)	NIL	NIL	NIL	NIL	NIL	NIL
Part Time Sweepers	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL	76	26	159	494	11	28

Ex - Servicemen and PWD included in Total

Representations of Scheduled Caste and Scheduled Tribe employees under various cadres as on 31.03.2015 are as under

Category/Level	Total Number	Number and Percentage			
		SC	%	ST	%
Group A	7217	1515	20.99	496	6.87
Group B	1682	128	7.61	43	2.56
Group C (Clerical)	7431	1678	22.56	591	7.95
Group D (Sub staff)	1889	901	47.70	149	7.89
Part Time Sweepers	21	16	76.19	2	9.52
TOTAL	18240	4238	23.23	1281	7.02

The Company strictly adheres to Brochure provisions and Government DoPT guidelines on regular basis regarding reservations & concessions in the matter of recruitment and promotion and safeguards the interest of employees belonging to SC/ST/OBC/PWD/and Ex-servicemen.

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/OBC 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 /OBC employees have been nominated for NIA training programme Pune on regular basis.

Pre-recruitment training programmes were also arranged for SC/ST/OBC candidates at various centres on All India basis.

A separate Reservation cell is actively functioning at Head office and Regional office level for SC/ST/OBC/PWD/Ex-Servicemen 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 well-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 to rectify the shortcomings in procedure, if any, observed by the Liaison Officer.

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

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

GENDER ISSUES AND EMPOWERMENT OF WOMEN

The Company has a strong women force and provides adequate opportunities for self and career development. A significant number of women officers, as on 31.03.2015, are holding senior positions in our offices –

Deputy General Manager	Five (5)
Regional Manager / Chief Manager	Twelve (12)
Divisional / Sr. Divisional Manager	Thirty (30)
Branch Manager / Sr. Branch Manager	Thirty five (35)

Women executives are nominated for various programmes organised by the Forum of Women in Public Sector (WIPS).

- Women officers are also nominated in large numbers to the Programme for Women Managers conducted by National Insurance Academy, Pune.
- Women's Committees are constituted at Head Office and various Regional Offices and are actively involved in resolving all gender-related issues/cases referred to them.
- International Women's Day was celebrated in offices all over India. Special programmes were organised at various centres on topics such as Women's Health, Rights of women under various laws of the country, new law for Protection of Women at Workplace etc.

TRAINING:

In order to update the knowledge and skills of our employees to face successfully emerging market challenges, Company conducts regular training programs at in-house and nominates employees to various external institutions. The training includes sessions on technical matters, personal development programs, policy awareness, updation programs, specialized topics and current issues affecting the market. Along with knowledge, skill and personality development through training, Company's training focuses on usage of acquired enhanced knowledge in practice.

The Company regularly nominates employees to Programs organized by National Insurance Academy – Pune, Insurance Institute of India, Mumbai, Institute of Public Administration, Bangalore, CII, ASSOCHAM, Princeton Academy, Institute of Actuaries of India, Administrative Staff College, Hyderabad, Indian Institute of Management Ahmedabad on variety of technical subjects besides personality development programs, policy awareness programs, specialized topics and current issues affecting the market. The company also nominates women executives for various women specialized training programs.



Induction training for 12 weeks had been imparted to 455 newly recruited Officers. 600 newly recruited Assistants had been imparted 15 days induction training. Pre-promotional training had been provided to all eligible SC/ST/OBC employees. Pre-recruitment raining had been provided to 3263 SC/ST/OBC applicants.

In addition to the above, the details of training programs attended by the employees at National Insurance Academy, Pune, other External Training Institutions in India & Abroad and ZTCs/RTC's/RO/HO Training Departments during the period from April 2014 to March 2015 are as under :-

CENTRES	Total no. of programmes conducted	Total no. of participants
NATI ONAL INSURANCE ACADEMY, PUNE	132	1581
EXTERNAL INSTITUTES	18	84
TRAINING ABROAD	5	7
CORPORATE TRAINING COLLEGE	426	9097
TOTAL	581	10769

OFFICIAL LANGUAGE IMPLEMENTATION

The Official Language Department works under the guidelines issued by the Official Language Section of Ministry of Home Affairs and Department of Financial Services. Details of implementation and publicity of Official Language work done by Official Language department of Head Office is as under :-

The activities of the Department includes holding Hindi Workshops, Inspections of various offices, holding Official language Implementation committee meetings at Head office and various regional offices, translation of various documents, policies & circulars into Hindi & conducting training for officers and staff.

The third Sub-Committee of Parliamentary Committee on Official Language visited Company's Ooty Divisional office under Coimbatore RO on 9th February 2015.

Company celebrated Hindi month from 15th of September to 30th September 2014, holding competition in the skills in Hindi, leading to the celebration of Hindi Diwas. Cash incentives were provided to employees for doing work in Hindi.

This year Hindi Officers Conference was organised at Ramoji Rao Park under Hyderabad R.O. on 14th – 15th November 2014 and Dr. Reshabh Dev- Dakshin Hindi Prachar Shabha of Hyderabad and renowned writer in Hindi was our Chief Guest. Rajbhasha Shield's were awarded to Jaipur, Baroda, Ernakulam, Dehradun, Bhopal, Ahmedabad, Mumbai R.O.- 2 & 3, Ludhiana, Bengaluru, Kolkata and Bhubaneswar

The issue of Corporate House Magazine " Arjan " was published in which employees from various Offices of our company contributed. TOLIC of Mumbai PSU & renowned organization Aashirwad awarded Prize for our first issue. In same pattern House Magazine Sankalp by Bhopal, Baisakhi by Ludhiana, Jyoti by Ahmedabad, Prerna by MRO -3, 'Avlokan by MRO-2, Belapuri by MRO-5, Darshan by Pune, Manthan by Chandigarh R.O. and Darpan by Jaipur R.O. were also published regularly.

Rajbhasha Nirdeshika is also published for the employees which is very helpful in their routine work.

For Implementing Hindi in a best way this year Official Language Department of Ministry of Home, Government of India awarded Indira Gandhi Rajbhasha Shield to Head Office, Ludhiana R.O. & Amritsar D.O. under Ludhiana R.O., Bhubaneswar R.O., Guwahati R.O., Bhopal R.O. were also facilitated by their respective TOLIC's for excellent work in Hindi.

Different documents received from various department of Head Office were translated from English to Hindi and Hindi to English as and when required. Translation & Vetting of Annual Report 2013-14, translation in Hindi of Top up mediclaim policy were done. Micro products were also translated in Kannad, Tamil, Gujarati, Marathi & Oriya. Advertisement Published for recruitment of A.O. & Assistants is also translated by department in record time. Questionnaire of different Parliamentary committees were also translated..

INTERNAL AUDIT

Internal Audit has been playing a pivotal role in strengthening the Corporate Governance and complying with management objectives to strengthen internal controls.

Internal Audit function comprises of examining, evaluating and reporting to the Management on adequacy of internal controls, effective and efficient use of resources in the best possible manner to guard against the leakage of revenue. IAD has ensured that all operating offices are audited at least once in the financial year.

Internal Audit Dept. has been instrumental in detecting and reporting to the Management for rectification of systems and procedural lapses. IAD has also helped in enhancing the performance of Audit Compliance Cells at the various operating offices for speedy resolution of pending audit queries – both internal and CAG.

All pending Board and CMD level queries are examined age-wise, type-wise, and with reasons for their pendency by the IAD and the feedback is being presented periodically to the Audit Committee of the Board (ACB). Maximum stress was given towards resolving the old pending queries and simultaneously the freshly added queries were also attended to by IAD. The performance of the Divisional Offices are reviewed and based on their performance on various parameters, offices are graded. At the end of the financial year, the performance of the IAD is consolidated in the form of Annual Report and the same is placed before the ACB for their review.

In addition to laying emphasis on adherence to various systems and procedural lapses, more stress has been given for strengthening the audit compliance mechanisms and initiating fresh interventions to ensure elimination of recurring and repetitive lapses. IAD has also introduced the system of conducting quarterly workshops for resolving maximum number of pending queries besides the usual workshops for resolving Board, CMD and CAG level queries.

IAD has conducted 20 HO level audit workshops, 65 RO level workshops and 1 CAG workshop.

During this financial year, IAD has introduced the concept of Quarterly audits to be conducted at RO unit, specialized offices like LCBOs, Brokers DO, Bancassurance DO, Auto tie-up DO, and Claims Hub (Suit and non-suit). Quarterly audits were introduced for monitoring of financial transactions, quality underwriting, verifying adequacy of provisioning etc.

The audit department is in the process of switching over to risk based audit in near future.

LEGAL DEPARTMENT

The Legal Matters pertaining to Technical department of HO/RO are handled by the department for effective defence under HO's guidance. During the year various references received from ROs/Department of HO, Ministry and IRDA were disposed. The Company is also in the process of creating a Special Cell at Mumbai for all Regional Offices at Mumbai & at New Delhi for NCDRC & Supreme Court matters for handling such matters effectively.

CONSUMER FORUM

To facilitate faster disposal of Consumer Fora matters, our officials visited 11 ROs, which had maximum disputes pending in the beginning of FY 2014-15 (1996 cases). ROs were advised to review and resolve pending disputes, especially in District Fora. During the said financial year 2116 consumer cases settled by way of award/judgment and Out of Court Settlement basis. The total settlement ratio is 22%. An All India workshop for Nodal Officers for Consumer Cases was held at Puri on 19th & 20th September 2014. Ten workshops were conducted at ROs during the year to minimize the scope for policyholder's grievance escalating to disputes in Consumer Forum and to enhance



Customer satisfaction by increased customer service. The department monitored hearing of Consumer Fora & High Court matters regularly through appointment of Court Retainers who gave advance intimation about such cases. Uploading of claim litigation details in CWISS was vigorously pursued to ascertain number of cases pending in Consumer Fora all over the Country.

VIGILANCE

The Vigilance Department working under Chief Vigilance Officer has units in all the Regional Offices. The department is driven by a well defined Mission which includes 'to create an atmosphere conducive to zero-corruption functioning with role clarity and clear sense of direction.' In order to achieve this mission, the department conducted 535 surprise inspections, 143 vigilance workshops, creating and circulating guidelines on contemporary areas more susceptible to frauds. CVO has personally conducted 15 Workshop on "Preventive Vigilance" at Regional Offices throughout year.

Vigilance Awareness Week was observed from 27th October to 1st November, 2014. The theme for the year was "Combating Corruption – Technology as an enabler." Vigilance Department is publishing in house magazine "nia Vigil" on quarterly basis to create awareness about systems and procedures of the Company and latest happening in the industry.

All India Annual Conference for Vigilance Officers was held at Chail, H.P. on 27th & 28th February, 2015. Inputs and experiences shared during the Conference was very useful to many newly inducted Vigilance Officers.

The Vigilance Manual giving details of CVC and CBI guidelines, and our internal vigilance guidelines were released for the first time. The same would be updated from time to time through company portal.

PARTICULARS OF EMPLOYEES AS REQUIRED DRAWING REMUNERATION OF ₹ 60 LAKH AND ABOVE

The particulars of employees drawing remuneration of ₹ 60 lakh and above for the year ended 31st March 2015 are as under:

NAME OF THE EMPLOYEES	SE RVI CE IN YRS	DESIGNATI ON	REMUNARA TION	QUALI FICATI ON	DATE OF JOINING	AGE	LAST EMPLOYM ENT HELD	PLACE
Mrs. Meera Batra	27	CHIEF OPERATING OFFICER	60,53,634	MCOM . AIII	19.09.1988	51	New India Assurance Co. Ltd.	HONGKONG
Bharat Shrivastava	28	CHIEF OPERATING OFFICER	60,43,779	M.Sc., A.I.I.I.	28.07.1986	59	New India Assurance Co. Ltd.	Aruba
G. Radhakrishnan	31	DEPUTY GENERAL MANAGER	61,29,941	M.A., L.I.I.I.	1.06.1983	53	New India Assurance Co. Ltd.	LONDON
K.V. Raman	27	MANAGER	60,57,430	B.Sc.(P HYSIC S), F.I.I.I.	27.07.1987	49	New India Assurance Co. Ltd.	LONDON
Philip Scott	38	CHIEF UNDERWRITER	1,19,83,533	ACII	1.8.2011	58	Assicurazio ne Generali Spa	LONDON
James Day	32	TREATY UNDERWRI TER	1,08,56,796	ACII	19.9.2011	51	BRIT	LONDON
S.Ratnasabapathy	37	CHIEF ACCOUNTANT UNDERWRI	76,70,282	FCEA	01-04-1995	61	Henley Industries Scan	LONDON
James Baker	30	TER	68,04,351		01-09-2011	47	re.London	LONDON
Mrs. Panna Shah	37	Accountant	64,39,098	Book Keeping	01.07.1993	60	P S J Alexander & co	LONDON

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)

The Company being a General Insurance Company wholly owned by Government of India, its working and functions are governed by the Insurance Regulatory and Development Authority of India. The Accounts of the Company are drawn up according to the stipulations prescribed in the IRDA (preparation of Financial Statements and Auditor's Report) Regulations 2002.

FINANCIAL RATING

AM Best Company has reaffirmed the Financial Strength Rating of A-(Excellent) with a stable outlook.

The rating reflects the Company's favorable investment results, strong solvency ratio and its strong presence in domestic and overseas markets.

CRISIL has reaffirmed its 'AAA/Stable' rating of The New India Assurance Company Ltd. indicating that the Company has the highest degree of financial strength to honour its policyholder's obligations. The rating continues to reflect the Company's leadership position in the Indian General Insurance industry, its healthy capitalization, sound asset quality and comfortable liquidity.

FOREIGN EXCHANGE EARNING & OUTGO AND OTHER INFORMATION :

The particulars of Foreign Exchange earnings/outgo as required by the Companies Act under Section 217(1)(e) is given below :

Earnings	:	₹ 564.55 crore
Outgo	:	₹ 701.22 crore

The earnings included all receipts denominated in foreign currencies in respect of premium, recovery of claims, outward commission and investment earnings. The outgo comprised all payments in foreign currency in respect of outward premium, claims on reinsurance accepted, commission and expenses of management.

Expenses on (a) Entertainment (b) Foreign tours and (c) Publicity and Advertisement amounted to ₹ 1,09,19,786; ₹ 1,43,64,053 and ₹ 50,09,56,634 respectively.

CONSOLIDATED FINANCIAL STATEMENTS

Provisions regarding Financial Statements are laid down under Section 129 of the new Companies Act 2013. As per the provision of Section 129 (2) of the said Act, at every Annual General Meeting of a company, the Board of Directors of the Company shall lay before such meeting financial statements for the financial year. Section 129(3) of the Companies Act 2013 provides that where a company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-section (2) of Section 129, prepare a consolidated financial statements of the company and of the subsidiaries in the same form and manner as that of its own which shall also be laid before the Annual General Meeting of the company along with the laying of its financial statements under Sub Section (2) of Section 129.

As per the above section, the Company was required to prepare financial statements as above. Subsequently, Ministry of Corporate Affairs has notified an amendment to Companies (Accounts) Amendment Rules 2014 vide notification dated 16th January 2015 wherein it is specified as under:

"Provided also that nothing in this rule shall apply in respect of consolidation of financial statement by a company having subsidiary or subsidiaries incorporated outside India only for the Financial Year commencing on or after 1st April 2014."

Since the Company has subsidiaries outside India only (and does not have any Indian Subsidiary), New India is not required to prepare Consolidated Financial Statement of its Subsidiaries, Associates and Joint Ventures.



CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING :

The CSR Reporting as per Section 135 of The Companies Act 2013 is given in Annexure II.

CORPORATE GOVERNANCE

Corporate governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others.

The Board meets at least once a quarter to review the quarterly, financial, and operational and investment performance of the Company. The company's philosophy on corporate Governance lays strong emphasis on transparency, accountability and integrity. Corporate governance is concerned with the establishment of a system whereby the Directors are entrusted with responsibilities and duties in relation to the directions of corporate affairs. It is concerned with accountability of who are managing it. It is concerned with morals, ethics, values, parameters, conduct and behavior of the company and its management.

BOARD OF DIRECTORS

The Board underwent the following changes in its composition since the date of last directors' report, i.e., 28th April 2014:

- ☞ Mr. S. Ganapathi Subramanian & Mr. Prakash Bakliwal Part Time Non Official Directors tenure ceased on 24.08.2014.
- ☞ Mr. Arvind Kumar IAS Government Nominee Director ceased to be director w.e.f. 5.6.2014.
- ☞ Appointment of Mr. Rajesh Kumar Khullar IAS as Government Nominee Director w.e.f. 5.6. 2014.
- ☞ Mr. Rajesh Kumar Khullar IAS ceased to be director w.e.f. 25.02.2015
- ☞ Smt. V.R. Iyer ceased to be director w.e.f. 31.5.2015.
- ☞ Appointment of Mr. KLR Babu as Whole Time Director w.e.f. 21st August 2014.

The Directors wish to place on record the co-operation received from Shri Ganapathi Subramanian, Shri Prakash Bakliwal, Shri Arvind Kumar, Shri Rajesh Kumar Khullar and Smt V.R. Iyer during their tenure as Directors on the Board and also for their valuable contribution to the cause of the General Insurance Industry.

The composition and profile of the Board of directors of the company as on 31st March, 2015 is as under:

1. Mr. G. Srinivasan, Chairman-cum-Managing Director
2. Mr. Salamat Ullah, Director
3. Mr. K. Sanath Kumar, Director
4. Mr. KLR Babu, Director

BOARD MEETING DETAILS :

During the year, the Board met Seven (7) times. The attendance of the Directors at the said meeting is as below :



Director	No. of Meeting held	No. of Meetings attended
1. Mr. G. Srinivasan	7	7
2. Mr. Arvind Kumar	7	1
3. Mr. Rajesh Kumar Khullar	7	3
4. Smt. V. R. Iyer	7	3
5. Mr. S. Ganapathi Subramanian	7	2
6. Mr. Prakash Bakliwal	7	2
7. Mr. Salamat Ullah	7	6
8. Mr. K. Sanath Kumar	7	6
9. Mr. KLR Babu	7	4

The Board also met on 30.04.2015, for approval of audited accounts of the company for the financial year 2014-15.

AUDIT COMMITTEE DETAILS :

The Audit Committee inter-alia oversees the financial statements and financial reporting before submission to the Board, internal audit function and the work of the statutory auditors. It also reviews the reports of the internal auditors and statutory auditors along with the comments and action taken reports of the management. During the year under review, the Audit Committee met 6 times.

Director	No. of Meeting held	No. of Meetings attended
1. Mr. S. Ganapathi Subramanian	6	2
2. Mr. Arvind Kumar	6	1
3. Mr. Prakash Bakliwal	6	2
4. Mr. Salamat Ullah	6	4
5. Mr. K. Sanath Kumar	6	3
6. Mr. KLR Babu	6	3

INVESTMENT COMMITTEE MEETING DETAILS :

The composition of the Investment Committee is in accordance with the provisions of the IRDA (Investment) Regulations 2000 as amended and the Guidelines issued thereunder by IRDA from time to time. During the year, the Investment Committee met 4 times.

Director	No. of Meeting held	No. of Meetings attended
1. Mr. G. Srinivasan	4	4
2. Smt. V. R. Iyer	4	3
3. Mr. S. Ganapathi Subramanian	4	1
4. Mr. Prakash Bakliwal	4	1
5. Mr. K. Sanath Kumar	4	3
6. Mr. KLR Babu	4	3
7. Mr. V. Hari Srinivas	4	1



AS per IRDA guidelines, Mr. Sharad Ramnarayanan Appointed Actuary, Smt. S. N. Rajeswari, Chief Financial Officer and Mr. S.R. Shreeram, Chief Investment Officer were present in all meetings of the Investment committee held during the year.

RISK MANAGEMENT COMMITTEE MEETING DETAILS :

The Risk Management Committee has during the year ensured that risk management was further embedded into day-to-day business and enabling processes. Under the guidance of the Risk Management Committee, Company has floated a tender for appointment of a consultant for risk management of operational, financial and strategic risks of the company. During the year the RMC met four (4) times

Director	No. of Meeting held	No. of Meetings attended
1. Mr. G. Srinivasan	4	4
2. Mr. Arvind Kumar	4	-
3. Mr. S. Ganapathi Subramanian	4	1
4. Mr. Salamat Ullah	4	3
5. Mr. K. Sanath Kumar	4	4
6. Mr. KLR Babu	4	3

As per IRDA guidelines, Mr. Sharad Ramnarayanan Appointed Actuary and Mr. S. Shankar Chief Risk Officer were present in all meetings of the Risk Management committee held during the year.

POLICYHOLDERS PROTECTION COMMITTEE MEETING DETAILS :

The Committee reviews the process being followed by the company in redressal of policyholder grievances and suggests measures for quick redressal of grievances/complaints from policyholders. During the year under review, the committee met four (4) times

Director	No. of Meeting held	No. of Meetings attended
1. Mr. G. Srinivasan	4	4
2. Mr. S. Ganapathi Subramanian	4	1
3. Mr. Prakash Bakliwal	4	1
4. Mr. Salamat Ullah	4	3
5. Mr. K. Sanath Kumar	4	4
6. Mr. KLR Babu	4	3

INFORMATION TECHNOLOGY COMMITTEE MEETING DETAILS :

The company aims to be in the forefront of providing digitally enabled products and services to its customers, agents, brokers and other stake holders, in tune with its market leadership in business. The IT Committee thus reviews the IT proposals before submission to the board. During the year under review, the committee met three (3) times



Director	No. of Meeting held	No. of Meetings attended
1. Mr. G. Srinivasan	3	3
2. Mr. S. Ganapathi Subramanian	3	1
3. Mr. Prakash Bakliwal	3	1
4. Mr. K. Sanath Kumar	3	2
5. Mr. Salamat Ullah	3	1
6. Mr. KLR Babu	3	-

CSR COMMITTEE DETAILS :

The CSR Committee of the Board was constituted vide 1534 Board Meeting dated 23rd September 2014. The first CSR Committee Meeting was held on 29th October 2014. During the year under review, the committee met once.

Director	No. of Meeting held	No. of Meetings attended
1. Mrs. V.R. Iyer	1	1
2. Mr. G. Srinivasan	1	1
3. Mr. K. Sanath Kumar	1	1
4. Mr. KLR Babu	1	1

REMUNERATION COMMITTEE DETAILS :

The Remuneration Committee constituted in compliance with the Government directives met once during the year on 23rd December 2014.

Director	No. of Meeting held	No. of Meetings attended
1. Mr. Rajesh Khullar	1	1
2. Smt. V. Y. Iyer	1	1 (through VC)
3. Mr. Salamat Ullah	1	1

REMUNERATION TO DIRECTORS :

During the year under review, company had three independent directors on the Board. The Remuneration paid to independent directors during the year 2013-14 is as under :

1.	Mr. S. Ganapathi Subramanian	₹ 50,000/-
2.	Mr. Prakash Bakliwal	₹ 45,000/-
3.	Mr. Salamat Ullah	₹ 10,000/-

The Remuneration includes sitting fees only for attending Board and 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.



KEY MANAGERIAL PERSONNEL :

As per Section 2(51) and Section 203(1) of The Companies Act 2013 the following are the Key Managerial Personnel of the Company :

Chairman cum Managing Director	:	Shri G. Srinivasan
Director & General Manager	:	Shri K. Sanath Kumar
Director & General Manager	:	Shri KLR Babu
Company Secretary	:	Smt Jayashree Nair
Chief Financial Officer	:	Smt S.N. Rajeswari

As per IRDA Act 1999, following are the key managerial personnel of the Company :

Chairman cum Managing Director	:	Shri G. Srinivasan
Director & General Manager	:	Shri K. Sanath Kumar
Director & General Manager	:	Shri KLR Babu
General Manager & Financial Advisor & Chief of Internal Audit	:	Shri V. Hari Srinivas
Chief Marketing Officer	:	Shri Renjit Gangadharan
Appointed Actuary	:	Shri Sharad Ramnarayanan
Chief Financial Officer	:	Smt S.N. Rajeswari
Chief Investment Officer	:	Shri S.R. Shreeram
Chief Risk Officer	:	Shri S. Shankar
Chief Compliance Officer	:	Smt Jayashree Nair

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 Board of Directors/Risk Management Committee to determine its effectiveness.
- The Board of Directors and the Audit Committee periodically reviewed the status of compliances in respect of applicable Laws and report thereon by the Internal Audit team.
- Whistle Blower Policy – Being a Government Company, the CVC guidelines are applicable to the Company. Hence no separate whistle blower mechanism has been formulated. Company has a vigilance department which takes care of this aspect.
- Solvency Margin of the company for the year 2014-15 global is 2.44 times (PY 2.5 times) and Indian is 3.09 times (PY 3.35 times).

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act 2013)

- The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act 2013. Internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.



The following is the summary of Sexual harassment complaints received and disposed off during the year 2014-15 :

No. of Complaints received : Nil

No. of complaints disposed off : Nil

AUDITORS AND AUDIT REPORT

Under 139 and Section 143 of The Companies Act, 2013, the Comptroller and Auditor General of India, appointed M/s. JCR & CO., M/s. Devendra Kumar and Associates and M/s. Bafna and Co., as the Central Statutory Auditors of the Company for the year 2014-15. Branch auditors for the various Regional Offices, Divisional Offices and claims hubs in India and for the foreign branch/agency offices were also appointed for the year. The Board of Directors expresses its gratitude for the directions and guidance given by the statutory auditors in drawing up the Company's annual results.

SECRETARIAL AUDIT

The Board has appointed Mehta & Mehta, Practising Company Secretary to conduct Secretarial Audit for the financial year 2014-15.

The Secretarial Audit Report does not contain any qualifications or adverse remarks.

Pursuant to Section 204 of The Companies Act 2013, the Secretarial Audit Report of the Company is given in Annexure III

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return is annexed as Annexure IV.

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

Section 3 A has been amended by the Insurance Laws (Amendment) Act 2015 to remove the process of annual renewal of the certificate of Registration issued to insurers under Section 3 of the Insurance Act 1938. The insurers however, shall continue to pay such annual fee as may be prescribed by the Regulations. Thus w.e.f. 26.12.2014 insurers shall not be issued the Renewal Certificate of Registration (IRDA/R6) on an annual basis.

Accordingly, the Certificate of Registration of the Insurers renewed in 2014 and which expired on 31st March 2015, shall continue to be in force from 1st April 2015, subject to the provisions of Section 3A read with Section 3 of the Insurance Act 1938. The Certificate of License has been renewed by IRDA w.e.f. 01.04.2015.

The Company has paid the renewal fees as prescribed by the above Regulations.

SUBSIDIARY COMPANIES

The Company has 3 Subsidiary Companies. The names and details of New India shareholding are as under:

S.No.	Name of the subsidiary	Total paid-up capital (no. of hares)	New India's shareholding (no. 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	2,508,315,437	1,279,314,265	51.00



The performance of subsidiaries for the year ended 31st December 2014 is summarized below: (Figures in ₹000)

Name of the subsidiary	Currency	U/w Profit/Loss		Investment Income		Other Income		Profit before tax		Dividend	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
NIA (T&T) Ltd.	\$	14733	14985	4733	4173	1824	597	21290	19755	Not yet declared	2612
NIA (S.Leone) Ltd.	Le	(18278)	(20036)	40600	26783	NIL	NIL	22322	6747	NIL	NIL
Prestige Assurance	N	(693988)	12792	358346	397313	199233	312298	176755	127484	NIL	NIL

- All the subsidiary companies follow the calendar year for finalisation of accounts. Therefore, performance has been given for the year ended 31st December 2014.
- The New India Assurance Company (Sierra Leone) Limited has closed down business operations with effect from 1st January 2003 due to the civil disturbances prevailing in that country. The Company has not declared any dividend for the year 2014-15.
- In compliance with the provisions of the Companies Act 2013, the report and audited accounts of the subsidiary companies are appended hereto.

ADOPTION OF ACCOUNTS BY SHAREHOLDERS

The Company's Annual Accounts for the year 2014-15 were adopted by the shareholders at the Annual General Meeting held on 9th July 2015.

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 :

Thursday,	19th June 2014
Monday,	17th June 2013
Monday,	27th August 2012

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 2013-14 along with the Directors' Report was placed before Lok Sabha on 5.12.2014 and Rajya Sabha on 9.12.2014 as per the requirement of the Companies Act, 2013.

DECLARATION OF INDEPENDENT DIRECTORS :

As per Sub Section (6) of Section 149, the Company has received declaration of Independence from all the Independent Directors viz.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that :



- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) Appropriate 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 profit and loss of the company for that period;
- (c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts on a going concern basis; and
- (e) Proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (f) No Material Changes and commitments affecting the financial position of the Company which has occurred between 31st March 2015 and the date of the Report.

PLANS FOR 2015-16**Domestic :**

The company has drawn an action plan for the financial year 2015-16 to improve its performance in all parameters. New India is strong in retaining its large corporate customers by following sound underwriting practices and strong technical support built over a period of time. Customer service is the top most priority of the company in underwriting the Business, prompt issuance of policies and settlement of claims through various claims hubs. The company has planned to tap the vast retail business available by bringing out new products, effectively utilizing all business channels.

Company's core strength remains the Brand Image built over many years. Added to this the company has a strong network of offices, dedicated manpower, in addition to huge underwriting capacity. Company plans to make use of this capacity to spread its wings and with the support of its business partners, will retain the undisputed leadership status for years to come.

With the active support of stabilised CWISS, Company plans to leverage the software to establish good support systems to its business partners by providing web portals to intermediaries like Brokers, Bancassurance, corporate and individual agents. In the changing scenario, company will also utilize web aggregators to host its products with competitive premium rates and reach to the present day web savvy customers.

Under financial inclusion project of Government of India, company has planned to open Micro Offices to cater to the citizens, who are living in Tier III and Tier IV Cities and canvass more personal lines of insurance policies. Company plans to achieve Rs. 15000 crore of premium in India.

Foreign :

Company plans to achieve Rs. 3000 crore gross premium for 2015-16

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 there are no particulars 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.



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, intermediaries 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, bankers, 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 year ahead.

For and on behalf of the Board

G. SRINIVASAN
Chairman cum Managing Director

Place : Mumbai

Dated : 30th April 2015



Profile of the Board of Directors

Name of the Director	Qualification	Category of directorship	Directorship
Mr. G. Srinivasan	B.Com, FIII, ACMA	Chairman cum Managing Director	1. GIC Housing Finance Ltd. 2. Prestige Assurance Plc, Lagos Nigeria 3. The New India Assurance Co. (Trinidad and Tobago) Ltd. , Port of Spain. 4. India International Pte, Singapore 5. National Insurance Academy, Pune 6. Insurance Information Bureau 7. Health Insurance TPA 8. GIC Re
Mr. Salamat Ullah	B.Com	Part Time Non Official Director	Nil
Mr. K. Sanath Kumar	BSC, LLB, Diploma in Insurance Law and Associate of FIII	Director and General Manager	Prestige Assurance Plc, Lagos, Nigeria
Mr. KLR Babu	M.A. A III	Director and General Manager	Wafa Insurance, Saudi Arabia



CERTIFICATE ON FINANCIAL STATEMENTS

This is to certify that the financial statements of the company for the year ended 31st March 2015 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.

S. N. Rajeswari
Chief Financial Officer

G. Srinivasan
Chairman cum Managing Director

Place : Mumbai
Dated : 30th April 2015

Certificate of Compliance of the Corporate Governance Guidelines

I, Jayashree Nair 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.

Jayashree Nair
Company Secretary

Place : Mumbai
Dated : 30th April 2015



ANNEXURE I

RURAL INSURANCE, SOCIAL SECTOR INSURANCE AND SPECIAL SCHEME

Policy Details	Year	No of Policies Sold	No of Persons Covered	Amount of Premium(Rs. In Lacs)	No of Claims Reported	No of Claims Settled	Amount of Claims Settled(Rs. In Lacs)	Claims Ratio(%)
Cattle Insurance	2009 10	237431	880935	4805.61	14816	15497	2906.84	60.49
	2010 11	305469	605270	3562.28	23182	11147	1656.91	46.51
	2011-12	114806	407679	4519.87	17060	14663	2593.11	57.37
	2012 13	121180	586799	6987.1	18101	18937	3677.14	52.63
	2013-14	90898	424912	4763.33	17929	18168	4283.1	89.92
	2014-15	97012	451919	5565.13	18003	17837	4873.01	87.56
Livestock Insurance	2009-10	110999	454828	1273.56	13259	15756	916.96	71.99
	2010-11	57897	252313	473.84	2619	2493	183.51	38.73
	2011-12	25210	419273	745.09	9579	7483	302.41	40.59
	2012 13	26655	606385	1072.97	18720	18691	632	58.9
	2013 14	21003	511649	144.94	15703	16194	518.05	357.42
	2014-15	18361	453495	774.73	14215	14220	480.36	62
Agricultural Pumpset	2009 10	12062	83066	49.84	510	508	8.79	17.64
	2010-11	11367	12916	35.14	109	121	4.66	13.26
	2011-12	10023	11895	37.48	106	94	3.71	9.9
	2012 13	6405	7954	36.87	91	101	2.72	7.38
	2013-14	4361	4836	23.65	60	63	1.85	7.82
	2014-15	4618	7758	51.99	62	61	2.16	4.15
Janta Personal Accident	2009 10	846569	8284173	1427.57	4790	2131	1357.21	95.07
	2010 11	1049351	4421513	1500.03	1879	1640	1075.62	71.71
	2011 12	214084	10652087	3712.11	3634	2576	2415.32	65.07
	2012 13	225317	1398497	3967.54	8563	7881	3065.38	77.26
	2013-14	171747	1063420	2374.17	7181	8193	2295.08	96.67
	2014-15	165297	1071932	1790.45	4455	4606	2033.94	113.6
Gramin Personal Accident	2009-10	21683	1235698	60.41	182	159	49.23	81.49
	2010-11	32454	136747	46.39	58	50	54.74	118
	2011-12	5649	187129	15.97	68	54	4.93	30.87
	2012-13	3157	44771	5.13	28	31	2.35	45.81
	2013-14	2080	10820	3.02	7	9	0.34	11.26
	2014-15	1958	2930	3.05	11	11	0.77	25.26



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

Directors'
Report

Policy Details	Year	No of Policies Sold	No of Persons Covered	Amount of Premium(Rs. In Lacs)	No of Claims Reported	No of Claims Settled	Amount of Claims Settled(Rs. In Lacs)	Claims Ratio(%)
Universal Health Insurance Scheme	2009-10	5791	493968	575.86	10553	10477	361.74	62.81
	2010-11	8973	287098	399.96	13474	11596	418.89	104.73
	2011-12	6365	32953	42.89	493	495	28.42	66.26
	2012-13	1765	9548	11.81	398	389	13.47	124.99
	2013-14	-	-	-	-	-	-	-
	2014-15	-	-	-	-	-	-	-
Mediclaim	2009-10	1446268	6095223	152695.80	743754	734492	149597.25	97.97
	2010-11	1613626	7166982	199920.82	608009	551733	182320.47	91.20
	2011-12	1591086	9531815	234229.47	590376	607484	199182.57	85.04
	2012-13	1624002	12207167	275227.19	877821	828192	258204.28	93.81
	2013-14	1623524	12363886	329229.61	1110535	1132782	282147.88	85.70
	2014-15	1667569	13951117	398429.06	1497514	1493100	349371.54	87.69
Jan Arogya Bima Policy	2009-10	14049	25258	30.09	1069	945	31.26	103.88
	2010-11	7525	16375	15.03	768	684	19.46	129.47
	2011-12	12274	54307	51.76	1762	1561	60.44	116.77
	2012-13	10435	67411	55.63	1780	1805	60.16	105.91
	2013-14	10274	70755	58.37	1525	1548	63.26	108.38
	2014-15	8719	51284	48.45	1322	1324	54.88	113.28

ANNEXURE II**The New India Assurance Co. Ltd – Annual CSR Report 2014-15****THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT 2014-15****1. Brief Outline of CSR Policy :**

Adoption of villages, eradication of extreme hunger, malnutrition and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, social business project, contribution to Prime Ministers National Relief Fund or other fund set up by the Central or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women, Promotion of Road Safety.

2. Composition of CSR Committee

Smt. V.R. Iyer (Chairman) *

Mr. G. Srinivasan Chairman cum Managing Director

Mr. K. Sanath Kumar, Director & General Manager

Mr. KLR Babu, Director & General Manager

* Ceased to be Director w.e.f. 31.5.2015

3. Average Net Profits of the company for the last three financial years

₹ 801.07 crore

4. Prescribed CSR Expenditure

₹ 16.02 crore

5. Details of CSR Spent during the financial year 2014-15

- Total amount spent during the FY : ₹ 4.39 crore
- Amount Unspent : ₹ 11.64 crore
- Manner in which the amount spent during the FY is detailed below :



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

**Directors'
Report**

Sr. No	CSR Project	Sector in which the project is covered	Projects /Programs (1) Local Area or other (2) State/District	Amount outlay (budget) project or program wise	Amt spent on the project or programs (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent : Direct or Implementing Agency
1	Hud hud AP Cyclone	CM's relief fund	AP State	20,000,000	20,000,000	20,000,000	Direct
2	Village Adoption	Village Development	Village Dehit under Jaipur RO	247,175	247,175	247,175	Direct
			Village Darkedi under Kolkata RO	1,111,304	1,111,304	1,111,304	Direct
			Village Ranibandh Under Kolkata RO	330,000	330,000	330,000	Direct
			Village Bankura under Kolkata RO	2,038,696	2,038,696	2,038,696	Direct
			Village Chinnoor under Chandigarh RO	152,500	152,500	152,500	Direct
			Village Salga under Dehradun RO	1,080,000	1,080,000	1,080,000	Direct
			Village Kondakarakavala sa under Vizag RO	200,000	200,000	200,000	Direct
			Village Chowk under MRO- V	1,283,310	1,283,310	1,283,310	Direct
3	Skill Development	Micro Insurance Training	Alwar	50,000	50,000	50,000	Direct
			Solapur	140,000	140,000	140,000	Direct
4	Social Activity	Sankar Netralaya	Guwahati	2,700,000	2,700,000	2,700,000	Direct
		National Insurance					
5	Research Activity	Academy (VeDar)	Pune	300,000	300,000	300,000	Direct
6	Social Activity	Guild of Service	Chennai	500,000	500,000	500,000	Direct
7	Social Activity	Aim for Seva	Bhubaneswar	1,000,000	1,000,000	1,000,000	Direct
8	Social Activity	Director, Health Services	Puducherry	2,500,000	2,500,000	2,500,000	Direct
9	Social Activity	Kollunur Ayurvedic Hospital	Ernakulam	1,000,000	1,000,000	1,000,000	Direct
10	Social Activity	Artificial Limbs Manufacturing Corporation of India	Chitrakoot	6,300,000	6,300,000	6,300,000	Direct
11	Social Activity	Centre for Women Development Studies	Goa, Pune & Varanasi	2,929,000	2,929,000	2,929,000	Direct



- New India considers 2014-15 as the first year of reporting on the above CSR programs. The cumulative spends on some long term projects will be disclosed from next financial year onwards.
- 6. In case the Company has failed to spend 2% of the average net profit of the last three financial years thereof the company shall provide the reasons for not spending in its Board's Report:**

The Company is currently in the process of formulating strategic avenues for CSR expenditure in order to utilize the CSR Funds for big projects like Road Safety, Health care, Insurance awareness etc. This is proposed to be initiated from 2015-16. In the years to come, the company will further augment its effort to meet the targeted CSR spends.

- 7. The implementation and Monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company. The Company has undertaken and implemented the projects with careful consideration and these projects are aligned with the vision in our CSR Policy. In line with the requirements of the Companies Act 2013, monitoring mechanisms have also been instituted to ensure the projects go on smoothly as planned.**

G. Srinivasan
Chairman cum Managing Director

V.R. Iyer
Chairman – CSR Committee

Date : 30 April 2015



ANNEXURE IV

FORM NO. MGT 9

Extract of Annual Return as on financial year ended March 31 2015.

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U 99999 MH 1919 GOI 000526
2.	Registration Date	23.07.1919
3.	Name of the Company	The New India Assurance Company Limited
4.	Category/Sub-category of the Company	Public Company
5.	Address of the Registered office & contact details	New India Assurance Building, 87, M.G. Road, Fort, Mumbai 400001. Phone : 22708100 / 22708400
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non-Life Insurance	6512	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

SN	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	%of shares held	Applicable Section
1	New India Assurance (Trinidad & Tobago)		Subsidiary	83.89%	Section 2(87) of Companies Act 2013
2	Prestige Assurance Plc		Subsidiary	67.64%	Section 2(87) of Companies Act 2013
3	The New India Assurance Co. Ltd. (Sierra Leone) Ltd.		Subsidiary	100%	Section 2(87) of Companies Act 2013
4	WAFA Insurance Saudi Arabia (Previously SICCI)		Associate	10.60%	Section 2(6) of Companies Act 2013
5	India International Insurance Pvt. Ltd., Singapore		Associate	20%	Section 2(6) of Companies Act 2013
6	Kenindia Assurance Company Ltd., Nairobi Kenya		Associate	9.19%	Section 2(6) of Companies Act 2013
7	Health Insurance TPA of India Limited		Associate	23.75%	Section 2(6) of Companies Act 2013



IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]			No. of Shares held at the end of the year[As on 31-March-2015]			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
A. Promoter s							
(1) Indian							
a) Individual/ HUF							
b) Central Govt	40	40	0.00002	40	40	0.00002	No
c) State Govt(s)	199999960	199999960	99.99998	199999960	199999960	99.99998	Change
d) Bodies Corp.							No
e) Banks / FI							Change
f) Any other							
Total shareholding of Promoter (A)							
B. Public Shareholding							
1. Institutions							
a) Mutual Funds							
b) Banks / FI							
c) Central Govt							
d) State Govt(s)							
e) Venture Capital Funds							
f) Insurance Companies							
g) FIs							
h) Foreign Venture Capital Funds							
i) Others (specify)							
Sub-total (B)(1):-							
2. Non-Institutions							
a) Bodies Corp.							
i) Indian							
ii) Overseas							
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh							



Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]			No. of Shares held at the end of the year[As on 31-March-2015]			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
A. Promoter s							
c) Others (specify)							
Non Resident Indians							
Overseas Corporate Bodies							
Foreign Nationals							
Clearing Members							
Trusts							
Foreign Bodies - D R							
Sub-total (B)(2):-							
Total Public Shareholding (B)=(B)(1)+(B)(2)							
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	200000000	200000000	100%	200000000	200000000	100	No Change

Category-wise Share Holding :

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	199999960	99.99998	Nil	199999960	99.99998	Nil	No Change
	Total	199999960	99.99998	Nil	199999960	99.99998	Nil	No Change


iii) Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	199999960	99.99998%	199999960	99.99998%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	No Change	No Change
3	At the end of the year	199999960	99.99998	199999960	99.99998

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the end of the year	NA	NA	NA	NA

V) Shareholding of Directors and Key Managerial Personnel:

Shareholding of Shri G. Srinivasan (Chairman cum Managing Director)

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	4	0.000002	4	0.000002
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	No Change	No Change
3	At the end of the year	4	0.000002	4	0.000002



Shareholding of Shri K. Sanath Kumar (Director and General Manager)

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	4	0.000002	4	0.000002
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	No Change	No Change
3	At the end of the year	4	0.000002	4	0.000002

Shareholding of Shri KLR Babu (Director and General Manager)

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	4	0.000002	4	0.000002
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	No Change	No Change
3	At the end of the year	4	0.000002	4	0.000002

V) INDEBTEDNESS –

The Company has no indebtedness with respect to Secured or Unsecured Loans or Deposits during the Financial Year 2014-15.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:



SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		G. Srinivasan	K L R Babu	Sanath Kumar	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2776010.00	1229370.00	1549993.32	5555373.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	108704.39	1733745.63	292456.70
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission - as % of profit - others, specify...	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	2776010.00	1338074.39	1733745.63	5847830.02
	Ceiling as per the Act	Rs. 157.41 crore (As per Section 197 and Section 198 of Companies Act 2013)			

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		S. Ganapathi Subramanian*	Prakash Bakliwal*	Salamat Ullah ---	
1	Independent Directors				
	Fee for attending board committee meetings	50000.00	45000.00	10000.00	105000.00
	Commission	0.00	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	50000.00	45000.00	10000.00	105000.00
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission	0.00	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	50000.00	45000.00	10000.00	105000.00
	Total Managerial Remuneration	50000.00	45000.00	10000.00	105000.00
	Overall Ceiling as per the Act	100000 per board or committee meeting as per Section 197 of Companies Act 2013 * Ceased as Directors w.e.f. 24.08.2014			



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2776010.00	1027448.08	1347025.76	5150483.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	7713.00	167360.45	175073.45
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00	0.00
	others, specify...	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	Total	2776010.00	1035161.08	1514386.21	5325557.29

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**Form No. MR – 3****ANNEXURE III****SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31st March, 2015,

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
The New India Assurance Company Limited,
New India Assurance Building,
87, M. G. Road, Fort,
Mumbai - 400 001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The New India Assurance Company Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (during the year under review not applicable to the Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (during the year under review not applicable to the Company);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings (ECB);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (during the year under review not applicable to the Company as the Company is an unlisted company);



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get its securities listed);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (during the year under review not applicable to the Company as the Company is an unlisted company);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get debt securities listed);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the year under review not applicable to the Company as the Company is not availing services of Registrars to an Issue and Share Transfer Agents);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company as the Company has not done delisting of shares); and
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company as the Company is an unlisted company);
- (vii) Insurance Act, 1938;
- (viii) Insurance Regulatory and Development Authority of India Act, 1999 and rules made under the same;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. The Company has not printed its Corporate Identification Number on its business letters, billheads, letter papers and in all its notices and other official publications in terms of requirement of section 12(3)(c) of the Act.
- b. The Company has not appointed independent director in compliance with the requirement of section 149 of the Act.
- c. The Audit Committee constituted is not as per the requirement of under Section 177 of the Act as it do not consists of independent directors as required under the Act.
- d. Terms of reference of Audit Committee are not revised to align it with the requirement of section 177(4) of the Act.
- e. The Nomination and Remuneration Committee is not constituted as per the requirement of the Act.
- f. The registers maintained by the Company are yet to be updated in accordance with the provisions of the Companies Act, 2013.
- g. Intimation for opening of Branch office within one year from the date of approval letter from IRDA has not been provided to IRDA within 15 days of opening of such branch offices.
- h. Proposal for opening places of Business is not submitted in Form PB 1 as per IRDA (Place of Business) Regulation, 2013.
- i. Intimation to IRDA for closure of branch office and consolidated monthly return in Form PB 2 has not been filled as per the provision of IRDA (Place of Business) Regulation, 2013.



- j. The Company has not provided document pertaining to Re-insurance with Indian reinsurers as per section 101A of the Insurance Act, 1938 for verification, hence we may not be able to comment on the compliance of the same.
- k. The Company has not published the list of corporate agents on its website as required as per circular number 59/IRDA/AGENCY/MAR2007 dated 22nd March 2007.
- l. The Company has not submitted details of sponsored candidates in terms of circular number 42/IRDA/AGENCY/OCT2007 dated 15th October 2007.
- m. The Company has not provided any information pertaining to inspection of corporate agents as per circular number IRDA/CAGTS/CIR/LCE/093/06/2010 dated 7th June 2010 accordingly, we may not be able to comment on the same.
- n. The Company has not provided adequate information and documents pertaining to compliance of Insurance Act, 1938 and Insurance Regulatory and Development Authority of India Act, 1999 and rules made thereunder, hence we cannot be able to comment on all compliance of these acts by the Company including its branches.

We further report that The Board of Directors of the Company is not duly constituted with proper balance of the Executive Directors, Non – Executive Directors and Independent Directors and observation related to the same has been mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Company has given not less than 7 days Notice (accompanied by Agenda) of the Board meetings to all the Directors by electronic means u/s 173(3) of the Act. Meeting of the Board held on 27th March, 2015 was held at a shorter notice in compliance with the provision of Section 173(3) of the Act.

All decision of the Board is carried through unanimously. As per the records provided by the Company, none of the Directors or members dissented on any resolution passed at the meeting.

We further report that there are systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, however, since we have not received adequate information and documents hence we cannot comment whether the system and processes are commensurate with the size of the Company.

We further report that during the audit period there was no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

**For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)**

**Dipti Mehta
Partner
FCS No: 3667
CP No.:3202**

**Place : Mumbai
Date : 30th April 2015**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



Annexure A

To,
The Members,
The New India Assurance Company Limited,
New India Assurance Building,
87, M. G. Road, Fort,
Mumbai - 400 001.
Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta,
Company Secretaries,
(ICSI Unique Code P1996MH007500)**

**Dipti Mehta
Partner
FCS No : 3667
CP No. : 3202**

**Place: Mumbai
Date : 30th April 2015**

**Replies to the observations made by Secretarial Audit Report , dated 30th April 2015 for the year 2014-15.**

- a) The Company have been displaying the CIN on our advertisements and Bill boards. We have also been stamping the same in our business letters. Now we have started using printed letter heads containing the CIN.
- b) The Company is fully owned by ministry of Finance, Govt of India . All the members of the Board are nominated / appointed by the Govt. We have only one independent member now , after the retirement of Mrs. V R Iyer from the Board,. Government would be appointing / nominating the Board members' now as the process is on.
- c) Since the board of directors of the company has only one independent director as on now, and we are awaiting Govt nomination / appointment of the other directors, we could not meet the requirements of with Section 149 of Company's Act.
- d) The Company has aligned the terms of reference of Audit committee to the requirement of Section 177 (4) of the Act.
- e) As on now, the nominations of the directors on Board and fixing of their remuneration are in the decision making realm of Ministry of Finance, Govt Of India, the company will abide by the directions of the ministry on this.
- f) We have now updated all the registered as per the provisions of the new Company's Act.
- g) The Company is compliant as on now
- h) The Company is fully compliant as on now
- i) The Company is fully compliant as on now
- j) The obligatory session of Indian general insurers with General Insurance Corporation is decided by the Insurance Regulatory & Development Authority of India, as authorized under Section 2. The Authority has already communicated, vide notification dated 2nd April 2013, that the obligatory session shall be 5 % in respect of Insurances attaching during the year 2013-14. There has been no further notification changing the percentage and it is still followed.
- k) The Company has now updated the full list of Corporate Agents in our web site
- l) The Company has its own 40 Agency training Centers across the country and we sponsor the candidates to undergo training in our own training centers . The aspirants for the post of agents can also undergo training in other institutes as well. We maintain records of those agents who have undergone training in our Regional Training Centres , as required by the IDA Circular dated 15th October 2007. From 2015-16 onwards the new guidelines in Agency and we are compliant with that.
- m) Company has been having regular interactions and detailed discussion on the activities of each of the corporate agents, as we have coordinating Relationship manager assigned to each of the corporate agents. MIS on the business generation is also generated. These involve visits to the corporate offices of these corporate agents frequently. However these visits / inspections have not been minuted and record in a formal manner as required by the IRDA . We will be complying with this provision fully.
- n) The Company is wholly owned by Government of India, and are fully compliant with all provision of the relevant regulations. However, due to the paucity of time available, we could not provide the full complement of documents to the audit team as compliance's of various regulations / rules were being carried out by the respective departments. We have now set up a single point compliance system.



**Addendum to Directors' Report dated 30th April 2015
As per Section 134 (3) (f) of the Companies Act – 2013
Response to observations in Auditor's Report dated 30th April 2015**

The Management's explanations for observations mentioned in the above report, which are not explained by way of note, are as follows.

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

In the normal course , confirmations are sought on a regular basis and few State Governments though have not confirmed , have not disputed the dues. . As regards term loan accounts, which are restructured, reconciliation of balances has been done and suitable modifications carried out already . 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 as per its own internal guidelines, as also guidelines issued by GIC, then Holding Company, 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. 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 pending reconciliation/confirmation of balances due to/from bodies carrying on Insurance business, few bank accounts, balances of Inter Office accounts and other Premium collection control accounts..

Reinsurance balances are long standing accounts and are running balances for which confirmations are usually obtained at regular intervals as and when settlement process takes place and confirmation obtained on regular process and not as a year end exercise. Regular reconciliation meetings are held to confirm/settle balances .

Inter office entries mainly pertain to Inter office transfer of fund and inter office transfer of balances. Inter office Accounts reconciliation is being carried out on a continuous basis. In our opinion, there is no significant impact on revenue. All bank accounts have been reconciled and few open items pending are also being attended to . Control accounts are being reconciled on a continuous basis.

