

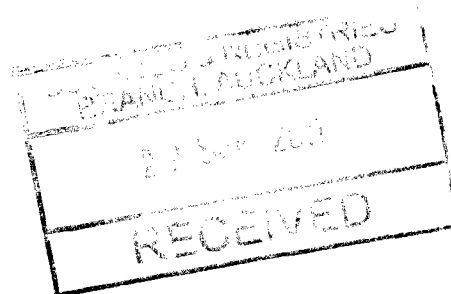


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**THE NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2011



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

**ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

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


ANNUAL REPORT

The Directors are pleased to present their Annual Report, together with the financial statements of The New India Assurance Company Limited New Zealand Branch for the year ended 31 March 2011.

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

For and on behalf of the Board of Directors:


.....
Director
16 September 2011


.....
Director
16 September 2011

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

COMPANY DIRECTORY

NATURE OF BUSINESS	General Insurance
REGISTERED OFFICE	DFK Oswin Griffiths Ltd Level 4 52 Symonds Street AUCKLAND
INCORPORATION NUMBER	1489374
DIRECTORS	A.R. Sekar M.D. Mallya M. Ramadoss I.S. Phukela R. Gopalan
AUDITOR	DFK Oswin Griffiths Chartered Accountants
BANKER	ANZ Bank

DFK Oswin Griffiths

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Partners

David S. Griffiths CA ACIS
Navin C Patel BCA CA
Mukesh K Parshottam BCA CA
Shane Browning MBA CA
CA (Australia) CPA (USA)
Sanjay Kumar B Com CA
Michael McNab B Com CA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

The New India Assurance Company Limited – New Zealand Branch

Report on the Financial Statements

We have audited the financial statements of The New India Assurance Company Limited - New Zealand Branch on pages 5 to 19, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

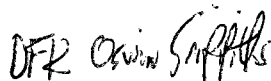
In our opinion, the financial statements on pages 5 to 19:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of The New India Assurance Company Limited - New Zealand Branch as at 31 March 2011 and its financial performance for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations that we have required.
- In our opinion proper accounting records have been kept by The New India Assurance Company Limited - New Zealand Branch as far as appears from an examination of those records.



DFK Oswin Griffiths

Chartered Accountants

16 September 2011

Auckland, New Zealand

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

	Note	2011 \$	2010 \$
Assets			
Non-current assets			
Property plant and equipment	4	26,809	25,247
Investments	5	523,546	532,084
Intangibles	7	2,891	7,228
Total non-current assets		553,246	564,559
Current assets			
Cash at Bank		438,542	324,192
Taxation refund		102,509	89,478
Trade and other receivables	8	3,353,731	2,600,793
Investments	5	7,100,000	4,350,000
Total current assets		10,994,782	7,364,463
Total assets		11,548,028	7,929,022
Current liabilities			
Trade and other payables	9	1,314,293	1,468,925
Outstanding claim provision	11	1,852,578	1,014,672
Employee benefits	10	20,787	6,587
Unearned premium reserve	12	4,361,564	3,180,795
Total current liabilities		7,549,222	5,670,979
Equity			
Retained losses		(1,153,879)	(1,840,052)
Total equity		(1,153,879)	(1,840,052)
Head office account	15	5,152,685	4,098,095
Total equity and head office account		3,998,806	2,258,043
Total equity and liabilities		11,548,028	7,929,022

For and on behalf of the Board

Director 
16 September 2011

Director 
16 September 2011

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 COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 \$	2010 \$
Gross earned premium revenue	2	5,497,350	4,667,085
Outwards reinsurance premium expense		(1,001,490)	(1,200,431)
Net premium revenue		4,495,860	3,466,654
Claims expense		(3,107,941)	(2,674,453)
Reinsurance and other recoveries revenue	2	550,993	249,143
Net claims incurred		(2,556,948)	(2,425,310)
Acquisition costs		(578,636)	(449,848)
Other underwriting expenses	3	(961,094)	(716,850)
Underwriting expenses		(1,539,730)	(1,166,698)
Underwriting profit / (loss)		399,182	(125,354)
Investment income	2	286,991	205,571
Profit before income tax expense		686,173	80,217
Income tax expense		-	-
Profit attributable to members of the entity		686,173	80,217
Other comprehensive income		-	-
Total comprehensive income		686,173	80,217

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 2011**

	Retained Losses \$	TOTAL \$
Equity at 01 April 2009	(1,920,269)	(1,920,269)
Profit attributable to members of the entity	80,217	80,217
Other comprehensive income	-	-
Total comprehensive income	<u>80,217</u>	<u>80,217</u>
Equity at 31 March 2010	(1,840,052)	(1,840,052)
Profit attributable to members of the entity	686,173	686,173
Other comprehensive income	-	-
Total comprehensive income	<u>686,173</u>	<u>686,173</u>
Equity at 31 March 2011	<u>(1,153,879)</u>	<u>(1,153,879)</u>

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 2011. The financial statements were authorised for issue by the Directors on 16 September 2011.

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 on-going 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 (\$).

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

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

Significant Accounting Policies

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

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% 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 24 January 2011. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(f) Impairment (continued)

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.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(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.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(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.

(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 NEW INDIA ASSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(v) Liability Adequacy Testing (continued)

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

	2011 \$	2010 \$
Gross written premium	6,678,119	5,258,240
Movement in unearned premium	(1,180,769)	(591,155)
Gross earned premium revenue	5,497,350	4,667,085
 Reinsurance and other recoveries revenue	 550,993	 249,143
 Investment revenue		
Interest received	286,991	205,571
Total investment revenue	286,991	205,571
 Total revenue	 6,335,334	 5,121,799

3. EXPENSES

	2011 \$	2010 \$
Operating profit/(loss) from trading was arrived at after:		
Charging the following expenses:		
Auditor's fees - auditing the financial statements	29,700	22,000
- other services	6,600	-
Depreciation	8,995	11,803
Amortisation of government stock	8,538	32,037
Amortisation of intangible assets	4,337	10,841
Rental operating lease expenses	71,817	71,819
Salaries and wages	311,812	287,915
Doubtful debts expense	242,982	-

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

NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

2011	At cost	Current year depreciation	Accumulated depreciation	Carrying value
	\$	\$	\$	\$
Furniture & fittings	34,972	2,585	19,259	15,713
Motor vehicles	27,761	1,890	22,377	5,384
Office equipment	113,423	4,332	108,377	5,046
Other assets	1,154	188	488	666
	<u>177,310</u>	<u>8,995</u>	<u>150,501</u>	<u>26,809</u>

2010	At cost	Current year depreciation	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
	<u>166,753</u>	<u>11,803</u>	<u>141,506</u>	<u>25,247</u>

5. INVESTMENTS

	Note	2011	2010
		\$	\$
Current			
Fixed interest maturing < 12 months		7,100,000	4,350,000
Government stock		-	-
		<u>7,100,000</u>	<u>4,350,000</u>
Non-current			
<u>Government stock:</u>			
Opening balance		532,084	522,608
Less: Government stock matured		-	(500,000)
Less: Amortisation expense	6	(8,538)	(32,037)
Plus: Government stock purchased		-	541,513
		<u>523,546</u>	<u>532,084</u>
Total Investments		<u><u>7,623,546</u></u>	<u><u>4,882,084</u></u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

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 \$523,546 (2010: \$532,084).

	2011 \$	2010 \$
Changes in Fair Value		
Realised (losses) on investments	-	(22,608)
Unrealised (losses) on investments	(8,538)	(9,429)
Total	<u>(8,538)</u>	<u>(32,037)</u>

7. INTANGIBLES

2011	At cost \$	Current year amortisation \$	Accumulated amortisation \$	Carrying value \$
Software	112,932	4,337	110,041	2,891

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

8. TRADE AND OTHER RECEIVABLES

	2011 \$	2010 \$
Trade receivables		
Premium due from policyholders and intermediaries	2,016,111	2,274,717
Provision for doubtful debts	(242,982)	-
Total trade receivables	<u>1,773,129</u>	<u>2,274,717</u>
Other receivables		
Deferred acquisition costs	1,107,540	293,520
Other receivables	304,853	-
Accrued interest	131,629	32,556
Prepayments	36,580	-
Total other receivables	<u>1,580,602</u>	<u>326,076</u>
Total receivables	<u><u>3,353,731</u></u>	<u><u>2,600,793</u></u>

The provision for doubtful debts in relation to trade receivables is provided for based on estimated recoverable amounts determined by reference to current customer circumstances and past default experience. In determining the recoverability of a trade receivable the Company considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. In the current year the Company has recognised a doubtful debt expense of \$242,982 (2010: nil).

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

NOTES TO THE FINANCIAL STATEMENTS

9. TRADE AND OTHER PAYABLES

	2011	2010
	\$	\$
Trade payables	208,234	513,041
Amounts due to reinsurers	988,834	671,682
Non-trade payables and accrued expenses	117,225	284,202
Total trade and other payables	<u>1,314,293</u>	<u>1,468,925</u>

The average credit limit for payables owing to the Company's reinsurer and brokers is 90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

10. EMPLOYEE BENEFITS

	2011	2010
	\$	\$
Liability for annual and sick leave	<u>20,787</u>	<u>6,587</u>

11. OUTSTANDING CLAIMS PROVISION

	2011	2010
	\$	\$
Central estimate of outstanding claims provision	1,543,815	845,560
Claim handling expenses	77,191	42,278
Claims incurred but not reported	231,572	126,834
Gross outstanding claims provision	<u>1,852,578</u>	<u>1,014,672</u>

The risk margin used to determine claims incurred but not reported included in gross outstanding claims is 15.0% (2010: 15.0%) of the central estimate.

12. UNEARNED PREMIUM RESERVE

	2011	2010
	\$	\$
Unearned premium liabilities at beginning of the year	3,180,795	2,589,640
Movement in unearned premium		
Deferral of premium on contracts written during the year	4,361,564	3,180,795
Earning of premiums deferred in prior years	(3,180,795)	(2,589,640)
Unearned premium liabilities at end of the year	<u>4,361,564</u>	<u>3,180,795</u>

13. FINANCIAL INSTRUMENTS

a) Capital risk management

The company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of cash and cash equivalents and equity comprising accumulated losses as disclosed in the statement of changes in equity.

The directors review the capital structure on a regular basis, as part of this review the directors consider the cost of capital and the risks associated with each class of capital. The directors balance the overall capital structure through the issue of new debt or redemption of existing debt when required.

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

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL INSTRUMENTS (continued)

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The company's reinsurance recoveries are from a fellow related party. The company's investments are spread across several banks and bond providers thereby minimising the credit risks.

c) Categories of financial assets and financial liabilities

	Loans and receivables	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Total
	\$	\$	\$	\$
2011				
Assets				
Cash and cash equivalents	438,542	-	-	438,542
Trade and other receivables	2,209,611	-	-	2,209,611
Investment in term deposits	7,100,000	-	-	7,100,000
Investment in government stock	-	523,546	-	523,546
Total financial assets	9,748,153	523,546	-	10,271,699
Non-financial assets				1,276,329
Total assets				11,548,028
Liabilities				
Trade and other payables	-	-	1,314,293	1,314,293
Total financial liabilities	-	-	1,314,293	1,314,293
Non-financial liabilities				6,234,929
Total liabilities				7,549,222

	Loans and receivables	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Total
	\$	\$	\$	\$
2010				
Assets				
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
Total financial assets	6,981,465	532,084	-	7,513,549
Non-financial assets				415,473
Total assets				7,929,022
Liabilities				
Trade and other payables	-	-	1,475,512	1,475,512
Total financial liabilities	-	-	1,475,512	1,475,512
Non-financial liabilities				4,195,467
Total liabilities				5,670,979

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

NOTES TO THE FINANCIAL STATEMENTS

d) Liquidity risk

Liquidity risk is the risk that payment of obligations may not be met in a timely manner at a reasonable cost. Ultimate responsibility for liquidity risk management rests with the board of directors who have built a liquidity risk management framework for the management of the company's short, medium and long term investment portfolio which can be liquidated at short notice. The following tables summarise the maturity profile of the company's financial liabilities:

	Weighted average interest rate %	Less than 1 year	1-5 years	5+ years	Total
2011					
Outstanding claims	-	1,543,815	-	-	1,543,815
Financial Liabilities					
Non-interest bearing payables	-	1,314,293	-	-	1,314,293
		<u>2,858,108</u>	<u>-</u>	<u>-</u>	<u>2,858,108</u>

	Weighted average interest rate %	Less than 1 year	1-5 years	5+ years	Total
2010					
Outstanding claims	-	845,560	-	-	845,560
Financial Liabilities					
Non-interest bearing payables	-	1,468,925	-	-	1,468,925
		<u>2,314,485</u>	<u>-</u>	<u>-</u>	<u>2,314,485</u>

e) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks are currency exchange risk, fair value interest rate risk, cashflow interest rate risk and price risk.

The company primarily faces interest rate risk due to the nature of its investments and liabilities. The company manages its exposure to this risk by holding the majority of such assets on short term maturities.

The following table details the company's expected maturity for its financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets.

	Weighted average interest rate %	Less than 1 year	1-5 years	5+ years	Total
2011					
Non-interest bearing					
Cash	-	438,542	-	-	438,542
Trade debtors	-	3,353,731	-	-	3,353,731
Fixed interest rate instruments					
Short term deposits	5.36%	7,100,000	-	-	7,100,000
Government bonds	6.50%	-	523,546	-	523,546
		<u>10,892,273</u>	<u>523,546</u>	<u>-</u>	<u>11,415,819</u>

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

NOTES TO THE FINANCIAL STATEMENTS

e) Market risk (continued)

2010	Weighted average interest rate %	Less than 1 year	1-5 years	5+ years	Total
Non-interest bearing					
Cash	-	324,192	-	-	324,192
Trade debtors	-	2,600,793	-	-	2,600,793
Fixed interest rate instruments					
Short term deposits	4.43%	4,350,000	-	-	4,350,000
Government bonds	6.50%	-	532,084	-	532,084
		<u>7,274,985</u>	<u>532,084</u>	<u>-</u>	<u>7,807,069</u>

14. CONTINGENCIES AND COMMITMENTS

The Company had no capital commitments as at balance date.

