

Everytime. Everywhere.  
Everyone Secure.



वार्षिक प्रतिवेदन  
Annual Report

2015-16

*Leadership and beyond*



दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड  
The New India Assurance Co. Ltd

India's Premier Multinational General Insurance Company



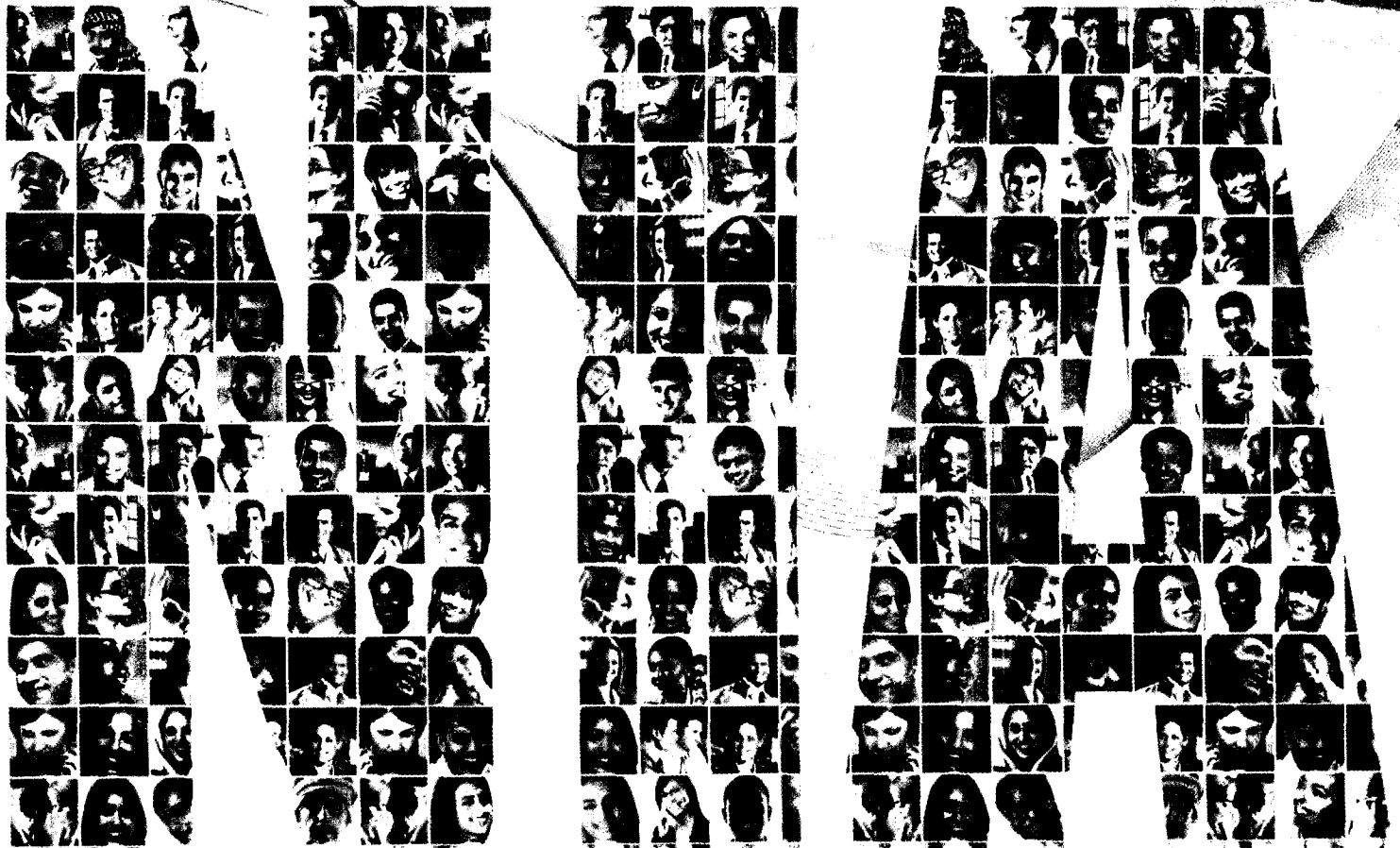
*Productivity and efficiency can be achieved only  
step by step with sustained hardwork, relentless  
attention to details and insistence in the highest  
standards of quality and performance*

**Sir J.R.D Tata**

## *Our Vision*

**New India will continue to be:**

- The Largest non-life insurance company in India with a strong global presence.
- Recognized for the highest levels of customer service.
- The employer of choice, known for its energetic and motivated workforce.
- An innovative, nimble and technology enabled company.
- A socially responsible organization with best corporate governance.
- The most preferred and trusted brand, surpassing stakeholders expectations.





United Kingdom

Saudi Arabia

Kuwait

Bahrain

Dubai (U.A.E.)

Oman

Hong Kong

Japan

Philippines

Singapore

Myanmar

Thailand

Australia

New Zealand

Fiji

Mauritius

Nigeria

Sierra Leone

Guyana

Trinidad & Tobago

Netherlands Antilles

St. Kitts

St. Lucia

St. Vincent

St. Martin

Dutch Caribbean

Other locations marked on the map include: United States, Canada, Mexico, Central America, Caribbean, South America, Europe, Africa, Asia, and Oceania.



## *Company Highlights*

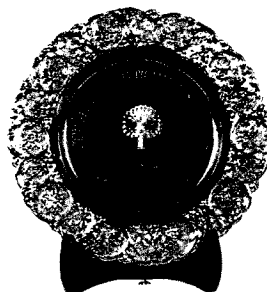
- Market Leader in Health, Motor, Liability, Fire and Marine line of business.
- Gross Premium (Global) : ₹ 18371 crore
- Investment Income : ₹ 3953 crore
- Net worth including Fair Value : ₹ 28895 crore
- Profit Before Tax : ₹ 906 crore
- Profit After Tax : ₹ 829 crore
- Solvency Ratio : 2.30 times (Global)
- Dividend : ₹ 250 crore
- Servicing more than 26 million policies.
- Presence in 28 Countries.



## Awards & Recognitions



Seatrade Maritime Awards 2015  
for Middle East,  
Indian Sub-Continent,  
Africa in Marine Insurance



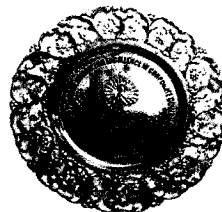
Golden Peacock Award 2016 for  
Innovative Product/Service



Dun & Bradstreet's Awards 2016  
for the Best Public Sector  
Undertaking in General  
Insurance Industry



Outlook Money Awards 2015  
for Best Health Insurer



Golden Peacock Award 2016  
for Excellence in  
Corporate Governance



Indian Insurance Awards 2016 for  
Under Served Market Penetration in  
General Insurance



Indian Insurance Awards 2016  
for e-Business Leader in  
General Insurance



Indian Insurance Awards 2016  
for General Insurance Company  
of the Year

*Awards & Recognitions*

**A.M. Best Company**

*certifies that*

**The New India Assurance Company  
Limited**

*has a*

**Best's Financial Strength Rating**

*of*

**A- (Excellent)**



*Arthur J. Boyd II*  
President

Certificate Publication Date: January 29, 2016

Best's Ratings are subject to change.  
To confirm the latest rating or to learn more  
about A.M. Best's ratings, visit [www.ambest.com](http://www.ambest.com)  
A.M. Best Company  
Ambest Road, Oldwick, NJ 08858 USA



*Stefan H. H. Hagen*  
Chief Rating Officer

**A- (Excellent) with Positive Outlook for Financial Strength by AM Best Company**

 **CRISIL**  
**RATINGS**

**Crisil has reaffirmed its "AAA/Stable" rating Indicating that the company has the Highest Degree of Financial Strength to Honour its Policyholders Obligations**

# Directors with Profile



**Mr. G. Srinivasan**  
**Chairman cum Managing Director**

Mr. G. Srinivasan is the Chairman cum Managing Director of The New India Assurance Company Limited since 18<sup>th</sup> October 2012. Prior to his appointment as CMD of New India, he was the CMD of United India Insurance Co. Ltd. He is an Associate of Institute of Cost Accountants and also a Fellow of The Insurance Institute of India. He has vast experience in the General Insurance Industry and has worked at various places in India and abroad having handled both operations as well as Corporate management level portfolios. He was Managing Director of New India Assurance Co. (Trinidad & Tobago) Ltd., in the Carribbean. He is a member of many committees of Government of India, IRDA, etc. He is Chairman, General Insurance Council and GIPSA (General Insurance Public Sector Association), Delhi. He is a Director on many Boards. Mr. G. Srinivasan has won many awards and accolades in the field of Insurance.

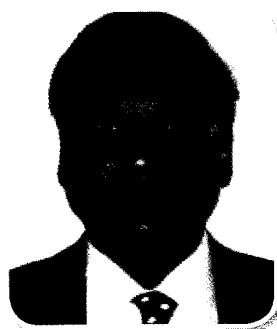
**Mr. Mohammad Mustafa**  
**Director**

Mr. Mohammad Mustafa, IAS has been a Joint Secretary of Department of Financial Services at Government of India since March 2014. Mr. Mohammad served as the Chairman of the Board of National Housing Bank and also Managing Director from May 13, 2014 to July 13, 2015. He served as Government Nominee Director of Union Bank of India since October 1, 2013 until November 25, 2014. He has been a Non-Executive Nominee Director of Bank of Baroda since November 25, 2014. He served as a Government Nominee Director of Andhra Bank from September 25, 2012 to October 4, 2013.



**Mr. Arun Tiwari**  
**Director**

Shri Arun Tiwari is the Chairman and Managing Director of Union Bank of India since December 26<sup>th</sup>, 2013. A postgraduate in Chemistry, Shri Tiwari has extensive knowledge in areas as diverse as banking & finance and computer programming. Before joining Union Bank of India, Shri Tiwari was Executive Director in Allahabad Bank from June 18<sup>th</sup>, 2012 and handled the portfolios of Credit, Credit Monitoring, HR, IT, Risk Management, Finance & Accounts, Vigilance, Branch Expansion & Support Services. He has also served as Director on the Board of All Bank Finance Ltd. He is the Chairman of Bank's overseas subsidiary i.e. Union Bank of India (UK) Ltd. He is also Ex-Officio Director on the Board of General Insurance Corporation of India (GIC Re). Shri Arun Tiwari is Chairman of Indian Banks' Association Standing Committee on Financial Inclusion, Chairman of IBA Standing Committee on Risk Management and Basel Implementation, Member of CII National Committee on Banking 2015-16, Member of CII National Committee on Financial Inclusion 2015-16, Chairman of the IBA Working Group on "Achieving Universal Financial Inclusion", Shri Tiwari is also a member of Advisory Board of "Financial Inclusion Fund" constituted by Govt. of India.



**Mr. Hemant G. Rokade**  
**Whole Time Director**

Shri Hemant G. Rokade joined GIC Re as a Direct Recruit Officer in 1983 and was posted in the Investment Department in GIC Re. He has worked in various capacities & verticals in GIC Re, including Equity, Debt, Investment Appraisal, Accounts, Audit/ Administration etc. Mr. Rokade is having experience in Aviation Reinsurance and Compliance of various regulatory requirements. He was also entrusted with the responsibilities of International Operations Credit Trading during 2008 to 2011. Prior to joining New India, he served as a General Manager in GIC since November 2012. He also served as MD & CEO to IDBI Trusteeship from November 2012 till January 2016.





**Mr. G. Srinivasan**  
Chairman cum Managing Director

# *Corporate Management*



**Mr. Hemant G. Rokade**  
Whole Time Director



**Mr. Segar Sampathkumar**  
General Manager



**Mr. Rakesh Kumar**  
General Manager



**Mr. Anil Kumar**  
General Manager



**Mr. Mohd Zafir Alam**  
General Manager



**Mr. C Narambunathan**  
General Manager



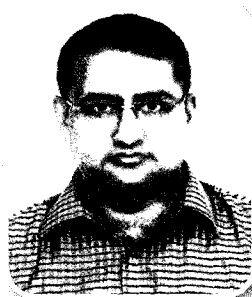
**Ms. Tajinder Mukherjee**  
General Manager



**Ms. S N Rajeswari**  
General Manager



**Mr. Lalit Kumar Vaid**  
Chief Vigilance Officer



**Mr. Sharad S. Ramnarayanan**  
Appointed Actuary



**Ms. Jayashree Nair**  
Company Secretary



## Directors & Executives

### Chairman cum Managing Director

Mr. G. Srinivasan

### Directors

Mr. Mohammad Mustafa  
Mr. Arun Tiwari  
Mr. Hemant G. Rokade (from 27.01.2016)  
Mr. KLR Babu (upto 31.7.2015)  
Mr. P. Nayak (upto 31.5.2016)  
Mr. Salamat Ullah (upto 18.12.2015)

### General Managers

Mr. Hemant G. Rokade  
Mr. Segar Sampathkumar  
Mr. Rakesh Kumar  
Mr. Anil Kumar  
Mr. Mohd. Zafir Alam  
Mr. C. Narambunathan  
Mr. S. Pradhan  
Ms. Tajinder Mukherjee  
Ms. S.N. Rajeswari  
Mr. Girish Radhakrishnan\*  
Mr. Lalit Kumar Vaid  
Mr. Sharad S. Ramnarayanan

### Chief Vigilance Officer

Mr. Lalit Kumar Vaid

### Deputy General Managers

Mr. K.P. Dash  
Mr. Renjit Gangadharan  
Ms. Susmita Mukherjee  
Mr. K. Ravishankar\*  
Mr. D.S. Sarma  
Mr. J.K. Garg  
Mr. R.M. Singh  
Mr. J.S. Dahiya  
Ms. Shobha Reddy  
Ms. Radhika Saberwal\*  
Mr. R. Athiappan  
Mr. Sanjiv Singh  
Mr. I.V. Amaladoss  
Mr. Balla Swamy \*  
Mr. G.K. Patil  
Mr. S. Shankar  
Mr. K.C. Hessa  
Mr. A.P. Vasudeva  
Mr. S. Chiranjeevi Reddy  
Mr. John Philips

Mr. Anjan Dey  
Mr. M. Shankar  
Mr. A.K. Jain  
Ms. Gouri Rajan  
Ms. J. Jayanthi  
Mr. S.R. Shreeram  
Mr. A.K. Longani  
Mr. Dilip R. Sonawne  
Ms. Neera Saxena  
Mr. Rajesh Kalra

### Company Secretary

Ms. Jayashree Nair

### Auditors

M/s. JCR & Co.  
M/s. R. Devendra Kumar & Associates  
M/s. A. Bafna & Co.

### Key Managerial Persons

#### CMD / Principal Officer

Mr. G. Srinivasan

#### Chief Marketing Officer

Mr. Rakesh Kumar (from 1.4.2016)  
Mr. Renjit Gangadharan (up to 31.3.2016)

#### Chief Underwriting Officer

Ms. Tajinder Mukherjee

#### Chief Financial Officer

Ms. S.N. Rajeswari

#### Appointed Actuary

Mr. Sharad S. Ramnarayanan

#### Chief Risk Officer

Mr. Shankar S.

#### Chief Investment Officer

Mr. S. Harinath

#### Chief of Internal Audit

Mr. Rajendra Prasad Joshi

#### Chief Compliance Officer

Ms. Jayashree Nair

\*On Deputation to other  
Companies / Foreign Offices



Launch of Coffee table book by Shri Jayant Sinha, Hon'ble Minister of State, Ministry of Finance, Government of India. The Coffee table book, "Legacy of a Leader" captures glimpses of New India's long and creditable corporate history.



## *Chairman's Message*



Greetings to All,

Our Company had a solid year in FY 2016 increasing its market share to 16.57% in spite of intense competition. The Net Worth of the Company including fair value is ₹ 28895 crore and the asset base now stands at ₹ 62880 crore. Our focus is on faster settlement of genuine claims and addressing of grievance issues of the customer promptly. We introduced many innovative products which were well received by the customers.

The Company received the Golden Peacock Award for Best Product Innovation. The Company has won the Golden Peacock Award for Corporate Governance in 2016. This is the third year that the Company has won this award. It also won the Best General Insurance Company of the Year award in the Fintelekt India Insurance Awards.

Our Company needs to focus on insurance penetration. We need to increase the insurance awareness. People today have a false sense of security that nothing will happen to them. So we need to create awareness on insurance and come out with better and simple products and improve insurance distribution as insurance is still sold rather than bought, especially on home insurance because small section of the population has home insurance. We have introduced Griha Suvidha Insurance policy which is a simple Home Owners policy, with very limited procedural hassles. We need to promote this policy in a big way.

New India issued 26 million policies and processed 2.4 million claims in the year 2015-16. The Company has over 220 products in its basket.

The 'use and file' norms unveiled recently by IRDAI came into force from April 1, 2016 which will allow marketing of commercial products even before the regulatory approval. The new norms have brought in a great deal of scope for innovation in the General Insurance industry. As always, New Indians are ready for this.

Our Company has equally contributed to the rural sector with various micro Insurance Products. We would also be actively participating in the various projects of the Government of India viz.. Pradhan Mantri Fasal Bima Yojana, Pradhan Mantri Seenchai Bima Yojana and Unified Farmer's Package Insurance Policy to tap the hidden and unexplored potential of the rural sector.

Our Company has charted out its global expansion plans that include areas like Asia, North America and Africa. We have recently entered Myanmar and now we are looking at Qatar. We are waiting for approval for our operations in Canada. Our Company plans to open a reinsurance desk at Dubai Financial Centre to enhance its presence in the region. As of now, 18 per cent of New India's business comes from the international market. We are aiming at 20 per cent market share in the country by 2020 and our foreign business would contribute 25 per cent by that time to make us a leading Indian multinational Company in the financial sector.

The IT has become a true enabler and it has empowered business to collect premiums from any source right from issuance of policy from our 2400+ offices to B2B, B2C, B2G and various portals created for our various stake holders. The year also saw the launch of the PMSBY Personal Accident cover introduced by the Prime Minister and our IT platform could get integrated with various banks numbering over 250+ and enabled data flow to go seamless and covered over 1.5 crore individuals under this scheme. The Company has integrated with IT system of Rajasthan Ministry for the Bhamashah Swasthya BimaYojana of Rajasthan Government. Claims payments are being made to 900 hospitals across Rajasthan on daily basis. The Company has acquired a state-of-the art portal for e-procurement tendering process and is customized to include CVC guidelines and the same is being used for all procurements. Thus New India's ICT is powering us to move forward to greater economies and efficiencies.

It has also been a busy year for the industry. There have been several regulatory changes that will have a lasting impact on how the industry develops from here on. At New India, all employees have the opportunity to take on new challenges to realize their full potential. We believe people become responsive to change by gaining experience and overcoming individual challenges.

Finance ministry will soon issue a draft cabinet note on listing of public sector general insurance companies in line with the announcement made in the budget. Lot of preparatory steps needs to be taken to be ready to be listed in the stock exchange. We need to be ready for this.

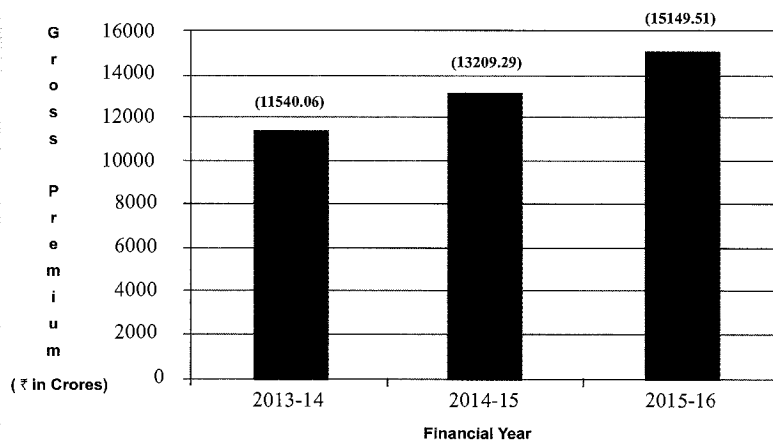
This is just a beginning of the next chapter in New India's history and that chapter will bring its own opportunities and challenges. Our job is to continue to focus intently on what we can control: providing our customers and clients with the best, managing our costs and consolidating our brand image as we march towards our target of ₹ 20800 crore global business targets for FY 2016-17.

I wish to thank all our Customers, Associates, Intermediaries and all New Indians for their continued support and co-operation in taking the Company to greater heights.

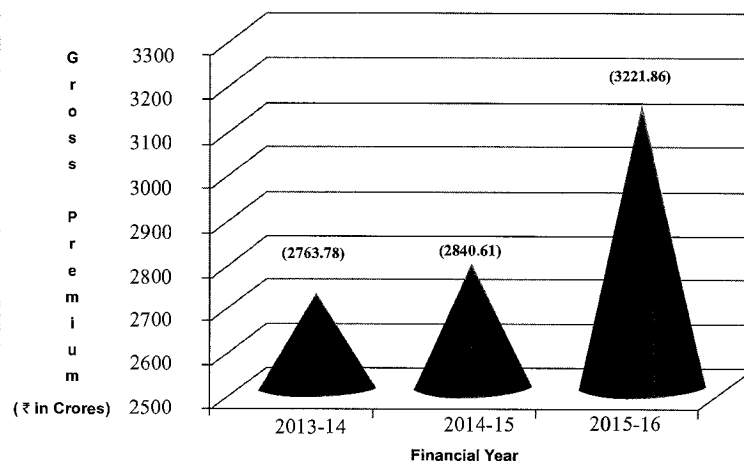
**G. Srinivasan**



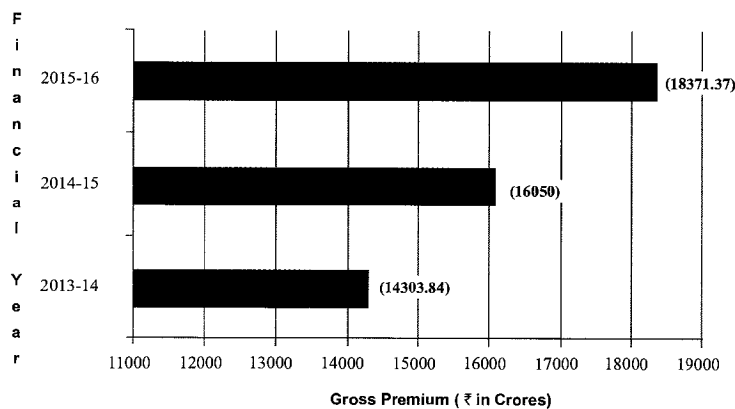
### Gross Direct Premium in India

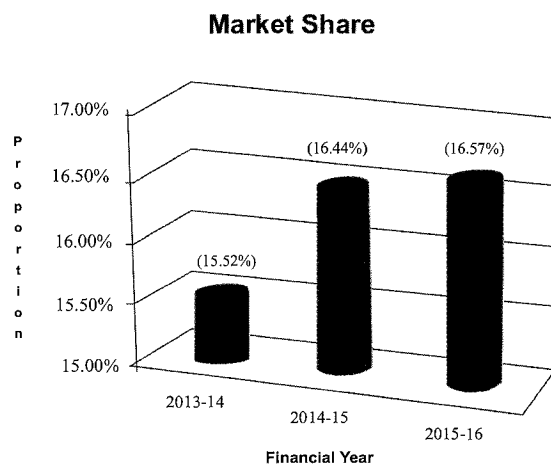
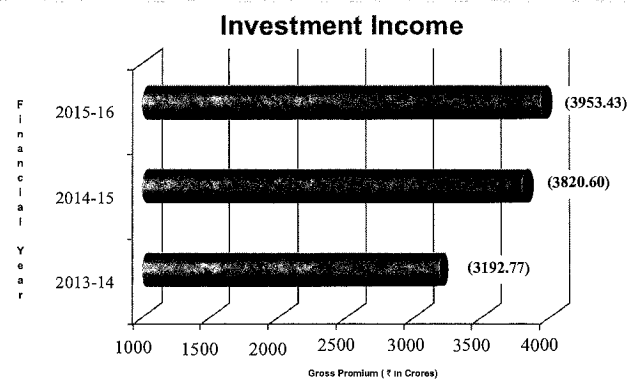
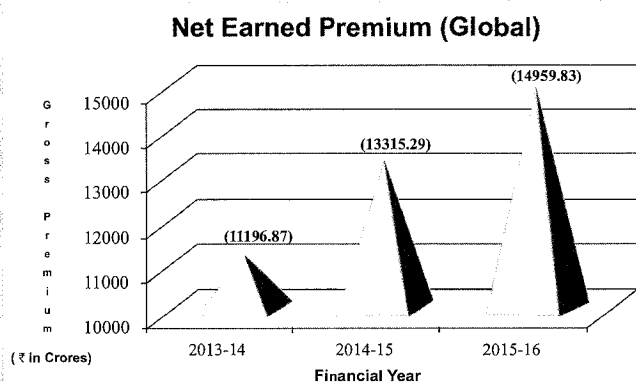
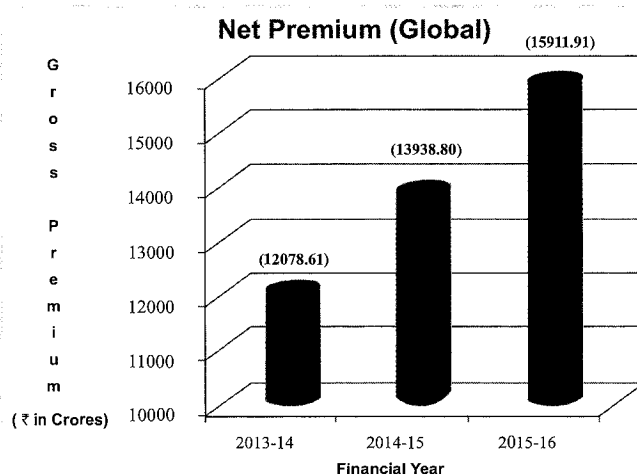


### Gross Premium (Foreign)



### Gross Global Premium







## Green initiative of The New India Assurance Co. Ltd.



The New India Assurance Co. Ltd. supports  
Government of Maharashtra - 2 crores Tree plantation drive

आम्ही वृक्षांसाठी,  
वृक्षा सर्वांसाठी



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## CONSOLIDATED

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**AGM  
Notice**

## **NOTICE OF THE 97<sup>th</sup> ANNUAL GENERAL MEETING**

### **NOTICE TO ALL MEMBERS/SHAREHOLDERS/DIRECTORS**

NOTICE is hereby given that the 97th Annual General Meeting of the members of The New India Assurance Company Limited will be convened on Thursday, the 25th of August 2016, at 11.30 a.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 2016, Profit and Loss Account for the year ended 31st March 2016 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 2016 along with C&AG comments/observations, if any.
3. To declare dividend for the year 2015-16
4. To authorize the Board of Directors to fix the remuneration of Auditors to be appointed by the C&AG for the year 2016-17.

By Order of the Board

**JAYASHREE NAIR**  
Company Secretary

Dated : 18<sup>th</sup> August, 2016

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



## Directors' Report 2015-16

### To The Members :

The Directors have immense pleasure in presenting the ninety seventh Annual Report of the company together with the audited statement of accounts and balance sheet for the year ended 31st March 2016

### I. CLASS-WISE PERFORMANCE SUMMARY

(₹ in crore)

			Fire	Marine	Misc.	Total
<b>Gross Direct Premium Income</b>	<b>India</b>	CY	1691.84	617.53	12840.14	15149.51
		PY	1644.89	665.28	10899.22	13209.39
	<b>(% Growth)</b>	CY	2.85	-7.18	17.81	14.69
		PY	16.51	-6.49	15.74	14.47
	<b>Outside India</b>	CY	857.68	57.25	1698.87	2613.80
		PY	818.61	105.76	1346.60	2270.97
	<b>(% Growth)</b>	CY	4.77	-45.87	26.16	15.10
		PY	12.85	-11.75	0.32	3.81
	<b>Global</b>	CY	2549.52	674.78	14539.01	17763.31
		PY	2463.50	771.04	12245.82	15480.36
	<b>(% Growth)</b>	CY	3.49	-12.48	18.73	14.75
		PY	15.27	-7.25	13.82	12.77
<b>Re-insurance Premium Accepted</b>	<b>India</b>	CY	85.74	17.72	237.90	341.36
		PY	98.52	12.60	321.41	432.53
	<b>Outside India</b>	CY	741.13	33.45	133.14	907.72
		PY	649.70	64.77	138.40	852.86
	<b>Global</b>	CY	826.87	51.17	371.04	1249.08
		PY	748.22	77.37	459.81	1285.39
<b>Re-insurance Premium Ceded</b>		CY	909.15	300.46	1371.28	2580.89
		PY	857.06	325.62	1148.10	2330.78
	<b>Outside India</b>	CY	329.05	11.61	178.94	519.60
		PY	346.34	41.94	107.88	496.16
	<b>Global</b>	CY	1238.19	312.07	1550.22	3100.48
		PY	1203.40	367.56	1255.99	2826.95
<b>Net Premium</b>		CY	920.51	309.64	11929.94	13160.09
		PY	886.35	352.26	10072.53	11311.14
	<b>(% Growth)</b>	CY	3.85	-12.10	18.44	16.35
		PY	14.93	6.23	18.60	17.87
	<b>(% to Growth Premium)</b>	CY	54.41	50.14	92.91	86.87
		PY	53.88	52.95	92.42	85.63
	<b>Outside India</b>	CY	1252.48	48.76	1724.13	3025.36
		PY	1121.97	128.59	1377.11	2627.67
	<b>(% Growth)</b>	CY	11.63	-62.08	25.20	15.13
		PY	12.75	6.33	0.77	5.84
	<b>(% to Gross Premium)</b>	CY	146.03	85.17	101.49	115.75
		PY	137.06	121.58	102.27	115.71



# Directors' Report

(₹ in crore)

		Fire	Marine	Misc.	Total
<b>Global Net Premium</b>	CY	2138.19	413.89	13359.83	15911.91
	PY	2008.32	480.85	11449.64	13938.81
<b>(% Growth)</b>	CY	6.47	-13.93	16.68	14.16
	PY	13.70	6.26	16.12	15.40
<b>(% to Gross Premium)</b>	CY	83.87	61.34	91.89	89.58
	PY	81.52	62.36	93.50	90.04
<b>Addition to Un-expired Risk Reserve)</b>	CY	64.94	-59.11	946.26	952.09
	PY	120.99	-130.20	632.72	623.51
<b>(% to Net Premium)</b>	CY	3.04	-14.28	7.08	5.98
	PY	6.02	-27.08	5.53	4.47
<b>Earned Premium</b>	CY	2073.25	473.00	12413.57	14959.82
	PY	1887.33	611.05	10816.92	13315.30
<b>Incurred Claims Net</b>	CY	1471.97	272.44	11396.78	13141.91
	PY	1441.52	321.67	9424.85	11188.04
<b>(% to Earned Premium)</b>	CY	71.00	57.60	91.81	87.84
	PY	76.38	52.64	87.13	84.02
<b>Commission Net</b>	CY	381.56	48.00	974.19	1403.75
	PY	403.15	42.58	838.14	1283.87
<b>(% to Net Premium)</b>	CY	17.84	11.60	7.29	8.82
	PY	20.07	8.86	7.32	9.21
<b>Operating Expenses</b>	CY	630.59	101.64	2783.57	3515.80
	PY	594.41	117.61	2348.58	3060.60
<b>(% to Net Premium)</b>	CY	29.49	24.56	20.84	22.10
	PY	29.60	24.46	20.51	21.96
<b>U/W Results</b>	CY	-410.86	50.92	-2740.97	-3100.91
	PY	-551.75	129.18	-1794.65	-2217.22
<b>Investment income - Policy Holders</b>	CY	420.54	96.79	2148.49	2665.82
	PY	450.70	107.60	2031.19	2589.49
<b>Revenue Account - Policy Holders</b>	CY	9.68	147.71	-592.48	-435.09
	PY	-101.05	236.78	236.54	372.27
<b>Investment Income - Share Holders</b>	CY				1287.61
	PY				1231.11
<b>Other Income less Outgo</b>	CY				53.02
	PY				172.92
<b>Profit Before Tax</b>	CY				905.54
	PY				1776.30
<b>Provision for Tax</b>	CY				76.87
	PY				345.07
<b>Profit After Tax</b>	CY				828.67
	PY				1431.23
<b>Dividend (Proposed)</b>	CY				250.00
	PY				300.00

(₹ in crore)

		Fire	Marine	Misc.	Total
Dividend Tax	CY				50.89
	PY				60.00
Transfer to Reserves	CY				527.80
	PY				1071.22

## DIVIDEND

During the year the Directors recommended ₹ 250 crore at the rate of 125% as full and final dividend on date as against ₹ 300 crore at the rate of 150% in the previous year.

## II. PERFORMANCE REVIEW (Global)

( ₹ in crore )

		2015-16	2014-15
<b>A</b>	<b>Gross Direct Premium (India)</b>	15149.51	13209.39
	% change over previous year	14.69	14.47
	<b>Gross Premium (Foreign)</b>	3221.86	2840.61
	% change over previous year	13.42	2.78
	<b>Gross Global Premium</b>	18371.37	16050.00

Gross Direct Premium (GDP) in India has increased from ₹13209 crore in 2014-15 to ₹ 15150 crore in 2015-16 recording a good growth of 14.69% in 2015-16. 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 ₹ 15000 crore in Indian market itself in 2015-16.

<b>B</b>	<b>Net Premium</b>	15911.91	13938.8
	% change over previous year	14.16	15.40

The net premium income of the company grew by ₹ 1973.11 crore from ₹ 13938.8 crore to ₹ 15911.91 crore.

<b>C</b>	<b>Additional Un-expired Risk Reserves</b>	952.08	623.51
	% change over previous year	5.98	4.47
<b>D</b>	<b>Incurred Claims (Net)</b>	13141.19	11188.04
	Percentage to earned premium	87.84	83.52
<b>E</b>	<b>Commission (Net)</b>	1403.75	1283.87
	Percentage to Net premium	8.82	9.21
<b>F</b>	<b>Operating Expenses</b>	3515.8	3060.6
	Percentage to earned premium	22.10	21.96
<b>G</b>	<b>Underwriting Results</b>	(3,100.91)	(2,217.22)
<b>H</b>	<b>Investment Income (Less Provision)</b>		
	Apportioned to policyholders	2665.82	2589.49
	Apportioned to Shareholders	1287.61	1231.11
	Total	3953.43	3820.60
<b>I</b>	<b>Revenue (Policyholders) Account Results</b>	(435.09)	372.27
<b>J</b>	<b>Other Income/Outgo</b>	53.02	172.92
<b>K</b>	<b>Profit Before Tax (PBT)</b>	905.54	1776.3
<b>L</b>	<b>Profit After Tax (PAT)</b>	828.67	1431.23



## Directors' Report

(₹ in crore)

		2015-16	2014-15
M	Proposed Final Dividend	250.00	300.00
N	Dividend Tax	50.89	60.00
O	Paid-up Capital	200.00	200.00
P	Reserves and Surplus	11173.72	10449.65
Q	Total Assets	62880.07	61719.63
R	Investments (at cost)	26180.56	24813.00
T	Solvency Margin		
	i. Required solvency margin under IRDA regulations (Global)	3986.62	3,468.54
	ii. Available solvency margin (Global)	9154.11	8,447.68
	iii. Required solvency margin under IRDA regulations (Indian)	3509.36	3,407.23
	iv. Available solvency margin (Indian)	9300.90	10,521.97
	The company's Global solvency ratio is 2.30 times (PY 2.44 times) and Indian solvency ratio is 2.65 times (PY.3.09 times)		
U	Compliance with Section 40C		
	i. Expenses prescribed under the act (excluding commission)	2999.08	2608.70
	ii. Actual expenses (excluding commission)	3213.78	2781.94
	iii. Difference	214.70	173.24

## GENERAL INSURANCE INDUSTRY VIS-À-VIS INDIAN ECONOMY

The Indian Economy grew at 7.6% in 2015-16. The Economic Survey predicts India's GDP growth to be about 7.5% in 2016-17 and higher thereafter. Indian economy is amongst the fastest growing economies in the world currently. The fall in price of crude oil and its derivatives coupled with proactive measures adopted by the RBI has kept inflation largely under control. The Government is taking several steps to revive the economy by increasing the investments on new infrastructure projects, reviving stalled infrastructure projects and earmarking large budgetary allocation to rural sector. The introduction of GST, Motor Vehicle (Amendment) Bill and several other reforms are proactive initiatives by the government to boost the Indian economy.

While India has seen an improvement in its macro stability due to lower inflation and fiscal deficit, it continues to face challenges on account of fragile global environment. The stressed balance sheets of many corporate and banks also remain a concern.

The General Insurance Industry grew at 13.8% falling marginally short of the coveted 1 lakh crore premium mark. The growth was higher than the previous year's growth of 10%. The growth in 2015-16 was driven by Health and Motor insurance segments, which are traditionally the largest segments for the industry.

The recently concluded financial year was good for Cars & Commercial vehicle sales. While cars recorded the highest sales growth in last five years, the overall growth in the commercial vehicle sales during the year signal a pick-up in commercial and infrastructure activity. Automobile industry's fortunes are a major driver of Non-Life Insurance Business.

While Health Insurance business has been growing at a good pace the huge under penetration of Health insurance and rising healthcare costs continue to offer a good future potential for the Company.

The expected pick up in economy is expected to revive the other segments like Fire and Engineering, Marine etc.

Overall, the market environment for the company's business looks positive.



## III. OVERVIEW OF COMPANY'S OPERATIONS

### A. INDIAN OPERATIONS:

Gross direct premium in India has increased from ₹ 13,209.39 crores in 2014-15 to ₹ 15,149.51 crores in 2015-16 recording a growth of 14.69% during 2015-16. The growth is observed in all geographical segments as well as all classes of business.

### INDIAN OPERATIONAL RESULTS

Sr. No	PARTICULARS	2015-16		2014-15	
		(₹ in crore)	%	(₹ in crore)	%
1	Gross premium	15,149.51	14.69	13,209.39	14.47
2	Net premium	13,207.25	13.93	11,592.02	17.49
3	Increase in unexpired risk reserve	785.66		555.66	-
4	Net earned premium	12,421.58		11,036.36	-
5	Commission	658.15	5.30	637.51	5.78
6	Incurred claims	11,531.72	92.84	9,887.02	89.59
7	Management expenses	3,344.47	26.92	2,896.34	26.24
8	Other income (net of outgo)	44.35	0.36	170.06	1.54
9	Investment income	3,833.11	30.86	3,688.48	33.42
10	Profit before tax (PBT)	764.70	6.16	1,474.03	13.36

Note: Percentage shown in sr. no. 1 & 2 indicates the growth over previous year and the percentage shown in sr. no. 5 to 10 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 the company operates 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, the Company has subsidiaries in Nigeria (Prestige Assurance Plc.), Trinidad and Tobago (New India Assurance T & T) and Sierra Leone. The New India T & T also operates in countries such as St. Lucia, Dominica, St Maarten, Guyana and Anguilla. The Company has opened a Representative office in Myanmar. The Company has two associates namely Indian International Pte, Singapore and Health Insurance TPA of India Ltd.

The Company's foreign operations saw a gross premium turnover in rupee equivalent of ₹ 3,221.84 Crores, showing a growth rate of 13.4%. The net premium grew at 15.2% from ₹ 2,346.78 crores in 2014-15 to ₹ 2,704.59 crores in 2015-16. The operations recorded an underwriting profit of ₹ 11.85 crores in 2015-16 and the Profit before Tax was ₹ 140.84 crores.

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	2015-16		2014-15	
		(₹ in crore)	%	(₹ in crore)	%
1	Gross premium (Gross Direct plus Accepted)	3,221.86	13.42%	2,840.61	2.78
2	Net premium	2,704.66	15.25%	2,346.79	6.06
3	Increase in unexpired risk reserve	166.42	-	67.85	-
4	Net Earned Premium	2,538.24	-	2,278.93	-
5	Incurred claims	1,609.47	63.41	1,301.02	57.09
6	Commission	745.59	29.37	646.36	28.36
7	Expenses of management	171.33	6.75	164.26	7.21
8	Other outgo	8.67	0.34	2.86	0.13
9	Investment income	120.32	4.74	132.12	5.80
10	Net Profit/Loss	140.84	5.55	302.27	13.3

Note: Percentage shown in Sr. No. 1 & 2 indicates the growth over previous year and percentage shown in Sr. no. 5 to 10 is percentage to net earned premium.

## ORGANISATION STRUCTURE

### Domestic

The Company has been expanding its footprints by opening Micro Offices. The larger Micro Offices have been upgraded as Branches.

The company has opened 108 Micro Offices, 1 Auto Hub, 1 Large Corporate & Brokers Office, 2 Centralized Legal Hubs in this financial year.

As on 31.03.2016, the company has a network of 31 Regional Offices, 6 Large Corporate Offices, one Auto Hub, 447 Divisional Offices, 578 Branch Offices, 27 Direct Agents Branches and 1239 Micro Offices, totaling 2329 Offices.

### Foreign

The Company operates in 28 countries.



### ❖ **REINSURANCE**

The major catastrophic event in this year was the Chennai floods which affected several property risks and triggered recovery from our Property Catastrophe Excess of Loss Treaty.

The Reinsurance market remained soft both internationally and domestically, facilitating the renewal of all the Proportional and Non-Proportional treaties as per plans. Placements were made with well rated securities as adequate capacity was available in the Reinsurance market.

Inward treaty acceptances and facultative acceptances grew moderately. This year the Company received approval for opening an office at GIFT City, Gandhinagar and the plan is to make it operational in the coming year.

### ❖ **TECHNO MARKETING**

In line with the expectations with which the department was created at corporate office, Techno Marketing Department, with the help of dedicated offices which have developed expertise at select centers, continued to maintain its number one position in the Indian market in terms of numbers and premium volumes for underwriting large projects and operational large risks.

Large project policies of diversified nature viz petrochemical plants, infrastructure projects including major power plants were finalized with reinsurers participation. The Department plays a key role in offering cover of international standards, thereby ensuring New India's dominance in this sector.

Techno Marketing department exclusively underwrites reinsurance driven Stand Alone Terrorism policies.

In spite of signs of revival of economy in the current year, project insurance did not pick up at the speed it was expected. However, during the period, department insured one large policy along with ALOP cover and also ensured regaining the lost market share. The market became soft and competition was stiffer due to availability of Surplus capacity in the market.

The Company this year went for risk engineering of major risks on selective basis to understand the changes in the risk profile of the risks being underwritten as well as to provide value addition measures .

The Company aims to maintain its lead position in the market in future also by proactive approach in respect of upcoming large projects and operational policies. In order to achieve this, Company will utilize the strength of underwriting capacity, technical competence experience and innovative techniques.

### ❖ **FIRE AND ENGINEERING INSURANCE**

With a premium income of ₹ 3131 crores, Fire and Engineering portfolio of the Company has continued to retain its dominant position in the Indian insurance market. While these two portfolios have been viewed as Flagship LOBs, the continuing pressure on pricing coupled with catastrophe losses in the Indian Market presented a challenge to the Underwriters. By the very nature these lines of property business are tied to the overall economic growth, specifically industrial growth in the country. The industrial growth in the country has started showing signs of promise and growth. The Company has been able to show a moderate growth of 2.85% in Fire portfolio and remarkable growth of 18.28% in Engineering portfolio in 2015-16 and has maintained its leadership position in Property Insurance.

Due to unprecedented rains and consequent floods in the city of Chennai, several losses were reported. The Company took lot of proactive measures and ensured that claims were settled expeditiously. In most claims, where final settlements were immediately not possible, interim 'On Account' Payments were made to provide quick relief to the customers.

## ❖ HEALTH INSURANCE

The company continues its predominant position in Health Insurance Business with a growth rate of more than 23.49%. The total Health Premium stands at ₹ 4961.33 crores in 2015-16 (as against ₹ 4017.63 crores in 2014-15). The share of Health Premium in the total Domestic Premium has gone up from 30% to 32% this year.

As part of claims control measures, Head Office teams have conducted intensive audit of TPAs. The team has conducted 88 such audits in the year 2015-16. Number of PPN hospitals PAN India has increased to 1522 in 2015-16. New India has been appointed as lead insurer for Pune PPN Network. The Company has recruited three more MBBS professionals this year for effective claims management and TPA control. The Company has come up with updated Health Technical Manual which will also help in claims control.

The Company has successfully implemented Single Window payment system of all Health Insurance claims directly to customers from Head Office.

## ❖ 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 Hull the business growth is affected adversely due to overall down turn in Shipping & Energy sector. Internationally Oil & Energy Insurance Market continues to be soft, mainly due to continued fall in crude oil prices. Reinsurance premium rates have fallen significantly as compared to previous year. Therefore, the Hull premium of ₹ 283 crores as against last year's ₹ 336 crores mirrors these market conditions. The Company has approximately 33% of market share in Hull and 16% in cargo business.

The Company achieved a Marine Cargo Domestic premium of ₹ 335 crores as against ₹ 329 crores in the previous year. A number of new projects and e-commerce business has been added this year to the Company's marine cargo portfolio. Despite sharp reduction in the volume of bulk cargo and export/import, New India has registered a modest growth of 1.6%.

Marine Business generated by Foreign offices is ₹ 46 crores in Cargo and ₹ 11 crores in Hull. The Total Marine Business globally is ₹ 675 crores this year as compared to ₹ 771 crores last year.

As leader in Marine Hull & Cargo Insurance, the company is committed to deliver the best service to its clients and has earned a number of national and international awards in recognition of its unique position. Some of the awards related to marine business are highlighted as under:

- The Marine Insurance Award 2015 from Seatrade Maritime Awards (Middle East, Indian Sub-Continent & Africa), Dubai
- Samudra Manthan Award 2015 from Maritime and Offshore Logistics, Mumbai, India.

Despite soft market conditions, marine portfolio remains profitable. The efforts made towards claims management and recovery has contributed to profitability of the portfolio. New IT initiatives have been planned for better service of our online customers.

The outlook for the next year is good in cargo as many new projects are in the pipeline. In Hull, however, modest growth is expected.