4 Para 1 d of Auditors' Report regarding inconsistencies involved in the migration of data as well as non availability of Original Cost of assets at foreign branches, impact on the depreciation charged during the year and profit or loss on sale of assets as recognized in Financial Statements is unascertained.

The Company has exercised control to ensure that the migrated balance (of each account code of asset) of each Office match with the prior to migration balance in the old software and fine tuning is in progress. Regarding foreign offices, the assets are few in numbers and are accounted properly in original currency at the respective office. The same is getting converted at Head office and depreciation charged as per the requirement of Companies Act 2013.

5 Para 1 e of the Auditors' Report regarding returns, of Foreign Branches and Agencies that are compiled, are based on the accounting principles generally accepted at the respective locations/countries.

The Audit Report of most of the Foreign Branches confirm that the Accounts have been drafted based on the Significant accounting policies of the Company and also the Account closing guidelines issued by Head Office

that are as per the Generally Accepted Accounting Principles in India. Further any modification required to comply with the provisions of Companies Act 2013 and IRDAI Regulations 2002, is effected at Head Office. Any pending report not mentioning on such confirmation is being attended to.

- 6 Para 1 f of Auditors' Report regarding need for strengthening internal control systems, specially in area of data input and validation in soft wares & in recording of intimated claims and in areas of audit coverage and compliance.

The Company is conducting training programmes regularly to employees especially to the promotees and direct recruits and therefore ensuring that quality of input data is improving from time to time. The Company has also started quarterly audit of all high revenue earning offices and high outgo offices (claims hubs/TP cell etc) . The company is in the process of developing a comprehensive software which will further improve the internal control and reporting system.

7. Para 2 of the Auditors' Report regarding not allocating the Direct Expenses amounting to Rs.2256 lakhs relating to Investment Income, between Shareholders Fund and Policyholders Fund and stating it against policy holders fund, not being in accordance with the IRDAI guidelines.

The actual Direct Expenses of Investment Income which has not been allocated will be less than Rs. 300 lakhs only and does not materially impact.

For and On Behalf of the Board

G Srinivasan
Chairman Cum Managing Director

Date: 30-4-2015
Place: Mumbai.



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 2015-2016.
2. We confirm that all known and undisputed 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 to the best of our belief the assets set forth in the Balance Sheet are shown in the aggregate 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 ₹ 200 crores PML per risk except in respect of certain risks in which cases there are exposures of ₹ 500 Crores PML per policy. The same has been approved by the Board. We have made suitable reinsurance arrangements to mitigate the losses arising out of any major claims.
8. We have overseas operations in 28 countries and foreign offices have separate reinsurance arrangements to protect their exposure.

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 (a) Ageing of claims indicating the trends in average claim settlement time during the preceding five years. The required details are to be furnished in the following format :

**Agewise Summary of Claims settled during the year
2010-11, 2011-12, 2012-13, 2013-14, 2014-15**

(₹ in Lakhs)

Age Band	No. of Claims	Amount
30 DAYS	2666647	638290.98
30 DAYS TO 6 MONTHS	3609117	1140778.98
6 MONTHS TO 1 YEAR	785120	471753.88
1 YEAR TO 5 YEARS	559158	762114.88
MORE THAN 5 YEARS	88689	151455.84
Grand Total	7708731	3164394.56

(Segment Wise Details attached)

- b) Details of payments to individuals, firms, companies and organizations in which directors are interested required to be disclosed as part of Management Report to be furnished in the following format :

No	Name of the Director	Entity in which he is interested	Interested as	Amount of payment during the financial year (₹ In lakhs)
1	S Ganapathi Subramanyan	Karur Vyasa Bank Ltd	Director	2017.78
2	Mrs V R Iyer	Bank Of India	CMD	7499.99

10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority of India and shown in the balance sheet.
11. All investment assets are reviewed periodically and assets are classified into performing and non-performing based on IRDAI norms.
12. It is hereby confirmed:
- 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 IRDAI circular no. IRDA/F&A/CIR/ACT/069042011 dated 18.04.2011.
 - That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating profit of the Company for the year except as mentioned in Para 12 (I) above.
 - 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 and Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 - That the management has prepared the financial statements on a going concern basis.
 - That the management has ensured that the internal audit system commensurate with the size and nature of business exists and is operating effectively.

Jayashree Nair
Company Secretary
Managing

S N Rajeswari
Chief Financial
Officer

K.L.R. Babu
Director

K.Sanath Kumar
Director

G. Srinivasan
Chairman-Cum-
Director

Place: Mumbai
Date: April 30, 2015



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The New India Assurance Co. Ltd.

Management
Report

Agewise Deptt wise Summary of Claims Settlement for the Period 2010-11

Row Labels	30 DAYS		30 DAYS TO 6 MONTHS		6 MONTHS TO 1 YEAR		1 YEAR TO 5 YEARS		MORE THAN 5 YEARS		Grand Total	
	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs
11 Fire	402	2963.80	1320	8638.12	1203	23644.15	446	13659.01	28	194.30	3399	49099.38
21 Marine Cargo	1773	1507.53	2671	1819.58	925	894.88	272	416.09	15	1807.45	5656	6445.52
22 Marine Hull	3	12.20	9	7.79	5	2.07		0.00	2	1.96	19	24.03
31 Motor OD	63508	7772.40	174007	34784.43	26803	12021.42	8805	5141.82	192	227.32	273315	59947.39
32 Motor TP	8994	8148.56	7834	6551.69	5621	5222.87	39126	53248.36	14345	18924.44	75920	92095.93
34 Health Insurance	12707	3065.84	55586	14510.26	9912	2968.55	730	257.13	6	7.98	78941	20809.76
36 Liability	55	75.96	97	80.86	72	77.74	50	109.18	7	7.09	281	350.83
39 TP Pool	4621	2275.51	8287	5387.66	7822	7938.60	13982	22453.47	2	-0.59	34714	38054.66
42 Personal Accident	1605	1236.39	3986	1556.44	951	581.10	303	406.68	4	6.30	6849	3786.91
43 Aviation	1	50.74	11	3022.10	8	437.23	11	337.63	3	1.50	34	3849.20
44 Engineering	562	130.00	5901	2372.44	2701	2205.28	1129	2744.19	28	57.64	10321	7509.54
46 Traditional Business - Miscellaneous	9	7.21	15	4.55	9	16.07	11	10.96	1	0.70	45	39.49
47 Rural Insurance - Miscellaneous	6422	1350.60	10870	1970.35	2725	533.68	827	310.59	87	168.38	20931	4333.59
48 Misc - Non Traditional Business	31	8.28	26	9.03	12	15.76	15	46.90	3	6.02	87	85.99
50 Credit Shield Insurance	4	27.19	5	356.31	2	0.85	21	19.03		0.00	32	403.38
Grand Total	100697.00	28632.21	270625.00	81071.61	58771.00	55560.26	65728.00	99161.05	14723.00	21410.48	510544.00	286835.62

We are New Indians



Agewise Deptt wise Summary of Claims Settlement for the Period 2011-12

Row Labels	30 DAYS		30 DAYS TO 6 MONTHS		6 MONTHS TO 1 YEAR		1 YEAR TO 5 YEARS		MORE THAN 5 YEARS		Grand Total	
	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs
11 Fire	742	3783.61	2645	8056.75	2118	17857.51	1485	32851.62	86	254.86	7076	62804.35
21 Marine Cargo	5285	2183.46	6957	4891.19	3687	5513.62	1994	2871.41	21	113.19	17944	15572.86
22 Marine Hull	13	628.26	59	9904.81	32	2129.65	80	10027.53	14	151.72	198	22841.96
31 Motor OD	93364	11946.43	245762	47949.23	35702	14728.60	11451	5990.51	274	244.24	386553	80859.00
32 Motor TP	9764	8106.07	7052	6562.49	5560	5173.30	28857	38876.43	15659	22556.56	66892	81274.84
34 Health Insurance	140066	38917.28	322584	97377.69	204607	58583.72	88173	25174.36	78	49.79	755508	220102.85
36 Liability	380	338.70	878	1435.06	703	824.99	620	890.60	89	99.67	2670	3589.02
39 TP Pool	5560	3107.57	8873	5483.89	8068	8417.71	19820	33667.28	3	-5.58	42324	50670.87
42 Personal Accident	2787	1263.70	7353	3497.89	1885	1697.47	784	786.57	29	516.06	12838	7761.69
43 Aviation	8	10.15	14	1518.33	5	607.83	55	954.89	8	135.26	90	3226.45
44 Engineering	1199	504.33	7868	2966.47	3358	8704.32	1901	5121.14	32	138.31	14358	17434.57
46 Traditional Business - Miscellaneous	3393	3572.87	4582	1529.12	1219	3964.89	660	1368.30	28	103.87	9882	10539.04
47 Rural Insurance - Miscellaneous	10324	2483.06	16441	3602.72	4785	1100.78	1929	559.87	162	189.27	33641	7935.70
48 Misc - Non Traditional Business	2511	494.98	4231	944.46	1621	903.96	848	739.83	70	541.29	9281	3624.53
50 Credit Shield Insurance			18	3.08	24	4.36	21	0.73			63	8.17
Grand Total	275396	773.40	635317	1960.28	273374	1306.44	158678	1599.54	16553	250.88	1359318	5890.54



Age-wise Deptt wise Summary of Claims Settlement for the Period 2012-13

Row Labels	30 DAYS		30 DAYS TO 6 MONTHS		6 MONTHS TO 1 YEAR		1 YEAR TO 5 YEARS		MORE THAN 5 YEARS		Grand Total	
	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs
11 Fire	765	4539.87	2393	9497.03	2201	19657.77	1743	56972.38	140	1191.92	7242	91858.96
21 Marine Cargo	7630	3269.19	7561	5772.85	2973	3322.33	2070	3884.04	25	1.98	20259	16250.39
22 Marine Hull	18	656.46	73	7417.81	43	304.40	100	16287.49	18	738.57	252	25404.73
31 Motor OD	115664	16221.52	285705	58860.97	33944	16445.72	12009	6688.99	333	272.40	447655	98489.61
32 Motor TP	8151	6100.67	6980	5825.06	5399	5230.59	20123	28692.60	16546	25589.69	57199	71438.61
33 Decline Risk Pool	18	2.90	15	0.51		0.00		0.00		0.00	33	3.41
34 Health Insurance	150868	40628.31	727639	150372.62	199435	44340.00	70884	-13056.84	80	53.89	1148906	222337.98
36 Liability	539	464.66	1053	1302.30	773	1026.78	698	1344.72	129	151.62	3192	4290.08
38 Motor TP Non Pool	266	76.46	409	63.32	43	29.98		0.00		0.00	718	169.76
39 TP Pool	5462	2715.24	8804	4629.38	8747	9393.99	22650	42294.51	72	136.14	45735	59169.27
42 Personal Accident	3013	1434.27	7239	4242.49	1499	1826.11	683	1053.36	49	41.82	12483	8598.06
43 Aviation	5	5.07	22	177.03	11	42.85	51	4057.36	9	18.80	98	4301.11
44 Engineering	1708	736.18	7976	3832.17	2446	3526.56	1574	6916.17	23	38.34	13727	15049.42
46 Traditional Business - Miscellaneous	4178	1452.54	4543	1550.81	1562	1889.98	1264	2014.55	33	38.94	11580	6946.82
47 Rural Insurance - Miscellaneous	14050	3419.41	23630	4536.85	5511	1092.36	2288	710.93	205	122.37	45684	9881.93
48 Misc - Non Traditional Business	2109	428.59	4180	1243.15	1430	989.90	834	692.09	80	89.54	8633	3443.27
50 Credit Shield Insurance	2	-52.13	9	124.92	24	301.01	31	133.33		0.00	66	507.13
Grand Total	314446.00	82099.22	1088231.00	259449.26	266041.00	109420.34	137002.00	158685.69	17742.00	28486.04	1823462.00	638140.55



Age-wise Deptt wise Summary of Claims Settlement for the Period 2013-14

Row Labels	30 DAYS		30 DAYS TO 6 MONTHS		6 MONTHS TO 1 YEAR		1 YEAR TO 5 YEARS		MORE THAN 5 YEARS		Grand Total	
	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs
11 Fire	919	6524.21	3108	13018.82	1753	14714.76	2544	52593.72	175	923.63	8499	87775.14
21 Marine Cargo	7781	4106.04	8839	6425.78	3155	3747.80	7590	4760.16	52	187.12	27417	19226.90
22 Marine Hull	24	406.76	66	73.35	41	164.46	111	1166.26	30	3580.56	272	5391.39
31 Motor OD	153692	25023.11	311400	73983.65	46433	18672.86	15041	8349.55	403	337.33	526969	126366.51
32 Motor TP	6934	5735.59	6563	5813.07	5226	5861.84	17499	28035.21	17365	28418.81	53587	73864.53
33 Decline Risk Pool	243	31.29	348	159.35	194	225.04	26	34.78	3	1.59	814	452.05
34 Health Insurance	559850	137055.49	429881	137156.71	20280	7805.49	49727	117.26	174	76.20	1059912	282211.14
36 Liability	759	799.99	1096	1291.96	586	917.93	727	1180.37	91	101.19	3259	4291.46
38 Motor TP Non Pool	2181	649.84	4093	2562.87	2143	3367.31	421	1005.15		0.00	8838	7585.17
39 TP Pool	3528	2633.06	4659	4451.07	6483	8832.25	26974	58303.94	1183	2750.83	42827	76971.15
42 Personal Accident	3514	2533.15	6953	4380.81	1512	1749.10	1400	561.96	45	40.96	13424	9265.97
43 Aviation	2	17.56	11	89.11	10	40.19	97	1069.66	45	-110.95	165	1105.57
44 Engineering	2448	1387.37	7824	4809.06	2339	2560.80	2367	6442.61	69	59.27	15047	15259.11
46 Traditional Business - Miscellaneous	7333	2152.65	6335	1761.55	1331	1953.47	1676	1756.73	41	-8.20	16716	7616.20
47 Rural Insurance - Miscellaneous	15196	3220.38	21393	5388.67	6321	1617.89	4806	430.13	166	170.13	47882	10827.20
48 Misc - Non Traditional Business	2232	636.25	4272	1424.02	1296	1034.18	757	659.51	92	62.33	8649	3816.28
50 Credit Shield Insurance		0.00	19	349.28	17	792.37	34	268.45	3	-5.36	73	1404.74
Grand Total	766636.00	192912.73	816860.00	263139.14	99120.00	74057.72	131797.00	166735.47	19937.00	36585.46	1834350.00	733430.51



Age-wise Deptt wise Summary of Claims Settlement for the Period 2014-15

Row Labels	30 DAYS		30 DAYS TO 6 MONTHS		6 MONTHS TO 1 YEAR		1 YEAR TO 5 YEARS		MORE THAN 5 YEARS		Grand Total	
	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of Claims	Amount in lakhs
11 Fire	1090	5584.00	3519	32001.90	2109	34149.41	1451	53279.06	143	3044.96	8312	128059.33
21 Marine Cargo	8226	4377.96	7766	8221.98	2358	3500.08	1543	2474.44	52	-0.69	19945	18573.77
22 Marine Hull	28	4807.83	58	281.38	34	163.01	61	4401.02	13	56.98	194	9710.23
31 Motor OD	221436	36890.28	350007	93498.47	24751	17016.47	10665	6955.89	664	438.10	607523	154799.20
32 Motor TP	7435	7839.35	6657	7383.62	4584	6918.38	14418	27433.53	15244	27584.58	48338	77159.46
33 Decline Risk Pool	525	175.82	699	469.49	466	592.20	312	800.85		0.00	2002	2038.36
34 Health Insurance	932429	179295.75	373297	155166.32	34769	12616.35	7187	2246.89	147	101.12	1347829	349426.42
36 Liability	994	764.28	1207	1281.57	551	888.90	508	1291.82	89	134.83	3349	4361.39
38 Motor TP Non Pool	3693	1679.76	6817	5672.55	5132	9565.28	4035	11344.30		0.00	19677	28261.89
39 TP Pool	2119	2456.11	1769	2345.99	2259	3778.65	20468	52222.59	3009	7800.76	29624	68604.09
42 Personal Accident	3546	2543.61	6826	5049.21	972	1686.85	435	769.24	40	70.03	11819	10118.95
43 Aviation	6	7.96	11	76.32	16	844.63	46	3114.09	16	107.58	95	4150.59
44 Engineering	1825	1520.31	6444	6468.13	3122	3671.34	1222	6237.14	42	164.47	12655	18061.39
46 Traditional Business - Miscellaneous	8269	3634.79	9029	9113.09	1954	3104.88	1141	3133.25	56	153.98	20449	19139.98
47 Rural Insurance - Miscellaneous	15777	3682.47	19220	4479.81	3244	1007.46	1749	954.31	152	179.58	40142	10303.63
48 Misc - Non Traditional Business	2074	2046.11	4739	9528.92	1483	1405.36	669	925.37	66	54.77	9031	13960.52
50 Credit Shield Insurance		0.00	19	52.54	10	162.09	43	-4.70	1	-5.70	73	204.23
Grand Total	1209472.00	257306.37	798084.00	341091.29	87814.00	101071.33	65953.00	177579.08	19734.00	39885.36	2181057.00	916933.43



JCR & CO.
Chartered Accountants
Level III, Raval House
18th Road, Khar West
Mumbai- 400 052

R. Devendra Kumar and Associates
Chartered Accountants
205, Blue Rose Industrial Estate,
Near Petrol Pump,
Western express highway
Borivali (E), Mumbai-400066

A. Bafna & Co.
Chartered Accountants
UG-283, Dreams, The Mall,
LBS Marg,
Bhandup (west)
Mumbai 400078

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements:

We have audited the accompanying financial statements of New India Assurance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the annexed Revenue Accounts of Fire, Marine and Miscellaneous Insurance Business (collectively known as 'Revenue Accounts'), Profit and Loss Account and the Receipt and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated returns for the year ended as on that date:

- (a) from thirty Six Regional offices (including 5 LCO's), Four hundred and thirty seven Divisional offices audited by the other firms of Auditors appointed by the Comptroller and Auditor General of India under section 139 of the Companies Act, 2013; and
- (b) from Nine Foreign Branches, Eight Foreign Agency offices audited by local auditors appointed by the company and unaudited returns of Eight Run off offices (out of which five are closed) and one representative office.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013, The Insurance Act 1938, and for the Accounting Principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority ("the Act, Rules and Regulations"), with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of "the Act, Rules and Regulations" for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the "Act, Rules and Regulations", the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act, Rules and Regulations made thereunder.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 qualified audit opinion on the financial statements.

Basis for Qualified Opinion

1.
 - a) In view of non-availability of balance confirmations of some loans and investments (Refer Note No. 9, Notes to Accounts Schedule 16B), 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 policies in schedule 16A para 13 L and M(II));
 - c) Balances due to/from persons or bodies carrying on Insurance Business and balances of Inter office accounts, control accounts, reinsurance accounts, certain Bank accounts and other accounts at certain offices are pending for reconciliation/confirmation and consequential adjustments, (Refer Note 3(a) and (c), 4, 5, 8(iii) and Note No. 9(b) of Notes to accounts, in schedule 16B), effect of which, if any, is not ascertainable and cannot be commented upon.;
 - d) The company has during the year changed useful lives of the assets to be in line with those specified under Schedule II to the Companies Act, 2013 and also changed the method of depreciation, however as stated in Note No 22(b) due to inconsistencies involved in the migration of data as well as non-availability of original cost in case of assets at Foreign Branches, the precise impact on the depreciation charged during the year and Profit/Loss on sale of asset as recognized in the financial statements has remained unascertained.
 - e) The returns of foreign Branches and agencies incorporated in the financial statements dealt with by this report, are compiled based on the accounting principles generally accepted at the respective locations/countries. Compliance of Generally Accepted Accounting Principles in India is pending in respect of these foreign Branches/agencies, effect of which has not been ascertained. Further the auditors report in respect of foreign Branches do not contain the information required to be stated in accordance with the provisions of the Companies Act, 2013 read with IRDAI Regulations 2002. (Refer Note 25).
 - f) The Company's internal control systems require strengthening specially in area of data input and validation in various soft-wares and recording of intimated claims at the offices of the company and with TPAs. The internal audit system also requires strengthening in the areas of audit coverage and compliance.
2. The company has not allocated Direct Expenses amounting to Rs.2256 lakhs related to Investment Income between Shareholders Fund and Policyholders Fund and the same is stated against policy holders fund which not in accordance with the IRDAI guidelines. Disclosure towards indirect expenses of Investment division relating to shareholders is also pending.



3. Overall impact of the above para 1 and 2 and the consequential effects on Revenue Accounts, Profit and Loss Account and Reserve and Surplus as on 31st March 2015 are not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements dealt with by this Report read together with schedules, significant accounting policies and disclosures, give the information required by the "Act, Rules and Regulations" in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to Non-Life Insurance Companies:

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st march 2015;
- (ii) In case of revenue accounts of the **loss** in Fire and **Profit** in Marine and Miscellaneous Business for the year ended as on that date;
- (iii) In case of Profit and Loss Account of the Profit for the year ended as on that date, and
- (iv) In case of Receipt and Payments Account, of the receipts and payments for the year ended on that date;

Emphasis of Matters

We draw attention to the following Notes to Accounts:

- a) Note No. 8(a), 8(b)(ii) and 8(c) in Schedule 16 B regarding non-compliance of Insurance Regulatory and Development Authority of India (IRDAI) Regulations during the year.;
- b) Note No. 12 in Schedule 16 B, which describe deferment of gratuity liability of the company to the extent of Rs.3431.20 lakhs, pursuant to the circular dated 18/04/2011 of IRDAI to Public Sector insurance companies.
- c) Note No. 8(b)(i) in Schedule 16 B, non-disclosure of segment reporting in respect of Public and Product Liability of Foreign Business.
- d) Note No. 26 regarding recognition of Reserve for Unexpired risk as per Insurance Act, 1938 while the implementation of systems and procedures to compute the same in accordance with 1/365 method is pending and as such the compliance of IRDAI guidelines in this regard is pending.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of thirty Six Regional offices (including 5 LCO's), Four hundred and thirty seven Divisional offices, Nine Foreign Branches, Eight Foreign Agency offices, Eight Run off offices (out of which five are closed) and one representative office, included in the financial statements of the Company whose financial statements / financial information reflect total assets of Rs.2219107.34 lakhs as at 31st March, 2015 and total revenues of Rs.15480.36 lakhs for the year ended on that date, as considered in the financial statements. The financial statements/information of these offices except in case of Run-off and representative offices which have remained unaudited, have been audited by the other firm of auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Matters:

As required by Section 143 (3) of the Companies Act 2013 and Insurance Regulatory and Development Authority of India (Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority of India, we report that:

- a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;



- b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of accounts have been maintained by the Company, so far as it appears from our examination of those books.
- c) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper returns both audited and unaudited from Regional offices, Divisional Offices, branches and other offices, not visited by us, have been received and are adequate for the purpose of audit.
- d) The reports of the Regional Auditors consolidating the Divisional Auditors report, Reports of foreign branches and foreign agency offices, audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report in the manner considered necessary by us.
- e) The Balance sheet, Revenue account, Profit and Loss account and the Receipt and Payments Account dealt with by the report are in agreement with the books of account and returns received from offices not visited by us.
- f) The financial statements have been prepared in accordance with the requirements of the Insurance Act, 1938 (4 of 1938), the Insurance Regulatory and Development Act, 1999 (41 of 1999) and the Companies Act, 2013 to the extent applicable and in the manner so required.;
- g) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- h) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- i) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- j) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- k) The accounting policies adopted by the company are appropriate and in compliance with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the Accounting Principles as prescribed in the Insurance Regulatory and Development Authority of India (Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority India.
- l) The actuarial valuation of liability in respect of claims Incurred But Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) as at 31st March 2015, 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 of India (IRDAI) and the Actuarial Society of India in concurrence with the IRDAI.
- m) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the investments have been valued in accordance with the provisions of the Insurance Act, the regulations and orders/directions issued by IRDAI in this regard.
- n) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Schedule 16 C;
 - ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. There are no outstanding derivative contracts at the Balance Sheet date.



- iii) There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- o) Further on the basis of our examination of books and records of the company and according to the information and explanation given to us and to the best of our knowledge and belief, we certify that:
- i) We have reviewed the management report attached with the Financial Statements and there are no apparent mistakes or material inconsistencies between the management report and the financial statements;
- ii) Based on the management representation by officer of the company charged with compliance, nothing has come to our attention which causes us to believe that the company has not complied with the terms and conditions of registration as stipulated by IRDAI; and
- iii) Reference is invited to Accounting policy No. 20 with regard to segregation of shareholder and policyholders fund subject to the possible effects of the matter described in the Basis for Qualified Opinion paragraph above that we certify no part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds.
- p) As required under section 143(5) of the Companies Act, 2013, we enclose herewith, as per Annexure A, the directions including sub-directions issued by the Comptroller & Auditor General of India, action taken thereon and the financial impact on the accounts and financial statements of the Company.

For JCR & CO.
Chartered Accountants
Firm Reg. No. 105270W

Jashvant Raval
Partner
Membership No.012926

For R. Devendra Kumar & Associates
Chartered Accountants
Firm Reg. No. 114207 W

Neeraj Golas
Partner
Membership No. 74392

For A. Bafna & Co.
Chartered Accountants
Firm Reg. No. 003660C

M. K. Gupta
Partner
Membership No. 073515



ANNEXURE "A" Referred to in Para (p) in Report on Other Legal and Regulatory Matters referred to in our Statutory Audit Report for the year 2014-15 on the accounts of New India Assurance Company Limited

S. No.	Directions under section 143(5) of Companies Act 2013	Action taken and financial impact
1	If the company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	The Direction is not applicable to the company as the company has during the year under audit not been selected for disinvestment.
2	Please report whether there are any case of waiver/write off of debt/loans/interest etc., if yes, the reasons there for and the amount involved.	During the FY 2014-15, the company has written off /down, Investments of Equity/Preference share/Mutual Fund to the extent of Rs.2,01,33,476.61/- towards impairment and reversal in value of Investment.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities	The Direction is not applicable.
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	As per below:

Details of Suit Claims:

Particulars	Total No. of Claims		Total Amount (Rs. In Lakhs)	
	Indian	Foreign	Indian	Foreign
a) Non Insurance Claims:	41	-	2239.60	-
b) Insurance Claims-Motor TP	172365	4147	462840.01	17701.85
c) Insurance Claims- Other Than Motor TP	18753	100	89215.75	14131.78

The Above cases are pending for adjudication before various Fora. The company's interests in these cases are suitably defended by the panel of Advocates and monitored by legal Department at all Divisional and Controlling Offices. The financial impact of these claims wherever applicable has been duly considered in the accounts.

Sub – directions issued by the C&AG of India as applicable to the New India Assurance Company Limited, for the year 2014-15:

1. Number of cases where the amount of equity investments depicted in the Company's books has not been arrived at with reference to year end last quoted price in NSE and stock not listed in NSE valued at last quoted price in BSE, may be verified and discrepancy found may be suitably reported.

The company has its laid down accounting policy for valuation of quoted as well as unquoted/thinly traded securities, which is in accordance with the Insurance Regulatory and Development Authority



(Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002. The company also holds certain equity investments which are unlisted for which the price as per BSE/NSE is not applicable. These equity investments have been valued as per the accounting policy followed by the company.

2. Number of titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. available in physical/demat form and out of these number of cases which are not in agreement with the respective amounts shown in the company's books of accounts may be verified and discrepancy found may be suitably reported.

The Central Government/State Government securities balances are tallied as per the Books of accounts. In case of Bonds/debentures/equities /Preference shares, there are 20 Nos. of scrips where there is shortage as per the records of custodian vis a vis books of accounts of the company and there are 46 cases where there is excess quantity as per custodian records vis a vis books of accounts of the company. The company is in the process of taking adequate steps for reconciliation and adjustments wherever required.

1. Particulars of Outstanding claims:

Particulars	Total No.
(i) Total number of outstanding claims provided the Company	2,87,044
(ii) (a) The number of cases test checked by Statutory Auditors at DO/RO	23011
(b) No of high value claims reviewed by Statutory Auditors at HO	134

- (i) The number of cases where adequate provisions have not been made on the basis of amounts estimated in preliminary loss advices interim/final survey reports etc.

Wherever the DO/RO/HO auditors have reported short provisioning the same has been adequately considered in the finalization of the accounts of the company.

- (ii) The amount of short provisioning of claims and the percentage of sample detected may be reported.

The amount of short provisioning identified has been duly considered in the accounts.

- (b) Whether there is an assurance that provision for employees liabilities such as pension fund, leave encashment, gratuity etc., and provision for IBNR & IBNER claims are as per actuarial valuation. Whether accurate & complete data was provided by the PSU to the Actuary and the benchmark used by Actuary for assumptions such as discount rate, inflation rate etc., were appropriate.

As per the information and explanations given to us, provisions for Employees liabilities and IBNR & IBNER have been provided as per Actuarial Valuation. The assumptions made by the actuary have been reviewed and the data provided by the company to the actuary for valuation was test checked by us and no material inconsistencies were observed.



(a)	i.	The Total number of cases of unconfirmed co-insurance balances in respect of premium/claims due to and due from other insurance companies	As per information and explanations provided us, co insurance balances are under reconciliation at various offices of the company. Refer Para 1 (c) to the audit report.
	ii)	The Number of cases test checked by statutory auditor at HO and by the branch auditor at RO/DO/BO level.	Total 361 Number of cases have been checked by the RO Auditors. Data related to co- insurance balances/confirmation is maintained at operating offices. Therefore at HO level checks cannot be performed.
	iii.	The number of cases where discrepancy was observed with reference to co-insurance agreements and/or correspondences with insured etc.	No material discrepancies have been reported by the RO auditors. However the impact of overall pending reconciliations and consequential adjustments has not been ascertained.
	iv.	The impact of such discrepancy on the revenue account and the percentage of sample selected may be reported.	As above in 4 (a) (iii)
(b)		Preliminary Loss advices :	
	(i)	Total number of preliminary loss advices and claim loss advices sent to the reinsurers in respect of reinsurance ceded business.	<i>i) Proportional Treaties- No Individual Loss Intimations are exchanged for ceded business. This goes as a part of Quarterly Statement of Accounts.</i> <i>ii) Non Proportional treaties- (Cat XL & Risk XL) As informed by the company, 4 nos. preliminary loss advices have been sent to reinsurers. No cash call is made in 2014-15.</i> <i>iii) Facultative-Loss intimations are exchanged by Technical Depts. as a routine function. Number of Loss intimations sent- 102.</i>
	(ii)	Total number of preliminary loss advices and claim loss advices received by the company in respect of reinsurance inward acceptance.	<i>i) Proportional Treaties- No Individual Loss Intimations are exchanged for accepted business. This goes as a part of Quarterly Statement of Accounts.</i> <i>ii) Facultative-Loss intimations are exchanged by Technical Depts. as a routine function. Number of Loss intimations received- 182.</i>
	iii.	The number of cases mentioned in (i) and (ii) above test checked by statutory auditor	Facultative outward : 31 CATXL/Risk XL : 3 Facultative inward : 32



iv.	The number of cases where discrepancy was observed with reference to reinsurance agreements and/or correspondences with reinsurers brokers etc.	No discrepancy with respect to reinsurance agreement was observed, however in case of Cat XL loss recovery, excess recovery of Rs. 56.44 crores was observed and necessary rectification was carried out.				
v.	The impact of such discrepancy on the revenue account and the percentage of sample selected may be reported.	The financial impact wherever considered necessary has been dealt with in the accounts. Percentage of checking: <table><tr><td>Facultative business</td><td>22%</td></tr><tr><td>XL loss recoveries</td><td>75%</td></tr></table>	Facultative business	22%	XL loss recoveries	75%
Facultative business	22%					
XL loss recoveries	75%					

5. Whether the Company has provided in its accounts the reserve for unexpired Risk based on actual days of policy in operation in the relevant accounting year. If the same is provided on average basis then comparative data of both methods may be obtained from the Company for suitable disclosure / report.

The Company is not in a position to arrive at 1/365 method on net basis since the required software is not in place to that effect. The Company has during the year 2014-15 changed the accounting policy and thereby has followed the method of working out the reserve for unexpired risk (URR) as per the Insurance Act 1938 at 100% of net Premium for Marine Hull and 50% of net Premium in case of Fire, Marine Cargo and Miscellaneous business and accounted the URR at Rs.706014.12 Lakhs. Had the Company worked out the Reserve for unexpired risk by the earlier adopted method, the URR would have been Rs.735251 Lakhs.

For JCR & Co.
Chartered Accountants
Firm Registration no:105270W

For R. Devendra Kumar & Associates
Firm Registration no: 114207W
Chartered Accountants

For A. Bafna & Co.
Firm Registration no: 003660C
Chartered Accountants

Jashvant Raval
PartnerMembership No. 012926

Neeraj Golas
PartnerMembership No. 074392

M. K. Gupta
PartnerMembership No. 073515

Place:Mumbai
Date:April 30, 2015



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE NEW INDIA ASSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of The New India Assurance Company Limited for the year ended 31 March 2015 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, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standard on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 April 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the financial statements of The New India Assurance Company Limited for the year ended 31 March 2015. 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 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.

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

(Roop Rashi)

Principal Director of Commercial Audit and
Ex-officio Member, Audit Board – I, Mumbai

Place : Mumbai

Date : 30 June 2015



Certificate for the year ended 31st March, 2015 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 Auditor's 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 ₹ 2.97 lakhs are under objection.
- b) Equity shares and Debentures/Bonds amounting to ₹ 7.83 lakhs and ₹ 66.32 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 ₹34.94 lakhs, ₹0.00 lakhs, and ₹ 6.67 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 ₹6.07 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.

For JCR & Co.
Chartered Accountants
Firm Registration no:105270W

For R. Devendra Kumar & Associates
Firm Registration no: 114207W
Chartered Accountants

For A. Bafna & Co.
Firm Registration no: 003660C
Chartered Accountants

Jashvant Raval
PartnerMembership No. 012926

Neeraj Golas
PartnerMembership No. 074392

M. K. Gupta
PartnerMembership No. 073515

Place:Mumbai
Date:April 30, 2015



Fire Insurance Revenue Account for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	18873280	17846263
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	1740510	1556717
Loss on Sale or Redemption of Investments (Policy Holders)	-	0	0
3. Others	-	0	0
4. Interest, Dividend and Rent (Gross)	-	2775924	2890471
Total (A)		23389714	22293451
1. Claims Incurred (Net)	2	14415189	15300619
2. Commission	3	4031468	3184666
3. Operating Expenses Related to Insurance Business	4	5936504	5186762
4. Premium Deficiency	-	0	(351941)
5. Others - Foreign Taxes		7564	2990
Amortisation, Write off, Provisions - Investments		9408	30917
Total (B)		24400133	23354013
Operating Profit/ (Loss) C=(A-B)		(1010419)	(1060563)
Appropriations			
Transfer to Share Holders Account (Profit and Loss Account)	-	1010419	1060563
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
Total		0	0

Significant Accounting Policies and Notes to Accounts

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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

Jayashree Nair
Company Secretary

S. N. Rajeswari
Chief Financial Officer

K. L. R. Babu
Director

K. Sanath Kumar
Director

G. Srinivasan
Chairman-Cum- Managing Director

As per our report of even date

For JCR & Co.
Firm Reg. No. 105270W
Chartered Accountants

For R. Devendra Kumar & Associates
Firm Reg. No. 114207W
Chartered Accountants

For A. Bafna & Co.
Firm Reg. No. 003660C
Chartered Accountants

Jashvant Raval
Partner
Membership Number 012926

Neeraj Golas
Partner
Membership Number 074392

M. K. Gupta
Partner
Membership Number 073515

Mumbai
April 30, 2015


Marine Insurance Revenue Account for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	6110405	4610226
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	415514	394681
Loss on Sale or Redemption of Investments (Policy Holders)	-	0	0
3. Others			
4. Interest, Dividend and Rent (Gross)	-	662699	732833
Total (A)		7188618	5737740
1. Claims Incurred (Net)	2	3216650	2143198
2. Commission	3	425847	485925
3. Operating Expenses Related to Insurance Business	4	1176129	1218890
4. Premium Deficiency	-	0	0
5. Others - Foreign Taxes	-	0	0
Amortisation, Write off, Provisions - Investments		2246	7838
Total (B)		4820872	3855851
Operating Profit/ (Loss) C=(A-B)		2367746	1881889
Appropriations			
Transfer to Share Holders Account (Profit and Loss Account)	-	(2367746)	(1881889)
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
Total		0	0

Significant Accounting Policies and Notes to Accounts

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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

Jayashree Nair
Company Secretary

S. N. Rajeswari
Chief Financial Officer

K. L. R. Babu
Director

K. Sanath Kumar
Director

G. Srinivasan
Chairman-Cum- Managing Director

As per our report of even date

For JCR & Co.
Firm Reg. No. 105270W
Chartered Accountants

For R. Devendra Kumar & Associates
Firm Reg. No. 114207W
Chartered Accountants

For A. Bafna & Co.
Firm Reg. No. 003660C
Chartered Accountants

Jashvant Raval
Partner
Membership Number 012926

Neeraj Golas
Partner
Membership Number 074392

M. K. Gupta
Partner
Membership Number 073515

Mumbai
April 30, 2015



Miscellaneous Insurance Revenue Account for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	108169227	89512257
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	7843978	5589431
Loss on Sale or Redemption of Investments (Policy Holders)		0	0
3. Others			
4. Interest, Dividend and Rent (Gross)	-	12510295	10378308
Total (A)		128523500	105479996
1. Claims Incurred (Net)	2	94248516	76365732
2. Commission	3	8381394	8055467
3. Operating Expenses Related to Insurance Business	4	23484915	19893416
4. Premium Deficiency		0	0
5. Others - Foreign Taxes		889	1437
Amortisation, Write off, Provisions - Investments		42400	111008
Total (B)		126158114	104427060
Operating Profit/ (Loss)	C=(A-B)	2365386	1052936
Appropriations			
Transfer to Share Holders Account (Profit and Loss Account)	-	(2365386)	(1052936)
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
Total		0	0

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

Jayashree Nair
Company Secretary

S. N. Rajeswari
Chief Financial Officer

K. L. R. Babu
Director

K. Sanath Kumar
Director

G. Srinivasan
Chairman-Cum- Managing Director

As per our report of even date

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Jashvant Raval
Partner
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Neeraj Golas
Partner
Membership Number 074392

M. K. Gupta
Partner
Membership Number 073515

Mumbai
April 30, 2015



Profit and Loss Account for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Operating Profit / (Loss)			
a. Fire Insurance	-	(1010419)	(1060563)
b. Marine Insurance	-	2367746	1881889
c. Miscellaneous Insurance		2365386	1052936
2. Income from Investments			
a. Interest Dividend and Rent (Gross) - Share Holders		7582538	6895234
b. Profit on Sale of Investment - Share Holders	- 4754265	3713556	
Less: Loss on Sale of Investment - Share Holders	-	0	0
3. Other Income - Misc Receipts, Credit Balances Written Back - Interest on Refund of Income Tax	1486419	289274 276253	193112
Total (A)=1+2+3		17835209	12952417
4. Provisions (Other Than Taxation)			
a. Others - Amortisation Provision For Thinly Traded Shares - Shareholders"	- 6493	42840	
b. For Doubtful Debts - Investments(Shareholders)	-	11129	9246
c. For Doubtful Debts - Operations			(65455)
d. For Diminution In Value Of Investments (Shareholders)	- 8077	21666	
5. Other Expenses(Other Than Those Related To Insurance Business)			
a. Others - Interest On Income/Service Tax	-	33809	299
b. (Profit)/Loss On Sale Of Assets		12722	(353)
c. Penalty For Breach Of Tariff		0	0
Total (B)=(4+5)		72230	8243
Profit Before Tax (A-B)	-	17762979	12944174
Provision For Taxation - Current Tax	-	3494186	2283986
Deferred Tax		(63091)	(243202)
Wealth Tax		19639	13576
Profit After Tax		14312245	10889814
Transfer from General Reserves for Equalization / Contingency Reserves for Foreign Branches		323666	25834
Transfer from Contingency Reserves for Unexpired Risk (created in 2009-10)		0	449500
Appropriations			
a. Proposed Final Dividend	-	(3000000)	(2200000)
b. Dividend Distribution Tax.	-	(600000)	(373890)
c. Transfer to General Reserves	-	(10712245)	(8765424)
d. Transfer to Equalization / Contingency Reserves for Foreign Branches	-	(323666)	(25834)
Profit / (Loss) Carried Forward to The Balance Sheet	-	0	0
Basic and diluted earnings per share (₹) (Refer Note 11 B to notes to accounts in Schedule 16 B)		71.56	54.45

Significant Accounting Policies and Notes to Accounts

16

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

Jayashree Nair
Company Secretary

S. N. Rajeswari
Chief Financial Officer

K. L. R. Babu
Director

K. Sanath Kumar
Director

G. Srinivasan
Chairman-Cum- Managing Director

As per our report of even date

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Jashvant Raval
Partner
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Neeraj Golas
Partner
Membership Number 074392

M. K. Gupta
Partner
Membership Number 073515

Mumbai
April 30, 2015



Balance Sheet as at 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
A. Sources of Funds			
1. Share Capital	5 & 5A	2000000	2000000
2. Reserves and Surplus	6	104496505	94934231
3. Fair Value Change Account	-	228041862	177783311
4. Borrowings	7	0	0
Total A		334538367	274717542
B. Application of Funds			
1. Investments	8	449608110	352973373
2. Loans	9	3676874	4011550
3. Fixed Assets	10	2015543	1778264
4. Deferred Tax Assets		1696388	1615644
5. Current Assets			
a. Cash and Bank Balances	11	82502299	89650037
b. Advances and Other Assets	12	77697039	80924233
Sub Total(a+b)		160199338	170574270
c. Current Liabilities	13	194441419	179391391
d. Provisions	14	88216467	77187288
Sub Total(c+d)		282657886	256578679
Net Current Assets (a+b-c-d)		(122458548)	(86004409)
6. Miscellaneous Expenditure - Contribution to Gratuity Fund -Deferred (to the extent not written off or adjusted)	15	0	343120
Total B		334538367	274717542
Significant Accounting Policies and Notes to Accounts	16		

The Schedules referred to above form integral part of the Balance Sheet

Jayashree Nair
Company Secretary

S. N. Rajeswari
Chief Financial Officer

K. L. R. Babu
Director

K. Sanath Kumar
Director

G. Srinivasan
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As per our report of even date

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Membership Number 074392

M. K. Gupta
Partner
Membership Number 073515

Mumbai
April 30, 2015


Schedules to Fire Insurance Revenue Account for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
Particulars		Current year ₹ (000)	Previous year ₹ (000)
Schedule 1 - Fire			
Premium Earned(Net)			
Premium From Direct Business - in India		16448927	14117657
- outside India		8186117	7254137
Total		24635044	21371794
Add: Premium on Reinsurance Accepted		7482170	7479677
Less: Premium on Reinsurance Ceded		12033999	11188126
Net Premium		20083215	17663345
Adjustment for Change in Reserve for Un-Expired Risks		1209935	(182918)
Total Premium Earned (Net)		18873280	17846263
Schedule 2 - Fire			
Claims Incurred (Net)			
Claims Paid Direct		18953772	15804786
Add: Claims on Reinsurance Accepted		5760760	9778422
Less: Claims on Reinsurance Ceded		8317749	9591487
Net Claims Paid		16396783	15991721
Add: Claims Outstanding at End (Net)		24545345	26814548
Less :Claims Outstanding at Beginning (Net)		26814548	26360680
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations		287609	(1144970)
Total Incurred Claims (Net)		14415189	15300619
Schedule 3- Fire			
Commission (Net)			
Commission - Direct		3473883	2835032
Add : Commission on Reinsurance Accepted		1179068	1321063
Less : Commission on Reinsurance Ceded		621483	971429
Commission (Net)		4031468	3184666
Break-up of Commission Direct			
Direct Commission		2998622	2401123
Direct Brokerage		404692	369478
Direct Corporate Agency Commission		70569	64431
Referrals		0	0
Total Commission		3473883	2835032



Schedules to Marine Insurance Revenue Account for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
Schedule 1 - Marine Premium Earned(Net)			
Premium From Direct Business - in India		6652778	7114648
- outside India		1057553	1198336
Total		7710331	8312984
Add: Premium on Reinsurance Accepted		773675	727150
Less: Premium on Reinsurance Ceded		3675575	4514923
Net Premium		4808431	4525211
Adjustment for Change in Reserve for Un-expired Risks		(1301974)	(85015)
Total Premium Earned (Net)		6110405	4610226
Schedule 2 - Marine Claims Incurred (Net)			
Claims Paid Direct		3208587	3280412
Add: Claims on Reinsurance Accepted		260692	385058
Less: Claims on Reinsurance Ceded		1105573	985497
Net Claims Paid		2363706	2679973
Add: Claims Outstanding at End (Net)		4805068	3943828
Less :Claims Outstanding at Beginning (Net)		3943828	4447845
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations		(8296)	(32758)
Total Incurred Claims (Net)		3216650	2143198
Schedule 3- Marine Commission (Net)			
Commission - Direct		697506	732655
Add : Commission on Reinsurance Accepted		134342	172561
Less : Commission on Reinsurance Ceded		406001	419291
Commission (Net)		425847	485925
Break-up of Commission Direct			
Direct Commission		492209	539855
Direct Brokerage		204252	192292
Direct Corporate Agency Commission		1045	508
Referrals			
Total Commission		697506	732655


Schedules to Miscellaneous Insurance Revenue Account for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
Schedule 1 - Miscellaneous			
Premium Earned(Net)			
Premium From Direct Business - in India		108992244	94168292
- outside India		13465975	13423017
Total		122458219	107591309
Add: Premium on Reinsurance Accepted		4598053	3066223
Less: Premium on Reinsurance Ceded		12559876	12059933
Net Premium		114496396	98597599
Adjustment for Change in Reserve for Un-expired Risks		6327169	9085342
Total Premium Earned (Net)		108169227	89512257
Schedule 2 - Miscellaneous			
Claims Incurred (Net)			
Claims Paid Direct		86174068	71043011
Add: Claims on Reinsurance Accepted		5179701	2012949
Less: Claims on Reinsurance Ceded		8804090	18541647
Net Claims Paid		82549679	54514313
Add: Claims Outstanding at End (Net)		120534150	108971370
Less : Claims Outstanding at Beginning (Net)		108971370	86355392
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations		136057	(764559)
Total Incurred Claims (Net)		94248516	76365732
Schedule 3- Miscellaneous			
Commission (Net)			
Commission - Direct		9247508	8517491
Add : Commission on Reinsurance Accepted		409238	583952
Less : Commission on Reinsurance Ceded		1275352	1045976
Commission (Net)		8381394	8055467
Break-up of Commission Direct			
Direct Commission		7300736	6898834
Direct Brokerage		1763073	1432275
Direct Corporate Agency Commission		183699	186382
Referrals			
Total Commission		9247508	8517491



Schedule for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE - 4			
Operating Expenses Related To Insurance Business			
1. Employees Remuneration And Welfare Benefits		20750061	18989466
2. Travel Conveyance And Vehicle Running Expenses		610798	627777
3. Training Expenses		322690	56400
4. Rent Rates And Taxes		1075113	926690
5. Repairs And Maintenance		746329	726795
6. Printing And Stationery		369950	433703
7. Communication Expenses		402732	379934
8. Legal And Professional Charges		374583	396107
9. Auditors Fees, Expenses Etc. As Auditor		76044	65847
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		500957	392990
11. Interest And Bank Charges		29337	21814
12. Others - Exchange (Gain) / Loss		156483	(645134)
IT Implementation		412174	224789
Outsourcing Expenses		3256677	1907564
Other Taxes		143355	52907
Others		1293455	892887
13. Depreciation		218206	329198
14. Service Tax Account		(141396)	519334
Total		<u>30597548</u>	<u>26299068</u>
Apportioned to Fire Segment		5936504	5186762
Apportioned to Marine Segment		1176129	1218890
Apportioned to Miscellaneous Segment		23484915	19893416
Total		<u>30597548</u>	<u>26299068</u>



Schedule for the year ended 31st March, 2015

Particulars	Schedule Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE - 5		
Share Capital		
1. Authorised Capital		
30,00,00,000 (Previous Year 30,00,00,000) Equity Shares of ₹ 10 each	3000000	3000000
2. Issued Capital		
20,00,00,000 (Previous Year 20,00,00,000) Equity Shares of ₹ 10 each	2000000	2000000
3. Subscribed Capital		
20,00,00,000 (Previous Year 20,00,00,000) Equity Shares of ₹ 10 each	2000000	2000000
4. Called up Capital		
20,00,00,000 (Previous Year 20,00,00,000) Equity Shares of ₹ 10 each	2000000	2000000
Total	2000000	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	200000	100	200000	100
	Foreign	-	-	-	-
Others		-	-	-	-
	Total	200000	100	200000	100



Schedule for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
Schedule 6			
Reserves and Surplus			
1. Capital Reserve (Op. Balance)		575	575
Addition During The Year		0	0
Deduction During The Year		0	0
(Cl. Balance)		<u>575</u>	<u>575</u>
2. Capital Redemption Reserve			
3. Share Premium			
4. General Reserves (Op. Balance)		83131296	74391706
Addition during the year - Balance Transferred From P & L Account		10712245	8765424
Deffered tax due to Depreciation		17653	
Deduction during the year -			
Transfer to P & L Account for Equalization /			
Contingency Reserves for Foreign Branches		(323666)	(25834)
Change in Depreciation due to Companies Act, 2013		(51937)	0
(Cl. Balance)		<u>93485591</u>	<u>83131296</u>
5. Catastrophe Reserve		<u>0</u>	<u>0</u>
6. Other Reserves			
A. Foreign Currency Translation Reserve			
Opening Balance		10378141	7167579
"Addition During The Year (Refer Note No 17 To Notes To			
Accounts In Schedule 16 B)"		0	3210562
Deduction During The Year		(1103950)	0
(Cl. Balance)		<u>9274191</u>	<u>10378141</u>
B. Contingency Reserves For Unexpired Risks			
(Created in 2009-10 as per IRDAI Circular No. IRDA/F&I/CIR/F&A/			
CIR/081/12/2009 dt.17.12.2009 in respect of Health Segment)			
(Opening Balance)		0	449500
Transfer to P & L Account for General Reserve		0	(449500)
Closing Balance		<u>0</u>	<u>0</u>
C. Equalization / Contingency Reserves for Foreign Branches			
Opening Balance		1424219	1218092
Addition During The Year		311929	206127
(Cl. Balance)		<u>1736148</u>	<u>1424219</u>
7. Balance Of Profit In Profit And Loss Account		<u>0</u>	<u>0</u>
Total		<u>104496505</u>	<u>94934231</u>
Schedule 7			
Borrowings			
1. Debentures / Bonds		-	-
2. Banks		-	-
3. Financial Institutions		-	-
4. Others		-	-
Total		<u>Nil</u>	<u>Nil</u>


Schedule for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 8			
Investments			
Long term investments			
1. Government Securities			
Central Government Securities		71945839	52882261
State Government Securities		22173193	17026808
Foreign Government Securities		2751041	1391988
2. Other approved securities		43815	43815
3. Other investments			
a. Shares			
aa. Equity		265037062	209478692
bb. Preference			
Preference shares		8229	8229
Preference shares of railways in India		0	0
b. Mutual funds/ ETF		637752	459498
c. Derivative instruments		0	0
d. Debentures/Bonds/PTCs			
Debentures in India		20478366	14729002
Other debentures - Foreign		158315	166669
e. Other Securities			
Foreign shares		99627	33341
Foreign Preferences Shares		0	0
Foreign Securities		0	0
Security deposit with Government of India		0	0
f. Subsidiaries		981719	597099
g. Investment Properties (Real Estate)		0	0
4. Investment in infrastructure and social sector		27714549	22614576
5. Investment in Housing bonds		16347676	15993294
6. Other than Approved Investments, Debentures, Pref.shares, Foreign Shares, Venture Funds and Equity		3979124	2481714
Total		432356307	337906986