There were no contingent liabilities at balance date (2010: \$Nil).

Operating Lease Commitments

	2011 \$	2010 \$
Commitments under non-cancellable operating leases:		
Less than one year	53,863	98,863
Between one and five years	359,084	45,000
Greater than 5 years	197,496	-
Total Operating Lease Commitments	<u>610,443</u>	<u>143,863</u>

15. RELATED PARTIES

The Head Office has charged the New Zealand branch for Treaty Reinsurance in the amount of \$1,119,753 (2010: \$518,473).

An amount of \$153,649 is receivable from Head Office for reimbursement of claims expenses arising from the September 2010 Christchurch earthquake. This amount is included in other receivables.

The Head Office has provided funding to support the New Zealand branch and as at 31 March 2011 the New Zealand branch owed the Head Office \$5,152,685 (2010: \$4,098,095).

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

16. SUBSEQUENT EVENTS

There have been no events subsequent to balance date which would have a material effect on the financial statements.

The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]



Balance Sheet as at 31st March, 2011

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

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

V. G. Jain
Company Secretary

I. S. Phukela
Director

A. R. Sekar
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 FORD, RHODES, PARKS & CO.
Chartered Accountants

Shrikant B. Prabhu
Partner
Membership number 35296

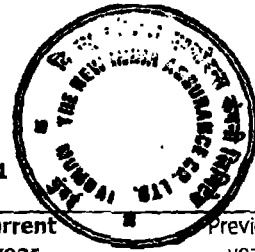
For S R GOYAL & CO.
Chartered Accountants

Ajay K. Atolia
Partner
Membership number 077201

Delhi
July 16, 2011



The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]



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

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

Basic and diluted earnings per share (Rs.) {Refer Note 11 B to notes to accounts In Schedule 16 B}

(21.08) 20.23

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

16

V. C. Jain
Company Secretary

I. S. Phukela
Director

A. R. Sakar
Director

M. Ramadoss
Chairman-Cum- Managing Director

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants

For FORD, RHODES, PARKS & CO.
Chartered Accountants

For S R GOYAL & CO.
Chartered Accountants

Vitesh D. Gandhi
Partner
Membership number 110248

Shrikant B. Prabhu
Partner
Membership number 35296

Ajay K. Atolia
Partner
Membership number 077201

Delhi
July 16, 2011



The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]

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

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

Significant accounting policies and notes to accounts

16

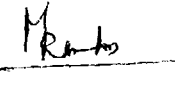
As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly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

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


V. C. Jain
Company Secretary


I. S. Phukela
Director


A. R. Sekar
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 FORD, RHODES, PARKS & CO.
Chartered Accountants



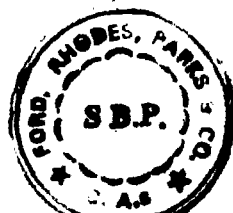
Shrikant B. Prabhu
Partner
Membership number 35296

For S R GOYAL & CO.
Chartered Accountants



Ajay K. Atolia
Partner
Membership number 077201

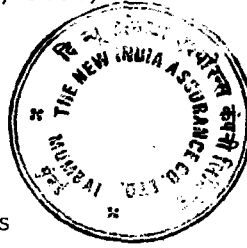
Delhi
July 16, 2011



The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]

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

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




Significant accounting policies and notes to accounts

16

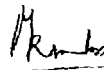
As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly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


V. C. Jain
Company Secretary

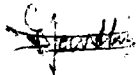

I. S. Phukela
Director


A. R. Sekar
Director


M. Ramadoss
Chairman-Cum- Managing Director

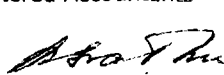
As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants



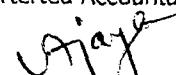
Vitesh D. Gandhi
Partner
Membership number 110248

For FORD, RHODES, PARKS & CO.
Chartered Accountants



Shrikant B. Prabhu
Partner
Membership number 35296

For S R GOYAL & CO.
Chartered Accountants



Ajay K. Atolia
Partner
Membership number 077201

Delhi
July 16, 2011



The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]

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


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

Significant accounting policies and notes to accounts

16

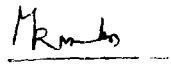
As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly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


V. C. Jain
Company Secretary



I. S. Phukela
Director


A. R. Sakar
Director

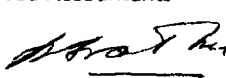

M. Ramadoss
Chairman-Cum- Managing Director

As per our report of even date

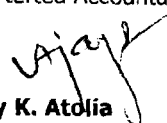
For CHATURVEDI & SHAH
Chartered Accountants


Vitesh D. Gandhi
Partner
Membership number 110248

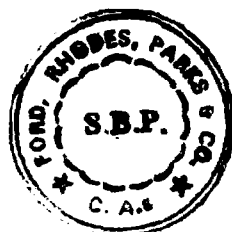
For FORD, RHODES, PARKS & CO.
Chartered Accountants


Shrikant B. Prabhu
Partner
Membership number 35296

For S R GOYAL & CO.
Chartered Accountants


Ajay K. Atolia
Partner
Membership number 077201

Delhi
July 16, 2011



The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]


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

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


V. C. Jain
Company Secretary


I. S. Phukela
Director


A. R. Sekar
Director


M Ramadoss
Chairman-Cum- Managing Director

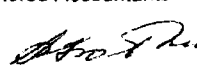
As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants



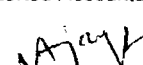
Vitesh D. Gandhi
Partner
Membership number 110248
Delhi
July 16, 2011

For FORD, RHODES, PARKS & CO.
Chartered Accountants



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Chartered Accountants



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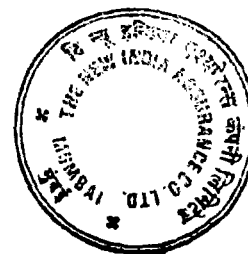
The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]



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

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

The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]



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

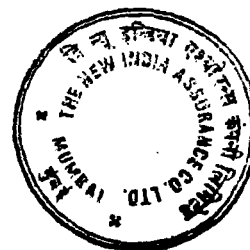
Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 1 - Marine Premium Earned (Net)		
Premium from direct business - in India	5495614	4743022
- outside India	570175	503682
Total	6065789	5246704
Add: Premium on reinsurance accepted	261563	211840
Less: Premium on reinsurance ceded	3302036	3168630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

The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]



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

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



The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]

Schedules for the year ended 31st March, 2011

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



The New India Assurance Company Limited

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Schedules for the year ended 31st March, 2011

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

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

SCHEDULE 5A

Pattern of Shareholding

(As Certified by Management)

Numbers in (000)

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

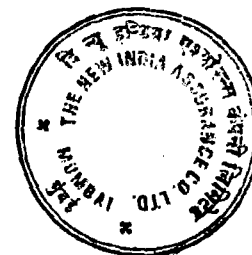
The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]



Schedules for the year ended 31st March, 2011

Particulars		Current year ₹ (000)	Previous year ₹ (000)
Schedule 6			
Reserves and surplus			
1. Capital reserve	(Op. balance)	575	575
Addition during the year		0	0
Deduction during the year		0	0
	(Cl. balance)	575	575
2. Capital redemption reserve			
3. Share premium		0	0
4. General reserves	(Op. balance)	72039462	68987199
Addition during the year - balance transferred from P & L account		(4212321)	3052263
Transfer from Investment Reserve		0	0
Net deduction during the year (refer note no 11 D)		0	0
	(Cl. balance)	67827141	72039462
5. Catastrophe reserve			
6. Other reserves			
a. Foreign currency translation reserve			
Opening balance		(187469)	1784249
Addition during the year (Refer note no 18 to notes to accounts in schedule 16 B)		1025658	(1971718)
Deduction during the year			
	(Cl. balance)	838189	(187469)
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			
Total		69115405	72302068
Schedule 7			
Borrowings			
1. Debentures / bonds		-	-
2. Banks		-	-
3. Financial institutions		-	-
4. Others		-	-
Total		Nil	Nil

The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]



Schedules for the year ended 31st March, 2011

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

The New India Assurance Company Limited
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Schedules for the year ended 31st March, 2011

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

The New India Assurance Company Limited
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Schedules for the year ended 31st March, 2011

Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 9		
Loans		
1. Security-wise classification		
Secured		
a. On mortgage of property		
aa. In India		
Loan against mortgage of property	2133612	2321693
Housing, vehicle and computer loans to employees	1137557	1316027
Direct Term Loans	6081	5846
bb. Outside India housing, vehicle loan to employees	0	0
b. On shares, bonds, Government securities	0	0
c. Others		
Loans guaranteed by banks/governments-		
loans to State Government housing, FFE Loans to Hudco	1410655	1771827
Unsecured (Term) loans, bridge loans, short-term loans, Term Loan PFPS)	168659	178079
Total	4856564	5593472
2. Borrower-wise classification		
a. Central and State Governments(term loans, housing and FFE)	1366655	1499493
b. Banks and financial institutions	0	0
c. Subsidiaries	0	0
d. Industrial undertakings(term loans,bridge loans, short-term loans, loans to PFPS)	1229730	1322335
e. Others - Housing loans,vehicle loans, computer loans to employees	2139693	2327539
HUDCO, Term loans and PFPS	120486	444105
Total	4856564	5593472
3. Performance-wise classification		
a. Loans classified as standard		
aa. In India:Term loans, bridge loans, State Government housing and FF,		
loans to HUDCO, PFPS	1576721	1872604
Housing, vehicle and computer loans to employees	2133612	2321693
bb. Outside India (loans to employees)	6081	5846
b. Non-performing loans less provisions		
aa. In India (term loans, bridge loans, short-term loans, loans PFPS)	1140150	1393329
bb. Outside India	0	0
Total	4856564	5593472
4. Maturity-wise classifications		
a. Short-term (term loans, direct bridge loans, short-term loans, term loans PFPS)	0	0
b. Long-term	0	0
(term loans direct, loans State Government housing and FF, loans to HUDCO and loans PFPS)	2716871	3265933
Housing, vehicle, and computer loans to employees.	2139693	2327539
Total	4856564	5593472

PFPS and FTTL PFPS amounting to ₹1018820131 (P.Y. ₹1017014127) and FTTL Short Term Loan amounting to ₹1675199 (P.Y. ₹1675199) and Direct Term Loans amounting to ₹15758739 (P.Y. ₹46799876) are netted against interest suspense of an equal amount.

Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 9

Direct Term Loans (Investments) std.provision	157	558
Direct Term Loans (Investments)	21680	26453
Bridge Loan Investments	400	400
Term Loans PFPS std.provision	823	161
Term Loans PFPS	993866	1035520
Short Term Loans Investments	87468	89469
Loans to HUDCO std. Provision	176	1089
Housing Loans to State Govts. - std.provision	4918	5378
Housing Loans to State Govts.	73993	74059
FFE Loans to State Govts. - std.provision	233	304
FFE Loans to State Govts.	4858	4858
Total	1188572	1238249

The New India Assurance Company Limited
Registration Number 190 and Date of Renewal with IRDA 28.02.2011

Schedule for the year ended 31-03-2011

Schedule 10 Fixed Assets		₹ (000)							
Particulars	Gross Block				Depreciation/Amortisation				Net Block
	Opening Balance.	Additions	Deletions	* Closing Balance	Opening Balance.	Additions	Deletions	* Closing Balance	Closing
	01/04/2010	During 2010-2011		31/03/2011	01/04/2010	During 2010-2011		31/03/2011	31/03/2011
									01/04/2010
Intangibles	714410	185852	16879	883383	307252	285157	0	592409	407158
Land Freehold	16091	59869	0	75960	0	0	0	0	16091
# Buildings	1338350	56604	(2002)	1396956	722643	38405	(990)	762038	615707
Furnitures & Fittings	448339	19291	3372	464258	381817	14892	2043	394666	66522
Information & Technology Equipments	2240089	178092	19448	2398733	2031814	208328	45977	2194165	208275
Vehicles	606808	65365	64476	607697	357129	72861	47195	382795	249679
Office Equipments	115934	6890	1915	120909	100875	3298	2406	101767	15059
Other Assets	245175	11344	1680	254839	202159	9075	4651	206583	43016
Grand Total	5725196	583307	105768	6202735	4103689	632016	101282	4634423	1621507
Previous Year	5189160	697202	161166	5725196	3607454	619893	123658	4103689	1581706

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

Due to Currency conversion



The New India Assurance Company Limited
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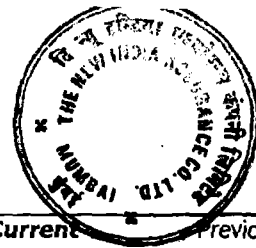


Schedules for the year ended 31st March, 2011

Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 11		
Cash and Bank balances		
1. Cash (including cheques ,drafts and stamps)	3445314	2369001
2. Bank balances		
a. Deposit accounts		
aa.Short - term (due within 12 months)	15487210	7321538
bb.Others	26296609	22140702
b. Current accounts	4001199	5731458
3. Money at call and short notice		
With banks	1116553	1120386
With other institutions	2697646	4968797
Total	<u>53044531</u>	<u>43651882</u>
Cash and bank balances IN INDIA	23001799	18022143
Cash and bank balances OUTSIDE INDIA	<u>30042731</u>	<u>25629739</u>
Total	<u>53044530</u>	<u>43651882</u>
<i>1 above includes remittance in transit</i>	4860	5796
<i>Balances with non scheduled banks included in 2b above</i>	5624391	173053
<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>	29075	27830
<i>Foreign balances included in 2b above (France 911897)</i>	8986	8602
<i>Indian balances included in 2b above</i>	<u>43232</u>	<u>94745</u>
Total	<u>81293</u>	<u>131177</u>

