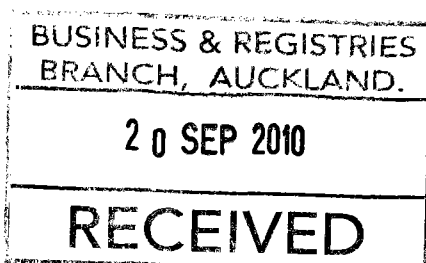




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**THE NEW INDIA ASSURANCE COMPANY LIMITED  
NEW ZEALAND BRANCH**

**ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2010**



**NPC# 23  
21 SEP 2010**

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

**ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2010**

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दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड.

THE NEW INDIA ASSURANCE COMPANY LTD.

पंजीकृत एवं प्रधान कार्यालय : न्यू इन्डिया एश्योरन्स बिल्डिंग, 87, महात्मा गांधी मार्ग, फोर्ट, मुंबई - 400001

Regd. & Head Office : New India Assurance Bldg., 87, M.G. Road, Fort, Mumbai - 400001

Phone : 022-22708100

22708400

Fax : 022-22700470

Telegram : NIASURANCE

Website : www.newindia.co.in

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<sup>st</sup> March' 2010.

No disclosure has been made in respect of section 211(1) (a) and (e) to (j) of the Companies Act 1993 following 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

14<sup>TH</sup> SEPTEMBER' 2010

  
DIRECTOR

14<sup>TH</sup> SEPTEMBER' 2010

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

**COMPANY DIRECTORY**

<b>NATURE OF BUSINESS</b>	General Insurance
<b>REGISTERED OFFICE</b>	DFK Oswin Griffiths Ltd Level 4 — 52 Symonds Street AUCKLAND
<b>INCORPORATION NUMBER</b>	1489374
<b>DIRECTORS</b>	A.R. Sekar S. Gupta M.D. Mallaya S. Pattanayak M. Razzack M. Ramadoss I.S. Phukela R. Gopalan
<b>AUDITOR</b>	Carlton DFK Chartered Accountants
<b>BANKER</b>	ANZ Bank

**AUDIT REPORT**

**TO THE SHAREHOLDERS OF THE NEW INDIA ASSURANCE COMPANY LIMITED – NEW ZEALAND BRANCH**

**FOR THE YEAR ENDED 31 MARCH 2010**

We have audited the financial report on pages 4 to 15. The financial report provides information about the past financial performance of the company and its financial position as at 31 March 2010. This information is stated in accordance with the accounting policies set out on pages 7 to 11.

**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for the preparation of a financial report which gives a true and fair view of the financial position of the company as at 31 March 2010 and 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 report 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 report. It also includes assessing:

- ❖ the significant estimates and judgements made by the Directors in the preparation of the financial report, and
- ❖ whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. 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 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 report.

Other than in our capacity as auditors, we have no relationship with or interest in 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 as far as appears from our examination of those records; and
- ❖ the financial report on pages 4 to 15
  - complies with generally accepted accounting practice;
  - gives a true and fair view of the financial position of the company as at 31 March 2010 and the results of its operations for the year ended on that date.

Our audit was completed on 14 September 2010 and our unqualified opinion is expressed as at that date.

  
**CARLTON – DFK**  
**AUCKLAND**



दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड.

THE NEW INDIA ASSURANCE COMPANY LTD.

पंजीकृत एवं प्रधान कार्यालय : न्यू इन्डिया एश्योरन्स बिल्डिंग, 87, महात्मा गांधी मार्ग, फोर्ट, मुंबई - 400001  
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THE NEW INDIA ASSURANCE COMPANY LIMITED  
NEW ZEALAND BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	Note	2010 \$	2009 \$
<b>Assets</b>			
Non-current assets			
Property plant and equipment	4	25247	37050
Investments	5	532084	
Intangibles	7	7228	18069
<b>Total non-current assets</b>		<b>564559</b>	<b>55119</b>
Current assets			
Cash at Bank		324192	524060
Taxation refund		89476	38199
Trade receivables	8	2274717	1868755
Other receivables	8	326076	315967
Investments	5	4350000	2522608
<b>Total current assets</b>		<b>7364463</b>	<b>5269589</b>
<b>Total assets</b>		<b>7929022</b>	<b>5324708</b>
<b>Current liabilities</b>			
Trade and other payables	9	1468925	785498
Outstanding claim provision	11	1014672	271626
Employee benefits	10	6587	16999
Unearned premium reserve	12	3180795	2589640
<b>Total current liabilities</b>		<b>5670979</b>	<b>3663763</b>
<b>Equity</b>			
Retained losses		-1840052	-1920269
<b>Total equity</b>		<b>-1840052</b>	<b>-1920269</b>
Head office account	15	4098095	3581214
<b>Total equity and head office account</b>		<b>2258043</b>	<b>1660945</b>
<b>Total equity and liabilities</b>		<b>7929022</b>	<b>5324708</b>

For and on behalf of the Board

  
Director

14th September 2010

  
Director

14th September 2010

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

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2010**

	Note	2010 \$	2009 \$
Gross earned premium revenue	2	4,667,085	2,763,563
Outwards reinsurance premium expense		(1,200,431)	(707,081)
<b>Net premium revenue</b>		<b>3,466,654</b>	<b>2,056,482</b>
Claims expense		(2,674,453)	(1,790,047)
Reinsurance and other recoveries revenue	2	249,143	303,697
<b>Net claims incurred</b>		<b>(2,425,310)</b>	<b>(1,486,350)</b>
Acquisition costs		(449,848)	(285,725)
Other underwriting expenses	3	(716,850)	(622,854)
<b>Underwriting expenses</b>		<b>(1,166,698)</b>	<b>(908,579)</b>
<b>Underwriting (Loss)</b>		<b>(125,354)</b>	<b>(338,447)</b>
Investment income	2	205,571	191,607
<b>Profit/(Loss) before income tax expense</b>		<b>80,217</b>	<b>(146,840)</b>
Income tax expense		-	-
<b>Profit/(Loss) attributable to members of the entity</b>		<b>80,217</b>	<b>(146,840)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss)</b>		<b>80,217</b>	<b>(146,840)</b>

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 2010**

	<b>Retained Losses</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
<b>Equity at 01 April 2008</b>	<b>(1,773,429)</b>	<b>(1,773,429)</b>
(Loss) attributable to members of the entity	(146,840)	(146,840)
Other comprehensive income	-	-
Total comprehensive (loss)	(146,840)	(146,840)
<b>Equity at 31 March 2009</b>	<b>(1,920,269)</b>	<b>(1,920,269)</b>
Profit attributable to members of the entity	80,217	314,171
Other comprehensive income	-	-
Total comprehensive income	80,217	314,171
<b>Equity at 31 March 2010</b>	<b>(1,840,052)</b>	<b>(1,606,098)</b>

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 2010. The financial statements were authorised for issue by the Directors on 14 September 2010.

**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 Statement of Comprehensive Income.

In the application of NZ IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. It is possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected.

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.

Judgments made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed where applicable in the relevant notes to the financial statements.

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**1. STATEMENT OF ACCOUNTING POLICIES (Continued)**

**Specific Accounting Policies**

**(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 Statement of Comprehensive Income. 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) Intangible Assets**

Software is finite life intangibles and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a diminishing value basis so as to write off the cost less the estimated residual value of these assets over their estimated useful lives. The amortisation expense is included in the Statement of Comprehensive Income. The diminishing rate of 60.0% has been used in preparing the financial statements.

**(c) 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.

**(d) 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 27th January 2010. The credit rating is an indication of the Company's ability to pay current and future claims.

**(e) Investments**

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

**(f) 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 Statement of Comprehensive Income.

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.

**(g) Trade and Other Receivables**

Accounts receivable are stated at their estimated net realisable value after allowance for bad or doubtful debts and credit notes due. An allowance is established when the entity will not be able to collect all amounts due to the original term of the receivable. Any decrease or increase of the allowance is recognised in the Statement of Comprehensive Income.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**1. STATEMENT OF ACCOUNTING POLICIES (Continued)**

**Specific Accounting Policies**

**(h) 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.

**(i) Trade and Other Payables**

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

**(j) 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.

**(k) Outwards Reinsurance Premium Expense**

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

**(l) 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.

**(m) 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.

**(n) 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.

**(o) 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**1. STATEMENT OF ACCOUNTING POLICIES (Continued)**

**Specific Accounting Policies**

**(p) Operating Lease Payments**

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

**(q) Finance Income and Expenses**

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

**(r) Income Tax**

The income tax expense recognised in the Statement of Comprehensive Income 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.

**(s) 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.

**(t) Financial Assets**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale financial assets', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Currently the Company has only classified financial assets in the 'loans and receivables' and 'at fair value through profit or loss' categories.

**Loans and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

**(u) Financial Liabilities**

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

Trade and other payables are classified as 'other financial liabilities'. Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount of the liability.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**1. STATEMENT OF ACCOUNTING POLICIES (Continued)**

**Specific Accounting Policies**

**(v) Liability Adequacy Testing**

Liability adequacy testing is performed in order to recognize any deficiencies in the Statement of Comprehensive Income 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**

	2010 \$	2009 \$
Gross written premium	5,258,240	4,042,192
Movement in unearned premium	(591,155)	(1,278,629)
<b>Gross earned premium revenue</b>	<b>4,667,085</b>	<b>2,763,563</b>
<b>Reinsurance and other recoveries revenue</b>	<b>249,143</b>	<b>303,697</b>
<b>Investment revenue</b>		
Interest received	205,571	191,607
<b>Total investment revenue</b>	<b>205,571</b>	<b>191,607</b>
<b>Total revenue</b>	<b>5,121,799</b>	<b>3,258,867</b>

**3. EXPENSES**

	2010 \$	2009 \$
Operating profit/(loss) from trading was arrived at after:		
Charging the following expenses:		
Auditor's fees - auditing the financial statements	22,000	21,500
- other services	-	6,380
Depreciation	11,803	18,946
Amortisation of government stock	32,037	-
Amortisation of intangible assets	10,841	27,104
Rental operating lease expenses	71,819	69,255
Salaries and wages	287,915	272,542

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

**NOTES TO THE FINANCIAL STATEMENTS**

**4. PROPERTY, PLANT AND EQUIPMENT**

2010	At cost	Current year depreciation	Current year impairment loss	Accumulated depreciation	Carrying value
	\$	\$	\$	\$	\$
Furniture & fittings	28,962	2,789	-	16,674	12,288
Motor vehicles	27,761	2,556	-	20,487	7,274
Office equipment	109,498	6,403	-	104,045	5,453
Other assets	532	55	-	300	232
	166,753	11,803	-	141,506	25,247

2009	At cost	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	109,498	12,173	-	97,642	11,856
Other assets	532	68	-	245	287
	166,753	18,946	-	129,703	37,050

**5. INVESTMENTS**

	Note	2010 \$	2009 \$
<b>Current</b>			
Fixed interest maturing < 12 months		4,350,000	2,000,000
Government stock		-	522,608
		4,350,000	2,522,608
<b>Non-current</b>			
<u>Government stock:</u>			
Opening balance		522,608	-
Less: Government stock matured		(500,000)	-
Less: Amortisation expense	6	(32,037)	-
Plus: Government stock purchased		541,513	-
		532,084	-
<b>Total Investments</b>		<b>4,882,084</b>	<b>2,522,608</b>

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' Deposits Act 1953.

**6. FINANCIAL INSTRUMENTS**

**Fair value of financial instruments**

The carrying value of all financial assets and liabilities reflect their fair value, with any resultant fair value gains or losses recognised in the Statement of Comprehensive Income.

The minimum exposure to credit risk of financial assets at fair value through profit or loss is \$532,084 (2009: \$522,608).

	2010 \$	2009 \$
<b>Changes in Fair Value</b>		
Realised (losses) on investments	(22,608)	-
Unrealised (losses) on investments	(9,429)	-
<b>Total</b>	<b>(32,037)</b>	<b>-</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**7. INTANGIBLES**

2010	At cost	Current year amortisation	Current year impairment loss	Accumulated amortisation	Carrying value
	\$	\$	\$	\$	\$
Software	112,932	10,841	-	105,704	7,228

2009	At cost	Current year amortisation	Current year impairment loss	Accumulated amortisation	Carrying value
	\$	\$	\$	\$	\$
Software	112,932	27,104	-	94,863	18,069

**8. TRADE AND OTHER RECEIVABLES**

	2010 \$	2009 \$
<b>Trade receivables</b>		
Premium due from policyholders and intermediaries	2,274,717	1,868,755
<b>Total trade receivables</b>	2,274,717	1,868,755
<b>Other receivables</b>		
Deferred acquisition costs	293,520	248,994
Accrued income	32,556	66,973
<b>Total other receivables</b>	326,076	315,967
<b>Total receivables</b>	2,600,793	2,184,722

**9. TRADE AND OTHER PAYABLES**

	2010 \$	2009 \$
Trade payables	513,041	198,063
Amounts due to reinsurers	671,682	296,919
Non-trade payables and accrued expenses	284,202	290,516
<b>Total trade and other payables</b>	1,468,925	785,498

**10. EMPLOYEE BENEFITS**

	2010 \$	2009 \$
Liability for annual and sick leave	6,587	16,999

**11. OUTSTANDING CLAIMS PROVISION**

	2010 \$	2009 \$
Central estimate of outstanding claims provision	845,560	226,713
Claim handling expenses	42,278	11,228
Claims incurred but not reported	126,834	33,685
<b>Gross outstanding claims provision</b>	1,014,672	271,626

The risk margin used to determine claims incurred but not reported included in gross outstanding claims is 15.0% (2009: 15.0%) of the central estimate.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**12. UNEARNED PREMIUM RESERVE**

	2010 \$	2009 \$
Unearned premium liabilities at the beginning of the financial year	2,589,640	1,311,011
<b>Movement in unearned premium</b>		
Deferral of premium on contracts written during the year	3,180,795	2,589,640
Earning of premiums deferred in prior years	(2,589,640)	(1,311,011)
<b>Unearned premium liabilities at the end of the financial year</b>	<b>3,180,795</b>	<b>2,589,640</b>

**13. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

2010	Loans and receivables \$	Financial assets at fair value through profit or loss \$	Financial liabilities at amortised cost \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	324,192	-	-	324,192
Trade and other receivables	2,307,273	-	-	2,307,273
Investment in term deposits	4,350,000	-	-	4,350,000
Investment in government stock	-	532,084	-	532,084
<b>Total financial assets</b>	<b>6,981,465</b>	<b>532,084</b>	<b>-</b>	<b>7,513,549</b>
Non-financial assets				415,473
<b>Total assets</b>				<b>7,929,022</b>
<b>Liabilities</b>				
Trade and other payables	-	-	1,475,512	1,475,512
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,475,512</b>	<b>1,475,512</b>
Non-financial liabilities				4,195,467
<b>Total liabilities</b>				<b>5,670,979</b>

2009	Loans and receivables \$	Financial assets at fair value through profit or loss \$	Financial liabilities at amortised cost \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	524,060	-	-	524,060
Trade and other receivables	1,935,728	-	-	1,935,728
Investment in term deposits	2,000,000	-	-	2,000,000
Investment in government stock	-	522,608	-	522,608
<b>Total financial assets</b>	<b>4,459,788</b>	<b>522,608</b>	<b>-</b>	<b>4,982,396</b>
Non-financial assets				342,312
<b>Total assets</b>				<b>5,324,708</b>
<b>Liabilities</b>				
Trade and other payables	-	-	802,497	802,497
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>802,497</b>	<b>802,497</b>
Non-financial liabilities				2,861,266
<b>Total liabilities</b>				<b>3,663,763</b>



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

**NOTES TO THE FINANCIAL STATEMENTS**

**14. CONTINGENCIES AND COMMITMENTS**

The Company had no capital commitments as at balance date.

There were no contingent liabilities at balance date (2009: \$Nil).

**Operating Lease Commitments**

	2010	2009
	\$	\$
Commitments under non-cancellable operating leases:		
Less than one year	98,863	98,725
Between one and five years	45,000	135,000
<b>Total Operating Lease Commitments</b>	<b>143,863</b>	<b>233,725</b>

**15. RELATED PARTIES**

The Head Office has charged the New Zealand branch for Treaty Reinsurance in the amount of \$518,473 (2009: \$200,991). 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 2010 the New Zealand branch owed the Head Office \$4,098,095 (2009: \$3,581,214).

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

**16. SUBSEQUENT EVENTS**

Subsequent to balance date, on the morning of Saturday, September 4<sup>th</sup> 2010, an earthquake of magnitude 7.1 occurred with the epicentre being 40 km west of Christchurch city, New Zealand, and the depth of the quake was 10 km. This has caused considerable damage to the Canterbury region of New Zealand to which the New Zealand Branch has some exposure. As of the date these accounts were authorised for issue by the Directors, an estimate of the financial effect cannot be made as the New Zealand Branch's exposure is yet to be assessed.