Schedule for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 8 CONTINUED			
Short Term Investments			
1. Government Securities			
Central Government. Securities		3709979	1375968
State Government. Securities		1499669	4703719
2. Other Approved Securities		0	0
3. Other Investments			
a. Shares			
aa. Equity		0	0
bb. Preference		0	0
b. Mutual Funds		0	0
c. Derivative Instrument		0	0
d. Debentures/Bonds/PTCs			
Debentures in India		3422553	2878498
Other Debentures Foreign		0	0
e. Other Securities		0	0
f. Subsidiaries		0	0
g. Investment Properties (Real Estate)		0	0
4. Investment In Infrastructure And Social Sector		8470237	6083202
5. Other Than Approved Investments		149365	25000
Total		17251803	15066387
Grand Total		449608110	352973373
Investments			
1. In India		445445571	350549972
2. Outside India		4162539	2423401
Investment in foreign associates included in equity above		162495	162495
Aggregate amount of Companies Investments in other than listed equity shares Book Value		788961	581374
Market value		775598	572542
Preference shares and FITL preference shares (LTUA) amounting to ₹84498 (P.Y. ₹84498) is netted against interest suspense of an equal amount. Debentures and FITL debentures amounting to ₹48089 (P.Y. ₹55409) are netted against interest suspense of an equal amount. Equity shares amounting to 276 (P.Y. ₹21749) is netted against interest suspense of an equal amount.			
Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 8			
Debentures - Standard Provisions		96612	71935
Housing sector bonds - Standard Provisions		85180	71779
Infrastructure investments - Standard Provisions		125013	107058
Investments in OAS - Standard Provisions		175	175
Other than approved investments (Debenture)		500483	515987
Equity - Thinly traded and unlisted equity - diminution in value		38736	13841
Equity - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6034/12		28679	90101
Equity subsidiary - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6039/12		1535	1535
Investments in France Agency (Foreign & France)			
Total		876413	872411
Note:			
Interest suspense for Debtors include in sch 12 -B8b		1594	1594
S.H.C.I. include in in sch 12 -B8b		30189	93426
Loans To State Government Housing, FFe Loans To Hudco includes in Sch - 9		788394	960699


Schedule for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
Schedule 9			
Loans			
1. Security-Wise Classification			
Secured			
a. On Mortgage Of Property			
aa. In India			
Loan Against Mortgage Of Property		0	0
Housing, Vehicle And Computer Loans To Employees		1962816	2026771
Direct Term Loans		672675	691944
bb. Outside India Housing, Vehicle Loan To Employees		4562	5316
b. On Shares, Bonds, Government Securities		0	0
c. Others			
Loans to Subsidiaries		100907	179300
Loans To State Government Housing, FFe Loans		788394	960699
Unsecured (Term Loans, Bridge Loans, Short-Term Loans, Term Loans PFPS)		147520	147520
Total		3676874	4011550
2. Borrower-Wise Classification			
a. Central And State Governments(Term Loans, Housing and FFE)		788394	960699
b. Banks And Financial Institutions		0	0
c. Subsidiaries		100907	179300
d. Industrial Undertakings (Term Loans, Bridge Loans, Short-Term Loans, Loans To PFPS)		789690	807769
e. Others - Housing Loans, Vehicle Loans, Computer Loans To Employees		1967378	2032087
Term Loans and PFPS		30505	31695
Total		3676874	4011550
3. Performance-wise Classification			
a. Loans Classified as Standard			
aa. In India: Term Loans, Bridge Loans, State Government Housing And FFE, PFPS		768823	937130
Housing, Vehicle And Computer Loans To Employees		1962816	2026771
bb. Outside India (Loans To Employees)		4562	5316
Loans to Subsidiaries		100907	179300
b. Non-Performing Loans less Provisions			
aa. In India (Term Loans, Bridge Loans, Short-Term Loans, Loans PFPS)		839766	863033
bb. Outside India		0	0
Total		3676874	4011549
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, and Loans PFPS)		1608589	1800163
Loans to Subsidiaries		100907	179300
Housing, Vehicle, And Computer Loans To Employees.		1967378	2032087
Total		3676874	4011550
PFPS and FITL PFPS amounting to ₹637976 (P.Y. ₹646661) and FITL short term loan amounting to ₹1675 (P.Y. ₹1675) and direct term loans amounting to ₹6101 (P.Y. ₹6101) 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 9			
Direct term loans (Investments)		20783	20783
Bridge loan (Investments)		400	400
Term loans PFPS std.provision		0	0
Term loans PFPS		594693	597458
Short term loans (Investments)		85068	85068
Housing loans to state govts. - std.provision		3020	3668
Housing loans to state govts.		16639	18070
FFE loans to state govts. - std.provision		56	81
FFE loans to state govts.		2932	2932
Total		723591	728460
Note:			
Intrest suspense for Debtors include in sch 12 -B8b		5010	5010
Loans To State Government Housing, FFe Loans To Hudco includes from Sch - 8		788394	960699



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2015 - GLOBAL

(₹ in 000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	24635044	21371794	3807640	3825352	3902691	4487632	7710331	8312984
Premium Accepted	7482170	7479677	79457	48093	694218	679058	773675	727150
Premium Ceded	12033999	11188126	716709	620020	2958866	3894903	3675575	4514923
Net Premium	20083215	17663345	3170388	3253424	1638043	1271787	4808431	4525211
Unexpired Risk Reserve Op	8831672	9014590	3253424	3213542	1271787	1396684	4525211	4610226
Unexpired Risk Reserve Cl	10041608	8831672	1585194	3253424	1638043	1271787	3223237	4525211
Net Earned Premium	18873280	17846263	4838618	3213542	1271787	1396684	6110405	4610226
Profit on Realisation of Investment	1740510	1556717	271735	257938	143779	136743	415514	394681
Interest Dividend and Rent	2775924	2890471	433387	478933	229312	253901	662699	732833
Investment Provisions	9408	30917	1469	5123	777	2716	2246	7838
Total Investment Income	4507025	4416271	703653	731748	372314	387928	1075967	1119676
Claims Paid Direct	18953772	15804786	2046188	2252624	1162400	1027788	3208587	3280412
Claims Paid Accepted	5760760	9778422	41580	90394	219112	294664	260692	385058
Claims Paid Ceded	8317749	9591487	294066	254229	811507	731268	1105573	985496
Net Claim Paid	16396783	15991722	1793701	2088790	570005	591184	2363706	2679973
Cl O/S Claims Direct	35048977	30533180	3913303	3345066	5323788	2720012	9237090	6065078
Cl O/S Claims Accepted	11866378	13561671	52429	55087	631281	395978	683710	451065
Cl O/S Claims Ceded	22111056	17439451	1496930	1113208	3626999	1456280	5123929	2569487
Net Closing Outstanding Claim	24804299	26655400	2468801	2286946	2328070	1659710	4796871	3946656
Op O/S Claims Direct	30613970	30273325	3342471	3202912	2720432	3681739	6062903	6884651
Op O/S Claims Accepted	13577058	15815966	54634	94144	396023	466492	450657	560636
Op O/S Claims Ceded	17405135	18742788	1113355	567335	1456278	2394520	2569633	2961855
Net Opening Outstanding Claim	26785892	27346502	2283750	2729721	1660176	1753711	3943927	4483431
Incurred Claims Direct	23388778	16064641	2617019	2394779	3765756	66061	6382775	2460839
Incurred Claims Accepted	4050081	7524128	39375	51338	454370	224150	493745	275487
Incurred Claims Ceded	13023670	8288149	677642	800101	2982227	-206973	3659869	593128
Net Incurred Claim	14415189	15300620	1978752	1646015	1237899	497183	3216651	2143198
Commission Direct	3473883	2835032	536162	541579	161344	191076	697506	732655
Commission Accepted	1179068	1321063	16166	13905	118176	158657	134342	172561
Commission Ceded	621483	971429	52938	67880	353064	351411	406001	419291
Net Incurred Commission	4031468	3184666	499391	487604	-73544	-1678	425847	485925
Foreign Taxes	7564	2990	0	0	0	0	0	0
Operating Expenses Related to Insurance	5936504	5186762	538864	522260	637265	696630	1176129	1218890
Premium Deficiency	0	-351941	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	-1010420	-1060562	2525264	1289411	-157518	592478	2367746	1881889



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - FOREIGN

(₹ in 000)

Segment	Misc - Others		Total Misc		Grand Total	
	CY	PY	CY	PY	CY	PY
Revenue Account Elements						
Premium Direct	0	0	13465975	13423018	22709645	21875490
Premium Accepted	16076	34410	1383967	1547117	8528585	8657157
Premium Ceded	0	0	1078845	1303747	4961609	5705628
Net Premium	16076	34410	13771097	1366387	26276620	24827020
Unexpired Risk Reserve Op	17205	0	7069051	5978539	13254006	11788075
Unexpired Risk Reserve CI	8038	17205	6885548	7069051	13502582	13254006
Net Earned Premium	25243	17205	13954599	12575875	26028045	23361088
Profit on Realisation of Investment	5.44	0	4932	0	10928	0
Interest Dividend and Rent	481.46	4596	436374	672295	966863	907009
Investment Provisions	-19.61	49	-1777	7199	-39389	9713
Total Investment Income		4547	0	665096	0	897297
Claims Paid Direct	0	0	8770177	8098060	15252142	14686337
Claims Paid Accepted	1287	21775	867045	1022426	6646432	10954243
Claims Paid Ceded	0	0	651741	688329	5176900	6504687
Net Claim Paid	1287	21775	8985481	8432157	16721674	19135894
CI O/S Claims Direct	0	0	8436013	8913622	16101075	19296262
CI O/S Claims Accepted	26	1239	1714582	1589322	12158146	13847145
CI O/S Claims Ceded	0	0	465592	856297	6096412	9359512
Net Closing Outstanding Claim	26	1239	9685003	9647248	22162809	23783894
Op O/S Claims Direct	0	0	8993430	8775114	19454685	20423422
Op O/S Claims Accepted	1239	32	1592142	979799	13864343	15893195
Op O/S Claims Ceded	0	0	871244	663352	9340290	11743606
Net Opening Outstanding Claim	1239	32	9714329	9091561	23978738	24573011
Incurred Claims Direct	0	0	8212759	8236568	11898532	13559177
Incurred Claims Accepted	74	22982	989485	1632550	4940235	8908193
Incurred Claims Ceded	0	0	246089	881274	1933022	4120593
Net Incurred Claim	74	22982	8956156	8987844	14905745	18346777
Commission Direct	0	0	3013030	3005660	5793026	5244947
Commission Accepted	5116	7917	211159	249743	1451545	1659827
Commission Ceded	0	0	87595	146047	359119	431043
Net Incurred Commission	5116	7917	3136594	3109357	6885452	6473731
Foreign Taxes	1	4	889	1437	8453	4426
Operating Expenses Related to Insurance	31340	9185	1137771	692758	1482356	915825
Premium Deficiency	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	-11288	-18335	723189	449576	2746039	-1482374



Schedule for the year ended 31st March, 2015

Schedule 10

Fixed Assets

(₹ 000)

PARTICULARS	Gross Block			Depreciation Fund			Net Block	
	Opening Balance	Additions/ Adjustments	Deletions	* Closing Balance	Opening Balance	Additions/ Adjustments	* Closing Balance	Opening
	1/4/2014	During 2014-15	During 2014-15	31/3/2015	1/4/2014	During 2014-15	31/3/2015	31/3/2014
Goodwill	0	0	0	0	0	0	0	0
Intangibles (CWISS Software)	1029986	0	0	1029986	1029986	0	1029986	0
Land Freehold	80440	179	0	80619	0	0	0	80440
Leasehold Property	8714	1199	0	9913	2681	192	2873	6033
Buildings	1735404	8293	2341	1741356	871306	16671	887487	864098
Furnitures & Fittings	541935	70477	29338	583074	457069	27619	459239	84866
Information & Technology Equipments	2531934	271243	144852	2658325	2396172	90668	2371863	135763
Vehicles	1057078	176943	149728	1084293	535093	101048	536393	521985
Office Equipments	117403	10434	11162	116674	96557	12815	100971	20846
Other Assets	280414	61007	9301	332120	216179	21128	232005	64235
Grand Total	7383308	599775	346723	7636360	5605043	270141	5620817	1778265
Previous Year	7019442	622221	258356	7383307	5490810	329198	5605043	1528633

* Due to foreign currency fluctuation



Schedule for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 11			
Cash and Bank Balances			
1. Cash (Including Cheques, Drafts and Stamps)		2247699	1277313
2. Bank Balances			
a. Deposit Accounts			
aa. Short - Term (due within 12 Months)		29427498	30885363
bb. Others		39014820	41225085
b. Current Accounts		7876130	10643292
3. Money at Call and Short Notice			
With Banks		2397298	1066879
With other Institutions		1538854	4552106
Total		82502299	89650037
Cash and Bank Balances			
In India		33439715	39252289
Cash and Bank Balances			
Outside India		49062584	50397748
Total		82502299	89650037
1. above including remittance in transit		0	0
2. Balances with non scheduled banks included in 2b above		3242965	3410386
Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 11			
Indian balances included in 2b above		31004	31004
Total		31004	31004



Schedule for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 12			
Advances and Other Assets			
A. Advances			
1. Reserve Deposits With Ceding Companies		165554	125649
2. Application Money For Investments		87321	0
3. Pre-Payments		366181	44870
4. Advances To Directors / Officers		0	0
5. Advance Tax Paid And Taxes Deducted At Source (Net Of Provision For Taxation)		4631155	9553733
6. Others		375347	370356
Total (A)		5625558	10094608
B. Other Assets			
1. Income Accrued On Investments		6218091	5366473
2. Outstanding Premiums		1810756	1411456
3. Agents Balances		3562448	3226024
4. Foreign Agencies Balances		1633082	1195878
5. Due From Other Entities Carrying Insurance Business (Including Reinsurers)		47715102	42125331
6. Due From Subsidiaries/Holding Companies		0	601
7. Deposit With R B I (Persuant to Section 7 Of Insurance Act 1938)		107514	107515
8. Others - a. Other Accrued Income		809621	1090408
b. Others Including Sundry Debtors & Interoffice Accounts		9803720	15621140
c. Service Tax Unutilized Credit		411147	684799
Total (B)		72071481	70829625
TOTAL(A+B)		77697039	80924233

Sundry Debtors amounting to ₹ 6604 (P.Y. ₹ 6604) 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	942847	942847
Reinsurance balances included in B8 above	494	494
Foreign balances included in A1 above (France 911871 & 873)	0	0
Foreign balances included in B1 above (France 911897)	0	0
Foreign balances included in B3 above (Fiji, Mauritius, Bankok, Japan, Hongkong, New Zealand)	0	60297
Foreign balances included in B4 above (Manila & Dubai)	104358	42885
Foreign balances included in B5 above (Mauritius, singapore, france)	11092	2341
Foreign balances included in B6 above (Ghana, T&T, Kualalumpur)	0	0
Foreign balances included in B8 above (Equitorial Bank London)	10302	6271
Indian reinsurance balances/Miscellaneous debtors included in B5B above	200000	200000
Indian balances included in B3 above	42532	11263
Indian balances included in B8b above	67709	233365
Indian miscellaneous debtors included in 12 B 4 above	0	104700
Indian miscellaneous debtors included in B8b above (TCS)	63665	18554
Sundry debtors(5192) investments Indian included in B8 above - Std. provision	673	1791
Sundry debtors(5192) investments Indian included in B8 above	3851	3851
Sundry debtors(5192) investments(F) Indian included in B8 above	917	849
Income accrued on investments(5131(F)) Indian included in B1 above	2	2
Total	1542426	1723494

Note:

Intrest suspense for Debtors include in B8b above

S.H.C.I. include in B8b above

6604 6604
93426 93426



Schedule for the year ended 31st March, 2015

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 13			
Current Liabilities			
1. Agents Balances		257385	227781
2. Balances Due To Other Insurance Companies		20089058	14461662
3. Deposits Held On Reinsurance Ceded		121977	283766
4. Premium Received In Advance		1011850	792453
5. Un-Allocated Premium		0	0
6. Sundry Creditors - a. Other Than Service Tax Payable		18189791	11007221
b. Service Tax Payable		486087	878133
7. Due To Subsidiaries / Holding Company		0	0
8. Claims Outstanding		149884564	139729745
9. Due To Officers/Directors		0	0
10. Others		3202160	11049133
Policy Holders Fund - Excess Premium Collected		282201	166461
Policy Holders Fund - Refund Premium Due		246563	196385
Policy Holders Fund - Stale Cheques		669783	598649
Total		194441419	179391391

Schedule 14

Provisions

1. a. Reserve for Un-Expired Risks	70601412	64366281
b. Premium Deficiency Reserve	0	0
2. Provision for Taxation (Net of Payment of Taxes)	0	0
3. Provision for Proposed Dividend	3000000	2200000
4. Provision for Dividend Distribution Tax	600000	373890
5. Others - Reserve for Bad and Doubtful Debts.	3144358	3249893
Provision for Diminution in value of Thinly Traded / Unlisted Shares	68951	105478
Provision for Wage Arrear	5926746	2016746
Provision for Leave Encashment	4875000	4875000
Total	88216467	77187288

Schedule 15

Miscellaneous Expenditure

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)	0	343120
Total	0	343120



**Receipts & Payments Account / Cash Flow Statement
for the period from 01/04/2014 to 31/03/2015**

Particulars	Current year ₹ (000)	Previous year ₹ (000)
A. Cash Flows from the operating activities:		
1. Premium received from policyholders, including advance receipts	173623008	152583232
2. Other receipts	90935	176423
3. Payments to the re-insurers, net of commissions and claims	(2745078)	(10640097)
4. Payments to co-insurers, net of claims recovery	(2388019)	(3681675)
5. Payments of claims	(110673889)	(88477008)
6. Payments of commission and brokerage	(13355537)	(12050512)
7. Payments of other operating expenses	(25606680)	(24148458)
8. Preliminary and pre-operative expenses	0	0
9. Deposits, advances and staff loans	2112138	1521125
10. Income taxes paid (Net)	1391099	37125
11. Service tax paid	(13553611)	(12255311)
12. Other payments	(226369)	1333879
13. Cash flows before extraordinary items	8667997	4398723
14. Cash flow from extraordinary operations	0	0
Net cash flow from operating activities	8667997	4398723
B. Cash flows from Investing activities:		
1. Purchase of fixed assets	(599775)	(622221)
2. Proceeds from sale of fixed assets	115136	57082
3. Purchases of investments	(64960179)	(35125863)
4. Loans disbursed	78465	(179228)
5. Sales of investments	33531056	24376052
6. Repayments received	19269	1819430
7. Rents/Interests/ Dividends received	20969474	17602593
8. Investments in money market instruments and in liquid mutual funds	0	0
9. Expenses related to investments	(152105)	(277237)
Net cash flow from investing activities	(10998659)	7650608
C. Cash flows from financing activities:		
1. Proceeds from issuance of share capital	0	0
2. Proceeds from borrowing	0	0
3. Repayments of borrowing	0	0
4. Interest/dividends paid	(2573890)	(1988915)
Net cash flow from financing activities	(2573890)	(1988915)
D. Effect of foreign exchange rates on cash and cash equivalents, net	(2243186)	5509689
E. Net increase in cash and cash equivalents:	(7147738)	15570105
1. Cash and cash equivalents at the beginning of the year	89650037	74079932
2. Cash and cash equivalents at the end of the year	82502299	89650037

Jayashree Nair
Company Secretary

S. N. Rajeswari
Chief Financial Officer

K. L. R. Babu
Director

K. Sanath Kumar
Director

G. Srinivasan
Chairman-Cum- Managing Director.

As per our report of even date

For JCR & Co.
Firm Reg. No. 105270W
Chartered Accountants

For R. Devendra Kumar & Associates
Firm Reg. No. 114207W
Chartered Accountants

For A. Bafna & Co.
Firm Reg. No. 003660C
Chartered Accountants

Jashvant Raval
Partner
Membership Number 012926

Neeraj Golas
Partner
Membership Number 074392

M. K. Gupta
Partner
Membership Number 073515



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - INDIAN

(₹,000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	16448927	14117657	3288377	3202244	3364402	3912405	6652778	7114648
Premium Accepted	985214	928149	27106	0	98907	168638	126014	168638
Premium Ceded	8570624	7333817	702377	597519	2553809	3369834	3256186	3967352
Net Premium	8863517	7711989	2613106	2604725	909500	711209	3522606	3315934
Unexpired Risk Reserve Op	3855995	4246994	2604725	2611825	711209	956462	3315934	3568287
Unexpired Risk Reserve Cl	4431759	3855995	1306553	2604725	909500	711209	2216053	3315934
Net Earned Premium	8287753	8102989	3911278	2611825	711209	956462	4622487	3568287
Profit on Realisation of Investment	1735085	1556717	271490	257938	143453	136743	414943	394681
Interest Dividend and Rent	2295941	2703229	411735	447908	200459	237453	612194	685361
Investment Provisions	28962	28912	2351	4791	1953	2540	4304	7330
Total Investment Income	4002063	4231034	680874	701056	341959	371656	1022833	1072712
Claims Paid Direct	12859346	9487410	1850026	2050244	971023	959266	2821049	3009511
Claims Paid Accepted	179449	102336	14014	0	48602	129328	62616	129328
Claims Paid Ceded	4017976	3817657	209956	252646	670232	690323	880188	942968
Net Claim Paid	9020819	5772088	1654084	1797598	343393	398272	2003477	2195870
Cl O/S Claims Direct	28264444	20751475	3372755	3120310	4983806	2343833	8356561	5464143
Cl O/S Claims Accepted	1859205	1528341	15673	15	231646	227158	247319	227173
Cl O/S Claims Ceded	16848517	9035603	1128748	1014138	3626900	1455982	4755648	2470120
Net Closing Outstanding Claim	13275132	13244213	2259680	2106187	1585552	1115009	3848232	3221196
Op O/S Claims Direct	20754975	19294474	3116810	2873079	2343833	3342115	5460643	6215194
Op O/S Claims Accepted	1528341	1209025	15	0	227158	254181	227173	254181
Op O/S Claims Ceded	9035603	7762162	1014138	467826	1455982	2394402	2470120	2862228
Net Opening Outstanding Claim	13247713	12741337	2102687	2405253	1115009	1201894	3217696	3607146
Incurred Claims Direct	20368815	10944411	2105971	2297475	3610995	-39015	5716966	2258460
Incurred Claims Accepted	510313	421652	29671	15	53091	102305	82763	102320
Incurred Claims Ceded	11830891	5091098	324566	798958	2841150	-248097	3165715	550860
Net Incurred Claim	9048237	6274965	1811077	1498533	822936	311387	2634013	1809920
Commission Direct	943545	888524	397664	382054	50185	57822	447848	439875
Commission Accepted	54363	51444	589	0	18072	32097	18662	32097
Commission Ceded	453837	812597	49890	62161	252233	230966	302124	293127
Net Incurred Commission	544070	127371	348363	319893	-183976	-141048	164387	178845
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	5648899	5006141	512758	504073	606391	672371	1119150	1176444
Premium Deficiency	0	-351941	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	-2951390	1277487	1919954	990381	-192183	485408	1727770	1475790



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - INDIAN (₹, 000)

Segment	Motor OD		Motor TP		Motor TP DR Pool		Motor TP CV Non-Pool	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	25882190	22980817	9555019	7283607	1925124	2044293	16297811	13737459
Premium Accepted	0	0	0	0	1870317	0	0	0
Premium Ceded	13354921	150294	476890	364125	1524327	1635233	815270	687030
Net Premium	24546698	21830524	9078128	6919482	2271114	409060	15482540	13050429
Unexpired Risk Reserve Op	11505046	9324571	3662070	2536546	217143	89692	6917734	5889880
Unexpired Risk Reserve CI	12273349	11505046	4539064	3662070	1135557	217143	7741270	6917734
Net Earned Premium	23779395	19650049	8201134	5793958	1352700	281608	14659004	12022575
Profit on Realisation of Investment	1190885	892189	1330547	1063553	244359	45325	1287686	551961
Interest Dividend and Rent	1671131	1183076	2122079	1974777	389725	84158	2053720	1024867
Investment Provisions	15919	12649	7192	21123	1321	900	6961	10962
Total Investment Income	2846096	2062616	3445434	3017207	632763	128582	3334445	1565866
Claims Paid Direct	15645128	12602073	7713586	7192363	203744	44601	2826248	758517
Claims Paid Accepted	0	0	0	0	3273055	0	0	0
Claims Paid Ceded	844422	1075098	1259905	1233142	2366970	3224485	244089	74671
Net Claim Paid	14800706	11526974	6453681	5959221	1109829	-3179883	2582159	683846
CI O/S Claims Direct	5328122	4123020	31491693	28263696	5973681	4791160	32312021	19744376
CI O/S Claims Accepted	0	0	0	0	0	0	0	0
CI O/S Claims Ceded	391335	195929	4420159	4797369	61711	26102	724190	407609
Net Closing Outstanding Claim	4936787	3927091	27071534	23466327	5911971	4765058	31587831	19336768
Op O/S Claims Direct	4123020	3646467	28263696	26779685	4791160	954058	19744376	6835759
Op O/S Claims Accepted	0	0	0	0	0	0	0	0
Op O/S Claims Ceded	195929	298009	4797369	4907313	26102	3534	407609	57933
Net Opening Outstanding Claim	3927091	3348458	23466327	21872372	4765058	950525	19336768	6777827
Incurrd Claims Direct	16850229	13078626	10941583	8676375	1386266	3881703	15393892	13667134
Incurrd Claims Accepted	0	0	0	0	3273055	0	0	0
Incurrd Claims Ceded	1039828	973019	882695	1123199	2402579	3247053	560670	424347
Net Incurred Claim	15810401	12105607	10058888	7553176	2256742	634650	14833223	13242787
Commission Direct	1913628	1916331	-1	0	0	0	0	0
Commission Accepted	0	0	0	0	0	0	0	0
Commission Ceded	193930	172546	23856	18209	0	0	0	0
Net Incurred Commission	1719698	1743785	-23856	-18209	0	0	0	0
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	5911602	5480201	1766137	1309408	701544	367512	3012466	2469646
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	3182790	2383073	-154600	-33209	-972823	-591972	147761	-2123993



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - INDIAN

(₹,000)

Segment	Motor TP Pool (Old)		Motor TP Total		Total Motor		Health	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	-92	-34	27777862	23065325	53660052	46046142	39417921	33157745
Premium Accepted	0	0	1870317	0	1870317	0	0	0
Premium Ceded	0	0	2816488	2686388	4151980	3836682	1991200	1699600
Net Premium	-92	-34	26831691	20378937	51378389	42209461	37426721	31458145
Unexpired Risk Reserve Op	0	0	10796948	8516118	22301993	17840889	15729073	12393210
Unexpired Risk Reserve Cl	0	0	13415891	10796948	25689240	22301993	18713361	15729073
Net Earned Premium	-92	-34	24212747	18098107	47991142	37748156	34442433	28122283
Profit on Realisation of Investment	1630345	1383768	4492937	3044606	5683822	3936795	1027008	734499
Interest Dividend and Rent	2600224	2569343	7165748	5653145	8836878	6836221	1633653	1275454
Investment Provisions	8813	27482	24286	60467	40205	73115	5731	13641
Total Investment Income	4221756	3925629	11634398	8637284	14480495	10699900	2654930	1996311
Claims Paid Direct	6869603	7424716	17613181	15420197	33258308	28022270	36096445	28739827
Claims Paid Accepted	0	0	3273055	0	3273055	0	0	0
Claims Paid Ceded	0	8427447	3870964	12959745	4715386	14034844	1829090	2131385
Net Claim Paid	6869603	-1002732	17015272	2460452	31815977	13987426	34267354	26608441
CI O/S Claims Direct	27019916	6702800	96797311	59502032	102125432	63625053	5612930	5202950
CI O/S Claims Accepted	0	26538139	0	26538139	0	26538139	0	0
CI O/S Claims Ceded	0	0	5206060	5231080	5597394	5427009	141088	159718
Net Closing Outstanding Claim	27019916	33240939	91591251	80809092	96528038	84736183	5471841	5043232
Op O/S Claims Direct	33240939	11775395	86040172	46344897	90163192	49991364	5202950	4623589
Op O/S Claims Accepted	0	19982568	0	19982568	0	19982568	0	0
Op O/S Claims Ceded	0	0	5231080	4968779	5427009	5266787	159718	281407
Net Opening Outstanding Claim	33240939	31757962	80809092	61358686	84736183	64707144	5043232	4342183
Incurred Claims Direct	648579	2352121	28370320	28577332	45220549	41655959	36506424	29319187
Incurred Claims Accepted	0	6555572	3273055	6555572	3273055	6555572	0	0
Incurred Claims Ceded	0	8427447	3845944	13222046	4885772	14195065	1810461	2009697
Net Incurred Claim	648579	480245	27797431	21910858	43607832	34016465	34695964	27309491
Commission Direct	0	0	-1	0	1913627	1916331	2797031	2211923
Commission Accepted	0	0	0	0	0	0	0	0
Commission Ceded	0	0	23856	18209	217785	190755	241021	204837
Net Incurred Commission	0	0	-23856	-18209	1695842	1725576	2556010	2007086
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	-17	-6	5480130	4146560	11391732	9626761	7066515	5811676
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	3573102	3445356	2593441	696182	5776230	3079255	-7221126	-5009658



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - INDIAN
(₹,000)

Segment	*Liability		Personal Accident		Aviation		Engineering	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	2643994	2509079	1856000	1689624	1043408	935788	4177494	4146779
Premium Accepted	19603	28049	64859	40770	19619	74969	378145	543255
Premium Ceded	412914	400523	111990	123777	1239672	1463719	2052637	2025630
Net Premium	2250684	2136605	1808869	1606617	-176645	-452962	2503002	2664405
Unexpired Risk Reserve Op	1068303	931490	803308	716839	0	47260	1332202	1227568
Unexpired Risk Reserve Cl	1125342	1068303	904435	803308	0	0	1251501	1332202
Net Earned Premium	2193644	1999792	1707743	1520147	-176645	-405702	2583703	2559771
Profit on Realisation of Investment	265364	216248	81414	69022	91888	62645	311848	239394
Interest Dividend and Rent	345473	375514	126317	119856	115204	108783	451060	415707
Investment Provisions	4665	4016	587	1282	1799	1163	3610	4446
Total Investment Income	606172	587746	207144	187595	205293	170264	759299	650655
Claims Paid Direct	427480	450389	1022039	992778	415059	193331	1811684	1971012
Claims Paid Accepted	55863	488	32276	18230	15847	27307	217727	210847
Claims Paid Ceded	45924	52335	68491	101952	284950	111361	528519	1024164
Net Claim Paid	437419	398542	985824	909057	145955	109278	1500892	1157695
Cl O/S Claims Direct	1847515	1596408	848304	776849	1164114	1237645	4639639	4361962
Cl O/S Claims Accepted	0	0	0	0	15196	18612	838934	861647
Cl O/S Claims Ceded	243925	269192	21887	57088	871091	598302	2573183	1993023
Net Closing Outstanding Claim	1603590	1327216	826418	719761	308219	657955	2905389	3230586
Op O/S Claims Direct	1596408	1631634	776849	805649	1237645	903310	4361962	4151543
Op O/S Claims Accepted	0	0	0	4631	18612	5695	861647	660986
Op O/S Claims Ceded	269192	263372	57088	80825	598302	459340	1993023	1947877
Net Opening Outstanding Claim	1327216	1368262	719761	729455	657955	449666	3230586	2864652
Incurred Claims Direct	678587	415162	1093494	963979	341528	527666	2089361	2181431
Incurred Claims Accepted	55863	488	32276	13600	12431	40224	195014	411508
Incurred Claims Ceded	20657	58155	33290	78215	557739	250323	1108679	1069310
Net Incurred Claim	713793	357496	1092481	899363	-203780	317567	1175695	1523629
Commission Direct	283744	261906	195171	175910	5667	5994	283714	271710
Commission Accepted	1960	2805	19458	12231	1500	2172	60481	155925
Commission Ceded	34085	33460	17602	18296	42526	57638	450113	279054
Net Incurred Commission	251619	231251	197026	169845	-35359	-49472	-105917	148581
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	738856	683325	377806	327210	305782	324504	1017465	1041417
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	1095549	1315467	247574	311324	-37995	-828037	1255758	496799



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - INDIAN

(₹,000)

Segment	Misc - TB		Misc - Rural		Credit Shield	
	CY	PY	CY	PY	CY	PY
Revenue Account Elements						
Premium Direct	3376773	2938749	1007069	1062017	313850	248813
Premium Accepted	194408	826599	119	157	410	5308
Premium Ceded	917360	855909	134713	97500	155049	156397
Net Premium	2653821	2909439	872474	964674	159210	97725
Unexpired Risk Reserve Op	1454720	1366564	533327	724239	48862	52127
Unexpired Risk Reserve Cl	1326910	1454720	436237	533327	79605	48862
Net Earned Premium	2781630	2821284	969565	1155586	128468	100990
Profit on Realisation of Investment	266836	234427	45836	48907	5672	9281
Interest Dividend and Rent	388989	400082	73103	90810	9046	17233
Investment Provisions	2962	4279	248	971	31	184
Total Investment Income	652863	630230	118691	138746	14687	26329
Claims Paid Direct	1913925	946159	1038298	1110119	20423	140474
Claims Paid Accepted	597586	712280	0	744	-17513	20626
Claims Paid Ceded	482264	143701	106386	112344	12020	92634
Net Claim Paid	2029248	1514738	931913	998519	-9111	68466
Cl O/S Claims Direct	3897771	2541222	431554	474694	197511	110733
Cl O/S Claims Accepted	544131	872214	428	1479	2507	9734
Cl O/S Claims Ceded	1535857	846306	67370	74960	101929	53692
Net Closing Outstanding Claim	2906045	2567130	364612	401213	98089	66775
Op O/S Claims Direct	2541222	2590133	474694	476144	110733	190798
Op O/S Claims Accepted	872214	805122	1479	759	9734	66799
Op O/S Claims Ceded	846306	669414	74960	78698	53692	96722
Net Opening Outstanding Claim	2567130	2725840	401213	398205	66775	160875
Incurred Claims Direct	3270474	897249	995159	1108669	107201	60410
Incurred Claims Accepted	269503	779372	-1052	1464	-24740	-36439
Incurred Claims Ceded	1171814	320594	98796	108605	60257	49604
Net Incurred Claim	2368163	1356027	895312	1001527	22203	-25633
Commission Direct	428662	353610	81928	83910	35316	26377
Commission Accepted	59257	139151	12	16	102	21909
Commission Ceded	101423	103428	7543	8023	56590	-11164
Net Incurred Commission	386496	389333	74396	75902	-21171	59449
Foreign Taxes	0	0	0	0	0	0
Operating Expenses Related to Insurance	833426	894411	186167	190952	58087	45685
Premium Deficiency	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	-153593	811743	-67620	25950	84035	47818



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - INDIAN

(₹ in 000)

Segment	Misc - Others		Total Misc		Grand Total	
	CY	PY	CY	PY	CY	PY
Revenue Account Elements						
Premium Direct	1495684	1433555	108992244	94168292	132093950	115400597
Premium Accepted	666606	0	3214087	1519107	4325314	2615894
Premium Ceded	313515	96450	11481031	10756185	23307841	22057354
Net Premium	1848775	1337104	100725300	84931213	113111423	95959136
Unexpired Risk Reserve Op	668557	645530	43940346	35945516	51112275	43760797
Unexpired Risk Reserve CI	924388	668557	50451018	43940346	57098830	51112275
Net Earned Premium	1592945	1314076	94214628	76936382	107124869	88607658
Profit on Realisation of Investment	59359	38212	7839046	5589431	9989074	7540829
Interest Dividend and Rent	94199	66355	12073921	9706013	14982055	13094603
Investment Provisions	341	710	60178	103809	93443	140051
Total Investment Income	153217	103857	19852790	15191635	24877686	20495382
Claims Paid Direct	1400230	378591	77403892	62944951	93084286	75441871
Claims Paid Accepted	137814	0	4312655	990522	4554721	1222186
Claims Paid Ceded	79318	48598	8152349	17853318	13050513	22613943
Net Claim Paid	1458725	329993	73564198	46082156	84588494	54050114
CI O/S Claims Direct	367575	288158	121132347	80215674	157753352	106431293
CI O/S Claims Accepted	429404	274773	1830599	28576599	3937124	30332113
CI O/S Claims Ceded	807628	39552	11961352	9518842	33565517	21024565
Net Closing Outstanding Claim	-10648	523379	111001594	99273431	128124959	115738841
Op O/S Claims Direct	288158	275998	106753814	65640163	132969432	91149830
Op O/S Claims Accepted	274773	0	2038459	21526560	3793974	22989766
Op O/S Claims Ceded	39552	44581	9518842	9189023	21024565	19813413
Net Opening Outstanding Claim	523379	231417	99273431	77977700	115738841	94326182
Incurred Claims Direct	1479647	390752	91782424	77520463	117868205	90723334
Incurred Claims Accepted	292445	274773	4104795	8040561	4697871	8564533
Incurred Claims Ceded	847394	43569	10594859	18183137	25591465	23825095
Net Incurred Claim	924698	621955	85292361	67377888	96974612	75462772
Commission Direct	209617	204161	6234477	5511832	7625870	6840231
Commission Accepted	55308	0	198079	334209	271103	417750
Commission Ceded	19068	15601	1187757	899929	1943718	2005653
Net Incurred Commission	245857	188560	5244799	4946112	5953256	5252328
Foreign Taxes	0	0	0	0	0	0
Operating Expenses Related to Insurance	371306	254718	22347144	19200658	29115192	25383243
Premium Deficiency	0	0	0	0	0	-351941
Revenue Accounts Result Profit/ (loss)	204301	352700	1183114	603360	-40506	3356637



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - FOREIGN

(₹ in 000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	8186117	7254137	519264	623108	538289	575228	1057553	1198336
Premium Accepted	6496956	6551528	52351	48093	595311	510420	647662	558512
Premium Ceded	3463375	3854310	14332	22502	405056	525069	419389	547571
Net Premium	11219698	9951355	557282	648699	728544	560578	1285826	1209278
Unexpired Risk Reserve Op	4975678	4767596	648699	601717	560578	440223	1209278	1041940
Unexpired Risk Reserve Cl	5609849	4975678	278641	648699	728544	560578	1007185	1209278
Net Earned Premium	10585527	9743274	927340	601717	560578	440223	1487919	1041940
Profit on Realisation of Investment	5424.82	0	244.72	0	326.10	0	571	0
Interest Dividend and Rent	479983.39	187242	21652.75	31025	28852.97	16447	50506	47472
Investment Provisions	-19554.02	2005	-882.11	332	-1175.44	176	-2058	508
Total Investment Income		185237		30693		16271	0	46964
Claims Paid Direct	6094426	6317377	196162	202380	191377	68521	387539	270901
Claims Paid Accepted	5581311	9676087	27566	90394	170509	165336	198075	255730
Claims Paid Ceded	4299773	5773829	84110	1583	141275	40945	225385	42528
Net Claim Paid	7375964	10219634	139617	291191	220611	192912	360229	484103
CI O/S Claims Direct	6784533	9781705	540548	224756	339982	376178	880529	600935
CI O/S Claims Accepted	10007173	12033330	36756	55072	399635	168820	436391	223892
CI O/S Claims Ceded	5262539	8403848	368183	99069	99	298	368281	99367
Net Closing Outstanding Claim	11529167	13411187	209121	180759	739518	544701	948639	725460
Op O/S Claims Direct	9858995	10978851	225661	329833	376598	339624	602259	669457
Op O/S Claims Accepted	12048717	14606941	54619	94144	168865	212311	223484	306455
Op O/S Claims Ceded	8369533	10980626	99217	99509	296	118	99513	99627
Net Opening Outstanding Claim	13538179	14605166	181063	324468	545167	551817	726230	876285
Incurred Claims Direct	3019963	5120230	511048	97303	154761	105075	665809	202379
Incurred Claims Accepted	3539767	7102476	9703	51322	401279	121845	410982	173167
Incurred Claims Ceded	1192779	3197051	353076	1144	141077	41124	494154	42268
Net Incurred Claim	5366952	9025655	167675	147482	414962	185796	582637	333278
Commission Direct	2530338	1946508	138498	159525	111159	133254	249657	292779
Commission Accepted	1124705	1269619	15577	13905	100103	126560	115680	140465
Commission Ceded	167645	158832	3047	5719	100831	120445	103878	126164
Net Incurred Commission	3487398	3057294	151028	167710	110432	139370	261460	307080
Foreign Taxes	7564	2990	0	0	0	0	0	0
Operating Expenses Related to Insurance	287605	180621	26106	18187	30873	24259	56980	42446
Premium Deficiency	0		0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	1436008	-2338050	582531	299030	4311	107069	586842	406099



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - FOREIGN

(₹ in 000)

Segment	Motor OD		Motor TP		Motor TP DR Poo		IMotor TP CV Non-Pool	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	9005847	9279212						
Premium Accepted	232289	155745						
Premium Ceded	578531	704821						
Net Premium	8659604	8730135	0	0	0	0	0	0
Unexpired Risk Reserve Op	4600925	3993092						
Unexpired Risk Reserve Cl	4329802	4600925						
Net Earned Premium	8930727	8122302	0	0	0	0	0	0
Profit on Realisation of Investment	2626.50	0						
Interest Dividend and Rent	232390.19	473517						
Investment Provisions	-9467.33	5071						
Total Investment Income		468446	0	0	0	0	0	0
Claims Paid Direct	6479972	5930956						
Claims Paid Accepted	144097	169888						
Claims Paid Ceded	446466	488454						
Net Claim Paid	6177602	5612390	0	0	0	0	0	0
CI O/S Claims Direct	4351241	4555514						
CI O/S Claims Accepted	59818	65333						
CI O/S Claims Ceded	268156	319534						
Net Closing Outstanding Claim	4142904	4301314	0	0	0	0	0	0
Op O/S Claims Direct	4576546	4311445						
Op O/S Claims Accepted	60770	66458						
Op O/S Claims Ceded	326026	276375						
Net Opening Outstanding Claim	4311289	4101527	0	0	0	0	0	0
Incurrd Claims Direct	6254667	6175025						
Incurrd Claims Accepted	143145	168764						
Incurrd Claims Ceded	388596	531612						
Net Incurred Claim	6009217	5812177	0	0	0	0	0	0
Commission Direct	2017027	2097942						
Commission Accepted	2374	1012						
Commission Ceded	31397	80891						
Net Incurred Commission	1988004	2018063	0	0	0	0	0	0
Foreign Taxes	559	918						
Operating Expenses Related to Insurance	579993	347333						
Premium Deficiency	0	0						
Revenue Accounts Result Profit/ (loss)	352954	412258	0	0	0	0	0	0



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - FOREIGN

(₹ in 000)

Segment	Motor TP Pool (Old)		Motor TP Total		Total Motor		Health	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct			0	0	9005847	9279212	758360	336195
Premium Accepted			0	0	232289	155745	893	0
Premium Ceded			0	0	578531	704821	0	0
Net Premium	0	0	0	0	8659604	8730135	759253	336195
Unexpired Risk Reserve Op			0	0	4600925	3993092	168097	121629
Unexpired Risk Reserve Cl			0	0	4329802	4600925	379627	168097
Net Earned Premium	0	0	0	0	8930727	8122302	547724	289726
Profit on Realisation of Investment			0	0	2626	0	49.64	0
Interest Dividend and Rent			0	0	232390	473517	4392.42	88345
Investment Provisions			0	0	-9467	5071	-178.94	946
Total Investment Income	0	0	0	0	0	468446		87399
Claims Paid Direct			0	0	6479972	5930956	582519	208250
Claims Paid Accepted			0	0	144097	169888	0	0
Claims Paid Ceded			0	0	446466	488454	0	0
Net Claim Paid	0	0	0	0	6177602	5612390	582519	208250
CI O/S Claims Direct			0	0	4351241	4555514	2108	164
CI O/S Claims Accepted			0	0	59818	65333	0	0
CI O/S Claims Ceded			0	0	268156	319534	0	0
Net Closing Outstanding Claim	0	0	0	0	4142904	4301314	2108	164
Op O/S Claims Direct			0	0	4576546	4311445	172	0
Op O/S Claims Accepted			0	0	60770	66458	0	0
Op O/S Claims Ceded			0	0	326026	276375	0	0
Net Opening Outstanding Claim	0	0	0	0	4311289	4101527	172	0
Incurred Claims Direct	0	0	0	0	6254667	6175025	584455	208414
Incurred Claims Accepted	0	0	0	0	143145	168764	0	0
Incurred Claims Ceded	0	0	0	0	388596	531612	0	0
Net Incurred Claim	0	0	0	0	6009217	5812177	584455	208414
Commission Direct			0	0	2017027	2097942	185968	82990
Commission Accepted			0	0	2374	1012	0	-2
Commission Ceded			0	0	31397	80891	0	0
Net Incurred Commission	0	0	0	0	1988004	2018063	185968	82988
Foreign Taxes	0		0	0	559	918	49	35
Operating Expenses Related to Insurance			0	0	579993	347333	359781	209685
Premium Deficiency			0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	0	0	0	0	352954	412258	-582529	-123996



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - FOREIGN

(₹ in 000)

Segment	*Liability		Personal Accident		Aviation		Engineering	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	1508628	1355286	197241	133133	0	-47	986650	1028930
Premium Accepted	28594	45733	29940	22257	675520	859477	242582	282945
Premium Ceded	77168	48356	9837	11515	0	5094	281549	356281
Net Premium	1460054	1352662	217344	143875	675520	854337	947684	955594
Unexpired Risk Reserve Op	676331	366704	71938	79471	427168	374096	477797	519893
Unexpired Risk Reserve Cl	730027	676331	108672	71938	337760	427168	473842	477797
Net Earned Premium	1406358	1043035	180609	151408	764929	801265	951639	997690
Profit on Realisation of Investment	894.91	0	40.63	0	360.80	0	532.93	0
Interest Dividend and Rent	79180.96	26010	3594.61	8302	31923.47	7535	47153.23	28794
Investment Provisions	-3225.75	279	-146.44	89	-1300.53	81	-1920.97	308
Total Investment Income		25732		8213		7454		28486
Claims Paid Direct	875642	1205950	42105	39613	184	2022	417154	318684
Claims Paid Accepted	80	1970	11293	8791	538437	674213	177676	117139
Claims Paid Ceded	51928	108569	14	135	0	13584	146225	57716
Net Claim Paid	823793	1099352	53384	48269	538621	662650	448606	378107
CI O/S Claims Direct	2522722	2474661	44918	55175	200000	200000	571044	914973
CI O/S Claims Accepted	8567	6310	23742	10625	992121	595733	533778	812142
CI O/S Claims Ceded	72136	124094	34	38	0	0	120273	398599
Net Closing Outstanding Claim	2459153	2356877	68626	65762	1192121	795733	984549	1328516
Op O/S Claims Direct	2528904	2845446	54091	37150	200000	148000	925751	771147
Op O/S Claims Accepted	6317	7113	10625	22180	595733	420776	819212	333052
Op O/S Claims Ceded	127086	223314	36	37	0	2074	404022	156131
Net Opening Outstanding Claim	2408134	2629246	64681	59294	795733	566702	1340941	948068
Incurred Claims Direct	869460	835165	32932	57638	184	54022	62448	462510
Incurred Claims Accepted	2329	1168	24409	-2763	934824	849170	-107758	596228
Incurred Claims Ceded	-3022	9349	12	137	0	11510	-137524	300184
Net Incurred Claim	874811	826983	57329	54738	935009	891681	92214	758555
Commission Direct	351721	308646	49732	31239	0	0	199287	207467
Commission Accepted	5727	9207	12613	9295	65277	126476	78406	70541
Commission Ceded	3946	875	455	700	0	0	42676	49263
Net Incurred Commission	353501	316978	61889	39834	65277	126475	235016	228744
Foreign Taxes	94	142	14	15	44	90	61	100
Operating Expenses Related to Insurance	37618	24654	19235	11806	15568	11708	51803	37574
Premium Deficiency		0		0		0		0
Revenue Accounts Result Profit/ (loss)	140334	-99991	42142	53228	-250969	-221236	572545	1202



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - FOREIGN

(₹ in 000)

Segment	Misc - TB		Misc - Rural		Credit Shield	
	CY	PY	CY	PY	CY	PY
Revenue Account Elements						
Premium Direct	1009248	1290308				
Premium Accepted	158073	146550				
Premium Ceded	131760	177680				
Net Premium	1035562	1259178	0	0	0	0
Unexpired Risk Reserve Op	629589	523654				
Unexpired Risk Reserve CI	517781	629589				
Net Earned Premium	1147370	1153244	0	0	0	0
Profit on Realisation of Investment	421.09	0				
Interest Dividend and Rent	37257.43	35196				
Investment Provisions	-1517.83	377				
Total Investment Income	0	34819	0	0	0	0
Claims Paid Direct	372600	392586				
Claims Paid Accepted	-5823	28649				
Claims Paid Ceded	7108	19871				
Net Claim Paid	359669	401364	0	0	0	0
CI O/S Claims Direct	743980	713134				
CI O/S Claims Accepted	96531	98540				
CI O/S Claims Ceded	4993	14033				
Net Closing Outstanding Claim	835518	797642	0	0	0	0
Op O/S Claims Direct	707968	661925				
Op O/S Claims Accepted	98246	130188				
Op O/S Claims Ceded	14074	5422				
Net Opening Outstanding Claim	792140	786691	0	0	0	0
Incurred Claims Direct	408612	443795				
Incurred Claims Accepted	-7538	-2998				
Incurred Claims Ceded	-1973	28482				
Net Incurred Claim	403047	412315	0	0	0	0
Commission Direct	209297	277376				
Commission Accepted	41647	25298				
Commission Ceded	9121	14317				
Net Incurred Commission	241823	288357	0	0	0	0
Foreign Taxes	67	132				
Operating Expenses Related to Insurance	42433	40814				
Premium Deficiency	0	0				
Revenue Accounts Result Profit/ (loss)	460001	446445	0	0	0	0



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2015 - GLOBAL
(₹ in 000)

Segment	Motor OD		Motor TP		Motor TP DR Pool		Motor TP CV Non-Pool	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	34888037	32260029	9555019	7283607	1925124	2044293	16297811	13737459
Premium Accepted	232289	155745	0	0	1870317	0	0	0
Premium Ceded	1914024	1855115	476890	364125	1524327	1635233	815270	687030
Net Premium	33206302	30560659	9078128	6919482	2271114	409060	15482540	13050429
Unexpired Risk Reserve Op	16105971	13317663	3662070	2536546	217143	89692	6917734	5889880
Unexpired Risk Reserve Cl	16603151	16105971	4539064	3662070	1135557	217143	7741270	6917734
Net Earned Premium	32709122	27772351	8201134	5793958	1352700	281608	14659004	12022575
Profit on Realisation of Investment	1193511	892189	1330547	1063553	244359	45325	1287686	551961
Interest Dividend and Rent	1903521	1656593	2122079	1974777	389725	84158	2053720	1024867
Investment Provisions	6451	17719	7192	21123	1321	900	6961	10962
Total Investment Income	3090580	2531062	3445434	3017207	632763	128582	3334445	1565866
Claims Paid Direct	22125099	18533029	7713586	7192363	203744	44601	2826248	758517
Claims Paid Accepted	144097	169888	0	0	3273055	0	0	0
Claims Paid Ceded	1290888	1563553	1259905	1233142	2366970	3224485	244089	74671
Net Claim Paid	20978308	17139364	6453681	5959221	1109829	-3179883	2582159	683846
Cl O/S Claims Direct	9679363	8678534	31491693	28263696	5973681	4791160	32312021	19744376
Cl O/S Claims Accepted	59818	65333	0	0	0	0	0	0
Cl O/S Claims Ceded	659491	515463	4420159	4797369	61711	26102	724190	407609
Net Closing Outstanding Claim	9079691	8228405	27071534	23466327	5911971	4765058	31587831	19336768
Op O/S Claims Direct	8699566	7957912	28263696	26779685	4791160	954058	19744376	6835759
Op O/S Claims Accepted	60770	66458	0	0	0	0	0	0
Op O/S Claims Ceded	521955	574384	4797369	4907313	26102	3534	407609	57933
Net Opening Outstanding Claim	8233381	7449986	23466327	21872372	4765058	950525	19336768	6777827
Incurred Claims Direct	23104896	19253651	10941583	8676375	1386266	3881703	15393892	13667134
Incurred Claims Accepted	143145	168764	0	0	3273055	0	0	0
Incurred Claims Ceded	1428424	1504631	882695	1123199	2402579	3247053	560670	424347
Net Incurred Claim	21819618	17917784	10058888	7553176	2256742	634650	14833223	13242787
Commission Direct	3930655	4014273	-1	0	0	0	0	0
Commission Accepted	2374	1012	0	0	0	0	0	0
Commission Ceded	225326	253437	23856	18209	0	0	0	0
Net Incurred Commission	3707703	3761847	-23856	-18209	0	0	0	0
Foreign Taxes	559	918	0	0	0	0	0	0
Operating Expenses Related to Insurance	6491595	5827533	1766137	1309408	701544	367512	3012466	2469646
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	3780228	2795331	-154600	-33209	-972823	-591972	147761	-2123993