## ❖ AVIATION INSURANCE

New India continued to lead the Indian market in direct Aviation Insurance with a market share of more than 27.93%. The Company also retained its leadership as lead insurer for Air India, Indigo along with the new addition in Premier carriers, Vistara. The Company also provides its capacity in insurance programs of other Domestic Airlines such as Spice Jet, Jet Airways and Go Air.



The company continues to be the largest Insurer in the Country in terms of Net Retained premium. The company is also a recognized and sought after Reinsurer in the International market today, lending its support to about 200 aviation programs including some of the most famous names like British Airways. The Company plans to increase capacities and writing a larger line in Domestic and Airline portfolio of SAARC Countries in future.

### ✦ **AUTO TIE-UP**

Auto Tie-up remains a significant part of Motor Insurance. Motor Insurance constitutes about 40% of the total business of the company. Auto Tie-up continues to be the main source of new vehicle business as well as for renewals through dealers' points. The Company is a leading player in Maruti, Hyndai, Ford India, Chevrolet, MHSI, Tata Motors, Ashok Leyland, Volvo Eicher, M&M, etc.

In the concluded financial year, the Company has finalised 3 important OEM Tie-ups (Royal Enfield, Tafe Tractors, Atul Auto). At present we have 22 Centralised Auto Tie-ups and about 3600 local Auto tie ups. We registered more than 12.55% growth in Auto Tie-up business.

The company has been extending 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 volume

### ➤ **Motor Own Damage (O.D.)**

During 2015-16 also, New India retained leadership in Motor premium. The Company's Motor portfolio once again outperformed the Industry by registering spectacular growth. Over all motor business grew by 15.2% as against the industry average of 13.6%. Motor OD and Motor TP segments grew at 6.91% and 22.1% respectively as against industry growth of 9.2% and 18.4%.

During the year, Six Add on covers for Private Car Package policy were introduced. Various Add on covers like EMI cover, Return to Invoice, Road Tax, Engine Protect, NCB protection covers for Commercial vehicles and two wheeler segments are proposed to be filed with IRDAI for approval.

The Company has also filed its Motor products with the Regulator under Point of Sale Persons (POS) and approval is received from the Regulator. The Motor OD portfolio continues to register underwriting profit in 2015-16 as well.

The claim settlement ratio in Motor OD segment remained at 93%. For the purpose of faster claim settlement and improved Customer services, 17 more offices were brought under the claim Hubs. As on date, 34 Claim Hubs are operating across the country handling claims of 812 operating offices.

### ➤ **Motor Third Party (TP):**

Decision of Corporate Management to have a dedicated team of officials headed by a General Manager yielded desired results, when for the first time, Outstanding claims has scaled down to 1,62,011 at the end of FY 2015-16 as against 1,72,365 at the beginning. Although the number of claims filed were 73603, the Company managed to settle 82,394 cases with the Settlement Ratio of 33.53% and Throughput Ratio of 111.94%.

New India retained the position of maximum settlement (amongst all General Insurance Companies) of cases in National Mega Lok Adalat held in Dec 2015 and settled 16,080 cases. Total number of cases settled in Lok Adalats and through other Conciliation Proceedings has crossed 30,000 this year (36% of Total Claims Settled), as an outcome of the Focused Strategy of Management to compromise the maximum number of fit cases.

Dedicated Legal Hubs at Mumbai and Delhi were made operational this year for effective handling of cases and appeals, which took the number of operational TP Hubs to 49. Fresh Batch of Legal Officers was recruited and placed at various offices, which have more number of TP Claims across the country, after extensive induction training of three months.



Review Meeting of TP Hubs was conducted at Bhopal in Feb 2016, stressing upon the review of all outstanding claim files, Court Search of cases pending for more than 5 years, visits to Courts, apart from evidence purposes. Constant follow-up was also done by Video Conferencing and Visits of Officials.

Information Technology aspect had remained the major area of focus this year and the road map was prepared to implement major changes in TP claims automation. As a part of robust IT enablement, the company has proposed Portals for Advocates, Investigator and Mobile App for the Advocates, for the constant and immediate follow-up as well as for keeping proper track of the claim's status before the Courts. It also aimed at Better Management of and Control on our Service Providers. Avoiding duplicity of many tasks is also aimed at, by the use of IT platform.

Focused Strategy by the Corporate Management resulted into growth of 22.14% in Motor TP Premium, against the Market growth rate of 18.4%.

## ❖ **MISCELLANEOUS AND LIABILITY INSURANCE:**

New India continues to be market leader in Liability Insurance for the sixth consecutive year. This year we achieved a domestic premium of ₹ 297.80 crores (gross) in the Liability line of business with a favorable Incurred claim ratio of 20.80%.

The Miscellaneous department has pioneered many tailor-made products suitably packaged to address the specific insurance needs of the customers, both retail and corporate and provide them with insurance solutions. The Company strengthened the Home Insurance Segment by launching the "New India Griha Suvidha Insurance", which provides packaged covers to contents on First loss basis (without condition of average) and hassle free claims process.

The Company has achieved a gross domestic premium completion of ₹ 1058.83 crores in the year 2015-16.

## ❖ **BROKERS AND BANCASSURANCE:**

The Brokers channel business in FY 2015-16 generated a premium of ₹ 2906.61 crores with accretion of 22 %. The business from Broker Specialized Offices stood at ₹ 269.54 crores with a growth rate of 21%. Large Corporate Broker office also did a premium of ₹ 702.46 crores with a growth rate of 23%. In this financial year one more LCBO was created at Mumbai which increased our service efficiency for large corporate clients. The Company has also introduced web based Broker portal which has helped in growth of Broker retail business. During the year numerous Broker meets and Technical workshops were organized to strengthen the relationship with the Brokers.

## ❖ **AGENCY:**

The Agency department is effectively functioning for strengthening agency channel performance and empowering agents to take up the challenge of stiff market competition. Agent Managers are single point of contact for agents working in operating offices for sales and service support & training of agents. Periodic training to Agent Managers have helped them to clearly understand their role in nurturing and empowering agents to enhance their performance.

Agents were motivated and encouraged to use agent portal to issue retail policies by logging into portal on 24x7 basis. Portal access was given to 8557 agents and they issued 9.82 lakh policies generating premium of ₹ 282 crores. The Company intends to issue more than 15 lakh policies generating premium of ₹ 400 crores through agent portal in the financial year 2016-17.

The Company distributed Agent Club benefits to eligible club members in the National CMD Agent Club Members Convention at Bengaluru.

In view of the new Agents Regulations, existing agencies were revived by screening agents and 6647 new agents were also recruited during the year. The premium procured by Individual Agents was ₹ 7079 crores and Corporate Agents was ₹ 149 crores.

The Company has initiated the process of incorporating the Point of Sales Person Channel in CWISS and recruitment of Point of Sales Person on the basis of the guideline issued by IRDAI.



### ❖ **BANCASSURANCE :**

Bancassurance Channel is a business model which offers immense opportunities of growth. Currently the Company has Bancassurance partnership with 15 banks which includes three PSU Banks i.e., Corporation Bank, Union Bank of India and Bhartiya Mahila Bank.

Bancassurance channel contributed ₹ 137.23 crores of business in the year 2015-16, registering a growth of 25 %. Discussions have been initiated with numerous Banks for new Bancassurance tie-ups.

IRDAI has recently introduced a new Distribution Channel called IMF ( Insurance Marketing Firm) under which any applicant with Net Worth of ₹ 10 lakhs subject to fulfillment of specified criteria can sell retail line of insurance products like Motor, Health, PA, householder and similar products approved by the Regulator. As on date some firms have already started placing business with our company.

### ❖ **PRADHAN MANTRI SURAKSHA BIMA YOJANA**

Pradhan Mantri Suraksha Bima Yojana is a Group Accident Insurance Scheme covering accidental death and disability of a person for a premium of ₹ 12/- per annum per member. Our Company has enrolled 1.53 crore members under this scheme with the help of 304 tied up Banks. The total premium collected is ₹18.16 crores. With claim settlement ratio of over 78% the Company has ensured effective claim disposal and helped in achieving the objective of the scheme.

### ❖ **RURAL AND SOCIAL SECTOR AND MICRO INSURANCE :**

The 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 sets, Solar Pumpsets, fish farming in fresh & brackish water, bullock carts, horticulture & floriculture and others. The Company provides low-cost insurance in Personal Accident and Health Segments like Janata & Gramin Personal accident, Jan Arogya Bima, Universal Health insurance and Janata mediclaim and many other Government sponsored schemes.

The Company participates in all the Centrally sponsored Cattle/Livestock Insurance Schemes, Corporate Dairy Schemes and State/Local based schemes, Special Insurance Schemes like Drip Irrigation Policy, Solar Pumpset Insurance Policy etc. The agreement with the Agriculture Insurance Company has also been renewed for 3 years for marketing of Agriculture Insurance Products.

Crop Insurance in India is coming as per the scheme announced by the Government of India and the company plans to participate in the same in a big way.

### ❖ **RSBY & GOVERNMENT BUSINESS DEPT :**

RSBY & Govt. Business Dept. was formed in July 2013 to exclusively deal with government business. Purpose of forming the department was to have a (i) focused approach to keep track on all government sponsored and mass schemes (ii) to ensure growth and (iii) profitability of the scheme so that it can sustain for long.

The implementing agency for mass health insurance scheme RSBY is shifted from Ministry of Labour & Employment to Ministry of Health & Family Welfare. Because of aggressive pricing due to market competition, claims and ICR under these schemes have to be monitored very closely and minutely. Steps have been taken to monitor all ongoing schemes at regular intervals by the department.

The Company is implementing Bhama Shah Swasthya Beema Yojna of Government of Rajasthan. The scheme covers a population of 1 crore Bhama Shah Card holders. Scheme covers secondary treatment of ₹ 30,000/- and critical illness treatment of ₹ 3,00,000/-

The RuPay Insurance program 2015 providing Personal Accident cover to 26 million account holders under the Prime Minister Jan Dhan Yojna, for the RuPay Card Holder has also been successfully implemented by the Company. This scheme has been renewed for the year 2016-17 also. New India is the only company providing Insurance coverage to all the Account Holders of PMJDY.

## ❖ CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

During the year ending 31st March 2016 the Company earmarked ₹ 31.50 crores towards various CSR initiatives.

In order to speed up the process various Regional offices have been involved in release of sanctioned amounts and for periodic inspection of the CSR projects.

The location of the CSR project has been taken into consideration while involving the participating R.O's.

Some of the CSR activities taken up in the year are in the following areas:-

- Providing Solar Lamps in 3 villages of Bhimashankar village.
- Providing Solar Lamps to 1200 students.
- Providing Artificial Limbs to Physically Challenged Persons.
- Financial Assistance to initiative of the Cancer Patients Aid Association
- Installation of Solar Street lights.
- Sponsorship of the initiative of the National Association of the Blind.
- Providing Funds for Health Care projects at Anantapur in Andhra Pradesh.
- Financial Assistance for purchase of accessories, instruments and installation necessary to carry out Retinal operation in the Eye Care Centre of Shanmukhnanda Hall's Medical Centre at Mumbai.
- Aim of Sewa Project of Odisha for construction of the Boy's Hostel.
- Financial Assistance to Shankera Deva Natralaya for the Medical Welfare Project under Guwahati R.O.

## ❖ 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 Centre 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 and 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 Customers' needs and requirements.

Company's CRM Module is integrated with IRDA's IGMS site. All grievances are registered by New India and Customers through the CRM Module and by IRDA through IGMS site. All the registered grievances are reflected on CRM & IGMS sites simultaneously.

The Grievance Redressal position for the period 1.4.2015 to 31.03.2016 is as under:

Outstanding grievances as on 31/03/2015	101
Registered (From 01.04.2015 to 31.03.2016)	4088
Resolved (From 01.04.2015 to 31.03.2016)	4041
Outstanding as on 31.03.2016	148
Disposal Ratio	96.46%



## ❖ **ENTERPRISE RISK MANAGEMENT**

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

The company decided to carry out the process of selection of ERM consultant so as to bring in not only outside experience and expertise but also an outsider's perspective.

The job of ERM Consultant is built into 5 Phases and the duration for the project execution is for a period of 9 months excluding a period of six month for handholding the project to ERM cell.

ERM cell has been formed under the Chief Risk Officer of our company, to work with the ERM consultants, provide support & data and to assimilate the knowledge, the techniques and run the ERM in NIACL as a full-fledged department.

The process of Risk assessment to identify, assess, categorize and prioritize significant risks in the domain of Operating, Financial, Strategic and Compliance risks across the company has been initiated. Detailed discussion with the Head Office department officials followed by visits to operating offices for all the line of businesses has been undertaken and a detailed Risk Register has been drafted for some line of businesses.

The Risk Management committee of the Board of our Company periodically monitors the progress of the ERM programme.

## ❖ **CLAIMS MANAGEMENT**

The company had kept target of 92% claims settlement in respect of Non-suit Claims. The actual ratio of settlement in respect of Non-suit claims in 2015-16 was 97.56%.

However the overall claim settlement ratio including suit claims (comprising mainly of Motor TP Claims) was 94% in 2015-16.

	Non-suit	Suit	Total
Number of claims O/s as on 01.04.2015	96756	182687	279443
Number of claims intimated during 2015-16	3850887	256112	4106999
Number of claims settled during 2015-16	3851195	267016	4118211
Number of claims O/s as on 31.03.2016	96448	171783	268231

Age-wise classifications of outstanding claims as on 31.03.2016 are given here under:

	Non-suit	Suit	Total
Claims outstanding for less than 3 months	76233	12058	88291
Claim outstanding for more than 3 months but less than 1 year	18093	24022	42115
Claim outstanding for more than 1 year	2122	135703	137825

### ➤ **Management of Non-Suit Claims**

The Company focused on the necessity to improve claims settlement both quantitatively and qualitatively along with TAT improvement so that Customer Experience is further enhanced. In order to achieve the desired goals, the following measures were undertaken:

Round the clock monitoring by all modes were conducted for improving the Productivity of each office by minimum 50%, improved Surveyors' TAT and faster claims settlement. Regular and stringent monitoring on weekly basis from HO was done by way of sharing MIS, organizing Workshops, Video Conferencing, Tele-conferencing, emails and personal visits to Regional Offices and Claims Hubs.

Training Programs for Claims servicing / settling officials were conducted in phased manner in order to improve Technical knowledge and skills required for expeditious and effective claims settlement. A total number of 6 Training Programs were held and 155 employees were trained during the year 2015-16.

An All India Review Meet at RMs level with HO Technical Department officials as well as claims hubs officials was held for uniform and efficient Management of Non-Suit Claims, in order to improve and simplify various claims processes as well as uniform implementation of guidelines. Clear directions were given on various matters for quick settlement of claims. The Technical issues raised during the sessions were compiled and clarifications obtained from HO Technical departments, and circulated across the country for uniform approach towards common issues faced by claims settling officials in operating offices and to keep check and control on pendency of claims while working towards the common corporate goal i.e. Enhanced Customer Experience.

## ❖ **MARKETING DEPARTMENT**

The company has continued to retain its predominant number one position in Indian Market with 16.57 % market share. The Indian network was expanded by setting up one new large Corporate Broker office, one auto hub at Delhi and two centralized legal hubs. In order to cater general insurance needs of unexplored rural areas and unrepresented urban areas 107 micro offices were opened. 21 Micro offices were upgraded as branch offices and 8 branch offices were upgraded as divisional offices to provide better services to our esteemed customers.

Residential Training programs on Effective Marketing Skill & Customer Service for Divisional & Senior Divisional Managers all over India was undertaken and the same was arranged at Insurance Institute of India. Top Management addressed the participants encouraging them to face the challenges in our industry. Various subjects were covered by eminent in-house and outside faculties. The program took 7 months for completion in which 408 DMs & SR.DMs were guided to be proficient. Booklets containing performance data of all the Regional Offices and important circulars were prepared for Regional in-charges conferences.

## ❖ **CORPORATE COMMUNICATION DEPARTMENT**

Press conferences were organized to apprise the media fraternity of the Company's various financial achievements and also the launch of products during the year. Wide coverage of its achievements, carried out by all the leading publications, boosted brand image of the company.

The Company's foundation day program was successfully organized with guest speaker, Mr. M Damodaran, former Chairman of the Securities & Exchange Board of India (SEBI). The Coffee table book of the Company encompassing 97 illustrious years of the organisation was unveiled in a launch event by the Chief guest Shri Jayant Sinha, Minister of State for Finance, Government of India.

In addition to effective use of traditional outdoor media; new methods like digital advertising and E-mailers were also used to reach out to maximum customers. Effective use of electronic media – T.V. & radio was made on pan India basis to create awareness about our products through R. J. mention, sponsoring tags and catchy jingles.

Promotion of Company's global operations were carried-out by sponsoring international insurance summits like Monte Carlo, Baden Baden reinsurance & Singapore International Reinsurance conferences and releasing advertisements in Asia Insurance Post and other Indian – foreign diplomat magazines.

## ❖ **RIGHT TO INFORMATION ACT**

The Company arranged various workshops for CPIOs, Office-in-charges and other officers of Regional Offices wherein the participants were sensitized about the latest amendments in the RTI Act and the landmark decisions given by the Honorable Supreme Court, High Courts and CJC, New Delhi on RTI related matters. This was done to educate and assist the officers in taking appropriate as well as time bound decisions - as stipulated in the Act.



By adhering to the directives of the CIC, the Company has developed a relationship of dependability and trust, between our organization and the CIC; which helps in logically resolving various situations expeditiously.

We are in the process of making RTI application on-line through our Web-Portal which we hopefully intend to roll out by June 2016.

### ❖ **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**

- The Company has strived to impart massive Training on CDA Rules 2014 across the board to bring about awareness on Misconducts, Prohibitions and Restrictions to ensure better IR climate in the Organization.
- In order to ensure strict adherence to a climate of discipline, the Company has viewed all instances of Unauthorized Absences cases seriously and appropriate action was taken.
- The Company is in the process of formulating 'Sexual Harassment at Workplace Policy'. Committees for Sexual Harassment at Workplace have been formed at Head Office and all Regional Offices – who are well-versed with the nuances of the 'Act' to attend to Complaints.
- Submission of On-line Annual Property returns have been further streamlined and has since achieved optimum efficacy.
- There has been no Labour unrest nor and any severe IR problem during the Financial Year due to proactive approach of Senior Management at Head Office – as well as – the Regional Offices.

### ❖ **INFORMATION TECHNOLOGY**

Eight years ago the company began its IT transformation exercise and today we have started reaping the benefit of this major initiative when the IT has aligned itself completely in every sphere of our Business Processes and started giving results. The IT has become a true enabler and it has empowered Business to collect premiums from any source right from issuance of policy from our 2300+ offices to B2B, B2C, B2G and various Portals created for our various stake holders. The Policies are being issued today from any device ranging from PCs at our offices to a hand held device of our customers/Agents etc and to tightly integrated web services with our various OEM based Business.

This year the Company has acquired ₹ 1822.43 Crores out of Total ₹ 15000 + crores premium through its digital platform which is 12% of the Company's total premium. The vibrant digital initiative has enabled Agents to use Portal and directly issue personal line policies on 24\*7 basis and be more productive rather than visiting respective offices for such purposes. The integration with Web Aggregators is functioning satisfactorily. The year also saw the launch of the PMSBY Personal Accident cover introduced by the Prime Minister and our IT platform could get integrated with various Banks numbering over 250+ and enabled data flow to go seamless and covered over 1.5 crore individuals under this scheme. The Company has integrated with IT system of Rajasthan Ministry for the settlement of claims under Bhama Shah Swasthya Bima Yojana of Rajasthan Government. Claims payments are being made to 900 hospitals across Rajasthan on daily basis.

The Company has launched various Mobile Apps to support business in not only collecting premium but also to support Claims Management and empowering Surveyors to deliver their services using this mechanism. New India foresees huge potential to increase the foot print of mobile Apps in next year. The Company's E Lounge housing Windows Apps was formally launched and has great premium potential. The power of its HRMS system (PeopleSoft) was further tested when it was used for the Wage Revision exercise of 2016. The entire exercise along with arrears calculation was completely done using the system for the first time. It saved many man hours of manual calculations.

IT today is ensuring timely completion of entire Accounting and Claims settlement across offices and at Corporate Level.

In order to make IT deliver as per Business Demand, underlying IT Infrastructure has been strengthened to a great extent in terms of providing secondary WAN Link in all offices to avoid single point of failure in primary link. The Desktop Management System Project "UTKARSH" was successfully implemented which has resulted in the reduction of many hardware issues, control on usage of authorized software in all PCs, centralized deployment of Anti-Virus on day to day basis on each system, centralized patch management on each hardware etc. The ROI of Project "UTKARSH" was seen when the Formal Audit carried out of Microsoft gave us clean chit for using authorized licenses across country.

The Company's Security policy has been redrafted by E & Y, keeping in mind the requirements and needs of today's security milieu and compliances to be adhered too and will be adopted in the coming financial year. To comply with the ministry directives the Company has acquired a state-of-the art portal for e-procurement tendering process and is customized to include CVC guidelines and the same is being used for all procurements.

Thus New India's ICT is powering us to move forward to greater economies and efficiencies.

## ❖ **HUMAN RESOURCES DEVELOPMENT AND PERSONNEL**

### ➤ **STAFF WELFARE SCHEMES:**

In keeping with the tradition of keeping the interest of its employees foremost, the Company has continued to implement welfare schemes for its employees viz. Group Savings Linked Life Insurance, Group Term Life Insurance, Employees Deposit Linked Life Insurance, Group Mediclaim Policy covering employees and family members and Lumpsum payment for Domiciliary treatment, Housing Loan and Vehicle Loans at subsidized rate of interest, Retirement Benefit and Death Relief Schemes managed by Mutual Benefit Society for employees, Leave Travel Subsidy etc. There are other schemes which provide 24 hours cover to employees against accidental death or permanent disablement.

The Company provides Ex-gratia relief scheme to its employees which provides for reimbursement of medical expenses, beyond the mediclaim cover, for high cost/protracted treatment including provision for ex-gratia for any illness / hospitalization expenses which are not normally covered under Group Mediclaim Policy of employees. Special leave is sanctioned and medical expenses are reimbursed if employee meets with Accident whilst on duty which is in addition to the 24 hours Accidental cover provided to employees. Employees are encouraged for pursuing higher post graduate academic courses for which financial assistance is provided.

In order to facilitate more transparency and expeditious settlement, the Company has implemented online access to all its employees for availing the benefits and necessary training has also been imparted to them.

### **Employee strength as of 31<sup>st</sup> March 2016:**

Category of employees	Male	Female	Total
Class I	5684	1943	7627
Class II	45	1365	1410
Class III	2026	5952	7978
Class IV (Excluding Part Time Sweepers)	1305	444	1749
Part Time Sweepers	17	2	19
<b>TOTAL</b>	<b>4459</b>	<b>14323</b>	<b>18783</b>

\*Ex-servicemen & PWD included in Total



## Recruitment and Reservation:

The number of employees recruited during 2015-16 is as follows:

Category of Employees	SC	ST	OBC	Total	Ex-servicemen	PWD
Class I	71	35	128	480	3	19
Class II	0	0	0	0	0	0
Class III	129	56	321	1167	76	22
Class IV (Excluding Part Time Sweepers)	NIL	NIL	NIL	NIL	NIL	NIL
Part Time Sweepers	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL*</b>	<b>200</b>	<b>91</b>	<b>449</b>	<b>1647</b>	<b>79</b>	<b>41</b>

\*Ex-servicemen & PWD included in Total

**Representation of Scheduled Caste and Scheduled Tribe employees under various cadres as on 31.03.2016 are as under:**

Category of Employees	Total	SC	%	ST	%
Class I	7627	1581	21%	545	7%
Class II	1410	108	8%	39	3%
Class III	7978	1729	22%	616	8%
Class IV (Excluding Part Time Sweepers)	1749	844	48%	137	8%
Part Time Sweepers	19	15	79%	1	5%
<b>TOTAL</b>	<b>18783</b>	<b>4277</b>	<b>23%</b>	<b>1338</b>	<b>7%</b>

The Company Strictly adheres to Brochure provisions and Government DoPT guidelines regarding reservations and 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 programs were duly imparted to all eligible SC/ST employees for promotion to various cadres. Similarly, for Class III and 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 programs are conducted on personality development, stress management, motivation etc. for SC/ST employees of various cadres. Various benefits through Dr. B. R. Ambedkar Welfare Trust are provided to SC/ST/OBC employees. The company made adequate nominations of SC/ST/OBC employees for NIA, Pune training programs on a regular basis.

Pre-recruitment training programs 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 put in place under which, on yearly basis, the liaison officer from the Head Office inspects the Rosters pertaining to recruitment and promotions maintained at 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 the respective Regional Offices with necessary advices. Based on the inspection report, efforts are taken by the concerned Regional Offices in co-ordination with the Head Office to rectify the shortcomings in the procedure, if any, observed by the Liaison Officer.

Special attention is given to the complaints/grievances raised by SC/ST/OBC employees and 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. On the eve of Mahaparinirvan Day i.e. December, 6th every year these welfare activities are supported to observe the death anniversary of Dr. B.R. Ambedkar at Chaitya Bhumi, Dadar.

## ➤ GENDER ISSUES AND EMPOWERMENT OF WOMEN

The Company has a strong women force and provides adequate opportunities for their self and career development. A significant number of women officers, as on 31.03.2016, are holding senior positions in our offices:

General Manager	Two (2)
Deputy General Manager	Six (6)
Regional Manager / Chief Manager	Ten (10)
Divisional / Sr. Divisional Manager	Forty One (41)
Branch Manager / Sr. Branch Manager	Forty Six (46)

- Women executives are nominated for various programmes organized by 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.
- The International Women's Day was celebrated on March 8th, 2016 in all the offices, across the country. Seminars were organised at various centers on topics such as Women Entrepreneurship, Stress Management, Work-Life Balance, Rights of women under various laws of the country, and new law for protection of the women at workplace etc.

## ➤ TRAINING :

In the competitive scenario of the insurance industry of present times, it is of utmost importance to keep our employees abreast of the changes and to develop their insurance skills both in underwriting and claims settlement. Keeping this in mind, the Company conducts regular training programs. The Company also nominates employees for various training programs organized by external institutes from time to time.

The focus of the trainings are on policy awareness, technical matters, specialized topics, marketing strategies, IT, personality development etc. Apart from emphasizing on mainstream training, the Company encourages the nominations in alternate training programs, as arranged for homogenous group of employees.

The employees are sent for training programs held at National Insurance Academy, Pune, Insurance Institute of India, Mumbai, Institute of Public Administration, Bangalore, Indian Institute of Management, Ahmedabad, Bombay Stock Exchange etc.

Women employees are also nominated in specialized training programs like the Women Managers' Training Programme.

Extensive Induction Training for 12 weeks including 4 weeks On-the-Job Training had been imparted to all the 464 newly recruited Officers.



Induction Training for 3 weeks had been imparted to all the 1167 newly recruited Assistants.

Pre-promotional training had been imparted to all eligible SC/ST/OBC employees of all cadres. Pre-recruitment training had been imparted to all SC/ST/OBC applicants. Corporate Training Policy and Corporate Training Rules had been framed. All the willing employees of all cadres had been imparted Training in 2015-2016.

The Company's Training Department at Head Office bagged the prestigious Training and Development Award from the International Body of HR.

The details of Training Programs attended by the employees during the period April 2015 to March 2016 are as under:-

CENTRES	TOTAL NUMBER OF PARTICIPANTS
NATIONAL INSURANCE ACADEMY, PUNE	2132
EXTERNAL INSTITUTES	37
TRAINING ABROAD	10
TRAINING DEPT, HO/RTCs/RO TRAINING DEPTs	14231
TOTAL	16410

## ❖ OFFICIAL LANGUAGE IMPLEMENTATION

The Company has a dedicated Official Language Department which works under the guidelines issued by the Official Language Section of Ministry of Home Affairs and Department of Financial Services.

The activities undertaken for proper implementation of the official language 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' Darjeeling Branch Office under Kolkata RO on 8th April 2015, Mandi DO under Chandigarh RO on 13.6.2015, Surat RO on 9.10.2015 and Trichi DO under Madurai RO on 25.1.2016.

Company celebrated Hindi month from 14th September 2015 to 31st October 2015, 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.

The Company organized the Hindi Officers Conference at Kochi under Ernakulam RO on 20th to 21st November 2015. Dr. P. Radhika Principal and Head of the department of Dakshin Hindi Prachar Shabha of Kochi was the Chief Guest. Rajbhasha Shields were awarded to Jaipur, Baroda, Ernakulam, Bhopal, Ahmedabad, Delhi RO 2, Mumbai RO 3, Guwahati, Pune, Hyderabad 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.

## ❖ INTERNAL AUDIT

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

Internal Audit functions 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. The Company had quarterly audits of their Regional Offices, Claims Hubs, Broker DO, LCBOs and Auto tie-up offices. Quarterly audits were introduced for monitoring of financial transactions, quality underwriting, verifying adequacy of provisioning etc.

During this year, Company has initiated an exercise wherein the replies to the last 5 years Audit Reports were sought from the Audited Offices and Head Office officials coordinated with the local IAD and Regional office officials for obtaining replies from such offices on All India level. And subsequently 5 years Review reports were sent to operating offices.

The Internal Audit Department of the Company has been instrumental in detecting and reporting of systems and procedural lapses to the Management for rectification. The department also contributed 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 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. The performance of the Divisional Office is reviewed and based on their performance on various parameters, offices are graded. At the end of the financial year, the performance of the Internal Audit Department of the Company 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 detection of 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 system & procedural lapses. Company 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. During the F.Y. 2015-16, the company has introduced Standard Audit Format for Underwriting and Accounting aspects.

Company has conducted 21 Head Office level audit workshops, 79 Regional Office level workshops and 4 CAG workshops.

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

## ❖ **LEGAL**

A Suit claim has two aspects, the Legal aspect and Technical aspect. The legal aspect pertaining to a Technical matter is referred by the Technical Department of HO/RO to this Department which is handled effectively under HO's guidance. Further, the focus of the Department is shifting towards effective handling of Arbitration cases. With the introduction of the new Arbitration Amendment Act 2015 and the Commercial Courts Act 2015, the key issue of speedier resolution of disputes has been addressed and it is expected that more number of cases would be referred to arbitration. The Company has also created a Centralised Legal Hub at Mumbai for all Regional Offices at Mumbai and a Legal Hub at New Delhi for NCDRC & Supreme Court matters for handling such matters effectively for quick disposal of cases.

## ❖ **CONSUMER FORUM**

A Suit claim has two aspects, the Legal aspect and Technical aspect. The legal aspect pertaining to a Technical matter is referred by the Technical Department of the Company to the Legal Department and is handled effectively. Further, the focus is shifting towards effective handling of Arbitration cases. With the introduction of the new Arbitration Amendment Act 2015 and the Commercial Courts Act 2015, the key issue of speedy resolution of disputes has been addressed and it is expected that more number of cases would be referred to arbitration. The Company has also created a Centralised Legal Hub at Mumbai for all Regional Offices at Mumbai and a Legal Hub at New Delhi for NCDRC & Supreme Court matters for handling such matters effectively for quick disposal of cases.



## ❖ **VIGILANCE**

The Vigilance Department of the Company working under Chief Vigilance Officer has units in all the Regional Offices. The department is driven by a well-defined Mission which includes 'creating an atmosphere conducive to zero-corruption functioning with role clarity and clear sense of direction.' In order to achieve this mission, the department conducted 646 surprise inspections, 159 vigilance workshops, creating and circulating guidelines on contemporary areas more susceptible to frauds. CVO has personally conducted 23 Workshop on "Preventive Vigilance" at Regional Offices throughout year. In addition, 66 system improvement circulars covering various aspects of organization's working were issued.

Vigilance Awareness Week was observed from 26th October to 31st October, 2015. The theme for the year was "Preventive Vigilance as a tool of Good Governance." Vigilance Department had released a booklet on Preventive Vigilance.

Preventive Vigilance encompasses two arenas:

Behavioral Aspects i.e. gist of expectations from the employees.

Functional Aspects i.e. various preventive steps have been suggested in this book pertaining to various departments of the Company.

All India Annual Conference for Vigilance Officers was held at Shillong, on 4th & 5th December, 2015. Inputs and experiences shared during the Conference were very useful to many newly inducted Vigilance Officers.

## ❖ **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 31<sup>st</sup> March 2016 are as under :

NAME OF THE EMPLOYEES	SERVICE	DESIGNATION	REMUNERATION	QUALIFICATION	DATE OF JOINING	AGE	LAST EMPLOYMENT HELD	PLACE
	IN YRS							
Mr. Mayank Kumar Jha	14	Chief Operating Officer	78,03,222	MBA, FIII, LLB	25.02.2002	42	The New India Assurance Co. Ltd.	HONG KONG
Mr. G. Radhakrishnan	32	Chief Executive Officer	72,45,506	M.A., LIII	01.06.1983	54	The New India Assurance Co. Ltd., London	LONDON
Mr. K.V. Raman	28	Manager	63,70,898	B.Sc.(PHYSICS), FIII	27.07.1987	50	The New India Assurance Co. Ltd., London	LONDON
Mr. Philip Scott	39	Chief Underwriter	1,29,95,858	ACII	01.08.2011	59	Assicurazione Generali Spa	LONDON
Mr. James Dey	33	Treaty Underwriter	1,72,62,506	ACII	19.09.2011	52	BRIT	LONDON
Mr. S. Ratnasabapathy	38	Chief Accountant	78,96,220	FCEA	01.04.1995	62	Henley Industries	LONDON
Mr. James Baker	31	Underwriter	72,79,324		01.09.2011	48	Scan re, London	LONDON
Mrs. Panna Shah	38	Accountant	70,32,561	Book Keeping	01.07.1993	61	P S J Alexander & Co.	LONDON
Mr. Elankumaran Ramasamy	26	Chief Operating Officer	62,36,138	MBA, FIII	27.11.1989	52	State Bank of Travancore	SYDNEY

## ❖ **INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)**

The Company being a General Insurance Company, its working and functions are governed by the regulations of 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 and as amended from time to time.



## FINANCIAL RATING

AM Best Company has reaffirmed the Financial Strength Rating of A-(Excellent) enhancing the outlook to 'Positive Outlook' from 'Stable Outlook' in last year.

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 : ₹ 632.65 crores (p.year ₹ 564.55 crores)

Outgo : ₹ 709.80 crores (p.year ₹ 701.22 crores)

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 ₹ 1,41,59,506 (P.Y.1,09,19,786); ₹ 1,68,13,152 (P.Y.1,43,64,053) and ₹ 35,15,96,911 (P.Y. 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 is required to prepare financial statements as above.

## ✦ 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 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., 30<sup>th</sup> April 2015:

- Smt. V.R. Iyer ceased to be director w.e.f. 31.05.2015.
- Mr. K. Sanath Kumar and Mr. KLR Babu ceased to be director's w.e.f. 31.07.2015.
- Ms Anna Roy Joint Secretary was appointed as Director on 02.07.2015. She ceased to be Director w.e.f. 09.09.2015.
- Mr. Arun Tiwari Chairman cum Managing Director of Union Bank of India was appointed as Director w.e.f. 21.09.2015.
- Mr. Mohammad Mustafa Joint Secretary was appointed as Director on 09.09.2015.
- Mr. Salamat Ullah ceased to be Director w.e.f. 18.12.2015.
- Mr. Hemant G. Rokade and Mr. P. Nayak were appointed as Whole Time Directors w.e.f. 27th January 2016.

The composition and profile of the Board of directors of the company as on 31<sup>st</sup> March, 2016 is as under:

1. Mr. G. Srinivasan, Chairman-cum-Managing Director
2. Mr. Mohammad Mustafa, Government Nominee Director
3. Mr. Arun Tiwari, Director
4. Mr. Hemant G. Rokade, Whole Time Director
5. Mr. P.Nayak, Whole Time Director
- Mr. P. Nayak, Whole Time Director ceased to be Director w.e.f. 31.05.2016.

The Directors wish to place on record the co-operation received from Smt V.R. Iyer, Ms Anna Roy, Mr. Salamat Ullah, Mr. K. Sanath Kumar, Mr. KLR Babu and Mr. P. Nayak, during their tenure as Directors on the Board and also for their valuable contribution to the cause of the Company.

## ➤ **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. Ms Anna Roy	7	-
3. Mr. Mohammad Mustafa	7	2
4. Mr. Arun Tiwari	7	3
5. Mr. Salamat Ullah	7	4
6. Mr. K. Sanath Kumar	7	3
7. Mr. KLR Babu	7	3
8. Mr. Hemant G. Rokade	7	2
9. Mr. P. Nayak	7	2

The Board also met on 30.04.2016, for approval of audited accounts of the company for the financial year 2015-16.

## ➤ **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 4 times.

Director	No. of Meeting held	No. of Meetings attended
1. Mr. Salamat Ullah	4	2
2. Mr. K. Sanath Kumar	4	2
3. Mr. KLR Babu	4	2
4. Ms Anna Roy	4	-
5. Mr. Mohammad Mustafa	4	1
6. Mr. Arun Tiwari	4	1
7. Mr. Hemant G. Rokade	4	1
8. Mr. P. Nayak	4	1

## ➤ **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 6 times.

Director	No. of Meetings held	No. of Meetings attended
1. Mr. G. Srinivasan	6	6
2. Smt. V. R. Iyer	6	2
3. Mr. K. Sanath kumar	6	3
4. Mr KLR Babu	6	3
5. Mr. Arun Tiwari	6	2
6. Mr. Hemant G. Rokade	6	1
7. Mr. V. Hari Srinivas	6	5
8. Mr. S.N. Rajeswari	6	6
9. Mr. Sharad Ramnaryanan	6	5
10. Mr. S.R. Shreeram	6	3
11. Mr. S. Harinath	6	2

## ➤ **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. Ms Anna Roy	4	-
3. Mr. Salamat Ullah	4	1



## Directors' Report

4.	Mr. K. Sanath Kumar	4	1
5.	Mr. KLR Babu	4	1
6.	Mr. Hemant G. Rokade	4	2
7.	Mr. P. Nayak	4	1

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. Salamat Ullah	4	1
3. Mr. K. Sanath Kumar	4	1
4. Mr. KLR Babu	4	1
5. Mr. Hemant G. Rokade	4	2
6. Mr. P. Nayak	4	1

### ► 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 two times.

Director	No. of Meeting held	No. of Meetings attended
1. Mr. G. Srinivasan	2	2
2. Mr. Salamat Ullah	2	1
3. Mr. Hemant G. Rokade	2	1
4. Mr. P. Nayak	2	1

### ► CSR COMMITTEE DETAILS :

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

Director	No. of Meeting held	No. of Meetings attended
1. Mrs. V.R. Iyer	3	1
2. Mr. G. Srinivasan	3	3
3. Ms Anna Roy	3	-
4. Mr. K. Sanath Kumar	3	2
5. Mr. KLR Babu	3	2
6. Mr. Arun Tiwari	3	1
7. Mr. Hemant G. Rokade	3	1

## ➤ REMUNERATION COMMITTEE DETAILS :

No Remuneration Committee meeting was held in the year 2015-16.

## ➤ 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 2015-16 is as under:

Mr. Salamat Ullah ₹ 20,000/-

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 were the Key Managerial Personnel of the Company as on 31.3.2016 :

Chairman cum Managing Director	:	Shri G. Srinivasan
Director & General Manager	:	Shri Hemant G. Rokade
Director & General Manager	:	Shri P. Nayak
Company Secretary	:	Smt Jayashree Nair
Chief Financial Officer	:	Smt S.N. Rajeswari

As per IRDA Act 1999 and further amendments thereto, following were the key managerial personnel of the Company as on 31.3.2016:

Chairman cum Managing Director	:	Shri G. Srinivasan
Chief Marketing Officer	:	Shri Renjit Gangadharan
Appointed Actuary	:	Shri Sharad Ramnarayanan
Chief Financial Officer	:	Smt S.N. Rajeswari
Chief of Internal Audit	:	Shri R.P. Joshi
Chief Investment Officer	:	Shri S. Harinath
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 change 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 2015-16 global is 2.30 times (PY 2.44 times) and Indian is 2.67 times (PY 3.09 times).



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

The Company has formulated 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 2015-16 :

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 Associates, as the Central Statutory Auditors of the Company for the year 2015-16. 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.

## ❖ **CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING**

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

## ❖ **SECRETARIAL AUDIT :**

The Board has appointed S.N. Ananthasubramanian, Practising Company Secretary to conduct Secretarial Audit for the financial year 2015-16.

Replies to the observations made by Secretarial Audit Report dated 27<sup>th</sup> April 2016 for the year 2015-16 is stated in this report.

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

## ❖ **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 III.

## ❖ **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 2015 and which expired on 31<sup>st</sup> March 2016 shall continue to be in force from 1<sup>st</sup> April 2016, 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. 01.04.2016.

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 shares)	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	5,370,434,000	3,732,452,000	69.50

The performance of subsidiaries for the year ended 31st December 2015 is summarized below:

(Figures in '000)

Name of the subsidiary	Currency	U/w Profit/Loss		Investment Income		Other Income		Profit before tax		Dividend	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
NIA (T&T) Ltd.	\$	10156	14733	5119	4733	1382	1824	16657	21290	3484	6078
NIA (S.Leone) Ltd.	Le	18062	18278	12716	40600	NIL	NIL	5346	22322	NIL	NIL
Prestige Assurance	N	422314	693988	532637	358346	336494	199233	20544	176755	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 2015.
- 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 2015-16.
- 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 2015-16 were adopted by the shareholders at the Annual General Meeting held on 25<sup>th</sup> August 2016.

## ❖ GENERAL BODY MEETING :

Thursday, 9 <sup>th</sup> July 2015
Thursday, 19 <sup>th</sup> June 2014
Monday, 17 <sup>th</sup> June 2013

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 :

## ❖ 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 2014-15 along with the Directors' Report was placed before Lok Sabha on 18.12.2015 and Rajya Sabha on 15.12.2015 as per the requirement of the Companies Act, 2013.



## ❖ **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 has occurred between 31st March 2016 and the date of the Report.

## **PLANS FOR 2016-17**

### ➤ **Domestic :**

The company has drawn an action plan for the financial year 2016-17 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 and other offices. The company has planned to tap the vast retail business available by bringing out new products and effectively utilizing all business channels.

Company's core strength remains the Brand Image built over 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 system, Company plans to leverage the software to establish good support systems to its business partners by providing web portals to intermediaries like Brokers, Banks (), 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 tech 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 IV Cities and to canvass more personal lines of insurance policies. Company plans to achieve ₹ 17300 crores of premium in India.

### ➤ **Foreign :**

Company plans to achieve ₹ 3500 crores gross premium for 2016-17

## ❖ **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION :**

Considering the nature of the operations of the Company, the provisions of Section 134(3)(m) of The Companies Act 2013 read with Companies (Accounts) Rules 2014 relating to information to be furnished on conservation of energy and technology absorption are not applicable.

## ❖ 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 : 30<sup>th</sup> April 2016



## Certificate on Financial Statements

### CERTIFICATE ON FINANCIAL STATEMENTS

This is to certify that the financial statements of the company for the year ended 31st March 2016 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: 30<sup>th</sup> April 2016

**CERTIFICATE OF COMPLIANCE FOR THE CORPORATE GOVERNANCE GUIDELINES**

I, Jayashree Nair, hereby certify that The New India Assurance Co. Ltd. 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 &  
Compliance Officer.

Place : Mumbai  
Dated: 30<sup>th</sup> April 2016



## Profile of the Board of Directors

### PROFILE OF THE BOARD OF DIRECTORS

Name of the Director	Qualification	Directorship and Category of Directorship
Mr. G. Srinivasan	B.Com, FIII, ACMA	1. GIC Housing Finance Ltd., Director 2. Prestige Assurance Plc, Lagos, Nigeria Director 3. The New India Assurance Co. (T&T) Ltd., Port of Spain, Chairman 4. India International Pte, Singapore Director 5. National Insurance Academy, Pune, Member 6. Insurance Information Bureau, Member 7. Health Insurance TPA, Member
Mr. Mohammad Mustafa, IAS	Post Graduate in Philosophy	1. IWRFC as Director 2. Bank of Baroda as Director 3. The New India Assurance Co. Ltd., as Director 4. CERSAI as Director.
Mr. Arun Tiwari		1. Union Bank of India (UK) Ltd. As Chairman. 2. General Insurance Corporation of India as Director. 3. Union KBC Asset Management Company Limited as Director. 4. Star Union Dai-ichi Life Insurance Company Limited as Director. 5. The New India Assurance Co. Ltd, Director 6. Indian Institute of Banking and Finance as Director. 7. Institute of Banking, Personnel Selection, Member
Mr. Hemant G. Rokade	M.com (Finance)	Prestige Assurance Plc., Lagos, Nigeria as Director.