The New India Assurance Company Limited
[Registration No.190, Renewal Date 28.02.2011]

Schedules for the year ended 31st March, 2011



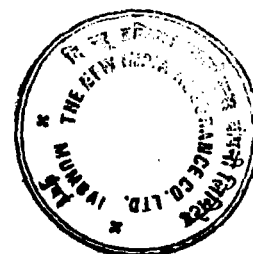
Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 12		
Advances and other assets		
A. Advances		
1. Reserve deposits with ceding companies	592175	151072
2. Application money for investments	0	50000
3. Pre-payments	276836	320363
4. Advances to directors / officers	0	0
5. Advance tax paid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

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

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

Reinsurance balances included in A1 above	93984	93984
Reinsurance balances included in B5 above	902108	902108
Reinsurance balances included in B8 above	494	494
Foreign balances included in A1 above (France 911871 & 873)	10591	10137
Foreign balances included in B1 above (France 911897)	128	123
Foreign balances included in B3 above (Fiji, Mauritius, Bangkok, Japan, Hongkong)	35458	26431
Foreign balances included in B4 above (Manila & Dubai)	14429	12676
Foreign balances included in B5 above (Mauritius, Singapore, France)	1960	1843
Foreign balances included in B6 above (Ghana, T&T, Kuala Lumpur)	482	453
Foreign balances included in B8 above (Equitorial Bank London)	4602	4144
Indian /Miscellaneous debtors included in B3above	0	8144
Indian Reinsurance Balances/Miscellaneous debtors included in B5B above	1500000	600000
Indian Coinsurance Balances/Miscellaneous debtors included in B5Aabove	15681	15219
Indian miscellaneous debtors included in B8B above	52231	82323
Indian miscellaneous debtors included in 12 B 4 above	192096	175134
Other TCS	18554	18554
Sundry debtors(5192) investments Indian included in B8 above - Std. provision	1425	0
Sundry debtors(5192) investments Indian included in B8 above	3851	3851
Sundry debtors(5192) investments(F) Indian included in B8 above	658	664
Income accrued on Investments(5131) Indian included in B1 above	5	5
Total	2848737	1956287

The New India Assurance Company Limited
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Schedules for the year ended 31st March, 2011

Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 13		
Current Liabilities		
1. Agents balances	317390	465286
2. Balances due to other insurance companies	13256979	11211214
3. Deposits held on reinsurance ceded	5833	14787
4. Premium received in advance	1481885	535671
5. Un-allocated premium	0	0
6. Sundry creditors - Other than service tax payable	7260823	5542284
Service tax payable	(849692)	98375
7. Due to subsidiaries / holding company	0	0
8. Claims outstanding	89559157	75261778
9. Due to officers/directors	0	0
10. Others	777103	945982
Policy Holders Fund - Excess Premium Collected	170101	129647
Policy Holders Fund - Refund Premium Due	181231	131618
Policy Holders Fund - Stale Cheques	622756	469107
Total	112783566	94805749

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

Indian balances included in 1 above	7636	443
Indian balances included in 4 above	1611	16663
Indian balances included in 6 above	41337	8419
Reinsurance balances included in 8 above	1123	1123
Foreign balances included in 2 above (Singapore, France)	2460	2307
Total	54167	28955

Schedule 14
Provisions

1. Reserve for un-expired risks	38347391	31158340
2. Provision for taxation (net of payment of taxes)	0	0
3. Provision for proposed dividend	0	850000
4. Provision for dividend distribution tax	0	144458
5. Others - Reserve for bad and doubtful debts.	4922096	4100266
Provision for diminution in value of thinly traded/unlisted shares	15148	28709
Provision for Wage Arrears	0	3645000
Provision for Leave Encashment	3081500	2877100
Total	46366135	42803873

Schedule 15
Miscellaneous Expenditure

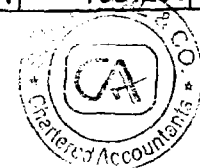
1. Discount allowed in issue of shares and debentures	0	0
2. Others - Contribution to Gratuity Trust (Deferred expenses to the extent not written off)	1372480	0
Total	1372480	0

Rupees Thousands

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - 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	13544552	12119204	3105118	2345746	2960671	2900958	6065789	5246704	62644780	53825503
Premium Accepted	6290105	4887509	39268	42437	222295	169404	261563	211841	8118962	7362151
Premium Ceded	-6555334	-6036542	-811045	-545215	-2490991	-2623415	-3302036	-3168630	-15146099	-14221145
Net Premium	13279323	10970171	2333341	1842968	691975	446947	3025316	2289915	55617643	46766509
Unexpired Risk Reserve Op.	5485085	5190734	1842967	1825868	446947	550702	2289914	2376570	23383341	20673006
Unexpired Risk Reserve Cl.	-6639661	-5485085	-2333341	-1842967	-691975	-446947	-3025316	-2289914	-28682413	-23383338
Net Earned Premium	12124747	10675820	1842967	1825869	446947	550702	2289914	2376571	50318571	44056177
Profit on Realisation of Investment	1086873	784746	186114	174402	106751	127812	292865	302214	4478142	4115807
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	1482325	1050607	253831	233487	145592	171113	399423	404600	6107486	5510180
Investment Provisions	-23516	-974	-4027	-216	-2310	-159	-6336	-375	-96889	-5106
Total Investment Income	2545682	1834379	435918	407673	250033	298766	685952	706439	10488739	9620882
Claims Paid Direct	8392816	5991657	1670768	1468798	1368292	2235379	3039059	3704177	47944811	42877183
Claims Paid Accepted	2492418	3322733	15564	21208	285670	163874	301234	185082	4663601	2525695
Claims Paid Ceded	-3901527	-3533475	-393342	-357945	-1260843	-1429874	-1654186	-1787819	-10326921	-9037981
Net Claim Paid	6983707	5780915	1292989	1132061	393118	969379	1686108	2101440	42281490	36364897
Cl O/S Claims Direct	23349300	18482738	2966333	2342074	5118912	5094038	8085246	7436112	64310782	63705825
Cl O/S Claims Accepted	10824286	5435816	53901	55633	336785	323335	390686	378968	22905921	13969148
Cl O/S Claims Ceded	-14174481	-9658410	-1088247	-859537	-3466789	-3924974	-4555036	-4784511	-21577544	-19703909
Net Cl. O/S Claim	19999105	14260144	1931987	1538170	1988908	1492399	3920896	3030569	65639159	57971064
Op O/S Claims Direct	-18482738	-15578877	-2342074	-2233916	-5094038	-4986324	-7436111	-7220240	-63705824	-62371224
Op O/S Claims Accepted	-5435816	-5326426	-55633	-62315	-323335	-173245	-378969	-235560	-13969148	-9209480
Op O/S Claims Ceded	9658410	11552041	859537	889837	3924974	3341480	4784512	4231317	19703909	15973916
Net Op. O/S Claim	-14260144	-9353262	-1538170	-1406394	-1492399	-1818089	-3030569	-3224483	-57971064	-55606788
Incurred Claims Direct	13259378	8895519	2295026	1576957	1393165	2343092	3688191	3920049	48549769	44211783
Incurred Claims Accepted	7880889	3432123	13833	14525	299120	313964	312953	328489	13600372	7285363
Incurred Claims Ceded	-8417598	-1639844	-622053	-327644	-802659	-2013368	-1424712	-2341012	-12200558	-12767973
Net Incurred Claims	12722669	10687798	1686806	1263838	889626	643688	2576432	1907526	49949583	38729174
Commission Direct	1412864	1321263	435350	357204	68368	55617	503718	412821	5613802	5472448
Commission Accepted	1053411	897403	9942	11993	40212	20962	50154	32955	719433	932969
Commission Ceded	-688319	-935947	-88046	-87902	-143563	-167165	-231610	-255067	-1946748	-2265169
Net Incurred Commission	1777956	1282719	357246	281295	-34983	-90586	322262	190709	4386487	4140249
Foreign Taxes	51	194	0	77	0	27	0	104	0	6960
Operating Expenses Related to Insurance	4042548	3596706	480648	378803	486546	487007	967194	865810	14422524	12898123
Revenue Accounts Result	-3872795	-3057218	-245815	309529	-644208	-190668	-890024	118861	-7951284	-2097445

Note: Subject to Rounding off Effect.



Rupees in Thousands



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

Segment	Motor OD		Motor TP		Motor TP Pool		Total Motor TP		Health	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	18705503	16507318	3810939	3584175	5787859	5404609	9598798	8988784	20181554	15672343
Premium Accepted	124186	112933	662	0	5394649	5074444	5395311	5074444	0	0
Premium Ceded	-2408509	-2556168	-382409	-357760	-5781281	-5404609	-6163690	-5762369	-2011160	-1594419
Net Premium	16421180	14064083	3429192	3226415	5401227	5074444	8830419	8300859	18170394	14077924
Unexpired Risk Reserve Op.	7032041	6450647	1613208	1616554	2537222	2480428	4150430	4096982	7038962	5651030
Unexpired Risk Reserve Cl.	-8703225	-7032041	-1748888	-1613208	-2862650	-2537222	-4611538	-4150430	-9085197	-7038962
Net Earned Premium	14749996	13482689	3293512	3229761	5075799	5017650	8369311	8247411	16124159	12689992
Profit on Realisation of Investment	649742	587447	1627804	1816147	824195	541487	2451999	2357634	533107	425799
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	886147	786465	2220070	2431432	1124072	724935	3344142	3156367	727075	570053
Investment Provisions	-14058	-729	-35219	-2253	-17832	-672	-53051	-2925	-11534	-528
Total Investment Income	1521831	1373183	3812655	4245326	1930435	1265751	5743090	5511077	1248648	995324
Claims Paid Direct	11057519	10530251	9447095	9900029	3983596	1984540	13430691	11884569	18067755	15698718
Claims Paid Accepted	152388	142477	0	0	3134277	1478155	3134277	1478155	0	0
Claims Paid Ceded	-1545276	-1882276	-1714945	-1859937	-4010556	-1984540	-5725501	-3844477	-1829029	-1757445
Net Claim Paid	9664631	8790452	7732150	8040092	3107316	1478155	10839466	9518247	16238726	13941273
CI O/S Claims Direct	5492934	5273867	31938183	35486057	10594316	7731851	42532499	43217908	3151467	2844968
CI O/S Claims Accepted	65697	68474	0	0	20421152	12435914	20421152	12435914	0	0
CI O/S Claims Ceded	-480845	-570513	-6644704	-7526948	-10594316	-7731851	-17239020	-15258799	-210718	-198968
Net Cl. O/S Claim	5077786	4771828	25293479	27959109	20421152	12435914	45714631	40395023	2940749	2646000
Op O/S Claims Direct	-5273867	-4741549	-35486057	-40047602	-7731851	-4172929	-43217908	-44220531	-2844968	-2416983
Op O/S Claims Accepted	-68474	-281781	0	0	-12435914	-7555162	-12435914	-7555162	0	0
Op O/S Claims Ceded	570513	586600	7526948	8004810	7731851	4172929	15258799	12177739	198968	176523
Net Op. O/S Claim	-4771828	-4436730	-27959109	-32042792	-12435914	-7555162	-40395023	-39597954	-2646000	-2240460
Incurred Claims Direct	11276586	11062569	5899220	5338483	6846061	5543462	12745281	10881945	18374254	16126702
Incurred Claims Accepted	149611	-70830	0	0	11119514	6358907	11119514	6358907	0	0
Incurred Claims Ceded	-1455608	-1866188	-832702	-1382076	-6873021	-5543462	-7705723	-6925538	-1840779	-1779890
Net Incurred Claims	9970589	9125551	5066518	3956407	11092554	6358907	16159072	10315314	16533475	14346812
Commission Direct	2328478	2340803	0	-1328	0	-2162	0	-3490	1655291	1619734
Commission Accepted	4146	4675	66	0	49308	507444	49374	507444	0	0
Commission Ceded	-320282	-527717	0	-71815	-578786	-539803	-578786	-611618	-284799	-276121
Net Incurred Commission	2012342	1817761	66	-73143	-529478	-34520	-529412	-107663	1370492	1343613
Foreign Taxes	0	4391	0	0	0	0	0	0	0	100
Operating Expenses Related to Insura	3837723	3514974	776852	758008	2279133	2216188	3055984	2974196	4113250	3314504
Revenue Accounts Result	451173	393195	1262731	2833815	-5835975	-2257174	-4573243	576641	-4644410	-5319713

Note: Subject to Rounding off Effect.