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2015 - GLOBAL

(₹ in 000)

Segment	Motor TP Pool (Old)		Motor TP Total		Total Motor		Health	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	-92	-34	27777862	23065325	62665899	55325354	40176281	33493940
Premium Accepted	0	0	1870317	0	2102606	155745	893	0
Premium Ceded	0	0	2816488	2686388	4730511	4541503	1991200	1699600
Net Premium	-92	-34	26831691	20378937	60037993	50939596	38185974	31794340
Unexpired Risk Reserve Op	0	0	10796948	8516118	26902919	21833781	15897170	12514839
Unexpired Risk Reserve Cl	0	0	13415891	10796948	30019042	26902919	19092987	15897170
Net Earned Premium	-92	-34	24212747	18098107	56921869	45870458	34990157	28412009
Profit on Realisation of Investment	1630345	1383768	4492937	3044606	5686448	3936795	1027057	734499
Interest Dividend and Rent	2600224	2569343	7165748	5653145	9069268	7309737	1638045	1363799
Investment Provisions	8813	27482	24286	60467	30738	78186	5552	14587
Total Investment Income	4221756	3925629	11634398	8637284	14724979	11168346	2659551	2083711
Claims Paid Direct	6869603	7424716	17613181	15420197	39738280	33953226	36678964	28948076
Claims Paid Accepted	0	0	3273055	0	3417152	169888	0	0
Claims Paid Ceded	0	8427447	3870964	12959745	5161852	14523298	1829090	2131385
Net Claim Paid	6869603	-1002732	17015272	2460452	37993580	19599816	34849874	26816691
Cl O/S Claims Direct	27019916	6702800	96797311	59502032	106476674	68180567	5615038	5203115
Cl O/S Claims Accepted	0	26538139	0	26538139	59818	26603473	0	0
Cl O/S Claims Ceded	0	0	5206060	5231080	5865550	5746542	141088	159718
Net Closing Outstanding Claim	27019916	33240939	91591251	80809092	100670942	89037497	5473949	5043396
Op O/S Claims Direct	33240939	11775395	86040172	46344897	94739738	54302809	5203122	4623589
Op O/S Claims Accepted	0	19982568	0	19982568	60770	20049025	0	0
Op O/S Claims Ceded	0	0	5231080	4968779	5753035	5543163	159718	281407
Net Opening Outstanding Claim	33240939	31757962	80809092	61358686	89047472	68808672	5043404	4342183
Incurred Claims Direct	648579	2352121	28370320	28577332	51475216	47830984	37090880	29527601
Incurred Claims Accepted	0	6555572	3273055	6555572	3416200	6724336	0	0
Incurred Claims Ceded	0	8427447	3845944	13222046	5274368	14726678	1810461	2009697
Net Incurred Claim	648579	480245	27797431	21910858	49617049	39828642	35280419	27517905
Commission Direct	0	0	-1	0	3930654	4014273	2982999	2294913
Commission Accepted	0	0	0	0	2374	1012	0	-2
Commission Ceded	0	0	23856	18209	249182	271646	241021	204837
Net Incurred Commission	0	0	-23856	-18209	3683847	3743639	2741977	2090074
Foreign Taxes	0	0	0	0	559	918	49	35
Operating Expenses Related to Insurance	-17	-6	5480130	4146560	11971725	9974093	7426296	6021360
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	3573102	3445356	2593441	696182	6373668	3491513	-7799034	-5133654



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

Segment
Reporting
Schedule

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2015 - GLOBAL
(₹ in 000)

Segment	*Liability		Personal/Accident		Aviation		Engineering	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements								
Premium Direct	4152622	3864365	2053241	1822757	1043408	935742	5164145	5175710
Premium Accepted	48197	73782	94799	63027	695140	934446	620727	826200
Premium Ceded	490082	448879	121827	135292	1239672	1468813	2334186	2381911
Net Premium	3710738	3489268	2026213	1750492	498876	401375	3450685	3619999
Unexpired Risk Reserve Op	1744634	1298194	875246	796309	427168	421356	1809999	1747461
Unexpired Risk Reserve Cl	1855369	1744634	1013107	875246	337760	427168	1725343	1809999
Net Earned Premium	3600003	3042828	1888353	1671555	588284	395562	3535342	3557460
Profit on Realisation of Investment	266259	216248	81455	69022	92249	62645	312381	239394
Interest Dividend and Rent	424654	401524	129911	128157	147127	116318	498214	444501
Investment Provisions	1439	4295	440	1371	499	1244	1689	4754
Total Investment Income	689474	613478	210926	195808	238878	177718	808906	679141
Claims Paid Direct	1303122	1656338	1064144	1032391	415243	195353	2228838	2289697
Claims Paid Accepted	55943	2459	43669	27021	554284	701520	395404	327985
Claims Paid Ceded	97852	160903	68505	102087	284950	124945	674744	1081879
Net Claim Paid	1261212	1497894	1039208	957326	684577	771928	1949498	1535803
Cl O/S Claims Direct	4370237	4071069	893222	832025	1364114	1437645	5210683	5276935
Cl O/S Claims Accepted	8567	6310	23742	10625	1007317	614345	1372711	1673789
Cl O/S Claims Ceded	316061	393286	21920	57126	871091	598302	2693456	2391622
Net Closing Outstanding Claim	4062743	3684093	895043	785524	1500340	1453688	3889938	4559102
Op O/S Claims Direct	4125312	4477081	830940	842800	1437645	1051310	5287713	4922690
Op O/S Claims Accepted	6317	7113	10625	26811	614345	426472	1680859	994038
Op O/S Claims Ceded	396278	486686	57124	80862	598302	461414	2397045	2104007
Net Opening Outstanding Claim	3735351	3997508	784442	788749	1453688	1016368	4571527	3812721
Incurred Claims Direct	1548047	1250327	1126427	1021616	341712	581688	2151809	2643941
Incurred Claims Accepted	58193	1656	56685	10836	947255	889394	87256	1007736
Incurred Claims Ceded	17635	67504	33302	78352	557739	261834	971155	1369494
Net Incurred Claim	1588605	1184479	1149809	954101	731228	1209248	1267909	2282184
Commission Direct	635464	570553	244903	207149	5667	5994	483001	479176
Commission Accepted	7687	12012	32071	21526	66777	128647	138887	226466
Commission Ceded	38032	34335	18058	18996	42526	57638	492789	328318
Net Incurred Commission	605119	548229	258916	209679	29918	77003	129099	377325
Foreign Taxes	94	142	14	15	44	90	61	100
Operating Expenses Related to Insurance	776474	707979	397041	339016	321351	336212	1069268	1078991
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	1319184	1215476	293498	364552	-255379	-1049273	1877910	498002

We are New Indians





SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2015 - GLOBAL

(₹ in 000)

Segment	Misc - TB		Misc - Rural		Credit Shield	
	CY	PY	CY	PY	CY	PY
Revenue Account Elements						
Premium Direct	4386021	4229057	1007069	1062017	313850	248813
Premium Accepted	352481	973149	119	157	410	5308
Premium Ceded	1049120	1033588	134713	97500	155049	156397
Net Premium	3689382	4168618	872474	964674	159210	97725
Unexpired Risk Reserve Op	2084309	1890219	533327	724239	48862	52127
Unexpired Risk Reserve Cl	1844691	2084309	436237	533327	79605	48862
Net Earned Premium	3929000	3974528	969565	1155586	128468	100990
Profit on Realisation of Investment	267257	234427	45836	48907	5672	9281
Interest Dividend and Rent	426246	435278	73103	90810	9046	17233
Investment Provisions	1445	4656	248	971	31	184
Total Investment Income	692059	665049	118691	138746	14687	26329
Claims Paid Direct	2286526	1338745	1038298	1110119	20423	140474
Claims Paid Accepted	591763	740929	0	744	-17513	20626
Claims Paid Ceded	489371	163573	106386	112344	12020	92634
Net Claim Paid	2388917	1916102	931913	998519	-9111	68466
Cl O/S Claims Direct	4641751	3254357	431554	474694	197511	110733
Cl O/S Claims Accepted	640662	970754	428	1479	2507	9734
Cl O/S Claims Ceded	1540850	860339	67370	74960	101929	53692
Net Closing Outstanding Claim	3741563	3364772	364612	401213	98089	66775
Op O/S Claims Direct	3249190	3252058	474694	476144	110733	190798
Op O/S Claims Accepted	970460	935310	1479	759	9734	66799
Op O/S Claims Ceded	860381	674836	74960	78698	53692	96722
Net Opening Outstanding Claim	3359270	3512531	401213	398205	66776	160875
Incurrd Claims Direct	3679086	1341043	995159	1108669	107201	60410
Incurrd Claims Accepted	261965	776374	-1052	1464	-24740	-36439
Incurrd Claims Ceded	1169841	349075	98796	108605	60257	49604
Net Incurred Claim	2771210	1768342	895312	1001527	22203	-25633
Commission Direct	637959	630986	81928	83910	35316	26377
Commission Accepted	100904	164449	12	16	102	21909
Commission Ceded	110544	117745	7543	8023	56590	-11164
Net Incurred Commission	628319	677690	74396	75902	-21171	59449
Foreign Taxes	67	132	0	0	0	0
Operating Expenses Related to Insurance	875859	935225	186167	190952	58087	45685
Premium Deficiency	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	345604	1258187	-67620	25950	84035	47818



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2015 - GLOBAL

(₹ in 000)

Segment	Misc - Others		Total Misc		Grand Total	
	CY	PY	CY	PY	CY	PY
Revenue Account Elements						
Premium Direct	1495684	1433555	122458220	107591309	154803595	137276087
Premium Accepted	682682	34410	4598053	3066223	12853899	11273050
Premium Ceded	313515	96450	12559876	12059933	28269450	27762982
Net Premium	1864851	1371514	114496397	98597600	139388044	120786156
Unexpired Risk Reserve Op	685762	645530	51009397	41924055	64366281	55548871
Unexpired Risk Reserve Cl	932425	685762	57336567	51009397	70601412	64366281
Net Earned Premium	1618188	1331282	108169228	89512257	133152913	111968746
Profit on Realisation of Investment	59365	38212	7843978	5589431	1000001	7540829
Interest Dividend and Rent	94680	70951	12510295	10378308	15948918	14001613
Investment Provisions	321	759	42400	111008	54054	149763
Total Investment Income	153724	108404	20311873	15856732	25894865	21392678
Claims Paid Direct	1400230	378591	86174068	71043011	108336428	90128209
Claims Paid Accepted	139100	21775	5179701	2012949	11201153	12176429
Claims Paid Ceded	79318	48598	8804090	18541647	18227412	29118630
Net Claim Paid	1460012	351769	82549679	54514313	101310168	73186008
Cl O/S Claims Direct	367575	288158	129568360	89129297	173854426	125727555
Cl O/S Claims Accepted	429430	276012	3545181	30166521	16095270	44179258
Cl O/S Claims Ceded	807628	39552	12426944	10375139	39661929	30384077
Net Closing Outstanding Claim	-10622	524618	120686597	108920679	150287767	139522735
Op O/S Claims Direct	288158	275998	115747244	74415277	15242417	111573252
Op O/S Claims Accepted	276012	32	3630602	22506359	17658317	38882961
Op O/S Claims Ceded	39552	44581	10390086	9852375	30364855	31557019
Net Opening Outstanding Claim	524618	231449	108987760	87069260	139717579	118899194
Incurrd Claims Direct	1479647	390752	99995184	85757031	129766737	104282511
Incurrd Claims Accepted	292519	297755	5094280	9673111	9638106	17472726
Incurrd Claims Ceded	847394	43569	10840948	19064411	27524486	27945688
Net Incurred Claim	924772	644937	94248517	76355731	111880356	93809549
Commission Direct	209617	204161	9247507	8517491	13418896	12085178
Commission Accepted	60423	7917	409238	583952	1722648	2077577
Commission Ceded	19068	15601	1275352	1045976	2302836	2436696
Net Incurred Commission	250973	196477	8381394	8055468	12838708	11726059
Foreign Taxes	1	4	889	1437	8453	4426
Operating Expenses Related to Insurance	402646	263903	23484915	19893416	30597548	26299068
Premium Deficiency	0	0	0	0	0	-351941
Revenue Accounts Result Profit/ (loss)	193519	334365	2365386	1052937	3722712	1874263

Shareholders' and Policyholders' Funds

Shareholders' Funds

	Balances as on 31.03.2014	Percentage	Balances as on 31.03.2015	Percentage
Share Capital	2000000000		2000000000	
Capital Reserves	575088		575088	
General Reserves	84555514888		93485589501	
Miscellaneous Reserves / Special Reserves	10378141337		11010339245	
Total	96934231313	32.22	106496503834	32.57

Policyholders' Funds

	Unexpired Risks Reserves as on 31.03.2014	Outstanding Claims Reserves as on 31.03.2014	Total Reserves as on 31.03.2014	Percentage	Unexpired Risks Reserves as on 31.03.2015	Outstanding Claims Reserves as on 31.03.2015	Total Reserves as on 31.03.2015	Percentage
Fire	8831672350	26655400312	35487072662		10041607698	24545345576	34586953274	
Marine	4525211269	3946656216	8471867485		3223237288	4805068494	8028305782	
Miscellaneous	51009397286	108920678696	159930075982		57336566633	120534150212	177870716845	
Total	64366280905	139522735225	203889016130	67.78	70601411619	149884564282	220485975901	67.43
Total Funds			300823247443	100.00			326982479734	100.00

The balances as on 01.04.2014 are used as basis for apportionment of investment income of 2014-15 between policyholders and shareholders

Average Shareholders' Funds (₹ in crores)	(9693.42+10649.65)/2	10171.535	32.40
Average Policyholders' Funds (₹ in crores)	(20388.90+22048.60)/2	21218.75	67.60
Average Total Funds (₹ in crores)		31390.29	100.00



Schedule 16

Significant Accounting Policies, Notes and Disclosures forming part of Financial Statements as on 31st March, 2015

16 A. Significant Accounting Policies

1. Accounting Convention

The financial statements are drawn up in accordance with the provisions of IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the master circulars issued in the context of preparation of the financial statements, and the provisions of the Companies Act 2013. The said statements prepared on historical cost convention and on accrual basis, comply with accounting standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 also calculated on time apportionment basis. 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 as per the provisions of the Insurance Act at 50% of net premium in respect of fire, marine cargo and miscellaneous business and 100% in respect of marine hull business.

6. Reinsurance Accepted

Reinsurance returns have been incorporated for the advices received up to the date of finalisation of accounts or on estimation basis.

7. Reinsurance Ceded

Reinsurance cessions are accounted for on the basis of actuals or on estimation basis.

8. Premium Deficiency

Premium deficiency is calculated where the sum of expected claims costs, related expenses and maintenance costs exceed the related unearned premium. The deficiency is recognized only to the extent of excess of unearned premium plus premium deficiency so calculated over the unexpired risk reserves at the percentages mentioned herein above. Premium deficiency shall be recognized for the Company as a whole on an annual basis as per IRDA's Corrigendum on Master circular IRDA/F&A/CIR/FA/126/07/2013 dated 3rd July 2013. Premium deficiency forms part of unexpired 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 or on estimation basis
- 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 IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the master circulars issued in the context of preparation of financial statements 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.
- 1/3rd 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 recognized 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 realization. Interim dividend is accounted for where the amount is received/credited in the account of the company upto 31st March.

Dividend on foreign investments is accounted on gross basis.

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 recognized 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 of India as regards asset classification, recognition of income and provisioning pertaining to loans/advances/debentures
- 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 of India Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.



- I i. Investments in Mutual Funds are valued at Net Asset Value (NAV) as at the Balance Sheet date and the difference between cost/book value and NAV is accounted in Fair Value Change Account. In case of non-availability of latest NAV as at the balance sheet date, investment is shown at cost.
- ii. Investments in Venture Funds are valued at cost. If there is reduction in NAV, the same is charged to revenue and book value of investments is reduced accordingly. Any appreciation in NAV to the extent of loss earlier recognized, is taken to revenue. Wherever Net Asset Value as on Balance Sheet date is not available, latest available Net Asset Value is considered.
- J (i) In accordance with IRDAI F&I/INV/CIR213/10/2013 dated 30th October 2013 for Valuation of Equity Portfolio, National Stock Exchange (NSE) is considered as Primary Stock Exchange and Bombay Stock Exchange (BSE) as Secondary Stock Exchange.

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 of India Regulations. The shares are treated as actively traded or thinly traded by taking into consideration total traded transactions in the month of March on NSE and BSE.

- (ii) Actively traded equity/ equity related instruments are valued at the closing price at NSE or if the scrip is not traded at NSE, the scrip is valued at the closing price at BSE. The difference between weighted average cost and quoted value is accounted in Fair Value Change Account

Exchange traded funds are valued as applicable to Equity portfolio. The difference between the weighted average cost and the quoted value is accounted in Fair Value change account.

- (iii) Investments in equity shares of companies outside India are valued at the last quoted price at the stock exchange of the respective Country.

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 Re. 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 shares of a company is impaired in accordance with the above mentioned policy, the reversal of such impairment losses are not recognised in revenue/ profit and loss till such company achieves a positive net worth as per the latest available published accounts 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 31st 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 1st and 2nd 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 actively traded 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

- a. Depreciation on fixed assets is charged on Straight Line Method (SLM) as per the useful life prescribed under Schedule II of the Companies Act 2013 and the residual value of the asset shall be Re 1/-.
- b. Lease hold properties are amortised over the lease period.

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. Any additions to already existing assets are amortised prospectively over the remaining residual life of the assets.

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 1st 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. Segregation of Policy Holders and Share Holders funds:

Investment Assets includes Policyholders as well as Share holders. Investment Assets are not segregated between Shareholders and Policyholders at 'Scrip' level, due to practical difficulties, Investments are 'allocated' to the policy holders' funds to the extent of Technical reserves and to shareholders funds to the extent of share capital and reserves and surplus.

21. 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.

22. 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 with 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, Canada and Thailand on Calendar basis prepared as per the local laws. There are no material changes for the quarter Jan 2015 to March 2015. The accounts of 3 run-off Agencies and representative office at Myanmar have been incorporated on the basis of unaudited accounts. The other 5 run-off agencies have been closed as on 31.03.2015.
- 2 Buildings include ₹ 968.37 Lakhs (Previous Year ₹ 698.84 Lakhs) in respect of which the deeds of conveyance are yet to be executed.
- 3
 - a The balances appearing in the amount due to / due from persons or bodies carrying on insurance business including reinsurance business are subject to confirmation / reconciliation and consequential adjustments if any. As RI Balances reconciliation is a ongoing process, confirmation of balances are done at a regular intervals, not on a specific cut-off date (i.e. Annual Closing date). However, company has maintained provision of ₹ 12373.25 Lakhs upto 31.03.2015 towards doubtful debts as a prudent measure.
 - b Reinsurance acceptance transactions pertaining to the year have been booked for advices received upto 21st April 2015.
 - c The balances of inter-office accounts included in Other Asset amounting to ₹39621.40 lakhs (Debit), previous year ₹15737.72 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 31.03.2015. 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 ₹ 6.07 lakhs (Previous Year ₹122.06 lakhs). However ₹ 6.07 lakhs is provided for.
- 6
 - a Provision for standard assets @ 0.40% amounting to ₹ 3107.30 Lakhs (Previous Year ₹ 2564.87 Lakhs) has been made as per Insurance Regulatory and Development Authority of India 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 Lakh)	Previous Year (₹ in Lakh)
	Total amount of assets subjected to restructuring	Nil	1,753.35
	The break up of the same is given here under:		
(i)	Total amount of standard assets subjected to restructuring	Nil	-
(ii)	Total amount of sub-standard assets subjected to restructuring	Nil	-
(iii)	Total amount of doubtful assets subjected to restructuring	Nil	1,277.78
(iv)	Total amount of loss assets subjected to restructuring	Nil	475.57
	Total	Nil	1,753.35

c Details of Non Performing Assets (NPA).

I) Details of Non Performing Assets (NPA)

Sr. No.	Particulars	Current Year (₹ in Lakh)	Previous Year (₹ in Lakh)
(i)	Opening Balance	14081.31	13561.48
(ii)	Additions During the Year	Nil	1306.29
(iii)	Reductions During the Year	596.85	786.46
(iv)	Closing Balance	13484.46	14081.31
	Percentage of Net NPAs to Net Assets	0.05%	0.08%

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

Sr. No.	Particulars	Current Year (₹ in Lakh)	Previous Year (₹ in Lakh)
(i)	Opening Balance	12445.50	12566.88
(ii)	Incremental Provision During the Year	-196.79	-121.38
(iii)	Closing Balance	12248.71	12445.50

- 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 31.03.2015, 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:
- Segmental reporting in respect of Public and Product Liability is not disclosed separately for foreign business.
 - The provisions against loans ₹11885.72 Lakhs (Previous Year ₹12382.50 Lakhs) have been shown in Schedule 14 "Provisions". Consequently, the "Loans" shown in the Schedules 9 have not been reduced to the extent of provisions made against thereof, as required by Part V of Schedule B of the Regulation.
 - Receipts & Payments Account / (Cash Flow Statement) has been drawn under "Direct Method" as required by Part I of Schedule B of the regulation. However the same is subject to reconciliation of various inter office and other accounts including certain Bank Accounts.
- c As per IRDAI 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, 2015. Accordingly the unclaimed amount of ₹11985.47 lakhs (P.Y. ₹ 9614.96) representing the excess premium collected, refund premium and the amount lying in stale cheque accounts and unclaimed amount towards claim is not ascertainable. Further, as required, age-wise analysis is not available.



- 9 (a) Investment in term loans, loans to State Government for the purpose of Housing & Fire fighting equipment 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.
- (b) The reconciliation of various accounts relating to inter office accounts related to domestic and foreign operations, Control Accounts, old balances appearing in legacy software, sundries and suspense, co-insurance, Re-insurance balances, certain Bank Accounts including revenue stamps in hand, other assets and other liabilities etc. is under progress. The impact of the above, if any, on the financial statements is unascertainable.
- 10 Prior period items have been included in the respective heads amounting to ₹1085.36 lakhs (Debit) [Previous Year ₹ 271.21 Lakhs (Debit)] consisting of the following: -

Sr. No.	Particulars	₹ In Lakh			
		Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Premium	5.23	3.19	-	1.13
2	Commission	1.28	0.65	-	-
3	Claims	4.66	9.41	-	-
4	Expenses	1,284.92	1.05	569.08	-
5	Income	30.00	226.43	-	296.74
	Total	1,326.09	240.73	569.08	297.87

11 Disclosure as required by Accounting Standards (AS) :-

A Related party disclosures as per Accounting Standard 18

1 Company's related parties

a Subsidiaries

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

b Associates

- India International Insurance Pte. Ltd., Singapore
- KenIndia Assurance Co. Ltd., Kenya
- Wafa Insurance previously known as Saudi Indian Company for Co Operative Insurance, Riyadh
- Health Insurance TPA of India Ltd.,

c Key Management Personnel of the Company

- Shri G. Srinivasan Chairman cum Managing Director
- Shri K. Sanath Kumar Director & General Manager
- Shri K L R Babu Director & General Manager
- Shri V. Hari Srinivas General Manager and Financial Advisor
- Shri Sharad Ramnarayanan Appointed Actuary
- Ms S.N. Rajeswari Chief Finance Officer
- Shri Renjit Gangadharan Chief Marketing Officer
- Shri S. Shankar Chief Risk Officer
- Shri S.R. Shreeram Chief Investment Officer
- Ms Jayashree Nair Company Secretary & Compliance Officer



2 Transactions with related parties:

Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (₹ in Lakh)	Previous Year (₹ in Lakh)
i)	Subsidiaries	Management fees earned (NIA T&T)	48.99	83.59
		Premium on Reinsurance Accepted	448.46	495.12
		Commission on Reinsurance Accepted	(89.65)	(97.50)
		Claims Paid	(96.29)	(114.00)
		Dividend income received(NIA T&T)	278.09	164.64
		Equity Purchased (Rights) Prestige		
		Assurance Nigeria	(3,846.20)	NIL
		Loan Installments & Interest Received Prestige Assurance Nigeria	827.99	NIL
		Dividend receivable	NIL	182.15
		Loan	NIL	(1,793.00)
ii)	Associates	Premium on Reinsurance Accepted	1,450.32	1,347.00
		Commission on Reinsurance Accepted	(158.21)	(317.00)
		Claims Paid	(1,252.32)	(835.00)
		Dividend income received from III Singapore	392.01	251.36
		Dividend income received from Kenindia		
		Assurance Kenya	35.21	NIL
		Investment in shares	NIL	-
		Dividend receivable	NIL	-
iii)	Key Management Personnel	Additional Equity Infusion in Health TPA of India	(237.50)	(237.50)
		Salary and allowances	148.25	124.74

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

Particulars	Current Year	Previous Year
Net profit attributable to shareholders (₹ In Lakhs)	143122.45	108898.14
Weighted average number of equity shares issued	200000000	200000000
Basic and diluted earnings per share of ₹10/- each (₹)	71.56	54.45

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

- Provision for Tax - Current Tax shown in Profit & Loss Account includes ₹ 4735.35 lakhs (Previous year ₹2454.84 lakhs) relating to foreign taxes.
- The Income Tax Assessments of the Company have been completed up to assessment year 2012-13. Major disputed demands are in respect of profit on sale of investment and related exemptions from tax liability. 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.
- Income Tax Department during F.Y. 2013-14 adjusted refunds of ₹ 9005.45 lakhs towards tax demands pertaining to various years, without any intimation to the Company.

The Company is in appeal in respect of various taxation issues in various levels of Hon'ble Judiciary on which Income Tax Dept has made unilateral set off.

The Company is following up with the Tax Dept for recomputing the Tax Refunds unilaterally set off pursuant to an order of CIT(A) for A.Y. 2009-10 and the accounting of the adjustments shall be made after obtaining details from the Tax Dept.



iv Deferred Taxes

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

₹ In Lakhs

Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
i) Fixed Assets	393.76	752.58
ii) Leave Encashment	16,536.13	16,536.13
iii) Estimated Disallowance u/s 40(a) (ia)	33.99	33.99
iv) Gratuity	-	(1166.26)
v) LTS	-	-
Total	16,963.88	16,156.44

Notes

- 1 A sum of ₹ 630.91 lakhs (Previous year ₹2432.02Lakhs) 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 Lakhs)

		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
I	Components of employer expense						
	A Current Service Cost	8,583	12,000	2,317	4,435	1,325	2,300
	B Interest Cost	25,885	15,609	7,916	6,667	4,135	3,592
	C Expected Return on Plan Assets	(25,886)	(22,777)	(7,917)	(5,959)		
	D Curtailment Cost/(Credit)						
	E Settlement Cost/(Credit)						
	F Past Service Cost						
	G Actuarial Losses/(Gains)	9,105	21,110	198	11,919	(324)	3,457
	H Total expense recognized in the statement of Profit and Loss Account	17,687	25,942	2,514	16,024	5,136	9,349
	Pension Gratuity and Leave Encashment expenses have been recognized in "Employee Remuneration and Welfare Benefits" under schedule 4.						



		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
II	Actual Returns for the year 31.03.2015	25,279	27,230	7,892	7,677		-
III	Net Asset/(Liability) recognized in Balance Sheet at 31.03.2015						
	A Present Value of Defined Benefit Obligation	314,692	304,534	96,835	93,125	48,469	48,650
	B Fair Value of Plan Assets	314,692	304,534	96,835	93,135		
	C Status (Surplus/Deficit)	-		-	(10)	48,469	48,650
	D Un recognized Past Service Cost						
	E Net Asset / (Liability) recognized in Balance Sheet	-	-	-	(10)	48,469	48,650
IV	Change in Defined Benefit Obligation during the year ended 31.03.2015						
	A Past value of the Defined Benefit Obligation at the beginning of the period	304,534	287,488	93,125	81,621	48,650	45,000
	B Current Service Cost	8,583	12,000	2,317	4,435	1,325	2,300
	C Interest Cost	25,885	15,609	7,916	6,667	4,135	3,592
	D Curtailment Cost/(Credit)						
	E Settlement Cost/(Credit)						
	F Plan Amendments						
	G Acquisitions						
	H Actuarial Losses/(Gains)	8,498	18,854	173	6,462	(324)	3,457
	I Asset Loss / (Gain)						
	J Benefits Paid	(32,808)	(29,417)	(6,696)	(6,060)	(5,317)	(5,599)
	K Present Value of Defined Benefit Obligation at the end of the period	314,692	304,534	96,835	93,125	48,469	48,750
V	Change in the Fair Value of Assets during the year ended 31.03.2015						
	A Plan Assets at the beginning of the period	304,534	287,890	93,135	75,257	-	-
	B Acquisition Adjustment						-
	C Expected return on Plan Assets	25,886	22,777	7,917	5,959	-	-
	D Asset (Losses)/Gains	(607)	2,256	(25)	17,979	-	-
	E Actual Company Contributions	17,687	21,028	2,504		-	-
	F Benefits Paid	(32,808)	(29,417)	(6,696)	(6,060)	-	-
	G Plan Assets at the end of the period	314,692	304,534	96,835	93,135	-	-
VI	Transitional Provisions						
	(Income)/Expense to be recognised						
VI	Actuarial Assumptions						
	A Discount Rate (%)	7.92%	8.50%	7.95%	8.50%	7.95%	8.50%
	B Expected Return on Plan Assets (%)	7.92%	8.50%	7.95%	8.50%	-	-
	C Rate of escalation in salary	4.00%	4.50%	4.00%	4.50%	4.00%	4.50%



		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
VII	Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2015						
	A Government Securities	39.74%	36.72%	39.07%	39.02%	-	-
	B High Quality Corporate Bonds	50.62%	50.78%	48.33%	52.29%	-	-
	C Others	9.64%	12.50%	12.60%	8.69%	-	-
VIII	Basis used to determine the expected rate of return on plan assets	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 In 2010-11 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. As permitted by IRDAI Circular Number . IRDA/F&A/CIR/ACT/069042011 dated 18.04.2011 and the balance amount of ₹ 3431.20 lakhs is charged to the revenue in the current year and the amount stands fully amortised.
- 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 ₹ 36.77 Lakhs (P.Y ₹ 47.71 Lakhs) has been considered as income received in advance and shown in Schedule – 13 Current Liabilities under the head “Others”.
- 15 The management is 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 2015 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 Foreign Exchange Reserve Account has decreased by ₹ 11039.5 (Debit) Lakhs due to depreciation of foreign currency under the following heads (Previous Year ₹32105.62 Lakhs (Credit) consisting of the following.

Sr	Particulars	Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Head Office Account	11,039.50	-	-	10,767.25
2	Outstanding claims	-	-	-	21,333.67
3	Fixed assets	-	-	-	4.70
	Total	11,039.50	-	-	32,105.62



- 17 PenaltyAs per IRDAI 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	₹ in Lakhs		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority / TAC	Nil	Nil	Nil	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India*	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government / Statutory Authority	Nil	Nil	Nil	Nil

- 18 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 ₹ 10751.13 lacs (PY ₹ 9266.90 lacs) in respect of obligation under operating lease are charged to Revenue Account.

- 19 In the year 2011-12 the Company has created Equalization Reserve in respect of London Branch for ₹ 5082.85 Lakh (£6241000) as required by the UK Regulation. This reserve was not available for distribution as Dividend. In the year 2013-14 the reserve was valued at ₹ 6483.44 Lakh (£6500000). In the current year, the reserve has been enhanced by ₹ 3236.65 lakh (£3500000) and Further, ₹ 472.53 lakh has been transferred to the General Reserves to maintain the closing reserves at ₹ 9247.56 lakh (£10000000).

The Company also has appropriated ₹ 4123.49 Lakh for Muscat agency during the year 2012-13 in accordance with Oman Insurance Company Law, out of 7031.08 Lakh towards contingency reserve for claims, the balance amount of ₹ 2907.59 lakh being transferred from General Reserve. In current year 2014-15, the same has been revalued and stands at ₹ 8113.91 Lakh (5000000 omani riyal) due to currency fluctuation.

- 20 DECLINED RISK POOL:

The IRDAI vide its Circular no. IRDA/NL/ORD/MPL/MPL/277/12/2011 Dated 23.12.2011 announced the creation of declined risk pool for Commercial Vehicles for standalone Third Party Liability insurance (Act only



insurance) with effect from 01.04.2012. The act only insurance policies of commercial vehicles which are declined under the norms of 'file and use' guidelines of IRDAI as well as underwriting policy of respective company are covered under the pool.

- 21 IRDAI vide their order no. IRDAI/NL/MPL/223/11/2013 dt. 18th November 2013 advised to maintain Ultimate Liability Ratio (ULR) of 210% for Declined Risk Insurance Pool for year 2012-13.

Further vide Order No. IRDAI/NL/ORD/MPL/251/11/2014 dt 27 November, 2014 IRDAI advised that ULR for 2013-14 for declined risk pool be fixed at 175% and also that the provisional quarterly settlement of the year 2014-15 be done at the ULR of 175%.

The provisions in the Company's accounts have been made in accordance with the above.

The company's total investments adequately cover the investment of the DR Pool funds also, though it is not earmarked separately, as stipulated by IRDA.

- 22 (a) Consequent to the enactment of the Companies Act 2013 (the Act) and its applicability for accounting period commencing after 01.04.2014, the Company has reviewed and revised the estimated useful lives of its fixed assets, generally to be in accordance with the provisions of the Schedule II of the Act. Further the company has also decided to change the method of depreciation to Straight Line Method as compared to the Written down value method, followed hitherto. The impact on account of change in accounting policy to the extent implemented and changes in useful lives, on the profit for the year has not been ascertained separately. However net impact arising out of the above has resulted in profit being higher by ₹ 2152.12 lacs. Further an amount of ₹ 519.37 lacs has been charged to retained earnings in respect of assets having no residual value pursuant to change in useful life.
- (b) The data related to fixed asset register hitherto maintained manually has been migrated to the company's accounting software during the current year in phases. Due to migration process the opening balances as appearing in the Fixed Asset module have been captured from the respective migration date of each asset, thereby impacting depreciation and Profit/Loss on sale of assets in case of assets retired during the year till the date of migration in the Fixed Asset Module due to change in the accounting policy and the changes in useful lives of these assets. The precise impact of the same has not been ascertained. Further the amounts migrated in the Fixed asset module are being reconciled with the financial ledgers of the company at respective locations.
- (c) In case of assets at Foreign Branches of the company, the opening WDV as received from the respective branches which is computed as per the accounting standards followed in these foreign Branches, has been considered for the purpose of implementing the changed accounting policy, and the same is being amortised over the remaining useful lives of these assets. The company is in the process of arriving at the original purchase cost of these assets and necessary accounting adjustments shall be carried out in due course. The impact of the above on the financial statements has remained unascertained.
- 23 Hitherto investments in venture funds were valued at Net Asset Value (NAV) and difference between cost/book value and NAV is accounted in Fair Value Change account. In case of non availability of NAV as at the Balance Sheet date, investment is shown at cost. In order to comply with IRDAI Regulations, investment in venture funds are valued at cost and wherever NAV as at balance sheet date is not available, latest available NAV is considered. Consequent to above change, profit for the period is lower by ₹ 76.08 lacs and increase in fair value change account amounts to ₹ 267.17 lacs.
- 24 (a) Pursuant to change in the method of valuation of the investment in equity shares outside India, which are now being valued at the last quoted price at the Exchange in the respective country, transfer to fair value change account has been reduced by ₹ 571.05 lacs
- (b) The company has during the year changed the accounting policy of recognition of dividend from companies outside India at Gross basis instead of Net of withholding tax as hitherto, pursuant to which gross dividend income is higher by ₹ 31.32 lacs.



- 25 (a) As per the returns/ audit reports relating to foreign Branches and foreign agency offices, audited by the local auditors appointed by the company which have been incorporated in the financial statements prepared in accordance with the accounting principles generally accepted in the respective locations/countries and certain adjustments are carried out for the purpose of consolidation in accordance with the accounting policies followed by the company, as per consistent practice followed in this regard. The management has however initiated a process of identifying the impact of different accounting practices followed at respective locations and necessary accounting effects for the remaining adjustments, if any, to be in compliance with the generally accepted accounting principles in India and the accounting policies followed by the company, shall be carried out in due course. The precise financial impact of the same has not been ascertained.
- (b) The audit reports received in case of the foreign Branches/offices are also not in strict accordance with the requirements laid down in SA700 issued by the ICAI and matters required under the provisions of the companies Act, 2013 read with IRDA Regulations 2002. The management is however initiating steps necessary to ensure the compliance of laid down guidelines in this regard.
- 26 The company had hitherto an accounting policy to provide for the Reserve for unexpired risk representing that part of the net premium written which is attributable to and to be allocated to the succeeding period subject to the minimum 100% of net premium for marine business and 50% of net premium for other classes of business. (Under this method, the Company was computing Gross unearned premium under) 1/365 method and applied the same percentage on Net premium to arrive at the URR on net premium. As under this method, URR is arrived on an estimated basis and also as the Company is in the process of putting necessary systems in place to ensure the precise computation of Reserve for Unexpired Risk based on 1/365 method on Net Premium, the Company proposed to calculate URR as per the provisions of the Insurance Act 1938 for the Financial Year 2014-15 and changed its accounting policy accordingly. The Company has during the year provided Reserve for Unexpired Risks as per the provisions of the Insurance Act 1938 at 50% of Net Premium in respect of Fire, Marine Cargo & Miscellaneous Business and 100% in respect of Marine Hull Business. Consequent to the above profit for the year is higher by ₹ 29236.89 Lakhs.
- 27 Pending settlement of proposed wage revision effective from 1st August 2012, an ad-hoc provision of salaries and allowance , for wage arrears amounting to ₹ 39100 lakhs during the year has been made which is inclusive of incremental liability towards retirement benefits on account of revision in wage arrears. The total of such provisions held as on 31.03.2015 is ₹ 59267.46 lacs.
- 28 In accordance with the provisions of the Companies Act, 2013, the Company has approved an expenditure of Rs. 1602 lakhs for the financial year 2014-15 towards Corporate Social Responsibility. Out of the above an amount of ₹ 325.57 lakhs has been incurred during the year. The balance could not be spent due to non availability of suitable projects matching with the CSR policy of the Company.
- 29 As per the accounting policy followed by the company, the claims outstanding are provided for which include claim intimations received till the year end in respect of Direct business. As per the consistent practice followed an amount of ₹ 3158.20 lakhs has been provided for towards claims intimated before 31.03.2015 and remaining to be registered, based on the information available subsequent to the Balance Sheet date. In respect of health insurance, the claims intimated but not captured in the CWISS system are accounted for based on information received from respective TPA.
- 30 During the FY 2013-14, a local court in Jordan had passed an order for attachment & Sale of Shares held by the company in United Insurance Company Jordan and also attached dividend for 3 years thereon, totaling to ₹ 225 lacs against Old Marine claim & Court / Lawyer fees etc. Since the company did not have any information for the same till the finalization of accounts, no accounting for the same could be done during FY 2013-14. The same has been accounted for during the year and disclosed under "Prior period items".


16 C. 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	775.52	731.52
	(b) Underwriting commitments outstanding	-	-
	(c) Claims, other than those under policies, not acknowledged as debts	19,497.85	17,361.29
	(d) Guarantees given by or on behalf of the Company	83.31	86.84
	(e) Statutory demands/liabilities in dispute not provided for	264,453.39	239,459.96
	(f) Reinsurance obligations to the extent not provided for in accounts	-	-
	(g) Others (matters under litigation) to the extent ascertainable	646.56	1,348.52
	(h) Tax and other liabilities Venture Fund	1,343.10	1,343.10
2	The details of encumbrances to the assets of the Company are as under:		
	(a) In India	4,615.00	3,545.11
	(b) Outside India	208.70	200.67
3	Commitment made and outstanding for Loans Investments and Fixed Assets	866.44	900.70
4	Claims, less reinsurance, paid to claimants:		
	(a) In India	845,884.94	540,501.14
	(b) Outside India	167,216.74	191,358.94
5	Claim liabilities where claim payment period exceeds four years.	-	-
6	Amount of claims outstanding for more than six months (Gross Indian)	725,313.49	614,605.32
	No. of Claims	172,988	182,469
	Amount of claims outstanding for less than six months (Gross Indian)	262,053.37	202,733.02
	No. of Claims	114,056	101,287
	Total amount of claims outstanding (Gross Indian)	987,366.87	817,338.34
	Total No. of claims outstanding	287,044	283,756
7	Premiums, less reinsurances, written from business		
	(a) In India	1,131,114.23	959,591.36
	(b) Outside India	262,766.20	248,270.20
8	The details of contracts in relation to investments, for		
	Purchases where deliveries are pending	387.29	-
	Sales where payments are overdue	-	-
	Sales where deliveries are pending	85.40	934.26
9	Amount of Claims settled and remaining unpaid for a period of more than six months as on balance sheet date are as under:		
	No. of claims	-	-
10	Investments made in accordance with statutory requirements are as under:		
	(a) In India- Under Sec.7 of Insurance Act 1938	1,075.14	1,075.15
	(b) Outside India- Statutory Deposits under local laws	51,612.48	50,611.04



(₹ in Lakhs)

Sr. No	Particulars	Current Year	Previous Year
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	776,823.98	641,218.20
	Non Performing Investments	13,484.46	14,081.31
	Total Book Value (Closing Value)	790,308.44	655,299.51

- 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 as per the provisions of the Insurance Act at 50% of net premium in respect of fire, marine cargo and miscellaneous business and 100% in respect of marine hull business.
- 14 Operating expenses relating to insurance business are apportioned to the revenue account 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 ₹ 402462.13 lakhs (Previous year ₹ 330202.46 Lakhs) and ₹ 1280.65 Lakhs (Previous year ₹ 498.97 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 In compliance of section 197 of the Companies Act 2013, the total managerial remuneration paid to its Directors including Managing Director, Whole Time Directors, and Managers in respect of Financial Year 2014-15, does not exceed 11% of Net Profit of the Company.
- 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, 2015. 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 is as under:

Sector	Current Year			Previous Year		
	₹ in Lakhs	Percentage	Number of Policies/lives	₹ in Lakhs	Percentage	Number of Policies/lives
Rural	185975.21	14.08	3399946	175645.00	15.22	1487555
Social	44680.64	3.38	50417387	46822.00	4.06	37666578
Others	1090283.65	82.54		931538.97	80.72	
Total	1320939.50	100.00		1154005.97	100.00	



21 Performance Ratios

i) Gross Premium Growth Rates :

(₹ in Lakhs)

SEGMENT	Gross Direct Premium (₹ in Lakhs)						Growth Rate (%)					
	Current Year			Previous Year			Current Year			Previous Year		
	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global
Fire	164489.27	81861.17	246350.44	141176.57	72541.37	213717.94	16.51	12.85	15.27	5.93	21.82	10.84
Marine Cargo	32883.77	5192.64	38076.40	32022.44	6231.08	38253.52	2.69	-16.67	-0.46	0.79	7.61	1.84
Marine Hull	33644.02	5382.89	39026.91	39124.05	5752.28	44876.32	-14.01	-6.42	-13.03	11.08	26.43	12.83
Marine Total	66527.78	10575.53	77103.31	71146.48	11983.36	83129.84	-6.49	-11.75	-7.25	6.20	15.89	7.50
Motor	536600.52	90058.47	626658.99	460461.42	92792.12	553253.54	16.54	-2.95	13.27	21.30	13.24	19.87
Personal Accident	18560.00	1972.41	20532.41	16896.24	1331.33	18227.57	9.85	48.15	12.64	6.34	-0.86	5.78
Aviation	10434.08	0.00	10434.08	9357.88	-0.47	9357.42	11.50	-100.00	11.51	-23.56	-	-23.57
Engineering	41774.94	9866.50	51641.45	41467.79	10289.30	51757.10	0.74	-4.11	-0.22	-0.93	17.54	2.26
Health	394179.21	7583.60	401762.81	331577.45	3361.95	334939.40	18.88	125.57	19.95	20.40	38.20	20.56
Liability*	26439.94	15086.28	41526.22	25090.79	13552.86	38643.65	5.38	11.31	7.46	9.72	78.80	26.92
Others	61933.75	10092.48	72026.23	56831.34	12903.08	69734.42	8.98	-21.78	3.29	2.10	11.06	3.65
Misc sub Total	1089922.44	134659.75	1224582.20	941682.92	134230.18	1075913.09	15.74	0.32	13.82	17.19	18.09	17.30
Grand Total	1320939.50	227096.45	1548035.95	1154005.97	218754.90	1372760.87	14.47	3.81	12.77	14.96	19.18	15.62

*Liability includes Workmens' compensation

ii) Gross Direct Premium to Net Worth Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Gross Direct Premium	1548035.95	1372760.87
b. Net Worth	972223.14	862129.70
Gross Direct Premium to Net Worth Ratio (Times) (a/b)	1.59	1.59

iii) Growth Rate of Net Worth:

(₹ in Lakhs)

	Current Year	Previous Year	Growth % (CY)	Growth % (PY)
Net Worth	972223.14	862129.70	12.77	11.42



iv) Net Retention Ratio : Indian

Segment	Current Year (₹ in Lakhs)			Previous Year (₹ in Lakhs)		
	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)
Fire	174341.41	88635.17	50.84	150458.06	77119.89	51.26
Marine Cargo	33154.83	26131.06	78.82	32022.44	26047.25	81.34
Marine Hull	34633.09	9095.00	26.26	40810.43	7112.09	17.43
Marine Total	67787.92	35226.06	51.97	72832.86	33159.34	45.53
Motor	555303.69	513783.89	92.52	460461.42	422094.61	91.67
Personal Accident	19208.59	18088.69	94.17	17303.93	16066.17	92.85
Aviation	10630.27	-1766.45	-16.62	10107.57	-4529.62	-44.81
Engineering	45556.39	25030.02	54.94	46900.34	26644.05	56.81
Health	394179.21	374267.21	94.95	331577.45	314581.45	94.87
Liability*	26635.97	22506.84	84.50	25371.28	21366.05	84.21
Others	70549.18	55342.80	78.45	65151.98	53089.43	81.49
Misc sub Total	1122063.31	1007253	89.77	956873.98	849312.13	88.76
Grand Total	1364192.64	1131114.23	82.91	1180164.90	959591.36	81.31

*Liability includes Workmens' compensation

Net Retention Ratio : Foreign

Segment	Current Year (₹ in Lakhs)			Previous Year (₹ in Lakhs)		
	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)
Fire	146830.73	112196.98	76.41	138056.65	99513.55	72.08
Marine Cargo	5716.14	5572.82	97.49	6712.01	6486.99	96.65
Marine Hull	11336.00	7285.44	64.27	10856.47	5605.78	51.64
Marine Total	17052.14	12858.26	75.41	17568.48	12092.78	68.83
Motor	92381.35	86596.04	93.74	94349.57	87301.35	92.53
Personal Accident	2271.81	2173.44	95.67	1553.90	1438.75	92.59
Aviation	6755.20	6755.20	100.00	8594.31	8543.37	99.41
Engineering	12292.32	9476.84	77.10	13118.75	9555.94	72.84
Health	7592.53	7592.53	100.00	3361.95	3361.95	100.00
Liability*	15372.22	14600.54	94.98	14010.19	13526.62	96.55
Others	11833.97	10516.38	88.87	14712.68	12935.88	87.92
Misc sub Total	148499.42	137710.97	92.74	149701.34	136663.87	91.29
Grand Total	312382.29	262766.20	84.12	305326.47	248270.20	81.31

*Liability includes Workmens' compensation



Net Retention Ratio: Global

Segment	Current Year (₹ in Lakhs)			Previous Year (₹ in Lakhs)		
	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)
Fire	321172.14	200832.15	62.53	288514.71	176633.45	61.22
Marine Cargo	38870.97	31703.88	81.56	38734.45	32534.24	83.99
Marine Hull	45969.09	16380.43	35.63	51666.90	12717.87	24.62
Marine Total	84840.06	48084.31	56.68	90401.34	45252.11	50.06
Motor	647685.04	600379.93	92.70	554810.99	509395.96	91.81
Personal Accident	21480.40	20262.13	94.33	18857.84	17504.92	92.83
Aviation	17385.48	4988.76	28.69	18701.88	4013.75	21.46
Engineering	57848.71	34506.85	59.65	60019.09	36199.99	60.31
Health	401771.74	381859.74	95.04	334939.40	317943.40	94.93
Liability*	42008.20	37107.38	88.33	39381.47	34892.68	88.60
Others	82383.15	65859.18	79.94	79864.66	66025.31	82.67
Misc sub Total	1270562.73	1144963.97	90.11	1106575.32	985976.00	89.10
Grand Total	1676574.93	1393880.44	83.14	1485491.37	1207861.56	81.31

*Liability includes Workmens' compensation

v) Net Commission Ratio to Net Written Premium

SEGMENT	Net Commission (₹ in Lakhs)						Net Commission Ratio (%)					
	Current Year			Previous Year			Current Year			Previous Year		
	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global
Fire	5440.70	34873.98	40314.68	1273.71	30572.94	31846.66	6.14	31.08	20.07	1.65	30.72	18.03
Marine Cargo	3483.63	1510.28	4993.91	3198.93	1677.10	4876.04	13.33	27.10	15.75	12.28	25.85	14.99
Marine Hull	-1839.76	1104.32	-735.44	-1410.48	1393.70	-16.78	-20.23	15.16	-4.49	-19.83	24.86	-0.13
Marine Total	1643.87	2614.60	4258.47	1788.45	3070.80	4859.25	4.67	20.33	8.86	5.39	25.39	10.74
Motor	16958.42	19880.04	36838.47	17255.76	20180.63	37436.39	3.30	22.96	6.14	4.09	23.12	7.35
Personal Acci	1970.26	618.89	2589.16	1698.45	398.34	2096.79	10.89	28.48	12.78	10.57	27.69	11.98
Aviation	-353.59	652.77	299.18	-494.72	1264.75	770.03	20.02	9.66	6.00	10.92	14.80	19.18
Engineering	-1059.17	2350.16	1290.99	1485.81	2287.44	3773.25	-4.23	24.80	3.74	5.58	23.94	10.42
Health	25560.10	1859.68	27419.77	20070.86	829.88	20900.74	6.83	24.49	7.18	6.38	24.68	6.57
Liability*	2516.19	3535.01	6051.19	2312.51	3169.78	5482.29	11.18	24.21	16.31	10.82	23.43	15.71
Others	6855.79	2469.38	9325.17	7132.45	2962.74	10095.19	12.39	23.48	14.16	13.43	22.90	15.29
Misc sub Total	52447.99	31365.94	83813.94	49461.12	31093.57	80554.68	5.21	22.78	7.32	5.82	22.75	8.17
Grand Total	59532.56	68854.52	128387.08	52523.28	64737.31	117260.59	5.26	26.20	9.21	5.47	26.08	9.71

*Liability includes Workmens' compensation

vi) Expense of Management to Gross Direct Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Gross Direct Premium	1548035.95	1372760.87
b. Expense of Management	306060.01	263034.94
c. Direct Commissions	134188.96	120851.78
Expense of Management to Gross Direct Premium Ratio (%) ((b+c)/a)	28.44	27.96



vii) Expense of Management to Net Written Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Written Premium	1393880.44	1207861.56
b. Expense of Management	306060.01	263034.94
c. Direct Commissions	134188.96	120851.78
Expense of Management to Net Written Premium Ratio (%) ((b+c)/a)	31.58	31.78

viii) Net Incurred Claims to Net Earned Premium:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Earned Premium	1331529.12	1119687.46
b. Net Incurred Claims	1118803.56	938095.49
Net Incurred Claims to Net Earned Premium Ratio (%) (b/a)	84.02	83.78

ix) Combined Ratio:

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	Indian	Foreign	Global	Indian	Foreign	Global
a. Net Earned Premium	1071248.69	260280.45	1331529.13	886076.59	233610.87	1119687.46
b. Net Incurred Claims	988702.08	130101.48	1118803.56	754627.23	-183468.26	938095.49
c. Net Written Premium	1131114.23	262766.20	1393880.44	959591.36	248270.20	1207861.56
d. Expense of Management	291236.46	14823.55	306060.01	253832.43	9202.51	263034.94
e. Net Commission	59532.56	68854.52	128387.08	52523.28	64737.31	117260.59
Combined Ratio (%) (b/a+(d+e)/c)	123.31	81.83	115.19	117.09	-48.75	115.27

x) Technical Reserves to net Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Written Premium	1393880.44	1207861.56
b. Reserves for Unexpired Risks	706014.12	643662.81
c. Premium Deficiency Reserves	0.00	0.00
d. Reserves for Outstanding Claims (Including INBR & IBNER)	1498845.64	1397297.45
e. Total Technical Reserves (b+c+d)	2204859.76	2040960.26
Technical Reserves to Net Premium Ratio (Times) (e/a)	1.58	1.69

xi) Underwriting Balance Ratio:

(₹ in Lakhs)

Segment	Current Year			Previous Year		
	Net Earned Premium	Underwriting Profit	UW Balance Ratio (Times)	Net Earned Premium	Underwriting Profit	UW Balance Ratio (Times)
Fire	188732.80	-55174.45	-0.29	178462.63	-54768.32	-0.31
Marine Cargo	48386.18	18216.11	0.38	32135.43	5576.66	0.17
Marine Hull	12717.87	-5298.32	-0.42	13966.83	2045.49	0.15
Marine Total	61104.05	12917.79	0.21	46102.26	7622.15	0.17
Motor	569218.69	-83513.11	-0.15	458704.58	-76768.31	-0.17
Personal Accident	18883.53	825.72	0.04	16715.54	1687.45	0.10
Aviation	5882.84	-4942.57	-0.84	3955.62	-12269.90	-3.10
Engineering	35353.42	10690.05	0.30	35574.60	-1811.38	-0.05
Health	349901.57	-104585.85	-0.30	284120.09	-72173.66	-0.25
Liability*	36000.03	6297.10	0.17	30428.28	6019.98	0.20
Others	66452.20	-4236.22	-0.06	65623.86	7278.00	0.11
Misc sub Total	1081692.28	-179464.87	-0.17	895122.57	-148037.82	-0.17
Grand Total	1331529.13	-221721.53	-0.17	1119687.46	-195183.99	-0.17



xii) Operating Profit Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Earned Premium	1331529.12	1119687.46
b. Underwriting Profit	-221721.53	-195183.99
c. Investment Income - Policy Holders	258948.65	213926.78
d. Operating Profit (b+c)	37227.12	18742.79
Operating Profit Ratio (%) (d/a)	2.80	1.67

xiii) Liquid Assets to Liabilities Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Short Term Investments	172518.03	150663.87
b. Short Term Loans	0.00	0.00
c. Cash & Bank Balances	825022.99	896500.37
d. Total Liquid Assets (a+b+c)	997541.02	1047164.24
e. Policy Holders Liabilities	2204859.76	2040960.26
Liquid Assets to Liabilities Ratio (Times) (d/e)	0.45	0.51

xiv) Net Earnings Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Premium	1393880.44	1207861.56
b. Profit After Tax	143122.45	108898.14
Net Earnings Ratio (%) (b/a)	10.27	9.02

xv) Return on Net Worth Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Worth	972223.14	862129.70
b. Profit After Tax	143122.45	108898.14
Return on Net Worth Ratio (%) (b/a)	14.72	12.63

xvi) Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Available Solvency Margin (ASM)	844767.78	735581.62
b. Required Solvency Margin (RSM)	346853.74	282201.91
ASM to RSM Ratio (Times) (a/b)	2.44	2.61

xvii) NPA Ratio

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Total Investment Assets	2481311.81	2101120.92
b. Gross NPA	13484.46	14081.31
c. Net NPA	1235.75	1635.81
Gross NPA Ratio (%)	0.54	0.67
Net NPA Ratio (%)	0.05	0.08



22 Summary of Financial Statements

(₹ in Lakhs)

No	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
1	Gross Direct Premium	1548035.95	1372760.87	1187348.80	1007387.82	822551.21
2	Net Earned Premium #	1331529.12	1119687.46	945063.91	787458.72	647332.70
3	Income from Investments(Net)@	258948.65	213926.78	186008.87	150670.25	137203.73
4	Other income (Prem Deficiency)	0.00	3519.41	0.00	0.00	0.00
5	Total Income	1590477.77	1337133.65	1131072.78	938128.97	784536.43
6	Commissions (net incl Brokerage)	128387.08	117260.59	84316.79	89749.84	64867.11
7	Operating Expenses	306060.01	263034.94	237409.00	206580.84	194323.17
8	Net Incurred Claims	1118803.56	938095.49	814307.00	708752.87	652486.82
9	Change in Unexpired Risk Reserves	62351.30	88174.09	82352.71	89662.10	71890.51
10	Operating Profit/Loss	37227.12	18742.63	2524.11	-77958.58	-127140.67
	Non Operating Result					
11	Total Income under Shareholders' A/c	140402.67	110699.00	98598.00	93575.17	86004.05
12	Profit/(Loss) Before Tax	177629.79	129442.41	101122.11	15616.59	-41136.62
13	Provision for Tax	34507.34	20544.00	16756.00	-2315.15	1019.41
14	Net Profit/(Loss) after Tax	143122.45	108898.41	84366.11	17931.74	-42156.03
	Miscellaneous					
15	Policy Holders' Account :					
	Total Funds	2204859.76	2040960.26	1730647.29	1544733.36	1279065.48
	Total Investments	*	*	*	*	*
	Yield on Investments	*	*	*	*	*
16	Shareholders' Account :					
	Total Funds	972223.14	862129.70	773736.33	705761.34	689047.36
	Total Investments	2481311.81	2101120.92	1788255.00	1576929.00	1360463.00
	Yield on Investments	15.68	15.17	14.46	14.68	17.09
17	Paid up Equity Capital	20000.00	20000.00	20000.00	20000.00	20000.00
18	Net Worth	972223.14	862129.70	773736.33	705761.34	689047.36
19	Total Assets	6171962.53	5309531.00	4537552.41	4216274.37	3962127.01
20	Yield on Total Investments(%)	15.68	15.17	14.46	14.68	17.09
21	Earning per Share (₹)	71.56	54.45	4.22	0.90	-2.11
22	Book value per Share(₹)	486.11	431.06	386.87	352.88	344.52
23	Total Dividend	30000.00	22000.00	17000.00	4000.00	0.00
24	Dividend per Share (₹)	15.00	11.00	8.50	2.00	0.00

Net of Re-insurance

@ Net of losses

* Policy Holders' and Share Holder's separate figure not available for Investments and Yield on Investments.