### 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 2009-2010
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
2009-10	88
2008-09	137
2007-08	138
2006-07	132
2005-06	134

10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority and shown in the balance sheet.
11. All investment assets are reviewed periodically and assets are classified into performing and non-performing based on IRDA norms.
12. It is hereby confirmed:
- (i) That in preparation of financial statements, the applicable accounting standards, principles and policies have been followed, except
    - a) The accounting of Tax Liability in Foreign Countries is made on cash basis, except London Branch, which is not in conformity with AS - 22 on Accounting for Taxes on Income.
    - b) Amortisation of additional actuarial liability for Pension, Gratuity and Leave Encashment on account of Special Voluntary Retirement Scheme as per guidelines given by I.R.D.A.
  - (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

  
**I. S. Phukela**  
Director

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

Place : Mumbai  
Date : June 29, 2010

**Certificate for the year ended 31<sup>st</sup> March, 2010 as required by Schedule 'C' of Insurance Regulatory & Development Authority Regulations, 2002 for Preparation of Financial Statements and Auditor's Report of Insurance Companies in case of The New India Assurance Company Limited.**

**We certify that:**

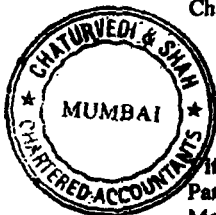
- 1 (a) We have verified Cash balances, to the extent considered necessary, and securities related to the Company's Loans and Investments, subject to paragraph (b) herein mentioned below, on following basis:

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

- (b) i) No confirmations were available from custodian in respect of following:
- Investments in equity shares having book value of Rs.1.32 lakhs are under objection.
  - Equity shares, and Debentures/ Bonds amounting to Rs.1.13 Lakhs, and Rs.55.01 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.17.02 lakhs, Rs. 2.29 lakhs, and Rs.8.67 lakhs respectively.
- iii) Investment in Term Loans, Loans to State Government for the purpose of Housing & Fire Fighting Equipments, Investments in Pass Through Certificates (PTC) and Balances on account of restructuring/rescheduling of debts are subject to confirmations/ reconciliations.
- iv) No confirmations were available in respect of foreign investments amounting to 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 CHATURVEDI & SHAH**  
Firm Registration no:101720W  
Chartered Accountants



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

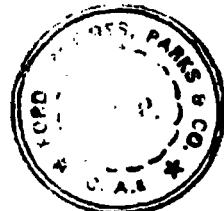
**For KARNAVAT & CO.**  
Firm Registration no:104863W  
Chartered Accountants

**Sameer B. Doshi**  
Partner  
Membership No.117987



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

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



Place : Mumbai  
Date : 29<sup>th</sup> June, 2010

## **AUDITORS' REPORT**

**To the Members,**

**The New India Assurance Company Limited**

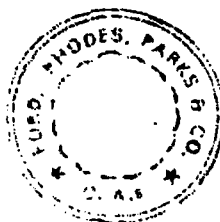
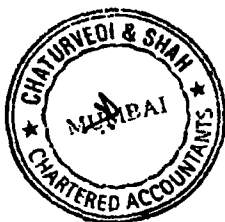
We have audited the attached Balance Sheet of The New India Assurance Company Limited (the Company) as at 31<sup>st</sup> March, 2010 and the annexed the revenue accounts of Fire, Marine and Miscellaneous Insurance Revenue Accounts (collectively known as 'Revenue Accounts'), Profit and Loss Account and Receipts and Payments Account of the Company for the year ended on that date, in which are incorporated (a) Returns from twenty-six Regional Offices, three hundred and ninety five Divisional Offices and eight Foreign Branches audited by other firms of Auditors appointed by the Central Government; (b) Return of one unaudited Foreign Branch; (c) Returns from seven foreign agencies audited by local auditors appointed by the Company; (d) Return of one unaudited foreign agency; and (e) Returns of two unaudited run-off foreign agencies.

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

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

**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 of non-availability of balance confirmations of some loans and investments (Refer Note number 9, notes to accounts in Schedule 16 B), we are unable to comment on the impact of adjustments arising out of reconciliation / confirmation of such balances on the financial statements.***
  - b. ***The historical/weighted average cost of listed and unlisted equity / equity related instruments / preference shares, the value of which were impaired on or before 31.03.2000 is not available with the Company. As a result, the***



*reversal of impairment losses recognized in Profit and Loss / Revenue account prior to 01.04.2000 has not been accounted for. 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),(c) and (d) 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 liabilities for operations in foreign branches. (Refer Notes to accounts note number 11 C 2(iii) in schedule 16 B)*
- 3. *The Company's internal audit system requires substantial strengthening in the areas of audit coverage and compliance.*
- 4. *Overall impact of the above Para 2 (a) to (d) and the consequential effects on Revenue Accounts, Profit and Loss Accounts and Reserve and Surplus as on 31<sup>st</sup> of March, 2010 are not ascertainable.*

**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 31<sup>st</sup> March, 2010, has been duly certified by the Company's Appointed Actuary and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuations are in accordance with guidelines and norms prescribed by the Insurance Regulatory and Development Authority (IRDA) and the Actuarial Society of India in concurrence with the IRDA.
- e. As per Circular Number 8/2002 dated 22.03.2002 of the Department Company Affairs, the directors of the Government Companies are exempt from applicability of the provisions of section 274 (1)(g) of the Companies Act, 1956.



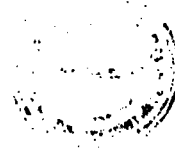
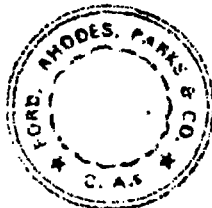
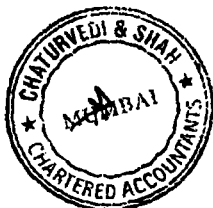
- f. The reports of the regional auditors consolidating divisional auditors' reports, reports of the foreign branches and foreign agencies auditors have been forwarded to us and considered by us and were adequate for the purposes of our audit.

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 said accounts read together with significant accounting policies and notes to accounts thereon have been drawn up in accordance with the applicable provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required and subject to paragraph 2(a) to (d) above give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:
- (i) of the state of affairs of the Company in so far it relates to the Balance Sheet as at 31<sup>st</sup> March, 2010;
  - (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 explanations given to us and to the best of our knowledge and belief, we certify that:

- a. We have reviewed the management report attached to the financial statements for the year ended 31st March, 2010 and there is no apparent mistake or material inconsistency with the financial statements; and

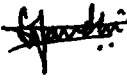


b.

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

For CHATURVEDI & SHAH  
Firm Registration no:101720W  
Chartered Accountants



  
Ash D. Gandhi  
Partner  
Membership No. 110248

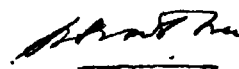
For KARNAVAT & CO.  
Firm Registration no:104863W  
Chartered Accountants



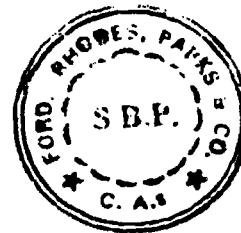
Sameer B. Doshi  
Partner  
Membership No.117987



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



Shrikant B. Prabhu  
Partner  
Membership No. 35296



Place: Mumbai  
Date: 29<sup>th</sup> June 2010



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Fire Insurance Revenue Account for the year ended 31st March, 2010**

Particulars	Schedule	Current year Rs (000)	Previous year Rs (000)
1.Premium earned (net)	1	10675820	9629244
2.Profit on sale or redemption of investments (policyholders)	-	784746	361649
Loss on sale or redemption of investments (policyholders)			
3.Interest dividend and rent (gross)	-	1050607	968074
<b>Total (A)</b>		<b>12511173</b>	<b>10958967</b>
1.Claims incurred (net)	2	10687797	6066838
2.Commission	3	1282719	1370519
3.Operating expenses related to insurance business	4	3596707	2933957
4.Others - Foreign taxes		194	186
Amortisation, writeoff, provisions - investments		973	(7901)
<b>Total (B)</b>		<b>15568390</b>	<b>10363599</b>
Operating profit/loss(-) C=(A-B)		<b>(3057217)</b>	595368
Appropriations			
Transfer to share holders account (profit and loss account)	-	<b>(3057217)</b>	595368
Transfer to catastrophic reserves	-		
Transfer to other reserves	-		
<b>Total</b>		<b>(3057217)</b>	<b>595368</b>

Significant accounting policies and notes to accounts

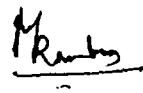
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As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all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

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

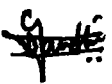
  
**A. R. Sekar**  
Director and Company Secretary

  
**I. S. Phukela**  
Director

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

As per our report of even date


**For CHATURVEDI & SHAH**  
Chartered Accountants

  
**Vitesh D. Gandhi**  
Partner  
Membership number 110248

Mumbai  
June 29, 2010

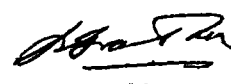


**For KARNAVAT & CO.**  
Chartered Accountants

  
**Sameer B. Doshi**  
Partner  
Membership number 117987



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

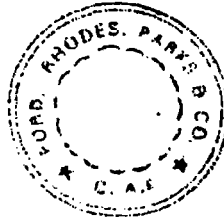
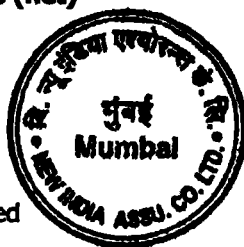
  
**Shrikant B. Prabhu**  
Partner  
Membership number 35296



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules to Fire Insurance Revenue Account for the year ended 31st March, 2010**

Particulars	Current year Rs (000)	Previous year Rs(000)
<b>Schedule 1 - Fire Premium Earned(net)</b>		
Premium from direct business - In India	9237825	7733267
- outside India	2881379	2250493
<b>Total</b>	<b>12119204</b>	<b>9983760</b>
Add: Premium on reinsurance accepted	4887509	5100461
Less: Premium on reinsurance ceded	6036542	4702755
Net premium	10970171	10381466
Adjustment for change in reserve for un-expired risks	294351	752222
<b>Total premium earned (net)</b>	<b>10675820</b>	<b>9629244</b>
<b>Schedule 2 - Fire Claims Incurred (Net)</b>		
Claims Paid Direct	5991657	5310381
Add: Claims on reinsurance accepted	3322733	2111806
Less: Claims on reinsurance ceded	3533475	2708633
Net claims paid	5780915	4713554
Add: Claims outstanding at end (net)	14260144	9353262
Less :Claims outstanding at beginning (net)	9353262	7999978
<b>Total incurred claims (net)</b>	<b>10687797</b>	<b>6066838</b>
<b>Schedule 3- Fire Commission (Net)</b>		
Commission - Direct	1321263	1129829
Add : Commission on reinsurance accepted	897403	939021
Less : Commission on reinsurance ceded	935947	698331
<b>Commission (net)</b>	<b>1282719</b>	<b>1370519</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	1003542	896069
Direct Brokerage	173296	132807
Corporate Agency Commission	144424	100953
<b>Referrals</b>		
<b>Total Commission</b>	<b>1321262</b>	<b>1129829</b>



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Marine Insurance Revenue Account for the year ended 31st March, 2010**

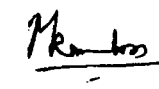
Particulars	Schedule	Current year Rs (000)	Previous Year Rs (000)
1.Premium earned (net)	1	2376571	2317695
2.Profit on sale or redemption of investments (policyholders)	-	302214	128731
Loss on sale or redemption of investments (policyholders)			
3.Interest dividend and rent (gross)	-	404600	344593
<b>Total (A)</b>		<b>3083385</b>	<b>2791019</b>
1.Claims Incurred (net)	2	1907526	2771112
2.Commission	3	190709	145463
3.Operating expenses related to insurance business	4	865810	778043
4.Others - Foreign taxes		104	131
Amortisation, writeoff, provisions - investments		375	(2813)
<b>Total (B)</b>		<b>2964524</b>	<b>3691936</b>
Operating profit/loss(-) C=(A-B)		<b>118861</b>	<b>(900917)</b>
Appropriations			
Transfer to share holders account (profit and loss account)	-	118861	(900917)
Transfer to catastrophic reserves	-		
Transfer to other reserves	-		
<b>Total</b>		<b>118861</b>	<b>(900917)</b>
Significant accounting policies and notes to accounts	★ 16		

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

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

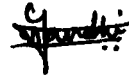
  
**A.R. Sekar**  
Director and Company Secretary

  
**I. S. Phukela**  
Director


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

As per our report of even date


**For CHATURVEDI & SHAH**  
Chartered Accountants

  
**Vitesh D. Gandhi**  
Partner  
Membership number 110248

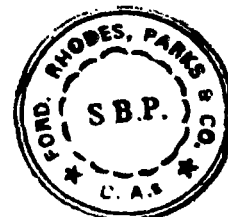
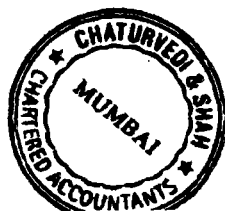
**For KARNAVAT & CO.**  
Chartered Accountants

  
**Sameer B. Doshi**  
Partner  
Membership number 117987

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

  
**Shrikant B. Prabhu**  
Partner  
Membership number 35296

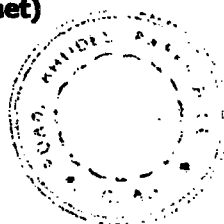
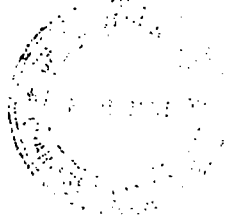
Mumbai  
June 29, 2010



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules to Marine Insurance Revenue Account for the year ended 31st March, 2010**

Particulars	Current year Rs (000)	Previous year Rs (000)
<b>Schedule 1 - Marine Premium Earned (Net)</b>		
Premium from direct business - in India	4743022	4460973
- outside India	503682	654877
<b>Total</b>	<b>5246704</b>	<b>5115850</b>
Add: Premium on reinsurance accepted	211840	217639
Less: Premium on reinsurance ceded	3168630	2956919
Net premium	2289914	2376570
Adjustment for change in reserve for un-expired risks	(86657)	58875
<b>Total premium earned (net)</b>	<b>2376571</b>	<b>2317695</b>
<b>Schedule 2 - Marine Claims Incurred (Net)</b>		
Claims paid direct	3704177	2037690
Add: Claims on reinsurance accepted	185081	129426
Less: Claims on reinsurance ceded	1787818	510617
Net claims paid	2101440	1656499
Add: Claims outstanding at end (net)	3030569	3224483
Less : Claims outstanding at beginning (net)	3224483	2109870
<b>Total incurred claims (net)</b>	<b>1907526</b>	<b>2771112</b>
<b>Schedule 3 - Marine Commission (Net)</b>		
Commission - Direct	412821	441040
Add : Commission on reinsurance accepted	32955	25929
Less : Commission on reinsurance ceded	255067	321506
<b>Commission (net)</b>	<b>190709</b>	<b>145463</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	310767	361213
Direct Brokerage	100034	77249
Corporate Agency Commission	2020	2578
Referrals		
<b>Total Commission (net)</b>	<b>412821</b>	<b>441040</b>



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]


**Miscellaneous Insurance Revenue Account for the year ended 31st March, 2010**

Particulars	Schedule	Current year Rs (000)	Previous year Rs (000)
1.Premium earned (net)	1	44056179	40546023
2.Profit on sale or redemption of investments (policyholders)	-	4115806	2042894
Loss on sale or redemption of investments (policyholders)			
3.Interest dividend and rent (gross)	-	5510182	5468490
<b>Total (A)</b>		<b>53682167</b>	<b>48057407</b>
1.Claims incurred (net)	2	38729174	37880746
2.Commission	3	4140249	4092281
3.Operating expenses related to insurance business	4	12898123	10838118
4.Others - Foreign taxes		6960	14128
Amortisation, writeoff, provisions - investments		5106	(44629)
<b>Total (B)</b>		<b>55779612</b>	<b>52780644</b>
Operating profit/loss(-) C=(A-B)		<b>(2097445)</b>	<b>(4723237)</b>
<b>Appropriations</b>			
Transfer to share holders account (profit and loss account)	-	(2097445)	(4723237)
Transfer to catastrophic reserves	-		
Transfer to other reserves	-		
<b>Total</b>		<b>(2097445)</b>	<b>(4723237)</b>

Significant accounting policies and notes to accounts 16

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

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

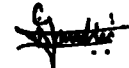
  
**A. R. Sekar**  
Director and Company Secretary

  
**I. S. Phukela**  
Director

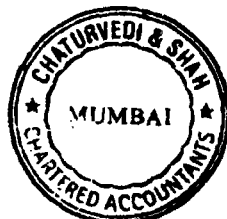
  
**M. Ramadoss**  
Chairman-Cum- Managing Director

As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

  
**Vitesh D. Gandhi**  
Partner  
Membership number 110248

Mumbai  
June 29, 2010




**For KARNAVAT & CO.**  
Chartered Accountants

  
**Sameer B. Doshi**  
Partner  
Membership number 117987



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

  
**Shrikant B. Prabhu**  
Partner  
Membership number 35296



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules to Miscellaneous Insurance Revenue Account for the year ended 31st March, 2010**

Particulars	Current year Rs (000)	Previous year Rs (000)
<b>Schedule 1 - Miscellaneous Premium Earned (Net)</b>		
Premium from direct business - In India	46444289	42894086
- outside India	7181214	6564194
<b>Total</b>	<b>53625503</b>	<b>49458280</b>
Add: Premium on reinsurance accepted	7362151	6263251
Less: Premium on reinsurance ceded	14221143	13476514
Net premium	46766511	42245017
Adjustment for change in reserve for un-expired risks	2710332	1698994
<b>Total premium earned (net)</b>	<b>44056179</b>	<b>40546023</b>
<b>Schedule 2 - Miscellaneous Claims Incurred (Net)</b>		
Claims paid direct	42877183	40892153
Add: Claims on reinsurance accepted	2525695	1157699
Less: Claims on reinsurance ceded	9037981	8486973
Net claims paid	36364897	33562879
Add: Claims outstanding at end (net)	57971065	55606788
Less : Claims outstanding at beginning (net)	55606788	51288921
<b>Total incurred claims (net)</b>	<b>38729174</b>	<b>37880746</b>
<b>Schedule 3 - Miscellaneous Commission (Net)</b>		
Commission - Direct	5472449	5360117
Add : Commission on reinsurance accepted	932969	781081
Less : Commission on reinsurance ceded	2265169	2048917
<b>Commission (net)</b>	<b>4140249</b>	<b>4092281</b>
<b>Break-up of Commission Direct</b>		
Direct Commission	4507461	4450712
Direct Brokerage	496123	471096
Corporate Agency Commission	468865	438309
Referrals		
<b>Total Commission</b>	<b>5472449</b>	<b>5360117</b>