## ANNEXURE I

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

Policy Details	Year	No of Policies Sold	No of Persons Covered	Amount of Premium (₹ In Lakhs)	No of Claims Reported	No of Claims Settled	Amount of Claims Settled (₹ In Lakhs)	Claims Ratio(%)
Cattle Insurance	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
	2015-16	111516	506189	6744.99	18629	18619	5930.89	89.25
Livestock Insurance	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	62.00
	2015-16	21065	575906	980.1	13010	13095	482.56	49.61
Agricultural Pumpset	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
	2015-16	3148	6540	58.56	58	48	5.61	10.69
Janta Personal Accident	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
	2015-16	161552	594795	1037.6	2303	2972	1679.7	111.29
Gramin Personal Accident	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
	2015-16	378	3196	3.15	7	6	0.69	25.11
Universal Health Insurance Scheme	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	-	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-	-
Mediclaim	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
	2015-16	1748312	14982366	485301.64	1358255	1368038	463054.19	95.42
Jan Arogya Bima Policy	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
	2015-16	7102	39669	37.42	1099	1124	41.93	112.04



# Addendum to Directors' Report

## ANNEXURE II

### THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT 2015-16

#### 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

- Mr. Arun Tiwari (Chairman)
- Mr. G. Srinivasan Chairman cum Managing Director
- Mr. P. Nayak, Director & General Manager

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

₹ 1574.83 crore

#### 4. Prescribed CSR Expenditure

₹ 31.50 crore

#### 5. Details of CSR Spent during the financial year 2015-16

- Total amount spent during the FY : ₹ 10.10 crore
- Amount Unspent : ₹ 21.40 crore
- Manner in which the amount spent during the FY is detailed below :

1	2	3	4	5	6	7	8
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	CPAA	Sono-Mammography, Sonography Pelvic, Sonography Full Abdomen for women	Naigoan, Maharashtra	545000	545000	1,111,304	Direct



2	RDT	Provide funds for two healthcare projects :1) Microbial Culture Equipment for RDT Hospital, Bathalapalli and 2) ICU Ambulance for Community Health Sector at RDT Head Office, Anantpur	Anantpur	2532528	2532528	2532528	Direct
3	STEP Pune		Chennai				
	a) Cervical Cancer, Vadu	Sponsorship of early detection of Cervical Cancer of 300 women (Pilot) at Village Vadu, Talukar Shirur, Pune District	Shirur	1107750	1107750	1107750	Direct
	b) Solar Lamps, Palghar	Sponsorship of 1000 Scitech Surya Solar LED Lamps to School Children from Class VII-Class X at Palghar District, Maharashtra	Palghar	4996750	4996750	4996750	Direct
	c) Bhimashankar	Sponsorship of Solar LED Home Lights to Hamlets in Bhimashankar Wild Life Sanctuary, Maharashtra	Bhimashankar, Maharashtra	1874500	1874500	1874500	Direct
4	Swachh Vidyalaya Campaign	Building and maintenance of toilets(for 2 years)	Interiors of Uttar Pradesh	60000000	60000000	60000000	Direct
5	Chennai Floods CM Relief Fund	Relief Fund	Chennai	30000000	30000000	30000000	Direct

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 has spent ₹ 10.10 crore out of the total budget of ₹ 31.50 crore allocated project wise as given above. The CSR Committee of the Board has sanctioned various projects but the confirmation and implementation of these projects would be taken by the Company in the FY 2016-17.

In years to come the Company proposes to ensure that further efforts are made to meet the targeted CSR spends.



## Addendum to Directors' Report

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

**Arun Tiwari**  
Chairman – CSR Committee

Place : Mumbai  
Date : 30 April 2016

## ANNEXURE III

### FORM NO. MGT 9

Extract of Annual Return as on financial year ended March 31 2016.

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	69.50%	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	India International Insurance Pte Ltd., Singapore		Associate	20%	Section 2(6) of Companies Act 2013
5	Health Insurance TPA of India Limited		Associate	23.75%	Section 2(6) of Companies Act 2013



# Addendum to Directors' Report

## VI. 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	
<b>A. Promoter s</b>							
(1) Indian							
a) Individual/ HUF	40	40	0.00002	40	40	0.00002	No Change
b) Central Govt	199999960	199999960	99.99998	199999960	199999960	99.99998	No Change
c) State Govt(s)							
d) Bodies Corp.							
e) Banks / FI							
f) Any other							
<b>Total sharehold- ing of Promoter (A)</b>							
<b>B. Public Share- holding</b>							
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)							
<b>Sub-total (B)(1):-</b>							
<b>2. Non-Institu- tions</b>							
a) Bodies Corp.							
i) Indian							
ii) Overseas							
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹. 1 lakh							
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh							
<b>Sub-total (B)(2):-</b>							
<b>Total (A+B)</b>							

Non Resident Indians Overseas Corporate Bodies Foreign Nationals Clearing Members Trusts Foreign Bodies - D R <b>Sub-total (B)(2):-</b> Total Public Shareholding (B)=(B)(1)+ (B)(2)							
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	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



## Addendum to Directors' Report

### 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	For each of the Directors and KMP	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 2015-16.

### 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				Hemant G. Rokade	Total Amount
		G. Srinivasan	K L R Babu	Sanath Kumar	P. Nayak		
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2860800.00	821755.00	1553866.00	2652999.00	348040.00	8237460.00

# Addendum to Directors' Report



	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00	171354.00	41215.00	212569.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00
4	Commission - as % of profit - others, specify...	0.00	0.00	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (A)</b>	2860800.00	821755.00	1553866.00	2824353.00	389255.00	8450029.00
	<b>Ceiling as per the Act</b>	₹ 91.15 crore (As per Section 197 and Section 198 of Companies Act 2013)					

## B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Director	Total Amount
		Salamat Ullah ---	
1	Independent Director		
	Fee for attending board committee meetings	20000.00	20000.00
	Commission	0.00	0.00
	Others, please specify	0.00	0.00
	<b>Total (1)</b>	20000.00	20000.00
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission	0.00	0.00
	Others, please specify	0.00	0.00
	<b>Total (2)</b>	0.00	0.00
	<b>Total (B)=(1+2)</b>	20000.00	20000.00
	<b>Total Managerial Remuneration</b>	20000.00	20000.00
	<b>Overall Ceiling as per the Act</b>		₹ 91.15 crore



# Addendum to Directors' Report

## 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	2860800.00	1838128.00	2478133.00	7177061.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	15779.00	251632.00	267411.00
	(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	2860800.00	1853907.00	2729765.00	7539060.00

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Sr. No.	Authority	Non-Compliance/Violation	Penalty Awarded (₹)	Penalty Paid (₹)
1	IRDAI	Non Compliance of Health Insurance Regulations, 2013	5,00,000	5,00,000
2	IRDAI	Violation of IRDAI Guidelines	15,00,000	15,00,000

## ANNEXURE IV

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[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,  
CIN U99999MH1919GOI000526  
New India Assurance Bldg,  
87 - M G Road,  
Fort, Mumbai - 400001

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') for the year ended 31st March, 2016. 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, 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, 2016 has 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act), and the rules made thereunder and applicable provisions of the Companies Act, 1956;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- Not applicable to the Company as the securities of the Company are not listed with any Stock Exchange;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder- Not applicable to the Company as the securities are maintained in physical form;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') – Not applicable to the Company as the securities of the Company are not listed with any Stock Exchange;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) / Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);



## Addendum to Directors' Report

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective from 28th October, 2014);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The other laws as are applicable specifically to the company are:
- a) The Insurance Act, 1938;
  - b) The Insurance Regulatory and Development Authority Act, 1999; and Rules made under the same;
  - c) All the relevant Circulars, Notifications and Regulations issued by Insurance Regulatory and Development Authority of India.

We have also examined compliance with the applicable provisions of the following:

- (i) Secretarial Standards with regard to Meeting of the Board of Directors(SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made effective from 1st July, 2015;
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) -Not Applicable as the securities of the Company are not listed with any Stock Exchange.

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 appointed Independent Directors in compliance with provisions of Section 149 of the Act.*
- (b) *The constitution and terms of reference of the Audit Committee is not in conformity with the provisions of Section 177 of the Act.*
- (c) *The Company is in the process of strengthening its processes and systems for compliance with Secretarial Standards issued by ICSI.*

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 woman director. 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.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notices on agenda were sent at least seven days in advance except in the case of Board Meeting held on 30th January 2016 which was convened with short notice and no shorter Notice consent was taken on record.
- A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

## Addendum to Directors' Report



We further report that based on the representation made by the Company, the Company is in the process of strengthening its compliance systems so that they are adequate and operate effectively, commensurate with the size and operations of the company so as to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

**FOR S.N. ANANTHASUBRAMANIAN & CO.**

Company Secretaries

Firm Registration No. P1991MH040400

**S. N. Ananthasubramanian**

Partner

COP No. : 1774

Place: Thane

Date: 27<sup>th</sup> April, 2016



## Addendum to Directors' Report

### ANNEXURE A

To,

The Members,  
The New India Assurance Company Limited,  
CIN U99999MH1919GOI000526  
New India Assurance Bldg,  
87 - M G Road,  
Fort, Mumbai – 400001

Our Secretarial Audit Report of even date is to be read along with this letter.

#### Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

#### Disclaimer

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 S.N. ANANTHASUBRAMANIAN & CO.**

Company Secretaries  
Firm Registration No. P1991MH040400

S. N. Ananthasubramanian  
Partner  
COP No. : 1774

Place: Thane

Date: 27<sup>th</sup> April, 2016

# Addendum to Directors' Report



**Replies to the observations made by Secretarial Audit Report , dated 27th April 2016 for the year 2015-16.**

- The Directors are appointed by the Government of India. We are awaiting appointment of Independent Directors from Government of India.
- With regard to the constitution and terms of reference of the Audit Committee is not in conformity with the provisions of Section 177 of the Act, the Company would look into the same and do the needful.



**ADDENDUM TO DIRECTORS' REPORT DATED 30TH APRIL 2016  
AS PER SECTION 134(3)(F) OF THE COMPANIES ACT-2013  
RESPONSE TO OBSERVATIONS IN AUDITOR'S REPORT ON STANDALONE ACCOUNTS OF THE  
COMPANY FOR THE YEAR ENDED 30TH APRIL 2016.**

1. Para 1 a. of Auditor's Report regarding non-availability of confirmations of loans and investments:

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 Auditor's Report regarding pending reconciliation/confirmation of balances due to/from persons or bodies carrying of Insurance Business, inter-office accounts, co-insurance and re-insurance accounts and certain bank 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. Substantial progress has been made in this regard and majority of earlier balances have been adjusted.

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 continuous basis.

3. Para 1 c. of Auditor's Report regarding inconsistencies involved in the migration of data as well as non-availability of original cost of assets as Foreign Branches and Agencies; impact on the depreciation charge during the year and Profit/Loss on sale of assets as recognized in Financial Statements has remained unascertained.

The Company has already migrated asset balance to Core and is in the process of calculating depreciation through the system itself.

In respect of Foreign Branches, original cost of majority of assets is available and for the balance assets original cost will be ascertained. However, considering maximum number of assets in foreign branches, the impact on account of difference in depreciation is not material.

4. Para 1 d. of Auditor's Report regarding returns of Foreign Branches and Agencies being complied based on the accounting principles generally accepted at the respective locations/ countries.

The accounts of Foreign Branches and Agencies are consolidated as per Accounting Policies and Principles followed by HO and therefore there is no impact on accounts. The Company is in the process of ensuring uniformity of audit reports during the Current year.

5. Para 1 e. of Auditor's Report regarding non-provisioning against receivables from agent at Curacao Branch amounting to ₹ 1861.76 lakhs.

ANG 712500 has already been received and the agency is in the process of collecting balance amounts also. The Company is confident of recovery of the receivables and closely following up on the same.

## Addendum to Directors' Report



6. Para 1 f. of Auditor's Report regarding need for strengthening internal control systems, especially in area of data input and validation in softwares and in recording of intimated claims and in areas of audit coverage and compliance.

The Company is continuously monitoring data input and validation to ensure quality of input data which has improved over time. Apart from regular training to all employees, the Internal Audit Department is also focusing on all high revenue earning/outgo transactions and following up on audit compliance.

For and on Behalf of the Board

G Srinivasan  
Chairman cum Managing Director

Date: 30th April 2016  
Place: Mumbai.



## Addendum to Directors' Report

### ADDENDUM TO DIRECTORS' REPORT DATED 30TH APRIL 2016 AS PER SECTION 134(3)(F) OF THE COMPANIES ACT-2013 RESPONSE TO OBSERVATIONS IN AUDITOR'S REPORT ON CONSOLIDATED ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 30TH APRIL 2016.

1. Para 1 of Auditor's Report regarding material differences in respect of certain items in the alignment of Subsidiaries accounts maintained in accordance with IFRS and Holding Company accounts maintained as per IAS and Accounting Policies followed.

Accounts of Subsidiary Companies are merged with Holding Company on line by line basis as required by the present regulations. Various liabilities and obligations of subsidiaries carried in their books have been incorporated in consolidated accounts giving true and fair picture of the overall accounts.

2. Para 2 of Auditor's Report regarding consolidated of accounts of subsidiaries and one associate prepared on calendar year basis and non-elimination of intra group balances.

Our subsidiaries and associates are preparing accounts based on local regulatory requirements and as per provisions of AS 21 which permits gap of six months in the subsidiary and holding companies to be consolidated. There are no material changes in the accounts of subsidiaries requiring adjustments during the quarter ending on 31st March 2016.

3. Para 3 of Auditor's Report regarding non-inclusion of audited accounts of New India Assurance Company (Sierra Leone) Limited and impact of the same being non ascertainable.

The New India Assurance Company (Sierra Leone) is run off subsidiary and there are no transactions relating to its core activities during the year under review. Entries relating to bank charges, interest, auditor's fees, etc., have been considered in the consolidated accounts.

4. Para 4 a. of Auditor's Report regarding non-availability of confirmations of loans and investments:

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.

5. Para 4 b. of Auditor's Report regarding pending reconciliation/confirmation of balances due to/from persons or bodies carrying of Insurance Business, inter-office accounts, co-insurance and re-insurance accounts and certain bank 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. Substantial progress has been made in this regard and majority of earlier balances have been adjusted.

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 continuous basis.

6. Para 4 c. of Auditor's Report regarding inconsistencies involved in the migration of data as well as non-availability of original cost of assets as Foreign Branches and Agencies; impact on the depreciation charge during the year and Profit/Loss on sale of assets as recognized in Financial Statements has remained unascertained.

The Company has already migrated asset balance to Core and is in the process of calculating depreciation through the system itself.

In respect of Foreign Branches, original cost of majority of assets is available and for the balance assets original cost will be ascertained. However, considering maximum number of assets in foreign branches, the impact on account of difference in depreciation is not material.

7. Para 4 d. of Auditor's Report regarding returns of Foreign Branches and Agencies being complied based on the accounting principles generally accepted at the respective locations/ countries.

The accounts of Foreign Branches and Agencies are consolidated as per Accounting Policies and Principles followed by HO and therefore there is no impact on accounts. The Company is in the process of ensuring uniformity of audit reports during the Current year.

8. Para 4 e. of Auditor's Report regarding non-provisioning against receivables from agent at Curacao Branch amounting to ₹ 1861.76 lakhs.

ANG 712500 has already been received and the agency is in the process of collecting balance amounts also. The Company is confident of recovery of the receivables and closely following up on the same.

9. Para 4 f. of Auditor's Report regarding need for strengthening internal control systems, especially in area of data input and validation in softwares and in recording of intimated claims and in areas of audit coverage and compliance.

The Company is continuously monitoring data input and validation to ensure quality of input data which has improved over time. Apart from regular training to all employees, the Internal Audit Department is also focusing on all high revenue earning/outgo transactions and following up on audit compliance.

For and on Behalf of the Board

G Srinivasan  
Chairman cum Managing Director

Date: 30th April 2016

Place: Mumbai.



## **STANDALONE REPORTS & SCHEDULES FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**

## 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 2016-2017
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 adequate reinsurance arrangements to mitigate the losses arising out of any major claims.
8. We have overseas operations in 28 countries. The foreign branches have their own reinsurance arrangements to protect their exposure. Over and above there is an excess of loss protection available, which takes care of the exposure risk of the Company as a whole, including domestic and foreign branches.  
  
The foreign branches/agencies generate enough revenue in local currencies to meet their liabilities arising out of their operations. Hence there is no major currency risk in the countries we operate.  
  
As regards the country risk, by and large all the countries in which we operate are politically stable. We also have well defined acceptance limits for foreign operations, which limits our exposure in these countries.
9. (a) Ageing of claims indicating the trends in average claims settlement time during the preceding five years is furnished below in the format required:

### Agewise Summary of Claims settled during the year 2011-12, 2012-13, 2013-14, 2014-15, 2015-16

Ageband	No.of Claims	Amount (₹ In lakhs)
30 DAYS	3732179	995225.11
30 DAYS to 6 MONTHS	4163104	1410891.23
6 MONTHS TO 1 YEAR	795123	513598.98
1 YEAR TO 5 YEARS	584871	932753.09
MORE THAN 5 YEARS	95456	173753.21
<b>GRAND TOTAL</b>	<b>9370733</b>	<b>4026221.61</b>

(Segment Wise Details attached)



## Management Report

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

No.	Name	Entity in which he is interested	Interested as	Amount of payments during the financial year (₹ In lakhs)
	NIL	NIL		NIL

10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority and shown in the balance sheet.
11. All investment assets are reviewed periodically and assets are classified into performing and non-performing based on IRDA norms.
12. It is hereby confirmed:
- (i) That in preparation of financial statements, the applicable accounting standards, principles and policies have been followed, except amortisation of additional actuarial liability for Gratuity and Pension as per I.R.D.A. circular no. IRDA/F&A/CIR/ACT/077/04/2016 dated 18.04.2016 and IRDA/F&A/LR/001/2016/6 dated 19.4.2016
  - (ii) That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating loss of the Company for the year except as mentioned in Para 12 (i) above.
  - (iii) That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 and Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
  - (iv) That the management has prepared the financial statements on a going concern basis.
  - (v) That the management has ensured that the internal audit system commensurate with the size and nature of business exists and is operating effectively.

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial  
Officer

**P. Nayak**  
Director

**Hemant G. Rokade**  
Director

**G. Srinivasan**  
Chairman-cum-  
Managing Director

Place: Mumbai  
Date: April 30, 2016

## 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	8088	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	0	0.00	18	307.57	24	435.89	21	73.26	0	0.00	63	816.73
<b>Grand Total</b>	<b>275396</b>	<b>77340.46</b>	<b>635317</b>	<b>196027.67</b>	<b>273374</b>	<b>130644.24</b>	<b>158678</b>	<b>159953.59</b>	<b>16553</b>	<b>25088.50</b>	<b>1359318</b>	<b>589054.46</b>



# Management Report

## AGEWISE 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	0.00	0	0.00	0	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	0.00	0	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	0.00	66	507.13
<b>Grand Total</b>	<b>314446</b>	<b>82099.22</b>	<b>1088231</b>	<b>259449.26</b>	<b>266041</b>	<b>109420.34</b>	<b>137002</b>	<b>158685.69</b>	<b>17742</b>	<b>28486.04</b>	<b>1823462</b>	<b>638140.55</b>

## AGEWISE 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	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	0.00	19	349.28	17	792.37	34	268.45	3	-5.36	73	1404.74
<b>Grand Total</b>	<b>766636</b>	<b>192912.73</b>	<b>816860</b>	<b>263139.14</b>	<b>99120</b>	<b>74057.72</b>	<b>131797</b>	<b>166735.47</b>	<b>19937</b>	<b>36585.46</b>	<b>1834350</b>	<b>733430.51</b>



# Management Report

## AGEWISE 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	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	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	0.00	19	52.54	10	162.09	43	-4.70	1	-5.70	73	204.23
<b>Grand Total</b>	<b>1209472</b>	<b>257306.37</b>	<b>798084</b>	<b>341091.29</b>	<b>87814</b>	<b>101071.33</b>	<b>65953</b>	<b>177579.08</b>	<b>19734</b>	<b>39885.36</b>	<b>2181057</b>	<b>916933.43</b>

## AGEWISE DEPTT WISE SUMMARY OF CLAIMS SETTLEMENT FOR THE PERIOD 2015-16

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	937	4164.03	2973	20156.77	1857	25184.45	7156	90785.30	555	3856.51	13478	144147.06
21 Marine Cargo	5920	4025.30	8850	7318.53	2149	3372.81	3416	5535.45	78	334.87	20413	20586.95
22 Marine Hull	16	129.09	59	1663.96	33	263.20	86	22620.32	38	-3540.69	232	21135.87
31 Motor OD	284472	49534.56	418863	122828.63	29771	22699.16	16269	10141.31	1269	659.93	750644	205863.58
32 Motor TP	7162	6599.68	7518	7998.04	5532	9309.85	13529	32108.04	13243	26887.00	46984	82902.60
33 Decline Risk Pool	561	321.33	893	772.53	796	1503.59	914	2923.69	0	0.00	3164	5521.14
34 Health Insurance	830892	294696.39	318166	150847.22	9237	5756.42	4439	11559.58	112	236.52	1162846	463096.12
36 Liability	906	917.12	1212	1368.62	559	994.67	597	2666.35	108	197.60	3382	6144.37
38 Motor TP Non Pool	4591	2590.51	7984	6963.95	6836	13222.04	9256	29352.32	0	0.00	28667	52128.83
39 TP Pool	1186	1808.92	892	1167.85	874	1477.11	13633	40708.79	4564	13509.53	21149	58672.20
42 Personal Accident	4239	3891.77	7387	6807.41	1286	2402.56	753	1281.27	59	92.26	13724	14475.27
43 Aviation	8	20.08	17	80.38	14	1170.56	55	2986.60	59	964.66	153	5222.29
44 Engineering	1821	1810.49	5723	4646.54	1959	5212.28	13531	8136.02	968	106.11	24002	19911.45
46 Traditional Business - Miscellaneous	7927	11087.05	18614	11603.85	3432	3245.83	2185	6489.63	117	203.92	32275	32630.28
47 Rural Insurance - Miscellaneous	13276	3350.97	21523	4872.68	3217	837.98	2249	1031.29	223	105.31	40488	10198.24
48 Misc - Non Traditional Business	2315	619.05	3927	1882.32	1192	1487.67	3337	1093.33	97	94.32	10868	5176.70
50 Credit Shield Insurance	0	0.00	11	204.60	30	265.16	36	379.96	0	0.00	77	849.73
<b>Grand Total</b>	<b>1166229</b>	<b>385566.33</b>	<b>824612</b>	<b>351183.87</b>	<b>68774</b>	<b>98405.35</b>	<b>91441</b>	<b>269799.25</b>	<b>21490</b>	<b>43707.86</b>	<b>2172546</b>	<b>1148662.67</b>



# Auditors' Report

**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 Standalone Financial Statements:

We have audited the accompanying standalone financial statements of **The New India Assurance Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 on that date:

- (a) From Thirty Seven Regional offices (including 6 LCO's ), Four hundred and forty eight 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, Seven Foreign Agency offices and one run-off office audited by local auditors appointed by the company and unaudited returns of three Run off offices(out of which one is closed) and one representative office.

### Management's Responsibility for the Standalone 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 standalone 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 standalone financial statements based on our audit.

We have taken into account the provisions of the "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. 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 standalone 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) Balances due to/from persons or bodies carrying on Insurance Business and balances of Inter office accounts, control accounts, reinsurance accounts, co insurance 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(b)(iii), Note No. 9(b), 21 and 22(a) of Notes to accounts, in schedule 16B), effect of which, if any, is not ascertainable and cannot be commented upon;
  - c) As stated in Note No 22{(b) and (c)}, 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 compliance of schedule II to the Companies Act, 2013, is pending and 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.
  - d) As stated in Note No 23 (a), the returns of foreign Branches and agencies incorporated in the financial statements dealt with by this report, are prepared 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 in relation to the matters stated in the said note, effect of which has not been ascertained. Further the Auditors Report in respect of foreign Branches have not been drawn in accordance with form and content as prescribed under SA 700 /705 issued by the Institute of Chartered Accountants of India read with provisions of the Companies Act, 2013 and IRDAI Regulations 2002. The precise impact of which is not ascertainable. (Refer Note 23).
  - e) As stated in Note No. 23(b), no provision has been made towards receivable from agent at Curacao Branch for an amount of ₹1861.76 lakhs, the auditor of the said Branch has not been able to obtain sufficient evidence towards recoverability of the said dues and as such the precise impact arising out of the above is not quantifiable.
  - 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. (Refer Note 26).
2. Overall impact of the above Para 1 and the consequential effects on Revenue Accounts, Profit and Loss Account and the assets, liabilities Reserve and Surplus as on 31st March 2016 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 standalone 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 2016;
- (ii) In case of revenue accounts of the Loss in Miscellaneous Business and Profit in Fire and Marine Business for the year ended on that date;
- (iii) In case of Profit and Loss Account of the Profit for the year ended 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 Matter

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 (IRDAI) Regulations during the year;
- b) Note No. 12 (a) in Schedule 16 B, regarding deferment of expenditure relating to additional liability towards pension and gratuity on account of pay revision to the extent of ₹33498 lakhs and ₹ 8698 lakhs respectively and pension liability of ₹1381.60 lakhs towards extended pension scheme, pursuant to the deferment permitted by the IRDAI.
- 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.16 regarding penalty imposed by Competition Commission of India of ₹251.07 crores which is being contested by the company and in the opinion of the management, the company is hopeful of favourable decision.;
- e) Note No. 24 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 Seven Regional offices (including 6 LCO's ), Four hundred and Forty Eight Divisional offices, Nine Foreign Branches, Seven Foreign Agency offices Four Run off offices(out of which one is closed) and one representative office,included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of ₹2734053.18 lakhs as at 31st March, 2016 and total revenues of ₹1776881.00 lakhs for the year ended on that date, as considered in the standalone 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 offices, 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 Requirements

As required by Section 143 (3) of the Companies Act 2013 and 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, we report that:



## Auditors' Report

- 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.
- 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 and proper returns both audited and unaudited from Regional offices, Divisional Offices, branches and other offices, not visited by us, have been received.
- c) 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.
- d) The Balance sheet, Revenue account, Profit and Loss account and the Receipts and Payments Account dealt with by the report are in agreement with the books of account and with the returns received from offices not visited by us.
- e) In our opinion, the aforesaid standalone 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.
- f) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- g) 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.
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- i) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- j) 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 (Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority.
- k) 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 2016, 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.
- l) 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.
- m) 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 to the standalone financial statements;
  - 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.

# Auditors' Report



- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- n) 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 standalone 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) 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.
- o) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- p) As required under section 143(5) of the Companies Act, 2013, based on our audit as aforesaid, we enclose herewith, as per "**Annexure B**", 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.**

Firm Reg. No.105270W  
Chartered Accountants

**Arun Jain**

Partner  
Membership Number 141802

**For R. Devendra Kumar & Associates**

Firm Reg. No. 114207W  
Chartered Accountants

**Neeraj Golas**

Partner  
Membership Number 074392

**For A. Bafna & Co.**

Firm Reg. No. 003660C  
Chartered Accountants

**M. K. Gupta**

Partner  
Membership Number 073515

Place: Mumbai

Date: 30th April 2016



## "ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE NEW INDIA ASSURANCE CO. LTD. FOR THE FINANCIAL YEAR 2015-16

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of **THE NEW INDIA ASSURANCE CO LTD.** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. These financial statements incorporated returns received :
  - a) From Thirty Seven Regional offices (including 6 LCO's ), Four hundred and Forty eight 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, Seven Foreign Agency offices and one run-off office audited by local auditors appointed by the company and unaudited returns of three Run off offices(out of which one is closed) and one representative office.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. Report of branch auditors relating to Bangkok, Manila, Fiji and London Branches have not been received and as such was not available for our review and therefore the internal controls over financial reporting relating to these offices have not been considered in this report and cannot be commented upon.

6. Except for the possible effect of non-availability of reports as stated in note No. 5, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

7. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

8. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Qualified Opinion

9. According to the information and explanation given to us and based on our audit, the following internal control weaknesses of material nature have been identified as at March 31, 2016:
- Confirmation and reconciliation of various balances relating to co insurers, reinsurers, brokers, bank accounts, inter office accounts and other control accounts are pending and are in various stages;
  - Inadequate controls are observed with regard to ageing of insurance receivables;
  - Inconsistencies involved in the migration of data as well as non-availability of original cost in case of assets at Foreign Branches;
  - 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;

Further to above, the management of the company is explained to be in the process of documenting the laid down policies; procedures and controls in the form of process flow details and risk control matrix and test these matrices including the policies and procedures as stated in Para 7 herein. On the basis of our broad review of entity level controls and the reports of auditors of Regional offices received, the internal control weaknesses as stated above have been identified.

10. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statement will not be prevented or detected on a timely basis.



## Auditors' Report

11. In our opinion, except for the possible effects of the internal control weaknesses described above on the achievements of the objectives of the control criterion, the company has maintained, in all material respects, adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India".
12. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the Standalone financial statements of the Company except to the extent of our qualification as contained in our separate report on the Standalone financial statements of the company.

**For JCR & Co.**

Firm Reg. No. 105270W  
Chartered Accountants

**Arun Jain**

Partner

Membership Number 141802

**For R. Devendra Kumar & Associates**

Firm Reg. No. 114207W  
Chartered Accountants

**Neeraj Golas**

Partner

Membership Number 074392

**For A. Bafna & Co.**

Firm Reg. No. 003660C  
Chartered Accountants

**M. K. Gupta**

Partner

Membership Number 073515

**ANNEXURE "B" Referred to in Para (p) in Report on Other Legal and Regulatory Matters referred to in Independent Auditor's Report of even date for the Year 2015-16 on the standalone financial statements of The New India Assurance Company Limited**

Sr. No.	Directions under section 143(5) of Companies Act 2013	Action taken and financial impact
1.	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	<p>According to the records and information provided to us and on the basis of report of branch auditors, the Company has clear title/lease deeds for freehold and leasehold properties except as under:</p> <p><b>LAND:</b></p> <p><b>1. Leasehold land:</b></p> <p>[i] One leasehold land book value ₹1.00 is under litigation and SLP is pending with Supreme Court.</p> <p>[ii] 2 leasehold lands book value of ₹118.44 lakhs where lease deed has been expired.</p> <p>[iii] 1 leasehold land consisted of 123 tenements and 6 godowns, book value ₹3.42 lakhs and lease period 999 years, which is not in possession of the Company.</p> <p><b>2. Freehold Land:</b></p> <p>8 properties book value ₹51.92 lakhs where conveyance deeds are not available.</p> <p>3. Buildings book value ₹26.83 lakhs which has been wrongly classified under land.</p> <p><b>BUILDINGS:</b></p> <p>1. 234 properties, book value ₹2971.14 lakhs where title deeds are not presently available/ registration formalities are yet to be completed.</p> <p>2. 598 properties book value ₹7060.30 lakhs which have been certified by RO/ DO Auditors as available at respective offices.</p> <p>3. 27 properties book value ₹102.70 lakhs which are not registered in the name of the Company.</p> <p>Further, cost as per title deeds is being reconciled with the asset register. Necessary reconciliation is under process.</p>
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.	<p>According to the records and information provided to us, during the year ₹ 50.82 lakhs has been waived of in loans and debentures. The same was due to scheme of arrangement ordered by the High Court of Gujarat.</p> <p>Further, the company has written off /down, Investments of Equity/Preference share/Mutual Fund to the extent of ₹ 243.44 lakhs towards impairment and ₹ 426.63 lakhs reversal in value of Investment.</p>
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities?	The Direction is not applicable.



Sub – directions issued by the C&AG of India as applicable to The New India Assurance Company Limited, for the year 2015-16.

1. 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 23 Nos of Scrips, Equity Book Value ₹8,00,536, Preference Shares face value ₹26000 and Debentures face value ₹66,32,580, where there is shortage as per the records of custodian vis a vis books of accounts of the company and there are 104 Nos of scrips, Market Value ₹2,64,67,873 as made available 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.

2. (a) (i) Particulars of Outstanding claims :

	Particulars	Total No.
1.	Total number of outstanding claims provided by the Company	299228
2.	The number of cases test checked by Statutory Auditors at DO/RO	32606

3. The number of cases where adequate provisions have not been made or discrepancies observed:

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.

4. The amount of short provisioning of claims, discrepancy on the revenue account and the percentage of sample detected may be reported.

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

- (a) (ii) Particulars of Unconfirmed Co-Insurance Balances :

1.	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 to us, co insurance balances are under reconciliation at various offices of the company. Refer Para 1 (b) to the audit report. Number of cases were 115 as reported by RO auditors.
2.	The number of cases test checked by Statutory Auditors at DO/RO	Total 45 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.

3. 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.

No material discrepancies have been reported by the RO auditors. However the impact of overall pending reconciliations and consequential adjustments has not been ascertained.

4. The amount of short provisioning of claims and the percentage of sample detected may be reported.

As above in 4 (a) (ii)(3)

(a) (iii) Particulars of Preliminary & Claim Loss advices :

1.	Total number of preliminary loss advices and claim loss advices sent to reinsurers in respect of reinsurance ceded business and received by the company in respect of reinsurance inward acceptance.	During the financial year 2015-16, 117143 preliminary & Claim loss advices were sent to reinsurers in respect of reinsurance ceded business and 299 for reinsurance inward business.
2.	(a) The number of cases test checked by Statutory Auditors at DO/RO (b) No of high value claims reviewed by Statutory Auditors at HO	198 high value Cases were test checked by the statutory auditors at the HO Level.

3. **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.**

During the course of audit 28 cases were found to be having insufficient provision amount to the tune of ₹ 15.98 Crores and 4 cases were found to be having excess provision amount to the tune of ₹ 8.96 Crores.

4. **The amount of short provisioning of claims and the percentage of sample detected may be reported.**

Only High Value Claims were checked at the HO Level resulting in net debit in revenue account of ₹ 6.59 Crores.

3. **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.

4. **In case the Company is taking part in Pradhan Mantri Suraksha Bima Yojana (PMSBY) launched in May 2015 tying up with specific banks, the method of accounting of premium and reported claims are as per the conditions of the agreement/scheme.**

The company has taken part in Pradhan Mantri Suraksha Bima Yojana (PMSBY) launched in May 2015 and tied up with 296 banks as per the information submitted at Head office. Master policies have been issued to each partner bank. The policy was issued for the period from 1st June, 2015 to 31st May, 2016, subscribers were expected to enroll and give their auto debit option by 31st May, 2015. Separate account have been opened with major partner banks and the amount is debited from customer's account and credited to New India account on real time basis. As and when the beneficiary account is debited, necessary endorsement is passed and additional premium is booked accordingly. Upto 31st March, 2016, total premium collected is ₹18.16 crores and total no. of claims reported and settled are 974 and 763 beneficiaries respectively. We have broadly reviewed the method of accounting of premium and reported claims which is as per the conditions of the agreement/scheme.

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

**Arun Jain**  
Partner  
Membership Number 141802

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

**Neeraj Golas**  
Partner  
Membership Number 074392

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

**M. K. Gupta**  
Partner  
Membership Number 073515

Place: Mumbai  
Date: 30th April 2016



## 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 2016

The preparation of financial statements of The New India Assurance Company Limited for the year ended 31 March 2016 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 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Audit 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 standards 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 2016.

I, on the behalf of the Comptroller and Audit 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 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(Roop Rashi)  
Principal Director of Commercial Audit and  
ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai  
Date : 11 August 2016

**Certificate for the year ended 31st March, 2016 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, CCIL & 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:
- Investments in equity shares having book value of ₹2.97 lakhs are under objection.
  - Equity shares and Debentures/Bonds amounting to ₹8.00 lakhs and debentures/bond having face value ₹ 66.33 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 shares and Debentures/Bonds held as per the books of the Company. The market value of such excess as on 31.03.2016 is ₹ 295.70 lakhs  
(for unlisted shares, face value is considered) and for preference shares such excess is ₹3600 (face value).
- 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.

**As per our report of even date**

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

**Arun Jain**  
Partner  
Membership Number 141802

Mumbai  
April 30, 2016

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

**Neeraj Golas**  
Partner  
Membership Number 074392

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

**M. K. Gupta**  
Partner  
Membership Number 073515



# Revenue Account

## Fire Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	20732570	18873280
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	1508234	1740510
Loss on Sale or Redemption of Investments (Policy Holders)		0	0
3. Others		0	0
4. Interest, Dividend and Rent (Gross)	-	2700401	2775924
<b>Total (A)</b>		<b>24941205</b>	<b>23389714</b>
1. Claims Incurred (Net)	2	14719653	14415189
2. Commission	3	3815560	4031468
3. Operating Expenses Related to Insurance Business	4	6302911	5936504
4. Premium Deficiency		0	0
5. Others - Foreign Taxes		2968	7564
Amortisation, Write off, Provisions - Investments		3222	9408
<b>Total (B)</b>		<b>24844314</b>	<b>24400133</b>
Operating Profit/ (Loss) C=(A-B)		<b>96891</b>	<b>(1010419)</b>
<b>Appropriations</b>			
Transfer to Share Holders Account (Profit and Loss Account)	-	(96891)	1010419
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
<b>Total</b>		<b>0</b>	<b>0</b>

Significant Accounting Policies and Notes to Accounts 16

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly in respect of fire insurance business have been fully debited in the Fire Insurance Revenue Account as expenses.

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

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial Officer

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

**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

**Arun Jain**  
Partner  
Membership Number 141802

**Neeraj Golas**  
Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016

## Marine Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	4729982	6110405
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	347134	415514
Loss on Sale or Redemption of Investments (Policy Holders)		0	0
3. Others			
4. Interest, Dividend and Rent (Gross)	-	621522	662699
<b>Total (A)</b>		<b>5698638</b>	<b>7188618</b>
1. Claims Incurred (Net)	2	2724402	3216650
2. Commission	3	480025	425847
3. Operating Expenses Related to Insurance Business	4	1016393	1176129
4. Premium Deficiency		0	0
5. Others - Foreign Taxes		0	0
Amortisation, Write off, Provisions - Investments		742	2246
<b>Total (B)</b>		<b>4221562</b>	<b>4820872</b>
Operating Profit/ (Loss) C=(A-B)		<b>1477076</b>	<b>2367746</b>
<b>Appropriations</b>			
Transfer to Share Holders Account (Profit and Loss Account)	-	(1477076)	(2367746)
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
<b>Total</b>		<b>0</b>	<b>0</b>

Significant Accounting Policies and Notes to Accounts 16

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly in respect of marine insurance business have been fully debited in the Marine Insurance Revenue Account as expenses.

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

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial Officer

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

**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

**Arun Jain**  
Partner  
Membership Number 141802

**Neeraj Golas**  
Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016



# Revenue Account

## Miscellaneous Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	124135708	108169227
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	7705369	7843978
Loss on Sale or Redemption of Investments (Policy Holders)		0	0
3. Others			
4. Interest, Dividend and Rent (Gross)	-	13795997	12510295
<b>Total (A)</b>		<b>145637074</b>	<b>128523500</b>
1. Claims Incurred (Net)	2	113967808	94248516
2. Commission	3	9741871	8381394
3. Operating Expenses Related to Insurance Business	4	27833532	23484915
4. Premium Deficiency		0	0
5. Others - Foreign Taxes		2134	889
Amortisation, Write off, Provisions - Investments		16462	42400
<b>Total (B)</b>		<b>151561807</b>	<b>126158114</b>
Operating Profit/ (Loss) C=(A-B)		<b>(5924733)</b>	2365386
<b>Appropriations</b>			
Transfer to Share Holders Account (Profit and Loss Account)	-	5924733	(2365386)
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
<b>Total</b>		<b>0</b>	<b>0</b>
Significant Accounting Policies and Notes to Accounts	16		

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly in respect of miscellaneous insurance business have been fully debited in the Miscellaneous Insurance Revenue Account as expenses.

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

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial Officer

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

### As per our report of even date

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Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016

## Profit and Loss Account for the year ended 31st March 2016

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Operating Profit / (Loss)			
a. Fire Insurance	-	96891	(1010419)
b. Marine Insurance	-	1477076	2367746
c. Miscellaneous Insurance		(5924733)	2365386
2. Income from Investments			
a. Interest Dividend and Rent (Gross) - Share Holders		8268094	7582538
b. Profit on Sale of Investment - Share Holders	-	4617913	4754265
Less: Loss on Sale of Investment - Share Holders	-	0	0
3. Other Income - Misc Receipts, Credit Balances Written Back		222301	289274
- Interest on Refund of Income Tax		303196	1486419
<b>Total (A)=1+2+3</b>		<b>9060738</b>	<b>17835209</b>
4. Provisions (Other Than Taxation)			
a. Others - Amortisation Provision For Thinly Traded Shares - Shareholders	-	(5972)	6493
b. For Doubtful Debts - Investments (Shareholders)	-	(16140)	11129
c. For Doubtful Debts - Operations			
d. For Diminution In Value Of Investments (Shareholders)	-	31978	8077
5. Other Expenses (Other Than Those Related To Insurance Business)			
a. Others - Interest On Income/Service Tax	-	791	33809
b. (Profit)/Loss On Sale Of Assets		(7501)	12722
c. Penalty		2000	0
<b>Total (B)=(4+5)</b>		<b>5156</b>	<b>72230</b>
Profit Before Tax (A-B)	-	<b>9055582</b>	<b>17762979</b>
Provision For Taxation - Current Tax	-	<b>1261252</b>	<b>3494186</b>
Deferred Tax		<b>(492591)</b>	<b>(63091)</b>
Wealth Tax		<b>0</b>	<b>19639</b>
Profit After Tax		<b>8286921</b>	<b>14312245</b>
Transfer from General Reserves for Equalization / Contingency Reserves for Foreign Branches		<b>248331</b>	<b>323666</b>
Transfer from Contingency Reserves for Unexpired Risk (created in 2009-10)		<b>0</b>	<b>0</b>
Appropriations			
a. Proposed Final Dividend	-	<b>(2500000)</b>	<b>(3000000)</b>
b. Dividend Distribution Tax.	-	<b>(508941)</b>	<b>(600000)</b>
c. Transfer to General Reserves	-	<b>(5277980)</b>	<b>(10712245)</b>
d. Transfer to Equalization / Contingency Reserves for Foreign Branches	-	<b>(248331)</b>	<b>(323666)</b>
Profit / (Loss) Carried Forward to The Balance Sheet	-	<b>0</b>	<b>0</b>
Basic and diluted earnings per share (₹) {Refer Note 11 B to notes to accounts in Schedule 16 B}		<b>41.43</b>	<b>71.56</b>

Significant Accounting Policies and Notes to Accounts  
The schedules referred to above form integral part of the Profit and Loss Account

16

**Jayashree Nair**  
Company Secretary

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Chief Financial Officer

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Director  
DIN No.06670875

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Membership Number 141802  
Mumbai  
April 30, 2016

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Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515



# Balance Sheet

## Balance Sheet as at 31st March, 2016

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
<b>A. Sources of Funds</b>			
1. Share Capital	5 & 5A	2000000	2000000
2. Reserves and Surplus	6	111737193	104496505
3. Fair Value Change Account	-	190732757	228041862
4. Borrowings	7	0	0
<b>Total A</b>		<b>304469950</b>	<b>334538367</b>
<b>B. Application of Funds</b>			
1. Investments	8	445457175	449608110
2. Loans	9	3288489	3676874
3. Fixed Assets	10	2608052	2015543
4. Deferred Tax Assets		2189300	1696388
5. Current Assets			
a. Cash and Bank Balances	11	70827441	82502299
b. Advances and Other Assets	12	104430200	77697039
<b>Sub Total(a+b)</b>		<b>175257641</b>	<b>160199338</b>
c. Current Liabilities	13	235647939	194441419
d. Provisions	14	93040528	88216467
<b>Sub Total(c+d)</b>		<b>328688468</b>	<b>282657886</b>
Net Current Assets (a+b-c-d)		(153430826)	(122458548)
6. Miscellaneous Expenditure (to the extent not written off or adjusted)	15	4357760	0
<b>Total B</b>		<b>304469950</b>	<b>334538367</b>
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

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
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Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016

## Schedules to Fire Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 1 - Fire</b>		
<b>Premium Earned(Net)</b>		
Premium From Direct Business - in India	16918362	16448927
- outside India	8576837	8186117
<b>Total</b>	<b>25495199</b>	<b>24635044</b>
Add: Premium on Reinsurance Accepted	8268652	7482170
Less: Premium on Reinsurance Ceded	12381927	12033999
Net Premium	21381924	20083215
Adjustment for Change in Reserve for Un-Expired Risks	649354	1209935
<b>Total Premium Earned (Net)</b>	<b>20732570</b>	<b>18873280</b>
<b>Schedule 2 - Fire</b>		
<b>Claims Incurred (Net)</b>		
Claims Paid Direct	18060723	18953772
Add: Claims on Reinsurance Accepted	5308497	5760760
Less: Claims on Reinsurance Ceded	9326603	8317749
Net Claims Paid	14042617	16396783
Add: Claims Outstanding at End (Net)	25393000	24545345
Less : Claims Outstanding at Beginning (Net)	24545345	26814548
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	(170619)	287609
<b>Total Incurred Claims (Net)</b>	<b>14719653</b>	<b>14415189</b>
<b>Schedule 3- Fire</b>		
<b>Commission (Net)</b>		
Commission - Direct	3826358	3473883
Add : Commission on Reinsurance Accepted	1373027	1179068
Less : Commission on Reinsurance Ceded	1383825	621483
<b>Commission (Net)</b>	<b>3815560</b>	<b>4031468</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	3316880	2998622
Direct Brokerage	439155	404692
Direct Corporate Agency Commission	70323	70569
Others - Other Channels	0	0
<b>Total Commission</b>	<b>3826358</b>	<b>3473883</b>



# Schedule

## Schedules to Marine Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 1 - Marine</b>		
<b>Premium Earned(Net)</b>		
Premium From Direct Business - in India	6175331	6652778
- outside India	572500	1057553
<b>Total</b>	<b>6747831</b>	<b>7710331</b>
Add: Premium on Reinsurance Accepted	511743	773675
Less: Premium on Reinsurance Ceded	3120685	3675575
Net Premium	4138889	4808431
Adjustment for Change in Reserve for Un-expired Risks	(591093)	(1301974)
<b>Total Premium Earned (Net)</b>	<b>4729982</b>	<b>6110405</b>
<b>Schedule 2 - Marine</b>		
<b>Claims Incurred (Net)</b>		
Claims Paid Direct	4655653	3208587
Add: Claims on Reinsurance Accepted	564028	260692
Less: Claims on Reinsurance Ceded	2712793	1105573
Net Claims Paid	2506888	2363706
Add: Claims Outstanding at End (Net)	5041145	4805068
Less : Claims Outstanding at Beginning (Net)	4805068	3943828
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	(18563)	(8296)
<b>Total Incurred Claims (Net)</b>	<b>2724402</b>	<b>3216650</b>
<b>Schedule 3- Marine</b>		
<b>Commission (Net)</b>		
Commission - Direct	511753	697506
Add : Commission on Reinsurance Accepted	84226	134342
Less : Commission on Reinsurance Ceded	115954	406001
<b>Commission (Net)</b>	<b>480025</b>	<b>425847</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	296942	492209
Direct Brokerage	214233	204252
Direct Corporate Agency Commission	578	1045
Others - Other Channels	0	0
<b>Total Commission</b>	<b>511753</b>	<b>697506</b>