Rupees in Thousands

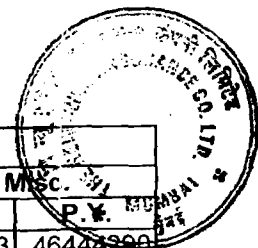


SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - GLOBAL

Segment	Liability		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.	C.Y.	P.Y.
Premium Direct	2249001	1959395	1413027	1196692	744032	643955	4042050	3324390	223696	278304	5487121	5054321	82255121	70991411
Premium Accepted	24088	22508	31445	20597	628582	693265	1008584	740594	160388	307238	746378	390571	14670630	12461501
Premium Ceded	-342754	-581165	-244880	-244755	-588931	-472613	-1958718	-1694850	-152282	-194155	-1275174	-1120650	-25003469	-23426317
Net Premium	1930335	1400738	1199592	972534	783683	864607	3091916	2370134	231802	391387	4958325	4324242	71922282	60626595
Unexpired Risk Reserve Op.	700370	835051	486267	462168	432303	128939	1185067	1012945	195694	151890	2162207	1883355	31158340	28240310
Unexpired Risk Reserve Cl.	-1003774	-700370	-599796	-486267	-399678	-432303	-1607796	-1185067	-118218	-195694	-2553191	-2162207	-38347390	-31158337
Net Earned Premium	1626931	1535419	1086063	948435	816308	561243	2669187	2198012	309278	347583	4567341	4045390	64733232	57108568
Profit on Realisation of Investment	202418	175686	61945	62389	66058	58896	173362	131712	43444	25032	296067	291212	5857880	5202767
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	276067	235205	84483	83525	90093	78849	236439	176334	59250	33512	403790	389870	7989234	6965387
Investment Provisions	-4380	-218	-1340	-77	-1429	-73	-3751	-163	-940	-31	-6406	-362	-126741	-6455
Total Investment Income	474105	410673	145088	145837	154722	137672	406050	307883	101754	58513	693451	680720	13720373	12161700
Claims Paid Direct	1038281	904181	960981	832644	343242	215424	1330551	1065952	35447	53732	1680344	1691714	59376686	52573017
Claims Paid Accepted	3131	2118	18058	23200	507249	298477	204101	92424	414220	272412	230177	216431	7457253	6033510
Claims Paid Ceded	-33689	-123201	-285457	-367729	-130909	-136023	-300247	-305347	-24824	-39554	-451989	-581928	-15882634	-14359275
Net Claim Paid	1007723	783098	693582	488115	719582	377878	1234405	853029	424843	286590	1458532	1326217	50951305	44247252
CI O/S Claims Direct	3770799	3796855	670174	859699	806775	848626	3561304	2551983	196598	535574	4128232	3776345	95745328	89624675
CI O/S Claims Accepted	6315	1466	158977	24799	516120	315158	543415	433045	773074	413047	421171	277245	34120893	19783932
CI O/S Claims Ceded	-578513	-821354	-134751	-245418	-305133	-396010	-1526541	-1020626	-113147	-355076	-988876	-837145	-40307060	-34146830
Net Cl. O/S Claim	3198601	2976967	694400	639080	1017762	767774	2578178	1964402	856525	593545	3560527	3216445	89559161	75261777
Op O/S Claims Direct	-3796855	-2858981	-859699	-791790	-848626	-979929	-2551983	-2236612	-535574	-402358	-3776345	-3722491	-89624674	-85170341
Op O/S Claims Accepted	-1466	0	-24799	-10480	-315158	-494835	-433045	-226193	-413047	-180105	-277245	-460924	-19783933	-14771466
Op O/S Claims Ceded	821354	437984	245418	108163	396010	512163	1020626	1034677	355076	270433	837145	669634	34146831	31757274
Net Op. O/S Claim	-2976967	-2420997	-639080	-694107	-767774	-962601	-1964402	-1428128	-593545	-312030	-3216445	-3513781	-75261777	-68184533
Incurred Claims Direct	1012225	1842053	771457	900554	301390	84123	2339872	1381322	-303529	186947	2032232	1745564	65497337	57027351
Incurred Claims Accepted	7980	3584	152237	37519	708211	118800	314471	299276	774246	505355	374102	32753	21794215	11045975
Incurred Claims Ceded	209153	-506571	-174789	-504985	-40033	-19870	-806162	-291296	217104	-124197	-603721	-749440	-22042869	-16748829
Net Incurred Claims	1229358	1339066	748905	433088	969568	183053	1848181	1389302	687821	568105	1802613	1028877	65248684	51324498
Commission Direct	325129	315196	174576	164851	6764	10446	342315	282101	27832	18763	753419	724044	7530384	7206532
Commission Accepted	2513	2374	9491	4049	108964	123361	346557	142073	34386	66626	164002	82367	1822998	1863327
Commission Ceded	-43545	-85646	-34762	-40646	-24098	-19465	-408881	-494014	-64933	-47509	-186662	-162433	-2866676	-3456183
Net Incurred Commission	284097	231924	149305	128254	91630	114342	279991	-69840	-2715	37880	730759	643978	6486706	5613677
Foreign Taxes	0	585	0	139	0	604	0	453	0	0	0	689	51	7258
Operating Expenses Related to Insura	463284	419148	294401	257441	279756	282805	1029381	859693	78281	123835	1270464	1151527	19432266	17360639
Revenue Accounts Result	124297	-44631	38540	275350	-369924	118111	-82316	326287	-352355	-323724	1456956	1901039	-12714103	-5035802

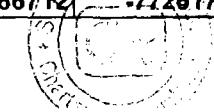
Note: Subject to Rounding off Effect.

Rupees in Thousands

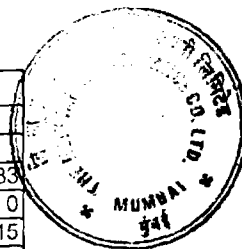


SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - INDIAN

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	10492612	9237825	2657861	1960131	2837753	2782891	5495614	4743022	54983153	46444290
Premium Accepted	840558	686634	1962	25	100355	54010	102317	54035	6976034	6358447
Premium Ceded	-4167768	-4118279	-773914	-533023	-2405424	-2536450	-3179338	-3069473	-14360292	-13465797
Net Premium	7165402	5806180	1885909	1427133	532684	300451	2418593	1727584	47598895	39338235
Unexpired Risk Reserve Opening	2903090	2599039	1427132	1268419	300452	414377	1727584	1682796	19669203	17412750
Unexpired Risk Reserve Closing	-3582701	-2903090	-1885909	-1427132	-532684	-300452	-2418593	-1727584	-24474341	-19669203
Net Earned Premium	6485791	5502129	1427132	1268420	300452	414376	1727584	1682796	42793757	37081782
Profit on Realisation of Investment	1086757	783667	186094	174162	106740	127636	292834	301798	4477943	4113576
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	1366974	943698	234078	209728	134262	153701	368340	363429	5910480	5289244
Investment Provisions	-23726	-898	-4063	-200	-2330	-146	-6393	-346	-97246	-4950
Total Investment Income	2430005	1726467	416109	383690	238672	281191	654781	664881	10291177	9397871
Claims Paid Direct	7006057	4528370	1580275	1396020	1335420	1773335	2915695	3169355	43413480	38578378
Claims Paid Accepted	110911	575781	-175	1552	104672	141680	104497	143232	3911789	2035671
Claims Paid Ceded	-1541318	-1677319	-382895	-357585	-1207611	-1040508	-1590506	-1398093	-9573938	-8623615
Net Claim Paid	5575650	3426832	1197205	1039987	232481	874507	1429686	1914494	37751331	31990434
CI O/S Claims Direct	18432712	15832571	2776870	2108101	4940067	4925390	7716937	7033491	58237489	58063049
CI O/S Claims Accepted	1120928	1001876	0	0	231359	249431	231359	249431	22084543	13359179
CI O/S Claims Ceded	-6636253	-7137299	-1013178	-764945	-3466688	-3924822	-4479866	-4689767	-21146976	-19394531
Net CI. O/S Claim	12917387	9697148	1763692	1343156	1704738	1249999	3468430	2593155	59175056	52027697
Op O/S Claims Direct	-15832571	-12759581	-2108101	-1993505	-4925390	-4764620	-7033491	-6758125	-58063049	-56970371
Op O/S Claims Accepted	-1001876	-1189025	0	0	-249431	-143989	-249431	-143989	-13359215	-8316543
Op O/S Claims Ceded	7137299	9345428	764945	790660	3924822	3341223	4689767	4131883	19394531	15593328
Net Op. O/S Claim	-9697148	-4603178	-1343156	-1202845	-1249999	-1567386	-2593155	-2770231	-52027733	-49693586
Incurred Claims Direct	9606198	7601360	2249044	1510617	1350096	1934104	3599140	3444721	43587919	39671056
Incurred Claims Accepted	229963	388632	-175	1552	86599	247122	86424	248674	12637113	7078307
Incurred Claims Ceded	-1040272	530811	-631128	-331870	-749477	-1624106	-1380605	-1955976	-11326386	-12424820
Net Incurred Claims	8795889	8520803	1617741	1180299	687218	557120	2304959	1737419	44898646	34324543
Commission Direct	667902	622895	317422	257332	42799	33774	360221	291106	3924408	3855539
Commission Accepted	46919	35364	61	3	18232	9890	18293	9893	523604	753244
Commission Ceded	-568610	-788018	-77345	-84705	-129067	-150365	-206412	-235070	-1862109	-2217834
Net Incurred Commission	146211	-129759	240138	172630	-68036	-106701	172102	65929	2585903	2390950
Foreign Taxes	0	0	0	0	0	0	0	0	0	2225
Operating Expenses Related to Insurance	3736195	3369186	444224	354841	449675	456200	893899	811041	13326561	12310770
Revenue Accounts Result	-3762499	-4531634	-458862	-55660	-529733	-211052	-988595	-266712	-7726177	-2548835



Rupees in Thousands



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - INDIAN										
Segment	Motor OD		Motor TP		Motor TP Pool		Total Motor		Health	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Premium Direct	13435011	11720609	3810939	3584175	5787859	5404609	23033809	20709393	20033687	15524733
Premium Accepted	0	0	662	0	5394649	5074444	5395311	5074444	0	0
Premium Ceded	-2015415	-2344122	-382409	-357760	-5781281	-5404609	-8179105	-8106491	-2003367	-1553415
Net Premium	11419596	9376487	3429192	3226415	5401227	5074444	20250015	17677346	18030320	13971318
Unexpired Risk Reserve Opening	4688244	4353688	1613208	1616554	2537222	2480428	8838674	8450670	6985659	5651030
Unexpired Risk Reserve Closing	-6052386	-4688244	-1748888	-1613208	-2862650	-2537222	-10663924	-8838674	-9015160	-6985659
Net Earned Premium	10065454	9041931	3293512	3229761	5075799	5017650	18424765	17289342	16000819	12636689
Profit on Realisation of Investment	649672	586639	1627804	1816147	824195	541487	3101671	2944273	533050	425213
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	817189	706435	2220070	2431432	1124072	724935	4161331	3862802	670496	512045
Investment Provisions	-14183	-672	-35219	-2253	-17832	-672	-67234	-3597	-11637	-487
Total Investment Income	1452678	1292402	3812655	4245326	1930435	1265751	7195768	6803479	1191909	936771
Claims Paid Direct	8034320	7582193	9447095	9900029	3983596	1984540	21465011	19466762	17957760	15565428
Claims Paid Accepted	0	0	0	0	3134277	1478155	3134277	1478155	0	0
Claims Paid Ceded	-1386414	-1657489	-1714945	-1859937	-4010556	-1984540	-7111915	-5501966	-1808887	-1709859
Net Claim Paid	6647906	5924704	7732150	8040092	3107316	1478155	17487372	15442951	16148873	13855569
CI O/S Claims Direct	2942213	2833291	31938183	35486057	10594316	7731851	45474712	46051199	3151345	2844839
CI O/S Claims Accepted	0	0	0	0	20421152	12435914	20421152	12435914	0	0
CI O/S Claims Ceded	-442115	-514530	-6644704	-7526948	-10594316	-7731851	-17681135	-15773329	-210718	-198968
Net CI. O/S Claim	2500098	2318761	25293479	27959109	20421152	12435914	48214729	42713784	2940627	2645871
Op O/S Claims Direct	-2833291	-2671829	-35486057	-40047602	-7731851	-4172929	-46051199	-46892360	-2844839	-2416983
Op O/S Claims Accepted	0	0	0	0	-12435914	-7555162	-12435914	-7555162	0	0
Op O/S Claims Ceded	514530	469591	7526948	8004810	7731851	4172929	15773329	12647330	198968	176523
Net Op. O/S Claim	-2318761	-2202238	-27959109	-32042792	-12435914	-7555162	-42713784	-41800192	-2645871	-2240460
Incurred Claims Direct	8143242	7743655	5899220	5338483	6846061	5543462	20888523	18625600	18264266	15993285
Incurred Claims Accepted	0	0	0	0	11119514	6358907	11119514	6358907	0	0
Incurred Claims Ceded	-1313999	-1702427	-832702	-1382076	-6873021	-5543462	-9019722	-8627965	-1820637	-1732304
Net Incurred Claims	6829243	6041228	5066518	3956407	11092554	6358907	22988315	16356542	16443629	14260981
Commission Direct	1135386	1204418	0	-1328	0	-2162	1135386	1200928	1626040	1591647
Commission Accepted	0	0	66	0	49308	507444	49374	507444	0	0
Commission Ceded	-302288	-527427	0	-71815	-578786	-539803	-881074	-1139045	-284755	-276079
Net Incurred Commission	833098	676991	66	-73143	-529478	-34520	303686	569328	1341285	1315568
Foreign Taxes	0	1404	0	0	0	0	0	1404	0	32
Operating Expenses Related to Insurance	3447477	3292624	776852	758008	2279133	2216188	6503461	6266824	3694987	3104835
Revenue Accounts Result	398314	322086	1262731	2833815	-5835975	-2257174	-4174929	898723	-4287173	-5107956

* 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 Segment of liability Insurance)	780371	778541	202893	169769	443067	266986	266986	142912	378974	293842
Product Liability (Sub Segment of liability Insurance)	102072	NA	0	NA	0	NA	0	NA	0	NA
(Sub Segment of credit shield Insurance) <i>Excess Credit</i>	14492	42089	0	18187	573	0	0	20828	573	-2641



