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The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

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New India over the years

Year	Gross General Insurance Premium (₹) in Crore
1920	0.008
1921	0.24
1974	65.87
2001	4198.06
2011	8225.51
2012	10073.88



Leading Lights Through Glorious Years of New India

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Leading lights through glorious years of New India

Sir Dorabji Tata	Chairman	1919 - 1930
Sir Nowroji Saklatwalla	Chairman	1930 - 1938
Sir Chunilal V. Mehta	Chairman	1938 - 1946
A.D. Shroff	Chairman	1946 - 1965
J.D. Choksi	Chairman	1965 - 1973
G.V. Kapadia	Chairman-cum-Managing Director	1974 - 13.06.1975
I.R. Mehta	Current in Charge	14.06.1975 - 31.07.1975
V.C. Vaidya	Chairman-cum-Managing Director	1975 - 1980
A.C. Mukherjee	Chairman-cum-Managing Director	1980 - 1985
R.V. Madhav Rao	Chairman-cum-Managing Director	1985 - 1986
K.C. Ponnappa	Chairman-cum-Managing Director	1986 - 1988
S.K. Seth	Chairman-cum-Managing Director	1988 - 1989
S.V. Mony	Chairman-cum-Managing Director	1989 - 1991
B.D. Shah	Chairman-cum-Managing Director	1991 - 31.08. 1993
A.S. Mitra	Chairman-cum-Managing Director	01-09.1993 - 31.10 1993
R.L. Baxi	Current-in-Charge	01.11.1993 - 04.08.1994
D. Swaminathan	Current-in-Charge	05.08.1994 - 26.10 1994
Y.D. Patil	Chairman-cum-Managing Director	1994 -1996
D. Sengupta	Chairman-cum-Managing Director	1996 - 1998
S.K. Kanwar	Chairman-cum-Managing Director	1998 - 2000
C.N. Ravi & A.P. Pradhan	Joint Charge	01.07.2000 - 31.10 2000
A.P. Pradhan	Current-in-Charge	2000 - 2001
K.N. Bhandari	Chairman-cum-Managing Director	2001 - 2002
Rajendra Beri	Chairman-cum-Managing Director	2002 - 2005
B. Chakrabarti	Chairman-cum-Managing Director	2005 - 2009
A.R. Sekar	Current-in-Charge	01.10.2009 - 30.12.2009
M. Ramadoss	Chairman-cum-Managing Director	30.12.2009 - 12.08.2011
G. Srinivasan	Chairman-cum-Managing Director (Additional Charge)	16.08.2011 - 04.12.2011
A.R. Sekar	Chairman-cum-Managing Director (Officiating)	From 05.12.2011

Date of incorporation of the company : 23 July 1919



A.R.SEKAR
Chairman-cum-Managing Director(O)



ARVIND KUMAR
Director



M.D.MALLYA
Director



S.G. SUBRAMANIAN
Director



PRAKASH BAKLIWAL
Director



Corporate Management

दि न्यू इन्डिया एश्योरन्स कं. लि.

[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]

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A.R. SEKAR

Chairman-cum-Managing Director(O)



K. SANATH KUMAR
General Manager



R.P. Samal
General Manager



SADASIV MISHRA
General Manager



R.K. DEKA
General Manager



S. SETHURAMAN
General Manager
& Financial Advisor



VIRENDRA KUMAR
General Manager



RAMABHADRAN S.
General Manager



P. NAYAK
General Manager



A.R. PRABHU
Appointed Actuary



K.V. PATHAK
Chief Vigilance Officer



V.C. JAIN
Company Secretary

BOARD OF DIRECTORS

CHAIRMAN-CUM-MANAGING DIRECTOR

A.R.SEKAR (Officiating)
(From 05.12.2011)

G. SRINIVASAN (Additional Charge)
(From 16.08.2011 to 05.12.2011)

M. RAMADOSS
(Upto 12.08.2011)

DIRECTORS

ARVIND KUMAR, I.A.S.
(From 11.05.2012)

BIMAL JULKA, I.A.S.
(From 30.11.2011 to 10.04.2012)

R. GOPALAN, IAS
(Up to 30.11.2011)

M. D. MALLYA

S. GANAPATHI SUBRAMANIAN
(From 24.08.2011)

PRAKASH BAKLIWAL
(From 24.08.2011)

I. S. PHUKELA (Up to 29.02.2012)

COMMITTEES OF BOARD

Audit Committee

S. GANAPATHI SUBRAMANIAN
Chairman
ARVIND KUMAR, I.A.S.
PRAKASH BAKLIWAL

Investment Committee

A.R. SEKAR
Chairman
S. GANAPATHI SUBRAMANIAN
PRAKASH BAKLIWAL
A.R. PRABHU
DINESH R. WAGHELA
K.R. SETHURAMAN

Remuneration Committee

ARVIND KUMAR, I.A.S.
Chairman
M.D. MALLYA
S. GANAPATHI SUBRAMANIAN
PRAKASH BAKLIWAL

Risk Management Committee

A.R. SEKAR - Chairman
ARVIND KUMAR, I.A.S.
S. GANAPATHI SUBRAMANIAN

Policyholders' Protection Committee

A.R. SEKAR - Chairman
PRAKASH BAKLIWAL
S. GANAPATHI SUBRAMANIAN

Property Review Committee

A.R. SEKAR - Chairman
ARVIND KUMAR, I.A.S.
PRAKASH BAKLIWAL

Information Technology Committee

A.R. SEKAR - Chairman
S. GANAPATHI SUBRAMANIAN
PRAKASH BAKLIWAL

Financial Advisor

S. SETHURAMAN

Chief Vigilance Officer

K. V. PATHAK

Appointed Actuary

A. R. PRABHU

Chief Risk Officer

P.DUTTA

Chief Financial Officer

DINESH R. WAGHELA

Chief Investment Officer

K.R. SETHURAMAN

Company Secretary

V.C. JAIN



Company Information

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GENERAL MANAGERS

K. SANATH KUMAR
N. TOBDAN *
R. K. DEKA
M. VASANTHA KRISHNA *
RAMABHADRAN S.

SAMAL RAJENDRA PRASAD
SADASIV MISHRA
S. SETHURAMAN
VIRANDER KUMAR
P. NAYAK

DEPUTY GENERAL MANAGERS

N. TOPPO *
SUDIP SINHA *
A.K. CHANDA
RAKESH KUMAR
S. SEGAR
K. SURYA RAO
S. SIVARAMAN *
A. N. JHA
BALACHANDRA B. *
C. NARAMBUNATHAN

P.SENTHIL KUMAR
PRAMOD G. JOSHI *
NARINDER KUMAR
C. J. PHILIP
V. HARISRINIVAS
MITA BHATTACHARJEE
MD. M. HUSSAIN
K. V. KRISHNA
DINESH WAGHELA
SURJIT SINGH HIRA
D.A. KALLIANPUR

A. P. MITTAL *
ASWATHANARAYANA *
J. P. SHEOKAND
P. DUTTA
RAFI AHMED
ANIL KUMAR
G. C. SHARMA
C. K. GOLA
RAJASEKHARAN *
GIRISH RADHAKRISHNAN

*On deputation to other Companies/Foreign offices

AUDITORS

FORD, RHODES, PARKS & CO.
Chartered Accountants

S.R. GOYAL & CO.
Chartered Accountants

L.B. JHA & CO.
Chartered Accountants

REGISTERED AND CORPORATE OFFICE

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

NOTICE OF THE 93rd ANNUAL GENERAL MEETING

To,

ALL SHARE HOLDERS/DIRECTORS/STATUTORY AUDITORS

NOTICE is hereby given that the **93rd Annual General Meeting of the members of The New India Assurance Company Limited will be convened on Monday, the 27th day of August 2012 at 3.30 p.m. at the Registered Office of the company at New India Assurance Building, 87, Mahatma Gandhi Road, Fort, Mumbai - 400 001** to transact the following business :-

1. To receive and adopt the Balance Sheet of the company as at 31st March 2012, Profit and Loss Account for the year ended 31st March 2012 and the report of the Board of Directors for the period covered by the Accounts.
2. To receive the auditors' report on the Balance Sheet and Accounts for the year ended 31st March 2012 along with C&AG comments / observations, if any.
3. To declare dividend for the year 2011-12.
4. To seek approval for grant of remuneration as required under Section 224(8) (aa) of Companies (Amendment) Act, 2000, for Central Joint Statutory Auditors at HO and Regional Office / Divisional Office / Hub Auditors for the financial year 2012-13 to be appointed by CAG under Section 619(2) of the Companies Act, 1956 and in addition , payment of out- of -pocket expenses and travelling expenses to the auditors, wherever necessary.

By Order of the Board

V.C.JAIN
COMPANY SECRETARY

Dated : 23rd August 2012

Place : Mumbai

Note :

A Member entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the company. Proxies, in order to be effective, must be lodged with the company at its registered office at least 48 hours before the commencement of the meeting.



Directors' Report

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

DIRECTORS' REPORT 2011-12

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



A.R. Sekar

To the Members :

On behalf of the Board of Directors, I have pleasure of presenting the company's Annual Report and Financial Statements for the year ended 31st March 2012.

