



दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड.

THE NEW INDIA ASSURANCE COMPANY LTD.

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

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

Phone : 022-22708100

22708400

Fax : 022-22700470

Telegram : NIASURANCE

Website : www.newindia.co.in

Date: 11 October 2016

The Registrar of Companies  
New Zealand Companies Office

Re: The New India Assurance Company limited – Financial statements 31/03/2016

Dear Registrar,

The directors are pleased to submit the financial statements of The New India Assurance Company Limited ("the Company").

The directors wish to rely on the Financial Markets Conduct (Overseas Registered Banks and Licensed Insurers) Exemption Notice 2015 while submitting the financial statements.

As the Company is a licensed insurer incorporated in India its home jurisdiction it is considered as an exempt issuer as per the notice. Therefore the directors wish to take advantage of clause 6 (b). This clause will allow the financial statements of the Company to be exempt from requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) in accordance with Sections 460, 461 and 461A of the Financial Markets Conduct Act 2013.

Below is a table listing the conditions attached to the exemption and the manner in which the Company complies with them.

Conditions	Complying explanation
7 (a) the exempt issuer, in relation to the financial statements or group financial statements prepared under sections 460 to 461A of the Act, must comply with the law and regulatory requirements of the home jurisdiction that relate to the preparation, content, and audit of those statements and, in particular, the exempt issuer must ensure that— (i) those statements comply with overseas GAAP; and (ii) those statements are audited by an approved auditor; and (iii) an audit report is prepared by the approved auditor in respect of that audit; and	The financial statements of the Company are drawn up in accordance with the following Indian provisions and Act: - the provisions of IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 - the master circulars issued in the context of preparation of the financial statements, and the provisions of the Companies Act 2013. The said statements prepared on historical cost convention and on accrual basis, comply with accounting standards specified under Section 133 of Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and conform to practices prevailing in the General Insurance industry.  The statements have been audited by an approved independent auditor and the audit report is attached to the statements.



Conditions	Complying explanation
7 (b) the exempt issuer must ensure that there are kept at all times accounting records that will enable the issuer to ensure that— (i) the financial statements or group financial statements prepared under sections 460 to 461A of the Act comply with paragraph (a)(i); and (ii) the New Zealand business financial statements under paragraph (c) or (d) (if any) comply with generally accepted accounting practice; and	It is management responsibility to ensure that the statements for the Company comply with the regulations in India and that proper accounting records are maintained. The New Zealand Branch of the Company prepares financial statements under NZ IFRS and these are audited by an approved independent auditor in New Zealand.
7 (c) if the exempt issuer has 1 or more subsidiaries, the group financial statements of the exempt issuer must, when those statements are delivered for lodgement under section 461H of the Act, be accompanied by financial statements for the group's New Zealand business (if any) prepared in accordance with generally accepted accounting practice; and	The statements provided for lodgement include the group financial statements and the New Zealand Branch financial statements (prepared under NZ IFRS).
7 (d) if the exempt issuer has no subsidiaries, the financial statements of the exempt issuer must, when those statements are delivered for lodgement under section 461H of the Act, be accompanied by financial statements for the exempt issuer's New Zealand business (if any) prepared in accordance with generally accepted accounting practice; and	This condition is not applicable as the Company has subsidiaries.
7 (e) the financial statements of the New Zealand business (if any) must be audited by a qualified auditor or an approved auditor; and	The financial statements of the New Zealand Branch have been audited by a qualified auditor who is licensed to perform such audits.







दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड, मुंबई, (प्र.का)  
THE NEW INDIA ASSURANCE CO., LTD., MUMBAI (H.O.)

Conditions	Complying explanation
7 (f) a copy of the auditor's report on the financial statements of the New Zealand business (if any) must accompany the financial statements or group financial statements of the exempt issuer when those statements are delivered for lodgement under section 461H of the Act; and	The independent auditors report for the New Zealand Branch is included with the Branch financial statements.
7 (g) the financial statements or group financial statements that are delivered to the Registrar for lodgement under section 461H of the Act are— (i) accompanied by written notification to the Registrar that the exempt issuer is relying on this notice in respect of the accounting period to which the statements relate; and (ii) in English or accompanied by an accurate English translation; and	This letter notifies the Registrar that the Company is relying on the Exemption Notice 2015.
7 (h) a governmental body for securities regulation in the home jurisdiction is a full signatory to the International Organization of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.	The Securities and Exchange Board of India (SEBI) is a full signatory to the International Organization of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.

The overseas company's financial statements are provided herewith and also included herewith are the New Zealand Branch accounts of the company which are prepared in accordance with New Zealand GAAP as referred to above.

Yours faithfully,

THE NEW INDIA ASSURANCE LIMITED

  
Director

  
Director





**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

Significant Accounting Policies and Notes to Accounts

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

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

**Jayashree Nair**  
Company Secretary

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

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

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

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

**As per our report of even date**

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

**Arun Jain**  
Partner  
Membership Number 141802

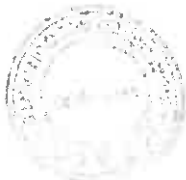
**For R. Devendra Kumar & Associates**  
Firm Reg. No. 114207W  
Chartered Accountants

**Neeraj Golas**  
Partner  
Membership Number 074392

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

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

Mumbai  
April 30, 2016



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

Significant Accounting Policies and Notes to Accounts 16  
As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly in respect of marine insurance business have been fully debited in the Marine Insurance Revenue Account as expenses.

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

*Jayashree Nair*  
Jayashree Nair  
Company Secretary

*S. N. Rajeswar*  
S. N. Rajeswar  
Chief Financial Officer

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

*Hemant G. Rokade*  
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**As per our report of even date**

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Firm Reg. No.105270W  
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*Arun Jain*  
Arun Jain  
Partner  
Membership Number 141802

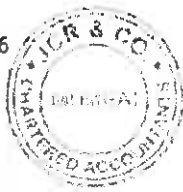
**For R. Devendra Kumar & Associates**  
Firm Reg. No. 114207W  
Chartered Accountants

*Neeraj Golts*  
Neeraj Golts  
Partner  
Membership Number 074392

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

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

Mumbai  
April 30, 2016



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

Significant Accounting Policies and Notes to Accounts

16

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

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

**Jayashree Nair**  
Company Secretary

**S. N. Rajeswar**  
Chief Financial Officer

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

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

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

As per our report of even date

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**Arun Jain**  
Partner  
Membership Number 141802

**Neeraj Golas**  
Partner  
Membership Number 074392

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

Mumbai  
April 30, 2016



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

Basic and diluted earnings per share (₹) (Refer Note 11 B to notes to accounts in Schedule 16 B)

41.22

Significant Accounting Policies and Notes to Accounts

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

**Jayashree Nair**  
Company Secretary

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

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

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

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

As per our report of even date

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

**For R. Devendra Kumar & Associates**  
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Partner  
Membership Number 073515

Mumbai  
April 30, 2016



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

Particulars	Schedule	Amount ₹ (000)
<b>A. Sources of Funds</b>		
1. Share Capital	5 & 5A	2000000
2. Reserves and Surplus	6	116745510
3. Fair Value Change Account		191229995
4. Borrowings	7	0
5. Minority Interest		370818
<b>Total A</b>		<b>310346323</b>
<b>B. Application of Funds</b>		
1. Investments	8	450092181
2. Loans	9	3291429
3. Fixed Assets	10	3535395
4. Deferred Tax Assets		2158434
5. Current Assets		
a. Cash and Bank Balances	11	72162254
b. Advances and Other Assets	12	105796657
<b>Sub Total(a+b)</b>		<b>177958910</b>
c. Current Liabilities	13	237193063
d. Provisions	14	93854724
<b>Sub Total(c+d)</b>		<b>331047787</b>
<b>Net Current Assets (a+b-c-d)</b>		<b>(153088877)</b>
6. Miscellaneous Expenditure - Contribution to Gratuity Fund-Deferred (to the extent not written off or adjusted)	15	4357760
<b>Total B</b>		<b>310346323</b>

Significant Accounting Policies and Notes to Accounts

16

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

*Jayashree Nair*  
Jayashree Nair  
Company Secretary

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

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

*Hemant G. Rokade*  
Hemant G. Rokade  
Director  
DIN No.05417520

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Mumbai  
April 30, 2016

**For R. Devendra Kumar & Associates**  
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*M. K. Gupta*  
M. K. Gupta  
Partner  
Membership Number 073515





**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

Particulars	Amount ₹ (000)
<b>Schedule 1 - Fire Premium Earned(Net)</b>	
Premium From Direct Business - in India	16918362
- outside India	9447908
<b>Total</b>	<b>26366270</b>
Add: Premium on Reinsurance Accepted	8270854
Less: Premium on Reinsurance Ceded	13136214
Net Premium	21500909
Adjustment for Change in Reserve for Un-Expired Risks	666795
<b>Total Premium Earned (Net)</b>	<b>20834114</b>
<b>Schedule 2 - Fire Claims Incurred (Net)</b>	
Claims Paid Direct	18654650
Add: Claims on Reinsurance Accepted	0
	5308497
Less: Claims on Reinsurance Ceded	0
Net Claims Paid	9660426
	14302722
Add: Claims Outstanding at End (Net)	25872087
Less : Claims Outstanding at Beginning (Net)	0
	25073103
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	0
	-170619
<b>Total Incurred Claims (Net)</b>	<b>14931087</b>
<b>Schedule 3- Fire Commission (Net)</b>	
Commission - Direct	3908376
Add : Commission on Reinsurance Accepted	1373027
Less : Commission on Reinsurance Ceded	1439909
<b>Commission (Net)</b>	<b>3841495</b>
<b>Break-up of Commission Direct</b>	
Direct Commission	439155
Direct Brokerage	3398898
Direct Corporate Agency Commission	70323
Others - Other Channels	0
<b>Total Commission</b>	<b>3908376</b>



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

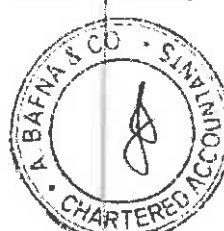
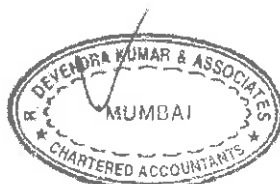
Particulars	Amount
	₹ (000)
<b>Schedule 1 - Marine Premium Earned(Net)</b>	
Premium From Direct Business - in India	6175331
- outside India	741761
<b>Total</b>	<b>6917092</b>
Add: Premium on Reinsurance Accepted	512013
Less: Premium on Reinsurance Ceded	3225877
Net Premium	<b>4203229</b>
Adjustment for Change in Reserve for Un-expired Risks	(584957)
<b>Total Premium Earned (Net)</b>	<b>4788186</b>
<b>Schedule 2 - Marine Claims Incurred (Net)</b>	
Claims Paid Direct	5122900
Add: Claims on Reinsurance Accepted	564028
Less: Claims on Reinsurance Ceded	2893239
Net Claims Paid	<b>2793688</b>
Add: Claims Outstanding at End (Net)	5232746
Less :Claims Outstanding at Beginning (Net)	5138765
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	(18563)
<b>Total Incurred Claims (Net)</b>	<b>2869107</b>
<b>Schedule 3- Marine Commission (Net)</b>	
Commission - Direct	512139
Add : Commission on Reinsurance Accepted	84226
Less : Commission on Reinsurance Ceded	116472
<b>Commission (Net)</b>	<b>479893</b>
<b>Break-up of Commission Direct</b>	
Direct Commission	296942
Direct Brokerage	214619
Direct Corporate Agency Commission	578
Others - Other Channels	0
<b>Total Commission</b>	<b>512139</b>



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

Particulars	Amount
	₹ (000)
<b>Schedule 1 - Miscellaneous Premium Earned(Net)</b>	
Premium From Direct Business - in India	128401394
- outside India	18093534
<b>Total</b>	<b>146494928</b>
Add: Premium on Reinsurance Accepted	3712499
Less: Premium on Reinsurance Ceded	15616624
<b>Net Premium</b>	<b>134590803</b>
Adjustment for Change in Reserve for Un-expired Risks	9500772
<b>Total Premium Earned (Net)</b>	<b>125090030</b>
<b>Schedule 2 - Miscellaneous Claims Incurred (Net)</b>	
Claims Paid Direct	108754383
Add: Claims on Reinsurance Accepted	4601271
Less: Claims on Reinsurance Ceded	10937855
<b>Net Claims Paid</b>	<b>102417798</b>
Add: Claims Outstanding at End (Net)	133392353
Less :Claims Outstanding at Beginning (Net)	121149469
Foreign Exchange Fluctuation Relating to Non-Integral Foreign Operations	(264796)
<b>Total Incurred Claims (Net)</b>	<b>114395886</b>
<b>Schedule 3- Miscellaneous Commission (Net)</b>	
Commission - Direct	10909189
Add : Commission on Reinsurance Accepted	411894
Less : Commission on Reinsurance Ceded	1878263
<b>Commission (Net)</b>	<b>9942820</b>
<b>Break-up of Commission Direct</b>	
Direct Commission	8335883
Direct Brokerage	2345309
Direct Corporate Agency Commission	198125
Others - Other Channels	29872
<b>Total Commission</b>	<b>10909189</b>



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

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

**SCHEDULE 5A**

**Pattern of Shareholding**

(As Certified by Management)

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





**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

**Schedule 7**  
**Borrowings**

1. Debentures / Bonds
2. Banks
3. Financial Institutions
4. Others



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

Particulars	Consolidated Current Year ₹ (000)
<b>Schedule 8 Continued</b>	
<b>Short Term Investments</b>	
1. Government Securities	
Central Government. Securities	
State Government. Securities	9551546
2. Other Approved Securities	1226312
3. Other Investments	0
a. Shares	
aa. Equity	
bb. Preference	0
b. Mutual Funds	0
c. Derivative Instrument	0
d. Debentures/Bonds/PTCs	0
Debentures in India	0
Other Debentures Foreign	2057276
e. Other Securities	40708
f. Subsidiaries	0
g. Investment Properties (Real Estate)	0
4. Investment In Infrastructure And Social Sector	0
5. Other Than Approved Investments	8902370
<b>Total</b>	<b>21778213</b>
<b>Grand Total</b>	<b>450092181</b>
<b>Investments</b>	
<b>1. In India</b>	<b>440964426</b>
<b>2. Outside India</b>	<b>9127756</b>
<i>Investment in foreign associates included in equity above</i>	
<i>Aggregate amount of Companies Investments in other than listed equity shares Book Value</i>	
<i>Market value</i>	
<i>Preference shares and FCTL preference shares (LTUA) amounting to ₹84498 (P.Y. ₹84498) is netted against interest suspense of an equal amount. Debentures and FCTL debentures amounting to ₹45115 (P.Y. ₹45115) are netted against interest suspense of an equal amount. Equity shares amounting to ₹276 (P.Y. ₹276) is netted against interest suspense of an equal amount.</i>	
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 8</b>	
Debentures - Standard Provisions	100886
Housing sector bonds - Standard Provisions	90388
Infrastructure Investments - Standard Provisions	141276
Investments in OAS - Standard Provisions	175
Other than approved investments (Debenture)	468882
Equity - foreign share - diminution in value others	315
Equity - Thinly traded and unlisted equity - diminution in value	71384
Equity - Thinly traded - foreign (Hongkong)	18
Equity - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6034/12	21993
Equity subsidiary - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6039/12	1535
Investments in France Agency (Foreign & France)	
<b>Total</b>	<b>896852</b>
<b>Note:</b>	
Interest suspense for Debtors include in sch 12 -B8b	0
S.H.C.I. include in in sch 12 -B8b	0
Loans To State Government Housing, FFe Loans To Hudco includes In Sch - 9	<b>676976</b>



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

Particulars	Amount
₹ (000)	
<b>Schedule 9</b>	
<b>Loans</b>	
1. Security-Wise Classification	
Secured	
a. On Mortgage Of Property	
aa. In India	
Loan Against Mortgage Of Property	0
Housing, Vehicle And Computer Loans To Employees	1784248
Direct Term Loans	638123
bb. Outside India Housing, Vehicle Loan To Employees	44563
b. On Shares, Bonds, Government Securities	0
c. Others	0
Loans to Subsidiaries	0
Loans To State Government Housing, Ffe Loans	676975
Unsecured (Term Loans, Bridge Loans, Short-Term Loans, Term Loans	147520
<b>Total</b>	<b>3291429</b>
2. Borrower-Wise Classification	
a. Central And State Governments(Term Loans, Housing and FFE)	676975
b. Banks And Financial Institutions	0
c. Subsidiaries	0
d. Industrial Undertakings (Term Loans, Bridge Loans, Short-Term Loans, Loans To	755138
e. Others - Housing Loans,Vehicle Loans, Computer Loans To Employees	1828811
Term Loans and PFPS	30505
<b>Total</b>	<b>3291429</b>
3. Performance-wise Classification	
a. Loans Classified as Standard	
aa. In India:Term Loans, Bridge Loans, State Government Housing And FFE,	785247
Housing, Vehicle And Computer Loans To Employees	1827930
bb. Outside India (Loans To Employees)	0
Loans to Subsidiaries	881
b. Non-Performing Loans less Provisions	0
aa. In India (Term Loans, Bridge Loans, Short-Term Loans, Loans PFPS)	677371
bb. Outside India	0
<b>Total</b>	<b>3291429</b>
4. Maturity-wise Classifications	
a. Short-Term (Term Loans, Direct Bridge Loans, Short-Term Loans, Term Loans	0
b. Long-Term	
(Term Loans Direct, Loans State Government Housing and FF, and Loans PFPS)	1462618
Loans to Subsidiaries	0
Housing, Vehicle, And Computer Loans To Employees.	1828811
<b>Total</b>	<b>3291429</b>

PFPS and FITL PFPS amounting to ₹ 617105 (P.Y. ₹ 637976) and FITL short term loan amounting to ₹ 1675 (P.Y. ₹ 1675) and direct term loans amounting to ₹ 6101 (P.Y. ₹ 6101) are netted against interest suspense of an equal amount.

**Provision made for bad and doubtful debts shown under Schedule 14.3 against assets in Schedule 9**

Direct term loans (Investments)	18115
Bridge loan (Investments)	400
Term loans PFPS std.provision	511
Term loans PFPS	554283
Short term loans (Investments)	85068
Housing loans to state govts. - std.provision	2595
Housing loans to state govts.	16573
FFE loans to state govts. - std.provision	35
FFE loans to state govts.	2932
<b>Total</b>	<b>680512</b>

**Note:**

Interest suspense for Debtors include in sch 12 -B8b

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



The New India Assurance Company Limited  
Registration Number 190

Consolidated Schedule for the year ended 31-03-2016  
Schedule 10

Fixed Assets

Particulars	Gross Block				Depreciation Fund				Net Block	
	Opening Balance.	Additions	Deletions / Adjustments	* Closing Balance	Opening Balance.	Additions	Deletions / Adjustment	* Closing Balance	Closing	Opening
	01-04-2015	During 2015-2016	During 2015-2016	31-03-2016	01-04-2015	During 2015-2016	During 2015-2016	31-03-2016	31-03-2016	31-03-2015
Goodwill	0	0	0	0	0		0		0	0
Intangibles	1032975	36290	(0)	1069265	1031197	3758	177	1034778	34487	2064172
Land Freehold	497836		2385	495451	0	0	0	0	495451	497836
Leasehold Property	271237	0	(11514)	282751	260889	1040	(2489)	264418	18333	532126
Buildings	2189740	3348	(19245)	2212334	904727	27958	4289	928396	1283937	3094467
Furnitures & Fittings	623150	100409	4151	719408	478343	25054	4904	498493	220915	1101493
Information & Technology Equipments	2711871	341912	20791	3032992	2419158	143756	20664	2542249	490742	5131029
Vehicles	1131441	291437	158871	1264008	567611	119593	113672	573532	690475	1699052
Office Equipments	127954	11529	(7640)	147035	112860	7488	383	119965	27070	240814
Other Assets	332120	38708	6609	364220	232005	15452	5268	242189	122030	564125
Work in Progress	0	151954	0	151954	0	0	0	0	151954	0
Grand Total	8918324	975588	154407	9739417	6006790	344100	146868	6204022	3535395	14925114





**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

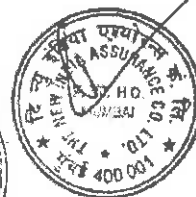
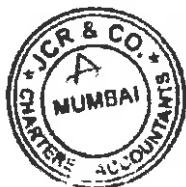
Particulars	Amount
	₹ (000)
<b>Schedule 11</b>	
<b>Cash and Bank Balances</b>	
1. Cash (Including Cheques, Drafts and Stamps)	2033814
2. Bank Balances	
a. Deposit Accounts	
aa. Short - Term (due within 12 Months)	9869278
bb. Others	46617367
b. Current Accounts	9854243
3. Money at Call and Short Notice	
With Banks	610449
With other Institutions	3177103
<b>Total</b>	<b>72162254</b>
<b>Cash and Bank Balances In India</b>	<b>16557873</b>
<b>Cash and Bank Balances Outside India</b>	<b>55604381</b>
<b>Total</b>	<b>72162254</b>

Balances with non scheduled banks included in 2b above

Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 11

Indian balances included in 2b above

Total



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

**Particulars**

**Schedule 12**

**Advances and Other Assets**

**A. Advances**

1. Reserve Deposits With Ceding Companies	257769
2. Application Money For Investments	0
3. Pre-Payments	183959
4. Advances To Directors / Officers	0
5. Advance Tax Paid And Taxes Deducted At Source (Net Of Provision For Taxation)	5951021
6. Others	384211

**Total (A)**

**6776960**

**B. Other Assets**

1. Income Accrued On Investments	6563384
2. Outstanding Premiums	2259267
3. Agents Balances	4486317
4. Foreign Agencies Balances	1503989
5. Due From Other Entities Carrying Insurance Business (Including Reinsurers)	53747930
6. Due From Subsidiaries/Holding Companies	0
7. Deposit With R B I (Pursuant to Section 7 Of Insurance Act 1938)	0
8. Others - a. Other Accrued Income	1008639
b. Others Including Sundry Debtors & Interoffice Accounts	29124284
c. Service Tax Unutilized Credit	325886

**Total (B)**

**99019697**

**TOTAL(A+B)**

**105796657**

Sundry Debtors amounting to ₹ 5010 (P.Y. ₹6604) are netted against interest suspense of an equal amount.

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

Reinsurance balances included in A1 above	93984
Reinsurance balances included in B5 above	942847
Reinsurance balances included in B8 above	494
Foreign balances included in A1 above (France 911871 & 873)	0
Foreign balances included in B1 above (France 911897)	0
Foreign balances included in B3 above (Fiji, Mauritius, Bangkok, Japan, Hongkong, New Zealand)	45480
Foreign balances included in B4 above (Manila & Dubai)	62620
Foreign balances included in B5 above (Mauritius, Singapore, France)	26351
Foreign balances included in B6 above (Ghana, T&T, Kuala Lumpur)	0
Foreign balances included in B8 above (Equitorial Bank London)	10432
Indian reinsurance balances/Miscellaneous debtors included in B5B above	200000
Indian balances included in B3 above	138334
Indian balances included in B8b above	86300
Indian miscellaneous debtors included in 12 B 4 above	0
Indian miscellaneous debtors included in B8b above (TCS)	137757
Sundry debtors(5192) investments Indian included in B8 above - Std. provision	31
Sundry debtors(5192) investments Indian included in B8 above	3851
Sundry debtors(5192) investments(F) Indian included in B8 above	949
Income accrued on investments(5131(F)) Indian included in B1 above	2
<b>Total</b>	<b>1749932</b>

**Note:**

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

5010  
46186



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

Particulars	Amount
	₹ (000)
<b>Schedule 13</b>	
<b>Current Liabilities</b>	
1. Agents Balances	197724
2. Balances Due To Other Insurance Companies	23895113
3. Deposits Held On Reinsurance Ceded	174932
4. Premium Received In Advance	1449088
5. Un-Allocated Premium	0
6. Sundry Creditors - a. Other Than Service Tax Payable	21203420
b. Service Tax Payable	594422
7. Due To Subsidiaries / Holding Company	0
8. Claims Outstanding	164497187
9. Due To Officers/Directors	5314
10. Others	23767747
Policy Holders Fund - Excess Premium Collected	325392
Policy Holders Fund - Refund Premium Due	332102
Policy Holders Fund - Stale Cheques	750624
<b>Total</b>	<b>237193064</b>

**Schedule 14**  
**Provisions**

1. a. Reserve for Un-Expired Risks	80681945
b. Premium Deficiency Reserve	0
2. Provision for Taxation (Net of Payment of Taxes)	36393
3. Provision for Proposed Dividend	2500000
4. Provision for Dividend Distribution Tax	508941
5. Others - Reserve for Bad and Doubtful Debts.	3312600
Provision for Diminution in value of Thinly Traded / Unlisted Shares	95245
Provision for Wage Arrear	0
Provision for Leave Encashment	6517000
<b>Total</b>	<b>93652124</b>

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

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



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

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

*Jayashree Nair*  
Jayashree Nair  
Company Secretary

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

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

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

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

As per our report of even date

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

*Arun Jain*  
Arun Jain  
Partner  
Membership Number 141802

Mumbai  
April 30, 2016

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

*Neeraj Golas*  
Neeraj Golas  
Partner  
Membership Number 074392

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

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



**Schedule 16**

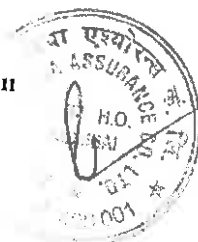
**Significant Accounting Policies and Notes forming part of Consolidated Financial Statements as on 31st March, 2016**

**16 A. SIGNIFICANT ACCOUNTING POLICIES**

**1. Principles of Consolidation:**

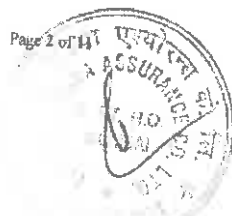
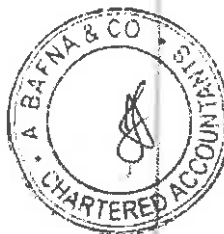
The consolidated financial statements relate to New India Assurance Co Ltd, the holding company and its subsidiaries (referred to as "Group") and associates. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances and intragroup transactions to the extent possible and by following the consolidation procedures as laid down in Accounting Standard (AS) 21- Consolidated Financial Statements.
- The difference between the cost of investment in the subsidiaries, over the net assets in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.;
- The difference between the proceeds from disposal of investment in subsidiaries and carrying amount of its assets less liabilities as of the date of disposal of investment in subsidiaries is recognized in the consolidated Profit and Loss account being the profit or loss on disposal of investment in subsidiary.
- Minority interest's share of net profit/loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company. Minority interest's share of net assets is presented in consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS)- 23- Accounting for investments in associates in Consolidated Financial Statements.;
- The company accounts for its shares in change in net assets of the associates, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its shares, through its profit and loss account to the extent such change is attributable to the associates' Profit or Loss through its reserves for the balance, based on available information.
- The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.;





- As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements. Except in case of the subsidiary companies, where the accounts are made and maintained in accordance with International Financial Reporting Standards (IFRS) as required under the local laws of the respective country, during the process of consolidation, accounting adjustments have been made to align the accounts of the subsidiary company to confirm to the accounting policies followed by the holding company however following are the material differences with the accounting policies followed by the holding company as compared to the subsidiary companies combined in the consolidated financial statements :
  - a. In accordance with IFRS, Insurance receivables are recognized when due and measured at amortized cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of income.
  - b. Deferred Acquisition cost Commissions and other acquisition costs that are related to securing new contracts and renewing existing contracts are capitalized as Deferred Acquisition Costs (DAC) if they are separately identifiable, can be measured reliably and it is probable that they will be recovered. All other costs are recognized as expenses when incurred. The DAC is subsequently amortized over the life of the contracts in line with premium revenue using assumptions consistent with those used in calculating unearned premium. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium. The DAC asset is tested for impairment annually and written down when it is not expected to be fully recovered.
  - c. Insurance and investment contract of policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognized as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognized over those future periods;
  - d. Reserve for unexpired risk and Premium deficiency reserve is calculated and recognized as per 1/365 or 1/24 method or as required under local laws.
  - e. Provision for claims incurred but not reported (IBNR) and provision for claims incurred but not enough reported (IBNER) is accounted as per liability adequacy test carried by actuary/ management assessment of such liability.
  - f. Property plant and equipment is shown at fair value on historical cost model except in case of NIA (T&T) Ltd., where fair value is based on triennial valuation by external appraisers. Depreciation on property plant and equipment is calculated and accounted for based on useful lives as assessed by the management which are different from those followed by the holding company. Investment property is recognized as per IFRS provisions.
  - g. Provisions related to post -employment benefits to the staff are accounted for based on the requirements of local laws;



- h. Provision for taxation including deferred tax is accounted as per local tax laws and in accordance with the provisions of IFRS.
- i. Statutory Reserve is created in accordance with the requirements of local laws..
- The list of subsidiary companies and associates which are included in the consolidation and the company holdings are as under :

SNo.	Name of the company	Ownership %	Country of incorporation
	<b>Subsidiaries</b>		
01.	The New India Assurance Co. (Trinidad & Tobago) Limited	83.89	Trinidad & Tobago
02.	Prestige Assurance PLC Nigeria	69.5	Nigeria
03.	The New India Assurance Co. (Sierra Leone) Limited	100	Sierra Leone
	<b>Associates</b>		
04.	Indian International Insurance Pte. Ltd.	20	Singapore
05.	Health Insurance TPA of India Limited	23.75	India

## 2. Accounting Convention

The financial statements are drawn up in accordance with the provisions of IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the master circulars issued in the context of preparation of the financial statements, and the provisions of the Companies Act 2013. The said statements prepared on historical cost convention and on accrual basis, comply with accounting standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and conform to practices prevailing in the General Insurance industry except as otherwise stated.

## 3. Use of Estimates

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



#### 4. Revenue Recognition

##### A. Premium

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

Reinsurance premium is recognized as per the terms of the reinsurance contracts. A reserve for Unearned Premium for each segment, representing that part of the recognized reinsurance premium attributable to the succeeding accounting periods, is also calculated on time apportionment basis. This also forms part of the un-expired risk reserves.

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

##### B. Commission

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

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

##### C. Premium Received in Advance

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

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

Reserve for un-expired risk is made as per the provisions of the Insurance Act at 50% of net premium in respect of fire, marine cargo and miscellaneous business and 100% in respect of marine hull business.

#### 6. Reinsurance Accepted

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

#### 7. Reinsurance Ceded

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



#### 8. Premium Deficiency

Premium deficiency is calculated where the sum of expected claims costs, related expenses and maintenance costs exceed the related unearned premium. The premium deficiency is recognized as per IRDA guidelines and forms part of unexpired risk reserves.