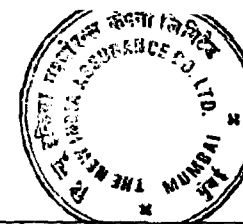
Rupees in Thousands



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

Segment	*Liability		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.	C.Y.	P.Y.
Premium Direct	1630583	1268768	1254908	1031994	744032	643957	3342042	2918273	223696	278304	4720396	4068868	70971379	60425136
Premium Accepted	22797	21534	22564	11729	43638	46879	698738	584246	160388	307238	632598	312377	7918909	7099118
Premium Ceded	-295188	-513571	-229980	-219546	-588931	-470625	-1728845	-1615666	-152282	-194155	-1182594	-792339	-21707398	-20653548
Net Premium	1358192	776731	1047492	824177	198739	220211	2311935	1886864	231802	391387	4170400	3588906	57482890	46870706
Unexpired Risk Reserve Opening	388365	435951	412088	394859	110105	26672	943432	785473	195694	151890	1795186	1516205	24299877	21694585
Unexpired Risk Reserve Closing	-706260	-388365	-523746	-412088	-101357	-110105	-1202206	-943432	-118218	-195694	-2143470	-1795186	-30475635	-24299877
Net Earned Premium	1040297	824317	935834	806948	207487	136778	2053161	1728905	309278	347583	3822116	3311220	51007132	44266707
Profit on Realisation of Investment	202397	175444	61938	62303	66051	58815	173343	131531	43444	25032	296049	290965	5857534	5199041
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	254584	211271	77908	75026	83082	70825	218040	158391	59250	33512	385789	365372	7645794	6596371
Investment Provisions	-4419	-201	-1352	-71	-1442	-67	-3784	-151	-940	-31	-6438	-345	-127365	-6194
Total Investment Income	452562	386514	138494	137258	147691	129573	387599	289771	101754	58513	675400	655992	13375963	11789219
Claims Paid Direct	254785	198198	903847	768159	343174	217555	1034388	933541	35447	53732	1419068	1375003	53335232	46276103
Claims Paid Accepted	1946	983	12489	19340	17440	27659	129599	47544	414220	272412	201819	189578	4127197	2754684
Claims Paid Ceded	-33928	-109559	-283513	-362627	-126372	-136023	-255197	-279582	-24824	-39554	70699	-484445	-12705762	-11699027
Net Claim Paid	222803	89622	632823	424872	234242	109191	908790	701503	424843	286590	1691585	1080136	44756667	37331760
CI O/S Claims Direct	1725608	1643692	624684	826235	683775	719626	2750883	2176467	196598	535574	3629884	3265417	84387138	80929111
CI O/S Claims Accepted	957	1405	130118	264	14328	6110	406855	279146	773074	413047	338059	223293	23436830	14610486
CI O/S Claims Ceded	-406061	-640182	-134680	-245030	-305133	-396010	-1335650	-949476	-113147	-355076	-960452	-836460	-32263095	-31221597
Net Cl. O/S Claim	1320504	1004915	620122	581469	392970	329726	1822088	1506137	856525	593545	3007491	2652250	75560873	64318000
Op O/S Claims Direct	-1643692	-584392	-826235	-764479	-719626	-858929	-2176467	-1859292	-535574	-402358	-3265417	-3191578	-80929111	-76488077
Op O/S Claims Accepted	-1405	0	-264	-145	-6110	-10369	-279146	-129949	-413047	-180105	-223329	-440813	-14610522	-9649557
Op O/S Claims Ceded	640182	270511	245030	107249	396010	512163	949476	943969	355076	270433	836460	665150	31221597	29070639
Net Op. O/S Claim	-1004915	-313881	-581469	-657375	-329726	-357135	-1506137	-1045272	-593545	-312030	-2652286	-2967241	-64318036	-57066995
Incurred Claims Direct	336702	1257498	702295	829916	307322	78253	1608804	1250716	303529	186948	1783536	1448840	56793257	50717137
Incurred Claims Accepted	1498	2387	142343	19458	25658	23399	257308	196741	774246	505355	316547	-27940	12953501	7715613
Incurred Claims Ceded	200194	-479231	-173164	-500409	-35495	-19870	-641370	-285089	217104	-124197	-53295	-655755	-13747263	-13849985
Net Incurred Claims	538394	780654	671474	348965	297485	81782	1224742	1162368	687821	568106	2046787	765145	55999494	44582765
Commission Direct	185972	152119	138066	125114	6764	10446	203218	200708	27832	18763	601130	555814	4952531	4769540
Commission Accepted	2185	2153	6769	1313	3219	4976	282909	102412	34386	66626	144762	68320	588816	798501
Commission Ceded	-42153	-84308	-33624	-35850	-24098	-19379	-352786	-478971	-64933	-47509	-178686	-136693	-2637131	-3240922
Net Incurred Commission	146004	69964	111211	90577	-14115	-3957	133341	-175851	-2715	37880	567206	487441	2904216	2327120
Foreign Taxes	0	187	0	44	0	193	0	145	0	0	0	220	0	2225
Operating Expenses Related to Insurance	416174	392633	264465	241156	251308	264916	924705	805311	78281	123835	1193181	1111264	17956655	16490997
Revenue Accounts Result	392287	-32607	27178	263464	-179500	-76583	157972	226703	-352355	-323725	690342	1603142	-12477271	-7347181

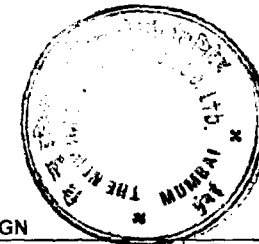
Rupees in Thousands



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2011 - 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	3051940	2881379	447257	385615	122918	118067	570175	503682	7661629	7181212
Premium Accepted	5449547	4200875	37306	42412	121940	115394	159246	157806	1142928	1002408
Premium Ceded	-2387566	-1918263	-37131	-12192	-85567	-86965	-122698	-99157	-785806	-755347
Net Premium	6113921	5163991	447432	415835	159291	146496	606723	562331	8018751	7428273
Unexpired Risk Reserve Opening	2581995	2591695	415835	557449	146495	136325	562330	693774	3714138	3260257
Unexpired Risk Reserve Closing	-3056960	-2581995	-447432	-415835	-159291	-146495	-606723	-562330	-4208072	-3714138
Net Earned Premium	5638956	5173691	415835	557449	146495	136326	562330	693775	7524817	6974392
Profit on Realisation of Investment	116	1079	20	240	11	176	31	416	199	2231
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	115351	106909	19753	23759	11330	17412	31083	41171	197006	220936
Investment Provisions	210	-76	36.4	-16	20.2	-13	56.6	-29	357	-156
Total Investment Income	115677	107912	19809.4	23983	11361.2	17575	31170.6	41558	197562	223011
Claims Paid Direct	1386759	1463287	90492.63	72778	32871.7	462044	123364.3	534822	4531331	4298807
Claims Paid Accepted	2381507	2746952	15738.8	19656	180998	22194	196736.8	41850	751812	490023
Claims Paid Ceded	-2360209	-1856156	-10447.36	-360	-53232.62	-389366	-63679.98	-389726	-752984	-414365
Net Claim Paid	1408058	2354083	95784.07	92074	160637.08	94872	256421.2	186946	4530159	4374465
CI O/S Claims Direct	4916588	2650167	189463	233973	178845	168648	368308	402621	6073293	5642776
CI O/S Claims Accepted	9703358	4433940	53901	55633	105426	73904	159327	129537	821378	609969
CI O/S Claims Ceded	-7538228	-2521111	-75069	-94592	-101	-152	-75170	-94744	-430568	-309378
Net CI. O/S Claim	7081718	4562996	168295	195014	284170	242400	452465	437414	6464103	5943367
Op O/S Claims Direct	-2650167	-2819296	-233973	-240411	-168648	-221704	-402621	-462115	-5642776	-5400853
Op O/S Claims Accepted	-4433940	-4137401	-55633	-62315	-73904	-29256	-129537	-91571	-609933	-892937
Op O/S Claims Ceded	2521111	2206613	94592	99177	152	257	94744	99434	309378	380588
Net Op. O/S Claim	-4562996	-4750084	-195014	-203549	-242400	-250703	-437414	-454252	-5943331	-5913202
Incurred Claims Direct	3653180	1294159	45982	66340	43069	408988	89051	475328	4961849	4540726
Incurred Claims Accepted	7650926	3043491	14007.84	12973	212521	66842	226528.8	79815	963259	207057
Incurred Claims Ceded	-7377326	-2170655	9075	4226	-53182.22	-389262	-44107.22	-385036	-874173	-343155
Net Incurred Claims	3926780	2166995	69064.84	83539	202407.78	86568	271472.6	170107	5050935	4404628
Commission Direct	744961.9	698368	117928	99872	25569	21843	143497	121715	1689396	1616909
Commission Accepted	1006492	862039	9881	11990	21980	11072	31861	23062	195829	179369
Commission Ceded	-119708.7	-147929	-10701	-3197	-14496	-16800	-25197	-19997	-84639	-47335
Net Incurred Commission	1631745	1412478	117108	108665	33053	16115	150161	124780	1800586	1748943
Foreign Taxes	51	194	0	77	0	27	0	104	0	4735
Operating Expenses Related to Insurance	306353.1	227520	36424.35	23962	36871.013	30807	73295.37	54769	1095963	587353
Revenue Accounts Result	-110296.8	1474416	213047.2	365189	-114475.59	20384	98571.61	385573	-225105	451744

Rupees in Thousands



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

Segment	Motor OD		Health		Liability (W.C)		Personal Accident		Aviation		Engineering		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.
Premium Direct	5270492	4786709	147867	147610	618418	690627	158119	164698	0	-2	700008	406117	766725	985453	11283744	10566273
Premium Accepted	124186	112933	0	0	1291	974	8881	8868	584944	646386	309846	156348	113780	78194	6751721	5361089
Premium Ceded	-393094	-212046	-7793	-41004	-47566	-67594	-14900	-25209	0	-1988	-229873	-79195	-92580	-328311	-3296070	-2772767
Net Premium	5001584	4687596	140074	106606	572143	624007	152100	148357	584944	644396	779981	483270	787925	735336	14739395	13154595
Unexpired Risk Reserve Opening	2343797	2096959	53303	0	312005	399100	74179	67309	322198	102267	241635	227472	367021	367150	6858463	6545726
Unexpired Risk Reserve Closing	-2650839	-2343797	-70037	-53303	-297514	-312005	-76050	-74179	-298321	-322198	-405590	-241635	-409721	-367021	-7871755	-6858463
Net Earned Premium	4694542	4440758	123340	53303	586634	711102	150229	141487	608821	424465	616026	469107	745225	735465	13726103	12841858
Profit on Realisation of Investment	70	808	57	586	21	242	7	86	7	81	19	181	18	247	346	3726
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	68958	80030	56579	58008	21483	23934	6575	8499	7011	8024	18399	17943	18001	24498	343440	369016
Investment Provisions	125	-57	103	-41	39	-17	12	-6	13	-6	33	-12	32	-17	623.6	-261
Total Investment Income	69153	80781	56739	58553	21543	24159	6594	8579	7031	8099	18451	18112	18051	24728	344409.6	372481
Claims Paid Direct	3023199	2948058	109995	133290	783496	705983	57134	64485	68	-2131	296163	132411	261276	316711	6041454.5	6296916
Claims Paid Accepted	152388	142477	0	0	1185	1135	5569	3860	489809	270818	74502.45	44880	28358	26853	3330056	3278825
Claims Paid Ceded	-158862	-224787	-20142	-47586	239	-13642	-1944	-5102	-4537	0	-45050	-25765	-522688	-97483	-3176873	-2660247
Net Claim Paid	3016725	2865748	89853	85704	784920	693476	60759	63243	485340	268687	325615.5	151526	-233053	246081	6194637.9	6915494
CI O/S Claims Direct	2550721	2440576	122	129	2045191	2153163	45490	33464	123000	129000	810421	375516	498348	510928	11358189	8695564
CI O/S Claims Accepted	65697	68474	0	0	5358	61	28859	24535	501792	309048	136560	153899	83112	53952	10684063	5173446
CI O/S Claims Ceded	-38730	-55983	0	0	-172452	-181172	-71	-388	0	0	-190891	-71150	-28424	-685	-8043966	-2925233
Net CI. O/S Claim	2577688	2453067	122	129	1878097	1972052	74278	57611	624792	438048	756090	458265	553036	564195	13998286	10943777
Op O/S Claims Direct	-2440576	-2069720	-129	0	-2153163	-2274589	-33464	-27311	-129000	-121000	-375516	-377320	-510928	-530913	-8695564	-8682264
Op O/S Claims Accepted	-68474	-281781	0	0	-61	0	-24535	-10335	-309048	-484466	-153899	-96244	-53916	-20111	-5173410	-5121909
Op O/S Claims Ceded	55983	117009	0	0	181172	167473	388	914	0	0	71150	90708	685	4484	2925233.2	2686635
Net Op. O/S Claim	-2453067	-2234492	-129	0	-1972052	-2107116	-57611	-36732	-438048	-605466	-458265	-382856	-564159	-546540	-10943741	-11117538
Incurred Claims Direct	3133344	3318914	109988	133417	675523	584555	69162	70638	-5932	5870	731068	130606	248696	296723	8704079.9	6310213
Incurred Claims Accepted	149611	-70830	0	0	6482	1197	9894	18061	682553	95401	57163.45	102535	57555	60693	8840713.8	3330363
Incurred Claims Ceded	-141609	-163761	-20142	-47586	8959	-27340	-1625	-4576	-4538	0	-164792	-6207	-550426	-93685	-8295605	-2898846
Net Incurred Claims	3141346	3084323	89846	85831	690964	558412	77431	84123	672083	101271	623439.5	226934	-244174	263731	9249188.2	6741730
Commission Direct	1193092	1136385	29251	28087	139157	163077	36510	39737	0	0	139097	81393	152289	168230	2577854.9	2436992
Commission Accepted	4146	4675	0	0	328	221	2722	2736	105745	118385	63648	39661	19240	14047	1234182	1064470
Commission Ceded	-17994	-290	-44	-42	-1392	-1338	-1138	-4796	0	-86	-56095	-15043	-7976	-25740	-229544.7	-215261
Net Incurred Commission	1179244	1140770	29207	28045	138093	161960	38094	37677	105745	118299	146650	106011	163553	156537	3582492.3	3286201
Foreign Taxes	0	2987	0	68	0	398	0	95	0	411	0	308	0	469	51	5033
Operating Expenses Related to Insurance	390246.3	222350	418263	209669	47109.95	26515	29936.12	16285	28447.53	17889	104676.2	54382	77284	40263	1475611.6	869642
Revenue Accounts Result	52858.74	71109	-357237	-211757	-267990	-12024	11361.88	11886	-190424	194694	-240289	99584	766613	299194	-236830.2	2311733

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 2010-2011
2. We confirm that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares during the year are in accordance with the statutory or regulatory requirements.
4. We confirm that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. We confirm that the required solvency margins have been maintained.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and in the best of our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings- "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and several items specified under "Other Account".
7. The overall risk exposure for the risks accepted by us is limited to Rs.200 Crores per risk except in respect of certain risks in which case there is an exposure of Rs.300 Crores PML per policy. The same has been approved by the Board. We have made adequate reinsurance arrangements to mitigate the loss arising out of any major claim.
8. We have overseas operations in **20** countries. The foreign branches have their own reinsurance arrangements to protect their exposure. Over and above there is an excess of loss protection available, which takes care of the exposure risk of the Company as a whole, including domestic and foreign branches.