I. CLASS-WISE PERFORMANCE SUMMARY

		(₹ in crore)				
			Fire	Marine	Misc	Total
Gross Direct Premium Income	India	CY	1150.81	606.42	6785.63	8542.86
		PY	1049.26	549.56	5498.32	7097.14
	(% Growth)	CY	9.68	10.35	23.41	20.37
		PY	13.58	15.87	18.39	17.45
	Outside India	CY	427.52	157.11	946.38	1531.01
		PY	305.19	57.02	766.16	1128.37
	(% Growth)	CY	40.08	175.55	23.52	35.68
		PY	5.92	13.20	6.69	6.79
	Global	CY	1578.33	763.54	7732.01	10073.88
		PY	1354.46	606.58	6264.48	8225.51
Reinsurance Premium Accepted	India	CY	91.50	6.30	1169.23	1267.03
		PY	84.06	10.23	697.23	791.52
	Outside India	CY	672.13	29.11	147.08	848.32
		PY	544.95	15.93	114.67	675.55
	Global	CY	763.63	35.41	1316.31	2115.35
		PY	629.01	26.16	811.90	1467.07
Reinsurance Premium Ceded	India	CY	569.45	305.07	1978.08	2852.60
		PY	416.78	317.93	1436.03	2170.74
	Outside India	CY	342.52	103.50	119.40	565.42
		PY	238.76	12.27	78.58	329.61
	Global	CY	911.97	408.57	2097.48	3418.02
		PY	655.54	330.20	1514.61	2500.35
Net Premium	India	CY	672.86	307.65	5976.78	6957.29
		PY	716.54	241.86	4759.52	5717.92
	(% Growth)	CY	-6.10	27.20	25.58	21.68
		PY	23.41	40.00	20.99	21.99
	(% to Gross Premium)	CY	58.47	50.73	88.08	81.44
		PY	68.29	44.01	86.56	80.57

(₹ in crore)

Outside India	CY	757.13	82.72	974.06	1813.91
	PY	611.38	60.68	802.25	1474.31
(% Growth)	CY	23.84	36.33	21.42	23.03
	PY	18.39	7.91	7.98	12.07
(% to Gross Premium)	CY	177.10	52.65	102.92	118.48
	PY	200.33	106.42	104.71	130.66
Global Net Premium	CY	1429.99	390.38	6950.84	8771.21
	PY	1327.93	302.54	5561.77	7192.23
(% Growth)	CY	7.69	29.03	24.98	21.95
	PY	21.05	32.12	18.93	19.82
(% to Gross Premium)	CY	90.60	51.13	89.90	87.07
	PY	98.04	49.88	88.78	87.44
Addition in Un-expired Risk Reserve	CY	51.04	87.84	757.75	896.62
	PY	115.46	73.54	529.91	718.91
(% to Net Premium)	CY	3.57	22.50	10.90	10.22
	PY	8.69	24.31	9.53	10.00
Earned Premium	CY	1378.95	302.54	6193.10	7874.59
	PY	1212.47	229.00	5031.86	6473.33
Premium Deficiency	CY	110.04	0.00	0.00	110.04
	PY	0.00	0.00	0.00	0.00
Incurred Claims Net	CY	1657.35	277.64	5152.54	7087.53
	PY	1272.27	257.64	4994.96	6524.87
(% to Earned Premium)	CY	120.19	91.77	83.20	90.01
	PY	104.93	112.51	99.27	100.80
Commission Net	CY	193.01	22.43	682.06	897.50
	PY	177.80	32.23	438.65	648.68
(% to Earned Premium)	CY	14.00	7.41	11.01	11.40
	PY	14.66	14.07	8.72	10.02
Operating Expenses	CY	404.20	103.17	1558.44	2065.81
	PY	404.26	96.72	1442.25	1943.23
(% to Earned Premium)	CY	29.31	34.10	25.16	26.23
	PY	33.34	42.24	28.66	30.02
U/W Results	CY	-985.65	-100.70	-1199.94	-2286.29
	PY	-641.86	-157.59	-1844.00	-2643.45
(% to Earned Premium)	CY	-71.48	-33.29	-19.38	-29.03
	PY	-52.94	-68.82	-36.65	-40.84



Directors' Report

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					(₹ in crore)
Investment Income - Policyholders	CY	313.80	81.82	1111.08	1506.70
	PY	254.57	68.60	1048.87	1372.04
Revenue Account - Policyholders	CY	-671.85	-18.88	-88.86	-779.59
	PY	-387.29	-88.99	-795.13	-1271.41
Investment Income-Shareholders	CY				837.72
	PY				957.95
Other income (net of outgo)	CY				98.03
	PY				-97.91
Profit before tax	CY				156.16
	PY				-411.37
Provision for tax	CY				-23.15
	PY				10.19
Profit after tax	CY				179.31
	PY				-421.56
Dividend (Proposed)	CY				40.00
	PY				0.00
Dividend tax	CY				6.49
	PY				0.33
Transfer to reserves	CY				132.82
	PY				- 421.23

II. PERFORMANCE REVIEW (Global)

	2011-12	2010-11
A GROSS DIRECT PREMIUM (INDIA):	8542.86	7097.14
Percentage change over previous year:	20.37	17.45
GROSS DIRECT PREMIUM (FOREIGN):	1531.01	1128.37
Percentage Change over previous year:	35.68	6.79
Gross direct premium (GDP) in India has increased from ₹ 7097.14 crore. in 2010-11 to ₹ 8542.86 crore. in 2011-12 recording a good growth of 20.37% in 2011-12 as against a moderate 17.45% growth registered during 2010-11.		

Health continues to drive the growth story and is significantly supported by motor and fire segments. Other segments too have grown during the year. Geographically all the regions have contributed to this good growth. Thus healthy top-line growth successively for two years has enabled the company to continue to be the market leader in India with a global premium of ₹ 10073.88 crore. The company crossed yet another milestone of ₹ 10000 crore gross premium during the year (first company to cross ₹ 10000 crore of premium income)

(₹ in crore)

	2011-12	2010-11
B NET PREMIUM	8771.21	7192.23
Percentage change over previous year:	21.95	19.82
The net premium income of the company grew by ₹ 1578.98 crore from ₹ 7192.23 crore to ₹ 8771.21 crore, with a retention ratio of 87.07 % in the current year, against previous year's ratio of 87.44 %.		
The retention ratio of the company remains almost the same. However, due to significant growth in gross premium, company registered a much higher growth rate of 21.95% in the net premium against 19.82% growth in previous year.		
C ADDITIONAL UNEXPIRED RISK RESERVES :	896.62	718.91
Percentage to net premium:	10.22	10.00
D PREMIUM DEFICIENCY	110.04	0.00
In view of extra-ordinary losses in foreign operations, this reserve has been created as required under IRDA regulations.		
E INCURRED CLAIMS (NET) :	7087.53	6524.87
Percentage to earned premium:	90.01	100.80
The incurred claims of the company during 2011-12 was ₹ 7087.53 crore against ₹ 6524.87 crore in the previous year. Global net incurred claims have shown an increase of ₹ 562.66 crore. The loss ratio of the company has come down to 90.01% compared to 100.80% recording a significant reduction of 11% during the year 2011-12. The loss ratio would have been much lower but for catastrophic losses in Bangkok which has affected the results of foreign operations adversely.		
F COMMISSION (NET) :	897.50	648.68
Percentage to earned premium:	11.40	10.02
Net acquisition cost of business has gone up marginally from 10.02% in previous year to 11.40% in the current year.		
G OPERATING EXPENSES	2065.81	1943.23
Percentage to earned premium:	26.23	30.02
Operating expenses have increased marginally by ₹ 122.58 crore in tune with increase in business but the company has been able to control and reduce operating expenses under several heads during the year and reduced it as a percentage of earned premium.		
H UNDERWRITING RESULTS	-2286.29	-2643.45
Percentage to earned premium:	-29.03	-40.84

The underwriting results of the year under review were mainly affected by the additional provisions towards unexpired risk reserves, motor TP Pool provisions and catastrophic losses in the foreign operations. Despite heavy losses in foreign operations, the company has improved its underwriting results reducing the underwriting losses from ₹ 2643.45 crore in previous year to ₹ 2286.29 crore during the year 2011-12. The combined ratio of the company on net earned premium has also come down from 140.84% in 2010-11 to 127.64% in 2011-12. On gross premium, the combined ratio for the year 2011-12 is 99.77% (P.Y. 110.84%)



Directors' Report

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		(₹ in crore)	
I	INVESTMENT INCOME (LESS PROVISION)	2011-12	2010-11
	Apportioned to policyholders	1506.70	1372.04
	Apportioned to shareholders	837.72	957.95
	Total	2344.42	2329.99
J	REVENUE (POLICYHOLDERS) ACCOUNT RESULTS :	-779.59	-1271.41
	Percentage to earned premium	-9.90	-19.64
<p>The policyholders' account showed a net deficit of ₹ 779.59 crore in the current year against deficit of ₹ 1271.41 crore in the previous year. In percentage terms, the deficit has come down to -9.90% as against -19.64% of previous year.</p>			
K	OTHER INCOME / OUTGO	98.03	-97.91
L	PROFIT BEFORE TAX	156.16	-411.37
M	PROFIT AFTER TAX	179.31	-421.56
N	PROPOSED FINAL DIVIDEND	40.00	0.00
O	DIVIDEND TAX	6.49	0.33
P	PAID-UP CAPITAL	200.00	200.00
Q	RESERVES AND SURPLUS	7531.30	6911.54
R	TOTAL ASSETS	42265.68	39758.52
S	INVESTMENTS (AT COST)	16035.06	13833.92
T	SOLVENCY MARGIN		
	(i) Required solvency margin under IRDA regulations (Global)	2323.54	1766.26
	(ii) Available solvency margin (Global)	4641.59	5113.52
	(iii) Required solvency margin under IRDA regulations (Indian)	1793.39	1459.64
	(iv) Available solvency margin (Indian)	4641.59	6569.37

The company's Global solvency ratio is 2.00 times (PY 2.90 times) and Indian solvency ratio is 2.59 times (P.Y. 4.50 times)

U	COMPLIANCE WITH SECTION 40C		
	(i) Expenses prescribed under the act (excluding commission)	2203.64	1864.38
	(ii) Actual expenses (excluding commission)	2392.81	2237.99
	(iii) Difference	189.17	373.61

Increase in salary outgo and provision towards terminal benefits have continued to affect the compliance with the provision of Section 40 C.