## Schedules to Miscellaneous Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 1 - Miscellaneous</b>		
<b>Premium Earned(Net)</b>		
Premium From Direct Business - in India	128401394	108992244
- outside India	16988676	13465975
<b>Total</b>	<b>145390070</b>	<b>122458219</b>
Add: Premium on Reinsurance Accepted	3710443	4598053
Less: Premium on Reinsurance Ceded	15502228	12559876
Net Premium	133598285	114496396
Adjustment for Change in Reserve for Un-expired Risks	9462577	6327169
<b>Total Premium Earned (Net)</b>	<b>124135708</b>	<b>108169227</b>
<b>Schedule 2 - Miscellaneous</b>		
<b>Claims Incurred (Net)</b>		
Claims Paid Direct	108260493	86174068
Add: Claims on Reinsurance Accepted	4601271	5179701
Less: Claims on Reinsurance Ceded	10921453	8804090
Net Claims Paid	101940311	82549679
Add: Claims Outstanding at End (Net)	132826443	120534150
Less : Claims Outstanding at Beginning (Net)	120534150	108971370
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	(264796)	136057
<b>Total Incurred Claims (Net)</b>	<b>113967808</b>	<b>94248516</b>
<b>Schedule 3- Miscellaneous</b>		
<b>Commission (Net)</b>		
Commission - Direct	10772557	9247508
Add : Commission on Reinsurance Accepted	411894	409238
Less : Commission on Reinsurance Ceded	1442580	1275352
<b>Commission (Net)</b>	<b>9741871</b>	<b>8381394</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	8335883	7300736
Direct Brokerage	2208677	1763073
Direct Corporate Agency Commission	198125	183699
Others - Other Channels	29872	0
<b>Total Commission</b>	<b>10772557</b>	<b>9247508</b>



# Schedule

## Schedules for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule - 4</b>		
<b>Operating Expenses Related To Insurance Business</b>		
1. Employees Remuneration And Welfare Benefits	24268359	20750061
2. Travel Conveyance And Vehicle Running Expenses	633761	610798
3. Training Expenses	188640	322690
4. Rent Rates And Taxes	958677	1075113
5. Repairs And Maintenance	1050352	746329
6. Printing And Stationery	393424	369950
7. Communication Expenses	361501	402732
8. Legal And Professional Charges	514791	374583
9. Auditors Fees, Expenses Etc. As Auditor	79471	76044
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	351597	500957
11. Interest And Bank Charges	34462	29337
12. Others - Exchange (Gain) / Loss	(864198)	156483
IT Implementation	449175	412174
Outsourcing Expenses	3683475	3256677
Other Taxes	125920	143355
Others	2381970	1293455
13. Depreciation	318034	218206
14. Service Tax Account	223426	(141396)
<b>Total</b>	<b>35152836</b>	<b>30597548</b>
Apportioned to Fire Segment	6302911	5936504
Apportioned to Marine Segment	1016393	1176129
Apportioned to Miscellaneous Segment	27833532	23484915
<b>Total</b>	<b>35152836</b>	<b>30597548</b>



## Schedules for the year ended 31st March, 2016

Particulars	Current year	Previous year
	₹ (000)	₹ (000)
<b>Schedule - 5</b>		
<b>Share Capital</b>		
1. Authorised Capital		
30,00,00,000 (Previous Year 30,00,00,000) Equity Shares of ₹ 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
<b>Total</b>	<b>2000000</b>	<b>2000000</b>

**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		-	-	-	-
<b>Total</b>		<b>200000</b>	<b>100</b>	<b>200000</b>	<b>100</b>



## Schedules for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 6</b>		
<b>Reserves and Surplus</b>		
1. Capital Reserve (Op. Balance)	575	575
Addition During The Year	0	0
Deduction During The Year	0	0
(Cl. Balance)	575	575
2. Capital Redemption Reserve		
3. Share Premium		
4. General Reserves (Op. Balance)	93485591	83131296
Addition during the year - Balance Transferred From P & L Account	5277980	10712245
Deferred tax due to Depreciation	321	17653
Deduction during the year -		
Transfer to P & L Account for Equalization / Contingency Reserves for Foreign Branches	(248331)	(323666)
Change in Depreciation due to Companies Act, 2013	0	(51937)
(Cl. Balance)	98515561	93485591
5. Catastrophe Reserve	0	0
6. Other Reserves		
A. Foreign Currency Translation Reserve		
Opening Balance	9274191	10378141
Addition During The Year (Refer Note No 17 To Notes To Accounts In Schedule 16 B)	0	0
Deduction During The Year	1885921	(1103950)
(Cl. Balance)	11160112	9274191
B. Equalization / Contingency Reserves for Foreign Branches		
Opening Balance	1736148	1424219
Addition During The Year	324797	311929
(Cl. Balance)	2060945	1736148
7. Balance Of Profit In Profit And Loss Account	0	0
<b>Total</b>	<b>111737193</b>	<b>104496505</b>

**Schedule 7****Borrowings**

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

## Schedules for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 8</b>		
<b>Investments</b>		
<b>Long term investments</b>		
1. Government Securities		
Central Government Securities	70367400	71945839
State Government Securities	36678784	22173193
Foreign Government Securities	3113375	2751041
2. Other approved securities	43815	43815
3. Other investments		
a. Shares		
aa. Equity	236151990	265340952
bb. Preference		
Preference shares	3281	8229
Preference shares of railways in India	0	0
b. Mutual funds/ ETF	517943	637752
c. Derivative instruments	0	0
d. Debentures/Bonds/PTCs		
Debentures in India	21819203	20478366
Other debentures - Foreign	163606	158315
e. Other securities		
Foreign shares	78320	99627
f. Subsidiaries	704980	677829
g. Investment Properties (Real Estate)	0	0
4. Investment in infrastructure and social sector	49002230	44062225
5. Other than Approved Investments, Debentures, Pref.shares, Foreign Shares, Venture Funds and Equity	5074742	3979124
<b>Total</b>	<b>423719670</b>	<b>432356307</b>



## Schedules for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 8 Continued</b>		
<b>Short Term Investments</b>		
1. Government Securities		
Central Government. Securities	9551546	3709979
State Government. Securities	1226312	1499669
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	2057276	3422553
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	8902370	8470237
5. Other Than Approved Investments	0	149365
<b>Total</b>	<b>21737505</b>	<b>17251803</b>
<b>Grand Total</b>	<b>445457175</b>	<b>449608110</b>
<b>Investments</b>		
1. In India	440964426	445445571
2. Outside India	4492749	4162539
Investment in foreign associates included in equity above	30136	30136
Aggregate amount of Companies Investments in other than listed equity shares	1044629	788961
Book Value		
Market value	987798	775598
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 ₹45115 (P.Y. ₹48089) are netted against interest suspense of an equal amount. Equity shares amounting to ₹276 (P.Y. ₹ 276) is netted against interest suspense of an equal amount.		
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 8</b>		
Debentures - Standard Provisions	100886	96612
Housing sector bonds - Standard Provisions	90388	85180
Infrastructure investments - Standard Provisions	141276	125013
Investments in OAS - Standard Provisions	175	175
Other than approved investments (Debenture)	468882	500483
Equity - foreign share - diminution in value others	315	315
Equity - Thinly traded and unlisted equity - diminution in value	71384	38736
Equity - Thinly traded - foreign (Honkong)	18	0
Equity - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6034/12	21993	28364
Equity subsidiary - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6039/12	1535	1535
<b>Total</b>	<b>896852</b>	<b>876413</b>
<b>Note:</b>		
Intrest suspense for Debtors include in sch 12 -B8b	0	1594
S.H.C.I. include in in sch 12 -B8b	0	30189
Loans To State Government Housing, FFe Loans To Hudco includes in Sch - 9	676976	788394

## Schedules for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 9</b>		
<b>Loans</b>		
1. Security-Wise Classification		
Secured		
a. On Mortgage Of Property		
aa. In India		
Loan Against Mortgage Of Property	0	0
Housing, Vehicle And Computer Loans To Employees	1781497	1962816
Direct Term Loans	638123	672675
bb. Outside India Housing, Vehicle Loan To Employees	881	4562
b. On Shares, Bonds, Government Securities	0	0
c. Others		
Loans to Subsidiaries	43493	100907
Loans To State Government Housing, FFE Loans	676975	788394
Unsecured (Term Loans, Bridge Loans, Short-Term Loans, Term Loans PFPS)	147520	147520
<b>Total</b>	<b>3288489</b>	<b>3676874</b>
2. Borrower-Wise Classification		
a. Central And State Governments(Term Loans, Housing and FFE)	676975	788394
b. Banks And Financial Institutions	0	0
c. Subsidiaries	43493	100907
d. Industrial Undertakings (Term Loans, Bridge Loans, Short-Term Loans, Loans To PFPS)	755138	789690
e. Others - Housing Loans, Vehicle Loans, Computer Loans To Employees	1782378	1967378
Term Loans and PFPS	30505	30505
<b>Total</b>	<b>3288489</b>	<b>3676874</b>
3. Performance-wise Classification		
a. Loans Classified as Standard		
aa. In India: Term Loans, Bridge Loans, State Government Housing And FFE, PFPS	785247	768823
Housing, Vehicle And Computer Loans To Employees	1781497	1962816
bb. Outside India (Loans To Employees)	881	4562
Loans to Subsidiaries	43493	100907
b. Non-Performing Loans less Provisions		
aa. In India (Term Loans, Bridge Loans, Short-Term Loans, Loans PFPS)	677371	839766
bb. Outside India	0	0
<b>Total</b>	<b>3288489</b>	<b>3676874</b>
4. Maturity-wise Classifications		
a. Short-Term (Term Loans, Direct Bridge Loans, Short-Term Loans, Term Loans PFPS)	0	0
b. Long-Term		
(Term Loans Direct, Loans State Government Housing and FF, and Loans PFPS)	1462618	1608589
Loans to Subsidiaries	43493	100907
Housing, Vehicle, And Computer Loans To Employees.	1782378	1967378
<b>Total</b>	<b>3288489</b>	<b>3676874</b>

PFPS and FITL PFPS amounting to ₹617105 (P.Y. ₹637976) 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)	18115	20783
Bridge loan (Investments)	400	400
Term loans PFPS std.provision	511	0
Term loans PFPS	554283	594693
Short term loans (Investments)	85068	85068
Housing loans to state govts. - std.provision	2595	3020
Housing loans to state govts.	16573	16639
FFE loans to state govts. - std.provision	35	56
FFE loans to state govts.	2932	2932
<b>Total</b>	<b>680512</b>	<b>723591</b>

#### Note:

Interest suspense for Debtors include in sch 12 -B8b

Loans To State Government Housing, FFE Loans To Hudco includes from Sch - 8

5010	5010
676976	788394



## Schedules for the year ended 31st March, 2016

### Schedule 10 Fixed Assets

₹ (000)

Particulars	Gross Block				Depreciation Fund			Net Block	
	Opening Balance.	Additions	Deletions / Adjustments	* Closing Balance	Opening Balance.	Additions	Deletions / Adjustment	* Closing Balance	Opening Closing
	01/04/2015	During 2015-2016	31/03/2016	01/04/2015	During 2015-2016	31/03/2016	31/03/2016	31/03/2016	31/03/2015
Goodwill	0	0	0	0	0	0	0	0	0
Intangibles	1029986	34204	0	1064190	1029986	3266	177	1033075	31115
Land Freehold	80619	0	2385	78234	0	0	0	0	80619
Leasehold Property	9913	0	(10873)	20786	2873	114	(2109)	5096	7040
Buildings	1741356	0	5772	1735585	887487	18730	5541	900676	834908
Furnitures & Fittings	583074	99265	5492	676847	459239	21710	5056	475893	200954
Information & Technology Equipments	2658325	338469	22202	2974592	2371863	141586	21792	2491656	482935
Vehicles	1084293	281085	159578	1205801	536393	110799	114318	532874	672926
Office Equipments	116674	8655	1735	123594	100971	6376	1058	106289	17305
Other Assets	332120	38708	6609	364220	232005	15452	5268	242189	122030
Work in Progress	0	151954	0	151954	0	0	0	0	151954
Grand Total	7636360	952341	192899	8395802	5620817	318034	151101	5787750	2608052
Previous Year	7383308	599775	346723	7636360	5605043	270141	254367	5620817	2015543
									1778265

\* Due to foreign currency fluctuation

## Schedules for the year ended 31st March, 2016

Particulars	Current year	Previous year
	₹ (000)	₹ (000)
<b>Schedule 11</b>		
<b>Cash and Bank Balances</b>		
1. Cash (Including Cheques, Drafts and Stamps)	2033599	2247699
2. Bank Balances		
a. Deposit Accounts		
aa. Short - Term (due within 12 Months)	8983395	29427498
bb. Others	46617367	39014820
b. Current Accounts	9498133	7876130
3. Money at Call and Short Notice		
With Banks	610449	2397298
With other Institutions	3084498	1538854
<b>Total</b>	<b>70827441</b>	<b>82502299</b>
<b>Cash and Bank Balances In India</b>	<b>16557873</b>	<b>33439715</b>
<b>Cash and Bank Balances Outside India</b>	<b>54269568</b>	<b>49062584</b>
<b>Total</b>	<b>70827441</b>	<b>82502299</b>
Balances with non scheduled banks included in 2b above	2709982	3242965
Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 11		
Indian balances included in 2b above	65039	70879
<b>Total</b>	<b>65039</b>	<b>70879</b>



# Schedule

## Schedules for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 12</b>		
<b>Advances and Other Assets</b>		
<b>A. Advances</b>		
1. Reserve Deposits With Ceding Companies	257769	165554
2. Application Money For Investments	0	87321
3. Pre-Payments	174388	366181
4. Advances To Directors / Officers	0	0
5. Advance Tax Paid And Taxes Deducted At Source (Net Of Provision For Taxation)	5999505	4631155
6. Others	384211	375347
<b>Total (A)</b>	<b>6815873</b>	<b>5625558</b>
<b>B. Other Assets</b>		
1. Income Accrued On Investments	6549893	6218091
2. Outstanding Premiums	1846083	1810756
3. Agents Balances	4485413	3562448
4. Foreign Agencies Balances	1503989	1633082
5. Due From Other Entities Carrying Insurance Business (Including Reinsurers)	52879343	47715102
6. Due From Subsidiaries/Holding Companies	0	0
7. Deposit With R B I (Persuant to Section 7 Of Insurance Act 1938)	0	107514
8. Others - a. Other Accrued Income	999102	809621
b. Others Including Sundry Debtors & Interoffice Accounts	29024618	9803720
c. Service Tax Unutilized Credit	325886	411147
<b>Total (B)</b>	<b>97614327</b>	<b>72071481</b>
<b>TOTAL(A+B)</b>	<b>104430200</b>	<b>77697039</b>
<i>Sundry Debtors amounting to ₹ 5010 (P.Y. ₹6604) are netted against interest suspense of an equal amount.</i>		
<b>Provision made for Bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 12</b>		
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 B3 above (Fiji, Mauritius, Bangkok, Japan, Hongkong, New Zealand)	45480	0
Foreign balances included in B4 above (Manila & Dubai)	62620	104358
Foreign balances included in B5 above (Mauritius, Singapore, France)	26351	11092
Foreign balances included in B8 above (Equitorial Bank London)	10432	10302
Indian reinsurance balances/Miscellaneous debtors included in B5B above	200000	200000
Indian balances included in B3 above	138334	42532
Indian balances included in B8b above	86800	67709
Indian miscellaneous debtors included in B8b above (TCS)	137757	63665
Sundry debtors(5192) investments Indian included in B8 above - Std. provision	31	673
Sundry debtors(5192) investments Indian included in B8 above	3851	3851
Sundry debtors(5192) investments(F) Indian included in B8 above	949	917
Income accrued on investments(5131(F)) Indian included in B1 above	2	2
<b>Total</b>	<b>1749932</b>	<b>1542426</b>
<b>Note:</b>		
Interest suspense for Debtors include in B8b above	5010	6604
S.H.C.I. include in B8b above	48186	93426

## Schedules for the year ended 31st March, 2016

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 13</b>		
<b>Current Liabilities</b>		
1. Agents Balances	168203	257385
2. Balances Due To Other Insurance Companies	23823437	20089058
3. Deposits Held On Reinsurance Ceded	174932	121977
4. Premium Received In Advance	1428840	1011850
5. Un-Allocated Premium	0	0
6. Sundry Creditors - a. Other Than Service Tax Payable	21021652	18189791
b. Service Tax Payable	594422	486087
7. Due To Subsidiaries / Holding Company	0	0
8. Claims Outstanding	163260588	149884564
9. Due To Officers/Directors	0	0
10. Others	23767747	3202160
Policy Holders Fund - Excess Premium Collected	325392	282201
Policy Holders Fund - Refund Premium Due	332102	246563
Policy Holders Fund - Stale Cheques	750624	669783
<b>Total</b>	<b>235647939</b>	<b>194441419</b>

## Schedule 14

### Provisions

1. a. Reserve for Un-Expired Risks	80122250	70601412
b. Premium Deficiency Reserve	0	0
2. Provision for Taxation (Net of Payment of Taxes)	0	0
3. Provision for Proposed Dividend	2500000	3000000
4. Provision for Dividend Distribution Tax	508941	600000
5. Others - Reserve for Bad and Doubtful Debts.	3297092	3144358
Provision for Diminution in value of Thinly Traded / Unlisted Shares	95245	68951
Provision for Wage Arrear	0	5926746
Provision for Leave Encashment	6517000	4875000
<b>Total</b>	<b>93040528</b>	<b>88216467</b>

## Schedule 15

### Miscellaneous Expenditure

1. Discount Allowed in Issue of Shares and Debentures	0	0
2. Others - Contribution to Pension Fund and Gratuity Fund (Deferred Expenses to the Extent not Written Off)	4357760	0
<b>Total</b>	<b>4357760</b>	<b>0</b>



# Receipts & Payments

## Receipts & Payments Account / Cash Flow Statement for the period from 01/04/2015 to 31/03/2016

Particulars	Current Year ₹ (000)	Previous Year ₹ (000)
<b>A. Cash Flows from the operating activities:</b>		
1. Premium received from policyholders, including advance receipts	201752985	173623008
2. Other receipts	154519	90935
3. Payments to the re-insurers, net of commissions and claims	(6306592)	(2745078)
4. Payments to co-insurers, net of claims recovery	(3231595)	(2388019)
5. Payments of claims	(135024136)	(110673889)
6. Payments of commission and brokerage	(14970603)	(13355537)
7. Payments of other operating expenses	(37988588)	(25606680)
8. Preliminary and pre-operative expenses	0	0
9. Deposits, advances and staff loans	210151	2112138
10. Income taxes paid (Net)	(2327581)	1391099
11. Service tax paid	(17607942)	(13553611)
12. Other payments	(244350)	(226369)
13. Cash flows before extraordinary items	(15583732)	8667997
14. Cash flow from extraordinary operations	0	0
<b>Net cash flow from operating activities</b>	<b>(15583732)</b>	<b>8667997</b>
<b>B. Cash flows from investing activities:</b>		
1. Purchase of fixed assets	(952341)	(599775)
2. Proceeds from sale of fixed assets	193938	115136
3. Purchases of investments	(50866363)	(64960179)
4. Loans disbursed	0	78465
5. Sales of investments	32148971	33531056
6. Repayments received	87130	19269
7. Rents/Interests/ Dividends received	24871329	20969474
8. Investments in money market instruments and in liquid mutual funds	0	0
9. Expenses related to investments	102643	(152105)
<b>Net cash flow from investing activities</b>	<b>5585307</b>	<b>(10998659)</b>
<b>C. Cash flows from financing activities:</b>		
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	(3600000)	(2573890)
<b>Net cash flow from financing activities</b>	<b>(3600000)</b>	<b>(2573890)</b>
<b>D. Effect of foreign exchange rates on cash and cash equivalents, net</b>	<b>1923568</b>	<b>(2243186)</b>
<b>E. Net increase in cash and cash equivalents:</b>	<b>(11674858)</b>	<b>(7147738)</b>
1. Cash and cash equivalents at the beginning of the year	82502299	89650037
2. Cash and cash equivalents at the end of the year	70827441	82502299

**Jayashree Nair**  
Company Secretary

**P. Nayak**  
Director  
DIN No.06670875

**S. N. Rajeswari**  
Chief Financial Officer

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

**As per our report of even date**

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

**Arun Jain**  
Partner  
Membership Number 141802

Mumbai  
April 30, 2016

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

**Neeraj Golas**  
Partner  
Membership Number 074392

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

**M. K. Gupta**  
Partner  
Membership Number 073515

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- Indian

(₹, 000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	CY	PY	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>								
Premium Direct	16918362	16448927	3349088	3288377	2826243	3364402	6175331	6652778
Premium Accepted	857380	985214	18585	27106	158678	98907	177263	126014
Premium Ceded	9091456	8570624	862273	702377	2142285	2553809	3004559	3256186
<b>Net Premium</b>	<b>8684287</b>	<b>8863517</b>	<b>2505400</b>	<b>2613106</b>	<b>842636</b>	<b>909500</b>	<b>3348036</b>	<b>3522606</b>
Unexpired Risk Reserve Op	4431759	3855995	1306553	2604725	909500	711209	2216053	3315934
Unexpired Risk Reserve Cl	4342143	4431759	1252700	1306553	842636	909500	2093336	2216053
<b>Net Earned Premium</b>	<b>8773902</b>	<b>8287753</b>	<b>2559253</b>	<b>3911278</b>	<b>909500</b>	<b>711209</b>	<b>3468753</b>	<b>4622487</b>
Profit on Realisation of Investment	1508234	1735085	175469	271490	171665	143453	347134	414943
Interest Dividend and Rent	2560237	2295941	297860	411735	291403	200459	589262	612194
Investment Provisions	1898	-10146	221	587	216	-398	437	188
<b>Total Investment Income</b>	<b>4066573</b>	<b>4041171</b>	<b>473108</b>	<b>682638</b>	<b>462852</b>	<b>344310</b>	<b>935959</b>	<b>1026948</b>
Claims Paid Direct	14369729	12859346	2067280	1850026	2470041	971023	4537322	2821049
Claims Paid Accepted	280187	179449	20711	14014	114602	48602	135313	62616
Claims Paid Ceded	7560521	4017976	388942	209956	2320821	670232	2709763	880188
<b>Net Claim Paid</b>	<b>7089396</b>	<b>9020819</b>	<b>1699049</b>	<b>1654084</b>	<b>263822</b>	<b>349393</b>	<b>1962871</b>	<b>2003477</b>
Cl O/S Claims Direct	25468334	28264444	3319790	3372755	2628312	4983806	5948102	8356561
Cl O/S Claims Accepted	1540409	1859205	10232	15673	283920	231646	294152	247319
Cl O/S Claims Ceded	13712269	16848517	939255	1128748	927740	3626900	1866995	4755648
<b>Net Closing Outstanding Claim</b>	<b>13296474</b>	<b>13275132</b>	<b>2390768</b>	<b>2259680</b>	<b>1984492</b>	<b>1588552</b>	<b>4375259</b>	<b>3848232</b>
Op O/S Claims Direct	28264444	20754975	3372755	3116810	4983806	2343833	8356561	5460643
Op O/S Claims Accepted	1859205	1528341	15673	15	231646	227158	247319	227173
Op O/S Claims Ceded	16848517	9035603	1128748	1014138	3626900	1455982	4755648	2470120
<b>Net Opening Outstanding Claim</b>	<b>13275132</b>	<b>13247713</b>	<b>2259680</b>	<b>2102687</b>	<b>1588552</b>	<b>1115009</b>	<b>3848232</b>	<b>3217696</b>
Incurred Claims Direct	11573619	20368815	2014315	2105971	114547	3610995	2128863	5716966
Incurred Claims Accepted	-38609	510313	15270	29671	166875	53091	182146	82763
Incurred Claims Ceded	4424273	11830891	199449	324566	-378339	2841150	-178890	3165715
<b>Net Incurred Claim</b>	<b>7110738</b>	<b>9048237</b>	<b>1830137</b>	<b>1811077</b>	<b>659762</b>	<b>822936</b>	<b>2489898</b>	<b>2634013</b>
Commission Direct	987439	943545	393139	397664	54863	50185	448002	447848
Commission Accepted	59932	54363	0	589	27874	18072	27874	18662
Commission Ceded	1210412	453837	42372	49890	124377	252233	166749	302124
<b>Net Incurred Commission</b>	<b>-163041</b>	<b>544070</b>	<b>350767</b>	<b>348363</b>	<b>-41640</b>	<b>-183976</b>	<b>309127</b>	<b>164387</b>
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	6044240	5648899	523240	512758	451441	606391	974680	1119150
Premium Deficiency	0	0	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>-151462</b>	<b>-2912282</b>	<b>328217</b>	<b>1921718</b>	<b>302789</b>	<b>-189833</b>	<b>631006</b>	<b>1731885</b>



# Segment Reporting Schedule

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- Indian

(₹, 000)

Segment	Motor OD		Motor TP Total		Total Motor		Health	
	CY	PY	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>								
Premium Direct	27842729	25882190	33930122	27777862	61772851	53660052	48478531	39417921
Premium Accepted	0	0	1216181	1870317	1216181	1870317	0	0
Premium Ceded	1456789	1335492	2979535	2816488	4436324	4151980	2963001	1991200
<b>Net Premium</b>	<b>26385940</b>	<b>24546698</b>	<b>32166768</b>	<b>26831691</b>	<b>58552708</b>	<b>51378389</b>	<b>45515529</b>	<b>37426721</b>
Unexpired Risk Reserve Op	12273349	11505046	13415891	10796948	25689240	22301993	18713361	15729073
Unexpired Risk Reserve Cl	13192970	12273349	16083385	13415891	29276355	25689240	22757765	18713361
<b>Net Earned Premium</b>	<b>25466319</b>	<b>23778395</b>	<b>29499274</b>	<b>24212747</b>	<b>54965593</b>	<b>47991142</b>	<b>41471125</b>	<b>34442433</b>
Profit on Realisation of Investment	1111629	1190885	4545020	4492937	5656649	5683822	1063330	1027008
Interest Dividend and Rent	1464615	1671131	8137583	7165748	9602197	8836878	1805009	1633653
Investment Provisions	-2600	-3016	9710	24286	7110	21270	1338	5373
<b>Total Investment Income</b>	<b>2578844</b>	<b>2865031</b>	<b>12672892</b>	<b>11634398</b>	<b>15251736</b>	<b>14499429</b>	<b>2867001</b>	<b>2655287</b>
Claims Paid Direct	20544870	15645128	19977399	17613181	40522270	33258308	48675233	36096445
Claims Paid Accepted	0	0	2201863	3273055	2201863	3273055	0	0
Claims Paid Ceded	1227121	844422	3840304	3870964	5067425	4715386	2442672	1829090
<b>Net Claim Paid</b>	<b>19317750</b>	<b>14800706</b>	<b>18338958</b>	<b>17015272</b>	<b>37656708</b>	<b>31815977</b>	<b>46232561</b>	<b>34267354</b>
Cl O/S Claims Direct	6443556	5328122	103517467	96797311	103961023	102125432	8166225	5612930
Cl O/S Claims Accepted	0	0	0	0	0	0	0	0
Cl O/S Claims Ceded	651915	391335	5070286	5206060	5722200	5597394	542786	141088
<b>Net Closing Outstanding Claim</b>	<b>5791642</b>	<b>4936787</b>	<b>98447181</b>	<b>91591251</b>	<b>104238823</b>	<b>96528038</b>	<b>7623438</b>	<b>5471841</b>
Op O/S Claims Direct	5328122	4123020	96797311	86040172	102125432	90163192	5612930	5202950
Op O/S Claims Accepted	0	0	0	0	0	0	0	0
Op O/S Claims Ceded	391335	195929	5206060	5231080	5597394	5427009	141088	159718
<b>Net Opening Outstanding Claim</b>	<b>4936787</b>	<b>3927091</b>	<b>91591251</b>	<b>80809092</b>	<b>96528038</b>	<b>84736183</b>	<b>5471841</b>	<b>5043232</b>
Incurred Claims Direct	21660305	16850229	28697555	28370320	48357860	45220549	51228528	36506424
Incurred Claims Accepted	0	0	2201863	3273055	2201863	3273055	0	0
Incurred Claims Ceded	1487701	1039828	3704530	3845944	5192231	4885772	2844370	1810461
<b>Net Incurred Claim</b>	<b>20172604</b>	<b>15810401</b>	<b>25194888</b>	<b>27797431</b>	<b>45367493</b>	<b>43607832</b>	<b>48384158</b>	<b>34695964</b>
Commission Direct	2101009	1913628	0	-1	2101009	1913627	3196808	2797031
Commission Accepted	0	0	0	0	0	0	0	0
Commission Ceded	208773	193930	30555	23856	239328	217785	285556	241021
<b>Net Incurred Commission</b>	<b>1892236</b>	<b>1719698</b>	<b>-30555</b>	<b>-23856</b>	<b>1861681</b>	<b>1695842</b>	<b>2911252</b>	<b>2556010</b>
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	6983028	5911603	6560982	5480130	13544010	11391733	8881534	7066515
Premium Deficiency	0	0	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>-1002706</b>	<b>3201724</b>	<b>10446851</b>	<b>2593441</b>	<b>9444146</b>	<b>5795164</b>	<b>-15838818</b>	<b>-7220768</b>

# Segment Reporting Schedule



## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- Indian

(₹, 000)

Segment	Liability		Personal Accident		Aviation		Engineering	
	CY	PY	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>								
Premium Direct	2978024	2643994	2107834	1856000	1145599	1043408	4940980	4177494
Premium Accepted	14016	19603	38396	64859	34175	19619	399520	378145
Premium Ceded	568128	412914	213417	111990	1150883	1239672	2740272	2052637
<b>Net Premium</b>	<b>2423911</b>	<b>2250684</b>	<b>1932814</b>	<b>1808869</b>	<b>28891</b>	<b>-176645</b>	<b>2600228</b>	<b>2503002</b>
Unexpired Risk Reserve Op	1125342	1088303	904435	803308	0	0	1251501	1332202
Unexpired Risk Reserve Cl	1211956	1125342	966407	904435	14445	0	1300114	1251501
<b>Net Earned Premium</b>	<b>2337297</b>	<b>2193644</b>	<b>1870842</b>	<b>1707743</b>	<b>14445</b>	<b>-176645</b>	<b>2551615</b>	<b>2583703</b>
Profit on Realisation of Investment	256153	265364	82590	81414	79558	91888	243046	311848
Interest Dividend and Rent	434822	345473	140198	126317	135051	115204	412572	451060
Investment Provisions	322	-1786	104	294	100	-802	306	-232
<b>Total Investment Income</b>	<b>690653</b>	<b>612624</b>	<b>222684</b>	<b>207437</b>	<b>214509</b>	<b>207894</b>	<b>655312</b>	<b>763141</b>
Claims Paid Direct	623857	427480	1444591	1022039	522229	415059	1995573	1811684
Claims Paid Accepted	1621	55863	42721	32276	-2676	15847	242381	217727
Claims Paid Ceded	53722	45924	84251	68491	294885	284950	795477	528519
<b>Net Claim Paid</b>	<b>571756</b>	<b>437419</b>	<b>1403060</b>	<b>985824</b>	<b>224667</b>	<b>145955</b>	<b>1442477</b>	<b>1500892</b>
Cl O/S Claims Direct	1818735	1847515	1025895	848304	978768	1164114	4552296	4639639
Cl O/S Claims Accepted	0	0	0	0	31913	15196	1280935	838934
Cl O/S Claims Ceded	250849	243925	30355	21887	875980	871091	2568515	2573183
<b>Net Closing Outstanding Claim</b>	<b>1567886</b>	<b>1603590</b>	<b>995539</b>	<b>826418</b>	<b>134701</b>	<b>308219</b>	<b>3264716</b>	<b>2905389</b>
Op O/S Claims Direct	1847515	1596408	848305	776849	1164114	1237645	4639639	4361962
Op O/S Claims Accepted	0	0	0	0	15196	18612	838934	861647
Op O/S Claims Ceded	243925	269192	21887	57088	871091	598302	2573183	1993023
<b>Net Opening Outstanding Claim</b>	<b>1603590</b>	<b>1327216</b>	<b>826418</b>	<b>719761</b>	<b>308219</b>	<b>657955</b>	<b>2905389</b>	<b>3230586</b>
Incurred Claims Direct	595077	678587	1622181	1093494	336882	341528	1908230	2089361
Incurred Claims Accepted	1621	55863	42721	32276	14040	12431	684382	195014
Incurred Claims Ceded	60646	20657	92720	33290	299774	557739	790809	1108679
<b>Net Incurred Claim</b>	<b>536052</b>	<b>713793</b>	<b>1572182</b>	<b>1092481</b>	<b>51149</b>	<b>-203780</b>	<b>1801804</b>	<b>1175695</b>
Commission Direct	324341	283744	231551	195171	5950	5667	281169	283714
Commission Accepted	1395	1960	11519	19458	1600	1500	82271	60481
Commission Ceded	51653	34085	20823	17602	45520	42526	436711	450113
<b>Net Incurred Commission</b>	<b>274083</b>	<b>251619</b>	<b>222247</b>	<b>197026</b>	<b>-37970</b>	<b>-35359</b>	<b>-73270</b>	<b>-105917</b>
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	804119	738856	424362	377806	339084	305782	1157689	1017465
Premium Deficiency	0	0	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>1413697</b>	<b>1102000</b>	<b>-125265</b>	<b>247867</b>	<b>-123309</b>	<b>-35394</b>	<b>320705</b>	<b>1259600</b>



## Segment Reporting Schedule

### SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- Indian

(₹, 000)

Segment	Other Misc		Total Misc		Grand Total	
	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>						
Premium Direct	6977575	6193375	128401394	108992244	151495088	132093950
Premium Accepted	676712	861543	2378999	3214087	3413642	4325314
Premium Ceded	1640814	1520638	13712839	11481031	25808854	23307841
<b>Net Premium</b>	<b>6013473</b>	<b>5534280</b>	<b>117067554</b>	<b>100725300</b>	<b>129099876</b>	<b>113111423</b>
Unexpired Risk Reserve Op	2767140	2705467	50451018	43940346	57098830	51112275
Unexpired Risk Reserve Cl	3006737	2767140	58533778	50451018	64971257	57098830
<b>Net Earned Premium</b>	<b>5773877</b>	<b>5472607</b>	<b>108984794</b>	<b>94214628</b>	<b>121227449</b>	<b>107124869</b>
Profit on Realisation of Investment	324042	377703	7705369	7839046	9560737	9989074
Interest Dividend and Rent	550064	565336	13079913	12073921	16229411	14982055
Investment Provisions	408	507	9688	24623	12022	14665
<b>Total Investment Income</b>	<b>873698</b>	<b>942533</b>	<b>20775594</b>	<b>19888344</b>	<b>25778126</b>	<b>24956464</b>
Claims Paid Direct	4879338	4372876	98663090	77403892	117570141	93084286
Claims Paid Accepted	684941	717887	3170851	4312655	3586351	4554721
Claims Paid Ceded	1692085	679988	10430517	8152349	20700801	13050513
<b>Net Claim Paid</b>	<b>3872194</b>	<b>4410775</b>	<b>91403424</b>	<b>73564198</b>	<b>100455691</b>	<b>84588494</b>
Cl O/S Claims Direct	5494865	4894412	131997806	121132347	163414242	157753352
Cl O/S Claims Accepted	873356	976469	2186203	1830599	4020765	3937124
Cl O/S Claims Ceded	2174967	2512784	12165653	11961352	27744917	33565517
<b>Net Closing Outstanding Claim</b>	<b>4193253</b>	<b>3358098</b>	<b>122018356</b>	<b>111001594</b>	<b>139690090</b>	<b>128124959</b>
Op O/S Claims Direct	4894413	3414807	121132347	106753814	157753352	132969432
Op O/S Claims Accepted	976469	1158200	1830599	2038459	3937124	3793974
Op O/S Claims Ceded	2512784	1014510	11961352	9518842	33565517	21024565
<b>Net Opening Outstanding Claim</b>	<b>3358098</b>	<b>3558498</b>	<b>111001594</b>	<b>99273431</b>	<b>128124959</b>	<b>115738841</b>
Incurrd Claims Direct	5479790	5852482	109528549	91782424	123231032	117868205
Incurrd Claims Accepted	581828	536156	3526455	4104795	3669992	4697871
Incurrd Claims Ceded	1354268	2178261	10634818	10594859	14880201	25591465
<b>Net Incurred Claim</b>	<b>4707349</b>	<b>4210376</b>	<b>102420186</b>	<b>85292361</b>	<b>112020822</b>	<b>96974612</b>
Commission Direct	874318	755524	7015145	6234477	8450585	7625870
Commission Accepted	108655	114679	205441	198079	293247	271103
Commission Ceded	199846	184624	1279435	1187757	2656597	1943718
<b>Net Incurred Commission</b>	<b>783128</b>	<b>685579</b>	<b>5941150</b>	<b>5244799</b>	<b>6087235</b>	<b>5953256</b>
Foreign Taxes	0	0	0	0	0	0
Operating Expenses Related to Insurance	1540451	1448986	26691249	22347145	33710170	29115193
Premium Deficiency	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>-383353</b>	<b>70198</b>	<b>-5292197</b>	<b>1218668</b>	<b>-4812653</b>	<b>38271</b>

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- Foreign

(₹, 000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	CY	PY	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>								
Premium Direct	8576837	8186117	457726	519264	114774	538289	572500	1057553
Premium Accepted	7411272	6496956	71773	52351	262708	595311	334480	647662
Premium Ceded	3290471	3463375	21408	14332	94718	405056	116127	419389
<b>Net Premium</b>	<b>12697637</b>	<b>11219698</b>	<b>508091</b>	<b>557282</b>	<b>282763</b>	<b>728544</b>	<b>790853</b>	<b>1285826</b>
Unexpired Risk Reserve Op	5609849	4975678	278641	648699	728544	560578	1007185	1209278
Unexpired Risk Reserve Cl	6348819	5609849	254045	278641	282763	728544	536808	1007185
<b>Net Earned Premium</b>	<b>11958668</b>	<b>10585527</b>	<b>532686</b>	<b>927340</b>	<b>728544</b>	<b>560578</b>	<b>1261230</b>	<b>1487919</b>
Profit on Realisation of Investment	0	5425	0	245	0	326	0	571
Interest Dividend and Rent	140165	479983	16307	21653	15953	28853	32260	50506
Investment Provisions	1325	19554	154	882	151	1175	305	2058
<b>Total Investment Income</b>	<b>138840</b>	<b>465854</b>	<b>16153</b>	<b>21015</b>	<b>15803</b>	<b>28004</b>	<b>31955</b>	<b>49019</b>
Claims Paid Direct	3690994	6094426	115976	196162	2356	191377	118332	387539
Claims Paid Accepted	5028309	5581311	24984	27566	403731	170509	428715	198075
Claims Paid Ceded	1766082	4299773	1786	84110	1244	141275	3030	225385
<b>Net Claim Paid</b>	<b>6953222</b>	<b>7375964</b>	<b>139174</b>	<b>139617</b>	<b>404843</b>	<b>220611</b>	<b>544017</b>	<b>360229</b>
Cl O/S Claims Direct	6643287	6784533	548051	540548	236681	339982	784732	880529
Cl O/S Claims Accepted	9610549	10007173	43146	36756	226126	399635	269272	436391
Cl O/S Claims Ceded	4015499	5262539	392682	368183	158	99	392839	368281
<b>Net Closing Outsatnding Claim</b>	<b>12238337</b>	<b>11529167</b>	<b>198515</b>	<b>209121</b>	<b>462649</b>	<b>739518</b>	<b>661165</b>	<b>948639</b>
Op O/S Claims Direct	6790970	9858995	577457	225661	336705	376598	914162	602259
Op O/S Claims Accepted	9953386	12048717	36722	54619	412585	168865	449306	223484
Op O/S Claims Ceded	5161713	8369533	392694	99217	96	296	392791	99513
<b>Net Opening Outsatnding Claim</b>	<b>11582643</b>	<b>13338179</b>	<b>221484</b>	<b>181063</b>	<b>749193</b>	<b>545167</b>	<b>970677</b>	<b>726230</b>
Incurred Claims Direct	3543312	3019963	86570	511048	-97668	154761	-11098	665809
Incurred Claims Accepted	4685472	3539767	31409	9703	217272	401279	248681	410982
Incurred Claims Ceded	619868	1192779	1774	353076	1305	141077	3079	494154
<b>Net Incurred Claim</b>	<b>7608915</b>	<b>5366952</b>	<b>116205</b>	<b>167675</b>	<b>118299</b>	<b>414962</b>	<b>234504</b>	<b>582637</b>
Commission Direct	2838919	2530338	113814	138498	-50063	111159	63751	249657
Commission Accepted	1313095	1124705	20258	15577	36093	100103	56352	115680
Commission Ceded	173413	167645	5970	3047	-56765	100831	-50795	103878
<b>Net Incurred Commission</b>	<b>3978601</b>	<b>3487398</b>	<b>128103</b>	<b>151028</b>	<b>42796</b>	<b>110432</b>	<b>170899</b>	<b>261460</b>
Foreign Taxes	2968	7564	0	0	0	0	0	0
Operating Expenses Related to Insurance	258670	287605	22393	26106	19320	30873	41713	56980
Premium Deficiency	0	0	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>248354</b>	<b>1901862</b>	<b>282138</b>	<b>603546</b>	<b>563931</b>	<b>32315</b>	<b>846070</b>	<b>635861</b>



# Segment Reporting Schedule

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- Foreign

(₹, 000)

Segment	Motor OD		Total Motor		Health		Liability	
	CY	PY	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>								
Premium Direct	12517109	9005847	12517109	9005847	1134786	758360	1487380	1508628
Premium Accepted	152323	232289	152323	232289	0	893	12484	28594
Premium Ceded	1260283	578531	1260283	578531	0	0	59881	77168
<b>Net Premium</b>	<b>11409149</b>	<b>8659604</b>	<b>11409149</b>	<b>8659604</b>	<b>1134786</b>	<b>759253</b>	<b>1439984</b>	<b>1460054</b>
Unexpired Risk Reserve Op	4329802	4600925	4329802	4600925	379627	168097	730027	676331
Unexpired Risk Reserve Cl	5704574	4329802	5704574	4329802	567393	379627	719992	730027
<b>Net Earned Premium</b>	<b>10034376</b>	<b>8930727</b>	<b>10034376</b>	<b>8930727</b>	<b>947019</b>	<b>547724</b>	<b>1450019</b>	<b>1406358</b>
Profit on Realisation of Investment	0	2626	0	2626	0	50	0	895
Interest Dividend and Rent	525690	232390	525690	232390	98819	4392	23805	79181
Investment Provisions	4975	9467	4975	9467	934	179	225	3226
<b>Total Investment Income</b>	<b>520715</b>	<b>225549</b>	<b>520715</b>	<b>225549</b>	<b>97885</b>	<b>4263</b>	<b>23580</b>	<b>76850</b>
Claims Paid Direct	7180267	6479972	7180267	6479972	850849	582519	812325	875642
Claims Paid Accepted	137097	144097	137097	144097	0	0	12	80
Claims Paid Ceded	347860	446466	347860	446466	0	0	22005	51928
<b>Net Claim Paid</b>	<b>6969504</b>	<b>6177602</b>	<b>6969504</b>	<b>6177602</b>	<b>850849</b>	<b>582519</b>	<b>790332</b>	<b>823793</b>
CI O/S Claims Direct	5364897	4351241	5364897	4351241	150357	2108	2681906	2522722
CI O/S Claims Accepted	56840	59818	56840	59818	0	0	10532	8567
CI O/S Claims Ceded	381854	268156	381854	268156	8910	0	49162	72136
<b>Net Closing Outstanding Claim</b>	<b>5039883</b>	<b>4142904</b>	<b>5039883</b>	<b>4142904</b>	<b>141448</b>	<b>2108</b>	<b>2643277</b>	<b>2459153</b>
Op O/S Claims Direct	4443079	4576546	4443079	4576546	2176	172	2527419	2528904
Op O/S Claims Accepted	58677	60770	58677	60770	0	0	8649	6317
Op O/S Claims Ceded	267969	326026	267969	326026	0	0	72288	127086
<b>Net Opening Outstanding Claim</b>	<b>4233787</b>	<b>4311289</b>	<b>4233787</b>	<b>4311289</b>	<b>2176</b>	<b>172</b>	<b>2463780</b>	<b>2408134</b>
Incurred Claims Direct	8102085	6254667	8102085	6254667	999030	584455	966812	869460
Incurred Claims Accepted	135260	143145	135260	143145	0	0	1895	2329
Incurred Claims Ceded	461745	388596	461745	388596	8910	0	-1122	-3022
<b>Net Incurred Claim</b>	<b>7775600</b>	<b>6009217</b>	<b>7775600</b>	<b>6009217</b>	<b>990121</b>	<b>584455</b>	<b>969829</b>	<b>874811</b>
Commission Direct	2717271	2017027	2717271	2017027	281170	185968	364131	351721
Commission Accepted	2402	2374	2402	2374	0	0	2508	5727
Commission Ceded	121363	31397	121363	31397	0	0	2593	3946
<b>Net Incurred Commission</b>	<b>2598310</b>	<b>1988004</b>	<b>2598310</b>	<b>1988004</b>	<b>281170</b>	<b>185968</b>	<b>364045</b>	<b>353501</b>
Foreign Taxes	1473	559	1473	559	146	49	186	94
Operating Expenses Related to Insurance	579632	579992	579632	579992	380096	359781	34413	37618
Premium Deficiency		0		0		0		0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>-399924</b>	<b>578504</b>	<b>-399924</b>	<b>578504</b>	<b>-606629</b>	<b>-578266</b>	<b>105126</b>	<b>217184</b>