**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Profit and Loss Account for the year ended 31st March, 2010**


Particulars	Schedule	Current year Rs (000)	Previous year Rs (000)
1. Operating profit/loss (-)			
a. Fire Insurance	-	(3057217)	595368
b. Marine Insurance	-	118861	(900917)
c. Miscellaneous Insurance	-	(2097445)	(4723237)
2. Income from investments			
a. Interest dividend and rent (gross) - shareholders	-	5289263	5426859
b. Profit on sale of investment - shareholders	-	3950791	2027342
Less: Loss on sale of investment - shareholders	-		
3. Other income misc receipts - credit balances written back		159244	497838
<b>Total (A)=1+2+3</b>		<b>4363497</b>	<b>2923253</b>
4. Provisions(other than taxation)			
a. Others - amortisation, provision for thinly traded shares - shareholders	-	45517	47638
b. For doubtful debts - Investments(shareholders)	-	(37245)	(74422)
c. For doubtful debts - operations	-	775134	0
d. For diminution in value of investments (shareholders)	-	(3371)	(17505)
5. Other expenses(other than those related to insurance business)			
a. Others - interest on income/service tax	-	3380	48
b. Profit/loss (-) on sale of assets	-	(13658)	(4970)
c. Penalty for breach of tariff	-	1000	200
<b>Total (B)=(4+5)</b>		<b>770757</b>	<b>(49011)</b>
<b>Profit before tax (A-B)</b>	-	<b>3592740</b>	<b>2972264</b>
Provision for taxation - current tax	-	537954	690665
fringe benefit tax	-	0	405000
deferred tax	-	(712735)	(131491)
earlier years tax	-	0	106536
wealth tax	-	5800	5100
MAT Credit entitlement	-	(285000)	(345000)
<b>Profit after tax</b>	-	<b>4046721</b>	<b>2241454</b>
Appropriations			
a. Proposed final dividend	-	850000	450000
b. Dividend distribution tax.	-	144458	76478
c. Contingency Reserves for Unexpired Risks (refer note number 17 to notes to accounts in Schedule 16 B)	-	0	449500
d. Transfer to general reserves	-	3052263	1265476
<b>Profit/loss (-) carried forward to the balance sheet</b>	-	<b>0</b>	<b>0</b>
Basic and diluted earnings per share (Rs.) {Refer Note 11 B to notes to accounts in Schedule 16 B}		20.23	11.21

Significant accounting policies and notes to accounts  
The Schedules referred to above form integral part of the Profit and Loss Account

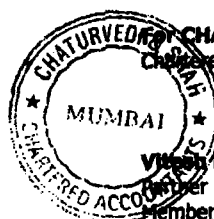
16

  
**A. R. Sagar**  
Director and Company Secretary

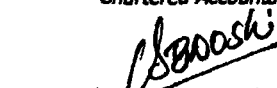
  
**I. S. Phule**  
Director

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

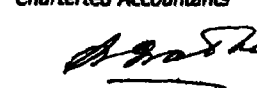
As per our report of even date

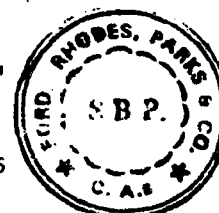
  
**CHATURVEDI & SHAH**  
Chartered Accountants  
**Vijay D. Gandhi**  
Partner  
Membership number 110248

For **KARNAVAT & CO.**  
Chartered Accountants

  
**Sameer B. Doshi**  
Partner  
Membership number 117987

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

  
**Shrikant B. Prabhu**  
Partner  
Membership number 35296



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Balance Sheet as at 31st March, 2010**

Particulars	Schedule	Current year Rs (000)	Previous year Rs (000)
<b>A. Sources of Funds</b>			
1. Share Capital	5 & 5A	2000000	2000000
2. Reserves and Surplus	6	72302068	71221519
3. Fair Value Change Account	-	156417365	74172943
4. Borrowings	7	0	0
<b>Total A</b>		<b>230719433</b>	<b>147394462</b>
<b>B. Application of Funds</b>			
1. Investments	8	262032190	177675725
2. Loans	9	5593472	5938624
3. Fixed Assets	10	1621507	1581706
4. Deferred Tax Assets		945789	233054
5. Current Assets			
a. Cash and Bank Balances	11	43651882	33208377
b. Advances and Other Assets	12	54484215	50670163
<b>Sub total(a+b)</b>		<b>98136097</b>	<b>83878540</b>
c. Current Liabilities	13	94805749	86217083
d. Provisions	14	42803873	35696104
<b>Sub total(c+d)</b>		<b>137609622</b>	<b>121913187</b>
<b>Net Current Assets (a+b-c-d)</b>		<b>(39473525)</b>	<b>(38034647)</b>
6. Miscellaneous Expenditure (to the extent not written off or adjusted)	15	0	0
<b>Total B</b>		<b>230719433</b>	<b>147394462</b>

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

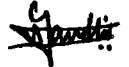
  
**A. R. Sekar**  
Director and Company Secretary

  
**I. S. Phukela**  
Director

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

As per our report of even date

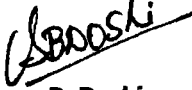
**For CHATURVEDI & SHAH**  
Chartered Accountants

  
**Vitesh D. Gandhi**  
Partner  
Membership number 10248

Mumbai  
June 29, 2010

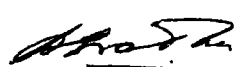


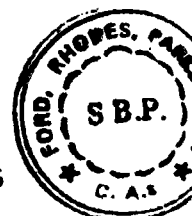
**For KARNAVAT & CO.**  
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Partner  
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**For FORD, RHODES, PARKS & CO.**  
Chartered Accountants

  
**Shrikant B. Prabhu**  
Partner  
Membership number 35296





**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]



**Schedules for the year ended 31st March, 2010**

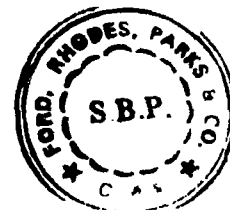
Particulars	Current year Rs (000)	Previous year Rs (000)
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**Schedule - 4**

**Operating expenses related to insurance business**

1. Employees remuneration and welfare benefits	11626294	10954031
2. Travel conveyance and vehicle running expenses	424465	405897
3. Training expenses	25671	24541
4. Rent rates and taxes	672114	553050
5. Repairs and maintenance	454485	444071
6. Printing and stationery	334902	302170
7. Communication expenses	451057	308385
8. Legal and professional charges	318539	351710
(Outsourcing expenses) - TPA Fees (Refer Note No.16 in Sch 16B)	0	697502
9. Auditors fees, expenses etc. as Auditor	39389	37129
Auditors fees, expenses etc. as Advisor or other Capacity - Taxation	0	0
Auditors fees, expenses etc. as Advisor or other Capacity - Insurance	0	0
Auditors fees, expenses etc. as Advisor or other Capacity - Mgt Services	0	0
Auditors fees, expenses etc. In other Capacity	0	0
10. Advertisement and publicity	283423	225307
11. Interest and bank charges	53193	83381
12. Others - Exchange gain(-)/loss	102882	(100645)
Provision for bad and doubtful debts	2129	(15382)
IT implementation	120482	101039
Input service tax recovery	852267	(1102342)
Other taxes	213429	230607
Others	766026	567813
13. Depreciation	619893	481854
<b>Total</b>	<b>17360640</b>	<b>14550118</b>

Apportioned to fire segment	3596707	2933957
Apportioned to marine segment	865810	778043
Apportioned to miscellaneous segment	12898123	10838118
<b>Total</b>	<b>17360640</b>	<b>14550118</b>



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules for the year ended 31st March, 2010**

Particulars	Current year Rs (000)	Previous year Rs (000)
<b>Schedule - 5</b>		
<b>Share Capital</b>		
1. Authorised capital		
30,00,00,000 (Previous Year 30,00,00,000) Equity shares of Rs 10 each	30000000	30000000
2. Issued capital		
20,00,00,000 (Previous Year 20,00,00,000) Equity shares of Rs 10 each	20000000	20000000
3. Subscribed capital		
20,00,00,000 (Previous Year 20,00,00,000) Equity shares of Rs 10 each	20000000	20000000
4. Called up capital		
20,00,00,000 (Previous Year 20,00,00,000) Equity shares of Rs 10 each	20000000	20000000
<b>Total</b>	<b>20000000</b>	<b>20000000</b>

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

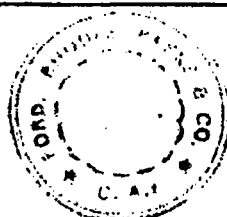
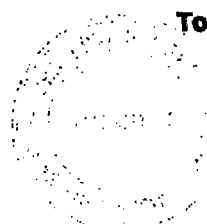
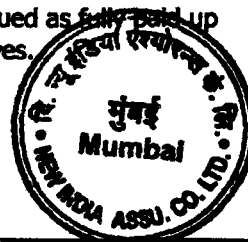
**SCHEDULE 5A**

**Pattern of Shareholding**

(As Certified by Management)

Numbers in (000)

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



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

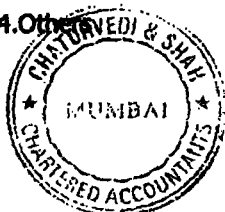
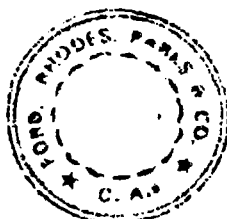
**Schedules for the year ended 31st March, 2010**

Particulars	Current year Rs (000)	Previous year Rs (000)
<b>Schedule 6</b>		
<b>Reserves and surplus</b>		
1. Capital reserve (Op. balance)	575	575
Addition during the year		
Deduction during the year		
(Cl.balance)	575	575
2. Capital redemption reserve		
3. Share premium		
4. General reserves (Op. balance)	68987199	67721719
Addition during the year - balance transferred from P & L account	3052263	1265476
Transfer from Investment Reserve		
Net deduction during the year (refer note no 11 D)		
(Cl. balance)	72039462	68987195
5. Catastrophe reserve		
6. Other reserves		
a. Foreign currency translation reserve		
Opening balance	1784249	5741
Addition during the year (Refer note no 18 to notes to accounts in schedule 16 B)	(1971718)	1778508
Deduction during the year		
(Cl.balance)	(187469)	1784249
b. Contingency reserves for unexpired risks (refer note number 17 to notes to accounts in Schedule 16 B)	449500	449500
7. Balance of profit in profit and loss account		
<b>Total</b>	<b>72302068</b>	<b>71221519</b>

**Schedule 7**  
**Borrowings**

1. Debentures / bonds
2. Banks
3. Financial institutions
4. Other

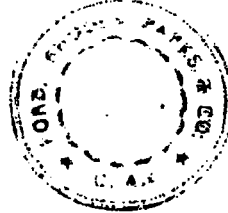
**Total**      **NII**      **NII**



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules for the year ended 31st March, 2010**

Particulars	Current year Rs (000)	Previous year Rs (000)
<b>Schedule 8</b>		
<b>Investments</b>		
<b>Long term investments</b>		
1. Government securities		
Central Government securities	28714927	29985499
State Government securities	10535199	10956967
Foreign Government Securities	1598977	2233531
2. Other approved securities	359516	372474
3. Other Investments		
a. Shares		
aa. Equity	178032651	94524937
Equity share odd lots		
bb. Preference		
Preference shares	8	795319
Preference shares of railways in India		
b. Mutual funds		
c. Derivative instruments		
d. Debentures/Bonds/PTCs		
Debentures in India	11204373	7987138
Other Debentures - Foreign	67827	123849
e. Other Securities (to be specified)		
Foreign shares		
Foreign preference shares	17	17
Foreign securities		
Special deposit with Government of India		
f. Subsidiaries	595564	595564
g. Investment properties (real estate)		
4. Investment in Infrastructure and social sector	16021047	16673417
5. Investment in housing bonds	3624904	4780646
6. Other than approved Investments	3549255	4178175
<b>Total</b>	<b>254304265</b>	<b>173207533</b>



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules for the year ended 31st March, 2010**

Particulars	Current year Rs (000)	Previous year Rs (000)
<b>Schedule 8 continued</b>		
<b>Short term investments</b>		
1. Government securities		
Central Government. securities	2162253	328001
State Government. securities	488831	855253
Government. Guaranteed securities		
Foreign Government securities	345448	84299
2. Other approved securities	11467	473461
3. Other investments		
a. Shares		
aa. Equity		
Equity share odd lots		
bb. Preference		
b. Mutual funds		
c. Derivative Instrument		
d. Debentures/Bonds/PTCs	1067445	
Debentures in India		
Other debentures Foreign		
e. Other securities		
Special deposit with Government. of India		
f. Subsidiaries		
g. Investment properties (real estate)		
4. Investment in infrastructure and social sector	1903848	1143322
5. Investment in housing bonds	1748633	1583856
6. Other than approved investments		
<b>Total</b>	<b>7727925</b>	<b>4468192</b>
<b>Grand Total</b>	<b>262032190</b>	<b>177675725</b>
<b>Investments</b>		
1. India	259213782	174426887
2. Outside India	2818408	3248838
<i>Investment in Associates included in equity above</i>	182509	182509
<i>Aggregate amount of Companies Investments in other than listed equity shares Book Value</i>	638400	620024
<i>Market value</i>	665568	594248
<p><i>FTTL Preference Shares (LTUA) amounting to Rs.31806328 (P.Y. Rs.32299278) is netted against interest suspense of an equal amount. FTTL Debentures amounting to Rs.28341975 (P.Y. Rs.46329791) are netted against interest suspense of an equal amount. Equity Shares (LTUA) amounting to Rs.6481537 (P.Y. Rs.6205687) is netted against interest suspense of an equal amount. Preference Shares (LTUA) amounting to Rs.122693109 (P.Y. Rs.123055576) is netted against interest suspense of an equal amount.</i></p>		
<p><i>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 8</i></p>		
Debentures - Standard Provisions	50961	34055
Housing Sector Bonds - Standard Provisions	21503	25465
Infrastructure Investments - Standard Provisions	71769	71323
Investments In OAS - Standard Provisions	1484	3384
Other than approved Investments	598040	651552
Equity - Thinly traded and unlisted equity - diminution in value	26881	25776
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 Finance Agency (Foreign & France)	1838	1838
<b>Total</b>	<b>774303</b>	<b>815220</b>



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules for the year ended 31st March, 2010**

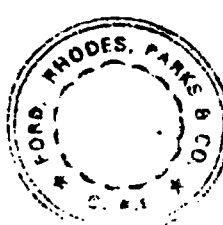
Particulars	Current year Rs(000)	Previous year Rs(000)
<b>Schedule 9</b>		
<b>Loans</b>		
1. Security-wise classification		
Secured		
a. On mortgage of property		
aa. In India		
Loan against mortgage of property		
Housing, vehicle and computer loans to employees	2321693	2451200
Direct Term Loans	1316027	1375848
bb. Outside India housing, vehicle loan to employees	5846	6740
b. On shares, bonds, Government securities		
c. Others		
Loans guaranteed by banks/governments-		
loans to State Government housing, FFE Loans to Hudco	1771827	1921643
Unsecured (Term loans, bridge loans, short-term loans, Term Loan PFPS)	178079	183193
Total	5593472	5938624
2. Borrower-wise classification		
a. Central and State Governments(term loans, housing and FFE)	1499493	1649309
b. Banks and financial institutions		
c. Subsidiaries		
d. Industrial undertakings(term loans,bridge loans, short-term loans, loans to PFPS)	1322335	1361413
e. Others - Housing loans,vehicle loans, computer loans to employees	2327539	2457940
HUDCO, Term loans and PFPS	444105	469962
Total	5593472	5938624
3. Performance-wise classification		
a. Loans classified as standard		
aa. In India:Term loans, bridge loans, State Government housing and	1872604	2053499
loans to HUDCO, PFPS	2321693	2451200
Housing, vehicle and computer loans to employees		
bb. Outside India (loans to employees)	5846	6740
b. Non-performing loans less provisions		
aa. In India (term loans, bridge loans, short-term loans, loans PFPS)	1393329	1427185
bb. Outside India		
Total	5593472	5938624
4. Maturity-wise classifications		
a. Short-term (term loans, direct bridge loans, short-term loans, term loans PFPS)		
b. Long-term		
(term loans direct, loans State Government housing and FF, loans to HUDCO and loans PFPS)	3265933	3480684
Housing, vehicle, and computer loans to employees.	2327539	2457940
Total	5593472	5938624



FTTL PFPS amounting to Rs.1017014127 (P.Y. Rs.909704970) and FTTL Short Term Loan amounting to Rs.1675199 (P.Y. Rs.1675199) and Direct Term Loans amounting to Rs.46799876 (P.Y. 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	558	650
Direct Term Loans (Investments)	26453	32259
Bridge Loan Investments	400	400
Term Loans PFPS std.provision	161	193
Term Loans PFPS	1035520	1065583
Short Term Loans Investments	89469	97503
Loans to HUDCO std. Provision	1089	1089
Housing Loans to State Govts. - std.provision	5378	5892
Housing Loans to State Govts.	74089	73401
FFE Loans to State Govts. - std.provision	304	390
FFE Loans to State Govts.	4858	4858
Total	1238249	1282318



**The New India Assurance Company Limited**  
Registration Number 190 and Date of Renewal with IRDA 10.03.2010

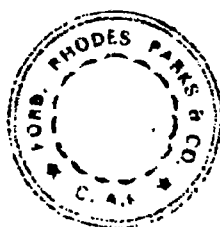
**Schedule for the year ended 31-03-2010**