III. OVERVIEW OF COMPANY'S OPERATIONS

A. INDIAN OPERATIONS :

Gross direct premium in India has increased from ₹ 7097.14 crore in 2010-11 to ₹ 8542.86 crore in 2011-12 recording an impressive growth of 20.37% as against 17.45% registered during 2010-11. The growth is observed in all geographical segments as well as all classes of business. Health continues to be the major driver for growth followed by Motor.

Despite a weak stock market, the investment operations of the company contributed investment income of ₹ 2155.84 crore (previous year ₹ 2177.56 crore). The Investment portfolio has gone-up significantly from ₹ 13604.63 crore to ₹ 15769.29 crore. The market value of investments has also gone-up to ₹ 30,855.49 crore in the year 2011-12 against ₹ 30023.51 crore of previous year.

OPERATIONAL RESULTS (INDIA)

(₹ in crore)

Sr. No	PARTICULARS	2011-12		2010-11	
		₹	%	₹	%
1	Gross premium	8542.86	20.37	7097.14	17.45
2	Net premium	6957.29	21.68	5913.53	21.99
3	Unexpired risk reserve	748.53	10.22	654.22	12.44
4	Net earned premium	6469.66	-	5259.31	-
5	Commission	502.87	7.77	319.90	6.08
6	Incurred claims	5608.86	86.69	5583.67	106.17
7	Management expenses	1941.19	30.00	1817.15	34.55
8	Other Income (Net of outgo)	110.65	1.71	(-)96.44	(-)1.88
9	U/W (loss)	-1570.64	(-)24.28	(-)246.41	(-)46.80
10	Investment income	2234.44	34.54	2230.11	42.40
11	Profit before tax (PBT)	761.83	10.07	(-)329.21	6.26

Note : Percentage shown in sr. no. 1 & 2 indicates the growth over previous year and the percentage shown in sr. no. 5 to 11 is percentage to 'Net Earned Premium.'

B. FOREIGN OPERATIONS :

The gross premium completion is ₹ 2098.24 crore in 2011-12 as against ₹ 1594.89 crore in 2010-11 registering an accretion of 31.6%. The net premium is ₹ 1553.02 crore in 2011-12 as against ₹ 1278.70 crore in 2010-11 showing an accretion of 21.5%.

The operations show underwriting loss of ₹ 605.61 crore in 2011-12 as against underwriting loss of ₹ 180.30 crore in 2010-11. The operations show net loss of ₹ 495.63 crores in 2011-12 as against net loss of ₹ 80.41 crores in 2010-11. The huge claims ratio of ₹ 1478.67 crore have affected the net results of foreign offices and this is mainly due to flood losses in Bangkok, major fire losses and Cyclone Keila claims in Muscat, fire and motor losses in Kuwait, earthquake losses in Japan, high retro costs and increased attritional claims cost in view of Lyttelton earthquake and reinstatement premiums in Australia and losses in the United Kingdom.



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OPERATIONAL RESULTS (Foreign)

(₹ in crore)

Sr. No	PARTICULARS	2011-12		2010-11	
		₹	%	₹	%
1	Gross premium (Gross Direct plus Accepted)	2098.24 *	31.56	1594.89	11.7
2	Net premium	1553.02 **	21.45	1278.70	10.4
3	Unexpired risk reserve	148.09	-	64.69	-
4	Net earned premium	1404.93	-	1214.01	-
5	Incurred claims	1478.67	105.25	941.21	77.53
6	Commission	394.63	28.09	328.78	27.08
7	Expenses to management	124.62	8.87	122.85	10.12
8	Other outgo	12.62	0.90	1.47	0.12
9	Premium deficiency	110.04	7.83	-	-
10	Underwriting profit / loss after reserve strain	-715.65	-50.94	-180.30	-14.85
11	Investment income	109.98	7.83	99.89	8.23
12	Net loss before tax	-605.67	-35.28	-80.41	-6.62

*
GDP as per class-wise premium summary
Add : Re-insurance premium
accepted by foreign offices
Add : Re-insurance premium ceded pertaining to

(₹ in crore)

1531.01
567.23

GDP plus accepted

2098.24

**

Net premium as per class-wise premium summary
Less : Re-insurance premium accepted pertaining to
Foreign offices booked at re-insurance HO

(₹ in crore)

1813.91
281.10

foreign offices booked at re-insurance, HO

20.21

Net premium

1553.02

Note : (i) Percentage shown in sr. no. 1 & 2 indicates the growth over previous year and the percentage shown in sr. no. 5 to 12 is percentage to 'Net Earned Premium.'

(ii) Agency / Branch wise details of the foreign operations attached as per annexure I to the report.

IV. PLAN for 2012-13 :

Domestic

"New India" achieved another milestone in the annals of History by crossing more than ₹ 8,500 crore domestic premium and continued to be the market leader in India with a premium of ₹ 8,542.86 crore and an impressive growth of 20.37%.

The global premium crossed ₹ 10,000 crore for F.Y. 2011-12 registering a new landmark in the non-life Insurance market in India.

An action plan has been drawn for the F.Y. 2012-13. New India is a very strong Company in retaining large corporate customers, in addition to providing insurance coverage to a lot of new projects. This could be possible, due to the sound underwriting practices and strong technical base New India could built up over a period of time.

Growth in personal lines and Auto sector will assist in the speedy growth of company. Due to spread of offices across the country, company are in an advantageous position to render service to our customer. We have more than 150 Micro Offices and plan to open more than 300 Micro Offices during this year to cover the nook and corner of the country and procure more and more personal lines of business.

Health insurance is a growing portfolio and New India has remained a market leader in this portfolio also. Keeping the market trend New India will continue to increase the volumes and maintain balanced portfolio.

Auto Business is more than 36% of our operations and plays a vital role. We are observing sound underwriting practices and maintained good Auto Tie ups with the leading manufacturers and financial institutions. By introducing portal facility, company hopes to enroll more and more auto dealers and maintain the growth trend.

Foreign

Company's plans for 2012-13 is ₹ 2525 crore (Gross Premium) and ₹ 1950 crore (Net Premium) as against completion of ₹ 2098.24 crore (Gross Premium) and ₹ 1553.02 crore (Net Premium) in 2011-12.

V. ORGANISATION STRUCTURE

Domestic

The Company has entered in phase of consolidation and restructuring of offices and have 60 specialized offices to take care of bancassurance, brokers and auto tie-ups.

The company has opened two Regional Offices at (i) Dehradun & (ii) Belapur, Thane District (MRO-V) w.e.f. 1.4.2011 and is on the verge of opening of 200 Micro Offices.

As on 01.04.2012, the company has a network of 28 Regional Offices, 5 Large Corporate Offices, 404 Divisional Offices, 580 Branch Offices, 28 Direct Agents Branches and 162 Micro Offices, totaling 1207.

Foreign

The company operates through a network of 9 branches, 7 agencies, 3 subsidiary companies and 4 associate companies in 20 countries.

VI. REINSURANCE

The year 2011 witnessed unprecedented Catastrophes World over and the insured losses were estimated at \$105 billion. The major losses have come from Japanese Earthquake and Thailand floods, in addition to several storms in the USA.

On the Domestic front, company had Sikkim Earthquake and 'Thane' cyclone in addition to impact of Thailand floods and Fiji floods from our Overseas operations.

For 2011-12, the facultative desk at HO crossed a premium of ₹ 15 Crore for domestic and foreign. This Desk underwrites proposals from territories where company does not have Branches or Agencies. A new Global Oil and Energy XL treaty was arranged in July 2011 and has been doing well.

The Company has been receiving the Sole Mandate for Policy Issuance and Reinsurance arrangements for Launch of Satellites from the Department of Space for past several years and recently company has completed the placement of Reinsurance of INSAT 4G.



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Due to the international catastrophes, Reinsurance Capacity was limited and the renewals were subject to higher pricing and stricter terms and conditions especially for Catastrophe Perils.