23 Age wise analysis of outstanding claims as on 31.03.2015 (Gross Indian excluding provision for IBNR and IBNER)

(₹ in Lakhs)

Segment	Less than 90 Days		90 Days to 6 Months		6 Months to 1 Year		1 Year to 2 Years	
	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)"
Fire	700	32550.82	530	58652.13	513	70420.90	339	42684.28
Marine Cargo	1114	3880.09	381	4170.32	427	6728.59	200	2886.96
Marine Hull	30	7707.64	38	3901.39	29	24584.35	38	1824.11
Motor OD	37908	19020.33	5459	6051.07	3764	4735.52	939	1421.41
Motor TP	4640	14051.70	2861	8033.51	5459	14340.88	7961	23148.02
Decline Risk Pool	593	2070.16	416	1489.84	684	2324.76	642	2771.27
Health	41542	25351.69	770	425.38	494	348.41	307	684.52
Liability	508	2186.13	225	835.51	292	2460.50	319	2586.00
Motor TP Non pool	4993	19381.22	3512	14565.69	6425	24805.07	7867	33400.26
Motor TP Pool	847	2738.10	575	1778.17	1812	5122.53	5730	17341.89
Personal Accident	1184	1301.95	252	787.94	203	534.50	56	159.75
Aviation	19	540.61	12	330.10	16	632.57	18	3753.99
Engineering	834	5026.42	327	7570.16	352	7591.61	230	19060.98
Misc - Traditional	1006	7917.88	518	6262.50	395	7671.01	269	4376.38
Rural	1067	472.40	390	153.61	740	365.81	381	511.59
Misc Non-Traditional	502	811.29	254	867.29	242	836.28	118	252.18
Credit Shield	17	639.87	32	530.48	27	297.31	16	241.58
Total	97504	145648.30	16552	116405.08	21874	173800.59	25430	157105.15

Segment	2Years to 3 Years		3 Years to 5 Years		5 Years and above		Total	
	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)
Fire	164	12174.99	302	12941.41	440	43219.92	2988	272644.44
Marine Cargo	85	2832.04	134	5539.73	156	2101.23	2497	28138.97
Marine Hull	31	1419.88	48	4518.86	52	2312.41	266	46268.65
Motor OD	464	654.34	590	917.10	871	1411.19	49995	34210.97
Motor TP	7126	17247.24	12285	27151.20	60,600	114072.26	100932	218044.81
Decline Risk Pool	79	285.79	0	-	-	-	2414	8941.81
Health	218	204.78	248	140.39	181	184.03	43760	27339.19
Liability	238	2070.80	386	2897.22	489	2078.16	2457	15114.32
Motor TP Non pool	1007	4413.07	0	0.00	-	0.00	23804	96565.30
Motor TP Pool	9555	33142.69	16919	51868.56	9,777	27296.15	45215	139288.09
Personal Accident	33	71.36	63	110.31	75	154.24	1866	3120.05
Aviation	9	357.55	28	3479.40	14	1611.04	116	10705.25
Engineering	40	2513.81	36	597.35	49	536.05	1868	42896.39
Misc - Traditional	87	2023.30	92	5262.92	105	862.99	2472	34376.97
Rural	340	394.10	531	883.01	1,195	1535.02	4644	4315.54
Misc Non-Traditional	61	79.57	173	293.12	298	536.02	1648	3675.75
Credit Shield	4	5.21	1	0.77	5	5.15	102	1720.37
Total	19541	79890.54	31836	116601.35	74,307	197915.87	287044	987366.87



- 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, as per IRDAI Corrigendum on Master Circular no. IRDA/ F&A/ CIR/ FA/ 126/07/2013 dated 03.07.2013 no provision is required to be made since the Company as a whole on annual basis 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
Health	190929.87	191584.57	13690.41	0.00	-14345.10
Aviation	3377.60	3317.83	658.41	0.00	-598.64
Motor TP	134158.91	169668.40	10209.31	0.00	-45718.80
Agriculture	3333.08	3365.42	410.22	0.00	-442.56

Jayashree Nair
Company Secretary

S. N. Rajeswari
Chief Financial Officer

K. L. R. Babu
Director

K. Sanath Kumar
Director

G. Srinivasan
Chairman - Cum - Managing Director

For JCR & Co.
Firm Reg. No.105270W
Chartered Accountants

For R. Devendra Kumar & Associates
Firm Reg. No. 114207W
Chartered Accountants

For A Bafna & Co
Firm Reg No. 003660C
Chartered Accountants

Jashvant Raval
Partner
Membership Number 012926

Neeraj Golas
Partner
Membership Number 074392

M. K. Gupta
Partner
Membership Number 073515

Mumbai
April 30, 2015

SKOCH AWARD



*Mr G Srinivasan, CMD honoured with Skoch Challenger
Award -2015 for his stellar performance as the leader of New India Assurance .
He received this award at the hands of Hon'ble Minister of State for Finance, Shri Jayant Sinha.*

ANNUAL REPORTS OF SUBSIDIARIES

**The New India Assurance Co.
(Trinidad & 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, 2014, 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, 2014 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



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2014
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2014 \$	2013 \$
ASSETS			
Property, plant and equipment	4	47,463	46,770
Deferred tax asset	5	6,097	7,201
Reinsurance assets	10	42,351	36,465
Trade and other receivables	6	39,546	38,654
Investments	7	99,194	73,181
Term deposits		48,039	53,217
Cash and cash equivalents		36,207	44,572
Total assets		318,897	300,060
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	8	17,617	17,617
Capital reserve		16,893	17,543
Catastrophe reserve fund		1,600	1,600
Statutory surplus reserve		16,489	12,117
Retained earnings		109,112	100,427
		161,711	149,304
LIABILITIES			
Insurance contracts	10	127,728	116,354
Deferred tax liability	5(iii)	6,319	6,798
Provision for taxation		2,017	3,246
Trade and other payables	11	21,122	24,358
		157,186	150,756
Total equity and liabilities		318,897	300,060

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, 2014
(Expressed in thousands of Trinidad and Tobago dollars)**

	Note	2014	2013
		\$	\$
Insurance contracts premium revenue		130,096	114,712
Reinsurers' share of insurance contracts premium revenue		(50,899)	(44,461)
Net insurance contracts premium revenue		79,197	70,251
Gross change in unearned premium provision and unexpired risks		(8,363)	(1,535)
Reinsurers' share of change in unearned premium provision and unexpired risks		3,285	(46)
Net change in unearned premium provision and unexpired risks		(5,078)	(1,581)
Net insurance revenue		74,119	68,670
Reinsurance commissions		13,522	10,820
Investment and other income	12	6,557	4,770
Total revenue		94,198	84,260
Gross claims incurred		(38,661)	(36,711)
Reinsurers' share of gross claims incurred		7,322	7,360
Net insurance claims incurred		(31,339)	(29,351)
Agents and brokers commissions		(20,250)	(18,038)
Other operating and administrative expenses		(21,319)	(17,116)
Total claims incurred and other expenses		(72,908)	(64,505)
Profit before tax		21,290	19,755
Taxation	5(v)	(3,800)	(5,495)
Net profit for the year		17,490	14,260

The accompanying notes form an integral part of these financial statements



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Comprehensive Income December 31, 2014
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2014	2013
		\$	\$
Net profit for the year		17,490	14,260
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		(949)	(328)
Items they may be reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets		(650)	3,785
Total comprehensive income for the year		15,891	17,717
Profits attributable to:			
Owners of the Company		14,692	11,978
Non-controlling interest		2,798	2,282
		17,490	14,260
Total comprehensive income attributable to:			
Owners of the Company		13,348	14,882
Non-controlling interest		2,543	2,835
		15,891	17,717

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, 2014
(Expressed in thousands of Trinidad and Tobago dollars)

	Stated Capital	Capital Reserves	Catastrophe Reserve	Statutory Surplus Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
Balance at						
January 1, 2014	17,617	17,543	1,600	12,117	100,427	149,304
Net profit for the year	-	-	-	-	17,490	17,490
Other comprehensive income						
Foreign currency translation differences	-	-	-	-	(949)	(949)
Net unrealised gain on revaluation of available-for-sale investments, net of tax	-	(650)	-	-	-	(650)
Total other comprehensive income	-	(650)	-	-	(949)	(1,599)
Total comprehensive income for the year	-	(650)	-	-	16,541	15,891
Transaction with owners, recorded directly in equity						
Transfer				4,372	4,372)	-
Dividends proposed (see note 9)	-	-		-	(3,484)	(3,484)
Total transaction with owner	-	-		4,372	(7,856)	(3,484)
Balance at						
December 31, 2014	17,617	16,893	1,600	16,489	109,112	161,711

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 Changes in Equity December 31, 2014
(Expressed in thousands of Trinidad and Tobago dollars)

	Stated Capital	Capital Reserves	Catastrophe Reserve	Statutory Surplus Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
Balance at January 1, 2013	17,617	13,758	1,600	8,552	92,672	134,199
Net profit for the year	-	-	-	-	13,881	13,881
Other comprehensive income						
Foreign currency translation differences	-	-	-	-	328	(328)
Net unrealised gain on revaluation of available-for-sale investments, net of tax	-	3,785	-	-	-	3,785
Total other comprehensive income	-	3,785	-	-	(328)	3,457
Total comprehensive income for the year	-	3,785	-	-	932	17,717
Transaction with owners, recorded directly in equity						
Transfer from retained earnings	-	-	-	3,565	(3,565)	-
Dividends proposed (see note 9)	-	-	-	-	(2,612)	(2,612)
Total transaction with owner	-	-	-	3,565	(6,177)	(2,612)
Balance at December 31, 2013	17,617	17,543	1,600	12,117	100,427	149,304

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, 2014
 (Expressed in thousands of Trinidad and Tobago dollars)

	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,290	19,755
Adjustments for:		
Depreciation	1,629	1,578
Loss (gain) on disposal of property, plant and equipment	-	46
Foreign currency translation gain	(949)	(328)
Interest income	(3,560)	(3,493)
Dividend income	(1,173)	(680)
Operating profit before working capital changes	17,237	16,878
Change in other receivables and reinsurance assets	(5,713)	2,648
Change in insurance contracts liabilities	11,374	4,981
Change in other creditors	(642)	(3,634)
	22,256	20,873
Corporation taxes paid	(4,404)	(3,323)
Net cash from operating activities	17,852	17,550
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest received	2,495	2,491
Dividends received	1,173	680
Additions to property, plant and equipment	(2,322)	(4,098)
Purchase of investments and term deposits	(87,587)	(69,466)
Redemption of investments and term deposits	66,102	59,656
Net cash used in investing activities	(20,139)	(10,737)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(6,078)	(2,573)
Net cash used in financing activities	(6,078)	(2,573)

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



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Cash Flows (continued) December 31, 2014
(Expressed in thousands of Trinidad and Tobago dollars)

	2014	2013
	\$	\$
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,365)	4,240
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	44,572	40,332
CASH AND CASH EQUIVALENTS AT END OF YEAR	36,207	44,572
Represented by:		
Cash in hand and at bank	36,207	44,572

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, 2014

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 6A, Victoria Avenue, Port of Spain.

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

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 has been updated to conform to current year's presentation.

(d) Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

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

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(r) and (s) and note 19.

(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) 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).

(g) Property, plant and equipment

Land and building which is mainly occupied by the Company is shown at fair value based on triennial valuations by external independent appraisers, (less subsequent depreciation for buildings). All other 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.

(g) Property, plant and equipment (continued)

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:

Buildings	2% on cost
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.

(h) 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.

(i) 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.

(j) 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.



(j) *Financial instruments (continued)*

(i) **Classification** (continued)

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 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.

(k) *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.

(l) *Impairment*

The carrying amounts of the Company's assets, other than deferred tax assets (see accounting policy (x)), 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 (l)(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 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 profit or loss 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 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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, 2014 have been classified as insurance contracts.

(q) 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.

(r) 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.

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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) Other income and expenditure

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

(x) 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, 2014 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 7, *Financial Instruments: Disclosures*, has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognized in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.



IFRS 7 has also been amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting*, require their inclusion.

- Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation*, are effective for accounting periods beginning on or after January 1, 2016.
- The amendment to IAS 16, *Property, Plant and Equipment* explicitly state that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
- The amendment to IAS 38, *Intangible Assets* introduce a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.
- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) – are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized. The Group is assessing the impact that the standard will have on its 2018 financial statements.

IFRS 15, *Revenue from Contracts with Customers* is effective for periods beginning on or after January 1, 2017. It replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence.



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Notes to financial statements December 31, 2014

4. Property, plant and equipment

	Land & Building	Leasehold Improvements	Office Equipment & Motor Vehicles	Total 2014	Total 2013
	\$	\$	\$	\$	\$
Cost/valuation					
At beginning of year	44,624	655	6,613	51,892	48,021
Additions	1,323	313	686	2,322	4,098
Disposals	-	-	-	-	(227)
At end of year	45,947	968	7,299	54,214	51,892
Depreciation					
At beginning of year	864	573	3,685	5,122	3,725
Current year	902	26701		1,629	1,578
Disposals	-	-	-	-	(181)
At end of year	1,766	599	4,386	6,751	5,122
Net written down value	44,181	369	2,913	47,463	46,770

5. Taxation

(I) Deferred tax asset

claims

2014	2013
\$	\$
6,097	7,201

(ii) The movement in the deferred tax asset comprised:

Balance at beginning of year

7,201 7,275

Claims

(1,104) (74)

6,097 7,201

(iii) Deferred tax liability

The deferred tax liabilities are attributable to the following items:

Unrealised gains on revaluation of available-for-sale investments

(5,326) (5,296)

Foreign currency translation

- (1,020)

Property, plant and equipment

(993) (482)

(6,319) (6,798)

**(v) Tax charge for the year**

Current year	-Green fund levy	81	127
	-Provision for taxation in St Maarten, Dominica, St Lucia and Trinidad and Tobago	4,710	4,851
Deferred tax expense relating to the origination/reversal of temporary differences		831	517
Prior year over provision of corporation taxation		(1,822)	-
		<u>3,800</u>	<u>5,495</u>

(v) Tax charge for the year (continued)

The following is a reconciliation between tax and accounting profit multiplied by the applicable tax rate.

Profit before tax	21,290	19,755
Tax at the applicable rate	5,782	5,253
Expenses not deductible for tax purposes	118	104
Income exempt from tax	(359)	11
Green fund levy	81	127
Prior year over provision of corporation taxation	(1,822)	-
	<u>3,800</u>	<u>5,495</u>

6. Trade and other receivables

Insurance receivables	32,906	31,918
Amounts due from reinsurers		
-New India, Mumbai	2,277	2,276
-Other reinsurers	3,300	2,430
Other receivables	1,063	2,030
	<u>39,546</u>	<u>38,654</u>



7. Investments

	2014	2013
	\$	\$
Available-for-sale		
Bonds and other securities	50,526	36,174
Quoted shares	42,613	30,769
Unquoted shares	315	315
	93,454	67,258
Held-to-maturity		
Bonds	5,740	5,923
Total investments	99,194	73,181

Bonds and securities pledged with the Inspector of Financial Institutions amount to \$61,546 at December 31, 2014 (2013: \$63,051).

In addition \$29,077 (2013: \$18,676) of term deposits of totaling \$48,039 (2013: \$53,217) at December 31, 2014 are pledged with the Inspector of Financial Institutions.

8. Stated capital

Authorised

22,000,000 shares of no par value

Issued and fully paid

17,418,946 shares of no par value

17,617	17,617
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9. Dividends proposed

During the year, the Board of Directors proposed dividends of 20 ¢ (2012: 15¢) per share for the year ended December 31, 2013.

	2014	2013
	\$	\$
Balance brought forward	2,648	2,609
Paid during the year	(6,078)	(2,573)
Proposed during the year	3,484	2,612
Balance carried forward	54	2,648



10. Insurance contracts liabilities

	Notes	2014			2013		
		Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
		\$	\$	\$	\$	\$	\$
Provision for claims reported by policyholders		45,616	(16,516)	29,100	42,507	(13,762)	28,745
Provision for claims incurred but not reported (IBNR)		7,136	(1,746)	5,390	7,235	(1,902)	5,333
Total claims reported and IBNR	11 (a)	52,752	(18,262)	34,490	49,742	(15,664)	34,078
Provision for unearned premiums	11 (b)	68,160	(21,899)	46,261	60,557	(18,911)	41,646
Provision for unexpired risk	11 (c)	6,816	(2,190)	4,626	6,055	(1,890)	4,165
Total insurance contracts liabilities		127,728	(42,351)	85,377	116,354	(36,465)	79,889

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

	2014			2013		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	49,742	(15,664)	34,078	46,295	(13,282)	33,013
Claims incurred	38,661	(7,322)	31,339	36,711	(7,360)	29,351
Claims paid during the year	(35,651)	4,724	(30,927)	(33,264)	4,978	(28,286)
At December 31	52,752	(18,262)	34,490	49,742	(15,664)	34,078



10. Insurance contracts liabilities (continued)

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

	2014			2013		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	60,557	(18,911)	41,646	59,162	(18,955)	40,207
Premium written in the year	130,096	(50,798)	79,298	114,712	(44,461)	70,251
Premium earned during the year	(122,493)	47,810	(74,683)	(113,317)	44,545	(68,812)
At December 31	68,160	(21,899)	46,261	60,557	(18,911)	41,646

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

	2014			2013		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	6,055	(1,890)	4,165	5,916	(1,896)	4,020
Net incurred and utilised during the year	761	(300)	461	6	145	
At December 31	6,816	(2,190)	4,626	6,055	(1,890)	4,165


11. Trade and other payables

	2014	2013
	\$	\$
Sundry creditors and accruals	10,379	11,179
Amounts due to reinsurers		
New India, Mumbai	2,209	2,551
Other reinsurers	8,534	10,628
	<u>21,122</u>	<u>24,358</u>

12. Investment and other income

Interest income	3,560	3,493
Dividend income	1,173	680
Foreign exchange gain and gain disposal of property, plant and equipment	1,824	597
	<u>6,557</u>	<u>4,770</u>

13. Profit before taxation

Profit before taxation is arrived at after charging:

Depreciation	1,629	1,578
Staff costs	8,603	6,819
Directors' fees	<u>144</u>	<u>141</u>

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 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.

(iii) Classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities not measured at fair value, including their levels – the fair value hierarchy. It does not include liabilities of fair values if the carrying amount is a reasonable approximation of fair value.



15. Fair value of financial instruments

(iii) Classifications and fair values (continued)

December 31, 2014

	Carrying Amount \$	Fair Value		
		Level 1 \$	Level 2 \$	Level 3 \$
Financial assets				
measured at fair value				
Held-to maturity investments	5,740	5,860	-	-
Trade and other receivables	39,479	-	-	-
Reinsurance assets	43,109	-	-	-
Term deposits	48,039	-	-	-
Cash and cash equivalents	36,207	-	-	-
	<u>172,538</u>	<u>5,860</u>	<u>-</u>	<u>-</u>
Financial liabilities not				
measured at fair value				
Insurance Contracts	(127,728)	-	-	-
Trade and other payables	(20,743)	-	-	-
	<u>(148,471)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>24,067</u>	<u>5,860</u>	<u>-</u>	<u>-</u>

December 31, 2013

	Carrying Amount \$	Fair Value		
		Level 1 \$	Level 2 \$	Level 3 \$
Financial assets				
measured at fair value				
Held-to maturity investments	5,923	-	-	-
Trade and other receivables	38,564	6,030	-	-
Reinsurance assets	36,465	-	-	-
Term deposits	53,217	-	-	-
Cash and cash equivalents	44,572	-	-	-
	<u>178,741</u>	<u>6,030</u>	<u>-</u>	<u>-</u>
Financial liabilities not				
measured at fair value				
Insurance contracts	(116,354)	-	-	-
Trade and other payables	(24,358)	-	-	-
	<u>(140,712)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>38,119</u>	<u>6,030</u>	<u>-</u>	<u>-</u>



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 risk
- Interest rate risk
- Foreign currency risk

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.

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.

16. Insurance and risk management (continued)

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.

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:

16. Insurance and risk management (continued)

c. Credit risk (continued)

	Carrying amount	
	2014	2013
	\$	\$
Available for sale investments	93,454	67,258
Held-to-maturity investments	5,740	5,923
Trade and other receivables	39,479	38,654
Reinsurance assets	43,109	36,465
Term deposits	48,039	53,217
Cash and cash equivalents	36,207	44,572
	<u>266,028</u>	<u>246,089</u>

The aging of receivables at the reporting date was:

	Gross 2014	Impairment 2014	Gross 2013	Impairment 2013
	\$	\$	\$	\$
Not past due	12,394	-	10,751	-
Past due 0-30 days	10,626	-	6,422	-
Past due 31-120 day	9,181	-	12,666	-
More than one year	4,567	4,046	3,805	1,804
	<u>36,768</u>	<u>4,046</u>	<u>33,644</u>	<u>1,804</u>

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

	2014	2013
	\$	\$
Balance at 1 January	1,804	1,804
Impairment loss recognized	2,242	-
Balance at December 31	<u>4,046</u>	<u>1,804</u>



Board Committees - The Board performed its functions through a total of four Standing Committees during the period under review. The Committees have clearly defined responsibilities, scope of authority and procedures for reporting to the Board. Membership of the Committees is structured to take optimum advantage of the skills and experience of the Independent Non-Executive Directors. The following are the standing Committees of the Board during the year under review:

AUDIT COMMITTEE - The Company established an Audit Committee in compliance with Section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, which comprises of three representatives of Shareholders (elected annually at the AGM), Three Non-Executive Directors, Engr. M. O. T. Olayiwola Tobun chaired the Committee during the year under review.

The Audit Committee met four times during the year under review - 26th May, 14th August, 29th October and 17th December 2014. Membership and attendance at the meetings are as follows:

MEMBERS	NUMBER OF MEETINGS HELD	NO OF MEETINGS ATTENDED
Engr. M. O. T. Olayiwola Tobun	4	4
Mr. Hassan T. M. Usman	4	3
Mr. Ramesh Hathiramani	4	1
Mr. J. O. Atolagbe	4	4
Mr. G. Raghu	4	1
Mrs. O. A. Odusote	4	4

On recommendation of the Board, Mr. G. Raghu replaced Dr. A. P. Mittal on the committee in line with the Corporate Governance policy with effect from 9 December 2014.

FINANCE AND GENERAL PURPOSES COMMITTEE - The Finance and General purposes Committee comprises of the MD/CEO and 4 Non Executive Directors. The Committee meets to review the investment guidelines of the Company, ensure that investments embarked upon by the Management are in line with Regulatory and Board Guidelines and also considers other miscellaneous issues. Mr. J. O. Adewole Chaired the Committee during the year under review. The Committee met four times in the year under review as follows: 25th February, 22nd May, 7th August and 9th December 2014.

MEMBERS	NUMBER OF MEETINGS	NUMBER OF MEETING S ATTENDED
Mr. J. O. Adewole	4	4
Mr. G. Raghu	4	2
Mr. Ramesh Hathiramani	4	2
Mr. M. O. Oyegunle	4	3
Dr. A. P. Mittal	4	4

ESTABLISHMENT COMMITTEE - The Establishment Committee comprises the MD/CEO and the Directors. Mr. J. O. Adewole chairs the Committee which primarily considers general staff matters. The Committee met on 12th of July, 2nd of September, 7th November and 2nd of December, 2014 as reflected below:

MEMBERS	NUMBER OF MEETINGS	NUMBER OF MEETING ATTENDED
Mr. J. O. Adewole	4	4
Mr. M. O. Oyegunle	4	4
Dr. A. P. Mittal	4	4
Mr. T. M. Usman	4	4



RISK MANAGEMENT COMMITTEE - The Risk Management Committee comprises of MD/CEO and 3 Non Executive Directors, namely Mr. Ramesh Hathiramani (Chairman), Mr M.O. Oyegunle and Mr. G. Raghu. The Committee's term of reference is to fundamentally ensure that the Company's operations comply with the Enterprise Risk Policy as approved by the Board in line with regulatory requirements. The Committee met on 25th February, 22nd May, 7th August and 3rd December, 2014.

MEMBERS	NUMBER OF MEETINGS	NUMBER OF MEETINGS ATTENDED
Mr. Ramesh Hathiramani	4	2
Dr. A. P. Mittal	4	4
Mr. M.O. Oyegunle	4	4
Mr. G. Raghu	4	2

Roles of Key Members of the Board

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. The Chairman and the Chief Executive Officer are not members of the same extended family.

The Chairman: - The main responsibility of the Chairman is to lead and manage the Board to ensure that it is administered effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions, monitor effectively and provide advice to promote the success of the Company.

The Chairman also manages the input of Non-executive Directors to promote effective relationships and open communications, both inside and outside the Boardroom, between Executive and Independent Non-executive Directors. The Chairman strives to ensure that any differences on the Board are resolved amicably.

The Chief Executive Officer - The Board has delegated the responsibility for the day-to-day management of the Company to the Chief Executive Officer(CEO), who is responsible for leading management, making and implementing operational decisions. The CEO is responsible to the Board of Directors and ensures that the Company complies strictly with regulations and policies of both the Board and Regulatory Authorities. The CEO ensures that optimization of the Company's resources is achieved at all times and has the overall responsibility for the Company's financial performance.

The Company Secretary - The Company Secretary is a point of reference and support for all Directors. He is responsible to update the Directors with all requisite information promptly and regularly. The Board may through the Company Secretary obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly. The Company Secretary is further responsible to assist the Chairman and Chief Executive Officer to formulate an annual Board Plan with the administration of other strategic issues at the Board level; organize Board meetings and ensure that the minutes of Board meetings clearly capture Board's discussions and decisions.

Appointment Process - The Board agrees upon the criteria for the desired experience and competencies of the Board. The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or a Director. The criteria for the desired experience and competencies of new Non-executive Directors are decided by the Board. The balance and mix of appropriate skills and experience of Non-executive Directors are considered in reviewing a proposed appointment. In reviewing the Board composition, the Board ensures representation from diverse background. The Shareholding of an individual in the Company is not a consideration for appointment of a Director. The appointment of Directors is subject to the following criteria: (i) Integrity (ii) Skill (iii) Willingness to add value to the Organization (iv) Integrity (v) Ability to add value to the Organization Induction and



16. Insurance and risk management (continued)

d. Liquidity risk

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.

All financial liabilities are due within one year

e. Interest rates risk

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.

At the reporting date the interest rate profile of the interest-bearing financial instruments was:

	Carrying amount	
	2014	2013
Fixed rate instruments		
Term deposits	48,039	53,217
Investments	56,266	35,297
	104,305	88,514
Cash and cash equivalents	36,207	44,572

16. Insurance and risk management (continued)

f. Foreign currency risk

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 other islands of operations.



2014

Details	BDS	TT\$	EC\$	FLS	TOTAL
Assets					
Cash and cash equivalents	155	29,792	4,777	1,483	36,207
Term deposits	-	31,611	12,969	3,459	48,039
Investments	626	93,441	5,127	-	99,194
Trade and other receivables	-	16,072	24,219	(745)	39,546
Reinsurance assets	7,739	24,212	8,313	2,087	42,351
Total assets	8,520	195,128	55,405	6,284	265,337
Liabilities					
Insurance contracts	9,795	91,086	20,440	6,407	127,728
Trade and other payables	13,058	37,586	(20,877)	(8,645)	21,122
Total liabilities	22,853	128,672	(437)	(2,238)	148,850
Net exposure	(14,333)	66,456	55,842	8,522	116,487

16. Insurance and risk management

f. *Foreign currency risk (continued)*

The table below summarises the exposure to foreign currency exchange rate risk.

2013

Details	BDS\$	TT\$	EC\$	FLS	TOTAL
Assets					
Cash and cash equivalents	133	37,574	5,572	1,293	44,572
Term deposits	-	36,007	13,846	3,364	53,217
Investments	606	67,258	5,317	-	73,181
Trade and other receivables	-	19,739	17,376	1,539	38,654
Reinsurance assets	4,199	20,685	9,785	1,796	36,465
Total assets	4,938	181,263	51,896	7,992	246,089
Liabilities					
Insurance contracts	6,190	85,685	22,307	2,172	116,354
Trade and other payables	(226)	47,693	(29,089)	5,980	24,358
Total liabilities	5,964	133,378	(6,782)	8,152	140,712
Net exposure	(1,026)	47,885	58,678	(160)	105,377



17. **Operating leases**

Non-cancelable operating lease rentals are payable as follows:

	2014	2013
	\$	\$
Less than one year	687	793
Between one and five years	3,435	3,695

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, 2014 \$875 (2013: \$925) were recognised as an expense in the statement of comprehensive income in respect of operating leases.

18. **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.

	2014	2013
	\$	\$
Income and expenses		
Management fees	500	500
Reinsurance premiums	1,992	3,244
Directors' fees	144	141

Amounts due from related parties are disclosed in note 6

18. **Related party transactions (continued)**

(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:

	2014	2013
	\$	\$
Short-term employee benefits		
Accommodation	333	318
Vehicle	148	306



19. 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.

19. Use of accounting estimates and judgments (continued)

- *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.

20. Capital commitment

As at December 31, 2014, capital commitments amounting to approximately \$750 (2013: \$1,000) existed with respect to the property situated at 6A Victoria Avenue.

**The New India Assurance Co.
(Sierra Leone) Limited**



REPORT OF THE DIRECTORS

The directors present their annual report together with the financial statements for the year ended 31 December 2014.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Sierra Leone Companies Act 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 'Dues to Insurance Companies' which is due to New India in Mumbai as the reinsurer of the company's operations in certain areas.

DIRECTORS The directors as at 31 December 2014, and their interests in the Share Capital of the Company were as follows:

	Shares of Le2.00 each	
	End of year	Beginning of year
S. Mishra	-	-
M Vasantha Krishna	-	-

AUDITORS

The auditors Messrs BDO retire at the forth-coming Annual General Meeting. A resolution for the re-appointment of BDO, 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 Le15,625,400 after tax, thus turning the operations into a accumulated profit of Le75,026,095.

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

BY ORDER OF THE BOARD
Secretary

LONDON
24 April 2015



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of Directors and Auditors

As described on page 2 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 International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 2009, and the Insurance Act 2000.

FREETOWN

24 April 2015

Chartered Accountants



STATEMENT OF COMPREHENSIVE INCOME

	Notes	2014 Le 000	2013 Le 000
INVESTMENT INCOME		40,600	26,783
		<u>40,600</u>	26,783
OPERATING EXPENSES		18278	(20,036)
PROFIT BEFORE TAXATION		<u>22,322</u>	6,747
TAXATION	3	(6,697)	(2,024)
PROFIT FOR THE FINANCIAL YEAR	2	<u>15,625</u>	4,723

Movement on reserves is set out in note 8.

STATEMENT OF FINANCIAL POSITION

	Notes	2014 Le000	2013 Le000
NON-CURRENT ASSETS			
Investments	4	377,775	364,000
CURRENT ASSETS			
Receivables	5	44,229	37,990
Cash and cash equivalents		68,761	48,321
		<u>112,990</u>	<u>86,31</u>
PAYABLES			
Amounts falling due within one year	6	(423,935)	(399,106)
		<u>(423,935)</u>	<u>(399,106)</u>
NET CURRENT LIABILITIES		<u>(310,945)</u>	<u>(312,795)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>66,830</u>	<u>51,205</u>
CAPITAL AND RESERVES			
Called up share capital	7	500	500
Retained earnings	8	75,026	59,401
Exchange equalisation account		(20,910)	(20,910)
Contingency reserve		12,214	12,214
		<u>66,830</u>	<u>51,205</u>

Approved by the Board on 24 April 2015

(K L R Babu).....Director
 (Girish Radhakrishnan).....Director



STATEMENT OF CASHFLOWS

	2014	2013
	Le 000	Le 000
OPERATING ACTIVITIES		
Operating profit before taxation	22,322	6,747
(Increase)/Decrease in receivables	(6,239)	3,299
Increase in payables	18,132	10,075
Net cash inflow from operating activities	34,215	20,121
INVESTING ACTIVITIES		
Increase in investments	(13,775)	(19,000)
Increase in cash and cash equivalents	20,440	1,121
Analysis of changes in cash and cash equivalents during the year:		
Beginning of year	48,321	47,200
Net cash inflow	20,440	1,121
End of year	68,761	48,321



NOTES TO THE FINANCIAL STATEMENTS

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 5 to 11 are prepared under the historical cost convention.

2 PROFIT FOR THE FINANCIAL YEAR

Profit for the financial year is stated after charging the following:

	2014 Le 000	2013 Le 000
Auditors' remuneration	9,145 =====	8,800 =====

3 TAXATION

Taxation has been provided at 30% on the net profit for the year.

4 INVESTMENTS

	2014 Le000	2013 Le000
Treasury Bill		77,775
Deposit with Rokel Commercial Bank Sierra Leone Ltd		64,000
	300,000	300,000
	377,775 =====	364,000 =====

These are available-for-sale financial assets which the company intends to hold into the long term.

5 RECEIVABLES

Receivables comprised :

	2,014 Le000	2013 Le000
Sundry receivables	165	165
Interest receivable		44,064
	37,825	
	44,229 =====	37,990 =====

6 PAYABLES

Amounts falling due within one year comprised:

Sundry payables	69,960	45,131
Amounts due to Insurance Companies	353,975	353,975
	423,935 =====	399,106 =====

7 CALLED UP SHARE CAPITAL

Called up share capital comprised allotted, called up and fully paid ordinary shares of Le2.00 each. The authorised share capital of the company throughout the year was Le500,000 divided into 250,000 ordinary shares of Le2.00 each.



8 RETAINED EARNINGS

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

	2014 Le 000	2013 Le 000
Beginning of year	59,401	54,678
Profit for the year	15,625	4,723
End of year	<u>75,026</u> =====	<u>59,401</u> =====

9 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.

10 LIBERIA BRANCH

In view of the current situation in Liberia, the financial statements for 2008 as in the case of 2002 to 2007 represent only the transactions of the Freetown office.

11 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2014 (2013 - nil).

12 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 the situation in Liberia. There is pending litigation for which the Company has obtained legal opinion that it will incur no liability on these claims.

	2014		2013	
	Le000	Le000	Le000	Le000
Premiums written less reinsurance		-		-
Less increase/decrease in provision for unearned premiums		-		-
Premiums earned		-		-
Commission received from reinsurers		-		-
		-		-
Claims incurred		-		-
Commission paid		-		-
Expenses	18,278		20,036	
Contingency reserve		-		-
	<u>18,278</u>	<u>20,036</u>		
Underwriting (loss)		<u>18,278</u>		20,036
	=====	=====		
Underwriting (loss) comprised:				
Fire		-		-
Marine		-		-
Motor		-		-
Miscellaneous accident		-		-
Expenses		#####		20,036
	<u>18,278</u> =====		<u>20,036</u> =====	

Prestige Assurance PLC (Nigeria)



Statement of Directors' Responsibilities in Relation to the Financial Statements for the Year Ended 31 December 2014

- i) The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view of the statement of financial position of the Company at the end of the year and of its profit or loss and other comprehensive income in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004 and the Insurance Act, CAP I17, 2004. The responsibilities include ensuring that the Company:
- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004 and the Insurance Act, CAP I17, 2004.
 - b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.
 - The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in compliance with:
 - International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
 - the requirements of the Insurance Act, CAP I17, LFN 2004
 - relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Company and of the profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal control.

In the opinion of the Directors, the company complied with the requirements of International Financial Reporting Standards (IFRS) and in a manner specified by the provisions of the Financial Reporting Council (FRC), Act, 2011, Companies and Allied Matters Act, CAP C20, LFN 2004, Insurance Act, CAP I17, LFN 2004 and relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); however, the requirements of IFRS override the provisions of other Acts where there is conflict.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the years ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Dr. Balla Swamy

Managing Director

FRC/2015/CIIN/00000011228

Mr. H. T. Musa Usman

Director

FRC/2013/ODN/00000003601



PRESTIGE ASSURANCE PLC

RC 6753

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors hereby submit their report together with the financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company continue to be insurance Business. There were no changes in the activities of the Company during the year under review. The activities include insurance underwriting, claims administration and management of liquidity by investing the surplus in fixed deposits, bonds and treasury bills.

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs is satisfactory.

RESULTS FOR THE YEAR

	N
Profit before tax	176,755
Information Technology Development Levy	(1,768)
Taxation	(160,800)
Transferred to Retained earnings	<u>14,187</u>

DIVIDEND

Dividend will not be declared for the year ended 31st December, 2014.

DIRECTORS

The names of the Directors as at the date of this report and those who held office during the year are as follows:

Chief (Dr.) C. S. Sankey	Chairman (Nigerian) Non Executive
Dr. A. P Mittal	MD/CEO (Indian) Resigned 24/12/2014
Dr. Balla Swamy	MD/CEO (Indian) Appointed 24/12/2014
Mr. Gopalan Srinivasan	(Indian) Non Executive
Mr. J. O. Adewole	(Nigerian) Non Executive
Mr. Ramesh Hathiramani	(Nigerian) Non Executive
Mr. Hassan T. M. Usman	(Nigerian) Independent Non Executive
Mr. Kochunni Sanath kumar	(Indian) Non Executive
Mr. Gopalan Raghu	(Indian) Non Executive
Mr. M.O. Oyegunle	(Nigerian) Non Executive

In accordance with Article 96 of the Company's Articles of Association, Chief (Dr) C.S Sankey, Mr J.O Adewole, Mr.Gopalan Raghu retire by rotation. Being eligible, all the retiring Directors have offered themselves for re-election.



DIRECTORS' INTERESTS

The interests of Directors in the issued share capital of the Company as recorded in the Register of Members are as follows:

S/N	NAME OF DIRECTORS	2014		TOTAL	2013		
		INDIRECT HOLDING	DIRECT HOLDING		INDIRECT HOLDING	DIRECT HOLDING	TOTAL
1.	Chief (Dr.) C. S. Sankey	-	-	-	-	14,762,272	14,762,272
2.	Mr. Gopalan Srinivasan	1,279,314,265	-	1,279,314,265	1,279,314,265	-	1,279,314,265
3.	Mr. J. O. Adewole	-	133,369	133,369	-	133,369	133,369
4.	Mr. K. SanathKumar	-	-	-	-	-	-
5.	Mr. R. Hathiramani	102,896,437	-	102,896,437	102,896,437	-	102,896,437
6.	Mr. G. Raghu	-	-	-	-	-	-
7.	Mr. M.O. Oyegunle	280,048,823	49,840	280,098,663	280,048,823	49,840	280,098,663
8.	Mr. H. T. M. Usman	-	-	-	-	-	-
9.	Dr. A. P. Mittal	-	-	-	-	-	-

Mr. Ramesh Hathiramani has a total of 102,896,437 indirect shareholding through Dana Holdings Limited, Dana Group of Companies Limited, Dana Motors Limited and S. B. Chemicals Limited.

DIRECTORS' INTERESTS IN CONTRACTS

No Director has given notice for the purpose of Section 277 of the Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria 2004, to the effect that he is a member of a Company which could be regarded as interested in a contract with the Company.

MAJOR SHAREHOLDERS

As at the date of this report, no person or Company held more than 5% of the Issued Capital except:

	50k Share	%
The New India Assurance Company Ltd., Mumbai	1,279,314,265	51.01
Leadway Assurance Company Limited	280,048,823	11.16

EMPLOYMENT OF DISABLED PERSONS

The Company has no employee recorded as disabled. It is however, the Company's policy to consider persons for employment bearing in mind the aptitudes and abilities of the applicants concerned and facilities available to them.

HEALTH AND WELFARE OF EMPLOYEES

The Company subsidizes the medical and transportation expenses of staff and grants them Housing and Lunch allowances. There is a Group Life Insurance Policy for all categories of staff and gratuity and pension scheme. In addition, the Company offers Scholarship in Higher Institutions to the very brilliant children of employees.



AUDITORS

The Auditors BDO Professional Services, have indicated their willingness to continue in office under section 357 (2) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004. The Shareholders will be requested to authorize the Directors to fix the remuneration of the Auditors.

BY ORDER OF THE BOARD

A. O. ODULANA

Company Secretary

FRC/2013/ICSAN/00000003201



Corporate Governance Report

Prestige Assurance Plc ("Prestige") has remained committed to the principles and practice that promote good Corporate Governance. We recognize that sound corporate governance practices are necessary for effective management and control of the Company's business with a view to maximizing the Shareholders value and meeting the expectations of other Stakeholders. In furtherance of the commitment to high ethical conduct, we regularly review our processes and practices to ensure compliance with the legislative and best practice changes in the global corporate governance environment.

The Company continues to comply with its Internal Governance Policies and the Code of Corporate Governance for Public Companies in Nigeria. As an Insurance Company, Prestige also complies with the Code of Good Corporate Governance for the Insurance Industry in Nigeria, issued by the National Insurance Commission in February, 2009. The NAICOM'S Code of Corporate Governance covers a wide range of issues including Board structure, Quality of Board Members, duties of the Board, conduct of the Board of Directors, Rights of Shareholders and Committees of the Board.

Meanwhile, an annual board appraisal is also conducted by an Independent Consultant appointed by the Company whose report is normally open for inspection by all Stakeholders.

Corporate Management Structure

Board of Directors - The Board of Directors has the ultimate responsibility for the overall functioning of the Company. The responsibilities of the Board include setting the Company's strategic objectives and policies, providing leadership to put them into effect, supervising the management of the business, ensuring implementation of decisions reached at the Annual General meeting, ensuring value creation to shareholders and employees, determination of the terms of reference and procedures of all Board Committees, ensuring maintenance of ethical standard as well as compliance with the Laws of Nigeria. At the moment, the Board is composed of nine members including a Non-Executive Chairman, MD/CEO and seven Non-Executive Directors. The Directors are experienced stakeholders with diverse professional backgrounds in Insurance, Accounting, Commerce, Management, Information Technology, etc. The Directors are men of impeccable character and high integrity.

The Company is indeed delighted to have a versatile Board with deep understanding of its responsibilities to Shareholders, Regulatory Authorities, Government and other Stakeholders. The Board always take proactive steps to master and fully appreciate all cultural, legislative, ethical, institutional and all other factors, which impact our operations and operating environment. This has ensured that a culture of compliance with rules and regulation is entrenched at all levels of operations within the Company. The meetings of the Board are scheduled well in advance and highlights from the sub-committees of the Board are circulated to all the Directors. The Board meets regularly. The Board met on 26th of May, 29th of August, 9th October and 9th December, 2014 as follows:

DIRECTORS	CATEGORY OF DIRECTORSHIP	NO OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Chief (Dr.) C. S. Sankey	Chairman	4	-
Mr. G. Srinivasan	Director	4	1
Mr. K. Sanathkumar	Director	4	1
Mr. J. O. Adewole	Director	4	4
Mr. Ramesh Hathiramani	Director	4	2
Mr. G. Raghu	Director	4	4
Mr. Hassan T. M. Usman	Independent Director	4	3
Mr. M. O. Oyegunle	Director	4	4
Dr. A. P. Mittal	Managing Director	4	4

RISK MANAGEMENT COMMITTEE - The Risk Management Committee comprises of MD/CEO and 3 Non Executive Directors, namely Mr. Ramesh Hathiramani (Chairman), Mr M.O. Oyegunle and Mr. G. Raghu. The Committee's term of reference is to fundamentally ensure that the Company's operations comply with the Enterprise Risk Policy as approved by the Board in line with regulatory requirements. The Committee met on 25th February, 22nd May, 7th August and 3rd December, 2014.

MEMBERS	NUMBER OF MEETINGS	NUMBER OF MEETINGS ATTENDED
Mr. Ramesh Hathiramani	4	2
Dr. A. P. Mittal	4	4
Mr. M.O. Oyegunle	4	4
Mr. G. Raghu	4	2

Roles of Key Members of the Board

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. The Chairman and the Chief Executive Officer are not members of the same extended family.

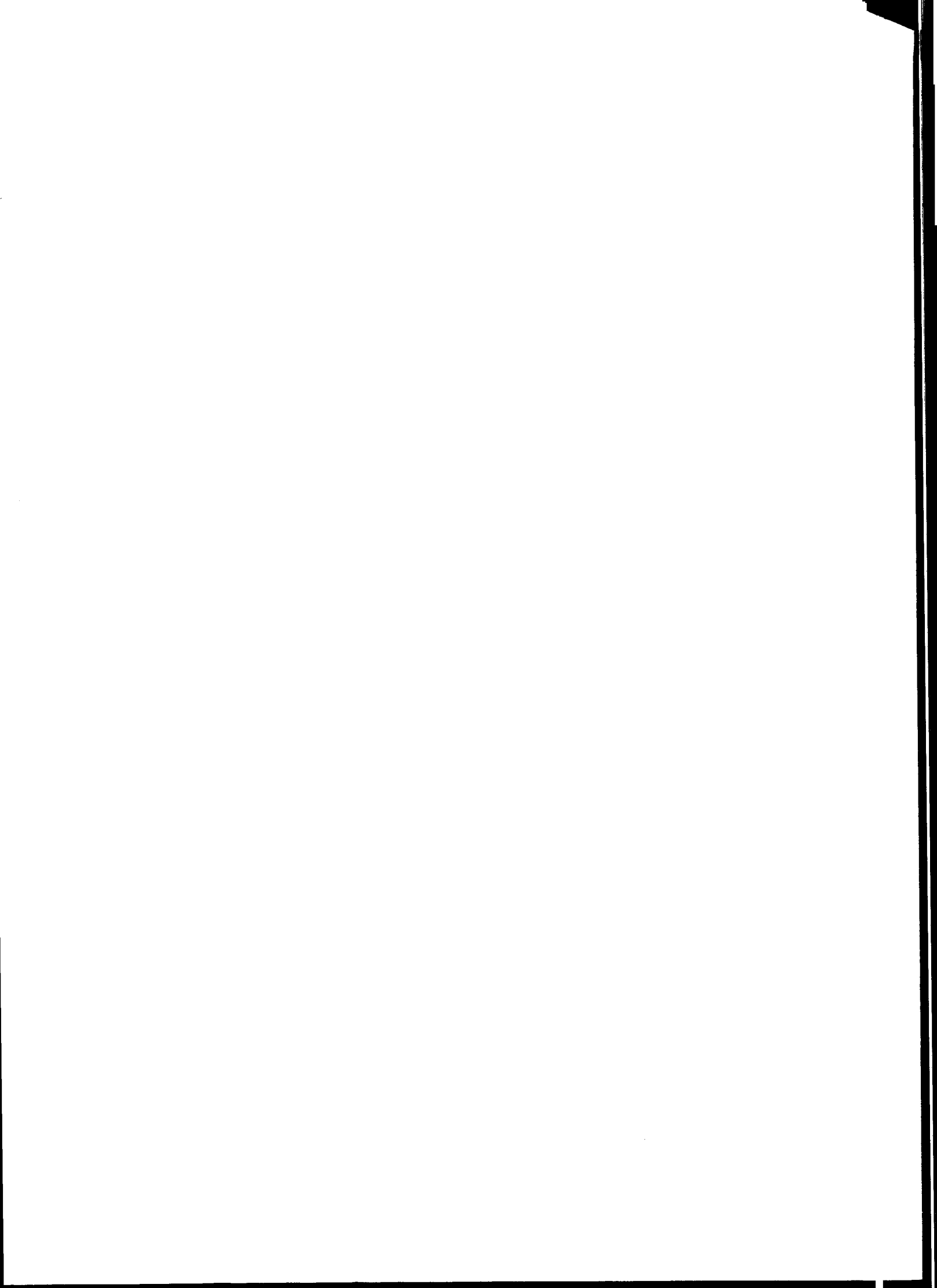
The Chairman: - The main responsibility of the Chairman is to lead and manage the Board to ensure that it is administered effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions, monitor effectively and provide advice to promote the success of the Company.