**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
	01/04/2009	During 2009-2010		31/03/2010	01/04/2009	During 2009-2010		31/03/2010	31/03/2010	01/04/2009
Intangibles	414893	299717	0	714410	103673	203579	0	307252	407158	311020
Land Freehold	14892	1199	0	16091	0	0	0	0	16091	14892
Buildings	1290514	49449	1613	1338350	687741	36120	1218	722643	615707	602773
Furnitures & Fittings	439756	14342	5759	448339	369137	15218	2538	381817	66522	70619
Information & Technology Equipments	2088299	214857	63067	2240089	1812730	278741	59657	2031814	208275	275569
Vehicles	585395	100573	79160	606808	334516	74948	52335	357129	249679	250879
Office Equipments	116685	1817	2568	115934	101575	2949	3649	100875	15059	15110
Other Assets	238926	15248	8999	245175	198082	8338	4261	202159	43016	40844
<b>Grand Total</b>	<b>5189160</b>	<b>697202</b>	<b>161166</b>	<b>5725196</b>	<b>3607454</b>	<b>619893</b>	<b>123658</b>	<b>4103689</b>	<b>1621507</b>	<b>1581706</b>
<b>Previous Year</b>	<b>4326203</b>	<b>975569</b>	<b>112612</b>	<b>5189160</b>	<b>3173774</b>	<b>481854</b>	<b>48173</b>	<b>3607455</b>	<b>1581705</b>	<b>1152429</b>

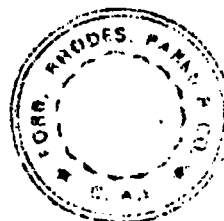
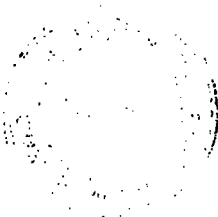
\*The Figures are inclusive of appreciation/depreciation due to foreign currency fluctuation



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules for the year ended 31st March, 2010**

Particulars	Current year Rs(000)	Previous year Rs(000)
<b>Schedule 11</b>		
<b>Cash and Bank balances</b>		
1. Cash (including cheques ,drafts and stamps)	2369001	1423502
2. Bank balances		
a. Deposit accounts		
aa.Short - term (due within 12 months)	7321538	3560028
bb.Others	22140702	21929250
b. Current accounts	5731458	3972118
3. Money at call and short notice		
With banks	1120386	956351
With other institutions	4968797	1367128
<b>Total</b>	<b>43651882</b>	<b>33208377</b>
<b>Cash and bank balances IN INDIA</b>	<b>18022143</b>	<b>8266722</b>
<b>Cash and bank balances OUTSIDE INDIA</b>	<b>25629739</b>	<b>24941655</b>
<b>Total</b>	<b>43651882</b>	<b>33208377</b>
<i>1 above includes remittance in transit</i>	5796	12754
<i>Balances with non scheduled banks included in 2b above</i>	173053	437442
<i>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 11</i>		
<i>Foreign balances included in 2abb above (France 911897)</i>	27830	31113
<i>Foreign balances included in 2b above (France 911897)</i>	8602	9616
<i>Indian balances included in 2b above</i>	94745	70868
<b>Total</b>	<b>131177</b>	<b>111597</b>





The New India Assurance Company Limited  
[Registration No.190, Renewal Date 10.03.2010]

Schedules for the year ended 31st March, 2010

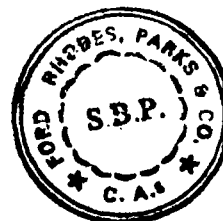


Particulars	Current year Rs(000)	Previous year Rs(000)
<b>Schedule 12</b>		
<b>Advances and other assets</b>		
<b>A. Advances</b>		
1. Reserve deposits with ceding companies	151072	159704
2. Application money for investments	50000	0
3. Pre-payments	320363	317912
4. Advances to directors / officers	0	0
5. Advance tax paid and taxes deducted at source (net of provision for taxation)	13530555	12145088
6. Others	573967	182151
<b>Total (A)</b>	<b>14625957</b>	<b>12804855</b>
<b>B. Other assets</b>		
1. Income accrued on investments	2724594	2503584
2. Outstanding premiums	908726	898644
3. Agents balances	899830	780800
4. Foreign agencies balances	649244	1161296
5. Due from other entities carrying insurance business (including reinsurers)	32025404	29626214
6. Due from subsidiaries/holding companies	494	524
7. Deposit with R B I pursuant to section 7 of Insurance Act 1938	107518	107520
8. Others - a. Other accrued income	506789	610319
b. Others including sundry debtors	2035659	2176407
<b>Total (B)</b>	<b>39858258</b>	<b>37865308</b>
<b>TOTAL(A+B)</b>	<b>54484215</b>	<b>50670163</b>

Sundry Debtors amounting to Rs 22056782(P.Y. Rs.39447275) 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 B8b above	494	494
Foreign balances included in A1 above (France 911871 & 673)	10137	11333
Foreign balances included in B1 above (France 911897)	123	137
Foreign balances included in B3 above (Fiji, Mauritius, Bangkok, Japan, Hongkong)	26431	20314
Foreign balances included in B4 above (Manila & Dubai)	12676	12840
Foreign balances included in B5 above (Mauritius, Singapore, France)	1843	1909
Foreign balances included in B6 above (Ghana, TMT, Kuala Lumpur)	453	556
Foreign balances included in B8b above (Equatorial Bank London)	4144	2152
Indian/Miscellaneous debtors included in B3 above	8144	0
Indian Reinsurance Balances/Miscellaneous debtors included in B5 above	600000	19706
Indian Coinsurance Balances/Miscellaneous debtors included in B5 above	15219	0
Indian miscellaneous debtors included in B8b above	82323	59136
Indian miscellaneous debtors included in B4 above	175134	0
Indian miscellaneous debtors included in B8b above (TCS)	18554	0
Sundry debtors (account 5192) Investments Indian included in B8 above - Std. provision	0	200
Sundry debtors (account 5192) Investments Indian included in B8 above	3851	3851
Sundry debtors(account 5192) Investments(F) Indian included in B8 above	664	756
Income accrued on Investments(account 5131) Indian included in B1 above	5	4
<b>Total</b>	<b>1956287</b>	<b>1129480</b>



**The New India Assurance Company Limited**  
[Registration No.190, Renewal Date 10.03.2010]

**Schedules for the year ended 31st March, 2010**

Particulars	Current year Rs(000)	Previous year Rs(000)
<b>Schedule 13</b>		
<b>Current Liabilities</b>		
1. Agents balances	465286	558061
2. Balances due to other Insurance companies	11211214	12209338
3. Deposits held on reinsurance ceded	14787	60224
4. Premium received in advance	535671	747151
5. Un-allocated premium		
6. Sundry creditors - Other than service tax payable	5803549	3865395
Service tax payable	98375	2735
7. Due to subsidiaries / holding company	0	60780
8. Claims outstanding	75261778	68184534
9. Due to officers/directors		
10. Others	1415089	528865
<b>Total</b>	<b>94805749</b>	<b>86217083</b>

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

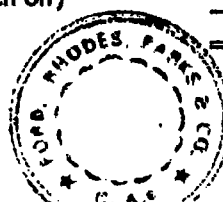
Indian balances included in 1 above	443	7513
Indian balances included in 4 above	16663	31053
Indian balances included in 6 above	8419	4495
Reinsurance balances included in 8 above	1123	1123
Foreign balances included in 2 above (Singapore, France)	2307	2512
<b>Total</b>	<b>28955</b>	<b>46696</b>

**Schedule 14**  
**Provisions**

1. Reseve for un-expired risks	31158340	28240313
2. Provision for taxation (net of payment of taxes)		
3. Provision for proposed dividend	850000	450000
4. Provision for dividend distribution tax	144458	76478
5. Others - Reserve for bad and doubtful debts.	4100266	3357710
Provision for diminution in value of thinly traded/unlisted shares	28709	27603
Provision for Wage Arrears	3645000	1225000
Provision for Leave Encashment	2877100	2319000
<b>Total</b>	<b>42803873</b>	<b>35696104</b>

**Schedule 15**  
**Miscellaneous Expenditure**

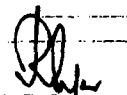
1. Discount allowed in issue of shares and debentures	0	0
2. Others	0	0
(Deferred expenses to the extent not written off)		
<b>Total</b>	<b>0</b>	<b>0</b>



**The New India Assurance Company Limited**  
[Registration No.190, Renewal date 10.03.2010]

**Receipts & Payments Account /Cash Flow Statement for the period 01.04.2009 to 31.03.2010**

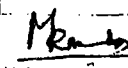
Description	Amount in Rs (000) Current Year	Amount in Rs (000) Previous Year
<b>Operating Activities</b>		
Profit Appropriated to General Reserve	3,052,263	1,265,476
<b>Adjustments for Non-Cash Items</b>		
Unexpired Risks Reserves	2,918,026	2,510,091
Sp. Cont. Reserves	-	449,500
Provisions -Outstanding Claims	7,077,245	6,785,764
Depreciation	619,893	481,854
Provision- Dividend and Dividend tax	994,458	526,478
Provision for Taxes - Indian	258,754	862,301
Deferred Tax	(712,735)	(131,491)
Earlier Year Tax	-	(106,536)
Reserve for Doubtful debts	979,350	108,320
Foreign Currency Translation Reserve	(1,971,718)	1,778,508
Other Provisions - Outstanding Exps	2,865,864	802,682
Prepaid Expenses	(2,451)	(116,966)
Profit or Loss on Sale of Asset	(13,658)	(4,970)
Balances Written Back	(145,017)	(564,923)
	<b>15,920,274</b>	<b>14,848,088</b>
<b>Items considered separately</b>		
Investment Items - Interest Dividend & Rent	(12,254,652)	(12,208,016)
Investment Items - Profit on sale of Investments	(9,153,557)	(4,560,616)
Provision for thinly traded shares	1,105	2,654
Provision for Bad Debts	(86,292)	(167,422)
Impairment	(7,811)	(39,380)
Amortisation	104,353	104,516
<b>Total</b>	<b>(8,476,580)</b>	<b>(2,222,176)</b>
<b>Net Increase /Decrease in Current assets</b>	<b>(1,300,707)</b>	<b>(7,951,987)</b>
<b>Net Cash Flow from Operating Activities Before Tax</b>	<b>(8,777,287)</b>	<b>(10,184,163)</b>
<b>Net Tax Expense - Indian</b>	<b>(1,016,752)</b>	<b>(1,699,977)</b>
<b>Net Cash Flow from Operating Activities After Tax</b>	<b>(7,794,039)</b>	<b>(11,884,140)</b>
<b>Investing Activities</b>		
Interest, Dividend and Rent	12,033,642	12,362,688
Net Increase/decrease in Investments (Adj amortisation/ impairment)	7,031,264	7,728,648
Net Increase/decrease in Loans	345,162	639,023
Net Additions to Assets	(646,036)	(906,159)
<b>Net Cash Flow from Investing Activities</b>	<b>18,764,022</b>	<b>19,824,200</b>
<b>Financing Activities</b>		
Dividend Paid	(526,478)	(3,310,959)
<b>Increase/Decrease in Cash and Bank Balances during the year</b>	<b>10,443,505</b>	<b>4,629,101</b>
Cash and Bank Balances as per Schedule 11 at the end of the period	43,651,882	33,208,377
Cash and Bank Balances as per Schedule 11 at the beginning of the period	33,208,377	28,579,276
	<b>10,443,505</b>	<b>4,629,101</b>

  
A. R. Sekar

Director and Company Secretary

  
I. S. Phule

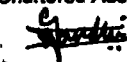
Director

  
M. Ramadoss

Chairman-Cum- Managing Director

As per our report of even date

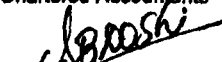
For CHATURVEDI & SHAH  
Chartered Accountants



Vitesh D. Gandhi  
Partner  
Membership number 110248

Mumbai  
June 29, 2010

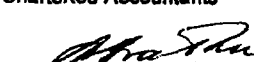
For KARNAVAT & CO.  
Chartered Accountants



Sameer B. Doshi  
Partner  
Membership number 117987



For FORD, RHODES, PARKS & CO  
Chartered Accountants



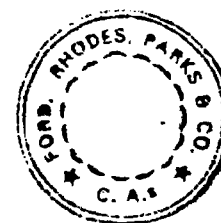
Shrikant Prabhu  
Partner  
Membership number 35296





# SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2010 - INDIAN

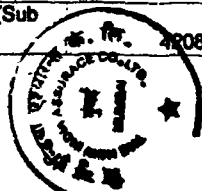
Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Total Misc.	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	9237825	7733268	1960131	1751728	2782891	2708246	4743022	4460974	46444290	42894087
Premium Accepted	688634	593297	25	1089	54010	73306	54035	74395	6358447	5797000
Premium Ceded	-4118279	-3128488	-533023	-484398	-2536450	-2368175	-3069473	-2852573	-13465797	-12966578
Net Premium	5806180	5198077	1427133	1268419	300461	414377	1727584	1682796	39338235	36724609
Unexpired Risk Reserve Opening	2599039	2475709	1268419	1442078	414377	345662	1682796	1787740	17412750	16218686
Unexpired Risk Reserve Closing	-2903090	-2599039	-1427132	-1268419	-300452	-414377	-1727584	-1682796	-19669203	-17412750
Net Earned Premium	6602129	6074747	1268420	1442078	414376	345662	1682796	1787740	37081782	34530445
Profit on Realisation of Investment	783667	361115	174162	91114	127836	37427	301798	128541	4113576	2042023
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	943698	869502	209728	219387	153701	90118	363429	309505	5289244	5307606
Investment Provisions	-898	7974	-200	2012	-146	826	-346	2838	-4950	44748
Total Investment Income	1728467	1236591	363690	312513	281191	128371	864881	440894	9397871	7394377
Claims Paid Direct	4528370	4314281	1396020	1350856	1773335	447821	3169355	1798677	38578378	36918572
Claims Paid Accepted	575781	230364	1552	3427	141680	80518	143232	83945	2035671	795023
Claims Paid Ceded	-1677319	-1315633	-357585	-230356	-1040508	-146832	-1398093	-377188	-8623615	-8159909
Net Claim Paid	3426832	3229012	1039987	1123927	874507	381507	1914494	1506494	31990434	29553686
CI O/S Claims Direct	15832571	12759581	2108101	1993505	4925390	4764620	7033491	6758125	58063049	56970371
CI O/S Claims Accepted	1001876	1189025	0	0	249431	143969	249431	143969	13359179	8316543
CI O/S Claims Ceded	-7137299	-9345428	-764945	-790660	-3924822	-3341223	-4689767	-4131863	-19394531	-15593328
Net CI. O/S Claim	9697148	4603178	1343156	1202845	1249999	1567386	2593155	2770231	52027697	49693586
Op O/S Claims Direct	-12759581	-9966235	-1993505	-1869728	-4764620	-2463662	-6758125	-4333360	-56970371	-57287413
Op O/S Claims Accepted	-1189025	-1024990	0	0	-143989	-47610	-143989	-47610	-8316543	-2800612
Op O/S Claims Ceded	9345428	7528913	790660	801214	3341223	1911558	4131883	2712772	15593328	14519476
Net Op. O/S Claim	-4603178	-3462312	-1202845	-1068514	-1567386	-699714	-2770231	-1668235	-49693586	-46586549
Incurred Claims Direct	7601360	7107628	1510617	1474633	1934104	2748779	3444721	4223412	39671056	36601533
Incurred Claims Accepted	388632	394398	1552	3427	247122	176897	248674	180394	7078307	6310953
Incurred Claims Ceded	530811	-3132148	-331870	-219802	-1624106	-1576497	-1955976	-1798299	-12424820	-9233762
Net Incurred Claims	8620803	4369878	1180299	1258258	567120	1349179	1737419	2607497	34324543	33678724
Commission Direct	622895	509309	257332	236780	33774	32353	291106	269133	3855539	3723162
Commission Accepted	35384	45173	3	72	9890	13367	9893	13439	753244	692796
Commission Ceded	-788018	-569350	-84705	-75949	-150365	-222864	-235070	-298613	-2217834	-1994154
Net Incurred Commission	-129759	-14868	172630	160903	-108701	-177144	65929	-16241	2390960	2421804
Foreign Taxes	0	0	0	0	0	0	0	0	2225	0
Operating Expenses Related to Insurance	3369186	2741218	354841	320773	456200	406158	811041	726891	12310770	10514525
Revenue Accounts Result	-4531634	-782890	-55660	14657	-211062	-1104160	-266712	-1089503	-2546835	-4690231



SEGMENT REPORTING SCHEDULE SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MAR ,2010 - INDIAN