There were new Regulatory guidelines for registration of Cross-Border Reinsurers as per IRDA norms.

Reinsurance Department's endeavour is to arrange maximum protection at reasonable cost, but the rising cost of RI protection can be met only with better underwriting since reinsurance support and ceding commission, especially for Proportional treaties are directly linked to our Treaty results.

VII. FIRE & ENGINEERING BUSINESS

Fire Department

In the Fire portfolio, the company has registered a growth of 10% in India and achieved a premium income of ₹ 1143 crore for the current year as against ₹ 1049 crore in previous year. New India maintains leadership in Fire Line of Business with 20% market share.

Company's Foreign operations grew by 27% on gross basis from ₹ 717 crore in previous year to ₹ 913 crore in the current year and on net basis ₹ 590 crore as against ₹ 484 crore in previous year.

In the intensely competitive de-tariffed Indian market coupled with global recession, the Property LOB has witnessed sharp decline in premium rates. Despite high incidence of claims due to a rising risk exposure and a number of large losses particularly in the small and medium category, catastrophic events in Tamil Nadu and Sikkim, the ICR decreased to 87% from 92% in the previous year.

Foreign operations have also been impacted severely during the year with ICR increasing from 144% to 190%. The losses of Thailand and other territories such as Dubai, Mauritius, Australia and Fiji had adversely affected the ICR. Company has initiated various measures in Indian and Foreign operations to control ICR by :

- Underwriting discipline
- Claims control
- Restructuring the RI Programme.

For the year 2012-13, company has set a growth target of 16% for our domestic operations and 20% for foreign operations.

Engineering Department

Company's Engineering department has achieved total premium income of ₹ 393 crore for the year ending 31st March 2012 against ₹ 334 crore for the previous year thus showing an accretion of 18%. We have been able to achieve this inspite of severe competition prevailing in the Indian market. This has been possible because the company has been able to acquire the business of several large projects all over the country.

At the same time through prudent underwriting and loss control measures, company has been able to contain loss ratio at 66% on gross basis. Company will strive to ensure that the trend further improves in the future.

VIII. TECHNO MARKETING

New India maintained its leadership position in underwriting large operational risks and large projects in terms of numbers and premium volumes. Techno Marketing Department is specially created at corporate office for

this purpose. With the help of dedicated offices set up at select centers, Techno Marketing Department continued to maintain its number one position in the Indian market by underwriting more & more large operational risks and project policies of major corporates. Techno Marketing Dept offers 'One Window' solution for offering optimum coverage, in line with policies practiced across the globe.

Apart from large operational risk policies, Techno Marketing Dept. also plays key role in offering project policies of international standards for Infrastructure projects including major power plants coming up in the country. New India's presence is dominant in this sector.

With number of players operating in the market with adequate capacity, competition became more and more stiff in Mega Risk underwriting. Downward trend in world economy also influenced investments in new projects and thereby new business opportunities were reduced compared to earlier years. In spite of this, premium contribution made by the dept in 2011-12 was ₹ 530 crore. Details are as below

Line of business	Premium for 2011-12	Premium for 2010 -11
Operational Policies	₹ 355 cr.	₹ 316 cr.
Project Policies	₹ 124 cr.	₹ 115 cr.
Standalone Terrorism	₹ 28 cr.	₹ 27 cr.
Total	₹ 507 cr.	₹ 458 cr.

The Company will continue to maintain the lead position by writing more and more Mega Risks, especially new projects, on the strength of underwriting capacity, competence and experience.

IX. BANCASSURANCE AND BROKERS' DISTRIBUTION CHANNEL

Presently, we have Bancassurance tie-ups with Union Bank of India, Corporation Bank, Catholic Syrian Bank and some Cooperative banks. The company's focus, through its 24 bancassurance offices across the country will be to attend to the various branches through the company's relationship managers and credit mapping.

We have 13 exclusive brokers' specialized offices to cater to brokers' needs. These are mainly for small and medium level brokers and provide support and single window facilities to them. Large brokers who are associated with very large risks continue to be serviced by Large Corporate Offices.

X. MOTOR LOSS CONTROL MEASURES

Spurred by the reduction in the numbers of Motor claims in the previous year, the focus in 2011-12 in respect of Motor claims was now more on the better management of these claims with a view to reduce the overall ICR. The Agenda for the year was therefore on review of all High Value claims with an outstanding provision of ₹ 50 lakh and above, conciliation, exoneration, and monitoring the performance of Advocates, investigators and surveyors etc. Though belated and inadequate, the increase in TP Premium rates for Commercial vehicles in particular by IRDA effective from 25.4.2011 was a welcome step helping to bring down claims ratio. In line with the feedback from review exercise of Advocates & Investigators, norms & guidelines for appointment of Advocates were laid down. In-house Conciliatory committees for Third party claims settlement were reactivated. Surveyors review exercise was also geared up.

Glitches in the web enabled system (CWISS) in respect of Motor business were mostly addressed though still some improvements are being worked out. This also helped in tracking and reviewing the Motor portfolio almost online by Management.



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Motor Third Party (TP):

The Motor TP premium recorded a stupendous growth of around 51% during the year, which is also influenced by increased premium of Commercial vehicles. The Company brought in many initiatives and control measures to address this large portfolio, which also has high incidence of losses.

A "Common Mechanism for Compromise settlement of Motor TP claims" jointly with the other three PSU Insurers which was started in March 2011 at Cuttack continued with three pilot centers viz. Kochi, Jaipur & Ahmedabad being opened. We further opened centers in Baroda, Nagpur, Mehsana, Indore, Aurangabad and Godhra.

The TP Claims hubs continued to be the critical tool to bring in standardization to the claims handling and reduction in losses. 3 more such hubs have been added in the current year making the number of such offices to 34. Codified guidelines for appointment of advocates were developed and deployed. 11,000 claims were settled through Lok Adalats and 1500 through in house reconciliation. The higher provisions of the TP pool mandated by IRDA, the continued trend of courts to order Pay & recover awards, consideration of future loss of income by courts in computing compensation etc continued to enhance the trend in losses.

Overall Incurred loss ratios for this segment in pool and non-pool segments came down in 11-12. More control on the court matters, reduction in duplication of cases, faster disposal of awards etc have contributed to this result.

Motor Own Damage

Motor Own Damage Premium growth during the year was 18.5% against the previous year's 14.6%. The ICR was brought down this year to 59% from last year's 61% on gross basis. This is still considered as quite high and the target for 2012-13 will be 50%.

XI. HEALTH

The year 2011-12, Health insurance business grew by 17% from ` 2003 crores in the previous year to ` 2345 crores. Health accounts for 27.5% of the Company's business. Health insurance business for the industry grew to ` 13345 crores in 2011-12, and the Company's market share is 17.57%. Loss Ratio on Net earned premium has come down from 103% in the previous year to 97%. Efforts would continue to be directed at retaining the Company's dominant position in this rapidly growing line of business. Loss control measures are also concurrently in place. Several loss control measures such as prudential pricing, provider engagement and monitoring the services of the Third Party Administrators have been implemented. Preferred Provider Network (PPN) is an initiative that the Company launched in the previous year in collaboration with other Public Sector insurers. The operation of PPN was extended to four more cities- Ahmedabad, Chandigarh, Hyderabad and Kolkata. PPN is now in operation in eight cities and covers over one thousand hospitals.

XII. RURAL INSURANCE, SOCIAL SECTOR INSURANCE AND SPECIAL SCHEMES

The New India Assurance is the pioneer Non-Life Insurance Company in insuring all types of assets and lives of Rural and Social Sector members in the country.

Insurance covers provided by the Company are need-based/tailor-made for the benefit of Rural and Social Sectors.

The Rural/Social Sector covers provided by the company during the year are as follows :

- Insurance of Fishermen in Odisha
- Special Insurance Schemes for Farmers in Maharashtra
- Andhra Pradesh Livestock Development Agency Scheme
- Ganna Kamgar Vima Yojana
- Sugarcane Crop Insurance Master Policy:
- Plantation Insurance
- EMU Bird Insurance
- Elephant Insurance
- Micro-Insurance: Jan Suraksha Laghu Bima Policy

Rural insurance, social sector insurance and special Schemes - details attached as per annexure II to the report.

XIII. CLAIMS SETTLEMENT AND AGEWISE ANALYSIS

The company had kept target of 90% claims settlement in respect of Non-suit Claims. The actual ratio in respect of Non-suit claims in 2011-12 was 93%.

However the overall claim settlement ratio including suit claims (comprising mainly of Motor TP Claims) was 82% in 2011-12.

Number of Claims Outstanding as on 01.04.2011	3,35,095
Number of Claims Intimated during 2011-12	14,34,348
Number of Claims Settled during 2011-12	14,54,070
Number of Claims Outstanding as on 31.03.2012	3,15,373

Age-wise classifications of outstanding claims as on 31.03.2012 are given here under:

Claims Outstanding for less than three months	49,501
Claims Outstanding for more than three months but less than one year	75,660
Claims Outstanding for more than one year	1,90,212
Total	3,15,373

Out of a total 3,15,373 pending claims as on 31st March 2012, 2,17,021 claims are Motor TP claims which are pending at various MACTs across the country.