# Segment Reporting Schedule



## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- Foreign

(₹, 000)

Segment	Personal Accident		Aviation		Engineering	
	CY	PY	CY	PY	CY	PY
Revenue Account Elements						
Premium Direct	183715	197241	0	0	871066	986650
Premium Accepted	40590	29940	714389	675520	255424	242582
Premium Ceded	10705	9837	6796	0	353227	281549
<b>Net Premium</b>	<b>213600</b>	<b>217344</b>	<b>707593</b>	<b>675520</b>	<b>773262</b>	<b>947684</b>
Unexpired Risk Reserve Op	108672	71938	337760	427168	473842	477797
Unexpired Risk Reserve Cl	106800	108672	353796	337760	386631	473842
<b>Net Earned Premium</b>	<b>215472</b>	<b>180609</b>	<b>691557</b>	<b>764929</b>	<b>860473</b>	<b>951639</b>
Profit on Realisation of Investment	0	41	0	361	0	533
Interest Dividend and Rent	7675	3595	7394	31923	22587	47153
Investment Provisions	73	146	70	1301	213	1921
<b>Total Investment Income</b>	<b>7603</b>	<b>3489</b>	<b>7324</b>	<b>30984</b>	<b>22374</b>	<b>45765</b>
Claims Paid Direct	54293	42105	0	184	331246	417154
Claims Paid Accepted	15845	11293	834441	538437	382054	177676
Claims Paid Ceded	1	14	25608	0	94552	146225
<b>Net Claim Paid</b>	<b>70137</b>	<b>53384</b>	<b>808833</b>	<b>538621</b>	<b>618747</b>	<b>448606</b>
CI O/S Claims Direct	45679	44918	150000	200000	843557	571044
CI O/S Claims Accepted	24176	23742	942614	992121	540153	533778
CI O/S Claims Ceded	33	34	0	0	287940	120273
<b>Net Closing Outstanding Claim</b>	<b>69822</b>	<b>68626</b>	<b>1092614</b>	<b>1192121</b>	<b>1095769</b>	<b>984549</b>
Op O/S Claims Direct	44740	54091	200000	200000	596400	925751
Op O/S Claims Accepted	23742	10625	992121	596733	555375	819212
Op O/S Claims Ceded	33	36	0	0	128341	404022
<b>Net Opening Outstanding Claim</b>	<b>68449</b>	<b>64681</b>	<b>1192121</b>	<b>795733</b>	<b>1023434</b>	<b>1340941</b>
Incurrd Claims Direct	55232	32932	-50000	184	578403	62448
Incurrd Claims Accepted	16279	24409	784934	934824	366831	-107758
Incurrd Claims Ceded	1	12	25608	0	254152	-137524
<b>Net Incurred Claim</b>	<b>71510</b>	<b>57329</b>	<b>709327</b>	<b>935009</b>	<b>691083</b>	<b>92214</b>
Commission Direct	48121	49732	0	0	181961	199287
Commission Accepted	18147	12613	71500	65277	69698	78406
Commission Ceded	708	455	0	0	30668	42676
<b>Net Incurred Commission</b>	<b>65560</b>	<b>61889</b>	<b>71500</b>	<b>65277</b>	<b>220992</b>	<b>235016</b>
Foreign Taxes	28	14	91	44	100	61
Operating Expenses Related to Insurance	18161	19235	14511	15568	49545	51803
Premium Deficiency		0		0		0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>67816</b>	<b>45631</b>	<b>-96549</b>	<b>-219985</b>	<b>-78872</b>	<b>618310</b>



# Segment Reporting Schedule

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- Foreign

(₹, 000)

Segment	Other Misc		Total Misc		Grand Total	
	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>						
Premium Direct	794620	1009248	16988676	13465975	26138013	22709645
Premium Accepted	156236	174149	1331445	1383967	9077196	8528585
Premium Ceded	98497	131760	1789389	1078845	5195987	4961609
<b>Net Premium</b>	<b>852358</b>	<b>1051638</b>	<b>16530731</b>	<b>13771097</b>	<b>30019222</b>	<b>26276620</b>
Unexpired Risk Reserve Op	525819	646794	6885548	7069051	13502582	13254006
Unexpired Risk Reserve Cl	426179	525819	8265366	6885548	15150992	13502582
<b>Net Earned Premium</b>	<b>951998</b>	<b>1172613</b>	<b>15150914</b>	<b>13954599</b>	<b>28370812</b>	<b>26028045</b>
Profit on Realisation of Investment	0	427	0	4932	0	10928
Interest Dividend and Rent	30114	37739	716084	436374	888509	966863
Investment Provisions	285	1537	6774	17777	8404	39389
<b>Total Investment Income</b>	<b>29830</b>	<b>36628</b>	<b>709310</b>	<b>423528</b>	<b>880106</b>	<b>938401</b>
Claims Paid Direct	368423	372600	9597402	8770177	13406729	15252142
Claims Paid Accepted	60972	-4537	1430421	867045	6887445	6646432
Claims Paid Ceded	910	7108	490936	651741	2260048	5176900
<b>Net Claim Paid</b>	<b>428485</b>	<b>360956</b>	<b>10536888</b>	<b>8985481</b>	<b>18034126</b>	<b>16721674</b>
CI O/S Claims Direct	677060	743980	9913457	8436013	17341476	16101075
CI O/S Claims Accepted	82132	96557	1656447	1714582	11536268	12158146
CI O/S Claims Ceded	3857	4993	731755	465592	5140094	6096412
<b>Net Closing Outstanding Claim</b>	<b>755335</b>	<b>835544</b>	<b>10838149</b>	<b>9685003</b>	<b>23737650</b>	<b>22162809</b>
Op O/S Claims Direct	754078	707968	8567892	8993430	16273023	19454685
Op O/S Claims Accepted	94783	99485	1733346	1592142	12136038	13864343
Op O/S Claims Ceded	5192	14074	473823	871244	6028327	9340290
<b>Net Opening Outstanding Claim</b>	<b>843669</b>	<b>793379</b>	<b>9827415</b>	<b>9714329</b>	<b>22380735</b>	<b>23978738</b>
Incurred Claims Direct	291405	408612	10942968	8212759	14475181	11898532
Incurred Claims Accepted	48322	-7464	1353522	989485	6287675	4940235
Incurred Claims Ceded	-424	-1973	748868	246089	1371815	1933022
<b>Net Incurred Claim</b>	<b>340152</b>	<b>403121</b>	<b>11547622</b>	<b>8956156</b>	<b>19391041</b>	<b>14905745</b>
Commission Direct	164758	209297	3757412	3013030	6660083	5793026
Commission Accepted	42199	46763	206454	211159	1575901	1451545
Commission Ceded	7813	9121	163145	87595	285763	359119
<b>Net Incurred Commission</b>	<b>199145</b>	<b>246938</b>	<b>3800721</b>	<b>3136594</b>	<b>7950221</b>	<b>6885452</b>
Foreign Taxes	110	68	2134	889	5101	8453
Operating Expenses Related to Insurance	65925	73773	1142284	1137770	1442667	1482355
Premium Deficiency	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>376496</b>	<b>485340</b>	<b>-632536</b>	<b>1146718</b>	<b>461887</b>	<b>3684441</b>

# Segment Reporting Schedule



## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- GLOBAL

(₹, 000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	CY	PY	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>								
Premium Direct	25495199	24635044	3806815	3807640	2941017	3902691	6747831	7710331
Premium Accepted	8268652	7482170	90357	79457	421386	694218	511743	773675
Premium Ceded	12381927	12033999	883682	716709	2237004	2958866	3120685	3675575
<b>Net Premium</b>	<b>21381924</b>	<b>20083215</b>	<b>3013490</b>	<b>3170388</b>	<b>1125399</b>	<b>1638043</b>	<b>4138889</b>	<b>4808431</b>
Unexpired Risk Reserve Op	10041608	8831672	1585194	3253424	1638043	1271787	3223237	4525211
Unexpired Risk Reserve Cl	10690962	10041608	1506745	1585194	1125399	1638043	2632144	3223237
<b>Net Earned Premium</b>	<b>20732570</b>	<b>18873280</b>	<b>3091939</b>	<b>4838618</b>	<b>1638043</b>	<b>1271787</b>	<b>4729982</b>	<b>6110405</b>
Profit on Realisation of Investment	1508234	1740510	175469	271735	171665	143779	347134	415514
Interest Dividend and Rent	2700401	2775924	314166	433387	307356	229312	621522	662699
Investment Provisions	3222	9408	375	1469	367	777	742	2246
<b>Total Investment Income</b>	<b>4205413</b>	<b>4507025</b>	<b>489260</b>	<b>703653</b>	<b>478654</b>	<b>372314</b>	<b>967915</b>	<b>1075967</b>
Claims Paid Direct	18060724	18953772	2183256	2046188	2472398	1162400	4655654	3208587
Claims Paid Accepted	5308497	5760760	45695	41580	518333	219112	564028	260692
Claims Paid Ceded	9326603	8317749	390728	294066	2322065	811507	2712793	1105573
<b>Net Claim Paid</b>	<b>14042617</b>	<b>16396783</b>	<b>1838223</b>	<b>1793701</b>	<b>668666</b>	<b>570005</b>	<b>2506889</b>	<b>2363706</b>
Cl O/S Claims Direct	32111621	35048977	3867841	3913303	2864993	5323788	6732834	9237090
Cl O/S Claims Accepted	11150958	11866378	53379	52429	510046	631281	563424	683710
Cl O/S Claims Ceded	17727769	22111056	1331937	1496930	927898	3626999	2259834	5123929
<b>Net Closing Outstanding Claim</b>	<b>25534810</b>	<b>24804299</b>	<b>2589283</b>	<b>2468801</b>	<b>2447141</b>	<b>2328070</b>	<b>5036424</b>	<b>4796871</b>
Op O/S Claims Direct	35055414	30613970	3950212	3342471	5320511	2720432	9270723	6062903
Op O/S Claims Accepted	11812592	13577058	52394	54634	644231	396023	696625	450657
Op O/S Claims Ceded	22010231	17405135	1521442	1113355	3626996	1456278	5148438	2569633
<b>Net Opening Outstanding Claim</b>	<b>24857775</b>	<b>26785892</b>	<b>2481165</b>	<b>2283750</b>	<b>2337745</b>	<b>1660176</b>	<b>4818910</b>	<b>3943927</b>
Incurred Claims Direct	15116931	23388778	2100885	2617019	16880	3765756	2117765	6382775
Incurred Claims Accepted	4646863	4050081	46679	39375	384148	454370	430827	493745
Incurred Claims Ceded	5044141	13023670	201223	677642	-377034	2982227	-175811	3659869
<b>Net Incurred Claim</b>	<b>14719653</b>	<b>14415189</b>	<b>1946342</b>	<b>1978752</b>	<b>778061</b>	<b>1237899</b>	<b>2724403</b>	<b>3216651</b>
Commission Direct	3826358	3473883	506953	536162	4800	161344	511753	697506
Commission Accepted	1373027	1179068	20258	16166	63968	118176	84226	134342
Commission Ceded	1383825	621483	48341	52938	67612	353064	115954	406001
<b>Net Incurred Commission</b>	<b>3815560</b>	<b>4031468</b>	<b>478870</b>	<b>499391</b>	<b>1155</b>	<b>-73544</b>	<b>480025</b>	<b>425847</b>
Foreign Taxes	2968	7564	0	0	0	0	0	0
Operating Expenses Related to Insurance	6302911	5936504	545632	538864	470761	637265	1016393	1176129
Premium Deficiency	0	0	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>96891</b>	<b>-1010420</b>	<b>610356</b>	<b>2525264</b>	<b>866721</b>	<b>-157518</b>	<b>1477076</b>	<b>2367746</b>



# Segment Reporting Schedule

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- GLOBAL

(₹, 000)

Segment	Motor OD		Motor TP Total		Total Motor		Health	
	CY	PY	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>								
Premium Direct	40359838	34888037	33930122	27777862	74289960	62665899	49613316	40176281
Premium Accepted	152323	232289	1216181	1870317	1368503	2102606	0	893
Premium Ceded	2717072	1914024	2979535	2816488	5696607	4730511	2963001	1991200
<b>Net Premium</b>	<b>37795088</b>	<b>33206302</b>	<b>32166768</b>	<b>26831691</b>	<b>69961856</b>	<b>60037993</b>	<b>46650315</b>	<b>38185974</b>
Unexpired Risk Reserve Op	16603151	16105971	13415891	10796948	30019042	26902919	19092987	15897170
Unexpired Risk Reserve Cl	18897544	16603151	16083385	13415891	34980929	30019042	23325158	19092987
<b>Net Earned Premium</b>	<b>35500695</b>	<b>32709122</b>	<b>29499274</b>	<b>24212747</b>	<b>64999969</b>	<b>56921869</b>	<b>42418145</b>	<b>34990157</b>
Profit on Realisation of Investment	1111629	1193511	4545020	4492937	5656649	5686448	1063330	1027057
Interest Dividend and Rent	1990305	1903521	8137583	7165748	10127888	9069268	1903827	1638045
Investment Provisions	2375	6451	9710	24286	12085	30738	2272	5552
<b>Total Investment Income</b>	<b>3099559</b>	<b>3090580</b>	<b>12672892</b>	<b>11634398</b>	<b>15772452</b>	<b>14724979</b>	<b>2964885</b>	<b>2659551</b>
Claims Paid Direct	27725138	22125099	19977399	17613181	47702537	39738280	49526082	36678964
Claims Paid Accepted	137097	144097	2201863	3273055	2338960	3417152	0	0
Claims Paid Ceded	1574981	1290888	3840304	3870964	5415285	5161852	2442672	1829090
<b>Net Claim Paid</b>	<b>26287254</b>	<b>20978308</b>	<b>18338958</b>	<b>17015272</b>	<b>44626212</b>	<b>37993580</b>	<b>47083410</b>	<b>34849874</b>
Cl O/S Claims Direct	11808454	9679363	103517467	96797311	115325920	106476674	8316582	5615038
Cl O/S Claims Accepted	58840	59818	0	0	56840	59818	0	0
Cl O/S Claims Ceded	1033768	659491	5070286	5206060	6104054	5865550	551696	141088
<b>Net Closing Outstanding Claim</b>	<b>10831525</b>	<b>9079691</b>	<b>98447181</b>	<b>91591251</b>	<b>109278706</b>	<b>100670942</b>	<b>7764886</b>	<b>5473949</b>
Op O/S Claims Direct	9771201	8699566	96797311	86040172	106568511	94739738	5615105	5203122
Op O/S Claims Accepted	58677	60770	0	0	58677	60770	0	0
Op O/S Claims Ceded	659303	521955	5206060	5231080	5865363	5753035	141088	159718
<b>Net Opening Outstanding Claim</b>	<b>9170574</b>	<b>8238381</b>	<b>91591251</b>	<b>80809092</b>	<b>100761825</b>	<b>89047472</b>	<b>5474017</b>	<b>5043404</b>
Incurred Claims Direct	29762390	23104896	26697555	28370320	56459946	51475216	52227558	37090880
Incurred Claims Accepted	135260	143145	2201863	3273055	2337123	3416200	0	0
Incurred Claims Ceded	1949445	1428424	3704530	3845944	5653976	5274368	2853280	1810461
<b>Net Incurred Claim</b>	<b>27948205</b>	<b>21819618</b>	<b>25194888</b>	<b>27797431</b>	<b>53143093</b>	<b>49617049</b>	<b>49374279</b>	<b>35280419</b>
Commission Direct	4818280	3930655	0	-1	4818280	3930654	3477978	2982999
Commission Accepted	2402	2374	0	0	2402	2374	0	0
Commission Ceded	330136	225326	30555	23856	360691	249182	285556	241021
<b>Net Incurred Commission</b>	<b>4490547</b>	<b>3707703</b>	<b>-30555</b>	<b>-23856</b>	<b>4459991</b>	<b>3683847</b>	<b>3192422</b>	<b>2741977</b>
Foreign Taxes	1473	559	0	0	1473	559	146	49
Operating Expenses Related to Insurance	7562660	6491595	6560982	5480130	14123642	11971725	9261630	7426296
Premium Deficiency	0	0	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>-1402629</b>	<b>3780228</b>	<b>10446851</b>	<b>2593441</b>	<b>9044222</b>	<b>6373668</b>	<b>-16445447</b>	<b>-7799034</b>

# Segment Reporting Schedule



## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- GLOBAL

(₹, 000)

Segment	Liability		Personal Accident		Aviation		Engineering	
	CY	PY	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>								
Premium Direct	4465404	4152622	2291549	2053241	1145599	1043408	5812046	5164145
Premium Accepted	26500	48197	78986	94799	748563	695140	654943	620727
Premium Ceded	628009	490082	224121	121827	1157679	1239672	3093499	2334186
<b>Net Premium</b>	<b>3863895</b>	<b>3710738</b>	<b>2146414</b>	<b>2026213</b>	<b>736483</b>	<b>498876</b>	<b>3373491</b>	<b>3450685</b>
Unexpired Risk Reserve Op	1855369	1744634	1013107	875246	337760	427168	1725343	1809999
Unexpired Risk Reserve Cl	1931947	1855369	1073207	1013107	368242	337760	1686745	1725343
<b>Net Earned Premium</b>	<b>3787316</b>	<b>3600003</b>	<b>2086314</b>	<b>1888353</b>	<b>706002</b>	<b>588284</b>	<b>3412088</b>	<b>3535342</b>
Profit on Realisation of Investment	256153	266259	82590	81455	79558	92249	243046	312381
Interest Dividend and Rent	458627	424654	147873	129911	142445	147127	435159	498214
Investment Provisions	547	1439	176	440	170	499	519	1689
<b>Total Investment Income</b>	<b>714233</b>	<b>689474</b>	<b>230287</b>	<b>210926</b>	<b>221833</b>	<b>238878</b>	<b>677686</b>	<b>808906</b>
Claims Paid Direct	1436182	1303122	1498883	1064144	522229	415243	2326819	2228838
Claims Paid Accepted	1633	55943	58566	43569	831764	554284	624435	395404
Claims Paid Ceded	75727	97852	84252	68505	320493	284950	890030	674744
<b>Net Claim Paid</b>	<b>1362088</b>	<b>1261212</b>	<b>1473197</b>	<b>1039208</b>	<b>1033500</b>	<b>684577</b>	<b>2061224</b>	<b>1949498</b>
Cl O/S Claims Direct	4500642	4370237	1071574	893222	1128768	1364114	5395853	5210683
Cl O/S Claims Accepted	10532	8567	24176	23742	974527	1007317	1821087	1372711
Cl O/S Claims Ceded	300011	316061	30388	21920	875980	871091	2856455	2693456
<b>Net Closing Outstanding Claim</b>	<b>4211163</b>	<b>4062743</b>	<b>1065362</b>	<b>895043</b>	<b>1227315</b>	<b>1500340</b>	<b>4360485</b>	<b>3889938</b>
Op O/S Claims Direct	4374934	4125312	893045	830940	1364114	1437645	5236038	5287713
Op O/S Claims Accepted	8649	6317	23742	10625	1007317	614345	1394309	1680859
Op O/S Claims Ceded	316213	396278	21920	57124	871091	598302	2701524	2397045
<b>Net Opening Outstanding Claim</b>	<b>4067370</b>	<b>3735351</b>	<b>894867</b>	<b>784442</b>	<b>1500340</b>	<b>1453688</b>	<b>3928823</b>	<b>4571527</b>
Incurred Claims Direct	1561889	1548047	1677413	1126427	286882	341712	2486633	2151809
Incurred Claims Accepted	3516	58193	59000	56685	798974	947255	1051214	87256
Incurred Claims Ceded	59524	17635	92721	33302	325381	557739	1044960	971155
<b>Net Incurred Claim</b>	<b>1505881</b>	<b>1588605</b>	<b>1643692</b>	<b>1149809</b>	<b>760476</b>	<b>731228</b>	<b>2492886</b>	<b>1267909</b>
Commission Direct	688472	635464	279671	244903	5950	5667	463130	483001
Commission Accepted	3902	7687	29665	32071	73100	66777	151969	138887
Commission Ceded	54246	38032	21530	18058	45520	42526	467379	492789
<b>Net Incurred Commission</b>	<b>638128</b>	<b>605119</b>	<b>287807</b>	<b>258916</b>	<b>33530</b>	<b>29918</b>	<b>147721</b>	<b>129099</b>
Foreign Taxes	186	94	28	14	91	44	100	61
Operating Expenses Related to Insurance	838532	776474	442523	397041	353595	321351	1207234	1069268
Premium Deficiency	0	0	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>1518823</b>	<b>1319184</b>	<b>-57449</b>	<b>293498</b>	<b>-219858</b>	<b>-255379</b>	<b>241833</b>	<b>1877910</b>



# Segment Reporting Schedule

## SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH '2016- GLOBAL

(₹, 000)

Segment	Other Misc		Total Misc		Grand Total	
	CY	PY	CY	PY	CY	PY
<b>Revenue Account Elements</b>						
Premium Direct	7772194	7202623	145390070	122458220	177633101	154803595
Premium Accepted	832948	1035692	3710443	4598053	12490839	12853899
Premium Ceded	1739311	1652397	15502228	12559876	31004841	28269450
<b>Net Premium</b>	<b>6865831</b>	<b>6585918</b>	<b>133598285</b>	<b>114496397</b>	<b>159119098</b>	<b>139388044</b>
Unexpired Risk Reserve Op	3292959	3352261	57336567	51009397	70601412	64366281
Unexpired Risk Reserve Cl	3432916	3292959	66799144	57336567	80122250	70601412
<b>Net Earned Premium</b>	<b>6725875</b>	<b>6645220</b>	<b>124135708</b>	<b>108169228</b>	<b>149598260</b>	<b>133152913</b>
Profit on Realisation of Investment	324042	378129	7705369	7843978	9560737	10000001
Interest Dividend and Rent	580178	603075	13795997	12510295	17117921	15948918
Investment Provisions	692	2044	16462	42400	20426	54054
<b>Total Investment Income</b>	<b>903528</b>	<b>979160</b>	<b>21484904</b>	<b>20311873</b>	<b>26658232</b>	<b>25894865</b>
Claims Paid Direct	5247761	4745477	108260493	86174068	130976870	108336428
Claims Paid Accepted	745914	713350	4601271	5179701	10473796	11201153
Claims Paid Ceded	1692995	687095	10921453	8804090	22960849	18227412
<b>Net Claim Paid</b>	<b>4300679</b>	<b>4771731</b>	<b>101940312</b>	<b>82549679</b>	<b>118489818</b>	<b>101310168</b>
Cl O/S Claims Direct	6171925	5638392	141911263	129568360	180755718	173854426
Cl O/S Claims Accepted	955488	1073027	3842651	3545181	15557033	16095270
Cl O/S Claims Ceded	2178824	2517777	12897408	12426944	32885011	39661929
<b>Net Closing Outstanding Claim</b>	<b>4948589</b>	<b>4193642</b>	<b>132856505</b>	<b>120686597</b>	<b>163427740</b>	<b>150287767</b>
Op O/S Claims Direct	5648491	4122775	129700239	115747244	174026375	152424117
Op O/S Claims Accepted	1071252	1257685	3563945	3630602	16073162	17658317
Op O/S Claims Ceded	2517976	1028584	12435175	10390086	39593844	30364855
<b>Net Opening Outstanding Claim</b>	<b>4201767</b>	<b>4351876</b>	<b>120829009</b>	<b>108987760</b>	<b>150505693</b>	<b>139717579</b>
Incurred Claims Direct	5771195	6261094	120471517	99995184	137706213	129766737
Incurred Claims Accepted	630150	528692	4879977	5094280	9957667	9638106
Incurred Claims Ceded	1353944	2176288	11383686	10840948	16252016	27524486
<b>Net Incurred Claim</b>	<b>5047501</b>	<b>4613497</b>	<b>113967808</b>	<b>94248517</b>	<b>131411864</b>	<b>111880356</b>
Commission Direct	1039076	964820	10772557	9247507	15110668	13418896
Commission Accepted	150855	161442	411894	409238	1869148	1722648
Commission Ceded	207658	193745	1442580	1275352	2942359	2302836
<b>Net Incurred Commission</b>	<b>982272</b>	<b>932517</b>	<b>9741871</b>	<b>8381394</b>	<b>14037456</b>	<b>12838708</b>
Foreign Taxes	110	68	2134	889	5101	8453
Operating Expenses Related to Insurance	1606376	1522759	27833533	23484915	35152836	30597548
Premium Deficiency	0	0	0	0	0	0
<b>Revenue Accounts Result Profit/ (loss)</b>	<b>-6857</b>	<b>555539</b>	<b>-5924733</b>	<b>2365386</b>	<b>-4350766</b>	<b>3722712</b>

## Shareholders' and Policyholders' Funds

### Shareholders' Funds

	Balances as on 31.03.2015	Percentage	Balances as on 31.03.2016	Percentage
Share Capital				
Capital Reserves	2000000000		2000000000	
General Reserves	575088		575088	
Miscellaneous Reserves / Special Reserves	93485589501		98515558968	
	11010339245		13221056771	
<b>Total</b>	106496503834	32.57	113737190827	31.85

### Policyholders' Funds

	Unexpired Risks Reserves as on 31.03.2015	Outstanding Claims Reserves as on 31.03.2015	Total Reserves as on 31.03.2015	Percentage	Unexpired Risks Reserves as on 31.03.2016	Outstanding Claims Reserves as on 31.03.2016	Total Reserves as on 31.03.2016	Percentage
Fire	10041607698	24545345576	34586953274		10690961915	25376661493	36067623408	
Marine	3223237288	4805068494	8028305782		2632143923	5041152630	7673296553	
Miscellaneous	57336566633	120534150212	177870716845		66799143961	132842773984	199641917945	
<b>Total</b>	70601411619	149884564282	220485975901	67.43	80122249799	163260588107	243382837906	68.15
<b>Total Funds</b>			326982479734	100.00			357120028734	100.00

The balances as on 01.04.2015 are used as basis for apportionment of investment income of 2015-16 between policyholders and shareholders

Average Shareholders' Funds (₹ in crores)	(11373.72+10649.65)/2	11011.685	32.19
Average Policyholders' Funds (₹ in crores)	(24338.28+22048.60)/2	23193.44	67.81
<b>Average Total Funds (₹ in crores)</b>		<b>34205.13</b>	<b>100.00</b>



## Schedule 16

### Significant Accounting Policies and Notes forming part of Financial Statements as on 31st March, 2016

#### 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 premium deficiency is recognized as per IRDA guidelines and 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 recognised as accrued income.
- C Contracts for purchase and sale of shares, bonds, debentures are accounted for as "Investments" as on date of transaction.
- D The cost of investments includes premium on acquisition, brokerage, transfer stamps, transfer charges and is net of incentive/ fee if any, received thereon.
- E Dividend income (other than interim dividend) is accounted for as income in the year of declaration. Dividend on shares/interest on debentures under objection/pending delivery is accounted for on realisation. Interim dividend is accounted 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 recognised as income only to the extent attributable to the accounting year and balance is kept in interest received in advance account for apportionment in the relevant year.

- F Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except:
  - In respect of Government Securities/Debentures/Bonds under Trading Portfolio, the profit/loss is worked out specific scrip wise.
  - In respect of Government Securities sold from Investment Portfolio, the profit/loss is worked out on first in first out basis (FIFO).
- G The Company follows the prudential norms prescribed by the Insurance Regulatory and Development Authority as regards asset classification, recognition of income and provisioning pertaining to loans/ advances/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 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 recognised, 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 IRDA/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 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 Re. 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 Re.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 Re.1/- per Company, preference shares are also written down to a nominal value of Re.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 April 2010 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.



## Accounting Policy

- 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.

1. The accounts incorporate Audited accounts of Branches in Fiji, Canada(run off) and Thailand which are prepared on calendar year basis as per the requirement of local laws. There are no material changes for the quarter January 2016 to March 2016. The accounts of 2 run off Agencies and one representative office at Myanmar have been incorporated on the basis of unaudited accounts. One run off branch at Paris is closed during the year.
2. Land include book value ₹ 173.78 Lakhs (Previous Year ₹ 173.78 Lakhs) and building include book value ₹3073.84 lakhs (Previous Year ₹ 3073.84 lakhs) where registration formalities are yet to be completed ( ₹2971.14 lakhs ) / in respect of which the deeds of conveyance are yet to be executed ( ₹ 51.92 lakhs )/lease deed expired( ₹ 118.44 lakhs)/properties not in possession of the company ( ₹ 3.42 lakhs)/ properties are yet to be registered in the name of the company( ₹102.70 lakhs).
3. (a) The balance 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 an ongoing process though confirmations 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 31.03.2016 towards doubtful debts as a prudent measure.  
(b) Reinsurance acceptance transactions pertaining to the year have been booked for advices received up to 21st April 2016.  
(c) The balances of inter-office accounts included in Other Asset amounting to ₹21974.58 lakhs (Debit), previous year ₹39621.40 lakhs (Debit), are subject to reconciliations and consequential adjustments if any.
4. As certified by the Custodian, securities are held by the Company as on 31.03.2016. 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 ₹ 6.07 lakhs). However ₹ 6.07 lakhs is provided for.
6. (a) Provision for standard assets @ 0.40% amounting to ₹ 3358.97 Lakhs (Previous Year ₹ 3107.30 Lakhs) has been made as per Insurance Regulatory and Development Authority guidelines on (i) Term Loan (PFPS/DTL), (ii) Debentures, (iii) Infrastructure Investments, (iv) Bonds/Debentures of HUDCO, (v) Bonds/Debentures of Institutions accredited to NHB and (vi) Govt. Guaranteed Bonds/Securities (vii) Housing and Fire fighting Loans to State Governments (ix) Debtors.  
(b) During the year, the Company has undertaken restructuring of corporate debt/loans etc.as under:

Sr. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
	Total amount of assets subjected to restructuring	1277.77	Nil
	The break up of the same is given here under:		
(i)	Total amount of standard assets subjected to restructuring	Nil	Nil
(ii)	Total amount of sub-standard assets subjected to restructuring	Nil	Nil
(iii)	Total amount of doubtful assets subjected to restructuring	1277.77	Nil
(iv)	Total amount of loss assets subjected to restructuring	Nil	Nil
	<b>Total</b>	<b>1277.77</b>	<b>Nil</b>



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

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

Sr. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
(i)	Opening Balance	13484.46	14081.31
(ii)	Additions During the Year	Nil	Nil
(iii)	Reductions During the Year	1983.42	596.85
(iv)	Closing Balance	11501.04	13484.46
	Percentage of Net NPAs to Net Assets	0.00%	0.05%

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

Sr. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
(i)	Opening Balance	12248.71	12445.50
(ii)	Incremental Provision During the Year	-747.67	-196.79
(iii)	Closing Balance	11501.04	12248.71

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 31.03.2016, they have been shown under long-term investments, as their realisability is unascertainable. However, necessary provision, wherever required, has been made.

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

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

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

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

ii) The provisions against loans ₹6805.12 Lakhs (Previous Year ₹7235.91 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.

iii) Receipts & Payments Account (Cash Flow Statement) have 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 14.11.2010 company is required to give detail of age wise analysis of unclaimed amount of the policyholders for the year ended 31st March,2016. Accordingly the unclaimed amount of ₹ 14081.18 lakhs (PY ₹ 11985.47 lakhs) 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 equipments and balances on account of restructuring/rescheduling of debts are subject to confirmations and reconciliations. The impact of adjustments if any, arising out of confirmations / reconciliations of such balances on financial statements are unascertainable.
- (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 are unascertainable.
10. Prior period items have been included in the respective heads amounting to ₹765.43 lakhs (Debit) [Previous Year ₹1085.36 lakhs (Debit) consisting of the following: -

Sr. No.	Particulars	₹ In Lakhs			
		Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Premium	-	10.15	5.23	3.19
2	Commission	-	-	1.28	0.65
3	Claims	-	-	4.66	9.41
4	Expenses	778.72	-	1,284.92	1.05
5	Income	-	3.14	30.00	226.43
	<b>Total</b>	<b>778.72</b>	<b>13.29</b>	<b>1,326.09</b>	<b>240.73</b>

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.
- Health Insurance TPA of India Ltd.

**c) Key management personnel of the Company:**

Shri G. Srinivasan	Chairman cum Managing Director
Shri V. Hari Srinivas	General Manager and Financial Advisor
Shri Sharad Ramnarayanan	Appointed Actuary
Ms S.N. Rajeswari	Chief Finance Officer
Shri K Sanath Kumar	Director & General Manager(upto 31.07.2015)
Shri KLR Babu	Director & General Manager(upto 31.07.2015)
Shri Hemant G. Rokade	Director & General Manager w.e.f 27.01.2016
Shri P.Nayak	Director & General Manager w.e.f 27.01.2016
Shri S.R.Shreeram	Chief Investment Officer(upto 31.10.2015)
Shri Renjit Gangadharan	Chief Marketing Officer
Shri S. Shankar	Chief Risk Officer
Shri Harinath Sankaran	Chief Investment Officer w.e.f. 31.10.2015
Ms Jayashree Nair	Company Secretary & Chief Compliance Officer



## 2. Transactions with related parties:

Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
i)	Subsidiaries	Management fees earned (NIA T&T)	49.20	48.99
		Premium on Reinsurance Accepted	403.00	448.46
		Commission on Reinsurance Accepted	(98.00)	(89.65)
		Claims Paid	(169.00)	(96.29)
		Dividend income received (NIA T&T)	289.72	278.09
		Equity Purchased (Rights)	NIL	(3,846.20)
		Prestige Assurance Nigeria		
		Loan Installments & Interest Received	673.35	827.99
		Prestige Assurance Nigeria		
		Dividend receivable	NIL	NIL
ii)	Associates	Loan	NIL	NIL
		Premium on Reinsurance Accepted	1566.85	1,450.32
		Commission on Reinsurance Accepted	(301.67)	(158.21)
		Claims Paid	(1219.00)	(1,252.32)
		Dividend income received from III Singapore	351.75	392.01
		Dividend income received from Kenindia Assurance Kenya	NIL	35.21
		Investment in shares	NIL	NIL
		Dividend receivable	NIL	NIL
		Additional Equity Infusion in Health TPA of India	(1187.50)	(237.50)
iii)	Key Management Personnel	Salary and allowances	221.72	148.25

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

Particulars	Current Year	Previous Year
Net profit attributable to shareholders (₹ In Lakhs)	82869.21	143122.45
Weighted average number of equity shares issued	200000000	200000000
Basic and diluted earnings per share of ₹10/- each (₹)	41.43	71.56

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 ₹ 2609 lakhs (Previous year ₹ 4735.35 lakhs) relating to foreign taxes.
- The Income Tax Assessments of the Company have been completed up to assessment year 2013-14. 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. 2015-16 adjusted refunds of ₹ 11753.08 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 Department has made unilateral set off.

The Company is following up with the Tax Department for recomputing the Tax Refunds unilaterally set off pursuant to an order of ITAT for AY 2004-05 and the accounting of the adjustments shall be made after obtaining details from the Tax Department.

iv) Deferred Taxes:

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

Particulars	Current Year	Previous Year
	(₹ in Lakhs)	(₹ in Lakhs)
Fixed Assets	(661.03)	393.76
Leave Encashment	22519.43	16,536.13
Estimated Disallowance u/s 40(a)(ia)	34.61	33.99
Gratuity	-	-
LTS	-	-
<b>Total</b>	<b>21893.01</b>	<b>16,963.88</b>

Notes:

- (1) A sum of ₹ 4925.91 lakhs (Previous year ₹ 630.91 lakhs) has been credited to the Profit & Loss Account on account of increase in deferred assets during the year.
- (2) On prudence basis recognition of deferred tax asset on unabsorbed depreciation and carry forward losses has not been given effect in the books of account.
- (3) Above deferred tax asset does not include impact of deferred tax in respect of operations of foreign branches.
- (4) The company continues to recognise the deferred tax asset as hitherto, as in the opinion of the management there are sufficient evidences to establish the virtual certainty of realisation of the DTA from the future taxable profits.

#### 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)

I	Components of employer expense	Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
A	Current Service Cost	8,554	8,583	2,234	2,317	1,270	1,325
B	Interest Cost	24,924	25,885	7,698	7,916	3,853	4,135
C	Expected Return on Plan Assets	(23,814)	(25,886)	(7,501)	(7,917)	-	-
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	-	-
F	Past Service Cost	-	-	-	-	-	-
G	Actuarial Losses/(Gains)	61,867	9,105	15,644	198	20,919	(324)
H	Total expense recognized in the statement of Profit and Loss Account	71,531	17,687	18,075	2,514	26,042	5,136

II	Actual Returns for the year 31.03.2016	26,195	25,279	8,250	7,892	-	-
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III	Net Asset/(Liability) recognized in Balance Sheet at 31.03.2016						
A	Present Value of Defined Benefit Obligation	3,72,896	3,14,692	1,13,689	96,835	65,070	48,469
B	Fair Value of Plan Assets	3,72,896	3,14,692	1,13,689	96,835	65,070	48,469



C	Status (Surplus/Deficit)	-	-	-	-	-	-
D	Un recognized Past Service Cost	-	-	-	-	-	-
E	Net Asset / (Liability) recognized in Balance Sheet	-	-	-	-	65,070	48,469

<b>IV</b>	<b>Change in Defined Benefit Obligation during the year ended 31.03.2016</b>						
A	Past value of the Defined Benefit Obligation at the beginning of the period	3,14,692	3,04,534	96,835	93,125	48,650	48,650
B	Current Service Cost	8,554	8,583	2,234	2,317	1,270	1,325
C	Interest Cost	24,924	25,885	7,698	7,916	3,853	4,135
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	-	-
F	Plan Amendments	-	-	-	-	-	-
G	Acquisitions	-	-	-	-	-	-
H	Actuarial Losses/(Gains)	64,248	8,498	16,393	173	20,738	(324)
I	Asset Loss / (Gain)	-	-	-	-	-	-
J	Benefits Paid	(39,522)	(32,808)	(9,471)	(6,696)	(9,441)	(5,317)
K	Present Value of Defined Benefit Obligation at the end of the period	3,72,896	3,14,692	1,13,689	96,835	65,070	48,469

<b>V</b>	<b>Change in the Fair Value of Assets during the year ended 31.03.2016</b>						
A	Plan Assets at the beginning of the period	3,14,692	3,04,534	96,835	93,135	-	-
B	Acquisition Adjustment	-	-	-	-	-	-
C	Expected return on Plan Assets	23,814	25,886	7,504	7,917	-	-
D	Asset (Losses)/Gains	2,381	(607)	749	(25)	-	-
E	Actual Company Contributions	71,531	17,687	18,072	2,504	-	-
F	Benefits Paid	(39,522)	(32,808)	(9,471)	(6,696)	-	-
G	Plan Assets at the end of the period	3,72,896	3,14,692	1,13,689	96,835	-	-

<b>VI</b>	<b>Transitional Provisions</b>						
	(Income)/Expense to be recognised	-	-	-	-	-	-

<b>VII</b>	<b>Actuarial Assumptions</b>						
A	Discount Rate (%)	7.85%	7.92%	7.99%	7.95%	-	-
B	Expected Return on Plan Assets (%)	7.85%	7.92%	7.99%	7.95%	-	-
c	Rate of escalation in salary	3.50%	4.00%	3.50%	4.00%	-	-

<b>VIII</b>	<b>Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2016</b>						
A	Government Securities	47.37%	39.74%	50.37%	39.07%	-	-
B	High Quality Corporate Bonds	41.95%	50.62%	38.74%	48.33%	-	-
C	Others	10.68%	9.64%	10.90%	12.60%	-	-

<b>IX</b>	<b>Basis used to determine the expected rate of return on plan assets</b>	The expected rate of return on plan assets is based on the current portfolio of the assets, investment strategy and the market scenario, in order to protect capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.
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12. (a) The pay revision of the officers and employees has been carried out by the Public Sector General Insurance Companies in the year 2015-16 consequent upon the Gazette Notification dated 23.01.2016 issued by the Ministry of Finance. As a result the additional liability of Pension and gratuity on account of pay revision has been arrived at ₹ 50247.00 lakhs and ₹13047.00 lakhs respectively as per the actuarial valuation carried out.

In terms of requirement of the Accounting Standard (AS-15) Employee Benefits, the entire additional liability of ₹50247.00 lakhs for pension and ₹13047.00 lakhs for gratuity is required to be charged to the Profit & Loss Account. However vide circular communications ref IRDA/F&A/CIR/ACTS/077/04/2016 dated 18/04/2016 and IRDA/F&A/LR/001/2016/6 dated 19.04.2016, IRDA has permitted the amortisation of expenditure relating to additional liability towards gratuity and pension over a period of three years. Accordingly the company has recognised the additional liability and an amount of ₹ 16749.00 lakhs for pension and ₹ 4349.00 lakhs for gratuity is charged to the revenue in the current year and balance amount remaining to be amortised in next two years is ₹ 33498 lakhs and ₹8698.00 lakhs for pension and gratuity respectively.

The Pension Scheme 1995 has been extended to PSU officers and staff members who joined until 31.03.2010. By virtue of the Gazette Notification no. 233(E), 234(E) and 235(E) dated 23.01.2016. The incremental liability towards pension arising out of the above extension has been arrived at ₹1727.00 lakhs based on actuarial valuation.

In terms of requirement of the Accounting Standard (AS-15) Employee Benefits, the entire amount of ₹1727.00 lakhs for pension is required to be charged to the Profit & Loss Account. However IRDA vide Circular ref IRDA/F&A/CIR/ACTS/077/04/2016 dated 18.04.2016 has permitted the amortisation of expenditure relating to the additional liability over a period of five years and accordingly an amount of ₹ 345.40 lakhs is charged to the revenue in the current year and balance amount remaining to be amortised in next four years is ₹ 1381.60 lakhs for pension.

- (b) The company has during the year paid the arrears of wage arising out of the pay revision w.e.f 01/08/2012 as per the notification dated 23/01/2016.
13. 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 ₹27.93 Lakhs (P.Y ₹ 36.77 Lakhs) has been considered as income received in advance and shown in Schedule-13 Current Liabilities under the head "Others".
14. The management is currently in the process of identifying enterprises which have been providing 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 2016 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.
15. "Foreign Exchange Reserve Account has increased by ₹18959.69 Lakhs (Credit) due to appreciation of foreign currency under the following heads (Previous Year ₹11039.50 Lakhs (Debit) consisting of the following."

(₹ In Lakhs)					
Sr	Particulars	Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Head Office Account	-	18959.69	11,039.50	-
2	Outstanding claims	-	-	-	-
3	Fixed assets	-	-	-	-
	<b>Total</b>	-	<b>18959.69</b>	<b>11,039.50</b>	-

**16. Penalty**

As 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(a)	Insurance Regulatory and Development Authority / TAC	Non-compliance of IRDAI (Health Insurance) Regulations, 2013	5.00	5.00	-
1(b)		Violation of IRDA guidelines	15.00	15.00	-
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, 1956	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	Refer Note Below	Nil	Nil	Nil
10	Any other Central/State/Local Government / Statutory Authority	Nil	Nil	Nil	Nil

**Note:** The Company has received an order from Competition Commission of India imposing a penalty of ₹ 251.07 Crores which is being contested by the Company. In the opinion of the management and as per the legal advice received, the company is hopeful of favourable decision in the matter and as such no provision has been considered necessary. However, in this regard company has deposited an amount of ₹ 25.11 Crores to the Appellate Authority to contest appeal against the order.

17. 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 ₹ 9586.77 lakhs (PY ₹ 10751.13 lakhs) in respect of obligation under operating lease are charged to Revenue Account.
18. The Company has created Equalization Reserve in respect of London Branch as required by the UK Regulations. This reserve is not available for distribution as Dividend. During the year, the reserve has been increased by 2.6 million GBP and the closing reserve as at the year end stood at ₹ 12034.51 lakhs (GBP 12.6 million). Further, in accordance with Oman Insurance Company Law, company has created contingency reserve for claims for Muscat agency for 5 million omani Riyal. During the year the same has been revalued at ₹ 8574.94 lakhs due to currency fluctuation.
19. IRDA vide their Circular no. IRDA/NL/MTP/DRP/2013-15/01/2016 dated 10.02.2016 advised the provisional ULR of motor declined risk pool for the FY 2015-16 @184%. The provision of the same has been made in the IBNR calculation as provided by the actuary.

20. During the year, the Company has reviewed its fixed assets for impairment. In the opinion of the management no provision for impairment loss is considered necessary. However Impairment assessment as required by AS-28 would be done in due course.
21. The company is in the process of updating the fixed asset register with reference to full particulars, quantitative details and location thereof. The reconciliation of fixed asset register with financial records is stated to be in progress. Further, physical verification of fixed assets in respect of some locations is also stated to be in progress.
22. (a) The Company has reviewed/changed the useful life and depreciation method of its fixed assets during the previous financial year consequent to enactment of the Companies Act, 2013. The depreciation accounted is being reconciled with related records, to be in accordance with the Accounting Policy followed. In the opinion of Management, impact of the same is not considered to be material.  
 (b) The data related to fixed asset register has since been migrated to the company's accounting software. The amounts migrated in the Fixed asset module are being reconciled with the financial ledgers of the company at respective locations along with the written down value of the migrated assets.  
 (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. (a) The accounts relating to foreign Branches and foreign agency offices incorporated in the financial statements, audited by the local auditors appointed by the company, have been maintained in accordance with the accounting principles generally accepted in the respective locations/countries. For the purpose of consolidation and preparation of financial statements, adjustments relating to certain items like creation of unexpired risk reserve, provisioning for IBNR and IBNER and investments are carried out in accordance with the accounting policies followed by the company, as per consistent practice followed in this regard. However accounting for depreciation, deferred tax, investment property etc. and other accounting conventions specific to the local requirements are incorporated as such. The audit reports received in case of these 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 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 and the audit reports to be in compliance with the Standards on Auditing issued by ICAI and the provisions of Companies Act 2013 and IRDA regulations 2002, will be carried out in due course. The precise financial impact of the same has not been ascertained.  
 (b) The company at its Curacao branch has a receivable from the agent amounting to ANG 5875927 equivalent to ₹ 2174.75 lakhs as at 31/03/2016 out of which an amount equivalent to ANG 5030268 equivalent to ₹ 1861.76 lakhs is due for more than the allowable limitation of 90 days. The company has been taking efforts to recover the amount from the agent and is hopeful of recovery and as such no provision in this respect has been considered necessary.
24. As per the Accounting Policy followed, the reserve for unexpired risk is calculated as per the Insurance Act, 1938 at 100% of the marine hull business and 50% of the net premium in case of fire, miscellaneous and marine cargo business, pending the implementation of necessary systems to ensure precise computation of the reserve for unexpired risk based on 1/365 method.
25. In accordance with the provisions of the Companies Act, 2013, the Company has approved an expenditure of ₹ 3150 lakhs for the financial year 2015-16 towards Corporate Social Responsibility. Out of the above



an amount of ₹1010 lakhs has been incurred during the year. Though the total sanction for various CSR Projects for the year 2015-16 was ₹ 2954 lakhs, the balance could not be spent as various projects are in the completion stage.