Segment	Motor OD		Motor TP		Motor TP Pool		Total Motor		Health		*Liability	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	11720809	10884328	3584175	3592343	5404609	5526260	20709393	20002931	15524733	13556734	1268768	1046817
Premium Accepted	0	0	0	0	5074444	4960856	5074444	4960856	0	0	21534	27638
Premium Ceded	-2344122	-2176951	-357760	-359234	-5404609	-5526260	-8106491	-8062445	-1553415	-1355673	-513571	-202552
Net Premium	9376487	8707377	3226415	3233109	5074444	4960856	17677348	16901342	13971318	12201061	776731	871903
Unexpired Risk Reserve Opening	4353688	4662229	1616554	1464774	2480428	1940693	8450670	8067696	5651030	5140017	435951	338881
Unexpired Risk Reserve Closing	-4688244	-4353688	-1613208	-1616554	-2537222	-2480428	-8838674	-8450670	-6985659	-5651030	-388365	-435951
Net Earned Premium	9041931	9015918	3229761	3081329	5017650	4421121	17289342	16518368	12636689	11690048	824317	772633
Profit on Realisation of Investment	586639	297023	1816147	1054633	541487	125265	2944273	1476921	425213	198945	175444	101978
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	706435	715179	2431432	2823077	724935	335313	3862802	3873569	512045	532543	211271	245547
Investment Provisions	-672	6559	-2253	23039	-672	2737	-3597	32335	-487	4348	-201	2251
Total Investment Income	1292402	1018761	4245326	3900749	1265751	463315	6803479	5382825	936771	735834	386514	349776
Claims Paid Direct	7582193	7230415	9900029	11510580	1984540	771160	19466762	19512155	15565428	12805022	198198	181819
Claims Paid Accepted	0	0	0	0	1478155	290435	1478155	290435	0	0	983	1939
Claims Paid Ceded	-1657489	-1452537	-1859937	-2535825	-1984540	-771160	-5501966	-4759522	-1709859	-787127	-109559	-36929
Net Claim Paid	5924704	5777878	8040092	8974755	1478155	290435	15442951	15043088	13855669	12017895	89622	148829
CI O/S Claims Direct	2833291	2671829	35486057	40047602	7731851	4172929	46051199	46892360	2844839	2416983	1643692	584392
CI O/S Claims Accepted	0	0	0	0	12435914	7555162	12435914	7555162	0	0	1405	0
CI O/S Claims Ceded	-514530	-469591	-7526948	-8004810	-7731851	-4172929	-15773329	-12647330	-198968	-176523	-640182	-270511
Net CI O/S Claim	2318761	2202238	27959109	32042792	12435914	7555162	42713784	41800192	2645871	2240460	1004915	313881
Op O/S Claims Direct	-2671829	-2568997	-40047602	-44253961	-4172929	-537919	-46892360	-47360877	-2416983	-1891200	-584392	-252381
Op O/S Claims Accepted	0	0	0	0	-7555162	-2367645	-7555162	-2367645	0	0	0	0
Op O/S Claims Ceded	469591	507449	8004810	9445886	4172929	537919	12647330	10491254	176523	188730	270511	50619
Net Op. O/S Claim	-2202238	-2061548	-32042792	-34808076	-7555162	-2367645	-41800192	-39237268	-2240460	-1702470	-313881	-201762
Incurred Claims Direct	7743655	7333248	5338483	7304221	5543462	4406170	18625600	19043639	15993285	13330608	1257498	513830
Incurred Claims Accepted	0	0	0	0	6358907	5477952	6358907	5477952	0	0	2387	1939
Incurred Claims Ceded	-1702427	-1414679	-1382076	-1094749	-5543462	-4406170	-8627965	-6915598	-1732304	-774921	-479231	-256821
Net Incurred Claims	6041228	5918569	3956407	6209472	6358907	5477952	16356542	17605993	14260981	12555885	780654	258948
Commission Direct	1204418	1197225	-1328	0	-2162	0	1200928	1197225	1591647	1568314	152119	122627
Commission Accepted	0	0	0	0	507444	496086	507444	496086	0	0	2153	2488
Commission Ceded	-527427	-489795	-71815	-71847	-539803	-552626	-11139045	-1114268	-276079	-271135	-84308	-47212
Net Incurred Commission	676991	707430	-73143	-71847	-34520	-56540	569328	579043	1315568	1297179	69964	77903
Foreign Taxes	1404	0	0	0	0	0	1404	0	32	0	187	0
Operating Expenses Related to Insurance	3292624	2771975	758008	698729	2216188	2039797	6266820	5510501	3104835	2636853	392633	358511
Revenue Accounts Result	322086	636705	2833815	145724	-2257174	-2576773	898727	-1794344	-5107958	-4064035	-32607	427047

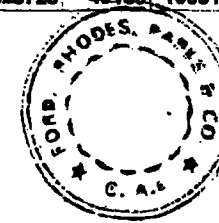
* Sub Segment	Premium		Claims Paid		Claims O/s at end		Claims O/s at beginning		Incurred Claims	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Workmens' Compensation (Sub	7785411	54928	169769	124567	266986	142912	142912	188772	293842	78707
Segment of liability Insurance)										
Export credit Insurance (Sub	42089	44343	18187	41920	0	20828	20828		-2641	62748
Segment of credit shield Insurance)										





# SEGMENT REPORTING SCHEDULE SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2010 - INDIAN

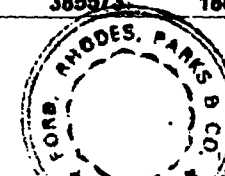
Segment	Personal Accident		Aviation		Engineering		Credit Shield		Total Other Misc.		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	1031994	971193	643957	782006	2918273	2477365	278304	329543	4088068	3727498	60425136	55088329
Premium Accepted	11729	24593	46879	11750	584246	396259	307238	205292	312377	170612	7099118	6464692
Premium Ceded	-219546	-206069	-470625	-740411	-1615655	-1302677	-194155	-231054	-792339	-865697	-20653548	-18947639
Net Premium	824177	789717	220211	53345	1886864	1670947	391387	303781	3590201	3032413	46807076	42605382
Unexpired Risk Reserve Opening	394859	392600	26672	5977	785473	633873	151890	307229	1516205	1334613	21694565	20482135
Unexpired Risk Reserve Closing	-412088	-394859	-110105	-26672	-943432	-785473	-195694	-151890	-1795186	-1516205	-24299877	-21694585
Net Earned Premium	806948	787458	138778	32650	1728905	1419347	347583	459120	3311220	2850821	44286707	41392932
Profit on Realisation of Investment	62303	25753	58815	28386	131531	57344	25032	16288	290965	136408	5199041	2531679
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	75026	62008	70825	68349	158391	138073	33512	43600	365372	343917	6596371	6486613
Investment Provisions	-71	568	-67	627	-151	1267	-31	356	-345	2998	-6194	55560
Total Investment Income	137258	88329	129573	97362	289771	196684	58513	80244	655992	483323	11789219	9073852
Claims Paid Direct	768159	684842	217555	267696	933541	1769573	53732	83205	1375003	1614260	46276103	43031530
Claims Paid Accepted	19340	22465	27659	5156	47544	119605	272412	241895	189578	113528	2754684	1109332
Claims Paid Ceded	-362627	-138510	-138023	-159347	-279582	-898123	-39554	-63854	-484445	-1316497	-11699027	-9852730
Net Claim Paid	424872	568797	109191	113505	701503	910165	286590	281246	1080136	411291	37331760	34288132
CI O/S Claims Direct	826235	764479	719626	858929	2176467	1859292	535574	402358	3265417	3191578	80929111	76488077
CI O/S Claims Accepted	264	145	8110	10369	279146	129949	413047	180105	223293	440813	14610486	9649557
CI O/S Claims Ceded	-245030	-107249	-396010	-512163	-949476	-943969	-355076	-270433	-836460	-665150	-31221597	-29070639
Net CI O/S Claim	581469	657375	329726	357135	1506137	1045272	593545	312030	2652250	2967241	64318000	57066995
Op O/S Claims Direct	-764479	-642000	-858929	-1110119	-1859292	-2689954	-402358	-53369	-3191578	-3287513	-76488077	-71587038
Op O/S Claims Accepted	-145	-3841	-10369	-9300	-129949	-152655	-180105	-226462	-440813	-40709	-9649557	-873212
Op O/S Claims Ceded	107249	248399	512163	614431	943969	1902969	270433	26858	665150	996216	29070639	24761161
Net Op. O/S Claim	-657375	-397442	-357135	-504988	-1045272	-939840	-312030	-252973	-2967241	-2332006	-57066995	-50699089
Incurred Claims Direct	829916	807321	78253	16506	1250716	938912	186948	432194	1448840	1518325	50717137	47932573
Incurred Claims Accepted	19458	18769	23399	6225	196741	96898	505355	195538	-27940	513632	7715613	6885675
Incurred Claims Ceded	-500409	2640	-19870	-57079	-285089	60877	-124197	-307429	-655755	-985431	-13849985	-14162209
Net Incurred Claims	348965	828730	81782	-34348	1162368	1096887	668108	320303	765145	1046526	44582765	40656039
Commission Direct	125114	113527	10446	7564	200708	159358	18763	32395	555814	522152	4769540	4501604
Commission Accepted	1313	11034	4976	796	102412	83006	66626	45569	68320	53817	798501	751408
Commission Ceded	-35850	-39511	-19379	-34603	-478971	-276720	-47509	-32120	-136693	-178585	-3240922	-2862317
Net Incurred Commission	90577	85050	-3957	-26243	-175851	-34356	37880	45844	487441	397384	2327120	2390695
Foreign Taxes	44	0	193	0	145	0	0	0	220	0	2225	0
Operating Expenses Related to Insurance	241156	208454	264916	181727	805311	626434	123835	104028	1111264	888017	16490997	13982674
Revenue Accounts Result	263464	-246447	-76583	8876	226703	-72734	-323725	49189	1603142	1002217	-7347181	-6582624





# SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2010 - FOREIGN

Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Total Misc.	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	2881379	2250493	385615	561300	118067	93577	503682	654877	7181212	6564194
Premium Accepted	4200875	4507164	42412	39395	115394	103849	157806	143244	1002408	466252
Premium Ceded	-1918263	-1574267	-12192	-43246	-86965	-61100	-99157	-104346	-755347	-509934
Net Premium	5163991	5183390	415835	557449	146496	136326	562331	693775	7428273	6520512
Unexpired Risk Reserve Opening	2591695	1962803	557449	463645	136325	66311	693774	529956	3260257	2755332
Unexpired Risk Reserve Closing	-2581995	-2591695	-415835	-557449	-146495	-136325	-562330	-693774	-3714138	-3260256
Net Earned Premium	5173891	4554498	557449	463645	136326	66312	693775	529957	6974392	6015588
Profit on Realisation of Investment	1079	534	240	135	176	55	416	190	2231	872
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	106909	98573	23759	24871	17412	10216	41171	35087	220936	160883
Investment Provisions	-76	-73	-16	-18	-13	-8	-29	-26	-156	-121
Total Investment Income	107912	99034	23983	24988	17575	10263	41558	35251	223011	161634
Claims Paid Direct	1463287	996100	72778	158392	462044	80621	534822	239013	4298807	3973581
Claims Paid Accepted	2746952	1881442	19656	16592	22194	28889	41850	45481	490023	362676
Claims Paid Ceded	-1858156	-1393000	-360	-47014	-389366	-86415	-389726	-133429	-414365	-327063
Net Claim Paid	2354083	1484542	92074	127970	94872	23095	186946	151065	4374465	4009194
Cl O/S Claims Direct	2650167	2819296	233973	240411	168648	221704	402621	462115	5642776	5400853
Cl O/S Claims Accepted	4433940	4137401	55633	62315	73904	29256	129537	91571	609969	892937
Cl O/S Claims Ceded	-2521111	-2206613	-94582	-99177	-152	-257	-94744	-98434	-309378	-380589
Net Cl. O/S Claim	4562996	4750084	195014	203549	242400	250703	437414	454252	5943367	5913201
Op O/S Claims Direct	-2819296	-2510363	-240411	-196421	-221704	-173425	-462115	-369846	-5400853	-5522380
Op O/S Claims Accepted	-4137401	-3347439	-62315	-55643	-29256	-104212	-91571	-159855	-892937	-606771
Op O/S Claims Ceded	2206613	1320135	99177	87907	257	152	99434	88059	380588	408780
Net Op. O/S Claim	-4750084	-4537667	-203549	-164157	-250703	-277485	-454252	-441642	-5913202	-5720371
Incurred Claims Direct	1294159	1305033	66340	202382	408988	128899	475328	331281	4540726	3852056
Incurred Claims Accepted	3043491	2671404	12973	23264	66842	-46067	79815	-22803	207057	648842
Incurred Claims Ceded	-2170655	-2279477	4226	-58284	-389262	-86520	-385036	-144804	-343155	-298874
Net Incurred Claims	2166995	1696960	83539	167362	86588	-3688	170107	163674	4404628	4202024
Commission Direct	698368	620521	99872	154386	21843	17522	121715	171908	1616909	1636956
Commission Accepted	862039	893848	11990	10835	11072	1655	23062	12490	179369	88285
Commission Ceded	-147929	-128981	-3197	-11183	-16800	-11510	-19997	-22693	-47335	-54763
Net Incurred Commission	1412478	1385388	108665	154038	16115	7667	124780	161705	1748943	1670478
Foreign Taxes	194	186	77	105	27	26	104	131	4735	14127
Operating Expenses Related to Insurance	227520	192739	23962	22554	30807	28558	54769	51112	587353	323593
Revenue Accounts Result	1474416	1378259	365189	144574	20384	44012	385573	188586	451744	-33000

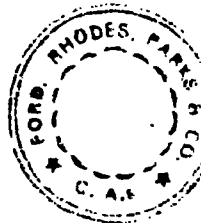




SEGMENT REPORTING SCHEDULE F (SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2010 - FOREIGN)

Segment	Motor OD		Health		Liability (W.C)		Persons Accident		Aviation		Engineering		Misc. TB		Total Other Misc.		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	4786709	4250594	147810	0	690627	897705	164686	142344	-2	0	406117	432624	965453	840927	965453	840927	10586273	9489564
Premium Accepted	112933	118547	0	0	974	635	8888	8940	648386	206240	156348	140857	78889	-8987	78194	-8987	5361089	5118680
Premium Ceded	-212046	-175224	-41004	0	-67594	-100140	-25209	-16665	-1988	-1707	-79195	-116538	-328311	-97660	-328311	-97660	-2772767	-2188547
Net Premium	4687896	4193917	106806	0	624007	798200	148357	134619	644396	204533	483270	464943	734041	734309	735336	734309	13164586	12397677
Unexpired Risk Reserve Opening	2096959	1606834	0	0	399100	554366	67309	65687	102267	29381	227472	161508	367150	335736	367150	335736	6545726	5248091
Unexpired Risk Reserve Closing	-2343767	-2096959	-53303	0	-312005	-399100	-74179	-67309	-322198	-102266	-241635	-227472	-367021	-367150	-367021	-367150	-6858463	-6545725
Net Earned Premium	4440788	3705592	53503	0	711102	953466	141487	132997	424465	131648	469107	388979	734170	702886	735465	702886	12841858	11100043
Profit on Realisation of Investment	806	439	586	0	242	151	86	38	81	42	181	85	247	117	247	117	3726	1596
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	80030	81078	58008	0	23934	27836	8499	7030	8024	7749	17943	15653	24496	21537	24496	21537	369016	294543
Investment Provisions	-57	-81	-41	0	-17	-21	-6	-5	-6	-6	-12	-12	-17	-16	-17	-16	-261	-220
Total Investment Income	80781	81458	58563	0	24159	27968	8579	7063	8099	7785	18112	15726	24728	21638	24728	21638	372481	295919
Claims Paid Direct	2948056	2561882	133290	0	705983	866346	64485	38240	-2131	111	132411	82818	316711	424204	316711	424204	6296916	5208694
Claims Paid Accepted	142477	136150	0	0	1135	48	3660	8027	270818	171103	44880	35442	26853	11906	26853	11907.6	3278825	2269599
Claims Paid Ceded	-224787	-133612	-47586	0	-13642	-20024	-5102	-4413	0	-4301	-25765	-16744	-97483	-147969	-97483	-147969	-2660247	-1853492
Net Claim Paid	2865748	2564406	85704	0	693476	846368	63243	41854	268687	166913	151526	101516	248081	288143	248081	288143	6915494	5644801
CI O/S Claims Direct	2440576	2069720	129	0	2153163	2274589	33464	27311	129000	121000	375516	377320	510928	530913	510928	530913	8695564	8682264
CI O/S Claims Accepted	68474	281781	0	0	61	0	24535	10335	309048	484466	153899	96244	53952	20111	53952	20111	5173446	5121909
CI O/S Claims Ceded	-55983	-117009	0	0	-181172	-167474	-388	-914	0	0	-71150	-90708	-685	-4484	-685	-4484	-2925233	-2686636
Net CI O/S Claim	2453067	2234492	129	0	1972062	2107115	57611	36732	438048	605466	458265	362856	564185	546540	564185	546540	10943777	11117637
Op O/S Claims Direct	-2069720	-1901428	0	0	-2274589	-2662876	-27311	-24597	-121000	-87500	-377320	-194760	-530913	-651219	-530913	-651219	-8682264	-8402589
Op O/S Claims Accepted	-281781	-93636	0	0	0	0	-10335	-7727	-484466	-349910	-96244	-89077	-20111	-68421	-20111	-68421	-5121908	-4114065
Op O/S Claims Ceded	117009	96620	0	0	167473	243093	914	1000	0	0	90708	43677	4484	24390	4484	24390	2686635	1816974
Net Op. O/S Claim	-2234492	-1898444	0	0	-2107116	-2419783	-36732	-31324	-605466	-437410	-362856	-240160	-648540	-693280	-648540	-693280	-11117538	-10699680
Incurred Claims Direct	3318914	2730154	133417	0	584555	478059	70638	40954	5870	33612	130606	265376	296726	303899	296723	303899	6310213	5488370
Incurred Claims Accepted	-70830	324295	0	0	1197	48	18061	10635	95401	305659	102535	42609	60693	-34402	60693	-34402	3330363	3297443
Incurred Claims Ceded	-163761	-154002	-47586	0	-27340	55595	-4576	-4327	0	-4302	-8207	-63775	-93685	-128063	-93685	-128063	-2898846	-2723155
Net Incurred Claims	3084323	2900447	85831	0	558412	533700	84123	47262	101271	334969	226934	244212	263734	141434	263731	141434	6741730	6062668
Commission Direct	1136385	1092524	28067	0	163077	217492	39737	33573	0	0	81393	44536	168230	248831	168230	248831	2436992	2429385
Commission Accepted	4675	4754	0	0	221	143	2736	3006	118385	34854	39661	33970	13691	11558	14047	11558	1064470	994823
Commission Ceded	-290	-1527	-42	0	-1336	-1709	-4796	-6900	-86	-81	-15043	-18100	-25740	-26446	-25740	-26446	-215261	-206437
Net Incurred Commission	1140770	1095751	28045	0	161960	215926	37677	29679	118299	34773	106011	60406	156181	213943	156181	213943	3286201	3217571
Foreign Taxes	2987	9086	68	0	398	1729	95	292	411	443	308	965	468	1591	469	1591	5033	14444
Operating Expenses Related to Insurance	222350	194901	209699	0	26515	25207	16265	14657	17889	12777	54382	44045	40263	32006	40263	32006	869642	567444
Revenue Accounts Result	71109	-413137	-211757	0	-12024	204890	11688	48170	194694	-243529	99584	55056	296252	316560	299194	316560	2311733	1633845