#### 9. Acquisition Costs.

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

#### 10. Incurred Claims

Claims are recognized as and when reported.

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

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

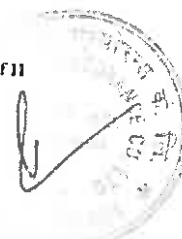
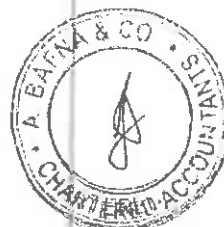
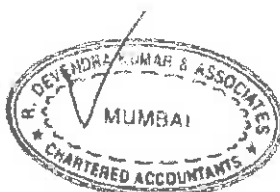
- In respect of direct business, claim intimations received up to the year-end.
- In respect of reinsurance accepted, advices received as of different dates of subsequent year up to the date of finalisation of accounts or on estimation basis
- Provision for claims incurred but not reported (IBNR) and provision for claims incurred but not enough reported (IBNER). The said provisions have been determined by Appointed Actuary, which is in accordance with accepted actuarial practice, requirement of IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the master circulars issued in the context of preparation of financial statements and stipulations of the Institute of Actuaries of India.

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

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

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

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



### 11. Salvage and Claim Recoveries

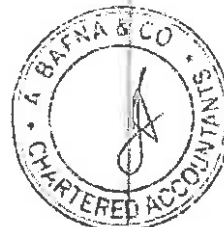
Recoveries of claims and sale proceeds on disposal of salvage are accounted on realisation and credited to claims.

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

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

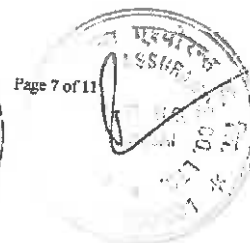
### 13. Loans and Investments

- A Loans are measured at historical cost subject to impairment. Company reviews the quality of its loan assets and provides for impairment if any.
- B Short Term Money Market Instruments such as Commercial Papers and Certificate of Deposits are shown at their discounted value and the difference between the acquisition cost and the redemption value is apportioned on time basis and recognised as accrued income.
- C Contracts for purchase and sale of shares, bonds, debentures are accounted for as "Investments" as on date of transaction.
- D The cost of investments includes premium on acquisition, brokerage, transfer stamps, transfer charges and is net of incentive/ fee if any, received thereon.
- E Dividend income (other than interim dividend) is accounted for as income in the year of declaration. Dividend on shares/interest on debentures under objection/pending delivery is accounted for on realisation. Interim dividend is accounted for where the amount is received/credited in the account of the company upto 31<sup>st</sup> March.  
Dividend on foreign investments is accounted on gross basis.  
Interest Income is recognized on accrual basis on time proportion except income on non-performing assets is recognized on realization.  
Amount received towards compensation for future loss of interest is recognised as income only to the extent attributable to the accounting year and balance is kept in interest received in advance account for apportionment in the relevant year.
- F Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except:
  - In respect of Government Securities/Debentures/Bonds under Trading Portfolio, the profit/loss is worked out specific scrip wise.





- In respect of Government Securities sold from Investment Portfolio, the profit/loss is worked out on first in first out basis (FIFO).
- G The Company follows the prudential norms prescribed by the Insurance Regulatory and Development Authority as regards asset classification, recognition of income and provisioning pertaining to loans/advances/debentures
- H Investment in government securities, debt securities and redeemable preference shares are considered as held till maturity and valued at cost. However, in terms of Insurance Regulatory and Development Authority Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.
- I
  - i. Investments in Mutual Funds are valued at Net Asset Value (NAV) as at the Balance Sheet date and the difference between cost/book value and NAV is accounted in Fair Value Change Account. In case of non-availability of latest NAV as at the balance sheet date, investment is shown at cost.
  - ii. Investments in Venture Funds are valued at cost. If there is reduction in NAV, the same is charged to revenue and book value of investments is reduced accordingly. Any appreciation in NAV to the extent of loss earlier recognised, is taken to revenue. Wherever Net Asset Value as on Balance Sheet date is not available, latest available Net Asset Value is considered.
- J
  - (i) In accordance with IRDA/F&I/INV/CIR213/10/2013 dated 30<sup>th</sup> October 2013 for Valuation of Equity Portfolio, National Stock Exchange (NSE) is considered as Primary Stock Exchange and Bombay Stock Exchange (BSE) as Secondary Stock Exchange.  
Investment Portfolio in respect of equity/ equity related instruments is segregated into actively traded and thinly traded as prescribed by Insurance Regulatory and Development Authority Regulations. The shares are treated as actively traded or thinly traded by taking into consideration total traded transactions in the month of March on NSE and BSE.
  - (ii) Actively traded equity/ equity related instruments are valued at the closing price at NSE or if the scrip is not traded at NSE, the scrip is valued at the closing price at BSE. The difference between weighted average cost and quoted value is accounted in Fair Value Change Account  
Exchange traded funds are valued as applicable to Equity portfolio. The difference between the weighted average cost and the quoted value is accounted in Fair Value change account.
  - (iii) Investments in equity shares of companies outside India are valued at the last quoted price at the stock exchange of the respective Country.
- K Investment in thinly traded equity shares and unlisted equity shares are shown at cost. However, difference between cost and break-up value is provided for as diminution in value. If the break-up value is negative then the provision is made for the entire cost. Further, if the published accounts of an unlisted Company are not available for last three accounting years ending on or immediately preceding the date of working out diminution in value, then the provision is made for the entire cost.



- L In case of investment in listed and unlisted equity/ equity related instruments / preference shares where the value has been impaired on or before 31.03.2000, the historical/weighted average costs are not available with the Company. As a consequence, the carrying value of such investments as on 01.04.2000 is presumed to be the historical/ weighted average cost .
- M Investments in listed equity/ equity related instruments/ preference shares made in those companies, which are making losses continuously for last 3 years and where capital is eroded, are considered to have impairment in value. Further, if the published accounts of a Company are not available for last three accounting years ending on or immediately preceding the date of working out impairment in value, it is presumed that the value of investment is fully impaired and is written off to a nominal value of Re.1/- per Company.
- I. Valuation of such investments is done as under:
- In respect of actively traded equity shares: - least of cost price, market price or break-up value provided break-up value is positive. However, if the break-up value is negative the nominal value is taken at Re. 1/- per Company
  - In respect of other than actively traded equity shares: - lower of cost price or break-up value provided break-up value is positive. However, if break-up value is negative the nominal value is taken at Re.1/- per Company.
  - In respect of preference shares, if the dividend is not received for the last three years, such preference shares are written down to a value which will bear to its face value, the same proportion as value taken/ which would have been taken for writing down equity shares bears to the face value of the equity shares. However, if the equity shares are written down to Re.1/- per Company, preference shares are also written down to a nominal value of Re.1/- per Company.
- II. Once the value of investment in listed equity/ equity related instruments/ preference shares of a company is impaired in accordance with the above mentioned policy, the reversal of such impairment losses are not recognised in revenue/ profit and loss till such company achieves a positive net worth as per the latest available published accounts immediately preceding the date of working out the reversal. However, in respect of investments where the historical or weighted average cost is not available as mentioned in Policy No.13-L, reversal of impairment loss is carried out and recognised only to the extent of impairment losses accounted after 31<sup>st</sup> March 2000.
- N REVERSE REPO transactions are treated as secured lending transactions and accordingly disclosed in the financial statements. The difference between total consideration at the 1<sup>st</sup> and 2<sup>nd</sup> leg of the transaction is treated as interest income.
- O "Collateralized Borrowing and Lending Obligation"(CBLO), which is issued at discount to the face value, is treated as money market instrument as per Reserve Bank of India Notification. Discount earned at the time of lending through CBLO is shown as income, which is apportioned on time basis.



- P Un-realised gains / losses arising due to changes in the fair value of actively traded listed equity shares other than enumerated in Accounting Policy 13-L are taken under the head "Fair Value Change Account" and on realisation reported in profit and loss account.

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

#### 14. Foreign Currency Transactions

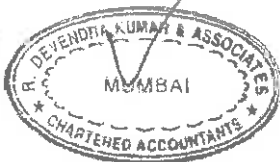
- Reinsurance operations:

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

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

- Foreign operations:

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



### 15. Fixed Assets

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

### 16. Depreciation

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

### 17. Intangible Assets

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

### 18. Employee Benefits

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

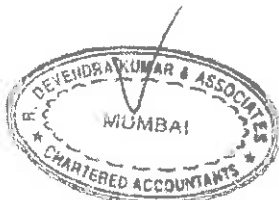
Provident Fund is a defined contribution plan. Company's contribution towards provident fund is charged to the Profit and Loss Account and Revenue Accounts as applicable. Further Company has no further obligation beyond the periodic contributions.

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

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

### 19. Expenses of Management-Basis of Apportionment

Expenses of management including provision for bad and doubtful debts and exchange gain/loss, are apportioned to the revenue accounts on the basis of gross direct premium



plus reinsurances accepted giving weightage of 75% for marine business and 100% each for fire and miscellaneous business.

**20. Segregation of Policy Holders and Share Holders funds:**

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

**21. Income from Investments -Basis of Apportionment**

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

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

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

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

**22. Taxation.**

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

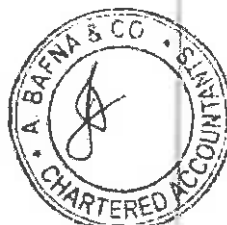


**16 B. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS ON 31<sup>ST</sup> MARCH, 2016**

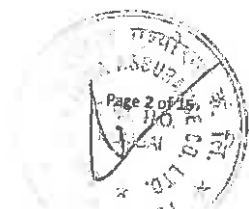
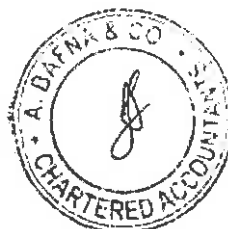
**1. List of Entities consolidated and their respective share of Net Asset and Profit/Loss-**

Name of the Entities	Net Worth		Share in Profit/(Loss)	
	Percentage of Net Assets	Amount In ,000	Percentage of Profit/(Loss)	Amount in ,000
<b>Holding Company</b>				
New India Assurance Company Limited	94.36	9,82,19,321	97.30	82,86,921
<b>Subsidiaries Companies</b>				
a. New India Assurance Company (Trinidad and Tobago) Limited	1.16	12,02,315	0.47	39,755
b. Prestige Assurance plc. – Nigeria	1.00	10,41,533	(0.96)	(82,144)
c. The New India Assurance Co. (S.L) Ltd- Free Town, Sierra Leone	0.00	1,367	(0.00)	(36)
Share of Minority	(0.36)	(3,70,818)	(0.22)	(18,649)
<b>Associates</b>				
a. India International	3.65	37,96,332	3.47	2,95,756
b. Health India TPA	0.19	1,95,109	(0.05)	(4,393)
<b>Summary of Position</b>	<b>100</b>	<b>10,40,85,159</b>	<b>100</b>	<b>85,17,210</b>
Share of Holding Company				
Share of Minority		10,37,14,341		84,98,561
		3,70,818		18,649
		<b>10,40,85,159</b>		<b>85,17,210</b>

- The accounts of subsidiary companies and the associate M/s India International Insurance Pte Ltd., Which are combined in the consolidated financial statements, are prepared on calendar year basis in accordance with the local requirements and these have been consolidated as such. There are no material changes during the quarter January 2016 to March 2016 requiring adjustments to the figures reported in the audited/ unaudited accounts as received.
- Since the accounts of subsidiary companies and associate as stated in Note (2) are prepared based on calendar year basis, the intra group balances have not been eliminated in full and the residual balances are retained in the respective head of accounts. The precise impact arising out of the above is presently not ascertainable.
- Pending receipt of audited accounts of M/s The New India Assurance Co. (Sierra Leone) Limited, unaudited accounts as received have been consolidated.



5. The incorporated audited accounts of Branches of the parent company in Fiji, Canada (run off) and Thailand are prepared on calendar year basis as per the requirement of local laws. There are no material changes for the quarter January 2016 to March 2016. The accounts of 2 run off Agencies and one representative office at Myanmar have been incorporated on the basis of unaudited accounts. One run off branch at Paris is closed during the year.
6. Land include book value Rs 173.78 Lakhs and building include book value Rs.3073.84 lakhs where registration formalities are yet to be completed / in respect of which the deeds of conveyance are yet to be executed / lease deed expired / properties not in possession of the company Rs.3.42 lakhs / properties are yet to be registered in the name of the company (Rs102.70 lakhs).
7. (a) The balance appearing in the amount due to / due from persons or bodies carrying on insurance business including reinsurance business are subject to confirmation / reconciliation and consequential adjustments if any. As RI Balances reconciliation is an ongoing process though confirmations of balances are done at a regular intervals, not on a specific cut-off date (i.e. Annual Closing date). However, company has maintained provision of Rs.12373.25 Lakhs up-to 31.03.2016 towards doubtful debts as a prudent measure."  
(b) Reinsurance acceptance transactions pertaining to the year have been booked for advices received up to 21st April 2016.  
(c) The balances of inter-office accounts included in Other Asset, amounting to Rs.21974.58 lakhs (Debit), is subject to reconciliations and consequential adjustments if any.
8. As certified by the Custodian, securities are held by the Company as on 31.03.2016. Variations and other differences are under reconciliation and are not expected to have a material impact on the state of affairs of the Company.
9. Certificates of Confirmation are awaited for earlier years Foreign Investments amounting to Rs.6.07 lakhs. However Rs 6.07 lakhs is provided for.
10. (a) Provision for standard assets @ 0.40% amounting to Rs. 3358.97 Lakhs has been made as per Insurance Regulatory and Development Authority guidelines on (i) Term Loan (PFPS/DTL), (ii) Debentures, (iii) Infrastructure Investments, (iv) Bonds/Debentures of HUDCO, (v) Bonds/Debentures of Institutions accredited to NHB and (vi) Govt. Guaranteed Bonds/Securities (vii) Housing and Fire fighting Loans to State Governments (ix) Debtors.



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

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

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

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

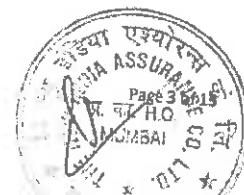
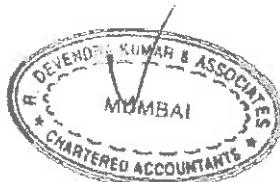
Sr. No.	Particulars	Amount in Lakhs	Rs.
(i)	Opening Balance		
(ii)	Additions During the Year	13484.46	
(iii)	Reductions During the Year		Nil
(iv)	Closing Balance	1983.42	
	Percentage of Net NPAs to Net Assets	11501.04	
		0.00%	

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

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

11. Short-term Investments (Schedule-8) in debentures and other guaranteed securities include those, which are fully repayable in the next year. As regards those debentures and other guaranteed securities, which have fallen due and remain unpaid as on 31.03.2016, they have been shown under long-term investments, as their realisability is unascertainable. However, necessary provision, wherever required, has been made.

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





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

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

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

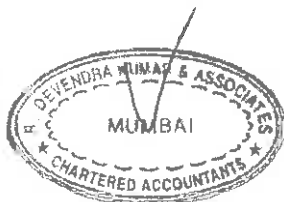
ii) The provisions against loans Rs.6805.12 Lakhs have been shown in Schedule 14 "Provisions". Consequently, the "Loans" shown in the Schedules 9 have not been reduced to the extent of provisions made against thereof, as required by Part V of Schedule B of the Regulation.

iii) Receipts & Payments Account/(Cash Flow Statement) have been drawn under "Direct Method" as required by Part I of Schedule B of the regulation. However the same is subject to reconciliation of various inter office and other accounts including certain Bank Accounts.

(c) As per IRDAI circular no. IRDA/F&I/CIR/CMP/174/11/2011 dated 14.11.2010. Company is required to give detail of age wise analysis of unclaimed amount of the policyholders for the year ended 31<sup>st</sup> March, 2016. Accordingly the unclaimed amount of Rs. 14081.18 lakhs representing the excess premium collected, refund premium and the amount lying in stale cheque accounts and unclaimed amount towards claim is not ascertainable. Further, as required, age-wise analysis is not available.

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

(b) The reconciliation of various accounts relating to inter office accounts related to domestic and foreign operations, Control Accounts, old balances appearing in legacy software, sundries and suspense, co-insurance, Re-insurance balances, certain Bank Accounts including revenue stamps in hand, other assets and other liabilities etc. is under progress. The impact of the above, if any, on the financial statements are unascertainable.



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

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

15. Disclosure as required by Accounting Standards (AS) :

**A. Related party disclosures as per Accounting Standard 18**

**1. Company's related parties**

**a) Subsidiaries:**

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

**b) Associates:**

- India International Insurance Pte. Ltd., Singapore.
- Health Insurance TPA of India Ltd.

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

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



**2. Transactions with related parties:**

Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (Rs. in Lakhs)
i)	Subsidiaries	Management fees earned (NIA T&T)	49.20
		Premium on Reinsurance Accepted	403.00
		Commission on Reinsurance Accepted	(98.00)
		Claims Paid	(169)
		Dividend income received(NIA T&T)	289.72
		Equity Purchased (Rights) Prestige Assurance Nigeria	NIL
		Loan Installments & Interest Received Prestige Assurance Nigeria	673.35
		Dividend receivable	NIL
		Loan	NIL
			NIL
ii)	Associates	Premium on Reinsurance Accepted	1566.85
		Commission on Reinsurance Accepted	(301.67)
		Claims Paid	(1219.00)
		Dividend income received from III Singapore	351.75
		Dividend income received from Kenindia Assurance Kenya	NIL
		Investment in shares	NIL
		Dividend receivable	NIL
		Additional Equity Infusion in Health TPA of India	(1187.50)
iii)	Key Management Personnel	Salary and allowances	221.72

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

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



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

### C. Taxation:

#### Income Tax:

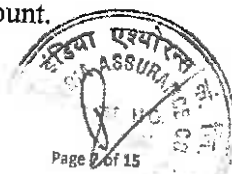
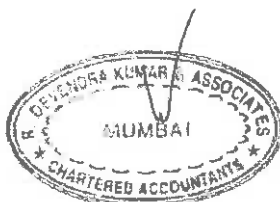
- i) Provision for Tax - Current Tax shown in Profit & Loss Account includes Rs. 2609 lakhs relating to foreign taxes.
- ii) The Income Tax Assessments of the Company have been completed up to assessment year 2013-14. Major disputed demands are in respect of profit on sale of investment and related exemptions from tax liability. Based on the decisions of the appellate authority and the interpretations of the relevant provisions, the Management is of the opinion that the demands are likely to be either deleted or substantially reduced and accordingly no provisions have been made for the same.
- iii) Income Tax Department during F.Y. 2015-16 adjusted refunds of Rs.11753.08 lakhs towards tax demands pertaining to various years, without any intimation to the Company.  
The Company is in appeal in respect of various taxation issues in various levels of Hon'ble Judiciary on which Income Tax Dept has made unilateral set off.  
The Company is following up with the Tax Dept for recomputing the Tax Refunds unilaterally set off pursuant to an order of ITAT for AY 2004-05 and the accounting of the adjustments shall be made after obtaining details from the Tax Dept.
- iv) Deferred Taxes:

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

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

#### Notes:

- (1) A sum of Rs.4925.91 lakhs has been credited to the Profit & Loss Account on account of increase in deferred assets during the year.
- (2) On prudence basis recognition of deferred tax asset on unabsorbed depreciation and carry forward losses has not been given effect in the books of account.

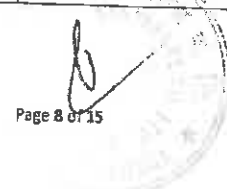


- (3) Above deferred tax asset does not include impact of deferred tax in respect of operations of foreign branches.
- (4) The company continues to recognise the deferred tax asset as hitherto, as in the opinion of the management there are sufficient evidences to establish the virtual certainty of realisation of the DTA from the future taxable profits,

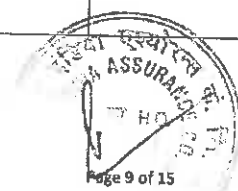
#### Accounting Standard 15 – Employee Benefits

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

(₹ in Lakhs)				
I	Components of employer expense		Pension	Gratuity
			C.Y.	C.Y.
			Funded	
	A	Current Service Cost		Unfunded
	B	Interest Cost	8,554	2,234
	C	Expected Return on Plan Assets	24,924	7,698
	D	Curtailment Cost/(Credit)	(23,814)	(7,501)
	E	Settlement Cost/(Credit)	-	-
	F	Past Service Cost	-	-
	G	Actuarial Losses/(Gains)	61,867	15,644
	H	Total expense recognized in the statement of Profit and Loss Account	71,531	18,075
	Pension Gratuity and Leave Encashment expenses have been recognized in "Employee Remuneration and Welfare Benefits" under schedule 4.			
II	Actual Returns for the year 31.03.2016		26,195	8,250
III	Net Asset/(Liability) recognized in Balance Sheet at 31.03.2016			
	A	Present Value of Defined Benefit Obligation	3,72,896	1,13,689
	B	Fair Value of Plan Assets	3,72,896	1,13,689
	C	Status (Surplus/Deficit)	-	-



	D	Un recognized Past Service Cost	-	-	-
	E	Net Asset / (Liability) recognized in Balance Sheet	-	-	65,070
IV	Change in Defined Benefit Obligation during the year ended 31.03.2016				
	A	Past value of the Defined Benefit Obligation at the beginning of the period	3,14,692	96,835	48,650
	B	Current Service Cost	8,554	2,234	1,270
	C	Interest Cost	24,924	7,698	3,853
	D	Curtailment Cost/(Credit)	-	-	-
	E	Settlement Cost/(Credit)	-	-	-
	F	Plan Amendments	-	-	-
	G	Acquisitions	-	-	-
	H	Actuarial Losses/(Gains)	64,248	16,393	20,738
	I	Asset Loss / (Gain)	-	-	-
	J	Benefits Paid	(39,522)	(9,471)	(9,441)
	K	Present Value of Defined Benefit Obligation at the end of the period	3,72,896	1,13,689	65,070
V	Change in the Fair Value of Assets during the year ended 31.03.2016				
	A	Plan Assets at the beginning of the period	3,14,692	96,835	-
	B	Acquisition Adjustment	-	-	-
	C	Expected return on Plan Assets	23,814	7,504	-
	D	Asset (Losses)/Gains	2,381	749	-
	E	Actual Contributions Company	71,531	18,072	-
	F	Benefits Paid	(39,522)	(9,471)	-
	G	Plan Assets at the end of the period	3,72,896	1,13,689	-
VI	Transitional Provisions				
		(Income)/Expense to be recognised			-



VII	Actuarial Assumptions				
	A	Discount Rate (%)	7.85%	7.99%	
	B	Expected Return on Plan Assets (%)	7.85%	7.99%	
	C	Rate of escalation in salary	3.50%	3.50%	
VIII	Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2016				
	A	Government Securities	47.37%	50.37%	
	B	High Quality Corporate Bonds	41.95%	38.74%	
	C	Others	10.68%	10.90%	
IX	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.		

16. (a) The pay revision of the officers and employees has been carried out by the Public Sector General Insurance Companies in the year 2015-16 consequent upon the Gazette Notification dated 23.01.2016 issued by the Ministry of Finance. As a result the additional liability of Pension and gratuity on account of pay revision has been arrived at Rs. 50247.00 lakhs and Rs.13047.00 lakhs respectively as per the actuarial valuation carried out.

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

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

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



(b) The company has during the year paid the arrears of wage arising out of the pay revision w.e.f 01/08/2012 as per the notification dated 23/01/2016.

17. Pre-payment premium received in present value terms on account of restructuring/reduction of interest rates in respect of loans/debentures is spread over the remaining tenure of such loans/debentures. Accordingly Rs.27.93 Lakhs has been considered as income received in advance and shown in Schedule – 13 Current Liabilities under the head “Others”.
18. The management is currently in the process of identifying enterprises which have been providing goods and services to the Company which qualify under the definition of medium and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such Micro, Small, and Medium Enterprises as at 31st March 2016 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.
19. "Foreign Exchange Reserve Account has increased by Rs.18959.69 Lakhs (Credit) due to appreciation of foreign currency under the following heads consisting of the following."

Sr	Particulars	(Rs.in Lakhs)	
		Debit Amount	Credit Amount
1	Head Office Account	-	18959.69
2	Outstanding claims	-	-
3	Fixed assets	-	-
	<b>Total</b>	-	<b>18959.69</b>

## 20. Penalty

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

Sr. No.	Authority	Non-Compliance/ Violation	₹ in Lakhs		
			Penalty Awarde d	Penalty Paid	Penalty Waived/ Reduced
1(a)	Insurance Regulatory and Development Authority / TAC	Non-compliance of IRDAI(Health Insurance) Regulations,2013	5.00	5.00	-





1(b)					
1(c)		Violation of IRDA guidelines	15.00	15.00	
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India*	Nil	Nil	Nil	Nil
9	Competition Commission of India	Refer Note Below	Nil	Nil	Nil
10	Any other Central/State/Local Government / Statutory Authority	Nil	Nil	Nil	Nil

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

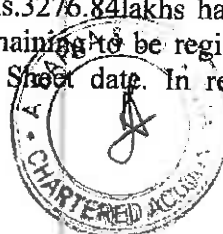
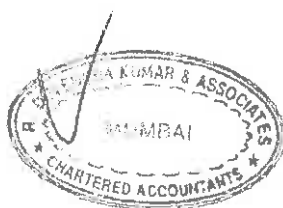


21. The Company's Office Premises and Residential flats for employees are obtained on operating lease and are renewable / cancellable at mutual consent. There are no restrictions imposed by lease agreements. Lease terms are based on individual agreements. Significant leasing arrangements are in respect of operating lease for premises. Aggregate lease rentals amounting to Rs. 9586.77 lakhs in respect of obligation under operating lease are charged to Revenue Account.
22. The Company has created Equalization Reserve in respect of London Branch as required by the UK Regulations. This reserve is not available for distribution as Dividend. During the year, the reserve has been increased by 2.6 million GBP and the closing reserve as at the year end stood at Rs. 12034.51 lakhs (GBP 12.6 million). Further, in accordance with Oman Insurance Company Law, company has created contingency reserve for claims for Muscat agency for 5 million omani Riyal. During the year the same has been revalued at Rs. 8574.94 Lakhs due to currency fluctuation.
23. IRDA vide there Circular no. IRDA/NL/MTP/DRP/2013-15/01/2016 dated 10.02.2016 advised the provisional ULR of motor declined risk pool for the FY 2015-16 @184%. The provision of the same has been made in the IBNR calculation as provided by the actuary.
24. During the year, the Company has reviewed its fixed assets for impairment. In the opinion of the management no provision for impairment loss is considered necessary. However Impairment assessment as required by AS-28 would be done in due course.
25. The company is in the process of updating the fixed asset register with reference to full particulars, quantitative details and location thereof. The reconciliation of fixed asset register with financial records is stated to be in progress. Further, physical verification of fixed assets in respect of some locations is also stated to be in progress.
26. (a) The Company has reviewed/changed the useful life and depreciation method of its fixed assets during the previous financial year consequent to enactment of the Companies Act, 2013. The depreciation accounted is being reconciled with related records, to be in accordance with the Accounting Policy followed. In the opinion of Management, impact of the same is not considered to be material.
- (b) The data related to fixed asset register has since been migrated to the company's accounting software. The amounts migrated in the Fixed asset module are being reconciled with the financial ledgers of the company at respective locations along with the written down value of the migrated assets.
- (c) In case of assets at Foreign Branches of the company, the opening WDV as received from the respective branches which is computed as per the accounting standards followed in these foreign Branches, has been considered for the purpose of implementing the changed accounting policy, and the same is being amortised over the remaining useful lives of these assets. The company is in the process of arriving at the original purchase cost of these assets



and necessary accounting adjustments shall be carried out in due course. The impact of the above on the financial statements has remained unascertained.

27. (a) The accounts relating to foreign Branches and foreign agency offices incorporated in the financial statements, audited by the local auditors appointed by the company, have been maintained in accordance with the accounting principles generally accepted in the respective locations/countries. For the purpose of consolidation and preparation of financial statements, adjustments relating to certain items like creation of unexpired risk reserve, provisioning for IBNR and IBNER and investments are carried out in accordance with the accounting policies followed by the company, as per consistent practice followed in this regard. However accounting for depreciation, deferred tax, investment property etc. and other accounting conventions specific to the local requirements are incorporated as such. The audit reports received in case of these foreign Branches/offices are also not in strict accordance with the requirements laid down in SA700 issued by the ICAI and matters required under the provisions of the companies Act, 2013 read with IRDA Regulations 2002. The management has however initiated a process of identifying the impact of different accounting practices followed at respective locations and necessary accounting effects for the remaining adjustments, if any, to be in compliance with the generally accepted accounting principles in India and the accounting policies followed by the company and the audit reports to be in compliance with the Standards on Auditing issued by ICAI and the provisions of Companies Act 2013 and IRDA regulations 2002, will be carried out in due course. The precise financial impact of the same has not been ascertained.
- (b) The company at its Curacao branch has a receivable from the agent amounting to ANG 5875927 equivalent to Rs.2174.75 lakhs as at 31/03/2016 out of which an amount equivalent to ANG 5030268 equivalent to Rs.1861.76 lakhs is due for more than the allowable limitation of 90 days. The company has been taking efforts to recover the amount from the agent and is hopeful of recovery and as such no provision in this respect has been considered necessary.
28. As per the Accounting Policy followed, the reserve for unexpired risk is calculated as per the Insurance Act, 1938 at 100% of the marine hull business and 50% of the net premium in case of fire, miscellaneous and marine cargo business, pending the implementation of necessary systems to ensure precise computation of the reserve for unexpired risk based on 1/365 method.
29. In accordance with the provisions of the Companies Act, 2013, the Company has approved an expenditure of Rs.3150 lakhs for the financial year 2015-16 towards Corporate Social Responsibility. Out of the above an amount of Rs.1010 lakhs has been incurred during the year. Though the total sanction for various CSR Projects for the year 2015-16 was Rs.2954 lakhs, the balance could not be spent as various projects are in the completion stage.
30. As per the accounting policy followed by the company, the claims outstanding are provided for which include claim intimations received till the year end in respect of Direct business. As per the consistent practice followed an amount of Rs.3276.84 lakhs has been provided for towards claims intimated before 31.03.2016 and remaining to be registered, based on the information available subsequent to the Balance Sheet date. In respect of health



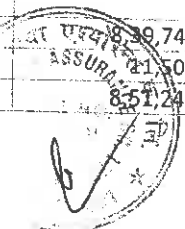
insurance, the claims intimated but not captured in the CWISS system are accounted for based on information received from respective TPA.