XIV. INFORMATION TECHNOLOGY

New India Assurance moved in to the CORE Insurance solution across all products at all offices from 1st April 2011 onwards. The Core Web-based Insurance Software Solutions (CWISS) is an integrated Insurance solutions across all the segments of operations of Underwriting, Claims Management, Financials, HR Management & MIS Reports. More than 17 million policies and around 1.4 million claims have been processed in the newly enabled system in the last Financial Year. The financials were integrated to the legacy software to produce the financial closing for the year. M/s TCS is the System Integrator and domain solutions provider. The Financials, the HRMS, the CRM are all on Oracle platform.

The Company's Grievance Management system is fully integrated to IRDA's Integrated Grievance Management System. Customers can register their grievances online and can see the status as well. The website has been revamped and made WCAG standards compliant. SMS & mail alerts were configured for various transactions and Company is increasing its foot print in E payment and receipts .



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The company already has started offering two motor products for sale online with more products to be brought in. Today the customers can register themselves at the website and then renew these policies or take fresh ones. They can also link their existing policies to the site and then keep track. HRMS system is being used for most of internal transactions like payroll, leave management, PF & pension etc.

All the TPAs were able to file their claims online to the system successfully and 7.60 lakh health claims were settled under this facility. Mobility solutions, security solutions, hosted mode of mailing facility, desktop management & antivirus facility and a comprehensive Data warehousing are planned in the coming year.

XV. PROJECT NEW ENERGY - BUSINESS TRANSFORMATION EXERCISE

New Energy : (BUSINESS PROCESS ENGINEERING)

The Business transformation Exercise in New India, christened NEW ENERGY, was started in the year 2007 and continued generating value for the organization throughout 2011-2012.

Agency Performance Enhancement Programme (APEP) directs agency development efforts across the country and supports almost 15,000 agents in mentoring, training and business growth. About 1000 agency managers are driving this programme which brought in 32 % growth in these agent's business. In order to rationalize the technical skill and also to speed up claims delivery, Company has established 40 centralized claims processing units for suit claims and 32 for non suit claims, bringing in uniformity in approach, reduction in TAT, better monitoring on surveyors and other associates, better quality data and more visibility. TP Claims hubs are also part of this.

The specialized offices like Large Corporate Office (LCO), Brokers office and Motor vehicle dealers offices to cater to the unique needs of these business segments continued to show better results in business. A new LCO was opened in Kolkatta in the year 2011-2012 and the LCOs put together added ` 300 crore in fresh business from corporate clients.

In health insurance, significant initiatives like TPA monitoring, Preferred Provider Networks, health managers in each region and online upload of claims saw the losses moving down. The Company has established a business vertical for Health under this New Energy Programme.

Every operating office, works under a clearly defined KRA, which gives them clarity and direction on multiple operational areas.. The newsletter "New Energy" has been well appreciated by the employees as it carried corporate news to all offices. The monthly journal; also carries business figures, messages from top management and articles on specific contemporary subjects and photographs of events.

New India currently makes all its claim payments through electronic mode and have been exhorting the customers for mobile number / email and Bank details for NEFT payment so that they are kept informed properly and in time

XVI. HUMAN RESOURCE DEVELOPMENT

(i) Particulars of employees and recruitment:

The number of employees recruited during the year and the employee strength as on 31st March 2012 are shown below:-

Category	Number of Recruitment	Total Number of employees
Class I	322	6413
Class II (Marketing & Administration)	NIL	2292
Class III	NIL	8358
Class IV (Excluding Part Time Sweepers)	NIL	2047
Part Time Sweepers	NIL	218
TOTAL	322	19328

(ii) Training:

The Company provides regular training programmes and ample opportunities to its employees for updation of knowledge and skills. The Company's training set-up is as under:-

1. One Corporate Training College in Mumbai ,
2. Two Zonal Training Centres at Kolkata and Chennai and
3. Twenty One Regional Training Centres.

Besides, various Agents Training Centres are operating throughout the Country for training of Agents.

The Company also nominates its employees for training at National Insurance Academy, Pune, a premier research-cum-training facility, co-promoted by the Company alongwith its Public Sector counterparts and LIC. The Academy imparts insurance training as well as soft-skills training of a high caliber to Insurance professionals besides offering research facilities in the field of insurance.

Apart from training facilities offered at its in-house training centers and National Insurance Academy, Pune, the Company also nominates employees to various technical and personality development programmes, policy awareness and updation programmes, conferences and summits on specialised topics organized by external Institutes like Insurance Institute of India, CBI Academy, Ghaziabad, ASSOCHAM, Bombay Chambers of Commerce & Industry, Institute of Actuaries of India, FICCI, Administrative Staff College of India, The Institute of Chartered Accountants of India, Confederation of Indian Industry, etc.

Executives and Officers also attend International Seminars, Conferences, trainings conducted by IUMI, IMIA, IIS, Willis-Re, Asian-Re, Aon Insurance, London, M/s Richards Hogg & Lindley London etc.

The details of training programmes attended by the employees for the period from 01/04/2011 to 31/03/2012 are given in the table below:-

CENTRES	TOTAL NO.OF PROGRAMMES	TOTAL NO.OF PARTICIPANTS
NIA, PUNE	81	834
EXTERNAL INSTITUTES	17	46
TRAINING ABROAD	14	22
CTC	48	1197
TOTAL	160	2099



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In addition to the above, company had arranged for Induction Training of all Direct Recruit Scale-I officers of 2011 batch in Generalist and Specialist cadres. The three-week training programme was held in six batches, three each at National Insurance Academy, Pune and Insurance Institute of India, Mumbai. Refresher Training programme, in six batches, was also held for the Scale-I officers of 2009 batch.

Company had also launched a 2-day Customer Interface Training for all classes of employees focusing on customer service concepts. 3-day Trainers' Training programmes were held at NIA-Pune to equip trainers for each RO, who were then entrusted with the responsibility of imparting the 2-day training to all employees under their RO. The entire exercise is expected to be completed by June 2012.

(iii) Training activities at corporate training college during 2011-12:

The company has its own Corporate Training College at Andheri, Mumbai, which caters to the training needs of officials mainly in scale I, II and III.

Apart from conducting refresher courses in various branches of non-life insurance, the College also conducts programmes on management subjects. Management Development programmes (2 modules) are targeted at officers promoted from Class III to Class I. Having regard to changing training requirements, CTC has also introduced training programmes on several new topics viz., Risk Management, Functioning of Verticals for claims & u/w, Planning for Retirements for retiring officials, Programme for Legal Officers, Women Officers/employees and specialized IT related programme, etc. The College have also training modules to cater the training needs of fresh recruited officials. The Customer Interface Training prog. was also successfully incorporated in our training schedules.

During 2011-12, Corporate Training College conducted 48 programmes. During 2012-13. Corporate Training College plans to conduct 44 programmes covering over 1200 employees.

Scheduled Caste (SC), Scheduled Tribes (ST), Other Backward Class (OBC), People with Disabilities (PWD) and Ex-servicemen

Representation of the above employees under various cadres as on 31/03/2012 are as under:

Category/Level	Total Number	Number and Percentage			
		SC	%	ST	%
Group A (Officers)	6413	1298	20.24	390	6.08
Group B (Development Officers Marketing and Administration)	2292	216	9.42	59	2.57
Group C (Clerical)	8358	1915	22.91	680	8.14
Group D (Sub staff)	2047	910	44.45	177	8.65
Part Time Sweepers	218	151	69.27	19	8.72
Total	19328	4490	23.23	1325	6.85

The company strictly adheres to the Government norms and guidelines on regular basis regarding reservations, concessions and safeguards the interest of employees belonging to SC/ST/OBC/PWD and Ex-Servicemen. A special cell is actively functioning at Head Office and Regional Office level for SC/ST/OBC employees. A Liaison Officer under the charge of Chief Liaison Officer assists this cell at Head Office, whereas, Assistant Liaison Officer heads the cell at various Regional Offices.

A defined mechanism has been provided under which, on yearly basis, the Liaison Officer from the Head Office inspects the rosters pertaining to recruitment and promotions at all Regional Offices. The inspection report with observations of Liaison Officer, are put up to the Chief Liaison Officer and General Manager (Personnel) for further directions and sent back to respective Regional Offices with necessary advices. Based on the inspection report, efforts are taken by the concerned Regional Office in co-ordination with Head Office rectify the shortcomings in procedure, if any, observed by the Liaison Officer.

Special attention is given to the complaints and grievances of the SC/ST/OBC employees and they are investigated thoroughly and resolved within the shortest possible time. Pre-promotional training programmes were duly imparted to all eligible SC/ ST/ employees for promotion to various cadres.

Similarly, for Class III and for Class III to I promotional exercise, pre-promotional training is imparted to SC/ST employees under Dr. B. R. Ambedkar Welfare Trust. Regular training programmes are conducted on personality development, stress management, motivation etc. for SC/ST employees of various cadres. Various benefits under Dr. B.R. Ambedkar Welfare Trust have been given to SC/ST/OBC employees. SC/ST Liaison Officers workshops are conducted in a year. SC/ST employees have been nominated for training programmes at NIA, Pune on regular basis.