Sub Segment	Premium	Claims Paid	Claims O/s at end	Claims O/s at beginning	Incurred Claims
	P.Y.	P.Y.	P.Y.	P.Y.	P.Y.
Health Insurance (Sub Segment of Other Misc. Insurance)	N.A. 123081	N.A. 72426	N.A. 346	N.A. 2137	N.A. 70639

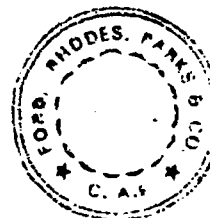




# SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2010 - GLOBAL

Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Total Misc.	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	12119204	9983761	2345746	2313028	2900958	2802823	5246704	5115851	53625503	49458281
Premium Accepted	4887509	5100461	42437	40484	169404	177155	211841	217639	7362151	6263252
Premium Ceded	-6036542	-4702755	-545215	-527644	-2623415	-2429275	-3168630	-2956919	-14221143	-13476512
Net Premium	10970171	10381467	1842968	1825868	446947	650703	2289916	2376571	46766511	42248021
Unexpired Risk Reserve Opening	5190734	4438512	1825868	1905723	550702	411973	2376570	2317696	20673006	18974018
Unexpired Risk Reserve Closing	-5485085	-5190734	-1842967	-1825868	-446947	-550702	-2289914	-2376570	-23383338	-20673006
Net Earned Premium	10675820	9629245	1825869	1905723	550702	411974	2376571	2317697	44056179	40548033
Profit on Realisation of Investment	784746	361649	174402	91249	127812	37482	302214	128731	4115807	2042895
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	1050607	968075	233487	244258	171113	100334	404600	344592	5510180	5468489
Investment Provisions	-974	7901	-216	1994	-159	818	-375	2812	-5106	44627
Total Investment Income	1834379	1337625	407673	337501	298766	138634	706439	476135	9620882	7556014
Claims Paid Direct	5991657	5310381	1468798	1509248	2235379	528442	3704177	2037690	42877183	40892153
Claims Paid Accepted	3322733	2111806	21208	20019	163874	109407	185082	129426	2525695	1157699
Claims Paid Ceded	-3533475	-2708633	-357945	-277370	-1429874	-233247	-1787819	-510617	-9037981	-8486972
Net Claim Paid	5780915	4713554	1132061	1261897	969379	404602	2101440	1666499	36364897	33562880
CI O/S Claims Direct	18482738	15578877	2342074	2233916	5094038	4986324	7436112	7220240	63705825	62371224
CI O/S Claims Accepted	5435816	5326426	55633	62315	323335	173245	378968	235560	13969146	9209480
CI O/S Claims Ceded	-9658410	-11552041	-859537	-889837	-3924974	-3341480	-4784511	-4231317	-19703909	-15973917
Net CI. O/S Claim	14260144	9353262	1538170	1406394	1492399	1818089	3030569	3224483	57971064	55606787
Op O/S Claims Direct	-15578877	-12476598	-2233916	-2066149	-4986324	-2637087	-7220240	-4703236	-62371224	-62809793
Op O/S Claims Accepted	-5326426	-4372429	-62315	-55643	-173245	-151822	-235560	-207465	-9209480	-3407383
Op O/S Claims Ceded	11552041	8849048	889837	889121	3341480	1911710	4231317	2800831	15973916	14928256
Net Op. O/S Claim	-9353262	-7999979	-1406394	-1232671	-1818089	-877199	-3224483	-2109870	-55606788	-51288920
Incurred Claims Direct	8895519	8412661	1576957	1677015	2343092	2877678	3920049	4554693	44211783	40453589
Incurred Claims Accepted	3432123	3065802	14525	26691	313964	130830	328489	157521	7285363	6959795
Incurred Claims Ceded	-1639844	-5411625	-327844	-278086	-2013368	-1663017	-2341012	-1941103	-12767973	-9532636
Net Incurred Claims	10687798	8066838	1263838	1426620	643688	1345491	1907526	2771111	38729174	37880748
Commission Direct	1321263	1129830	357204	391166	55617	49875	412821	441041	5472448	5360118
Commission Accepted	897403	939021	11993	10907	20962	15022	32955	25929	932969	781081
Commission Ceded	-935947	-698331	-87902	-87132	-167165	-234374	-255067	-321506	-2265169	-2048917
Net Incurred Commission	1282719	1370520	281295	314941	-90588	-169477	190709	145464	4140249	4092282
Foreign Taxes	194	186	77	105	27	26	104	131	6960	14127
Operating Expenses Related to Insurance	3596706	2933957	378803	343327	487007	434716	865810	778043	12898123	10638118
Revenue Accounts Result	-3057218	595369	309529	169231	-190668	-1080148	118861	-900917	-2097445	-4723231

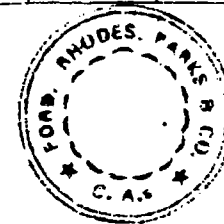
Note: Subject to Rounding off Effect.





**SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2010 - GLOBAL**

Segment	Motor OD		Motor TP		Motor TP Pool		Total Motor TP		Health		Liability	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	16507318	15134922	3584175	3592343	5404609	5526260	8988784	9118603	15672343	13556734	1958395	1944522
Premium Accepted	112933	118547	0	0	5074444	4960856	5074444	4960856	0	0	22508	28273
Premium Ceded	-2556168	-2352175	-357760	-359234	-5404609	-5526260	-5762369	-5885484	-1594419	-1355673	-581165	-302692
Net Premium	14064083	12901294	3226415	3233109	6074444	4960856	8300859	8193965	14077924	12201061	1400738	1670103
Unexpired Risk Reserve Opening	6450647	6270863	1616554	1464774	2480428	1940693	4096982	3405467	5651030	5140017	835051	891067
Unexpired Risk Reserve Closing	-7032041	-8450647	-1613208	-1616554	-2537222	-2480428	-4150430	-4096982	-7038962	-5651030	-700370	-835051
Net Earned Premium	13482669	12721510	3229761	3061328	6017660	4421121	8247411	7602460	12689992	11680048	1535418	1726119
Profit on Realisation of Investment	587447	297462	1816147	1054633	541487	125265	2357634	1179898	425799	198945	175686	102129
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	786465	796257	2431432	2823077	724935	335313	3156367	3158390	570053	532543	235205	273383
Investment Provisions	-729	6498	-2253	23039	-672	2737	-2925	25776	-528	4348	-218	2230
Total Investment Income	1373183	1100217	4245326	3900749	1266751	483315	5511077	4364064	995324	735834	410673	377742
Claims Paid Direct	10530251	9792277	9900029	11510580	1984540	771160	11884569	12281740	15698718	12805022	904181	1048165
Claims Paid Accepted	142477	136150	0	0	1478155	290435	1478155	290435	0	0	2118	1985
Claims Paid Ceded	-1882276	-1586149	-1859937	-2535825	-1984540	-771160	-3844477	-3306985	-1757445	-787127	-123201	-56953
Net Claim Paid	8790452	8342278	8040092	8974755	1478155	290435	9518247	9265190	13941273	12017895	783088	993197
CI O/S Claims Direct	5273867	4741549	35486057	40047602	7731851	4172929	43217908	44220531	2844968	2416983	3796855	2858981
CI O/S Claims Accepted	68474	281781	0	0	12435914	7555162	12435914	7555162	0	0	1466	0
CI O/S Claims Ceded	-570513	-586600	-7526948	-8004810	-7731851	-4172929	-15258799	-12177739	-198968	-176523	-821354	-437985
Net CI. O/S Claim	4771828	4438730	27959109	32042792	12435914	7555162	40395023	39597954	2848000	2240460	2976967	2420996
Op O/S Claims Direct	-4741549	-4470425	-40047602	-44253961	-4172929	-537919	-44220531	-44791880	-2416983	-1891200	-2858981	-2915257
Op O/S Claims Accepted	-281781	-93636	0	0	-7555162	-2367645	-7555162	-2367645	0	0	0	0
Op O/S Claims Ceded	586600	604069	8004810	9445886	4172929	537919	12177739	9983805	176523	188730	437984	293712
Net Op. O/S Claim	-4438730	-3969992	-32042792	-34808075	-7555162	-2367645	-39597954	-37176720	-2240460	-1702470	-2420997	-2621646
Incurred Claims Direct	11062569	10063402	5338483	7304221	5543462	4406170	10861945	11710391	16126702	13330806	1842053	991889
Incurred Claims Accepted	-70830	324295	0	0	6358907	5477952	6358907	5477952	0	0	3584	1985
Incurred Claims Ceded	-1866188	-1568681	-1382076	-1094749	-5543462	-4406170	-6925538	-5500919	-1779890	-774921	-506571	-201226
Net Incurred Claims	9125551	8819016	3956407	6209472	6358907	5477952	10315314	11667424	14346812	12555885	1339066	792648
Commission Direct	2340803	2289749	-1328	0	-2162	0	-3490	0	1619734	1568314	315198	340119
Commission Accepted	4675	4754	0	0	507444	496086	507444	496086	0	0	2374	2631
Commission Ceded	-527717	-491322	-71815	-71847	-539803	-552626	-611618	-624473	-276121	-271135	-85646	-48921
Net Incurred Commission	1817781	1803181	-73143	-71847	-34520	-56540	-107663	-128387	1343613	1297179	231924	293829
Foreign Taxes	4391	9086	0	0	0	0	0	0	100	0	585	1729
Operating Expenses Related to Insurance	3514974	2966876	758008	698729	2216188	2039797	2974196	2738526	3314504	2636853	419148	383718
Revenue Accounts Result	393195	223668	2833816	145724	-2257174	-2576773	676641	-2431049	-5319713	-4064036	-44631	631837

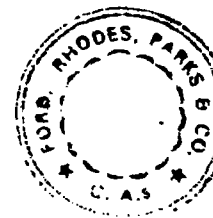




# SEGMENT REPORTING SCHEDULE

# SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2010 - GLOBAL

Segment	Personal Accident		Aviation		Engineering		Credit Shield		Total Other Misc.		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	1198692	1113537	843955	782008	3324390	2909989	278304	329543	5054321	4568425	70991411	64557893
Premium Accepted	20597	33533	893265	217990	740594	537116	307238	205292	390571	161645	12461500	11581352
Premium Ceded	-244755	-222734	-472813	-742118	-1694850	-1421215	-194155	-231054	-1120650	-983357	-23428318	-21136188
Net Premium	972534	924336	864807	257878	2370134	2025890	391387	303781	4324242	3786713	60026596	55003059
Unexpired Risk Reserve Opening	462168	458287	128939	35358	1012945	795381	151890	307229	1883355	1670349	28240311	25730226
Unexpired Risk Reserve Closing	-486267	-462168	-432303	-128938	-1185067	-1012945	-195694	-151890	-2162207	-1883355	-31158340	-28240310
Net Earned Premium	948435	920465	561243	164298	2198012	1808326	347583	459120	4045390	3853707	57108567	52492975
Profit on Realisation of Investment	62389	25791	58898	28428	131712	57429	25032	16288	291212	136525	5202767	2533275
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	83525	69038	78849	76098	176334	153728	33512	43600	389870	365454	6965387	6781156
Investment Provisions	-77	563	-73	621	-163	1255	-31	356	-362	2982	-6455	55340
Total Investment Income	145837	95392	137672	105147	307883	212410	58513	80244	680720	504961	12181700	9369771
Claims Paid Direct	832644	723082	215424	267807	1065952	1852391	53732	83205	1891714	2038484	52573018	48240224
Claims Paid Accepted	23200	30492	298477	176259	92424	155047	272412	241895	216431	125436	6033509	3398931
Claims Paid Ceded	-367728	-142923	-136023	-163648	-305347	-914867	-39554	-63854	-581928	-1484486	-14359274	-11706222
Net Claim Paid	488115	610651	377878	280418	853029	1092571	286590	281248	1326217	899434	44247254	39932933
CI O/S Claims Direct	859699	791790	848626	979929	2551983	2236612	535574	402358	3776345	3722491	89624675	85170341
CI O/S Claims Accepted	24799	10480	315158	494835	433045	226193	413047	180105	277245	480924	19783931	14771486
CI O/S Claims Ceded	-245418	-108163	-396010	-512163	-1020626	-1034677	-355078	-270433	-837145	-889634	-34146829	-31757275
Net CI, O/S Claim	639080	694107	767774	962601	1964402	1428128	583546	312030	3216445	3513781	75281778	68184532
Op O/S Claims Direct	-791790	-666597	-979929	-1197619	-2238612	-2884714	-402358	-53369	-3722491	-3898732	-85170343	-79989627
Op O/S Claims Accepted	-10480	-11568	-494835	-359210	-226193	-241732	-180105	-226462	-460924	-107130	-14771486	-7987277
Op O/S Claims Ceded	108163	249399	512163	614431	1034677	1946646	270433	26858	669634	1020606	31757274	26578135
Net Op, O/S Claim	-694107	-428766	-962601	-942398	-1428128	-1179800	-312030	-252973	-3513781	-3028256	-88184534	-81398769
Incurred Claims Direct	900554	848275	84123	50118	1381322	1204290	186947	432194	1745564	1822224	57027351	53420943
Incurred Claims Accepted	37519	29404	118800	311884	299276	139507	505355	195538	32753	479230	11045975	10183118
Incurred Claims Ceded	-504985	-1687	-19870	-61381	-291296	-2898	-124197	-307429	-749440	-1113494	-16748829	-16885364
Net Incurred Claims	433088	875992	183063	300621	1389302	1340899	566105	320303	1028877	1187980	51324497	46718697
Commission Direct	164851	147100	10446	7584	282101	203894	18763	32395	724044	770983	7208533	6930989
Commission Accepted	4049	14040	123361	35650	142073	116976	66626	45569	82367	65375	1863326	1746031
Commission Ceded	-40646	-48411	-19465	-34684	-494014	-294820	-47509	-32120	-162433	-205031	-3456183	-3068754
Net Incurred Commission	128254	114729	114342	8530	-69840	26050	37880	45844	643978	631327	5613677	5608266
Foreign Taxes	139	292	604	443	453	986	0	0	689	1591	7259	14444
Operating Expenses Related to Insurance	257441	223111	282805	194504	859693	670479	123835	104026	1151527	920023	17360639	14550118
Revenue Accounts Result	275350	-198277	118111	-234653	326287	-17678	-323724	49189	-1901039	1317767	-5035802	-5026779



**Schedule 16**

**Significant Accounting Policies and Notes forming part of  
Financial Statements as on 31st March, 2010**



**16 A. Significant Accounting Policies**

**1. Accounting Convention**

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

**2. Use of Estimates**

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

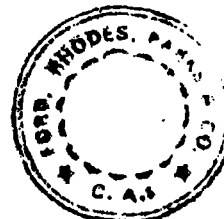
**3. Revenue Recognition**

**A. Premium**

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

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

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





**B. Commission**

Commission Income on Reinsurance cessions is recognized as income in the year in which reinsurance Premium is ceded.

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

**4. Premium Received in Advance**

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

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

Reserve for un-expired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the succeeding accounting periods. 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 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&I/CIR/F&A//081/12/2009 dated December 17, 2009.

**6. Reinsurance Accepted**

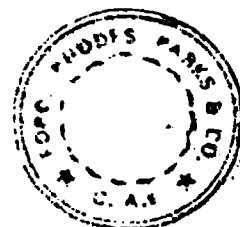
Reinsurance returns have been incorporated for the advices received up to the date of finalisation of accounts and on estimation basis wherever advices are not received.

**7. Reinsurance Ceded**

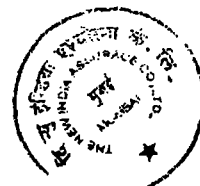
Reinsurance cessions are accounted for on the basis of actuals or estimates wherever actuals are not available.

**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 18<sup>th</sup> May 2004. Premium deficiency forms part of the un-expired risk reserves.



The New India Assurance Co Ltd.



#### 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). The said provisions have been determined by Appointed Actuary, which is in accordance with accepted actuarial practice, requirement of Insurance Act 1938, IRDA Regulations and stipulations of the Institute of Actuaries of India.

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

In respect of motor third party claims where court summons have been served on the Company without adequate policy particulars to establish liability of the Company, provision is made as under:

- 100% of the estimated liability, where such claims are outstanding for more than one year.
- 1/3<sup>rd</sup> of the estimated liability, for all such claims for which court summons have been served on the Company during the year.

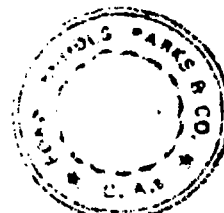
Interest on motor accident claims tribunal (MACT) claims is provided based on the prevailing trends in the motor third party claim awards.