31. Unexpired premium reserve at revenue segment level is found to be sufficient to cover the expected claim cost as certified by the appointed actuary and the claims related expenses as estimated by the management. Hence no premium deficiency reserve is required to be provided during the year.
32. As per Accounting Standard -21, Consolidated Financial Statement; on the first occasion that consolidated financial statements are presented, comparative figures for the previous period need not be presented and as such figures related to previous year are not presented.
33. Previous year figures have been regrouped/ rearranged, wherever necessary.



**16 C. Disclosures Forming Part of Consolidated Financial Statements**

Particulars	(₹ in Lakhs)
	<b>Current Year</b>
Disclosures made in respect of Contingent liabilities includes those of subsidiaries. Other disclosures forming part of accounts are in respect of Holding Company as there are no other significant items to be disclosed in respect of subsidiaries and disclosures in terms of IRDAI guidelines are not applicable to subsidiaries incorporated outside India.	
The details of contingent liabilities are as under:	
(a) Partly-paid up investments	283.22
(b) Underwriting commitments outstanding	
(c) Claims, other than those under policies, not acknowledged as debts	2,413.08
(d) Guarantees given by or on behalf of the Company	88.62
(e) Statutory demands/liabilities in dispute not provided for	2,39,294.66
(f) Reinsurance obligations to the extent not provided for in accounts	
(g) Others (matters under litigation) to the extent ascertainable	26,240.53
(h) Tax and other liabilities Venture Fund	1,540.41
The details of encumbrances to the assets of the Company are as under:	
(a) In India	3,744.13
(b) Outside India	221.76
Commitment made and outstanding for Loans Investments and Fixed Assets	51.52
Claims, less reinsurance, paid to claimants:	
(a) In India	10,04,556.91
(b) Outside India	1,80,341.26
Claim liabilities where claim payment period exceeds four years.	
Amount of claims outstanding for more than six months (Gross Indian)	6,47,149.85
No. of Claims	1,47,006
Amount of claims outstanding for less than six months (Gross Indian)	3,68,017.59
No. of Claims	1,52,222
Total amount of claims outstanding (Gross Indian)	10,15,167.44
Total No. of claims outstanding	2,99,228
Premiums, less reinsurances, written from business	
(a) In India	12,90,998.76
(b) Outside India	3,00,192.22
The details of contracts in relation to investments, for	
Purchases where deliveries are pending	
Sales where payments are overdue	
Sales where deliveries are pending	481.86
Amount of Claims settled and remaining unpaid for a period of more than six months as on balance sheet date are as under:	
No. of claims	
Investments made in accordance with statutory requirements are as under:	
(a) In India- Under Sec.7 of Insurance Act 1938	
(b) Outside India- Statutory Deposits under local laws	55,357.38
Segregation of investments into performing and non-performing investments where NPA Provision is required	
Performing (Standard) Investments	8,39,742.61
Non Performing Investments	41,501.04
Total Book Value (Closing Value)	8,81,243.65



- 2 All significant accounting policies forming part of the financial statements are disclosed separately.
- 3 Premium is recognized as income on assumption of the risk. Reserve for un-expired risk is made as per the provisions of the Insurance Act at 50% of net premium in respect of fire, marine cargo and miscellaneous business and 100% in respect of marine hull business.
- 4 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.
- 5 The historical/weighted average cost of investments in equity shares / venture funds, is ₹ 480942.42 lakhs (Previous year ₹402,462.13 Lakhs) and ₹ 1,701.95 Lakhs (Previous year ₹1280.65 Lakhs) respectively. However, the historical/weighted average cost in respect of investment in listed equity/equity related instruments/preference shares, the value of which had impaired on or before 31st March, 2000 is not available with the Company, and hence, the carrying value of the same as on 01.04.2000 is presumed to be the historical/weighted average cost.

In compliance of section 197 of the Companies Act 2013, the total managerial remuneration paid to its Directors including Managing Director, Whole Time Directors, and Managers in respect of Financial Year 2015-16, does not exceed 11% of Net Profit of the Company.

Amortisation of debt securities is done from the date of investment on the basis of actual number of days upto the date of Sale/ Redemption/ 31st March, 2016. While working out amortisation put/call option is not considered. However, partial redemption if any, is taken into account.

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.

The Company does not have Real Estate Investment Property.

Sector-wise break-up of gross direct premium written in India is as under:

Sector	Current Year			Previous Year	
	₹ in Lakhs	Percentage	Number of Policies/lives	₹ in Lakhs	Percentage
Rural	246614.57	16.28	4639139	185975.21	14.08
Social	53717.80	3.55	74161700	44680.64	3.38
Others	1214618.51	80.18		1090283.65	82.54
<b>Total</b>	<b>1514950.88</b>	<b>100.00</b>		<b>1320939.50</b>	<b>100.00</b>

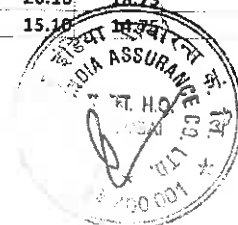
## Performance Ratios

### i) Gross Premium Growth Rates :

SEGMENT	Gross Direct Premium (₹ in Lakhs)						Growth Rate (%)			
	Current Year			Previous Year			Current Year		Previous Year	
	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global	Indian
Fire	169183.62	85768.37	254951.99	164489.27	81861.17	246350.44	2.85	4.77	3.49	16.51
Marine Cargo	33490.88	4577.26	38068.15	32883.77	5192.64	38076.40	1.85	-11.85	-0.02	2.69
Marine Hull	28262.43	1147.74	29410.17	33644.02	5382.89	39026.91	-16.00	-78.68	-24.64	-14.01
<b>Marine Total</b>	<b>61753.31</b>	<b>5725.00</b>	<b>67478.31</b>	<b>66527.78</b>	<b>10575.53</b>	<b>77103.31</b>	<b>-7.18</b>	<b>-45.87</b>	<b>-12.48</b>	<b>-6.49</b>
Motor	617728.51	125171.09	742899.60	536600.52	90058.47	626658.99	15.12	38.99	18.55	16.54
Personal Accident	21078.34	1837.15	22915.49	18560.00	1972.41	20532.41	13.57	-6.86	11.61	9.85
Aviation	11455.99	0.00	11455.99	10434.08	0.00	10434.08	9.79	0.00	9.79	11.50
Engineering	49409.80	8710.66	58120.46	41774.94	9866.50	51641.45	18.28	-11.71	12.55	0.74
Health	484785.31	11347.86	496133.16	394179.21	7583.60	401762.81	22.99	49.64	23.49	18.88
Liability*	29780.24	14873.80	44654.04	26439.94	15086.28	41526.22	12.63	-1.41	7.53	5.38
Others	69775.75	7946.20	77721.94	61933.75	10092.48	72026.23	12.66	-21.27	7.91	8.98
<b>Misc sub Total</b>	<b>1284013.94</b>	<b>169886.76</b>	<b>1453900.70</b>	<b>1089922.44</b>	<b>134659.75</b>	<b>1224582.20</b>	<b>17.81</b>	<b>26.16</b>	<b>18.73</b>	<b>15.74</b>
<b>Grand Total</b>	<b>1514950.88</b>	<b>261380.13</b>	<b>1776331.01</b>	<b>1320939.50</b>	<b>227096.45</b>	<b>1548035.95</b>	<b>14.69</b>	<b>15.10</b>	<b>10.75</b>	<b>14.47</b>

\*Liability includes Workmens' compensation

### ii) Gross Direct Premium to Net Worth Ratio:



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

iii) Growth Rate of Net Worth:

	(₹ in Lakhs)				
Net Worth	Current Year	Previous Year	Growth (CY)	Growth (PY)	Growth % (CY)
	982193.21	972223.14	9970.07	88393.37	1.03

iv) Net Retention Ratio : Indian

Segment	Current Year (₹ in Lakhs)			Previous Year (₹ in Lakhs)	
	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)	Gross Written Premium	Net Written Premium
Fire	177757.43	86842.87	48.85	174341.41	88635.17
Marine Cargo	33676.73	25054.00	74.40	33154.83	26131.06
Marine Hull	29849.21	8426.36	28.23	34633.09	9095.00
Marine Total	63525.94	33480.36	52.70	67787.92	35226.06
Motor	629890.31	585527.08	92.96	555303.69	513783.89
Personal Accident	21462.30	19328.14	90.06	19208.59	18088.69
Aviation	11797.74	288.91	2.45	10630.27	-1766.45
Engineering	53405.00	26002.28	48.69	45556.39	25030.02
Health	484785.31	455155.29	93.89	394179.21	374267.21
Liability*	29920.40	24239.11	81.01	26635.97	22506.84
Others	76542.87	60134.73	78.56	70549.18	55342.80
Misc sub Total	1307803.93	1170675.54	89.51	1122063.31	1007253.00
Grand Total	1549087.30	1290998.76	83.34	1364192.64	1131114.23

\*Liability includes Workmens' compensation

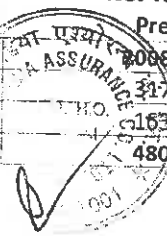
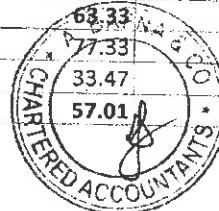
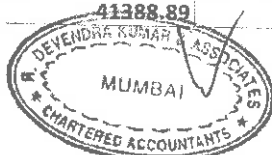
Net Retention Ratio : Foreign

Segment	Current Year (₹ in Lakhs)			Previous Year (₹ in Lakhs)	
	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)	Gross Written Premium	Net Written Premium
Fire	159881.08	126976.37	79.42	146830.73	112196.98
Marine Cargo	5294.99	5080.91	95.96	5716.14	5572.82
Marine Hull	3774.81	2827.63	74.91	11336.00	7285.44
Marine Total	9069.80	7908.53	87.20	17052.14	12858.26
Motor	126694.32	114091.49	90.05	92381.35	86596.04
Personal Accident	2243.05	2136.00	95.23	2271.81	2173.44
Aviation	7143.89	7075.93	99.05	6755.20	6755.20
Engineering	11264.90	7732.62	68.64	12292.32	9476.84
Health	11347.86	11347.86	100.00	7592.53	7592.53
Liability*	14998.64	14399.84	96.01	15372.22	14600.54
Others	9508.55	8523.58	89.64	11833.97	10516.38
Misc sub Total	183201.21	165307.31	90.23	148499.42	137710.97
Grand Total	352152.09	300192.22	85.25	312382.29	262766.20

\*Liability includes Workmens' compensation

Net Retention Ratio: Global

Segment	Current Year (₹ in Lakhs)			Previous Year (₹ in Lakhs)	
	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)	Gross Written Premium	Net Written Premium
Fire	337638.51	213819.24	63.33	321172.14	200832.15
Marine Cargo	38971.72	30134.90	77.33	38870.97	31703.88
Marine Hull	33624.03	11253.99	33.47	45969.09	16380.43
Marine Total	72595.74	41888.89	57.01	84840.06	48084.31



Motor	756584.64	699618.56	92.47	647685.04	600379.93
Personal Accident	23705.35	21464.14	90.55	21480.40	20262.13
Aviation	18941.63	7364.83	38.88	17385.48	4988.76
Engineering	64669.90	33734.91	52.16	57848.71	34506.85
Health	496133.16	466503.15	94.03	401771.74	381859.74
Liability*	44919.04	38638.95	86.02	42008.20	37107.38
Others	86051.42	68658.31	79.79	82383.15	65859.18
Misc sub Total	1491005.14	1335982.86	89.60	1270562.73	1144963.97
Grand Total	1901239.39	1591190.98	83.69	1676574.93	1393880.44

\*Liability includes Workmens' compensation

**v) Net Commission Ratio to Net Written Premium**

SEGMENT	Net Commission (₹ in Lakhs)						Net Commission Ratio (%)			
	Current Year			Previous Year			Current Year			Previous Year
	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global	Indian
Fire	-1630.41	39786.01	38155.60	5440.70	34873.98	40314.68	-1.88	31.33	17.84	6.14
Marine Cargo	3507.67	1281.03	4788.70	3483.63	1510.28	4993.91	14.00	25.21	15.89	13.33
Marine Hull	-416.40	427.96	11.55	-1839.76	1104.32	-735.44	-4.94	15.13	0.10	-20.23
Marine Total	3091.27	1708.99	4800.25	1643.87	2614.60	4258.47	9.23	21.61	11.60	4.67
Motor	18616.81	25983.10	44599.91	16958.42	19880.04	36838.47	3.18	22.77	6.37	3.30
Personal Accident	2222.47	655.60	2878.06	1970.26	618.89	2589.16	11.50	30.69	13.41	10.89
Aviation	-379.70	715.00	335.30	-353.59	652.77	299.18	-131.43	10.10	4.55	20.02
Engineering	-732.70	2209.92	1477.21	-1059.17	2350.16	1290.99	-2.82	28.58	4.38	-4.23
Health	29112.52	2811.70	31924.22	25560.10	1859.68	27419.77	6.40	24.78	6.84	6.83
Liability*	2740.83	3640.45	6381.28	2516.19	3535.01	6051.19	11.31	25.28	16.52	11.18
Others	7831.28	1991.45	9822.72	6855.79	2469.38	9325.17	13.02	23.36	14.31	12.39
Misc sub Total	59411.49	38007.21	97418.71	52447.99	31365.94	83813.94	5.07	22.99	7.29	5.21
Grand Total	60872.35	79502.21	140374.56	59532.56	68854.52	128387.08	4.72	26.48	8.82	5.26

\*Liability includes Workmens' compensation

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

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

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

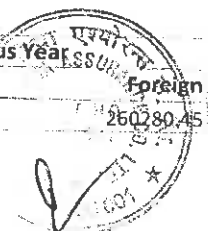
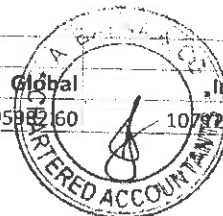
Particulars	Current Year	Previous Year
a. Net Written Premium	1591190.98	1393880.44
b. Expense of Management	351580.00	306060.01
c. Direct Commissions	151106.68	134188.96
Expense of Management to Net Written Premium Ratio (%) ((b+c)/a)	31.59	31.58

**ii) Net Incurred Claims to Net Earned Premium:**

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

**c) Combined Ratio:**

Particulars	Current Year			Previous Year	
	Indian	Foreign	Global	Indian	Foreign
a. Net Earned Premium	164.82	253817.78	1495982.60	1078248.69	260280.45





b. Net Incurred Claims	1120208.22	193910.41	1314118.64	988702.08	130101.48
c. Net Written Premium	1290998.76	300192.22	1591190.98	1131114.23	262766.20
d. Expense of Management	334447.00	17133.00	351580.00	291236.46	14823.55
e. Net Commission	60872.35	79502.21	140374.56	59532.56	68854.55
<b>Combined Ratio (%) (b/a+(d+e)/c)</b>	<b>120.80</b>	<b>108.59</b>	<b>118.76</b>	<b>123.31</b>	<b>81.83</b>

x) Technical Reserves to net Premium Ratio:

Particulars	Current Year	Previous Year
a. Net Written Premium	1591190.98	1393880.44
b. Reserves for Unexpired Risks	801222.50	706014.12
c. Premium Deficiency Reserves	0.00	0.00
d. Reserves for Outstanding Claims (Including INBR & IBNER)	1632605.88	1498845.64
<b>e. Total Technical Reserves (b+c+d)</b>	<b>2433828.38</b>	<b>2204859.76</b>
<b>Technical Reserves to Net Premium Ratio (Times) (e/a)</b>	<b>1.53</b>	<b>1.58</b>

xi) Underwriting Balance Ratio:

Segment	Current Year			Previous Year	
	Net Earned Premium	Underwriting Profit	UW Balance Ratio (Times)	Net Earned Premium	Underwriting Profit
Fire	207325.70	-41085.22	-0.20	188732.80	-55174.45
Marine Cargo	30919.39	1210.95	0.04	48386.18	18216.11
Marine Hull	16380.43	3880.66	0.24	12717.87	-5298.32
<b>Marine Total</b>	<b>47299.82</b>	<b>5091.61</b>	<b>0.11</b>	<b>61104.05</b>	<b>12917.79</b>
Motor	649999.69	-67282.30	-0.10	569218.69	-83513.11
<b>Personal Accident</b>	<b>20863.14</b>	<b>-2877.36</b>	<b>-0.14</b>	<b>18883.53</b>	<b>825.72</b>
Aviation	7060.02	-4416.90	-0.63	5882.84	-4942.57
Engineering	34120.88	-4358.53	-0.13	35353.42	10690.05
Health	424181.45	-194103.33	-0.46	349901.57	-104585.85
Liability*	37873.16	8045.90	0.21	36000.03	6297.10
Others	67258.75	-9103.85	-0.14	66452.20	-4236.22
<b>Misc sub Total</b>	<b>1241357.08</b>	<b>-274096.37</b>	<b>-0.22</b>	<b>1081692.28</b>	<b>-179464.87</b>
<b>Grand Total</b>	<b>1495982.60</b>	<b>-310089.97</b>	<b>-0.21</b>	<b>1331529.13</b>	<b>-221721.53</b>

ii) Operating Profit Ratio:

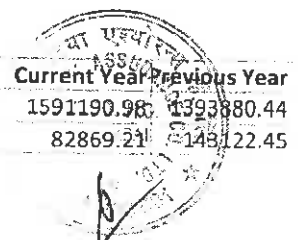
Particulars	Current Year	Previous Year
a. Net Earned Premium	1495982.60	1331529.12
b. Underwriting Profit	-310089.97	-221721.53
c. Investment Income - Policy Holders	266582.00	258948.65
<b>d. Operating Profit (b+c)</b>	<b>-43507.97</b>	<b>37227.12</b>
<b>Operating Profit Ratio (%) (d/a)</b>	<b>-2.91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

ii) Liquid Assets to Liabilities Ratio:

Particulars	Current Year	Previous Year
a. Short Term Investments	217375.05	172518.03
b. Short Term Loans	0.00	0.00
c. Cash & Bank Balances	708274.41	825022.99
<b>d. Total Liquid Assets (a+b+c)</b>	<b>925649.46</b>	<b>997541.02</b>
e. Policy Holders Liabilities	2433828.38	2204859.76
<b>Liquid Assets to Liabilities Ratio (Times) (d/e)</b>	<b>0.38</b>	<b>0.45</b>

ii) Net Earnings Ratio:

Particulars	Current Year	Previous Year
a. Net Premium	1591190.98	1393880.44
b. Profit After Tax	82869.21	148122.45



Net Earnings Ratio (%) (b/a)	5.21	10.27
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xv) Return on Net Worth Ratio:

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

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

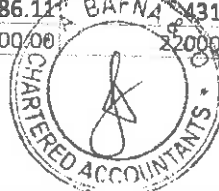
Particulars	Current Year	Previous Year
a. Available Solvency Margin (ASM)	917778.92	844767.78
b. Required Solvency Margin (RSM)	398661.91	346853.74
ASM to RSM Ratio (Times) (a/b)	2.30	2.44

vii) NPA Ratio

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

Summary of Financial Statements

No	Particulars	2015-16	2014-15	2013-14	2012-13
1	Gross Direct Premium	1776331.01	1548035.95	1372760.87	1187348.80
2	Net Earned Premium #	1495982.60	1331529.12	1331529.12	945063.91
3	Income from Investments(Net)@	266582.00	258948.65	258948.65	186008.87
4	Other Income (Prem Deficiency)	0.00	0.00	3519.41	0.00
5	Total Income	1762564.60	1590477.77	1593997.18	1131072.78
6	Commissions (net incl Brokerage)	140374.56	128387.08	128387.08	84316.79
7	Operating Expenses	351579.38	306060.01	306060.01	237409.00
8	Net Incurred Claims	1314118.64	1118803.56	1118803.56	814307.00
9	Change in Unexpired Risk Reserves	95208.38	62351.30	88174.09	82352.71
10	Operating Profit/Loss	-43507.97	37227.12	40746.53	2524.11
	Non Operating Result				
	Total Income under Shareholders' A/c	134063.07	140402.67	110699.00	98598.00
12	Profit/(Loss) Before Tax	90555.10	177629.79	129442.41	101122.11
13	Provision for Tax	7686.61	34507.34	20544.00	16756.00
14	Net Profit/(Loss) after Tax	82868.49	143122.45	108898.41	84366.11
	Miscellaneous				
15	Policy Holders' Account :				
	Total Funds	2433828.38	2204859.76	2040960.26	1730647.29
	Total Investments	*	*	*	*
	Yield on Investments	*	*	*	*
16	Shareholders' Account :				
	Total Funds	982193.21	972223.14	862129.70	773736.33
	Total Investments	2618055.85	2481311.81	2101120.92	1788255.00
	Yield on Investments	14.61	15.68	15.17	14.46
17	Paid up Equity Capital	20000.00	20000.00	20000.00	20000.00
18	Net Worth	982193.21	972223.14	862129.70	773736.33
19	Total Assets	0.00	6171962.53	5309531.00	4537552.41
20	Yield on Total Investments( %)	14.61	15.68	15.17	14.46
21	Earning per Share (₹)	41.43	71.56	54.45	4.22
22	Book value per Share(₹)	491.10	486.11	431.06	386.87
23	Total Dividend	25000.00	30000.00	22000.00	17000.00



24 Dividend per Share (₹)	12.50	15.00	11.00	8.50
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# Net of Re-insurance

@ Net of losses

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


3 Age wise analysis of outstanding claims as on 31.03.2016 (Gross Indian excluding provision for IBNR and IBNER)

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


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

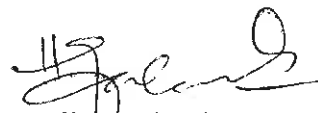



- 24 Interest, Dividends and Rent is apportioned between Revenue Accounts and Profit and Loss account in proportion to the balance in shareholders funds and policyholders' funds at the beginning of the year. The same is further apportioned to fire, marine and miscellaneous Revenue Accounts in proportion to the technical reserve balance at the beginning of the year.
- 25 The UPR at a revenue segment level was found to be sufficient to cover the expected claims cost as certified by the Appointed Actuary and the claim related expenses as estimated by the management . Hence no premium deficiency reserve is required to be provided.

  
Jayashree Nair  
Company Secretary

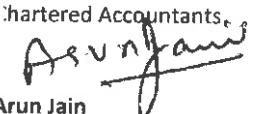
  
S. N. Rajeswari  
Chief Financial Officer

  
P. Nayak  
Director  
DIN No. 06670875


  
Hemant G. Rokade  
Director  
DIN No. 06417520

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

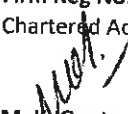
For JCR & Co.  
Firm Reg. No.105270W  
Chartered Accountants

  
Arun Jain  
Partner  
Membership Number 141802

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

  
Neeraj Golas  
Partner  
Membership Number 074392

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

  
M. K. Gupta  
Partner  
Membership Number 073515

Mumbai  
April 30, 2016



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

1. Total number of cases of unconfirmed co-insurance balances in respect of premium/claims due to and due from other insurance companies	As per information and explanations provided us, co insurance balances are under reconciliation at various offices of the company. Refer Para 1 (b) to the audit report. Number of cases were 115 as reported by RO auditors.
2. The number of cases test checked by Statutory Auditors at DO/RO	Total 45 Number of cases have been checked by the RO Auditors. Data related to co- insurance balances/confirmation is maintained at operating offices. Therefore at HO level checks cannot be performed.

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

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

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

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

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

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

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

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

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

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



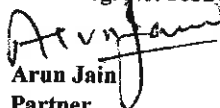
3. Whether there is an assurance that provision for employees liabilities such as pension fund, leave encashment, gratuity etc., and provision for IBNR & IBNER claims are as per actuarial valuation. Whether accurate & complete data was provided by the PSU to the Actuary and the benchmark used by Actuary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

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

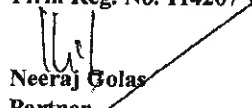
4. In case the Company is taking part in Pradhan Mantri Suraksha Bima Yojana (PMSBY) launched in May 2015 tying up with specific banks, the method of accounting of premium and reported claims are as per the conditions of the agreement/scheme.

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

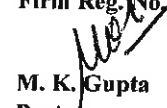
For JCR & CO.  
Chartered Accountants  
Firm Reg. No. 105270W

  
Arun Jain  
Partner  
Membership No.141802

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

  
Neeraj Golas  
Partner  
Membership No. 74392

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

  
M. K. Gupta  
Partner  
Membership No. 073515

Place: Mumbai  
Date: 30th April 2016



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

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

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

## INDEPENDENT AUDITORS' REPORT

To the Members of  
The New India Assurance Company Limited

### Report on the Consolidated Financial Statements:

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

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, Rules and Regulations, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

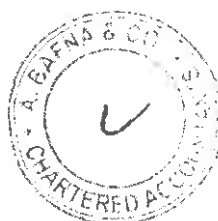


An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### **Basis for Qualified Opinion**

1. *In case of subsidiary companies, where the accounts are made and maintained in accordance with International Financial Reporting Standards (IFRS) as required under the local laws of the respective country, during the process of consolidation, accounting adjustments have been made to align the accounts of the company to confirm to the accounting policies followed by the company however there are material differences in respect of certain items as stated in Significant Accounting Policies para (1), proportion of these items to which different accounting policies have been applied, is not ascertained.*
2. *Note No 2 and 3 regarding consolidation of accounts of subsidiary companies and one of the associate have been prepared on calendar year basis and have been combined as such, there by intra group balances have not been eliminated in full as required under the provisions of AS-21 on consolidated financial statements issued by the ICAI. The precise impact of which is not ascertained.*
3. *The audited accounts of one of the subsidiary company The New India Assurance Co. (Sierra Leone) Limited, Free Town ,Sierra Leone, which are stated to be under audit , have not been received and considered for the purpose of consolidated financial statements. The impact arising out of the consolidation of unaudited accounts pending receipt of audited accounts, has remained unascertained. (Refer Note 4);*
4.
  - a) *In view of non-availability of balance confirmations of some loans and investments (Refer Note No.13, Notes to Accounts Schedule 16B), we are unable to comment on the impact of adjustments arising out of reconciliation/confirmation of such balances on the financial statements;*
  - b) *Balances due to/from persons or bodies carrying on Insurance Business and balances of Inter office accounts, control accounts, reinsurance accounts, certain Bank accounts and other accounts at certain offices are pending for reconciliation/confirmation and consequential adjustments,(Refer Note 7(a) and (c), 8,9, 12(b) (iii), Note No. 13(b), 25 and 26(a) in schedule 16B) ,effect of which ,if any, is not ascertainable and cannot be commented upon;*
  - c) *As stated in Note No 26{(b) and (c)}; due to inconsistencies involved in the migration of data as well as non-availability of original cost in case of assets at Foreign Branches the compliance of schedule II to the Companies Act, 2013 is pending and the precise impact on the depreciation charged during the year and Profit/Loss on sale of asset as recognized in the financial statements has remained unascertained.*
  - d) *As stated in Note No 27 ( a) , the returns of foreign Branches and agencies incorporated in the financial statements dealt with by this report, are prepared based on the accounting principles generally accepted at the respective locations/countries. Compliance of Generally Accepted Accounting Principles in India is pending in respect of these foreign Branches/agencies in relation to the matters stated in the said note, effect of which has not been ascertained. Further the Auditors Report in respect of foreign Branches do not contain the information required to be stated in accordance with the provisions of SA 700/705 read with provisions of the Companies Act,2013 and IRDAI Regulations 2002. The precise impact of which is not ascertainable. (Refer Note 27).*





- e) As stated in Note No. 27(b), no provision has been made towards receivable from agent at Curacao Branch for an amount of Rs.1861.76 lakhs, the auditor of the said Branch has not been able to obtain sufficient evidence towards recoverability of the said dues and as such the precise impact arising out of the above is not quantifiable.
  - f) The holding company's internal control systems require strengthening specially in area of data input and validation in various soft-wares and recording of intimated claims at the offices of the company and with TPAs. The internal audit system also requires strengthening in the areas of audit coverage and compliance. (Refer Note 30).
5. Overall impact of the above Para 1 to 4 and the consequential effects on the consolidated Revenue Accounts, Consolidated Profit and Loss Account and the assets, liabilities and reserves and surplus as stated in the consolidated Balance Sheet as at 31<sup>st</sup> March 2016 are not ascertainable.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

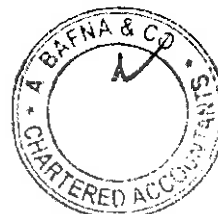
We draw attention to the following Notes to Accounts:

- a) Note No. 12(a),12(b)(ii) and 12(c) in Schedule 16 B regarding non- compliance of Insurance Regulatory and Development Authority (IRDAI) Regulations during the year;
- b) Note No. 16(a) in Schedule 16 B, regarding deferment of expenditure relating to additional liability towards pension and gratuity on account of pay revision to the extent of Rs.33498 lakhs and Rs. 8698.0 lakhs respectively and pension liability of Rs 1381.6 lakhs towards extended pension scheme, pursuant to the deferment permitted by the IRDAI.
- c) Note No. 12(b)(i) in Schedule 16 B, non-disclosure of segment reporting in respect of Public and Product Liability of Foreign Business.
- d) Note No.20 regarding penalty imposed by Competition Commission of India of Rs.251.07 crores which is being contested by the company and in the opinion of the management, the company is hopeful of favourable decision.;
- e) Note No. 28 regarding recognition of Reserve for Unexpired risk as per Insurance Act, 1938 while the implementation of systems and procedures to compute the same in accordance with 1/365 method is pending and as such the compliance of IRDAI guidelines in this regard is pending.

Our opinion is not modified in respect of these matters.

#### Other Matters

We did not audit the financial statements 3 subsidiaries and whose financial statements reflect total assets of Rs.57561 lakhs as at 31st March 2016, total revenues of Rs.14433 lakhs and net cash out flows amounting to Rs.5369.52 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.424 lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management except in case of The New India Assurance Co. (Sierra Leone) Limited where the unaudited accounts have been consolidated pending receipt of audited accounts, and our



opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors to the extent these were furnished to us.

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

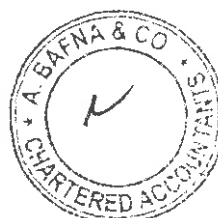
#### **Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;
- b) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept, so far as it appears from our examination of those books and reports of other auditors.
- c) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the reports on the accounts of branch offices of the holding company, and its subsidiary companies and associate companies have been received and have been properly dealt with by us in preparing this report in the manner considered necessary by us.
- d) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- e) The Consolidated Balance sheet, the consolidated Revenue account, the consolidated Profit and Loss account and the consolidated receipt and payment account, dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
- f) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements have been prepared in accordance with the requirements of the Insurance Act, 1938 (4 of 1938), the Insurance Regulatory and Development Act, 1999 (41 of 1999) and the Companies Act, 2013 to the extent applicable and in the manner so required and comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
- g) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- h) On the basis of written representations received from the directors of holding company as on March 31, 2016, and taken on record by the Board of Directors of the holding company and the reports of statutory auditors in respect of associate companies incorporated in India, none of the directors of the holding company and associate companies incorporated in India is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.