26. 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 ₹ 3276.84 lakhs has been provided for towards claims intimated before 31.03.2016 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.
27. Unexpired premium reserve at revenue segment level is found to be sufficient to cover the expected claim cost as certified by the appointed actuary and the claims related expenses as estimated by the management. Hence no premium deficiency reserve is required to be provided during the year.
28. Previous year figures have been regrouped/ rearranged, wherever necessary.

## 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	283.22	775.52
	(b) Underwriting commitments outstanding	-	-
	(c) Claims, other than those under policies, not acknowledged as debts	2,413.08	19,497.85
	(d) Guarantees given by or on behalf of the Company	88.62	83.31
	(e) Statutory demands/liabilities in dispute not provided for	2,39,294.66	2,64,453.39
	(f) Reinsurance obligations to the extent not provided for in accounts	-	-
	(g) Others (matters under litigation) to the extent ascertainable	26,240.53	646.56
	(h) Tax and other liabilities Venture Fund	1,540.41	1,343.10
2	The details of encumbrances to the assets of the Company are as under:		
	(a) In India	3,744.13	4,615.00
	(b) Outside India	221.76	208.70
3	Commitment made and outstanding for Loans Investments and Fixed Assets	-	866.44
4	Claims, less reinsurance, paid to claimants:		
	(a) In India	10,04,556.91	8,45,884.94
	(b) Outside India	1,80,341.26	1,67,216.74
5	Claim liabilities where claim payment period exceeds four years.	-	-
6	Amount of claims outstanding for more than six months (Gross Indian)	6,47,149.85	7,25,313.49
	No. of Claims	1,47,006.00	1,72,988.00
	Amount of claims outstanding for less than six months (Gross Indian)	3,68,017.59	2,62,053.37
	No. of Claims	1,52,222.00	1,14,056.00
	Total amount of claims outstanding (Gross Indian)	10,15,167.44	9,87,366.87
	Total No. of claims outstanding	2,99,228.00	2,87,044.00
7	Premiums, less reinsurances, written from business		
	(a) In India	12,90,998.76	11,31,114.23
	(b) Outside India	3,00,192.22	2,62,766.20
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	481.86	85.40
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
	(b) Outside India- Statutory Deposits under local laws	55,357.38	51,612.48
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	8,39,742.61	7,76,823.98
	Non Performing Investments	11,501.04	13,484.46
	Total Book Value (Closing Value)	8,51,243.65	7,90,308.44

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 ₹ 4,80,942.42 lakhs (Previous year ₹4,02,462.13 Lakhs) and ₹ 1,701.95 Lakhs (Previous year ₹1,280.65 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 2015-16, 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, 2016. 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	246614.57	16.28	4639139	185975.21	14.08	3399946
Social	53717.80	3.55	74161700	44680.64	3.38	50417387
Others	1214618.51	80.18		1090283.65	82.54	
<b>Total</b>	<b>1514950.88</b>	<b>100.00</b>		<b>1320939.50</b>	<b>100.00</b>	

## 21 Performance Ratios

### i) Gross Premium Growth Rates :

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	169183.62	85768.37	254951.99	164489.27	81861.17	246350.44	2.85	4.77	3.49	16.51	12.85	15.27
Marine Cargo	33490.88	4577.26	38068.15	32883.77	5192.64	38076.40	1.85	(11.85)	(0.02)	2.69	(16.67)	(0.46)
Marine Hull	28262.43	1147.74	29410.17	33644.02	5382.89	39026.91	(16.00)	(78.68)	(24.64)	(14.01)	(6.42)	(13.03)
<b>Marine Total</b>	<b>61753.31</b>	<b>5725.00</b>	<b>67478.31</b>	<b>66527.78</b>	<b>10575.53</b>	<b>77103.31</b>	<b>(7.18)</b>	<b>(45.87)</b>	<b>(12.48)</b>	<b>(6.49)</b>	<b>(11.75)</b>	<b>(7.25)</b>
Motor	617728.51	125171.09	742899.60	536600.52	90058.47	626658.99	15.12	38.99	18.55	16.54	(2.95)	13.27
Personal Accident	21078.34	1837.15	22915.49	18560.00	1972.41	20532.41	13.57	(6.86)	11.61	9.85	48.15	12.64
Aviation	11455.99	-	11455.99	10434.08	-	10434.08	9.79	-	9.79	11.50	(100.00)	11.51
Engineering	49409.80	8710.66	58120.46	41774.94	9866.50	51641.45	18.28	(11.71)	12.55	0.74	(4.11)	(0.22)
Health	484785.31	11347.86	496133.16	394179.21	7583.60	401762.81	22.99	49.64	23.49	18.88	125.57	19.95
Liability*	29780.24	14873.80	44654.04	26439.94	15086.28	41526.22	12.63	(1.41)	7.53	5.38	11.31	7.46
Others	69775.75	7946.20	77721.94	61933.75	10092.48	72026.23	12.66	(21.27)	7.91	8.98	(21.78)	3.29
<b>Misc sub Total</b>	<b>1284013.94</b>	<b>169886.76</b>	<b>1453900.70</b>	<b>1089922.44</b>	<b>134659.75</b>	<b>1224582.20</b>	<b>17.81</b>	<b>26.16</b>	<b>18.73</b>	<b>15.74</b>	<b>0.32</b>	<b>13.82</b>
<b>Grand Total</b>	<b>1514950.88</b>	<b>261380.13</b>	<b>1776331.01</b>	<b>1320939.50</b>	<b>227096.45</b>	<b>1548035.95</b>	<b>14.69</b>	<b>15.10</b>	<b>14.75</b>	<b>14.47</b>	<b>3.81</b>	<b>12.77</b>

\*Liability includes Workmens' compensation

ii) Gross Direct Premium to Net Worth Ratio: (₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Gross Direct Premium	1776331.01	1548035.95
b. Net Worth	982193.21	972223.14
<b>Gross Direct Premium to Net Worth Ratio (Times) (a/b)</b>	<b>1.81</b>	<b>1.59</b>

iii) Growth Rate of Net Worth: (₹ in Lakhs)

	Current Year	Previous Year	Growth (CY)	Growth (PY)	Growth % (CY)	Growth % (PY)
Net Worth	982193.21	972223.14	9970.07	88393.37	1.03	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 (%)
<b>Fire</b>	<b>177757.43</b>	<b>86842.87</b>	<b>48.85</b>	<b>174341.41</b>	<b>88635.17</b>	<b>50.84</b>
Marine Cargo	33676.73	25054.00	74.40	33154.83	26131.06	78.82
Marine Hull	29849.21	8426.36	28.23	34633.09	9095.00	26.26
<b>Marine Total</b>	<b>63525.94</b>	<b>33480.36</b>	<b>52.70</b>	<b>67787.92</b>	<b>35226.06</b>	<b>51.97</b>
Motor	629890.31	585527.08	92.96	555303.69	513783.89	92.52
Personal Accident	21462.30	19328.14	90.06	19208.59	18088.69	94.17
Aviation	11797.74	288.91	2.45	10630.27	(1766.45)	(16.62)
Engineering	53405.00	26002.28	48.69	45556.39	25030.02	54.94
Health	484785.31	455155.29	93.89	394179.21	374267.21	94.95
Liability*	29920.40	24239.11	81.01	26635.97	22506.84	84.50
Others	76542.87	60134.73	78.56	70549.18	55342.80	78.45
<b>Misc sub Total</b>	<b>1307803.93</b>	<b>1170675.54</b>	<b>89.51</b>	<b>1122063.31</b>	<b>1007253.00</b>	<b>89.77</b>
<b>Grand Total</b>	<b>1549087.30</b>	<b>1290998.76</b>	<b>83.34</b>	<b>1364192.64</b>	<b>1131114.23</b>	<b>82.91</b>

\*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 (%)
<b>Fire</b>	<b>159881.08</b>	<b>126976.37</b>	<b>79.42</b>	<b>146830.73</b>	<b>112196.98</b>	<b>76.41</b>
Marine Cargo	5294.99	5080.91	95.96	5716.14	5572.82	97.49
Marine Hull	3774.81	2827.63	74.91	11336.00	7285.44	64.27
<b>Marine Total</b>	<b>9069.80</b>	<b>7908.53</b>	<b>87.20</b>	<b>17052.14</b>	<b>12858.26</b>	<b>75.41</b>
Motor	126694.32	114091.49	90.05	92381.35	86596.04	93.74
Personal Accident	2243.05	2136.00	95.23	2271.81	2173.44	95.67
Aviation	7143.89	7075.93	99.05	6755.20	6755.20	100.00
Engineering	11264.90	7732.62	68.64	12292.32	9476.84	77.10
Health	11347.86	11347.86	100.00	7592.53	7592.53	100.00
Liability*	14998.64	14399.84	96.01	15372.22	14600.54	94.98
Others	9508.55	8523.58	89.64	11833.97	10516.38	88.87
<b>Misc sub Total</b>	<b>183201.21</b>	<b>165307.31</b>	<b>90.23</b>	<b>148499.42</b>	<b>137710.97</b>	<b>92.74</b>
<b>Grand Total</b>	<b>352152.09</b>	<b>300192.22</b>	<b>85.25</b>	<b>312382.29</b>	<b>262766.20</b>	<b>84.12</b>

\*Liability includes Workmens' compensation



# Disclosures

## 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	337638.51	213819.24	63.33	321172.14	200832.15	62.53
Marine Cargo	38971.72	30134.90	77.33	38870.97	31703.88	81.56
Marine Hull	33624.03	11253.99	33.47	45969.09	16380.43	35.63
<b>Marine Total</b>	<b>72595.74</b>	<b>41388.89</b>	<b>57.01</b>	<b>84840.06</b>	<b>48084.31</b>	<b>56.68</b>
Motor	756584.64	699618.56	92.47	647685.04	600379.93	92.70
Personal Accident	23705.35	21464.14	90.55	21480.40	20262.13	94.33
Aviation	18941.63	7364.83	38.88	17385.48	4988.76	28.69
Engineering	64669.90	33734.91	52.16	57848.71	34506.85	59.65
Health	496133.16	466503.15	94.03	401771.74	381859.74	95.04
Liability*	44919.04	38638.95	86.02	42008.20	37107.38	88.33
Others	86051.42	68658.31	79.79	82383.15	65859.18	79.94
<b>Misc sub Total</b>	<b>1491005.14</b>	<b>1335982.86</b>	<b>89.60</b>	<b>1270562.73</b>	<b>1144963.97</b>	<b>90.11</b>
<b>Grand Total</b>	<b>1901239.39</b>	<b>1591190.98</b>	<b>83.69</b>	<b>1676574.93</b>	<b>1393880.44</b>	<b>83.14</b>

\*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	(1630.41)	39786.01	38155.60	5440.70	34873.98	40314.68	(1.88)	31.33	17.84	6.14	31.08	20.07
Marine Cargo	3507.67	1281.03	4788.70	3483.63	1510.28	4993.91	14.00	25.21	15.89	13.33	27.10	15.75
Marine Hull	(416.40)	427.96	11.55	(1839.76)	1104.32	(735.44)	(4.94)	15.13	0.10	(20.23)	15.16	(4.49)
<b>Marine Total</b>	<b>3091.27</b>	<b>1708.99</b>	<b>4800.25</b>	<b>1643.87</b>	<b>2614.60</b>	<b>4258.47</b>	<b>9.23</b>	<b>21.61</b>	<b>11.60</b>	<b>4.67</b>	<b>20.33</b>	<b>8.86</b>
Motor	18616.81	25983.10	44599.91	16958.42	19880.04	36838.47	3.18	22.77	6.37	3.30	22.96	6.14
Personal Accident	2222.47	655.60	2878.06	1970.26	618.89	2589.16	11.50	30.69	13.41	10.89	28.48	12.78
Aviation	(379.70)	715.00	335.30	(353.59)	652.77	299.18	(131.43)	10.10	4.55	20.02	9.66	6.00
Engineering	(732.70)	2209.92	1477.21	(1059.17)	2350.16	1290.99	(2.82)	28.58	4.38	(4.23)	24.80	3.74
Health	29112.52	2811.70	31924.22	25560.10	1859.68	27419.77	6.40	24.78	6.84	6.83	24.49	7.18
Liability*	2740.83	3640.45	6381.28	2516.19	3535.01	6051.19	11.31	25.28	16.52	11.18	24.21	16.31
Others	7831.28	1991.45	9822.72	6855.79	2469.38	9325.17	13.02	23.36	14.31	12.39	23.48	14.16
<b>Misc sub Total</b>	<b>59411.49</b>	<b>38007.21</b>	<b>97418.71</b>	<b>52447.99</b>	<b>31365.94</b>	<b>83813.94</b>	<b>5.07</b>	<b>22.99</b>	<b>7.29</b>	<b>5.21</b>	<b>22.78</b>	<b>7.32</b>
<b>Grand Total</b>	<b>60872.35</b>	<b>79502.21</b>	<b>140374.56</b>	<b>59532.56</b>	<b>68854.52</b>	<b>128387.08</b>	<b>4.72</b>	<b>26.48</b>	<b>8.82</b>	<b>5.26</b>	<b>26.20</b>	<b>9.21</b>

\*Liability includes Workmens' compensation

## vi) Expense of Management to Gross Direct Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Gross Direct Premium	1776331.01	1548035.95
b. Expense of Management	351580.00	306060.01
c. Direct Commissions	151106.68	134188.96
<b>Expense of Management to Gross Direct Premium Ratio (%) ((b+c)/a)</b>	<b>28.30</b>	<b>28.44</b>

## vii) Expense of Management to Net Written Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Written Premium	1591190.98	1393880.44
b. Expense of Management	351580.00	306060.01
c. Direct Commissions	151106.68	134188.96
<b>Expense of Management to Net Written Premium Ratio (%) ((b+c)/a)</b>	<b>31.59</b>	<b>31.58</b>

## viii) Net Incurred Claims to Net Earned Premium:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Earned Premium	1495982.60	1331529.12
b. Net Incurred Claims	1314118.64	1118803.56
<b>Net Incurred Claims to Net Earned Premium Ratio (%) (b/a)</b>	<b>87.84</b>	<b>84.02</b>

## ix) Combined Ratio:

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	Indian	Foreign	Global	Indian	Foreign	Global
a. Net Earned Premium	1242164.82	253817.78	1495982.60	1071248.69	260280.45	1331529.14
b. Net Incurred Claims	1120208.22	193910.41	1314118.64	988702.08	130101.48	1118803.56
c. Net Written Premium	1290998.76	300192.22	1591190.98	1131114.23	262766.20	1393880.43
d. Expense of Management	334447.00	17133.00	351580.00	291236.46	14823.55	306060.01
e. Net Commission	60872.35	79502.21	140374.56	59532.56	68854.55	128387.11
<b>Combined Ratio (%) (b/a+(d+e)/c)</b>	<b>120.80</b>	<b>108.59</b>	<b>118.76</b>	<b>123.31</b>	<b>81.83</b>	<b>115.19</b>

## x) Technical Reserves to net Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Written Premium	1591190.98	1393880.44
b. Reserves for Unexpired Risks	801222.50	706014.12
c. Premium Deficiency Reserves	-	-
d. Reserves for Outstanding Claims (Including IBNR & IBNER)	1632605.88	1498845.64
<b>e. Total Technical Reserves (b+c+d)</b>	<b>2433828.38</b>	<b>2204859.76</b>
<b>Technical Reserves to Net Premium Ratio (Times) (e/a)</b>	<b>1.53</b>	<b>1.58</b>

## 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)
<b>Fire</b>	<b>207325.70</b>	<b>(41085.22)</b>	<b>(0.20)</b>	<b>188732.80</b>	<b>(55174.45)</b>	<b>(0.29)</b>
Marine Cargo	30919.39	1210.95	0.04	48386.18	18216.11	0.38
Marine Hull	16380.43	3880.66	0.24	12717.87	(5298.32)	(0.42)
<b>Marine Total</b>	<b>47299.82</b>	<b>5091.61</b>	<b>0.11</b>	<b>61104.05</b>	<b>12917.79</b>	<b>0.21</b>
Motor	649999.69	(67282.30)	(0.10)	569218.69	(83513.11)	(0.15)
Personal Accident	20863.14	(2877.36)	(0.14)	18883.53	825.72	0.04
Aviation	7060.02	(4416.90)	(0.63)	5882.84	(4942.57)	(0.84)
Engineering	34120.88	(4358.53)	(0.13)	35353.42	10690.05	0.30
Health	424181.45	(194103.33)	(0.46)	349901.57	(104585.85)	(0.30)
Liability*	37873.16	8045.90	0.21	36000.03	6297.10	0.17
Others	67258.75	(9103.85)	(0.14)	66452.20	(4236.22)	(0.06)
<b>Misc sub Total</b>	<b>1241357.08</b>	<b>(274096.37)</b>	<b>(0.22)</b>	<b>1081692.28</b>	<b>(179464.87)</b>	<b>(0.17)</b>
<b>Grand Total</b>	<b>1495982.60</b>	<b>(310089.97)</b>	<b>(0.21)</b>	<b>1331529.13</b>	<b>(221721.53)</b>	<b>(0.17)</b>

## xii) Operating Profit Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Earned Premium	1495982.60	1331529.12
b. Underwriting Profit	(310089.97)	(221721.53)
c. Investment Income - Policy Holders	266582.00	258948.65
d. Operating Profit (b+c)	(43507.97)	37227.12
<b>Operating Profit Ratio (%) (d/a)</b>	<b>(2.91)</b>	<b>2.80</b>



## Disclosures

### xiii) Liquid Assets to Liabilities Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Short Term Investments	217375.05	172518.03
b. Short Term Loans	-	-
c. Cash & Bank Balances	708274.41	825022.99
<b>d. Total Liquied Assets (a+b+c)</b>	<b>925649.46</b>	<b>997541.02</b>
e. Policy Holders Liabilities	2433828.38	2204859.76
<b>Liquid Assets to Liabilities Ratio (Times) (d/e)</b>	<b>0.38</b>	<b>0.45</b>

### xiv) Net Earnings Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Premium	1591190.98	1393880.44
b. Profit After Tax	82869.21	143122.45
<b>Net Earnings Ratio (%) (b/a)</b>	<b>5.21</b>	<b>10.27</b>

### xv) Return on Net Worth Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Worth	982193.21	972223.14
b. Profit After Tax	82869.21	143122.45
<b>Return on Net Worth Ratio (%) (b/a)</b>	<b>8.44</b>	<b>14.72</b>

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

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Available Solvency Margin (ASM)	917778.92	844767.78
b. Required Solvency Margin (RSM)	398661.91	346853.74
<b>ASM to RSM Ratio (Times) (a/b)</b>	<b>2.30</b>	<b>2.44</b>

### xvii) NPA Ratio

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Total Investment Assets	2618055.85	2481311.81
b. Gross NPA	11501.04	13484.46
c. Net NPA	-	1235.75
<b>Gross NPA Ratio (%)</b>	<b>0.44</b>	<b>0.54</b>
<b>Net NPA Ratio (%)</b>	<b>0.00</b>	<b>0.05</b>

### 22 Summary of Financial Statements

(₹ in Lakhs)

No	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
1	Gross Direct Premium	1776331.01	1548035.95	1372760.87	1187348.80	1007387.82
2	Net Earned Premium #	1495982.60	1331529.12	1119687.46	945063.91	787458.72
3	Income from Investments(Net)@	266582.00	258948.65	213926.78	186008.87	150670.25
4	Other income (Prem Deficiency)	-	-	3519.41	-	-
5	Total Income	1762564.60	1590477.77	1337133.65	1131072.78	938128.97
6	Commissions (net incl Brokerage)	140374.56	128387.08	117260.59	84316.79	89749.84
7	Operating Expenses	351579.38	306060.01	263034.94	237409.00	206580.84
8	Net Incurred Claims	1314118.64	1118803.56	938095.49	814307.00	708752.87
9	Change in Unexpired Risk Reserves	95208.38	62351.30	88174.09	82352.71	89662.10
10	<b>Operating Profit/Loss</b>	<b>(43507.97)</b>	<b>37227.12</b>	<b>18742.63</b>	<b>2524.11</b>	<b>(77958.58)</b>
	<b>Non Operating Result</b>					
11	Total Income under Shareholders' A/c	134063.07	140402.67	110699.00	98598.00	93575.17
12	Profit/(Loss) Before Tax	90555.10	177629.79	129442.41	101122.11	15616.59
13	Provision for Tax	7686.61	34507.34	20544.00	16756.00	(2315.15)
14	<b>Net Profit/(Loss) after Tax</b>	<b>82868.49</b>	<b>143122.45</b>	<b>108898.41</b>	<b>84366.11</b>	<b>17931.74</b>

	Miscellaneous					
15	Policy Holders' Account :					
	Total Funds	2433828.38	2204859.76	2040960.26	1730647.29	1544733.36
	Total Investments	*	*	*	*	*
	Yield on Investments	*	*	*	*	*
16	Shareholders' Account :					
	Total Funds	982193.21	972223.14	862129.70	773736.33	705761.34
	Total Investments	2618055.85	2481311.81	2101120.92	1788255.00	1576929.00
	Yield on Investments	14.61	15.68	15.17	14.46	14.68
17	Paid up Equity Capital	20000.00	20000.00	20000.00	20000.00	20000.00
18	Net Worth	982193.21	972223.14	862129.70	773736.33	705761.34
19	Total Assets	6288006.57	6171962.53	5309531.00	4537552.41	4216274.37
20	Yield on Total Investments( %)	14.61	15.68	15.17	14.46	14.68
21	Earning per Share (₹)	41.43	71.56	54.45	4.22	0.90
22	Book value per Share(₹)	491.10	486.11	431.06	386.87	352.88
23	Total Dividend	25000.00	30000.00	22000.00	17000.00	4000.00
24	Dividend per Share (₹)	12.50	15.00	11.00	8.50	2.00

# 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 31.03.2016 (Gross Indian excluding provision for IBNR and IBNER)

Segment	Less than 90 Days		90 Days to 6 Months		6 Months to 1 Year		1 Year to 2 Years	
	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)
Fire	620	51407.57	1574	63854.70	294	15218.51	361	52557.18
Marine Cargo	1103	4460.42	682	6303.48	121	2600.73	206	9523.69
Marine Hull	30	1307.14	50	2220.87	9	2538.40	51	9481.49
Motor OD	46887	23352.20	9360	10645.53	1436	2089.57	847	1785.23
Motor TP	12047	44950.62	16927	62519.15	6471	25658.07	23864	95238.40
Health	52533	35529.65	1362	3789.47	132	184.56	315	303.42
Liability	456	2497.22	401	1852.59	103	526.93	312	2173.10
Personal Accident	1337	1969.80	417	1287.83	60	152.45	82	240.75
Aviation	13	157.96	25	838.72	4	236.52	14	680.67
Engineering	814	6027.98	659	13357.90	157	3842.39	147	8090.03
Other Miscellaneous	2807	12937.10	2118	16749.70	441	2790.80	518	7179.25
<b>Total</b>	<b>118647</b>	<b>184597.67</b>	<b>33575</b>	<b>183419.92</b>	<b>9228</b>	<b>55838.92</b>	<b>26717</b>	<b>187253.22</b>

Segment	2Years to 3 Years		3 Years to 5 Years		5 Years and above		Total	
	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)
Fire	152	12364.06	265	7541.98	496	46239.34	3762	249183.34
Marine Cargo	62	1481.21	130	2914.66	196	2739.29	2500	30023.48
Marine Hull	26	908.46	41	3191.10	62	4135.67	269	23783.12
Motor OD	371	628.58	666	958.48	887	1429.49	60454	40889.07
Motor TP	15674	60226.30	25916	83094.15	61112	139748.62	162011	511435.32
Health	195	136.12	279	240.96	227	226.51	55043	40410.69
Liability	209	2110.50	434	3517.24	524	2220.96	2439	14898.55
Personal Accident	34	58.23	45	92.46	87	213.36	2062	4014.87
Aviation	6	1862.39	6	3040.19	8	1849.42	76	8665.88
Engineering	61	8927.47	38	1164.51	48	512.66	1924	41922.96
Other Miscellaneous	402	1974.27	694	5089.81	1708	3219.25	8688	49940.17
<b>Total</b>	<b>17192</b>	<b>90677.59</b>	<b>28514</b>	<b>110845.53</b>	<b>65355</b>	<b>202534.58</b>	<b>299228</b>	<b>1015167.44</b>



## Disclosures

- 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 UPR at a revenue segment level was found to be sufficient to cover the expected claims cost as certified by the Appointed Actuary and the claim related expenses as estimated by the management . Hence no premium deficiency reserve is required to be provided.

**Jayashree Nair**  
Company Secretary

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**S. N. Rajeswari**  
Chief Financial Officer

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

### As per our report of even date

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

**Arun Jain**  
Partner  
Membership Number 141802  
Mumbai  
April 30, 2016

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

**Neeraj Golas**  
Partner  
Membership Number 074392

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

**M. K. Gupta**  
Partner  
Membership Number 073515



## **CONSOLIDATED REPORTS & SCHEDULES FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**



## Management Report on Consolidated Financial Statements

There are no specific points to be disclosed on Financial Statements of subsidiaries incorporated outside India in terms of IRDAI regulations. Therefore, Management Report related to standalone accounts of the Holding Company alone are as under:

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 2016-2017
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 adequate reinsurance arrangements to mitigate the losses arising out of any major claims.
8. We have overseas operations in 28 countries. The foreign branches have their own reinsurance arrangements to protect their exposure. Over and above there is an excess of loss protection available, which takes care of the exposure risk of the Company as a whole, including domestic and foreign branches.  
  
The foreign branches/agencies generate enough revenue in local currencies to meet their liabilities arising out of their operations. Hence there is no major currency risk in the countries we operate.  
  
As regards the country risk, by and large all the countries in which we operate are politically stable. We also have well defined acceptance limits for foreign operations, which limits our exposure in these countries.
9. (a) Ageing of claims indicating the trends in average claims settlement time during the preceding five years is furnished below in the format required:

### Agewise Summary of Claims settled during the year 2011-12, 2012-13, 2013-14, 2014-15, 2015-16

Ageband	No. of Claims	Amount (₹ In lakhs)
30 DAYS	3732179	995225.11
30 DAYS to 6 MONTHS	4163104	1410891.23
6 MONTHS TO 1 YEAR	795123	513598.98
1 YEAR TO 5 YEARS	584871	932753.09
MORE THAN 5 YEARS	95456	173753.21
<b>GRAND TOTAL</b>	<b>9370733</b>	<b>4026221.61</b>

(Segment wise details is mention in pages 75-79)

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

No.	Name	Entity in which he is interested	Interested as	Amount of payments during the financial year (₹ In lakhs)
	NIL	NIL		NIL

10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority and shown in the balance sheet.
11. All investment assets are reviewed periodically and assets are classified into performing and non-performing based on IRDA norms.
12. It is hereby confirmed:
  - (i) That in preparation of financial statements, the applicable accounting standards, principles and policies have been followed, except amortisation of additional actuarial liability for Gratuity and Pension as per I.R.D.A. circular no. IRDA/F&A/CIR/ACT/077/04/2016 dated 18.04.2016 and IRDA/F&A/LR/001/2016/6 dated 19.4.2016
  - (ii) That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating loss of the Company for the year except as mentioned in Para 12 (i) above.
  - (iii) That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 and Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
  - (iv) That the management has prepared the financial statements on a going concern basis.
  - (v) That the management has ensured that the internal audit system commensurate with the size and nature of business exists and is operating effectively.

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial Officer

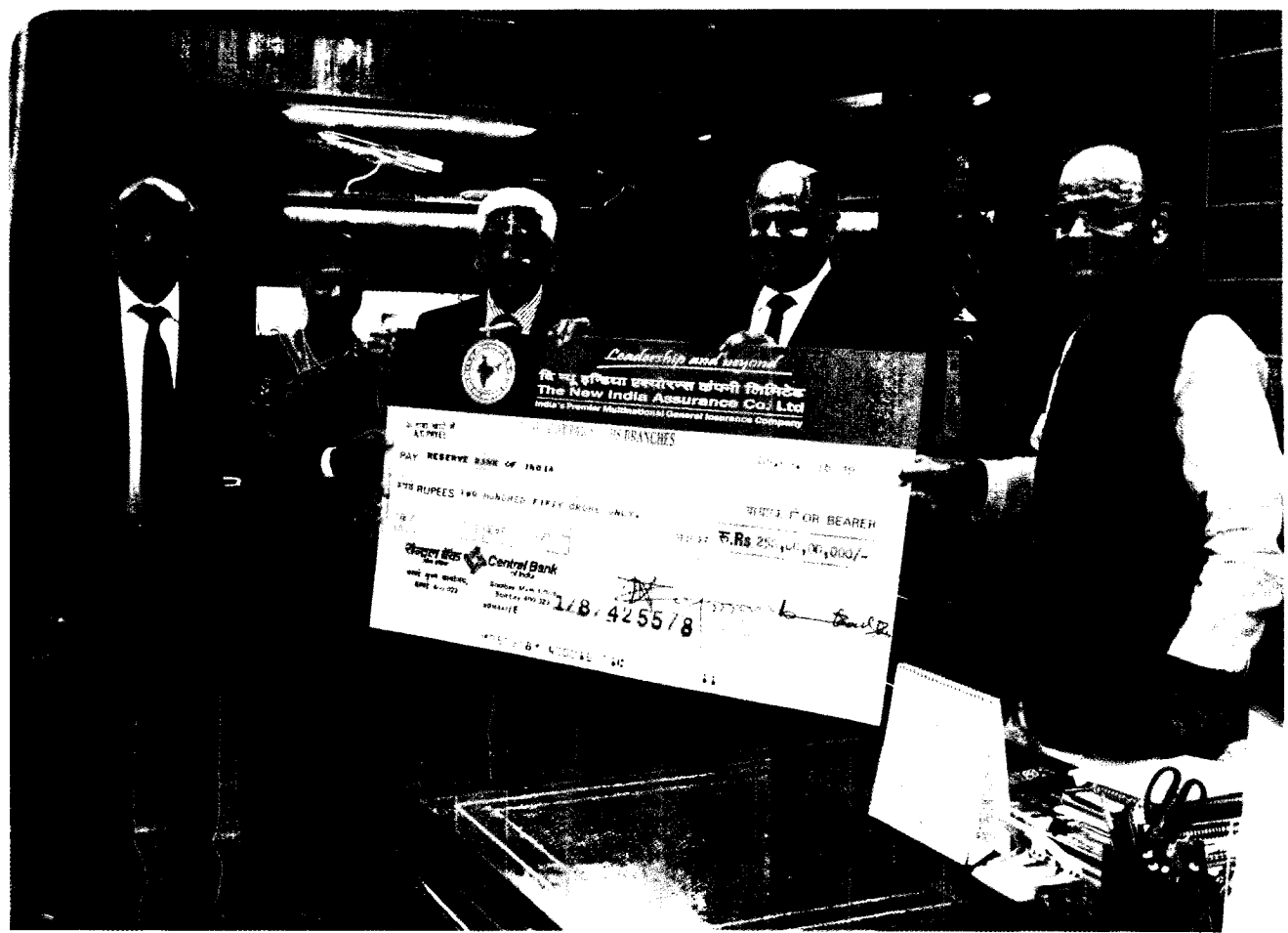
**P. Nayak**  
Director

**Hemant G. Rokade**  
Director

**G. Srinivasan**  
Chairman-cum-  
Managing Director

Place: Mumbai  
Date: April 30, 2016

# New India pays Rs. 250 Crores as Dividend for 2015-16



Mr. G. Srinivasan, CMD presenting the Dividend cheque of ₹ 250 crores to the Hon'ble Finance Minister Shri. Arun Jaitley in the presence of Mr. Hemant G. Rokade, Director & GM , Ms. S. N. Rajeswari, GM & FA & Mr. Segar Sampathkumar, GM



**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 Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of **The New India Assurance Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the consolidated Revenue Accounts of Fire, Marine and Miscellaneous Insurance Business (collectively known as Consolidated Revenue Accounts; the Consolidated Profit & Loss Account, the Consolidated Receipt and Payments Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements 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 (hereinafter referred to as "the Act, Rules and Regulations") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, Rules and Regulations for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud



or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

## Basis for Qualified Opinion

1. In case of subsidiary companies, where the accounts are made and maintained in accordance with International Financial Reporting Standards (IFRS) as required under the local laws of the respective country, during the process of consolidation, accounting adjustments have been made to align the accounts of the company to confirm to the accounting policies followed by the company however there are material differences in respect of certain items as stated in Significant Accounting Policies para (1), proportion of these items to which different accounting policies have been applied, is not ascertained.
2. Note No 2 and 3 regarding consolidation of accounts of subsidiary companies and one of the associate have been prepared on calendar year basis and have been combined as such, there by intra group balances have not been eliminated in full as required under the provisions of AS-21 on consolidated financial statements issued by the ICAI. The precise impact of which is not ascertained.
3. The audited accounts of one of the subsidiary company The New India Assurance Co. (Sierra Leone) Limited, Free Town, Sierra Leone, which are stated to be under audit, have not been received and considered for the purpose of consolidated financial statements. The impact arising out of the consolidation of unaudited accounts pending receipt of audited accounts, has remained unascertained. (Refer Note 4);
4.
  - a) In view of non-availability of balance confirmations of some loans and investments (Refer Note No.13, 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) 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 7(a) and (c), 8,9, 12(b) (iii), Note No. 13(b), 25 and 26(a) in schedule 16B), effect of which, if any, is not ascertainable and cannot be commented upon;
  - c) As stated in Note No 26(b) and (c); 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 compliance of schedule II to the Companies Act, 2013 is pending and 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.
  - d) As stated in Note No 27 (a), the returns of foreign Branches and agencies incorporated in the financial statements dealt with by this report, are prepared 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 in relation to the matters stated in the said note, 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 SA 700/705 read with provisions of the Companies Act, 2013 and IRDAI Regulations 2002. The precise impact of which is not ascertainable. (Refer Note 27).
  - e) As stated in Note No. 27(b), no provision has been made towards receivable from agent at Curacao Branch for an amount of ₹1861.76 lakhs, the auditor of the said Branch has not been able to obtain sufficient evidence towards recoverability of the said dues and as such the precise impact arising out of the above is not quantifiable.

- f) The holding 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. (Refer Note 30).
5. Overall impact of the above Para 1 to 4 and the consequential effects on the consolidated Revenue Accounts, Consolidated Profit and Loss Account and the assets, liabilities and reserves and surplus as stated in the consolidated Balance Sheet as at 31st March 2016 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 above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

### We draw attention to the following Notes to Accounts:

- a) Note No. 12(a), 12(b)(ii) and 12(c) in Schedule 16 B regarding non-compliance of Insurance Regulatory and Development Authority (IRDAI) Regulations during the year;
- b) Note No. 16(a) in Schedule 16 B, regarding deferment of expenditure relating to additional liability towards pension and gratuity on account of pay revision to the extent of ₹33498 lakhs and ₹ 8698.0 lakhs respectively and pension liability of ₹1381.6 lakhs towards extended pension scheme, pursuant to the deferment permitted by the IRDAI.
- c) Note No. 12(b)(i) in Schedule 16 B, non-disclosure of segment reporting in respect of Public and Product Liability of Foreign Business.
- d) Note No. 20 regarding penalty imposed by Competition Commission of India of ₹251.07 crores which is being contested by the company and in the opinion of the management, the company is hopeful of favourable decision.
- e) Note No. 28 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 3 subsidiaries and whose financial statements reflect total assets of ₹57561 lakhs as at 31st March 2016, total revenues of ₹14433 lakhs and net cash out flows amounting to ₹5369.52 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹424 lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management except in case of The New India Assurance Co. (Sierra Leone) Limited where the unaudited accounts have been consolidated pending receipt of audited accounts, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors to the extent these were furnished to us.



Except as stated in the basis for qualified opinion paragraph, Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Companies Act 2013 and 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, 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 of aforesaid consolidated financial statements.
- b) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept, so far as it appears from our examination of those books and reports of other auditors.
- c) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the reports on the accounts of branch offices of the holding company, and its subsidiary companies and associate companies have been received and have been properly dealt with by us in preparing this report in the manner considered necessary by us.
- d) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- e) The Consolidated Balance sheet, the consolidated Revenue account, the consolidated Profit and Loss account and the consolidated receipt and payment account, dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
- f) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated 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 and comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- g) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- h) On the basis of written representations received from the directors of holding company as on March 31, 2016, and taken on record by the Board of Directors of the holding company and the reports of statutory auditors in respect of associate companies incorporated in India, none of the directors of the holding company and associate companies incorporated in India is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- i) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accounting policies adopted by the Group and its associates 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 (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority.
- j) In respect of holding company, 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 2016, 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.

- k) 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.
- l) 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) Except for the possible effects of the matter described in basis of qualified opinion paragraph above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and its associates incorporated in India – Refer Schedule 16 C to the consolidated financial statements;
- ii) The holding company and associate incorporated in India 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) In respect of the holding company and associate incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- m) Further on the basis of our examination of books and records of the holding 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 Consolidated Financial Statements and there are no apparent mistakes or material inconsistencies between the management report and the consolidated 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) 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.
- n) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, none of the subsidiary companies are incorporated in India and as such our separate Report relating to the parent company is stated in "Annexure A".
- o) Based on the accounts of the holding company, as required under section 143(5) of the Companies Act, 2013, we enclose herewith, as per "Annexure B", 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 Group.

**For JCR & Co.**

Firm Reg. No.105270W  
Chartered Accountants

**Arun Jain**

Partner  
Membership Number 141802

**For R. Devendra Kumar & Associates**

Firm Reg. No. 114207W  
Chartered Accountants

**Neeraj Golas**

Partner  
Membership Number 074392

**For A. Bafna & Co.**

Firm Reg. No. 003660C  
Chartered Accountants

**M. K. Gupta**

Partner  
Membership Number 073515

Place: Mumbai

Date: 30th April 2016



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NEW INDIA ASSURANCE COMPANY LIMITED FOR THE FINANCIAL YEAR 2015-16

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016. We have audited the internal financial controls over financial reporting of The New India Assurance Company Limited (hereinafter referred to as "the Holding Company") and its associate company which are companies incorporated in India as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. Report of branch auditors relating to Bangkok, Manila, Fiji and London Branches have not been received and as such was not available for our review and therefore the internal controls over financial reporting relating to these offices have not been considered in this report and cannot be commented upon.
6. Except for the possible effect of non-availability of reports as stated above, we believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our qualified opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

7. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

8. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Qualified Opinion

9. According to the information and explanation given to us and based on our audit, the following internal control weaknesses of material nature have been identified as at March 31, 2016 in the case of holding company:
- Confirmation and reconciliation of various balances relating to co insurers, reinsurers, brokers, bank accounts, inter office accounts and other control accounts are pending and are in various stages;
  - Inadequate controls are observed with regard to ageing of insurance receivables;
  - Inconsistencies involved in the migration of data as well as non-availability of original cost in case of assets at Foreign Branches;
  - 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;

Further to above, the management of the holding company is explained to be in the process of documenting the laid down policies; procedures and controls in the form of process flow details and risk control matrix and test these matrices including the policies and procedures as stated in Para 7 herein . On the basis of our broad review of entity level controls and the reports of auditors of Regional offices of the holding company as received, the internal control weaknesses as stated above have been identified.

10. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's consolidated financial statement will not be prevented or detected on a timely basis.
11. In our opinion, except for the possible effects of the internal control weaknesses described above on the achievements of the objectives of the control criterion, the holding company and its associates have maintained, in all material respects, adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India".



## Auditors' Report

12. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 consolidated financial statements of the Group and associates, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company except to the extent of our qualification as contained in our separate report on the consolidated financial statements of the company.

### Other Matters

13. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

#### For JCR & Co.

Firm Reg. No.105270W  
Chartered Accountants

#### Arun Jain

Partner  
Membership Number 141802

#### For R. Devendra Kumar & Associates

Firm Reg. No. 114207W  
Chartered Accountants

#### Neeraj Golas

Partner  
Membership Number 074392

#### For A. Bafna & Co.

Firm Reg. No. 003660C  
Chartered Accountants

#### M. K. Gupta

Partner  
Membership Number 073515

Place: Mumbai

Date: 30th April 2016

**ANNEXURE "B" Referred to in Para (o) in Report on Other Legal and Regulatory Matters referred to in Independent Auditor's Report of even date for the Year 2015-16 on the consolidated financial statements of The New India Assurance Company Limited (holding company, its subsidiary companies (Group) and its associates).**

Sr. No.	Directions under section 143(5) of Companies Act 2013 - in respect of holding company	Action taken and financial impact - in respect of holding company
1.	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	<p>According to the records and information provided to us and on the basis of report of branch auditors, the Company has clear title/lease deeds for freehold and leasehold properties except as under:</p> <p><b>LAND:</b></p> <p><b>1. Leasehold land:</b></p> <p>[i] One leasehold land book value ₹1.00 is under litigation and SLP is pending with Supreme Court.</p> <p>[ii] 2 leasehold lands book value of ₹118.44 lakhs where lease deed has been expired.</p> <p>[iii] 1 leasehold land consisted of 123 tenements and 6 godowns, book value ₹3.42 lakhs and lease period 999 years, which is not in possession of the Company.</p> <p><b>2. Freehold Land:</b></p> <p>8 properties book value ₹51.92 lakhs where conveyance deeds are not available.</p> <p>3. Buildings book value ₹26.83 lakhs which has been wrongly classified under land.</p> <p><b>BUILDINGS:</b></p> <p>1. 234 properties, book value ₹2971.14 lakhs where title deeds are not presently available/ registration formalities are yet to be completed.</p> <p>2. 598 properties book value ₹7060.30 lakhs which have been certified by RO/ DO Auditors as available at respective offices.</p> <p>3. 27 properties book value ₹102.70 lakhs which are not registered in the name of the Company.</p> <p>Further, cost as per title deeds is being reconciled with the asset register. Necessary reconciliation is under process.</p>
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.	<p>According to the records and information provided to us, during the year ₹ 50.82 lakhs has been waived of in loans and debentures. The same was due to scheme of arrangement ordered by the High Court of Gujarat.</p> <p>Further, the company has written off /down, Investments of Equity/Preference share/Mutual Fund to the extent of ₹243.44 lakhs towards impairment and ₹ 426.63 lakhs reversal in value of Investment.</p>
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities?	The Direction is not applicable.



Sub – directions issued by the C&AG of India as applicable to the Holding Company - The New India Assurance Company Limited, for the year 2015-16.

1. 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 23 Nos of Scrips, Equity Book Value ₹8,00,536, Preference Shares face value ₹26000 and Debentures face value ₹66,32,580, where there is shortage as per the records of custodian vis a vis books of accounts of the company and there are 104 Nos of scrips, Market Value ₹2,64,67,873 as made available 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.

2. (a) (i) Particulars of Outstanding claims :

	Particulars	Total No.
1.	Total number of outstanding claims provided by the Company	299228
2.	The number of cases test checked by Statutory Auditors at DO/RO	32606

3. The number of cases where adequate provisions have not been made or discrepancies observed:

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.

4. The amount of short provisioning of claims, discrepancy on the revenue account and the percentage of sample detected may be reported.

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

- (a) (ii) Particulars of Unconfirmed Co-Insurance Balances :

1.	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 to us, co insurance balances are under reconciliation at various offices of the company. Refer Para 1 (b) to the audit report. Number of cases were 115 as reported by RO auditors.
2.	The number of cases test checked by Statutory Auditors at DO/RO	Total 45 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.

3. 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.

No material discrepancies have been reported by the RO auditors. However the impact of overall pending reconciliations and consequential adjustments has not been ascertained.

4. The amount of short provisioning of claims and the percentage of sample detected may be reported.

As above in 4 (a) (ii)(3)

(a) (iii) Particulars of Preliminary & Claim Loss advices :

1.	Total number of preliminary loss advices and claim loss advices sent to reinsurers in respect of reinsurance ceded business and received by the company in respect of reinsurance inward acceptance.	During the financial year 2015-16, 117143 preliminary & Claim loss advices were sent to reinsurers in respect of reinsurance ceded business and 299 for reinsurance inward business.
2.	(a) The number of cases test checked by Statutory Auditors at DO/RO (b) No of high value claims reviewed by Statutory Auditors at HO	198 high value Cases were test checked by the statutory auditors at the HO Level.

3. 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.

During the course of audit 28 cases were found to be having insufficient provision amount to the tune of ₹ 15.98 Crores and 4 cases were found to be having excess provision amount to the tune of ₹ 8.96 Crores.

4. The amount of short provisioning of claims and the percentage of sample detected may be reported.

Only High Value Claims were checked at the HO Level resulting in net debit in revenue account of ₹ 6.59 Crores.

3. 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.

4. In case the Company is taking part in Pradhan Mantri Suraksha Bima Yojana (PMSBY) launched in May 2015 tying up with specific banks, the method of accounting of premium and reported claims are as per the conditions of the agreement/scheme.

