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**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

**ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

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**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

**ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

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दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड

THE NEW INDIA ASSURANCE COMPANY LTD.

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Fax : 91-22-22700470

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पंजीकृत कार्यालय : न्यू इन्डिया एश्योरन्स बिल्डिंग, 87, एम. जी. मार्ग, फोर्ट, मुंबई - 400 001.

Regd. Office : New India Assurance Bldg., 87, M.G. Road, Fort, Mumbai - 400 001.

THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

ANNUAL REPORT

The Directors are pleased to present their Annual Report, together with the financial statements of The New India Assurance Company Limited New Zealand Branch for the year ended 31 March 2009.

No disclosure has been made in respect of section 211(1) (a) and (d) to (j) of the Companies Act 1993 following a unanimous decision by the shareholders in accordance with section 211(3) of the Companies Act 1993.

For and on behalf of the Board of Directors:

Director

23 September 2009

Director

23 September 2009

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

COMPANY DIRECTORY

NATURE OF BUSINESS	General Insurance
REGISTERED OFFICE	Oswin Griffiths – DFK Ltd Level 4 52 Symonds Street AUCKLAND
INCORPORATION NUMBER	1489374
DIRECTORS	B. Chakrabarti A.R. Sekar T. Bajaj S. Gupta M.D. Mallaya S. Pattanayak M. Razzack
AUDITOR	Oswin Griffiths – DFK Chartered Accountants
BANKER	ANZ Bank

OSWIN GRIFFITHS - DFK

Chartered Accountants

PARTNERS

David S Griffiths CA ACCM

Navin C Patel BCA CA

Mukesh K Parshottam BCA CA

Shane Browning MBA CA
CA (Australia) CPA (USA)

THE NEW INDIA ASSURANCE COMPANY LIMITED AUDIT REPORT

TO THE SHAREHOLDERS OF THE NEW INDIA ASSURANCE COMPANY LIMITED

We have audited the financial statements on pages 4 to 13. The financial report provides information about the past financial performance of the Company – New Zealand Branch and its financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out on pages 7 to 10.

This report is made solely to the company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Director's Responsibilities

The Directors are responsible for the preparation of financial statements which gives a true and fair view of the financial position of the Company – New Zealand Branch as at 31 March 2009 and of the results of its operations for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgments made by the Directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the Company – New Zealand Branch's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we provide business advisory and income tax services to the Company – New Zealand Branch. These matters have not impaired our independence as auditors of the company.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the Company – New Zealand Branch as far as appears from our examination of those records;
- the financial statements on pages 4 to 13:
 - comply with New Zealand generally accepted accounting practice;
 - give a true and fair view of the financial position of the Company – New Zealand Branch as at 31 March 2009 and the results of its operations for the year ended on that date.

Our audit was completed on 23 September 2009 and our unqualified opinion is expressed as at that date.

Oswin Griffiths - DFK
OSWIN GRIFFITHS - DFK
CHARTERED ACCOUNTANTS
AUCKLAND, NEW ZEALAND

23 September 2009

Level 4, 52 Symonds St, Auckland, New Zealand
PO Box 6077, Wellesley St, Auckland 1141
Telephone: 09 379 3890
Facsimile: 09 309 3304
Website: www.dfknz.co.nz

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

**BALANCE SHEET
AS AT 31 MARCH 2009**

	Note	2009 \$	2008 \$
Assets			
Non-current assets			
Property plant and equipment	4	55,119	95,833
Investments	5	-	522,608
Total non-current assets		55,119	618,441
Current assets			
Cash at Bank		524,080	166,316
Taxation refund		38,199	39,134
Trade receivables	6	1,868,755	1,253,082
Other receivables	6	315,967	232,098
Investments	5	2,522,608	1,450,000
Total current assets		5,269,589	3,140,630
Total assets		5,324,708	3,759,071
Current liabilities			
Trade and other payables	7	785,498	303,276
Outstanding claim provision	9	271,626	527,402
Employee benefits	8	16,999	11,328
Unearned premium reserve	10	2,589,640	1,311,011
Total current liabilities		3,663,763	2,153,017
Equity			
Retained losses		(1,920,269)	(1,773,429)
Total equity		(1,920,269)	(1,773,429)
Head office account	12	3,581,214	3,379,483
Total equity and head office account		1,660,945	1,606,054
Total equity and liabilities		5,324,708	3,759,071

For and on behalf of the Board

Director, 
23 September 2009

Director, 
23 September 2009

The above statement is to be read in conjunction with the accompanying notes and the Audit Report.

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 \$	2008 \$
Gross earned premium revenue	2	2,763,563	2,202,237
Outwards reinsurance premium expense		(707,081)	(235,322)
Net premium revenue		2,056,482	1,966,915
Claims expense		(1,790,047)	(2,109,175)
Reinsurance and other recoveries revenue	2	303,697	323,620
Net claims incurred		(1,486,350)	(1,785,555)
Acquisition costs		(285,725)	(236,186)
Other underwriting expenses	3	(622,854)	(629,071)
Underwriting expenses		(908,579)	(865,257)
Underwriting Loss		(338,447)	(683,897)
Investment income	2	191,607	209,629
Loss before income tax expense		(146,840)	(474,268)
Income tax expense		-	-
Loss attributable to members of the entity		(146,840)	(474,268)

The above statement is to be read in conjunction with the accompanying notes and the Audit Report.

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2009

	Note	Retained Losses \$	TOTAL \$
Equity at 01 April 2008		(1,773,429)	(1,773,429)
Loss attributable to members of the entity		(146,840)	(146,840)
Total recognised revenues and expenses for the year		(146,840)	(146,840)
Equity at 31 March 2009		(1,920,269)	(1,920,269)

The above statement is to be read in conjunction with the accompanying notes and the Audit Report.

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The New India Assurance Company Limited – New Zealand Branch (the “Company”) is a company registered under the Companies Act 1993 and is domiciled in New Zealand.

The Company is a General Insurance provider.

The financial statements of the Company are for the year ended 31 March 2009. The financial statements were authorised for issue by the Directors on 23 September 2009.

BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to profit-oriented entities that qualify for and apply differential reporting concessions. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

The Company qualifies for Differential Reporting exemptions as it has no public accountability, and is not large as defined in the Differential Reporting Framework. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted except for the exemption under NZ IAS 18 NZ 6.1 which allows revenue and expenses to be recognized inclusive of goods and services tax.

Basis of Measurement

The financial statements are prepared on the historical cost basis as modified by the revaluation of financial assets and liabilities at fair value through the income statement.

Presentation currency

The financial statements are presented in New Zealand dollars (\$).

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Property, Plant and Equipment

Owned assets

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged at the same rate as is allowed by the Income Tax Act 2007. Depreciation is charged to the Income Statement. The following rates have been used:

▪ Other assets	19.2% diminishing value
▪ Office equipment	36% - 60% diminishing value
▪ Fixtures and fittings	12% – 30% diminishing value
▪ Motor vehicles	26% diminishing value

The residual value of assets is reassessed annually.

(b) Principles of General Insurance

An insurance contract is defined as a contract under which one party (the insurer) accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

Specific Accounting Policies

(c) Credit Rating

The Company has received an A- (Excellent) Credit Rating and an A- (Excellent) Financial Strength Rating from A.M Best Company, an approved agency by the New Zealand Registrar of Companies, dated 30th January 2009. The credit rating is an indication of the Company's ability to pay current and future claims.

(d) Investments

Investments are measured at market value as at balance date and changes in market values are recognised in the Income Statement.

(e) Impairment

The carrying amounts of the Company's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Income Statement.

Estimated recoverable amount of investments and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with short duration are not discounted.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(f) Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates, and, where appropriate, the risks specific to the liability.

(g) Trade and Other Payables

Trade and other payables are stated at cost.

(h) Gross Premium Revenue

Direct and inwards insurance premium revenues represent amounts charged in relation to accepting risk from policy holders or other insurers and do not include amounts collected on behalf of third parties.

The earned portion of premiums received and receivable, including unclosed business, is recognized as revenue from the date of attachment of risk. Premium revenue is recognized evenly over the period of the policy or the period of indemnity on the basis of the 365ths method which is considered to closely approximate the pattern of incidence of risk.

(i) Outwards Reinsurance Premium Expense

Premium ceded to Head Office is recognized as reinsurance premium expense in accordance with the provision of reinsurance cover.

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

Specific Accounting Policies

(j) Claims

Claims expense includes a provision for outstanding claims which is measured as the amount of expected future payments. The expected future payments include amounts in respect of unpaid reported claims, claims incurred but not yet reported, adjustments for claims development and claims incurred but not enough reported, and costs expected to be incurred in settling those claims.

Discounting to net present value has not been applied to the expected future payments for outstanding claims as all claims are expected to be settled shortly after balance date.

Claims outstanding are assessed by reviewing the individual claim files and estimating claims incurred but not yet reported and settlement costs on the basis of past experience and trends.

(k) Equity Retention

It is the policy of the shareholders to ensure that equity retained provides an adequate level of solvency when measured against capital requirements to support the assets of the company. The Head Office account is subordinated to all liabilities of the New Zealand branch of the company and will not be repaid unless there is an adequate surplus of assets over liabilities after repayment of the Head Office account.

(l) Reinsurance Programme

Reinsurance is purchased to make the entity's results less volatile by reducing the effect that individual large claims and catastrophic events leading to multiple claims have on results.

Assessment of catastrophic losses is based on maximum probable losses in the event of a major earthquake within each New Zealand Cresta zone and makes use of the best models developed by international reinsurers.

The majority of reinsurance has been arranged on quota share and excess of loss treaty bases, and facultative cover is used where the inclusion of certain risks are considered to have potential for undue effects on treaty covers.

(m) Deferred Acquisition Costs

A portion of acquisition costs relating to unearned premium reserve and unearned interest is deferred as an asset in recognition that it represents a future benefit. Deferred acquisition costs are measured at the lower of cost and recoverable amount and are amortised over the period expected to benefit from the expenditure.

(n) Operating Lease Payments

Payments made under operating leases are recognised in the Income Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Income Statement over the lease term as an integral part of the total lease expense.

(o) Finance Income and Expenses

Finance income comprises interest income. Finance expenses comprise interest expense on borrowings. Interest income is recognised in the Income Statement as it accrues using the effective interest method. The interest expense component of finance lease payments is recognised in the Income Statement using the effective interest rate method.

(p) Income Tax

The income tax expense recognised in the Income Statement is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

(q) Goods and Services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

Specific Accounting Policies

(r) Liability Adequacy Testing

Liability adequacy testing is performed in order to recognize any deficiencies in the Income Statement arising from the carrying amount of the unearned premium liability less any related deferred acquisition costs and intangible assets not meeting the estimated future claims under current insurance contracts.

The estimated future claims under current insurance contracts are measured using the present value of the expected cash flows relating to future claims and associated expenses (discounted using a risk free discount rate) plus the additional fair value risk margin to reflect the inherent uncertainty of those estimated cash flows.

Liability adequacy testing is performed at the level of a portfolio of contracts that are subject to broadly similar risks and are managed together as a single portfolio.

2. REVENUE

	2009 \$	2008 \$
Gross written premium	4,042,192	2,292,743
Movement in unearned premium	(1,278,629)	(90,506)
Gross earned premium revenue	2,763,563	2,202,237
Reinsurance and other recoveries revenue	303,697	323,620
Investment revenue		
Interest received	191,607	209,629
Total investment revenue	191,607	209,629
Total revenue	3,258,867	2,735,486

3. EXPENSES

	2009 \$	2008 \$
Operating loss from trading was arrived at after:		
Charging the following expenses:		
Auditor's fees - auditing the financial statements	21,500	21,500
- Other services	6,380	2,295
Depreciation	46,050	97,319
Rental operating lease expenses	69,255	62,700
Salaries and wages	272,542	255,641

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

2009	Cost/Revaluation	Current year Depreciation	Current year impairment loss	Accumulated depreciation	Carrying value
Furniture & fittings	28,962	3,251	-	13,885	15,077
Motor vehicles	27,761	3,454	-	17,931	9,830
Office equipment	222,430	39,277	-	192,505	29,925
Other assets	532	68	-	245	287
	<u>279,685</u>	<u>46,050</u>	<u>-</u>	<u>224,566</u>	<u>55,119</u>

2008	Cost/Revaluation	Current year Depreciation	Current year impairment loss	Accumulated depreciation	Carrying value
Furniture & fittings	25,676	3219	-	10,633	15,043
Motor vehicles	27,761	4,633	-	14,477	13,284
Office equipment	220,379	89,404	-	153,228	67,151
Other assets	532	63	-	177	355
	<u>274,348</u>	<u>97,319</u>	<u>-</u>	<u>178,515</u>	<u>95,833</u>

5. INVESTMENTS

	2009 \$	2008 \$
Current		
Cash on deposit	2,000,000	1,450,000
Government stock	522,608	-
	<u>2,522,608</u>	<u>1,450,000</u>
Non-current		
Government stock	-	522,608
	<u>-</u>	<u>522,608</u>
Total Investments	<u>2,522,608</u>	<u>1,972,608</u>

Government stock represents deposits with Public Trust amounting to \$500,000 at par lodged by the company in accordance with the provisions of the Insurance Companies Deposit Act 1953.

6. TRADE AND OTHER RECEIVABLES

	2009 \$	2008 \$
Trade receivables		
Premium due from policyholders and intermediaries	1,868,755	1,253,082
Total trade receivables	<u>1,868,755</u>	<u>1,253,082</u>
Other receivables		
Deferred premium costs	248,994	164,034
Accrued income	66,973	68,064
Total other receivables	<u>315,967</u>	<u>232,098</u>
Total receivables	<u>2,184,722</u>	<u>1,485,180</u>

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

NOTES TO THE FINANCIAL STATEMENTS

7. TRADE AND OTHER PAYABLES

	2009 \$	2008 \$
Trade payables	198,063	176,168
Amounts due to reinsurers	296,919	-
Non-trade payables and accrued expenses	290,516	127,108
Total trade and other payables	785,498	303,276

8. EMPLOYEE BENEFITS

	2009 \$	2008 \$
Liability for annual and sick leave	16,999	11,328

9. OUTSTANDING CLAIMS PROVISION

	2009 \$	2008 \$
Central estimate of outstanding claims provision	226,713	439,502
Claim handling expenses	11,228	21,975
Risk margin	33,685	65,925
Gross outstanding claims provision	271,626	527,402

10. UNEARNED PREMIUM RESERVE

	2009 \$	2008 \$
Unearned premium liabilities at the beginning of the financial year	1,311,011	1,220,505
Movement in unearned premium		
Deferral of premium on contracts written during the year	2,589,640	1,311,011
Earning of premiums deferred in prior years	(1,311,011)	(1,220,505)
Unearned premium liabilities at the end of the financial year	2,589,640	1,311,011

11. CONTINGENCIES AND COMMITMENTS

During the year ended 31 March 2009, the Company entered into a contract to upgrade computer application software for \$17,100 which the Company still has a capital expenditure commitment for as at balance date (2008: \$Nil).

There were no contingent liabilities at balance date (2008: \$Nil).

Operating Lease Commitments

	2009 \$	2008 \$
Commitments under non-cancellable operating leases:		
Less than one year	98,725	113,397
Between one and five years	135,000	186,298
Total Operating Lease Commitments	233,725	299,695

**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

NOTES TO THE FINANCIAL STATEMENTS

12. RELATED PARTIES

The Head Office has charged the New Zealand branch for Treaty Reinsurance in the amount of \$200,991 (2008: \$192,525). There have been no other material transactions with related parties during the year.

The Head Office has provided funding to support the New Zealand branch and as at 31 March 2009 the New Zealand branch owed the Head Office \$3,581,214 (2008: \$3,379,483).

No related party debts have been written off or forgiven during the year.

13. SUBSEQUENT EVENTS

There have been no events subsequent to balance date which would have a material effect on the financial statements (2008: none).

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Board of Directors

B. CHAKRABARTI <i>CHAIRMAN-CUM-MANAGING DIRECTOR</i>	
TARUN BAJAJ, IAS	SANJAY GUPTA
T. S. NARAYANASAMI (Ceased - 20.10.2008)	SARAT PATTANAYAK
M. D. MALLYA (Appointed - 20.10.2008)	N. S. R. CHANDRAPRASAD (Ceased - 04.06.2009)
M. RAZZACK	A. R. SEKAR

Audit Committee

TARUN BAJAJ, IAS, (Chairman)
T. S. NARAYANASAMI (Ceased - 20.10.2008)
M. D. MALLYA (Appointed - 29.12.2008)
M. RAZZACK
N. S. R. CHANDRAPRASAD (Ceased - 04.06.2009)
A. R. SEKAR (Appointed - 17.08.2009)

Investment Committee

B. CHAKRABARTI (Chairman)
TARUN BAJAJ, IAS
T. S. NARAYANASAMI (Ceased - 20.10.2008)
M. D. MALLYA (Appointed - 29.12.2008)
SANJAY GUPTA
A. R. SEKAR
A. R. PRABHU

Remuneration Committee

TARUN BAJAJ, IAS, (Chairman)
M. D. MALLYA
M. RAZZACK

Financial Advisor & Company Secretary

A. R. SEKAR

Appointed Actuary

A. R. PRABHU

General Managers

J. K. GUPTA	A. R. SEKAR
I. S. PHUKELA	S. B. L. GOUR
MRS. ASHA NAIR	S. GOPALAKRISHNAN
N. TOBDAN	

Chief Vigilance Officer

MRS. GOPA RAY

Deputy General Managers

P. MANOKARAN	P. G. JOSHI	P. DUTTA
K. G. ARORA	DEKA RAJENDRA KUMAR	S. SEGAR
DR. B. SUNDAR RAMAN*	ASWATHANARAYANA*	V. HARI SRINIVAS
N. TOPPO	M. VASANTHA KRISHNA	AHMED RAFI
P. SENTHILKUMAR*	K. L. R. BABU	K. SURYA RAO
H. P. SINGH	SUJAY BANARJI	S. SIVARAMAN
DR. A. P. MITTAL	NARINDER KUMAR	M. M. HUSSAIN
S. YUGANDHAR RAO*	J. P. SHEOKAND	G. C. SHARMA
V. DHANARAJ	RAKESH KUMAR	A. N. JHA
SUDIP SINHA	C. J. PHILIP	K. V. KRISHNA

* On deputation to other companies

Auditors

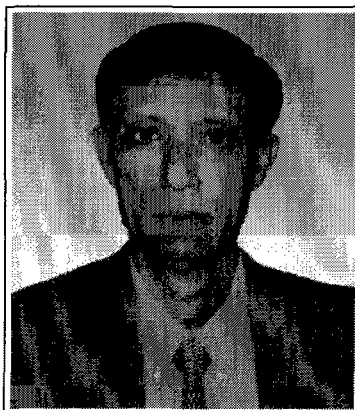
SARDA & PAREEK CHARTERED ACCOUNTANTS	KARNAVAT & CO. CHARTERED ACCOUNTANTS	CHATURVEDI & SHAH CHARTERED ACCOUNTANTS
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Registered Office

NEW INDIA ASSURANCE BUILDING,
87, M. G. ROAD, FORT, MUMBAI 400 001.
<http://newindia.co.in>

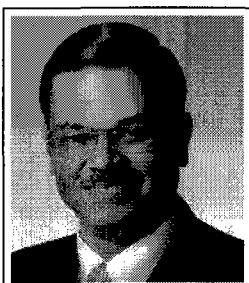


Chairman-cum-Managing Director

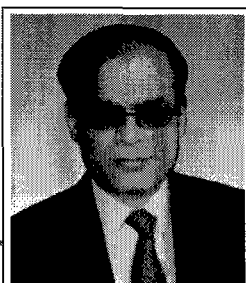


B. CHAKRABARTI

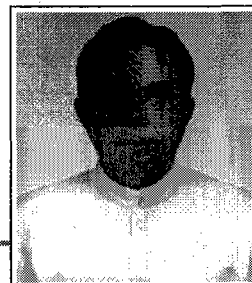
Directors



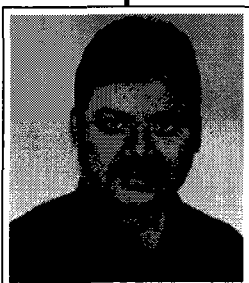
M. D. MALLYA



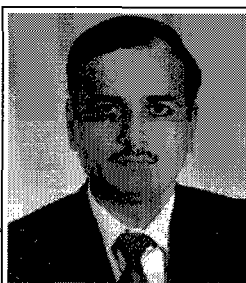
TARUN BAJAJ, IAS



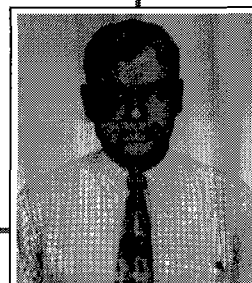
M. RAZZACK



S. PATTANAYAK

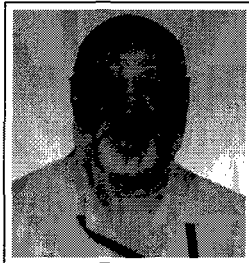


SANJAY GUPTA

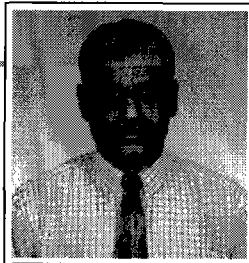


A. R. SEKAR

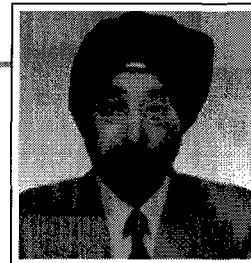
General Managers



J. K. GUPTA



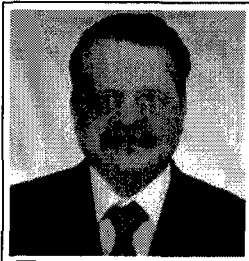
A. R. SEKAR



I. S. PHUKELA



S. B. L. GOUR



S. GOPALAKRISHNAN

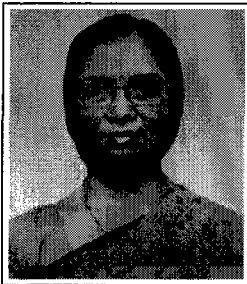


MRS. ASHA NAIR



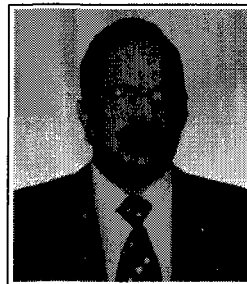
N. TOBDAN

Chief Vigilance Officer



MRS. GOPA RAY

Appointed Actuary



A. R. PRABHU



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

AGM Notice

NOTICE OF THE 90TH ANNUAL GENERAL MEETING

To :

All Shareholders / Directors / Statutory Auditors

NOTICE is hereby given that the 90th Annual General Meeting of the Members of The New India Assurance Company Limited will be held on Monday the 17th August, 2009 at 2.30 p.m. at the Registered Office of the Company at New India Assurance Bldg., 87, Mahatma Gandhi Road, Fort, Mumbai - 400 001 to transact the following business :-

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 2009, and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To seek approval for grant of remuneration and other applicable taxes as required under Section 224(8)(aa) of Companies (Amendment) Act, 2000, to Joint Central Auditors at Head Office, Regional Office Auditors and Divisional Office Auditors to be appointed by CAG under Section 619(2) of the Companies Act, 1956 for the year 2009-10.

Place : Mumbai

Date : 06.08.2009

By order of the Board

(A. R. SEKAR)

DIRECTOR & COMPANY SECRETARY

Note : A Member entitled to attend and vote is entitled to appoint a Proxy and attend and vote instead of himself and the Proxy need not be a Member. Proxies in order to be effective must be lodged with the Company at least 48 hours before the commencement of the Meeting.

DIRECTORS' REPORT 2008-09

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

To The Members :

The Directors are pleased to present the 90th Annual Report together with the Audited Statement of Accounts and Balance Sheet of the Company for the year ended 31st March 2009.

I. CLASS-WISE PERFORMANCE SUMMARY

			(Rupees in crores)			
			Fire	Marine	Misc	Total
Gross Direct Premium Income	India	CY	773.33	446.10	4289.40	5508.83
		PY	743.43	437.28	4096.20	5276.91
	(% Growth)	CY	4.02	2.02	4.72	4.39
		PY	-18.30	36.22	8.19	5.18
	Outside India	CY	225.05	65.49	656.41	946.95
		PY	237.96	57.55	579.04	874.55
	(% Growth)	CY	-5.43	13.80	13.36	8.28
		PY	-6.53	16.38	-5.93	-4.90
	Global	CY	998.38	511.59	4945.81	6455.78
		PY	981.39	494.83	4675.24	6151.46
	(% Growth)	CY	1.73	3.39	5.79	4.95
		PY	-15.73	33.57	6.21	3.62
Reinsurance Premium Accepted	India	CY	59.33	7.44	579.69	646.46
		PY	40.90	7.99	473.10	521.99
	Outside India	CY	450.72	14.32	46.64	511.68
		PY	302.73	7.37	29.68	339.78
	Global	CY	510.05	21.76	626.33	1158.14
		PY	343.63	15.36	502.78	861.77
Reinsurance Premium Ceded	India	CY	312.85	285.26	1296.65	1894.76
		PY	289.19	266.50	1325.56	1881.25
	Outside India	CY	157.43	10.43	50.99	218.85
		PY	148.13	11.92	57.65	217.70
	Global	CY	470.28	295.69	1347.64	2113.61
		PY	437.32	278.42	1383.21	2098.95
Net Premium	India	CY	519.81	168.28	3572.44	4260.53
		PY	495.14	178.77	3243.74	3917.65
	(% Growth)	CY	4.98	-5.87	10.13	8.75
		PY	-11.04	19.38	9.50	6.78
	(% to Gross Premium)	CY	67.22	37.72	83.29	77.34
		PY	66.60	40.88	79.19	74.24
	Outside India	CY	518.34	69.38	652.06	1239.78
		PY	392.56	53.00	551.07	996.63
	(% Growth)	CY	32.04	30.91	18.33	24.40
		PY	-20.91	36.53	0.59	-7.98
	(% to Gross Premium)	CY	230.32	105.94	99.34	130.92
		PY	164.97	92.09	95.17	113.96



CLASS-WISE PERFORMANCE SUMMARY (Contd.....)

(Rupees in crores)

		Fire	Marine	Misc	Total
Global Net Premium	CY	1038.15	237.66	4224.50	5500.31
	PY	887.70	231.77	3794.81	4914.28
(% Growth)	CY	16.95	2.54	11.32	11.93
	PY	-15.69	22.91	8.11	3.42
(% to Gross Premium)	CY	103.98	46.46	85.42	85.20
	PY	90.45	46.84	81.17	79.89
Addition / Reduction in Un-expired Risks Reserves	CY	75.22	5.89	169.90	251.01
	PY	-82.61	43.19	142.26	102.84
(% to Net Premium)	CY	7.25	2.48	4.02	4.56
	PY	-9.31	18.63	3.75	2.09
Earned Premium	CY	962.93	231.77	4054.60	5249.30
	PY	970.31	188.58	3652.55	4811.44
Incurred Claims Net	CY	606.68	277.11	3788.07	4671.86
	PY	601.60	158.24	3417.64	4177.48
(% to Earned Premium)	CY	63.00	119.56	93.43	89.00
	PY	62.00	83.91	93.57	86.82
Commission Net	CY	137.05	14.55	409.23	560.83
	PY	100.23	26.69	332.31	459.23
(% to Earned Premium)	CY	14.23	6.28	10.09	10.68
	PY	10.33	14.15	9.10	9.54
Operating Expenses	CY	293.41	77.82	1085.22	1456.45
	PY	196.11	56.63	766.36	1019.10
(% to Earned Premium)	CY	30.47	33.58	26.77	27.75
	PY	20.21	30.03	20.98	21.18
U/W Results	CY	-74.21	-137.71	-1227.92	-1439.84
	PY	72.37	-52.98	-863.76	-844.37
(% to Earned Premium)	CY	-7.71	-59.42	-30.28	-27.43
	PY	7.46	-28.09	-23.65	-17.55
Investment Income-Policy Holders	CY	133.76	47.61	755.60	936.97
	PY	210.99	60.65	1082.13	1353.77
Revenue (Policy Holder) Account Surplus	CY	59.55	-90.10	-472.32	-502.87
	PY	283.36	7.67	218.37	509.40
Investment Income-Share Holders	CY				749.85
	PY				990.85
Other Income less Outgo	CY				50.24
	PY				21.23
Profit before Tax	CY				297.22
	PY				1521.48

Provision for Tax	CY	73.08
	PY	120.33
Profit after Tax	CY	224.14
	PY	1401.15
Dividend (Proposed)	CY	45.00
	PY	283.00
Dividend Tax	CY	7.65
	PY	48.10
Transfer to Contingency and General Reserves	CY	171.49
	PY	1070.05

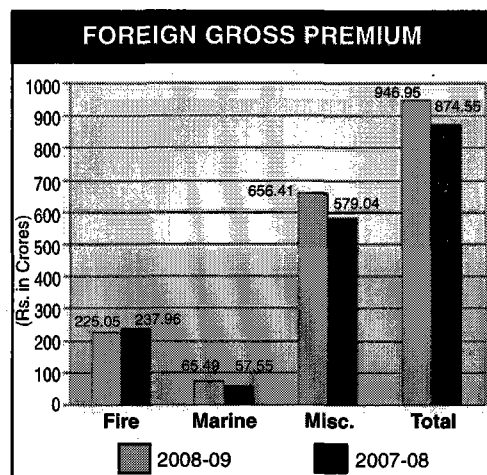
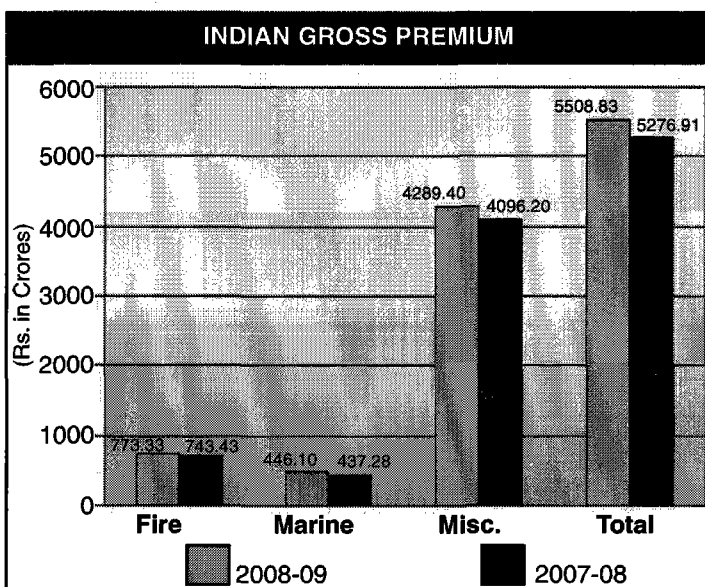
II PERFORMANCE REVIEW

(Rupees in crores)

	2008-09	2007-08
A GROSS DIRECT PREMIUM (INDIA) :	5508.83	5276.91
Percentage Change over previous year :	4.39	5.18
GROSS DIRECT PREMIUM (FOREIGN) :	946.95	874.55
Percentage Change over previous year :	8.28	(-) 4.90
GROSS DIRECT PREMIUM (GLOBAL)	6455.78	6151.46
Percentage over previous year :	4.95	3.62

Gross Direct Premium has increased from Rs.6151.46 crs. (07-08) to Rs. 6455.78 crs.(08-09) registering a growth of 4.95% (08-09) as against 3.62% growth registered during 07-08.

The increase in business in India is contributed largely by Health, Fire and Miscellaneous segments. Foreign operations have performed better and have contributed to the increase in the business during 08-09.

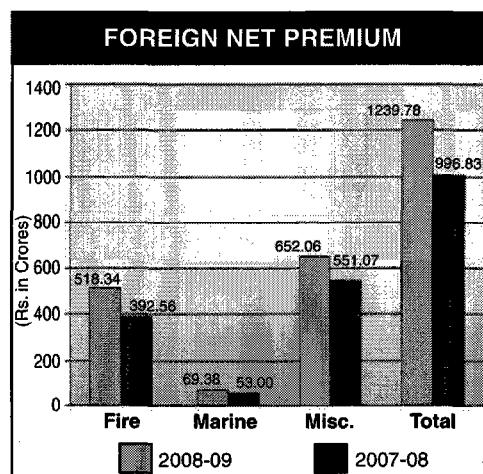
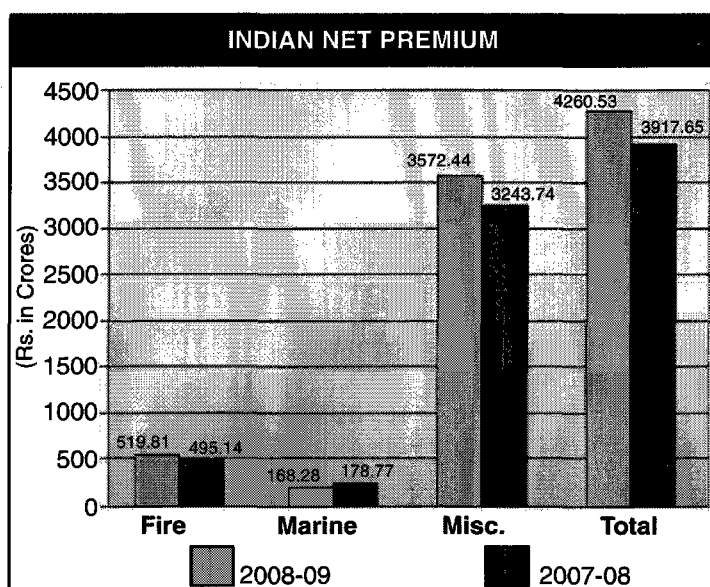




	(Rupees in crores)	
	2008-09	2007-08
B NET PREMIUM (GLOBAL)	5500.31	4914.28
Percentage over previous year :	11.93	3.42

The Net Premium grew from Rs. 4914.28 crs. (07-08) to Rs.5500.31 crs.(08-09), Retention ratio of the Company has increased from 79.89% to 85.2%.

Apart from higher retention in Miscellaneous class of business, the increase in Net Premium is due to increase in the Motor Pool Accepted premium (Rs.108 crs.), and increase in the Foreign RI Accepted premium (Rs.172 crs.).



	(Rupees in crores)	
	2008-09	2007-08
C ADDITIONAL UNEXPIRED RISK RESERVE	251.01	102.84
Percentage to Net Premium	4.56	2.09

Unexpired Risk Reserve has increased to Rs.2824.08 crs. as at 31.3.09 from Rs. 2573.07 crs. as at 31.3.08.

	(Rupees in crores)	
	2008-09	2007-08
D INCURRED CLAIMS	4671.86	4177.48
Percentage to Net Premium	84.94	85.01

During 08-09, higher incidence of claims occurred in Health, Hull, Cargo and Engineering segments as compared to 07-08. Fire, Motor and Miscellaneous segments have recorded improved claims experience. During 08-09, IBNR provisions increased by Rs. 269 crs. as compared to 07-08.

Net Incurred Claims, accordingly have gone up by Rs.494.38 crs. However, the Net Incurred Claims Ratio has remained stable during 08-09, since Net Premium has gone up by Rs. 586.03 crs.

(Rupees in crores)		
	2008-09	2007-08
E COMMISSION (NET)	560.83	459.23
Percentage to Net Premium	10.20	9.34

Increase in Foreign Business, Higher RI Acceptances (Incl. Foreign RI Accepted Premium) and Increase in Indian Health Insurance Business are responsible for increase in the Net Acquisition Cost by Rs. 101.60 crs.

(Rupees in crores)		
	2008-09	2007-08
F OPERATING EXPENSES	1456.45	1019.10
Percentage to Net Premium	26.48	20.74

Increased provisions towards Pension, Gratuity and Encashment liability amounting to Rs. 274 crs. and Provision for salary arrears due to proposed wage revision have essentially contributed to the increase in the Operating Expenses by Rs. 437.35 crs.

(Rupees in crores)		
	2008-09	2007-08
G UNDERWRITING RESULTS	-1439.84	-844.37
Percentage to Net Premium	-26.18	-17.18

Increase in the business acquisition cost (Rs.101.60 crs.), Increase in Operating Expenses mentioned above (Rs.437.35 crs.) and higher IBNR Provisions - Motor TP Pool and other classes of business (Rs. 269 crs.) had led to higher underwriting loss during the year 08-09 as compared to 07-08.

H INVESTMENT INCOME (LESS PROVISION)

(Rupees in crores)		
	2008-09	2007-08
Apportioned to Policyholders	936.97	1353.77
Apportioned to Shareholders	749.85	990.85
Total	1686.82	2344.62

Investment Income from Interest, Dividend and Rent has gone up from Rs. 1153 crs. (07-08) to Rs. 1231 crs. (08-09) i.e. an increase of Rs. 78 crs.

The down turn in the capital markets as a consequence of global economic slow down during 08-09 impacted our company's investment income from Profit on Sale of Investments.

During 07-08, the Company earned Rs. 1192 crs. from profit on sale of investments. However, during 08-09, our Income from Profit on Sale was only Rs. 456 crs. (i.e. a reduction of Rs. 736 crs.) due to the adverse market conditions and a conscious decision not to sell at low prices.

Therefore, in the aggregate, the Investment Income has come down from Rs. 2344.62 crs. (07-08) to 1686.82 crs. (08-09).