The Chairman also manages the input of Non-executive Directors to promote effective relationships and open communications, both inside and outside the Boardroom, between Executive and Independent Non-executive Directors. The Chairman strives to ensure that any differences on the Board are resolved amicably.

The Chief Executive Officer - The Board has delegated the responsibility for the day-to-day management of the Company to the Chief Executive Officer(CEO), who is responsible for leading management, making and implementing operational decisions. The CEO is responsible to the Board of Directors and ensures that the Company complies strictly with regulations and policies of both the Board and Regulatory Authorities. The CEO ensures that optimization of the Company's resources is achieved at all times and has the overall responsibility for the Company's financial performance.

The Company Secretary - The Company Secretary is a point of reference and support for all Directors. He is responsible to update the Directors with all requisite information promptly and regularly. The Board may through the Company Secretary obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly. The Company Secretary is further responsible to assist the Chairman and Chief Executive Officer to formulate an annual Board Plan with the administration of their strategic goals at the Board level; organize Board meetings and ensure that the minutes of Board meetings clearly and properly capture Board's discussions and decisions.

Director Nomination Process - The Board agrees upon the criteria for the desired experience and competencies of new Directors. The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or as an additional Director. The criteria for the desired experience and competencies of new Non-executive Directors are agreed upon by the Board. The balance and mix of appropriate skills and experience of Non-executive Directors is taken into account when considering a proposed appointment. In reviewing the Board composition, the Board ensures a mix with representatives from diverse background. The Shareholding of an individual in the Company is not considered a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of NAICOM. The following core values are considered critical in nominating a new director; (i) Integrity (ii) Professionalism (iii) Career Success (iv) Goodwill (v) Ability to add value to the Organization Induction and Continuous Training of Board Members.





Board Committees - The Board performed its functions through a total of four Standing Committees during the period under review. The Committees have clearly defined responsibilities, scope of authority and procedures for reporting to the Board. Membership of the Committees is structured to take optimum advantage of the skills and experience of the Independent Non-Executive Directors. The following are the standing Committees of the Board during the year under review:

AUDIT COMMITTEE - The Company established an Audit Committee in compliance with Section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, which comprises of three representatives of Shareholders (elected annually at the AGM), Three Non-Executive Directors, Engr. M. O. T. Olayiwola Tobun chaired the Committee during the year under review.

The Audit Committee met four times during the year under review - 26th May, 14th August, 29th October and 17th December 2014. Membership and attendance at the meetings are as follows:

MEMBERS	NUMBER OF MEETINGS HELD	NO OF MEETINGS ATTENDED
Engr. M. O. T. Olayiwola Tobun	4	4
Mr. Hassan T. M. Usman	4	3
Mr. Ramesh Hathiramani	4	1
Mr. J. O. Atolagbe	4	4
Mr. G. Raghu	4	1
Mrs. O. A. Odusote	4	4

On recommendation of the Board, Mr. G. Raghu replaced Dr. A. P. Mittal on the committee in line with the Corporate Governance policy with effect from 9 December 2014.

FINANCE AND GENERAL PURPOSES COMMITTEE - The Finance and General purposes Committee comprises of the MD/CEO and 4 Non Executive Directors. The Committee meets to review the investment guidelines of the Company, ensure that investments embarked upon by the Management are in line with Regulatory and Board Guidelines and also considers other miscellaneous issues. Mr. J. O. Adewole Chaired the Committee during the year under review. The Committee met four times in the year under review as follows: 25th February, 22nd May, 7th August and 9th December 2014.

MEMBERS	NUMBER OF MEETINGS	NUMBER OF MEETING S ATTENDED
Mr. J. O. Adewole	4	4
Mr. G. Raghu	4	2
Mr. Ramesh Hathiramani	4	2
Mr. M. O. Oyegunle	4	3
Dr. A. P. Mittal	4	4

ESTABLISHMENT COMMITTEE - The Establishment Committee comprises the MD/CEO and 4 Directors. Mr. J. O. Adewole chairs the Committee which primarily considers general staff matters. The Committee met on 12th of July, 2nd of September, 7th November and 2nd of December, 2014 as reflected below:

MEMBERS	NUMBER OF MEETINGS	NUMBER OF MEETINGS ATTENDED
Mr. J. O. Adewole	4	4
Mr. M. O. Oyegunle	4	3
Dr. A. P. Mittal	4	4
Mr. T. M. Usman	4	2

Non-Executive
the Committee

We are New

15





Training of Board Member - On appointment to the Board and to Board Committees, all Directors receive a formal induction tailored to meet their individual requirements. The New Directors are oriented about the Company and its operations through the Company Secretary via the provision of the Company's Articles of Association, relevant statutory books and regulations and adequate information on operations. The Directors are also given a mandate and terms of reference to aid in performance of their functions. Management further strives to acquaint the new Directors with the operations of the Company via trainings/seminars to the extent desired by new Directors to enable them function in their position. The training and education of Directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the insurance industry and operating environment.

Annual Board Appraisal - The Code of Corporate Governance for the Insurance Industry recognizes the fact that good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in Board performance, as well as the Company's compliance status with the provisions of NAICOM.

The General Meeting of the Company - This is the highest decision making body of the Company. The Company is driven by its desire to deliver significant returns on its shareholders investment. The shareholders have an opportunity to express their concerns (if any) and opinions on the Company's financial results and all other issues at the Annual General Meeting of the Company. The Meetings are conducted in a fair and transparent manner where the regulators are invited such as The National Insurance Commission, the Securities and Exchange Commission, Corporate Affairs Commission, the Auditors as well as other Shareholder's Associations. The Company also dispatches its annual reports, providing highlights of all the Company's activities to its shareholders.

Protection of Shareholders Rights - The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

Communication Policy

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities. Furthermore, the Board and Management of the Company ensures that communication and dissemination of information regarding the operations and management of the company to shareholders, stakeholders and the general public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website, www.prestigeassuranceplc.com. In order to reach its overall goal on information dissemination, the Company is guided by the following Principles, legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Insurance Act, the NAICOM Operational Guidelines, the Companies and Allied Matters Act (CAMA) and the codes of Corporate Governance issued by NAICOM and SEC. The Company operates in a multicultural environment and accordingly recognizes the need to be sensitive to the cultural peculiarities of its operating environment.

Feedback: The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback is used in future activities.

Independent Advice - The Board of Directors are at their own discretion and at the Company's expense required to seek Independent professional advice when required to enable a Member of the Board effectively perform certain responsibilities.

Insider Trading and Price Sensitive Information

The Company is clear in its prohibition of insider trading by its Board, management, Officers and related persons who



are privy to confidential price sensitive information. Such persons are further prohibited from trading in the Company's securities where such transactions would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

Code of Professional Conduct for Employees - The Company has an internal Code of Professional Conduct, which all members of staff are expected to subscribe to upon assumption of duties. All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Code of Professional Conduct which prescribes the common ethical standards, culture and policies of the Group relating to employee values.

A. O. ODULANA

Company Secretary

(FRC/2013/ICSAN/00000003201)



**CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES
ACT NO.29 OF 2007**

We the undersigned hereby certify the following with regards to our audited report for the year ended 31st December 2014 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
 - (i) Any untrue statement of a material fact, or
 - (ii) Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- (c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the company as of, and for the periods presented in the report;
- (d) We:
 - (i) are responsible for establishing and maintaining internal controls;
 - (ii) have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within the entity particularly during the period in which the periodic reports are being prepared;
 - (iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
 - (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the company and audit committee:
 - (i) all significant deficiency in the design or operations of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 - (ii) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Mrs. K. O. Kola-Fasanu
Chief Financial Officer
FCR/2013/ICAN/00000001184

Dr. Balla Swamy
Managing Director
FCR/2015/CIIN/000000011228



REPORT OF THE AUDIT COMMITTEE

TO THE SHAREHOLDERS OF PRESTIGE ASSURANCE PLC

In accordance with the provision of Section 359 (6) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, we have reviewed the audited financial statements of the Company for the year ended 31st December, 2014 and report as follows:

- (a) The accounting and reporting policies of the company are consistent within legal requirements and agreed ethical practices.
- (b) The scope and planning of the external audit was adequate.
- (c) The company maintained effective systems of accounting and internal control during the year.
- (d) Having reviewed the External Auditors' findings and recommendations on management matters, we are satisfied with management responses thereon.

Dated this 20 Day of April 2015
ENGR. M. O. T. OLAYIWOLA TOBUN
CHAIRMAN - AUDIT COMMITTEE
FRC/2013/COREN/00000003231

MEMBERS OF THE AUDIT COMMITTEE

- | | | |
|-----------------------------------|---|------------------------------------|
| 1. Engr. M. O. T. Olayiwola Tobun | - | Shareholder/Chairman |
| 2. Mr. J. O. Atolagbe | - | Shareholder |
| 3. Mrs. Olatunbosun Odusote | - | Shareholder |
| 4. Mr. H. T. Musa Usman | - | Independent Non-Executive Director |
| 5. Mr. Ramesh Hathiramani | - | Non-Executive Director |
| 6. Mr. G. Raghu | - | Non-Executive Director |

A. O. ODULANA
COMPANY SECRETARY
FRC/2013/ICSAN/00000003201



CORPORATE SOCIAL RESPONSIBILITY REPORT

At Prestige Assurance, we care for the environment and the society in which we operate. In appreciation of the gesture towards the upliftment of our Company during the year 2014 particularly, donations were made to various organisations in order to bring relieve to the society especially the less privilege ones.

We also made donations to various charitable and non-profit organisations across the Country. The following are the causes we supported in the year under review to the tune of N1,500,000.

1. Living Fountain Orphanage

On the 7th of January, 2014 a donation was made to the living fountain orphanage with N250,000

2. Professional Insurance Ladies Association

On the 11th June, 2014, a sum of N250,000 was donated to the association for promotion of professional ladies in the industry

3. Rotary Club Palmgrove of Lagos

On the 24th November, 2014, the company made a donation of N450,000 to the CSR initiative sponsorship in Lagos

4. Idowu Sofola Foundation

The company made a donation of a sum of N250,000 on 25th November, 2014 towards the advancement of the cause of the less privileged in the community

5. Golf Game Organized by Protea Hotel

On the 28th November, 2014, a sum of N100,000 was donated as contribution in support of golf game in Nigeria.

6. Akoko Development Group Project

On the 11th December, 2014, a sum of N200,000 was donated for the purpose of erecting female hostel at Adekule Ajasin University, Akungba Ondo



MANAGEMENT DISCUSSION AND ANALYSIS.

THE NATURE OF THE BUSINESS

Prestige Assurance Plc is a non-life insurance business with over sixty years experience in Nigeria. The company's core areas of business include motor, marine, bond, engineering, fire, aviation, oil and gas and general accident.

The company is known for providing expertise knowledge especially in high risk businesses such as aviation, marine, oil and gas.

Our company is known by populace for prompt settlement of claims and other support as it may be necessary.

The major bulk of our business comes from brokers market and support from the parent company in form of referral.

MANAGEMENT'S OBJECTIVES.

- i) To be in the forefront of risk carrying in Nigerian insurance market, with a penchant for quality products and efficient service delivery to our esteemed customers.
- ii) To position the company amongst the top 3 insurance companies in Nigeria.
- iii) To ensure that values are created for the stakeholders.
- iv) To be an ethical company among the listed institution in Nigeria and the world at large.

OUR STRATEGIES

In order to meet the above objectives, the management of the Company have put the following strategies in place.

- i) The Company has instituted sound corporate governance in order to drive both the internal process and the business environment.
- ii) Adequate reinsurance has been put in place to absorb the impact of high risk which may likely occur due to the area of specialisation of the company.
- iii) Aside from the normal business, the Company also provides add on services such as customer education, policy audit and lease financing.
- iv) The Company engages in training and empowerment of her workforce to meet up with the challenges of modern business.
- v) It is also in the current agenda of the Company to recruit more hands with specialised skills to compete favourably in the industry.
- vi) The Company has also met up with her civil responsibility and promised to do more to better the interest of stakeholders at large.



OUR RESOURCES, RISKS AND RELATIONSHIP

Our most valuable resources are our human capital. The staff welfare is paramount to the Company. Non-human resources are of small relevance without appropriate personnel to drive the system.

Insurance business is a kind of business that is full of risk known as insurable risks.

This is a known risk but which the likelihood and magnitude of the occurrence is not certain.

The Company has put in place a balanced re-insurance policy to absorb the impact of such risks at any time in future.

Aside from this, the Company is also faced with diverse risks which are financial and non-financial in nature.

Several strategies are already in place to mitigate their negative impact on the business and the Company itself.

Prestige Assurance Plc is a subsidiary of The New India Assurance Company Limited, Mumbai, India. Our parent company is one of the largest insurance business undertakers across the Afro-Asia continent (except Japan). The parent company provides support to us in all ramifications which had impact positively in term of skills and financial status to underwrite high risk businesses rarely underwritten by the local companies.

FINANCIAL RESULTS AND PROSPECTS

For the year ended 31 December 2014, the gross premium written by the company declined by N1.6 billion compared with previous year as result of the implementation of the policy of 'No Premium No Cover and a decline in acceptance of aviation and foreign facultative business for strategic purposes.

Underwriting profit for the year went down by N767 million when compared with the previous year.

The total assets of the company also grew by N1.8 billion when compared with December 2013 In view of the recent upheavals, we have adopted a more proactive approach to the management of our capital, liquidity and investments towards endowing our company with needed financial strength to withstand any market-related shocks and building an enduring platform for world class products and services.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF PRESTIGE ASSURANCE PLC**

We have audited the accompanying financial statements of Prestige Assurance Plc for the financial year ended 31 December 2014, which comprises the statement of financial position, profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and other explanatory notes to the financial statements.

Directors' responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011, the Companies and Allied Matters Act, CAP C20 LFN 2004 and the Insurance Act, CAP I17, LFN 2004 and its interpretations issued by the National Insurance Commission in its Insurance Industry policy guidelines. This responsibility includes: designing, implementing and maintaining internal controls 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 independent opinion on the 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 our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act No 6, 2011, the Companies and Allied Matters Act, CAP C20 LFN 2004 and Insurance Act, CAP I17, LFN 2004 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Company; and
- iii) the Company's statement of financial position and profit or loss account and other comprehensive income statement are in agreement with the books of account.

Lagos, Nigeria
21 April 2015

Olugbemiga A. Akibayo
(FRC/2013/ICAN/00000001076)
For: BDO Professional Services
Chartered Accountants



PRESTIGE ASSURANCE PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2014
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1) Going concern

The directors assess the Company's future performance and financial position on a going concern basis and have no reason to believe that the company will not be a going concern in the year ahead. For this reason, these financial statements are prepared on a going-concern basis.

2) Basis of preparation and compliance with IFRS

The financial statements of Prestige Assurance Plc have been prepared on a going concern basis in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are effective at 31 December 2014 and requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004, the Insurance Act, CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2012 to the extent that they are not in conflict with IFRS.

The financial statements were authorised for issue by the Board of Directors on 20 April 2015

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 4

(b) Basis of measurement

The financial statements have been prepared on historical cost basis except as detailed below:

- Financial instruments at fair value through profit or loss are measured at fair value
- Property, plant and equipment are carried at cost except land and buildings which are measured at revalued amount.

3) Foreign currency translation

(a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Nigerian Naira (N) which is the Company's functional and presentation currency.

(b) Transactions and balances in foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Differences are taken to the income statement.

4) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets,



liabilities, income and expenses. Actual results may differ from these estimates. 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 the future periods if the revision affects both current and future periods.

5) New standards, interpretations and amendments effective from 1 January 2014

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 31 December 2014. They have not been adopted in preparing the financial statements for the year ended 31 December 2014 and are expected to affect the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

IFRS Reference	Nature of change	Application date	Impact on initial Application
1 IFRS 1 First-time Adoption of International Financial Reporting Standards			
Annual Improvements (2011-2013 Cycle) Issued December 2013	The amendment to the Basis for Conclusions clarifies that an entity has an option to use either: - The IFRSs that are mandatory at the reporting date, or - One or more IFRSs that are not yet mandatory, if those IFRSs permit early application.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact, as the Company has already adopted IFRS
2 IFRS 2 Share-based Payment			
Annual Improvements (2010-2012 Cycle) Issued December 2013	The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact as the Company has no share based payment
3 IFRS 3 Business Combinations			
Annual Improvements (2010-2012 Cycle) Issued December 2013	The amendment clarifies that contingent consideration is assessed as either being a liability or an equity instrument on the basis of IAS 32 Financial Instruments: Presentation, and also requires contingent consideration that is not classified as equity to be remeasured to fair value at each reporting date, with changes in fair value being reported in profit or loss.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact, as Company is not involved in any business combination.
Annual Improvements (2011-2013 Cycle) Issued December 2013	The amendments to IFRS 3 clarify that: - The formation of all types of joint arrangements as defined in IFRS 11 (ie joint ventures and joint operations) are excluded from the scope of IFRS 3 - The scope exception only applies to the accounting by the joint arrangement in its own financial statements and not to the accounting by the parties to the joint arrangement for their interests in the joint arrangement.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact
4 IFRS 4 Non-current Assets Held for Sale and Discontinued Operations			
Annual Improvements (2012-2014)	The amendment clarifies that the reclassification of an asset or disposal group from being held for sale to being held for distribution to owners, or vice versa is	Mandatory adoption for periods beginning on or after 1 January	The Company will assess the impact on



4	IFRS Reference	Nature of change	Application date	Impact on initial Application
	Cycle) Issued December 2013	considered to be a continuation of the original plan of disposal. Upon reclassification, the classification, presentation and measurement requirements of IFRS 5 are applied. If an asset ceases to be classified as held for distribution to owners, the requirements of IFRS 5 for assets that cease to be classified as held for sale apply.	2016. Early adoption permitted.	adoption of the Standard and when it holds assets as 'distribution to owner'
5	IFRS 5 Financial Instruments: Disclosures			
	Annual Improvements (2012-2014 Cycle)	The IASB clarified the circumstances in which an entity has continuing involvement from the servicing of a transferred asset. Continuing involvement exists if the servicer has a future interest in the performance of the transferred financial asset. Examples of situations where continuing involvement exists are where a transferor's servicing fee is: - A variable fee which is dependent on the amount of the transferred asset that is ultimately recovered; or - A fixed fee that may not be paid in full because of non-performance of the transferred financial asset. The amendment is required to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the amendment needs not to be applied for any period beginning before the annual period in which the entity first applies the amendments. A consequential amendment has been made to IFRS 1 First-time Adoption of International Financial Reporting Standards, in order that the same transitional provision applies to first time adopters. Applicability of the offsetting amendments in condensed interim financial statements. A further amendment to IFRS 7 has clarified that the application of the amendment Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) issued in December 2011 is not explicitly required for all interim periods. However, it is noted that in some cases these disclosures may need to be included in condensed interim financial statements in order to comply with IAS 34.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The Company is yet to assess the impact of the adoption of this standard.
6	IFRS 8 Operating Segments			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	The amendments require additional disclosures regarding management's judgements when operating segments have been aggregated in determining reportable segments, including: - A description of the operating segments that have	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The Company would implement the standard on adoption.



IFRS Reference	Nature of change	Application date	Impact on initial Application
	been aggregated - The economic indicators considered in determining that the aggregated operating segments share similar economic characteristics. Reconciliation of the total of a reportable segment's assets to the entity's assets: The amendment clarifies that a reconciliation of the total of reportable segments assets to the entity's assets is only required if a measure of segment assets is regularly provided to the chief operating decision maker.		
7	IFRS 9 Financial Instruments		
IFRS 9 (2009) Issued: November 2009	IFRS 9 (2009) applies to all assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 requires that on initial recognition, all financial assets are measured at fair value (plus an adjustment for certain transaction costs if they are not measured as at fair value through profit or loss) and are classified into one of two subsequent measurement categories: - Amortised cost - Fair value. IFRS 9 (2009) eliminates the Held to Maturity (HTM), Available for Sale (AFS) and Loans and Receivables categories. In addition, the exception under which equity instruments and related derivatives are measured at cost rather than fair value, where the fair value cannot be reliably determined, has been eliminated with fair value measurement being required for all of these instruments. A financial asset is measured after initial recognition at amortised cost only if it meets the following two conditions: 1. The objective of an entity's business model is to hold the financial asset in order to collect contractual cash flows 2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other instruments are required to be measured after initial recognition at fair value. IFRS 9 (2009) retains the current requirement for financial instruments that are held for trading to be recognised and measured at fair value through profit or loss, including all derivatives that are not designated in a hedging relationship. Hybrid contracts with a host that are within the scope of IFRS 9 (2009) (ie a financial host) must be classified in their entirety in accordance with the classification approach summarised above. This eliminates the	Can only be applied if an entity's date of initial application is before February 2015.	To be implemented on adoption of the standard.



IFRS Reference	Nature of change	Application date	Impact on initial Application
	existing IAS 39 requirement to account separately for a host contract and certain embedded derivatives. The embedded derivative requirements under IAS 39 continue to apply where the host contract is a non-financial asset and for financial liabilities. IFRS 9 (2009) includes an option which permits investments in equity instruments to be measured at fair value through other comprehensive income. This is an irrevocable election to be made, on an instrument by instrument basis, at the date of initial recognition. Where the election is made, no amounts are subsequently recycled from other comprehensive income to profit or loss. Where this option is not taken, equity instruments with the scope of IFRS 9 (2009) are classified as at fair value through profit or loss. Irrespective of the approach adopted for the equity instrument itself, dividends received on an equity instrument are always recognised in profit or loss (unless they represent a return of the cost of investment). Subsequent reclassification of financial assets between the amortised cost and fair value categories is prohibited, unless an entity changes its business model for managing its financial assets in which case reclassification is required. However, the guidance is restrictive and such changes are expected to be very infrequent. IFRS 9 (2009) states explicitly that the following are not changes in business model: 1. A change in intention relating to particular financial assets (even in circumstances of significant changes in market conditions) 2. A temporary disappearance of a particular market for financial assets 3. A transfer of financial assets between parts of the entity with different business models.		
8	IFRS 9 (2010) Issued: October 2011 As noted above, IFRS 9 (2009) was published in November 2009 and contained requirements for the classification and measurement of financial assets. Equivalent requirements for financial liabilities were added in October 2010, with most of them being carried forward unchanged from IAS 39. In consequence: financial liability is measured as at fair value through profit or loss (FVTPL) if it is held for trading, or is designated as at FVTPL using the fair value option - Other liabilities are measured at amortised cost. In contrast to the requirements for financial assets, the bifurcation requirements for embedded derivatives have been retained; similarly, equity conversion features will continue to be accounted for separately by the issuer.	Can only be applied if an entity's date of initial application is before February 2015.	To be implemented on adoption of the standard.



	IFRS Reference	Nature of change	Application date	Impact on initial Application
		However, some changes have been made, in particular to address the issue of where changes in the fair value of an entity's financial liabilities designated as at FVTPL using the fair value option, which arise from changes in the entity's own credit risk, should be recorded. This amendment is a result of consistent feedback received by the IASB from its constituents that changes in an entity's own credit risk should not affect profit or loss unless the financial liability is held for trading.		
9	IFRS 9 (2013) Issued: November 2013	IFRS 9 (2010) requires that changes in the fair value of financial liabilities designated as at FVTPL which relate to changes in an entity's own credit risk should be recognised directly in other comprehensive income (OCI). However, as an exception, where this would create an accounting mismatch (which would be where there is a matching asset position that is also measured as at FVTPL), an irrevocable decision can be taken to recognise the entire change in fair value of the financial liability in profit or loss. Key changes introduced by the new model include: - Simplified effectiveness testing, including removal of the 80-125% highly effective threshold - More items will now qualify for hedge accounting, eg pricing components within a non-financial item, and net foreign exchange cash positions - Entities can hedge account more effectively the exposures that give rise to two risk positions (eg interest rate risk and foreign exchange risk, or commodity risk and foreign exchange risk) that are managed by separate derivatives over different periods - Less profit or loss volatility when using options, forwards, and foreign currency swaps - New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.		
10	IFRS 9 (2014) Issued: July 2014	IFRS 9 Financial Instruments (2014) incorporates the final requirements on all three phases of the financial instruments projects – classification and measurement, impairment, and hedge accounting. IFRS 9 (2014) adds to the existing IFRS 9: - New impairment requirements for all financial assets that are not measured at fair value through profit or loss. - Amendments to the previously finalised classification and measurement requirements for financial assets. In a major change, which will affect all entities, a new 'expected loss' impairment model in IFRS 9 (2014) replaces the 'incurred loss' model in IAS 39 Financial Instruments: Recognition and Measurement. Under IFRS 9 (2014), the	Mandatory adoption for periods beginning on or after 1 January 2018. Early adoption permitted.	The Company is still assessing the impact of adoption.



IFRS Reference	Nature of change	Application date	Impact on initial Application
	impairment model is a more 'forward looking' model in that a credit event (or impairment 'trigger') no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCI), an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition. For trade receivables there is a practical expedient to calculate expected credit losses using a provision matrix based on historical loss patterns or customer bases. However, those historical provision rates would require adjustments to take into account current and forward looking information. The new impairment requirements are likely to bring significant changes. Although provisions for trade receivables may be relatively straightforward to calculate, new systems and approaches may be needed. However, for financial institutions the changes are likely to be very significant and require significant changes to internal systems and processes in order to capture the required information. In other changes, IFRS 9 (2014) also introduces additional application guidance to clarify the requirements for contractual cash flows of a financial asset to be regarded as giving rise to payments that are Solely Payments of Principal and Interest (SPPI), one of the two criteria that need to be met for an asset to be measured at amortised cost. Previously, the SPPI test was restrictive, and the changes in the application of the SPPI test will result in additional financial assets being measured at amortised cost. For example, certain instruments with regulated interest rates may now qualify for amortised cost measurement, as might some instruments which only marginally fail the strict SPPI test. A third measurement category has also been added for debt instruments - FVTOCI. This new measurement category applies to debt instruments that meet the SPPI contractual cash flow characteristics test and where the entity is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets. In comparison with previous versions of IFRS 9, the introduction of the FVTOCI category may result in less profit or loss volatility, in particular for entities such as insurance companies which hold large portfolios with periodic buying and selling activities.		



	IFRS Reference	Nature of change	Application date	Impact on initial Application
11	IFRS 9 (own credit risk requirements)	IFRS 9 (2014) provides an option to early adopt the 'own credit' provisions for financial liabilities measured at fair value through profit or loss (FVTPL) under the fair value option without any of the other requirements of IFRS 9. This option will remain available until 1 January 2018. Entities that use the fair value option and designate financial liabilities at fair value through profit or loss (FVTPL) present the fair value changes in 'own credit' in OCI instead of profit or loss. Therefore, for financial liabilities designated at FVTPL, entities can continue to apply IAS 39 Financial Instruments: Recognition and Measurement but follow the presentation requirement in IFRS 9 and present the changes in 'own credit' in OCI. This amendment is expected to mainly affect financial institutions and insurers.	Can be applied until the effective date of IFRS 9 (2014) which is 1 January 2018.	
12	IFRS 10 Consolidated financial statements			
	Amendments to IFRS 10 Issued: September 2014	Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method. In the case of any retained interest in the former subsidiary, gains and losses from the remeasurement are treated as follows: - The retained interest is accounted for as an associate or joint venture using the equity method: The parent recognises the gain or loss in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remainder is eliminated against the carrying amount of the investment in the associate or joint venture. - The retained interest is accounted for at fair value in accordance with IFRS 9 Financial Instruments: The parent recognises the gain or loss in full in profit or loss.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.
13	IFRS 11 Joint Arrangements			
	Amendments to IFRS 11 Issued: May 2014	Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations The amendments require an entity to apply all of the principles of IFRS Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3. The amendment	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.



IFRS Reference	Nature of change	Application date	Impact on initial Application
	also includes two new Illustrative Examples: - Accounting for acquisitions of interests in joint operations in which the activity constitutes a business - Contributing the right to use know-how to a joint operation in which the activity constitutes a business. A consequential amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards has also been made, to clarify that the exemption from applying IFRS 3 to past business combinations upon adoption of IFRS also applies to past acquisitions of interests in joint operations in which the activity of the joint operation constitutes a business, as defined in IFRS 3.		
14 IFRS 13 Fair Value Measurement			
Annual Improvements (2010-2012 Cycle) Issued: December 2013	The amendment clarifies that short-term receivables and payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect of discounting is immaterial.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact.
15 Scope of IFRS 13.52 (portfolio exemption)			
Improvements (2011-2013 Cycle) Issued: December 2013	IFRS 13.52 defines the scope of the exception that permits an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis. This is often referred to as the portfolio exception. The amendment clarifies that the portfolio exception applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments if this has been adopted early), regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact.
16 IFRS 14 Regulatory Deferral Accounts			
IFRS 14 Issued: January 2014	In many countries, industry sectors (including utilities such as gas, electricity and water) are subject to rate regulation where governments regulate the supply and pricing. This can have a significant effect on the amount and timing of an entity's revenue. Some national GAAPs require entities that operate in industry sectors subject to rate regulation, to recognise associated assets and liabilities. The scope of IFRS 14 is narrow, with this extending to cover only those entities that: - Are first-time adopters of IFRS - Conduct rate regulated activities - Recognise associated assets and/or liabilities in accordance with their current national GAAP. Entities within the scope of IFRS 14 would be afforded	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.



IFRS Reference	Nature of change	Application date	Impact on initial Application
	an option to apply their previous local GAAP accounting policies for the recognition, measurement and impairment of assets and liabilities arising from rate regulation, which would be termed regulatory deferral account balances. Any regulatory deferral account balances, and their associated effect on profit or loss, would be recognised and presented separately from other items in the primary financial statements. As a result, for those entities that elect to adopt IFRS 14, all other line items and subtotals would exclude the effects of regulatory deferral accounts, meaning that they would be comparable with other entities that report in accordance with IFRS but do not apply IFRS 14. Application guidance is included in IFRS 14 in respect of other IFRSs that would need to be considered alongside the previous national GAAP accounting requirements in order for these regulatory deferral accounts to be accounted for appropriately in an entity's IFRS financial statements, including: - IAS 10 Events after the Reporting Period - IAS 12 Income Taxes - IAS 28 Investments in Associates and Joint Ventures - IAS 33 Earnings per Share - IAS 36 Impairment of Assets - IFRS 3 Business Combinations - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - IFRS 10 Consolidated Financial Statements - IFRS 12 Disclosure of Interests in Other Entities.		
17	IFRS 15 Revenue from Contracts with Customers		
IFRS 15 Issued: May 2014	IFRS 15 Revenue from Contracts with Customers supersedes IAS 18 Revenue, IAS 11 Construction Contracts and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services). The objective of IFRS 15 is to clarify the principles of revenue recognition. This includes removing inconsistencies and perceived weaknesses and improving the comparability of revenue recognition practices across companies, industries and capital markets. In doing so IFRS 15 establishes a single revenue recognition framework. The core principle of the framework is, that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	Mandatory adoption for periods beginning on or after 1 January 2017. Early adoption permitted.	The Company is currently assessing the impact on adoption.



IFRS Reference	Nature of change	Application date	Impact on initial Application
	To accomplish this, IFRS 15 requires the application of the following five steps: 1. Identify the contract 2. Identify the performance obligation(s) 3. Determine the transaction price 4. Allocate the transaction price to each performance obligation 5. Recognise revenue when each performance obligation is satisfied. IFRS 15 also includes specific guidance related to several additional topics, some of the key areas are: - Contract costs - Sale with a right of return - Warranties - Principal vs agent considerations - Customer options for additional goods and services - Customers unexercised rights - Non-refundable upfront fees (and some related costs) - Licensing Repurchase agreements - Consignment arrangements - Bill-and-hold arrangements - Customer acceptance. Furthermore the guidance significantly enhances the required qualitative and quantitative disclosures related to revenue. The main objective of the requirements is the disclosure of sufficient information in terms of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In order to meet this objective, IFRS 15 requires specific disclosures for contracts with customers and significant judgements.		
18 IAS 16 Property, Plant and Equipment			
Annual Improvements (2010-2012 Cycle) Issued: December 2013	Revaluation method – proportionate restatement of accumulated depreciation The amendment clarifies the computation of accumulated depreciation when items of property, plant and equipment are subsequently measured using the revaluation model. The net carrying amount of the asset is adjusted to the revalued amount, and either: i. The gross carrying amount is adjusted in a manner consistent with the net carrying amount (eg proportionately to the change in the [net] carrying value, or with reference to observable market data). - Accumulated depreciation is then adjusted to equal the difference between the gross and net carrying amounts ii. Accumulated depreciation is eliminated against the gross carrying amount.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.



	IFRS Reference	Nature of change	Application date	Impact on initial Application
19	Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation			
	Amendments to IAS 16 Issued: May 2014	Paragraph 62A of IAS 16 has been added to prohibit the use of revenue-based methods of depreciation for items of property, plant and equipment. Paragraph 62A clarifies that this is because the revenue generated by an activity that includes the use of an item of property, plant and equipment generally reflects factors other than the consumption of the economic benefits of the item, such as: - Other inputs and processes - Selling activities and changes in sales - Volumes and prices, and - Inflation. Paragraph 56 of IAS 16, which includes guidance for the depreciation amount and depreciation period, has been expanded to state that expected future reductions in the selling price of items produced by an item of property, plant and equipment could indicate technical or commercial obsolescence (and therefore a reduction in the economic benefits embodied in the item), rather than a change in the depreciable amount or period of the item.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The Company is currently assessing the impact on adoption.
20	Amendments to IAS 19 Issued: November 2013	Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions The amendment introduces a narrow scope amendments that: - - Provides a practical expedient for certain contributions from employees or third parties to a defined benefit plan, but only those contributions that are independent of the number of years of service - Clarifies the treatment of contributions from employees or third parties to a defined benefit plan that are not subject to the practical expedient. These are accounted for in the same way that the gross benefit is attributed in accordance with IAS 19.70. Contributions that are independent of the number of years of service include: - Contributions that are based on a fixed percentage of salary - Contributions of a fixed amount throughout the service period - Contributions that are dependent on the employee's age.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
21	IAS 19 Employee Benefits			
	Annual Improvements (2012-2014 Cycle) Issued: September	The guidance in IAS 19 has been clarified and requires that high quality corporate bonds used to determine the discount rate for the accounting of employee benefits need to be denominated in the same currency as the related benefits that will be paid to the employee.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial



	IFRS Reference	Nature of change	Application date	Impact on initial Application
	2014	Entities are required to apply the amendment from the earliest comparative period presented in the financial statements, with initial adjustments being recognised in retained earnings at the beginning of that period.		statements.
22	IAS 24 Related Party Disclosures			
	Annual Improvements (2010-2012 Cycle) December 2013	The amendment clarifies that an entity that provides key management personnel services (management entity) to a reporting entity (or to the parent of the reporting entity), is a related party of the reporting entity, and: - Would require separate disclosure of amounts recognised as an expense for key management personnel services provided by a separate management entity - Would not require disaggregated disclosures by the categories set out in IAS 24.17.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
23	IAS 27 Separate Financial Statements			
	Amendments to IAS 27 Issued: August 2014	The amendments include the introduction of an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment. Before the amendments, entities either accounted for its investments in subsidiaries, joint ventures or associates at cost or in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for those entities that have yet to adopted IFRS 9). The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial position. Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in profit or loss. A consequential amendment was also made to IAS 28 Investments in Associates and Joint Ventures, to avoid a potential conflict with IFRS 10 Consolidated Financial Statements for partial sell downs.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
24	IAS 34 Interim Financial Reporting			
	Annual Improvements (2012-2014 Cycle) Issued: September	The requirements of paragraph 16A of IAS 34 require additional disclosures to be presented either in the: - Notes to the interim financial statements or - Elsewhere in the interim financial report. The amendment clarifies, that a cross-reference is	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial



IFRS Reference	Nature of change	Application date	Impact on initial Application
2014	required, if the disclosures are presented 'elsewhere' in the interim financial report, such as in the management commentary or the risk report of an entity. However, to comply with paragraph 16A of IAS 34, if the disclosures are contained in a separate document from the interim report, that document needs to be available to users of the financial statements on the same terms and at the same time as the interim report itself.		statements.
25 IAS 38 Intangible Assets			
Annual Improvements (2010-2012 Cycle) Issued: December 2013	The amendment clarifies the computation of accumulated amortisation when intangible assets are subsequently measured using the revaluation model. The net carrying amount of the asset is adjusted to the revalued amount, and either: i. The gross carrying amount is adjusted in a manner consistent with the net carrying amount (eg proportionately to the change in the [net] carrying value, or with reference to observable market data). Accumulated amortisation is then adjusted to equal the difference between the gross and net carrying amounts ii. Accumulated amortisation is eliminated against the gross carrying amount.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
26 Amendments to IAS 38 Issued: May 2014	The amendments clarify that for intangible assets there is a rebuttable presumption that amortisation based on revenue is not appropriate. Paragraphs 98A - 98C of IAS 38 have been added to clarify that there is a presumption that revenue-based amortisation is not appropriate, and that this can only be rebutted in limited circumstances where either: - The intangible asset is expressed as a measure of revenue, or - Revenue and the consumption of the economic benefits of the intangible asset are highly correlated. Paragraph 98B clarifies that as a starting point to determining an appropriate amortisation method, an entity could determine the 'predominant limiting factor' inherent in the intangible asset, for example: - A contractual term which specifies the period of time that an entity has the right to use an asset - Number of units allowed to be produced - Fixed total amount of revenue allowed to be received. Paragraph 98C then clarifies that where an entity has identified that the achievement of a revenue threshold is the predominant limiting factor of an intangible asset, it may be possible to rebut the presumption that revenue-based amortisation is not appropriate.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.



	IFRS Reference	Nature of change	Application date	Impact on initial Application
27	IAS 40 Investment Property			
	Annual Improvements (2011-2013 Cycle) Issued: December 2013	The amendment notes that determining whether the acquisition of an investment property is a business combination requires consideration of the specific requirements of IFRS 3, independently from the requirements of IAS 40, in relation to: - Whether the acquisition of investment property is the acquisition of an asset, a group of assets, or a business combination (by applying the requirements of IFRS 3 only) - Distinguishing between investment property and owner-occupied property (by applying the requirements of IAS 40 only).	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
28	IAS 41 Agriculture			
	Amendments to IAS 41 Issued: June 2014	The amendments extend the scope of IAS 16 Property, Plant and Equipment to include bearer plants and define a bearer plant as a living plant that: - Is used in the production process of agricultural produce, - Is expected to bear produce for more than one period; and - Has a remote likelihood of being sold (except incidental scrap sales). The changes made result in bearer plants being accounted for in accordance with IAS 16 using either: - The cost model, or - The revaluation model. The agricultural produce of bearer plants remains within the scope of IAS 41 Agriculture. The amendments include the following transitional reliefs for the purposes of their first time application: - Deemed cost exemption – Entities are allowed to use the fair value of the bearer plants at the beginning of the earliest period presented as the deemed cost. - Disclosures – Quantitative information describing the effect of the first time application as required by IAS 8.28(f) is not required for the current reporting period, but is required for each prior period presented.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6) Cash and cash equivalents

For the purposes of the statement of cash flows, cash comprises cash balances and deposits with banks. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

7) Financial Assets

The Company classifies its financial assets into the following categories: Held at fair value through profit or loss (or held for trading), held-to-maturity, Available-for-sale and loans and receivables. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

i Financial assets at fair value through profit or loss (Held for trading)

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. The investments are carried at fair value, with gains or losses arising from changes in this value recognized in the income statement in the period in which they arise. Such investments are investments in quoted equity.

ii Held-to-maturity investments

The Company classifies financial assets as Held to maturity when the company has positive intent and ability to hold the securities to maturity. Held-to-maturity investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years. Quoted equities and debt securities e.g. bonds that are initially classified as held-to-maturity may, subsequently, be moved to available-for-sale financial assets whenever the market price is higher than the purchase price in order to sell and take profit. Interest on held-to-maturity investments are included in the income statement and are reported as 'Interest income'.

iii Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the two preceding categories which may be sold in response to the need for liquidity or changes in interest rates, exchange rates or equity prices. They include investment in unquoted shares. These investments are initially recognised at cost. After initial measurement, available-for-sale financial assets are subsequently measured at fair value using net asset valuation basis. Fair value gains and losses are reported as a separate component in other comprehensive income until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to profit or loss.

iv Loans and receivables

"Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:• those that the Group intends to sell in the short term which are reclassified as fair value through profit or loss and those that the group upon initial recognition designates at fair value through profit or loss. • those that the Group upon initial recognition designates as Available for Sale • those for which the holder may not recover substantially all of its initial investment other than because of credit risk. They include: "



(a) Trade receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are mainly receivables arising from insurance contracts. Trade receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade receivables are measured at amortized cost less any impairment losses. They include receivables from Brokers and Co-insurance companies.

(b) Other receivables and prepayments

Other receivables are made up of prepayments and other amounts due from parties which are not directly linked to insurance or investment contracts. Other receivables are stated after deductions of amount considered bad or doubtful of recovery. When a debt is deemed not collectible, it is written-off against the related provision or directly to the profit and loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to the profit and loss account. Prepayments are carried at cost less amortisation.

v Impairment of financial assets

(a) Financial assets carried at amortised cost

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company from the following events:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Company on terms that the Company would not consider favourable;
- Indications that a debtor or issuer will enter bankruptcy;
- The disappearance of an active market for the security because of financial difficulties; and
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As is practically expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.



For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the assets. The amount of the reversal is recognised in the income statement.

(b) Trade receivables

These are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence (such as the probability of insolvency, significant financial difficulties on the part of the counterparty or default or significant delay in payment - over 30 days) that the Company will not be able to collect the entire amount due under the original terms of the invoice. Allowances for impairment are made based on "incurred loss model" which consider premiums outstanding and not received within one month subsequent to the year-end as lost, given default for each customer and probability of default for the sectors in which the customer belongs. The amount of such a provision being the difference between the carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For amounts due from policy holders and reinsurers, which are reported net, such provisions are recorded in a separate impairment account with the loss being recognised in income statement. On confirmation that the amounts receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Any subsequent recoveries are credited to the income statement in the period the recoveries are made.

(c) Assets classified as available-for-sale

The Company assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 10% or more is regarded as significant, and a period of 1 year or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on those financial assets previously recognised in profit or loss – is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent period 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 profit or loss, the impairment loss is reversed through the income statement.

vi Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previous recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognised in the income statement.



vii Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

viii Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any intangible asset allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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. Reversals of impairment losses are recognised in profit or loss.

8) Reinsurance assets or receivables

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsurance contracts and in compliance with the terms of each reinsurance contract.

The reinsurers' share of unearned premiums (i.e. the reinsurance assets) are recognised as an asset using principles consistent with the Company's method for determining unearned premium liability. The amount reflected on the statement of financial position is on a gross basis to indicate the extent of credit risk related to the reinsurance and its obligations to policy holders.

The Company assesses its reinsurance assets for impairment at each statement of financial position date. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost.

9) Deferred acquisition costs (DAC)

Commissions and other acquisition costs that are related to securing new contracts and renewing existing contracts are capitalised as Deferred Acquisition Costs (DAC) if they are separately identifiable, can be measured reliably and it is probable that they will be recovered. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts in line with premium



revenue using assumptions consistent with those used in calculating unearned premium. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium. The DAC asset is tested for impairment annually and written down when it is not expected to be fully recovered.

10) Investment in Finance

Investments in finance lease are recognised when the company transfers substantially all the risks and rewards of ownership of the leased assets to the leasee. Investment in finance lease is initially measured at cost, being the purchase price of the assets and other incidental costs of acquiring and transferring the asset to the leasee and is subsequently measured at amortised cost less accumulated repayment (of principal sum) and accumulated impairment loss.

Interest income on investment in finance lease is recognised in the income statement as investment income in the period the interest is due receivable. An investment in finance lease is impaired if the carrying amount of the investment exceeds its recoverable or net realisable amount.

11) Investment property

Investment property is property held to earn rental income or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuations carried out by external registered valuers. Gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. The fair value of the investment properties is a reasonable approximate of their values as at the date of the Statement of Financial Position presented.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as expense in the year in which it is incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to comprehensive income.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in other comprehensive income.

12) Intangible Assets

Intangible assets comprise computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software are capitalised



on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised on straight line basis over the useful life of the asset.

Expenditure, which enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement and added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognised in income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is 10 years. The residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives for the current and comparative period are as follows:

Computer software	10%
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13) Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

(b) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in income statement as incurred.

(c) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or re-valued amounts over their estimated useful lives.

The estimated useful lives for the current and comparative period are as follows:

Plant and Machinery	12½%
Leasehold, Land and buildings	2% of cost/valuation
Furniture, fittings and office equipment	10%
Computer equipment	33 ⅓ %
Motor vehicles	25%
Asset under lease	Over period of lease

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



(d) Revaluation of land and building

Property, plant & equipment are initially recorded at cost. Land and building are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the statement of profit or loss.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of profit or loss.

When revalued assets is being depreciated, part of the surplus is being realised as the asset is used. The amount of the surplus realised is the difference between depreciation charged on the revalued amount and the lower depreciation which would be charged to property revaluation reserve and retained earnings but not through profit or loss.

(e) De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

14) Statutory deposit

Statutory deposit represents a fixed deposit with the Central Bank of Nigeria in accordance with section 10(3) of the Insurance Act, 2003. The deposit is recognised at the cost in the statement of financial position being 10% of the statutory minimum capital requirement of N3 billion for General insurance business. Interest income on the deposit is recognised in the income statement in the period the interest is earned.

15) Insurance contracts and Insurance contract liabilities

In accordance with IFRS 4 insurance contracts, the Company has continued to apply the accounting policies it applied in accordance with Nigerian GAAP. These contracts are accident, workmens compensation, motor, marine and aviation and fire insurance.

Insurance contracts protect the Company's customers against the risk of harm from unforeseen events to their properties resulting from their legitimate activities. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost.



Others forms of Insurance contracts include but are not limited to workmens compensation, motor, marine and aviation insurance.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs arising from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company i.e. Claims incurred but not reported (IBNR) which is actuarial valuation. The Company does not discount its liabilities for unpaid claims other than for workmen compensation claims. Liabilities for unpaid claims are estimated using the impute of assessments of provision reported to the Company and analysis for the claims incurred but not reported (IBNR).

Reinsurance contracts held

The Company holds the under-noted reinsurance contracts:

- Treaty Reinsurance Outward is usually between the Company and Reinsurers.
- Facultative Reinsurance Outward is usually between the Company and other insurance companies or between the Company and Reinsurers.
- Facultative reinsurance inwards is usually between the Company and other insurance Companies or between the Company and Reinsurers.

Premiums due to the reinsurers are paid and all claims and recoveries due from reinsurers are received.

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurer (inward reinsurance) are included with insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts held are recognized as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amount associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

The company's Insurance liabilities or balances arising from insurance contracts primarily include those insurance contract liabilities that were valued by the Actuary. These include Unearned premiums reserve and Outstanding claim reserve.

(i) **Unearned premium reserve**

Unearned premium provision is calculated using a time - apportionment basis, in particular, the 365ths method.

(ii) **Outstanding claims reserve**

Individual loss estimates are provided on each claim reported. In addition, provisions are made for adjustment expenses, changes in reported claims and for claims incurred but not reported (IBNR), based on past experience and business in force.

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test carried out by an Actuary.



(iii) Liability adequacy test

At the end of each reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests.

The provisions of the Insurance Act, CAP 117 LFN 2004 require an actuarial valuation for life reserves only however, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act No.6, 2011 gives superiority to the provisions of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act, CAP 117 LFN 2004, it supports the company's prudential concerns.

(iv) Salvage and subrogation reimbursements

Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation). Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognized in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognized in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

16) Trade payables

Trade payables (i.e insurance payables) are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Trade payables include payables to agents and brokers, payables to reinsurance companies, payables to coinsurance companies and commission payable.

The effective interest method is a method of calculating the amortised cost of the financial liabilities and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted. Trade payables are derecognised when the obligation under the liability is settled, cancelled or expired.

17) Provisions and other payables

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.



Provision are measured at the Director's best of estimate of the expenditure required to settle the obligation at the end of the reporting period. The provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method. They comprise of other short-term monetary liabilities such as Audit fees payable, Insurance levy payable, Dividend Tax liability.

18) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

19) Deposit for shares

Deposit for shares is recognised at cost, being the amount of deposit received from potential shareholders of the company. The deposit is derecognised when the company's equity instruments have been issued to the or refund made.

20) Retirement obligations and Employee benefits

The company operates the following contribution and benefit schemes for its employees:

(i) Defined benefit gratuity scheme

The company has a defined benefit gratuity scheme for management and non-management staff. Under this scheme, a specified amount as determined by actuarial valuation is contributed by the company and charged to the income statement over the service life of each employee.

Employees are entitled to gratuity after completing a minimum of five continuous full years of service. The gratuity obligation is calculated annually by Independent Actuaries using the projected unit credit method. The present value of the gratuity obligation is determined by discounting the estimated future cash outflows using market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate is based on market yields on Government bonds). The liability recognised in the statement of financial position in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the date of the statement of the financial position less the fair value of plan assets. Actuarial gains or losses arising from the valuation are credited or charged to income statement (Other comprehensive statement) in the financial year in which they arise.

(ii) Defined contribution pension scheme

The Company operates a defined contributory pension scheme for eligible employees. Company contribute 18% of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2004. The Company pays the contributions to a pension fund administrator. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Short-term benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses and paid in arrears when the associated services are rendered by the employees of the Company.



21) Income Taxes - Company income tax and deferred tax liabilities

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

"The tax currently payable is based on taxable results for the year. Taxable results differs from results as reported in the income statement because it includes not only items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The company's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate."

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

"Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised."

22) Share capital and Share premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity. Incremental costs Directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

23) Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders. Dividends for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

24) Contingency reserves

In compliance with Section 21 (2) of Insurance Act, CAP 117 LFN 2004, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.



25) Revenue reserve

Revenue reserve represents amount set aside out of the profits of the Company which shall at the discretion of the directors be applicable for meeting contingencies, repairs or maintenance of any works connected with the business of the Company, for equalising dividends, for special dividend or bonus, or such other purposes for which the profits of the Company may lawfully be applied.

26) Contingent Assets and Contingent liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or the company has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

Contingent liabilities and contingent assets are never recognized rather they are disclosed in the financial statements when they arise.

27) Premium and Unearned Premium

Premiums written comprise the premium on contracts incepting in the financial year. Premiums written are stated gross of commissions payable to agents and exclusive of taxes levied on premiums. The Company earns premium income evenly over the term of the insurance policy generally using the pro rata method. The portion of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in unearned premium.

28) Reinsurance expenses

Reinsurance costs represent outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

29) Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

30) Claims expenses

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. (See policy for reserve for outstanding claims above) The gross provision for claims represents the estimated liability arising from claims in current and preceding financial years which have not yet given rise to claims paid. The provision includes an allowance for claims management and handling expenses.

The gross provision for claims is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the income statement in the financial period in which adjustments are made, and disclosed separately if material.