The foreign branches/agencies generate enough revenue in local currencies to meet their liabilities arising out of their operations. Hence there is no major currency risk in the countries we operate.

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



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

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

10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority and shown in the balance sheet.

11. All investment assets are reviewed periodically and assets are classified into performing and non-performing based on IRDA norms.

12. It is hereby confirmed:

- (i) That in preparation of financial statements, the applicable accounting standards, principles and policies have been followed, except amortisation of additional actuarial liability for Gratuity as per I.R.D.A. circular no. IRDA/F&A/CIR/ACT/069042011 dated 18.04.2011

- (ii) That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating loss of the Company for the year except as mentioned in Para 12 (i) above.

- (iii) That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938(4 of 1938) and Companies Act 1956(1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (iv) That the management has prepared the financial statements on a going concern basis.

- (v) That the management has ensured that the internal audit system commensurate with the size and nature of business exists and is operating effectively.

13. There are no payments made to individuals, firms, companies and organizations in which directors of the Company are interested.




V. C. Jain

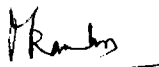
Company Secretary



I. S. Phukela
Director



A. R. Sekar
Director



M. Ramadoss
Chairman-cum-Managing Director

Place : Delhi

Date : July 16, 2011



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

Certificate of Compliance of the Corporate Governance Guidelines

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

V. C. JAIN

Company Secretary

Place : Mumbai

Dated : 16th July 2011



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

CERTIFICATE

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

Dinesh R. Waghela
Chief Financial Officer

M. Ramadoss
Chairman cum Managing Director

Place : Mumbai

Dated : 16th July 2011

Schedule 16

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



16 A. Significant Accounting Policies

1. Accounting Convention

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

2. Use of Estimates

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

3. Revenue Recognition

A. Premium

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

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

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



B. Commission

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

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

4. Premium Received in Advance

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

5. Reserves for Un-expired Risk/s

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

6. Reinsurance Accepted

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

7. Reinsurance Ceded

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

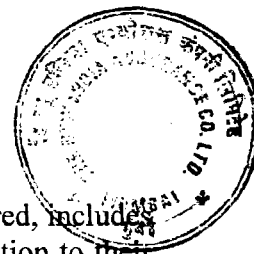
8. Premium Deficiency

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

9. Acquisition Costs.

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





10. Incurred Claims

Claims are recognized as and when reported.

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

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

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

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

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

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

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

11. Salvage and Claim Recoveries

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

12. Provisions, Contingent Liabilities & Contingent Assets

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



13. Loans and Investments

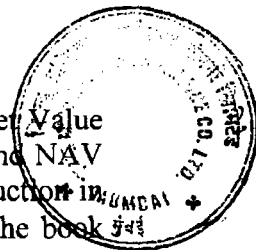
- A Loans are measured at historical cost subject to impairment. Company reviews the quality of its loan assets and provides for impairment if any.
- B Short Term Money Market Instruments such as Commercial Papers and Certificate of Deposits are shown at their discounted value and the difference between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

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

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

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

- F Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except:
 - In respect of Government Securities/Debentures/Bonds under Trading Portfolio, the profit/loss is worked out specific scrip wise.
 - In respect of Government Securities sold from Investment Portfolio, the profit/loss is worked out on first in first out basis (FIFO).
- G The Company follows the prudential norms prescribed by the Insurance Regulatory and Development Authority as regards asset classification, recognition of income and provisioning pertaining to loans/advances.
- H Investment in government securities, debt securities and redeemable preference shares are considered as held till maturity and valued at cost. However, in terms of Insurance Regulatory and Development Authority Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.



- I Investments in Mutual Fund/s/Venture Fund/s are valued at Net Asset Value (NAV) at the year-end and the difference between cost/book value and NAV is accounted in Fair Value Change Account. However, if there is reduction in NAV in case of venture fund, the same is charged to revenue and the book value of investment is reduced accordingly. Any appreciation in NAV to the extent of loss earlier recognised, is taken to revenue.

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

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

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

- K Investment in thinly traded equity shares and unlisted equity shares are shown at cost. However, difference between cost and break-up value is provided for as diminution in value. If the break-up value is negative then the provision is made for the entire cost. Further, if the published accounts of an unlisted Company are not available for last three accounting years ending on or immediately preceding the date of working out diminution in value, then the provision is made for the entire cost.
- L In case of investment in listed and unlisted equity/ equity related instruments / preference shares where the value has been impaired on or before 31.03.2000, the historical/weighted average costs are not available with the Company. As a consequence, the carrying value of such investments as on 01.04.2000 is presumed to be the historical/ weighted average cost
- M Investments in listed equity/ equity related instruments/ preference shares made in those companies, which are making losses continuously for last 3 years and where capital is eroded, are considered to have impairment in value. Further, if the published accounts of a Company are not available for last three accounting years ending on or immediately preceding the date of working out impairment in value, it is presumed that the value of investment is fully impaired and is written off to a nominal value of Re.1/- per Company.

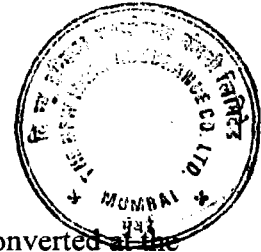
I. Valuation of such investments is done as under:

- i) In respect of actively traded equity shares: - least of cost price, market price or break-up value provided break-up value is positive. However, if the break-up value is negative the nominal value is taken at Re. 1/- per Company



- ii) In respect of other than actively traded equity shares: - lower of cost price or break-up value provided break-up value is positive. However, if break-up value is negative the nominal value is taken at Re.1/- per Company.
 - iii) In respect of preference shares, if the dividend is not received for the last three years, such preference shares are written down to a value which will bear to its face value, the same proportion as value taken/ which would have been taken for writing down equity shares bears to the face value of the equity shares. However, if the equity shares are written down to Re.1/- per Company, preference shares are also written down to a nominal value of Re.1/- per Company.
- II. Once the value of investment in listed equity/ equity related instruments/ preference share is impaired in accordance with the above mentioned policy, then the reversal of such impairment losses are recognised in revenue/ profit and loss until only when the accumulated losses of such investee companies are completely wiped out and capital is fully restored as per the latest available published accounts on or immediately preceding the date of working out the reversal. However, in respect of investments where the historical or weighted average cost is not available as mentioned in Policy No.13-L, reversal of impairment loss is carried out and recognised only to the extent of impairment losses accounted after 31st March 2000.
- N REVERSE REPO transactions are treated as secured lending transactions and accordingly disclosed in the financial statements. The difference between total consideration at the 1st and 2nd leg of the transaction is treated as interest income.
- O "Collateralized Borrowing and Lending Obligation" (CBLO), which is issued at discount to the face value, is treated as money market instrument as per Reserve Bank of India Notification. Discount earned at the time of lending through CBLO is shown as income, which is apportioned on time basis.
- P Un-realised gains / losses arising due to changes in the fair value of listed equity shares other than enumerated in Accounting Policy 13-L are taken under the head "Fair Value Change Account" and on realisation reported in profit and loss account.

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



14. Foreign Currency Transactions

- Reinsurance operations:

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

Monetary assets and liabilities of re-insurance in foreign currencies are converted at the closing rate.

- Foreign operations:
 - As per the Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", foreign branches/agencies are classified as 'non-integral foreign operations'.
 - The assets and liabilities (including contingent liabilities), both monetary and non-monetary of the non-integral foreign operations are translated at the closing rate,
 - Income and expense items of the non-integral foreign operations are translated at the average exchange rate of the year.
 - Depreciation on fixed assets held in foreign branches and agencies is provided on written down rupee value at the year-end at the rates and in the manner as stated in "Depreciation" policy stated herein below.
 - All resulting exchange difference is accumulated in a foreign currency translation reserve until the disposal of the net investment.
- Foreign investments transactions during the year are converted at the exchange rates prevailing as on the last day of the month of purchase or sale.
- Other assets and liabilities in foreign currencies are converted at the average of buying and selling rates of exchange prevailing at the year end.
- The exchange gain/loss due to conversion of foreign currencies other than relating to non-integral foreign operations is taken to revenue(s) account and profit and loss account as applicable.

15. Fixed Assets

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



16. Depreciation

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

17. Intangible Assets

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

18. Employee Benefits

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

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

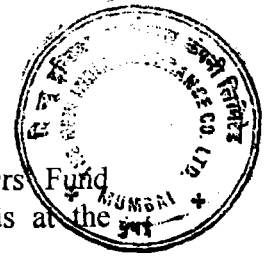
Pension, Gratuity and Leave Encashment are defined benefit plans. The Company has incorporated a Pension Trust and Gratuity Trust. The Company's liability towards pension, gratuity and leave encashment is accounted for on the basis of an actuarial valuation done at the year end and is charged to revenue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

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

19. Expenses of Management-Basis of Apportionment

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





20. Income from Investments -Basis of Apportionment

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

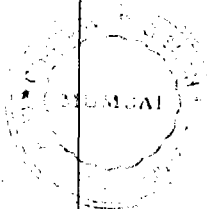
Investment income (net of expenses) belonging to Policyholders is further apportioned to Fire, Marine and Miscellaneous segments in proportion to respective technical reserves balance at the beginning of the year.

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

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

21. Taxation.

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



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

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

b During the year, the Company has undertaken restructuring of corporate debt/loans etc. as under:

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

c Details of Non Performing Assets (NPA).

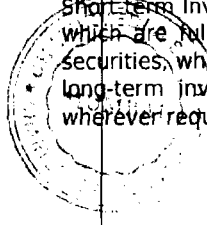
I) Details of Non Performing Assets (NPA)

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

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

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

- 7 Short Term Investments (Schedule - 8) in debentures and other guaranteed securities include those, which are fully repayable in the next year. As regards those debentures and other guaranteed securities, which have fallen due and remain unpaid as on 31.03.2011, they have been shown under long-term investments, as their realisability is unascertainable. However, necessary provision, wherever required, has been made.





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

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

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

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

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

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

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

- 9 Investment in term loans, loans to State Government for the purpose of Housing & Fire fighting equipments and balances on account of restructuring/rescheduling of debts are subject to confirmations and reconciliations. The impact of adjustments if any, arising out of confirmations / reconciliations of such balances on financial statements are unascertainable.

- 10 Prior period items have been included in the respective heads amounting to ₹840.91 Lakhs (Debit) (Previous Year ₹30018.51 Lakhs (Debit) consisting of the following: -

Sr. No.	Particulars	₹ In Lakhs			
		Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Premium	-	59.90	534.00	3.21
2	Commission	91.48	-	1.32	168.08
3	Claims	138.47	-	22,806.88	4,108.14
4	Expenses	702.48	31.63	14,264.81	3,309.07
	Total	932.44	91.53	37,607.01	7,588.50

- 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

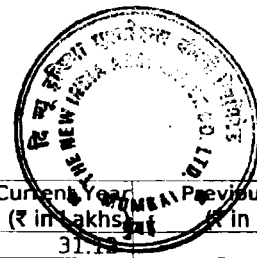
- i) The New India Assurance Company (Employees) Pension Fund
ii) The New India Assurance Company Limited Employee Gratuity Fund
iii) The New India Assurance Company Limited Staff Provident Fund

d Key management personnel of the Company

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

2 Transactions with related parties:

₹ In Lakhs



Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
i)	Subsidiaries	Management fees earned	31.19	34.43
		Premium on Reinsurance Accepted	409.25	393.91
		Commission on Reinsurance Accepted	(83.26)	(79.41)
		Claims Paid	(78.28)	(76.89)
		Dividend income received	380.93	703.75
		Other Amount Due (From Prestige Assurance PLC-out of Rights Subscription)	-	-
ii)	Associates	Premium on Reinsurance Accepted	536.66	342.46
		Commission on Reinsurance Accepted	(163.84)	(118.92)
		Claims Paid	(587.16)	(473.92)
		Dividend income received	164.56	132.63
		Investment in shares	-	-
		Dividend receivable	0.05	0.05
iii)	Entity over which control exits	Sale of investment	-	-
		Other amount payable	-	-
iv)	Key management personnel	Salary and allowances	51.02	39.85

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

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

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

C Taxation

Income Tax

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

Deferred Taxes

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

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

Notes

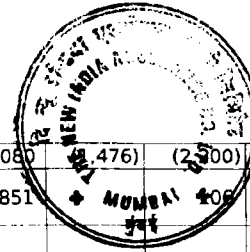
- A sum of ₹727.74 lakhs (Previous year ₹7127.35 Lakhs) has been credited to the Profit & Loss Account on account of increase in deferred assets during the year.
- On prudence basis recognition of deferred tax asset on unabsorbed depreciation and carry forward losses has not been given effect in the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

D Accounting Standard 15 – Employee Benefits

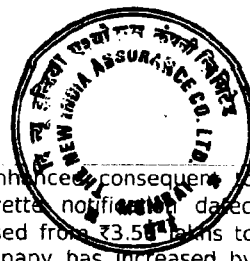
The details of employee benefits for the period on account of gratuity, superannuation which are funded defined employee benefit plans and encashment which is an unfunded defined benefit plan are as under.