	(Rupees in crores)	
	2008-09	2007-08
I REVENUE ACCOUNT RESULTS	-502.87	509.40
Percentage to Net Premium	-9.14	10.37

The Policyholders' account showed a net deficit of Rs.502.87 crs. In the current year against surplus of Rs. 509.40 crs. in the previous year.

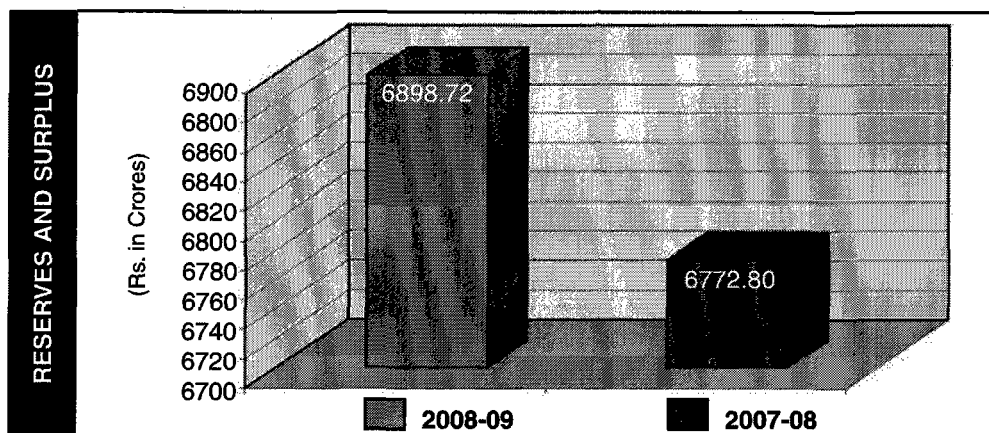
	(Rupees in crores)	
	2008-09	2007-08
J OTHER INCOME / OUTGO	50.24	21.23
K PROFIT BEFORE TAX	297.22	1521.48

The reduction in Profit Before Tax of Rs. 1224 crs. is on account of the following factors :

1.	Reduction in the Income from Profit on Sale of Investments	658 crs.
2.	Increase in the Expenses of Management (Net of Miscellaneous Income)	408 crs.
3.	Change in underwriting result	
a.	Increase in Unexpired Risks Reserve -	Rs.148 crs.
b.	Basic underwriting result change -	Rs. 10 crs.
		<u>158 crs.</u>
		Rs. 1224 crs.

	(Rupees in crores)	
	2008-09	2007-08
L PROFIT AFTER TAX	224.14	1401.15
M PROPOSED FINAL DIVIDEND	45	283
N PAID UP CAPITAL	200	200
O RESERVES AND SURPLUS	6898.72	6772.80

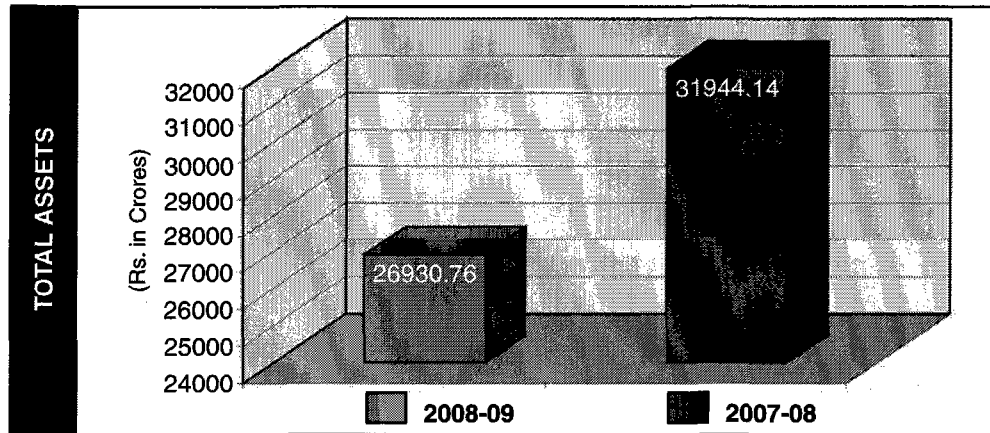
Despite difficult market conditions the company has been able to increase its free reserves from Rs. 6772.80 crs. to Rs. 6898.72 crs.



(Rupees in crores)

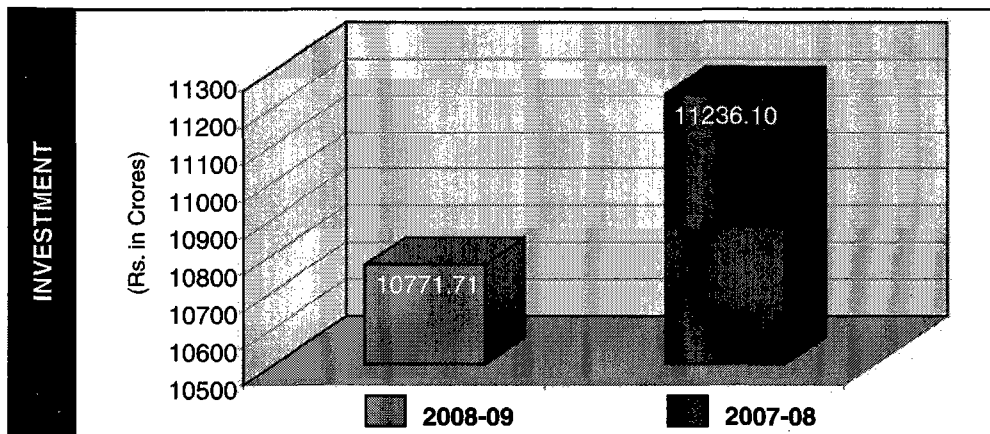
	2008-09	2007-08
P TOTAL ASSETS (Market Value)	26930.76	31944.14

The reduction in Fair Value Change A/c due to prevailing market conditions has resulted into reduction in the value of Total Assets.



(Rupees in crores)

	2008-09	2007-08
Q INVESTMENTS (AT COST)	10771.71	11236.1



R SOLVENCY MARGIN

Required solvency margin under IRDA Regulations (Global)	1491.65	1300.88
Available Solvency margin (Global)	5083.48	5000.34
Required solvency margin under IRDA Regulation s (Indian)	1268.15	1106.26
Available solvency margin (Indian)	5569.09	4425.25

The Company has strong Solvency Ratio of 4.39 for Indian business and 3.41 for Global business.



	2008-09	2007-08
S COMPLIANCE WITH SECTION 40 C		
Percentage of expenses prescribed under the act	19.60	19.59
Company's actual percentage of expenses	23.82	16.77
Percentage of expenses including commission prescribed under the Act	27.47	27.34
Company's actual percentage of expenses including commission.	31.99	24.86

Provision for salary arrears and provision for company's liability to pension and gratuity funds, and liability towards leave encashment have pushed the expenses of management beyond the prescribed limits.

III. FOREIGN OPERATIONS

The Gross Premium is Rs. 1376.90 crores in 2008-09 as against Rs. 1143.63 crores in 2007-08 showing an accretion of 20.4%. The Net Premium is Rs. 1164.28 crores in 2008-09 as against Rs. 932.07 crores in 2007-08 showing an increase of 24.9%. Our operations in Saudi Arabia show premium income upto August 2008 only as we had stopped functioning as an Agency and are operating as an Associate Company in Saudi Arabia.

Foreign operations show underwriting profit of Rs. 78.08 crores in 2008-09 as against underwriting loss of Rs. 70.07 crores in 2007-08. The underwriting profit is after a provision of Reserve Strain of Rs. 121.17 crores in 2008-09 in respect of unexpired risks. No major claims were reported during the year.

The foreign exchange earning during the year 2008-09 amounted to Rs. 8.62 crores towards dividend and repatriation of management fees from our Associate and Subsidiary companies.

Overseas operational result for the year ended 31st March 2009 is as under:

(Rupees in Crores)

Sr. No.	PARTICULARS	2008-09		2007-08	
		Rs.	%	Rs.	%
1	Gross Premium (Gross Direct plus Accepted)	1376.90	20.4	1143.63	-3.6
2	Net Premium	1164.28	24.9	932.07	-5.0
3	Incurred Claims	545.83	46.9	693.55	74.4
4	Commission	311.82	26.8	236.16	25.3
5	Expenses of Management	104.84	9.0	88.92	9.5
6	Exchange Gain/ Loss Other Income / Outgo	-2.54	-0.2	-2.04	-0.2
8	Underwriting Profit / Loss before Reserve Strain	199.25	17.1	-88.60	-9.5
9	Reserve Strain / Release	121.17	10.4	-18.53	-2.0
10	Underwriting Profit / Loss after Reserve Strain	78.08	6.7	-70.07	-7.5
11	Investment Income	116.08	10.0	113.70	12.2
12	Net Profit / Loss	194.16	16.7	43.63	4.7

Note : (i) Percentage shown in Sr. no. 1 and 2 indicates the growth over previous year and the percentage shown in Sr. no. 3 to 12 is percentage on "Net premium".

(ii) Country-wise details appended as per Annexure I to the Directors' Report.

IV. PLANS FOR 2009 -10

Domestic

In spite of severe business competition the company has procured a Gross Direct Premium of Rs. 5508.83 crores from domestic market during 2008-09 as against premium of Rs. 5276.91 crores procured in the previous year, registering a growth of 4.39%. Company's growth is to be viewed in the context of detariffed regime of Fire, Engineering and Motor (Own Damage) business segments during 2008-09 which resulted in softening of premium rates.

Considering the volatility of the market, the Company has set up a target of Rs. 6100.00 crores for the year 2009-10 at a targeted growth rate of 10.73%. The premium rates in Fire, Engineering and Motor own damage segments have been reduced considerably after the complete detariffing in these segments, which is likely to affect the growth despite overall industrial growth. But the Company is sanguine about retaining the existing clientele and getting the patronage of new clients as well. Further the Company expects another year of reasonable growth in Health segment due to increase in market demand, upward revision of premium rates and introduction of new customized products. Another area of growth is likely to be in the retail sector wherein the Company intends to market in a big way. This segment is likely to grow rapidly due to increase in income of middle class and new value proposition given to the growing distribution channels like Bancassurance, Brokers and Auto Tie up by way of setting up specialised offices with focused approach.

Foreign

The premium target for 2009-10 is Rs. 1441.35 Crores (Gross) against completion of Rs. 1376.90 crores in 2008-09 and Rs.1264.72 Crores (Net) against completion of Rs.1164.28 crores in 2008-09.

V. ORGANISATION - STRUCTURE

Domestic

The Company has entered a phase of consolidation and restructuring of offices. The Company has converted many offices as specialized offices to take care of Bancassurance, Brokers, and Auto tie-ups. As on 31st March 2009 the Company has a network of 26 Regional Offices, 391 Divisional Offices, 594 Branch Offices, 28 Direct Agent Branches and 16 Extension Counters, totalling 1055 offices.

Foreign

The Company operates in 27 countries through a network of 19 branch offices, 12 agencies, 3 Associate companies and 3 subsidiary companies including 1 fully owned subsidiary.

VI. PROJECT NEW ENERGY – BUSINESS TRANSFORMATION EXERCISE

In view of rapidly changing market dynamics and customer awareness/ expectations, a transformational exercise i.e. Business Process Re-engineering (BPR), has been taken up by the Company with the active support of Boston Consulting Group- a leading global consulting firm having extensive experience in Financial Services & Public Sectors in India. The BPR was a three-phased exercise and was christened "Project New Energy".

In Phase I; the overall strategic direction for New India was defined based on an in-depth study of six key dimensions viz., Market size and growth, Competitive landscape, Identification of core strengths,



Employee perception and feedback, Customer needs and impression and International benchmarks through a combination of detailed internal assessment and external situational analysis.

The key enablers in the reengineering process were identified as the People, Processes/IT, Branding and Organizational structure. The major lines of businesses were identified as Motor, Health, Other personal/Rural lines and Corporate businesses. The marketing channels, which will drive the growth, have been identified as agents, brokers, bancassurance and Auto Tie-up channel.

A prioritized roadmap, consisting of initiatives in three waves, was developed by the New Energy team, with a tight monitoring programme.

Phase II initiatives

- Agents Performance Enhancement Program (APEP) to re-energize agent channel through better development, support and aligned incentives.
- Health and Third Party Administrator (TPA) management to improve health profitability through hospital relationships and improved TPA performance.

Phase III initiatives

- Performance Management System (PMS) & Human Resources (HR): Overall structure of PMS and incentives charted, with targets and action plan.
- Motor Third Party (TP) claims management process redesigned for reducing payouts and decreasing backlog of TP claims.
- Cash Management System (CMS) & Investments process improved, for driving higher returns, reduction in float, streamlined process and better vendor negotiation/ management.

These New Energy initiatives represent significant change in the Company's performance trajectory. Their implementation is already producing a positive impact on the Company's customer servicing, premium accretion and profitability. Simultaneously, effective measures designed to boost the morale of the employees, is expected to translate into improved performance through the organisation.

VII. FIRE & ENGINEERING BUSINESS

In the Fire portfolio, the company has achieved a growth of 4% during the year 2008-09 in spite of intense competition in the Insurance Market following free pricing. This was possible through company's reliable service, building customer confidence and spread of market goodwill.

The total incurred claims ratio was higher at 89.5% (58.55% for the previous year), which was mainly due to the terrorism claims arising out of Mumbai Terrorist attack. The incurred claims ratio (excluding terrorism) of the Fire Department for the current year would have been 74.6%.

The Company responded proactively to the grave national calamity and handed over the first on account payment of Rs. 25 crores to M/s Oberoi Towers/Trident Hotels within 16 days of the terrorism attack.

The Company co-sponsored a seminar on terrorism at Mumbai with leading Reinsurance Broker, M/s. J. B. Boda & Company, shortly following the attacks on Mumbai, to spread the knowledge and awareness on terrorism Insurance and clarify various issues of concern with the insuring public.

For better claims management and minimizing losses, method of e- tendering for salvage disposal was successfully adopted in the company.

Company's Engineering Department has shown commendable growth of 12.34% over the previous year in the face of the cutthroat competition prevailing in the Indian market. This has been possible because the Company has been proactive in its support to the infra-structural development of the country, by participating in the insurance programmes of various large projects. At the same time through prudent underwriting and loss control measures, Company has been able to contain loss ratio at 40%. Company will strive to ensure that the trend further improves in the future.

VIII. MOTOR LOSS CONTROL MEASURES

In the stiff competitive market scenario, the reduction in premium rates of Motor Own Damage has resulted in higher ICR and ultimately pushing the combined ratio of the Company upward. Motor OD premium was 55% of the Gross Motor Premium of Rs.1998 crores and OD Incurred Claims Ratio stood around 65% and Third Party Premium was 45% of the Gross Motor premium in 2008-09. The Third Party (TP) loss ratio continues to be a drain mainly due to the provisions of the Motor Vehicles Act. Suggestions mooted to effect amendments to the Motor Vehicles Act, are under consideration of the Government.

Greater emphasis is given to good underwriting and claims service practices to bring down claims cost.

A web-enabled system has been introduced to issue on line motor policies in line with the expectations of retail market. This will facilitate greater control over acceptance of good risks and accumulation of quality data in motor insurance for product analysis.

Settlement of Claims have been centralised through claims hub at 25 centres covering more than 300 operating offices. More offices will be covered under this concept, shortly. With the centralised Claims processing, the Turn Around Time (TAT) for settlement of claims has been reduced considerably (it is now less than 35 days). The Company expected improvement in quality of assessment and settlement of claims through these hubs. The Motor OD claims procedure has also been simplified.

The Company has taken steps to keep its motor loss ratio under control. Cautious efforts are being made to dispose of long pending Third Party Claims. An initiative under project new energy has been taken to reduce the pendency of TP claims and effective management of TP cases.

Special efforts were taken to reduce the pending orphan claims, where policy particulars are not available, and considerable number of orphan claims has been closed. It is being ensured that no orphan claim should remain pending for more than one year.

The Indian Motor Third Party Insurance Pool has formulated Guidelines for processing Motor Third Party claims. According to which the procedure for dealing with TP claims has been standardized with a view to facilitate all General Insurers to settle the claims quickly, to reduce the cost and to minimize the fraudulent claims.

Motor Pool TP Claims Guideline has now been made applicable to the existing outstanding TP claims for their quick disposal.

These measures are expected to bring reduction of incurred claims ratio and improvement in overall performance of motor insurance business.



IX. CLAIMS SETTLEMENT AND AGEWISE ANALYSIS

The company had taken target of 90% claims settlement in respect of Non-suit Claims. The actual ratio in respect of Non-suit Claims in 2008-09 is 89.43%.

However the overall claims settlement ratio including suit claims (comprising mainly of Motor TP Claims) is 73.21% in 2008-09.

Number of Claims Outstanding as on 01.04.2008	367980
Number of Claims Intimated during 2008-09	1028343
Number of Claims Settled during 2008-09	1022193
Number of Claims Outstanding as on 31.03.2009	374130

Age-wise classifications of outstanding claims as on 31.03.2009 is given hereunder :

Claims Outstanding for less than three months	75884
Claims Outstanding for more than three months but less than one year	68299
Claims Outstanding for more than one year	229947
Total	374130

Out of a total 374130 pending claims as on 31st March 2009, 264141 claims are Motor TP claims which are pending at various MACTs across the country.

X. RURAL INSURANCE, SOCIAL SECTOR INSURANCE AND SPECIAL SCHEMES

The Company has more than 40 products catering to the insurance need of rural and social sector. It has always remained pioneer in designing new products and developing business in the sector. The people in the rural area are adopting new practices in the farming and the Company is suitably devising its products to meet the requirement of the farmers and the financiers. Following are the major schemes:

- Ganna Kamgar Vima Yojana :
- Gopal Raksha Package Policy :
- Plantation Insurance :
- Special Insurance Schemes for high yielding Cattle :
- Insurance of Drip Irrigation – Multi Peril Drip Irrigation Utility Policy :
- Emu Insurance :
- Jeevankranthi Scheme :

Social Security Covers for weaker sections of the society :

- Janata Personal Accident Insurance
- Janata Personal Accident Policy for Kisan Credit Card Holders
- Insurance of Fishermen in Orissa
- Jeevanraksha Nidhi

- Group JPA for Account Holders of Bhubaneswar Central Co-op. Bank, Boudh :
- Jalgaon Zilla Sarkari Nokaranchi Sahakari Patpedhi, Jalgaon
- Raigad Zilla Madhyamik & Uchcha Madhyamik Vidyasevak Sahakari Patsanstha
- M/s.Ganesh Suvarna Sahakari Bank
- Jan Arogya policy for rag pickers
- Jan Arogya policy for SEWA
- Universal Health Insurance Scheme for BPL Families

Performance of social sector schemes for the last five years is annexed hereto as Annexure II to the Directors' Report.

XI. CITIZENS' CHARTER

Company takes utmost care to adhere to the performance parameters laid down in the Citizen's Charter. The same is displayed at prominent places in the Head Office, Regional Offices and Divisional Offices.

XII. CUSTOMER SERVICE

Customer Service & Grievance Cells are well established at company's corporate office and all Regional Offices. "May I help You? " counters have been provided in all Regional Offices, Divisional offices and Branch offices for customer service.

The Company's website provides addresses and contact numbers of all offices for convenience of the customers. Online information of the Company's products is also provided for the benefit of public.

XIII. GRIEVANCE REDRESSAL

The Company has well established Grievance Cell at Head Office and all Regional Offices. The Grievance Cell is headed by Chief Manager and is supervised by Deputy General Manager and General Manager at Head Office. At Regional Offices it is headed by Regional Managers/Managers.

It is Company's Philosophy to constantly endeavour to improve its service delivery standards and capabilities in order to meet the increasing legitimate expectations of customers for better, faster and more effective service. Company aims at a time-bound, result oriental grievance redressal in a transparent manner.

In tune with this approach Company's Board has approved a Grievance Redressal Policy for the Company, which inter-alia specifies its objectives, lays down structure for Grievance Redressal Mechanism and sets time-bound parameters for grievance redressal.

The Company has evolved Grievance Module for online assigning, tracking and resolution of grievances and the same is being implemented by our Offices.



The position of grievances redressal cases during the year is as below :

	Outstanding on 1.04.2008	Reported during the year	Redressed during the year	Outstanding as on 31.03.2009
Directly reported to HO-HODT	310	769	776	303
Received through IRDA	162	326	343	145
Received through Directorate of Public Grievances (DPG)	21	24	35	10
Total	493	1119	1154	458

XIV. TECHNO MARKETING

New India has a Techno Marketing Department, which plays a proactive role in devising innovative insurance solutions for the large corporates in the Indian Market. The process involves identification of Mega Risks in India through various sources, constant liaisoning and vigorous follow up to convert opportunities into premium income for the Company.

Out of the total 47 Mega Risks existing in the country, New India retains the dominant position by writing 20 risks. The Company procured premium of Rs 207.33 crores from this category during the year. Apart from this, many Mega Risks availed terrorism cover from International Market. By efficiently sourcing the terrorism capacity, New India earned a premium income of Rs.15.04 crores during the current underwriting year. When viewed in the backdrop of falling insurance rates and entry of more number of new players into the Mega Risks insurance market, the premium earned is quite sizeable. Over and above these, the premium earned from construction insurance for mega projects during the year is Rs.35.83 crores. Thus the total premium from this portfolio has been Rs.258.20 crores.

The Company had also taken the lead to widen their activity by accepting proposals with sum insured below Rs.2500 Cr. for evaluation and underwriting. This new class of risk has generated Rs. 16.20 Crores premium for the Company as on 31st March, 2009.

XV. PUBLICITY ACTIVITIES

Publicity and Marketing play a vital role of promoting the corporate image and popularizing the Company's products among urban, semi-urban and rural masses. No matter what market share a brand enjoys one has to market one's product to keep in pace with the ever-changing scenario of globalisation and stiff competition. As quoted by one of the pioneers in advertising arena – a great advertisement is an advertisement, which generates great sales. So, the Company has carefully planned and reached out to the target customers through the various advertising medias.

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

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

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

XVI. REINSURANCE

Reinsurance program for 2008-09 was designed taking into account the need of increasing the automatic capacity in light of the falling premium due to detariffing. It has been our continuous effort to improve our underwriting results so that our proportional treaties are well balanced and profitable.

During the year the Company has taken Voluntary Quota Share Treaty with GIC in Fire, Marine Cargo, Marine Hull, Motor OD, Engineering, Miscellaneous. The arrangement helped the Company to retain maximum premium within the country.

No major risk or catastrophe claims have been reported during the year. The global reinsurance market continued to remain soft in the beginning of the financial year, which helped the Company in placing non-proportional treaties at competitive rates. However, in the latter part of the financial year due to the credit crunch and recession the reinsurance rates have begun hardening.

The Company will endeavour to constantly improve and maintain high standards in underwriting so that underwriting results will improve year after year. The Company will nurture a long-term relationship with the Reinsurers.

XVII. INFORMATION TECHNOLOGY

The Company has taken the IT technology initiative for deploying a Service oriented Architecture (SOA) based Centralized web-based Insurance systems solution (CWISS) focusing on providing value added 24x7 services to the customer using multi-channel with a single view for the customer.

Together with the Business Transformation Programme, encompassing technology, the roll out of CORE for Motor line of business was completed at 250 operating offices in India across the country, through deployment of TCS BANCS Core Insurance Solution which will be integrated with multiple delivery channels like Internet, e-mail, mobile and Interactive voice and Call Center.

The Company has successfully piloted modules of Siebel (Customer relationship Management software) including a module for Grievance Redressal Mechanism. This enables the company to have a 360-degree view of the customer. Some modules of HR application (People soft) are also deployed.

With a view to conserving energy and cost and making IT green, the Company has taken initiative of deploying thin clients for the roll out of CWISS.

The Company, in association with its technical support team initially established full-fledged training infrastructure at each RO for the roll out of CWISS. The Company also launched a countrywide



training programme for its employees in order to bridge the knowledge-gap arising out of the newly implemented core insurance system in a number of branches.

XVIII. VIGILANCE ACTIVITIES

The Vigilance Department comprises of the CVO (GM), the Chief Manager and Vigilance Officers at Head Office and Vigilance Officers posted in all the Regional Offices.

The focus of Vigilance is prevention of frauds by preventive and proactive actions and punitive action in matter of frauds detected and system lapses.

During 2008-09 the Vigilance Officers conducted 106 surprise inspections. This is an effective tool for detecting irregularities / system lapses committed at operational levels and particularly helpful for the BM s / DM s for understanding the importance of control and supervision and identify the weak areas.

During the year 26 Awareness Programmes were conducted at RO and DO levels to create better understanding of Vigilance. Newly recruited Vigilance Officers have attended training for better understanding of procedures of disciplinary proceedings and investigation.

Training Programmes are held at Corporate Training College to include preventive vigilance in various training modules and Awareness Programmes are conducted at Regional Offices and Divisional Offices levels.

Thus the sole purpose of Vigilance Department is to make employees focus on and accept 'Vigilance' as an organisational objective, to create an atmosphere conducive to "Zero – corruption" functioning with role clarity and clear sense of direction.

XIX. INTERNAL AUDIT

Keeping in tune with the last two years practice that has yielded good results, the Internal Audit Department has continued its thrust in directing and rectifying Systems and Procedural Lapses enhancing the performance of Audit Compliance Cells at various operating offices for faster resolution of pending audit queries – both internal and CAG.

As directed by the Board of Directors, each and every Board and CMD Level query was examined age-wise, cause-wise and reasons for their pendency and the feedback for the same presented to the Directors. Great thrust was given to clear old pending queries while the new ones too were attended simultaneously.

With the help of HO, Internal Audit Officials and Executives from HO – 12 Audit Workshops were conducted during the year, which has substantially helped in resolving difficult queries and in the process, the number of pending queries have come down to great extent. Much emphasis was placed on pending employee recovery cases. Consequent upon this the recoveries from employees melted out this year significantly and almost became negligible. In coordination with CAG, two Zonal Workshops were conducted at Chennai and Mumbai RO III for compliance of queries and the outcome was extremely encouraging.

XX. HUMAN RESOURCE DEVELOPMENT

● Particulars of Employees and Recruitment

The number of employees recruited during the year and the employee strength as on 31st March 2009 is shown below:

Category	Number of Recruitments	Total Number of Employees
Class I	NIL	5063
Class II (Development)	NIL	2262
Class II (Administration)	NIL	610
Class III	NIL	9470
Class IV (Excluding Part Time Sweepers)	NIL	2118
Part Time Sweepers	NIL	390
TOTAL	NIL	19913

● Training

The Company strives to continuously upgrade the knowledge and skills of its employees through regular training programmes.

The Company has its own Corporate Training College in Mumbai, two Zonal Training Centres at Kolkata and Chennai and Twenty One Regional Training Centres. Besides, Thirty-three Agents Training Centres are also operating throughout the country for training of Agents. National Insurance Academy at Pune, co-promoted by the Company alongwith its Public Sector counterparts and LIC, imparts insurance training of a high degree to the insurance professionals. The Academy also offers research facilities in the field of insurance.

In addition to training facilities offered at its own training centers, the Company nominates its employees to various technical and personality development programmes, policy awareness and updation programmes organized by outside agencies like College of Insurance, ASSOCHAM, BSE, ICSI – CCRT, ICWAI, etc. Executives and Officers also attend international seminars, conferences and trainings conducted by M/s Richards Hogg & Lindley, London & IUMI, Canada (for Marine Insurance), M/s BEST Re, Philippines (for Reinsurance), etc.

Details of Training Programmes attended by the employees for the period from 01.04.2008 to 31.03.2009 are given in the table below :-

Centres	Total No. of Programmes	Total No. of Participants
National Insurance Academy, Pune	85	410
College Of Insurance	2	2
External Institutions	18	60
Foreign Programmes	9	11
Corporate Training Centre	107	1678



● **Statistics of Training for the Year 2008 – 09**

Corporate Training Centre of the Company conducted Management Development Programmes for Transformational Leadership Training focusing on areas such as Personal Effectiveness, People Management, Leadership Development, Applied Behavioral Sciences, Service Excellence, and Innovation etc. with emphasis on Self-mastery, Stress Management, Motivation and Mentoring, Team Building, Decision-making to build future leaders for succession planning. Besides these, the Company also conducted Management Development Programmes for core Insurance subjects and other technical areas such as Accounts, Information Technology etc.

● **Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), People With Disabilities (PWDs) And Ex-Servicemen**

The representation of SC/ST in various cadres as on 31.03.2009 is as under:

Category/Level	Total Nos.	Number of		Percentage of	
		SCs	STs	SCs	STs
Group A (Officers)	5063	1135	274	22.41	5.41
Group B (Development Officers Development & Administration)	2872	300	85	10.44	3.32
Group C (Clerical)	9470	2070	710	21.85	7.49
Group D : Sub-staff	2118	886	166	41.83	7.83
Part time Sweepers	390	256	34	65.64	25.54
TOTAL	19913	4647	1269	23.33	63.72

The Company strictly follows the Government guidelines regarding reservations, concessions and safeguards to employees belonging to SC/ST/OBC/PWDs & Ex-Servicemen.

SC/ST & OBC Cells are actively functioning at Head Office and all Regional Offices. Liaison Officer under the charge of a Chief Liaison Officer assists this cell at Head Office, whereas Assistant Liaison Officers head the Cell at various Regional Offices.

Once in a year, the Liaison Officer from the Head Office inspects the Rosters pertaining to recruitments and promotions at all Regional Offices. The inspection reports, with the observations of Liaison Officer, are put up to the General Manager (Personnel) and Chief Liaison Officer for further directions and sent back to the respective Regional offices. Based on the inspection report, efforts are taken by the concerned Regional office in coordination with the Head Office to clear the backlog and rectify the shortcomings in the procedure, if any, observed by the Liaison Officer.

The grievances and complaints are investigated and resolved immediately.

● **Staff Welfare Schemes**

The Company has various schemes for Staff Welfare taking utmost care of entire New India

family. The schemes provided are Housing Loan at subsidized rates of interest, Group Medclaim Policy covering hospitalization expenses, Lump sum Domiciliary payment, Group Personal Accident Policy with 24 hours cover, Group Baggage Policy, Benefits to employees meeting with accident whilst on duty, Exgratia relief for uncovered medical expenses for high cost/protracted treatment, incentives for family planning, financial assistance for post graduate management courses, Employees Deposit Linked Insurance Scheme, Group Savings Linked Insurance Scheme and Group Term Insurance Scheme, accommodation to employees at their workplace, compensation to families due to death of employees whilst in service, text books reimbursements, tuition fees reimbursements for post management courses, retirement and death relief schemes, service mementos etc. For better information, guidance and vigorous follow up, the Company has highlighted various benefits payable to families on death of employees during their service on the Intranet (medium of communication for employees) and ensure expeditious settlement of the said claims with LIC.

Consequent upon the notification from Ministry of Finance, a comprehensive medical benefit scheme has been made effective during the year, for existing/retired Whole Time Directors including their spouse, dependent children and dependent parents in the current year.

● Gender Issues And Empowerment of Women

Continuing its tradition, the Company has granted equal opportunities for career development to women and details of significant posts held by women officers are as follows :

GM 1

CRM 1

BM / SBM 14

DM / SDM 14

Foreign Postings 3

This is for the first time; the Company has a lady General Manager. Further, the Company has one more lady General Manager on deputation from LIC, heading the Vigilance Department.

Training Programme for women representatives was conducted at Corporate Training Centre on various provisions available at law and within the organisation, towards safe and healthy work atmosphere.

Company's representatives participated in a programme 'Feel Good Look Good' on international day for women, conducted by SNTD University. The programme dealt with positive thinking. Company's representatives also participated in the 19th National meet of women in Public Sector held in New Delhi. The theme of the Meet was 'Evolving the Blue Print for Change'.

No new cases or harassment were reported to Head Office Committee. However one case was reported at a regional office, which was closed as unsubstantiated.

● Industrial Relations

The Company has maintained cordial, effective and smooth industrial relations during the financial year, as per the organisational objectives. The concerns and interests of the employees were



handled amicably. The Company has also achieved the objective of maintaining harmonious relations with the Unions and Associations.

● Sports Activities

The Company through its Sports Club organises All India tournaments in the disciplines of Carrom, Cricket, Kabaddi, Table Tennis and Badminton. The Company had conducted 7th All India Table Tennis Tournament 2008-09 in February 2009 at Siliguri successfully. Further, All India Badminton and Carrom teams had participated in All India Public Sector Sports Board Tournament at Goa and Mumbai respectively. Kabaddi team of the Company had also taken part in local tournament i.e. Mumbai District Kabaddi Association, Maharashtra Kamgar Kalyan State level and Matrubhumi Krida Mandal tournaments. Thus, the Company has strived to maintain and increase the spirit of healthy competition and sports activities amongst its employees.

XXI. OFFICIAL LANGUAGE IMPLEMENTATION

Company supported progressive use of Hindi in routine internal work as well as communication with public and customer service as directed by Parliamentary Committee on Official Languages. We have initiated steps to promote use of Indian Languages mentioned in eighth schedule of the Constitution. Few of the major activities during the year under review are outlined below :

- The Company organized 170 Hindi workshops at different places during the year.
- All India Hindi Officers Conference was organized at Panipat.
- Three meetings of Official Language Implementation Committee meetings were held in Head Office.
- Steps for issuance of policies in Hindi only by amending provisions of section 3(3) of the Act were initiated during the year. In response to this Ministry of Home Affairs vide resolution no. 1/20012/07/2005. OL (policy-1) dated 2nd July 2008 informed us approval of President of India to issue insurance policy in Hindi only instead of bilingual. Policy in Hindi only is being issued in some of our offices and efforts are being made to cover more offices.
- Publication of two issues of in-house magazine in Hindi, installation of Company's Website in Hindi, option for answering questions in Hindi in all promotional examinations, translation of some policy documents in Hindi, incentive schemes for promoting Hindi are some of the other activities for Official Language implementation.
- Inspection by Parliamentary Committee on Official Language implementations was carried out at Kavarati Branch under Ernakulam Regional Office.

XXII. CORPORATE LEGAL MATTERS

The Corporate Legal Dept. was re-instituted in the year 2006. The first step taken by the Department was to obtain a database of all legal cases pending in various Tribunals, Consumer Fora, Civil Courts, High Courts, Ombudsman and Supreme Court.

This has been followed by review of actual files in operational offices under various Regional Offices by

the team from Head Office and the findings submitted to the Management from time to time. Remedial actions as suggested and approved have been communicated to the respective Regional offices for compliance, so as to reduce the litigations as well as liability. It is proposed to buttress it further by holding Work-Shops/Review Meetings to achieve the target of reduction in litigations and liabilities, in particular, the Motor Third Party cases.

XXIII. RIGHT TO INFORMATION ACT, 2005

In keeping with the letter and spirit of the Right to Information Act, 2005, and in conformity to the ideals of transparency and accountability in the functioning of Public Authorities, Central Public Information Cell, at Head Office has been consistently creating awareness amongst its employees and In-charges of different offices to respond promptly and precisely within the provisions of the Act, to the various information seekers.

This campaign of awareness in a sustained manner has also being followed up with Circulars/In house discussion and regular up-dation of official website of the Company. The disposal details in 2008-09 are as under :-

	Requests	First Appeals
Opening Balance as on 01.04.2008	11	3
Received during the year including cases transferred to other Public Authority	1005	216
No. of cases transferred to other Public Authorities	0	0
Decision where requests/appeals rejected	103	85
Decisions where requests/appeals accepted	913	134
Closing Balance as on 31.03.2009	NIL	NIL

XXIV. CERTAIN EXPENSES OF MANAGEMENT

Expenses of Management of the Company include :

- Entertainment (Indian & Foreign) : Rs. 1.08 crores.
- Foreign Tours undertaken by the Executives : Rs. 0.82 crores.
- Publicity and Advertisement : Rs. 22.53 crores.

XXV. FOREIGN EXCHANGE EARNINGS & OUTGO

The Company's foreign exchange earning for the year 2008-09 is Rs.156.97 crores whereas the outgo in foreign currency has been Rs.415.92 crores.

XXVI. FINANCIAL RATING

The Company has been rated as A- Excellent identical to previous year by A.M Best Company, one of the premier financial rating Agencies of the world. The rating reflects New India's leading business profile in the Indian General Insurance market and reliance on investment return to generate profit. A. M. Best expects the Company's prospective level of Capital and surplus to be sufficient to support its projected growth in premium income on a risk adjusted basis. It believes that New India is likely to



maintain its leading business position as the largest direct insurer in India despite increased competition from private companies. It also envisages that the Company will remain under pressure due to the significant exposure of its Investment in the domestic equity market.

XXVII. CORPORATE GOVERNANCE

Corporate Governance is the philosophy, discipline system and procedure of financial and other controls in a corporate entity that ensures that business is carried out in a just and equitable manner with the aim of improving shareholders' value. The corporate governance has acquired immense accent in recent times and much emphasis has been focused on good governance of a business entity. In case of Insurance business, safeguarding interest of the policyholders demands in place good governance practices for maintenance of solvency, sound long-term investment policy and assumption of underwriting risk on a prudential basis to create confidence among policyholders, investors and shareholders and the public.

The Board of Directors is responsible for good governance of the company and places a high degree of importance on applying the high standard of business integrity and professionalism and maintaining sound control systems at all levels of the Company's activities. The Board is committed to have in place an effective system of corporate governance and ensuring conduct of business in accordance with generally accepted principles and best practices of Corporate Governance and business ethics.