The company is providing financial support on behalf of Dr. B. R. Ambedkar Welfare Trust, to various SC/ST welfare activities which are aimed towards welfare of people of the community.

(iv) Gender Issues and Empowerment of Women :

Power of women has been acknowledged in all spheres of life and the company has a strong women force equipped with adequate opportunities for self and career development.

A significant number of women officers, as on 31.03.2012, holding senior positions in India and in company's offices abroad in the cadre of -

Deputy General Manager	:	1
Chief Regional Manager	:	1
Sr.Divisional/Divisional Managers	:	21
Branch Manager/Sr.Branch Managers	:	21

New India has a full fledged committee for prevention of sexual harassment to women employees as per guidelines of the Honorable Supreme Court of India. All employees of the company are aware of this committee and also sensitive to the stern action any such misdemeanour will attract. In this respect, there has been no complaints in 2011-12.



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(v) Industrial Relations

As the industrial relations between employee and employer have strengthened over the years, an element of synergy is evident, which in turn has manifested itself by way of a better work culture. The proactive interventions at various levels of Management has emanated into lesser and lesser punitive Discipline. By increasing the speed of dispensation of disciplinary cases, company has been able to obtain better employee commitment, while at the same time ensuring greater adherence to company's prescribed Rules. CDA Rules of the company have since been amended to include 'Sexual Harassment' against women-at-work further strengthening the parameters of 'Discipline'.

The Department and Officer In-charges of Head Office and RO/DO/BOs have shown greater professionalism and have been able to prove their leadership by way of building Teams and leading from the front, whereby they all command greater respect, affection, confidence and co-operation of their subordinates; thus, lessening the Management and employee divide.

(vi) Sports Activities

The sports and recreation club of the company organized various sport events and tournaments during the year 2011-12. The company participated in the All India Public Sector Badminton tournaments held at Hyderabad. The company also participated in the local/zonal level cricket, table tennis and kabaddi tournaments.

In February 2012 company organized All India Carrom tournament at Pune. Teams representing all Regional Offices and Head Office, participated in this mega event. For Eastern zone, chess competition was organized and for Mumbai zone, singing competition was held during the year.

XVII. OFFICIAL LANGUAGE IMPLEMENTATION

Company supported progressive use of Hindi in routine internal work as well as communication with public and customer service as directed by the Parliamentary Committee on Official Languages. Company has initiated steps to promote use of Indian Languages mentioned in the 8th schedule of the Constitution. Major activities of the company during the year 2011-12 for official language implementation are as follows :

- i) The company organised 162 Hindi workshops during the year 2011-12.
- ii) Training programmes were organized at Kolkata, Bhubanshwar, Vizag, Bengaluru and Guwahati for employees who do not possess working knowledge of Hindi.
- iii) Parliamentary Committee on Official languages inspected implementation of Hindi and Official Language policy at our Darjeeling D.O., Manali (Kullu D.O.), Jaipur R.O., Vizag R.O, Dimapur D.O., and Pondicherry D.O.
- iv) 182 offices were inspected by company's Hindi Officers for progressive use of Hindi under respective R.O's. Both the Parliamentary committee and Ministry appreciated the excellent work done in Hindi by the company.
- v) A House Magazine "ARJAN" was published during the year with the various aspects of insurance and official language aspects.
- vi) Four meetings of Official Language Implementation Committee meetings were held in Head Office. In these meetings, the major thrust was on progressive use and publicity of Hindi.

- vii) Incentive scheme for doing work in Hindi was implemented in the entire company. 10 employees from Head Office and 2028 employees from different R.O.'s were facilitated under the scheme during this year.
- viii) The company also encouraged original thinking on insurance related technical topics and motivated employees to write books on technical subjects.
- ix) Head Office Official Department was honoured by Rastriya Hindi Academy Roopambra at Mount Abu for the excellent performance in Official Language. Our Ludhiana and Bhopal R.Os. were facilitated by the Ministry of Home Affairs. Chandigarh R.O. got prize for their house magazine.

These steps makes NEW INDIA Topper as far as progress of the language/s is concerned.

XVIII. PUBLICITY ACTIVITIES

Being a service industry, a certain target is fixed for a financial year and to achieve the same, we have to adhere to the various wheels of procurement of premium. Publicity and Marketing is one method, where we have to adhere to the five Ps., which play a vital role of promoting the corporate image and awareness of the company's products and services to the masses.

This communication (advertisements of influencing the opinion of the target audience has to be done with careful planning in order to keep pace with the ever-changing scenario of globalization and stiff competition. The company has done during the financial year the designing of this communication through the various medias as under :

Utilised electronic media (television and radio) on Pan India basis during national and various festivals, since this was the opportune time when our brand got a wide mileage, visibility and accordingly recall and placement was great.

Made use of outdoor media and print media again on Pan India basis thanking our customers for the confidence placed in us and enabling us to cross 10,000 crore during the financial year. Magazine is another mode of print media and have advertised in national and foreign magazines which has further given our brand an exposure.

Hoardings and glow signs, neon signs have been placed at many major road junctions, highways, railway stations and airports. Advertisements have also been displayed on transit media like buses, trains, baggage trolleys and barricades, keeping in mind the demography.

Banner display at local events have helped the company in brand building in rural areas. The company have participated in fairs, exhibitions and have also sponsored various social gatherings, sport and cultural events. It has organized customers seminars, customer awareness camps to educate the customers about the various insurance policies and procedures/requirements for speedy settlement of claims.

XIX. VIGILANCE ACTIVITIES

The Vigilance Department working under the Chief Vigilance Officer has units in all the regional offices. The department is driven by a well-defined Mission which includes "to create an atmosphere conducive to zero-corruption functioning with role clarity and clear sense of direction. The Department continued to operate through surprise inspections, inter-office RO inspections, creating and circulating guidelines on contemporary areas more susceptible to fraud. Regional workshops, training session at the Corporate Training Centers and special sessions at National Insurance Academy continue to disseminate awareness.



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The July,11 edition of journal " new Energy' was a vigilance special and was well received. Department works through "Vigilance Study Circle" for interaction amongst CVO s of various institutions for keeping the vigilance department abreast with latest developments.

"Vigilance Awareness Week" was observed from 31st, October to 5th, November 2011and focused on theme 'Participative Vigilance'. Activities such as special issue of 'Satarkta' vigilance bulletin was issued on the occasion. containing 'Self Vigilance Principles' prepared by the staff members, was circulated.

Vigilance Module in CWISS has also rolled out on the Intranet and is active with most of the reports being regularly generated through CWISS.

XX. INTERNAL AUDIT

The Internal Audit Department (IAD) is continuing to strive towards excellence in performance of regular and special audits for all the underwriting and claim settlement units and administrative offices. The mandate from the Management for detecting irregularities and frauds is carried out without fear or favour.

The Internal Audit Department has continued its thrust in detecting and rectifying systems and procedural Lapses, enhancing the performance of Audit Compliance Cells at the various operating offices for faster resolution of pending audit queries-both internal and CAG.

IAD has conducted 30 H.O. level Workshops in all R.O.s except Bhopal and with active interaction of H.O. team in I.A.D. and local R.O.s pending queries have been substantially reduced. The IAD department has also held two CAG workshops at Chennai and Mumbai where the results are quite appreciable.

The effectiveness and efficiency of the department has been further improved by reducing the time gap between the conduct of Audit and subsequent submission of report to two weeks. The company has increased its emphasis on TPA Audit, Audit of T.P. Claims and pay and recover cases.

The audit teams have been instructed to check the provision of all claims with more thrust on T.P. claims and also enforcing of AML Guidelines.

We have tried to introduce SYSTEMAUDIT in the audit brief to Audit In charges so that the procedures and methods can be improved and risk based audit is introduced in company's Audit methodology.

The audit department is aiming towards switching to risk based audit in near future.

XXI. ANTIMONEY LAUNDERING

IAD has been endeavouring to put a system in place regarding implementation of AML guidelines and has been constantly following up with R.O.s to collect AML statement/returns from all offices.

XXII. CITIZENS' CHARTER

New India's Citizen Charter was initially adopted in 1997 and subsequently revised in December 2003. In the Board Meeting held on 30th March 2012, the Citizen Charter has been revised and adopted. The same has been placed on the website and process is on for formal placement in all the offices of the Company.

Utmost care is taken to adhere to the assurances mentioned in the Citizen's Charter of the company. Revised Citizen Charter gives clear directions to the company's customer service endeavours.

XXIII. CUSTOMER SERVICE

As a service industry, customer satisfaction is the major criteria for judging the performance of the company. The company has given considerable importance to providing courteous, prompt and efficient service to its customers. The company will continue its efforts to see that company perform well in twin areas of customer service, viz. documentation and claim settlement. The company is having a grievance cell at HO and RO level. These cells are taking care of customers' grievances and performing satisfactorily. Company's website <http://newindia.co.in> provides online information on company's various products as also addresses of all offices of the company. The company will continue to strive for improvement in every area of customer service.

In order to render better and value added customer services, company continuously monitors the customer service and takes required proactive action to ensure customers are always cared for. Company's call centre has been launched in the year 2010 as an integral part of company's customer relationship management. The Company's toll free number is 1800-209-1415 and is available to the customers 24x7 for inquiring about various products, tracking status of motor claims and grievances, both in Hindi and English. Further, queries of customers are addressed by the call centre. Call centre as a new initiative and endeavour of 'customer service' has come to stay and become a practical reality in 2 years time and has definitely become a key element of our business strategy in contemporary times.