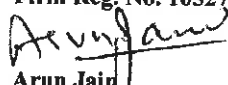


- i) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph ,the accounting policies adopted by the Group and its associates are appropriate and in compliance with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the Accounting Principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority.
- j) In respect of holding company, the actuarial valuation of liability in respect of claims Incurred But Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) as at 31<sup>st</sup> March 2016, have been duly certified by the Company's Appointed Actuary and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuations are in accordance with guidelines and norms prescribed by the Insurance Regulatory and Development Authority of India (IRDAI) and the Actuarial Society of India in concurrence with the IRDAI.
- k) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the investments have been valued in accordance with the provisions of the Insurance Act, the regulations and orders/directions issued by IRDAI in this regard.
- l) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i) Except for the possible effects of the matter described in basis of qualified opinion paragraph above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and its associates incorporated in India – Refer Schedule 16 C to the consolidated financial statements;
  - ii) The holding company and associate incorporated in India has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. There are no outstanding derivative contracts at the Balance Sheet date.
  - iii) In respect of the holding company and associate incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- m) Further on the basis of our examination of books and records of the holding company and according to the information and explanation given to us and to the best of our knowledge and belief, we certify that:
  - i) We have reviewed the management report attached with the Consolidated Financial Statements and there are no apparent mistakes or material inconsistencies between the management report and the consolidated financial statements;
  - ii) Based on the management representation by officer of the company charged with compliance, nothing has come to our attention which causes us to believe that the company has not complied with the terms and conditions of registration as stipulated by IRDAI; and
  - iii) No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds.
- n) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, none of the subsidiary companies are incorporated in India and as such our separate Report relating to the parent company is stated in "Annexure A".



- o) Based on the accounts of the holding company, as required under section 143(5) of the Companies Act, 2013, we enclose herewith, as per "Annexure B", the directions including sub-directions issued by the Comptroller & Auditor General of India, action taken thereon and the financial impact on the accounts and financial statements of the Group.


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

  
Arun Jain  
Partner  
Membership No. 141802

Place: Mumbai  
Date: 30th April 2016




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

  
Neeraj Golas  
Partner  
Membership No. 074392



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

  
M. K. Gupta  
Partner  
Membership No. 073515



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

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

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

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

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

**Auditor's Responsibility**

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



6. Except for the possible effect of non -availability of reports as stated above, we believe that the audit evidence we have obtained is sufficient and appropriate to provided basis for our qualified opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Qualified Opinion**

9. According to the information and explanation given to us and based on our audit, the following internal control weaknesses of material nature have been identified as at March 31,2016 in the case of holding company:

- a. Confirmation and reconciliation of various balances relating to co insurers, reinsurers, brokers, bank accounts, inter office accounts and other control accounts are pending and are various stages.;
- b. Inadequate controls are observed with regard to ageing of insurance receivables;
- c. Inconsistencies involved in the migration of data as well as non-availability of original cost in case of assets at Foreign Branches;
- d. The Company's internal control systems require strengthening specially in area of data input and validation in various soft-wares and recording of intimated claims at the offices of the company and with TPAs. The internal audit system also requires strengthening in the areas of audit coverage and compliance;

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

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

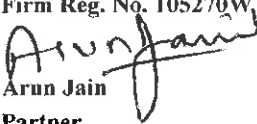


11. In our opinion, except for the possible effects of the internal control weaknesses described above on the achievements of the objectives of the control criterion, the holding company and its associates have maintained, in all material respects, adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

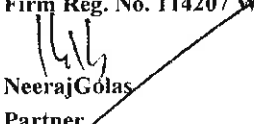
12. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 consolidated financial statements of the Group and associates, and these material weaknesses do not affect our opinion on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

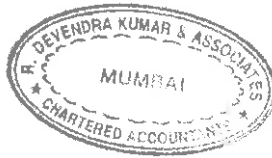
#### Other Matters

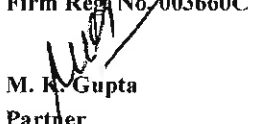
13. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, which is company incorporated in India, is based on the corresponding report of the auditor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

For JCR & CO.  
Chartered Accountants  
Firm Reg. No. 105270W  
  
Arun Jain  
Partner  
Membership No. 141802



For R. Devendra Kumar & Associates  
Chartered Accountants  
Firm Reg. No. 114207 W  
  
Neeraj Golas  
Partner  
Membership No. 74392



For A. Bafna & Co.  
Chartered Accountants  
Firm Reg. No. 003660C  
  
M. K. Gupta  
Partner  
Membership No. 073515



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

<b>Sr. No.</b>	<b>Directions under section 143(5) of Companies Act 2013- in respect of Holding Company</b>	<b>Action taken and financial impact- in respect of holding company</b>
----------------	---	---

- |    |   |  |
|----|---|--|
| 1. | Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available? | According to the records and information provided to us and on the basis of reports of Branch auditors, the Company has clear title/lease deeds for freehold and leasehold properties except as under: |
|----|---|--|

**LAND:**

**1. Leasehold land:**

[i] One leasehold land book value Rs.1.00 is under litigation and SLP is pending with Supreme Court.

[ii] 2 leasehold lands book value of Rs.118.44 lacs where lease deed has been expired.

[iii] 1 leasehold land consisted of 123 tenements and 6 godowns, book value Rs.3.42 lacs and lease period 999 years, which is not in possession of the Company.

**2. Freehold Land:**

8 properties book value Rs.51.92 lacs where conveyance deeds are not available.

3. Buildings book value Rs.26.83 lacs which has been wrongly classified under land.

**BUILDINGS:**

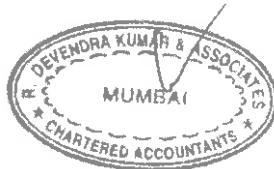
1. 234 properties, book value Rs.2971.14lacs where title deeds are not presently available/ registration formalities are yet to be completed.

2. 598 properties book value Rs.7060.30 lacs which have been certified by RO/ DO Auditors as available at respective offices.

3. 27 properties book value Rs.102.70 lacs which are not registered in the name of the Company.

Further, cost as per title deeds is being reconciled with the asset register. Necessary reconciliation is under process.

- |    |   |  |
|----|---|--|
| 2. | Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there | According to the records and information provided to us ,during the year Rs. 50.82 lakhs has been waived |
|----|---|--|





for and amount involved.

of in loans and debentures. The same was due to scheme of arrangement ordered by the High Court of Gujarat.

Further, the company has written off /down, Investments of Equity/Preference share/Mutual Fund to the extent of Rs.243.44Lakhs towards impairment and Rs. 426.63 lakhs reversal in value of Investment.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities? : The Direction is not applicable.

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

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

The Central Government / State Government securities balances are tallied as per the Books of Accounts. In case of Bonds/ Debentures / Equities / Preference Shares, there are 23 Nos of Scrips, Equity Book Value Rs.8,00,536, Preference Shares face value Rs.26000 and Debentures face value Rs.66,32,580, where there is shortage as per the records of custodian vis a vis books of accounts of the company and there are 104 Nos of scrips, Market Value Rs 2,64,67,873 as made available where there is excess quantity as per custodian records vis a vis books of accounts of the company. The Company is in the process of taking adequate steps for reconciliation and adjustments wherever required.

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

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

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

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

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

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



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1.Premium Earned (Net)	1	20732570	18873280
2.Profit on Sale or Redemption of Investments (Policy Holders)		1508234	1740510
Loss on Sale or Redemption of Investments (Policy Holders)		0	0
3.Others		2700401	2775924
4.Interest, Dividend and Rent (Gross)			
<b>Total (A)</b>		<b>24941205</b>	<b>23389714</b>
1.Claims Incurred (Net)	2	14719653	14415189
2.Commission	3	3815560	4031468
3.Operating Expenses Related to Insurance Business	4	6302911	5936504
4. Premium Deficiency		0	0
5.Others - Foreign Taxes		2958	7564
Amortisation, Write off, Provisions - Investments		3222	9408
<b>Total (B)</b>		<b>24844314</b>	<b>24400133</b>
Operating Profit/ (Loss) C=(A-B)		<b>96891</b>	<b>(1010419)</b>
Appropriations		<b>(96891)</b>	<b>1010419</b>
Transfer to Share Holders Account (Profit and Loss Account)		0	0
Transfer to Catastrophic Reserves		0	0
Transfer to Other Reserves		0	0
<b>Total</b>		<b>0</b>	<b>0</b>

Significant Accounting Policies and Notes to Accounts

16

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

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

**Jayashree Nair**  
Company Secretary

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

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

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

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

As per our report of even date

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

**Arun Jain**  
Partner  
Membership Number 141802

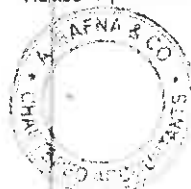
**For R. Devendra Kumar & Associates**  
Firm Reg. No. 114207W  
Chartered Accountants

**Neeraj Golas**  
Partner  
Membership Number 074392

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

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

Mumbai  
April 30, 2016



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

Significant Accounting Policies and Notes to Accounts

16

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

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

**Jayashree Nair**  
Company Secretary

**S. M. Rajeswari**  
Chief Financial Officer

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

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

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

As per our report of even date

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

**Arun Jain**  
Partner  
Membership Number 141802

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

**Neeraj Golas**  
Partner  
Membership Number 074392

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

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

Mumbai  
April 30, 2016



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

Significant Accounting Policies and Notes to Accounts

16

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

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

**Jayashree Nair**  
Company Secretary

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

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

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

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

As per our report of even date

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

**Arun Jain**  
Partner  
Membership Number 141802

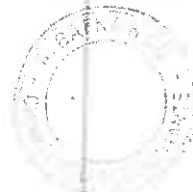
**For R. Devendra Kumar & Associates**  
Firm Reg. No. 114207W  
Chartered Accountants

**Neeraj Golas**  
Partner  
Membership Number 074392

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

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

Mumbai  
April 30, 2016



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

Basic and diluted earnings per share (₹) (Refer Note 11 B to notes to accounts in Schedule 16 B)

Significant Accounting Policies and Notes to Accounts

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

41.43

71.56

Jayashree Nair  
Company Secretary

S. M. Rajeswari  
Chief Financial Officer

P. Nayak  
Director  
DIN No.06670875

Hemant G. Rokade  
Director  
DIN No.06417520

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

As per our report of even date

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

Arun Jain  
Partner  
Membership Number 141802

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

Neeraj Golas  
Partner  
Membership Number 074392

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

M. K. Gupta  
Partner  
Membership Number 073515



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

**Balance Sheet as at 31st March, 2016**

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
<b>A. Sources of Funds</b>			
1. Share Capital	5 & 5A	2000000	2000000
2. Reserves and Surplus	6	111737193	104496505
3. Fair Value Change Account		190732757	228041862
4. Borrowings	7	0	0
<b>Total A</b>		<b>304469950</b>	<b>334538367</b>
<b>B. Application of Funds</b>			
1. Investments	8	445457175	449608110
2. Loans	9	3288489	3676874
3. Fixed Assets	10	2508052	2015543
4. Deferred Tax Assets		2189300	1696388
5. Current Assets			
a. Cash and Bank Balances	11	70827441	82502299
b. Advances and Other Assets	12	104430200	77697039
<b>Sub Total(a+b)</b>		<b>175257641</b>	<b>160199338</b>
c. Current Liabilities	13	235647939	194441419
d. Provisions	14	93040528	88216467
<b>Sub Total(c+d)</b>		<b>328688468</b>	<b>282657886</b>
<b>Net Current Assets (a+b-c-d)</b>		<b>(153430826)</b>	<b>(122458548)</b>
6. Miscellaneous Expenditure (to the extent not written off or adjusted)	15	4357760	0
<b>Total B</b>		<b>304469950</b>	<b>334538367</b>

Significant Accounting Policies and Notes to Accounts

16

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

*Jayashree Nair*  
Jayashree Nair  
Company Secretary

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

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

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

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

As per our report of even date

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

*Arun Jain*  
Arun Jain  
Partner  
Membership Number 141802

Mumbai  
April 30, 2016

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

*Neeraj Gole*  
Neeraj Gole  
Partner  
Membership Number 074392

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

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



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

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

**Jayashree Nair**  
Company Secretary

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

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

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

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

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Firm Reg. No.105270W  
Chartered Accountants

**Arun Jain**  
Partner  
Membership Number 141802

Mumbai  
April 30, 2016

**For R. Devendra Kumar & Associates**  
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**Neeraj Golas**  
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**For A. Bafna & Co.**  
Firm Reg. No. 003660C  
Chartered Accountants

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



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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





**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

<b>Particulars</b>	<b>Current year ₹ (000)</b>	<b>Previous year ₹ (000)</b>
<b>Schedule - 4</b>		
<b>Operating Expenses Related To Insurance Business</b>		
1. Employees Remuneration And Welfare Benefits	<b>24268359</b>	20750061
2. Travel Conveyance And Vehicle Running Expenses	<b>633761</b>	610798
3. Training Expenses	<b>188640</b>	322690
4. Rent Rates And Taxes	<b>958677</b>	1075113
5. Repairs And Maintenance	<b>1050352</b>	746329
6. Printing And Stationery	<b>393424</b>	369950
7. Communication Expenses	<b>361501</b>	402732
8. Legal And Professional Charges	<b>514791</b>	374583
9. Auditors Fees, Expenses Etc. As Auditor	<b>79471</b>	76044
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Taxation	<b>0</b>	0
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Insurance	<b>0</b>	0
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Mgt Services	<b>0</b>	0
Auditors Fees, Expenses Etc. In Other Capacity	<b>0</b>	0
10. Advertisement And Publicity	<b>351597</b>	500957
11. Interest And Bank Charges	<b>34462</b>	29337
12. Others - Exchange (Gain) / Loss	<b>(864198)</b>	156483
IT Implementation	<b>449175</b>	412174
Outsourcing Expenses	<b>3683475</b>	3256677
Other Taxes	<b>125920</b>	143355
Others	<b>2381970</b>	1293455
13. Depreciation	<b>318034</b>	218206
14. Service Tax Account	<b>223426</b>	(141396)
<b>Total</b>	<b>35152836</b>	30597548
Apportioned to Fire Segment	<b>5302911</b>	5936504
Apportioned to Marine Segment	<b>1016393</b>	1176129
Apportioned to Miscellaneous Segment	<b>27833532</b>	23484915
<b>Total</b>	<b>35152836</b>	30597548



**The New India Assurance Company Limited**  
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**Schedules for the year ended 31st March, 2016**

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

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

**SCHEDULE 5A**

**Pattern of Shareholding**

(As Certified by Management)

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



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

**Schedule 7**

**Borrowings**

1. Debentures / Bonds
2. Banks
3. Financial Institutions
4. Others



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]  
**Schedules for the year ended 31st March, 2016**

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 8 Continued</b>		
<b>Short Term Investments</b>		
1. Government Securities		
<b>Central Government Securities</b>	<b>9551546</b>	<b>3709979</b>
State Government Securities	1226312	1499669
2. Other Approved Securities	0	0
3. Other Investments		
a. Shares		
aa. Equity	0	0
bb. Preference	0	0
b. Mutual Funds	0	0
c. Derivative Instrument	0	0
d. Debentures/Bonds/PTCs		
Debentures in India	2057276	3422553
Other Debentures Foreign	0	0
e. Other Securities	0	0
f. Subsidiaries	0	0
g. Investment Properties (Real Estate)	0	0
4. Investment In Infrastructure And Social Sector	8902370	8470237
5. Other Than Approved Investments	0	149365
<b>Total</b>	<b>21737505</b>	<b>17251803</b>
<b>Grand Total</b>	<b>445457175</b>	<b>449608110</b>
<b>Investments</b>		
<b>1. In India</b>	<b>440964426</b>	<b>445445571</b>
<b>2. Outside India</b>	<b>4492749</b>	<b>4162539</b>
<i>Investment in foreign associates included in equity above</i>	<b>30136</b>	<b>30136</b>
<i>Aggregate amount of Companies Investments in other than listed equity shares Book Value</i>	<b>1044629</b>	<b>788961</b>
<i>Market value</i>	<b>987798</b>	<b>775598</b>
<i>Preference shares and FCTL preference shares (LTUA) amounting to ₹84498 (P.Y. ₹84498) is netted against interest suspense of an equal amount. Debentures and FCTL debentures amounting to ₹45115 (P.Y. ₹48089) are netted against interest suspense of an equal amount. Equity shares amounting to ₹276 (P.Y. ₹ 276) is netted against interest suspense of an equal amount.</i>		
<b>Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 8</b>		
Debentures - Standard Provisions	100886	96612
Housing sector bonds - Standard Provisions	90388	85180
Infrastructure Investments - Standard Provisions	141276	125013
Investments in OAS - Standard Provisions	175	175
Other than approved investments (Debenture)	468882	500483
Equity - foreign share - diminution in value others	315	315
Equity - Thinly traded and unlisted equity - diminution in value	71384	38736
Equity - Thinly traded - foreign (Hongkong)	18	0
Equity - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6034/12	21993	28364
Equity subsidiary - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6039/12	1535	1535
<b>Total</b>	<b>896852</b>	<b>876413</b>
<b>Note:</b>		
<i>Interest suspense for Debtors include in sch 12 -B8b</i>	<b>0</b>	<b>1594</b>
<i>S.H.C.I. include in in sch 12 -B8b</i>	<b>0</b>	<b>30189</b>
<i>Loans To State Government Housing, Ffe Loans To Hudco Includes in Sch - 9</i>	<b>676976</b>	<b>788394</b>



Schedules for the year ended 31st March, 2016

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

PFPS and FTTL PFPS amounting to ₹ 617105 (P.Y. ₹ 637976) and FTTL short term loan amounting to ₹ 1675 (P.Y. ₹ 1675) and direct term loans amounting to ₹ 6101 (P.Y. ₹ 6101) are netted against interest suspense of an equal amount.

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

Direct term loans (Investments)	18115	20783
Bridge loan (Investments)	400	400
Term loans PFPS std.provision	511	0
Term loans PFPS	554283	594693
Short term loans (Investments)	85068	85068
Housing loans to state govts. - std.provision	2595	3020
Housing loans to state govts.	16573	16639
FFE loans to state govts. - std.provision	35	56
FFE loans to state govts.	2932	2932
<b>Total</b>	<b>680512</b>	<b>723521</b>

Note:





The New India Assurance Company Limited  
Registration Number 190

Schedule for the year ended 31-03-2016  
Schedule 10

Fixed Assets

Particulars	Gross Block				Depreciation Fund				Net Block	
	Opening Balance.	Additions	Deletions / Adjustments	* Closing Balance	Opening Balance.	Additions	Deletions / Adjustments	* Closing Balance	Closing	Opening
	01-04-2015	During 2015-2016	During 2015-2016	31-03-2016	01-04-2015	During 2015-2016	During 2015-2016	31-03-2016	31-03-2016	31-03-2015
Goodwill	0	0	0	0	0	0	0	0	0	0
Intangibles	1029986	34204	0	1064190	1029986	3266	0	1033075	31115	0
Land Freehold	80619	0	2385	78234	0	0	177	0	78234	80619
Leasehold Property	9913	0	(10873)	20786	0	0	0	0	15690	7040
Buildings	1741356	0	5772	1735585	887487	18730	(2109)	5096	834908	853869
Furnitures & Fittings	583074	99265	5492	576847	459239	21710	5056	475883	200954	123835
Information & Technology Equipments	2658325	338469	22202	2974592	2371863	141586	21792	2491656	482935	286462
Vehicles	1084293	281085	159578	1205801	536393	110799	114318	532874	672926	547900
Office Equipments	116674	8655	1735	123594	100971	6376	1058	106289	17305	15703
Other Assets	332120	38708	6609	364220	232005	15452	5268	242189	122030	100115
Work in Progress	0	151954	0	151954	0	0	0	0	151954	0
Grand Total	7636360	952341	192899	8395802	5620817	318034	161401	5787750	2808052	2015543
Previous Year	7383308	599775	346723	7636360	5605043	270141	254367	5620817	2015543	1778265



**The New India Assurance Company Limited**  
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**Schedules for the year ended 31st March, 2016**

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



**The New India Assurance Company Limited**  
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**Schedules for the year ended 31st March, 2016**

Particulars	Current year ₹ (000)	Previous year ₹ (000)
<b>Schedule 12</b>		
<b>Advances and Other Assets</b>		
<b>A. Advances</b>		
1. Reserve Deposits With Ceding Companies	257769	165554
2. Application Money For Investments	0	87321
3. Pre-Payments	174388	366181
4. Advances To Directors / Officers	0	0
5. Advance Tax Paid And Taxes Deducted At Source (Net Of Provision For Taxation)	5999505	4631155
6. Others	384211	375347
<b>Total (A)</b>	<b>6815873</b>	<b>5625558</b>
<b>B. Other Assets</b>		
1. Income Accrued On Investments	6549893	6218091
2. Outstanding Premiums	1846083	1810756
3. Agents Balances	4485413	3562448
4. Foreign Agencies Balances	1503989	1633082
5. Due From Other Entities Carrying Insurance Business (Including Reinsurers)	52879343	47715102
6. Due From Subsidiaries/Holding Companies	0	0
7. Deposit With R B I (Pursuant to Section 7 Of Insurance Act 1938)	0	107514
8. Others - a. Other Accrued Income	999102	809621
b. Others Including Sundry Debtors & Interoffice Accounts	29024618	9803720
c. Service Tax Unutilized Credit	325886	411147
<b>Total (B)</b>	<b>97614327</b>	<b>72071481</b>
<b>TOTAL(A+B)</b>	<b>104430200</b>	<b>77697039</b>
<i>Sundry Debtors amounting to ₹ 5010 (P.Y. ₹ 6604) are netted against interest suspense of an equal amount.</i>		
<i>Provision made for Bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 12</i>		
<i>Reinsurance balances included in A1 above</i>		
<i>Reinsurance balances included in B5 above</i>	93984	93984
<i>Reinsurance balances included in B8 above</i>	942847	942847
<i>Foreign balances included in B3 above (Fiji, Mauritius, Bankok, Japan, Hongkong, New Zealand)</i>	494	494
<i>Foreign balances included in B4 above (Manila &amp; Dubai)</i>	45480	0
<i>Foreign balances included in B5 above (Mauritius, Singapore, France)</i>	62620	104358
<i>Foreign balances included in B8 above (Equatorial Bank London)</i>	26351	11092
<i>Indian reinsurance balances/Miscellaneous debtors included in B5b above</i>	10432	10302
<i>Indian balances included in B3 above</i>	200000	200000
<i>Indian balances included in B8b above</i>	138334	42532
<i>Indian miscellaneous debtors included in B8b above (TCS)</i>	86800	67709
<i>Sundry debtors(S192) investments Indian included in B8 above - Std. provision</i>	137757	63665
<i>Sundry debtors(S192) investments Indian included in B8 above</i>	31	673
<i>Sundry debtors(S192) investments(F) Indian included in B8 above</i>	3851	3851
<i>Income accrued on investments(S131(F)) Indian included in B1 above</i>	949	917
<b>Total</b>	<b>2</b>	<b>2</b>
<b>Notes:</b>	<b>1749932</b>	<b>1342426</b>
<i>Interest suspense for Debtors include in B8b above</i>	5010	6604
<i>S.H.C.I. include in B8b above</i>	48186	93426



**The New India Assurance Company Limited**  
[Registration No.190 Renewed from 01/04/2016]

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

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

**Schedule 14**  
**Provisions**

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

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

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



SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH 2018- GLOBAL (₹, 000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Motor OD		Motor TP Total		Total Motor	
	CY	PV	CY	PV	CY	PV	CY	PV	CY	PV	CY	PV	CY	PV
Revenue Account Elements														
Premium Direct	25495199	24635044	3806815	3807640	2941017	3902691	6747831	7710331	40359838	34888037	33930122	27777862	74289960	62665899
Premium Accepted	8268652	7482170	90357	79457	421386	694218	511743	773623	232289	1870317	1216181	1870317	1368503	2102606
Premium Ceded	12381927	12033999	893682	716709	2237004	2958866	3120685	3675575	2717072	1914024	2979535	2816488	5696607	4730511
Net Premium	21381924	20083215	3013490	3170388	1125399	1638043	4233237	4808431	37795088	33208302	3166768	26831691	6961856	60037993
Unexpired Risk Reserve Op	10041608	8831672	1585194	3253424	1638043	1271787	3223237	4525211	16603151	16105971	13415891	10796948	30019042	26902919
Unexpired Risk Reserve Cl	10690962	10041608	1506745	1565194	1125399	1638043	3223237	4525211	16603151	16105971	13415891	10796948	30019042	26902919
Net Earned Premium	20732570	18873280	3091939	4838618	1638043	1271787	4729982	6110405	35500595	37709122	29499274	24212747	64999969	56921869
Profit on Realisation of Investment	1508234	1740510	175469	271735	171665	143779	347134	415514	1111629	1193511	4545020	4492937	5656649	5866448
Interest Dividend and Rent	2700401	2775924	314166	433387	307356	279312	621522	662699	1990505	1903521	8137583	7165748	10127888	9069768
Investment Provisions	3222	9408	375	1469	367	777	742	2246	2373	6451	9710	24286	12085	30738
Total Investment Income	4205413	4507025	489260	703653	478654	372314	967915	1075967	3099559	3090580	12672892	11634398	15772452	14724979
Claims Paid Direct	18060724	18953772	2183256	2046188	2472398	1162400	4555654	308587	2775138	22125099	1997399	17613181	47702537	39738280
Claims Paid Accepted	5308497	5760760	45695	41580	518333	219112	564028	260692	137097	144097	2201863	3273055	2338960	3417152
Claims Paid Ceded	9326603	8317749	390728	294066	2322065	811507	2717793	1105573	1574981	1290888	3840304	3870964	5415285	5161852
Net Claim Paid	14042617	16396783	1838723	1793701	688666	570005	2506889	2363706	2628754	20978308	18338958	17015272	44626212	37993580
CI O/S Claims Direct	32111621	35048977	3867841	3913303	2864993	5323788	6732834	9237090	11808454	9679363	103517467	96797311	115325920	106476674
CI O/S Claims Accepted	11150958	11866378	53379	52429	510046	631281	563424	683710	56840	59818	0	0	56840	59818
CI O/S Claims Ceded	17777769	22111056	1331937	1496930	977898	3626999	2259814	5123929	1033768	659491	5070286	5206060	6104054	5865550
Net Closing Outstanding Claim	25534810	24804299	2589283	2468801	2447141	2328070	5036424	4796871	10831525	9079691	98447181	91591251	109278706	100870942
Op O/S Claims Direct	35055414	30613970	3950212	3342471	5320511	2720432	9270723	6062903	9771201	8699566	96797311	86040172	106568511	94739738
Op O/S Claims Accepted	11812592	13577058	52394	54634	644231	396023	696625	450637	58677	60770	0	0	58677	60770
Op O/S Claims Ceded	22010231	17405135	1521442	1113356	3626996	1456278	5148438	2569633	659303	521955	5706060	5221080	5865363	5753035
Net Opening Outstanding Claim	24857775	26785892	2681165	2283750	2337745	1660176	4818910	3943927	9170574	8238381	91591251	80809092	100761825	89047472
Incurred Claims Direct	15116931	23388778	2100885	2617019	16880	3765756	2117765	6382775	2976239	23104896	26697555	28370320	56459046	51475216
Incurred Claims Accepted	4646863	4050081	46679	39375	384148	454370	430817	493745	135760	143145	2201863	3273055	2337123	3416200
Incurred Claims Ceded	5044141	13023670	201223	677642	377034	2982227	175811	3659869	1949445	1428424	3704530	3845944	5653976	5274368
Net Incurred Claim	14719653	14415189	1946342	1978752	778061	1237899	2724403	3216651	27948205	21819618	25194888	27797431	53143033	49617049
Commission Direct	3826358	3473883	506953	536162	4800	161344	511753	697506	4818280	3930655	0	-1	4818280	3930654
Commission Accepted	1373027	1179058	20258	16166	63968	118176	84226	134342	2402	2374	0	0	2402	2374
Commission Ceded	1383825	621493	48341	52938	67612	353064	115954	406001	330135	225326	30555	23856	360691	249182
Net Incurred Commission	3815560	4031468	478870	499391	1155	-73544	480025	425847	4490547	3707703	-30555	-23856	4459991	3663847
Foreign Taxes	2968	7564	0	0	0	0	0	0	0	559	0	0	1473	559
Operating Expenses Related to Insurance	6302911	5936504	545632	538864	470761	637265	1016393	1176129	756260	6491595	6580982	5480130	14123642	11971725
Premium Deficiency	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	96891	-1010420	610356	2525264	866721	-157818	1477076	2367746	-1402629	3780228	1044851	2593441	9044222	6373668