The Company is following the best Corporate Governance practices. Details of the Board and its Sub Committees are given below :

(i) Board of Directors

New India's Board consists of a perfect blend of experts from the fields of insurance, banking and finance. The Company has seven directors at present. The details are given below :

Sl. No.	Name and Designation of Directors	Category of Directorship
1.	Mr. B. Chakrabarti, Chairman-cum-Managing Director	Chairman-cum-Managing Director
2.	Mr. Tarun Bajaj, I.A.S. Joint Secretary (Banking & Insurance), Ministry of Finance, Government of India.	Non-executive Director
3.	Mr. T. S. Narayanasami, Chairman & Managing Director, Bank of India.	Ex-officio Director (Ceased to be Director w.e.f. 20 th October 2008)
4.	Mr. M.D. Mallya, Chairman & Managing Director, Bank of Baroda.	Ex-officio Director (w.e.f. 20 th October 2008)
5.	Mr. M. Razzack, Chartered Accountant	Part time non-official Director
6.	Mr. Sanjay Gupta, Chartered Accountant	Part time non-official Director
7.	Mr. Sarat Pattanayak, Social Worker	Part time non-official Director
8.	Mr. N.S.R. Chandra Prasad, General Manager	Whole-time Director (Ceased to be Director w.e.f. 4 th June 2009)
9.	Mr. A. R. Sekar, General Manager, Financial Advisor & Company Secretary	Whole-time Director

Five Board Meetings took place during the year. The attendance of directors during the meetings is given below :

Name of the Director	6.06.2008	9.08.2008	14.10.2008	29.12.2008	24.03.2009
Mr. B. Chakrabarti	✓	✓	✓	✓	✓
Mr. Tarun Bajaj	✓	Leave of Absence	Leave of Absence	✓	✓
Mr. M.D. Mallya	-	-	-	✓	✓
Mr. M.Razzack	✓	✓	✓	✓	✓
Mr. Sanjay Gupta	✓	✓	✓	✓	✓
Mr. Sarat Pattanayak	✓	✓	✓	✓	Leave of Absence
Mr. T. S. Narayanasami	Leave of Absence	Leave of Absence	Leave of Absence	Ceased to be a Director	
Mr. N. S. R. Chandra Prasad	✓	✓	✓	✓	✓
Mr. A. R. Sekar	✓	✓	✓	✓	✓

The Board underwent the following changes in its composition since the date of last Directors' Report, i.e., 25th July 2008 :

- The Government of India changed its Nominee Director vide Order No. F. No. 110 11/10/2006-Ins.IV dated 20th October, 2008 and appointed Mr. M. D. Mallya, Chairman & Managing Director, Bank of Baroda as Ex-Officio Director on the Board of the Company (for a period of three years or until further orders whichever is earlier) in place of Mr. T.S. Narayanasami.
- Mr. N. S. R. Chandra Prasad also ceased to be Director with effect from 4th June, 2009, consequent on his appointment as Chairman cum Managing Director of National Insurance Company Limited, Kolkata, vide Government Order No. F. No. A. 11011 / 19 / 2008-Ins IV dated 1st June, 2009.

The Board places on record its sincere gratitude for the valuable contributions made by Mr. T. S. Narayanasami as Director of the Company and Member of the Audit and Investment Committees and Mr. N. S. R. Chandra Prasad as Director and as Member of the Audit Committee of the Board.

(ii) Audit Committee

The Company has constituted Audit Committee under Section 292A of the Companies Act, 1956. The present members of the Committee are Directors, Mr. Tarun Bajaj (Chairman of the Committee), Mr. M.D. Mallya, and Mr. M. Razzack. Mr. A. R. Sekar, Financial Advisor & Company Secretary is the Convener of the Committee.

Consequent on the appointment of Mr. M.D. Mallya as Director in place of Mr.T.S. Narayansami, the Audit Committee was reconstituted with Mr. M.D. Mallya as a Member of the Audit Committee at the Board Meeting held on 29th December 2008.



During the financial year 2008-09, the Committee held four meetings. The attendance of Members during the meetings is given below :

Name of the Member	06.06.2008	29.12.2008	09.02.2009	24.03.2009
Mr. Tarun Bajaj	✓	✓	✓	✓
Mr. T. S. Narayanasami	✓	Ceased to be a Director		
Mr. M. Razzack	✓	✓	✓	✓
Mr. N.S.R. Chandra Prasad	✓	✓	✓	✓
Mr. M.D. Mallya	-	-	Leave of Absence	✓

(iii) **Investment Committee**

Consequent on the appointment of Mr. M.D. Mallya as Director in place of Mr. T. S. Narayanasami, the Investment Committee was reconstituted with Mr. M.D. Mallya as a Member at the Board Meeting held on 29th December 2008.

During the financial year 2008-09, the Committee held six meetings. The attendance of Members during the meetings is given below:

Name of the Member	Attendance during Meetings					
	06.06.2008	09.08.2008	14.10.2008	19.11.2008	09.02.2009	24.03.2009
Mr. B. Chakrabarti	✓	✓	✓	✓	✓	✓
Mr. Tarun Bajaj	✓	Leave of Absence	Leave of Absence	✓	✓	✓
Mr. T.S.Narayanasami	✓	Leave of Absence	Leave of Absence	Ceased to be a Director		
Mr. Sanjay Gupta	✓	✓	✓	✓	✓	✓
Mr. M.D. Mallya	-	-	-	-	Leave of Absence	✓
Mr. A R Sekar	✓	✓	✓	✓	✓	✓
Mr. A R Prabhu	✓	✓	✓	✓	✓	✓

(iv) **Remuneration Committee**

Remuneration Committee of the Company is constituted in compliance with the Government directives. Consequent on the appointment of Mr. M.D. Mallya as Director in place of Mr.T.S. Narayanasami, the Remuneration Committee was reconstituted with Mr. M.D. Mallya as a Member at the Board Meeting held on 29th December 2008. The other Members of the Committee are Directors Mr. Tarun Bajaj and Mr. M. Razzack. A Meeting of the Committee was held on 11.04.2008 during the financial year 2008-09.

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

The particulars of employees drawing remuneration of Rs. 24 lacs and above for the year ended 31st March 2009 as required under Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 are enclosed as per Annexure III to the Directors' Report.

XXIX. AUDITORS

Under Section 619 of the Companies Act, 1956, the Comptroller and Auditor General of India, appointed M/s. Chaturvedi & Shah, M/s Sarda & Pareek and M/s. Karnavat & Co. as the Central Statutory Auditors of the Company for the year 2008-09. Branch auditors for the various Regional Offices and Divisional Offices in India and for the foreign branch offices were also appointed for the year. The Board of Directors expresses its gratitude for the directions and guidance given by the statutory auditors in drawing up the Company's annual results.

XXX. SUBSIDIARY COMPANIES

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

Sr. 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%
3.	Prestige Assurance Plc., Nigeria	2,149,985,000	1,096,555,085	51%

The performance of subsidiaries for the year ended 31st December 2008 is summarized below :

(Figures in '000)

Name of the subsidiary	Currency	U/w Profit/Loss		Investment Income		Other Income		Net Income (before tax)		Dividend	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
NIA (T&T) Ltd.	\$	5612	12081	5668	4847	(267)	854	11013	17782	1741	1483
NIA (S.Leone) Ltd.	Le	(13114)	(12329)	35563	42716	-	-	22449	30387	NIL	NIL
Prestige Assurance	N	990020	901569	911466	751385	3869	1402	802016	721256	343998	257998

- All the subsidiary companies follow the calendar year for finalisation of accounts. Therefore, performance has been given for the year ended 31st December 2008.
- 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 ended December, 2008.
- In compliance with the provisions of the Section 212 of the Companies Act 1956, the report and audited accounts of the subsidiary companies are appended hereto.

XXXI. ADOPTION OF ACCOUNTS BY SHAREHOLDERS

The Company's Annual Accounts for the year 2008-09 were adopted by the shareholders at the Annual General Meeting held on 9th August 2008.

XXXII. SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT

The Ministry of Finance, Insurance Division has confirmed that the Annual Report of the Company for



the Financial Year 2007-08 along with the Directors' Report was placed before both the Houses of Parliament on 23rd December 2008 as per the requirement of Section 619A read with Section 619B of the Companies Act, 1956.

XXXIII. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- the Directors have selected accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the year under review.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have arranged preparation of the accounts for the financial year ended 31st March, 2009 on 'going concern' basis.

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

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

XXXV. ACKNOWLEDGEMENT

Directors take this opportunity to thank all the valued clientele, individual and corporate agents, bancassurance partners, surveyors, intermediaries, reinsurance brokers and insuring public of the Company for their constant support to the Company to attain greater heights.

Board wishes to place on record their appreciation to all New Indians at all levels for their hard work, dedication and commitment put in by them for achieving the Corporate goals.

Directors are grateful to the Ministry of Finance (Insurance Division), Insurance Regulatory and Development Authority (IRDA), General Insurers' (Public Sector) Association of India (GIPSA), and the Principal Director of Commercial Audit & Ex-officio Member, Audit Board - I, Mumbai, for their continued guidance and support.

B. Chakrabarti	Chairman-cum-Managing Director
Tarun Bajaj	Director
M. D. Mallia	Director
M. Razzack	Director
Sanjay Gupta	Director
Sarat Pattanayak	Director
A. R. Sekar	Director

Place : Mumbai
Date : 4th August, 2009

ANNEXURE I TO DIRECTORS' REPORT

DETAILS OF COUNTRY - WISE OPERATIONAL RESULTS FOR FOREIGN BRANCHES AND AGENCIES
FOR THE FINANCIAL YEAR 2008-09

RESULTS 2008-09

(RS. IN CRORES)

COUNTRY		GROSS PREM.	NET PREM.	CLAIMS		COMMISSION		MGT. EXP.		HO R/ XL COST		RES. STR.		INCOME		U/W PROFIT		INVTMENT INCOME		NET PROFIT	
		Rs.	Rs.	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
ABU DHABI	C.Y. P.Y.	50.10 36.39	43.21 33.02	21.46 18.38	49.7 55.7	11.49 9.01	26.6 27.3	0.49 0.39	1.1 1.2	0 0	0.0 0.0	4.78 2.58	11.1 7.8	0 0	0.0 0.0	4.99 2.66	11.5 8.1	1.59 1.06	3.7 3.2	6.58 3.72	15.2 11.3
DUBAI	C.Y. P.Y.	128.49 104.53	110.15 77.98	18.87 92.14	17.1 118.2	32.24 23.57	29.3 30.2	0.99 1.00	0.9 1.3	0 0	0.0 0.0	18.00 4.55	16.3 5.8	0.02 0.13	0.0 0.2	40.07 -43.15	36.4 -55.3	2.79 2.80	2.5 3.3	42.86 -40.55	38.9 -52.0
BAHRAIN	C.Y. P.Y.	46.74 37.48	39.00 29.25	26.43 14.33	67.8 49.0	9.71 7.88	24.9 26.9	1.22 1.36	3.1 4.6	0 0	0.0 0.0	5.34 -0.53	13.7 -1.8	0 0	0.0 0.0	-3.70 6.21	-9.5 21.2	1.42 2.01	3.6 6.9	-2.28 8.22	-5.8 28.1
KUWAIT	C.Y. P.Y.	47.24 36.48	44.41 33.27	23.84 17.75	53.7 53.4	14.71 11.48	33.1 34.5	1.59 0.77	3.6 2.3	0 0	0.0 0.0	5.74 1.97	12.9 5.9	-0.12 -0.10	-0.3 -0.3	-1.59 1.20	-3.6 3.6	1.81 1.14	4.1 3.4	0.22 2.34	0.5 7.0
MUSCAT	C.Y. P.Y.	161.74 105.30	145.78 83.47	11.77 136.63	8.1 163.7	33.91 22.91	23.3 27.4	1.69 0.49	1.2 0.6	0 0	0.0 0.0	34.13 6.47	23.4 7.8	0.04 0	0.0 0.0	64.32 -83.03	44.1 -99.5	7.82 4.74	5.4 5.7	72.14 -78.29	49.5 -93.8
SAUDI ARABIA	C.Y. P.Y.	11.01 23.09	8.09 19.82	20.22 9.16	249.9 46.2	2.85 6.07	35.2 30.6	0.78 0.77	9.6 3.9	0 0	0.0 0.0	-6.82 0.75	-84.3 3.8	-0.34 -0.82	-4.2 -4.1	-9.28 2.25	-114.7 11.4	0.02 0.34	0.2 1.7	-9.26 2.59	-114.5 13.1
ARUBA	C.Y. P.Y.	41.69 36.95	38.52 32.24	25.41 14.59	66.0 45.3	14.01 11.81	36.4 36.6	1.31 0.80	3.4 2.5	0 0	0.0 0.0	3.14 -3.41	8.2 -10.6	0.19 0.17	0.5 0.5	-5.16 8.62	-13.4 26.7	3.06 2.56	7.9 7.9	-2.10 11.18	-5.5 34.7
CURACAO	C.Y. P.Y.	17.11 14.84	15.59 12.58	3.45 19.85	45.3 157.8	4.46 3.98	28.6 31.6	0.80 0.66	5.1 5.2	0 0	0.0 0.0	1.57 -1.47	10.1 -11.7	-0.05 0.06	-0.3 0.5	5.26 -10.38	33.7 -82.5	0.94 1.12	6.0 8.9	6.20 -9.26	39.8 -73.6
TOTAL FOR AGENCIES	C.Y. P.Y.	504.13 395.06	444.75 321.63	151.45 322.83	34.1 100.4	123.38 96.71	27.7 30.1	8.87 6.24	2.0 1.9	0 0	0.0 0.0	65.88 10.91	14.8 3.4	-0.26 -0.56	-0.1 -0.2	94.91 -115.62	21.3 -35.9	19.45 15.57	4.4 4.8	114.36 -100.05	25.7 -31.1
MAURITIUS	C.Y. P.Y.	44.15 33.27	37.41 26.64	21.88 20.39	58.5 76.5	5.60 3.43	15.0 12.9	1.56 1.40	4.2 5.3	0 0	0.0 0.0	5.39 3.76	14.4 14.1	0.04 -0.04	0.1 -0.2	3.02 -2.38	8.1 -8.9	8.08 5.85	21.6 22.0	11.10 3.47	29.7 13.0
HONGKONG	C.Y. P.Y.	27.31 17.99	26.78 17.24	13.73 21.10	51.3 122.4	10.56 5.99	39.4 34.7	2.61 2.00	9.7 11.6	0 0	0.0 0.0	5.29 0.55	19.8 3.2	0.00 0.00	0.0 0.0	-5.41 -12.40	-20.2 -71.9	1.16 1.59	4.3 9.2	-4.25 -10.81	-15.9 -62.7
PHILIPPINES	C.Y. P.Y.	15.30 5.52	9.34 3.87	7.39 1.66	79.1 42.9	1.90 1.01	20.3 26.1	1.31 1.14	14.0 29.5	0 0	0.0 0.0	2.78 0.30	29.8 7.8	0.03 0.03	0.3 0.8	-4.01 -0.21	-42.9 -5.4	3.54 2.88	37.9 74.4	-0.47 2.67	-5.0 69.0
THAILAND	C.Y. P.Y.	9.51 8.61	6.73 6.07	4.25 3.92	63.2 64.6	1.69 1.40	25.1 23.1	1.82 1.59	24.1 26.2	0 0	0.0 0.0	0.18 1.22	2.7 20.1	0.01 0.00	0.1 0.0	-1.00 -2.06	-14.9 -33.9	1.19 1.20	17.7 19.8	0.19 -0.86	2.8 -14.2
AUSTRALIA	C.Y. P.Y.	36.45 23.21	22.22 8.56	7.67 10.01	34.5 116.9	4.31 2.51	19.4 29.3	2.87 2.62	12.9 30.6	0 0	0.0 0.0	6.93 -0.74	31.2 -8.6	-1.53 -0.59	-6.9 -6.9	-1.09 -6.43	-4.9 -75.1	7.51 5.89	33.8 68.8	6.42 -0.54	28.9 -6.3
FIJI	C.Y. P.Y.	66.05 64.06	58.79 54.36	27.42 28.22	46.6 51.9	5.95 5.54	10.1 10.2	3.63 3.40	6.2 6.3	0 0	0.0 0.0	2.06 -0.98	3.5 -1.8	0.09 0.01	0.2 0.0	19.82 18.19	33.7 33.5	3.83 6.98	6.5 12.8	23.65 25.17	40.2 46.3
AUCKLAND	C.Y. P.Y.	11.94 6.98	9.85 6.26	4.40 5.40	44.7 86.3	1.08 0.74	11.0 7.5	1.82 1.89	18.5 19.2	0 0	0.0 0.0	1.79 0.39	18.2 4.0	0.09 0.14	0.9 1.4	0.85 -2.02	8.6 -20.5	0.47 0.50	4.8 5.1	1.32 -1.52	13.4 -15.4
JAPAN	C.Y. P.Y.	180.94 145.80	148.85 117.77	80.09 63.38	53.8 53.8	28.01 21.78	18.8 18.5	31.88 39.67	34.9 33.7	0 0	0.0 0.0	15.95 -5.49	10.7 -4.7	0.22 -0.1	0.1 -0.1	-26.86 -1.67	-18.0 -1.4	2.17 1.30	1.5 1.1	-24.69 -0.37	-16.6 -0.3
UNITED KINGDOM	C.Y. P.Y.	481.11 443.13	399.58 369.67	227.57 216.63	57.0 58.6	104.38 97.05	26.1 26.3	28.46 28.86	7.1 7.8	0 0	0.0 0.0	14.92 -28.45	3.7 -7.7	-0.57 -0.18	-0.1 0.0	23.66 55.40	5.9 15.0	68.38 71.46	17.1 19.3	92.04 126.66	23.0 34.3
TOTAL FOR BRANCHES	C.Y. P.Y.	872.77 748.57	719.53 610.44	394.40 370.71	54.8 60.7	163.48 139.45	22.7 22.8	95.76 82.57	13.3 13.5	0 0	0.0 0.0	55.29 -29.44	7.7 -4.8	-1.62 -0.73	-0.2 -0.1	8.98 46.42	1.2 7.6	96.33 97.65	13.4 16.0	105.31 144.07	14.6 23.6
RUN-OFF & OTHERS	C.Y. P.Y.	0.0 0.0	0.0 0.0	-0.02 0.01	0.0 0.0	24.96 0.0	0.0 0.0	0.21 0.11	0.0 0.0	0 0	0.0 0.0	0.00 0.00	0.0 0.0	-0.66 -0.75	0.0 0.0	-25.81 -0.87	0.0 0.0	0.30 0.48	0.0 0.0	-25.51 -0.39	0.0 0.0
TOTAL (RS). TOTAL (RS).	C.Y. P.Y.	1376.90 1143.63	1164.28 932.07	545.83 693.55	46.9 74.4	311.82 236.16	26.8 25.3	104.84 88.92	9.0 9.5	0 0	0.0 0.0	121.17 -18.53	10.4 -2.0	-2.54 -2.04	-0.2 -0.2	78.08 -70.07	6.7 -7.5	116.08 113.70	10.0 12.2	194.16 43.63	16.7 4.7



ANNEXURE II TO DIRECTORS' REPORT

PERFORMANCE OF SOCIAL SECTOR SCHEME FOR THE LAST FIVE YEARS

Policy Details	Year	No. of Policies Sold	No. of persons Covered	Amt of premium Rs.	No. of Clms reported	No. of Clms settled	Amt of Clm settled	Claims ratio%
Cattle Insurance								
	2004-05	141039	442977	3018.08	30138	25332	2003.72	66.39
	2005-06	175612	594380	3842.76	35158	31397	2483.22	53.29
	2006-07	181054	635092	4128.1	39926	42631	3055.25	74.01
	2007-08	152999	536683	3488.44	33739	36252	2162.87	62.00
	2008-09	223287	753223	4519.34	23319	23478	2705.29	59.86
Livestock Insurance								
	2004-05	65982	180168	499.58	6838	4653	148.55	29.73
	2005-06	71520	245306	676.73	7520	5737	183.19	50.34
	2006-07	77058	320332	896.93	9975	10761	350.00	39.02
	2007-08	71318	292230	818.27	9102	9817	540.72	66.08
	2008-09	94313	386456	1082.11	12035	11987	684.75	63.28
Agriculture Pumpset								
	2004-05	34565	41688	146.34	3069	1817	51.62	35.27
	2005-06	36525	57320	163.58	3025	2555	56.2	43.54
	2006-07	40220	58306	166.19	4115	4022	75.25	45.23
	2007-08	21853	31680	90.3	2236	2147	39.79	44.06
	2008-09	15917	109616	65.77	1628	1598	28.07	42.68
Janata Personal Accident								
	2004-05	762963	7167246	1462.39	7942	5343	2482.00	169.72
	2005-06	682025	6542400	1308.48	7592	5250	2260.00	156.90
	2006-07	685520	7278901	1400.72	5020	5966	1820.93	130.35
	2007-08	608708	6463304	1243.77	4458	4012	1187.96	95.51
	2008-09	781527	7647701	1317.89	1701	1698	1805.60	137.01

PERFORMANCE OF SOCIAL SECTOR SCHEME FOR THE LAST FIVE YEARS

Policy Details	Year	No. of Policies Sold	No. of persons Covered	Amt of premium Rs.	No. of Clms reported	No. of Clms settled	Amt of Clm settled	Claims ratio%
Gramin Personal Accident								
	2004-05	9401	161627	61.95	215	125	6.20	10.01
	2005-06	4250	117895	33.33	315	195	17.73	163.13
	2006-07	18671	121295	50.98	675	546	34.50	67.71
	2007-08	16521	107329	45.11	597	483	24.24	53.74
	2008-09	18341	1045261	51.10	243	212	65.60	128.38
Mediclaim								
	2004-05	1060028	3617132	45539.48	232712	237053	48980.00	107.56
	2005-06	1221880	5711438	59083.40	977121	757391	70376.26	119.11
	2006-07	1130913	6232431	74841.55	613463	552623	74105.50	99.02
	2007-08	1234554	8560474	113929.10	813463	752623	93213.00	81.82
	2008-09	1437947	5982784	1337.67	671877	610973	1271.89	99.1
Universal Health Insurance Scheme								
	2004-05	5311	15641	21.82	74	58	2.50	11.46
	2005-06	2150	4884	5.07	150	88	4.16	82.05
	2006-07	5291	23098	38.14	851	746	32.79	85.97
	2007-08	6936	32170	46.96	508	460	32.14	64.33
	2008-09	4212	51903	0.6005	1064	912	0.3171	52.81
Jan Arogya Bima Policy								
	2004-05	15542	67391	74.83	1940	1767	102.99	137.63
	2005-06	20061	83631	62.56	3461	47132	88.85	142.02
	2006-07	17669	105393	96.14	2796	2332	91.15	94.81
	2007-08	8230	20637	21.27	1022	1072	36.39	171.09
	2008-09	9689	16152	0.5268	1089	804	0.3031	57.54



ANNEXURE III TO DIRECTORS' REPORT
INFORMATION REGARDING EMPLOYEES DRAWING A REMUNERATION OF RS.24,00,000
AND ABOVE FOR THE YEAR ENDED 31ST MARCH, 2009.

Information as per section 217(2A) of Companies Act 1956 for the year ended 31.03.2009.

NAME OF THE EMPLOYEES	SERVICE IN YRS	DESIGNATION	REMUNERATION	QUALIFICATION	DATE OF JOINING	AGE	LAST EMPLOYMENT HELD	PLACE
KOTERAZAWA. M.	33	BR.MANAGER	4,112,354	B.Com.	15/3/76	55	N.A.	HIMEJI
SHIMODA N.	19	MANAGER	3,401,017	HIGH SCHOOL	10/4/1989	56	N.A.	HIROSHIMA
TERAMOTO K.	36	BR.MANAGER	3,805,546	B.COM	1/3/1973	61	N.A.	HIROSHIMA
Y. YASUHARA	5	BR.MANAGER	2,530,874	HIGH SCHOOL	1/9/2003	56	N.A.	HIROSHIMA
K. HIRAOKA	13	BR.MANAGER	2,534,552	HIGH SCHOOL	17/8/95	44	N.A.	HIROSHIMA
RAVI RAJPUROHIT	32	MANAGER	4,067,479	B.SC,DBM,FII	3/1/1977	52	N.A.	HONGKONG
DR.G. VENKATAIAH	23	MANAGER	2,831,283	Bachelor of Vet. Sce., Bachelor of low,AII	8/7/1985	54	Rural Dev.Off.in State Bk of Mysore	KUWAIT
A. GANESAN	24	MANAGER	3,634,219	M.Com, FII,ACWA	1984	47	Office of CAG India	LONDON
K.G. ARORA	35	C.E.O.	4,814,540	M.Com, CIP,FII, ACI,FBMS, MBIM,CPCU	1974	56	Indian Investment Centre Govt. of India	LONDON
N MACKENNEY	41	SR. U/W MANAGER	4,800,196	ACII	1999	63	SUN ALLIANCE	LONDON
SABA RATNASABAPATHY	32	CHIEF ACCOUNTANT	3,697,723	FCEA	1995	55	HENLEY INDUSTRIES	LONDON
RICHARD CLARK	28	UNDERWRITING ASSISTANT	3,608,645	B.Sc.,ACII Chartered Insurer	2007	48	KINETIC INSC. BROKERS	LONDON
PANNA SHAH	31	ASST. ACCOUNTANT	2,730,863	BOOK KEEPING	1993	54	P S J ALEXANDER & CO	LONDON
K. ITO	5	DY.BM	3,413,402	B.COM	16/4/2003	55	Saison	NAGOYA
T. KANAMORI	4	MANAGER	3,388,305	B.COM	13/1/2005	52	Generali	NAGOYA
H. NOGUUCHI	29	B. MANAGER	2,751,400	B.COM	1/8/1979	54	N.A.	NAGOYA
H. SAKO	25	SR. CLERK	2,401,138	HIGH SCHOOL	1/12/1983	45	N.A.	NAGOYA
O.TANAKA	19	ASST. MANAGER	2,664,874	HIGH SCHOOL	20/7/1989	44	N.A.	NAGOYA

Contd.....

ANNEXURE III TO DIRECTORS' REPORT
INFORMATION REGARDING EMPLOYEES DRAWING A REMUNERATION OF RS.24,00,000
AND ABOVE FOR THE YEAR ENDED 31ST MARCH, 2009.

Information as per section 217(2A) of Companies Act 1956 for the year ended 31.03.2009.

NAME OF THE EMPLOYEES	SERVICE IN YRS	DESIGNATION	REMUNERATION	QUALIFICATION	DATE OF JOINING	AGE	LAST EMPLOYMENT HELD	PLACE
H. SAKO	25	SR. CLERK	2,401,138	HIGH SCHOOL	1/12/1983	45	N.A.	NAGOYA
O. TANAKA	19	ASST. MANAGER	2,664,874	HIGH SCHOOL	20/7/1989	44	N.A.	NAGOYA
T. AOKI	4	ASST. MANAGER	3,101,541	B.COM	1/2/2005	39	Generali	NAGOYA
IWATANI K.	24	B.M.	3,956,907	B.COM.	1/4/1999	47	N.A.	OKAYAMA
YOSHIMARA S.	29	GEN. MANAGER	3,438,613	B.Com.	1/8/1979	55	N.A.	HIMEJI
O. TAKASE	17	DEPUTY B. MANAGER	4,146,887	B.COM	1/10/1991	53	N.A.	OSAKA
KATO S.	30	DY.BM	3,851,689	B.A.	1/4/1978	56	N.A.	SAPPORO
S. YAMAGUCHI	22	MANAGER	2,929,243	B.COM	1/4/1986	46	N.A.	SAPPORO
M. OTSUKA	7	MANAGER	2,504,074	B.COM	1/2/2002	58	RSA	SAPPORO
SASAKA H.	29	MANAGER	3,383,096	GRADUATE	1/4/1979	51	N.A.	SAPPORO
SUJAY BANARJI	27	MANAGER FOR AUSTRALIA	5,477,966	M.A., AIII	1/6/1982	51	N.A.	SYDNEY
ABE M.	30	GEN. MANAGER	4,631,844	B.COM.	13/2/79	53	N.A	TOKYO
MEKAWA H	8	MANAGER	3,298,295	B.COM.	4/9/2000	49	Nittan Capital Group	TOKYO
NAMIKI K.	35	SECRETARY	4,089,463	B.A.	25/2/74	55	N.A.	TOKYO
H. ASAKA	8	MANAGER	2,620,278	B.COM	9/1/2001	54	N.A.	TOKYO
A. OSHIUM	23	AST. MANAGER	3,025,420	B.COM	12/8/1985	47	N.A.	TOKYO
M. SAITO	7	MANAGER	3,197,875	B.COM	1/9/2001	53	RSA	TOKYO
H.DOI	3	MANAGER	3,094,310	B.COM	1/5/2005	46	TAIYO F & M	TOKYO
Y. ICHINOHE	7	MANAGER	2,803,657	B.COM	1/1/2002	48	RSA	TOKYO
S. YAMAGUCHI	6	DY. MANAGER	2,855,091	B.COM	8/7/2002	39	TAIYO F & M	TOKYO
K.L.R. BABU	28	CEO for JAPAN	3,503,715	MA, FIII	1/1/1981	54	N.A.	TOKYO
Dr. A.C.BORGOHAIN	24	MANAGER	2,734,581	MV.Sc.,AIII	30/4/85	53	N.A.	TOKYO
MR. R. CHAKRABORTY	20	MANAGER	2,606,975	B.Com, FIII, MBA, PGDFM, Certificate in Advance I. T.	27/11/89	46	N.A.	OSAKA



Addendum to Directors' Report dated 4th August, 2009 as per Section 217(3) of the Companies Act, 1956

Response to qualifications in Auditors' Report dated 25th June, 2009

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

1. Para 1 of Auditors' Report regarding non compliance of IRDA Regulations

Note 8 (a)

i. Returns prescribed by regulation 6 with respect to compliance report for exposure of investments and delay in submission of returns.

Presently the exposure of investments is compiled manually. Hence there has been delay in the submission of these returns. Company has already taken the steps for development of the required software for compliance of the prescribed exposure norms.

ii. In view of the adequate care having been taken, the company has not exceeded the prescribe limits of exposure set by IRDA.

Note 8(b)

i) The segment reporting of Indian Business has been in accordance with the requirements of the regulations. However only with respect to our health as well as public and product liability insurance business outside India, it has not been possible to adhere to the regulatory requirements. Foreign offices have been instructed to carry out the required modifications in their systems.

ii) Provisions against investments, loans, sundry debtors:

The practice followed by the company consistently is in conformity with the formats prescribed by the IRDA. The details of NPA/doubtful amounts are indicated as footnotes to relevant schedules.

iii) The present softwares were designed prior to the implementation of IRDA guidelines for preparation of financial statements. These softwares could not be adapted easily to meet the requirements of preparation of cash flow statement on direct method. Company's global operational network causes different platforms and softwares to be used in its foreign offices rendering preparation of single cash-flow statement on direct method difficult. The company is in the process of putting in place new centralized software, in which efforts are made to incorporate the generation of cash-flow statement on direct method.

1. Para 2

a) of Auditors' Report – Non Confirmation of Loans and Investments.

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

b) of Auditor's Report – Regarding historical /weighted average cost of listed equity/equity related instruments, the value of which were impaired on or before 31.03.2000.

The company has prepared accounts as per IRDA regulations for the first time for the year 2001-02. IRDA Regulations on preparations of financial statements requires insurers to assess at each balance sheet date whether any impairment in value of specified assets has

occurred and to recognize the same in revenue. Further the regulations also require to incorporate any reversal of impairment loss recognized in earlier years.

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

c) of Auditors' Report – Non Reconciliation of Re-insurers' and Coinsurer's balances and Inter Office Accounts

As of now all outward treaty reinsurance balances up to 31.03.2009 stand reconciled. Similarly reconciliation of inward treaty reinsurance balances up to 31.03.2009 pertaining to Public Sector Insurers is also complete. Reconciliation of facultative reinsurance balances is in progress. Thus major portion of re-insurance balances stand reconciled. Reconciliation being a continuous process, efforts will be made to reconcile reinsurance / reinsurance the remaining balances on priority.

Further, other inter-office reconciliations were fully carried out as at 31.03.2009 and pending entries identified. Reconciliation of inter office accounts is a continuous process and necessary care has been taken to minimize the pending entries. These efforts will continue.

d) Of Auditors' Report – Non-provision of tax liability on income in Foreign Countries.

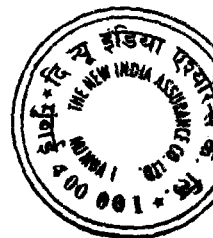
During the year 2008-09 there has been substantial improvement in accounting of tax liability of Foreign Operations. Further efforts will be made during 2009-10 to ensure 100% compliance.

1. Para 3 of the Auditors' Report – Substantial strengthening in the areas of internal audit and coverage and compliance.

The financial, underwriting, claims and reinsurance softwares have many built in controls, which minimize irregularities. In addition surprise inspections, and anti fraud audits have become integral part of our internal audit system. The internal audit department has taken up special in-depth audit of operational thrust areas like bancassurance, corporate agencies, TPA administrations and Auto tie-ups. The department is aware of the need for changes in the coverage of audit programmes and has been adapting itself to the changed working environment. During the year 2008-09, 12 workshops were held for ensuring better compliance of the audit observations.

B. Chakrabarti	Chairman-cum-Managing Director
Tarun Bajaj	Director
M. D. Mallia	Director
M. Razzack	Director
Sanjay Gupta	Director
Sarat Pattanayak	Director
A. R. Sekar	Director

Date : 17.08.2009
Place : Mumbai



The New India Assurance Company Limited

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 2008-09
2. We confirm that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares during the year are in accordance with the statutory or regulatory requirements.
4. We confirm that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. We confirm that the required solvency margins have been maintained.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and in the best of our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings- "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and several items specified under "Other Account".
7. The overall risk exposure for the risks accepted by us is limited to Rs.200 Crores per risk except in respect of certain risks in which case there is an exposure of Rs.300 Crores PML per policy. The same has been approved by the Board. We have made adequate reinsurance arrangements to mitigate the loss arising out of any major claim.
8. We have overseas operations in 27 countries. The foreign branches have their own reinsurance arrangements to protect their exposure. Over and above there is an excess of loss protection available, which takes care of the exposure risk of the Company as a whole, including domestic and foreign branches.
The foreign branches/agencies generate enough revenue in local currencies to meet their liabilities arising out of their operations. Hence there is no major currency risk in the countries we operate.

As regards the country risk, by and large all the countries in which we operate are politically stable. We also have well defined acceptance limits for foreign operations, which limits our exposure in these countries.

9. The average claim settlement time during the preceding five years is as under:

Year	No. of days
2008-09	137
2007-08	138
2006-07	132
2005-06	134
2004-05	136

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 / guidelines.



12. It is hereby confirmed:
- (i) That in preparation of financial statements, the applicable accounting standards, principles and policies have been followed, except the Accounting of deferred tax asset/liability does not recognize deferred tax assets and liability for operations in foreign branches.
 - (ii) That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating profit of the Company for the year except as mentioned in Para 12 (i) above.
 - (iii) That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938(4 of 1938) and Companies Act 1956(1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 - (iv) That the management has prepared the financial statements on a going concern basis.
 - (v) That the management has ensured that the internal audit system commensurate with the size and nature of business exists and is operating effectively.
13. There are no payments made to individuals, firms, companies and organizations in which directors of the Company are interested.

A. R. Sekar
Director and Company Secretary

M Razzack
Director

B. Chakrabarti
Chairman-cum-Managing Director

Date : 25 June, 2009

Place : Mumbai

AUDITORS' REPORT

To the Members,

The New India Assurance Company Limited

We have audited the attached Balance Sheet of The New India Assurance Company Limited (the Company) as at 31st March, 2009 and the annexed the revenue accounts of Fire, Marine and Miscellaneous Insurance Revenue Accounts (collectively known as 'Revenue Accounts'), Profit and Loss Account and Receipts and Payments Account of the Company for the year ended on that date, in which are incorporated (a) Returns from twenty-six Regional Offices, three hundred and eighty eight Divisional Offices and nine Foreign Branches audited by other firms of Auditors appointed by the Central Government; (b) Returns from eight foreign agencies audited by local auditors appointed by the Company; and (c) Returns of four unaudited run-off foreign agencies.