XXIV. FINANCIAL RATING

M/s. A. M. Best Company, USA, a premier financial and insurance rating agency has maintained the grade A - (Excellent) for the company for the year 2011. Further the rating outlook is also improved from 'negative' for the year 2010 to 'stable' for the year 2011.

XXV. GRIEVANCE REDRESSAL

Grievance handling is a high priority area of the Company and every Region has a Grievance Reddressal officer reporting to the Regional chief and also to Head office. Every Divisional & Branch manager is also responsible for handling complaints from customers. All the information is available at the web site.

In year 2011-12, the Company has successfully implemented the Integrated Grievance Management System (IGMS) synchronizing between IGMS and the Insurer's System, as per directives of IRDA. Now all the grievances are reported to H.O. The complaint registered in the IGMS and emails are successfully integrated in IGMS. The company is the only public sector Non Life Insurance Company chosen by the regulator to pilot this initiative of IGMS.

In year 2011-2012, 16 retail customers meet were held at various Regional Offices. The process is ongoing for the remaining 12 Regional Offices. For 2012-13, the plan is to cover all the 28 Regional Offices and hold at least one Customer meet. Suggestions received from the customers are placed before the policyholder's protection committee meeting for their review and suggestion to make the Customers Meet more meaningful.



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The Grievance Redressal status for the year 2011-12 is appended as hereunder.

	O/s. as on 01.04.2011	Received during the year	Resolved during the year	Pending as on 31.03.2012
CPGRAMS :DPG & OTHERS	3	55	57	1
I.R.D.A.	224	1328	1493	59
H.O.D.T.	141	860	924	77
R.O.D.T.	180	3002	3054	128
E.MAIL	0	558	522	36
TOTAL	548	5803	6050	301

XXVI. CORPORATE LEGAL MATTERS

The Action Plan initiated during the year 2010-2011 for reduction of pending Legal Cases was vigorously pursued during the year which resulted in substantial reduction of cases. In the beginning of the financial year (2011-12) whilst, 9896 Consumer forum cases were pending, the same was reduced to less than 8000 by the end of the financial year.

All Regional Offices have been advised to compromise the Consumer Forum Cases based on merits by DCC/RCC. Further a team of HO officials were sent to Regional offices to physically verify the pending files and suggest remedial measures for efficient working in this direction.

XXVII. RIGHT TO INFORMATION ACT, 2005

The Central Public Information Cell set up at Head Office in the year 2005, continued to process the requests for information as well as disposal of appeals speedily and efficiently and in conformity to the ideals of transparency and accountability.

Decentralization of the functions of CPIO/FAA at Regional Office level w.e.f. 01.04.2010 has been helpful in disposing of applications & appeals expeditiously.

The company has appointed Transparency Officer, at the level of General Manager, immediately on receipt of advices from the Central Information Commission (CIC) to fulfill the statutory requirements of the RTI Act for uploading maximum information on the website which has been done effectively.

The CPI Cell, Head Office has arranged various workshops for CPIOs and FAAs, of Regional Offices and H.O. executives as deemed CPIOs wherein they were apprised of the latest amendments in the RTI Act and the landmark decisions given by the CIC, New Delhi. The company's official website, as per CIC guidelines, is up-dated from time to time, so far as RTI Act is concerned.

Company has been endeavouring at every step to provide information to the general public and will continue to do the same in future as well as to meet with the requirements of the RTI Act in letter and spirit.

Progress in 2011-12:

	Requests	First Appeals	Second Appeals at CIC
Opening Balance as on 01.04.2011	63	21	-
Received during the year including case transferred to other Public Authorities	2172	393	19
Cases transferred to other Public Authorities	163	14	-
Decisions where requests/appeals rejected	223	71	-
Decisions where requests/appeals disposed off	1747	320	19
Closing Balance as on 31.03.2012	102	9	NIL

XXVIII. CERTAIN EXPENSES OF MANAGEMENT

Expenses of management of the company include:

- (a) Entertainment (indian & foreign): ₹ 1.06 crore (previous year – ₹ 0.83 crore)
- (b) Foreign tours undertaken by the executives: ₹ 0.95 crore (previous year - ₹ 1.47 crore).
- (c) Publicity and advertisement: ₹ 32.21 crore (previous year – ₹ 39.70 crore)

XXIX. FOREIGN EXCHANGE EARNINGS & OUTGO

The company's foreign exchange earning for the year 2011-12 is ₹ 373.65 crore i.e. ₹ 370.34 crore pertaining to re-insurance transactions and ₹ 3.31 crore from dividend and management fees (previous year – ₹ 318.79 crore) whereas the outgo in foreign currency has been ₹ 667.36 crore (previous year – ₹ 425.20 crore).

The reasons for increase in foreign exchange outgo is mainly steep currency variations and more payments against re-insurance premium and claims during the year.

XXX. CORPORATE GOVERNANCE

Corporate governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfil its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others.

The company's philosophy on corporate Governance lays strong emphasis on transparency, accountability and integrity. Corporate governance is concerned with the establishment of a system whereby the Directors are entrusted with responsibilities and duties in relation to the directions of corporate affairs. It is concerned with accountability of who are managing it. It is concerned with morals, ethics, values, parameters, conduct and behaviour of the company and its management.



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● Board of Directors:

The 100% paid-up share capital of the company is held by the Central Government and the directors on the board of the company are appointed by the Central Government.

The Board of Directors provides leadership and strategic guidance to Company's management. In addition to the skill and expertise of the whole time directors, the non-executive directors bring an external and wider perspective in board deliberations and decisions.

The Board comprises of a perfect blend of experts from the fields of insurance, banking and finance. The current strength of the board is five (5) directors.

➤ The **present composition** of the board of directors as on date is as under :

Sl. No.	Name and designation of Directors	Qualification	Category of directorship
1.	Mr. A.R. Sekar	FCS,MBA,FIII,CAIIB,BGL, B.Com.	Officiating Chairman -cum- Managing Director (Appointed - 05.12.2011)
2.	Mr. Arvind Kumar, IAS	PG Diploma in Management Finance marketing and MA in Public Policy from Princeton University, USA	Government Nominee Director (Non Executive Director) (Appointed – 11.05.2012)
3.	Mr. M.D. Mallya	B.E., P.G. Diploma in management	Ex-Officio Director
4.	Mr. S. Ganapathi Subramanian	Chartered Accountant	Part Time Non Official Director (Appointed - 24.08.2011)
5.	Mr. Prakash Bakliwal	B.Com., LLB	Part Time Non Official Director (Appointed - 24.08.2011)

➤ The composition of the board of directors **as on 31st March, 2012** was as under :

Sl. No.	Name and designation of Directors	Qualification	Category of directorship
1.	Mr. A.R. Sekar	FCS,MBA,FIII,CAIIB,BGL, B.Com.	Officiating Chairman -cum- Managing Director (Appointed - 05.12.2011)
2.	Mr. Bimal Julka, IAS	Post Graduate in Psychology	Government Nominee Director (Non Executive Director (Appointed – 30.11.2011)
3.	Mr. M.D. Mallya	B.E., P.G. Diploma in management	Ex-Officio Director
4.	Mr. S. Ganapathi Subramanian	Chartered Accountant	Part Time Non Official Director (Appointed - 24.08.2011)
5.	Mr. Prakash Bakliwal	B.Com., LLB	Part Time Non Official Director (Appointed - 24.08.2011)

➤ Changes in the composition of the board since the date of last Directors' Report, i.e., 16th July 2011:

Sl. No.	Name and designation of Directors	Qualification	Category of directorship
1.	Mr. M. Ramadoss	B.Com.,ACA,FIII,ACII	Chairman-cum-Managing Director (Till 12.08.2011)
2.	Mr. G. Srinivasan	B.Com.,AICWAI, FIII	Chairman-cum- Managing Director (From – 16.08.2011 To 4.12.2011)
3.	Mr. R. Gopalan, I.A.S. Secretary (Dept. of Economic Affairs), Ministry of Finance, Govt. of India.	B.Sc. Chemistry, M.A. Eco. (Boston University), M.P.A.(Harvard University)	Government nominee Director (Non-executive Director) (Up to - 29.11.2011)
4.	Mr. Bimal Julka, IAS	Post Graduate in Psychology	Government Nominee Director (Non Executive Director) (From 30.11.2011 To 10.05.2012)
5.	Mr. I. S. Phukela, General Manager	B.Sc,Mech.Engg.(Hons.), AIII	Whole-time Director (Up to - 29.02.2012)

During the year ended 31st March 2012, seven board meetings were held. The date of meetings and attendance of directors during the meetings are given below:

Name of the Director	1509 11.05.2011	1510 16.07.2011	1511 03.09.2011	1512 18.11.2011	1513 04.01.2012	1514 13.02.2012	1515 26.03.2012
M. Ramadoss	✓	✓	NA	NA	NA	NA	NA
G. Srinivasan	NA	NA	✓	✓	NA	NA	NA
R. Gopalan	✓	✓	Leave of Absence	Leave of Absence	NA	NA	NA
Bimal Julka	NA	NA	NA	NA	✓	Leave of Absence	Leave of Absence
M. D. Mallya	✓	✓	✓	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence
S. Ganapathi Subramanian	NA	NA	NA	✓	✓	✓	✓
Prakash Bakliwal	NA	NA	NA	✓	✓	✓	✓
A. R. Sekar	✓	✓	✓	✓	✓	✓	✓
I. S. Phukela	✓	✓	✓	✓	✓	✓	NA

The Board places on record its warm appreciation to Mr. R. Gopalan, IAS, Mr. Bimal Julka, IAS and Mr. I.S. Phukela for the valuable services rendered by them during their tenure as directors of the company.