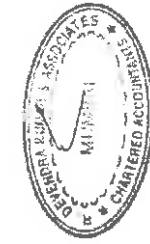


Segment	Health		Liability		Personal Accident		Aviation		Engineering		Other Misc		Grand Total
	CV	PV	CV	PV	CV	PV	CV	PV	CV	PV	CV	PV	
Revenue Account Elements													
Premium Direct	49613316	40176281	44554041	4152622	2291549	2053241	1145599	1043408	5812046	5164195	7772194	7202623	177633101
Premium Accepted	0	893	26500	48197	78986	94799	748563	695140	654943	620727	832948	1035692	12490839
Premium Ceded	2963001	1991200	528009	490082	224121	121827	1157679	1239672	3093491	2334186	1739311	1652397	31004841
Net Premium	46650313	38185974	3863895	3710738	2146414	2026213	736483	498876	3373491	3450685	8665831	6585918	15919098
Unexpired Risk Reserve Op	19092987	15897170	1853369	1744634	1013107	875246	337760	427168	1725343	1809599	3297959	3352261	70601412
Unexpired Risk Reserve Cl	23321538	19092987	1931947	1855369	1073207	1013107	368242	337760	1686745	1725343	3432916	3292959	80122250
Net Earned Premium	42418145	34990157	3787316	3600003	2086314	1888353	706002	588284	3412088	3535342	6725875	6645270	149598260
Profit on Realisation of Investment	1063330	1027057	256153	266259	87590	81455	79558	92249	243046	312381	24042	378129	9560737
Interest Dividend and Rent	1903827	1638045	458627	424654	147873	129911	142445	147127	435159	498214	580178	603075	1717921
Investment Provisions	2272	5552	547	1439	176	440	170	499	519	1689	692	2044	20426
Total Investment Income	2964885	2659531	714233	689474	230287	210976	221833	238878	676886	808906	903528	979160	26558232
Claims Paid Direct	49526082	36678964	1436182	1303122	1498883	1064144	522229	415243	2326819	2228838	5247761	4745477	130976870
Claims Paid Accepted	0	0	1633	55943	58566	43569	831764	554284	624435	395404	745914	713350	10473796
Claims Paid Ceded	2442672	1829080	75727	97852	84252	68505	320493	284950	890030	674744	1692595	687095	22960849
Net Claim Paid	47083410	34849874	1362088	1261212	1473197	1039208	1033500	684577	2061224	1949498	4300679	4771731	118489818
CI O/S Claims Direct	8316382	5615038	4500642	4370237	1071574	893222	1128768	1364114	595853	5210683	6171925	5638392	180755718
CI O/S Claims Accepted	0	0	10532	8567	24176	23742	974527	1007317	1821087	1372711	955488	1073027	15557033
CI O/S Claims Ceded	551696	141088	300011	316061	30388	21970	875980	871091	2856455	2693456	2178824	2517777	32885011
Net Closing Outstanding Claim	7764886	5473949	4211163	4062743	1065362	895043	1227315	1500340	4360485	3889938	4948589	4193642	163427740
Op O/S Claims Direct	5615105	5203122	4374934	4125312	893045	830940	1364114	1437645	5236038	5287713	5648491	4122775	174026375
Op O/S Claims Accepted	0	0	8649	6317	23742	10625	1007317	614345	1394309	1680859	1071252	1257685	16073162
Op O/S Claims Ceded	141088	159718	316213	396278	21920	57124	871091	598302	2701524	2397045	2517976	1028584	39598844
Net Opening Outstanding Claim	5474017	5043404	4067370	3735351	894867	784442	1500340	1453688	3928823	4571527	4201767	4351876	150505693
Incurred Claims Direct	52227558	37050880	1561889	1548047	1677413	1126427	286882	341712	2486633	2151809	5771195	6261094	137706213
Incurred Claims Accepted	0	0	3516	56193	59000	56685	798974	947255	1051214	87256	630150	528692	9557667
Incurred Claims Ceded	2853280	1810461	59524	17635	92721	33302	325381	557739	1044960	971155	1359844	2176288	16252016
Net Incurred Claim	49374279	35280419	1505881	1588605	1643692	1149809	760476	731228	2492886	1257908	5047501	4613497	131411864
Commission Direct	3477978	2982999	688472	635464	279671	244903	5950	5667	463130	483001	1030076	964820	15110668
Commission Accepted	0	0	3902	7687	29665	32071	73100	66777	151969	138887	150855	163442	1869149
Commission Ceded	285556	241021	54246	38032	21590	18058	43520	42526	467379	492789	207658	193745	2942359
Net Incurred Commission	3192422	2741977	638128	605119	287807	258916	33530	29918	147721	129099	982272	932517	14037456
Foreign Taxes	0	0	186	94	28	14	91	44	100	61	110	88	5101
Operating Expenses Related to Insurance	9261630	7426296	838532	776474	442523	397041	353595	321351	1207234	1069268	1606376	1522759	35152636
Premium Deficiency	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Accounts Result Profit/ (loss)	-16445447	-7799034	1518823	1319184	-57448	293498	-219858	-255379	241833	1877910	-6857	555339	-4350766
													3727172



**SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH 2016- Indian (₹, 000)**

Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Motor OD		Motor TP Total		Total Motor	
	CV	PY	CV	PY	CV	PY	CV	PY	CV	PY	CV	PY	CV	PY
Revenue Account Elements														
Premium Direct	16918362	16448927	3288377	3288377	2826243	3364402	6175331	6652778	27842729	25882190	33930122	27777862	61772851	53660052
Premium Accepted	857380	985214	18585	27106	158678	98907	177263	126014	0	0	1216181	1870317	1216181	1870317
Premium Ceded	9091456	8570624	862273	702371	2142285	2553809	3004559	3256186	1456789	1335492	2979535	2816488	4436324	4151980
Net Premium	8684287	8863517	2505400	2613106	842636	909500	3348036	3522606	26385940	24546698	32166768	26831691	58552708	51378389
Unexpired Risk Reserve Op	4431759	3855995	1306553	2604725	909500	711209	2216053	3315934	12273349	11505046	13415891	10796948	25689240	22301993
Unexpired Risk Reserve Cl	4342143	4431759	1306553	2604725	909500	711209	2216053	3315934	12273349	11505046	13415891	10796948	25689240	22301993
Net Earned Premium	8773902	8287753	2559253	3911278	842636	909500	3348036	3522606	26385940	24546698	32166768	26831691	58552708	51378389
Profit on Realisation of Investment	1508234	1735085	175469	271490	171665	143453	347134	415493	1111629	1190885	4545020	4492937	54965593	47999142
Interest Dividend and Rent	2560237	2295941	297860	411735	291403	200459	589262	612194	1464615	1671131	8137583	7165748	5656649	5683882
Investment Provisions	1898	-10146	221	587	216	-398	437	188	-2593	-3016	9710	24286	9602197	8836878
Total Investment Income	4066573	4041171	473108	682638	462852	344310	935959	1026948	2578837	2865031	12672892	11634398	15251728	14499429
Claims Paid Direct	14369729	12859346	2067280	1850026	2470041	971023	4537322	2821049	20544870	15645128	19977399	17613181	40522270	32583808
Claims Paid Accepted	280187	179449	20711	14014	114602	48602	135313	62616	0	0	2201863	3273055	2201863	3273055
Claims Paid Ceded	7360521	4017976	388942	209956	670237	2709763	880188	1227121	844422	3840304	3870964	5067425	4715386	3730555
Net Claim Paid	7089396	9020819	1699049	1654084	263822	349393	1962871	2003477	19317750	14800706	18338958	17015272	37656708	31815977
CI O/S Claims Direct	25468334	28264444	3319790	3372755	2628312	4983806	5948102	8356561	6443556	5328122	96797311	109961023	102125432	0
CI O/S Claims Accepted	1540409	1859205	10232	15673	283920	231646	294152	247319	0	0	0	0	0	0
CI O/S Claims Ceded	13712269	16848517	939255	1128748	977740	3626900	1866995	4755648	651915	391335	5070286	5206060	5722200	5597394
Net Closing Outstanding Claim	1805419	1528341	15638	15	244596	227158	4375259	3848232	5791642	4936787	98447181	91591251	104238823	96528038
Op O/S Claims Direct	13296474	13275132	2390768	2596680	1984492	1588552	4375259	3848232	5791642	4936787	98447181	91591251	104238823	96528038
Op O/S Claims Accepted	28270881	20754975	3409665	3116810	4980529	2343833	8390194	5460643	5419959	4123020	96797311	86040172	102212720	90163192
Op O/S Claims Ceded	16747692	9035603	1153259	1014138	3626898	1455982	4780157	2470120	391148	195929	5206060	5731080	5597707	5427009
Net Opening Outstanding Claim	11567182	20368815	1977406	2105971	117824	3610995	2095230	5716966	21568468	16850229	26697555	28370320	48266023	45220549
Incurrd Claims Direct	15178	510313	15305	29671	153926	53091	169230	82763	1141	0	2201863	3273055	2203004	3273055
Incurrd Claims Accepted	4525099	11830891	174938	324566	378337	2841150	203399	3165715	1487888	1039828	3704530	3845944	5192418	4885772
Net Incurred Claim	7057262	9048237	1817773	1811077	650087	822936	2467860	2634013	20081721	15810401	25194888	27797431	44296609	45077832
Commission Direct	987439	943545	393139	397864	54863	50185	448002	447248	2101009	1913628	0	-1	2101009	1913627
Commission Accepted	599327	54363	0	589	27874	18072	27874	18662	0	0	0	0	0	0
Commission Ceded	1210412	453837	42372	49850	124377	252233	166749	302124	208773	199930	30555	23855	239328	217785
Net Incurred Commission	-163041	544070	350767	348363	-41640	-183976	309127	164387	1892236	1719698	-30555	-23855	1861681	1695842
Foreign Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	604240	5648899	523240	512758	451441	606391	974680	1119150	683028	5911603	6560982	5480130	13544010	11391733
Premium Deficiency	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Accounts Result: Profit/ (loss)	-97986	-2912282	340581	1921718	312464	-189833	653045	1731885	-911829	3201724	10446851	2593441	9535022	5795164



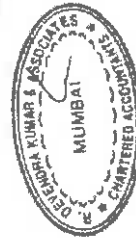
Segment	Health		Liability		Personal Accident		Aviation		Engineering		Other Misc		Grand Total
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	
Revenue Account Elements													
Premium Direct	48478531	39417921	2978024	2643994	2107834	1856000	1145599	1043408	4940980	4177494	6977575	6193375	151495088
Premium Accepted	0	0	14016	19603	38396	64859	34175	19619	399520	378145	676712	676712	151495088
Premium Ceded	2963001	1991200	568128	412914	213417	111990	1150883	1279872	2740272	2052637	1640814	1520638	4325314
Net Premium	45515529	37426721	2423911	2250684	1932814	1088869	28891	176645	2600228	2503002	6013473	5534280	25908054
Unexpired Risk Reserve Op	18712361	15729073	1125342	1068303	904435	803308	0	0	0	0	0	0	23307841
Unexpired Risk Reserve Cl	22757765	18713361	1211956	1125342	966407	904435	14445	0	1251501	1332202	2767140	2705467	129098876
Net Earned Premium	41471125	34442433	2337297	2193644	1707743	1707743	14445	0	1300114	1251501	3006737	2767140	113111423
Profit on Realisation of Investment	1063330	1027008	256153	265364	82590	81414	14445	176645	2551615	2583703	5773877	5472607	57098830
Interest Dividend and Rent	1805009	1633653	434822	345473	140198	126317	135031	91888	243046	311848	324042	377703	51112275
Investment Provisions	1338	5373	322	1786	104	294	100	802	412572	451060	550064	565336	107124869
Total Investment Income	2867001	2655287	690653	612624	207437	214509	207894	802	306	232	408	507	9989074
Claims Paid Direct	48675233	36096445	623857	427480	207437	214509	207894	802	306	232	408	507	149820551
Claims Paid Accepted	0	0	1621	55863	42721	32276	26761	15847	1811084	1811084	4879338	4372876	25778119
Claims Paid Ceded	2442572	1829090	53772	45924	84251	68491	294885	284950	2568515	2573183	2174967	2512784	117570141
Net Claim Paid	46232561	34267354	571756	437419	1403060	985824	224667	145955	2568515	2573183	2174967	2512784	93084786
CI O/S Claims Direct	8166225	5612930	1818735	1847515	1025895	848304	978768	1164114	4552296	4639639	5494865	4894412	3788351
CI O/S Claims Ceded	0	0	0	0	0	0	31913	15196	1280935	838934	873330	976469	4554721
Net Closing Outstanding Claim	542786	141088	250849	243925	30355	21887	875980	871091	2568515	2573183	2174967	2512784	13050513
Op O/S Claims Direct	7623438	5471841	1567886	1603590	995539	826418	134701	308219	3264716	2905389	4193227	3358098	84588494
Op O/S Claims Accepted	5612997	5202950	1852212	1596408	848127	776849	1164114	1237645	4664994	4361962	4904511	3434807	157925300
Op O/S Claims Ceded	0	0	82	0	0	0	15196	18612	860531	861647	974695	1158200	132969432
Net Opening Outstanding Claim	141088	159718	244077	269192	21886	57088	871091	598302	2581251	1993023	2512982	1014510	3793978
Incurred Claims Direct	5471909	5043232	1608218	1327216	826241	719761	308219	657955	2944274	3230586	3366223	3558498	21024565
Incurred Claims Accepted	51228460	36506424	590380	578587	1622358	1093494	336882	341528	1882875	2089361	5469692	582482	117868205
Incurred Claims Ceded	0	0	1538	55863	42721	32276	14040	12431	667785	195014	583576	3692073	4697871
Net Incurred Claim	2844370	1810461	60494	20657	92721	33790	299774	557739	782741	1108679	1354070	2178261	14948286
Commission Direct	48384090	34695964	531424	713793	1572358	1092481	51149	203780	1762919	1175695	4699198	4210376	84505824
Commission Accepted	3195608	2797031	324341	283744	231551	195171	5950	5667	281169	283714	874318	755524	25591465
Commission Ceded	0	0	1395	1960	11519	19458	1600	1500	82271	60481	103540	114679	7625870
Net Incurred Commission	285556	241021	51653	34085	20823	17602	45520	4526	436241	460113	195846	184624	26656597
Foreign Taxes	2911252	2556010	274083	251619	222267	197028	37970	35359	73770	105917	778012	885579	1943718
Operating Expenses Related to Insurance	8901850	7066515	804119	738856	424362	377805	339084	305782	1157689	1017465	1540451	1448986	5953756
Premium Deficiency	0	0	0	0	0	0	0	0	0	0	0	0	29115192
Revenue Accounts Result Profit/(loss)	-15859066	-7207068	1418325	1102000	-125442	247867	-123309	-35394	355589	1259600	-370086	70198	-4549903
													38272





[illegible]

Segment	Liability		Personal Accident		Aviation		Engineering		Other Misc		Grand Total	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Account Elements												
Premium Direct	1487380	1508628	183715	197241	0	0	871066	986650	784620	1009248	26138013	27209645
Premium Accepted	12486	28594	40590	29940	714399	675520	255424	242582	156236	174149	9077196	8528585
Premium Ceded	59881	77168	10705	98371	6796	0	333227	281549	58497	131760	5195987	4961609
Net Premium	1439984	1460054	213600	217344	707593	675520	773262	947684	852358	1051638	30019222	26276620
Unexpired Risk Reserve Op	730027	676331	108672	71998	337760	427168	473942	477797	525819	646794	13502582	13254006
Unexpired Risk Reserve Cl	719992	730027	106800	108672	333796	337760	386631	473842	426179	525819	15150992	1502582
Net Earned Premium	1450019	1406358	213472	180609	691557	764929	860473	951639	951998	1172613	26370812	26028045
Profit on Realisation of Investment	0	885	0	41	0	361	0	533	0	427	0	10928
Interest Dividend and Rent	23805	79181	7675	3595	7394	31923	22587	47153	30114	37739	888509	966863
Investment Provisions	225	3226	73	146	70	1301	213	1921	285	1537	8397	39389
Total Investment Income	23580	76850	7603	3489	7324	30984	22374	45765	29830	36628	880113	938401
Claims Paid Direct	812325	875642	54293	42105	0	184	331246	417154	368423	372600	13406779	15252142
Claims Paid Ceded	12	80	15845	11293	834441	538437	382054	177676	60972	4537	5887445	6646432
Net Claim Paid	22005	51928	1	14	25608	0	94552	146225	910	7108	2260048	5176900
CI O/S Claims Direct	790332	823793	70137	53884	808833	538621	618747	448606	428485	360956	18034126	18721674
CI O/S Claims Accepted	2681906	2522722	45679	44918	150000	200000	843557	571044	677060	743980	17341476	16101075
CI O/S Claims Ceded	10532	8567	24176	23742	942614	992121	540153	533778	82159	96557	11536294	12158146
Net Closing Outstanding Claim	49162	72136	33	34	0	0	287940	120273	3857	4993	5140094	6056412
Op O/S Claims Direct	2643277	2459153	69822	68626	1091614	1192121	109769	984549	753361	835544	23737676	22162809
Op O/S Claims Accepted	2522722	2528904	4918	54091	200000	200000	571044	925751	743980	707968	16101075	19454685
Op O/S Claims Ceded	8567	6317	23742	10625	992121	595733	533778	819212	96557	99485	12158146	13864343
Net Opening Outstanding Claim	72136	127086	34	36	0	0	120273	404022	4993	14074	6096412	9340290
Incurrd Claims Direct	2459153	2408134	68626	64681	1192121	795733	984549	1340941	835544	793379	22162809	23978728
Incurrd Claims Accepted	971509	869460	55054	37932	50000	184	603759	62448	301504	408612	14647130	11898532
Incurrd Claims Ceded	1978	2329	16279	24409	784934	934824	388428	107758	46574	7464	6265594	4940235
Net Incurred Claim	969	3022	0	12	25608	0	762220	137524	226	1973	1303730	1933022
Commission Direct	974456	874811	71334	57329	709327	935009	729967	92214	348303	403121	19609994	14905745
Commission Accepted	364131	351771	48121	49732	0	0	181961	199287	164758	209297	5660083	5793026
Commission Ceded	2508	5727	18147	12613	71500	65277	69698	78406	47315	46763	1581016	1451545
Net Incurred Commission	2593	3946	708	455	0	0	30668	42676	7813	9121	285763	359119
Foreign Taxes	364045	353501	65560	61889	71300	65277	220992	235016	204260	246938	7955336	6885452
Operating Expenses Related to Insurance	186	94	28	14	91	44	100	61	68	5101	8453	1482356
Premium Deficiency	34413	37618	18161	19235	14511	15568	49545	51803	65925	73773	1482356	1482356
Revenue Accounts Result Profit/(loss)	100498	217184	67993	45631	96549	219985	117757	618310	363229	485340	199138	3684440



**Schedule 16**

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

**16 A. SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Convention**

The financial statements are drawn up in accordance with the provisions of IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the master circulars issued in the context of preparation of the financial statements, and the provisions of the Companies Act 2013. The said statements prepared on historical cost convention and on accrual basis, comply with accounting standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and conform to practices prevailing in the General Insurance industry except as otherwise stated.

**2. Use of Estimates**

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

**3. Revenue Recognition**

**A. Premium**

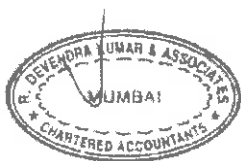
Premium income is recognized on assumption of risk. A reserve for Unearned Premium for each segment, representing that part of the recognized premium attributable to the succeeding accounting periods, calculated on time apportionment basis is created. This forms part of the un-expired risk reserves.

Reinsurance premium is recognized as per the terms of the reinsurance contracts. A reserve for Unearned Premium for each segment, representing that part of the recognized reinsurance premium attributable to the succeeding accounting periods, is also calculated on time apportionment basis. This also forms part of the un-expired risk reserves.

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

**B. Commission**

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



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

**4. Premium Received in Advance**

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

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

Reserve for un-expired risk is made as per the provisions of the Insurance Act at 50% of net premium in respect of fire, marine cargo and miscellaneous business and 100% in respect of marine hull business.

**6. Reinsurance Accepted**

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

**7. Reinsurance Ceded**

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

**8. Premium Deficiency**

Premium deficiency is calculated where the sum of expected claims costs, related expenses and maintenance costs exceed the related unearned premium. The premium deficiency is recognized as per IRDA guidelines and forms part of unexpired risk reserves.

**9. Acquisition Costs.**

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

**10. Incurred Claims**

Claims are recognized as and when reported.

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

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

- In respect of direct business, claim intimations received up to the year-end.
- In respect of reinsurance accepted, advices received as of different dates of subsequent year up to the date of finalisation of accounts or on estimation basis



- Provision for claims incurred but not reported (IBNR) and provision for claims incurred but not enough reported (IBNER). The said provisions have been determined by Appointed Actuary, which is in accordance with accepted actuarial practice, requirement of IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the master circulars issued in the context of preparation of financial statements and stipulations of the Institute of Actuaries of India.

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

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

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

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

#### 11. Salvage and Claim Recoveries

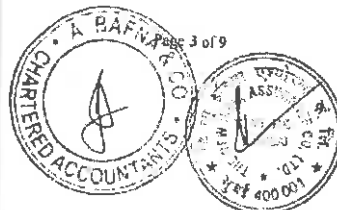
Recoveries of claims and sale proceeds on disposal of salvage are accounted on realisation and credited to claims.

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

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

#### 13. Loans and Investments

- A Loans are measured at historical cost subject to impairment. Company reviews the quality of its loan assets and provides for impairment if any.
- B Short Term Money Market Instruments such as Commercial Papers and Certificate of Deposits are shown at their discounted value and the difference between the acquisition cost and the redemption value is apportioned on time basis and recognised as accrued income.
- C Contracts for purchase and sale of shares, bonds, debentures are accounted for as "Investments" as on date of transaction.



D The cost of investments includes premium on acquisition, brokerage, transfer stamps, transfer charges and is net of incentive/ fee if any, received thereon.

E Dividend income (other than interim dividend) is accounted for as income in the year of declaration. Dividend on shares/interest on debentures under objection/pending delivery is accounted for on realisation. Interim dividend is accounted for where the amount is received/credited in the account of the company upto 31<sup>st</sup> March.

Dividend on foreign investments is accounted on gross basis.

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

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

F Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except:

- In respect of Government Securities/Debentures/Bonds under Trading Portfolio, the profit/loss is worked out specific scrip wise.

- In respect of Government Securities sold from Investment Portfolio, the profit/loss is worked out on first in first out basis (FIFO).

G The Company follows the prudential norms prescribed by the Insurance Regulatory and Development Authority as regards asset classification, recognition of income and provisioning pertaining to loans/advances/debentures

H Investment in government securities, debt securities and redeemable preference shares are considered as held till maturity and valued at cost. However, in terms of Insurance Regulatory and Development Authority Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.

I i. Investments in Mutual Funds are valued at Net Asset Value (NAV) as at the Balance Sheet date and the difference between cost/book value and NAV is accounted in Fair Value Change Account. In case of non-availability of latest NAV as at the balance sheet date, investment is shown at cost.

ii. Investments in Venture Funds are valued at cost. If there is reduction in NAV, the same is charged to revenue and book value of investments is reduced accordingly. Any appreciation in NAV to the extent of loss earlier recognised, is taken to revenue. Wherever Net Asset Value as on Balance Sheet date is not available, latest available Net Asset Value is considered.

J (i) In accordance with IRDA/F&I/INV/CIR213/10/2013 dated 30<sup>th</sup> October 2013 for Valuation of Equity Portfolio, National Stock Exchange (NSE) is considered as Primary Stock Exchange and Bombay Stock Exchange (BSE) as Secondary Stock Exchange.



Investment Portfolio in respect of equity/ equity related instruments is segregated into actively traded and thinly traded as prescribed by Insurance Regulatory and Development Authority Regulations. The shares are treated as actively traded or thinly traded by taking into consideration total traded transactions in the month of March on NSE and BSE.

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

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

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

K Investment in thinly traded equity shares and unlisted equity shares are shown at cost. However, difference between cost and break-up value is provided for as diminution in value. If the break-up value is negative then the provision is made for the entire cost. Further, if the published accounts of an unlisted Company are not available for last three accounting years ending on or immediately preceding the date of working out diminution in value, then the provision is made for the entire cost.

L In case of investment in listed and unlisted equity/ equity related instruments / preference shares where the value has been impaired on or before 31.03.2000, the historical/weighted average costs are not available with the Company. As a consequence, the carrying value of such investments as on 01.04.2000 is presumed to be the historical/ weighted average cost .

M Investments in listed equity/ equity related instruments/ preference shares made in those companies, which are making losses continuously for last 3 years and where capital is eroded, are considered to have impairment in value. Further, if the published accounts of a Company are not available for last three accounting years ending on or immediately preceding the date of working out impairment in value, it is presumed that the value of investment is fully impaired and is written off to a nominal value of Re.1/- per Company.

I. Valuation of such investments is done as under:

- i) In respect of actively traded equity shares: - least of cost price, market price or break-up value provided break-up value is positive. However, if the break-up value is negative the nominal value is taken at Re. 1/- per Company
- ii) In respect of other than actively traded equity shares: - lower of cost price or break-up value provided break-up value is positive. However, if break-up value is negative the nominal value is taken at Re.1/- per Company.
- iii) In respect of preference shares, if the dividend is not received for the last three years, such preference shares are written down to a value which will bear to its face value, the same proportion as value taken/ which would have been taken for writing down equity shares bears to the face value of the equity shares. However,



if the equity shares are written down to Re.1/- per Company, preference shares are also written down to a nominal value of Re.1/- per Company.

- II. Once the value of investment in listed equity/ equity related instruments/ preference shares of a company is impaired in accordance with the above mentioned policy, the reversal of such impairment losses are not recognised in revenue/ profit and loss till such company achieves a positive net worth as per the latest available published accounts immediately preceding the date of working out the reversal. However, in respect of investments where the historical or weighted average cost is not available as mentioned in Policy No.13-L, reversal of impairment loss is carried out and recognised only to the extent of impairment losses accounted after 31<sup>st</sup> March 2000.

N REVERSE REPO transactions are treated as secured lending transactions and accordingly disclosed in the financial statements. The difference between total consideration at the 1<sup>st</sup> and 2<sup>nd</sup> leg of the transaction is treated as interest income.

O "Collateralized Borrowing and Lending Obligation" (CBLO), which is issued at discount to the face value, is treated as money market instrument as per Reserve Bank of India Notification. Discount earned at the time of lending through CBLO is shown as income, which is apportioned on time basis.

P Un-realised gains / losses arising due to changes in the fair value of actively traded listed equity shares other than enumerated in Accounting Policy 13-L are taken under the head "Fair Value Change Account" and on realisation reported in profit and loss account.

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

#### 14. Foreign Currency Transactions

- Reinsurance operations:

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

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

- Foreign operations:

- As per the Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", foreign branches/agencies are classified as 'non-integral foreign operations'.
- The assets and liabilities (including contingent liabilities), both monetary and non-monetary of the non-integral foreign operations are translated at the closing rate.
- Income and expense items of the non-integral foreign operations are translated at the average exchange rate of the year.





- Depreciation on fixed assets held in foreign branches and agencies is provided on written down rupee value at the year-end at the rates and in the manner as stated in "Depreciation" policy stated herein below.
- All resulting exchange difference is accumulated in a foreign currency translation reserve until the disposal of the net investment.
- Foreign investments transactions during the year are converted at the exchange rates prevailing as on the last day of the month of purchase or sale.
- Other assets and liabilities in foreign currencies are converted at the average of buying and selling rates of exchange prevailing at the year end.
- The exchange gain/loss due to conversion of foreign currencies other than relating to non-integral foreign operations is taken to revenue(s) account and profit and loss account as applicable.

#### 15. Fixed Assets

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

#### 16. Depreciation

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

#### 17. Intangible Assets

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

#### 18. Employee Benefits

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

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



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Pension, Gratuity and Leave Encashment are defined benefit plans. The Company has incorporated a Pension Trust and Gratuity Trust. The Company's liability towards pension, gratuity and leave encashment is accounted for on the basis of an actuarial valuation done at the year end and is charged to revenue accounts and profit and loss account as applicable except in case of pension for the employee who joined from 1<sup>st</sup> April 2010 which is defined contribution plan wherein contribution towards pension fund is charged to the Profit and Loss Account and Revenue Accounts as applicable. Further, Company has no further obligation beyond the periodic contributions.

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

#### 19. Expenses of Management-Basis of Apportionment

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

#### 20. Segregation of Policy Holders and Share Holders funds:

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

#### 21. Income from Investments -Basis of Apportionment

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

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

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

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

#### 22. Taxation.

- Tax expense for the year, comprises current tax and deferred tax.
- Current income tax expense comprises taxes on income from operations in India and in foreign jurisdiction. Income tax payable in India is determined in accordance with



the provisions of the Income Tax Act 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

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



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# **16 B. NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31<sup>ST</sup> MARCH, 2016**

1. The accounts incorporate Audited accounts of Branches in Fiji, Canada(run off) and Thailand which are prepared on calendar year basis as per the requirement of local laws. There are no material changes for the quarter January 2016 to March 2016. The accounts of 2 run off Agencies and one representative office at Myanmar have been incorporated on the basis of unaudited accounts. One run off branch at Paris is closed during the year.
2. Land include book value ₹ 173.78 Lakhs (Previous Year ₹ 173.78Lakhs) and building include book value ₹ 3073.84 lakhs (Previous Year ₹ 3073.84 lakhs ) where registration formalities are yet to be completed (₹ 2971.14 lakhs ) / in respect of which the deeds of conveyance are yet to be executed (₹ 51.92 lakhs) /lease deed expired(₹ 118.44 lakhs)/properties not in possession of the company (₹ 3.42 lakhs)/ properties are yet to be registered in the name of the company(₹ 102.70 lakhs).
3. (a)The balance appearing in the amount due to/ due from persons or bodies carrying on insurance business including reinsurance business are subject to confirmation / reconciliation and consequential adjustments if any. As RI Balances reconciliation is an ongoing process though confirmations of balances are done at a regular intervals, not on a specific cut-off date (i.e. Annual Closing date).However, company has maintained provision of ₹12373.25 Lakhs upto 31.03.2016 towards doubtful debts as a prudent measure."  
  
(b)Reinsurance acceptance transactions pertaining to the year have been booked for advices received up to 21st April 2016.  
  
(c)The balances of inter-office accounts included in Other Asset amounting to ₹21974.58 lakhs (Debit), previous year ₹39621.40 lakhs (Debit), are subject to reconciliations and consequential adjustments if any.
4. As certified by the Custodian, securities are held by the Company as on 31.03.2016. Variations and other differences are under reconciliation and are not expected to have a material impact on the state of affairs of the Company.
5. Certificates of Confirmation are awaited for earlier years Foreign Investments amounting to ₹6.07 lakhs (Previous Year ₹ 6.07lakhs). However ₹6.07 lakhs is provided for.
6. (a)Provision for standard assets @ 0.40% amounting to ₹ 3358.97 Lakhs (Previous Year ₹ 3107.30 Lakhs) has been made as per Insurance Regulatory and Development Authority guidelines on (i) Term Loan (PFPS/DTL), (ii) Debentures, (iii) Infrastructure Investments, (iv) Bonds/Debentures of HUDCO,(v) Bonds/Debentures of Institutions accredited to NHB and (vi) Govt. Guaranteed Bonds/Securities (vii) Housing and Fire fighting Loans to State Governments (ix) Debtors.  
  
(b)During the year, the Company has undertaken restructuring of corporate debt/loans etc.as under:

Sr. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
	Total amount of assets subjected to restructuring	1277.77	Nil
	The break up of the same is given here under:		



(i)	Total amount of standard assets subjected to restructuring	Nil	Nil
(ii)	Total amount of sub-standard assets subjected to restructuring	Nil	Nil
(iii)	Total amount of doubtful assets subjected to restructuring	1277.77	Nil
(iv)	Total amount of loss assets subjected to restructuring	Nil	Nil
	<b>Total</b>	<b>1277.77</b>	<b>Nil</b>

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

I) Details of Non Performing Assets (NPA)

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

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

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

7. Short-term Investments (Schedule-8) in debentures and other guaranteed securities include those, which are fully repayable in the next year. As regards those debentures and other guaranteed securities, which have fallen due and remain unpaid as on 31.03.2016, they have been shown under long-term investments, as their realisability is unascertainable. However, necessary provision, wherever required, has been made.

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

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

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

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



ii) The provisions against loans ₹6805.12 Lakhs (Previous Year ₹7235.91 Lakhs) have been shown in Schedule 14 "Provisions". Consequently, the "Loans" shown in the Schedules 9 have not been reduced to the extent of provisions made against thereof, as required by Part V of Schedule B of the Regulation.

iii) Receipts & Payments Account/(Cash Flow Statement) have been drawn under "Direct Method" as required by Part I of Schedule B of the regulation. However the same is subject to reconciliation of various inter office and other accounts including certain Bank Accounts.