Components of employer expense		(₹ in Lakhs)					
		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
A	Current Service Cost	8,376	7,229	2,366	2,067	1,370	1,054
B	Interest Cost	15,374	14,224	3,052	2,786	2,114	1,766
C	Expected Return on Plan Assets	(16,066)	(13,682)	(3,942)	(2,547)		
D	Curtailed Cost/(Credit)						
E	Settlement Cost/(Credit)					(2,561)	(1,409)
F	Past Service Cost						





G	Actuarial Losses/(Gains)	(18)	6,080	(2,476)	(2,900)	1,121	4,170
H	Total expense recognized in the statement of Profit and Loss Account	7,666	13,851	4,000	2,044	5,581	
Pension Gratuity and Leave Encashment expenses have been recognized in "Employee Remuneration and Welfare Benefits" under schedule 4.							
II	Actual Returns for the year 31.03.2011	16,368	15,464	3,775	3,143	-	-
III	Net Asset/(Liability) recognized in Balance Sheet at 31.03.2011						
A	Present Value of Defined Benefit	232,020	205,915	67,986	40,460	30,815	28,771
B	Fair Value of Plan Assets	235,210	209,275	67,747	39,939		
C	Status (Surplus/(Deficit))	(3,190)	(3,360)	239	521	30,815	28,771
D	Un recognized Past Service Cost						
E	Net Asset / (Liability) recognized in Balance Sheet	(3,190)	(3,360)	239	521	30,815	28,771
IV	Change in Defined Benefit Obligation during the year ended 31.03.2011						
A	Past value of the Defined Benefit Obligation at the beginning of the period	205,915	177,603	40,460	34,728	28,771	23,190
B	Current Service Cost	8,376	7,229	2,366	2,067	1,370	1,054
C	Interest Cost	15,374	14,224	3,052	2,786	2,114	1,766
D	Curtailment Cost/(Credit)						
E	Settlement Cost/(Credit)						
F	Plan Amendments						
G	Acquisitions						
H	Actuarial Losses/(Gains)	12,594	18,092	24,014	1,593	1,121	4,170
I	Asset Loss / (Gain)						
J	Benefits Paid	(10,239)	(11,233)	(1,906)	(714)	(2,561)	(1,409)
K	Present Value of Defined Benefit Obligation at the end of the period	232,020	205,915	67,986	40,460	30,815	28,771
V	Change in the Fair Value of Assets during the year ended 31.03.2011						
A	Plan Assets at the beginning of the period	209,275	176,314	39,939	34,313	-	-
B	Acquisition Adjustment					-	-
C	Expected return on Plan Assets	16,066	13,682	3,942	2,547	-	-
D	Asset (Losses)/Gains	(18)	9,632	(1,363)	3,793	-	-
E	Actual Company Contributions	20,126	20,880	27,135	-	-	-
F	Benefits Paid	(10,239)	(11,233)	(1,906)	(714)	-	-
G	Plan Assets at the end of the period	235,210	209,275	67,747	39,939	-	-
VI	Actuarial Assumptions						
A	Discount Rate (%)	8.50%	7.50%	8.50%	7.50%	-	-
B	Expected Return on Plan Assets (%)	8.50%	8.25%	8.50%	8.25%	-	-
C	Rate of escalation in salary	5.00%	6.75%	5.00%	6.75%	-	-
VII	Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2011						
A	Government Securities	23.86%	40.00%	27.48%	40.00%	-	-
B	High Quality Corporate Bonds	60.91%	57.00%	69.69%	57.00%	-	-
C	Others	15.23%	3.00%	2.83%	3.00%	-	-
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 limit of gratuity payable to the employee was enhanced consequent to amendment to the Payment of Gratuity Act, 1972, (Government Gazette notification dated 24.05.2010). The maximum amount of gratuity payable has been increased from ₹3.50 lakhs to ₹10.00 lakhs per employee. As a result the gratuity liability of the Company has increased by ₹17156.00 lakhs.

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

- 13 Had such circular not been issued by IRDA the losses of the Company would have been higher by ₹13724.80 lakhs pursuant to the requirement of AS-15. During the year, the Company has reviewed its fixed assets for impairment of loss as required by Accounting Standard 28 on impairment of assets. In the opinion of the management no provision for impairment loss is considered necessary.

- 14 Pre-payment premium received in present value terms on account of restructuring/reduction of interest rates in respect of loans/debentures is spread over the remaining tenure of such loans/debentures. Accordingly ₹111.90 Lakhs (P.Y ₹170.24 Lakhs) has been considered as income received in advance and shown in Schedule - 13 Current Liabilities under the head "Others".

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

- 16 Indian Motor Third Party Insurance Pool (IMTPIP)

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

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

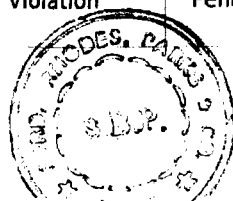
IRDA has also indicated that there will be peer review of the provisions by independent actuary and further provision, if any, will be made once the review is completed. The impact of the same in the financial statement is not determinable.

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

Sr	Particulars	Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Head Office Account	-	7,077.56	15,020.01	-
2	Outstanding claims	-	3,168.06	4,686.84	-
3	Fixed assets	-	10.96	10.33	-
4	Total	-	10,256.58	19,717.18	-

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

Srl No.	Authority	Non-Compliance/ Violation	Amount in ₹ ('000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced





1	Insurance Regulatory and Development Authority / TAC	Breach of Tariff	-	852	
2	Service Tax Authorities	Nil	-	-	-
3	Income Tax	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	-	-	-

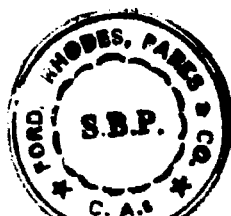
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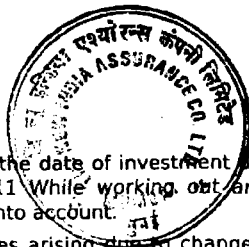
The Company's Office Premises and Residential flats for employees are obtained on operating lease and are renewable / cancellable at mutual consent. There are no restrictions imposed by lease agreements. Lease terms are based on individual agreements. Significant leasing arrangements are in respect of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



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

Sr. No	Particulars	(₹ in Lakhs)	
		Current Year	Previous Year
1	The details of contingent liabilities are as under:		
	(a) Partly-paid up investments	171.27	20.62
	(b) Underwriting commitments outstanding		
	(c) Claims, other than those under policies, not acknowledged as debts	19,399.68	21,388.30
	(d) Guarantees given by or on behalf of the Company	1,442.47	1,106.77
	(e) Statutory demands/liabilities in dispute not provided for	212,165.98	127,478.00
	(f) Reinsurance obligations to the extent not provided for in accounts		
	(g) Others (matters under litigation) to the extent quantifiable	2,000.82	470.27
2	The details of encumbrances to the assets of the Company are as under:		
	(a) In India	3,532.68	2,525.62
	(b) Outside India	4,077.01	1,277.32
3	Commitment made and outstanding for Loans Investments and Fixed Assets	6,283.59	11,410.60
4	Claims, less reinsurance, paid to claimants:		
	(a) In India	428,577.85	318,965.02
	(b) Outside India	80,935.18	44,683.95
5	Claim liabilities where claim payment period exceeds four years.	-	-
6	Amount of claims outstanding for more than six months (Gross Indian)	564,720.41	539,790.09
	No. of Claims	251,375	318,212
	Amount of claims outstanding for less than six months (Gross Indian)	184,540.97	201,721.08
	No. of Claims	83,720	154,873
	Total amount of claims outstanding (Gross Indian)	749,261.38	741,511.17
	Total No. of claims outstanding	335,095	473,085
7	Premiums, less reinsurances, written from business		
	a) In India	571,791.19	468,707.06
	b) Outside India	147,431.62	131,558.90
8	The details of contracts in relation to investments, for		
	a) Purchases where deliveries are pending	166.64	443.92
	b) Sales where payments are overdue		
	c) Sales where deliveries are pending	3,663.55	3,892.72
9	Amount of Claims settled and remaining unpaid for a period of more than six months as on balance sheet date are as under:	3.00	-
	No. of claims	1	-
10	Investments made in accordance with statutory requirements are as under:		
	(a) In India- Under Sec. 7 of Insurance Act, 1938	1,075.27	1,075.27
	(b) Outside India- Statutory Deposits under local laws	168,020.27	21,095.71
11	Segregation of investments into performing and non-performing investments where NPA Provision is required as per IRDA Guidelines is as under:		
	Performing (Standard) Investments	450,457.49	383,016.50
	Non Performing Investments	18,616.10	20,492.51
	Total Book Value (Closing Value)	469,073.59	403,509.01
12	All significant accounting policies forming part of the financial statements are disclosed separately.		
13	Premium is recognized as income on assumption of the risk. Reserve for un-expired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the succeeding accounting periods, subject to minimum at 100% of net premium for marine business and 50% of net premium for other classes of business.		
14	Operating expenses relating to insurance business are apportioned to the revenue 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 ₹263056.75 lakhs (Previous year ₹237437.53 Lakhs) and ₹513.68 Lakhs (Previous year ₹1119.55 Lakhs) respectively. However, the historical/weighted average cost in respect of investment in listed equity/equity related instruments/preference shares, the value of which had impaired on or before 31st March, 2000 is not available with the Company, and hence, the carrying value of the same as on 01.04.2000 is presumed to be the historical/weighted average cost.		
16	Computation of managerial remuneration: Being a Government owned Company, the Company is exempted vide notification: GSR 235, dated 31st January 1978 u/s 620 of the Companies Act, 1956.		





- 17 Amortisation of debt securities is done from the date of investment on the basis of actual number of days upto the date of Sale/ Redemption/ 31st March, 2011. While working out amortisation put/call option is not considered. However, partial redemption if any, is taken into account.
- 18 a) Unrealised gains / losses arising due to change in the Fair Value of listed equity shares and equity related instruments have been taken to "Fair Value Change Account" and on realisation will be transferred to profit and loss account.
- b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.
- 19 The Company does not have Real Estate Investment Property.
- 20 Sector-wise break-up of gross direct premium written in India (Details of number of policies sector wise issued not available) is as under:

Sector	Current Year			Previous Year		
	(₹ in Crores)	Percentage	Number of Policies/lives	(₹ in Crores)	Percentage	Number of policies/lives
Rural	571.22	8.05	958794	380.07	6.29	1429540
Social	414.18	5.84	18744535	200.16	3.31	9548803
Others	6,111.74	86.12		5,462.28	90.40	
Total	7,097.14	100.00	19703329	6,042.51	100.00	10978343

21 Performance Ratios (Rs in Crores)

i) Gross Premium Growth rates

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

*Liability includes Workmens' compensation

ii) Gross Premium to Share Holders Funds Ratio

Particulars	Current Year	Previous Year
Gross Premium	8225.51	7099.14
Share Holders Funds(beginning of the year)	7430.21	7322.15
Ratio (Times)	1.11	0.97

iii) Growth Rate of Shareholders Funds

	Current Year	Previous Year	Growth Amount	Growth % CY	Growth % PY
Share Holders Funds	7111.54	7430.21	-318.67	-4.29	1.48

iv) Net Retention Ratios

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

*Liability includes Workmens' compensation



v) Net Commission Ratio

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

*Liability includes Workmens' compensation

vi) Expenses of Management to Gross Premium Ratio

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

vii) Combined Ratio

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

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

Particulars	2010-11	2009-10
Unexpired Risks Reserves	3834.74	3115.83
Reserves for Premium Deficiency	0.00	0.00
Outstanding Claims	8955.92	7526.18
Total Technical Reserves	12790.66	10642.01
Net Premium	7192.23	6002.66
Ratio - (No. of Times)	1.78	1.77

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

Segment	U/W Profit	Net Premium	Ratio Current year (%)	Ratio Previous Year (%)
Fire	-387.28	1327.93	-29.16	-27.87
Marine Cargo	-24.58	233.33	-10.53	16.79
Marine Hull	-64.42	69.20	-93.09	-42.65
Marine Total	-89.00	302.53	-29.42	5.19
Motor	-412.20	2525.16	-16.32	4.34
Personal Accident	3.85	119.96	3.21	28.32
Aviation	-36.99	78.37	-47.20	13.66
Engineering	-8.23	309.19	-2.66	13.77
Health	-464.44	1817.04	-25.56	-37.79
Liability*	12.43	193.03	6.44	-3.18
Others	110.45	519.02	21.28	33.45
Misc Sub Total	-795.13	5561.77	-14.30	-4.49
Grand Total	-1271.41	7192.23	-17.68	-8.39

*Liability includes Workmens' compensation

x) Operating Profit Ratio

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



xi) Liquid Assets to Liabilities Ratio

Particulars

Liquid Assets
Policy holders Liabilities
Ratio (%)

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

(₹ in Crores)

xii) Net Earnings Ratio

Particulars

Profit After Tax
Net Premium
Ratio (%)

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

(₹ in Crores)

xiii) Return on Net Worth

Particulars

Profit After Tax
Net Worth
Ratio (%)

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

(₹ in Crores)

xiv) Reinsurance Ratio

Particulars

Risks Reinsured (Premium)
Gross Premium
Ratio (%)

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

(₹ in Crores)