#### 11. Salvage and Claim Recoveries

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

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

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





### 13. Loans and Investments

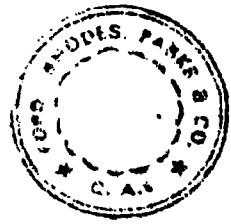
- A Loans are measured at historical cost subject to impairment. Company reviews the quality of its loan assets and provides for impairment if any.
- B Short Term Money Market Instruments such as Commercial Papers and Certificate of Deposits are shown at their discounted value and the difference between the acquisition cost and the redemption value is apportioned on time basis and recognised as accrued income.
- C Contracts for purchase and sale of shares, bonds, debentures are accounted for as "Investments" as on date of transaction.
- D The cost of investments includes premium on acquisition, brokerage, transfer stamps, transfer charges and is net of incentive/ fee if any, received thereon.
- E Dividend income (other than interim dividend) is accounted for as income in the year of declaration. Dividend on shares/interest on debentures under objection/pending delivery is accounted for on realisation. Interim dividend is accounted where the warrants are dated 31<sup>st</sup> March or earlier.

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

Interest Income on Investments is recognized on accrual basis on time proportion.

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





**The New India Assurance Co Ltd.**

- 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.

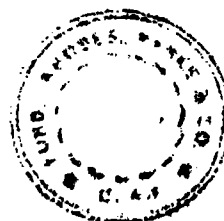


- iii) In respect of preference shares, if the dividend is not received for the last three years, such preference shares are written down to a value which will bear to its face value, the same proportion as value taken/ which would have been taken for writing down equity shares bears to the face value 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 31<sup>st</sup> March 2000.

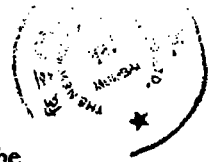
- N REVERSE REPO transactions are treated as secured lending transactions and
- accordingly disclosed in the financial statements. The difference between total consideration at the 1<sup>st</sup> and 2<sup>nd</sup> leg of the transaction is treated as interest income.
- O "Collateralized Borrowing and Lending Obligation" (CBLO), which is issued at discount to the face value, is treated as money market instrument as per Reserve Bank of India Notification. Discount earned at the time of lending through CBLO is shown as income, which is apportioned on time basis.
- P Un-realised gains / losses arising due to changes in the fair value of listed equity shares other than enumerated in Accounting Policy 13-L are taken under the head "Fair Value Change Account" and on realisation reported in profit and loss account.

Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.



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#### 14. Foreign Currency Transactions



- Reinsurance operations:

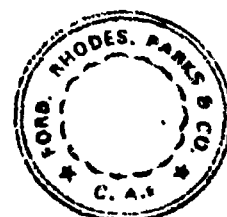
Revenue transactions of re-insurance in foreign currencies are converted at the average of buying and selling rates of exchange of each quarter in which they are accounted.

- 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(s) account and profit and loss account as applicable.

#### 15. Fixed Assets

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





## 16. Depreciation

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

## 17. Intangible Assets

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

## 18. Employee Benefits

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

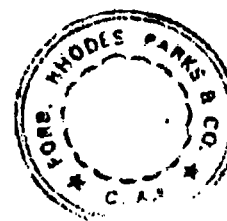
Provident Fund is a defined contribution plan. Company's contribution towards provident fund is charged to the Profit and Loss Account and Revenue Accounts as applicable. Further Company has no further obligation beyond the periodic contributions.

Pension, Gratuity and Leave Encashment are defined benefit plans. The Company has incorporated a Pension Trust and Gratuity Trust. The Company's liability towards pension, gratuity and leave encashment is accounted for on the basis of an actuarial valuation done at the year end and is charged to revenue accounts and profit and loss account as applicable except in case of pension for the employee who joined from 1<sup>st</sup> January, 2004 which is defined contribution plan wherein contribution towards pension fund is charged to the Profit and Loss Account and Revenue Accounts as applicable. Further, Company has no further obligation beyond the periodic contributions.

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

## 19. Expenses of Management-Basis of Apportionment

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



The New India Assurance Co Ltd.

## 20. Income from Investments -Basis of Apportionment

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

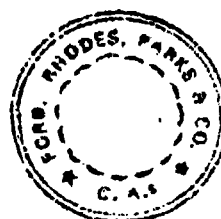
Investment income (net of expenses) belonging to Policyholders is further apportioned to Fire, Marine and Miscellaneous segments in proportion to respective technical reserves balance at the beginning of the year.

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

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

## 21. Taxation.

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



**16 B. Notes Forming Part of Financial Statements**

- 1 The accounts incorporate audited accounts of Branches in Fiji and Thailand on calendar year basis prepared as per local laws. No material changes have been reported after the finalization of accounts of these branches. Further the accounts of Australia branch and Riyadh, France and Canada agencies were incorporated on the basis of unaudited accounts.
- 2 Buildings include Rs. 249.89 Lakhs (Previous Year Rs.308.98 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 have been booked for advices received upto 15th June 2010.
  - c Some of the inter-office accounts are subject to reconciliations and consequential adjustments if any.
  - d In respect of old reinsurance balances amounting to Rs 12005 lakhs (Net), the company has made an additional estimated provision in the current year of Rs 6000 lakhs towards non-recovery of these balances.
- 4 As certified by the Custodian, securities are held in the name of the Company as on 31.03.2010. 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.18.27 lakhs). However, the same are fully provided for.
- 6
  - a Provision for standard assets @ 0.40% amounting to Rs.1532.07 Lakhs (Previous Year Rs.1426.41 Lakhs) has been made as per Insurance Regulatory and Development Authority guidelines on (i) Term Loan (PFPS/DTL), (ii) Debentures, (iii) Infrastructure Investments, (iv) Bonds/Debentures of HUDCO, (v) Bonds/Debentures of Institutions accredited to NHB and (vi) Loans to HUDCO for Housing (vii) Govt. Guaranteed Bonds/Securities (viii) Housing and Fire fighting Loans to State Governments

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	4,289.74	467.65
	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	4,289.74	467.65
	Total	4,289.74	467.65

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	21560.36	21534.19
(ii)	Additions During the Year	23.55	2565.3
(iii)	Reductions During the Year	1091.40	2539.13
(iv)	Closing Balance	20492.51	21560.36
	Percentage of Net NPAs to Net Assets	1.73%	2.00%

**II) Details of Provisions**

Sr. No.	Particulars	Current Year (Rs in Lakhs)	Previous Year (Rs in Lakhs)
(i)	Opening Balance	19295.08	20862.37
(ii)	Incremental Provision During the Year	-968.58	-1567.29
(iii)	Closing Balance	18326.5	19295.08

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 31.03.2010, they have been shown under long-term investments, as their realisability is unascertainable. However, necessary provision, wherever required, has been made.



The New India Assurance Co. Ltd.

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

- i) Return prescribed by Regulation 6 with respect to Compliance Report for exposure of investment have been submitted although not in the prescribed format
- ii) The Company is in the process of improving the system to ensure that the investment exposure at any point of time does not exceed the prescribed limits under Regulation 5. However, there is no case of violation of the prescribed exposure limits.

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

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

ii) The provisions against the Investment is Rs.7437.56 Lakhs (Previous Year Rs.7857.80 Lakhs), loans is Rs.12382.50 Lakhs (Previous Year Rs.12823.18 Lakhs) and Sundry Debtors is Rs.38.51 lakhs (Previous Year Rs.40.51 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.

iii) 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.30018.52 Lakhs (Debit) (Previous Year Rs. 1581.66 Lakhs (Debit) consisting of the following: -

Sr. No.	Particulars	Current Year		Rs. In Lakhs	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Premium	534.00	3.21	573.53	32.94
2	Commission	1.32	168.08	0.39	-
3	Claims	22,806.88	4,108.14	0.94	-
4	Expenses	14,264.80	3,309.07	1,040.65	0.90
	<b>Total</b>	<b>37607.01</b>	<b>7,588.49</b>	<b>1,615.51</b>	<b>33.84</b>

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

A Related party disclosures as per Accounting Standard 18

1 Company's related parties

a Subsidiaries

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

b Associates

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

c Entities over which control exist

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

d Key management personnel of the Company

- i) Mr. M Ramadoss
- ii) Mr. B. Chakrabarti till 30.09.2009
- iii) Mr. N. S. R. Chandra Prasad till 01.06.2009
- iv) Mr. A. R. Sekar
- v) Mr. I S Phukela

**2 Transactions with related parties:**

Sr. No.	Nature of	Nature of Transaction	Rs. In Lakhs	
			Current Year	Previous Year
i)	Subsidiaries	Management fees earned	34.43	30.84
		Premium on Reinsurance Accepted	393.91	138.99
		Commission on Reinsurance Accepted	(79.41)	(26.12)
		Claims Paid	(76.89)	(111.10)
		Dividend income received	703.75	764.70
		Other Amount Due (From Prestige Assurance PLC-out of Rights Subscription)	-	-
ii)	Associates	Premium on Reinsurance Accepted	342.46	58.37
		Commission on Reinsurance Accepted	(118.92)	(0.86)
		Claims Paid	(473.92)	0.59
		Dividend income received	132.63	96.85
		Investment in shares	-	30.34
		Dividend receivable	0.05	0.04
iii)	Entity over which control exists	Sale of investment	-	-
		Other amount payable	-	-
iv)	Key management personnel	Salary and allowances	39.85	35.02

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

Particulars	Current Year	Previous Year
Net profit attributable to shareholders (Rs. In Lakhs)	40,467.21	22,414.53
Weighted average number of equity shares issued	200,000,000	200,000,000
Basic and diluted earnings per share of Rs.10/- each (Rs.)	20.23	11.21

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

**C Taxation****Income Tax**

I Income Tax provision has been made as per Section 115JB of Income Tax Act, 1961. Further, disallowance in respect of exempt income under section 14A of Income Tax Act, 1961 is not considered while calculating provision for tax under Section 115JB of Income Tax Act, 1961, as the Company has contested issues before appellate authorities.

II The Income Tax Assessments of the Company have been completed up to assessment year 2007-08. Major disputed demands are in respect of capital gain taxes, disallowance under Section 40(a) and in respect of Section 14A of the Income Tax Act, 1961. Based on the decisions of the appellate authority and the interpretations of the relevant provisions, the Company has been legally advised that the demands are likely to be either deleted or substantially reduced and accordingly no provisions have been made for the same.

**Deferred Taxes**

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

	Particulars	Rs. In Lakhs	
		Current Year	Previous Year
i)	Depreciation and Fixed Assets	(355.36)	943.07
ii)	Leave Encashment	9,779.26	1,353.48
iii)	Estimated Disallowance u/s 40(a) (ia)	33.99	33.99
	<b>Total</b>	<b>9,457.89</b>	<b>2,330.54</b>

**Notes**

- 1 A sum of Rs.7127.35 lakhs (Previous year Rs 1,314.91 Lakhs) has been credited to the Profit & Loss Account on account of increase in deferred assets during the year.
- 2 On prudence basis recognition of deferred tax asset on unabsorbed depreciation and carry forward losses has not been given effect in the books of account.
- 3 Above deferred tax asset does not include impact of deferred tax in respect of operations of foreign branches.



**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 Lakhs)					
I	Components of employer expense	Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded		Funded		Unfunded	
A	Current Service Cost	7,229	6,208	2,067	1,381	1,054	981
B	Interest Cost	14,224	13,859	2,786	2,581	1,766	1,616
C	Expected Return on Plan Assets	(13,682)	(13,464)	(2,547)	(2,769)	-	-
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	-	-
F	Past Service Cost	-	-	-	-	-	-
G	Actuarial Losses/(Gains)	6,080	14,456	(2,200)	2,881	4,170	2,584
H	Total expense recognized in the statement of Profit and Loss Account	13,851	21,059	106	4,074	6,990	5,161
Pension Gratuity and Leave Encashment expenses have been recognized in "Employee Remuneration and Welfare Benefits" under schedule 4.							
II	Actual Returns for the year 31.03.2010	15,464	14,303	3,143	3,032	-	-
III	Net Asset/(Liability) recognized in Balance Sheet at 31.03.2010						
A	Present Value of Defined Benefit Obligation	205,915	177,603	40,460	34,728	28,771	23,190
B	Fair Value of Plan Assets	209,275	176,314	39,939	34,313	-	-
C	Status (Surplus/Deficit)	(3,360)	1,289	521	415	28,771	23,190
D	Un recognized Past Service Cost	-	-	-	-	-	-
E	Net Asset / (Liability) recognized in Balance	(3,360)	1,289	521	415	28,771	23,190
IV	Change in Defined Benefit Obligation during the year ended 31.03.2010						
A	Past value of the Defined Benefit Obligation at the beginning of the period	177,603	157,403	34,728	30,362	23,190	19,208
B	Current Service Cost	7,229	6,208	2,067	1,381	1,054	981
C	Interest Cost	14,224	13,859	2,786	2,581	1,766	1,616
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	-	-
F	Plan Amendments	-	-	-	-	-	-
G	Acquisitions	-	-	-	-	-	-
H	Actuarial Losses/(Gains)	18,092	8,895	1,593	1,300	4,170	2,584
I	Asset Loss / (Gain)	-	-	-	-	-	-
J	Benefits Paid	(11,233)	(8,762)	(714)	(896)	(1,409)	(1,179)
K	Present Value of Defined Benefit Obligation at the end of the period	205,915	177,603	40,460	34,728	28,771	23,190
V	Change in the Fair Value of Assets during the year ended 31.03.2010						
A	Plan Assets at the beginning of the period	176,314	153,146	34,313	34,021	-	-
B	Acquisition Adjustment	-	-	-	-	-	-
C	Expected return on Plan Assets	13,682	13,464	2,547	2,769	-	-
D	Asset (Losses)/Gains	9,632	(5,561)	3,793	(1,581)	-	-
E	Actual Company Contributions	20,860	24,027	-	-	-	-
F	Benefits Paid	(11,233)	(8,762)	(714)	(896)	-	-
G	Plan Assets at the end of the period	209,275	176,314	39,939	34,313	-	-
VI	Actuarial Assumptions						
A	Discount Rate (%)	7.50%	7.50%	7.50%	7.50%	-	-
B	Expected Return on Plan Assets (%)	8.25%	8.25%	8.25%	8.25%	-	-
C	Rate of escalation in salary	6.75%	6.75%	6.75%	6.75%	-	-
VII	Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2010						
A	Government Securities	40.00%	40.00%	40.00%	40.00%	-	-
B	High Quality Corporate Bonds	57.00%	57.00%	57.00%	57.00%	-	-
C	Others	3.00%	3.00%	3.00%	3.00%	-	-

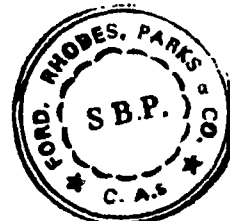




- VIII Basis used to determine the expected rate of return on plan assets The expected rate of return on plan assets is based on the current portfolio of the assets, investment strategy and the market scenario, in order to protect capital and optimize returns within acceptable risk parameters, the plan 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.170.24 Lakhs (P.Y Rs.268.08 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 2010 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 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 2010, the date up to which the return is submitted by GIC.
- 16 During the current year the company has reclassified the TPA Assistance Fees as a Claim Management Expenses and has been considered as Claims Expenses. Obligatory recovery towards the claim management fees amounting to Rs 4100 lakhs pertaining to the earlier years has been accounted as recovery from the General Insurance Corporation, hence Included in prior period income. Further the separate disclosure requirement as per IRDA circular dated 28.03.2008 in respect of outsourcing expenses has not been complied.
- 17 During the previous year 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&I/CIR/F&A/CIR/081/12/2009 dated December 17, 2009. Accordingly contingency reserve amounting to Rs 4495 lakhs has been created. The said contingency reserve is not available for distribution to Shareholders and its utilisation, at any future date would require prior approval of the Authority.
- 18 Foreign Exchange Reserve Account has decreased by Rs.19720.24 (Debit) Lakhs due to depreciation of foreign currency under the following heads (Previous Year Rs.17785.08 Lakhs (Credit) consisting of the following.

Sr	Particulars	Current Year		Previous Year	
		Debit	Credit Amount	Debit Amount	Credit Amount
1	Head Office Account	15,020.01	-	-	14,629.27
2	Outstanding claims	4,686.84	-	-	3,149.56
3	Fixed assets and	10.33	-	-	6.25
4	Total	19,717.18	-	-	17,785.08





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

Previous year 2008-09			2008-09 Regrouped In Current year		
Line Items	Schedule	Old Grouping	Schedule	New Grouping	Amount Rs.('000)
TPA Assistance Fees	Sch 4	Legal and Professional Charges	Sch 2	Claims Paid (Direct)	897502
Provisions for wage arrears and leave encashment	Sch 13	Sundry Creditors - Other than Service Tax Payable	Sch 14	Provisions - Others	3544000

The figures in segment reporting are regrouped where ever required

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

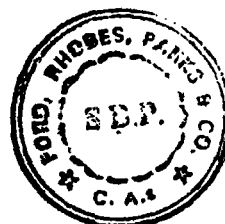
Srl No.	Authority	Non-Compliance/ Violation	Amount in Rs. ('000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development	Violation of the File and Use Guidelines	1000	1000	-
2	Service Tax Authorities	Non Payment of Service Tax on Transfer and Duplication Fees	3347	3347	-
3	Income Tax Authorities	Nil	-	-	-
4	Any other Tax Authorities	Nil	-	-	-
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	-	-	-
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	-	-	-
8	Competition Commission of India	Nil	-	-	-
9	Any other Central/State/Local Government / Statutory Authority	Nil	-	-	-

- 21 The Company's Office Premises and Residential flats for employees are obtained on operating lease and are renewable / cancellable at mutual consent. There are no restrictions imposed by lease agreements. Lease terms are based on individual agreements. Significant leasing arrangements are in respect of operating lease for premises. Aggregate lease rentals amounting to Rs.5325.36 (PY Rs.5015.05) in respect of obligation under operating lease are charged to Revenue Account.