The company has taken part in Pradhan Mantri Suraksha Bima Yojana (PMSBY) launched in May 2015 and tied up with 296 banks as per the information submitted at Head office. Master policies have been issued to each partner bank. The policy was issued for the period from 1st June, 2015 to 31st May, 2016, subscribers were expected to enroll and give their auto debit option by 31st May, 2015. Separate account have been opened with major partner banks and the amount is debited from customer's account and credited to New India account on real time basis. As and when the beneficiary account is debited, necessary endorsement is passed and additional premium is booked accordingly. Upto 31st March, 2016, total premium collected is ₹18.16 crores and total no. of claims reported and settled are 974 and 763 beneficiaries respectively. We have broadly reviewed the method of accounting of premium and reported claims which is as per the conditions of the agreement/scheme.

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

**Arun Jain**  
Partner  
Membership Number 141802

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

**Neeraj Golas**  
Partner  
Membership Number 074392

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

**M. K. Gupta**  
Partner  
Membership Number 073515

Place: Mumbai  
Date: 30th April 2016



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NEW INDIA ASSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of consolidated financial statements of The New India Assurance Company Limited for the year ended 31 March 2016 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 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Audit General of India under section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards 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 2016.

I, on the behalf of the Comptroller and Audit General of India, have conducted a supplementary audit under section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of The New India Assurance Company Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of The New India Assurance Company Limited and Health Insurance TPA of India Limited but did not conduct supplementary audit of the financial statements of The New India Assurance Co. (Trinidad & Tobago) Limited, Prestige Assurance PLC Nigeria, The New India Assurance Co. (Sierra Leone) Limited and Indian International Insurance Pte Ltd. for the year ended on that date. *Further, section 139(5) and 143(6)(b) of the Act are not applicable to The New India Assurance Co. (Trinidad & Tobago) Limited, Prestige Assurance PLC Nigeria, The New India Assurance Co. (Sierra Leone) Limited and Indian International Insurance Pte Ltd. being entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.* This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(Roop Rashi)  
Principal Director of Commercial Audit and  
ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai  
Date : 24 August 2016

## Consolidated Fire Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Schedule	Amount Current Year ₹ (000)
1. Premium Earned (Net)	1	20834114
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	1510825
Loss on Sale or Redemption of Investments (Policy Holders)		0
3. Others		0
4. Interest, Dividend and Rent (Gross)	-	2765244
<b>Total (A)</b>		<b>25110183</b>
1. Claims Incurred (Net)	2	14931087
2. Commission	3	3758884
3. Operating Expenses Related to Insurance Business	4	6500076
4. Premium Deficiency		0
5. Others - Foreign Taxes		2968
Amortisation, Write off, Provisions - Investments		3222
<b>Total (B)</b>		<b>25196237</b>
<b>Operating Profit/ (Loss)</b>	<b>C=(A-B)</b>	<b>(85925)</b>
<b>Appropriations</b>		<b>0</b>
Transfer to Share Holders Account (Profit and Loss Account)	-	85925
Transfer to Catastrophic Reserves	-	0
Transfer to Other Reserves	-	0
<b>Total</b>		<b>0</b>

Significant Accounting Policies and Notes to Accounts

16

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly in respect of fire insurance business have been fully debited in the Fire Insurance Revenue Account as expenses.

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

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial Officer

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

**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

**Arun Jain**  
Partner  
Membership Number 141802

**Neeraj Golas**  
Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016



## Consolidated Marine Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Schedule	Amount Current Year ₹ (000)
1. Premium Earned (Net)	1	4788186
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	348232
Loss on Sale or Redemption of Investments (Policy Holders)		0
3. Others		0
4. Interest, Dividend and Rent (Gross)	-	648173
<b>Total (A)</b>		<b>5784592</b>
1. Claims Incurred (Net)	2	2869107
2. Commission	3	478735
3. Operating Expenses Related to Insurance Business	4	1056041
4. Premium Deficiency		0
5. Others - Foreign Taxes		0
Amortisation, Write off, Provisions - Investments		698
<b>Total (B)</b>		<b>4404580</b>
<b>C=(A-B)</b>		<b>1380011</b>
Operating Profit/ (Loss)		0
<b>Appropriations</b>		
Transfer to Share Holders Account (Profit and Loss Account)	-	(1380011)
Transfer to Catastrophic Reserves	-	
Transfer to Other Reserves	-	
<b>Total</b>		<b>0</b>

Significant Accounting Policies and Notes to Accounts

16

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly in respect of marine insurance business have been fully debited in the Marine Insurance Revenue Account as expenses.

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

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial Officer

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
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**As per our report of even date**

**For JCR & Co.**  
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**Arun Jain**  
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**Neeraj Golas**  
Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016



## Consolidated Miscellaneous Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Schedule	Amount Current Year ₹ (000)
1. Premium Earned (Net)	1	125090030
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	7707186
Loss on Sale or Redemption of Investments (Policy Holders)		
3. Others		
4. Interest, Dividend and Rent (Gross)	-	13863138
<b>Total (A)</b>		<b>146660354</b>
1. Claims Incurred (Net)	2	114395886
2. Commission	3	9891675
3. Operating Expenses Related to Insurance Business	4	28051412
4. Premium Deficiency		0
5. Others - Foreign Taxes		2134
Amortisation, Write off, Provisions - Investments		16462
<b>Total (B)</b>		<b>152357569</b>
<b>C=(A-B)</b>		<b>(5697125)</b>
Operating Profit/ (Loss)		0
<b>Appropriations</b>		0
Transfer to Share Holders Account (Profit and Loss Account)	-	5697125
Transfer to Catastrophic Reserves	-	
Transfer to Other Reserves	-	
<b>Total</b>		<b>0</b>

Significant Accounting Policies and Notes to Accounts

16

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly in respect of miscellaneous insurance business have been fully debited in the Miscellaneous Insurance Revenue Account as expenses.

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

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial Officer

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
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**As per our report of even date**

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Partner  
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**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016



# Profit and Loss

## Consolidated Profit and Loss Account for the year ended 31st March 2016

Particulars	Schedule	Amount Current Year ₹ (000)
1. Operating Profit / (Loss)		
a. Fire Insurance	-	(85925)
b. Marine Insurance	-	1380011
c. Miscellaneous Insurance		(5697125)
2. Income from Investments		
a. Interest Dividend and Rent (Gross) - Share Holders		8307378
b. Profit on Sale of Investment - Share Holders	-	4690618
Less: Loss on Sale of Investment - Share Holders	-	0
3. Other Income - Misc Receipts, Credit Balances Written Back		269304
- Interest on Refund of Income Tax		303196
<b>Total (A)=1+2+3</b>		<b>9167458</b>
4. Provisions (Other Than Taxation)		
a. Others - Amortisation Provision For Thinly Traded Shares - Shareholders	-	(5972)
b. For Doubtful Debts - Investments(Shareholders)	-	(16140)
c. For Doubtful Debts - Operations		0
d. For Diminution In Value Of Investments (Shareholders)	-	31978
5. Other Expenses (Other Than Those Related To Insurance Business)		1658
a. Others - Interest On Income/Service Tax	-	791
b. (Profit)/Loss On Sale Of Assets		(7556)
c. Penalty		2000
d. Bad debts written off		21893
<b>Total (B)=(4+5)</b>		<b>28652</b>
Profit Before Tax (A-B)	-	<b>9138806</b>
Provision For Taxation - Current Tax	-	1386901
Deferred Tax		(492591)
Wealth Tax		0
Profit After Tax		<b>8244497</b>
Profit attributable to Minority Interest		(18649)
Add : Share of Profit/(Loss) in Associate Enterprises		291363
Transfer from General Reserves for Equalization / Contingency Reserves for Foreign Branches		248331
Transfer from Contingency Reserves for Unexpired Risk (created in 2009-10)		0
Appropriations		0
a. Proposed Final Dividend	-	(2500000)
b. Dividend Distribution Tax.	-	(508941)
c. Transfer to General Reserves	-	(5508269)
d. Transfer to Equalization / Contingency Reserves for Foreign Branches	-	(248331)
e. Transfer to Consolidated Revenue Reserve		0
Profit / (Loss) Carried Forward to The Balance Sheet	-	0
Basic and diluted earnings per share (₹) {Refer Note 11 B to notes to accounts in Schedule 16 B}		<b>41.22</b>
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

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

**As per our report of even date**

**For JCR & Co.**  
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Chartered Accountants

**For R. Devendra Kumar & Associates**  
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Chartered Accountants

**For A. Bafna & Co.**  
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**Neeraj Golas**  
Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016

## Consolidated Balance Sheet as at 31st March, 2016

Particulars	Schedule	Amount Current Year ₹ (000)
<b>A. Sources of Funds</b>		
1. Share Capital	5 & 5A	2000000
2. Reserves and Surplus	6	116745510
3. Fair Value Change Account	-	191229995
4. Borrowings	7	0
5. Minority Interest		370818
<b>Total A</b>		<b>310346323</b>
<b>B. Application of Funds</b>		
1. Investments	8	450092181
2. Loans	9	3291429
3. Fixed Assets	10	3535395
4. Deferred Tax Assets		2158434
5. Current Assets		
a. Cash and Bank Balances	11	72162254
b. Advances and Other Assets	12	105796657
<b>Sub Total(a+b)</b>		<b>177958911</b>
c. Current Liabilities	13	237193063
d. Provisions	14	93854724
<b>Sub Total(c+d)</b>		<b>331047787</b>
Net Current Assets (a+b-c-d)		<b>(153088876)</b>
6. Miscellaneous Expenditure - Contribution to Gratuity Fund-Deferred (to the extent not written off or adjusted)	15	4357760
<b>Total B</b>		<b>310346323</b>
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

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

### 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

**Arun Jain**  
Partner  
Membership Number 141802

**Neeraj Golas**  
Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016



## Schedules

### Consolidated Schedules to Fire Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 1 - Fire</b>	
<b>Premium Earned(Net)</b>	
Premium From Direct Business - in India	16918362
- outside India	9447908
<b>Total</b>	<b>26366270</b>
Add: Premium on Reinsurance Accepted	8270854
Less: Premium on Reinsurance Ceded	13136214
<b>Net Premium</b>	<b>21500909</b>
Adjustment for Change in Reserve for Un-Expired Risks	666795
<b>Total Premium Earned (Net)</b>	<b>20834114</b>
<b>Schedule 2 - Fire</b>	
<b>Claims Incurred (Net)</b>	
Claims Paid Direct	18654650
	0
Add: Claims on Reinsurance Accepted	5308497
	0
Less: Claims on Reinsurance Ceded	9660426
<b>Net Claims Paid</b>	<b>14302722</b>
Add: Claims Outstanding at End (Net)	25872087
	0
Less : Claims Outstanding at Beginning (Net)	25073103
	0
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	(170619)
<b>Total Incurred Claims (Net)</b>	<b>14931087</b>
<b>Schedule 3- Fire</b>	
<b>Commission (Net)</b>	
Commission - Direct	3969145
Add : Commission on Reinsurance Accepted	1373027
Less : Commission on Reinsurance Ceded	1583288
<b>Commission (Net)</b>	<b>3758884</b>
<b>Break-up of Commission Direct</b>	
Direct Commission	439155
Direct Brokerage	3459667
Direct Corporate Agency Commission	70323
Others - Other Channels	0
<b>Total Commission</b>	<b>3969145</b>



## Consolidated Schedules to Marine Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 1 - Marine</b>	
<b>Premium Earned(Net)</b>	
Premium From Direct Business - in India	6175331
- outside India	741761
<b>Total</b>	<b>6917092</b>
Add: Premium on Reinsurance Accepted	512013
Less: Premium on Reinsurance Ceded	3225877
Net Premium	<b>4203229</b>
Adjustment for Change in Reserve for Un-Expired Risks	(584957)
<b>Total Premium Earned (Net)</b>	<b>4788186</b>
<b>Schedule 2 - Marine</b>	
<b>Claims Incurred (Net)</b>	
Claims Paid Direct	5122900
Add: Claims on Reinsurance Accepted	564028
Less: Claims on Reinsurance Ceded	2893239
Net Claims Paid	2793688
Add: Claims Outstanding at End (Net)	5232746
Less :Claims Outstanding at Beginning (Net)	5138765
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	(18563)
<b>Total Incurred Claims (Net)</b>	<b>2869107</b>
<b>Schedule 3- Marine</b>	
<b>Commission (Net)</b>	
Commission - Direct	535910
Add : Commission on Reinsurance Accepted	84226
Less : Commission on Reinsurance Ceded	141402
<b>Commission (Net)</b>	<b>478735</b>
<b>Break-up of Commission Direct</b>	
Direct Commission	296942
Direct Brokerage	238390
Direct Corporate Agency Commission	578
Others - Other Channels	0
<b>Total Commission</b>	<b>535910</b>



## Schedules

### Consolidated Schedules to Miscellaneous Insurance Revenue Account for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 1 - Miscellaneous</b>	
<b>Premium Earned(Net)</b>	
Premium From Direct Business - in India	128401394
- outside India	18093534
<b>Total</b>	<b>146494928</b>
Add: Premium on Reinsurance Accepted	3712499
Less: Premium on Reinsurance Ceded	15616624
Net Premium	<b>134590803</b>
Adjustment for Change in Reserve for Un-Expired Risks	9500772
<b>Total Premium Earned (Net)</b>	<b>125090030</b>
<b>Schedule 2 - Miscellaneous</b>	
<b>Claims Incurred (Net)</b>	
Claims Paid Direct	108754383
Add: Claims on Reinsurance Accepted	4601271
Less: Claims on Reinsurance Ceded	10937855
Net Claims Paid	102417798
Add: Claims Outstanding at End (Net)	133392353
Less : Claims Outstanding at Beginning (Net)	121149469
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	(264796)
<b>Total Incurred Claims (Net)</b>	<b>114395886</b>
<b>Schedule 3- Miscellaneous</b>	
<b>Commission (Net)</b>	
Commission - Direct	10942009
Add : Commission on Reinsurance Accepted	411894
Less : Commission on Reinsurance Ceded	1462229
<b>Commission (Net)</b>	<b>9891675</b>
<b>Break-up of Commission Direct</b>	
Direct Commission	8335883
Direct Brokerage	2378129
Direct Corporate Agency Commission	198125
Others - Other Channels	29872
<b>Total Commission</b>	<b>10942009</b>



## Consolidated Schedules for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule - 4</b>	
<b>Operating Expenses Related To Insurance Business</b>	
1. Employees Remuneration And Welfare Benefits	24510659
2. Travel Conveyance And Vehicle Running Expenses	656923
3. Training Expenses	196752
4. Rent Rates And Taxes	974080
5. Repairs And Maintenance	1076249
6. Printing And Stationery	403755
7. Communication Expenses	371240
8. Legal And Professional Charges	541173
9. Auditors Fees, Expenses Etc. As Auditor	86075
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Taxation	131
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Insurance	0
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Mgt Services	4994
Auditors Fees, Expenses Etc. In Other Capacity	0
10. Advertisement And Publicity	364454
11. Interest And Bank Charges	37916
12. Others - Exchange (Gain) / Loss	(874294)
IT Implementation	449175
Outsourcing Expenses	3683475
Other Taxes	125920
Others	2431326
13. Depreciation	344098
14. Service Tax Account	223426
<b>Total</b>	<b>35607528</b>
Apportioned to Fire Segment	6500076
Apportioned to Marine Segment	1056041
Apportioned to Miscellaneous Segment	28051412
<b>Total</b>	<b>35607528</b>



## Consolidated Schedules for the year ended 31st March, 2016

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

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)

Share holder		Current Year	
		Numbers	% of Holding
Promoters	Indian	200000	100
	Foreign	-	-
Others		-	-
<b>Total</b>		<b>200000</b>	<b>100</b>

## Consolidated Schedules for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 6</b>	
<b>Reserves and Surplus</b>	
1. Capital Reserve (Op. Balance)	575
Addition During The Year	41106
Deduction During The Year	
(Cl. Balance)	<b>41681</b>
2. Capital Redemption Reserve	
3. Share Premium	0
4. General Reserves (Op. Balance)	96332008
Addition during the year - Balance Transferred From P & L Account	5508269
Deferred tax due to Depreciation	321
Transfer and to P & L Account for Equalization / Contingency Reserves and CFS Adjustment for Foreign Branches	248331
Change in Depreciation due to Companies Act, 2013	0
Consolidated Revenue Reserve	124531
(Cl. Balance)	<b>102213460</b>
5. Catastrophe Reserve	
6. Other Reserves	
A. Foreign Currency Translation Reserve	
Opening Balance	9379543
Addition During The Year (Refer Note No 17 To Notes To Accounts In Schedule 16 B)	1908751
Deduction During The Year	0
(Cl. Balance)	<b>11288295</b>
C. Equalization / Contingency Reserves for Foreign Branches	
Opening Balance	2506988
Addition During The Year	324797
Deduction during the Year	0
(Cl. Balance)	<b>2831785</b>
7. Balance Of Profit In Profit And Loss Account	
8. Property Revaluation Reserve	370289
<b>Total</b>	<b>116745510</b>

## Schedule 7

### Borrowings

1. Debentures / Bonds	-
2. Banks	-
3. Financial Institutions	-
4. Others	-
<b>Total</b>	<b>0</b>



## Consolidated Schedules for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 8</b>	
<b>Investments</b>	
<b>Long term investments</b>	
1. Government Securities	
Central Government Securities	70367400
State Government Securities	36678784
Foreign Government Securities	3273835
2. Other approved securities	43815
3. Other investments	
a. Shares	
aa. Equity	239451481
bb. Preference	
Preference shares	3281
Preference shares of railways in India	
b. Mutual funds/ ETF	517943
c. Derivative instruments	
d. Debentures/Bonds/PTCs	
Debentures in India	21819203
Other debentures - Foreign	842275
e. Other securities	
Foreign shares	831390
f. Subsidiaries	0
g. Investment Properties (Real Estate)	361428
4. Investment in infrastructure and social sector	49002230
5. Other than Approved Investments, Debentures, Pref.shares, Foreign Shares, Venture Funds and Equity	5120903
6. Equity value of Investment in Associates	
<b>Total</b>	<b>428313969</b>

## Consolidated Schedules for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 8 Continued</b>	
<b>Short Term Investments</b>	
1. Government Securities	
Central Government. Securities	9551546
State Government. Securities	1226312
2. Other Approved Securities	0
3. Other Investments	
a. Shares	
aa. Equity	0
bb. Preference	0
b. Mutual Funds	0
c. Derivative Instrument	0
d. Debentures/Bonds/PTCs	0
Debentures in India	2057276
Other Debentures Foreign	40708
e. Other Securities	0
f. Subsidiaries	0
g. Investment Properties (Real Estate)	0
4. Investment In Infrastructure And Social Sector	8902370
5. Other Than Approved Investments	0
<b>Total</b>	<b>21778213</b>
<b>Grand Total</b>	<b>450092181</b>
<b>Investments</b>	
1. In India	440964426
2. Outside India	9127756

Investment in foreign associates included in equity above

Aggregate amount of Companies Investments in other than listed equity shares Book Value

Market value

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 ₹ 45115 (P.Y. ₹ 48089) are netted against interest suspense of an equal amount. Equity shares amounting to ₹ 276 (P.Y. ₹ 276) 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	100886
Housing sector bonds - Standard Provisions	90388
Infrastructure investments - Standard Provisions	141276
Investments in OAS - Standard Provisions	175
Other than approved investments (Debenture)	468882
Equity - Foreign share - diminution in value others	315
Equity - Thinly traded and unlisted equity - diminution in value	71384
Equity - Thinly traded - foreign (Hongkong)	18
Equity - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6034/12	21993
Equity subsidiary - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6039/12	1535
Investments in France Agency (Foreign & France)	
<b>Total</b>	<b>896852</b>

### Note:

Interest suspense for Debtors include in sch 12 -B8b

S.H.C.I. include in in sch 12 -B8b

Loans To State Government Housing, FFe Loans To Hudco includes in Sch - 9

0

0

676976



## Consolidated Schedules for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 9</b>	
<b>Loans</b>	
1. Security-Wise Classification	
Secured	
a. On Mortgage Of Property	
aa. In India	
Loan Against Mortgage Of Property	0
Housing, Vehicle And Computer Loans To Employees	1784248
Direct Term Loans	638123
bb. Outside India Housing, Vehicle Loan To Employees	44563
b. On Shares, Bonds, Government Securities	0
c. Others	0
Loans to Subsidiaries	0
Loans To State Government Housing, FFe Loans	676975
Unsecured (Term Loans, Bridge Loans, Short-Term Loans, Term Loans PFPS)	147520
<b>Total</b>	<b>3291429</b>
2. Borrower-Wise Classification	
a. Central And State Governments(Term Loans, Housing and FFE)	676975
b. Banks And Financial Institutions	0
c. Subsidiaries	0
d. Industrial Undertakings (Term Loans, Bridge Loans, Short-Term Loans, Loans To PFPS)	755138
e. Others - Housing Loans, Vehicle Loans, Computer Loans To Employees	1828811
Term Loans and PFPS	30505
<b>Total</b>	<b>3291429</b>
3. Performance-wise Classification	
a. Loans Classified as Standard	
aa. In India: Term Loans, Bridge Loans, State Government Housing And FFE, PFPS	785247
Housing, Vehicle And Computer Loans To Employees	1827930
bb. Outside India (Loans To Employees)	0
Loans to Subsidiaries	881
b. Non-Performing Loans less Provisions	0
aa. In India (Term Loans, Bridge Loans, Short-Term Loans, Loans PFPS)	677371
bb. Outside India	0
<b>Total</b>	<b>3291429</b>
4. Maturity-wise Classifications	
a. Short-Term (Term Loans, Direct Bridge Loans, Short-Term Loans, Term Loans PFPS)	0
b. Long-Term	
(Term Loans Direct, Loans State Government Housing and FF, and Loans PFPS)	1462618
Loans to Subsidiaries	0
Housing, Vehicle, And Computer Loans To Employees.	1828811
<b>Total</b>	<b>3291429</b>
PFPS and FITL PFPS amounting to ₹617105 (P.Y. ₹637976) 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.	
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 9</b>	
Direct term loans (Investments)	18115
Bridge loan (Investments)	400
Term loans PFPS std.provision	511
Term loans PFPS	554283
Short term loans (Investments)	85068
Housing loans to state govts. - std.provision	2595
Housing loans to state govts.	16573
FFE loans to state govts. - std.provision	35
FFE loans to state govts.	2932
<b>Total</b>	<b>680512</b>
<b>Note:</b>	
Interest suspense for Debtors include in sch 12 -B8b	5010
Loans To State Government Housing, FFe Loans To Hudco includes from Sch - 8	676976

## Consolidated Schedules for the year ended 31st March, 2016

## Schedule 10

## Fixed Assets

₹ (000)

Particulars	Gross Block				Depreciation Fund			Net Block	
	Opening Balance.	Additions	Deletions / Adjustments	* Closing Balance	Opening Balance	Additions	Deletions / Adjustment	* Closing Balance	Opening
	1/4/2015	During 2015-2016	31/3/2016	1/4/2015	During 2015-2016	31/3/2016	31/3/2016	31/3/2016	31/3/2015
Goodwill	0	0	0	0	0	0	0	0	0
Intangibles	1032975	36290	0	1069265	1031197	3758	177	1034778	2064172
Land Freehold	497836	0	2385	495451	0	0	0	495451	497836
Leasehold Property	271237	0	(11514)	282751	260889	1040	(2489)	18333	532126
Buildings	2189740	3348	(19245)	2212334	904727	27958	4289	1283937	3094467
Furnitures & Fittings	623150	100409	4151	719408	478343	25054	4904	498493	1101493
Information & Technology Equipments	2711871	341912	20791	3032992	2419158	143756	20664	2542249	5131029
Vehicles	1131441	291437	158871	1264008	567611	119593	113672	573532	1699052
Office Equipments	127954	11529	(7640)	147035	112860	7488	383	119965	240814
Other Assets	332120	38708	6609	364220	232005	15452	5268	242189	564125
Work in Progress	0	151954	0	151954	0	0	0	151954	0
Grand Total	8918324	975588	154407	9739417	6006790	344100	146868	6204022	14925114

\* Due to foreign currency fluctuation



## Schedules

### Consolidated Schedules for the year ended 31st March, 2016

Particulars		Amount ₹ (000)
<b>Schedule 11</b>		
<b>Cash and Bank Balances</b>		
1. Cash (Including Cheques, Drafts and Stamps)		2033814
2. Bank Balances		
a. Deposit Accounts		
aa. Short - Term (due within 12 Months)		9869278
bb. Others		46617367
b. Current Accounts		9854243
3. Money at Call and Short Notice		
With Banks		610449
With other Institutions		3177103
	<b>Total</b>	<b>72162254</b>
Cash and Bank Balances	<b>In India</b>	16557873
Cash and Bank Balances	<b>Outside India</b>	55604381
	<b>Total</b>	<b>72162254</b>
<i>Balances with non scheduled banks included in 2b above</i>		3066092
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 11</b>		
<i>Indian balances included in: 2b above</i>		65039
	<b>Total</b>	<b>65039</b>

## Consolidated Schedules for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 12</b>	
<b>Advances and Other Assets</b>	
<b>A. Advances</b>	
1. Reserve Deposits With Ceding Companies	257769
2. Application Money For Investments	0
3. Pre-Payments	183959
4. Advances To Directors / Officers	0
5. Advance Tax Paid And Taxes Deducted At Source (Net Of Provision For Taxation)"	5951021
6. Others	384211
<b>Total (A)</b>	<b>6776960</b>
<b>B. Other Assets</b>	
1. Income Accrued On Investments	6563384
2. Outstanding Premiums	2259267
3. Agents Balances	4486317
4. Foreign Agencies Balances	1503989
5. Due From Other Entities Carrying Insurance Business (Including Reinsurers)	53747930
6. Due From Subsidiaries/Holding Companies	0
7. Deposit With R B I (Persuant to Section 7 Of Insurance Act 1938)	0
8. Others - a. Other Accrued Income	1008639
b. Others Including Sundry Debtors & Interoffice Accounts	29124284
c. Service Tax Unutilized Credit	325886
<b>Total (B)</b>	<b>99019697</b>
<b>TOTAL(A+B)</b>	<b>105796657</b>

Sundry Debtors amounting to ₹ 5010 (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
Reinsurance balances included in B5 above	942847
Reinsurance balances included in B8 above	494
Foreign balances included in A1 above (France 911871 & 873)	0
Foreign balances included in B1 above (France 911897)	0
Foreign balances included in B3 above (Fiji, Mauritus, Bankok, Japan, Hongkong, New Zealand)	45480
Foreign balances included in B4 above (Manila & Dubai)	62620
Foreign balances included in B5 above (Mauritius, Singapore, France)	26351
Foreign balances included in B6 above (Ghana, T&T, Kualalumpur)	0
Foreign balances included in B8 above (Equitorial Bank London)	10432
Indian reinsurance balances/Miscellaneous debtors included in B5B above	200000
Indian balances included in B3 above	138334
Indian balances included in B8b above	86800
Indian miscellaneous debtors included in 12 B 4 above	0
Indian miscellaneous debtors included in B8b above (TCS)	137757
Sundry debtors(5192) investments Indian included in B8 above - Std. provision	31
Sundry debtors(5192) investments Indian included in B8 above	3851
Sundry debtors(5192) investments(F) Indian included in B8 above	949
Income accrued on investments(5131(F)) Indian included in B1 above	2
<b>Total</b>	<b>1749932</b>

Note:

Interest suspense for Debtors include in B8b above  
S.H.C.I. include in B8b above

5010  
48186



## Schedules

### Consolidated Schedules for the year ended 31st March, 2016

Particulars	Amount ₹ (000)
<b>Schedule 13</b>	
<b>Current Liabilities</b>	
1. Agents Balances	197723
2. Balances Due To Other Insurance Companies	23895112
3. Deposits Held On Reinsurance Ceded	174932
4. Premium Received In Advance	1449088
5. Un-Allocated Premium	0
6. Sundry Creditors - a. Other Than Service Tax Payable	21203420
b. Service Tax Payable	594422
7. Due To Subsidiaries / Holding Company	0
8. Claims Outstanding	164497187
9. Due To Officers/Directors	5314
10. Others	23767747
Policy Holders Fund - Excess Premium Collected	325392
Policy Holders Fund - Refund Premium Due	332102
Policy Holders Fund - Stale Cheques	750624
<b>Total</b>	<b>237193063</b>

### Schedule 14

#### Provisions

1. a. Reserve for Un-Expired Risks	80884546
b. Premium Deficiency Reserve	0
2. Provision for Taxation (Net of Payment of Taxes)	36392
3. Provision for Proposed Dividend	2500000
4. Provision for Dividend Distribution Tax	508941
5. Others - Reserve for Bad and Doubtful Debts.	3312600
Provision for Diminution in value of Thinly Traded / Unlisted Shares	95245
Provision for Wage Arrear	0
Provision for Leave Encashment	6517000
<b>Total</b>	<b>93854724</b>

### Schedule 15

#### Miscellaneous Expenditure

1. Discount Allowed in Issue of Shares and Debentures	
2. Others - Contributions to Gratuitu Fund and Gratuity Fund (Deferred Expenses to the Extent not Written Off)	4357760
<b>Total</b>	<b>4357760</b>

## Consolidated Receipts & Payments Account / Cash Flow Statement for the period from 01/04/2015 to 31/03/2016

Particulars	Amount Current Year ₹ (000)
<b>A. Cash Flows from the operating activities:</b>	
1. Premium received from policyholders, including advance receipts	20,38,22,849
2. Other receipts	2,22,164
3. Payments to the re-insurers, net of commissions and claims	(59,59,102)
4. Payments to co-insurers, net of claims recovery	(32,31,595)
5. Payments of claims	(13,65,80,948)
6. Payments of commission and brokerage	(1,51,95,389)
7. Payments of other operating expenses	(3,90,83,496)
8. Preliminary and pre-operative expenses	(4,023)
9. Deposits, advances and staff loans	2,10,151
10. Income taxes paid (Net)	(24,00,829)
11. Service tax paid	(1,76,07,942)
12. Other payments	(2,44,350)
13. Cash flows before extraordinary items	(1,60,52,512)
14. Cash flow from extraordinary operations	-
<b>Net cash flow from operating activities</b>	<b>(1,60,52,512)</b>
<b>B. Cash flows from investing activities:</b>	
1. Purchase of fixed assets	(9,74,843)
2. Proceeds from sale of fixed assets	1,95,458
3. Purchases of investments	(5,16,15,613)
4. Loans disbursed	-
5. Sales of investments	3,27,24,249
6. Repayments received	46,672
7. Rents/Interests/ Dividends received	2,50,45,875
8. Investments in money market instruments and in liquid mutual funds	-
9. Expenses related to investments	1,02,643
<b>Net cash flow from investing activities</b>	<b>55,24,441</b>
<b>C. Cash flows from financing activities:</b>	
1. Proceeds from issuance of share capital	-
2. Proceeds from borrowing	-
3. Repayments of borrowing	(47,455)
4. Interest/dividends paid	(36,08,186)
<b>Net cash flow from financing activities</b>	<b>(36,55,641)</b>
<b>D. Effect of foreign exchange rates on cash and cash equivalents, net</b>	<b>19,71,902</b>
<b>E. Net increase in cash and cash equivalents:</b>	<b>(1,22,11,809)</b>
1. Cash and cash equivalents at the beginning of the year	8,43,74,063
2. Cash and cash equivalents at the end of the year	7,21,62,254

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswari**  
Chief Financial Officer

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

**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

**Arun Jain**  
Partner  
Membership Number 141802

**Neeraj Golas**  
Partner  
Membership Number 074392

**M. K. Gupta**  
Partner  
Membership Number 073515



## Schedule 16

### Significant Accounting Policies and Notes forming part of Consolidated Financial Statements as on 31st March, 2016

#### 16 A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Principles of Consolidation:

The consolidated financial statements relate to The New India Assurance Co Ltd , the holding company and its subsidiaries ( referred to as "Group") and associates. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances and intragroup transactions to the extent possible and by following the consolidation procedures as laid down in Accounting Standard (AS) 21- Consolidated Financial Statements.
- The difference between the cost of investment in the subsidiaries , over the net assets in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.;
- The difference between the proceeds from disposal of investment in subsidiaries and carrying amount of its assets less liabilities as of the date of disposal of investment in subsidiaries is recognized in the consolidated Profit and Loss account being the profit or loss on disposal of investment in subsidiary.
- Minority interest's share of net profit/loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company. Minority interest's share of net assets is presented in consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS)- 23- Accounting for investments in associates in Consolidated Financial Statements.;
- The company accounts for its shares in change in net assets of the associates, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its shares, through its profit and loss account to the extent such change is attributable to the associates' Profit or Loss through its reserves for the balance, based on available information.
- The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.;
- As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements. Except in case of the subsidiary companies ,where the accounts are made and maintained in accordance with International Financial Reporting Standards (IFRS) as required under the local laws of the respective country,during the process of consolidation, accounting adjustments have been made to align the accounts of the subsidiary company to confirm to the accounting polices followed by the holding company however following are the material differences with the accounting policies followed by the holding company as compared to the subsidiary companies combined in the consolidated financial statements :
  - a. In accordance with IFRS,Insurance receivables are recognized when due and measured at amortized 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.

- b. Deferred Acquisition cost Commissions and other acquisition costs that are related to securing new contracts and renewing existing contracts are capitalized 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 recognized as expenses when incurred. The DAC is subsequently amortized 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.
- c. Insurance and investment contract of policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognized 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 recognized over those future periods;
- d. Reserve for unexpired risk and Premium deficiency reserve is calculated and recognized as per 1/365 or 1/24 method or as required under local laws.
- e. Provision for claims incurred but not reported (IBNR) and provision for claims incurred but not enough reported (IBNER) is accounted as per liability adequacy test carried by actuary/ management assessment of such liability.
- f. Property plant and equipment is shown at fair value on historical cost model except in case of NIA (T&T) Ltd., where fair value is based on triennial valuation by external appraisers. Depreciation on property plant and equipment is calculated and accounted for based on useful lives as assessed by the management which are different from those followed by the holding company. Investment property is recognized as per IFRS provisions.
- g. Provisions related to post -employment benefits to the staff are accounted for based on the requirements of local laws;
- h. Provision for taxation including deferred tax is accounted as per local tax laws and in accordance with the provisions of IFRS.
- i. Statutory Reserve is created in accordance with the requirements of local laws.
- The list of subsidiary companies and associates which are included in the consolidation and the company holdings are as under :

Sr. No.	Name of the company	Ownership %	Country of incorporation
	<b>Subsidiaries</b>		
01.	The New India Assurance Co. (Trinidad & Tobago) Limited	83.89	Trinidad & Tobago
02.	Prestige Assurance PLC Nigeria	69.50	Nigeria
03.	The New India Assurance Co. (Sierra Leone) Limited	100.00	Sierra Leone
	<b>Associates</b>		
04.	Indian International Insurance Pte. Ltd.	20.00	Singapore
05.	Health Insurance TPA of India Limited	23.75	India

## 2. 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.



### 3. 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.

### 4. 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 recognized 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.

#### C. 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 finalization 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 premium deficiency is recognized as per IRDA guidelines and 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 recognised as accrued income.
- C Contracts for purchase and sale of shares, bonds, debentures are accounted for as "Investments" as on date of transaction.
- D The cost of investments includes premium on acquisition, brokerage, transfer stamps, transfer charges and is net of incentive/ fee if any, received thereon.
- E Dividend income (other than interim dividend) is accounted for as income in the year of declaration. Dividend on shares/interest on debentures under objection/pending delivery is accounted for on



realisation. Interim dividend is accounted 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 recognised as income only to the extent attributable to the accounting year and balance is kept in interest received in advance account for apportionment in the relevant year.

- F Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except:
- In respect of Government Securities/Debentures/Bonds under Trading Portfolio, the profit/loss is worked out specific scrip wise.
  - In respect of Government Securities sold from Investment Portfolio, the profit/loss is worked out on first in first out basis (FIFO).
- G The Company follows the prudential norms prescribed by the Insurance Regulatory and Development Authority as regards asset classification, recognition of income and provisioning pertaining to loans/advances/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 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 recognised, 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 IRDA/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 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:
- 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 Re. 1/- per Company
  - In respect of other than actively traded equity shares: - lower of cost price or break-up value provided break-up value is positive. However, if break-up value is negative the nominal value is taken at Re.1/- per Company.
  - 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 Re.1/- per Company, preference shares are also written down to a nominal value of Re.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 Consolidated Financial Statements As On 31st March, 2016**

## 1. List of Entities consolidated and their respective share of Net Asset and Profit/Loss-

Name of the Entities	Net Worth		Share in Profit/(Loss)	
	Percentage of Net Assets	Amount In,000	Percentage of Profit/(Loss)	Amount in,000
<b>Holding Company</b>				
New India Assurance Company Limited	94.36	9,82,19,321	97.30	82,86,921
<b>Subsidiaries Companies</b>				
a. New India Assurance Company(Trinidad and Tobago) Limited	1.16	12,02,315	0.47	39,755
b. Prestige Assurance plc. – Nigeria	1.00	10,41,533	(0.96)	(82,144)
c. The New India Assurance Co. (S.L) Ltd-Free Town, Sierra Leone	0.00	1,367	0.00	(36)
Share of Minority	(0.36)	(3,70,818)	(0.22)	(18,649)
<b>Associates</b>				
a. India International	3.65	37,96,332	3.47	2,95,756
b. Health India TPA	0.19	1,95,109	(0.05)	(4,393)
	<b>100.00</b>	<b>10,40,85,159</b>	<b>100.00</b>	<b>85,17,210</b>
<b>Summary of Position</b>				
Share of Holding Company		10,37,14,341		84,98,561
Share of Minority		3,70,818		18,649
		<b>10,40,85,159</b>		<b>85,17,210</b>

- The accounts of subsidiary companies and the associate M/s India International Insurance Pte Ltd., Which are combined in the consolidated financial statements, are prepared on calendar year basis in accordance with the local requirements and these have been consolidated as such. There are no material changes during the quarter January 2016 to March 2016 requiring adjustments to the figures reported in the audited/ unaudited accounts as received.
- Since the accounts of subsidiary companies and associate as stated in Note (2) are prepared based on calendar year basis, the intra group balances have not been eliminated in full and the residual balances are retained in the respective head of accounts. The precise impact arising out of the above is presently not ascertainable.
- Pending receipt of audited accounts of M/s The New India Assurance Co. (Sierra Leone) Limited, unaudited accounts as received have been consolidated.
- The incorporated audited accounts of Branches of the parent company in Fiji, Canada(run off) and Thailand are prepared on calendar year basis as per the requirement of local laws. There are no material changes for the quarter January 2016 to March 2016. The accounts of 2 run off Agencies and one representative office at Myanmar have been incorporated on the basis of unaudited accounts. One run off branch at Paris is closed during the year.
- Land include book value ₹ 173.78 Lakhs and building include book value ₹3073.84 lakhs where registration formalities are yet to be completed / in respect of which the deeds of conveyance are yet to be executed /lease deed expired/properties not in possession of the company ₹3.42 lakhs/ properties are yet to be registered in the name of the company( ₹102.70 lakhs).

7. (a) The balance 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 an ongoing process though confirmations 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 up-to 31.03.2016 towards doubtful debts as a prudent measure.
- (b) Reinsurance acceptance transactions pertaining to the year have been booked for advices received up to 21st April 2016.
- (c) The balances of inter-office accounts included in Other Asset amounting to ₹21974.58 lakhs (Debit), is subject to reconciliations and consequential adjustments if any.
8. As certified by the Custodian, securities are held by the Company as on 31.03.2016. Variations and other differences are under reconciliation and are not expected to have a material impact on the state of affairs of the Company.
9. Certificates of Confirmation are awaited for earlier years Foreign Investments amounting to ₹ 6.07 lakhs. However ₹ 6.07 lakhs is provided for.
10. (a) Provision for standard assets @ 0.40% amounting to ₹3358.97 Lakhs has been made as per Insurance Regulatory and Development Authority guidelines on (i) Term Loan (PFPS/DTL), (ii) Debentures, (iii) Infrastructure Investments, (iv) Bonds/Debentures of HUDCO, (v) Bonds/Debentures of Institutions accredited to NHB and (vi) Govt. Guaranteed Bonds/Securities (vii) 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	Amount (₹ in Lakhs)
	Total amount of assets subjected to restructuring	1277.77
	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	1277.77
(iv)	Total amount of loss assets subjected to restructuring	Nil
	<b>Total</b>	<b>1277.77</b>

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

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
(i)	Opening Balance	13484.46
(ii)	Additions During the Year	Nil
(iii)	Reductions During the Year	1983.42
(iv)	Closing Balance	11501.04
	Percentage of Net NPAs to Net Assets	0.00%

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
(i)	Opening Balance	12248.71
(ii)	Incremental Provision During the Year	(747.67)
(iii)	Closing Balance	11501.04

11. 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 31.03.2016, they have been shown under long-term investments, as their realisability is unascertainable. However, necessary provision, wherever required, has been made.
12. (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 ₹6805.12 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) have 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 14.11.2010. Company is required to give detail of age wise analysis of unclaimed amount of the policyholders for the year ended 31st March, 2016. Accordingly the unclaimed amount of ₹ 14081.18 lakhs 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.
13. (a) Investment in term loans, loans to State Government for the purpose of Housing & Fire fighting equipments and balances on account of restructuring/rescheduling of debts are subject to confirmations and reconciliations. The impact of adjustments if any, arising out of confirmations / reconciliations of such balances on financial statements are unascertainable.
- (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 are unascertainable.

14. Prior period items have been included in the respective heads amounting to ₹765.43 lakhs (Debit) consisting of the following: -

Sr. No.	Particulars	Amount (₹ in Lakhs)	
		Debit	Credit
1	Premium	-	10.15
2	Commission	-	-
3	Claims	-	-
4	Expenses	778.72	-
5	Income	-	3.14
	<b>Total</b>	<b>778.72</b>	<b>13.29</b>

15. 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.
- Health Insurance TPA of India Ltd.

**c) Key management personnel of the Company:**

Shri G. Srinivasan	Chairman cum Managing Director
Shri V. Hari Srinivas	General Manager and Financial Advisor
Shri Sharad Ramnarayanan	Appointed Actuary
Ms S.N. Rajeswari	Chief Finance Officer
Shri K. Sanath Kumar	Director & General Manager(upto 31.07..2015)
Shri KLR Babu	Director & General Manager(upto 31.07.2015)
Shri Hemant G. Rokade	Director & General Manager w.e.f 27.01.2016
Shri P. Nayak	Director & General Manager w.e.f 27.01.2016
Shri S.R.Shreeram	Chief Investment Officer(upto 31.10.2015)
Shri Renjit Gangadharan	Chief Marketing Officer
Shri S. Shankar	Chief Risk Officer
Shri Harinath Sankaran	Chief Investment Officer w.e.f. 31.10.2015
Ms Jayashree Nair	Company Secretary & Chief Compliance Officer

**2. Transactions with related parties:**

Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (₹ in Lakhs)
i)	Subsidiaries	Management fees earned (NIA T&T)	49.20
		Premium on Reinsurance Accepted	403
		Commission on Reinsurance Accepted	(98)
		Claims Paid	(169)
		Dividend income received (NIA T&T)	289.72
		Equity Purchased (Rights) Prestige Assurance Nigeria	NIL
		Loan Installments & Interest Received Prestige Assurance Nigeria	673.35
		Dividend receivable	NIL
		Loan	NIL
ii)	Associates	Premium on Reinsurance Accepted	1566.85
		Commission on Reinsurance Accepted	(301.67)
		Claims Paid	(1219)
		Dividend income received from III Singapore	351.75
		Dividend income received from Kenindia Assurance Kenya	NIL
		Investment in shares	NIL
		Dividend receivable	NIL
		Additional Equity Infusion in Health TPA of India	(1187.50)
iii)	Key Management Personnel	Salary and allowances	221.72

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

Particulars	Current Year
Net profit attributable to shareholders (₹ in Lakhs)	85172.10
Weighted average number of equity shares issued	200000000
Basic and diluted earnings per share of ₹10/- each (₹)	42.59

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 ₹ 2609 lakhs relating to foreign taxes.
- The Income Tax Assessments of the Company have been completed up to assessment year 2013-14. 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.

- iii) Income Tax Department during F.Y. 2015-16 adjusted refunds of ₹11753.08 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 Department has made unilateral set off.

The Company is following up with the Tax Department for recomputing the Tax Refunds unilaterally set off pursuant to an order of ITAT for AY 2004-05 and the accounting of the adjustments shall be made after obtaining details from the Tax Department.

- iv) Deferred Taxes:

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

Particulars	Current Year (₹ in Lakhs)
Fixed Assets	(969.69)
Leave Encashment	22519.43
Estimated Disallowance u/s 40(a)(ia)	34.61
Gratuity	-
LTS	-
<b>Total</b>	<b>21854.35</b>

Notes:

- (1) A sum of ₹4925.91 lakhs has been credited to the Profit & Loss Account on account of increase in deferred assets during the year.
- (2) On prudence basis recognition of deferred tax asset on unabsorbed depreciation and carry forward losses has not been given effect in the books of account.
- (3) Above deferred tax asset does not include impact of deferred tax in respect of operations of foreign branches.
- (4) The company continues to recognise the deferred tax asset as hitherto, as in the opinion of the management there are sufficient evidences to establish the virtual certainty of realisation of the DTA from the future taxable profits.