31) Acquisition costs and maintenance expenses

Acquisition costs represent commissions payable and other expenses related to the acquisition of insurance contract revenues written during the financial year. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision (See policy for Deferred Acquisition Cost above). Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Maintenance expenses are those incurred in servicing existing policies/contract.

32) Investment income

This includes interest income and dividend income. Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument. Dividend income for available-for-sale equities is recognised when the right to receive payment is established, this is the ex-dividend date for equity securities.

33) Management expenses

Management expenses are expenses other than claims, investment expenses, employee benefits, expenses for marketing and administration and underwriting expenses. They include wages, professional fee, depreciation expenses and other non-operating expenses. Other Operating expenses are accounted for on accrual basis and recognized in the income statement upon utilization of the service or at the date of their origin.

34) Finance income and expenses

Finance income and expense for all interest-bearing financial instruments are recognised within 'finance income' and 'finance costs' in the income statement using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the finance income or finance costs over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms redemption, are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest rate. Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, effective interest is calculated by reference to the payments or receipts specified in the contract, and the full contractual term. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

35) Income tax expenses

Income tax expense comprises current income tax, education tax levy, information technology tax and deferred tax. (See policy on taxation above)



36) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.



Prestige Assurance Plc
Statement of Financial Position, 31 December 2014

(Restated)	2013	2014	Notes	
N'000	N'000	N'000		
				Gross premium written
4,222,338	2,653,695	2,653,695	36	
4,728,913	2,856,366	2,856,366	37	Gross premium income
(2,980,176)	(1,528,306)	(1,528,306)	38	Reinsurance expenses
1,748,737	1,328,060	1,328,060		Net premium income
666,685	322,358	322,358		Fees and commission income
2,415,422	1,650,418	1,650,418		Net underwriting income
(1,146,571)	(1,515,700)	(1,515,700)	39	Claims expenses
(812,981)	(402,983)	(402,983)	40	Acquisition expenses
(383,974)	(425,723)	(425,723)	41	Maintenance expenses
71,896	(693,988)	(693,988)	42	Underwriting (loss)/profit
396,524	358,346	358,346	42	Investment income
115,368	(200,660)	(200,660)	11(a)	Net fair value (loss)/gain on financial assets
-	1,046,542	1,046,542	17	Net fair value gain on investment property
583,788	510,240	510,240		Other operating income
190,990	199,233	199,233	43	
774,778	709,473	709,473		
(617,924)	(496,196)	(496,196)	44	Management expenses
156,854	213,277	213,277		Results from operating activities
(29,370)	(36,522)	(36,522)	45	Finance costs
127,484	176,755	176,755		Profit before taxation
(1,275)	(1,768)	(1,768)	27	Information Technology Development Levy
126,209	174,987	174,987		Taxation
(217,045)	(160,800)	(160,800)	27	
(90,836)	14,187	14,187		Profit/(loss) after taxation
(90,836)	14,187	14,187	32	Retained earnings for the year



Prestige Assurance Plc
Statement of Financial Position, 31 December 2014

(Restated)

Assets	Notes	2014	2013
Cash and cash equivalents	10	3,259,625	2,449,694
Financial assets:			
-Held-for-trading	11(a)	831,281	586,924
-Held-to-maturity	11(b)	256,699	355,998
-Available-for-sale	11(c)	710,023	538,713
Loans and receivables	11(d)	82,868	81,246
Trade receivables	12	1,092	222
Other receivables and prepayments	13	92,115	41,906
Reinsurance assets	14	2,814,046	3,168,227
Deferred acquisition cost	15	71,216	120,121
Investment in finance lease	16	77,110	130,366
Investment property	17	2,100,000	-
Intangible assets	18	5,400	6,300
Property, plant and equipment	19	1,292,471	2,354,776
Statutory deposit	20	300,000	300,000
Total Assets		11,893,946	10,134,493
Liabilities			
Insurance contract liabilities	21	4,173,905	3,877,074
Trade payables	22	532,101	383,526
Provisions and other payables	23	103,793	154,242
Borrowings	24	457,637	529,370
Deposit for shares	25	1,504,989	-
Retirement benefits obligations	26	113,873	116,958
Current income tax liabilities	27	170,090	391,091
Deferred tax liability	28	261,410	268,889
Total Liabilities		7,317,798	5,721,150
Share capital	29	1,254,157	1,254,157
Share premium	30	1,140,092	1,155,540
Statutory contingency reserve	31	1,602,307	1,522,696
Revenue reserve	32	(794,228)	(742,695)
Reserve on actuarial valuation of gratuity	33	(2,303)	(29,058)
Reserve on available-for-sale financial assets	34	385,296	247,986
Property revaluation reserve	35	990,826	1,004,717
Total equity		4,576,147	4,413,343
Total liabilities and equity		11,893,946	10,134,493

Signed on behalf of the Board by:

Mrs. K. O. Kola-Fasanu

Chief Financial Officer

FCR/2013/CAN/0000001184

Dr. Balla Swamy

Managing Director

FCR/2015/CIIN/00000011228

Mr. H.T.M Usman

Director

FCR/2013/ICAN/00000003601



timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted.

The Company claims are short tail and are settled within a short time and the Company's estimation processes reflect with a higher degree of certainty all the factors that influence the amount and timing.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprise a provision for IBNR and a provision for reported claims not yet paid at the balance sheet date. The Company has ensured that liabilities on the balance sheet at year end for existing claims whether reported or not, are adequate.

The Company has in place a series of quota-share and excess of loss covers in each of the last four years to cover for losses on these contracts.

v Financial risk

The Company is exposed to financial risks through its financial assets, financial liabilities and insurance and reinsurance assets and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund obligations arising from insurance contracts.

The most important components of this financial risk are:

- Market risk (which includes currency risk, interest rate risk and equity price risk)
- Credit risk;
- Liquidity risk;
- Capital management; and
- Fair value estimation

These risks arise from open position in interest rate, currency and equity products, all of which are exposed to general and open market movements.

The Company's risk management policies are designed to identify and analyse risks, to set appropriate risk limits and control, and monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems.

The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board recognises the critical importance of having efficient and effective risk management policies and systems in place.

To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management, individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

vi Market risk

Market risk is the risk of adverse financial impact due to changes in fair value of future cashflows of financial instruments from fluctuations in foreign currency exchange rates, interest rates and equity prices.

The Company has established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Company monitors adherence to this market risk policy through the Company's Investment Committee. The Company's Investment Committee is responsible for managing market risk.



The financial impact from market risk is monitored at board level through investment reports which examine impact of changes in market risk in investment returns and asset values. The Company's market risk policy sets out the principles for matching liabilities with appropriate assets, the approaches to be taken when liabilities cannot be matched and the monitoring processes that are required.

vii **Currency risk**

The Company purchases reinsurance contracts internationally, thereby being exposed to foreign currency fluctuations.

The Company's primary exposures are with respect to the US Dollar.

The Company has a number of investments in foreign currencies which are exposed to currency risk. The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

The Company financial assets and financial liabilities by currency is detailed below:

At December 31, 2014	N'000	Equivalent in N'000			Total
		£'000	€'000	\$'000	
Assets:					
Non-current assets	4,664,593	-	-	-	4,664,593
Current assets	3,969,728	-	-	-	3,969,728
Cash and cash equivalents	2,935,706	4,580	78,307	241,032	3,259,625
TOTAL ASSETS	11,570,027	4,580	78,307	241,032	11,893,946
Liabilities:					
Current liabilities	6,484,878	-	-	-	6,484,878
Non-current liabilities	832,920	-	-	-	832,920
TOTAL LIABILITIES	7,317,798	-	-	-	7,317,798

At December 31, 2013	N'000	Equivalent in N'000			Total
		£'000	€'000	\$'000	
Assets:					
Non-currents assets	3,555,787	-	-	-	3,555,787
Current assets	4,129,012	-	-	-	4,129,012
Cash and cash equivalents	1,748,643	82,074	7,705	611,272	2,449,694
TOTAL ASSETS	9,433,442	82,074	7,705	611,272	10,134,493
Liabilities:					
Current liabilities	4,805,933	-	-	-	4,805,933
Non-current liabilities	915,217	-	-	-	915,217
TOTAL LIABILITIES	5,721,150	-	-	-	5,721,150



Prestige Assurance Plc
Statement of Financial Position, 31 December 2014

			(Restated)
	Notes	2014 N'000	2013 N'000
Other comprehensive income:			
Items within OCI that may be reclassified to the Profit or loss:			
Actuarial gain - change in assumption	33	9,305	-
Actuarial loss - experience adjustment	33	17,450	(9,030)
Gain on valuation of Available-for-sale financial assets	34	137,310	90,058
Items within OCI that will not be reclassified to the Profit or loss:			
Gain on revaluation of land and buildings	35	-	534,220
Transfer to revenue reserve	35	(13,891)	-
Total other comprehensive income for the year		150,174	615,248
Total comprehensive income for the year		164,361	524,412
Basic earnings/(loss) per share (Kobo)	47	0.57	(3.62)
Diluted earnings/(loss) per shares (Kobo)	47	0.57	(3.62)



Prestige Assurance Plc

Statement of Changes in Equity for the year ended 31 December 2014

	Issued Share capital N'000	Share premium N'000	Contingency reserve N'000	Equity revaluation reserves N'000	Gratuity valuation reserve N'000	Property Revaluation reserve N'000	General reserve N'000	Total N'000
Balance 1 January, 2014	1,254,157	1,155,540	1,522,696	247,986	(29,058)	1,004,717	(742,695)	4,413,343
Total comprehensive income for the period:								
Profit for the year	-	-	-	-	-	-	14,187	14,187
Transfer to contingency reserve	-	-	79,611	-	-	-	(79,611)	-
Rights issue expenses		(15,448)						(15,448)
Other comprehensive income:								
Changes in Available-for-sale financial assets	-	-	-	137,310	-	-	-	137,310
Changes in valuation of land and building	-	-	-	-	-	(13,891)	13,891	-
Changes in valuation of gratuity	-	-	-	-	26,755	-	-	26,755
Total comprehensive income	-	(15,448)	79,611	137,310	26,755	(13,891)	(51,533)	162,804
Transactions with owners recorded directly in Equity:	-	-	-	-	-	-	-	-
Balance 31 December, 2014	1,254,157	1,140,092	1,602,307	385,296	(2,303)	990,826	(794,228)	4,576,147

Prestige Assurance Plc

Statement of Changes in Equity for the year ended 31 December 2013

	Issued Share capital N'000	Share premium N'000	Contingency reserve N'000	Equity revaluation reserves N'000	Gratuity valuation reserve N'000	Property Revaluation reserve N'000	General reserve N'000	Total N'000
Balance 1 January, 2013	1,254,157	1,155,540	1,396,026	157,928	(20,028)	470,497	(525,190)	3,888,930
Total comprehensive income for the period:								
Profit for the year	-	-	-	-	-	-	(90,836)	(90,836)
Transfer to contingency reserve	-	-	126,670	-	-	-	(126,670)	-
Rights issue expenses		(15,448)						(15,448)
Other comprehensive income:								
Changes in Available-for-sale financial assets	-	-	-	90,058	-	-	-	90,058
Changes in valuation of land and building	-	-	-	-	-	534,220	534,220	-
Changes in valuation of gratuity	-	-	-	-	(9,030)	-	-	(9,030)
Total comprehensive income	-	-	126,670	90,058	(9,030)	534,220	(217,506)	524,412
Transactions with owners recorded directly in Equity:	-	-	-	-	-	-	-	-
Balance 31 December, 2014	1,254,157	1,155,540	1,522,696	247,986	(29,058)	1,004,717	(742,695)	4,413,343



Prestige Assurance Plc
Statement of cash flows for the year ended 31 December, 2014

	Notes	2014 N'000	2013 N'000
Cash flows from operating activities			
Premium received from policy holders		2,652,825	4,917,760
Commission received		322,358	666,685
Operating costs and payments to employees		(2,394,864)	(4,556,721)
Claims paid	39	(1,931,609)	(2,965,599)
Claims recovered from re-insurers	39	1,165,268	1,814,985
Other operating income		57,073	190,990
Company income tax paid	27	(391,047)	(110,496)
Net cash consumed in operating activities	49(a)	(519,996)	(42,396)
Cash flows from investing activities			
Purchase of property, plant & equipment	19	(52,987)	(134,071)
Redemption of held to maturity	11(b)	99,299	70,798
Purchase of held for trading financial assets	11(a)	(541,410)	(70,480)
Available for sales financial assets	11(c)	(34,000)	-
Investment income	42	358,346	389,797
Proceeds on disposal of property, plant & equipment		2,115	57
Proceeds on disposal of leased assets		255	789
Disposal of held for trading financial assets	11(a)	96,393	64,349
Net cash (outflow)/inflow from investing activities		(71,989)	321,239
Cash flows from financing activities			
Share issue expenses	30	(15,448)	-
Deposit for shares	25	1,504,989	-
Borrowings	24	-	500,000
Repayment of loan during the year	24	(87,625)	-
Net cash inflow from financing activities		1,401,916	500,000
Net increase in cash and cash equivalents		809,931	778,843
Cash and cash equivalents at the beginning of the year		2,449,694	1,670,851
Cash and cash equivalents at the end of the year	49(b)	3,259,625	2,449,694



NOTES TO THE FINANCIAL STATEMENTS

1 General Information

Prestige Assurance Plc (The Company) was incorporated under the laws of the Federal Republic of Nigeria and is subject to the Nigerian Insurance Act, CAP I17 LFN 2004. It is licensed to underwrite all Non-Life insurance business in Nigeria. Its head office and registered office is at 19, Ligali Ayorinde Street, Victoria Island, Lagos.

Prestige Assurance Plc is a subsidiary of The New India Assurance Co. Ltd., Mumbai, India, a 96 year old wholly owned by the Government of India undertaking with an asset base of over US\$8 billion and rated 'A' EXCELLENT by A. M. Best of the U.S.A

Prestige Assurance Plc is a Public Liability Company quoted on the Nigerian Stock Exchange. Established in 1952 as a branch office of The New India Assurance Co. Ltd., Mumbai. Converted as New India's 100% subsidiary company in 1970 - The New India Assurance Company (Nig.) Limited. By the Nigerian Enterprises Promotion Act of 1977, The New India's holding was reduced to 40%, and the name changed to 'Prestige Assurance Plc in September, 1992.

The New India Assurance's Shareholding increased to 47.87% in 2004 (with a change in regulation) and increased to 51.01% in March, 2007.

Principal activities

The Company is licensed to write all classes of Non-life Insurance in Nigeria and positioned to give excellent services through its Total Quality Management Practices. The activities include insurance underwriting, claims administration and management of liquidity by investing the surplus in fixed deposit, bond and treasury bills.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are disclosed. These policies have been consistently applied to all the years presented, unless otherwise stated.

3 Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affects the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

I Income taxes

The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.



ii Insurance contracts

The uncertainty inherent in the financial statements of the Company arises principally in respect of the technical provisions. The technical provisions of the Company include Provision for Unearned Premiums and Outstanding claims (including IBNR).

iii Estimates of future claims payments

Outstanding claims provision is determined based upon knowledge of events, terms and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases and historical claims payment trends are also relevant.

The Company employs a variety of techniques and a number of different bases to determine appropriate provisions. These include:

- terms and conditions of the insurance contracts;
- knowledge of events;
- court judgements;
- economic conditions;
- previously settled claims;
- triangulation claim development analysis;
- estimates based upon a projection of claims numbers and average cost; and
- expected loss ratios.

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjuster's recommendations or based on management's experience.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provision and having due regard to collectability.

iv Sensitivity

The reasonableness of the estimation process is tested by an analysis of sensitivity around several different scenarios and the best estimate is used.

v Uncertainties and judgements

The uncertainty arising under insurance contracts may be characterised under a number of specific headings; such as:

- uncertainty as to whether an event has occurred which would give rise to a policy holder suffering an insured loss;
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring;
- uncertainty over the timing of a settlement to a policyholder for a loss suffered.

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks. For certain classes of policy, the maximum value of the settlement of a claim may be specified under the policy terms while for other classes, the cost of a claim will be determined by an actual loss suffered by the policyholder.

There may be some reporting lags between the occurrence of the insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as judicial trends, unreported information etc.

vi Reinsurance

The Company is exposed to disputes on, and defects in, contract wordings and the possibility of default by its reinsurers. The Company monitors the financial strength of its Reinsurers. Allowance is made in the financial statements for non recoverability due to reinsurers default.

vii Held-to-maturity Investments

The Company follows the guidance of International Accounting Standard (IAS) 39. Financial Assets "Recognition and Measurement" on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity financial assets. This classification requires significant 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 specific circumstances explained in IAS 39. It will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

viii Impairment of available-for-sale financial assets

The Company follows the guidance of IAS 39 on determining when a financial asset is other than temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, and the financial health of and near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

ix Impairment of other assets

At each statement of financial position date, management reviews and assesses the carrying amounts of the other assets and where relevant, writes them down to their recoverable amounts based on best estimates.

x Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

xi Limitations of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's views of possible near-term market changes that cannot be predicted with any certainty.



4 **Premium and Reinsurance Receivables**

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as a primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

The Credit Control Committee works closely with the Underwriting and Reinsurance Committees to assess the creditworthiness of all reinsurers and intermediaries by setting and reviewing regularly the credit rating of each reinsurer using internal records and other publicly available financial information.

Individual operating units maintain records of the payment history for significant contract holders with whom they conduct regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on loans and receivables and subsequent write-offs. Internal audit makes regular reviews to assess the degree of compliance with the company's procedures on credit.

Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company's risk department.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

5 **Management of insurance and financial risk**

The Company issues contracts that transfers insurance risk. This section summarises the main risks linked to short-term insurance business and the way they are managed.


i Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is fortuitous and therefore unexpected and unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and indemnity payments exceed the carrying amount of the insurance liabilities.

The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

ii Frequency and severity of claims

The frequency and severity of claims can be affected by several factors the most significant resulting from events like fire and allied perils and their consequences and liability claims. Inflation is another factor that may affect claims payments.

Underwriting measures are in place to enforce appropriate risk selection criteria or not to renew an insurance contract if the perceived level of risk is very high.

The reinsurance arrangements for proportional and non-proportional treaties are such that the Company is adequately protected and would only suffer predetermined amounts.

iii Concentration of insurance risk

The following table discloses the concentration of claims by class of business gross and net of reinsurance.

Outstanding claims

Class of Business	2014			2013		
	No. of claims	Gross N'000	Net N'000	No. of claims	Gross N'000	Net N'000
Accident	224	516,813	107,851	227	365,746	100,984
Fire	260	1,612,215	163,760	236	1,128,928	(125,541)
Workmen's compensation	221	102,655	102,655	141	67,162	67,162
Motor	165	79,528	74,599	224	68,711	68,594
Marine and Aviation	124	1,043,576	497,465	107	995,483	5,444
Engineering	40	42,860	15,322	26	61,883	19,556
Oil and Gas	20	161,869	104,821	15	372,302	181,116
Bonds	-	247	247	-	46	46
	1,054	3,559,763	1,066,720	976	3,060,261	317,361

The Company manages insurance risks through the underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk and class of business.

iv Sources of uncertainty in the estimation of future claim payments

Claims are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and



x Equity price risk

The Company is subject to price risk due to daily changes in the market values of its equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set the capital required for risks associated with type of assets held, investments above a certain concentration limit, policy liabilities risk, catastrophes risks and reinsurance investments as well as

The Investment Committee actively monitors equity assets owned directly by the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Company holds diversified portfolios of local and foreign investments in various sectors of the local and foreign investments in various sectors of the economy.

Sensitivity

The impact on the Company's shareholders' equity, had the equity market values increased/decreased by 10% with other assumptions left unchanged, would have been as follows:

- reinsurers' share of insurance liabilities
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries.

The amounts presented in the balance sheets are net of allowances for estimated irrecoverable amount receivables, based on management's prior experience and the current economic environment.

The Company has no significant concentration of credit risk in respect of its insurance business with exposure spread over a large number of clients, agents and brokers. The Company has policies in place to ensure that sales or services are made to clients, agents and brokers with sound credit history.

xi Reinsurance credit exposures

The Company is however exposed to concentrations of risks with respect to their reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Company is exposed to the possibility of default by their reinsurers in respect of share of insurance liabilities and refunds in respect of claims already paid.

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk.

This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposure for the Company will arise.

Management also monitors the financial strength of reinsurers and there are policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only.

xii Estimates of future claims payments

Outstanding claims provision is determined based upon knowledge of events, terms and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases and historical claims payment trends are also relevant.



VIII Sensitivity

If the Naira had weakened/strengthened against the following currencies with all variables remaining constant, the impact on the results for the year would have been as shown below mainly as a result of foreign exchange gains/losses:

Impact on Results:		At December 31, 2014		At December 31, 2013	
		- Financial assets	- Bank balances and deposits	- Financial assets	- Bank balances and deposits
EURO	+5%	-	229	-	4,104
	-5%	-	(3,915)	-	(385)
GBP	+5%	-	12,052	-	30,564
	-5%	-	(12,052)	-	(30,564)
USD	+5%	-	3,915	-	385
	-5%	-	(3,915)	-	(385)

ix Interest rate risk

Interest rate risk arises from the Company's investments in long term debt securities and fixed income securities (Held to-Maturity financial assets), bank balances and deposits which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short term business is monitored by the Investment Committee through a close matching of assets and liabilities. The impact of exposure to sustained low interest rates is also regularly monitored.

Sensitivity

The impact on the Company's results, had interest rates varied by plus or minus 1% would have been as follows:

Impact on results		At 31 December 2014		At December 31, 2013	
		- Held-to-maturity financial assets	- Loans and receivables	- Held-to-maturity financial assets	- Loans and receivables
At 31 December 2014	+1%	259,266	83,697	359,558	82,058
	-1%	254,132	82,039	352,438	80,434
At December 31, 2013	+1%	3,292,221	3,227,029	2,474,191	2,425,197
	-1%	3,227,029	3,227,029	2,425,197	2,425,197



The Company employs a variety of techniques and a number of different bases to determine appropriate provisions. These include:

- terms and conditions of the insurance contracts;
 - knowledge of events;
 - court judgements;
 - economic conditions;
 - previously settled claims;
 - triangulation claim development analysis;
 - estimates based upon a projection of claims numbers and average cost; and
 - expected loss ratios.
- Actuarial valuation

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjuster's recommendations or based on management's experience.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provision and having due regard to collectability.

xiii Sensitivity

The reasonableness of the estimation process is tested by an analysis of sensitivity around several different scenarios and the best estimate is used.

xiv Uncertainties and judgements

The uncertainty arising under insurance contracts may be characterised under a number of specific headings, such as:

- uncertainty as to whether an event has occurred which would give rise to a policy holder suffering an insured loss;
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring;
- uncertainty over the timing of a settlement to a policyholder for a loss suffered.

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks. For certain classes of policy, the maximum value of the settlement of a claim may be specified under the policy terms while for other classes, the cost of a claim will be determined by an actual loss suffered by the policyholder.

There may be some reporting lags between the occurrence of the insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as judicial trends, unreported information etc.

xv Reinsurance

The Company is exposed to disputes on, and defects in, contract wordings and the possibility of default by its reinsurers. The Company monitors the financial strength of its Reinsurers. Allowance is made in the financial statements for non recoverability due to reinsurers default.


6. Financial assets and liabilities
Categorisation of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

(a) Financial assets	Held for Trading (carried at fair value)	Available for sale (fair value)	Held to maturity (carried at amortised cost)	Loans and receivables (carried at amortised cost)	Total
31 December 2014	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	-	-	-	3,259,625	3,259,625
Quoted investments	831,281	-	-	-	831,281
Unquoted investments	-	710,023	-	-	710,023
Bonds	-	-	256,699	-	256,699
Staff loans	-	-	-	82,868	82,868
Trade receivables	-	-	-	1,092	1,092
Other receivables and prepayments	-	-	-	92,115	92,115
	831,281	710,023	256,699	3,435,700	5,233,703

Financial liabilities	Derivatives used for hedging (fair value)	Designated at FVTPL	Other liabilities (carried at FVTPL)	Other liabilities (carried at amortised cost)	Total
31 December 2014	N'000	N'000	N'000	N'000	N'000
Trade payables	-	-	-	532,101	532,101
Provision and other payables	-	-	-	103,793	103,793
Borrowings	-	-	-	457,637	457,637
Deposit for shares	-	-	-	1,504,989	1,504,989
	-	-	-	2,598,520	2,598,520

(b) Financial assets	Held for trading (FVTPL)	Held to maturity (carried at amortised cost)	Available for sale (fair value)	Loans and receivables (carried at amortised cost)	Total
31 December 2013	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	-	-	-	2,449,694	2,449,694
Quoted investments	586,924	-	-	-	586,924
Unquoted investments	-	538,713	-	-	538,713
Bonds	-	-	355,998	-	355,998
Staff loans	-	-	-	81,246	81,246
Trade receivables	-	-	-	222	222
Other receivables and prepayments	-	-	-	41,906	41,906
	586,924	538,713	355,998	2,573,068	4,054,703



Financial liabilities	Derivatives used for hedging(fair value)	Designated at FVTPL)	Other liabilities (carried at FVTPL)	Other liabilities (carried at amortised cost)	Total
31 December 2013	N'000	N'000	N'000	N'000	N'000
Trade payables	-	-	-	383,526	383,526
Provision and other payables	-	-	-	154,242	154,242
Borrowings	529,370	529,370	-	-	-
	-	-	-	1,067,138	1,067,138

The Held-for-trading financial assets are denominated in Naira and are publicly traded in Nigeria

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of 'significant inputs used in fair value measurement, as follows:

- level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (ie derived from prices)
- level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The hierarchy of the fair value measurement of the Company's financial assets and financial liabilities are as follows:

31 December 2014	Level 1	Level 2	Level 3	Total
Assets	N'000	N'000	N'000	N'000
Held-for-trading financial assets	831,281	-	-	831,281
Available-for-sale financial assets	-	-	710,023	710,023
Total	831,281	-	710,023	1,541,304

31 December 2013	Level 1	Level 2	Level 3	Total
Assets	N'000	N'000	N'000	N'000
Held for trading financial assets	586,924	-	-	586,924
Available-for-sale financial assets	-	-	538,713	538,713
Total	586,924	-	538,713	1,125,637

For held for trading financial assets, fair values have been determined by reference to their quoted bid prices at the reporting dates.



8 ENTERPRISE RISK MANAGEMENT

Introduction and Overview

"Prestige Assurance is committed to the management of various enterprise risks that could hinder the achievement of its strategic objectives. In doing this, the company follows its internal control and enterprise risk management policies which was developed according to the provisions of the Committee of Sponsoring Organizations of Treadway Commission (COSO) and approved by the National Insurance Commission, NAICOM. While this framework does not provide answers to all the questions and the challenges experienced in the market in the past year, its engagement has strengthened our organization's resilience to major risk exposures. Our risk philosophy and objectives are clearly defined and has been integrated into our decision making process. Some of the components of our enterprise risk management system are:"

Governance System: The overall responsibility for the management of our enterprise risks resides with the Board through its Enterprise Risk Management (ERM) Committee. This committee works closely with the Chief Risk Officer/ERM Steering Committee to ensure significant risks are not only identified but escalated to the Management and Board. The functional Managers are saddled with the responsibility to carry out regular assessment of existing, newly identified and emerging risk applicable to the functional operations

Risk Identification & Assessment: Risks associated with Company's operations that may affect its strategic objectives and annual performance are regularly identified and evaluated by management. This process involves a dynamic and interactive procedure where the staff, functional managers, chief risk officer and management staff attempt to identify significant risk situations, assess risk exposures from them and suggest controls to combat them. In the course of the year the company encountered some significant risks:

Significant Risks	Impact on Operations
Reputation Risks	Brand Image of the company
Financial Risks	Paid higher values on claims due to Naira devaluation.
Legal Risks	Increased management cost.
Operational Risks	Communication gaps amongst departments, difficulty in decision making due to non-availability of reports in software, delayed customer services in connection with claims.

Risk Control & Mitigation: Risk control activities are engaged at different levels and by different functional units. Its major focus is to reduce the impact of losses from identified risk categories and emerging significant risks. Some of our existing risk categories and control measures are:

Risk Categories	Control Measures
Insurance Risks	Finalization of underwriting policies and acceptance of risk defined to the Underwriting department and branches.
Financial Risks	Interest rate gap analysis, reports, priority focus, measurement testing
Operational Risks	Training to employees, Employees role clarity and target is finalized for each department.
Strategic Risks	Instituted Risk Strategy Committee
Hazard Risks	Risks and Control Assessment, Monitoring and Control Measures
Reputational Risks	Due diligence, Trend in Customer Complaints and customer feedback mechanism.

Internal & External Communication: in line with the company's philosophy of open communication, management provides relevant information to staff, Board, shareholders and industry regulators. This



enhances the achievement of our corporate objectives in various ways. We do this by sharing regular information with staff, provision of standard operating systems and standard level agreement for effective internal operations. We also provide quarterly report to the Board, Securities and Exchange Commission, Nigerian Stock Exchange and the National Insurance Commission on all aspects of the company's operations.

Risk Monitoring: management ensures an ongoing monitoring of the operations of the company through the activities of internal audit and control and the risk management department of the company. Adherences to existing policies are checked, control activities are evaluated and deficiencies are identified and corrected.

Enterprise-wide Risk Management Principles

Here in prestige, we try as much as possible to balance our portfolio while maximizing our value to stakeholders through an approach that mitigate the inherent risk.

To ensure effective and economic use of resources, we operate strictly by the following principles

- The company will not take any action that will compromise its integrity
- The company will at all times comply with all government regulations and uphold best international practice.
- The company will build an enduring risk culture, which shall prevade the entire organisation
- The company will at all time hold a balanced portfolio and adhere to guidelines on investment issued by the regulator and Finance and General Purpose Committee of the company.
- The company will ensure that there is adequate reinsurance in place for the business above its limit and also prompt payment of such premiums.

Approach to Risk Management

In Prestige Assurance, there are levels of authority put in place for the oversight function and management of risk to create and promote a culture that mitigate the negative impact of risks facing the company.

The Board

The Board sets the organisation's objectives, risk appetite and approves the strategy for managing risk. There are various committee nominated to serve of whom their various functions are geared towards minimising likelihood impacts of risks faced by the company.

The Audit Committee:

This is one of the most powerful arms of the Board which is saddled with the following functions:

- Perform oversight function on accounting and financial reporting
- Liase with the external auditor
- Ensure regulatory compliance
- Monitoring the effectiveness of internal control processes within the company.

Board Risk Committee

This is more of a technical committee that oversee the business process. Their functions include;

- Reviewing of company's risk appetite
- Oversee management's process for the identification of significant risk across the company and the adequacy of prevention detection and reporting mechanisms.
- Review underwriting risks especially above limit for adequacy of reinsurance and company's participation.
- Review and recommend for approval of the Board risk management procedures and controls for new products and services

Board Investment Committee

- Set the investments limit and the type of business the company should invest in

- Reviews and approves the above company's investment policy
- Approves investments over and above managements' approval limit
- Ensures that there is optimal asset location in order to meet the targeted goals of the company.

The second level is the management of the company. This comprises of Managing Director and the management staff of the company.

They are responsible for strategy implementation of the Enterprise Risk Management policies and guidelines set both by the regulator, government and the board for risk mitigation. This is achieved through the business unit they supervised. The last level is that of independent assurance. This comprises the internal audit function that provides independent and objective assurance of the effectiveness of the company's systems of internal control established by the first and second lines of defence in management of enterprise risks across the organisation.

Risk Categorisation

As a business entity and an underwriter, Prestige Assurance Plc is exposed to an array of risk through its operations. The company has identified and categorised its exposure to these broad risks as listed below.

- Financial risk
- Business risk
- Operational risk
- Hazard risk
- Underwriting risk
- Financial Risk
- Financial risk comprises of market, liquidity and credit risk.

Market risks are sub-divided into interest-rate risk, exchange risk, property price risk and equity risk. Liquidity risk includes liquidation value risk, affiliated investment risk and capital funding risk. Credit risk includes default risk, downgrade or mitigation risk, indirect credit or spread risk and concentration risk.

Business Risk

Business risk relates to the potential erosion of our market position. This includes customer risk, innovation risk and brand reputation risk.

Operational Risk

This is the risk of loss resulting from inadequacy or failure of internal processing arising from people, systems and or from external events.

Hazard Risk

These are risk which are rare in occurrence but likely impact may be major on the company. Examples of these are natural disaster, terrorism, health and environmental risk, employee injury and illness, property damage and third-party liability.

Insurance/underwriting Risk

Our activities involve various range of risk arising from the business itself. This manifest from underwriting, re-insurance, claims management, reserve development risk, premium default, product design and pricing risk. Our company has a pragmatic approach in identifying, assessing and mitigating risk of such approaches as stated above.



9. Capital Management

The main objectives of the Company when managing capital are:

- to ensure that the Minimum Capital Requirement of N3 billion as required by the Insurance Act CAP I17, LFN 2004, is maintained at all times.

This is a risk based capital method of measuring the minimum amount appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The calculation is based on applying capital factors to amongst others, the Company's assets, outstanding claims, unearned premium reserve and assets above a certain concentration limit.

- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.

The Insurance Act CAP I17, LFN 2004 specifies the amount of capital that must be held in proportion to the Company's liabilities, i.e in respect of outstanding claims liability risk, unearned premium liability risk, investment risk, catastrophe risk and reinsurance ceded.

The Company is also subject to a solvency requirement under the Insurance Act CAP I17, LFN 2004 and is required to maintain its solvency at the minimum capital required at all times. Solvency margin is the excess of admissible assets in Nigeria over admissible liabilities in Nigeria and shall not be less than the minimum paid-up capital or 15% of the gross premium income less reinsurance premiums paid out during the year, whichever is higher in accordance with section 24 of Insurance Act CAP I17 LFN, 2004.

The Company's capital requirement ratio and Solvency margin exceed the requirement of the Insurance Act CAP I17, LFN 2004.

Capital Adequacy Test

Based on the capital adequacy calculation below, Prestige Assurance Plc has a surplus of N1.3 billion.

	2014	
	N'000	N'000
Shareholders' fund as per Statement of Financial Position		4,576,147
Less:		
Intangible Assets	(5,400)	
Deferred tax liability	(261,410)	
Due from related parties	-	
		(266,810)
Capital base		<u>4,309,337</u>

Management uses regulatory capital ratios to monitor its capital base. Based on the capital base computed above, the Company capital base is above the minimum capital requirement of N3 billion specified by NAICOM.



	2014 N'000	2013 N'000
DETERMINATION OF SOLVENCY MARGIN		
Cash and cash equivalents	3,211,546	2,381,823
Financial assets		
-Held-for-trading	831,281	586,924
-Held-to-maturity	256,699	355,998
-Available-for-sale	710,023	374,379
Reinsurance assets	2,814,046	3,168,227
Deferred acquisition costs	71,216	120,121
Trade receivables	1,092	-
Other receivables and prepayments	-	41,906
Staff loans	82,868	81,246
Investment in finance lease	77,110	130,366
Investment in Properties	2,100,000	-
Property, plant and equipment	1,292,471	1,000,000
Statutory deposit	300,000	300,000
Admissable assets	11,748,352	8,540,990
LIABILITIES		
Insurance contract liabilities	4,173,905	3,877,074
Trade payables	532,101	-
Provisions and other payables	103,793	154,242
Borrowings	457,637	529,370
Deposit for shares	1,504,989	-
Retirement benefits obligations	113,873	116,958
Current income tax liabilities	170,090	391,091
Admissible liabilities	7,056,388	5,068,735
Solvency margin	4,691,964	3,472,255
Minimum share capital	3,000,000	3,000,000
Surplus in solvency margin	1,691,964	472,255

The Company's capital requirement ratio and Solvency margin is above the requirements of the Insurance Act CAP 117, LFN 2004.



10 Cash and cash equivalents	2014 N'000	2013 N'000
Balances with local banks	410,661	760,275
Balances with foreign banks	48,079	67,871
Deposits and placements with local banks	1,560,885	94,926
Bankers acceptances	1,150,000	1,036,622
Treasury bills	90,000	490,000
	3,259,625	2,449,694
Current	3,259,625	2,449,694
Non-current	-	-

Deposits with banks earn interest at floating rates based on daily bank deposit rates. Cash and deposits are available for use in the company's day-to-day operations.

11 Financial assets	N'000	N'000
Held for trading (Note 11(a))	831,281	586,924
Held-to-maturity (Note 11(b))	256,699	355,998
Available-for-sale (Note 11(c))	710,023	538,713
Loans and receivables (Note 11(d))	82,868	81,246
	1,880,871	1,562,881
Current	874,423	626,999
Non-current	1,006,448	935,882
	1,880,871	1,562,881

a) The following table presents a reconciliation of the

Held-for-trading financial assets	N'000	N'000
Balance, beginning of the year	586,924	458,698
Net fair value (loss)/gain	(200,660)	115,368
Additions during the year	541,410	70,480
Disposals during the year	(96,393)	(57,622)
Balance, end of the year	831,281	586,924

a(i) Analysis of the fair value of the Company's investments in listed entities is shown below:

	N'000	N'000
Unipetrol Nigeria Plc	-	2,329
Zenith Bank Plc	79,380	56,376
Berger Paint Nigeria Plc	-	34
Mobil Oil Nigeria	15,800	35,580
OANDO	21,194	-
Total Plc	9,897	-
Nigeria Breweries Plc	99,180	67,160
Guinness Nigeria Plc	58,853	42,480
Unilever Nigeria Plc	24,165	18,479
Glaxo Smithkline Nigeria	41	55
Jos International Breweries Plc	665	1,725
International Breweries Plc	11,685	-
Flour Mills Of Nigeria Plc	6,664	3,480
First Bank Nigeria Limited	44,383	26,889



	2014 N'000	2013 N'000
First City Monument Bank	399	-
Nestle Nigeria Plc	24,260	30,000
Cadbury Nigria Plc	24,000	-
United African Company Of Nigeria Plc	37,185	53,600
Dunlop Nigeria Plc	1,116	1,116
United Bank For Africa	11,869	9,705
Tripple Gee & Company Plc	410	456
May & Baker Nigeria Plc	397	617
Cornerstone Insurance Limited	5,143	5,143
Wema Bank Plc	36	46
Nigerian Wire And Cable Plc	5	5
Union Bank Plc	436	1,419
Guaranty Trust Bank Plc	36,861	35,501
Access Bank Plc	25,082	36,483
Uacn Properties	7,422	11,875
CCNN	13,507	-
ETI	9,290	30
Diamond Bank Plc	12,641	10,406
Aiico Insurance Plc	668	692
Continental Re Insurance Plc	6,630	7,995
Union Homes Savings & Loans Plc	625	625
C & I Leasing	250	250
Stanbic Ibtc	30,915	27,191
Skye Bank Plc	10,727	15,544
Transcorp	16,250	13,058
Custodian And Allied Insurance	5,249	3,016
Standard Alliance	500	500
Daar Communication	500	500
Dangote Sugar Plc	25,400	24,035
Dangote Cement Plc	80,000	-
Wapco Plc	27,227	-
Julius Berger Nigeria Plc	10,002	7,229
Presco Plc	2,450	3,364
Nascon Plc	6,842	4,497
Okomu Oil Palm Company Plc	2,617	4,543
Pz Cussons Nigeria Plc	11,900	19,136
Wapic Insurance Plc	519	876
Sterling Bank Plc	2,400	2,500
Uba Capital Plc	2,165	274
Africa Prudential Registrars Plc	5,479	110
	831,281	586,924

Held for trading financial assets represent the Company's Investments in listed securities on the Nigerian Stock Exchange. The Investment is carried at fair value based on the current bid price on the Nigerian Stock Exchange. The following table presents a reconciliation of the Held-to-maturity financial assets

	N'000	N'000
Balance, beginning of the year	355,998	426,796
Additions during the year	-	-
	355,998	426,796
Redemption during the year	(99,299)	(70,798)
Balance at the end of the year	256,699	355,998



Held to maturity financial assets represent the Company's investment in bonds issued by Chellarams Plc and Dana Group. The Company has positive intent and ability to hold the financial assets to maturity and the financial assets are carried at amortised cost.

	2014 N'000	2013 N'000
The following table presents a reconciliation of the		
Available -for-sale financial assets		
Balance at the beginning of the year	538,713	448,655
Additions during the year	34,000	-
	572,713	448,655
Net fair value of available for sale financial assets (note c(i))	137,310	90,058
	710,023	538,713

Available-for-sale financial assets represent the Company's investments in unlisted securities in other corporate entities. The investment is carried at fair value based on the net asset value of the Company's investments in the entities.

During the year, the company invested 40% in Energy and Allied Insurance Pool of Nigeria (EAIPN), the investment was coordinated by Nigerian Insurers Association.

	N'000	N'000
The movement in net fair value of		
Available -for-sale financial assets is as follows:		
Fair value gain	137,439	103,588
fair value (loss)	(129)	(13,530)
Net fair value at the end of the year	137,310	90,058

There were no impairment provisions required on held-for-trading financial assets as at 31 December 2014 (2013: Nil). The fair value of Held-for-trading financial assets is based on published market prices, by the Nigerian Stock Exchange. The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets classified as available for sale.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, loans and receivables consist of staff loans as presented below:

	N'000	N'000
Staff loans	82,868	81,246
Current	43,142	40,075
Non-current	39,726	41,171
Trade receivables	N'000	N'000
Amount due from Insurance Brokers	1,092	108,124
Amount due from direct Insured.	-	53,490
	1,092	161,614
Write off of trade receivables	-	(161,392)
	1,092	222
Current	1,092	222
Non-current	-	-
Detail of net trade receivables		
Amount due from Insurance Brokers	1,092	222
Amount due from foreign Insurance Companies	-	-
Amount due from direct Insured.	-	-
	1,092	222
The age analysis of amounts due on trade receivables is	N'000	N'000
Under 90 days	1,092	222
91 - 180 days	-	-
Above 180 days	-	-
	1,092	222



	2014 N'000	2013 N'000
iii) The following trade receivables were received subsequent to the year end:		
Insurance Brokers/Agents	1,092	222
Co-insurance Companies	-	-
Direct insured	-	-
	<u>1,092</u>	<u>222</u>
iv) Summary of confirmed and collected trade receivables subsequent to the year end:	N'000	N'000
Trade receivables collected subsequent to the year end	1,092	222
Trade receivables confirmed subsequent to the year end	-	-
	<u>1,092</u>	<u>222</u>
13 Other receivables and prepayments	N'000	Restated N'000
Prepayments	13,103	15,715
Other receivables	89,641	36,820
Balance at the end of the year	<u>102,744</u>	<u>52,535</u>
Provision on impairment on Staff cooperative loan (Note 13(i))	(10,629)	(10,629)
	<u>92,115</u>	<u>41,906</u>
Current	92,115	41,906
Non-current	-	-
(i) Movement in impairment loss	N'000	N'000
Balance at the beginning of the year	10,629	-
Impairment loss during the year	-	10,629
Balance at the end of the year	<u>10,629</u>	<u>10,629</u>
At 31 December 2014, other receivables of N10,629,000 representing amount advanced to the Company's staff cooperative for purchase of land (2013: N10,629,000) were impaired. Impairment loss of the same amount had been recorded accordingly in profit or loss. Other receivables with significant degree of uncertainty of recovery were also assessed for impairment.		
(ii) Included in other receivables is an amount of N44.13 million due from a former director of the Company.		
14 Reinsurance assets	N'000	N'000
Outstanding claims recoverable (Note 14a)	2,451,975	2,724,204
Prepaid reinsurance	362,071	444,023
Balance, end of the year	<u>2,814,046</u>	<u>3,168,227</u>
Current	2,814,046	3,168,227
Non-current	-	-
(a) Outstanding claims recoverable:		
Balance at beginning	2,742,899	2,952,086
Decrease during the year (Note 39)	(249,857)	(209,187)
Balance at end of the year	<u>2,493,042</u>	<u>2,742,899</u>
Impairment loss (Note 14a(i))	(41,067)	(18,695)
	<u>2,451,975</u>	<u>2,724,204</u>
Current	2,451,975	2,724,204
Non-current	-	-

At 31 December 2014, reinsurance assets of N41,067,000 representing recovery expected from Universal Insurance Plc (N22,372,000) and Standard Alliance Insurance Plc (N18,695,000) (2013: 18,695,000) were impaired, and an impairment loss of the same amount has been recorded accordingly in profit or loss. Reinsurance assets is considered impaired when there is objective evidence that the cedant may not receive all amounts due under the terms of the contract due to reinsurers default.



	2014 N'000	2013 N'000
(i) Movement in Impairment loss		
Balance at the beginning of the year	18,695	-
Allowance for impairment during the year	22,372	18,695
Balance at the end of the year	41,067	18,695

15 **Deferred acquisition cost**

Deferred acquisition costs represent commissions on unearned premium relating to the unexpired risk. The movement in the deferred acquisition costs during the year is shown below:

	N'000	N'000
Balance at the beginning of the year	120,121	188,783
Decrease during the year	(48,905)	(68,662)
Balance at the end of the year (Note 40)	71,216	120,121

Current	71,216	120,121
Non-current	-	-

16 **Investment in finance leases**

	N'000	N'000
Gross investment in finance leases	130,366	199,305
Repayment during the year	(53,256)	(68,939)

	77,110	130,366
Current	77,110	130,366
Non-current	-	-

17 **Investment property**

Investment property is property held to earn rental income or for capital appreciation or both. Investment property, including interest in leasehold is initially recognised at cost. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuations carried out by external registered valuers. Gains or losses arising from changes in the fair value are included in determining the statement of comprehensive income for the year to which they relate.

	N'000	N'000
Balance at the beginning of the year	-	-
Transferred from Property, plant and Equipment (Note 19)	1,053,459	-
Fair value gain	1,046,541	-
Balance at the end of the year	2,100,000	-

The investment properties of N2,100,000,000 were valued during the year on 18th December 2014 at opening market price by an independent professionally qualified valuer who has recent experience in the location and categories of the investment being valued. For the purpose of this report, the valuer engaged was Messrs J.C. Obasi & Co. FRC/2013/NIESV/00000002148 (Estate Surveyors and Valuers).

18 **Intangible Assets**

Cost:	N'000	N'000
Balance at beginning of the year	9,000	9,000
Balance at end of the year	9,000	9,000

Amortisation:

Balance at beginning of the year	2,700	1,800
Charge during the year	900	900
Balance at end of the year	3,600	2,700

Carrying amounts	5,400	6,300
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Intangible assets relate to purchased computer software used by the Company.



	Plant & Machinery N'000	Leasehold land & building N'000	Building under construction N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Assets on lease N'000	Total N'000
19 Property, plant and equipment								
Cost/valuation								
At 1 January, 2013	24,058	671,246	960,111	41,741	76,219	90,059	858,141	2,721,575
Additions	119	-	93,348	3,217	3,827	33,560	-	134,071
Transfer to property revaluation reserve (note 35)	-	(671,246)	-	-	-	-	-	(671,246)
Revaluation (note 35)	-	1,240,000	-	-	-	-	-	1,240,000
Disposals	-	-	-	-	-	(3,798)	(74,255)	(78,053)
At 31 December, 2013	24,177	1,240,000	1,053,459	44,958	80,046	119,821	783,886	3,346,347
At 1 January, 2014	24,177	1,240,000	1,053,459	44,958	80,046	119,821	783,886	3,346,347
Additions	9,000	-	-	4,351	4,991	34,645	-	52,987
Transfer to investment property	-	(1,053,459)	-	-	-	-	(1,053,459)	-
Disposals	-	-	-	(934)	-	(10,695)	(25,454)	(37,083)
At 31 December, 2014	33,177	1,240,000	-	48,375	85,037	143,771	758,432	2,308,792
Accumulated depreciation								
At 1 January, 2013	17,310	11,399	-	27,439	73,913	82,009	793,164	1,005,234
Charge for the year	1,886	13,425	-	2,870	5,924	13,835	51,274	89,214
Transfer to property revaluation reserve (Note 35)	-	(24,824)	-	-	-	-	-	(24,824)
On disposals	-	-	-	-	-	(3,798)	(74,255)	(78,053)
At 31 December, 2013	19,196	-	-	30,309	79,837	92,046	770,183	991,571
At 1 January, 2014	19,196	-	-	30,309	79,837	92,046	770,183	991,571
Charge for the year	2,955	16,800	-	3,305	4,798	20,272	13,703	61,833
Transfer to property	-	-	-	-	-	-	-	-
On disposals	-	-	-	(934)	-	(10,695)	(25,454)	(37,083)
At 31 December, 2014	22,151	16,800	-	32,680	84,635	101,623	758,432	1,016,321
Net book values at:								
31 December, 2014	11,026	1,223,200	-	15,695	402	42,148	-	1,292,471
31 December, 2013	4,981	1,240,000	1,053,459	14,649	209	27,775	13,703	2,354,776

Land and building were professionally valued by Messrs J.C. Obasi & Co. FRC/2013/NIESV/00000002148 (Estate Surveyors and Valuers) as at 30th December, 2013 on the basis of their open market values. The revised value of the properties was N1,240,000,000 resulting in a surplus on revaluation of N593,578,000 which has been credited to the property, plant and equipment revaluation account.

The re-valued property is the company's Head Office building located at 19, Ligali Ayorinde Street, Victoria Island Lagos and the company's property located in flat c, Niger Towers, 51/55 Glover Road, Ikoyi Lagos.

The head office building was constructed at a cost of N94,130,000 and the property in nature is a freehold property. In 2009, the property was re-valued to N600,000,000 and a further revaluation on the property was carried out on 31 December 2013 in an open market by reference to the investment method of valuation and used the market comparison method as a check.

The company's property located at flat c, Niger Towers, 51/55 Glover Road Ikoyi Lagos was acquired under a lease agreement with UACN Property Development Company in 2005. the lease period is 42 years and Prestige Assurance Plc is allowed to sub-lease it for another term after expiration of the current term. The cost of this building at the date of revaluation was N71,246,000 and has been valued in an open market as at 31 December 2013.

The total cost of N671,246,000 and the accumulated depreciation N24,824,000 of the revalued properties as at 31 December, 2013 have been transferred to revaluation account and were used to determine the surplus on the revaluation of the property.



20 **Statutory deposit**

	2014 N'000	2013 N'000
Balance at the beginning and end of year	300,000	300,000

This represents amount deposited with the Central Bank of Nigeria at the financial year end in accordance with the provisions of section 9(l) and 10(3) of the Insurance Act, CAP I17, LFN 2004.

21 **Insurance contract liabilities**

	N'000	N'000
Outstanding claims reserve(Note 21(a))	3,559,763	3,060,261
Unearned Premium reserve (Note 21(d))	614,142	816,813
	4,173,905	3,877,074
Current	4,173,905	3,877,074
Non-current	-	-

(a) **Outstanding claims reserve**

	N'000	N'000
Accident	453,724	331,284
Fire	1,332,769	644,792
Workmen's compensation	89,825	49,104
Motor	62,980	51,916
Marine and Aviation	1,014,195	880,294
Engineering	27,464	52,330
Oil and Gas	67,800	360,649
	3,048,757	2,370,369
IBNR	511,006	689,892
Total	3,559,763	3,060,261

	N'000	N'00
(b) Outstanding claims reserve at the beginning	3,273,491	3,060,261
Increase/(Decrease) in provision during the year (Note 39)	499,502	(213,230)
Outstanding claims reserve at the end	3,559,763	3,060,261

(c) The age analysis of outstanding claims was as follows:

	N'000	N'000
i 0 - 90 days	1,073,245	1,174,297
91 - 180 days	139,950	290,746
181 - 270 days	211,722	162,147
271 - 360 days	378,791	299,222
361 days and above	1,756,055	1,133,849
	3,559,763	3,060,261

ii **Claims paid triangulations as at 31 December 2014** In addition to scenario testing, the development of insurance liabilities provides a measure of the company's ability to estimate the ultimate value of claims. The table explained how claims outstanding has changed at each successive year end and the table reconciles the cumulative claims to the amount appearing in the statement of financial position.