**16 C. Disclosures Forming Part Of Financial Statements**

Sr. No	Particulars	(Rs. in Lakhs)	
		Current Year	Previous Year
1	The details of contingent liabilities are as under:		
	(a) Partly-paid up investments	20.62	20.62
	(b) Underwriting commitments outstanding	-	-
	(c) Claims, other than those under policies, not acknowledged as debts	21,388.30	20,898.30
	(d) Guarantees given by or on behalf of the Company	1,106.77	1,242.38
	(e) Statutory demands/liabilities in dispute not provided for	127,478.00	53,396.69
	(f) Reinsurance obligations to the extent not provided for in accounts	-	-
	(g) Others (matters under litigation) to the extent quantifiable	470.27	551.82
2	The details of encumbrances to the assets of the Company are as under:		
	(a) In India	2,525.62	2,525.62
	(b) Outside India	1,277.32	2,218.15
3	Commitment made and outstanding for Loans Investments and Fixed Assets	11,410.80	10,765.24
4	Claims, less reinsurance, paid to claimants:		
	(a) In India	318,965.02	338,131.04
	(b) Outside India	44,683.95	61,198.30
5	Claim liabilities where claim payment period exceeds four years.	-	-
6	Amount of claims outstanding for more than six months (Gross Indian)	539,790.09	548,975.47
	No. of Claims	318,212	272,289
	Amount of claims outstanding for less than six months (Gross Indian)	201,721.08	162,005.28
	No. of Claims	154,873	105,042
	Total amount of claims outstanding (Gross Indian)	741,511.17	710,980.76
	Total No. of claims outstanding	473,085	377,331
7	Premiums, less reinsurances, written from business		
	a) In India	468,707.08	426,052.39
	b) Outside India	131,558.90	123,978.17
8	The details of contracts in relation to investments, for		
	a) Purchases where deliveries are pending	443.92	-
	b) Sales where payments are overdue	3,892.72	-
9	Amount of Claims settled and remaining unpaid for a period of more than six months as on balance sheet date are as under:		
	No. of claims	-	-
10	Investments made in accordance with statutory requirements are as under:		
	(a) In India- Under Sec.7 of Insurance Act 1938	1,075.18	1,075.20
	(b) Outside India- Statutory Deposits under local laws	21,095.71	23,121.48
11	Segregation of investments into performing and non-performing investments where NPA Provision is required as per IRDA Guidelines is as under:		
	Performing (Standard) Investments	383,016.50	356,602.27
	Non Performing Investments	20,492.51	21,560.35
	Total Book Value (Closing Value)	403,509.01	378,162.62





- 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.
- 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.237437.53 lakhs (Previous year Rs.229520.12 Lakhs) and Rs.1119.55 Lakhs (Previous year Rs.1231.41 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, 2010 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:

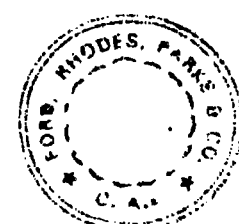
Sector	Current Year			Previous Year		
	(Rs. in Crores)	Percentage	Number of Policies/lives	(Rs. in Crores)	Percentage	Number of policies/lives
Rural	380.07	6.29	1429540	394.32	7.16	1065132
Social	200.16	3.31	9548803	230.68	4.19	32389489
Others	5462.28	90.40		4,883.83	88.65	
Total	6,042.51	100.00	10978343	5,508.83	100.00	33454621

21 Performance Ratios (Rs In Crores)

i) Gross Premium Growth rates

SEGMENT	Current Year		Previous Year	
	(Rs. In Crores)	(%)	(Rs. In Crores)	(%)
Fire	1211.92	21.39	998.38	1.73
Marine Cargo	234.57	1.41	231.30	1.60
Marine Hull	290.10	3.50	280.28	4.91
Marine Total	524.67	2.56	511.58	3.39
Motor	2549.61	5.12	2425.36	2.60
Personal Accident	119.67	7.47	111.35	14.17
Aviation	64.40	-17.65	78.20	0.09
Engineering	332.44	14.24	291.00	12.62
Health	1567.23	15.61	1355.67	12.09
Liability*	195.94	0.77	194.45	-10.67
Others	533.26	8.88	489.79	8.76
Misc sub Total	5362.55	8.43	4945.82	6.79
Grand Total	7099.14	9.97	6455.78	4.95

\*Liability includes Workmens' compensation





ii) Gross Premium to Share Holders Funds Ratio

Particulars	(Rs. in Crores)	
	Current Year	Previous Year
Gross Premium	7099.14	6455.78
Share Holders Funds(beginning of the year)	7322.15	6972.80
Ratio (Times)	0.97	0.93

iii) Growth Rate of Shareholders Funds

	(Rs. in Crores)		Growth % CY	Growth % PY
	Current Year	Previous Year		
Share Holders Funds	7430.21	7322.15	108.06	1.48
				5.09

iv) Net Retention Ratios

Segment	(Rs. in Crores)		Retention Ratio CY( %)	Retention Ratio PY( %)
	Premium Gross	Premium Net		
Fire	1211.92	1097.02	90.52	103.98
Marine Cargo	234.57	184.30	78.57	78.94
Marine Hull	290.10	44.69	15.41	19.65
Marine Total	524.67	228.99	43.64	46.46
Motor	2549.61	2236.49	87.72	86.98
Personal Accident	119.67	97.25	81.27	83.01
Aviation	64.40	86.46	134.25	32.98
Engineering	332.44	237.01	71.29	69.62
Health	1567.23	1407.79	89.83	90.00
Liability*	195.94	140.07	71.49	85.89
Others	533.26	471.58	88.43	83.11
Misc Sub Total	5362.55	4676.65	87.21	85.42
Grand Total	7099.14	6002.66	84.55	85.20

\*Liability includes Workmens' compensation

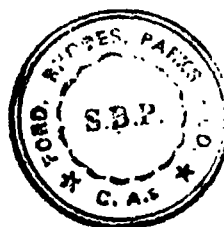
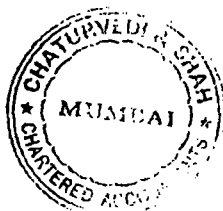
v) Net Commission Ratio

Segment	(Rs. in Crores)		Commission Ratio CY( %)	Commission Ratio PY( %)
	Commission Net	Premium Net		
Fire	128.27	1097.02	11.69	13.20
Marine Cargo	28.13	184.30	15.26	17.25
Marine Hull	-9.06	44.69	-20.27	-30.78
Marine Total	19.07	228.99	8.33	6.12
Motor	171.02	2236.49	7.65	7.94
Personal Accident	12.83	97.25	13.19	12.41
Aviation	11.43	86.46	13.22	3.30
Engineering	-6.98	237.01	-2.95	1.29
Health	134.36	1407.79	9.54	10.63
Liability*	23.19	140.07	16.56	17.59
Others	68.18	471.58	14.46	16.64
Misc Sub Total	414.03	4676.65	8.85	9.69
Grand Total	561.37	6002.66	9.35	10.20

\*Liability includes Workmens' compensation

vi) Expenses of Management to Gross Premium Ratio

Particulars	(Rs. in Crores)	
	2009-10	2008-09
Expenses	1736.06	1455.01
Gross Premium	7099.14	6455.78
Ratio (%)	24.45	22.54



## vii) Combined Ratio

(Rs. in Crores)		
Particulars	2009-10	2008-09
Claims	5132.45	4671.87
Expenses	1736.06	1455.01
Commission	561.37	560.83
Sub Total	7429.88	6687.71
Net Premium	6002.66	5500.31
Ratio (%)	123.78	121.59

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

(Rs. in Crores)		
Particulars	2009-10	2008-09
Unexpired Risks Reserves	3115.83	2824.03
Reserves for Premium Deficiency	0.00	0.00
Outstanding Claims	7526.18	6818.45
Total Technical Reserves	10642.01	9642.48
Net Premium	6002.66	5500.31
Ratio - (No. of Times)	1.77	1.75

## 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	-305.72	1097.02	-27.87	5.74
Marine Cargo	30.95	184.30	16.79	8.72
Marine Hull	-19.06	44.69	-42.65	-192.50
Marine Total	11.89	228.99	5.19	-37.91
Motor	96.98	2236.49	4.34	-10.46
Personal Accident	27.54	97.25	28.32	-21.45
Aviation	11.81	86.46	13.66	-91.00
Engineering	32.63	237.01	13.77	-0.87
Health	-531.97	1407.79	-37.79	-33.31
Liability*	-4.46	140.07	-3.18	37.84
Others	157.72	471.58	33.45	33.58
Misc Sub Total	-209.75	4676.65	-4.49	-11.18
Grand Total	-503.58	6002.66	-8.39	-9.14

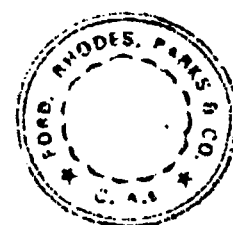
\*Liability includes Workmens' compensation

## x) Operating Profit Ratio

(Rs. in Crores)		
Particulars	2009-10	2008-09
Underwriting Result	-503.58	-1439.84
Investment Income	923.52	1686.82
Others	-60.66	50.24
Sub Total	359.28	297.22
Net Premium	6002.66	5500.31
Ratio (%)	5.99	5.40

## xi) Liquid Assets to Liabilities Ratio

(Rs. in Crores)		
Particulars	2009-10	2008-09
Liquid Assets	9813.61	8387.85
Policy holders Liabilities	10642.01	9642.48
Ratio (%)	92.22	86.99





## xii) Net Earnings Ratio

Particulars	(Rs. In Crores)	
	2009-10	2008-09
Profit After Tax	404.67	224.15
Net Premium	6002.66	5500.31
Ratio (%)	6.74	4.08

## xiii) Return on Net Worth

Particulars	(Rs. In Crores)	
	2009-10	2008-09
Profit After Tax	404.67	224.15
Net Worth	7430.21	7328.00
Ratio (%)	5.45	3.06

## xiv) Reinsurance Ratio

Particulars	(Rs. In Crores)	
	2009-10	2008-09
Risks Reinsured (Premium)	2342.63	2113.61
Gross Premium	7099.14	6455.78
Ratio (%)	33.00	32.74

## 22 Summary of Financial Statements for Last Five Years

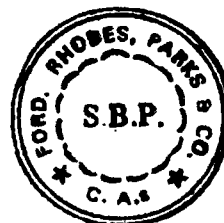
(Rs. In Crores)

Operating Results	2009-10	2008-09	2007-08	2006-07	2005-06
1 Gross Premium Written	7099.14	6455.78	6151.46	5936.78	5675.54
2 Net Premium Income#	6002.66	5500.31	4914.28	4751.77	4342.65
3 Income from Investments(Net)@	2139.69	1686.82	2344.62	2251.35	2010.79
4 Other Income	-60.66	50.24	21.23	15.85	44.10
5 Total Income	8081.69	7237.37	7280.13	7018.97	6397.54
6 Commissions/Brokerage	561.37	560.82	459.23	390.89	376.28
7 Brokerage (included in commissions)					
8 Operating Expenses	1736.06	1455.01	1019.10	1153.89	1306.89
9 Claims, Increase in Unexpired Risk Reserves and Other Out-Go	5424.97	4924.32	4280.32	3860.27	3858.80
10 Operating Profit/Loss	359.29	297.22	1521.48	1613.92	855.57
11 Total Income under Shareholders a/c					
12 Profit/(Loss) before Tax	359.29	297.22	1521.48	1613.92	855.57
13 Provision for Tax	-45.4	73.08	120.33	153.98	139.18
14 Net Profit/(Loss) after Tax	404.69	224.14	1401.15	1459.94	716.38
Miscellaneous					
15 Policy Holders' Account (Beginning)					
Total Funds	9642.48	8712.89	8229.39	7758.91	6876.43
Total Investments	.	.	.	.	.
Yield on Investments	.	.	.	.	.
16 Shareholders' Account (Beginning)					
Total Funds	7322.15	6972.80	5972.55	4706.87	4161.69
Total Investments	11851.03	10771.71	11236.00	11009.61	9397.55
Yield on Investments	.	.	.	.	.
17 Paid up equity capital	200.00	200.00	200.00	200.00	200.00
18 Net Worth	7430.21	7328.00	6972.80	5972.55	4706.87
19 Total Assets	36832.91	26931.58	31944.14	27444.57	27025.58
20 Yield on Total Investments( %)	15.91	13.18	19.54	20.74	21.11
21 Earning per Share (Rs)	20.23	11.21	70.06	73.00	35.82
22 Book value per Share(Rs)	371.51	368.40	348.64	298.63	235.34
23 Total Dividend	85.00	45.00	283.00	292.00	130.00
24 Dividend per Share (Rs)	4.25	2.25	14.15	14.60	6.50

# Net of Re-insurance

@ Net of losses

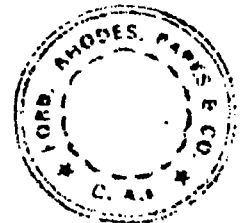
• Points 15 &amp; 16 may be given separately, if feasible



Dept.	Less than 3 months		3 - 6 months		6 months - 1 year	
	No.	Amount (in lacs)	No.	Amount (lacs)	No.	Amount (in lacs)
Fire	983	23,528.91	781	32,888.51	940	19,350.76
Marine Cargo	2,007	3,870.58	1,290	1,929.96	1,307	3,653.58
Marine Hull	60	3,585.37	17	21,747.31	76	2,507.28
Motor OD	12,604	7,540.34	16,563	7,730.27	10,693	5,597.30
Motor TP	11,885	14,603.99	10,975	16,902.40	21,522	30,743.99
Health	51,356	15,248.70	8,240	1,446.15	7,838	1,372.38
Liability	398	593.50	226	3,390.07	370	961.85
Motor TP Pool	5,288	9,604.96	5,915	14,510.81	10,303	18,559.20
Personal Accident	2,530	3,685.90	1,200	508.24	1,053	1,143.04
Aviation	17	644.80	62	2,943.95	6	287.12
Engineering	1,890	5,631.82	929	2,562.51	1,039	2,791.24
Credit Guarantee	1	2.06	-	-	-	-
Misc - Traditional	1,575	1,664.24	763	2,620.35	1,132	2,081.19
Rural	6,286	441.60	3,945	537.08	4,491	697.71
Urban Non-Traditional	4,365	810.81	2,722	545.99	2,735	613.74
Credit Shield	-	-	-	-	5	1,483.17
Total	101,245	91,457.48	53,628	110,263.60	63,510	91,843.58

Dept.	1 - 2 years		2 - 3 years		3 - 5 years	
	No.	Amount (in lacs)	No.	Amount (lacs)	No.	Amount (in lacs)
Fire	435	20,591.06	273	4,816.09	209	3,391.17
Marine Cargo	788	3,715.02	433	1,129.70	205	373.99
Marine Hull	47	10,696.17	57	2,993.50	32	1,570.72
Motor OD	2,521	2,271.29	1,834	1,844.59	558	756.69
Motor TP	40,555	57,444.64	32,769	50,515.15	79,190	118,368.59
Health	4,434	1,286.21	1,862	190.68	373	105.81
Liability	330	3,903.63	191	3,624.18	379	473.64
Motor TP Pool	10,508	21,046.95	3,379	6,910.65	2,422	3,324.46
Personal Accident	528	277.56	228	139.98	91	57.11
Aviation	3	29.79	25	1,651.84	14	747.80
Engineering	396	2,209.22	300	3,345.05	86	206.74
Credit Guarantee	9	36.85	-	-	-	-
Misc - Traditional	868	2,749.06	715	2,221.95	371	893.89
Rural	3,726	999.30	3,211	574.66	3,887	1,008.66
Urban Non-Traditional	1,921	491.36	1,597	336.18	1,125	183.48
Credit Shield	3	70.96	5	24.67	27	3,494.29
Total	67,072	127,819.07	46,879	80,318.87	88,969	134,957.04

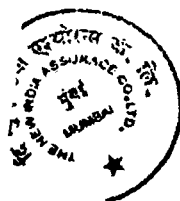
Dept.	5 years and above		Total	
	No.	Amount (in lacs)	No.	Amount (in lacs)
Fire	232	34,509.19	3,853	139,075.72
Marine Cargo	291	5,128.19	6,321	19,801.02
Marine Hull	68	3,843.54	357	46,943.89
Motor OD	166	272.44	44,939	26,012.92
Motor TP	33,443	46,711.82	230,339	335,290.58
Health	312	148.48	74,415	19,798.39
Liability	235	310.06	2,129	13,256.93
Motor TP Pool	1,716	3,361.48	39,531	77,318.51
Personal Accident	111	340.51	5,741	6,152.34
Aviation	11	31.15	138	6,336.25
Engineering	138	2,367.99	4,778	19,114.67
Credit Guarantee	9	100.46	19	139.37
Misc - Traditional	570	4,841.31	5,924	17,071.99
Rural	10,236	2,576.83	35,782	6,835.84
Urban Non-Traditional	4,313	305.45	18,778	3,287.01
Credit Shield	1	2.65	41	5,075.74
Total	51,782	104,851.53	473,085	741,511.17





- 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. (in Lakhs)

Segment	Relevant Premium	Expected claim cost and related expenses (based on incurred claim ratio of preceding 3 years)	Expected Maintenance cost	Surplus provision in Unearned Premium	Deficiency
Motor	111,824.71	(111,068.62)	(11,298.18)	-	(10,541.99)
Health	70,389.62	(74,065.85)	(5,770.82)	-	(9,447.05)
Marine Hull	4,469.47	(8,873.56)	(1,695.84)	2,279.43	(3,820.50)



*A. R. Sekar*  
A. R. Sekar  
Director and Company Secretary

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

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

As per our Report of even date



For CHATURVEDI & SHAH  
Chartered Accountants

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

Place : Mumbai  
Date : June 29, 2010

For KARNAVAT & CO.  
Chartered Accountants

*Samir B. Doshi*  
Samir B. Doshi  
Partner  
Membership No.117987



For FORD, RHODES, PARKS & CO.  
Chartered Accountants

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