#### 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)

I	Components of employer expense		Pension	Gratuity	Encashment
			C.Y.	C.Y.	C.Y.
			Funded		Unfunded
	A	Current Service Cost	8,554	2,234	1,270
	B	Interest Cost	24,924	7,698	3,853
	C	Expected Return on Plan Assets	(23,814)	(7,501)	-
	D	Curtailment Cost/(Credit)	-	-	-
	E	Settlement Cost/(Credit)	-	-	-
	F	Past Service Cost	-	-	-
	G	Actuarial Losses/(Gains)	61,867	15,644	20,919
	H	Total expense recognized in the statement of Profit and Loss Account	71,531	18,075	26,042



	Pension Gratuity and Leave Encashment expenses have been recognized in "Employee Remuneration and Welfare Benefits" under schedule 4.			
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<b>II</b>	<b>Actual Returns for the year 31.03.2016</b>	26,195	8,250	-
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<b>III</b>	<b>Net Asset/(Liability) recognized in Balance Sheet at 31.03.2016</b>			
A	Present Value of Defined Benefit Obligation	3,72,896	1,13,689	65,070
B	Fair Value of Plan Assets	3,72,896	1,13,689	65,070
C	Status (Surplus/Deficit)	-	-	-
D	Un recognized Past Service Cost	-	-	-
E	Net Asset / (Liability) recognized in Balance Sheet	-	-	65,070

<b>IV</b>	<b>Change in Defined Benefit Obligation during the year ended 31.03.2016</b>			
A	Past value of the Defined Benefit Obligation at the beginning of the period	3,14,692	96,835	48,650
B	Current Service Cost	8,554	2,234	1,270
C	Interest Cost	24,924	7,698	3,853
D	Curtailment Cost/(Credit)	-	-	-
E	Settlement Cost/(Credit)	-	-	-
F	Plan Amendments	-	-	-
G	Acquisitions	-	-	-
H	Actuarial Losses/(Gains)	64,248	16,393	20,738
I	Asset Loss / (Gain)	-	-	-
J	Benefits Paid	(39,522)	(9,471)	(9,441)
K	Present Value of Defined Benefit Obligation at the end of the period	3,72,896	1,13,689	65,070

<b>V</b>	<b>Change in the Fair Value of Assets during the year ended 31.03.2016</b>			
A	Plan Assets at the beginning of the period	3,14,692	96,835	-
B	Acquisition Adjustment	-	-	-
C	Expected return on Plan Assets	23,814	7,504	-
D	Asset (Losses)/Gains	2,381	749	-
E	Actual Company Contributions	71,531	18,072	-
F	Benefits Paid	(39,522)	(9,471)	-
G	Plan Assets at the end of the period	3,72,896	1,13,689	-

<b>VI</b>	<b>Transitional Provisions</b>			
	(Income)/Expense to be recognised	-	-	-

VII Actuarial Assumptions				
A	Discount Rate (%)	7.85%	7.99%	-
B	Expected Return on Plan Assets (%)	7.85%	7.99%	-
c	Rate of escalation in salary	3.50%	3.50%	-

VIII Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2016				
A	Government Securities	47.37%	50.37%	-
B	High Quality Corporate Bonds	41.95%	38.74%	-
C	Others	10.68%	10.90%	-

IX	<b>Basis used to determine the expected rate of return on plan assets</b>	The expected rate of return on plan assets is based on the current portfolio of the assets, investment strategy and the market scenario, in order to protect capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.
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16. (a) The pay revision of the officers and employees has been carried out by the Public Sector General Insurance Companies in the year 2015-16 consequent upon the Gazette Notification dated 23.01.2016 issued by the Ministry of Finance. As a result the additional liability of Pension and gratuity on account of pay revision has been arrived at ₹ 50247.00 lakhs and ₹13047.00 lakhs respectively as per the actuarial valuation carried out.

In terms of requirement of the Accounting Standard (AS-15) Employee Benefits, the entire additional liability of ₹ 50247.00 lakhs for pension and ₹13047.00 lakhs for gratuity is required to be charged to the Profit & Loss Account. However vide circular communications ref IRDA/F&A/CIR/ACTS/077/04/2016 dated 18/04/2016 and IRDA/F&A/LR/001/2016/6 dated 19.04.2016, IRDA has permitted the amortisation of expenditure relating to additional liability towards gratuity and pension over a period of three years. Accordingly the company has recognised the additional liability and an amount of ₹ 16749.00 lakhs for pension and ₹4349.00 lakhs for gratuity is charged to the revenue in the current year and balance amount remaining to be amortised in next two years is ₹33498.00 lakhs and ₹8698.00 lakhs for pension and gratuity respectively.

The Pension Scheme 1995 has been extended to PSU officers and staff members who joined until 31.03.2010. By virtue of the Gazette Notification no. 233(E), 234(E) and 235(E) dated 23.01.2016. The incremental liability towards pension arising out of the above extension has been arrived at ₹1727.00 lakhs based on actuarial valuation.

In terms of requirement of the Accounting Standard (AS-15) Employee Benefits, the entire amount of ₹1727.00 lakhs for pension is required to be charged to the Profit & Loss Account. However IRDA vide Circular ref IRDA/F&A/CIR/ACTS/077/04/2016 dated 18.04.2016 has permitted the amortisation of expenditure relating to the additional liability over a period of five years and accordingly an amount of ₹345.40 lakhs is charged to the revenue in the current year and balance amount remaining to be amortised in next four years is ₹1381.60 lakhs for pension.

- (b) The company has during the year paid the arrears of wage arising out of the pay revision w.e.f 01/08/2012 as per the notification dated 23/01/2016.

17. 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 ₹27.93 Lakhs has been considered as income received in advance and shown in Schedule – 13 Current Liabilities under the head "Others".



18. The management is currently in the process of identifying enterprises which have been providing 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 2016 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.
19. "Foreign Exchange Reserve Account has increased by ₹18959.69 Lakhs (Credit) due to appreciation of foreign currency under the following heads consisting of the following."

Sr	Particulars	(₹ in Lakhs)	
		Debit Amount	Credit Amount
1	Head Office Account	-	18959.69
2	Outstanding claims	-	-
3	Fixed assets	-	-
	<b>Total</b>	-	<b>18959.69</b>

## 20. Penalty

As 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(a)	Insurance Regulatory and Development Authority / TAC	Non-compliance of IRDAI(Health Insurance) Regulations,2013	5.00	5.00	-
1(b)		Violation of IRDA guidelines	15.00	15.00	-
1(c)					
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, 1956	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	Refer Note Below	Nil	Nil	Nil
10	Any other Central/State/ Local Government / Statutory Authority	Nil	Nil	Nil	Nil

**Note:** The Company has received an order from Competition Commission of India imposing a penalty of ₹ 251.07 Crores which is being contested by the Company. In the opinion of the management and as per the legal advice received, the company is hopeful of favourable decision in the matter and as such no provision has been considered necessary. However, in this regard company has deposited an amount of ₹25.11 Crores to the Appellate Authority to contest appeal against the order.

21. 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 ₹9586.77 lakhs in respect of obligation under operating lease are charged to Revenue Account.
22. The Company has created Equalization Reserve in respect of London Branch as required by the UK Regulations. This reserve is not available for distribution as Dividend. During the year, the reserve has been increased by 2.6 million GBP and the closing reserve as at the year end stood at ₹ 12034.51 lakhs (GBP12.6 million). Further, in accordance with Oman Insurance Company Law, company has created contingency reserve for claims for Muscat agency for 5 million omani Riyal. During the year the same has been revalued at ₹ 8574.94 Lakhs due to currency fluctuation.
23. IRDA vide there Circular no. IRDA/NL/MTP/DRP/2013-15/01/2016 dated 10.02.2016 advised the provisional ULR of motor declined risk pool for the FY 2015-16 @184%. The provision of the same has been made in the IBNR calculation as provided by the actuary.
24. During the year, the Company has reviewed its fixed assets for impairment. In the opinion of the management no provision for impairment loss is considered necessary. However Impairment assessment as required by AS-28 would be done in due course.
25. The company is in the process of updating the fixed asset register with reference to full particulars, quantitative details and location thereof. The reconciliation of fixed asset register with financial records is stated to be in progress. Further, physical verification of fixed assets in respect of some locations is also stated to be in progress.
26. (a) The Company has reviewed/changed the useful life and depreciation method of its fixed assets during the previous financial year consequent to enactment of the Companies Act, 2013. The depreciation accounted is being reconciled with related records, to be in accordance with the Accounting Policy followed. In the opinion of Management, impact of the same is not considered to be material.
- (b) The data related to fixed asset register has since been migrated to the company's accounting software. The amounts migrated in the Fixed asset module are being reconciled with the financial ledgers of the company at respective locations along with the written down value of the migrated assets.
- (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.



27. (a) The accounts relating to foreign Branches and foreign agency offices incorporated in the financial statements, audited by the local auditors appointed by the company, have been maintained in accordance with the accounting principles generally accepted in the respective locations/countries. For the purpose of consolidation and preparation of financial statements, adjustments relating to certain items like creation of unexpired risk reserve, provisioning for IBNR and IBNER and investments are carried out in accordance with the accounting policies followed by the company, as per consistent practice followed in this regard. However accounting for depreciation, deferred tax, investment property etc. and other accounting conventions specific to the local requirements are incorporated as such. The audit reports received in case of these 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 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 and the audit reports to be in compliance with the Standards on Auditing issued by ICAI and the provisions of Companies Act 2013 and IRDA regulations 2002, will be carried out in due course. The precise financial impact of the same has not been ascertained.
- (b) The company at its Curacao branch has a receivable from the agent amounting to ANG 5875927 equivalent to ₹2174.75 lakhs as at 31/03/2016 out of which an amount equivalent to ANG 5030268 equivalent to ₹1861.76 lakhs is due for more than the allowable limitation of 90 days. The company has been taking efforts to recover the amount from the agent and is hopeful of recovery and as such no provision in this respect has been considered necessary.
28. As per the Accounting Policy followed, the reserve for unexpired risk is calculated as per the Insurance Act, 1938 at 100% of the marine hull business and 50% of the net premium in case of fire, miscellaneous and marine cargo business, pending the implementation of necessary systems to ensure precise computation of the reserve for unexpired risk based on 1/365 method.
29. In accordance with the provisions of the Companies Act, 2013, the Company has approved an expenditure of ₹3150 lakhs for the financial year 2015-16 towards Corporate Social Responsibility. Out of the above an amount of ₹1010 lakhs has been incurred during the year. Though the total sanction for various CSR Projects for the year 2015-16 was ₹2954 lakhs, the balance could not be spent as various projects are in the completion stage.
30. 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 ₹3276.84 lakhs has been provided for towards claims intimated before 31.03.2016 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.
31. Unexpired premium reserve at revenue segment level is found to be sufficient to cover the expected claim cost as certified by the appointed actuary and the claims related expenses as estimated by the management. Hence no premium deficiency reserve is required to be provided during the year.
32. As per Accounting Standard -21, Consolidated Financial Statement; on the first occasion that consolidated financial statements are presented, comparative figures for the previous period need not be presented and as such figures related to previous year are not presented.
33. Previous year figures have been regrouped/ rearranged, wherever necessary.

## 16 C. Disclosures Forming Part of Consolidated Financial Statements

		(₹ in Lakhs)
Sr. No	Particulars	Current Year
Disclosures made in respect of Contingent liabilities includes those of subsidiaries. Other disclosures forming part of accounts are in respect of Holding Company as there are no other significant items to be disclosed in respect of subsidiaries and disclosures in terms of IRDAI guidelines are not applicable to subsidiaries incorporated outside India.		
1	The details of contingent liabilities are as under:	
(a)	Partly-paid up investments	283.22
(b)	Underwriting commitments outstanding	-
(c)	Claims, other than those under policies, not acknowledged as debts	2,413.08
(d)	Guarantees given by or on behalf of the Company	88.62
(e)	Statutory demands/liabilities in dispute not provided for	2,39,294.66
(f)	Reinsurance obligations to the extent not provided for in accounts	-
(g)	Others (matters under litigation) to the extent ascertainable	26,240.53
(h)	Tax and other liabilities Venture Fund	1,540.41
2	The details of encumbrances to the assets of the Company are as under:	
(a)	In India	3,744.13
(b)	Outside India	221.76
3	Commitment made and outstanding for Loans Investments and Fixed Assets	51.52
4	Claims, less reinsurance, paid to claimants:	
(a)	In India	10,04,556.91
(b)	Outside India	180,341.26
5	Claim liabilities where claim payment period exceeds four years.	-
6	Amount of claims outstanding for more than six months (Gross Indian)	6,47,149.85
	No. of Claims	147,006.00
	Amount of claims outstanding for less than six months (Gross Indian)	3,68,017.59
	No. of Claims	152,222.00
	Total amount of claims outstanding (Gross Indian)	10,15,167.44
	Total No. of claims outstanding	299,228.00
7	Premiums, less reinsurances, written from business	
(a)	In India	12,90,998.76
(b)	Outside India	3,00,192.22
8	The details of contracts in relation to investments, for	
	Purchases where deliveries are pending	-
	Sales where payments are overdue	-
	Sales where deliveries are pending	481.86
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	-



## Disclosures

(₹ in Lakhs)		
Sr. No	Particulars	Current Year
10	Investments made in accordance with statutory requirements are as under:	
(a)	In India- Under Sec.7 of Insurance Act 1938	-
(b)	Outside India- Statutory Deposits under local laws	55,357.38
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	8,39,742.61
	Non Performing Investments	11,501.04
	Total Book Value (Closing Value)	8,51,243.65

- 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 ₹ 480942.42 lakhs (Previous year ₹ 402,462.13 Lakhs) and ₹ 1,701.95 Lakhs (Previous year ₹1280.65 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 2015-16, 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, 2016. 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	246614.57	16.28	4639139	185975.21	14.08	3399946
Social	53717.80	3.55	74161700	44680.64	3.38	50417387
Others	1214618.51	80.18		1090283.65	82.54	
Total	1514950.88	100.00		1320939.50	100.00	



## 21 Performance Ratios

### i) Gross Premium Growth Rates :

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	169183.62	85768.37	254951.99	164489.27	81861.17	246350.44	2.85	4.77	3.49	16.51	12.85	15.27
Marine Cargo	33490.88	4577.26	38068.15	32883.77	5192.64	38076.40	1.85	-11.85	-0.02	2.69	(16.67)	(0.46)
Marine Hull	28262.43	1147.74	29410.17	33644.02	5382.89	39026.91	-16.00	-78.68	-24.64	-14.01	(6.42)	(13.03)
<b>Marine Total</b>	<b>61753.31</b>	<b>5725.00</b>	<b>67478.31</b>	<b>66527.78</b>	<b>10575.53</b>	<b>77103.31</b>	<b>-7.18</b>	<b>-45.87</b>	<b>-12.48</b>	<b>-6.49</b>	<b>(11.75)</b>	<b>(7.25)</b>
Motor	617728.51	125171.09	742899.60	536600.52	90058.47	626658.99	15.12	38.99	18.55	16.54	(2.95)	13.27
Personal Accident	21078.34	1837.15	22915.49	18560.00	1972.41	20532.41	13.57	-6.86	11.61	9.85	48.15	12.64
Aviation	11455.99	0.00	11455.99	10434.08	0.00	10434.08	9.79	0.00	9.79	11.50	(100.00)	11.51
Engineering	49409.80	8710.66	58120.46	41774.94	9866.50	51641.45	18.28	-11.71	12.55	0.74	(4.11)	(0.22)
Health	484785.31	11347.86	496133.16	394179.21	7583.60	401762.81	22.99	49.64	23.49	18.88	125.57	19.95
Liability*	29780.24	14873.80	44654.04	26439.94	15086.28	41526.22	12.63	-1.41	7.53	5.38	11.31	7.46
Others	69775.75	7946.20	77721.94	61933.75	10092.48	72026.23	12.66	-21.27	7.91	8.98	(21.78)	3.29
<b>Misc sub Total</b>	<b>1284013.94</b>	<b>169886.76</b>	<b>1453900.70</b>	<b>1089922.44</b>	<b>134659.75</b>	<b>1224582.20</b>	<b>17.81</b>	<b>26.16</b>	<b>18.73</b>	<b>15.74</b>	<b>0.32</b>	<b>13.82</b>
<b>Grand Total</b>	<b>1514950.88</b>	<b>261380.13</b>	<b>1776331.01</b>	<b>1320939.50</b>	<b>227096.45</b>	<b>1548035.95</b>	<b>14.69</b>	<b>15.10</b>	<b>14.75</b>	<b>14.47</b>	<b>3.81</b>	<b>12.77</b>

\*Liability includes Workmens' compensation

### ii) Gross Direct Premium to Net Worth Ratio:

Particulars	(₹ in Lakhs)		
	Current Year	Previous Year	
a. Gross Direct Premium	1776331.01	1548035.95	
b. Net Worth	982193.21	972223.14	
<b>Gross Direct Premium to Net Worth Ratio (Times) (a/b)</b>	<b>1.81</b>	<b>1.59</b>	

### iii) Growth Rate of Net Worth:

Particulars	(₹ in Lakhs)		
	Current Year	Previous Year	
a. Gross Direct Premium	1776331.01	1548035.95	
b. Net Worth	982193.21	972223.14	
<b>Gross Direct Premium to Net Worth Ratio (Times) (a/b)</b>	<b>1.81</b>	<b>1.59</b>	

(₹ in Lakhs)

(₹ in Lakhs)



## 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	177757.43	86842.87	48.85	174341.41	88635.17	50.84
Marine Cargo	33676.73	25054.00	74.40	33154.83	26131.06	78.82
Marine Hull	29849.21	8426.36	28.23	34633.09	9095.00	26.26
<b>Marine Total</b>	<b>63525.94</b>	<b>33480.36</b>	<b>52.70</b>	<b>67787.92</b>	<b>35226.06</b>	<b>51.97</b>
Motor	629890.31	585527.08	92.96	555303.69	513783.89	92.52
Personal Accident	21462.30	19328.14	90.06	19208.59	18088.69	94.17
Aviation	11797.74	288.91	2.45	10630.27	-1766.45	(16.62)
Engineering	53405.00	26002.28	48.69	45556.39	25030.02	54.94
Health	484785.31	455155.29	93.89	394179.21	374267.21	94.95
Liability*	29920.40	24239.11	81.01	26635.97	22506.84	84.50
Others	76542.87	60134.73	78.56	70549.18	55342.80	78.45
<b>Misc sub Total</b>	<b>1307803.93</b>	<b>1170675.54</b>	<b>89.51</b>	<b>1122063.31</b>	<b>1007253.00</b>	<b>89.77</b>
<b>Grand Total</b>	<b>1549087.30</b>	<b>1290998.76</b>	<b>83.34</b>	<b>1364192.64</b>	<b>1131114.23</b>	<b>82.91</b>

\*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	159881.08	126976.37	79.42	146830.73	112196.98	76.41
Marine Cargo	5294.99	5080.91	95.96	5716.14	5572.82	97.49
Marine Hull	3774.81	2827.63	74.91	11336.00	7285.44	64.27
<b>Marine Total</b>	<b>9069.80</b>	<b>7908.53</b>	<b>87.20</b>	<b>17052.14</b>	<b>12858.26</b>	<b>75.41</b>
Motor	126694.32	114091.49	90.05	92381.35	86596.04	93.74
Personal Accident	2243.05	2136.00	95.23	2271.81	2173.44	95.67
Aviation	7143.89	7075.93	99.05	6755.20	6755.20	100.00
Engineering	11264.90	7732.62	68.64	12292.32	9476.84	77.10
Health	11347.86	11347.86	100.00	7592.53	7592.53	100.00
Liability*	14998.64	14399.84	96.01	15372.22	14600.54	94.98
Others	9508.55	8523.58	89.64	11833.97	10516.38	88.87
<b>Misc sub Total</b>	<b>183201.21</b>	<b>165307.31</b>	<b>90.23</b>	<b>148499.42</b>	<b>137710.97</b>	<b>92.74</b>
<b>Grand Total</b>	<b>352152.09</b>	<b>300192.22</b>	<b>85.25</b>	<b>312382.29</b>	<b>262766.20</b>	<b>84.12</b>

## 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	337638.51	213819.24	63.33	321172.14	200832.15	62.53
Marine Cargo	38971.72	30134.90	77.33	38870.97	31703.88	81.56
Marine Hull	33624.03	11253.99	33.47	45969.09	16380.43	35.63
<b>Marine Total</b>	<b>72595.74</b>	<b>41388.89</b>	<b>57.01</b>	<b>84840.06</b>	<b>48084.31</b>	<b>56.68</b>
Motor	756584.64	699618.56	92.47	647685.04	600379.93	92.70
Personal Accident	23705.35	21464.14	90.55	21480.40	20262.13	94.33
Aviation	18941.63	7364.83	38.88	17385.48	4988.76	28.69
Engineering	64669.90	33734.91	52.16	57848.71	34506.85	59.65
Health	496133.16	466503.15	94.03	401771.74	381859.74	95.04
Liability*	44919.04	38638.95	86.02	42008.20	37107.38	88.33
Others	86051.42	68658.31	79.79	82383.15	65859.18	79.94
<b>Misc sub Total</b>	<b>1491005.14</b>	<b>1335982.86</b>	<b>89.60</b>	<b>1270562.73</b>	<b>1144963.97</b>	<b>90.11</b>
<b>Grand Total</b>	<b>1901239.39</b>	<b>1591190.98</b>	<b>83.69</b>	<b>1676574.93</b>	<b>1393880.44</b>	<b>83.14</b>

\*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	-1630.41	39786.01	38155.60	5440.70	348s73.98	40314.68	-1.88	31.33	17.84	6.14	31.08	20.07
Marine Cargo	3507.67	1281.03	4788.70	3483.63	1510.28	4993.91	14.00	25.21	15.89	13.33	27.10	15.75
Marine Hull	-416.40	427.96	11.55	-1839.76	1104.32	-735.44	-4.94	15.13	0.10	-20.23	15.16	(4.49)
<b>Marine Total</b>	<b>3091.27</b>	<b>1708.99</b>	<b>4800.25</b>	<b>1643.87</b>	<b>2614.60</b>	<b>4258.47</b>	<b>9.23</b>	<b>21.61</b>	<b>11.60</b>	<b>4.67</b>	<b>20.33</b>	<b>8.86</b>
Motor	18616.81	25983.10	44599.91	16958.42	19880.04	36838.47	3.18	22.77	6.37	3.30	22.96	6.14
Personal Accident	2222.47	655.60	2878.06	1970.26	618.89	2589.16	11.50	30.69	13.41	10.89	28.48	12.78
Aviation	-379.70	715.00	335.30	-353.59	652.77	299.18	-131.43	10.10	4.55	20.02	9.66	6.00
Engineering	-732.70	2209.92	1477.21	-1059.17	2350.16	1290.99	-2.82	28.58	4.38	-4.23	24.80	3.74
Health	29112.52	2811.70	31924.22	25560.10	1859.68	27419.77	6.40	24.78	6.84	6.83	24.49	7.18
Liability*	2740.83	3640.45	6381.28	2516.19	3535.01	6051.19	11.31	25.28	16.52	11.18	24.21	16.31
Others	7831.28	1991.45	9822.72	6855.79	2469.38	9325.17	13.02	23.36	14.31	12.39	23.48	14.16
<b>Misc sub Total</b>	<b>59411.49</b>	<b>38007.21</b>	<b>97418.71</b>	<b>52447.99</b>	<b>31365.94</b>	<b>83813.94</b>	<b>5.07</b>	<b>22.99</b>	<b>7.29</b>	<b>5.21</b>	<b>22.78</b>	<b>7.32</b>
<b>Grand Total</b>	<b>60872.35</b>	<b>79502.21</b>	<b>140374.56</b>	<b>59532.56</b>	<b>68854.52</b>	<b>128387.08</b>	<b>4.72</b>	<b>26.48</b>	<b>8.82</b>	<b>5.26</b>	<b>26.20</b>	<b>9.21</b>

\*Liability includes Workmens' compensation

## vi) Expense of Management to Gross Direct Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Gross Direct Premium	1776331.01	1548035.95
b. Expense of Management	351580.00	306060.01
c. Direct Commissions	151106.68	134188.96
<b>Expense of Management to Gross Direct Premium Ratio (%) ((b+c)/a)</b>	<b>28.30</b>	<b>28.44</b>



## Disclosures

### vii) Expense of Management to Net Written Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Written Premium	1591190.98	1393880.44
b. Expense of Management	351580.00	306060.01
c. Direct Commissions	151106.68	134188.96
<b>Expense of Management to Net Written Premium Ratio (%) ((b+c)/a)</b>	<b>31.59</b>	<b>31.58</b>

### viii) Net Incurred Claims to Net Earned Premium:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Earned Premium	1495982.60	1331529.12
b. Net Incurred Claims	1314118.64	1118803.56
<b>Net Incurred Claims to Net Earned Premium Ratio (%) (b/a)</b>	<b>87.84</b>	<b>84.02</b>

### ix) Combined Ratio:

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	Indian	Foreign	Global	Indian	Foreign	Global
a. Net Earned Premium	1242164.82	253817.78	1495982.60	1071248.69	260280.45	13,31,529.14
b. Net Incurred Claims	1120208.22	193910.41	1314118.64	988702.08	130101.48	11,18,803.56
c. Net Written Premium	1290998.76	300192.22	1591190.98	1131114.23	262766.20	13,93,880.43
d. Expense of Management	334447.00	17133.00	351580.00	291236.46	14823.55	3,06,060.01
e. Net Commission	60872.35	79502.21	140374.56	59532.56	68854.55	1,28,387.11
<b>Combined Ratio (%) (b/a + (d+e)/c)</b>	<b>120.80</b>	<b>108.59</b>	<b>118.76</b>	<b>123.31</b>	<b>81.83</b>	<b>115.19</b>

### x) Technical Reserves to Net Premium Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Written Premium	1591190.98	1393880.44
b. Reserves for Unexpired Risks	801222.50	706014.12
c. Premium Deficiency Reserves	0.00	0.00
d. Reserves for Outstanding Claims (Including INBR & IBNER)	1632605.88	1498845.64
<b>e. Total Technical Reserves (b+c+d)</b>	<b>2433828.38</b>	<b>2204859.76</b>
<b>Technical Reserves to Net Premium Ratio (Times) (e/a)</b>	<b>1.53</b>	<b>1.58</b>

### 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)
<b>Fire</b>	<b>207325.70</b>	<b>-41085.22</b>	<b>-0.20</b>	<b>188732.80</b>	<b>-55174.45</b>	<b>(0.29)</b>
Marine Cargo	30919.39	1210.95	0.04	48386.18	18216.11	0.38
Marine Hull	16380.43	3880.66	0.24	12717.87	-5298.32	(0.42)
<b>Marine Total</b>	<b>47299.82</b>	<b>5091.61</b>	<b>0.11</b>	<b>61104.05</b>	<b>12917.79</b>	<b>0.21</b>
Motor	649999.69	-67282.30	-0.10	569218.69	-83513.11	(0.15)
Personal Accident	20863.14	-2877.36	-0.14	18883.53	825.72	0.04
Aviation	7060.02	-4416.90	-0.63	5882.84	-4942.57	(0.84)
Engineering	34120.88	-4358.53	-0.13	35353.42	10690.05	0.30
Health	424181.45	-194103.33	-0.46	349901.57	-104585.85	(0.30)
Liability*	37873.16	8045.90	0.21	36000.03	6297.10	0.17
Others	67258.75	-9103.85	-0.14	66452.20	-4236.22	(0.06)
<b>Misc sub Total</b>	<b>1241357.08</b>	<b>-274096.37</b>	<b>-0.22</b>	<b>1081692.28</b>	<b>-179464.87</b>	<b>(0.17)</b>
<b>Grand Total</b>	<b>1495982.60</b>	<b>-310089.97</b>	<b>-0.21</b>	<b>1331529.13</b>	<b>-221721.53</b>	<b>(0.17)</b>

## xii) Operating Profit Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Earned Premium	1495982.60	1331529.12
b. Underwriting Profit	-310089.97	-221721.53
c. Investment Income - Policy Holders	266582.00	258948.65
d. Operating Profit (b+c)	-43507.97	37227.12
<b>Operating Profit Ratio (%) (d/a)</b>	<b>-2.91</b>	<b>2.80</b>

## xiii) Liquid Assets to Liabilities Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Short Term Investments	217375.05	172518.03
b. Short Term Loans	0.00	0.00
c. Cash & Bank Balances	708274.41	825022.99
<b>d. Total Liquid Assets (a+b+c)</b>	<b>925649.46</b>	<b>997541.02</b>
e. Policy Holders Liabilities	2433828.38	2204859.76
<b>Liquid Assets to Liabilities Ratio (Times) (d/e)</b>	<b>0.38</b>	<b>0.45</b>

## xiv) Net Earnings Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Premium	1591190.98	1393880.44
b. Profit After Tax	82869.21	143122.45
<b>Net Earnings Ratio (%) (b/a)</b>	<b>5.21</b>	<b>10.27</b>

## xv) Return on Net Worth Ratio:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Net Worth	982193.21	972223.14
b. Profit After Tax	82869.21	143122.45
<b>Return on Net Worth Ratio (%) (b/a)</b>	<b>8.44</b>	<b>14.72</b>

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

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Available Solvency Margin (ASM)	917778.92	844767.78
b. Required Solvency Margin (RSM)	398661.91	346853.74
<b>ASM to RSM Ratio (Times) (a/b)</b>	<b>2.30</b>	<b>2.44</b>

## xvii) NPA Ratio

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Total Investment Assets	2618055.85	2481311.81
b. Gross NPA	11501.04	13484.46
c. Net NPA	0.00	1235.75
Gross NPA Ratio (%)	0.44	0.54
<b>Net NPA Ratio (%)</b>	<b>0.00</b>	<b>0.05</b>



## 22 Summary of Financial Statements

No	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
1	Gross Direct Premium	1776331.01	1548035.95	13,72,760.87	1187348.80	10,07,387.82
2	Net Earned Premium #	1495982.60	1331529.12	11,19,687.46	945063.91	7,87,458.72
3	Income from Investments(Net)@	266582.00	258948.65	2,13,926.78	186008.87	1,50,670.25
4	Other income (Prem Deficiency)	0.00	0.00	3,519.41	0.00	-
5	Total Income	1762564.60	1590477.77	13,37,133.65	1131072.78	9,38,128.97
6	Commissions (net incl Brokerage)	140374.56	128387.08	1,17,260.59	84316.79	89,749.84
7	Operating Expenses	351579.38	306060.01	2,63,034.94	237409.00	2,06,580.84
8	Net Incurred Claims	1314118.64	1118803.56	9,38,095.49	814307.00	7,08,752.87
9	Change in Unexpired Risk Reserves	95208.38	62351.30	88,174.09	82352.71	89,662.10
10	<b>Operating Profit/Loss</b>	<b>-43507.97</b>	<b>37227.12</b>	<b>18,742.63</b>	<b>2524.11</b>	<b>(77,958.58)</b>
	<b>Non Operating Result</b>					
11	Total Income under Shareholders' A/c	134063.07	140402.67	110699.00	98598.00	93,575.17
12	Profit/(Loss) Before Tax	90555.10	177629.79	129442.41	101122.11	15,616.59
13	Provision for Tax	7686.61	34507.34	20544.00	16756.00	(2,315.15)
14	Net Profit/(Loss) after Tax	82868.49	143122.45	108898.41	84366.11	17,931.74
	Miscellaneous					
15	Policy Holders' Account :					
	Total Funds	2433828.38	2204859.76	2040960.26	1730647.29	15,44,733.36
	Total Investments	*	*	*	*	*
	Yield on Investments	*	*	*	*	*
16	Shareholders' Account :					
	Total Funds	982193.21	972223.14	862129.70	773736.33	7,05,761.34
	Total Investments	2618055.85	2481311.81	2101120.92	1788255.00	15,76,929.00
	Yield on Investments	14.61	15.68	15.17	14.46	14.68
17	Paid up Equity Capital	20000.00	20000.00	20000.00	20000.00	20,000.00
18	Net Worth	982193.21	972223.14	862129.70	773736.33	7,05,761.34
19	Total Assets	6288006.57	6171962.53	5309531.00	4537552.41	42,16,274.37
20	Yield on Total Investments( %)	14.61	15.68	15.17	14.46	14.68
21	Earning per Share (₹)	41.43	71.56	54.45	4.22	0.90
22	Book value per Share(₹)	491.10	486.11	431.06	386.87	352.88
23	Total Dividend	25000.00	30000.00	22000.00	17000.00	4,000.00
24	Dividend per Share (₹)	12.50	15.00	11.00	8.50	2.00

# 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 31.03.2016 (Gross Indian excluding provision for IBNR and IBNER)

Segment	Less than 90 Days		90 Days to 6 Months		6 Months to 1 Year		1 Year to 2 Years	
	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)
Fire	620	51407.57	1574	63854.70	294	15218.51	361	52,557.18
Marine Cargo	1103	4460.42	682	6303.48	121	2600.73	206	9,523.69
Marine Hull	30	1307.14	50	2220.87	9	2538.40	51	9,481.49
Motor OD	46887	23352.20	9360	10645.53	1436	2089.57	847	1,785.23
Motor TP	12047	44950.62	16927	62519.15	6471	25658.07	23,864	95,238.40
Health	52533	35529.65	1362	3789.47	132	184.56	315	303.42
Liability	456	2497.22	401	1852.59	103	526.93	312	2,173.10
Personal Accident	1337	1969.80	417	1287.83	60	152.45	82	240.75
Aviation	13	157.96	25	838.72	4	236.52	14	680.67
Engineering	814	6027.98	659	13357.90	157	3842.39	147	8,090.03
Other Miscellaneous	2807	12937.10	2118	16749.70	441	2790.80	518	7,179.25
<b>Total</b>	<b>118647</b>	<b>184597.67</b>	<b>33575</b>	<b>183419.92</b>	<b>9228</b>	<b>55838.92</b>	<b>26,717</b>	<b>1,87,253.22</b>

Segment	2Years to 3 Years		3 Years to 5 Years		5 Years and above		Total	
	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)	No	Amount (₹ in lakhs)
Fire	152	12364.06	265	7541.98	496	46239.34	3,762	2,49,183.34
Marine Cargo	62	1481.21	130	2914.66	196	2739.29	2,500	30,023.48
Marine Hull	26	908.46	41	3191.10	62	4135.67	269	23,783.12
Motor OD	371	628.58	666	958.48	887	1429.49	60,454	40,889.07
Motor TP	15674	60226.30	25916	83094.15	61112	139748.62	1,62,011	5,11,435.32
Health	195	136.12	279	240.96	227	226.51	55,043	40,410.69
Liability	209	2110.50	434	3517.24	524	2220.96	2,439	14,898.55
Personal Accident	34	58.23	45	92.46	87	213.36	2,062	4,014.87
Aviation	6	1862.39	6	3040.19	8	1849.42	76	8,665.88
Engineering	61	8927.47	38	1164.51	48	512.66	1,924	41,922.96
Other Miscellaneous	402	1974.27	694	5089.81	1708	3219.25	8,688	49,940.17
<b>Total</b>	<b>17192</b>	<b>90677.59</b>	<b>28514</b>	<b>110845.53</b>	<b>65355</b>	<b>202534.58</b>	<b>2,99,228</b>	<b>10,15,167.44</b>



## Disclosures

- 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 UPR at a revenue segment level was found to be sufficient to cover the expected claims cost as certified by the Appointed Actuary and the claim related expenses as estimated by the management . Hence no premium deficiency reserve is required to be provided.

**Jayashree Nair**  
Company Secretary

**P. Nayak**  
Director  
DIN No.06670875

**Hemant G. Rokade**  
Director  
DIN No.06417520

**S. N. Rajeswari**  
Chief Financial Officer

**G. Srinivasan**  
Chairman-Cum-Managing Director  
DIN No.01876234

### As per our report of even date

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

**Arun Jain**  
Partner  
Membership Number 141802  
  
Mumbai  
April 30, 2016

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

**Neeraj Golas**  
Partner  
Membership Number 074392

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

**M. K. Gupta**  
Partner  
Membership Number 073515

## SUMMARY OF OFFICES ( AS ON 31.03.2016)

Sr.No.	REGIONAL OFFICE	CODE NO.	DO	BO	DAB	MICRO OFFICES	TOTAL
1	MUMBAI - I	110000	12	0	0	6	18
2	MUMBAI - II	140000	14	5	2	14	35
3	MUMBAI - III	120000	10	2	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	61	116
7	NAGPUR	160000	12	17	1	64	94
8	AHMEDABAD	210000	18	12	0	51	81
9	BARODA	220000	10	6	0	17	33
10	SURAT	230000	9	5	1	22	37
11	DELHI - I	310000	18	14	1	8	41
12	DELHI - II	320000	14	19	2	36	71
13	JAIPUR	330000	15	17	1	59	92
14	DEHRADUN	340000	12	24	0	54	90
15	CHANDIGARH	350000	20	34	1	54	109
16	LUDHIANA	360000	17	30	2	51	100
17	KANPUR	420000	17	37	1	77	132
18	BHOPAL	450000	17	22	1	78	118
19	RAIPUR	460000	8	6	0	32	46
20	KOLKATA	510000	20	28	1	50	99
21	GUWAHATI	530000	11	20	0	41	72
22	PATNA	540000	10	29	1	43	83
23	BHUBANESHWAR	550000	10	23	1	40	74
24	HYDERABAD	610000	21	20	2	54	97
25	VISHAKHAPATNAM	620000	15	20	1	39	75
26	BENGALURU	670000	15	22	0	23	60
27	HUBLI	680000	8	17	0	12	37
28	CHENNAI	710000	25	20	4	61	110
29	COIMBATORE	720000	14	15	1	47	77
30	MADURAI	730000	15	17	0	66	98
31	ERNAKULAM	760000	19	61	1	54	135
	<b>TOTAL</b>		<b>447</b>	<b>578</b>	<b>27</b>	<b>1239</b>	<b>2291</b>

HO	ROs	Auto Hub	LCBOs	DOs	BOs	DABs	MOs	Total
1	31	1	6	447	578	27	1239	2329



## FOREIGN BRANCHES & AGENCIES, ASSOCIATE & SUBSIDIARY COMPANIES

"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. New India has presence in 28 countries.

### A. FOREIGN BRANCHES

	Country	Branches	Year of commencement of operations.
1.	Japan (Seven)	1. Tokyo	1950
		2. Nagoya	1964
		3. Hiroshima	1973
		4. Okayama	1980
		5. Sapporo	1978
		6. Osaka	1962
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 BRANCHES

	Country	Agencies	Year of commencement of operations
1.	Abu Dhabi	1. Abu-Dhabi	1973
2.	Dubai	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		Year of commencement of operations
1.	<b>Nigeria</b>	1. Lagos 2. Kano 3. Port Harcourt	1970
2.	<b>Trinidad &amp; Tobago</b>	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.	<b>Sierra Leone</b>	1. Freetown	1973



## C. REPRESENTATIVE OFFICE

	Country		Year of commencement of operations
1.	Myanmar	1. Yangon	2015

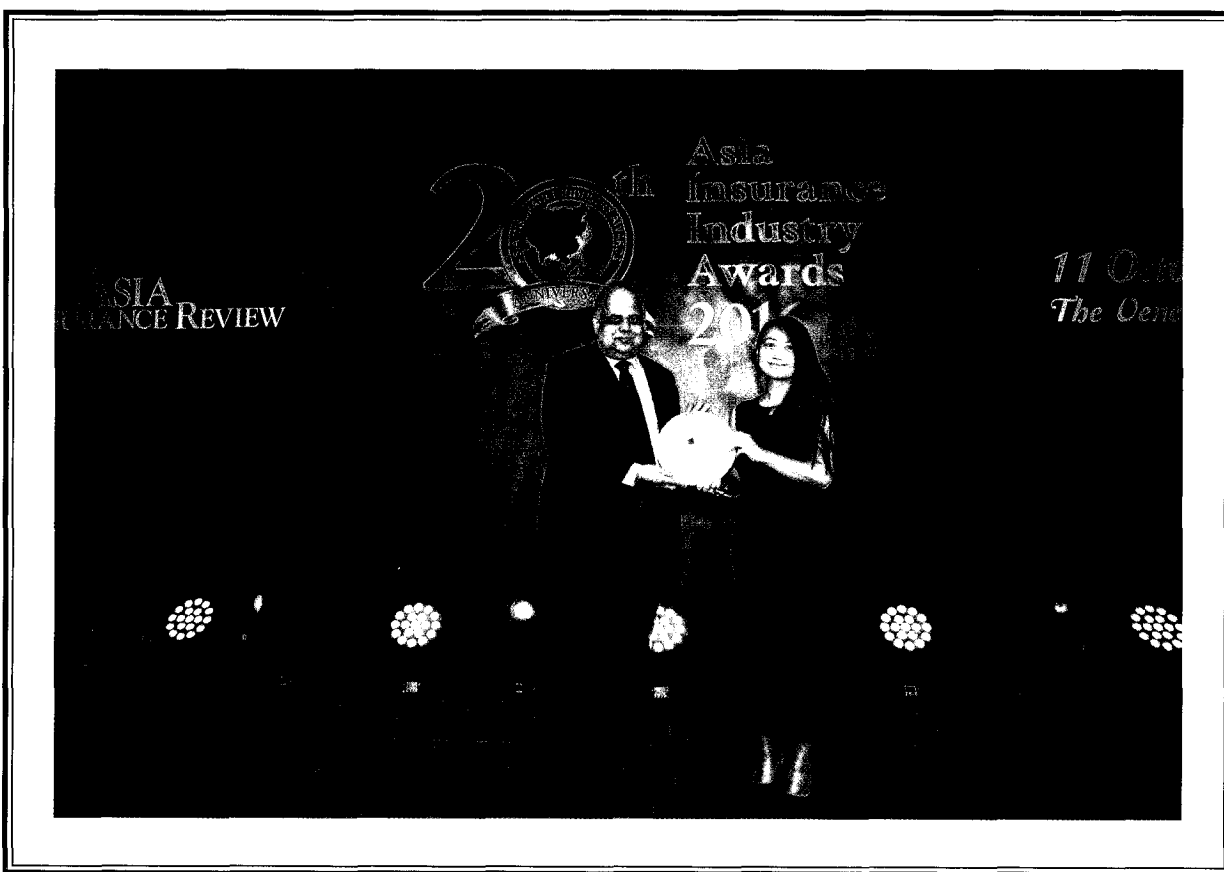
## D. ASSOCIATE

India International Insurance Pte. Ltd. Singapore

## E. PRESENCE IN OTHER COUNTRIES :

WAFA Insurance, Saudi Arabia.

Kenindia Assurance Company Ltd. Nairobi, Kenya

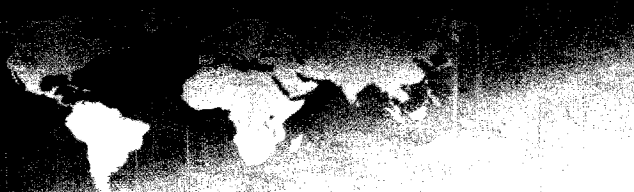


Mr. G. Srinivasan, Chairman cum Managing Director, receiving "Asia Insurance Review - Personality of the year Award" at the 20<sup>th</sup> Asia Insurance Industry Awards, 2016.



Notes





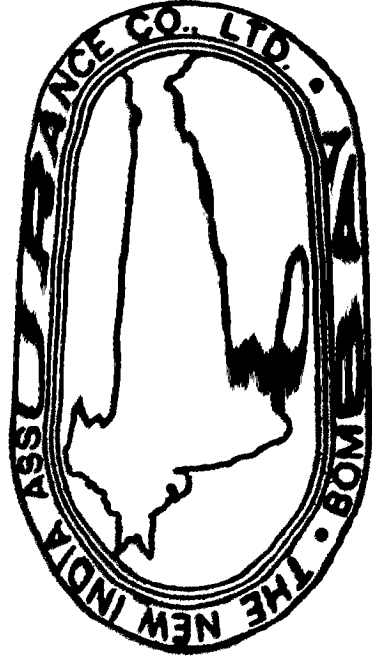
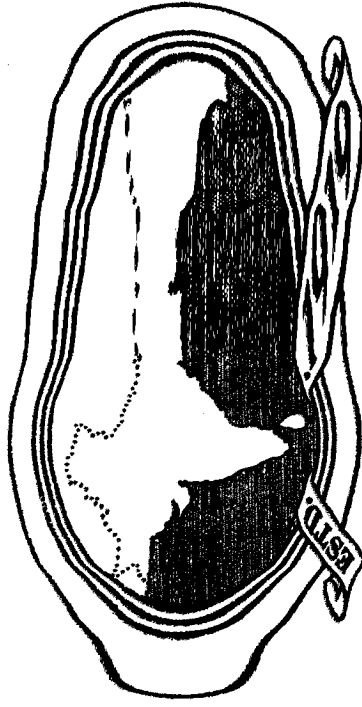
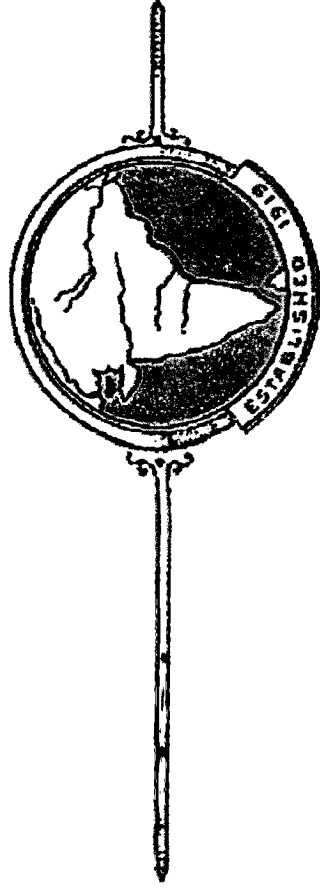
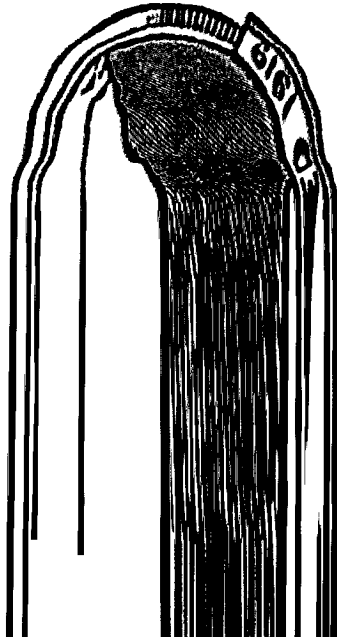
Notes





Notes

# Evolution of New India's Logo



[www.newindia.co.in](http://www.newindia.co.in)