Fire

Accident Period	Development								
	0	1	2	3	4	5	6	7	8
2005	-	68741444	69,560,639	75,947,680	75,947,680	75,947,680	75,947,680	75,947,680	75,947,680
2006	93,298,025	114677342	125,388,796	127,553,909	127,553,909	127,553,909	127,553,909	127,553,909	127,553,909
2007	15,881,054	329994514.4	388,444,917	401,287,674	412,323,550	412,323,550	412,323,550	412,323,550	
2008	194,210,614	431070851.7	456,082,942	527,681,310	527,752,889	527,752,889	527,752,889		
2009	248,103,542	674224103.7	823,582,646	832,854,119	842,218,696	842,951,946			
2010	102,168,965	407769613.5	470,275,963	503,774,503	504,350,936				
2011	102,831,999	1310753642	1,647,309,996	1,667,518,318					
2012	324,688,965	1311559470	1,514,957,249						
2013	203,954,691	762,621,601							
2014	90,392,046								

General Accident

Accident Period	Development								
	0	1	2	3	4	5	6	7	8
2005	-	35729040	42,214,130	42,214,130	42,214,130	42,257,780	42,257,780	42,257,780	42,257,780
2006	17,466,651	36178031.11	44,386,189	44,570,703	45,665,298	57,037,099	57,037,099	57,037,099	57,037,099
2007	46,041,611	115224104.3	123,744,886	124,743,256	124,750,456	124,759,593	124,759,593	124,759,593	
2008	20,573,453	59705884.63	60,635,660	73,932,233	74,242,145	74,696,183	74,728,898		
2009	23,810,787	106713740.3	126,497,126	145,912,785	147,001,222	150,620,257			
2010	60,245,570	84558162.8	110,613,964	121,418,039	129,587,406				
2011	4,429,640	489986099	627,667,395	631,282,676					
2012	166,562,144	286962102.2	306,511,448						
2013	145,036,014	210,468,134							
2014	18,098,143								

Motor

Accident Period	Development								
	0	1	2	3	4	5	6	7	8
2005	-	8454997	8,976,549	8,976,549	8,976,549	8,976,549	8,976,549	8,976,549	8,976,549
2006	21,536,496	42518157.35	42,613,237	42,613,237	42,613,237	42,613,237	42,613,237	42,613,237	42,613,237
2007	29,463,763	60740093.93	67,194,401	68,684,401	72,079,801	72,079,801	72,079,801	72,079,801	
2008	49,888,878	92967730.04	94,947,941	96,822,657	96,838,857	96,838,857	102,942,310		
2009	34,259,623	64748542.35	73,148,369	74,989,849	74,989,849	74,989,849			
2010	25,070,479	69855835.54	75,155,625	75,235,625	75,235,625				
2011	35,873,793	63749145.83	64,232,146	64,993,546					
2012	45,649,003	90300035.34	102,911,292						
2013	30,394,322	97,396,110							
2014	34,670,486								

Marine

Accident Period	Development								
	0	1	2	3	4	5	6	7	8
2005	-	54357020	54,711,170	54,711,170	54,711,170	54,711,170	54,711,170	54,711,170	54,711,170



	2014	Restated 2013
	N'000	N'000
(d) Unearned premium reserve		
Accident	92,392	119,181
Fire	267,518	363,219
Workmen's compensation	7,376	9,353
Motor	95,794	107,601
Marine and Aviation	63,584	117,715
Engineering	28,964	21,907
Oil and Gas	58,514	77,837
	<u>614,142</u>	<u>816,813</u>
	N'000	N'000
(e) Unearned premium reserve at beginning	816,813	1,323,388
Decrease in provision during the year	(202,671)	(506,575)
	<u>614,142</u>	<u>816,813</u>
22 Trade payables	N'000	N'000
Due to agents	6,517	4,026
Due to brokers	95,655	73,360
Due to direct insured	138,799	121,100
Due to reinsurers	54,651	64,027
Due to insurance companies	140,420	73,920
Unexpired commission received	96,059	47,093
	<u>532,101</u>	<u>383,526</u>
Current	532,101	383,526
Non-current	-	-
23 Provisions and other payables	N'000	N'000
Professional fees	15,749	11,500
Industrial Training fund	4,000	4,000
Insurance levy	15,000	18,640
Profit sharing	10,290	26,324
Other payables	53,143	11,638
Withholding tax	-	26,524
VAT	5,611	55,616
	<u>103,793</u>	<u>154,242</u>
Current	103,793	154,242
Non-current	-	-
24 Borrowings	N'000	N'000
Opening balance	529,370	500,000
Interest payable	15,892	29,370
Repayment during the year	(87,625)	-
	<u>457,637</u>	<u>529,370</u>
Current	15,892	29,370
Non-current	<u>441,745</u>	<u>500,000</u>



- (a) The New India Assurance Company Limited granted a loan of N500,000,000 to the company for the completion of the Company's seven storey building. The loan was granted at a fixed rate of 8%. The loan is for a period of 2 years with a moratorium period of a year. Repayment of principal and interest is to start from 2014 which shall be payable quarterly. However, accrued interest of six month in the sum of N15,892,000 has been incorporated to the financial statements for the moratorium interest as required. The loan is secured by the title documents of one storey head office building located at Number 19, Ligali Ayorinde Street, Victoria Island, Lagos, Nigeria.

25 **Deposit for shares**

	2014 N'000	2013 N'000
New India Assurance Company Limited (Note 25(a))	1,504,989	-
Current	-	-
Non-current	1,504,989	-

- (a) The company made a right issue of 3,009,978,524 at N0.50k per share amounting to N1,504,989,262 on the basis of 6 new ordinary shares for every 5 shares held as at September 22 2014, tradeable on the floor of the Nigeria Stock Exchange for the duration of the issue and payable in full on acceptance. During the year, New India Assurance Company Limited made a transfer of N1,504,989,000 to the company on the understanding that if the right issue is not taken up, it will be used to increase its holdings in the company.

26 **Retirement benefits obligation**

The Company operates a funded defined benefit plan ("gratuity") for qualifying employees in Nigeria. Under the plan, the employees are entitled to retirement benefits on attainment of a retirement age of 60 or 30 years of continuous service, whichever ever comes first. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2014 by HR Nigeria Limited. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	%	%
Discount rate	15	14
Rate of salary increase	12	12
Rate of inflation	9	9

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows.

	N'000	N'000
Balance at the beginning of the year	116,958	89,313
Current service cost	15,753	10,376
Interest cost	14,401	10,982
Benefit paid	(6,484)	(2,742)
Actuarial loss/(gain)	(26,755)	9,029
	113,873	116,958
Current	-	-
Non-current	113,873	116,958



27 **Income taxes**

	2014	2013
	N'000	N'000
i Taxation		
Per profit and loss account		
Income tax	154,552	165,749
Education tax	13,727	14,998
Deferred taxation	(7,479)	36,297
	<u>160,800</u>	<u>217,044</u>
ii Per balance sheet		
Balance at the beginning of the year	391,091	319,565
Income tax	154,552	165,749
Education tax	13,727	14,998
Payments during the year	(391,047)	(110,496)
	<u>168,323</u>	<u>389,816</u>
Information Technology Development Levy	1,768	1,275
	<u>170,090</u>	<u>391,091</u>
iii Payments during the year:	N'000	N'000
Income tax	391,047	110,496
Education tax	-	-
Information Technology Development Levy	-	-
	<u>391,047</u>	<u>110,496</u>
iv Reconciliation of Taxes	N'000	N'000
Current tax expense		
Current tax on profit for the year:		
Income tax	154,552	165,749
Education tax	13,727	14,998
Total current tax	<u>168,279</u>	<u>180,747</u>
Deferred tax liability		
Origination and reversal of temporary differences	(7,479)	36,297
Total tax expense	<u>160,800</u>	<u>217,044</u>
v Tax expense recognised in other comprehensive income	N'000	N'000
Capital Gains Tax on Revaluation of Head Office	-	59,358
The reasons for the difference between the actual tax charge for the year and the standard rate of corporate tax in Nigeria applied to Profit before tax is as follows:		
Profit before tax	<u>176,755</u>	<u>127,484</u>
Expected tax charge based on the standard rate of Nigeria corporate tax at the domestic rate of 30% (2013: 30%)	53,027	38,245
Income tax as per computations	<u>154,552</u>	<u>165,749</u>
Difference (see below)	<u>(101,526)</u>	<u>(127,504)</u>
Profit before tax	<u>176,755</u>	<u>127,484</u>



	2014 N'000	2013 N'000
Adjustment for tax deductible and non-deductible items		
Adjusted Net Premium	436,086	667,335
Net Commission	33,869	(146,296)
Sundry Income	190,459	7,201
Other income taxable	27,218	222,952
Less: NITDA levy paid in 2013	(1,275)	(1,275)
Less: Balancing allowance	(5,481)	(9,640)
Less: Investment allowance	(1,421)	(402)
Less: Capital allowances	(164,282)	(187,374)
	<u>515,173</u>	<u>552,501</u>
Difference	(338,418)	(425,017)
Income tax @ 30%- Difference (as above)	<u>(101,525)</u>	<u>(127,505)</u>

28 **Deferred tax assets and liabilities**

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

	1 January 2014 N'000	Recognised in Income statement N'000	Recognised in OCI N'000	31 December 2014 N'000
Deferred tax liabilities				
Excess of NBV over TWDV	157,254	(112,133)	-	45,121
Gain on valuation of investment property	-	104,654	-	104,654
Revaluation surplus	111,635	-	111,635	
	<u>268,889</u>	<u>(7,479)</u>	<u>-</u>	<u>261,410</u>
Deferred tax Gratuity provision	-	-	-	
Deferred tax liabilities	<u>268,889</u>	<u>(7,479)</u>	<u>-</u>	<u>261,410</u>

29 **Share capital**

i	Authorised:	2014 N'000 Number	2014 N'000 Value	2013 N'000 Value
	6,000,000,000 ordinary shares of 50 kobo per share	6,000,000	3,000,000	3,000,000
ii	Issued and fully paid: 2,508,315,437 Ordinary shares of 50k Balance at the beginning and end of the year	Number 2,508,315	Value 1,254,157	Value 1,254,157
30	Share premium Balance at the beginning of the year Rights issue expenses Balance at the end of the year		N'000 1,155,540 (15,448) 1,140,092	N'000 1,155,540 - 1,155,540
31	Statutory contingency reserve Balance at the beginning of the year Transfer from revenue reserve (Note 32) Balance at the end of the year		N'000 1,522,696 79,611 1,602,307	N'000 1,396,026 126,670 1,522,696

This is maintained in compliance with sections 21(1) and (2) and 22(16) of Insurance Act CAP 117, LFN 2004 as indicated in the accounting policy number 23.



32	Revenue reserve	2014 N'000	2013 N'000
	Balance at the beginning of the year	(742,695)	(525,190)
	Transfer to contingency reserves (Note 31)	(79,611)	(126,670)
	Transfer from property revaluation reserve (Note 35)	13,891	-
	Transfer from profit or loss	14,187	(90,835)
	Balance at the end of the year	(794,228)	(742,695)
33	Actuarial valuation reserve on gratuity	N'000	N'000
	Balance at the beginning of the year	(29,058)	(20,028)
	Actuarial gain - change in assumption	9,305	-
	Actuarial loss - experience adjustment	17,450	(9,030)
	Balance at the end of the year	(2,303)	(29,058)
34	Reserve for available-for-sale-financial assets	N'000	N'000
	Balance at the beginning of the year	247,986	157,928
	Appreciation during the year	137,310	90,058
	Balance at the end of the year	385,296	247,986
35	Property revaluation reserve	N'000	N'000
	Balance at the beginning of the year	1,004,717	470,497
	Transfer from Property, plant and equipment: -cost (Note 19)	-	(671,246)
	-accumulated depreciation (Note 19)	-	24,824
	Transfer to Revenue reserve (Note 32 and Note 35(a))	(13,891)	-
	Revaluation amount (note 19)	1,240,000	-
		(13,891)	593,578
	Capital Gain Tax (See note 27(v))	-	(59,358)
	Additional revaluation surplus during the year	(13,891)	534,220
	Balance at the end of the year	990,826	1,004,717
(a)	This represents change in depreciation of revalued property in line with IAS 16.		
36	Gross premium written	N'000	N'000
	Direct premium	2,467,465	2,398,658
	Inward reinsurance	186,230	1,823,680
		2,653,695	4,222,338
	Gross premium written decreased when compared with previous year majorly because of the downward trend in inward reinsurance accepted during the year, as a result of delay in remittances from foreign businesses.		
37	Gross premium income	N'000	N'000
	Unearned premium brought forward	816,813	1,323,388
	Premium written during the year	2,653,695	4,222,338
		3,470,508	5,545,726
	Unearned premium carried forward (See note 21(e))	(614,142)	(816,813)
		2,856,366	4,728,913
38	Reinsurance expenses	N'000	N'000
	Outward reinsurance	1,446,354	2,702,267
	Decrease in prepaid reinsurance	81,952	277,909



	2014 N'000	2013 N'000
39 Claim expenses		
Claims paid during the year	1,931,609	2,965,599
Increase/(decrease) in outstanding claims (Note 21(b))	499,502	(213,230)
	2,431,111	2,752,369
Change in re-insurance assets (Note 14(a))	249,857	209,187
Re-insurance claim recoveries	(1,165,268)	(1,814,985)
	1,515,700	1,146,571

40 Acquisition expenses

The acquisition expenses are those incurred in obtaining and reviewing insurance contracts. These expenses include commissions or brokerage paid to agents or brokers.

	N'000	N'000
Deferred acquisition cost beginning of the year	120,121	188,783
Commission for the year	354,078	744,319
Gross commission	474,199	933,102
Deferred acquisition cost end of the year (Note 15)	(71,216)	(120,121)
	402,983	812,981

41 Maintenance expenses

	N'000	N'000
Wages and salaries - Technical Staff	109,650	96,637
Leave encashment	12,974	5,700
Children school fees	5,369	2,520
Travelling	56,772	57,950
Postage, telephone & telegrams	8,320	5,957
Profit incentive	8,430	6,295
Pension & Gratuity	47,765	46,569
Entertainment & hotel expenses	42,107	40,957
Motor running expenses	14,419	12,740
Business development expenses	6,517	737
Risk inspection survey	5,897	8,757
Tracking device	29	178
Bancassurance handing charges	1,447	4,384
Conveyance	7,061	8,148
Staff training	29,430	13,109
Medical	28,431	23,950
Staff welfare	22,105	26,746
Industrial Training Fund	4,000	4,000
Insurance levy	15,000	18,640
	425,723	383,974

42 Investment income

	N'000	N'000
Interest income	266,252	263,366
Dividend income	39,748	33,874
Lease rental income	40,382	92,557
Profit on sale of shares	11,964	6,727
	358,346	396,524

Allocation

	N'000	N'000
Attributable to policy holders	219,975	141,920
Attributable to shareholders	138,371	254,604
	358,346	396,524



	2014 N'000	Restated 2013 N'000
43 Other operating income		
Exchange gain realised	27,217	24,137
Bad debt previously written off now recovered	26,529	158,806
Profit on disposal of property, plant & equipment	2,115	57
Profit on sale of leased assets	255	789
Sundry income (Note 43 (a))	143,117	7,201
	<u>199,233</u>	<u>190,990</u>
(a) The sum of N139,790,867 represents credit balances in clients' accounts written to income as a result of nil confirmation of balances from the clients concerned.		
44 Management expenses	N'000	N'000
Directors expenses	36,723	12,545
Wages and salaries - Administrative Staff	192,653	188,673
Audit fees	6,000	5,600
Other professional fees	9,531	16,109
Advertisement and publicity	6,235	11,308
Office expenses	46,577	22,515
Subscriptions	26,749	7,346
Residential rent, rates and other expenses	17,133	19,355
Depreciation (note 19)	61,833	89,214
Amortisation (note 18)	900	900
Insurance	11,482	23,016
Penalty/fines	21,770	5,100
Bank charges	5,105	1,776
Printing expenses	6,646	3,161
Other administration expenses	24,486	20,590
Write off of trade receivables	-	161,392
Impairment loss - staff cooperative	-	10,629
Impairment loss - claims recoverable	22,373	18,695
	<u>496,196</u>	<u>617,924</u>
45 Finance costs	N'000	N'000
Interest on loan	36,522	29,370
46 Supplementary profit and loss information		
i Profit before taxation is arrived at after charging:	N'000	N'000
Depreciation of property, plant and equipment	61,833	89,214
Auditors' fees	6,000	5,600
Directors' emoluments	20,875	17,646
and after crediting:		
Profit on disposal of property, plant and equipment	2,115	57
Profit on sale of leased assets	255	789
Gain on investment property	1,046,542	-
Unrealised exchange gains	27,217	24,137
ii Staff costs:		
Employee costs excluding executive directors during the year amounted to:	N'000	N'000
Wages and salaries - Administrative Staff	192,653	188,673
Wages and salaries - Technical Staff	109,650	96,637
Staff welfare	22,105	26,746
Medical	28,431	23,950
Staff Training	29,430	13,109
Gratuity	15,753	10,276
Pension	32,012	36,293
	<u>430,034</u>	<u>395,684</u>



- iii The average number of persons employed (excluding directors) in the Company during the year was as follows:

	2014 Number	2013 Number
Managerial	13	13
Senior staff	30	32
Junior staff	39	35
Total	82	80

- iv **Directors' remuneration:**

- a) Aggregate emoluments of the directors were:

	N'000	N'000
Fees	1,500	1,500
Other emoluments	19,375	16,146
	20,875	17,646

	2014 N'000	2013 N'000
b) The emoluments of the Chairman (excluding pension contributions) totalled	300	300

c) The emoluments (excluding pension contributions) of the highest paid director amounted to	19,375	16,146
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- v **Staff position as at the end of the year:**

	Male	Female	Total
Category			
Executive Directors	1	-	1
Management (Managers & above)	7	5	12
Senior staff	24	6	30
Junior Staff	32	7	39
	64	18	82

- vi **Changes during the year 2014:**

	Executive Directors	Management	Senior staff	Junior staff
Additions	-	2	-	-
Withdrawals	-	1	4	4

- 47 **Basic/Diluted earnings per ordinary share**

	N'000	N'000
Basic/Diluted earnings per share is calculated by dividing the results attributable to shareholders by the weighted average number of ordinary shares in issue and ranking for dividend.		
Loss for the year attributable to shareholders (N'000)	14,187	(90,836)
Weighted average number of ordinary shares of 50 kobo each in issue	2,508,315	2,508,315
Basic/Diluted earnings per share (kobo)	0.57	(3.62)



48 **Related party disclosures**

- (a) The ultimate parent company is New India Assurance Company Limited, holding 51.01% of the Company's shares. The remaining 48.99% of the shares are widely held.

The company's key management personnel and persons connected with them are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family and entity over which control can be exercised. The key management personnel have been identified as the executive directors of the company. Close members of family are those members who may be expected to influence or be influenced by that individual in their dealings with Prestige Assurance Plc.

The details as at 31 December 2014 are stated below:

(b) **Shareholding**

Name of Director	Shareholding		Total
	Direct	Indirect	
Charles Samson Sankey	Nil	Nil	Nil
Mr. Gopalan Srinivasan	-	1,279,314,265	1,279,314,265
Mr. J. O. Adewole	133,369	-	133,369
Mr. M. O. Oyegunle	49,840	280,048,823	280,098,663
Mr. Ramesh Hathiramani	-	102,896,437	102,896,437

(c) **Compensation of key management**

The summary of compensation of key management personnel for the year is as follows:

	2014 N'000	2013 N'000
Salaries	19,375	16,146
Fees	1,500	1,500
Total	20,875	17,646

(d) **Loan from The New India Assurance Company Limited**

	N'000	N'000
Principal	441,745	500,000
Interest	15,892	29,370

(e) **Held to maturity financial asset**

	N'000	N'000
Principal	180,000	180,000
Balance	126,000	162,000

(f) **Sale of Insurance contracts and other services**

	N'000	N'000
Premium received from the related parties	53,598	57,460
Claims paid to the related parties	251,483	245,631

(g) **Terms and conditions:**

These transactions were conducted at arm's length.



49 Reconciliation of operating profit to cash provided by 2014 operating activities		N'000	2013 N'000
a)	Profit/(loss) after tax	14,187	(90,836)
	Adjustments to reconcile net income to net cash provided by operating activities:		
	Depreciation of property, plant and equipment	61,833	89,214
	Amortisation of intangible assets	900	900
	Profit on disposal of property, plant and equipment	(2,115)	(57)
	Profit on disposal of leased assets	(255)	(789)
	Other Investment income	(358,345)	(389,797)
	Gain realized on held for trading financial assets	-	(122,097)
	Loss realized on held for trading financial assets	200,660	-
	Actuarial valuation of gratuity	26,755	(9,030)
	Gain on investment property	(1,046,542)	-
	Finance cost	15,892	-
		(1,087,030)	(522,492)
	Changes in assets and liabilities		
	(Decrease)/Increase in unearned premium	(202,671)	(506,575)
	(Decrease)/Increase in claims provision	499,502	(213,230)
	Increase/(decrease) in other receivables and prepayments	(51,831)	(57,316)
	Decrease/(increase) in reinsurance assets	354,181	505,789
	Decrease/(increase) in trade receivables	(870)	695,422
	Decrease/(increase) in deferred acquisition cost	48,905	68,662
	Decrease/(increase) in trade payables	148,575	(98,644)
	Increase in provisions and other payables	(50,449)	12,839
	(Increase)/decrease in finance lease asset	53,256	(62,322)
	Increase/(decrease) in tax liabilities	(221,001)	71,528
	Increase/(decrease) in retirement obligation	(3,085)	27,646
	Increase in deferred tax liability	(7,479)	36,297
	Cash generated by/(consumed) in operating activities	(519,996)	(42,396)
b)	Cash and cash equivalents included in the statement of cashflows are represented by:		
		N'000	N'000
	Bank and cash balances	458,740	828,146
	Deposits and placements	1,560,885	94,926
	Bankers acceptances	1,150,000	1,036,622
	Treasury bills	90,000	490,000
		3,259,625	2,449,694

50 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.

51 Prior period restatement

- i) Reclassification of other operating income
In 2013, net fair value gain on financial assets was included in other other income to the tune of N122,097,000. As a result other operating income was overstated by N 122,097,000 while net fair value gain on financial assets was not disclosed on the statement of profit or loss and other comprehensive income.



ii) **Reclassification of management expenses**

In 2013, Net fair value loss on financial assets was included in management expenses to the tune of N6,729,000 which should have been on the statement of profit or loss and other comprehensive income. As a result, management expenses was overstated by N6,729,000 while Net fair value gain on financial assets was not disclosed on the statement of profit or loss and other comprehensive income.

Reclassification of maintenance expenses

iii) In 2013, the total staff cost was included in maintenance expenses. As a result, maintenance expenses were overstated by N188,673,000. also, expenses such as risk inspection and survey, business development, tracking device and Bacassurance handling charges which relate to maintenance of existing policies were included in management expenses.

iv) **Reclassification of financial assets - loans and receivables**

In 2013, staff loans were included as part of other receivables and prepayments to the tune of N81,246,000, while loans and receivables were not disclosed on the face of statement of financial position.

v) **Reclassification of Interest on borrowings**

In 2013, interest on borrowing amounting to N29,370,000 was included in provisions and other payables instead of borrowings.

The financial statements have been restated to correct these errors. The restatements required reclassification in the statement of financial position and the statement of profit or loss and other comprehensive income for the year ended 31 December 2013.

To this effect, the statement of financial position and the statement of profit or loss and other comprehensive Income and the affected notes for the year ended 31 December 2013 have been restated to align with presentation in the current year.

The details of the restatements are as follows:

2013 Restatements

1 **Statement of profit or loss and other comprehensive income**

	2013 N'000
a) Other operating income	
Other operating income (As Previously reported)	313,087
Reclassification of net fair value gain on financial assets	(122,097)
Other operating income (As restated)	190,990
b) Management expenses	N'000
Management expenses (As previously reported)	450,036
Reclassified from maintenance expenses:	
Salaries - administrative staff	188,673
Reclassification of net fair value loss on financial assets	(6,729)
Reclassified to maintenance expenses:	
Business development expenses	(737)
Risk inspection and survey	(8,757)
Tracking device	(178)
Bacassurance handling charges	(4,384)
Management expenses (As restated)	617,924



c)	Maintenance expenses	
	Maintenance expenses (As previously reported)	558,591
	Reclassified from management expenses:	
	Business development expenses	737
	Risk inspection and survey	8,757
	Tracking device	178
	Bacassurance handling charges	4,384
	Reclassified to management expenses:	
	Salaries - administrative staff	(188,673)
	Maintenance expenses (As restated)	<u>383,974</u>

d)	Net fair value (loss)/gain on financial assets	N'000
	Net fair value (loss)/gain on financial assets (As Previously reported)	-
	Reclassification of net fair value gain on financial assets	(122,097)
	Reclassification of net fair value loss on financial assets	6,729
	Net fair value (loss)/gain on financial assets (As restated)	<u>(115,368)</u>

2 Statement of financial position **2013**

a)	Financial assets - loans and receivables	N'000
	Loans and receivables (As previously reported)	-
	Reclassified from other receivables and prepayments (Staff loans)	81,246
	Loans and receivables (As restated)	<u>81,246</u>

b)	Other receivables and prepayments	
	Other receivables and prepayments (As previously reported)	123,152
	Reclassified to loans and receivables	(81,246)
	Other receivables and prepayments (As restated)	<u>41,906</u>

c)	Borrowings	
	Borrowings (As previously reported)	500,000
	Reclassified from provisions and other payables (interest on loan)	29,370
	Borrowings (As restated)	<u>529,370</u>

d)	Provisions and other payables	
	Provisions and other payables (As previously reported)	183,612
	Reclassified to borrowings	(29,370)
	Provisions and other payables (As restated)	<u>154,242</u>

52 Contingencies and commitments

a) **Legal proceedings and regulations**

The Company operates in the insurance industry and is subject to legal proceeding in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

The Company is also subject to insurance solvency regulations in all the territories where it operates and has complied with all these solvency regulations. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

b) **Capital commitments and operating lease**

The Company has no capital commitments at the reporting date.



53 **Events after the reporting period**

There were no events after the reporting period which could have a material effect on the financial position of the company as at 31 December 2014 and profit attributable to equity holders.

54 **Contravention of laws and regulations**

Penalty was imposed by The Securities and Exchange Commission for default in late filing amounting to N21,770,000 from 2008 to 2012 and this has been paid during the year.

55 **Asset and Liability Management**

Asset & Liability management (ALM) attempts to address financial risks the company is exposed to which includes interest rate risks, foreign currency risks, equity price risks and credit risks. The major financial risk is that in the long run its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts. ALM ensures that specific assets of the company is allocated to cover reinsurance and liabilities of the company.

The company manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The notes below show how the company has managed its financial risks.

	Insurance funds N'000	Shareholders' funds N'000	31 December 2014 N'000	31 December 2013 N'000
ASSETS				
Cash and cash equivalents	3,259,625	-	3,259,625	2,449,694
Financial assets:				
-Held-for-trading	831,281	-	831,281	586,924
-Held-to-maturity	-	256,699	256,699	355,998
-Available-for-sale	-	710,023	710,023	538,713
Trade receivables	1,092	-	1,092	222
Other receivables and prepayments	-	92,115	92,115	41,906
Reinsurance assets	2,814,046	-	2,814,046	3,168,227
Deferred acquisition cost	71,216	-	71,216	120,121
Investment in finance lease	-	77,110	77,110	130,366
Investment property	-	2,100,000	2,100,000	-
Intangible assets	-	5,400	5,400	6,300
Property, plant and equipment	-	1,292,471	1,292,471	2,354,776
Statutory deposit	-	300,000	300,000	300,000
	<u>6,977,260</u>	<u>4,833,818</u>	<u>11,811,078</u>	<u>10,053,247</u>
	Insurance funds N'000	Shareholders' funds N'000	31 December 2014 N'000	31 December 2013 N'000
LIABILITIES				
Insurance contract liabilities	4,173,905	-	4,173,905	3,877,074
Trade payables	-	532,101	532,101	383,526
Provisions and other payables	-	103,793	103,793	154,242
Borrowings	-	457,637	457,637	529,370
Deposit for shares	-	1,504,989	1,504,989	-
Retirement benefits obligation	-	113,873	113,873	116,958
Current income tax liabilities	-	170,090	170,090	391,091
Deferred tax liability	-	261,410	261,410	268,889
	<u>4,173,905</u>	<u>3,143,893</u>	<u>7,317,798</u>	<u>5,721,150</u>
Gap	<u>2,803,355</u>	<u>1,689,925</u>	<u>4,493,280</u>	<u>4,332,097</u>



PRESTIGE ASSURANCE PLC (NIGERIA)
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

REVENUE	Fire N'000	General Accident N'000	Motor N'000	Workmen Compensation N'000	Marine and Aviation N'000	Oil & Energy N'000	CAR & Engineering All risk N'000	Bond N'000	GIT N'000	2014 N'000	2013 N'000
Direct Premium	1,109,166	266,973	301,768	30,294	428,293	161,039	56,755	19,789	93,389	2,467,466	2,398,657
Inward Premium	35,193	62,118	234	-	18,994	65,285	4,406	-	-	186,230	1,823,681
Gross Premium Written	1,144,359	329,091	302,002	30,294	447,287	226,324	61,161	19,789	93,389	2,653,696	4,222,338
(Increase)/decrease in											
Unearned Premium	95,701	26,790	11,806	1,977	54,131	(40,535)	(7,058)	-	59,858	202,670	506,576
Gross Premium Income	1,240,060	355,881	313,808	32,271	501,418	185,789	54,103	19,789	153,247	2,856,366	4,728,914
Outward Reinsurance	(988,125)	(100,782)	(7,430)	-	(275,622)	(39,063)	(35,320)	(12)	-	(1,446,354)	(2,702,267)
(Decrease)/increase in											
prepaid Re-insurance	(384)	(45,068)	308	-	(37,455)	1,806	(1,159)	-	-	(81,952)	(277,910)
Net Premium Income	251,551	210,031	306,696	32,271	188,341	148,532	17,624	19,777	153,247	1,328,060	1,748,737
Commission Income	210,590	27,589	896	-	66,973	8,685	7,625	-	-	322,358	666,685
Total income	462,141	237,620	307,582	32,271	255,314	157,217	25,249	19,777	153,247	1,650,418	2,415,422
EXPENSES											
Gross claims paid	874,894	118,517	65,380	50,352	356,941	344,497	58,898	-	62,130	1,931,609	2,965,599
(Decrease)/increase in											
outstanding claims	483,287	151,067	10,817	35,493	21,000	(210,432)	(19,024)	201	27,093	499,502	(213,230)
Gross claims expenses	1,358,181	269,584	76,197	85,845	377,941	134,065	39,874	201	89,223	2,431,111	2,752,369
Movement in outstanding claims											
recoverables from reinsurance	(193,986)	(144,200)	(4,812)	-	443,928	134,138	14,789	-	-	249,857	209,187
Reinsurance claims recoveries	(413,945)	(32,668)	(160)	-	(658,819)	(28,625)	(31,051)	-	-	(1,165,268)	(1,814,985)
Net claims expenses	750,250	92,716	71,225	85,845	163,050	239,578	23,612	201	89,223	1,515,700	1,146,571
Acquisition cost	224,148	59,615	22,936	3,816	19,767	50,502	7,979	3,899	10,321	402,983	812,981
Maintenance cost	183,585	52,795	48,449	4,860	71,757	36,308	9,812	3,175	14,982	425,723	383,257
Total expenses	1,157,983	205,126	142,610	94,521	254,574	326,388	41,403	7,275	114,526	2,344,406	2,342,789
Underwriting (loss)/profit	(695,842)	32,494	164,972	(62,250)	740	(169,171)	(16,154)	12,502	38,721	(693,988)	72,633



**PRESTIGE ASSURANCE PLC FINANCIAL STATEMENTS,
31 DECEMBER 2014 STATEMENT OF VALUE ADDED**

Cashflows from operating activities	Notes	2014 N'000	2013 N'000	
Gross premium income		2,856,366	4,728,913	
Other income - Local		199,233	190,990	
		3,055,599	4,919,903	
Reinsurance, claims, commission and services - local		(2,309,134)	(4,182,126)	
Value added	746,465	100	737,777	100
Value added as a percentage of gross premium Applied as follows:	26%		16%	
To pay employees: Salaries and other employees benefits	430,034	58	395,684	54
To pay government: Taxation	160,800	22	217,045	29
Retained for replacement of assets and expansion of business:				
Depreciation	61,833	8	89,214	12
Contingency reserve	79,611	11	126,670	17
Result for the year	14,187	2	(90,836)	12
Value added	746,465	100	737,777	100



STATEMENT OF FINANCIAL POSITION

IFRS Compliant

	2014	2013	2012	2011	2010
	N	N	N	N	N
ASSETS					
Cash and cash equivalents	3,259,625	2,449,694	1,670,851	1,722,182	2,557,583
Financial assets (investments)	1,880,871	1,562,881	1,334,149	1,270,800	1,062,684
Trade receivables	1,092	222	695,644	244,136	208,597
Other receivables and prepayments	92,115	41,906	65,836	120,018	127,441
Reinsurance assets	2,814,046	3,168,227	3,674,016	1,269,288	1,114,773
Deferred acquisition cost	71,216	120,121	188,783	133,400	137,974
Deferred tax assets	-	-	-	28,499	-
Intangible assets	5,400	6,300	7,200	8,100	-
Investment in finance lease	77,110	130,366	68,044	161,660	-
Investment Property	2,100,000	-	-	-	-
Property, plant and equipment	1,292,471	2,354,776	1,716,341	895,416	917,054
Statutory deposit with CBN	300,000	300,000	300,000	300,000	300,000
	11,893,946	10,134,493	9,720,864	6,153,499	6,426,106
LIABILITIES					
Insurance contract liabilities	4,173,905	3,877,074	4,596,879	2,417,407	1,860,147
Trade payables	532,101	383,526	482,170	302,374	762,729
Provisions and other payables	103,793	154,242	170,773	122,465	247,452
Borrowings	457,637	529,370	-	-	-
Deposit for shares	1,504,989	-	-	-	-
Retirement obligations	113,873	116,958	89,313	150,656	111,095
Income tax liability	170,090	391,091	319,565	300,060	316,553
Deferred taxation	261,410	268,889	173,234	93,845	92,197
	7,317,798	5,721,150	5,831,934	3,386,807	3,390,173
EQUITY					
Share capital	1,254,157	1,254,157	1,254,157	1,254,157	1,074,992
Share premium	1,140,092	1,155,540	1,155,540	1,170,820	1,170,820
Statutory contingency reserve	1,602,307	1,522,696	1,396,026	1,252,324	1,124,122
Revenue reserve	(794,228)	(742,695)	(525,190)	(944,378)	(513,166)
Reserve on actuarial valuation of gratuity (2,303)		(29,058)	(20,028)	(32,718)	-
Equity revaluation reserves	385,296	247,986	157,928	66,487	-
Property revaluation reserve	990,826	1,004,717	470,497	-	-



Bonus issue reserve	-	-	-	-	179,165
	4,576,147	4,413,343	3,888,930	2,766,692	3,035,933
	11,893,946	10,134,493	9,720,864	6,153,499	6,426,106

INCOME STATEMENT

Gross premium written	2,653,695	4,222,338	4,790,054	4,273,386	3,874,452
Net premium income	1,328,060	1,748,737	1,846,156	1,307,101	1,864,567
Profit before taxation	176,755	127,484	879,759	156,858	822,561
Information Technology Development Levy (1,768)		(1,275)	(8,798)	(1,569)	(8,226)
Taxation	(160,800)	(217,045)	(257,905)	(189,978)	(334,862)
(Loss)/Profit after taxation	14,187	(90,836)	613,056	(34,689)	479,473
Dividend	-	-	-	50,166	128,999
Basic (loss)/earnings per share (kobo)	0.57	(3.62)	24.44	(1.38)	22.30
Net assets per share (kobo)	182	176	155	110	141



Premium received from policy holders

	2014
Trade receivables b/f	222
Trade receivables c/f	(1,092)
Premium income	2,653,695
	2,652,825

Operating costs and payments to employees

	2014
Creditors b/f	383,526
Creditors c/f	(532,101)
Provisions and other payables b/f	154,242
Provisions and other payables c/f	(103,793)
Insurance contract liabilities b/f	3,877,074
Insurance contract liabilities c/f	(4,173,905)
Retirement benefits obligation	116,958
Retirement benefits obligation	(113,873)
Unearned premium b/f	(816,813)
Unearned premium c/f	614,142
Other receivables b/f	(123,152)
Other receivables c/f	174,983
Reinsurance receivables b/f	(3,168,227)
Reinsurance receivables c/f	2,814,046
Deferred acquisition cost b/f	(120,121)
Deferred acquisition cost c/f	71,216
Investment in finance lease b/f	(130,366)
Investment in finance lease c/f	77,110

(999,054)

Reinsurance expenses	1,528,306
Acquisition expenses	402,983
Maintenance expenses	425,723
Impairment loss on trade receivables	-
Management expenses	696,856
Investment income	-
Gain on investment property	(1,046,542)
Interest charges	36,522
Interest payable on loan	(15,892)
Increase in outstanding claim	499,502
Changes in reinsurance asset	249,857

Adjustment for non cash items

Depreciation charge on PPE	(61,833)
Amortisation charge-Intangible assets	(900)
Loss /Gain realised on held on trading assets	(200,660)
Gain on investment property	1,046,542
Actuarial valuation for gratuity	(26,755)
Sundry income	(139,791)
Exchange gain	



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Subsidiaries

Impairment charge on reinsurance assets	-
Allowance for credit losses - staff cooperative	-
Allowance for credit losses - claims recoverable	-
	2,394,864
Other income	
Exchange gain realised	27,217
Bad debt previously written off now recovered	26,529
Loss realised on held-for-trading financial assets	-
Gain realised on held-for-trading financial assets	-
Profit on disposal of property, plant & equipment	2,115
Profit on sale of leased assets	255
Sundry income	143,118
	199,234
Adjust for non cash	
Sundry income	(139,791)
Profit on disposal of property, plant & equipment	(2,115)
Profit on sale of leased assets	(255)
Other operating income	57,073



SUMMARY OF OFFICES (AS ON 1.04.2015)

Sr. No.	REGIONAL OFFICE	CODE NO.	DO	BO	DAB	MICRO OFFICES	TOTAL
1	MUMBAI - I	110000	13	0	0	4	17
2	MUMBAI - II	140000	14	5	2	11	32
3	MUMBAI - III	120000	9	3	0	0	12
4	MUMBAI - IV	130000	9	0	1	9	19
5	MUMBAI - V	170000	8	6	0	16	30
6	PUNE	150000	24	30	1	54	109
7	NAGPUR	160000	12	16	1	55	84
8	AHMEDABAD	210000	16	14	0	46	76
9	BARODA	220000	10	6	0	15	31
10	SURAT	230000	9	5	1	21	36
11	DELHI - I	310000	19	14	1	7	41
12	DELHI - II	320000	14	19	2	36	71
13	JAIPUR	330000	14	18	1	55	88
14	DEHRADUN	340000	12	24	0	54	90
15	CHANDIGARH	350000	20	34	1	48	103
16	LUDHIANA	360000	17	30	2	45	94
17	KANPUR	420000	17	37	1	74	129
18	BHOPAL	450000	14	22	1	77	114
19	RAIPUR	460000	6	6	0	31	43
20	KOLKATA	510000	20	26	1	50	97
21	GUWAHATI	530000	10	21	0	38	69
22	PATNA	540000	10	29	1	41	81
23	BHUBANESHWAR	550000	10	23	1	31	65
24	HYDERABAD	610000	21	20	2	48	91
25	VISHAKHAPATNAM	620000	15	20	1	29	65
26	BENGALURU	670000	15	22	0	19	56
27	HUBBALLI	680000	8	17	0	11	36
28	CHENNAI	710000	25	20	4	52	101
29	COIMBATORE	720000	14	13	1	49	77
30	MADURAI	730000	15	16	0	67	98
31	ERNAKULAM	760000	19	51	1	59	130
	TOTAL		439	567	27	1152	2185

HO	ROs	LCBOs	DOs	BOs	DABs	MOs	Total
1	31	5	439	567	27	1152	2221



THE NEW INDIA ASSURANCE COMPANY LIMITED.
LIST OF OVERSEAS OFFICES

"NEW INDIA" has 18 Branch offices in 9 Countries and 7 Agency Offices in 7 Countries. "NEW INDIA" also has 1 Representative Office in Myanmar and 3 Subsidiary Companies in 8 Countries. Presence in 28 countries.

A. FOREIGN BRANCHES

	Country	Branches	Year of commencement of operations
1.	Japan (Six)	1. Tokyo	1950
		2. Nagoya	1964
		3. Hiroshima	1973
		4. Okayama	1980
		5. Sapporo	1978
		6. Osaka	1962
2.	Hong Kong (One)	7. Hong Kong	1952
3.	Philippines (One)	8. Manila	1930
4.	Thailand (One)	9. Bangkok	1948
5.	Australia (One)	10. Sydney	1955
6.	Fiji (Four)	11. Suva	1954
		12. Lautoka	1967
		13. Labasa	1982
		14. Nadi	1996
7.	Mauritius (One)	15. Port Louis	1935
8.	U.K. (Two)	16. London- Fenchurch	1920
		17. Ipswich	2000
9.	New Zealand (One)	18. Auckland	2004

FOREIGN AGENCIES.

	Country	Agencies	Year of commencement of operations
1.	Abu-Dhabi (One)	1. Abu-Dhabi	1973
2.	Dubai (One)	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)	6. Aruba	1963
7.	Netherlands Antilles (One)	7. Curacao	1954

B. SUBSIDIARY COMPANIES.

	Country	Agencies	Year of commencement of operations
1.	Nigeria	1.Lagos 2.Kano 3. Port Harcourt	1970
2.	Trinidad & Tobago	1. Port of Spain	1966
3.	St. Lucia	2. Castries	
4.	Dominica	3. Roseau	
5.	St. Maarten	4. Philipsburg	
6.	Guyana	5.Guyana	
7.	Anguilla	6.Anguilla	
8.	Sierra Leone	1.Freetown	1973

C. REPRESENTATIVE OFFICE.

	Country	Agencies	Year of commencement of operations
1.	Myanmar	1.Yangon	2015

ASSOCIATES

1. WAFA Insurance, Saudi Arabia.
2. India International Insurance Pte. Ltd. Singapore
3. Kenindia Assurance Company Ltd. Nairobi, Kenya



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2015 - GLOBAL

(₹ in 000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	24635044	21371794	3807640	3825352	3902691	4487632	7710331	8312984
Premium Accepted	7482170	7479677	79457	48093	694218	679058	773675	727150
Premium Ceded	12033999	11188126	716709	620020	2958866	3894903	3675575	4514923
Net Premium	20083215	17663345	3170388	3253424	1638043	1271787	4808431	4525211
Unexpired Risk Reserve Op	8831672	9014590	3253424	3213542	1271787	1396684	4525211	4610226
Unexpired Risk Reserve Cl	10041608	8831672	1585194	3253424	1638043	1271787	3223237	4525211
Net Earned Premium	18873280	17846263	4838618	3213542	1271787	1396684	6110405	4610226
Profit on Realisation of Investment	1740510	1556717	271735	257938	143779	136743	415514	394681
Interest Dividend and Rent	2775924	2890471	433387	478933	229312	253901	662699	732833
Investment Provisions	9408	30917	1469	5123	777	2716	2246	7838
Total Investment Income	4507025	4416271	703653	731748	372314	387928	1075967	1119676
Claims Paid Direct	18953772	15804786	2046188	2252624	1162400	1027788	3208587	3280412
Claims Paid Accepted	5760760	9778422	41580	90394	219112	294664	260692	385058
Claims Paid Ceded	8317749	9591487	294066	254229	811507	731268	1105573	985496
Net Claim Paid	16396783	15991722	1793701	2088790	570005	591184	2363706	2679973
CI O/S Claims Direct	35048977	30533180	3913303	3345066	5323788	2720012	9237090	6065078
CI O/S Claims Accepted	11866378	13561671	52429	55087	631281	395978	683710	451065
CI O/S Claims Ceded	22111056	17439451	1496930	1113208	3626999	1456280	5123929	2569487
Net Closing Outstanding Claim	24804299	26655400	2468801	2286946	2328070	1659710	4796871	3946656
Op O/S Claims Direct	30613970	30273325	3342471	3202912	2720432	3681739	6062903	6884651
Op O/S Claims Accepted	13577058	15815966	54634	94144	396023	466492	450657	560636
Op O/S Claims Ceded	17405135	18742788	1113355	567335	1456278	2394520	2569633	2961855
Net Opening Outstanding Claim	26785892	27346502	2283750	2729721	1660176	1753711	3943927	4483431
Incurrd Claims Direct	23388778	16064641	2617019	2394779	3765756	66061	6382775	2460839
Incurrd Claims Accepted	4050081	7524128	39375	51338	454370	224150	493745	275487
Incurrd Claims Ceded	13023670	8288149	677642	800101	2982227	-206973	3659869	593128
Net Incurred Claim	14415189	15300620	1978752	1646015	1237899	497183	3216651	2143198
Commission Direct	3473883	2835032	536162	541579	161344	191076	697506	732655
Commission Accepted	1179068	1321063	16166	13905	118176	158657	134342	172561
Commission Ceded	621483	971429	52938	67880	353064	351411	406001	419291
Net Incurred Commission	4031468	3184666	499391	487604	-73544	-1678	425847	485925
Foreign Taxes	7564	2990	0	0	0	0	0	0
Operating Expenses Related to Insurance	5936504	5186762	538864	522260	637265	696630	1176129	1218890
Premium Deficiency	0	-351941	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	-1010420	-1060562	2525264	1289411	-157518	592478	2367746	1881889



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Segment
Reporting
Schedule

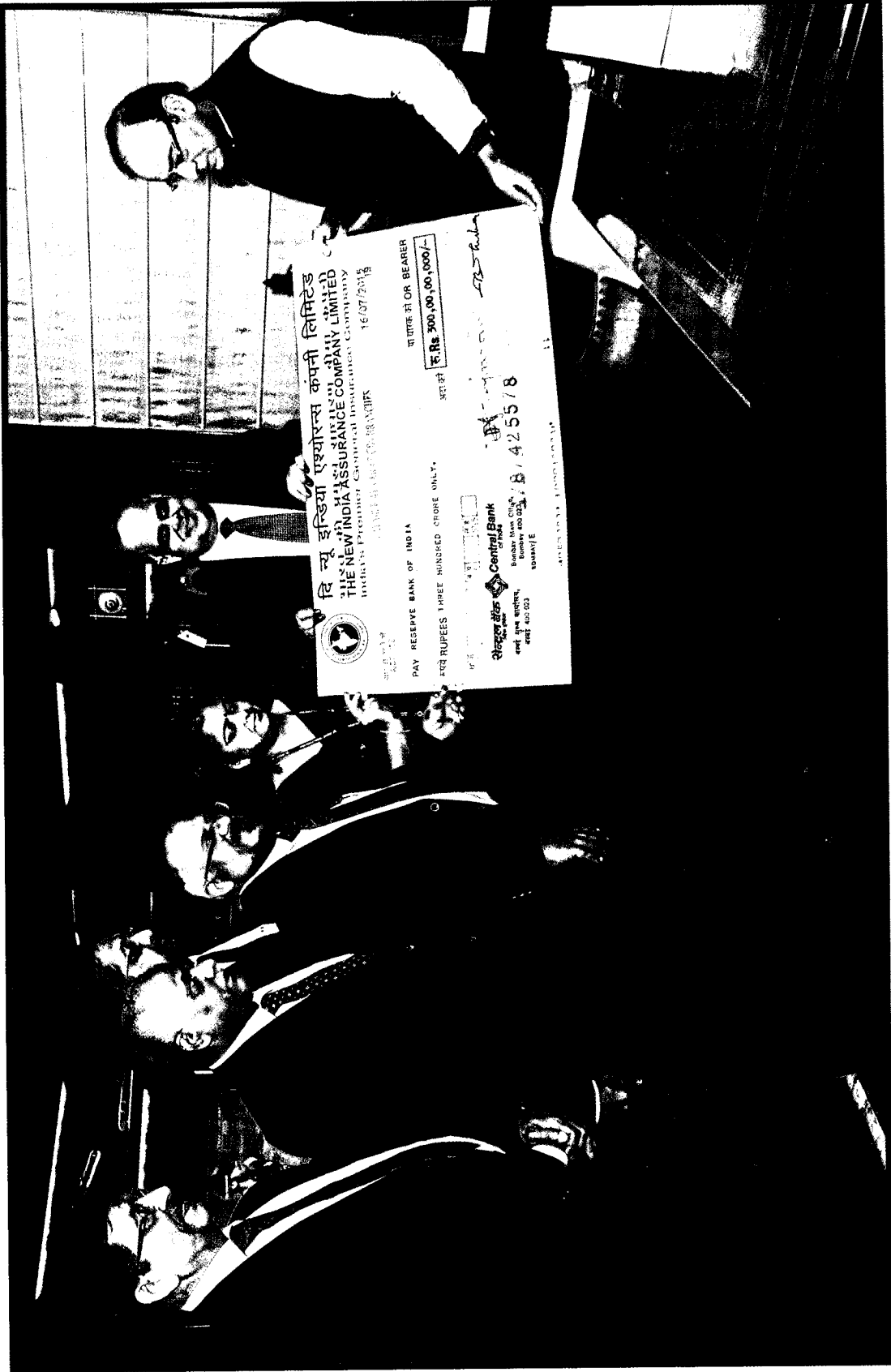
SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31st MARCH 2015 - FOREIGN

(₹ in 000)

Segment	Misc - Others		Total Misc		Grand Total	
	CY	PY	CY	PY	CY	PY
Revenue Account Elements						
Premium Direct	0	0	13465975	13423018	22709645	21875490
Premium Accepted	16076	34410	1383967	1547117	8528585	8657157
Premium Ceded	0	0	1078845	1303747	4961609	5705628
Net Premium	16076	34410	13771097	13666387	26276620	24827020
Unexpired Risk Reserve Op	17205	0	7069051	5978539	13254006	11788075
Unexpired Risk Reserve Cl	8038	17205	6885548	7069051	13502582	13254006
Net Earned Premium	25243	17205	13954599	12575875	26028045	23361088
Profit on Realisation of Investment	5.44	0	4932	0	10928	0
Interest Dividend and Rent	481.46	4596	436374	672295	966863	907009
Investment Provisions	-19.61	49	-17777	7199	-39389	9713
Total Investment Income		4547	0	665096	0	897297
Claims Paid Direct	0	0	8770177	8098060	15252142	14686337
Claims Paid Accepted	1287	21775	867045	1022426	6646432	10954243
Claims Paid Ceded	0	0	651741	688329	5176900	6504687
Net Claim Paid	1287	21775	8985481	8432157	16721674	19135894
Cl O/S Claims Direct	0	0	8436013	8913622	16101075	19296262
Cl O/S Claims Accepted	26	1239	1714582	1589922	12158146	13847145
Cl O/S Claims Ceded	0	0	465592	856297	6096412	9359512
Net Closing Outstanding Claim	26	1239	9685003	9647248	22162809	23783894
Op O/S Claims Direct	0	0	8993430	8775114	19454685	20423422
Op O/S Claims Accepted	1239	32	1592142	979799	13864343	15893195
Op O/S Claims Ceded	0	0	871244	663352	9340290	11743606
Net Opening Outstanding Claim	1239	32	9714329	9091561	23978738	24573011
Incurrd Claims Direct	0	0	8212759	8236568	11898532	13559177
Incurrd Claims Accepted	74	22982	989485	1632550	4940235	8908193
Incurrd Claims Ceded	0	0	246089	881274	1933022	4120593
Net Incurred Claim	74	22982	8956156	8987844	14905745	18346777
Commission Direct	0	0	3013030	3005660	5793026	5244947
Commission Accepted	5116	7917	211159	249743	1451545	1659827
Commission Ceded	0	0	87595	146047	359119	431043
Net Incurred Commission	5116	7917	3136594	3109357	6885452	6473731
Foreign Taxes	1	4	889	1437	8453	4426
Operating Expenses Related to Insurance	31340	9185	1137771	692758	1482356	915825
Premium Deficiency	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	-11288	-18335	723189	449576	2746039	-1482374

We are New Indians





Shri G. Srinivasan CMD presenting the Dividend Cheque of Rs. 300 crore to the Hon'ble Finance Minister Shri Arun Jaitley in the presence of Ms Anna Roy Joint Secretary, Department of Financial Services, Shri K.Sanath Kumar, Director & GM, Shri KLR Babu Director & GM, Shri V. Hari Srinivas GM & FA & Shri S. Bharija Regional In-charge (Officiating) DRO I.



Leadership and beyond



न्यू इन्डिया एश्योरन्स
NEW INDIA ASSURANCE

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