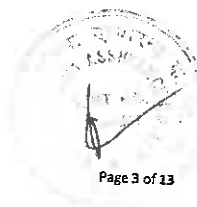
(c) As per IRDAI circular no. IRDA/F&I/CIR/CMP/174/11/2011 dated 14.11.2010 company is required to give detail of age wise analysis of unclaimed amount of the policyholders for the year ended 31<sup>st</sup> March, 2016. Accordingly the unclaimed amount of ₹ 14081.18 lakhs (PY ₹ 11985.47 lakhs) representing the excess premium collected, refund premium and the amount lying in stale cheque accounts and unclaimed amount towards claim is not ascertainable. Further, as required, age-wise analysis is not available.

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

(b) The reconciliation of various accounts relating to inter office accounts related to domestic and foreign operations, Control Accounts, old balances appearing in legacy software, sundries and suspense, co-insurance, Re-insurance balances, certain Bank Accounts including revenue stamps in hand, other assets and other liabilities etc. is under progress. The impact of the above, if any, on the financial statements are unascertainable.

10. Prior period items have been included in the respective heads amounting to ₹765.43 lakhs (Debit) [Previous Year ₹1085.36 lakhs (Debit) consisting of the following: -

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



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

A. Related party disclosures as per Accounting Standard 18

1. Company's related parties

a) Subsidiaries:

- 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 Pte. Ltd., Singapore.
- ii) Health Insurance TPA of India Ltd.

c) Key management personnel of the Company:

Shri G. Srinivasan	Chairman cum Managing Director
Shri V. HariSrinivas	General Manager and Financial Advisor
ShriSharadRamnarayanan	Appointed Actuary
Ms S.N. Rajeswari	Chief Finance Officer
Shri K sanath kumar	Director & General Manager(upto 31.07.2015)
Shri KLR Babu	Director & General Manager(upto 31.07.2015)
Shri Hemant G. Rokade	Director & General Manager w.e.f 27.01.2016
Shri P.Naayak	Director & General Manager w.e.f 27.01.2016
Shri S.R.Shreeram	Chief Investment Officer(upto 31.10.2015)
ShriRenjitGangadharan	Chief Marketing Officer
Shri S. Shankar	Chief Risk Officer
ShriHarinathSankaran	Chief Investment Officer w.e.f. 31.10.2015
Ms Jayashree Nair	Company Secretary & Chief Compliance Officer

2. Transactions with related parties:

Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
i)	Subsidiaries	Management fees earned (NIA T&T)	49.20	48.99
		Premium on Reinsurance Accepted	403.00	448.46
		Commission on Reinsurance Accepted	(98.00)	(89.65)
		Claims Paid	(169)	(96.29)
		Dividend Income received(NIA T&T)	289.72	278.09
		Equity Purchased (Rights) Prestige Assurance Nigeria	NIL	(3,846.20)
		Loan Installments & Interest Received Prestige Assurance Nigeria	673.35	827.99



		Dividend receivable	NIL	NIL
		Loan	NIL	NIL
ii)	Associates	Premium on Reinsurance Accepted	1566.85	1,450.32
		Commission on Reinsurance Accepted	(301.67)	(158.21)
		Claims Paid	(1219.00)	(1,252.32)
		Dividend income received from III Singapore	351.75	392.01
		Dividend income received from Kenindia Assurance Kenya	NIL	35.21
		Investment in shares	NIL	NIL
		Dividend receivable	NIL	NIL
		Additional Equity Infusion in Health TPA of India	(1187.50)	(237.50)
iii)	Key Management Personnel	Salary and allowances	221.72	148.25

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

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

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

**C. Taxation:**

**Income Tax:**

- Provision for Tax - Current Tax shown in Profit & Loss Account includes ₹ 2609 lakhs (Previous year ₹ 4735.35 lakhs) relating to foreign taxes.
- The Income Tax Assessments of the Company have been completed up to assessment year 2013-14. Major disputed demands are in respect of profit on sale of investment and related exemptions from tax liability. Based on the decisions of the appellate authority and the interpretations of the relevant provisions, the Management is of the opinion that the demands are likely to be either deleted or substantially reduced and accordingly no provisions have been made for the same.





- iii) Income Tax Department during F.Y. 2015-16 adjusted refunds of ₹ 11753.08 lakhs towards tax demands pertaining to various years, without any intimation to the Company.

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

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

- iv) Deferred Taxes:

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

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

Notes:

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



**D. Accounting Standard 15 – Employee Benefits**

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

I	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	8554	8,583	2234	2,317	1270	1,325
B	Interest Cost	24924	25,885	7698	7,916	3853	4,135
C	Expected Return on Plan Assets	(23814)	(25,886)	(7501)	(7,917)	-	-
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	-	-
F	Past Service Cost	-	-	-	-	-	-
G	Actuarial Losses/(Gains)	61867	9,105	15644	198	20919	(324)
H	Total expense recognized in the statement of Profit and Loss Account	71531	17,687	18075	2,514	26042	5136

II	Actual Returns for the year 31.03.2016	26195	25,279	8250	7,892	-	-
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III	Net Asset/(Liability) recognized in Balance Sheet at 31.03.2016						
A	Present Value of Defined Benefit Obligation	372896	3,14,692	113689	96,835	65070	48469
B	Fair Value of Plan Assets	372896	3,14,692	113689	96,835	65070	48469
C	Status (Surplus/Deficit)	-	-	-	-	-	-
D	Un recognized Past Service Cost	-	-	-	-	-	-
E	Net Asset / (Liability) recognized in Balance Sheet	-	-	-	-	65070	48469

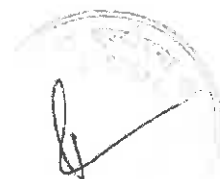
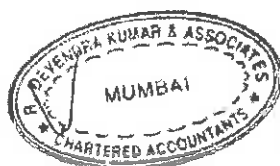


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IV Change in Defined Benefit Obligation during the year ended 31.03.2016							
A	Past value of the Defined Benefit Obligation at the beginning of the period	314692	3,04,534	96835	93,125	48650	48,650
B	Current Service Cost	8554	8,583	2234	2,317	1270	1,325
C	Interest Cost	24924	25,885	7698	7,916	3853	4,135
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	-	-
F	Plan Amendments	-	-	-	-	-	-
G	Acquisitions	-	-	-	-	-	-
H	Actuarial Losses/(Gains)	64248	8,498	16393	173	20738	(324)
I	Asset Loss / (Gain)						
J	Benefits Paid	(39522)	(32,808)	(9471)	(6,696)	(9441)	(5317)
K	Present Value of Defined Benefit Obligation at the end of the period	372896	3,14,692	113689	96,835	65070	48469

V Change in the Fair Value of Assets during the year ended 31.03.2016							
A	Plan Assets at the beginning of the period	314692	3,04,534	96835	93,135	-	-
B	Acquisition Adjustment	-	-	-	-	-	-
C	Expected return on Plan Assets	23814	25,886	7504	7,917	-	-
D	Asset (Losses)/Gains	2381	(607)	749	(25)	-	-
E	Actual Company Contributions	71531	17,687	18072	2,504	-	-
F	Benefits Paid	(39522)	(32,808)	(9471)	(6,696)	-	-
G	Plan Assets at the end of the period	372896	3,14,692	113689	96,835	-	-

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



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

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

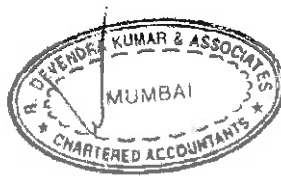
IX	Basis used to determine the expected rate of return on plan assets	The expected rate of return on plan assets is based on the current portfolio of the assets, investment strategy and the market scenario, in order to protect capital and optimize returns within acceptable risk parameters, the plan assets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

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

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

In terms of requirement of the Accounting Standard (AS-15) Employee Benefits, the entire amount of ₹1727.00 lakhs for pension is required to be charged to the Profit &



Loss Account. However IRDA vide Circular ref IRDA/F&A/CIR/ACTS/077/04/2016 dated 18.04.2016 has permitted the amortisation of expenditure relating to the additional liability over a period of five years and accordingly an amount of ₹ 345.40 lakhs is charged to the revenue in the current year and balance amount remaining to be amortised in next four years is ₹ 1381.60 lakhs for pension.

(b) The company has during the year paid the arrears of wage arising out of the pay revision w.e.f 01/08/2012 as per the notification dated 23/01/2016.

13. Pre-payment premium received in present value terms on account of restructuring/reduction of interest rates in respect of loans/debentures is spread over the remaining tenure of such loans/debentures. Accordingly ₹27.93 Lakhs (P.Y ₹ 36.77 Lakhs) has been considered as income received in advance and shown in Schedule - 13 Current Liabilities under the head "Others".

14. The management is currently in the process of identifying enterprises which have been providing goods and services to the Company which qualify under the definition of medium and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such Micro, Small, and Medium Enterprises as at 31st March 2016 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

15. "Foreign Exchange Reserve Account has increased by ₹18959.69 Lakhs (Credit) due to appreciation of foreign currency under the following heads (Previous Year ₹11039.5 Lakhs (Debit) consisting of the following."

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

#### 16. Penalty

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



Sr. No.	Authority	Non-Compliance/ Violation	₹ In Lakhs		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1(a)	Insurance Regulatory and Development Authority / TAC	Non-compliance of IRDAI(Health Insurance) Regulations,2013	5.00	5.00	-
1(b)		Violation of IRDA guidelines	15.00	15.00	-
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India*	Nil	Nil	Nil	Nil
9	Competition Commission of India	Refer Note Below	Nil	Nil	Nil
10	Any other Central/State/Local Government / Statutory Authority	Nil	Nil	Nil	Nil

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



17. The Company's Office Premises and Residential flats for employees are obtained on operating lease and are renewable / cancellable at mutual consent. There are no restrictions imposed by lease agreements. Lease terms are based on individual agreements. Significant leasing arrangements are in respect of operating lease for premises. Aggregate lease rentals amounting to ₹ 9586.77 lacs (PY ₹ 10751.13 lacs) in respect of obligation under operating lease are charged to Revenue Account.
18. The Company has created Equalization Reserve in respect of London Branch as required by the UK Regulations. This reserve is not available for distribution as Dividend. During the year, the reserve has been increased by 2.6 million GBP and the closing reserve as at the year end stood at ₹ 12034.51 lacs (GBP 12.6 million). Further, in accordance with Oman Insurance Company Law, company has created contingency reserve for claims for Muscat agency for 5 million omani Riyal. During the year the same has been revalued at ₹ 8574.94 Lacs due to currency fluctuation.
19. IRDA vide their Circular no. IRDA/NL/MTP/DRP/2013-15/01/2016 dated 10.02.2016 advised the provisional ULR of motor declined risk pool for the FY 2015-16 @184%. The provision of the same has been made in the IBNR calculation as provided by the actuary.
20. During the year, the Company has reviewed its fixed assets for impairment. In the opinion of the management no provision for impairment loss is considered necessary. However Impairment assessment as required by AS-28 would be done in due course.
21. The company is in the process of updating the fixed asset register with reference to full particulars, quantitative details and location thereof. The reconciliation of fixed asset register with financial records is stated to be in progress. Further, physical verification of fixed assets in respect of some locations is also stated to be in progress.
22. (a) The Company has reviewed/changed the useful life and depreciation method of its fixed assets during the previous financial year consequent to enactment of the Companies Act, 2013. The depreciation accounted is being reconciled with related records, to be in accordance with the Accounting Policy followed. In the opinion of Management, impact of the same is not considered to be material.
- (b) The data related to fixed asset register has since been migrated to the company's accounting software. The amounts migrated in the Fixed asset module are being reconciled with the financial ledgers of the company at respective locations along with the written down value of the migrated assets.
- (c) In case of assets at Foreign Branches of the company, the opening WDV as received from the respective branches which is computed as per the accounting standards followed in these foreign Branches, has been considered for the purpose of implementing the changed accounting policy, and the same is being amortised over the remaining useful lives of these assets. The company is in the process of arriving at the original purchase cost of these assets and necessary accounting adjustments shall be carried out in due course. The impact of the above on the financial statements has remained unascertained.



23. (a) The accounts relating to foreign Branches and foreign agency offices incorporated in the financial statements, audited by the local auditors appointed by the company, have been maintained in accordance with the accounting principles generally accepted in the respective locations/countries. For the purpose of consolidation and preparation of financial statements, adjustments relating to certain items like creation of unexpired risk reserve, provisioning for IBNR and IBNER and investments are carried out in accordance with the accounting policies followed by the company, as per consistent practice followed in this regard. However accounting for depreciation, deferred tax, investment property etc. and other accounting conventions specific to the local requirements are incorporated as such. The audit reports received in case of these foreign Branches/offices are also not in strict accordance with the requirements laid down in SA700 issued by the ICAI and matters required under the provisions of the companies Act, 2013 read with IRDA Regulations 2002. The management has however initiated a process of identifying the impact of different accounting practices followed at respective locations and necessary accounting effects for the remaining adjustments, if any, to be in compliance with the generally accepted accounting principles in India and the accounting policies followed by the company and the audit reports to be in compliance with the Standards on Auditing issued by ICAI and the provisions of Companies Act 2013 and IRDA regulations 2002, will be carried out in due course. The precise financial impact of the same has not been ascertained.

(b) The company at its Curacao branch has a receivable from the agent amounting to ANG 5875927 equivalent to Rs.2174.75 lakhs as at 31/03/2016 out of which an amount equivalent to ANG 5030268 equivalent to Rs.1861.76 lakhs is due for more than the allowable limitation of 90 days. The company has been taking efforts to recover the amount from the agent and is hopeful of recovery and as such no provision in this respect has been considered necessary.

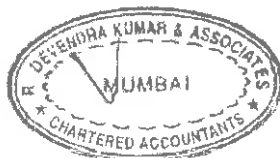
24. As per the Accounting Policy followed, the reserve for unexpired risk is calculated as per the Insurance Act, 1938 at 100% of the marine hull business and 50% of the net premium in case of fire, miscellaneous and marine cargo business, pending the implementation of necessary systems to ensure precise computation of the reserve for unexpired risk based on 1/365 method.

25. In accordance with the provisions of the Companies Act, 2013, the Company has approved an expenditure of ₹ 3150 lakhs for the financial year 2015-16 towards Corporate Social Responsibility. Out of the above an amount of ₹1010 lakhs has been incurred during the year. Though the total sanction for various CSR Projects for the year 2015-16 was ₹ 2954 lakhs, the balance could not be spent as various projects are in the completion stage.

26. As per the accounting policy followed by the company, the claims outstanding are provided for which include claim intimations received till the year end in respect of Direct business. As per the consistent practice followed an amount of ₹ 3276.84 lakhs has been provided for towards claims intimated before 31.03.2016 and remaining to be registered, based on the information available subsequent to the Balance Sheet date. In respect of health insurance, the claims intimated but not captured in the CWISS system are accounted for based on information received from respective TPA.

27. Unexpired premium reserve at revenue segment level is found to be sufficient to cover the expected claim cost as certified by the appointed actuary and the claims related expenses as estimated by the management. Hence no premium deficiency reserve is required to be provided during the year.

28. Previous year figures have been regrouped/ rearranged, wherever necessary.

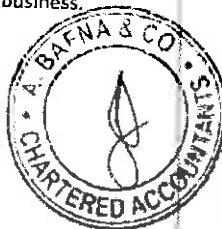




**16 C. Disclosures Forming Part Of Standalone Financial Statements**

25

Sr. No	Particulars	₹ in Lakhs	
		Current Year	Previous Year
1	The details of contingent liabilities are as under:		
(a)	Partly-paid up investments		
(b)	Underwriting commitments outstanding	283.22	775.52
(c)	Claims, other than those under policies, not acknowledged as debts		
(d)	Guarantees given by or on behalf of the Company	2,413.08	19,497.85
(e)	Statutory demands/liabilities in dispute not provided for	88.62	83.31
(f)	Reinsurance obligations to the extent not provided for in accounts	2,39,294.66	2,64,453.39
(g)	Others (matters under litigation) to the extent ascertainable		
(h)	Tax and other liabilities Venture Fund	26,240.53	646.56
		1,540.41	1,343.10
2	The details of encumbrances to the assets of the Company are as under:		
(a)	In India		
(b)	Outside India	3,744.13	4,615.00
		221.76	208.70
3	Commitment made and outstanding for Loans Investments and Fixed Assets		866.44
4	Claims, less reinsurance, paid to claimants:		
(a)	In India		
(b)	Outside India	10,04,556.91	8,45,884.94
		1,80,341.26	1,67,216.74
5	Claim liabilities where claim payment period exceeds four years.		
6	Amount of claims outstanding for more than six months (Gross Indian)		
No. of Claims		6,47,149.85	7,25,313.49
Amount of claims outstanding for less than six months (Gross Indian)		1,47,006	1,72,988
No. of Claims		3,68,017.59	2,62,053.37
Total amount of claims outstanding (Gross Indian)		1,52,222	1,14,056
Total No. of claims outstanding		10,15,167.44	9,87,366.87
		2,99,228	2,87,044
7	Premiums, less reinsurances, written from business		
(a)	In India		
(b)	Outside India	12,90,998.76	11,31,114.23
		3,00,192.22	2,62,766.20
8	The details of contracts in relation to investments, for		
Purchases where deliveries are pending			
Sales where payments are overdue			387.29
Sales where deliveries are pending			
		481.86	85.40
9	Amount of Claims settled and remaining unpaid for a period of more than six months as on balance sheet date are as under:		
No. of claims			
10	Investments made in accordance with statutory requirements are as under:		
(a)	In India- Under Sec.7 of Insurance Act 1938		
(b)	Outside India- Statutory Deposits under local laws	55,357.38	1,075.14
			51,612.48
11	Segregation of investments into performing and non-performing investments where NPA Provision is required		
Performing (Standard) Investments		8,39,742.61	7,76,823.98
Non Performing Investments		11,501.04	13,484.46
Total Book Value (Closing Value)		8,51,243.65	7,90,308.44
12	All significant accounting policies forming part of the financial statements are disclosed separately.		
13	Premium is recognized as income on assumption of the risk. Reserve for un-expired risk is made as per the provisions of the Insurance Act at 50% of net premium in respect of fire, marine cargo and miscellaneous business and 100% in respect of marine hull business.		
14	Operating expenses relating to insurance business are apportioned to the revenue account on the basis of gross direct premium plus reinsurance accepted giving weightage of 75% for marine business and 100% each for fire and miscellaneous business.		



- 15 The historical/weighted average cost of investments in equity shares / venture funds, is ₹ 480942.42 lakhs (Previous year ₹402,462.13 Lakhs) and ₹ 1,701.9 Lakhs (Previous year ₹1280.65 Lakhs) respectively. However, the historical/weighted average cost in respect of investment in listed equity/equity related instruments/preference shares, the value of which had impaired on or before 31st March, 2000 is not available with the Company, and hence, the carrying value of the same as on 01.04.2000 is presumed to be the historical/weighted average cost.
- 16 In compliance of section 197 of the Companies Act 2013, the total managerial remuneration paid to its Directors including Managing Director, Whole Time Directors, and Managers in respect of Financial Year 2015-16, does not exceed 11% of Net Profit of the Company.
- 17 Amortisation of debt securities is done from the date of investment on the basis of actual number of days upto the date of Sale/ Redemption/ 31st March 2016. While working out amortisation put/call option is not considered. However, partial redemption if any, is taken into account.
- 18 a) Unrealised gains / losses arising due to change in the Fair Value of listed equity shares and equity related instruments have been taken to "Fair Value Change Account" and on realisation will be transferred to profit and loss account.
- b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.
- 19 The Company does not have Real Estate Investment Property.

20 Sector-wise break-up of gross direct premium written in India is as under:

Sector	Current Year		Number of Policies/lives	Previous Year		Number of Policies/lives
	₹ in Lakhs	Percentage		₹ in Lakhs	Percentage	
Rural	246614.57	16.28	4639139	185975.21	14.08	3399946
Social	53717.80	3.55	74161700	44680.64	3.38	50417387
Others	1214618.51	80.18		1090283.65	82.54	
Total	1514950.88	100.00		1320939.50	100.00	

## 21 Performance Ratios

### i) Gross Premium Growth Rates :

SEGMENT	Gross Direct Premium (₹ in Lakhs)						Growth Rate (%)					
	Current Year			Previous Year			Current Year			Previous Year		
	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global
Fire	169183.62	85768.37	254951.99	164489.27	81861.17	246350.44	2.85	4.77	3.49	16.51	12.85	15.27
Marine Cargo	33490.88	4577.26	38068.15	32883.77	5192.64	38076.40	1.85	-11.85	-0.02	2.69	-16.67	-0.46
Marine Hull	28262.43	1147.74	29410.17	33644.02	5382.89	39026.91	-16.00	-78.68	-24.64	-14.01	-6.42	-13.03
Marine Total	61753.31	5725.00	67478.31	66527.78	10575.53	77103.31	-7.18	-45.87	-12.48	-6.49	-11.75	-7.25
Motor	617728.51	125171.09	742899.60	536600.52	90058.47	626658.99	15.12	38.99	18.55	16.54	-2.95	13.27
Personal Accident	21078.34	1837.15	22915.49	18560.00	1972.41	20532.41	13.57	-6.86	11.61	9.85	48.15	12.64
Aviation	11455.99	0.00	11455.99	10434.08	0.00	10434.08	9.79	0.00	9.79	11.50	-100.00	11.51
Engineering	49409.80	8710.66	58120.46	41774.94	9866.50	51641.45	18.28	-11.71	12.55	0.74	-4.11	-0.22
Health	484785.31	11347.86	496133.16	394179.21	7583.60	401762.81	22.99	49.64	23.49	18.88	125.57	19.95
Liability*	29780.24	14873.80	44654.04	26439.94	15086.28	41526.22	12.63	-1.41	7.53	5.38	11.31	7.46
Others	69775.75	7946.20	77721.94	61933.75	10092.48	72026.23	12.66	-21.27	7.91	8.98	-21.78	3.29
Sub Total	1284013.94	169886.76	1453900.70	1089922.44	134659.75	1224582.20	17.81	26.16	18.73	15.74	0.32	13.82
Grand Total	1514950.88	261380.13	1776331.01	1320939.50	227096.45	1548035.95	14.69	15.10	14.75	14.47	3.81	12.77

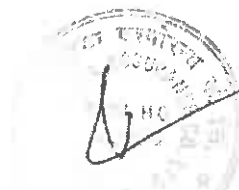
\*Liability includes Workmen's compensation

### ii) Gross Direct Premium to Net Worth Ratio:

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

### iii) Growth Rate of Net Worth:

	(₹ in Lakhs)					
	Current Year	Previous Year	Growth (CY)	Growth (PY)	Growth % (CY)	Growth % (PY)
Net Worth	982193.21	972223.14	9970.07	88393.37	1.03	11.42



iv) Net Retention Ratio : Indian

Segment	Current Year (₹ in Lakhs)			Previous Year (₹ in Lakhs)		
	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)	Gross Written Premium	Net Written Premium	Net Retention Ratio (%)
Fire	177757.43	86842.87	48.85	174341.41	88635.17	50.8
Marine Cargo	33676.73	25054.00	74.40	33154.83	26131.06	78.8
Marine Hull	29849.21	8426.36	28.23	34633.09	9095.00	26.2
Marine Total	63525.94	33480.36	52.70	67787.92	35226.06	51.9
Motor	629890.31	585527.08	92.96	555303.69	513783.89	92.5
Personal Accident	21462.30	19328.14	90.06	19208.59	18088.69	94.17
Aviation	11797.74	288.91	2.45	10630.27	-1766.45	-16.62
Engineering	53405.00	26002.28	48.69	45556.39	25030.02	54.94
Health	484785.31	455155.29	93.89	394179.21	374267.21	94.95
Liability*	29920.40	24239.11	81.01	26635.97	22506.84	84.50
Others	76542.87	60134.73	78.56	70549.18	55342.80	78.45
Misc sub Total	1307803.93	1170675.54	89.51	1122063.31	1007253.00	89.77
Grand Total	1549087.30	1290998.76	83.34	1364192.64	1131114.23	82.91

\*Liability includes Workmens' compensation

Net Retention Ratio : Foreign

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

\*Liability includes Workmens' compensation

Net Retention Ratio: Global

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

\*Liability includes Workmens' compensation



*[Handwritten signature]*

v) Net Commission Ratio to Net Written Premium

SEGMENT	Net Commission (₹ in Lakhs)						Net Commission Ratio (%)					
	Current Year			Previous Year			Current Year			Previous Year		
	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global	Indian	Foreign	Global
Fire	-1630.41	39786.01	38155.60	5440.70	34873.98	40314.68	-1.88	31.33	17.84	6.14	31.08	20.0
Marine Cargo	3507.67	1281.03	4788.70	3483.63	1510.28	4993.91	14.00	25.21	15.89	13.33	27.10	15.7
Marine Hull	-416.40	427.96	11.55	-1839.76	1104.32	-735.44	-4.94	15.13	0.10	-20.23	15.16	-4.4
Marine Total	3091.27	1708.99	4800.25	1643.87	2614.60	4258.47	9.23	21.61	11.60	4.67	20.33	8.8
Motor	18616.81	25983.10	44599.91	16958.42	19880.04	36838.47	3.18	22.77	6.37	3.30	22.96	6.1
Personal Accident	2222.47	655.60	2878.06	1970.26	618.89	2589.16	11.50	30.69	13.41	10.89	28.48	12.7
Aviation	-379.70	715.00	335.30	-353.59	652.77	299.18	-131.43	10.10	4.55	20.02	9.66	6.0
Engineering	-732.70	2209.92	1477.21	-1059.17	2350.16	1290.99	-2.82	28.58	4.38	-4.23	24.80	3.7
Health	29112.52	2811.70	31924.22	25560.10	1859.68	27419.77	6.80	24.78	6.84	6.83	24.49	7.1
Liability*	2740.83	3640.45	6381.28	2516.19	3535.01	6051.19	11.31	25.28	16.52	11.18	24.21	16.31
Others	7831.28	1991.45	9822.72	6855.79	2469.38	9325.17	13.02	23.36	14.31	12.39	23.48	14.16
Misc sub Total	59411.49	38007.21	97418.71	52447.99	31365.94	83813.94	5.07	22.99	7.29	5.21	22.78	7.32
Grand Total	60872.35	79502.21	140374.56	59532.56	68854.52	128387.08	4.72	26.48	8.82	5.26	26.20	9.21

\*Liability Includes Workmens' compensation

vii) Expense of Management to Gross Direct Premium Ratio:

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

vii) Expense of Management to Net Written Premium Ratio:

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

viii) Net Incurred Claims to Net Earned Premium:

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

ix) Combined Ratio:

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

x) Technical Reserves to net Premium Ratio:

Particulars	Current Year	Previous Year
a. Net Written Premium		
b. Reserves for Unexpired Risks	1591190.98	1393880.44
c. Premium Deficiency Reserves	801222.50	706014.12
d. Reserves for Outstanding Claims (Including INBR & IBNER)	0.00	0.00
e. Total Technical Reserves (b+c+d)	1632605.88	1498845.64
Technical Reserves to Net Premium Ratio (Times) (e/a)	2433828.38	2204859.76
	1.53	1.58



**xi) Underwriting Balance Ratio:**

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

**xii) Operating Profit Ratio:**

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

**xiii) Liquid Assets to Liabilities Ratio:**

Particulars	Current Year	Previous Year
a. Short Term Investments	217375.05	172518.03
b. Short Term Loans	0.00	0.00
c. Cash & Bank Balances	708274.41	825022.99
d. Total Liquid Assets (a+b+c)	925649.46	997541.02
e. Policy Holders Liabilities	2433828.38	2204859.76
Liquid Assets to Liabilities Ratio (Times) (d/e)	0.38	0.45

**xiv) Net Earnings Ratio:**

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

**xv) Return on Net Worth Ratio:**

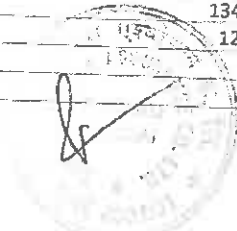
Particulars	Current Year	Previous Year
a. Net Worth	982193.21	972223.14
b. Profit After Tax	82869.21	143122.45
Return on Net Worth Ratio (%) (b/a)	8.44	14.72

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

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

**xvii) NPA Ratio**

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



## 22 Summary of Financial Statements

No	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
1	Gross Direct Premium	1776331.01	1548035.95	1372760.87	1187348.80	1007387.8
2	Net Earned Premium #	1495982.60	1331529.12	1331529.12	945063.91	787458.7
3	Income from Investments (Net) @	266582.00	258948.65	258948.65	186008.87	150670.2
4	Other Income (Prem Deficiency)	0.00	0.00	3519.41	0.00	0.00
5	Total Income	1762564.60	1590477.77	1593997.18	1131072.78	938128.97
6	Commissions (net incl Brokerage)	140374.56	128387.08	128387.08	84316.79	89749.84
7	Operating Expenses	351579.38	306060.01	306060.01	237409.00	206580.84
8	Net Incurred Claims	1314118.64	1118803.56	1118803.56	814307.00	708752.87
9	Change in Unexpired Risk Reserves	95208.38	62351.30	88174.09	82352.71	89662.10
10	Operating Profit/Loss	-43507.97	37227.12	40746.53	2524.11	-77958.58
	Non Operating Result					
11	Total Income under Shareholders' A/c	134063.07	140402.67	110699.00	98598.00	93575.17
12	Profit/(Loss) Before Tax	90555.10	177629.79	129442.41	101122.11	15616.59
13	Provision for Tax	7686.61	34507.34	20544.00	16756.00	-2315.15
14	Net Profit/(Loss) after Tax	82868.49	143122.45	108898.41	84366.11	17931.74
	Miscellaneous					
15	Policy Holders' Account :					
	Total Funds					
	Total Investments	2433828.38	2204859.76	2040960.26	1730647.29	1544733.36
	Yield on Investments	*	*	*	*	*
16	Shareholders' Account :					
	Total Funds					
	Total Investments	982193.21	972223.14	862129.70	773736.33	705761.34
	Yield on Investments	2618055.85	2481311.81	2101120.92	1788255.00	1576929.00
17	Paid up Equity Capital	14.61	15.68	15.17	14.46	14.68
18	Net Worth	20000.00	20000.00	20000.00	20000.00	20000.00
19	Total Assets	982193.21	972223.14	862129.70	773736.33	705761.34
20	Yield on Total Investments (%)	0.00	6171962.53	5309531.00	4537552.41	4216274.37
21	Earning per Share (₹)	14.61	15.68	15.17	14.46	14.58
22	Book value per Share (₹)	41.43	71.56	54.45	4.22	0.90
23	Total Dividend	491.10	486.11	431.06	386.87	352.88
24	Dividend per Share (₹)	25000.00	30000.00	22000.00	17000.00	4000.00
	# Net of Re-insurance	12.50	15.00	11.00	8.50	2.00
	@ Net of losses					

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

## 23 Age wise analysis of outstanding claims as on 31.03.2016 (Gross Indian excluding provision for IBNR and IBNER)

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




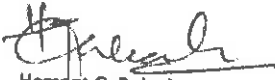
Segment	2 Years to 3 Years		3 Years to 5 Years		5 Years and above		Total	
	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)	No	Amount (₹ in lacs)
Fire	152	12364.06	265	7541.98	496	46239.34	3762	249183.34
Marine Cargo	62	1481.21	130	2914.66	196	2739.29	2500	30023.48
Marine Hull	26	908.46	41	3191.10	62	4135.67	269	23783.12
Motor OD	371	628.58	666	958.48	887	1429.49	60454	40889.07
Motor TP	15674	60226.30	25916	83094.15	61112	139748.62	162011	511435.32
Health	195	136.12	279	240.96	227	226.51	55043	40410.69
Liability	209	2110.50	434	3517.24	584	2220.96	2439	14898.55
Personal Accident	34	58.23	45	92.46	67	213.36	2062	4014.87
Aviation	6	1862.39	6	3040.19	8	1849.42	76	8665.88
Engineering	61	8927.47	38	1164.51	48	512.66	1924	41922.96
Other Miscellaneous	402	1974.27	694	5089.81	1798	3219.25	8688	49940.17
Total	17192	90677.59	28514	110845.53	65335	202534.58	299228	1015167.44

- 24 Interest, Dividends and Rent is apportioned between Revenue Accounts and Profit and Loss account in proportion to the balance in shareholders funds and policyholders' funds at the beginning of the year. The same is further apportioned to fire, marine and miscellaneous Revenue Accounts in proportion to the technical reserve balance at the beginning of the year.
- 25 The UPR at a revenue segment level was found to be sufficient to cover the expected claims cost as certified by the Appointed Actuary and the claim related expenses as estimated by the management. Hence no premium deficiency reserve is required to be provided.