We report that:

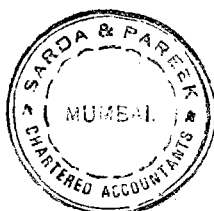
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

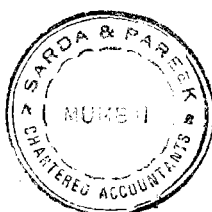
1. *Attention is invited to Notes to Accounts note number 8(a)(i) & (ii) & 8(b)(i) to (iii) in Schedule 16 B regarding non-compliance of Insurance Regulatory and Development Authority (IRDA) Regulations during the year. However, these non-compliances do not have any impact on the working results of the Company.*
2. a. *In view non-availability of balance confirmations of some loans and investments (Refer Note number 9, notes to accounts in Schedule 16 B), we are unable to comment on the impact of adjustments arising out of reconciliation / confirmation of such balances on the financial statements.*



- b. *The historical/weighted average cost of listed and unlisted equity / equity related instruments / preference shares, the value of which were impaired on or before 31.03.2000 is not available with the Company. As a result, the reversal of impairment losses recognized in Profit and Loss/Revenue account prior to 01.04.2000 has not been accounted for. The impact of the same is not ascertainable.
(Refer Significant Accounting Policy in schedule 16 under 13 L and M(II)).*
 - c. *Balances due to/from persons or bodies carrying on Insurance Business and balances of inter office accounts are pending for reconciliation/confirmation as stated in Note number 3 (a) and (c) Notes to accounts, in schedule 16 B . Consequential effect if any, of adjustments in respect of above will be made upon confirmation/ analysis / reconciliation.*
 - d. *The accounting of Tax Liability in Foreign Countries, is not in accordance with Accounting Standard 22 - Accounting for Taxes on Income for not recognizing deferred tax assets and liability for operations in foreign branches. (Refer Notes to accounts note number 11 C 2 in schedule 16 B)*
3. *The Company's internal audit system requires substantial strengthening in the areas of audit coverage and compliance.*

SUBJECT TO ABOVE

- a. We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit and found them satisfactory.
- b. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payments Account are in agreement with the books of account.
- d. The actuarial valuations of liability in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at 31st March, 2009, has been duly certified by the Company's Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuations are in accordance with guidelines and norms prescribed by the Insurance Regulatory and Development Authority (IRDA) and the Actuarial Society of India in concurrence with the IRDA.
- e. As per Circular Number 8/2002 dated 22.03.2002 of the Department of Company Affairs the directors of the Government Companies are exempted from applicability of the provisions of section 274 (1)(g) of the Companies Act, 1956.



- f. The reports of the regional auditors consolidating divisional auditors' reports, reports of the foreign branches and foreign agencies auditors have been forwarded to us and considered by us and were adequate for the purposes of our audit.

In our opinion and to the best of our information and according to the information and explanation given to us we further report that :

- a. The Balance Sheet, Profit and Loss Account and Receipts and Payment Account comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable to the Company and are also in conformity with the accounting principles as prescribed in the IRDA Regulations, except preparation of Receipts and Payments Account has been drawn by "Indirect Method" instead of "Direct Method" as required by Part I of Schedule B.
- b. The investments have been valued in accordance with the provisions of the Insurance Act, 1938, the regulations and orders/ directions issued by IRDA in this regard.
- c. The Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payments Account have been drawn up in accordance with the applicable provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required and the financial statements read with significant accounting policies and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies
- (i) of the state of affairs of the Company in so far it relates to the Balance Sheet as at 31st March, 2009;
- (ii) of the surplus/deficit in so far it relates to the Revenue Accounts of Fire, Marine and Miscellaneous Business for the financial year ended on that date;
- (iii) of the profit in so far it relates to the Profit and Loss Account for the financial year ended on that date and
- (iv) For the receipts and payments in so far it relates to the Receipts and Payments Account for the financial year ended on that date.

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:

- a. We have reviewed the management report attached to the financial statements for the year ended 31st March, 2009 and there is no apparent mistake or material inconsistency with the financial statements; and



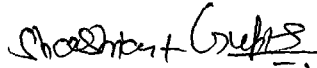
- b. Based on the information and explanations received during the normal course of our audit and management representation by officer of the Company charged with the compliance, nothing has come to our attention which causes to believe that the company has not complied with the terms and conditions of registration as stipulated by the IRDA.

**For SARDA & PAREEK
Chartered Accountants**



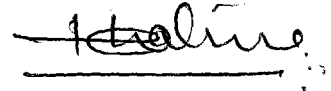
**Niranjan Joshi
Partner
Membership No.102789**

**For KARNAVAT & CO.
Chartered Accountants**



**Shashikant Gupta
Partner
Membership No.45629**

**For CHATURVEDI & SHAH
Chartered Accountants**



**H P Chaturvedi
Partner
Membership No. 33523**

Mumbai, 25th June 2009



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE NEW INDIA ASSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2009.

The preparation of financial statements of the New India Assurance Company Limited for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 June 2009.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of the New India Assurance Company Limited, for the year ended 31 March 2009. 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 under section 619(4) of the Companies Act, 1956.

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

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

Place : Mumbai
Dated : 13/08/2009



Certificate for the year ended 31st March, 2009 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:

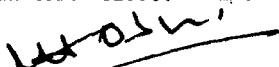
- 1 (a) We have verified Cash balances, to the extent considered necessary, and securities related to the Company's Loans and Investments, subject to paragraph (b) herein mentioned below, on following basis:

Sr. No.	Asset	Nature of Verification
1	Cash	Physical verification, Management Certificate and Branch Auditor's reports.
2	Investments	Custodians' Certificate (RBI, HDFC Bank & SHCIL) and Management's Certificate.
3	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 Rs.0.98 lakhs are under objection.
 - Equity shares, and Debentures/ Bonds amounting to Rs.1.25 Lakhs, and Rs.46.00 lakhs respectively for which no evidence of ownership was available.
- ii) The number of equity shares, preference shares, other approved securities and Debentures /Bonds actually held by Stock Holding Corporation of India Ltd. (Custodian) on behalf of the Company are in excess of the number of equity shares, preference and Debentures/ Bonds held as per the books of the Company. The book value of such excess is Rs.14.66 lakhs, Rs. 3.12 lakhs, and Rs.6.67 lakhs respectively.
- iii) Investment in Term Loans, Loans to State Government for the purpose of Housing & Fire Fighting Equipments, Investments in Pass Through Certificates (PTC) and Balances on account of restructuring/rescheduling of debts are subject to confirmations/ reconciliations.
- iv) No confirmations were available in respect of foreign investments amounting to Rs.18.27 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.

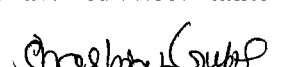
As per our report of even date

For SARDA & PAREEK
Chartered Accountants


Niranjan Joshi
Partner
Membership No.102789
Mumbai
25th June 2009

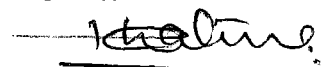


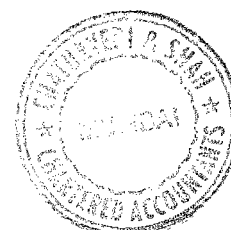
For KARNAVAT & CO.
Chartered Accountants


Shashikant Gupta
Partner
Membership No.45629



For CHATURVEDI & SHAH
Chartered Accountants


H P Chaturvedi
Partner
Membership No. 33523





The New India Assurance Company Limited
[Registration No.190, Renewal date 13.03.2009]

Fire Insurance Revenue Account for the year ended 31st March, 2009

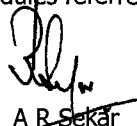
Particulars	Schedule	Current year Rs (000)	Previous year Rs (000)
1.Premium earned (net)	1	9629244	9703118
2.Profit on sale or redemption of investments (policyholders)	-	361649	1048958
Loss on sale or redemption of investments (policyholders)		0	0
3.Interest dividend and rent (gross)	-	968074	1061932
Total (A)		10958967	11814008
1.Claims incurred (net)	2	6066838	6015968
2.Commission	3	1370519	1002286
3.Operating expenses related to insurance business	4	2933957	1961079
4.Others - Foreign taxes		186	255
Amortisation, writeoff, provisions - investments		(7901)	785
Total (B)		10363599	8980373
Operating profit/loss(-) C=(A-B)		595368	2833635
Appropriations			
Transfer to share holders account (profit and loss account)	-	595368	2833635
Transfer to catastrophic reserves	-	0	0
Transfer to other reserves	-	0	0
Total		595368	2833635

Significant accounting policies and notes to accounts

16

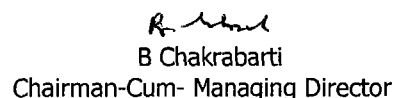
As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly 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


A R Sekar

Director and Company Secretary


M Razzack
Director


B Chakrabarti
Chairman-Cum- Managing Director

As per our report of even date

For SARDA & PAREEK
Chartered Accountants


Niranjan Joshi
Partner

Membership number 102789
Mumbai
June 25, 2009



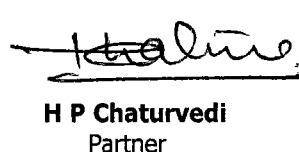
For KARNAVAT & CO.
Chartered Accountants


Shashikant Gupta
Partner

Membership number 45629



For CHATURVEDI & SHAH
Chartered Accountants


H P Chaturvedi
Partner

Membership number 33523





The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]

Marine Insurance Revenue Account for the year ended 31st March, 2009

Particulars	Schedule	Current year Rs (000)	Previous Year Rs (000)
1.Premium earned (net)	1	2317695	1885745
2.Profit on sale or redemption of investments (policyholders)	-	128731	301559
Loss on sale or redemption of investments (policyholders)		0	0
3.Interest dividend and rent (gross)	-	344593	305289
Total (A)		2791019	2492593
1.Claims incurred (net)	2	2771112	1582395
2.Commission	3	145463	266944
3.Operating expenses related to insurance business	4	778043	566319
4.Others - Foreign taxes		131	121
Amortisation, writeoff, provisions - investments		(2813)	225
Total (B)		3691936	2416004
Operating profit/loss(-) C=(A-B)		(900917)	76589
Appropriations			
Transfer to share holders account (profit and loss account)	-	(900917)	76589
Transfer to catastrophic reserves	-	0	0
Transfer to other reserves	-	0	0
Total		(900917)	76589

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


A R Sekar
Director and Company Secretary


M Pazzack
Director

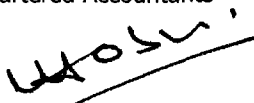

B Chakrabarti
Chairman-Cum- Managing Director

As per our report of even date

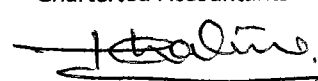
For SARDA & PAREEK
Chartered Accountants

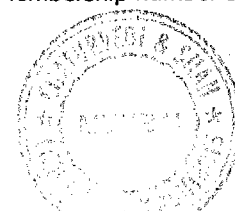
For KARNAVAT & CO.
Chartered Accountants

For CHATURVEDI & SHAH
Chartered Accountants


Niranjan Joshi
Partner
Membership number 102789
Mumbai
June 25, 2009


Shashikant Gupta
Partner
Membership number 45629


H P Chaturvedi
Partner
Membership number 33523





The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]

Miscellaneous Insurance Revenue Account for the year ended 31st March, 2009

Particulars	Schedule	Current year Rs (000)	Previous year Rs (000)
1.Premium earned (net)	1	40546023	36525388
2.Profit on sale or redemption of investments (policyholders)	-	2042894	5382703
Loss on sale or redemption of investments (policyholders)			
3.Interest dividend and rent (gross)	-	5468490	5449281
Total (A)		48057407	47357372
1.Claims incurred (net)	2	37880746	34176427
2.Commission	3	4092281	3323132
3.Operating expenses related to insurance business	4	10838118	7663639
4.Others - Foreign taxes		14128	6620
Amortisation, writeoff, provisions - investments		(44629)	4026
Total (B)		52780644	45173844
Operating profit/loss(-) C=(A-B)		(4723237)	2183528
Appropriations			
Transfer to share holders account (profit and loss account)	-	(4723237)	2183528
Transfer to catastrophic reserves	-	0	0
Transfer to other reserves	-	0	0
Total		(4723237)	2183528

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

A R Sekar

Director and Company Secretary

M Razzack
Director

B Chakrabarti
Chairman-Cum- Managing Director

As per our report of even date

For SARD & PAREEK
Chartered Accountants

For KARNAVAT & CO.
Chartered Accountants

For CHATURVEDI & SHAH
Chartered Accountants

Niranjan Joshi
Partner

Membership number 102789
Mumbai
June 25, 2009



Shashikant Gupta
Partner

Membership number 45629



H P Chaturvedi
Partner

Membership number 33523



The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]



Profit and Loss Account for the year ended 31st March, 2009

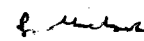
Particulars	Schedule	Current year Rs (000)	Previous year Rs (000)
1. Operating profit/loss (-)			
a. Fire insurance	-	595368	2833635
b. Marine insurance	-	(900917)	76589
c. Miscellaneous insurance	-	(4723237)	2183528
2. Income from investments			
a. Interest dividend and rent (gross) - shareholders		5426859	4986562
b. Profit on sale of investment - shareholders	-	2027342	4925637
Less: Loss on sale of investment - shareholders	-	0	0
3. Other income misc receipts - credit balances written back		497838	210201
Total (A)=1+2+3		2923253	15216152
4. Provisions(other than taxation)			
a. Others - amortisation, provision for thinly traded shares - shareholders	-	47638	49255
b. For doubtful debts - investments(shareholders)	-	(74422)	(42582)
c. For dimunition in value of investments (shareholders)	-	(17505)	(2989)
5. Other expenses(other than those related to insurance business)			
a. Others - interest on income/service tax	-	48	72
b. Profit/loss (-) on sale of assets		(4970)	(2674)
c. Penalty for breach of tariff		200	500
Total (B)=(4+5)		(49011)	1582
Profit before tax (A-B)	-	2972264	15214570
Provision for taxation - current tax	-	690665	917923
fringe benefit tax		405000	155000
deferred tax		(131491)	304037
earlier years tax		106536	(178454)
wealth tax		5100	4783
MAT Credit entitlement		(345000)	
Profit after tax		2241454	14011281
Appropriations			
a. Proposed final dividend	-	450000	2830000
b. Dividend distribution tax.	-	76478	480959
c. Contingency Reserves for Unexpired Risks (refer note number 17 to notes to accounts in Schedule 16 B)		449500	
d. Transfer to general reserves		1265476	10700322
Profit/loss (-) carried forward to the balance sheet	-	0	0
Basic and diluted earnings per share (Rs.) {Refer Note 11 B to notes to accounts in Schedule 16 B}		11.21	70.06

Significant accounting policies and notes to accounts 16

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


A B Sekar
Director and Company Secretary


M Razack
Director


B Chakrabarti
Chairman-Cum- Managing Director

As per our report of even date

For SARDA & PAREEK
Chartered Accountants


Niranjan Joshi
Partner
Membership number 189
Mumbai
June 25, 2009

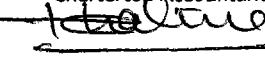


For KARNAVAT & CO.
Chartered Accountants


Shashikant Gupta
Partner
Membership number 45629



For CHATURVEDI & SHAH
Chartered Accountants


H P Chaturvedi
Partner
Membership number 33523



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The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]




Balance Sheet as at 31st March, 2009

Particulars	Schedule	Current year Rs (000)	Previous year Rs (000)
A. Sources of Funds			
1. Share Capital	5 & 5A	2000000	2000000
2. Reserves and Surplus	6	71221519	67728035
3. Fair Value Change Account	-	74172943	139592747
4. Borrowings	7	0	0
Total A		147394462	209320782
B. Application of Funds			
1. Investments	8	177675725	246328697
2. Loans	9	5938624	6577647
3. Fixed Assets	10	1581706	1152431
4. Deferred Tax Assets		233054	101563
5. Current Assets			
a. Cash and Bank Balances	11	33208377	28579276
b. Advances and Other Assets	12	50670163	36701783
Sub total(a+b)		83878540	65281059
c. Current Liabilities	13	89761083	77620843
d. Provisions	14	32152104	32499772
Sub total(c+d)		121913187	110120615
Net Current Assets (a+b-c-d)		(38034647)	(44839556)
6. Miscellaneous Expenditure (to the extent not written off or adjusted)	15	0	0
Total B		147394462	209320782

Significant accounting policies and notes to accounts 16
The Schedules referred to above form integral part of the Balance Sheet


A R Sekar
Director and Company Secretary


M Razzack
Director



B Chakrabarti
Chairman-Cum- Managing Director

As per our report of even date

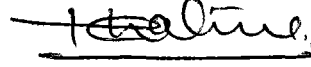
For SARDA & PAREEK
Chartered Accountants

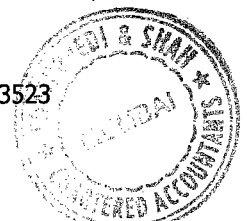
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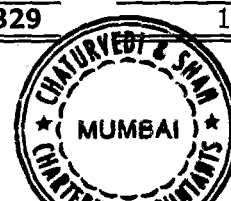


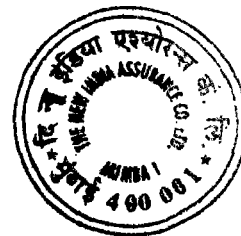


The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]

Schedules to Fire Insurance Revenue Account for the year ended 31st March, 2009

Particulars	Current year Rs (000)	Previous year Rs(000)
Schedule 1 - Fire Premium Earned(net)		
Premium from direct business - in India	7733267	7434322
- outside India	2250493	2379582
Total	9983760	9813904
Add: Premium on reinsurance accepted	5100461	3436327
Less: Premium on reinsurance ceded	4702755	4373206
Net premium	10381466	8877025
Adjustment for change in reserve for un-expired risks	752222	(826093)
Total premium earned (net)	9629244	9703118
Schedule 2 - Fire Claims Incurred (Net)		
Claims Paid Direct	5310381	7051138
Add: Claims on reinsurance accepted	2111806	1443479
Less: Claims on reinsurance ceded	2708633	2922780
Net claims paid	4713554	5571837
Add: Claims outstanding at end (net)	9353262	7999978
Less :Claims outstanding at beginning (net)	7999978	7555847
Total incurred claims (net)	6066838	6015968
Schedule 3- Fire Commission (Net)		
Commission - Direct	1129829	1072144
Add : Commission on reinsurance accepted	939021	629219
Less : Commission on reinsurance ceded	698331	699077
Commission (net)	1370519	1002286
Break-up of Commission Direct		
Direct Commission	896069	835637
Direct Brokerage	132807	128347
Corporate Agency Commission	100953	108160
Referrals	0	0
Total Commission	1129829	1072144

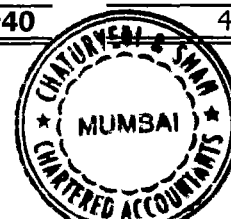
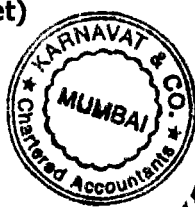




The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]

Schedules to Marine Insurance Revenue Account for the year ended 31st March, 2009

Particulars	Current year Rs (000)	Previous year Rs (000)
Schedule 1 - Marine Premium Earned (Net)		
Premium from direct business - in India	4460973	4372834
- outside India	654877	575458
Total	5115850	4948292
Add: Premium on reinsurance accepted	217639	153566
Less: Premium on reinsurance ceded	2956919	2784163
Net premium	2376570	2317695
Adjustment for change in reserve for un-expired risks	58875	431950
Total premium earned (net)	2317695	1885745
Schedule 2 - Marine Claims Incurred (Net)		
Claims paid direct	2037690	1538008
Add: Claims on reinsurance accepted	129426	109559
Less: Claims on reinsurance ceded	510617	375113
Net claims paid	1656499	1272454
Add: Claims outstanding at end (net)	3224483	2109870
Less : Claims outstanding at beginning (net)	2109870	1799929
Total incurred claims (net)	2771112	1582395
Schedule 3 - Marine Commission (Net)		
Commission - Direct	441040	498210
Add : Commission on reinsurance accepted	25929	31880
Less : Commission on reinsurance ceded	321506	263146
Commission (net)	145463	266944
Break-up of Commission Direct		
Direct Commission	361213	430464
Direct Brokerage	77249	64088
Corporate Agency Commission	2578	3658
Referrals	0	0
Total Commission (net)	441040	498210

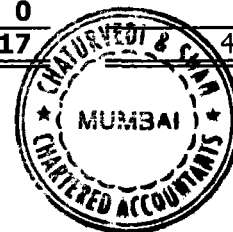
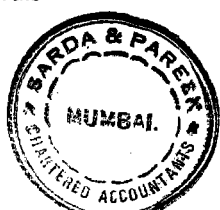




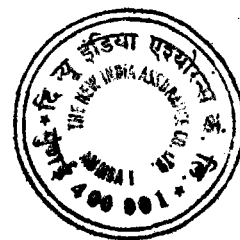
The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]

Schedules to Miscellaneous Insurance Revenue Account for the year ended 31st March, 2009

Particulars	Current year Rs (000)	Previous year Rs (000)
Schedule 1 - Miscellaneous Premium Earned (Net)		
Premium from direct business - in India	42894086	40962022
- outside India	6564194	5790416
Total	49458280	46752438
Add: Premium on reinsurance accepted	6263251	5027743
Less: Premium on reinsurance ceded	13476514	13832151
Net premium	42245017	37948030
Adjustment for change in reserve for un-expired risks	1698994	1422642
Total premium earned (net)	40546023	36525388
Schedule 2 - Miscellaneous Claims Incurred (Net)		
Claims paid direct	40892153	37042052
Add: Claims on reinsurance accepted	1157699	246731
Less: Claims on reinsurance ceded	8486973	6164798
Net claims paid	33562879	31123985
Add: Claims outstanding at end (net)	55606788	51288921
Less : Claims outstanding at beginning (net)	51288921	48236479
Total incurred claims (net)	37880746	34176427
Schedule 3 - Miscellaneous Commission (Net)		
Commission - Direct	5360117	4681903
Add : Commission on reinsurance accepted	781081	634641
Less : Commission on reinsurance ceded	2048917	1993412
Commission (net)	4092281	3323132
Break-up of Commission Direct		
Direct Commission	4450712	3838527
Direct Brokerage	471096	464960
Corporate Agency Commission	438309	378416
Referrals	0	0
Total Commission	5360117	4681903

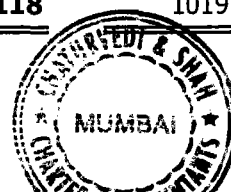


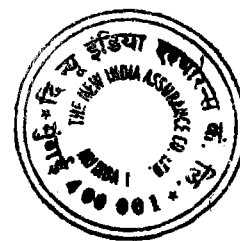
The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]



Schedules for the year ended 31st March, 2009

Particulars	Current year Rs (000)	Previous year Rs (000)
Schedule - 4		
Operating expenses related to insurance business		
1. Employees remuneration and welfare benefits	10954031	6910308
2. Travel conveyance and vehicle running expenses	405897	376591
3. Training expenses	24541	22489
4. Rent rates and taxes	553050	481964
5. Repairs and maintenance	444071	418453
6. Printing and stationery	302170	272008
7. Communication expenses	308385	241241
8. Legal and professional charges	351710	357403
(Outsourcing expenses) - TPA Fees	697502	570587
9. Auditors fees, expenses etc.	37129	31195
10. Advertisement and publicity	225307	275878
11. Interest and bank charges	83381	79225
12. Others - Exchange gain(-)/loss	(100,645)	(26144)
Provision for bad and doubtful debts	(15,382)	3741
IT implementation	101039	79517
Input service tax recovery	(1,102,342)	(896017)
Other taxes	230607	153695
Others	567813	482545
13. Depreciation	481854	356358
Total	14550118	10191037
Apportioned to fire segment	2933957	1961079
Apportioned to marine segment	778043	566319
Apportioned to miscellaneous segment	10838118	7663639
Total	14550118	10191037





The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]

Schedules for the year ended 31st March, 2009

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

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

SCHEDULE 5A

Pattern of Shareholding

(As Certified by Management)

Numbers in (000)

Share holder	current year		previous year	
	Numbers	% of holding	Numbers	% of holding
Promoters Indian	200000	100	200000	100
Foreign	-	-	-	-
Others	-	-	-	-
Total	200000	100	200000	100



The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]



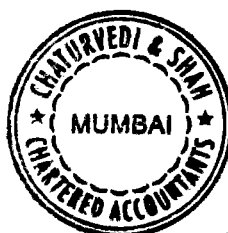
Schedules for the year ended 31st March, 2009

Particulars	Current year Rs (000)	Previous year Rs (000)
Schedule 6		
Reserves and surplus		
1. Capital reserve (Op. balance)	575	575
Addition during the year	0	0
Deduction during the year	0	0
(Cl. balance)	575	575
2. Capital redemption reserve	0	0
3. Share premium	0	0
4. General reserves (Op. balance)	67721719	57411097
Addition during the year - balance transferred from P & L account	1265476	10700322
Transfer from Investment Reserve	0	0
Net deduction during the year (refer note no 11 D)	0	(389700)
(Cl. balance)	68987195	67721719
5. Catastrophe reserve	0	0
6. Other reserves		
a. Foreign currency translation reserve		
Opening balance	5741	789886
Addition during the year (Refer note no 18 to notes to accounts in schedule 16 B)	1778508	
Deduction during the year		(784145)
(Cl. balance)	1784249	5741
b. Contingency reserves for unexpired risks (refer note number 17 to notes to accounts in Schedule 16 B)	449500	0
7. Balance of profit in profit and loss account	0	0
Total	71221519	67728035

Schedule 7

Borrowings

1. Debentures / bonds	-	-
2. Banks	-	-
3. Financial institutions	-	-
4. Others	-	-
Total	Nil	Nil

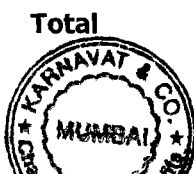


The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]



Schedules for the year ended 31st March, 2009

Particulars	Current year Rs (000)	Previous year Rs (000)
Schedule 8		
Investments		
Long term investments		
1. Government securities		
Central Government securities	29985499	31551258
State Government securities	10956967	11813315
Foreign Government Securities	2233531	1872417
2. Other approved securities	372474	741614
3. Other investments		
a. Shares		
aa. Equity	94524937	155568773
Equity share odd lots		
bb. Preference		
Preference shares	795319	834398
Preference shares of railways in India		
b. Mutual funds		
c. Derivative instruments		
d. Debentures/Bonds/PTCs		
Debentures in India	7987138	8701517
Other Debentures - Foreign	123849	437737
e. Other Securities (to be specified)		
Foreign shares		
Foreign preference shares	17	16
Foreign securities		
Special deposit with Government of India		
f. Subsidiaries	595564	595564
g. Investment properties (real estate)		
4. Investment in infrastructure and social sector	16673417	16594808
5. Investment in housing bonds	4780646	6614931
6. Other than approved investments	4178175	6976301
Total	173207533	242302649



The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]



Schedules for the year ended 31st March, 2009

Particulars	Current year Rs (000)	Previous year Rs (000)
Schedule 8 continued		
Short term investments		
1. Government securities		
Central Government. securities	328001	356465
State Government. securities	855253	670952
Government. Guaranteed securities		
Foreign Government securities	84299	63519
2. Other approved securities	473461	202338
3. Other investments		
a. Shares		
aa. Equity	0	0
Equity share odd lots	0	0
bb. Preference	0	0
b. Mutual funds	0	0
c. Derivative instrument	0	0
d. Debentures/Bonds/PTCs	0	0
Debentures in India	0	661937
Other debentures Foreign	0	0
e. Other securities	0	0
Special deposit with Government. of India	0	0
f. Subsidiaries	0	0
g. Investment properties (real estate)	0	0
4. Investment in infrastructure and social sector	1143322	1235617
5. Investment in housing bonds	1583856	835220
6. Other than approved investments	0	0
Total	4468192	4026048
Grand Total	177675725	246328697
Investments		
1. India	174426887	243152228
2. Outside India	3248838	3176469
<i>Investment in Associates included in equity above</i>	182509	179475
<i>Aggregate amount of Companies Investments in other than listed equity shares Book Value</i>	620024	653815
<i>Market value</i>	594248	630694
<i>FITL Preference Shares (LTUA) amounting to Rs.32299278 is netted against interest suspense of an equal amount. FITL Debentures amounting to Rs.46329791 are netted against interest suspense of an equal amount. Equity Shares (LTUA) amounting to Rs.6205687 is netted against interest suspense of an equal amount. Preference Shares (LTUA) amounting to Rs.123055576 is netted against interest suspense of an equal amount.</i>		
Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 8		
Debentures - Standard Provisions	34055	37828
Housing Sector Bonds - Standard Provisions	25465	29807
Infrastructure Investments - Standard Provisions	71323	71365
Investments In OAS - Standard Provisions	3384	3776
Other than approved Investments	651552	683220
Equity - Thinly traded and unlisted equity - diminution in value	25776	23122
Equity - Long Term Unapproved Thinly traded and unlisted equity - diminution in value (F)6034/12	292	292
Equity Subsidiary - Long Term Unapproved Thinly traded and unlisted equity - diminution in value (F)6039/12	1535	1535
Investments In France Agency (Foreign & France)	1838	1838
Total	815220	852783



59.

The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]

Schedules for the year ended 31st March, 2009



Particulars	Current year Rs(000)	Previous year Rs(000)
Schedule 9		
Loans		
1. Security-wise classification		
Secured		
a. On mortgage of property		
aa. In India		
Loan against mortgage of property		
Housing, vehicle and computer loans to employees	2451200	2536085
Direct Term Loans	1375848	1524130
bb. Outside India housing, vehicle loan to employees	6740	5570
b. On shares, bonds, Government securities	0	0
c. Others		
Loans guaranteed by banks/governments-		
loans to State Government housing, FFE Loans to Hudco	1921643	2320644
Unsecured (Term loans, bridge loans, short-term loans, Term Loan PFPS)	183193	191218
Total	5938624	6577647
2. Borrower-wise classification		
a. Central and State Governments(term loans, housing and FFE)	1649309	1842977
b. Banks and financial institutions	0	0
c. Subsidiaries	0	0
d. Industrial undertakings(term loans,bridge loans, short-term loans, loans to PFPS)	1361413	1715348
e. Others - Housing loans,vehicle loans, computer loans to employees	2457940	2541655
HUDCO, Term loans and PFPS	469962	477667
Total	5938624	6577647
3. Performance-wise classification		
a. Loans classified as standard		
aa. In India:Term loans, bridge loans, State Government housing and FF, loans to HUDCO, PFPS	2053499	2588261
Housing, vehicle and computer loans to employees	2451200	2536085
bb. Outside India (loans to employees)	6740	5570
b. Non-performing loans less provisions		
aa. In India (term loans, bridge loans, short-term loans, loans PFPS)	1427185	1447731
bb. Outside India	0	0
Total	5938624	6577647
4. Maturity-wise classifications		
a. Short-term (term loans, direct bridge loans, short-term loans, term loans PFPS)	0	0
b. Long-term		
(term loans direct, loans State Government housing and FF, loans to HUDCO and loans PFPS)	3480684	4035992
Housing, vehicle, and computer loans to employees.	2457940	2541655
Total	5938624	6577647

FITL PFPS amounting to Rs.909784970 and FITL Short Term Loan amounting to Rs.1675199 and Loans amounting to Rs.84517150 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) std.provision	650	375
Direct Term Loans (Investments)	32259	113323
Bridge Loan Investments	400	400
Term Loans PFPS std.provision	193	1211
Term Loans PFPS	1065683	1094769
Short Term Loans Investments	97503	100992
Loans to HUDCO std. Provision	1089	1911
Housing Loans to State Govts. - std.provision	5892	6521
Housing Loans to State Govts.	73401	73465
FFE Loans to State Govts. - std.provision	390	535
FFE Loans to State Govts.	4858	4721
Total	1282318	1398223





The New India Assurance Company Limited
Registration Number 190 and Date of Renewal with IRDA 13.03.2009

Schedule for the year ended 31-03-2009

Schedule 10
Fixed Assets

Rs. (000)

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance.	Additions	Deletions	* Closing Balance	Opening Balance.	Additions	Deletions	* Closing Balance	Closing	Opening
	01/04/2008	During 2008-2009		31/03/2009	01/04/2008	During 2008-2009		31/03/2009	31/03/2009	01/04/2008
Intangibles		414693		414693		103673		103673	311020	
Land Freehold	14892			14892					14892	14892
Buildings	1284320	6195		1290514	648425	39315		687741	602773	635894
Furnitures & Fittings	647558	40155	9031	678682	543302	24326	409	567219	111463	104257
Information & Technology Equipments	1746817	367335	25853	2088299	1587047	238982	13300	1812730	275569	159770
Vehicles	517050	142198	73853	585395	294153	71833	31470	334516	250879	222897
Office Equipments	115567	4994	3876	116685	100847	3723	2995	101575	15110	14720
Grand Total	4326203	975569	112613	5189160	3173774	481854	48173	3607455	1581706	1152430
Previous Year	4193664	216825	84284	4326204	2867199	356358	49783	3173774	1152431	1326466

*The Figures are inclusive of appreciation due to foreign currency appreciation.





The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]

Schedules for the year ended 31st March, 2009

Particulars	Current year Rs(000)	Previous year Rs(000)
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Schedule 11

Cash and Bank balances

1. Cash (including cheques ,drafts and stamps)	1423502	1902854
2. Bank balances		
a. Deposit accounts		
aa.Short - term (due within 12 months)	3560028	4277454
bb.Others	21929250	18520591
b. Current accounts	3972118	2635239
3. Money at call and short notice		
With banks	956351	613904
With other institutions	1367128	629234
Total	33208377	28579276
Cash and bank balances IN INDIA	8266722	7838213
Cash and bank balances OUTSIDE INDIA	24941655	20741063
Total	33208377	28579276

<i>1 above includes remittance in transit</i>	12754	36987
<i>Balances with non scheduled banks included in 2b above</i>	437442	487460
Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 11		
<i>Foreign balances included in 2abb above (France 911897)</i>	31113	28180
<i>Foreign balances included in 2b above (France 911897)</i>	9616	9013
<i>Indian balances included in 2b above</i>	70868	11129
Total	111597	48322



The New India Assurance Company Limited
[Registration No.190, Renewal Date 13.03.2009]



Schedules for the year ended 31st March, 2009

Particulars	Current year Rs(000)	Previous year Rs(000)
Schedule 12		
Advances and other assets		
A. Advances		
1. Reserve deposits with ceding companies	159704	180785
2. Application money for investments	0	378420
3. Pre-payments	317912	200946
4. Advances to directors / officers	0	0
5. Advance tax paid and taxes deducted at source (net of provision for taxation)	12145088	11503617
6. Others	182151	537828
Total (A)	12804855	12801596
B. Other assets		
1. Income accrued on investments	2503584	2658256
2. Outstanding premiums	898644	27417
3. Agents balances	780800	1057781
4. Foreign agencies balances	1161296	1261311
5. Due from other entities carrying insurance business (including reinsurers)	29626214	16105873
6. Due from subsidiaries/holding companies	524	440
7. Deposit with R B I pursuant to section 7 of Insurance Act 1938	107520	107527
8. Others - Other accrued income	610319	409818
Others including sundry debtors	2176407	2271764
Total (B)	37865308	23900187
TOTAL(A+B)	50670163	36701783

FI Sundry Debtors amounting to Rs.19788362 and Sundry Debtors amounting to Rs.18658913 are netted against interest suspense of an equal amount.