22 Summary of Financial Statements for Last Five Years

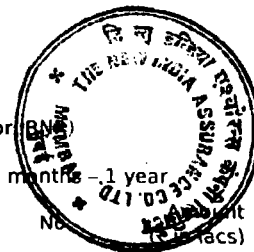
	2010-11	2009-10	2008-09	2007-08	2006-07
Operating Results					
1 Gross Premium Written	8225.51	7099.14	6455.78	6151.46	5936.78
2 Net Premium Income#	7192.23	6002.66	5500.31	4914.28	4751.77
3 Income from Investments(Net)@	2329.99	2139.69	1686.82	2344.62	2251.35
4 Other Income	-97.91	-60.66	50.24	21.23	15.85
5 Total Income	9424.31	8081.69	7237.37	7280.13	7018.97
6 Commissions/Brokerage	648.67	561.37	560.82	459.23	390.89
7 Brokerage (included in					
8 Operating Expenses	1943.23	1736.06	1455.01	1019.10	1153.89
9 Claims, Increase in Unexpired Risk Reserves and Other Out-Go	7243.78	5424.97	4924.32	4280.32	3860.27
10 Operating Profit/Loss	-411.37	359.29	297.22	1521.48	1613.92
11 Total Income under Shareholders a/c					
12 Profit/(Loss) before Tax	-411.37	359.29	297.22	1521.48	1613.92
13 Provision for Tax	10.19	-45.40	73.08	120.33	153.98
14 Net Profit/(Loss) after Tax	-421.56	404.69	224.14	1401.15	1459.94
Miscellaneous					
15 Policy Holders' Account (Beginning)					
Total Funds	12790.66	9642.48	8712.89	8229.39	7758.91
Total Investments	*	*	*	*	*
Yield on Investments	*	*	*	*	*
16 Shareholders' Account (Beginning)					
Total Funds	7430.21	7322.15	6972.80	5972.55	4706.87
Total Investments	13604.63	11851.03	10771.71	11236.00	11009.61
Yield on Investments	*	*	*	*	*
17 Paid up equity capital	200.00	200.00	200.00	200.00	200.00
18 Net Worth	7111.54	7430.21	7328.00	6972.80	5972.55
19 Total Assets	39621.27	36832.91	26931.58	31944.14	27444.57
20 Yield on Total Investments(%)	17.09	15.91	13.18	19.54	20.74
21 Earning per Share (Rs)	-21.08	20.23	11.21	70.06	73.00
22 Book value per Share(Rs)	355.58	372.21	366.40	348.64	298.63
23 Total Dividend	0.00	85.00	45.00	283.00	292.00
24 Dividend per Share (Rs)	0.00	4.25	2.25	14.15	14.60

Net of Re-insurance

@ Net of losses

* Points 15 & 16 may be given separately, if feasible





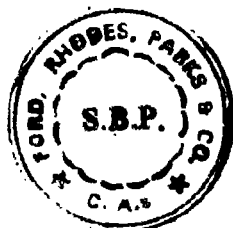
23 Age wise analysis of outstanding claims as on 31.03.2011 (Gross Indian excluding provision for BNs)

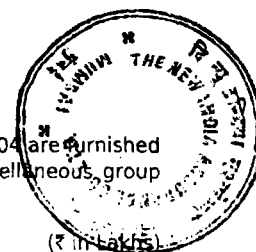
Dept	Less than 3 months		3 - 6 months		6 months - 1 year	
	No.	Amount (₹ in lacs)	No.	Amount (₹ in lacs)	No.	Amount (₹ in lacs)
Fire	981	33,923.16	507	13,495.11	884	34,531.41
Marine Cargo	1,487	10,178.26	660	1,759.98	791	4,779.59
Marine Hull	66	35,484.63	9	208.54	17	3,968.66
Motor OD	20,712	11,291.45	6,349	4,247.65	5,439	4,288.98
Motor TP	4,713	10,256.71	3,355	5,137.03	7,250	11,738.95
Health	11,737	9,559.22	11,299	3,987.12	8,284	4,923.36
Liability	776	10.14	342	540.09	438	1,199.29
Motor TP Pool	6,728	13,191.13	4,819	10,455.06	9,986	21,132.66
Personal Accident	1,530	1,370.74	562	785.08	774	548.66
Aviation	6	(225.01)	3	1,750.20	7	646.46
Engineering	1,112	2,169.09	637	2,945.13	902	7,974.88
Credit Guarantee	-	-	-	-	-	-
Misc - Traditional	884	6,016.78	441	2,730.54	463	2,451.95
Rural	2,002	1,445.00	868	255.12	1,296	489.00
Urban Non-Traditional	748	731.39	363	367.88	593	848.49
Credit Shield	22	466.27	2	7.48	1	1.46
Total	53,504	135,868.96	30,216	48,672.01	37,125	99,523.80

Dept.	1 - 2 years		2 - 3 years		3 - 5 years	
	No.	Amount (₹ in lacs)	No.	Amount (₹ in lacs)	No.	Amount (₹ in lacs)
Fire	607	31,727.71	213	7,704.48	226	7,456.50
Marine Cargo	451	2,752.27	146	791.09	72	1,113.74
Marine Hull	19	3,797.44	22	939.80	21	1,229.95
Motor OD	3,281	2,939.51	1,699	1,510.43	834	875.62
Motor TP	14,772	23,919.50	23,390	36,563.58	48,717	81,935.80
Health	3,109	2,153.72	790	302.59	518	245.45
Liability	485	781.70	275	8,208.81	268	714.94
Motor TP Pool	17,724	36,639.86	10,728	22,152.09	1,230	2,371.97
Personal Accident	306	414.68	87	117.33	46	138.74
Aviation	30	891.37	33	616.02	26	1,855.42
Engineering	438	3,984.86	118	1,969.36	72	746.56
Credit Guarantee	-	-	-	-	-	-
Misc - Traditional	470	3,032.23	188	893.43	184	1,093.63
Rural	979	557.85	607	563.51	586	631.09
Urban Non-Traditional	427	577.35	240	211.64	306	913.65
Credit Shield	5	157.95	14	972.13	3	10.70
Total	43,103	114,328.00	38,550	83,516.29	53,109	101,333.76

Dept.	5 years and above		Total	
	No.	Amount (₹ in lacs)	No.	Amount (in lacs)
Fire	279	33,008.75	3,697	161,847.12
Marine Cargo	104	2,873.77	3,711	24,248.70
Marine Hull	36	1,021.65	190	46,650.67
Motor OD	887	848.49	39,201	26,002.13
Motor TP	75,005	114,560.26	177,202	284,111.83
Health	57	81.98	35,794	21,253.45
Liability	342	431.11	2,926	11,886.08
Motor Pool	3	0.40	51,218	105,943.16
Personal Accident	62	931.61	3,367	4,306.84
Aviation	8	153.29	113	5,687.75
Engineering	62	4,728.95	3,341	24,518.83
Credit Guarantee	17	129.37	17	129.37
Misc - Traditional	373	4,697.75	3,003	20,916.32
Rural	1,799	1,973.85	8,137	5,915.42
Urban Non-Traditional	454	577.34	3,131	4,227.73
Credit Shield	-	-	47	1,615.98
Total	79,488	166,018.57	335,095	749,261.38

24 Interest, Dividends and Rent is apportioned between Revenue Accounts and Profit and Loss account in proportion to the balance in shareholders funds and policyholders' funds at the beginning of the year. The same is further apportioned to fire, marine and miscellaneous Revenue Accounts in proportion to the technical reserve balance at the beginning of the year.








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

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


V. C. Jain
Company Secretary


I. S. Phukela
Director


A. R. Sekar
Director


M. Ramadoss
Chairman-cum-Managing Director

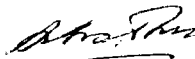
As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants



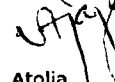
Vitesh D. Gandhi
Partner
Membership No.110248

For FORD RHODES PARKS & CO.
Chartered Accountants



Shrikant B. Prabhu
Partner
Membership No.35296

For S R GOYAL & CO.
Chartered Accountants



Ajay K. Atolia
Partner
Membership No.077201

Place : Delhi
Date : July 16, 2011



CHATURVEDI & SHAH
Chartered Accountants
912-913, Tulsiani Chambers,
212, Nariman Point,
Mumbai- 400 021

FORD, RHODES, PARKS & CO.
Chartered Accountants
Sai Commercial Bldg,
3rd Floor, 312/313 BKS
Devshi Marg, Govandi,
Mumbai 400 088

S.R. GOYAL & CO.
Chartered Accountants
1A, Sangram Colony,
C-Scheme,
Jaipur-302 001

AUDITORS' REPORT

To the Members,

The New India Assurance Company Limited

We have audited the attached Balance Sheet of The New India Assurance Company Limited (the Company) as at 31st March, 2011 and the annexed the revenue accounts of Fire, Marine and Miscellaneous Insurance Revenue Accounts (collectively known as 'Revenue Accounts'), Profit and Loss Account and Receipts and Payments Account of the Company for the year ended on that date, in which are incorporated:

- (a) Returns from twenty-six Regional Offices, three hundred and ninety six Divisional Offices audited by the other firms of Auditors appointed by the Central Government;
 - (b) Returns from eight Foreign Branches audited by other firms of Auditors appointed by the Company;
 - (c) Returns of one unaudited Foreign Branch;
 - (d) Returns from seven foreign agencies audited by local auditors appointed by the Company;
 - (e) Returns of one unaudited foreign agency; and
 - (f) Returns of eight unaudited run-off foreign agencies,
- (in all covering total premium of Rs.8221.55 crores and Claims of Rs.6550.91 crores.)

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

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



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

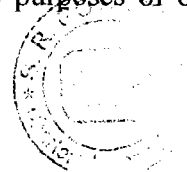
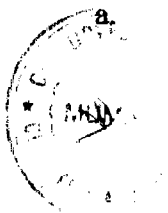
- a. Note number 8(a), 8(b) (ii), 8 (c) and 8 (d) in Schedule 16 B regarding non-compliance of Insurance Regulatory and Development Authority (IRDA) Regulations during the year.
- b. Note number 12 in Schedule 16 B, which describe deferment of gratuity liability of the company to the extent of Rs.13724.80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

We report that:

1.
 - a. *In view of non-availability of balance confirmations of some loans and investments (Refer Note number 9, notes to accounts in Schedule 16 B), we are unable to comment on the impact of adjustments arising out of reconciliation / confirmation of such balances on the financial statements.*
 - b. *The historical/weighted average cost of listed and unlisted equity / equity related instruments / preference shares, the value of which were impaired on or before 31.03.2000 is not available with the Company. As a result, the reversal of impairment losses recognized in Profit and Loss / Revenue account prior to 01.04.2000 has not been accounted for. (Refer Significant Accounting Policy in schedule 16 under 13 L and M (II)).*
 - c. *Balances due to/ from persons or bodies carrying on Insurance Business and balances of inter office accounts are pending for reconciliation/confirmation as stated in Note number 3 (a) and (c) of Notes to accounts, in schedule 16 B. Consequential effect, if any, is not ascertainable.*
 - d. *The accounting of Tax Liability in Foreign Countries is not in accordance with Accounting Standard 22 - Accounting for Taxes on Income for not recognizing deferred tax assets and liabilities for operations in foreign branches. (Refer Notes to accounts note number 11 C ii 3 in Schedule 16 B)*
2. *The Company's internal audit system requires substantial strengthening in the areas of audit coverage and compliance.*
3. *Overall impact of the above Para 1 (a) to (d) and the consequential effects on Revenue Accounts, Profit and Loss Accounts and Reserve and Surplus as on 31st March, 2011 are not ascertainable.*

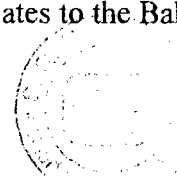
Subject to above, we further report that:

We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit and found them satisfactory.



- b. In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payments Account are in agreement with the books of accounts.
- d. The actuarial valuations of liability in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at 31st March, 2011, have been duly certified by the Company's Appointed Actuary and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuations are in accordance with guidelines and norms prescribed by the Insurance Regulatory and Development Authority (IRDA) and the Actuarial Society of India in concurrence with the IRDA.
- e. As per Circular Number 8/2002 dated 22.03.2002 of the Department of Company Affairs, the directors of the Government Companies are exempted from applicability of the provisions of section 274 (1)(g) of the Companies Act, 1956.
- f. The reports of the regional auditors consolidating divisional auditors' reports, reports of the foreign branches and foreign agencies auditors have been forwarded to us and considered by us and were adequate for the purposes of our audit, except that in case of some foreign branches, the system of reporting needs to be strengthened.
4. We further report that in our opinion and to the best of our information and according to the information and explanation given to us;
- a. The Balance Sheet, Profit and Loss Account and Receipts and Payment Account comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable to the Company and are also in conformity with the accounting principles as prescribed in the IRDA Regulations, except preparation of Receipts and Payments Account has been drawn by "Indirect Method" instead of "Direct Method" as required by Part I of Schedule B.
- b. The investments have been valued in accordance with the provisions of the Insurance Act, 1938, the regulations and orders/ directions issued by IRDA in this regard.
- c. The said accounts read together with significant accounting policies and notes to accounts thereon have been drawn up in accordance with the applicable provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required, and subject to paragraph 1(a) to (d) above, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

(i) of the state of affairs of the Company in so far it relates to the Balance Sheet



as at 31st March, 2011;

- (ii) of the deficit, in so far it relates to the Revenue Accounts of Fire, Marine and Miscellaneous Business for the financial year ended on that date;
 - (iii) of the Loss, in so far it relates to the Profit and Loss Account for the financial year ended on that date, and
 - (iv) for the receipts and payments, in so far it relates to the Receipts and Payments Account for the financial year ended on that date.
5. Further on the basis of our examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- a. We have reviewed the management report attached to the financial statements for the year ended 31st March, 2011 and there is no apparent mistake or material inconsistency with the financial statements; and
 - b. Based on the information and explanations received during the normal course of our audit and management representation by officer of the Company charged with the compliance, nothing has come to our attention which causes to believe that the Company has not complied with the terms and conditions of registration as stipulated by the IRDA.

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



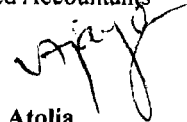
Vitesh D. Gandhi
Partner
Membership No. 110248

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



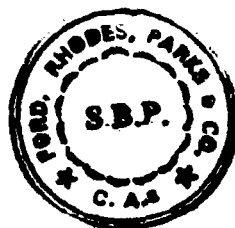
Shrikant B. Prabhu
Partner
Membership No. 35296

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



Ajay K. Atolia
Partner
Membership No.077201

Place: New Delhi
Date : 16th July, 2011



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

We certify that:

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

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

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


As per our report of even date

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



Vitesh D. Gandhi
Partner
Membership No. 110248

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



Shrikant B. Prabhu
Partner
Membership No. 35296

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



Ajay K. Atolia
Partner
Membership No. 077201

Place : Delhi
Date : July 16, 2011