  
Jayashree Nair  
Company Secretary

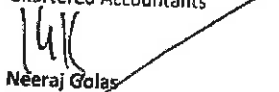
  
S. N. Rajeswari  
Chief Financial Officer

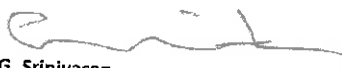
  
P. Nayak  
Director  
DIN No. 06670875

  
Hemant G. Rokade  
Director  
DIN No. 06417520


**FOR IDENTIFICATION  
IN TERMS OF OUR SEPARATE REPORT**

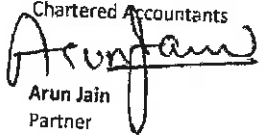
For R. Devendra Kumar & Associates  
Firm Reg. No. 114207W  
Chartered Accountants

  
Neeraj Golas  
Partner  
Membership Number 074392

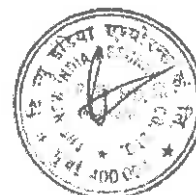
  
G. Srinivasan  
Chairman - Cum - Managing Director  
DIN No. 01876234

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

  
M. K. Gupta  
Partner  
Membership Number 073515

For JCR & Co.  
Firm Reg. No. 105270W  
Chartered Accountants  
  
Arun Jain  
Partner  
Membership Number 141802

Mumbai  
April 30, 2016



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

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

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

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Standalone Financial Statements:**

We have audited the accompanying standalone financial statements of **The New India Assurance Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the annexed Revenue Accounts of Fire, Marine and Miscellaneous Insurance Business (collectively known as 'Revenue Accounts'), Profit and Loss Account and the Receipt and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated returns for the year ended on that date:

- (a) From Thirty Seven Regional offices (including 6 LCO's ), Four hundred and forty eight Divisional offices audited by the other firms of Auditors appointed by the Comptroller and Auditor General of India under section 139 of the Companies Act, 2013; and
- (b) From Nine Foreign Branches, Seven Foreign Agency offices and one run-off office audited by local auditors appointed by the company and unaudited returns of three Run off offices(out of which one is closed) and one representative office.

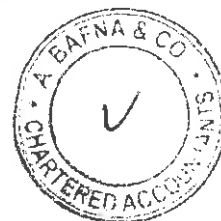
### **Management's Responsibility for the Standalone Financial Statements:**

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

### **Auditor's Responsibility:**

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

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





We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis for Qualified Opinion**

1.

- a) *In view of non-availability of balance confirmations of some loans and investments (Refer Note No. 9, Notes to Accounts Schedule 16B), we are unable to comment on the impact of adjustments arising out of reconciliation/confirmation of such balances on the financial statements;*
- b) *Balances due to/from persons or bodies carrying on Insurance Business and balances of Inter office accounts, control accounts, reinsurance accounts, co insurance accounts, certain Bank accounts and other accounts at certain offices are pending for reconciliation/confirmation and consequential adjustments (Refer Note 3(a) and (c), 4, 5, 8(b) (iii), Note No. 9(b), 21 and 22(a) of Notes to accounts, in schedule 16B), effect of which, if any, is not ascertainable and cannot be commented upon;*
- c) *As stated in Note No 22{(b) and (c)}, due to inconsistencies involved in the migration of data as well as non-availability of original cost in case of assets at Foreign Branches the compliance of schedule II to the Companies Act, 2013, is pending and the precise impact on the depreciation charged during the year and Profit/Loss on sale of asset as recognized in the financial statements has remained unascertained.*
- d) *As stated in Note No 23 (a), the returns of foreign Branches and agencies incorporated in the financial statements dealt with by this report, are prepared based on the accounting principles generally accepted at the respective locations/countries. Compliance of Generally Accepted Accounting Principles in India is pending in respect of these foreign Branches/agencies in relation to the matters stated in the said note, effect of which has not been ascertained. Further the Auditors Report in respect of foreign Branches have not been drawn in accordance with form and content as prescribed under SA 700 /705 issued by the Institute of Chartered Accountants of India read with provisions of the Companies Act, 2013 and IRDAI Regulations 2002. The precise impact of which is not ascertainable. (Refer Note 23).*
- e) *As stated in Note No. 23(b), no provision has been made towards receivable from agent at Curacao Branch for an amount of Rs.1861.76 lakhs, the auditor of the said Branch has not been able to obtain sufficient evidence towards recoverability of the said dues and as such the precise impact arising out of the above is not quantifiable.*
- f) *The Company's internal control systems require strengthening specially in area of data input and validation in various soft-wares and recording of intimated claims at the offices of the company and with TPAs. The internal audit system also requires strengthening in the areas of audit coverage and compliance. (Refer Note 26).*



2. *Overall impact of the above Para 1 and the consequential effects on Revenue Accounts, Profit and Loss Account and the assets, liabilities Reserve and Surplus as on 31<sup>st</sup> March 2016 are not ascertainable.*

#### **Qualified Opinion**

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

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2016;
- (ii) In case of revenue accounts of the Loss in Miscellaneous Business and Profit in Fire and Marine Business for the year ended on that date;
- (iii) In case of Profit and Loss Account of the Profit for the year ended on that date, and
- (iv) In case of Receipt and Payments Account, of the receipts and payments for the year ended on that date;

#### **Emphasis of Matter**

We draw attention to the following Notes to Accounts:

- a) Note No. 8(a), 8(b)(ii) and 8(c) in Schedule 16 B regarding non- compliance of Insurance Regulatory and Development Authority (IRDAI) Regulations during the year;
- b) Note No. 12 (a) in Schedule 16 B, regarding deferment of expenditure relating to additional liability towards pension and gratuity on account of pay revision to the extent of Rs.33498 lakhs and Rs. 8698.0 lakhs respectively and pension liability of Rs.1381.60 lakhs towards extended pension scheme, pursuant to the deferment permitted by the IRDAI.
- c) Note No. 8(b)(i) in Schedule 16 B, non-disclosure of segment reporting in respect of Public and Product Liability of Foreign Business.
- d) Note No.16 regarding penalty imposed by Competition Commission of India of Rs.251.07 crores which is being contested by the company and in the opinion of the management, the company is hopeful of favourable decision.;
- e) Note No. 24 regarding recognition of Reserve for Unexpired risk as per Insurance Act, 1938 while the implementation of systems and procedures to compute the same in accordance with 1/365 method is pending and as such the compliance of IRDAI guidelines in this regard is pending.

Our opinion is not modified in respect of these matters.

#### **Other Matters**

We did not audit the financial statements of Thirty Seven Regional offices (including 6 LCO's ), Four hundred and Forty Eight Divisional offices, Nine Foreign Branches, Seven Foreign Agency offices Four Run off offices(out of which one is closed) and one representative office, included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of ₹2734053.18 lakhs as at 31st March, 2016 and total revenues of ₹1776881.00lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these offices except in case of Run-off and representative offices which have remained unaudited, have been audited by the other firm of auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these offices, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.



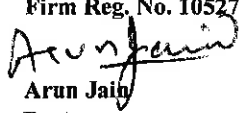
### Report on Other Legal and Regulatory Requirements

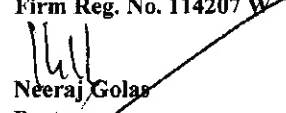
As required by Section 143 (3) of the Companies Act 2013 and Insurance Regulatory and Development Authority (Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority, we report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

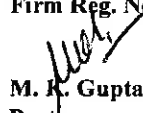
- a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.;
- b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of accounts have been maintained by the Company, so far as it appears from our examination of those books and proper returns both audited and unaudited from Regional offices, Divisional Offices, branches and other offices, not visited by us, have been received.
- c) The reports of the Regional Auditors consolidating the Divisional Auditors report, Reports of foreign branches and foreign agency offices, audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report in the manner considered necessary by us.
- d) The Balance sheet, Revenue account, Profit and Loss account and the Receipts and Payments Account dealt with by the report are in agreement with the books of account and with the returns received from offices not visited by us.
- e) In our opinion, the aforesaid standalone financial statements have been prepared in accordance with the requirements of the Insurance Act, 1938 (4 of 1938), the Insurance Regulatory and Development Act, 1999 (41 of 1999) and the Companies Act, 2013 to the extent applicable and in the manner so required.;
- f) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- g) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- i) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- j) The accounting policies Adopted by the company are appropriate and in compliance with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the Accounting Principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority.
- k) The actuarial valuation of liability in respect of claims Incurred But Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) as at 31<sup>st</sup> March 2016, have been duly certified by the Company's Appointed Actuary and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuations are in accordance with guidelines and norms prescribed by the Insurance Regulatory and Development Authority of India (IRDAI) and the Actuarial Society of India in concurrence with the IRDAI.



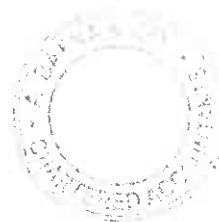
- l) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the investments have been valued in accordance with the provisions of the Insurance Act, the regulations and orders/directions issued by IRDAI in this regard.
- m) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Schedule 16 C to the standalone financial statements;
  - The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. There are no outstanding derivative contracts at the Balance Sheet date.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- n) Further on the basis of our examination of books and records of the company and according to the information and explanation given to us and to the best of our knowledge and belief, we certify that:
- We have reviewed the management report attached with the Financial Statements and there are no apparent mistakes or material inconsistencies between the management report and the standalone financial statements;
  - Based on the management representation by officer of the company charged with compliance, nothing has come to our attention which causes us to believe that the company has not complied with the terms and conditions of registration as stipulated by IRDAI; and
  - No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds.
- o) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- p) As required under section 143(5) of the Companies Act, 2013, based on our audit as aforesaid, we enclose herewith, as per "Annexure B", the directions including sub-directions issued by the Comptroller & Auditor General of India, action taken thereon and the financial impact on the accounts and financial statements of the Company.

**For JCR & CO.**  
Chartered Accountants  
Firm Reg. No. 105270W  
  
**Arun Jain**  
Partner  
Membership No. 141802

**For R. Devendra Kumar & Associates**  
Chartered Accountants  
Firm Reg. No. 114207 W  
  
**Neeraj Golas**  
Partner  
Membership No. 74392

**For A. Bafna & Co.**  
Chartered Accountants  
Firm Reg. No. 003660C  
  
**M. R. Gupta**  
Partner  
Membership No. 073515

Place: Mumbai  
Date: 30th April 2016



**“ANNEXURE A” REFERRED TO IN THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE NEW INDIA ASSURANCE CO. LTD. FOR THE FINANCIAL YEAR 2015-16**

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

1. We have audited the internal financial controls over financial reporting of **THE NEW INDIA ASSURANCE CO LTD.** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. These financial statements incorporated returns received :
  - a) From Thirty Seven Regional offices (including 6 LCO’s ), Four hundred and Forty eight Divisional offices audited by the other firms of Auditors appointed by the Comptroller and Auditor General of India under section 139 of the Companies Act, 2013; and
  - b) From Nine Foreign Branches, Seven Foreign Agency offices and one run-off office audited by local auditors appointed by the company and unaudited returns of three Run off offices(out of which one is closed) and one representative office.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, , to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



5. Report of branch auditors relating to Bangkok, Manila, Fiji and London Branches have not been received and as such was not available for our review and therefore the internal controls over financial reporting relating to these offices have not been considered in this report and cannot be commented upon.
6. Except for the possible effect of non-availability of reports as stated in note No. 5, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Qualified Opinion**

9. According to the information and explanation given to us and based on our audit, the following internal control weaknesses of material nature have been identified as at March 31, 2016:
  - a. Confirmation and reconciliation of various balances relating to co insurers, reinsurers, brokers, bank accounts, inter office accounts and other control accounts are pending and are at various stages;
  - b. Inadequate controls are observed with regard to ageing of insurance receivables;
  - c. Inconsistencies involved in the migration of data as well as non-availability of original cost in case of assets at Foreign Branches;
  - d. The Company's internal control systems require strengthening specially in area of data input and validation in various soft-wares and recording of intimated claims at the offices of the company and with TPAs. The internal audit system also requires strengthening in the areas of audit coverage and compliance;



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

10. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statement will not be prevented or detected on a timely basis.
11. In our opinion, except for the possible effects of the internal control weaknesses described above on the achievements of the objectives of the control criterion, the company has maintained , in all material respects , adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31,2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".
12. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the Standalone financial statements of the Company except to the extent of our qualification as contained in our separate report on the Standalone financial statements of the company.

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

  
Arun Jain


Partner  
Membership No.141802

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

  
Neeraj Golas

Partner  
Membership No. 74392

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

  
M. K. Gupta

Partner  
Membership No. 073515



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

**Sr. Directions under section 143(5) of Companies Act 2013**

**Action taken and financial impact**

1. Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?

: According to the records and information provided to us and on the basis of reports of Branch auditors, the Company has clear title/lease deeds for freehold and leasehold properties except as under:

**LAND:**

**1. Leasehold land:**

[i] One leasehold land book value Rs.1.00 is under litigation and SLP is pending with Supreme Court.

[ii] 2 leasehold lands book value of Rs.118.44 lacs where lease deed has been expired.

[iii] 1 leasehold land consisted of 123 tenements and 6 godowns, book value Rs.3.42 lacs and lease period 999 years, which is not in possession of the Company.

**2. Freehold Land:**

8 properties book value Rs.51.92 lacs where conveyance deeds are not available.

3. Buildings book value Rs.26.83 lacs which has been wrongly classified under land.

**BUILDINGS:**

1. 234 properties, book value Rs.2971.14lacs where title deeds are not presently available/ registration formalities are yet to be completed.

2. 598 properties book value Rs.7060.30 lacs which have been certified by RO/ DO Auditors as available at respective offices.

3. 27 properties book value Rs.102.70 lacs which are not registered in the name of the Company.

Further, cost as per title deeds is being reconciled with the asset register. Necessary reconciliation is under process.

2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.

: According to the records and information provided to us, during the year Rs. 50.82 lakhs has been waived of in loans and debentures. The same was due to scheme of arrangement ordered by the High Court of Gujarat.





Further, the company has written off /down, Investments of Equity/Preference share/Mutual Fund to the extent of Rs.243.44Lakhs towards impairment and Rs. 426.63 lakhs reversal in value of Investment.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities? : The Direction is not applicable.

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

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

The Central Government / State Government securities balances are tallied as per the Books of Accounts. In case of Bonds/ Debentures / Equities / Preference Shares, there are 23 Nos of Scrips, Equity Book Value Rs.8,00,536, Preference Shares face value Rs.26000 and Debentures face value Rs.66,32,580, where there is shortage as per the records of custodian vis a vis books of accounts of the company and there are 104 Nos of scrips, Market Value Rs 2,64,67,873 as made available where there is excess quantity as per custodian records vis a vis books of accounts of the company. The Company is in the process of taking adequate steps for reconciliation and adjustments wherever required.

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

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

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

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

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

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



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

1. Total number of cases of unconfirmed co-insurance balances in respect of premium/claims due to and due from other insurance companies	As per information and explanations provided us, co insurance balances are under reconciliation at various offices of the company. Refer Para 1 (b) to the audit report. Number of cases were 115 as reported by RO auditors.
2. The number of cases test checked by Statutory Auditors at DO/RO	Total 45 Number of cases have been checked by the RO Auditors. Data related to co- insurance balances/confirmation is maintained at operating offices. Therefore at HO level checks cannot be performed.

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

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

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

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

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

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

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

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

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

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



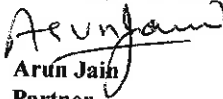
3. Whether there is an assurance that provision for employees liabilities such as pension fund, leave encashment, gratuity etc., and provision for IBNR & IBNER claims are as per actuarial valuation. Whether accurate & complete data was provided by the PSU to the Actuary and the benchmark used by Actuary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

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


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

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


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

  
Arun Jain  
Partner  
Membership No.141802

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

  
Neeraj Golas  
Partner  
Membership No. 74392

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

  
M. K. Gupta  
Partner  
Membership No. 073515

Place: Mumbai  
Date: 30th April 2016



The New India  
Assurance Company  
Limited - New  
Zealand Branch

Annual report  
for the year ended 31 March 2016

# Report contents

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# Annual report

In the opinion of the Directors of the New India Assurance Company Limited - New Zealand Branch ("the Branch") the financial statements and notes, on pages 5 to 28:

- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Branch as at 31 March 2016 and the results of operations for the year ended on that date
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Branch and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Branch, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

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 2016. As required by Section 211 of the Companies Act 1993 we disclose the following information:

- The results of operations for the year and the state of affairs of the Branch, as reported in the financial statements, were as expected by the Directors.
- No dividends are payable by the Branch.
- The Directors had no interests in contracts with the Branch except as disclosed in note 24.
- The Directors do not receive any remuneration from the Branch.
- One employee received remuneration and other benefits of between \$100,000 - \$110,000.
- One employee received remuneration and other benefits of between \$120,000 - \$130,000.
- Donations amounting to nil were made by the Branch during the year.
- The Auditors remuneration from the Branch is as disclosed at Note 7.

Director

Date:

जी. श्रीनिवासन/G. SRINIVASAN  
अध्यक्ष सह प्रबंध निदेशक  
Chairman-Cum-Managing Director

Director

Date:

हेमंत जी. रोकडे  
HEMANT G. ROKADE  
निदेशक व महाप्रबंधक  
Director & General Manager

# Directory

Nature of business	General Insurance
Registered Office	Level 5 63 Albert Street Auckland New Zealand
Incorporation number	1489374
Director	V.R. Iyer (resigned 30 May 2015) K.S. Kumar (resigned 31 July 2015) G. Srinivasan S. Ullah (resigned 18 December 2015) K. L. Ravindranath Babu (resigned 31 July 2015) M. Mustafa (appointed 9 September 2015) P. Nayak (appointed 27 January 2016) H. Rokade (appointed 27 January 2016) A. Tiwari (appointed 21 September 2015) A. Roy (appointed 2 July 2015 and resigned 9 September 2015)
Auditor	DFK Oswin Griffiths Carlton Chartered Accountants
Banker	ANZ Bank

## **INDEPENDENT AUDITORS 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 28 which comprise the statement of financial position as at 31 March 2016, the statement of comprehensive income, the statement of changes in equity and statement of cash flows and financial performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Restriction on Distribution or Use**

This report is made solely to the Company's shareholders, as a body, in accordance with Section 207(B)1 of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and 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 and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.



*We make it happen!*

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 have no other relationship with, or interest in, The New India Assurance Company Limited - New Zealand Branch except for the provision of tax compliance services.

**Opinion**

In our opinion, the financial statements on page 5 to 28 present fairly, in all material respects, the financial position of The New India Assurance Company Limited - New Zealand Branch as at 31 March 2016, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

*DFK Oswin Griffiths Carlton*  
DFK Oswin Griffiths Carlton  
Chartered Accountants  
27 July 2016  
Auckland, New Zealand

# Statement of financial position

as at 31 March 2016  
in New Zealand Dollars

	Note	2016 \$	2015 \$
<b>Assets</b>			
Cash and cash equivalents		1,219,087	2,493,086
Trade and other receivables	13	3,601,487	3,576,898
Deferred acquisition costs	15	1,685,395	2,072,921
Investments	12	14,214,004	6,540,037
<b>Total current assets</b>		<b>20,719,973</b>	<b>14,682,942</b>
Property, plant and equipment	10	24,842	35,465
Intangibles	11	30	74
Investments	12	25,645,022	28,018,155
<b>Total non-current assets</b>		<b>25,669,894</b>	<b>28,053,694</b>
<b>Total assets</b>		<b>46,389,867</b>	<b>42,736,636</b>
<b>Liabilities</b>			
Trade and other payables	16	1,348,098	1,448,637
Outstanding claim provision	18	3,359,519	4,639,071
Income tax payable	9	399,333	788,465
Employee benefits	17	33,153	33,153
Unearned premium reserve	19	4,492,745	5,333,296
<b>Total current liabilities</b>		<b>9,632,848</b>	<b>12,242,622</b>
Deferred tax liability	14	422,849	531,190
<b>Total non-current liabilities</b>		<b>422,849</b>	<b>531,190</b>
<b>Total liabilities</b>		<b>10,055,697</b>	<b>12,773,812</b>
<b>Equity</b>			
Retained earnings		17,858,304	14,418,266
<b>Total equity</b>		<b>17,858,304</b>	<b>14,418,266</b>
Head office account	24	18,475,866	15,544,558
<b>Total equity and head office account</b>		<b>36,334,170</b>	<b>29,962,824</b>
<b>Total liabilities and equity</b>		<b>46,389,867</b>	<b>42,736,636</b>

This statement is to be read in conjunction with the notes to the financial statements.

# Statement of comprehensive income

for the year ended 31 March 2016

in New Zealand Dollars

	Note	2016 \$	2015 \$
Gross earned premium revenue	6	10,025,241	12,145,029
Outwards reinsurance premium expense		(508,716)	(1,827,035)
<b>Net premium revenue</b>		<b>9,516,525</b>	<b>10,317,994</b>
Claims expense		(1,527,822)	(1,606,673)
Reinsurance and other recoveries revenue	6	198,784	190,255
<b>Net claims incurred</b>		<b>(1,329,038)</b>	<b>(1,416,418)</b>
Acquisition costs		(3,813,372)	(5,277,211)
Other underwriting expenses	7	(902,769)	(524,964)
<b>Underwriting expenses</b>		<b>(4,716,141)</b>	<b>(5,802,175)</b>
<b>Underwriting profit</b>		<b>3,471,346</b>	<b>3,099,401</b>
Investment income	8	1,363,948	1,549,103
<b>Profit before income tax expense</b>		<b>4,835,294</b>	<b>4,648,504</b>
Income tax expense	9	(1,395,256)	(1,357,340)
<b>Profit for the period</b>		<b>3,440,038</b>	<b>3,291,164</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>3,440,038</b>	<b>3,291,164</b>

This statement is to be read in conjunction with the notes to the financial statements.

# Statement of changes in equity

for the year ended 31 March 2016  
in New Zealand Dollars

	Retained earnings	Total
	\$	\$
Balance at 1 April 2014	11,127,102	11,127,102
Total comprehensive income for the year		
Profit for the year	3,291,164	3,291,164
Other comprehensive income	-	-
Total comprehensive income for the year	3,291,164	3,291,164
Balance at 31 March 2015	14,418,266	14,418,266
Balance at 1 April 2015	14,418,266	14,418,266
Total comprehensive income for the year		
Profit for the year	3,440,038	3,440,038
Other comprehensive income	-	-
Total comprehensive income for the year	3,440,038	3,440,038
Balance at 31 March 2016	17,858,304	17,858,304

This statement is to be read in conjunction with the notes to the financial statements.

# Statement of cash flows

for the year ended 31 March 2016  
in New Zealand Dollars

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Premiums received		9,756,733	12,000,160
Reinsurance and other recoveries received		221,159	438,485
Interest received		763,868	1,037,340
Interest paid		-	(24,297)
Claims paid		(2,807,374)	(3,453,138)
Outwards reinsurance premiums paid		(564,387)	(1,782,111)
Acquisition expenses (paid)/ recovered		(513,465)	396,091
Other underwriting expenses paid		(936,941)	(690,738)
Income tax paid		(1,892,729)	(2,325,695)
<b>Net cash inflows from operating activities</b>	22	<b>4,026,864</b>	<b>5,596,097</b>
<b>Cash flows from investing activities</b>			
Investment in term deposits at banking institutes		(10,200,000)	(14,416,208)
Proceeds from matured term deposits		4,899,166	10,374,084
Sale/ (purchase) of property, plant and equipment		1,599	(5,457)
Proceeds from sale of property, plant and equipment		(1,628)	-
<b>Net cash outflows from investing activities</b>		<b>(5,300,863)</b>	<b>(4,047,581)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(1,273,999)</b>	<b>1,548,516</b>
Opening cash and cash equivalents		2,493,086	944,570
<b>Closing cash and cash equivalents</b>		<b>1,219,087</b>	<b>2,493,086</b>

This statement is to be read in conjunction with the notes to the financial statements.

# Notes to the financial statements

## 1 Statement of Accounting Policies

### **Reporting Entity**

The financial statements are for the New Zealand Branch of The New India Assurance Company Limited (the "Branch"). The Branch is a Branch of The New India Assurance Company Limited, a company incorporated in India and an overseas company registered under the Companies Act 1993. The Branch is an FMC Reporting Entity in terms of the Financial Markets Conduct Act 2013 and the financial statements have been prepared in accordance with the requirements of that Act and the Financial Reporting Act 2013.

The Branch is a for-profit reporting entity.

The Branch provides general insurance services directly to other entities.

The Branch's financial statements should be read in conjunction with the full financial statements of the overseas company.

The financial statements of the Branch are for the year ended 31 March 2016. The financial statements were authorised for issue by the Directors on the date included on page 2.

### **(a) Basis of Preparation**

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 Tier 1 for-profit entities. The financial statements comply with International Financial Reporting Standards (IFRS).

The financial statements are presented in New Zealand dollars (\$). This is the Branch's functional and presentation currency.

### **(b) Basis of Measurement**

The financial statements have been prepared on the historical cost basis, as modified by certain exceptions as described in the accounting policies below.

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 judgements. 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.

## Notes to the financial statements (continued)

### (b) Basis of Measurement (continued)

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.

Judgements 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.

### (c) Changes in Accounting Policies and Comparatives

All accounting policies have been applied consistently to all periods presented in the financial statements.

### (d) 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 policy holder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The insurance activities of the Branch all arise from general insurance contracts.

### (e) Revenue

#### *(i) 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 recognised as revenue from the date of attachment of risk. Premium revenue is recognised evenly over the period of the policy or the period of indemnity on the basis of the 24ths method which is considered to closely approximate the pattern of incidence of risk.

The unearned portion of premium is recognised within unearned premium liabilities in the Statement of Financial Position.

#### *(ii) Investment income*

All investment income is recognised as revenue on an accrual basis. Interest income is recognised on a time proportion basis using the simple interest method. Assets are designated at fair value through profit and loss and the related net realised and unrealised gains and losses are included in the Statement of Comprehensive Income as investment revenue.

### (f) Outward Reinsurance Expense

Premium ceded to reinsurers is recognised as an expense from the date of attainment of risk over the period of indemnity of the reinsurance contract in accordance with the expected pattern of the incidence of risk.

### (g) Reinsurance Commission Income

Reinsurance commission income is earned on business ceded to reinsurers. Commission income is recognised as the service is performed.

### (h) Claims

The Branch's claims liability is measured as the present value of expected future payments relating to claims incurred at the reporting date. The expected future payments include those estimates in relation to the claims incurred but not enough reported (IBNER) and claims incurred but not reported (IBNR) based on past experience.

Claims incurred all relate to providing services, including the bearing of risk, and are accordingly treated as expenses in the Statement of Comprehensive Income. Claims expenses represent total claim payments made during the year adjusted for the movement in the outstanding claims liability.

## Notes to the financial statements (continued)

### (h) Claims (continued)

The claims liability is measured based on the valuations performed by the Appointed Actuary whose key assumptions are outlined in note 3.

### (i) Liability Adequacy Testing

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

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

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

### (j) Reinsurance Recoveries

Reinsurance recoveries are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Subsequent to initial recognition, reinsurance recoveries are measured at cost less impairment. A reinsurance asset is impaired if there is objective evidence as a result of an event that occurred after initial recognition of the asset that the amounts due may not be received and the amount can be reliably measured. An impairment is recognised in the profit and loss.

### (k) Deferred Acquisition Costs

Acquisition costs incurred in writing and renewing of insurance contracts are deferred and recognised as assets where they can be reliably measured and where it is probable that they will be recoverable out of future premiums. Deferred acquisition costs are amortised in accordance with expected pattern of incidence of risk under the insurance to which they relate.

Deferred acquisition costs are measured at the lower of cost and recoverable amount. An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in the profit or loss. Deferred acquisition costs are also considered in the liability adequacy test for each reporting period. Deferred acquisition costs are derecognised when the related contracts are either settled or disposed of.

### (l) Taxes

#### *Current Income Tax*

Current Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date in the countries where the Branch operates and generates taxable income. Current Income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

#### *Deferred Tax*

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.



## Notes to the financial statements (continued)

### (l) Taxes (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### (m) Property, Plant and Equipment

#### Owned assets

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

#### Depreciation

Depreciation is charged to the Statement of Comprehensive Income. The following rates have been used:

Other assets	19.2%- 25% diminishing value
Office equipment	36% - 60% diminishing value
Fixtures and fittings	12% - 40% diminishing value
Motor vehicles	26% diminishing value

The residual value of assets is reassessed annually.

### (n) Intangible Assets

Software is a finite life intangible asset 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.

### (o) Investments

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

## Notes to the financial statements (continued)

### (p) Impairment

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

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

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

Estimated recoverable amount of investments 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.