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

Reinsurance balances included in A1 above	93984	93984
Reinsurance balances included in B5 above	902108	902108
Reinsurance balances included in B8 above	494	494
Foreign balances included in A1 above (France 911871 & 873)	11333	10583
Foreign balances included in B1 above (France 911897)	137	132
Foreign balances included in B3 above (Fiji, Mauritius, Bangkok, Japan, Hongkong)	20314	21192
Foreign balances included in B4 above (Manila & Dubai)	12840	10523
Foreign balances included in B5 above (Mauritius)	1909	1932
Foreign balances included in B6 above (Ghana, T&T, Kualalumpur)	556	440
Foreign balances included in B8 above (Equitorial Bank London)	2152	1678
Indian balances included in B5 above	19706	0
Indian miscellaneous debtors included in B8 above	59136	0
Sundry debtors(5192) investments Indian included in B8 above - Std. provision	200	0
Sundry debtors(5192) investments Indian included in B8 above	3851	15347
Sundry debtors(5192) investments(F) Indian included in B8 above	756	588
Income accrued on Investments(5131) Indian included in B1 above	4	4
Total	1129480	1059005





The New India Assurance Company Limited

[Registration No.190, Renewal Date 13.03.2009]

Schedules for the year ended 31st March, 2009

Particulars	Current year Rs(000)	Previous year Rs(000)
Schedule 13		
Current Liabilities		
1. Agents balances	558061	308558
2. Balances due to other insurance companies	12209338	8702512
3. Deposits held on reinsurance ceded	60224	63207
4. Premium received in advance	747151	767729
5. Un-allocated premium	0	0
6. Sundry creditors - Other than service tax payable	7409395	6161653
Service tax payable	2735	43061
7. Due to subsidiaries / holding company	60780	0
8. Claims outstanding	68184534	61398770
9. Due to officers/directors	0	0
10. Others	528865	175353
Total	89761083	77620843

Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 13

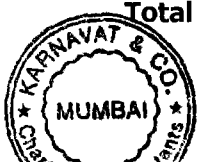
Indian balances included in 1 above	7513	11111
Indian balances included in 4 above	31053	313
Indian balances included in 6 above	4495	49217
Indian balances included in 10 above	0	36217
Reinsurance balances included in 2 above	0	0
Reinsurance balances included in 8 above	1123	1123
Foreign balances included in 2 above (Singapore, France)	2512	2275
Total	46696	100256

Schedule 14 **Provisions**

1. Reserve for un-expired risks	28240313	25730222
2. Provision for taxation (net of payment of taxes)	0	0
3. Provision for proposed dividend	450000	2830000
4. Provision for dividend distribution tax	76478	480959
5. Others - Reserve for bad and doubtful debts.	3357710	3433642
Provision for diminution in value of thinly traded/unlisted shares	27603	24949
Total	32152104	32499772

Schedule 15 **Miscellaneous Expenditure**

1. Discount allowed in issue of shares and debentures	0	0
2. Others	0	0
(Deferred expenses to the extent not written off)		
Total	0	0





Receipts & Payments Account /Cash Flow Statement for the period 01.04.2008 to 31.03.2009

Description	Amount in Rs (000) Current Year	Amount in Rs (000) Previous Year
Operating Activities		
Profit Appropriated to General Reserve	1,265,475	10,700,322
Adjustments for Non-Cash Items		
Deferred Expenses	-	476,070
Unexpired Risks Reserves	2,510,091	1,028,499
Special Contingency Reserves for URR	449,500	
Additional Provisions for Outstanding Claims	6,785,764	3,806,514
Depreciation	481,854	356,358
Provision for Dividend and Dividend tax	526,478	3,310,959
Provision for Taxes - Indian	410,100	955,668
- Foreign	345,666	
Deferred Tax	(131,491)	304,037
Reserve for Doubtful debts	108,320	(11,027)
Foreign Currency Translation Reserve	1,778,508	(784,146)
General Reserve Adjustment for AS 15	-	(389,700)
Other Provisions	802,682	(196,797)
Prepaid Expenses	(116,966)	
Profit on Sale of Asset	(4,970)	(2,674)
Balances Written Back	(564,923)	210,201
	14,646,088	19,764,284
Items considered separately		
Investment Items - Interest Dividend, Rent & Provisions	(12,307,648)	(23,460,453)
Investment Items - Profit on sale of Investments	(4,560,616)	
Total	(2,222,176)	(3,696,169)
Net Increase in Current assets	(7,961,987)	(5,086,648)
Net Cash Flow from Operating Activities Before Tax	(10,184,163)	(8,782,817)
Net Tax Expense - Indian	(1,699,977)	(9,529,798)
Net Cash Flow from Operating Activities After Tax	(11,884,140)	(18,312,615)
Investing Activities		
Interest, Dividend and Rent	12,362,688	11,849,662
Net Increase/decrease in Investments	7,728,648	6,138,560
Net Increase/decrease in Loans	639,023	876,886
Net Additions to Assets	(906,159)	(179,649)
Net Cash Flow from Investing Activities	19,824,200	18,685,459
Financing Activities		
Dividend Paid	(3,310,959)	(3,416,300)
Increase/Decrease in Cash and Bank Balances during the year	4,629,101	(3,043,456)
Cash and Bank Balances as per Schedule 11 at the end of the period	33,208,377	28,579,276
Cash and Bank Balances as per Schedule 11 at the beginning of the period	28,579,276	31,622,732

A.R. Sekar

Director and Company Secretary

M Razzak
Director

B Chakrabarti
Chairman-Cum- Managing Director

As per our report of even date

For **SARDA & PAREEK**
Chartered Accountants

Niranjan Joshi
Partner

Membership number 102789
Mumbai
June 25, 2009



For **KARNAVAT & CO.**
Chartered Accountants

Shashikant Gupta
Partner

Membership number 45629



For **CHATURVEDI & SHAH**
Chartered Accountants

H P Chaturvedi
Partner

Membership number 33523



Segment Reporting Schedules

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - INDIAN Rs. (000)

Segment	Fire		Marine Cargo		Marine Hull		Motor OD	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	7733268	7434322	1751728	1827049	2709246	2545785	10884328	10972463
Premium Accepted	593297	408962	1089	228	73306	79662	0	0
Premium Ceded	-3128488	-2891866	-484398	-385199	-2368175	-2279785	-2176951	-1648004
Net Premium	5198077	4951418	1268419	1442078	414377	345662	8707377	9324459
Unexpired Risk Reserve Opening	2475709	2782871	1442078	1308354	345662	189179	4662230	4929146
Unexpired Risk Reserve Closing	-2599039	-2475709	-1288419	-1442078	-414377	-345662	-4353689	-4662230
Net Earned Premium	5074747	5258580	1442078	1308354	345662	189179	9015918	9591375
Profit on Realisation of Investment	361115	1047952	91114	214289	37427	86981	297023	774028
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	869502	952762	219387	194824	90118	79080	715179	703720
Investment Provisions	7974	-326	2012	-67	826	-27	6559	-241
Total Investment Income	1238591	2000388	312513	409046	128371	166034	1018761	1477507
Claims Paid Direct	4314281	3867428	1350856	1004816	447821	437931	7230415	7029459
Claims Paid Accepted	155857	95660	0	0	80518	57108	0	0
Claims Paid Ceded	-1635106	-1598256	-230356	-157422	-169048	-199239	-1452537	-1087748
Net Paid Claims	2835032	2364832	1120500	847394	359291	295800	5777878	5941711
Closing O/S Claims Direct	12759581	9966235	1993505	1869728	4764620	2463662	2671830	2568997
Closing O/S Claims Accepted	1189025	1024990	0	0	143989	47610	0	0
Closing O/S Claims Ceded	-9345428	-7528913	-790660	-801214	-3341223	-1911558	-469591	-507449
Net Closing O/S Claims	4603178	3462312	1202845	1068514	1567386	599714	2202239	2061548
Opening O/S Claims Direct	9966235	9480960	1869728	1650254	2463662	1630281	2568997	3289922
Opening O/S Claims Accepted	1024990	307164	0	3	47610	96121	0	0
Opening O/S Claims Ceded	-7528913	-5255517	-801214	-838183	-1911558	-1150755	-507449	-2033677
Net Opening O/S Claims	3462312	4262607	1068514	812074	599714	575647	2061548	1256245
Incurred Claims Direct	7107627	4352703	1474633	1224290	2748779	1271312	7333248	6308534
Incurred Claims Accepted	319892	813486	0	-3	176897	8597	0	0
Incurred Claims Ceded	-3451621	-3601652	-219802	-120453	-1598713	-960042	-1414679	438480
Net Incurred Claims	3975998	1564537	1254831	1103834	1326963	319867	5918569	6747014
Commission Direct	509309	523845	236780	221327	32353	23406	1197225	1210143
Commission Accepted	45173	50417	72	23	13367	15880	0	0
Commission Ceded	-569350	-594790	-75949	-70925	-222864	-168854	-489795	-310275
Net Commission	-14568	-20528	160903	150425	-177144	-129568	707430	899868
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	2741218	1787188	320773	234349	406158	281755	2771975	1940353
Revenue Accounts Result	-388910	3927771	18084	228792	-1081944	-116841	636705	1481647



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The New India Assurance Co. Ltd.

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - INDIAN Rs. (000)

Segment	Motor TP		Health		*Liability		Motor TP Pool	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	3592343	3446526	13556734	12094156	1046817	956510	5526260	5924005
Premium Accepted	0	0	0	0	27638	69	4960856	3881385
Premium Ceded	-359234	-516979	-1355673	-1814123	-202552	-283217	-5526260	-5924005
Net Premium	3233109	2929547	12201061	10280033	871903	673362	4960856	3881385
Unexpired Risk Reserve Opening	1464774	3204063	5140017	3061158	336681	209172	1940693	0
Unexpired Risk Reserve Closing	-1616554	-1464774	-5651030	-5140017	-435951	-336681	-2480428	-1940693
Net Earned Premium	3081329	4668836	11690048	8201174	772633	545853	4421121	1940692
Profit on Realisation of Investment	1054633	3138561	198945	357384	101978	296970	125265	0
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	2823077	2853471	532543	324921	245547	269994	335313	0
Investment Provisions	23039	-976	4346	-111	2251	-92	2737	0
Total Investment Income	3900749	5991056	735834	682194	349776	566872	463315	0
Claims Paid Direct	11510580	11993489	12805022	8454612	181819	146274	771160	16980
Claims Paid Accepted	0	0	0	0	1939	0	290435	0
Claims Paid Ceded	-2535825	-1963977	-787127	-1268192	-36929	-25477	-771160	-16980
Net Paid Claims	8974755	10029512	12017895	7186420	146829	120797	290435	0
Closing O/S Claims Direct	40047602	44253961	2416983	1891200	584392	252381	4172929	537919
Closing O/S Claims Accepted	0	0	0	0	0	0	7555162	2367645
Closing O/S Claims Ceded	-8004810	-9445886	-176523	-188730	-270511	-50619	-4172929	-537919
Net Closing O/S Claims	32042792	34808075	2240460	1702470	313881	201762	7555162	2367645
Opening O/S Claims Direct	44253961	42979956	1891200	1508761	252381	228270	537919	0
Opening O/S Claims Accepted	0	0	0	0	0	0	2367645	0
Opening O/S Claims Ceded	-9445886	-7787431	-188730	0	-50619	-43328	-537919	0
Net Opening O/S Claims	34808075	35192525	1702470	1508761	201762	184942	2367645	0
Incurred Claims Direct	7304221	13267494	13330805	8837051	513830	170385	4406170	554899
Incurred Claims Accepted	0	0	0	0	1939	0	5477952	2367645
Incurred Claims Ceded	-1094749	-3622432	-774920	-1456922	-256821	-32768	-4406170	-554899
Net Incurred Claims	6209472	9645062	12555885	7380129	258948	137617	5477952	2367645
Commission Direct	0	0	1568314	1410948	122627	114584	0	0
Commission Accepted	0	0	0	0	2488	19	496086	388138
Commission Ceded	-71847	-103396	-271135	-453531	-47212	-49509	-552626	-592400
Net Commission	-71847	-103396	1297179	957417	77903	65094	-56540	-204262
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	698729	484867	2636853	1631257	358511	293668	2039797	1322549
Revenue Accounts Result	145724	653359	-4064035	-1085435	427047	616346	-2576773	-1545240

Segment Reporting Schedules

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - INDIAN Rs. (000)

Segment	Personal Accident		Aviation		Engineering		Credit Guarantee	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	971193	830769	782006	781357	2477365	2226408	1932	3055
Premium Accepted	24593	24281	11750	8451	396259	121762	0	0
Premium Ceded	-206069	-69850	-740411	-777854	-1302677	-1080423	-193	-458
Net Premium	789717	785200	53345	11954	1570947	1267747	1739	2597
Unexpired Risk Reserve Opening	392600	301260	5977	174975	633873	790035	1299	-2278
Unexpired Risk Reserve Closing	-394859	-392600	-26672	-5977	-785473	-633873	-869	-1299
Net Earned Premium	787458	693860	32650	180952	1419347	1423909	2169	-980
Profit on Realisation of Investment	25753	77374	28386	81984	57344	172513	463	1217
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	62008	70345	68349	74537	138073	156843	1116	1107
Investment Provisions	568	-24	627	-25	1267	-54	10	0
Total Investment Income	88329	147695	97362	156496	196684	329302	1589	2324
Claims Paid Direct	684842	632632	267696	522614	1769573	766631	12472	-606
Claims Paid Accepted	22465	4335	5156	3922	119596	8652	0	0
Claims Paid Ceded	-138510	-142581	-159347	-333618	-898123	-140212	-2494	91
Net Paid Claims	568797	494386	113505	192918	991046	635071	9978	-515
Closing O/S Claims Direct	764479	642000	858929	1110119	1859292	2689954	18508	18508
Closing O/S Claims Accepted	145	3841	10369	9300	129949	152655	0	0
Closing O/S Claims Ceded	-107249	-248399	-512163	-614431	-943969	-1902969	-3702	-3849
Net Closing O/S Claims	657375	397442	357135	504988	1045272	936640	14806	14659
Opening O/S Claims Direct	642000	804142	1110119	908585	2689954	2028811	18508	21461
Opening O/S Claims Accepted	3841	4909	9300	9300	152655	181995	0	0
Opening O/S Claims Ceded	-248399	-269558	-614431	-487194	-1902969	-1246083	-3849	-4292
Net Opening O/S Claims	397442	539493	504988	430691	939640	964723	14659	17169
Incurred Claims Direct	807321	470490	16506	724148	938911	1427774	12472	-3559
Incurred Claims Accepted	18769	3267	6225	3922	96890	-20688	0	0
Incurred Claims Ceded	2640	-121422	-57079	-460855	60877	-797098	-2347	534
Net Incurred Claims	828730	352335	-34348	267215	1096678	609988	10125	-3025
Commission Direct	113527	109608	7564	-1213	159358	142599	300	515
Commission Accepted	11034	5493	796	1145	83006	18682	0	0
Commission Ceded	-39511	-14411	-34603	-46514	-276720	-160525	-19	-115
Net Commission	85050	100690	-26243	-46582	-34356	756	281	400
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	208454	136001	181727	115015	626434	373050	351	412
Revenue Accounts Result	-246447	252529	8876	1800	-72725	769417	-6999	3557



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The New India Assurance Co. Ltd.

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - INDIAN Rs. (000)

Segment	Misc TB		Misc RNTB		Misc UNTB		Credit Shield		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	1502886	1401734	806581	749193	1416099	1350461	329543	225387	55088329	52769180
Premium Accepted	170029	142305	442	0	141	0	205292	552715	6464692	5219820
Premium Ceded	-412479	-636459	-161316	-112379	-291709	-228228	-231054	-163644	-18947639	-18812473
Net Premium	1260436	907580	645707	636814	1124531	1122233	303781	614458	42605382	39176527
Unexpired Risk Reserve Opening	453790	738569	318407	404289	561117	965311	307229	36539	20482136	19092643
Unexpired Risk Reserve Closing	-630218	-453790	-322853	-318407	-562265	-561117	-151890	-307229	-21694586	-20482136
Net Earned Premium	1084008	1192359	641261	722696	1123383	1526427	459120	343768	41392932	37787034
Profit on Realisation of Investment	78900	244147	30256	99438	26788	127939	16288	5986	2531678	6726763
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	189977	221970	80992	90405	71706	116318	43600	5442	6486487	6115739
Investment Provisions	1742	-76	661	-31	585	-40	356	-2	55560	-2092
Total Investment Income	270619	466041	111909	189812	99079	244217	60244	11426	9073725	12840410
Claims Paid Direct	588282	672416	598750	685570	434756	2621175	83205	22767	43031530	38874188
Claims Paid Accepted	113180	48364	0	0	0	0	241895	0	1031041	218041
Claims Paid Ceded	-151103	-168083	-140334	-102836	-1077615	-462314	-63854	-14368	-10249468	-7681212
Net Paid Claims	530359	552697	458416	582734	642859	2158861	261246	8399	33813103	31411017
Closing O/S Claims Direct	1775951	1892013	916413	860117	480706	516875	402358	53369	76488078	71587038
Closing O/S Claims Accepted	440813	40709	0	0	0	0	180105	226462	9649557	3873212
Closing O/S Claims Ceded	-427979	-697816	-139833	-137887	-93636	-156664	-270433	-26858	-29070639	-24761161
Net Closing O/S Claims	1788785	1234906	776580	722230	387070	360211	312030	252973	57066996	50699089
Opening O/S Claims Direct	1892013	1898722	860117	959895	516875	762111	53369	96189	71587038	68248320
Opening O/S Claims Accepted	40709	50159	0	0	0	0	226462	0	3873212	649651
Opening O/S Claims Ceded	-697816	-715952	-137887	-147679	-156664	-360041	-26858	-59501	-24761161	-20669191
Net Opening O/S Claims	1234906	1232929	722230	812216	360211	402070	252973	36688	50699089	48228780
Incurred Claims Direct	452220	665707	655046	585792	398587	2375939	432194	-20053	47932570	42212906
Incurred Claims Accepted	513284	38914	0	0	0	0	195538	226462	6807386	3441602
Incurred Claims Ceded	118734	-149947	-142280	-93044	-1014587	-258937	-307429	18275	-14558946	-11773182
Net Incurred Claims	1084238	554674	512766	492748	616000	2117002	320303	224684	40181010	33881326
Commission Direct	211898	184515	78154	78584	231800	223980	32395	28110	4501604	4270951
Commission Accepted	53699	33646	80	0	38	0	45569	138179	751408	651622
Commission Ceded	-88976	-83508	-32263	-28095	-57327	-51635	-32120	-56737	-2862317	-2785220
Net Commission	176621	134653	45971	50489	174511	172345	45844	109552	2390695	2137353
Foreign Taxes	0	0	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	455205	318777	156970	101051	275466	182150	104028	104950	13982649	9287392
Revenue Accounts Result	-361437	650296	37463	268220	1388485	-700853	49189	-83992	-6087697	5321373
* Segment Reporting Schedule for the year ended 31.03.2009 (Indian) Amount in Rs.'000										
Sub Segment	Premium		Claims Paid		Claims O/s at end		Claims O/s at beginning		Incurred Claims	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Workmen's Compensation										
(Sub Segment of Liability Insurance)	542928	564119	124567	137067	142912	188772	188772	188869	78707	136970
Export Credit Insurance (Sub										
Segment of Credit Shield Insurance)	44343	30975	41920	5894	20828	0	0	0	62748	5894

Segment Reporting Schedules

Segment Reporting Schedules

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - FOREIGN Rs. (000)

Segment	Fire		Marine Cargo		Marine Hull		Motor OD		Liability (W.C.)	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	2250493	2379582	561300	449475	93577	125983	4250594	3294824	897705	1220254
Premium Accepted	4507164	3027365	39395	39864	103849	33813	118547	118511	635	422
Premium Ceded	-1574267	-1481340	-43246	-25694	-61100	-93485	-175224	-196069	-100140	-111904
Net Premium	5183390	3925607	557449	463645	136326	66311	4193917	3217266	798200	1108772
Unexpired Risk Reserve Opening	1962803	2481734	463645	347424	66311	40790	1608633	1598310	554386	640171
Unexpired Risk Reserve Closing	-2591695	-1962803	-557449	-463645	-136326	-66311	-2096958	-1608633	-399100	-554386
Net Earned Premium	4554498	4444538	463645	347424	66312	40790	3705592	3206943	953486	1194557
Profit on Realisation of Investment	534	1006	135	206	55	83	439	3756	151	285
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	98573	109171	24871	2324	10216	9061	81078	407596	27836	30917
Investment Provisions	-73	-459	-18	-94	-8	-38	-61	-1712	-21	-130
Total Investment Income	99034	109718	24988	22436	10263	9106	81456	409640	27966	31072
Claims Paid Direct	996101	3183709	158393	71308	80621	23953	2561862	2155218	866346	799127
Claims Paid Accepted	1955948	1347819	20019	20402	28889	32049	136150	98320	46	1
Claims Paid Ceded	-1073527	-1324524	-47014	-2249	-64199	-16203	-133612	-226434	-20024	-29895
Net Paid Claims	1878522	3207004	131398	89461	45311	39799	2564400	2027104	846368	769233
Closing O/S Claims Direct	2819296	2510363	240412	196422	221704	173426	2069719	1901428	2274589	2662876
Closing O/S Claims Accepted	4137401	3347439	62315	55643	29256	104212	281781	93636	0	0
Closing O/S Claims Ceded	-2206612	-1320135	-99178	-87908	-257	-152	-117009	-96620	-167474	-243093
Net Closing O/S Claims	4750085	4537667	203549	164157	250703	277486	2234491	1898444	2107115	2419783
Opening O/S Claims Direct	2510363	2509521	196422	178390	173426	134069	1901428	1885460	2662876	2960173
Opening O/S Claims Accepted	3347439	2101261	55643	56544	104212	128357	93636	89911	0	0
Opening O/S Claims Ceded	-1320135	-1317541	-87907	-81217	-152	-3933	-96620	-289750	-243093	-359861
Net Opening O/S Claims	4537667	3293241	164158	153717	277486	258493	1898444	1685621	2419783	2600312
Incurred Claims Direct	1305034	3184551	202383	89340	128899	63310	2730153	2171186	478059	501830
Incurred Claims Accepted	2745910	2593997	26691	19501	-46067	7904	324295	102045	46	1
Incurred Claims Ceded	-1960004	-1327118	-58285	-8940	-64304	-12422	-154001	-33304	55595	86873
Net Incurred Claims	2090940	4451430	170789	99901	18528	58792	2900447	2239927	533700	588704
Commission Direct	620521	548298	154386	230117	17522	23361	1092524	628018	217492	303422
Commission Accepted	893848	578802	10835	12567	1655	3410	4754	3821	143	117
Commission Ceded	-128981	-104287	-11183	-5939	-11510	-17428	-1527	-2265	-1709	-572
Net Commission	1385388	1022813	154038	236745	7667	9343	1095751	629574	215926	302967
Foreign Taxes	186	255	105	105	26	15	9086	3865	1729	1332
Operating Expenses Related to Insurance	192739	173891	22554	22802	28558	27414	194901	362708	25207	28574
Revenue Accounts Result	984279	-1094133	141147	10307	21796	-45668	-413137	380509	204890	304052



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The New India Assurance Co. Ltd.

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

Rs. (000)

Segment	Personal Accident		Aviation		Engineering		Other Misc.		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	142344	144486	0	0	432625	357477	840927	773375	9469565	8745456
Premium Accepted	8940	8777	206240	62914	140857	60147	8967	46004	5116660	3397817
Premium Ceded	-16665	-21890	-1707	-4152	-118539	-94608	-97660	-147908	-2188548	-2177050
Net Premium	134619	131373	204533	58762	454943	323016	734300	671471	12397677	9966223
Unexpired Risk Reserve Opening	65687	64658	29381	-25739	161508	131389	335736	330350	5248090	5609087
Unexpired Risk Reserve Closing	-67309	-65687	-102266	-29381	-227472	-161508	-367150	-335736	-6545724	-5248090
Net Earned Premium	132997	130344	131648	3642	388979	292897	702886	666085	11100043	10327220
Profit on Realisation of Investment	38	74	42	79	85	166	117	802	1596	6457
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	7030	8060	7749	8541	15653	17972	21537	87121	294543	700763
Investment Provisions	-5	-34	-6	-36	-12	-76	-16	-365	-220	-2944
Total Investment Income	7063	8100	7795	8584	15726	18062	21638	87558	295919	704276
Claims Paid Direct	38241	42178	111	600	82817	192656	424205	288260	5208697	6757009
Claims Paid Accepted	8027	5489	171103	9887	35451	20805	12256	46956	2367889	1581728
Claims Paid Ceded	-4413	-6194	-4301	-378	-16744	-115264	-92920	-60339	-1456754	-1781480
Net Paid Claims	41855	41473	166913	10109	101524	98197	343541	274877	6119832	6557257
Closing O/S Claims Direct	27311	24598	121000	87500	377320	194759	530913	651219	8682264	8402591
Closing O/S Claims Accepted	10335	7727	484466	349910	96244	89077	20111	66421	5121909	4114065
Closing O/S Claims Ceded	-914	-1000	0	0	-90708	-43677	-4484	-24390	-2686636	-1816975
Net Closing O/S Claims	36732	31325	605466	437410	382856	240159	546540	693250	11117537	10699681
Opening O/S Claims Direct	24598	34792	87500	365434	194759	216884	651219	623458	8402591	8908181
Opening O/S Claims Accepted	7727	7614	349910	63501	89077	54815	101063	4114065	2603066	2603066
Opening O/S Claims Ceded	-1000	-1241	0	-5885	-43677	-47348	-24390	-40992	-1816974	-2147768
Net Opening O/S Claims	31325	41165	437410	423050	240159	224351	693250	683529	10699682	9363479
Incurrd Claims Direct	40954	31984	33611	-277334	265378	170531	303899	316021	5488370	6251419
Incurrd Claims Accepted	10635	5602	305659	296296	42618	55067	-34054	12314	3375733	3092727
Incurrd Claims Ceded	-4327	-5953	-4301	5507	-63775	-111593	-73014	-43737	-2326416	-1450687
Net Incurred Claims	47262	31633	334969	24469	244221	114005	196831	284598	6537687	7893459
Commission Direct	33573	34134	0	0	44535	62791	248831	151165	2429384	1981306
Commission Accepted	3006	3048	34854	11158	33970	23399	11558	7796	994623	644118
Commission Ceded	-6900	-7403	-81	-247	-18099	-20225	-26446	-12050	-206436	-170416
Net Commission	29679	29779	34773	10911	60406	65965	233943	146911	3217571	2455008
Foreign Taxes	292	158	443	71	986	388	1591	807	14444	6996
Operating Expenses Related to Insurance	14657	13233	12777	11191	44045	36297	32006	227544	567444	903654
Revenue Accounts Result	48170	63641	-243529	-34416	55047	94304	260153	93783	1058816	-227621

* Segment Reporting Schedule for the year ended 31.03.2009 (Foreign) Amount in Rs.'000.

Sub Segment	Premium		Claims Paid		Claims O/s at end		Claims O/s at beginning	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Health Insurance(Sub Segment of Other Misc. Insurance)	123081	N.A.	72428	N.A.	348	N.A.	2137	N.A.

Segment Reporting Schedules

Segment Reporting Schedules

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - GLOBAL Rs. (000)

Segment	Fire		Marine Cargo		Marine Hull		Motor OD	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	9983761	9813904	2313028	2276524	2802823	2671768	15134922	14267287
Premium Accepted	5100461	3436327	40484	40092	177155	113475	118547	118511
Premium Ceded	-4702755	-4373206	-527644	-410893	-2429275	-2373270	-2352175	-1844073
Net Premium	10381467	8877025	1825868	1905723	550703	411973	12901294	12541725
Unexpired Risk Reserve Opening	4438512	5264605	1905723	1655778	411973	229969	6270863	6527456
Unexpired Risk Reserve Closing	-5190734	-4438512	-1825868	-1905723	-550702	-411973	-6450847	-6270863
Net Earned Premium	9629245	9703118	1905723	1655778	411974	229969	12721510	12798318
Profit on Realisation of Investment	361649	1048958	91249	214495	37482	87064	297462	777784
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	968075	1061933	244258	217148	100334	88141	796257	1111316
Investment Provisions	7901	-785	1994	-161	818	-65	6498	-1953
Total Investment Income	1337625	2110106	337501	431482	138634	175140	1100217	1887147
Claims Paid Direct	5310382	7051137	1509249	1076124	528442	461884	9792277	9184677
Claims Paid Accepted	2111805	1443479	20019	20402	109407	89157	136150	98320
Claims Paid Ceded	-2708633	-2922780	-277370	-159671	-233247	-215442	-1586149	-1314182
Net Paid Claims	4713554	5571836	1251898	936855	404602	335599	8342278	7968815
Closing O/S Claims Direct	15578877	12476598	2233917	2066150	4986324	2637088	4741549	4470425
Closing O/S Claims Accepted	5326426	4372429	62315	55643	173245	151822	281781	93636
Closing O/S Claims Ceded	-11552040	-8849048	-889838	-889122	-3341480	-1911710	-586600	-604069
Net Closing O/S Claims	9353263	7999979	1406394	1232671	1818089	877200	4436730	3959992
Opening O/S Claims Direct	12476598	11990481	2066150	1828644	2637088	1764350	4470425	5175382
Opening O/S Claims Accepted	4372429	2408425	55643	56547	151822	224478	93636	89911
Opening O/S Claims Ceded	-8849048	-6843058	-889121	-919400	-1911710	-1154688	-604069	-2323427
Net Opening O/S Claims	7999979	7555848	1232672	965791	877200	834140	3959992	2941866
Incurred Claims Direct	8412661	7537254	1677016	1313630	2877678	1334622	10063401	8479720
Incurred Claims Accepted	3065802	3407483	26691	19498	130830	16501	324295	102045
Incurred Claims Ceded	-5411625	-4928770	-278087	-129393	-1663017	-972464	-1568680	405176
Net Incurred Claims	6068638	6015967	1425620	1203735	1345491	378659	8819016	8986941
Commission Direct	1129830	1072143	391166	451444	49875	46767	2289749	1838161
Commission Accepted	939021	629219	10907	12590	15022	19290	4754	3821
Commission Ceded	-698331	-699077	-87132	-76864	-234374	-186282	-491322	-312540
Net Commission	1370520	1002285	314941	387170	-169477	-120225	1803181	1529442
Foreign Taxes	186	255	105	105	26	15	9086	3865
Operating Expenses Related to Insurance	2933957	1961079	343327	257151	434716	309169	2966876	2303061
Revenue Accounts Result	595369	2833638	159231	239099	-1060148	-162509	2235568	1862156



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The New India Assurance Co. Ltd.

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - GLOBAL Rs. (000)

Segment	Motor TP		Health		Liability		Motor TP Pool	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	3592343	3446526	13556734	12094156	1944522	2176764	5526260	5924005
Premium Accepted	0	0	0	0	28273	491	4960856	3881385
Premium Ceded	-359234	-516979	-1355673	-1814123	-302892	-395121	-5526260	-5924005
Net Premium	3233109	2929547	12201061	10280033	1670103	1782134	4960856	3881385
Unexpired Risk Reserve Opening	1464774	3204063	5140017	3061158	891067	849343	1940693	0
Unexpired Risk Reserve Closing	-1616554	-1464774	-5651030	-5140017	-835051	-891067	-2480428	-1940693
Net Earned Premium	3081329	4668836	11690048	8201174	1726119	1740410	4421121	1940692
Profit on Realisation of Investment	1054633	3138561	198945	357384	102129	297255	125265	0
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	2823077	2853471	532543	324921	273383	300911	335313	0
Investment Provisions	23039	-976	4346	-111	2230	-222	2737	0
Total Investment Income	3900749	5991056	735834	682194	377742	597944	463315	0
Claims Paid Direct	11510580	11993489	12805022	8454612	1048165	945401	771160	16980
Claims Paid Accepted	0	0	0	0	1985	1	290435	0
Claims Paid Ceded	-2535825	-1963977	-787127	-1268192	-56953	-55372	-771160	-16980
Net Paid Claims	8974755	10029512	12017895	7186420	993197	890030	290435	0
Closing O/S Claims Direct	40047602	44253961	2416983	1891200	2858981	2915257	4172929	537919
Closing O/S Claims Accepted	0	0	0	0	0	0	7555162	2367645
Closing O/S Claims Ceded	-8004810	-9445886	-176523	-188730	-437985	-293712	-4172929	-537919
Net Closing O/S Claims	32042792	34808075	2240460	1702470	2420996	2621545	7555162	2367645
Opening O/S Claims Direct	44253961	42979956	1891200	1508761	2915257	3188443	537919	0
Opening O/S Claims Accepted	0	0	0	0	0	0	2367645	0
Opening O/S Claims Ceded	-9445886	-7787431	-188730	0	-293712	-403189	-537919	0
Net Opening O/S Claims	34808075	35192525	1702470	1508761	2621545	2785254	2367645	0
Incurred Claims Direct	7304221	13267494	13330805	8837051	991889	672215	4406170	554899
Incurred Claims Accepted	0	0	0	0	1985	1	5477952	2367645
Incurred Claims Ceded	-1094749	-3622432	-774920	-1456922	-201226	54105	-4406170	-554899
Net Incurred Claims	6209472	9645062	12555885	7380129	792648	726321	5477952	2367645
Commission Direct	0	0	1568314	1410948	340119	418006	0	0
Commission Accepted	0	0	0	0	2631	136	496086	388138
Commission Ceded	-71847	-103396	-271135	-453531	-48921	-50081	-552626	-592400
Net Commission	-71847	-103396	1297179	957417	293829	368061	-56540	-204262
Foreign Taxes	0	0	0	0	1729	1332	0	0
Operating Expenses Related to Insurance	698729	464867	2636883	1631257	383718	322242	2039797	1322549
Revenue Accounts Result	145724	653359	-4064035	-1085435	631937	920398	-2576773	-1545240

Segment Reporting Schedules

Segment Reporting Schedules

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - GLOBAL_{Rs. (000)}

Segment	Personal Accident		Aviation		Engineering		Credit Guarantee	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	1113537	975255	782006	781357	2909990	2583885	1932	3055
Premium Accepted	33533	33058	217990	71365	537116	181909	0	0
Premium Ceded	-222734	-91740	-742118	-782006	-1421216	-1175031	-193	-458
Net Premium	924336	916573	257878	70716	2025890	1590763	1739	2597
Unexpired Risk Reserve Opening	458287	365918	35358	149236	795381	921424	1299	-2278
Unexpired Risk Reserve Closing	-462168	-458287	-128938	-35358	-1012945	-795381	-869	-1299
Net Earned Premium	920455	824204	164298	184594	1808326	1716806	2169	-980
Profit on Realisation of Investment	25791	77448	28428	82063	57429	172679	464	1217
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	69038	78405	76098	83078	153726	174815	1242	1107
Investment Provisions	563	-58	621	-61	1255	-130	10	0
Total Investment Income	95392	155795	105147	165080	212410	347364	1716	2324
Claims Paid Direct	723083	674810	267807	523214	1852390	959287	12472	-606
Claims Paid Accepted	30492	9824	176259	13809	155047	29457	0	0
Claims Paid Ceded	-142923	-148775	-163648	-333996	-914867	-255476	-2494	91
Net Paid Claims	610652	535859	280418	203027	1092570	733268	9978	-515
Closing O/S Claims Direct	791790	666598	979929	1197619	2236612	2884713	18508	18508
Closing O/S Claims Accepted	10480	11568	494835	359210	226193	241732	0	0
Closing O/S Claims Ceded	-108163	-249399	-512163	-614431	-1034677	-1946646	-3702	-3849
Net Closing O/S Claims	694107	428767	962601	942398	1428128	1179799	14806	14659
Opening O/S Claims Direct	666598	838934	1197619	1274019	2884713	2245695	18508	21461
Opening O/S Claims Accepted	11568	12523	359210	72801	241732	236810	0	0
Opening O/S Claims Ceded	-249399	-270799	-614431	-493079	-1946646	-1293431	-3849	-4292
Net Opening O/S Claims	428767	580658	942398	853741	1179799	1189074	14659	17169
Incurred Claims Direct	848275	502474	50117	446814	1204289	1598305	12472	-3559
Incurred Claims Accepted	29404	8869	311884	300218	139508	34379	0	0
Incurred Claims Ceded	-1687	-127375	-61380	-455348	-2898	-908691	-2347	534
Net Incurred Claims	875992	383968	300621	291684	1340899	723993	10125	-3025
Commission Direct	147100	143742	7564	-1213	203893	205390	300	515
Commission Accepted	14040	8541	35650	12303	116976	42081	0	0
Commission Ceded	-46411	-21814	-34684	-46761	-294819	-180750	-19	-115
Net Commission	114729	130469	8530	-35671	26050	66721	281	400
Foreign Taxes	292	158	443	71	986	388	0	0
Operating Expenses Related to Insurance	223111	149234	194504	126206	670479	409347	376	412
Revenue Accounts Result	-198277	316170	-234653	-32616	-17678	863721	-6897	3557



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SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2009 - GLOBAL Rs. (000)

Segment	Misc TB		Misc RNTB		Misc UNTB		Credit Shield		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	2343813	2175109	806581	749193	1416099	1350461	329543	225387	64557894	61514636
Premium Accepted	161062	188309	442	0	141	0	205292	552715	11581352	8617637
Premium Ceded	-510139	-784367	-161316	-112379	-291709	-228228	-231054	-163644	-21136187	-20989523
Net Premium	1994736	1579051	645707	636814	1124531	1122233	303781	614458	55003059	49142750
Unexpired Risk Reserve Opening	789526	1068919	318407	404289	561117	965311	307229	36539	25730226	24701730
Unexpired Risk Reserve Closing	-997368	-789526	-322853	-318407	-562265	-561117	-151890	-307229	-28240310	-25730226
Net Earned Premium	1786894	1858444	641261	722696	1123383	1526427	459120	343768	52492975	48114254
Profit on Realisation of Investment	79017	244949	30256	99438	26788	127939	16288	5986	2533275	6733220
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	211514	309091	80992	90405	71706	116318	43600	5442	6781156	6816502
Investment Provisions	1726	-441	661	-31	585	-40	356	-2	55340	-5036
Total Investment Income	292257	553599	111909	189812	99079	244217	60244	11426	9369771	13544686
Claims Paid Direct	992487	960676	598750	685570	434756	2621175	83205	22767	48240227	45631197
Claims Paid Accepted	125436	95320	0	0	0	0	241895	0	3398930	1799769
Claims Paid Ceded	-244023	-228422	-140334	-102836	-1077615	-462314	-63854	-14368	-11706222	-9462692
Net Paid Claims	873900	827574	458416	582734	-642859	2158861	261246	8399	39932935	37968274
Closing O/S Claims Direct	2308864	2543232	916413	860117	480706	518875	402358	53369	85170342	79989629
Closing O/S Claims Accepted	460924	107130	0	0	0	0	180105	226462	14771466	7987277
Closing O/S Claims Ceded	-432463	-722206	-139833	-137887	-93636	-156664	-270433	-26858	-31757275	-26578136
Net Closing O/S Claims	2335325	1928156	776580	722230	387070	360211	312030	252973	68184533	61398770
Opening O/S Claims Direct	2543232	2522180	860117	959895	516875	762111	53369	96189	79989629	77156501
Opening O/S Claims Accepted	107130	151222	0	0	0	0	226462	0	7987277	3252717
Opening O/S Claims Ceded	-722206	-756944	-137887	-147679	-156664	-360041	-26858	-59501	-26578135	-22816959
Net Opening O/S Claims	1928156	1916458	722230	812216	360211	402070	252973	36688	61398771	57592259
Incurred Claims Direct	756119	981728	655046	585792	398587	2375939	432194	-20053	53420940	48464325
Incurred Claims Accepted	479230	51228	0	0	0	0	195538	226462	10183119	6534329
Incurred Claims Ceded	45720	-193684	-142280	-93044	-1014587	-258937	-307429	18275	-16885362	-13223869
Net Incurred Claims	1281069	839272	512766	492748	-616000	2117002	320303	224684	46718697	41774785
Commission Direct	460729	335680	78154	78584	231800	223980	32395	28110	6930988	6252257
Commission Accepted	65257	41442	80	0	38	0	45569	138179	1746031	1295740
Commission Ceded	-115422	-95558	-32263	-28095	-57327	-51635	-32120	-56737	-3068753	-2955636
Net Commission	410564	281564	45971	50489	174511	172345	45844	109552	5608266	4592361
Foreign Taxes	1591	807	0	0	0	0	0	0	14444	6996
Operating Expenses Related to Insurance	487211	546321	156970	101051	275466	182150	104028	104950	14550118	10191046
Revenue Accounts Result	-101284	744079	37463	268220	1388485	-700853	49189	-83992	-5028779	5093752

Segment Reporting Schedules

Shareholders & Policyholders Funds

SHAREHOLDERS AND POLICYHOLDERS FUNDS

Shareholders Funds

		Balances as on 31.3.2008	Percentage	Balances as on 31.3.2009	Percentage
Share Capital		2000000000		2000000000	
Capital Reserves		575088		575088	
General Reserves		67721719485		68987198685	
Miscellaneous Reserves/ Special Reserves		5739891		2233748167	
Total		69728034464	44.45	73221521940	43.16

Policyholders Funds

	Unexpired Risks Reserves as on 31.3.2008	Outstanding Claims Reserves as on 31.3.2008	Total Reserves as on 31.3.2008	Percentage	Unexpired Risks Reserves as on 31.3.2009	Outstanding Claims Reserves as on 31.3.2009	Total Reserves as on 31.3.2009	Percentage
Fire	4438512185	7999978307	12438490492		5190733990	9353262061	14543996051	
Marine	2317695328	2109869980	4427565308		2376570363	3224483466	5601053829	
Miscellaneous	18974014787	51288921356	70262936143		20673008706	55606788185	76279796891	
Total	25730222300	61398769643	87128991943	55.55	28240313059	68184533712	96424846771	56.84
Total Funds			142495537424	100.00			169646368711	100.00

The balances as on 01.04.2008 are used as basis for apportionment of investment income of 2008-09 between policyholders and shareholders

Average Shareholders Funds (Rs in crores)

(6972.80+7322.15)/2

7147.48

Average Policyholders Funds (Rs in crores)

(8712.90+9642.48)/2

9177.69

16325.16



Estbd. 1919

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SCHEDULE 16

**Significant Accounting Policies and Notes forming part of
Financial Statements as on 31st March, 2009**

16 A. Significant Accounting Policies

1. Accounting Convention

The financial statements are drawn up in accordance with the provisions of section 11 (1) of the Insurance Act, 1938, Regulations framed under Insurance Regulatory & Development Authority Act, 1999, read with the provisions of sub-sections (1), (2) and (5) of Section 211, sub-section (5) of Section 227 of the Companies Act, 1956. The said statements prepared on historical cost convention and on accrual basis, comply with accounting standards referred in section 211 (3C) of the Companies Act, 1956, and Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 to the extent applicable, and conform to practices prevailing in the general insurance industry except as otherwise stated.

2. Use of Estimates

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

3. Revenue Recognition

A. Premium

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

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

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 to or cancellations of profit commission are recognized for in the year in which final determination of the profits are intimated by reinsurers.

4. Premium Received in Advance

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



5. Reserves for Un-expired Risk/s

Reserve for un-expired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the succeeding accounting periods. Reserve for un-expired risks are made at 100% of net premium for marine business and 50% of net premium for other classes of business except unexpired risk reserves in Health segment.

In case of Health segment, the reserve for unexpired risk is created at the end of the accounting year based on 1/365 method as per IRDA circular no. IRDA/F&A/CIR/49/MAR-09 dated March 24, 2009.

6. Reinsurance Accepted

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

7. Reinsurance Ceded

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

8. Premium Deficiency

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

9. Acquisition Costs.

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

10. Outstanding Claims

Claims include all expenses directly incurred in relation to their assessment and are net of salvage realized. Claims reported and outstanding at the year-end are provided based on survey reports, information provided by clients and other sources, past experience and applicable laws and includes :

- In respect of direct business, claim intimations received up to the year-end.
- In respect of reinsurance accepted, advices received as of different dates of subsequent year up to the date of finalisation of accounts and on estimation basis wherever advices are not received.
- Provision for claims incurred but not reported (IBNR) and provision for claims incurred but not enough reported (IBNER), as certified by Appointed Actuary.

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 where the warrants are dated 31st March or earlier.

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

Interest Income on Investments is recognized on accrual basis.

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

- F Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except :
 - In respect of Government Securities/Debentures/Bonds under Trading Portfolio, the profit/loss is worked out specific scrip wise.
 - In respect of Government Securities sold from Investment Portfolio, the profit/loss is worked out on first in first out basis (FIFO).
- G The Company follows the prudential norms prescribed by the Insurance Regulatory and



Development Authority as regards asset classification, recognition of income and provisioning pertaining to loans/advances.

- H Investment in government securities, debt securities and redeemable preference shares are considered as held till maturity and valued at cost. However, in terms of Insurance Regulatory and Development Authority Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.
- I Investments in Mutual Fund/s/Venture Fund/s are valued at Net Asset Value (NAV) at the year-end and the difference between cost/book value and NAV is accounted in Fair Value Change Account. However, if there is reduction in NAV in case of venture fund, the same is charged to revenue and the book value of investment is reduced accordingly. Any appreciation in NAV to the extent of loss earlier recognised, is taken to revenue.

In case of non-availability of NAV as at the balance sheet date, investment is shown at cost.

- J Investment Portfolio in respect of equity/ equity related instruments is segregated into actively traded and thinly traded as prescribed by Insurance Regulatory and Development Authority Regulations. The shares are treated as thinly traded by taking into consideration transactions in the month of March on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

Actively traded equity/ equity related instruments are valued at lowest of the last quoted closing price in March at National Stock Exchange or Bombay Stock Exchange. If the shares are traded/ listed only on either of the stock exchanges then the quotation available on the respective stock exchange is considered. The difference between weighted average cost and quoted value is accounted in Fair Value Change Account.

- K Investment in thinly traded equity shares and unlisted equity shares are shown at cost. However, difference between cost and break-up value is provided for as diminution in value. If the break-up value is negative then the provision is made for the entire cost. Further, if the published accounts of an unlisted Company are not available for last three accounting years ending on or immediately preceding the date of working out diminution in value, then the provision is made for the entire cost.
- L In case of investment in listed and unlisted equity/ equity related instruments / preference shares where the value has been impaired on or before 31.03.2000, the historical/ weighted average costs are not available with the Company. As a consequence, the carrying value of such investments as on 01.04.2000 is presumed to be the historical/ weighted average cost.
- M Investments in listed equity/ equity related instruments/ preference shares made in those companies, which are making losses continuously for last 3 years and where capital is eroded, are considered to have impairment in value. Further, if the published accounts of a Company are not available for last three accounting years ending on or immediately preceding the date of working out impairment in value, it is presumed that the value of investment is fully impaired and is written off to a nominal value of 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 share is impaired in accordance with the above mentioned policy, then the reversal of such impairment losses are recognised in revenue/ profit and loss until only when the accumulated losses of such investee companies are completely wiped out and capital is fully restored as per the latest available published accounts on or immediately preceding the date of working out the reversal. However, in respect of investments where the historical or weighted average cost is not available as mentioned in Policy No.13-L, reversal of impairment loss is carried out and recognised only to the extent of impairment losses accounted after 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 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.
- 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.
 - Provision for outstanding claims of non-integral foreign operations are converted at the closing rate.



- 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.

15. Fixed Assets

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

16. Depreciation

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

17. Intangible Assets

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

18. Employee Benefits

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

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

Pension, Gratuity and Leave Encashment are defined benefit plans. The Company has incorporated a Pension Trust and Gratuity Trust. The Company's liability towards pension, gratuity and leave encashment is accounted for on the basis of an actuarial valuation done at the year end and is charged to revenue accounts and profit and loss account as applicable except in

case of pension for the employee who joined from 1st January, 2004 contribution towards pension fund is charged to the Profit and Loss Account and Revenue Accounts as applicable. Further Company has no further obligation beyond the periodic contributions.

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

19. Expenses of Management-Basis of Apportionment

Expenses of management including provision for bad and doubtful debts and exchange gain/loss, are apportioned to the revenue accounts on the basis of gross direct premium plus reinsurances accepted giving weightage of 75% for marine business and 100% each for fire and miscellaneous business.

20. Income from Investments -Basis of Apportionment

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

Investment income (net of expenses) belonging to Policyholders is further apportioned to Fire, Marine and Miscellaneous segments in proportion to respective technical reserves balance at the beginning of the year.

Shareholders' Funds for this purpose consist of Share Capital, General Reserves, Capital Reserves and Foreign Currency Translation Reserve.

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

21. Taxation

- Tax expense for the year, comprises current tax, deferred tax and fringe benefit 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 Alternate Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax on future income. Accordingly, MAT is recognized as an asset in the Balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.
- A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.
- Deferred tax assets are recognized only if there is a virtual certainty backed by convincing evidence that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.
- Provision for Fringe Benefit Tax is made on the basis of expenses incurred on employees / other expenses as prescribed under the Income Tax Act 1961.
- Refund of income tax is accounted on realisation basis.



16 B. Notes Forming Part of Financial Statements

1. The accounts incorporate audited accounts of Branches in Fiji and Thailand on calendar year basis prepared as per local laws. No material changes have been reported after the finalization of accounts of branches.
2. Buildings include Rs. 308.98 Lakhs (Previous Year Rs.227.36 Lakhs) in respect of which the deeds of conveyance are yet to be executed.
3.
 - a Reinsurers' and Coinsurers' balances are subject to confirmations / reconciliations and consequential adjustments if any.
 - b Reinsurance acceptance transactions pertaining to the year with Indian companies have been booked for advices received upto 6th June 2009.
 - c Some of the inter-office accounts are subject to reconciliations and consequential adjustments if any.
4. As certified by the Custodian, securities are held in the name of the Company as on 31.03.2009. 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 Rs.18.27 lakhs (Previous Year Rs.5.92lakhs). However, the same are fully provided for.
6.
 - a Provision for standard assets @ 0.40% amounting to Rs.1426.41 Lakhs (Previous Year Rs.1533.29Lakhs) has been made as per Insurance Regulatory and Development Authority guidelines on (i) Term Loan (PFPS/DTL/Bridge loans), (ii) Debentures, (iii) Short Term Loans, (iv) Infrastructure Investments, (v) Bonds/Debentures of HUDCO, (vi) Bonds/Debentures of Institutions accredited to NHB and (vii) Loans to HUDCO for Housing (viii) Govt. Guaranteed Bonds/Securities (ix) Housing and Fire fighting Loans to State Governments (x) Other Approved Securities (xi) Sundry Debtors.
 - b During the year, the Company has undertaken restructuring of corporate debt/loans etc. as under:

Sr. No.	Particulars	Current Year (Rs in Lakhs)	Previous Year (Rs in Lakhs)
	Total amount of assets subjected to restructuring	467.55	372.00
	The break up of the same is given here under :		
(i)	Total amount of standard assets subjected to restructuring	-	-
(ii)	Total amount of sub-standard assets subjected to restructuring	-	-
(iii)	Total amount of doubtful assets subjected to restructuring	-	-
(iv)	Total amount of loss assets subjected to restructuring	467.55	372.00
	Total	467.55	372.00

c Details of Non Performing Assets (NPA).

I) Details of Non Performing Assets (NPA)

Sr. No.	Particulars	Current Year (Rs in Lakhs)	Previous Year (Rs in Lakhs)
(i)	Opening Balance	21534.19	22929.81
(ii)	Additions During the Year	2565.30	71.45
(iii)	Reductions During the Year	2539.13	1467.07
(iv)	Closing Balance	21560.36	21534.19
	Percentage of Net NPAs to Net Assets	2.00%	1.92%

II) Details of Provisions

Sr. No.	Particulars	Current Year (Rs in Lakhs)	Previous Year (Rs in Lakhs)
(i)	Opening Balance	20862.37	22031.74
(ii)	Incremental Provision During the Year	-1567.29	-1169.37
(iii)	Closing Balance	19295.08	20862.37

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 31.03.2009, 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 :
- Return prescribed by Regulation 6 with respect to Compliance Report for exposure of investment have been submitted although not in the prescribed format and the Other Returns as prescribed by Regulation 6 have not been submitted within stipulated time limit as per notification Dt.01/01/2004.
 - 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 the Investment of Rs.7857.80 Lakhs (Previous Year Rs. 8259.96 Lakhs), loans of Rs.12823.18 Lakhs (Previous Year Rs.13982.23 Lakhs) and Sundry Debtors of Rs.40.51 lakhs (Previous Year Rs.153.46 Lakhs) have been shown in Schedule 14 "Provisions". Consequently, the "Investment", "Loans" and "Advance & Other Assets" shown in the Schedules 8, 9 and 12 respectively have not been reduced to the extent of provisions made against thereof, as required by Part V of Schedule B of the Regulation.
 - Receipts & Payments Account/(Cash Flow Statement) has been drawn by "Indirect Method" instead of "Direct Method" as required by Part I of Schedule B of the regulation.
9. 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 and reconciliations. The impact of adjustments if any, arising out of confirmations / reconciliations of such balances on financial statements are unascertainable.
10. Prior period items have been included in the respective heads amounting to Rs 1581.66 Lakhs (Debit) (Previous Year Rs. 575.43 Lakhs (Debit) consisting of the following : -

Sr. No.	Particulars	Rs. In Lakhs	
		Debit Amount	Credit Amount
1	Direct Premium	573.53	32.94
2	Direct Commission	0.39	-
3	Direct Claims	0.94	-
4	Expenses	1,040.65	0.90
5	Reinsurance Premium	-	-
6	Reinsurance Commission	-	-
	Total	1,615.50	33.84



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

A Related party disclosures as per Accounting Standard 18

1 Company's related parties

a Subsidiaries

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

b Associates

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

c Entities over which control exist

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

d Key management personnel of the Company

- i) Mr. B. Chakrabarti
- ii) Mr. N. S. R. Chandra Prasad
- iii) Mr. A. R. Sekar

2 Transactions with related parties :

Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (Rs in Lakhs)	Previous Year (Rs in Lakhs)
i)	Subsidiaries	Management fees earned	30.84	57.85
		Premium on Reinsurance Accepted	138.99	-
		Commission on Reinsurance Accepted	(26.12)	-
		Claims Paid	(111.10)	-
		Dividend income received	764.70	582.35
		Other Amount Due (From Prestige Assurance Plc-out of Rights Subscription)	-	-
ii)	Associates	Premium on Reinsurance Accepted	58.37	-
		Commission on Reinsurance Accepted	(0.86)	-
		Claims Paid	0.59	-
		Dividend income received	96.85	104.70
		Investment in shares	30.34	-
		Dividend receivable	-	-
iii)	Entity over which control exists	Sale of investmentOther amount payable	-	-
iv)	Key management personnel	Salary and allowances	35.02	19.42

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

Particulars	Current Year	Previous Year
Net profit attributable to shareholders (Rs. In Lakhs)	22,414.53	140,112.81
Weighted average number of equity shares issued	200,000,000	200,000,000
Basic and diluted earnings per share of Rs.10/- each (Rs.)	11.21	70.06

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 Deferred Taxes

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

	Particulars	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
i)	Depreciation and Fixed Assets	943.07	179.82
ii)	Leave Encashment	1,353.48	801.82
iii)	Estimated Disallowance u/s 40(a) (ia)	33.99	33.99
	Total	2,330.54	1,015.63

Notes

- 1 A sum of Rs.1314.91 lakhs (Previous year Rs 3040.37 Lakhs) has been credited to the Profit & Loss Account on account of increase in deferred assets during the year.
- 2 Above deferred tax asset does not include impact of deferred tax in respect of operations of foreign branches.

D Accounting Standard 15 – Employee Benefits

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

(Rs, in Crores)

I	Components of employer expense	Pension Funded	Gratuity Funded	Encashment Unfunded
A	Current Service Cost	62.08	13.81	9.61
B	Interest Cost	138.59	25.81	16.16
C	Expected Return on Plan Assets	(134.64)	(27.69)	-
D	Curtailment Cost/(Credit)	-	-	-
E	Settlement Cost/(Credit)	-	-	-
F	Past Service Cost	-	-	-
G	Actuarial Losses/(Gains)	144.56	28.81	25.84
H	Total expense recognized in the statement of Profit and Loss Account	210.59	40.74	51.61
	Pension Gratuity and Leave Encashment expenses have been recognized in “Employee Remuneration and Welfare Benefits” under schedule 4.	-	-	-



		Pension Funded	Gratuity Funded	Encashment Unfunded
II	Actual Returns for the period ended 31.03.2009	143.03	30.32	-
III	Net Asset/(Liability) recognized in Balance Sheet at 31.03.2009			
A	Present Value of Defined Benefit Obligation	1,776.03	347.28	231.90
B	Fair Value of Plan Assets	1,763.14	343.13	-
C	Status (Surplus/Deficit)	12.89	4.15	231.90
D	Un recognized Past Service Cost	-	-	-
E	Net Asset / (Liability) recognized in Balance Sheet	12.89	4.15	231.90
IV	Change in Defined Benefit Obligation during the period ended 31.03.2009			
A	Past value of the Defined Benefit Obligation at the beginning of the period	1,574.03	303.62	192.08
B	Current Service Cost	62.08	13.81	9.61
C	Interest Cost	138.59	25.81	16.16
D	Curtailment Cost/(Credit)	-	-	-
E	Settlement Cost/(Credit)	-	-	-
F	Plan Amendments	-	-	-
G	Acquisitions	-	-	-
H	Actuarial Losses/(Gains)	88.95	13.00	25.84
I	Asset Loss / (Gain)	-	-	-
J	Benefits Paid	(87.62)	(8.96)	(11.79)
K	Present Value of Defined Benefit Obligation at the end of the period	1,776.03	347.28	231.90
V	Change in the Fair Value of Assets during the period ended 31.03.2009			
A	Plan Assets at the beginning of the period	1,531.46	340.21	-
B	Acquisition Adjustment	-	-	-
C	Expected return on Plan Assets	134.64	27.69	-
D	Asset (Losses)/Gains	(55.61)	(15.81)	-
E	Actual Company Contributions	240.27	-	-
F	Benefits Paid	(87.62)	(8.96)	-
G	Plan Assets at the end of the period	1,763.14	343.13	-
VI	Actuarial Assumptions			
A	Discount Rate (%)	7.50%	7.50%	-
B	Expected Return on Plan Assets (%)	8.25%	8.25%	-
C	Rate of escalation in salary (%)	6.75%	6.75%	-

		Pension Funded	Gratuity Funded	Encashment Unfunded
VII Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2009				
A	Government Securities	40.00%	40.00%	-
B	High Quality Corporate Bonds	57.00%	57.00%	-
C	Others	3.00%	3.00%	-
VIII	Basis used to determine the expected rate of return on plan assets	The expected rate of return on plan assets is based on the current portfolio of the assets, investment strategy and the market scenario, in order to protect capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.		

12. During the year, the Company has reviewed its fixed assets for impairment of loss as required by Accounting Standard 28 on impairment of assets. In the opinion of the management no provision for impairment loss is considered necessary.
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 Rs.268.08 Lakhs (P.Y Rs.429.77 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 provided goods and services to the Company which qualify under the definition of medium and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such Micro, Small, and Medium Enterprises as at 31st March 2009 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. The Company does not have any dues, which are outstanding for a period exceeding 30 days due to Small scale and ancillary industrial undertakings.
16. Indian Motor Third Party Insurance Pool (IMTPIP) In accordance with the directions of IRDA, the company, together with other insurance companies, participates in the Indian Motor Third Party Insurance Pool (IMTPIP). The IMTPIP is a multilateral reinsurance arrangement, in which all member companies are compulsorily required to participate. The IMTPIP is administered by the General Insurance Corporation Of India ('GIC'). The IMTPIP covers reinsurance of third party risks of specified motor vehicles ("specified risks"). Amounts collected as premium in respect of specified risks are ceded at 100% of such premium, 100% of claims incurred against specified risks ceded being recoverable from the pool.



In accordance with the terms of the agreement, each participant Company, is compulsorily required to share in the revenues, expenses, assets and liabilities of the IMTPIP, including unexpired risks reserve, in the proportion, that the Company's Gross Direct Premium Written in India (GDPI), bears to the total Gross Direct Premium Written in India of all participant companies. The Company's share as specified above, is recorded based on the returns submitted by GIC, under the respective heads. Accordingly, such share has been recorded by the Company, only up to 28th February 2009, the date up to which the return is submitted by GIC.

17. The Company has created the Reserve for Unexpired Risk as at the end of the accounting period based on the 1/365 method in the Health segment as per IRDA circular No. IRDA/F&A/CIR/49/MAR-09 dated March 24, 2009. The said contingency reserve is not available for distribution to Share holders and its utilisation, at any future date would require prior approval of the Authority.
18. Foreign Exchange Reserve Account has increased by Rs 17785.08 Lakhs due to appreciation of foreign currency under the following heads (Previous Year Rs. 7841.45 Lakhs (Debit) consisting of the following.

(Rs. In Lakhs)

Sr	Particulars	Debit Amount	Credit Amount
1	Head Office Account	-	14,629.27
2	Outstanding claims	-	3,149.56
3	Fixed assets and depreciation	-	6.25
4	Total	-	17,785.08

19. Previous year figures have been regrouped wherever required to make the figures comparable with current years figures.

Disclosures Forming Part Of Financial Statements

(Rs. in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	The details of contingent liabilities are as under :		
	(a) Partly-paid up investments	20.62	51.19
	(b) Underwriting commitments outstanding	-	-
	(c) Claims, other than those under policies, not acknowledged as debts	20,898.30	1,762.64
	(d) Guarantees given by or on behalf of the Company	1,242.38	1,929.94
	(e) Statutory demands/liabilities in dispute not provided for	53,396.69	53,362.52
	(f) Reinsurance obligations to the extent not provided for in accounts	-	-
	(g) Others (matters under litigation) to the extent quantifiable	551.82	-
2	The details of encumbrances to the assets of the Company are as under :		
	(a) In India	-	-
	(b) Outside India	2,218.15	2,833.82
3	Commitment made and outstanding for Loans Investments and Fixed Assets	10,765.24	16,193.00
4	Claims, less reinsurance, paid to claimants :		
	(a) In India	338,131.04	314,110.17
	(b) Outside India	61,198.30	65,572.60
5	Claim liabilities where claim payment period exceeds four years.	-	-
6	Amount of claims outstanding for more than six months (Gross Indian)	548,975.47	519,352.91
	No. of Claims	272,289	256,866
	Amount of claims outstanding for less than six months (Gross Indian)	162,005.28	135,507.46
	No. of Claims	105,042	95,426
	Total amount of claims outstanding (Gross Indian)	710,980.76	654,860.37
	Total No. of claims outstanding	377,331	352,292
7	Premiums, less reinsurances, written from business		
	a) In India	426,052.39	391,765.26
	b) Outside India	123,978.17	99,662.24
8	The details of contracts in relation to investments, for		
	a) Purchases where deliveries are pending	-	-
	b) Sales where payments are overdue	-	-
9	Amount of Claims settled and remaining unpaid for a period of more than six months as on balance sheet date		
	No. of claims	-	-

Disclosures



(Rs. in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
10	Investments made in accordance with statutory requirements are as under :		
	(a) In India- Under Sec.7 of Insurance Act 1938	1,075.27	1,075.27
	(b) Outside India- Statutory Deposits under local laws	23,121.48	19,043.27
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	356,602.27	383,321.77
	Non Performing Investments	21,560.35	21,534.19
	Total Book Value (Closing Value)	378,162.62	404,855.96

- 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. A reserve for unexpired risks is created @ 100% of net premium for marine business and @ 50% of net premium for other classes of business except unexpired risk reserves in Health segment.
- 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 Rs.229520.12 lakhs (Previous year Rs.218814.09 Lakhs) and Rs.1231.41 Lakhs (Previous year Rs.1436.59 Lakhs) respectively. However, the historical/weighted average cost in respect of investment in listed equity/ equity related instruments/preference shares, the value of which had impaired on or before 31st March, 2000 is not available with the Company, and hence, the carrying value of the same as on 01.04.2000 is presumed to be the historical/weighted average cost.
- 16 Computation of managerial remuneration: Being a Government owned Company, the Company is exempted vide notification: GSR 235, dated 31st January 1978 u/s 620 of the Companies Act, 1956.
- 17 Amortisation of debt securities is done from the date of investment on the basis of actual number of days upto the date of Sale/ Redemption/ 31st March, 2009. While working out amortisation put/ call option is not considered. However, partial redemption if any, is taken into account.
- 18 a) Unrealised gains / losses arising due to change in the Fair Value of listed equity shares and equity related instruments have been taken to "Fair Value Change Account" and on realisation will be transferred to profit and loss account.
- b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.
- 19 The Company does not have Real Estate Investment Property.
- 20 Sector-wise break-up of gross direct premium written in India (Details of number of policies sector wise issued not available) is as under :

Sector	Current Year			Previous Year		
	(Rs. in Crores)	Percentage	Number of Policies/lives	(Rs. in Crores)	Percentage	Number of policies/lives
Rural	394.32	7.16	1065132	323.40	6.12	890906
Social	230.68	4.19	32389489	213.02	4.03	9529969
Others	4,883.83	88.65		4,740.49	89.85	
Total	5,508.83	100.00	33454621	5,276.91	100.00	10420875

21 Performance Ratios (Rs in Crores)

i) Gross Premium Growth rates

SEGMENT	(Rs. in Crores)			
	Current Year	Previous Year	Current Year (%)	Previous Year (%)
Fire	998.38	981.39	1.73	-15.73
Marine Cargo	231.30	227.65	1.60	17.04
Marine Hull	280.28	267.17	4.91	51.83
Marine Total	511.58	494.82	3.39	33.56
Motor	2425.36	2363.79	2.60	-0.24
Personal Accident	111.35	97.53	14.17	3.69
Aviation	78.20	78.13	0.09	-33.83
Engineering	291.00	258.38	12.62	8.96
Health	1355.67	1209.42	12.09	58.03
Liability*	194.45	217.67	-10.67	7.42
Others	489.79	450.32	8.76	-26.79
Misc sub Total	4945.82	4675.24	5.79	6.21
Grand Total	6455.78	6151.45	4.95	3.62

*Liability includes Workmens' compensation

ii) Gross Premium to Share Holders Funds Ratio

(Rs. in Crores)		
Particulars	Current Year	Previous Year
Gross Premium	6455.78	6151.45
Share Holders Funds (beginning of the year)	6972.80	5972.55
Ratio (Times)	0.93	1.03

iii) Growth Rate of Shareholders Funds

(Rs. in Crores)				
	Current Year	Previous Year	Growth Amount	Growth % CY
Share Holders Funds	7328.00	6972.80	355.20	5.09
				Growth % PY
				16.75



iv) Net Retention Ratios

(Rs. in Crores)

Segment	Premium Gross (CY)	Premium Net (PY)	Retention Ratio CY(%)	Retention Ratio PY(%)
Fire	998.38	1038.15	103.98	90.45
Marine Cargo	231.30	182.59	78.94	83.71
Marine Hull	280.28	55.07	19.65	15.42
Marine Total	511.58	237.66	46.46	46.84
Motor	2425.36	2109.53	86.98	81.87
Personal Accident	111.35	92.43	83.01	93.98
Aviation	78.20	25.79	32.98	9.05
Engineering	291.00	202.59	69.62	61.57
Health	1355.67	1220.11	90.00	85
Liability*	194.45	167.01	85.89	85.37
Others	489.79	407.04	83.11	86.14
Misc Sub Total	4945.82	4224.50	85.42	81.17
Grand Total	6455.78	5500.31	85.20	79.89

*Liability includes Workmens' compensation

v) Net Commission Ratio

(Rs. in Crores)

Segment	Commission Net (CY)	Premium Net (PY)	Commission Ratio CY(%)	Commission Ratio PY(%)
Fire	137.05	1038.15	13.20	11.29
Marine Cargo	31.49	182.59	17.25	20.32
Marine Hull	-16.95	55.07	-30.78	-29.17
Marine Total	14.54	237.66	6.12	11.52
Motor	167.48	2109.53	7.94	6.31
Personal Accident	11.47	92.43	12.41	14.24
Aviation	0.85	25.79	3.30	-50.50
Engineering	2.61	202.59	1.29	4.19
Health	129.72	1220.11	10.63	9.31
Liability*	29.38	167.01	17.59	20.22
Others	67.72	407.04	16.64	15.64
Misc Sub Total	409.23	4224.50	9.69	8.76
Grand Total	560.82	5500.31	10.20	9.34

*Liability includes Workmens' compensation

vi) Expenses of Management to Gross Premium Ratio

(Rs. in Crores)

Particulars	2008-09	2007-08
Expenses	1455.01	1019.10
Gross Premium	6455.78	6151.45
Ratio (%)	22.54	16.57

vii) Combined Ratio

Particulars	2008-09	2007-08
Claims	4671.87	4177.47
Expenses	1455.01	1019.10
Commission	560.83	459.23
Sub Total	6687.71	5655.80
Net Premium	5500.31	4914.27
Ratio (%)	121.59	115.09

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

Particulars	2008-09	2007-08
Unexpired Risks Reserves	2824.03	2573.02
Reserves for Premium Deficiency	0.00	0.00
Outstanding Claims	6818.45	6139.87
Total Technical Reserves	9642.48	8712.89
Net Premium	5500.31	4914.27
Ratio – (No. of Times)	1.75	1.77

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

(Rs. in Crores)

Segment	U/W Profit	Net Premium	Ratio Current Year (%)	Ratio Previous Year (%)
Fire	59.54	1038.15	5.74	31.92
Marine Cargo	15.92	182.59	8.72	12.55
Marine Hull	-106.01	55.07	-192.50	-39.44
Marine Total	-90.09	237.66	-37.91	3.30
Motor	-220.75	2109.53	-10.46	5.01
Personal Accident	-19.83	92.43	-21.45	34.49
Aviation	-23.47	25.79	-91.00	-46.11
Engineering	-1.77	202.59	-0.87	54.29
Health	-406.40	1220.11	-33.31	-11.74
Liability*	63.19	167.01	37.84	49.53
Others	136.70	407.04	33.58	9.08
Misc Sub Total	-472.33	4224.50	-11.18	5.76
Grand Total	-502.88	5500.31	-9.14	10.36

*Liability includes Workmens' compensation


x) Operating Profit Ratio

(Rs. in Crores)

Particulars	2008-09	2007-08
Underwriting Result	-1439.84	-844.39
Investment Income	1686.82	2344.62
Others	50.24	21.23
Sub Total	297.22	1521.46
Net Premium	5500.31	4914.28
Ratio (%)	5.40	30.96

xi) Liquid Assets to Liabilities Ratio

Particulars	2008-09	2007-08
Liquid Assets	8387.85	6528.11
Policy holders Liabilities	9642.48	8712.89
Ratio (%)	86.99	74.92

xii) Net Earnings Ratio

Particulars	2008-09	2007-08
Profit After Tax	224.15	1401.13
Net Premium	5500.31	4914.28
Ratio (%)	4.08	28.51

xiii) Return on Net Worth

Particulars	2008-09	2007-08
Profit After Tax	224.15	1401.13
Net Worth	7328.00	6972.80
Ratio (%)	3.06	20.09

xiv) Reinsurance Ratio

Particulars	2008-09	2007-08
Risks Reinsured (Premium)	2113.61	2098.95
Gross Premium	6455.78	6151.45
Ratio (%)	32.74	34.12

22 Summary of Financial Statements for Last Five Years

(Rs. In Crores)

Sr. No.	Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
	OPERATING RESULTS					
1	Gross Premium Written	6455.78	6151.46	5936.78	5675.54	5103.16
2	Net Premium Income#	5500.31	4914.28	4751.77	4342.65	3895.10
3	Income from Investments(Net)@	1686.82	2344.62	2251.35	2010.79	1450.73
4	Other Income	50.24	21.23	15.85	44.10	5.72
5	Total Income	7237.37	7280.13	7018.97	6397.54	5351.55

(Rs. In Crores)

Sr. No.	Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
6	Commissions/Brokerage	560.82	459.23	390.89	376.28	331.88
7	Brokerage (included in commissions)					
8	Operating Expenses	1455.01	1019.10	1153.89	1306.89	1188.88
9	Claims, Increase in Unexpired Risk Reserves and Other Out-Go	4924.32	4280.32	3860.27	3858.80	3032.92
10	Operating Profit/Loss	297.22	1521.48	1613.92	855.57	797.87
11	Total Income under Shareholders a/c					
12	Profit/(Loss) before Tax	297.22	1521.48	1613.92	855.57	797.87
13	Provision for Tax	73.08	120.33	153.98	139.19	395.65
14	Net Profit/(Loss) after Tax	224.14	1401.15	1459.94	716.38	402.22
	Miscellaneous					
15	Policy Holders' Account (Beginning)					
	Total Funds	8712.89	8229.39	7758.91	6876.43	6283.87
	Total Investments	*	*	*	*	*
	Yield on Investments	*	*	*	*	*
16	Shareholders' Account (Beginning)					
	Total Funds	6972.80	5972.55	4706.87	4161.69	3735.22
	Total Investments	10771.71	11236.00	11009.61	9397.55	8403.56
	Yield on Investments	*	*	*	*	*
17	Paid up equity capital	200.00	200.00	200.00	200.00	150.00
18	Net Worth	7328.00	6972.80	5972.55	4706.87	4161.69
19	Total Assets	26931.58	31944.14	27444.57	27025.58	19827.20
20	Yield on Total Investments(%)	13.18	19.54	20.74	21.11	17.26
21	Earning per Share (Rs)	11.21	70.06	73.00	35.82	26.82
22	Book value per Share(Rs)	366.40	348.64	298.63	235.34	277.45
23	Total Dividend	45.00	283.00	292.00	130.00	80.00
24	Dividend per Share (Rs)	2.25	14.15	14.60	6.50	5.33
#	Net of Re-insurance					
@	Net of losses					
*	Points 15 & 16 may be given separately, if feasible					


23 Age wise analysis of outstanding claims as on 31.03.2009
(Gross Indian excluding provision for IBNR)

Department	Less than 3 months		3 - 6 months		6 months - 1 year	
	No.	Amount (in lacs)	No.	Amount (in lacs)	No.	Amount (in lacs)
Fire	965	15,696.21	761	31,084.31	801	17,334.42
Marine Cargo	1,401	3,125.71	662	1,471.65	838	2,702.54
Marine Hull	51	5,045.57	35	524.36	98	16,152.99
Motor OD	22,970	10,891.07	8,921	4,499.21	5,780	4,331.61
Motor TP	9,608	16,143.58	11,256	17,035.68	22,196	35,993.79
Health	22,743	13,557.45	3,413	997.06	3,481	1,622.57
Liability	552	2,583.55	348	387.13	478	757.42
Motor TP Pool	3,963	9,450.27	4,347	9,021.53	6,177	12,735.72
Personal Accident	2,300	2,903.79	770	775.97	494	628.84
Aviation	7	2,371.92	10	603.17	15	2,422.34
Engineering	1,240	1,806.13	523	3,003.80	531	2,783.71
Credit Guarantee	-	-	-	-	-	-
Misc - Traditional	844	1,463.17	442	1,345.73	520	1,720.43
Rural	2,833	984.32	1,887	535.16	1,253	877.96
Urban Non-Traditional	1,408	1,042.94	777	636.59	799	842.51
Credit Shield	1	2,910.60	4	107.65	19	545.14
Total	70,886	89,976.29	34,156	72,029.00	43,480	101,451.97

Department	1 - 2 years		2 - 3 years		3 - 5 years	
	No.	Amount (in lacs)	No.	Amount (in lacs)	No.	Amount (in lacs)
Fire	289	10,871.94	340	6,931.60	260	3,850.56
Marine Cargo	307	1,986.10	329	2,198.32	94	604.69
Marine Hull	49	15,236.03	29	1,383.59	35	1,901.53
Motor OD	1,534	1,773.95	1,885	1,522.79	1,009	851.52
Motor TP	34,563	54,553.09	40,893	73,504.74	51,274	74,651.39
Health	1,362	440.43	390	183.77	111	72.73
Liability	298	661.24	284	324.89	239	405.75
Motor TP Pool	3,056	6,201.73	2,056	3,309.11	413	1,007.56
Personal Accident	259	945.16	118	222.06	36	33.25
Aviation	3	1.16	21	2,135.36	5	174.62
Engineering	205	1,341.59	195	688.78	59	1,374.06
Credit Guarantee	-	-	-	-	4	72.09
Misc - Traditional	580	5,325.67	382	1,799.65	376	878.22
Rural	631	860.79	892	858.40	942	967.12
Urban Non-Traditional	613	371.90	584	303.41	380	212.98
Credit Shield	19	245.19	1	15.00	-	-
Total	43,768	100,815.98	48,399	95,381.47	55,237	87,058.08

Department	5 years and above		Total	
	No.	Amount (in lacs)	No.	Amount (in lacs)
Fire	327	30,276.78	3,743	116,045.81
Marine Cargo	154	6,626.02	3,785	18,715.05
Marine Hull	81	4,932.12	378	45,176.20
Motor OD	685	648.12	42,784	24,518.26
Motor TP	75,880	108,243.75	245,670	380,126.02
Health	549	245.83	32,049	17,119.83
Liability	181	173.94	2,380	5,293.92
Motor TP Pool	2	3.38	20,014	41,729.29
Personal Accident	74	135.73	4,051	5,644.79
Aviation	9	110.72	70	7,819.29
Engineering	108	5,844.85	2,861	16,842.92
Credit Guarantee	24	112.99	28	185.08
Misc - Traditional	507	4,506.63	3,651	17,039.51
Rural	2,007	2,110.38	10,445	7,194.13
Urban Non-Traditional	817	296.72	5,378	3,707.06
Credit Shield	-	-	44	3,823.58
Total	81,405	164,267.96	377,331	710,980.76

24. Interest, Dividends and Rent is apportioned between Revenue Accounts and Profit and Loss account in proportion to the balance in shareholders funds and policyholders' funds at the beginning of the year. The same is further apportioned to fire, marine and miscellaneous Revenue Accounts in proportion to the technical reserve balance at the beginning of the year.
25. The details of premium deficiency as required by IRDA circular no. F&A/CIR/017/May-04 dated 18.05.2004 are furnished below.