### (q) 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 Branch 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.

### (r) Provisions

A provision is recognised when the Branch 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.

### (s) 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 Branch. The Head Office account is subordinated to all liabilities of the Branch and will not be repaid unless there is an adequate surplus of assets over liabilities after repayment of the Head Office account.

### (t) Reinsurance Programme

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

The experience based model has been adopted while purchasing catastrophic reinsurance cover.

The majority of reinsurance has been arranged on excess of loss treaty basis and facultative cover is used where certain risks are falling outside the limits provided under excess of loss treaty to ensure complete financial protection.

## Notes to the financial statements (continued)

### (u) 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.

### (v) 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.

### (w) 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.

### (x) 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 Branch 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 and cash and cash equivalents 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.

### (y) Financial Liabilities

Trade and other payables are recognised when the Branch 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.

### (z) Assets Backing General Insurance Liabilities

The Branch maintains its investment portfolio to ensure that investments are part of the current assets available to meet its insurance liabilities as they become due and payable.

## Notes to the financial statements (continued)

### (aa) New accounting standards and interpretations not yet adopted

The Branch has not adopted any new standards or interpretations early.

New or revised standards and interpretations that have been approved but are not yet effective have not been adopted by the Branch for the year ended 31 March 2016. The adoption of these standards and interpretations is not expected to have a material recognition or measurement impact on the Branch's financial statements.

The Branch will adopt the following new and revised standards when they become mandatory.

#### *- NZ IFRS 9 - Financial Instruments*

NZ IFRS 9 was issued in September 2014 as a complete version of the standard. NZ IFRS 9 replaces the parts of NZ IAS 39 that relate to the classification and measurement of financial instruments, hedge accounting and impairment. NZ IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the NZ IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating the impairment of financial assets. This standard is effective for reporting periods beginning on or after 1 January 2018. The adoption of this standard is not expected to have a material impact on the measurement of the Branch's assets and liabilities.

#### *- NZ IFRS 15 - Revenue from contracts with customers*

NZ IFRS 15 addresses recognition of revenue from contracts with customers. It replaces the current revenue recognition guidance in NZ IAS 18 Revenue and NZ IAS 11 Construction Contracts and is applicable to all entities with revenue. It sets out a five step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This standard is effective for periods beginning on or after 1 January 2018. The adoption of this standard is not expected to have a material impact on the measurement of the Branch's assets and liabilities as the new standard does not apply to insurance contracts.

#### *- Disclosure Initiative: Amendments to NZ IAS 1*

In December 2014 the XRB issued amendments to NZ IAS 1 Presentation of Financial Statements as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). These amendments will not require any significant change to current practice, but should facilitate improved financial statement disclosures. The amendments are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not expected to have a material impact on the measurement of the Branch's assets and liabilities.

#### *- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS12)*

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. Guidance on how to determine future taxable profit for the recognition test is also provided. The Branch intends to adopt these amendments in its financial statements for the annual period beginning on 1 April 2017. The Branch does not expect the amendments to have a material impact on the financial statements.

#### *- Disclosure Initiative (Amendments to IAS 7)*

Additional disclosures to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as effects of changes in foreign exchange rates and changes in fair values). The Branch intends to adopt these amendments in its financial statements for the annual period beginning on 1 April 2017. The Branch does not expect the amendments to have a material impact on the financial statements.

#### *- IFRS 16 Leases*

The new standard eliminates the current dual accounting model for lessees which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The Branch is currently assessing the impacts of the new standard. The effective date of the new standard is 31 December 2019.

The Branch intends to adopt the following amendment in its financial statements for the annual period beginning on 1 April 2016. The Branch does not expect the amendments to have a material impact on the financial statements.

- Changes in method for disposal under NZ IFRS 5 Non Current Assets Held for Sale and Discontinued Operations.

## Notes to the financial statements (continued)

### 2 Accounting Judgements and Estimates

The Branch makes estimates and assumptions that affect the reported amounts of assets and liabilities at year end. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas in which accounting estimates are applied are described below.

#### *Key sources of estimation uncertainty*

The key area of estimation uncertainty for the Branch is in its estimation of outstanding claims and reinsurance recoveries.

#### *The ultimate liability arising from claims made under insurance contracts*

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the end of the reporting period, including the cost of IBNR and IBNER to the Branch.

The Branch takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The estimation of IBNR and IBNER is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Branch, where more information about the claim event is generally available. In calculating the estimated cost of unpaid claims the Branch uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- \* changes in the economic environment
- \* changes in the mix of business
- \* changes in claims management practice

Provisions are calculated gross of all recoveries.

The methods used to analyse past claims experience and to project future claims experience are largely determined by the available data and the nature and maturity of the portfolio.

The determination of an appropriate outstanding claims liability and the specific assumptions used are detailed in note 3.

### 3 Actuarial Assumptions and Methods

The actuary who carried out the valuation of the IBNR reserve of the Branch is Marcelo Lardies from the actuarial team at Aon New Zealand.

Report date: 10 June 2016

Qualification: Fellow of the New Zealand Society of Actuaries

The report relied on historical data and other qualitative and quantitative information provided by The New India Assurance Company Limited - New Zealand Branch. The actuary also reconciled the business data to the financial data in which the overall result is acceptable.

## Notes to the financial statements (continued)

### 3 Actuarial Assumptions and Methods (continued)

#### Unexpired risk liability

The unearned premium liability was found to be adequate as at 31 March 2016.

The probability of sufficiency (POS) adopted in performing the liability adequacy test (LAT) is set at the 75th percentile which is the same as that adopted in determining the outstanding claims liability (OCL).

The POS for OCL is set at a level that is appropriate to cover the Branch's claims obligations after having regard to the prevailing market environment and prudent industry practice.

Being a test of adequacy, the POS for LAT is set to highlight deficiencies in product pricing following an analysis of the Branch's profit margins for the last two financial years.

#### (a) Assumptions

2016

The following assumptions have been made in determining the outstanding claims liabilities:

Inflation rate	1.90%
Discount rate	4.00%
Discounted mean term (years)	2
Claim handling expense ratio	12.50%
Risk margin	15.00%

#### (b) Processes Used to Determine Assumptions

The valuation of outstanding claims liabilities included in the Appointed Actuary report are calculated using the Chain Ladder Method and the Payments Per Claim Incurred Method.

In the development of Claim Payment Patterns and projecting claim payment liabilities the following economic assumptions have been made:

##### Inflation Rate

Pre valuation date claim inflation has been taken as movements in CPI. Post valuation date claim inflation has been taken as 1.9% per annum. Most claims are of a short to medium term duration.

##### Discount Rate

The discount rate used is 4% per annum. This is approximately the average gross yield on Government Bonds of short to medium term durations consistent with the duration of the liabilities.

##### Claims Handling Expenses

The Branch is responsible for the on-going management of all claims incurred on or before 31 March 2016.

To reflect this expense, an allowance is included in the central estimate of the outstanding claims liability.

##### Risk Margin

A risk margin at a 75% level of sufficiency has been used to determine the outstanding claims liability on the liability line of business at 31 March 2016. The risk margin reflects the predominantly short tail nature of the business.

## Notes to the financial statements (continued)

### 3 Actuarial Assumptions and Methods (continued)

#### (c) Sensitivity Analysis

The Outstanding Claims Liability provision has been estimated by the Appointed Actuary taking into consideration overall past claims experience and case estimates information provided by the management of the Branch. A 10% increase in Claims Expenses ratio will result in a 0.9% increase (\$30,700) in Outstanding Claims Liability, decreasing the reported profit and equity by the same amount. Likewise a 10% increase in Risk margin ratio will result in a 1.1% increase (\$36,000) in Outstanding Claims Liability, decreasing profit and equity by the same amount.

#### (d) Solvency

As at 31 March 2016 The New India Assurance Company Limited had an audited Solvency Ratio (Total Available Solvency Margin/ Total Required Solvency Margin) of 2.30 (= Rs91.5bn / Rs39.9bn) in accordance with Section 64VA of the Insurance Act, 1938 (Republic of India).

### 4 Insurance Contracts Risk Management Policies and Procedures

The principal risk the Branch faces under insurance contracts is that the actual claims payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual claims paid and subsequent development of long-term claims. Therefore, the objective of the Branch is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across the portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Branch purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is facultative reinsurance placements which is taken out to reduce the overall exposure of the Branch to certain classes of business. Non- proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Branch's net exposure to risk and catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions and are in accordance with the reinsurance contracts. Although the Branch has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit risk exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

### 5 Insurance and Financial Risks

#### (a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the Branch's exposure to credit risk:

- The Branch has investments in bank fixed deposits mostly for 1-2 years to avoid long term risk. The banks are selected for fixed deposit investment on the basis of their credit ratings by approved Rating Agencies and having superior ratings to ensure safety and liquidity of capital. The investments are made in different banks in order to ensure diversification and spread risk and to reduce the exposure in single bank transactions.

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

## Notes to the financial statements (continued)

### 5 Insurance and Financial Risks (continued)

#### (b) Credit exposure by credit rating

The table below provides information regarding the maximum credit risk exposure of the Branch by classifying assets according to Branch's credit ratings of counterparties:

31 March 2016	Rated	Unrated
Financial assets at fair value through profit and loss	\$	\$
Term deposits with credit institutions	39,859,026	-
Insurance receivables	-	1,937,258
Cash and cash equivalents	1,219,087	-
<b>Total</b>	<b>41,078,113</b>	<b>1,937,258</b>

31 March 2015	Rated	Unrated
Financial assets at fair value through profit and loss	\$	\$
Term deposits with credit institutions	34,558,192	-
Insurance receivables	-	2,508,706
Cash and cash equivalents	2,493,086	-
<b>Total</b>	<b>37,051,278</b>	<b>2,508,706</b>

Cash and cash equivalents and term deposits are invested with New Zealand Banks i.e. ANZ Bank New Zealand Limited having a credit rating of AA- of S&P, AA- of Fitch and Aa3 of Moody's, Bank of India (New Zealand) Limited having a credit rating of BBB- of Standard and Poor and Bank of Baroda having a credit rating of BBB- of Fitch and Baa3 of Moody's. Insurance receivables are not rated.

#### Age analysis of financial assets past due but not impaired

For assets to be classified as "past-due" and impaired contractual payments must be in arrears for more than 90 days. No collateral is held as security for any past due or impaired assets.

As at 31 March 2016, there were \$162,795 of financial assets past due but not impaired (2015: \$88,744).

#### (c) 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 Branch's short, medium and long term investment portfolio which can be liquidated at short notice.

The following procedures are in place to mitigate the exposure to liquidity risk:

The Branch manages its liquidity risk by monitoring the total cash inflows and outflows expected on a daily and monthly basis. The normal cash outflow is managed from monthly cash inflow premium and in the event of greater and significant outflow of cash, the liquidity may be managed through liquidating the bank fixed deposits and if the requirements exceed these limits, Head Office in India shall be approached to provide liquidity support.

All net cash outflows for liabilities in the financial statements will be within 12 months. The Branch maintains a portfolio of highly marketable assets that can easily be liquidated in the event of an unforeseen interruption of cash flow. The net cash inflow for premium debts will be within 12 months. Receivables include interest receivable.



## Notes to the financial statements (continued)

### 5 Insurance and Financial Risks (continued)

The following tables summarise the maturity profile of the Branch's financial liabilities:

	Less than 1 year	1-5 years	5+ years	Total
<b>2016</b>				
Outstanding claims	1,450,719	-	-	1,450,719
<b>Financial Liabilities</b>				
Non- interest bearing payables	1,348,098	-	-	1,348,098
	<u>2,798,817</u>	<u>-</u>	<u>-</u>	<u>2,798,817</u>

	Less than 1 year	1-5 years	5+ years	Total
<b>2015</b>				
Outstanding claims	2,849,650	-	-	2,849,650
<b>Financial Liabilities</b>				
Non- interest bearing payables	1,448,637	-	-	1,448,637
	<u>4,298,287</u>	<u>-</u>	<u>-</u>	<u>4,298,287</u>

#### (d) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Branch cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Branch is able to manage the risks. Controls include segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environmental, technology and the industry are monitored through the Branch's strategic planning and budgeting process.

#### (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, cash flow interest rate risk and price risk. The Branch does not deal with any capital market risk instruments involving fluctuations in values and all investments are in short and medium term bank fixed deposits of 1 to 5 year term period basis with fixed interest rates.

#### (i) Currency risk

Currency risk is the risk that the value of recognised assets and liabilities or the cash flows from possible future transactions, that are denominated in a currency other than that of the functional currency will decrease due to changes in market exchange rates.

The Branch has no foreign currency exposure at balance date that is considered material.

#### (ii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate as a result of changes in market interest rates.

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

## Notes to the financial statements (continued)

### 5 Insurance and Financial Risks (continued)

#### (e) Market risk (continued)

#### (ii) Interest rate risk (continued)

The following table details the Branch'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
<b>2016</b>					
Non- interest bearing					
Cash	-	1,219,087	-	-	1,219,087
Trade debtors	-	3,601,487	-	-	3,601,487
<b>Fixed interest rate instruments</b>					
Short term deposits	5.20%	14,214,004	-	-	14,214,004
Medium term deposits	3.24%	-	25,645,022	-	25,645,022
		<u>19,034,578</u>	<u>25,645,022</u>	<u>-</u>	<u>44,679,600</u>
	Weighted average interest rate %	Less than 1 year	1-5 years	5+ years	Total
<b>2015</b>					
Non- interest bearing					
Cash	-	2,493,086	-	-	2,493,086
Trade debtors	-	3,576,898	-	-	3,576,898
<b>Fixed interest rate instruments</b>					
Short term deposits	4.43%	6,540,037	-	-	6,540,037
Medium term deposits	5.28%	-	28,018,155	-	28,018,155
		<u>12,610,021</u>	<u>28,018,155</u>	<u>-</u>	<u>40,628,176</u>

A change of 100 basis points movement in interest rates would increase or decrease net profit before tax by \$398,590 (2015: \$345,582).

#### (iii) Price risk

Price risk is the risk that the fair value of equities or financial instruments could decrease due to fluctuations in market prices.

The Branch has no such price risk exposure at balance date (2015: nil).

#### (f) Fair value measurement

NZ IFRS 13 requires the Branch to classify the fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Branch's financial assets and liabilities are classified as Level 2.

## Notes to the financial statements

6	Revenue	Note	2016 \$	2015 \$
	Gross written premium		9,184,690	11,140,803
	Movement in unearned premium		840,551	1,004,226
	Gross earned premium reserve		10,025,241	12,145,029
	Reinsured and other recoveries revenue		198,784	190,255
			10,224,025	12,335,284
7	Expenses		2016 \$	2015 \$
	The following are included in Other underwriting expenses:			
	Depreciation		10,927	13,228
	Amortisation of intangible assets		44	111
	Rental operating lease expenses		79,492	76,036
	Salaries and wages		557,692	434,445
	Doubtful debts recovered		(593)	(309,450)
	Loss on disposal of property, plant and equipment		273	-
	Auditor's remuneration to DFK Oswin Griffiths Carlton comprises:			
	Audit of financial statements		41,909	33,300
	Tax compliance services		7,800	12,000
	Total auditor's remuneration		49,709	45,300
8	Investment income		2016 \$	2015 \$
	Interest income		1,363,948	1,573,400
	Interest expense		-	(24,297)
	Total investment income		1,363,948	1,549,103
9	Tax		2016 \$	2015 \$
	a) Current tax expense			
	Income tax expense comprises:			
	Current tax expense		1,503,596	1,534,176
	Deferred tax benefit		(108,340)	(176,836)
	Total expense		1,395,256	1,357,340
	The income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:			
	Profit before Taxation		4,835,294	4,648,504
	Prima facie income tax expense calculated at 28%		1,353,883	1,301,581
	Tax effect of:			
	Non-deductible items		(16,547)	(20,492)
	Other adjustments		57,920	76,251
	Income tax expense		1,395,256	1,357,340
	b) Income tax (payable) / receivable			
	Opening balance		(788,465)	(1,579,986)
	Provisional tax and RWT paid		1,892,728	2,325,697
	Current year charge		(1,503,596)	(1,534,176)
	Total income tax payable for the year		(399,333)	(788,465)

The current tax liability of \$399,333 (2015: liability of \$788,465) represents the amount of income taxes payable in respect of current and prior periods.

## Notes to the financial statements

## 10 Property, plant and equipment

2016	Furniture and fittings	Motor Vehicle	Office Equipment	Other assets	Total
<b>Cost</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 April 2015	42,201	46,923	39,663	1,153	129,940
Additions	-	-	1,599	-	1,599
Disposals	-	-	(1,365)	-	(1,365)
Balance at 31 March 2016	42,201	46,923	39,897	1,153	130,174
<b>Depreciation</b>					
Balance at 1 April 2015	31,060	28,321	34,158	934	94,475
Depreciation for the year	1,982	4,837	4,057	51	10,927
Disposals	-	-	(69)	-	(69)
Balance at 31 March 2016	33,042	33,158	38,146	985	105,332
<b>Carrying amount</b>					
At 31 March 2016	9,159	13,765	1,751	168	24,842

2015	Furniture and fittings	Motor Vehicle	Office Equipment	Other assets	Total
<b>Cost</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>		<b>\$</b>
Balance at 1 April 2014	40,838	46,923	35,568	1,153	124,482
Additions	1,363	-	4,095	-	5,458
Disposals	-	-	-	-	-
Balance at 31 March 2015	42,201	46,923	39,663	1,153	129,940
<b>Depreciation</b>					
Balance at 1 April 2014	28,738	21,785	29,853	870	81,246
Depreciation for the year	2,322	6,536	4,305	64	13,227
Disposals	-	-	-	-	-
Balance at 31 March 2015	31,060	28,321	34,158	934	94,475
<b>Carrying amount</b>					
At 31 March 2015	11,141	18,602	5,505	219	35,465

## 11 Intangible assets

	Cost	Amortisation	Accumulated amortisation	Carrying value
	\$	\$	\$	\$
Software	112,932	44	112,902	30
Balance as at 31 March 2016	112,932	44	112,902	30

	Cost	Amortisation	Accumulated amortisation	Carrying value
	\$	\$	\$	\$
Software	112,932	111	112,858	74
Balance as at 31 March 2015	112,932	111	112,858	74

## 12 Investments

	2016	2015
	\$	\$
<b>Current</b>		
Term deposits	14,214,004	6,540,037
	14,214,004	6,540,037
<b>Non-current</b>		
Term deposits	25,645,022	28,018,155
	25,645,022	28,018,155
<b>Total investments</b>	<b>39,859,026</b>	<b>34,558,192</b>

## Notes to the financial statements

<b>13 Trade and other receivables</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Trade receivables</b>		
Premium due from policyholders and intermediaries	2,079,326	2,651,368
Provision for doubtful debts - trade receivables	(142,068)	(142,662)
<b>Total trade receivables</b>	<b>1,937,258</b>	<b>2,508,706</b>
<b>Other receivables</b>		
Other receivables	88,544	110,920
Accrued interest	1,539,018	938,939
Prepayments	36,667	18,333
<b>Total other receivables</b>	<b>1,664,229</b>	<b>1,068,192</b>
<b>Total receivables</b>	<b>3,601,487</b>	<b>3,576,898</b>

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 Branch considers any change in credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. In the current year the Branch has recognised a doubtful debt recovery of \$593 (2015: \$ 309,450).

<b>14 Deferred tax</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Deferred tax assets comprise:</b>		
Provisions and temporary differences	49,062	49,228
	49,062	49,228
<b>Deferred tax liabilities comprise:</b>		
Deferred acquisition costs	(471,911)	(580,418)
	(471,911)	(580,418)
<b>Net deferred tax liability</b>	<b>(422,849)</b>	<b>(531,190)</b>
<b>15 Deferred acquisition costs</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Opening balance at 1 April	2,072,921	3,019,394
Current year movement	(387,527)	(946,473)
<b>Total deferred acquisition costs</b>	<b>1,685,395</b>	<b>2,072,921</b>

## Notes to the financial statements

<b>16 Trade and other payables</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Trade payables	63,378	64,807
Amounts due to reinsurers	1,082,063	1,137,734
Non-trade payables and accrued expenses	202,657	246,096
<b>Total trade and other payables</b>	<b>1,348,098</b>	<b>1,448,637</b>

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

<b>17 Employee benefits</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Liability for annual/ sick leave	33,153	33,153

<b>18 Outstanding claims provision</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Central estimate of outstanding claims provision (including risk margin)	1,450,719	2,849,650
Claim handling expenses	266,900	256,160
Claims incurred but not reported	597,100	613,600
Claims incurred but not enough reported	1,044,800	919,661
<b>Total outstanding claims provision</b>	<b>3,359,519</b>	<b>4,639,071</b>

The risk margin used to determine claims incurred but not reported included in total outstanding claims is 15.0% (2015: 15.0%) of the central estimate.

<b>19 Unearned premium reserve</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Opening balance at 1 April	5,333,296	6,337,522
Deferral of premium on contracts written during the year	4,492,745	5,333,296
Earning of premiums deferred in prior years	(5,333,296)	(6,337,522)
<b>Closing balance at 31 March</b>	<b>4,492,745</b>	<b>5,333,296</b>

## 20 Liability adequacy test

The liability adequacy test is an assessment of the carrying amount of unearned premium liabilities and is conducted at the end of each reporting period. The test is conducted separately for each portfolio of contracts that are subject to broadly similar risks that are managed together as a single portfolio.

The Appointed Actuary has assessed the adequacy of the Unearned Premium Liability by considering Deferred Acquisition Costs and the estimated present value of the expected future cash flows relating to future claims arising from the rights and obligations under current insurance policies as follows:

<b>Liability Adequacy Test: Pass</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Unearned premium	4,492,745	5,333,296
Related deferred acquisition costs	(396,556)	(421,759)
<b>Net unearned premium</b>	<b>4,096,189</b>	<b>4,911,537</b>
Premium liabilities (*)	967,198	1,513,696
<b>Liability surplus</b>	<b>3,128,991</b>	<b>3,397,841</b>

Deferred acquisition costs to be written off

- -

(\*) including risk margin and claims management expenses

## Notes to the financial statements

### 20 Liability adequacy test (continued)

The Appointed Actuary calculated the Premium Liabilities as Unearned Premiums x Claims Ratio of the last three years x Risk Margin loading x Claims Management Expenses loading (\$967,198 = \$4,492,745 x 16% x 1.15 x 1.17).

The Appointed Actuary is not aware of any need to make any allowance for any projected Premium Adjustments or Unclosed Premiums or other commitments arising from the Branch's insurance contracts.

### 21 Financial instruments

#### Capital risk management

The Branch 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 debt and equity balance.

The capital structure of the Branch consists of cash and cash equivalents and equity comprising accumulated profits as disclosed in the Statement of Changes in Equity.

The directors review the capital structure on a regular basis, as part of the 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.

#### Categories of financial assets and liabilities

	2016			
	Loans and receivables	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Total
	\$	\$	\$	\$
<b>Assets</b>				
Cash and cash equivalents	1,219,087	-	-	1,219,087
Trade and other receivables	3,564,820	-	-	3,564,820
Investment in term deposits	-	39,859,026	-	39,859,026
<b>Total financial assets</b>	<b>4,783,907</b>	<b>39,859,026</b>	<b>-</b>	<b>44,642,933</b>
Non-financial assets	-	-	-	1,746,934
<b>Total assets</b>				<b>46,389,867</b>
<b>Liabilities</b>				
Trade and other payables	-	-	1,348,098	1,348,098
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,348,098</b>	<b>1,348,098</b>
Non-financial liabilities	-	-	-	8,707,599
<b>Total liabilities</b>				<b>10,055,697</b>

## Notes to the financial statements

### 21 Financial instruments (continued)

	2015			Total
	Loans and receivables	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	
	\$	\$	\$	\$
<b>Assets</b>				
Cash and cash equivalents	2,493,086	-	-	2,493,086
Trade and other receivables	3,558,565	-	-	3,558,565
Investment in term deposits	-	34,558,192	-	34,558,192
<b>Total financial assets</b>	<b>6,051,651</b>	<b>34,558,192</b>	<b>-</b>	<b>40,609,843</b>
Non-financial assets	-	-	-	2,126,793
<b>Total assets</b>				<b>42,736,636</b>
<b>Liabilities</b>				
Trade and other payables	-	-	1,448,637	1,448,637
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,448,637</b>	<b>1,448,637</b>
Non-financial liabilities	-	-	-	11,325,175
<b>Total liabilities</b>				<b>12,773,812</b>

### 22 Reconciliation of profit after income tax to net cash inflows from operating activities

Operating activities	2016 \$	2015 \$
Net profit/(loss) after tax	3,440,038	3,291,164
Add: Non-cash items		
Depreciation	10,925	13,229
Amortisation	44	111
Loss on disposal of fixed assets	(273)	-
(Increase)/decrease in trade and other receivables	(24,589)	243,745
Decrease in deferred acquisition costs	387,526	946,473
Decrease in trade and other payables	(100,539)	(134,190)
Decrease in outstanding claim provision	(1,279,552)	(1,846,465)
Decrease in employee benefits	-	(5,471)
Decrease in unearned premiums	(840,551)	(1,004,226)
Increase in income tax receivable	(389,132)	(791,521)
Decrease in deferred tax liability	(108,341)	(176,834)
Increase in head office account	2,931,308	5,060,082
<b>Net cash inflows from operating activities</b>	<b>4,026,864</b>	<b>5,596,097</b>

### 23 Contingencies and commitments

The Branch had no capital commitments as at balance date.

The Branch is currently in the process of instituting a transfer pricing review to ensure it has the correct procedures in place with respect to its transactions with Head Office. The Branch will be in a position to comment on the impact if any of this review once it is completed. (2015: \$Nil).

The Branch and its co-insurer are currently involved in a High Court proceeding for a subrogated recovery claim. The Branch could receive indemnity of approximately \$925,000 if the outcome of the trial scheduled for November 2016 is favourable or if a settlement occurs before trial.



## Notes to the financial statements

### 23 Contingencies and commitments (continued)

#### Operating lease commitments

Commitments under non-cancellable operating leases:

	2016 \$	2015 \$
Less than one year	79,178	75,408
Between one and five years	217,740	282,779
Greater than five years	-	-
<b>Total operating lease commitments</b>	<b>296,918</b>	<b>358,187</b>

### 24 Related parties

#### Key management compensation

Total compensation for key management personnel is set out as follows:

	2016 \$	2015 \$
Short term employee benefits	121,290	152,885

#### Transactions and balances

The Head Office has charged the New Zealand branch for Treaty Reinsurance in the amount of \$2,564,038 (2015: \$3,365,280).

The Head Office has provided funding to support the New Zealand branch and as at 31 March 2016 the New Zealand branch owed the Head Office \$18,475,866 (2015: \$15,544,558).

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

### 25 Subsequent events

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

### 26 Credit rating

The Branch has received an A- (Excellent) Credit Rating and an A- (Excellent) Financial Strength Rating from A.M Best Company, an approved agency by the Reserve Bank of New Zealand, dated 15 January 2016. The credit rating is an indication of the Branch's ability to pay current and future claims.

**The New India Assurance Company Limited  
New Zealand Branch  
Appointed Actuary Report Summary  
For the year ended 31 March 2016**

To the Shareholders of The New India Assurance Company Limited – New Zealand Branch.

The Board of The New India Assurance Company Limited – New Zealand Branch (Company) has appointed me to act as the Appointed Actuary to the Company. As part of this role, I have been asked to provide this Appointed Actuary Report Summary

The Insurance (Prudential Supervision) Act 2010 (Act) Section 77 requires licensed insurers to provide a review by the licensed insurer's Appointed Actuary in respect of the actuarial information contained in the financial statements. Section 77 (4)(c) allows the Reserve Bank of New Zealand (Bank) to specify, within a solvency standard, information which it considers to be actuarial information for the purpose of this Report. However, the Reserve Bank of New Zealand has exempted the Company from compliance with the Solvency Standards for Non-life Insurance Business issued under Section 55 of the Act. This exemption is granted subject to some conditions including the review by the Appointed Actuary of the following specified information relating to the insurance business carried on in New Zealand:

- a) the unearned premium liability and the liability adequacy test;
- b) the Net Outstanding Claims Liability;
- c) the reinsurance and any other recovery asset(s);
- d) any deferred acquisition cost or deferred fee revenue; and
- e) any other information deemed by the Appointed Actuary to warrant actuarial review for the purpose of profit or solvency reporting.

I have either calculated or reviewed the above specified information based on audited financial statements prepared by the Company as at that date and data in respect of policies in force and claims payments made and provisioned for by the Company. I am reliant on the accuracy of the information provided by the Company. However, I have undertaken a number of independent checks on the data.

In my opinion and from an actuarial perspective, the actuarial information contained in the financial statements has been appropriately included and used in those statements.

I have not encountered any material limitations during the compilation of the Appointed Actuary Report.

There are no areas of conflict of interest for me in preparing the Report or this Summary.

This Summary is intended only to provide an overview of the Appointed Actuary Report and does not substitute for a detailed review of the Report in full.

A handwritten signature in blue ink, appearing to read 'Marcelo Lardies'.

**Marcelo Lardies BSc (Hons)**  
**Fellow of the New Zealand Society of Actuaries**  
28 July 2016  
Auckland, New Zealand

**The New India Assurance Company Limited**  
**Section 78 Report**  
**For the year ended 31 March 2016**

To the Shareholders of The New India Assurance Company Limited (Company).

The Insurance (Prudential Supervision) Act 2010 (Act) (IPSA 2010) Section 77 requires licensed insurers to provide a review by the licensed insurer's Appointed Actuary in respect of the actuarial information contained in any financial statements required to be filled by the Company in New Zealand.

The Board of The New India Assurance Company Limited (Company) has appointed me to act as the Appointed Actuary to the New Zealand Branch. As part of this role, I have been asked to provide this Report in respect of The New India Assurance Company Limited.

I have received confirmation that the Appointed Actuary of the Company has complied with the provisions of the Insurance Regulatory and Development Authority of India (IRDA) (Actuarial Report and Abstract) Regulations 2000, the guidelines on estimation of IBNR Claims Provision for General Insurance Business issued by IRDA dated 8 June 2005 and 22 May 2008 and the applicable Guidance Notes and Actuarial Practice Standards issued by the Institute of Actuaries of India.

I am reliant on the information provided by the Appointed Actuary of the Company described above.

I have no relationship (other than Appointed Actuary to the New Zealand Branch) with, or any interests in the Company or any of its subsidiaries.

I have received all information and explanations that I have required from the Company.

There are no areas of conflict of interest for me in preparing this Report.

A handwritten signature in blue ink, appearing to read 'Marcelo Lardies'.

**Marcelo Lardies BSc (Hons)**  
**Fellow of the New Zealand Society of Actuaries**

28 July 2016  
Auckland, New Zealand