Segment	Relevant Premium	Expected claim cost and related expenses (based on incurred claim ratio of preceding 3 years)	Expected Maintenance cost	Deficiency
Motor	1,054.76	1,046.85	94.93	(87.02)
Health	610.05	703.08	54.90	(147.93)
Aviation	12.89	22.69	1.16	(10.96)

A. R. Sekar
Director and Company Secretary

M. Razzack
Director

B. Chakrabarti
Chairman-Cum-Managing Director

As per our report of even date

For SARDA & PAREEK
Chartered Accountants

For KARNAVAT & CO.
Chartered Accountants

For CHATURVEDI & SHAH
Chartered Accountants

Niranjan Joshi
Partner
Membership number 102789

Shashikant Gupta
Partner
Membership number 45629

H. P. Chaturvedi
Partner
Membership number 33523

Mumbai
June 25, 2009


BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
THE COMPANIES ACT (1 OF 1956) SCHEDULE VI – PART IV

(Rs in '000)

I. Registration Details

Registration Number

5 2 6

State Code

1 1

Balance Sheet Date

3 1 0 3 2 0 0 9

II. Capital Raised During the Year

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds

Total Liabilities

2 6 9 3 0 7 6 4 9

Total Assets

2 6 9 3 0 7 6 4 9

Sources of Funds

Paid-up capital

2 0 0 0 0 0 0

Reserves & Surplus

1 4 5 3 9 4 4 6 2

Current Liabilities

8 9 7 6 1 0 8 3

Un-expired Risk Reserves

and Provisions

3 2 1 5 2 1 0 4

Application of Funds

Net Fixed Assets

1 5 8 1 7 0 6

Investments

1 7 7 6 7 5 7 2 5

Current Assets

8 3 8 7 8 5 4 0

Loans

5 9 3 8 6 2 4

Accumulated Losses

N I L

Deferred Tax Assets

2 3 3 0 5 4

IV. Performance of The Company

Turnover Premium Income

6 4 5 5 7 8 9 4

Total Expenditure

7 8 9 5 6 4 5 2

Investment & Other Income

1 7 3 7 0 8 2 2

Profit Before Tax

2 9 7 2 2 6 4

Profit After Tax

2 2 4 1 4 5 4

Earning Per Share in Rs.

1 1 . 2 1

Dividend @ %

2 2 . 5 0

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

ITC Code

Not Applicable

Product

Not Applicable

Description

Not Applicable

A. R. Sekar

Director and Company Secretary

M. Razzack

Director

B. Chakrabarti

Chairman-cum-Managing Director

Date 25th June, 2009

Mumbai

**STATEMENT OF INTEREST IN THE SUBSIDIARY COMPANIES AS ON 31ST MARCH 2009
UNDER SECTION 212 OF THE COMPANIES ACT, 1956**

Particulars of Interest in the Subsidiaries	The New India Assurance Company (Trinidad & Tobago) Limited	The New India Assurance Company (Sierra Leone) Limited	Prestige Assurance Plc., Limited
a. (i) Paid up Capital of the Subsidiary	TT\$17,418,000 consisting of 17418946 shares of no par value.	Le 500000 divided into 2,50,000 ordinary shares of Le 2.00 each.	N1074992500 consisting of 2,149,985,000 shares of 50 kobos each.
(ii) New India's share in the Subsidiary	83.90%	100%	51%
b. (i) Net Aggregate amount of the Subsidiary's profits after deducting its losses or vice versa so far as it concerns members of the Company and is not dealt with in the Company's accounts	C.Y.: TT\$ 40175 (thousands) P.Y.: TT\$ 33400 (thousands)	C.Y.: Le 1576 (thousands) P.Y.: Le 20873 (thousands)	C.Y.: N972403 P.Y.: Not Applicable
(ii) Net Aggregate amount of Subsidiary's profits after deducting its losses or vice versa or so far as these are dealt with in the Company's accounts	C.Y.: Nil P.Y.: Nil	C.Y.: Nil P.Y.: Nil	C.Y.: Nil P.Y.: Nil
c. (i) Dividend Proposed by the Subsidiary	C.Y.: TT\$1,741,894 (thousands) P.Y.: TT\$1741 (thousands)	C.Y.: Nil P.Y.: Nil	C.Y.: N429,006.932 (thousands) P.Y.: N429997 (thousands)
(ii) New India's Share of Dividend (Dividend for the current year will be accounted during 2009-10 on receipt)	C.Y.: TT\$461,244 (thousands) P.Y.: TT\$1461 (thousands)	C.Y.: Nil P.Y.: Nil	C.Y.: N219,298,436 (thousands) P.Y.: N219299 (thousands)

A. R. SEKAR, Director & Company Secretary **M. RAZZACK, Director,** **B. CHAKRABARTI, Chairman-cum-Managing Director,**

Mumbai,
25th June 2009

Interest in the Subsidiary



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

Report on the Financial Statements

We have audited the financial statements of The New India Assurance Company (Trinidad and Tobago) Limited (the Company) set out on pages 103 to 127 which comprise the balance sheet as at December 31, 2008 the statements of income and changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Qualification

As more fully described in note 6(i), included in deferred tax asset in the balance sheet is an amount of \$3.9 million which relates to losses in prior years which have not been reflected in the tax returns of the Company as filed with the tax authorities. At this point, there is not sufficient audit evidence to support that portion of Deferred Tax Asset.

Opinion

In our opinion, except for the effect of the matter referred to in the foregoing paragraph, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Port of Spain, Trinidad and Tobago
April 22, 2009

Chartered Accountants

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

BALANCE SHEET - DECEMBER 31, 2008

(Expressed in thousands of Trinidad and Tobago dollars)

Subsidiaries

	Note	2008	2007
		\$	\$
ASSETS			
Property, plant and equipment	4	1,152	847
Investment property	5	16,300	16,300
Deferred tax asset	6(i)	6,265	7,017
Reinsurance assets	11	29,703	30,137
Trade and other receivables	7	24,270	19,847
Investments	8	38,645	35,473
Term deposits		28,196	21,727
Cash and cash equivalents	9	37,738	35,799
Total assets		182,269	167,147
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	10	17,617	17,617
Capital reserve		6,563	6,461
Catastrophe reserve fund		1,600	1,300
Statutory surplus reserve		8,552	8,552
Retained earnings		40,175	33,400
		74,507	67,330
LIABILITIES			
Insurance contracts	11	89,871	82,828
Deferred tax liability	6(ii)	2,226	2,156
Provision for taxation		1,141	708
Trade and other payables	12	14,524	14,125
		107,762	99,817
Total equity and liabilities		182,269	167,147

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

Signed on behalf of the Board

Director

Director



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

STATEMENT OF INCOME - DECEMBER 31, 2008

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2008	2007
		\$	\$
Insurance contracts premium revenue		88,613	75,752
Reinsurers' share of insurance contracts premium revenue		(33,449)	(28,504)
Net insurance contracts premium revenue		55,164	47,248
Gross change in unearned premium provision and unexpired risks		(9,089)	(7,022)
Reinsurers' share of change in unearned premium provision and unexpired risks		2,890	939
Net change in unearned premium provision and unexpired risks		(6,199)	(6,083)
Net insurance revenue		48,965	41,165
Reinsurance commissions		8,053	6,628
Investment and other income	13	5,401	5,701
Revaluation of property	5	-	9,800
Total revenue		62,419	63,294
Gross claims incurred		(29,923)	(33,802)
Reinsurers' share of gross claims incurred		3,409	9,732
Net insurance claims incurred		(26,514)	(24,070)
Agents and brokers commissions		(14,283)	(12,060)
Other operating and administrative expenses		(10,609)	(9,382)
Total claims incurred and other expenses		(51,406)	(45,512)
Profit before tax		11,013	17,782
Taxation 6(iv)		(2,197)	(1,260)
Net profit for the year		8,816	16,522

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - DECEMBER 31, 2008

(Expressed in thousands of Trinidad and Tobago dollars)

	Stated Capital	Capital Reserves	Catastrophe Reserve	Statutory Surplus Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
Balance at December 31, 2006	17,617	5,902	1,000	8,552	18,661	51,732
Net income for the year	-	-	-	-	16,522	16,522
Transfer to catastrophe reserve	-	-	300	-	(300)	-
Net unrealized loss on revaluation of available-for-sale investments inclusive of deferred taxation	-	559	-	-	-	559
Dividends paid	-	-	-	-	(1,483)	(1,483)
Balance at December 31, 2007	17,617	6,461	1,300	8,552	33,400	67,330
Net income for the year	-	-	-	-	8,816	8,816
Transfer to catastrophe reserve	-	-	300	-	(300)	-
Net unrealized gains on revaluation of available-for-sale investments inclusive of deferred taxation	-	102	-	-	-	102
Dividends paid	-	-	-	-	(1,741)	(1,741)
Balance at December 31, 2008	17,617	6,563	1,600	8,552	40,175	74,507

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



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

STATEMENT OF CASH FLOWS - DECEMBER 31, 2008

(Expressed in thousands of Trinidad and Tobago dollars)

	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	11,013	17,782
Adjustments for :		
Gain on disposal of property, plant and equipment	-	(28)
Depreciation	239	220
Foreign exchange gains on insurance contracts	-	299
Impairment expense	-	224
Write-off of property, plant and equipment	-	6
Interest income	(5,275)	(4,491)*
Dividend income	(393)	(355)*
Gain on revaluation of investment property	-	(9,800)
Operating profit before working capital changes	5,584	3,857
Increase in other receivables and reinsurance assets	(2,475)	(7,921)*
Increase in insurance contracts liabilities	7,043	7,945
Increase in other creditors	398	1,679
	10,550	5,560
Corporation taxes paid	(907)	(1,479)
Net cash from operating activities	9,643	4,081
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest received	3,761	3,287*
Dividends received	393	355*
Additions to property, plant and equipment	(544)	(275)
Purchase of investments and term deposits	(18,205)	(30,360)
Redemption of investments and term deposits	8,632	20,175
Proceeds from disposal of property, plant and equipment	-	33
Net cash used in investing activities	(5,963)	(6,785)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(1,741)	(1,483)
Net cash used in financing activities	(1,741)	(1,483)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,939	(4,187)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	35,799	39,986
Cash and cash equivalents at end of year	37,738	35,799
Represented by:		
Cash in hand and at bank	33,695	33,130
Short-term treasury bills	4,043	2,669
	37,738	35,799

* Reclassified to conform to 2008 presentation

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008

1. Incorporation and principal activity

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

These financial statements were authorized for issue by the Board of Directors on April 22, 2009.

2. Statement of accounting policies

(a) Statement of compliance

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

(b) Basement of measurement

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

(c) Functional and presentation currency

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

These financial statements are presented in Trinidad and Tobago dollars which is the Company's functional and presentation currency. All financial information presented in Trinidad and Tobago dollars has been rounded to the nearest thousand.

(d) Use of estimates, assumptions and judgements

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

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

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in notes 2(s) and (t) and note 21.

(e) Foreign currency

(i) Transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at


THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

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

(ii) Foreign operations

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

(f) Segmental reporting

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

(g) Impairment of assets

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

(h) Property, plant and equipment

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

Depreciation is provided at rates sufficient to write-off the cost of the assets over their estimated useful lives.

The rates and methods used are as follows:

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

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

(i) Investment property

Property held for capital appreciation is classified as investment property and is stated at fair value. Investment properties are valued annually either by way of Directors valuation or an external professional valuer. The property is externally valued at least once every three (3) years. Fair value is the estimated amounts for which a property can be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. Investment properties are derecognized when either its use has changed or it has been disposed off or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

(j) *Reinsurance assets*

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

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

(k) *Insurance receivables*

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

(l) *Financial instruments*

i) **Classification**

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

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

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

ii) **Recognition**

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

iii) **Measurement**

Financial instruments are initially measured at cost, being the fair value plus the transaction costs that are directly attributable to the acquisition of the instrument. A financial asset is derecognized when the contractual right to receive cash flows expire or when the asset is transferred.

Subsequent to initial recognition all available-for-sale assets are measured at fair value, based on if readily available market prices at the close of business on the balance sheet date for listed instruments are available or by reference to current market values of another instrument which is substantially the same. If prices are not readily available, the fair value is based on either valuation models or management's estimate of amounts that could be realised


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under current market conditions. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions.

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

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

iii) Measurement (continued)

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

(m) Cash and cash equivalents

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

(n) Impairment

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

i) Calculation of recoverable amount

The recoverable amount of the Company's held-to-maturity financial assets carried at amortised

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cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

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

ii) Reversals of impairment

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

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

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

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

(o) Capital reserve

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

(p) Catastrophe reserve

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

(q) Statutory surplus reserve

As required by Section 171 of the Insurance Act, 1980 of Trinidad and Tobago at least 25% of the Company's profit from general insurance business, for the preceding year is to be appropriated towards a Statutory Surplus Reserve until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. This reserve is not distributable.

(r) Product classification

Insurance contracts

Insurance contracts are defined as those containing significant insurance risk at the inception of



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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

the contract. The significance of insurance risk is dependant on both the probability of an insured event and the magnitude of its potential effect.

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

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

All contracts held by the Company as at December 31, 2008 have been classified as insurance contracts.

(s) *Benefits and claims*

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

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

(t) *Insurance contract liabilities*

General insurance contract liabilities

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

Provision for unearned premiums

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

Provision for unexpired risks

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

(u) *Provision for other insurance financial liabilities*

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

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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

(v) *Employee benefits*

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

(w) *Revenue recognition*

Premium income

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

Commission income

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

Investment income

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

Realised gains and losses recorded in the income statement

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

(x) *Expenses of management*

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

(y) *Other income and expenditure*

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

(z) *Taxation*

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

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



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

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

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

3. New standards and interpretations not yet adopted

At the date of authorisation of the financial statements there were new standards, amendments to standards and interpretations which were in issue but were not yet effective for the year ended December 31, 2008, and have not been applied in preparing these financial statements. These are as follows:

- ❖ IFRS 8 *Operating Segments* supersedes IAS 14 *Segment Reporting*. This standard becomes mandatory for the Company's 2010 financial statements and requires extensive quantitative disclosures pertaining to the performance and management of business segments as internally identified and managed.
- ❖ IFRIC 13 *Customer Loyalty Programmes* addresses the accounting for such customer loyalty award credits by the grantor, including credit card providers. IFRIC 13 does not deal with customer loyalty programmes that grant customers financial assets (e.g. cash vouchers) or incentives granted outside a sales transaction. IFRIC 13 will become mandatory for the Company's 2009's financial statements and is not expected to have any impact on the financial statements.
- ❖ Amendments to IAS 32 *Financial instruments: Presentation* and IAS 1, *Presentation of Financial Statements* is effective for annual periods beginning on or after January 1, 2009. The amendments allow certain instruments that would normally be classified as liabilities to be classified as equity if certain conditions are met. Where such instruments are reclassified, the entity is required to disclose the amount, the timing and the reason for the reclassification. The amendments are not expected to have a material impact on the financial statements.
- ❖ Amendment to IFRS 2 *Share-based payment – Vesting Conditions and Cancellations* is effective for annual periods beginning on or after January 1, 2009. Under the amendment, non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment and there is no true-up for differences between expected and actual outcomes. The amendments are not expected to have a material impact on the financial statements.
- ❖ IAS 23 (Amendment), *Borrowing costs* (effective from January 1, 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing cost will be removed. The Company does not have any such asset at present.

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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

4. Property, plant and equipment

	Leasehold Improvements	Office Equipment & Motor Vehicles	Total 2008	Total 2007
	\$	\$	\$	\$
Cost				
At beginning of year	367	3,113	3,480	3,463
Addition	93	451	544	275
Disposals	-	-	-	(234)
Write-offs	-	-	-	(24)
At end of year	460	3,564	4,024	3,480
Depreciation				
At beginning of year	358	2,275	2,633	2,660
Current year	6	233	239	220
Disposals	-	-	-	(229)
Write-offs	-	-	-	(18)
At end of year	364	2,508	2,872	2,633
Net written down value	96	1,056	1,152	847

5. Investment property

Investment property comprises properties at 6A Victoria Avenue and 47 New Street, Port of Spain not in use at present. Raymond & Pierre Limited completed a valuation as at March 5, 2008 on the basis of market value for existing use. The properties were valued at \$16.3 million and the revaluation surplus of 9.8 million was credited to the statement of income in the previous year.

	2008	2007
	\$	\$
Balance brought forward	16,300	6,500
Fair value gain	-	9,800
Balance carried forward	16,300	16,300

6. Taxation

(i) Deferred tax asset

Unutilised tax losses	6,256	7,017
Claims	9	-
	6,265	7,017


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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

The Company has unutilised tax losses in Trinidad and Tobago of approximately \$25,028 as at December 31, 2008 (2007: \$28,070). These amounts include restated tax losses of the earlier years duly reflected in the financial statements from 2006 onwards. The Company had inadvertently not reflected the restated figures in the tax returns for which steps are now being taken to file revised returns for the concerned years.

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

	2008	2007
	\$	\$
(ii) Deferred tax liability		
The deferred tax liabilities are attributable to the following items :		
Unrealised gains on revaluation of available-for-sale investments	(2,188)	(2,154)
Foreign currency translation	-	75
Claims	-	(46)
Property, plant and equipment	(38)	(31)
	<u>(2,226)</u>	<u>(2,156)</u>
(iii) The movement in the deferred tax account comprised:		
Balance at beginning of year	(2,156)	(1,996)
Unrealised gains on revaluation of available for sale investments	(34)	(186)
Foreign currency translation	(75)	75
Claims	46	56
Property, plant and equipment	(7)	(2)
Prior year underprovision	-	(103)
	<u>(2,226)</u>	<u>(2,156)</u>
(iv) Tax charge for the year		
Current year - Business levy	143	81
- Green fund levy	71	40
- Provision for taxation in St. Maarten, Dominica and St. Lucia	1,095	648
Deferred tax expense relating to the origination/reversal of temporary differences	13	(129)
Utilisation of tax losses	805	783
Prior year under provision	98	79
Prior year under provision of deferred tax asset	(28)	(242)
	<u>2,197</u>	<u>1,260</u>

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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

	2008	2007
	\$	\$
The following is a reconciliation between tax and accounting profit multiplied by the applicable tax rate.		
Accounting profit	11,013	17,782
Tax at the applicable rate	3,259	4,991
Expenses not deductible for tax purposes	42	-
Income exempt from tax	(1,388)	(3,689)
Business levy	143	81
Green fund	71	40
Prior year under provision	98	79
Prior year under provision of deferred tax asset	(28)	(242)
	<u>2,197</u>	<u>1,260</u>
7. Trade and other receivables		
Insurance receivables	18,121	14,200
Amounts due from reinsurers		
- New India, Mumbai	2,134	1,837
- Other reinsurers	2,443	2,575
Other receivables	1,572	1,235
	<u>24,270</u>	<u>19,847</u>
8. Investments		
Available-for-sale		
Bonds and other securities	21,016	19,570
Quoted shares	12,431	11,638
Unquoted shares	315	315
	<u>33,762</u>	<u>31,523</u>
Held to maturity		
Bonds	4,883	3,950
Total investments	<u>38,645</u>	<u>35,473</u>
Bonds and securities pledged with the Inspector of Financial Institutions amount to \$ 31,972 at December 31, 2008 (2007 : \$ 32,670).		
In respect of term deposits of \$ 28,196 at December 31, 2008 (2007 : \$ 21,727) the amounts pledged with the Inspector of Financial Institutions amount to \$ 8,597 at December 31, 2008 (2007 : \$ 5,604).		
9. Cash and cash equivalents		
Cash in hand and at bank	33,695	33,130
Short-term treasury bills	4,043	2,669
	<u>37,738</u>	<u>35,799</u>


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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

	2008	2007
	\$	\$
10. Stated capital		
Authorised		
22,000,000 shares of no par value		
Issued and fully paid		
17,418,946 shares of no par value	17,418	17,418
Share premium	199	199
	<u>17,617</u>	<u>17,617</u>

11. Insurance contracts liabilities

		2008			2007		
	Notes	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
		\$	\$	\$	\$	\$	\$
Provision for claims reported by policyholders		31,876	(11,814)	20,062	33,676	(14,654)	19,022
Provision for claims incurred but not reported (IBNR)		5,041	(1,524)	3,517	5,287	(2,008)	3,279
Total claims reported and IBNR	11 (a)	36,917	(13,338)	23,579	38,963	(16,662)	22,301
Provision for unearned Premiums	11 (b)	48,140	(14,877)	33,263	39,877	(12,250)	27,627
Provision for unexpired Risk	11 (c)	4,814	(1,488)	3,326	3,988	(1,225)	2,763
Total insurance contracts Liabilities		<u>89,871</u>	<u>(29,703)</u>	<u>60,168</u>	<u>82,828</u>	<u>(30,137)</u>	<u>52,691</u>

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

	2008			2007		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	38,963	(16,662)	22,301	37,741	(10,770)	26,971
Claims incurred	29,923	(3,409)	26,514	33,802	(9,732)	24,070
Claims paid						
During the year	(31,969)	6,733	(25,236)	(32,580)	3,840	(28,740)
At December 31	<u>36,917</u>	<u>(13,338)</u>	<u>23,579</u>	<u>38,963</u>	<u>(16,662)</u>	<u>22,301</u>

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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

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

	2008			2007		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	39,877	(12,250)	27,627	33,494	(11,397)	22,097
Premium written in the year	88,613	(33,449)	55,164	75,752	(28,504)	47,248
Premium earned during the year	(80,350)	30,822	(49,528)	(69,369)	27,651	(41,718)
At December 31	48,140	(14,877)	33,263	39,877	(12,250)	27,627

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

	2008			2007		
	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	\$	\$	\$	\$	\$	\$
At January 1	3,988	(1,225)	2,763	3,349	(1,139)	2,210
Net incurred and utilised during the year	826	(263)	563	639	(86)	553
At December 31	4,814	(1,488)	3,326	3,988	(1,225)	2,763

12. Trade and other payables

	2008	2007
	\$	\$
Sundry creditors and accruals	3,714	3,636
Amounts due to reinsurers	10,810	10,489
	14,524	14,125

13. Investment and other income

Investment and other income include the following :

Interest income	5,275	4,491
Dividend income	393	356
Foreign exchange (loss) gain	(267)	854
	5,401	5,701

14. Profit before taxation

Profit before taxation is arrived at after charging :

Depreciation	239	220
Staff costs	4,348	3,837
Directors' fees	98	88
Interest expense	49	45



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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

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

Terms and conditions

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

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

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

Assumptions

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

Sensitivities

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process, etc, is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the balance sheet date.

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

16. Financial instruments

Fair values

With the exception of insurance contracts which are specifically excluded under International Accounting Standard No. 32, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, estimates made do not necessarily reflect the amounts that the Company would realize in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

(i) Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and short-term funds, trade and other receivables and trade and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

(ii) Investments

The fair value of trading investments is based on market quotations when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value.

17. Insurance and risk management

a. Introduction and overview

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

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

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

b. Insurance risk

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

Management of insurance risk

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

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



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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

c. Credit risk

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

Management of credit risk

Reinsurance

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

Investment securities

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

Insurance receivables

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

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

d. Liquidity

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

Management of liquidity risk

The major liquidity risk confronting the Company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and the maturity of investment securities. The Company sets limits on the minimum portion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover claims at unexpected levels of demand.

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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

The table below shows the maturity profile of financial assets and liabilities :

	Maturing			Total
	Within 1 yr	Between 1 to 5 yrs	Over 5 yrs	
	\$	\$	\$	\$
2008				
Assets				
Investments	2,114	13,391	23,140	38,645
Term Deposits	25,939	2,257	-	28,196
Reinsurance assets	29,703	-	-	29,703
Trade and other receivables	24,270	-	-	24,270
	<u>82,026</u>	<u>15,648</u>	<u>23,140</u>	<u>120,814</u>
Liabilities				
Insurance contracts	89,871	-	-	89,871
Trade and other payables	14,524	-	-	14,524
	<u>104,395</u>	<u>-</u>	<u>-</u>	<u>104,395</u>
Net gap	<u>(22,369)</u>	<u>15,648</u>	<u>23,140</u>	<u>16,419</u>
Cumulative gap	<u>(22,369)</u>	<u>(6,721)</u>	<u>16,419</u>	<u>-</u>
2007				
Assets				
Investments	8,160	1,807	25,506	35,473
Term Deposits	21,727	-	-	21,727
Reinsurance assets	30,137	-	-	30,137
Trade and other receivables	19,847	-	-	19,847
	<u>79,871</u>	<u>1,807</u>	<u>25,506</u>	<u>107,184</u>
Liabilities				
Insurance contracts	82,828	-	-	82,828
Trade and other payables	14,125	-	-	14,125
	<u>96,953</u>	<u>-</u>	<u>-</u>	<u>96,953</u>
Net gap	<u>(17,082)</u>	<u>1,807</u>	<u>25,506</u>	<u>10,231</u>
Cumulative gap	<u>(17,082)</u>	<u>(15,275)</u>	<u>10,231</u>	<u>-</u>

e. Interest rates

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest-bearing financial instruments recognized in the balance sheet.


THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)
Management of interest rate risk

The investment committee comprises of three non-executive members and is responsible for reviewing the investment portfolio of the company and setting the general direction as to the types of investments that would comprise the company's portfolio. The aim is to balance the risk and returns with an objective of maximizing investment income.

The company currently holds only fixed rate financial assets, hence there is no interest rate risk.

f. Foreign currency

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a foreign currency, that is, in a currency other than the functional currency in which they are measured. The company carries on general insurance business in Trinidad and Tobago, Dominica, St. Lucia and St. Maarten. The functional and presentation currency is Trinidad and Tobago dollars. Foreign currency risk arises in the islands of operation.

Management of foreign currency risk

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

2008

Details	BDOS	TT\$	EC\$	FLS	Total
Assets					
Cash and cash equivalents	59	35,574	1,894	211	37,738
Term deposits	-	14,403	11,073	2,720	28,196
Investments	590	34,495	3,560	-	38,645
Trade and other receivables	5,092	6,938	12,149	91	24,270
Reinsurance assets	4,206	15,400	8,348	1,749	29,703
Other assets	(17,146)	28,266	1,133	11,464	23,717
Total assets	(7,199)	135,076	38,157	16,235	182,269
Liabilities and equity					
Equity	(12,892)	48,570	31,952	6,877	74,507
Insurance contracts	6,496	58,029	23,129	2,217	89,871
Deferred tax liability	-	2,226	-	-	2,226
Provision for taxation	-	9	733	399	1,141
Trade and other payables	(803)	26,242	(17,657)	6,742	14,524
Total liabilities and equity	(7,199)	135,076	38,157	16,235	182,269

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

Management of foreign currency risk (continued)

2007

Details	BDOS	TT\$	EC\$	FLS	Total
Assets					
Cash and cash equivalents	28	32,713	2,489	569	35,799
Term deposits	-	9,849	9,629	2,249	21,727
Investments	606	32,023	2,844	-	35,473
Trade and other receivables	5,054	2,009	12,352	432	19,847
Reinsurance assets	4,630	15,725	7,609	2,173	30,137
Other assets	(16,394)	26,789	2,830	10,939	24,164
Total assets	(6,076)	119,108	37,753	16,362	167,147
Liabilities and equity					
Equity	(12,746)	46,286	27,179	6,611	67,330
Insurance contracts	7,066	51,860	21,290	2,612	82,828
Deferred tax liability	-	2,156	-	-	2,156
Provision for taxation	-	(6)	276	438	708
Trade and other payables	(396)	18,812	(10,992)	6,701	14,125
Total liabilities and equity	(6,076)	119,108	37,753	16,362	167,147

18. Segmental reporting

The relevant segmental information for the Company is as follows:

	2008			2007		
	Trinidad & Tobago	Other islands	Total	Trinidad & Tobago	Other islands	Total
Total revenue	42,239	20,180	62,419	44,363	18,931	63,294
Profit before tax	4,764	6,249	11,013	12,484	5,298	17,782
Total assets	135,076	47,193	182,269	119,108	48,039	167,147
Total liabilities	86,506	21,256	107,762	72,822	26,995	99,817
Purchase of fixed assets	541	3	544	275	-	275
Depreciation	201	38	239	177	43	220



THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

19. Operating leases

	2008	2007
	\$	\$
Non-cancellable operating lease rentals are payable as follows :		
Less than one year	1,128	733
Between one and five years	326	2,683

The company leases the facilities under operating leases. The leases typically run for a period of 1-3 years, with an option to renew the lease after that date. Lease payments are increased on renewal to reflect market rentals.

During the year ended December 31, 2008 \$1,133 (2007: \$780) were recognised as an expense in the statement of income in respect of operating leases.

20. Related party transactions

(a) Identity of related party

The Company has a related party relationship with its parent and with its directors and executive officers.

(b) Related party transactions

A number of transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and condition.

	2008	2007
	\$	\$
(i) Income and expenses		
Management fees	500	500
Reinsurance premiums	2,809	3,443
Directors' fees	98	88

Amounts due from related parties are disclosed in note 7.

(c) Transactions with key management personnel

In addition to their salaries, the Company also provides non-cash benefits to executive officers. The key management personnel compensation is as follows:

	2008	2007
	\$	\$
Short-term employee benefits		
Accommodation	121	121
Vehicle	29	65

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2008 (contd...)

21. Use of accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the date of the financial statements and income and expenses during the reporting period. Actual results could differ from these estimates.

Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

● *Held-to-maturity investments*

The company follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires judgement. In making this judgement, the company evaluates its intention and ability to hold such investments to maturity. If the company fails to keep these investments to maturity other than for the specific circumstances for example, selling other than an insignificant amount close to maturity it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value, not amortised cost. If the entire class of held-to-maturity investments is compromised, the fair value would be recorded in investments with a corresponding entry in the capital reserve in shareholders' equity

● *Determining fair values*

Fair value reflects the present value of future cash flows associated with a financial asset or liability where an active market exists. Observable market prices or rates are used to determine fair value. For financial instruments with no active market or a lack of price transparency, fair values are estimated using calculation techniques based on factors such as discount rates, credit risk and liquidity. The assumptions and judgements applied here affect the derived fair value of the instruments.

● *Impairment of assets*

The identification of impairment and the determination of recoverable amounts is an intently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

● *Litigation*

There are certain legal proceedings outstanding against the Company. Appropriate provision has been made in these financial statements to reflect the loss that in management's opinion is likely to occur.



THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED

DIRECTORS' REPORT

The Directors present their annual report together with the financial statements for the year ended 31 December 2008.

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

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

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

PRINCIPAL ACTIVITY

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

The liabilities include "Due to Insurance Companies" which is due to New India in Mumbai as the re-insurer of the company's operations in certain areas.

DIRECTORS

The directors as at 31 December 2008, and their interests in the Share Capital of the company were as follows.

	Shares of Le 2.00 each	
	End of year	Beginning of year
I. S. Phukela	-	-
K. G. Arora	-	-

AUDITORS

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

TRADING RESULTS

The results for the year and other key indicators are set out in the attached financial statements. The Company made a profit for the financial year of Le 22,449,000 thus turning the operations into a accumulated profit of Le 1, 576,000 as against accumulated loss of Le 20,873,000 of last year.

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

BY ORDER OF THE BOARD

SECRETARY

26th March, 2009
London.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED

We have audited the financial statements on pages 130 to 133 which have been prepared under the accounting policies set out on page 131.

Respective responsibilities of Directors and Auditors

As described on page 128 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

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

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

Going Concern

We draw attention to note 10, which states that the Company has a deficiency of net assets amounting to Le 6,620,000 and is dependent on the financial support of the directors for the continuance of normal operations.

Opinion

In our opinion the financial statements give a true and correct view of the state of the Company's affairs as at 31 December, 2008 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act Cap 249, and the Insurance Act 2000.

FREETOWN
26th March, 2009

PKF
Chartered Accountants



THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED

PROFIT AND LOSS ACCOUNT – 31 DECEMBER 2008

	Notes	2008 Le 000	2007 Le 000
Investment Income		35,563	42,716
Other Income		-	-
		35,563	42,716
Operating Expenses		(13,114)	(12,329)
Taxation	3	-	-
Profit for the financial year	2	22449	30,387

Movement on reserves is setout in note 9.

BALANCE SHEET – 31 DECEMBER 2008

	Notes	2008 Le 000	2008 Le 000	2007 Le 000	2007 Le 000
Fixed Assets					
Tangible assets	4		-		-
Investments	5		300,000		322,886
Current Assets					
Debtors	6	31,598		8,834	
Deposits, bank and cash balances		24,625		2,054	
		56,223		10,888	
Creditors					
Amounts falling due within one year	7	(362,843)		(362,843)	
		(362,843)		(362,843)	
Net Current Liabilities			(306,620)		(351,955)
Total Assets Less Current Liabilities			(6,620)		(29,069)
Capital and Reserves					
Called up share capital	8		500		500
Profit and loss account	9		1,576		(20,873)
Exchange equalisation account			(20,910)		(20,910)
Contingency reserves			12,214		12,214
			(6,620)		(29,069)

Approved by the Board on 26th March, 2009

I. S. Phukela

Director

K. G. Arora

Director

THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED

CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2008

	2008 Le 000	2007 Le 000
OPERATING ACTIVITIES		
Operating profit before taxation	22,449	30,387
(increase) in creditors	(22,764)	(830)
Net cash (outflow)/inflow from operating activities	(315)	29,557
FINANCING ACTIVITIES		
Exchange gain	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net cash (outflow)/inflow	(315)	29,557
Analysis of changes in cash and cash equivalents during the year :		
Beginning of year	2,054	14,383
Net cash (outflow)/inflow	(315)	29,557
Less : Transfer from / (to) Fixed deposits	22,886	(41,886)
End of year	24,625	2,054

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2008

1. ACCOUNTING POLICIES

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

(a) Accounting convention

The financial statements set out on pages 130 to 133 are prepared under the historical cost convention.

2. LOSS FOR THE FINANCIAL YEAR

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

	2008 Le 000	2007 Le 000
Auditors' remuneration	5,000	5,000

3. TAXATION

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


THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2008
4. TANGIBLE FIXED ASSETS

	Motor vehicles	Office fixtures and fittings	Residential equipment	Total
	Le 000	Le 000	Le 000	Le 000
COST				
Beginning and end of year	-	-	-	-
DEPRECIATION				
Beginning of year and end of year	-	-	-	-
Charge	-	-	-	-
Disposals	-	-	-	-
End of year	-	-	-	-
NET BOOK AMOUNT				
End of year and Beginning of year	-	-	-	-

2008
Le 000

2007
Le 000

5. INVESTMENTS

Investments comprised :

Treasury Bill	52,733	-
Deposit with the Bank of Sierra Leone	7,267	60,000
Deposit with Rokel Commercial Bank Sierra Leone Ltd.	240,000	262,886
	300,000	322,886

6. DEBTORS

Debtors comprised :

Taxation	8,669	8,669
Sundry Debtors	165	165
Interest Receivable	22,764	-
	31,598	8,834

7. CREDITORS

Amounts falling due within one year comprised :

Sundry creditors	8,868	8,868
Amounts due to Insurance Companies	353,975	353,975
	362,843	362,843

8. CALLED UP SHARE CAPITAL

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

THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2008

9. PROFIT AND LOSS ACCOUNT

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

	Le 000
Beginning of year	(20,873)
Loss for the year	22,449
End of year	(1,576)

10. GOING CONCERN

The balance sheet shows that liabilities exceed assets by Le 6,620,000.

The Directors have confirmed their intention to maintain financial support for the foreseeable future to enable the Company to continue normal operations. The financial statements are therefore drawn on a going concern basis.

11. LIBERIA BRANCH

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

12. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2008 (2007 - Nil).

13. CONTINGENT LIABILITIES

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

SHORT TERM BUSINESS REVENUE ACCOUNT YEAR ENDED 31 DECEMBER 2008

	2008		2007	
	Le 000	Le 000	Le 000	Le 000
Premiums written less reinsurance		-		-
Less increase/decrease in provision for unearned premiums		-		-
Premiums earned		-		-
Commission received from reinsurers		-		-
Claims incurred	-	-	-	-
Commission paid	-	-	-	-
Expenses	13,114	-	12,329	-
Contingency reserve		-		-
Underwriting (loss)		13,114		12,329
		13,114		12,329
Underwriting (loss) comprised:				
Fire		-		-
Marine		-		-
Motor		-		-
Miscellaneous accident		-		-
Expenses		13,114		12,329
		13,114		12,329



REPORT OF THE AUDITORS TO THE MEMBERS OF PRESTIGE ASSURANCE PLC (NIGERIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Prestige Assurance Plc, as at 31 December 2008, set out on pages 135 to 153, which have been prepared on the basis of the significant accounting policies on pages 135 to 138 and other explanatory notes on pages 143 to 149.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20 LFN 2004. This responsibility includes : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are responsible in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act CAP C20 LFN 2004. The financial statements give a true and fair view of the financial position of Prestige Assurance Plc as at 31 December, 2008, and of its financial performance and its Cash flows for the year then ended in accordance with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board.

Pennal Kerr Forster
Chartered Accountants
Lagos, Nigeria

Date : 15th May, 2009.

PRESTIGE ASSURANCE PLC (NIGERIA)

STATEMENT OF ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2008

The following are the significant accounting policies adopted by the Company in the preparation of its financial statements. These policies have been constantly applied to all year's presentations, unless otherwise stated.

1. BASIS OF ACCOUNTING

The financial statements are prepared in compliance with Nigerian Statements of Accounting Standards (SAS). The financial statements are presented in the functional currency, Nigeria naira and prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Annual accounting basis is used to determine the underwriting result of each class of insurance business written.

2. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are stated at the cost, less depreciation on a straight-line basis over the estimated useful life of the assets, taking into consideration any residual value, excluding the costs of day-to-day servicing.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Assets on lease are accounted for in accordance with the substance and financial reality of the transaction. Depreciation is provided to write off the related assets over the period of the lease.

Income from assets on lease is accrued evenly over the respective period of the leases.

3. DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT

Depreciation is calculated to write off the cost of property, plant & equipment during their expected useful lives on a straight-line basis. In the case of revalued property, plant & equipment, depreciation is calculated by reference to the enhanced value of the assets concerned. The principal annual rates of depreciation, which are consistent with those of previous years, are :

Leasehold Land and Buildings	-	2% or amortized over the life of lease if less than 50 years
Furniture, Fittings and Equipment	-	10%
Computers	-	33 1/3 %
Motor Vehicles	-	25%
Plant and Machinery	-	12 1/2 %

Depreciation is not calculated on property, plant & equipment until they are brought into use. Gains or losses on the disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.



PRESTIGE ASSURANCE PLC (NIGERIA)

STATEMENT OF ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2008 (Contd...)

4. PROVISION FOR UNEXPIRED RISKS

Reserves for unexpired risks are those proportions of the premiums written in a year, less re-insurance, that relate to the period of risks from January in the following accounting year to the subsequent date of expiry of the policies and have been computed in accordance with Section 20(1)(a) of the Insurance Act 2003, which stipulates that provision for unexpired risk shall be calculated on a time apportionment basis of the risks accepted in the year.

5. PROVISION FOR OUTSTANDING CLAIMS/INCURRED BUT NOT YET REPORTED

Full provision is made for the estimated amount of outstanding claims notified but not settled at the date of the balance sheet, less reinsurance recoveries, using the best information available at that time. Provision is also made for the cost of claims incurred but not reported (IBNR) until after the balance sheet date on the basis of claims notified but not settled in compliance with the provisions of Section 20(1) (b) of the Insurance Act 2003. Similarly, provisions are made for "unallocated claims expenses" being the estimated administrative expenses that will be incurred after the balance sheet date in settling all claims outstanding as at the date, including IBNR.

Differences between the provisions for outstanding claims at a balance sheet date and the subsequent settlement are included in the revenue Account of the following year.

6. CONTINGENCY RESERVE

Contingency reserve is calculated at 3% of the total premium or 20% of the Net Profit before tax which ever is greater in accordance with Section 21(2) of the Insurance Act 2003 until the accumulated reserve reaches the amount of the minimum paid-up capital or 50 per centum of the net premiums (which ever is greater).

7. FOREIGN CURRENCIES TRANSLATION

The financial statements are presented in Naira, which is the Company's functional and presentation currency. Income and expenses denominated in foreign currencies are translated to the Naira at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency balances are converted to the Naira at the applicable rates of exchange ruling at the balance sheet date. Any profits or loss arising on the conversion of foreign currencies is included in the profit and loss account.

8. INVESTMENTS

Long-term investments are stated at cost or revalued amount on Balance Sheet date while short term investments are stated at cost less provision for diminution in values.

No provision is made for diminution in the market value of government securities as it is the Company's policy to hold such Securities until maturity.

9. INVESTMENT INCOME

Interest and rental income are shown gross and are accounted for on accrual basis. Dividends are accounted for on the basis of the amounts actually received during the year.

10. DEBTORS

Debtors are recognized and earned at the original invoice amounts less an allowance for any Un-collectible amounts. Specific provision is made where there is objective evidence that the Collection of any debt is considered doubtful Debts considered irrecoverable are written off.

PRESTIGE ASSURANCE PLC (NIGERIA)

STATEMENT OF ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2008 (Contd...)

11. EMPLOYEES' RETIREMENT BENEFITS

i) Pension Fund Scheme

The Company operates a defined contributory retirement benefits scheme for members of staff, which is independent of its finances and is managed by Pension Fund Administrators. The Scheme, which is funded by contributions from employees (7 1/2%) and the Company (7 1/2%) is consistent with the provisions of the Pension Reform Act 2004. The company's contribution in each year is charge against income and is included in staff cost.

ii) Gratuity Scheme

The Company operates a non-contributory and un-funded defined benefit service gratuity scheme for its employees. The employees' entitlement to retirement benefits under the service gratuity scheme depends on the individual years of service, terminal salary and conditions of service. Benefits payable to employees on Retirements or resignation are accrued over the service life of the employee concerned based on current salary at the balance sheet date. The Company's contribution to the service gratuity scheme is charged to the income statement.

12. TAXATION

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax, education tax and deferred income / capital gains tax.

i) Income Tax

Income tax payable is provided by applying the currently enacted tax rates on the profit of the company as adjusted for taxation purposes.

ii) Deferred Taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates and tax laws that have been enacted at the balance sheet date.

iii) Capital Gain Tax

Capital Gain Tax is included in the tax expenses for the period to which it relates. Capital Gain Tax relating to a disposed of an extra ordinary item is deducted from such item.

iv) Value Added Tax

Non recoverable VAT paid in respect of an expensed. Non recoverable VAT paid in respect of property, plant & equipment is capitalized as part of the cost of the property, plant and equipment.

The net amount owing to or due from the tax authority is included in the recoverable VAT outstanding for over three years is fully provided for output VAT is excluded from the turnover shown in the profit and loss account.

v) Withholding Tax

The withholding tax credit is used to set off against income tax payable. Tax credit which is considered irrecoverable is written off as part of the tax charge for the year.



PRESTIGE ASSURANCE PLC (NIGERIA)

STATEMENT OF ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER, 2008 (Contd...)

13. CLAIMS

Claims paid are stated alongside amounts recoverable from re-insurers.

14. MAINTENANCE EXPENSES

Maintenance expenses are apportioned amongst the various classes of insurance business on the basis of net premium earned in each class.

15. PREMIUM

Full credit is taken for premium receivable upon the issuance of the related policies.

16. COMMISSION

Commissions are accounted for in the profit and loss account in the period they are incurred and calculated on a time basis of the risks accepted in the year.

17. ASSETS ON LEASE

Assets on lease to customers are stated at cost less accumulated depreciation. Depreciation is provided on an appropriate basis to write-off the related assets cost over the period of the lease, and is included in operating expenses. Rental income from assets on lease to customers is credited to lease income on a consistent basis over the lease term.

18. PROVISIONS

Provisions is recognized when the Company has present obligation, whether legal or constructive, as a result of a past event for which it is possible that an outflow of a resources embodying economic benefit will be recognized to settle the obligation in accordance with the statement of Accounting Standard (SAS23).

19. UNCLAIMED DIVIDEND

Unclaimed Dividends are amounts payable to shareholders in respect of dividend previously declared by the company, which have remained unclaimed by the shareholder. In compliance with section 385 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004, unclaimed dividend after twelve years are transferred to general reserves.

20. CASH AND CASH EQUIVALENT

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand; cash balances with banks and bank overdrafts.

21. DIVIDEND PAYABLE

Proposed dividends for the year is recognized as a liability after the balance sheet date when declared and approved by shareholders at the Annual General Meeting.

22. COMPARATIVE

Where necessary comparative figures have been adjusted to conform to changes.

PRESTIGE ASSURANCE PLC (NIGERIA)
BALANCE SHEET AT 31 DECEMBER, 2008

	Notes	2008 N'000	2007 N'000
Assets			
Non-current assets			
Property Plant & Equipment	6	561,623	555,405
Statutory Deposit	5	300,000	300,000
Long Term Investment	4	1,227,728	1,609,824
Short Term Investments	1	1,993,168	2,345,278
		4,082,519	4,810,507
Current assets			
Cash and Cash Equivalents		237,945	180,605
Debtors	2	1,589,422	1,263,182
Deferred Acquisition Expenses	3	35,562	30,111
		1,862,929	1,473,898
Total assets		5,945,448	6,284,405
Equity and liabilities			
Equity			
Share Capital	9	1,074,992	859,994
Share Premium	10	1,349,986	1,349,986
Bonus Issue Reserve	11	-	214,998
Statutory Contingency Reserve	12	783,265	585,261
Investment Revaluation Reserve	13	188,979	859,909
General Reserve	14	972,402	811,771
Total equity		4,369,624	4,681,918
Insurance funds	8	451,629	343,170
		451,629	343,170
Non-current liabilities			
Deferred tax liability	19b	56,919	69,491
Current liabilities			
Creditors	7	750,418	904,730
Provision for taxation	19a	316,858	285,095
		1,067,276	1,189,825
Total equity and liabilities		5,945,448	6,284,405

Signed on behalf of the Board by :

DIRECTORS

The accounting policies on pages 135 to 138, the notes on pages 143 to 149 form part of these Financial Statements.



PRESTIGE ASSURANCE PLC (NIGERIA)

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER, 2008

	2008 N'000	2007 N'000
Gross premium written	3,008,391	2,260,710
Underwriting profits/ (losses):		
General Accident	77,602	6,276
Fire	429,790	366,078
Workmen's Compensation	(24,487)	104,558
Motor	136,000	117,603
Marine & Aviation	200,786	110,931
	819,691	705,446
Transfer to Statutory Contingency Reserve	(198,004)	(180,314)
	621,687	525,132
Investment Income	911,466	751,385
Other Income	3,869	1,402
Management Expenses	(589,569)	(467,311)
Provision for Bad and Doubtful Debts	(145,437)	(89,353)
Information Technology Development Levy	(10,000)	-
Income before taxation	792,016	721,255
Taxation	(278,372)	(263,485)
	513,644	457,770

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2008

	Share Capital N'000	Share Premium N'000	Bonus Issue Reserve N'000	Statutory Contingency Reserve N'000	Investment Revaluation Reserve N'000	General Reserve N'000	Total N'000
Balance at 1st January 2007	797,652	1,335,829	-	404,947	466,928	612,000	3,617,356
Addition/movement in the year	-	249,367	-	180,314	392,980	-	822,661
Public Issue Allotted	62,342	-	-	-	-	-	62,342
Retained Earnings	-	-	-	-	-	457,770	457,770
Dividend Declared	-	-	-	-	-	(257,998)	(257,998)
Share issue expenses	-	(20,212)	-	-	-	-	(20,212)
Balance at 31st December, 2007	859,994	1,564,984	-	585,261	859,908	811,772	4,681,919
Addition/(movement) in the year	-	-	-	198,004	(670,930)	-	(472,926)
Retained Earnings	-	-	-	-	-	513,645	513,645
Dividend proposed in 2007 declared during the year	-	-	-	-	-	(343,998)	(343,998)
Transfer to Bonus Issue Reserve	-	(214,998)	-	-	-	-	(214,998)
Bonus issue allotted	214,998	-	-	-	-	-	214,998
2007 NITDA paid during the year	-	-	-	-	-	(9,016)	(9,016)
Balance at 31st December, 2008	1,074,992	1,349,986	-	783,265	188,978	972,403	4,369,624

The accounting policies on pages 135 to 138, the notes on pages 143 to 149 form part of these Financial Statements.

PRESTIGE ASSURANCE PLC (NIGERIA)
STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER, 2008

	2008	2007
	N'000	N'000
Cash Flows from Operating Activities		
Premium received from policy holders	2,901,041	1,602,995
Commission received	335,958	312,570
Other operating receipts	3,870	1,402
Reinsurance receipts in respect of claims	431,242	563,570
Cash paid to and on behalf of employees	(313,947)	(302,250)
Reinsurance premium paid	(1,610,499)	(705,130)
Other operating cash payments	(552,057)	(615,487)
Claims paid	(937,283)	(465,925)
IT Development Levy paid	(9,016)	-
Company Income Tax paid	(259,180)	(160,932)
Net cash / (used in) provided by operating activities	(9,870)	230,815
Cash Flows from Investing Activities		
Purchase of fixed assets	(445,252)	(411,747)
Purchase of investments	(380,151)	(448,720)
Realisation of /(Addition to) other investments	352,110	(63,440)
Sale of fixed assets	2,166	9,371
Dividend received	41,131	13,942
Interest received	333,811	234,514
Lease rental received	418,027	385,526
Refund on Deposit for Investments	87,397	-
Proceed on sale of investment	120,251	109,281
Net Cash provided / (used in) by investing activities	529,590	(171,273)
Cash Flows from Financing Activities		
Expense of Script issue & Filing fees	(9,291)	(20,382)
Issue of ordinary shares	-	311,709
Payment of Statutory Deposit	-	(280,000)
Dividend paid	(452,989)	(177,380)
Net cash used in financing activities	(462,280)	(166,053)
Increase in cash and cash equivalents	57,340	(106,511)

The accompanying notes form part of this Statement of Cash Flows.


PRESTIGE ASSURANCE PLC (NIGERIA)
STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER, 2008 (Contd...)

	2008 N'000	2007 N'000		
1. Reconciliation of Operating Profit to the Cash provided by operating Activities				
Operating profit before tax after I. T. D. Levy	990,020	901,569		
Stamp duty and Filing fees	9,291	170		
Investment income	(911,466)	(751,385)		
Depreciation	439,033	350,719		
Increase /(Decrease) in unearned premiums	43,938	17,666		
Increase /(Decrease) in creditors	(45,321)	156,542		
Increase /(Decrease) in claims provisions	64,521	27,464		
(Increase) /Decrease in debtors	(326,240)	(305,988)		
(Increase) /Decrease in deferred acquisition expenses	(5,451)	(5,010)		
IT Development Levy paid	(9,015)	-		
Tax paid	(259,180)	(160,932)		
Cash (used in) / provided by operating activities	(9,870)	230,815		
2. Analysis of Changes in Cash and Cash Equivalents and other liquid Investments				
	Cash & Cash Equivalents N'000	Investments N'000	Total N'000	
Balance as at 1 Jan. 2008	180,605	3,955,102	4,135,707	3,337,077
Net cash inflow	57,340	-	57,340	(106,511)
Purchase of investments	-	28,041	28,041	624,835
Sales of Investment	-	(91,318)	(91,318)	(75,960)
Movemont during the year	-	(670,930)	(670,930)	356,265
Balance as at 31 December 2008	237,945	3,220,895	3,458,840	4,135,706
3. Analysis of the Balance of cash and cash equivalents and other liquid investments				
	2008 N'000	2007 N'000	Changes during the year N'000	
Cash at Bank and in hand	237,945	180,605	57,340	
Investments	3,220,895	3,955,101	(734,206)	
	3,458,840	4,135,706	(676,866)	

PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2008

	2008 N'000	2007 N'000
1. SHORT TERM INVESTMENTS		
Commercial Papers	128,000	41,170
Bankers Acceptances	1,572,311	2,097,500
Government Securities (Market value 130m)	75,000	130,000
Call Deposits	217,857	1,980
Others	-	74,628
	<u>1,993,168</u>	<u>2,345,278</u>
2. DEBTORS		
Outstanding Premiums	582,817	473,047
Amounts due from Re-Insurance and Insurance Companies	774,455	562,916
Amounts due from Insurance Brokers and Agents	564,385	421,368
Sundry Debtors & Prepayments	52,190	44,839
	<u>1,973,847</u>	<u>1,502,170</u>
Provision on doubtful debts	<u>(384,425)</u>	<u>(238,988)</u>
	<u>1,589,422</u>	<u>1,263,182</u>
3. DEFERRED ACQUISITION EXPENSES		
Deferred Acquisition Expenses	<u>35,562</u>	<u>30,111</u>
4. LONG TERM INVESTMENTS		
These comprise of:		
(i) Quoted investments		
Ordinary shares		
Balance as at beginning of the year	1,307,992	570,667
Reclassified Balance	(68)	-
Addition during the year	256,872	457,020
Disposal during the year	(91,318)	(75,960)
Excess of over market value transferred to investment revaluation reserve	<u>(670,930)</u>	<u>356,265</u>
Closing Balance	<u>802,548</u>	<u>1,307,992</u>
(ii) Unquoted investments at cost		
Ordinary shares		
Balance as at beginning of the year	301,832	197,457
Reclassified Balance	68	-
Additions during the year	<u>123,280</u>	<u>104,375</u>
	<u>425,180</u>	<u>301,832</u>
	<u>1,227,728</u>	<u>1,609,824</u>
The directors are of the opinion that the market value of unquoted investments is not lower than cost.		
4.1 Ordinary Shares of quoted investments were valued at market value in line with NAICOM guidelines 2008.		
5. STATUTORY DEPOSIT		
Balance brought forward	300,000	20,000
Deposit during the year	-	280,000
Balance brought forward	<u>300,000</u>	<u>300,000</u>

The represents deposit with Central Bank of Nigeria, the sum of N300m (2007 : N300m).
This is in accordance with section 10(2) of the Insurance Act. 2003.



PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2008 (Contd...)

6. PROPERTY, PLANT & EQUIPMENT

	Plant & Machinery	Leasehold Land & Building	Furniture Fixtures & Fittings	Computer Equipment	Motor Vehicles	Assets on Lease	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost :							
At 1st January, 2008	21,357	145,470	25,861	38,689	51,286	896,259	1,178,922
Additions	75	14,739	4,071	8,314	25,534	392,519	445,252
Disposal	-	-	-	-	(1,838)	(188,460)	(190,298)
At 31st December, 2008	21,432	160,209	29,932	47,003	74,982	1,100,318	1,433,876
Depreciation:							
At 1st January, 2008	12,320	13,837	15,064	30,371	30,761	521,165	623,518
Charge for the year	1,391	2,806	2,779	8,700	18,457	404,899	439,032
Disposal	-	-	-	-	(1,838)	(188,460)	(190,298)
At 31st December, 2008	13,711	16,643	17,843	39,071	47,380	737,604	872,252
Net book value :							
At 31st December, 2008	7,720	143,566	12,089	7,932	27,602	362,714	561,623
At 31st December, 2007	9,037	131,633	10,797	8,318	20,525	375,094	555,404

7. CREDITORS

	2008 N'000	2007 N'000
Amounts Falling due within one year:		
Amounts due to Re-Insurance and Insurance Companies	207,602	385,827
Amounts due to Insurance Brokers and Agents	111,887	64,623
Amounts due to Policy Holders	76,566	78,960
Sundry Creditors and Accrued charges	318,205	230,170
Dividend Payable (Note 20)	36,158	145,150
	750,418	904,730

8. INSURANCE FUNDS

Unexpired Risks:		
Accident	49,056	34,976
Fire	57,713	42,755
Workmen's Compensation	7,484	12,260
Motor	53,191	56,714
Marine and Aviation	52,274	29,075
	219,718	175,780
Outstanding Claims:		
Accident	36,661	37,349
Fire	19,829	58,276
Workmen's Compensation	37,725	15,097
Motor	43,090	18,415
Marine and Aviation	94,606	38,253
	231,911	167,390
Total Insurance Funds	451,629	343,170

PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2008 (Contd...)

9. SHARE CAPITAL

AUTHORISED :

4,000,000,000 Ordinary Shares of 50k each 2,000,000 2,000,000

ISSUED AND FULLY PAID:

1,719,988	Balance as at 1 January	859,994	797,652
429,997	Bonus issue allotted	214,998	-
-	Public Issue allotted in the year	-	62,342
2,149,985	Balance as at 31 December	1,074,992	859,994

The bonus issue of 429,996,932 Ordinary shares of 50kobo each was approved at the Annual General Meeting held on 31 July 2008.

10. SHARE PREMIUM

Balance Brought forward	1,349,986	1,335,829
Additions in the year	-	249,367
Rights/Bonus Issue expenses	-	(20,212)
	1,349,986	1,564,984
Transfer to Bonus Issue Reserve (Note 11)	-	(214,998)
Balance carried forward	1,349,986	1,349,986

11. BONUS ISSUE RESERVE

Transfer from Share Premium (Note 10) - 214,998

12. STATUTORY CONTINGENCY RESERVE

Balance brought forward	585,261	404,947
Additional provision made during the year	198,004	180,314
Balance carried forward	783,265	585,261

13. INVESTMENTS REVALUATION RESERVE

Balance brought forward	859,909	466,929
Movement during the year	(670,930)	392,980
Balance carried forward	188,979	859,909

14. GENERAL RESERVE

Balance brought forward	811,772	612,000
2007 NITDA paid during the year	(9,016)	-
Dividend declared	(343,998)	(257,998)
Retained Earnings	513,644	457,770
Balance carried forward	972,402	811,772



PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2008 (Contd...)

	2008 N'000	2008 N'000	2007 N'000	2007 N'000
	PREMIUM EARNED	UNDER- WRITING PROFIT/ (LOSS)	PREMIUM EARNED	UNDER- WRITING PROFIT/ (LOSS)
15. PREMIUM EARNED AND UNDERWRITING PROFITS				
Accident Insurance Business	184,312	77,602	100,825	6,276
Fire Insurance Business	594,101	429,790	485,680	366,079
Workmen's Compensation Insurance Business	42,251	(24,487)	152,837	104,558
Motor Insurance Business	302,883	136,000	223,010	117,603
Marine and Aviation	408,632	200,786	200,839	110,931
	<u>1,532,179</u>	<u>819,691</u>	<u>1,163,191</u>	<u>705,447</u>
16. UNDERWRITING EXPENSES			2008 N'000	2007 N'000
Acquisition Cost:				
- Commission Paid			287,240	238,482
- Maintenance Expenses			404,577	380,988
			<u>691,817</u>	<u>619,470</u>
17. OTHER OPERATING INCOME				
Sundry Income			<u>3,870</u>	<u>1,402</u>
18. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				
This is stated after Charging and (Crediting) :				
Directors' Remuneration :				
Fees			750	560
Gratuity			1,200	1,140
Other remuneration			15,644	14,759
Depreciation			439,033	350,719
Auditors' Remuneration			3,500	2,400
Exchange Loss			7,494	14,214
Loss / (Profit) on disposal of fixed assets			2,166	(8,121)
Lease Rental Income			<u>418,027</u>	<u>385,526</u>

PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2008 (Contd...)

	2008 N'000	2007 N'000
19a. TAXATION		
i) Profit and Loss Account-		
Income Tax on Profit for the year	261,971	237,068
Education Tax	25,652	23,199
Underprovision in the prior years	3,321	-
	<u>290,944</u>	<u>260,267</u>
Deferred Taxation (19b)	<u>(12,572)</u>	<u>3,218</u>
	<u>278,372</u>	<u>263,485</u>
ii) Balance Sheet-		
Balance at 1st January	285,095	185,760
Charge for the Year (Income Tax and Education Tax)	290,943	260,267
Tax paid	(259,180)	(160,932)
Balance at 31 December	<u>316,858</u>	<u>285,095</u>

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 as amended to date and the Education Tax Act, CAP E4 LFN 2004.

19b. DEFERRED TAXATION		
Balance brought forward	69,491	66,273
Provision made in the year	(12,572)	3,218
Balance carried forward	<u>56,919</u>	<u>69,491</u>

The company has adopted the Statement of Accounting Standard SAS 19 on deferred taxation which is computed using the liability method.

20. INFORMATION TECHNOLOGY DEVELOPMENT

The Nigeria Information Technology Development Agency (NITDA) Act, was signed into Law on 24 April 2007. Section 12 (2a) of the Act, stipulates that specified companies contribute 1% of their profit before Tax to the Nigerian Information Technology Development Agency. In line with the Act, the Company have provided for NITDA levy at the specified rate.

10,000,204	9,015,693
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21. DIVIDEND PAYABLE

At 1 January	145,150	64,532
Declared during the year	343,997	257,998
Payments	(452,989)	(177,380)
At 31 December	<u>36,158</u>	<u>145,150</u>

A final dividend of 20k per 50k share held has been proposed. This is subject to shareholders' ratification at the Annual General Meeting.


PRESTIGE ASSURANCE PLC (NIGERIA)
NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2008 (Contd...)
22. STAFF

Average number of persons employed in the financial year and staff costs were as follows :

	2008 Number	2007 Number
Managerial	6	7
Senior Staff	42	41
Junior Staff	40	21
	<u>88</u>	<u>69</u>
	2008 N'000	2007 N'000

i. STAFF COSTS

Salaries and welfare	247,335	228,515
Staff gratuity and pension	26,572	75,367
	<u>273,907</u>	<u>303,879</u>
Medical	11,873	8,668
Training	28,167	9,643
	<u>313,947</u>	<u>322,190</u>

ii. GRATUITY

Total liability	-	-
Balance b/f	20,030	20,030
Provision during the year	10,000	-
Payment during the year	-	-
	<u>30,030</u>	<u>20,030</u>

iii. CHAIRMAN'S AND DIRECTORS' EMOLUMENTS, PENSIONS AND COMPENSATION FOR LOSS OF OFFICE:

Emoluments :

Chairman	150	150
Other Directors	600	560
Gratuity	1,200	1,140
Other Emolument of Executives	15,644	14,759
Emolument of highest paid director	15,644	14,759

The number of directors excluding the chairman whose emoluments were within the following ranges were :

N	N	Number	Number
10,001	30,000	Nil	Nil
30,001	50,000	Nil	Nil
50,001	70,000	Nil	Nil
70,001	80,000	6	6
above	80,000		

iv. EMOLUMENTS WAIVED

Number of directors who have waived their rights to receive emoluments	Nil	Nil
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PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES ON THE ACCOUNTS YEAR ENDED 31 DECEMBER, 2008 (Contd...)

v. EMPLOYEES REMUNERATION AT HIGHER RATES

The number of employees in respect of emoluments within the following ranges were :

		2008	2007
N	N	Number	Number
150,001	180,000	14	6
180,001	210,000	15	8
210,001	240,000	14	10
240,001	280,000	9	9
280,001	320,000	8	11
above	320,000	28	25
		88	69

23. PROPOSED DIVIDEND

In respect of the current year the Directors proposed that a Dividend of 20 kobo per ordinary share will be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in the financial statements in accordance with statement of accounting standard 23. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose name appear in the register of members at closure date. The gross dividend to be paid is N 429,996,932.

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit after tax attributable to ordinary shareholders by weighted average number of ordinary shares in issue during the year.

	2008 N'000	2007 N'000
Profit after tax for the year attributable to ordinary shareholders	711,649	638,084
Weighted average number of shares in issue	2,149,985	1,616,085
Basic earnings per share (kobo)	33.10	39.48

25. FINANCIAL COMMITMENTS

The Directors are of the opinion that all known commitments and liabilities, which are relevant in assessing the states of affairs of the company have been taken into consideration in the preparation of these Financial Statements.

26. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2008.

27. POST BALANCE SHEET EVENTS

No events or transactions have occurred since the Balance Sheet date, which would have a material effect upon the Financial Statements at that date or which need to be mentioned in the Financial Statements.

28. RECLASSIFICATION OF BALANCES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year in accordance with the statement of Accounting Standard (SAS) 2.

29. Prestige Assurance Plc is a Subsidiary of The New India Assurance Co. Ltd., Mumbai, India.

30. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on 15th May 2009.



PRESTIGE ASSURANCE PLC (NIGERIA)

INSURANCE REVENUE STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2008

	2008 N'000	2007 N'000
Accident		
Amount of fund at beginning of year		
Provision for un-earned premiums	34,976	16,126
Provision for outstanding claims	37,349	39,460
Premiums less reinsurances	198,391	119,675
Commissions received	139,220	104,008
	<u>409,936</u>	<u>279,269</u>
Commissions paid	90,373	53,657
Claims paid (net of recoveries)	52,802	55,059
Expenses of management	103,442	91,952
Profit/(loss) transferred to income statement	77,602	6,276
Amount of fund at end of year		
Provisions for un-earned premiums	49,056	34,976
Provisions for outstanding claims (net)	36,661	37,349
	<u>409,936</u>	<u>279,269</u>
FIRE		
Amount of fund at beginning of year		
Provision for un-earned premiums	42,755	33,019
Provision for outstanding claims	58,276	21,080
Premiums less reinsurances	609,059	495,417
Commissions received	135,771	146,963
	<u>845,861</u>	<u>696,479</u>
Commissions paid	128,776	118,806
Claims paid (net of recoveries)	62,688	(49,275)
Expenses of management	147,065	159,838
Profit transferred to income statement	429,790	366,079
Amount of fund at end of year		
Provision for un-earned premiums	57,713	42,755
Provision for outstanding claims (net)	19,829	58,276
	<u>845,861</u>	<u>696,479</u>

PRESTIGE ASSURANCE PLC (NIGERIA)

INSURANCE REVENUE STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2008 (Contd...)

	2008 N'000	2007 N'000
WORKMEN COMEPESATION		
Amount of fund at beginning of year		
Provision for un-earned premiums	12,260	45,523
Provision for outstanding claims	15,098	19,571
Premiums less reinsurances	37,476	119,575
	64,834	184,669
Commissions paid	5,158	9,130
Claims paid (net of recoveries)	33,914	23,472
Expenses of management	5,040	20,151
(Loss)/Profit transferred to income statement	(24,487)	104,558
Amount of fund at end of year		
Provision for un-earned premiums	7,484	12,260
Provision for outstanding claims (net)	37,725	15,098
	64,834	184,669
MOTOR		
Amount of fund at beginning of year		
Provision for un-earned premiums	56,714	39,812
Provision for outstanding claims	18,415	17,289
Premiums less reinsurances	299,359	239,912
	374,488	297,013
Commissions paid	20,434	12,375
Claims paid (net of recoveries)	80,993	51,475
Expenses of management	40,781	40,431
Profit transferred to income statement	136,000	117,603
Amount of fund at end of year		
Provisions for un-earned premiums	53,191	56,714
Provisions for outstanding claims (net)	43,089	18,415
	374,488	297,013
MARINE AND AVIATION		
Amount of fund at beginning of year		
Provision for un-earned premiums	29,075	23,635
Provision for outstanding claims	38,253	42,526
Premiums less reinsurances	431,831	206,279
Commissions received	60,967	61,601
	560,126	334,041
Commissions paid	42,499	44,515
Claims paid (net of recoveries)	61,710	42,652
Expenses of management	108,250	68,615
Profit transferred to income statement	200,786	110,931
Amount of fund at end of year		
Provision for un-earned premiums	52,274	29,075
Provision for outstanding claims (net)	94,607	38,253
	560,126	334,041



PRESTIGE ASSURANCE PLC (NIGERIA)

**UNDERWRITING MAINTENANCE EXPENSES IN RESPECT OF THE
TOTAL INSURANCE BUSINESS FOR THE YEAR ENDED 31ST DECEMBER, 2008**

	2008 N'000	2007 N'000
Salaries	247,335	228,515
Staff Gratuity and Pension	26,572	75,364
Travelling Expenses	28,989	20,102
Postage, Telephones and Telegrams	7,192	8,480
Entertainment and Hotel Accommodation	40,837	23,014
Motor vehicle Expenses	7,305	5,273
Conveyance Expenses	3,184	1,928
Industrial Training Fund	3,124	3,184
Staff Training	28,167	6,460
Medical	11,872	8,668
	404,577	380,988
Other Expenses of Management		
Directors' fees	750	560
Audit fees	3,500	2,400
Advertising	21,160	13,645
Printing and Stationery	3,849	5,081
Office Rent and Maintenance	24,011	11,948
Insurance Levy	16,000	13,000
Association's fees and subscriptions	4,910	19,219
Donations	3,871	5,375
Residential Expenses	15,597	6,619
Insurance	6,077	4,172
Miscellaneous Expenses	2,971	1,618
Legal & Professional charges	19,560	9,844
Directors expenses	3,355	2,610
Stamp Duty and Filing fees	9,291	170
Depreciation	439,032	350,719
Bank charges	8,141	6,117
Exchange loss	7,494	14,214
	589,569	467,311

PRESTIGE ASSURANCE PLC (NIGERIA)
SCHEDULE FOR THE YEAR ENDED 31ST DECEMBER, 2008

	2008 N'000	2007 N'000
All Classes of Insurance		
1. Net income/(loss) [-] for the year		
Gross premium written	<u>3,008,391</u>	<u>2,260,710</u>
Underwriting profit/(loss) [-]		
ACCIDENT	77,602	6,276
FIRE	429,790	366,078
WORKMEN'S COMPENSATION	(24,487)	104,558
MOTOR	136,000	117,603
MARINE AND AVIATION	<u>200,786</u>	<u>110,931</u>
	<u>819,691</u>	<u>705,446</u>
Investment income	911,466	751,385
Statutory Contingency Reserve	(198,004)	(180,314)
Other income	3,869	1,402
Expenses of Management	(589,569)	(467,311)
Provision for Bad & Doubtful Debts	(145,437)	(89,353)
Profit on ordinary activities before taxation	<u>802,016</u>	<u>721,255</u>
Information Technology Development Levy	(10,000)	-
Profit before Tax After I. T. D. Levy	<u>792,016</u>	<u>721,255</u>
Taxation - Current year	(278,372)	(263,485)
	<u>513,644</u>	<u>457,770</u>



OFFICES IN INDIA

SR. NO.	REGIONAL OFFICES	DIVISIONAL OFFICES	BRANCH OFFICES	DIRECT AGENT BRANCHES	EXTENTION COUNTERS	TOTAL
1	MUMBAI - I	14	1	1	0	16
2	MUMBAI - II	15	9	2	0	26
3	MUMBAI - III	10	2	0	0	12
4	MUMBAI - IV	10	0	0	0	10
5	PUNE	25	33	1	2	61
6	NAGPUR	10	17	1	0	28
7	AHMEDABAD	15	14	1	2	32
8	BARODA	10	6	0	1	17
9	SURAT	9	6	1	0	16
10	DELHI - I	20	14	1	0	35
11	DELHI - II	15	32	2	2	51
12	JAIPUR	11	21	1	0	33
13	CHANDIGARH	18	36	1	2	57
14	LUDHIANA	17	31	1	2	51
15	KANPUR	21	56	2	0	79
16	BHOPAL	19	29	1	0	49
17	KOLKATA	20	29	1	0	50
18	GUWAHATI	9	22	0	2	33
19	PATNA	10	29	1	0	40
20	BHUBANESHWAR	10	23	1	2	36
21	HYDERABAD	16	20	3	0	39
22	VISHAKHAPATNAM	12	23	1	1	37
23	BENGALURU	23	42	0	0	65
24	CHENNAI	20	21	4	0	45
25	COIMBATORE	18	35	0	0	53
26	ERNAKULAM	14	43	1	0	58
	TOTAL	391	594	28	16	1029

TOTAL NO OF OFFICES: (26+391+594+28+16) = 1055

OVERSEAS OFFICES FOREIGN BRANCHES & AGENCIES, ASSOCIATE & SUBSIDIARY COMPANIES

A. FOREIGN BRANCHES

	Country	Branches	Year of commencement of operations.
1.	Japan	1. Tokyo	1950
		2. Nagoya	1964
		3. Hiroshima	1973
		4. Okayama	1980
		5. Sapporo	1978
		6. Osaka	1962
		7. Himeji	1996
2.	Hong Kong	8. Hong Kong	1952
3.	Philippines	9. Manila	1930
4.	Thailand	10. Bangkok	1948
5.	Australia	11. Sydney	1955
6.	Fiji	12. Suva	1954
		13. Lautoka	1967
		14. Labasa	1982
		15. Nadi	1996
7.	Mauritius	16. Port Louis	1935
8.	U.K.	17. London - Fenchurch	1920
		18. Ipswich	2000
9.	New Zealand	19. Auckland	2004

B. FOREIGN AGENCIES

	Country	Agencies	Year of commencement of operations
1.	Abu Dhabi (U.A.E.)	1. Abu-Dhabi	1973
2.	Dubai (U.A.E.)	2. Dubai	1961
3.	Bahrain	3. Bahrain	1959
4.	Kuwait	4. Kuwait	1953
5.	Oman	5. Muscat	1975
6.	Saudi Arabia	6. Riyadh	1981
		7. Jeddah	1981
		8. Al Khobar	1981
7.	Dutch Caribbean	9. Aruba	1963
8.	Netherlands Antilles	10. Curacao	1954
9.	France	11. Paris	1975
10.	Canada	12. Toronto	1953



C. SUBSIDIARIES

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

D. ASSOCIATES

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

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