Further, board welcomes Mr. Arvind Kumar, IAS on the board of the company.



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● Committees of the Board :

There are presently 7 committees of the Board of directors -

- i) Audit Committee,
- ii) Investment Committee,
- iii) Remuneration Committee,
- iv) Risk Management Committee,
- v) Policyholders Protection Committee,
- vi) Information Technology Committee and
- vii) Property Review Committee.

The minutes of all Board and committee meetings are placed before the board for noting by the directors at the Board meetings. The present composition of all the committees as on date including the number of meetings held during the year ended 31st March 2012 and the related attendance of members are as follows :

(i) Audit Committee:

The Company has constituted Audit Committee on 28/08/2000 at the 1440th board meeting, as per Section 292A of the Companies Act, 1956. The committee was reconstituted from time to time. The committee was last reconstituted vide 'Resolution by Circulation' dated 17th May 2012 and informed to the board in the 1516 board meeting held on 8/9th June 2012. The composition of the committee as on date of the directors' report is as follows :

1. Mr. S. Ganapathi Subramanian
2. Mr. Arvind Kumar, IAS
3. Mr. Prakash Bakliwal

Four meetings of the audit committee were held during the year ended 31st March 2012. The dates of meeting and attendance of members at meetings are given below:

Name of the member	35 th 18.11.2011	36 th 28.12.2011	37 th 13.02.2012	38 th 26.03.2012
Bimal Julka	NA	Leave of Absence	Leave of Absence	Leave of Absence
S. Ganapathi Subramanian	✓	✓	✓	✓
Prakash Bakliwal	✓	✓	✓	✓
I.S. Phukela	✓	✓	✓	✓

The Audit Committee meeting could not be convened in the first half of the year as there was no quorum for convening the meeting as required under Section 292 A of the companies Act 1956. Independent directors were appointed by Government of India on 24.08.2011.

(ii) Investment Committee:

The Investment Committee of the board was constituted in the 1441st board meeting held on 14.10.2000 and was reconstituted from time to time. The committee was last reconstituted in the 1516 board meeting of the company held on 8th June 2012. The composition of the committee as on date of the directors' report is as follows :

1. Mr. A.R. Sekar (Chairman)
2. Mr. S. Ganapathi Subramanian
3. Mr. Prakash Bakliwal
4. Mr. A. R. Prabhu
5. Mr. Dinesh Waghela
6. Mr. K.R. Sethuraman

During the year ended 31st March 2012, the committee held five meetings. The dates of meeting and attendance of members at meetings are as follows :

Name of the Member	53 rd 16.07.2011	54 th 03.09.2011	55 th 18.11.2011	56 th 13.02.2012	57 th 26.03.2012
M. Ramadoss	✓	NA	NA	NA	NA
G. Srinivasan	NA	NA	✓	NA	NA
A.R. Sekar	✓	✓	✓	✓	✓
M.D. Mallya	✓	✓	NA	NA	NA
S. Ganapathi Subramanian	NA	NA	✓	✓	✓
Prakash Bakliwal	NA	NA	✓	✓	✓
A.R. Prabhu	✓	✓	✓	✓	✓

(iii) Remuneration Committee:

Remuneration Committee of the Company was constituted in 1486th Board meeting held on 29/09/2007 in compliance with the Government directives and was re-constituted in the 1516 board meeting of the company held on 8th June 2012. The composition of the committee as on date of the directors' report is as follows :

1. Mr. Arvind Kumar, IAS - Chairman
2. Mr. M.D. Mallya
3. Mr. S. Ganapathi Subramanian
4. Mr. Prakash Bakliwal

Remuneration Committee was convened on 26th March 2012. However, the meeting was adjourned for want of quorum.

iv) Risk Management Committee :

Risk Management Committee was formed in 1500th board meeting held on 04/02/2010 as per the IRDA directives and was reconstituted from time to time. The committee was last reconstituted The committee was last reconstituted in the 1516 board meeting of the company held on 8th June 2012. The composition of the committee as on date of the directors' report is as follows :

1. Mr. A.R. Sekar (Chairman)
2. Mr. Arvind Kumar, IAS
3. Mr. S. Ganapathi Subramanian

Mr. A.R. Prabhu, Appointed Actuary and General Manager/s of technical departments are permanent



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invitees in all meetings of the committee. Mr. P. Dutta, Deputy General Manager is the Chief Risk Officer (CRO) of the company and convener of the Risk Management Committee meetings. During the financial year 2011-12, the Committee held four meetings. The dates of meetings and attendance of members at the meetings are as follows :

Name of the Member	5th 28.07.2011	6 th 28.09.2011	7 th 28.12.2011	8th 26.03.2012
Mr. M. Ramadoss	✓	NA	NA	NA
Mr. G. Srinivasan	NA	✓	NA	NA
Mr. A.R. Sekar	Leave of Absence	✓	✓	✓
S. Ganapathi Subramanian	NA	NA	✓	✓
Mr. I. S. Phukela	✓	Leave of Absence	✓	NA

v) Policyholder Protection Committee :

Policyholder Protection Committee was formed in 1500th board meeting held on 04/02/2010 as per the IRDA directives and was reconstituted from time to time. The committee was last reconstituted in the 1516 board meeting of the company held on 8th June 2012. The composition of the committee as on date of the directors' report is as follows:

1. Mr. A.R. Sekar (Chairman)
2. Mr. Prakash Bakliwal
3. Mr. S. Ganapathi Subramanian

Mr. A.R. Prabhu, Appointed Actuary and General Manager (grievance department) are permanent invitees in all meetings of the committee. Chief Manager, Grievance department, HO is the convener of the meeting.

During the financial year 2011-12, the Committee held four meetings. The dates of meetings and attendance of members at the meetings are as follows :

Name of the Member	5th 28.07.2011	6th 28.09.2011	7th 28.12.2011	8th 26.03.2012
M. Ramadoss	✓	NA	NA	NA
G. Srinivasan	NA	✓	NA	NA
Mr. A R Sekar	✓	✓	✓	✓
Prakash B akliwal	NA	NA	✓	✓
Mr. I. S. Phukela	✓	Leave of Absence	✓	NA

vi) Information Technology Committee :

Information Technology Committee was formed vide 'Resolution by Circulation' dated 11th January 2012 circulated and approved by all the directors on the board of the company. The committee was last reconstituted in the 1516 board meeting of the company held on 8th June 2012. The composition of the committee as on date of the directors report is as follows :

1. Mr.A.R. Sekar (Chairman)
2. Mr. S. Ganapathi Subramanian
3. Mr. Prakash Bakliwal

General Manager (I.T. Department) and representative of IIT Mumbai (consultant) appointed by the company as consultant from IIT, Mumbai are permanent invitees in all meetings of the committee.

During the financial year 2011-12, the Committee held two meetings. The dates of meetings and attendance of members at the meetings are as follows :

Name of the Member	1 st 13.02.2012	2 nd 26.03.2012
A.R. Sekar	✓	✓
S. Ganapathi Subramanian	✓	✓
I.S. Phukela	✓	NA

vii) Property Review Committee :

Property Review Committee was formed in 1513th board meeting of the company held on 4th January 2012 in compliance with the Government directives. The committee was last reconstituted in the 1516 board meeting of the company held on 8th June 2012. The composition of the committee as on date of the directors' report is as follows :

1. Mr. A.R. Sekar - Chairman
2. Mr. Arvind Kumar, IAS
3. Mr. Prakash Bakliwal.

First meeting of the Property Review Committee was convened on 26th March 2012. However, the meeting was adjourned for want of quorum.

Note :

- ✓ : Attended the meeting
NA : Not applicable

• **Independent Directors' remuneration and disclosure :**

(A) Remuneration to Directors :

During the year under review, company had two independent directors on the Board. The Remuneration paid to independent directors during the year 2011-12 is as under :

1. Mr. S. Ganapathi Subramanian ₹ 72,500/-
2. Mr. Prakash Bakliwal ₹ 67,500/-



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The Remuneration includes sitting fees only for attending Board meetings/Committee meetings of the company. No sitting fees is payable to Chairman-cum-Managing Director, whole time directors and directors representing Govt. of India and banks.

(B) Disclosures :

- During the year, there are no pecuniary relationships or transactions with the Non-Executive Directors.
- Financial Statements accurately and fairly represent the financial condition of the Company.
- There has not been any significant changes in the accounting policies of the Company during the year.
- The Company has Business Risk Management process which is periodically reviewed by the Board of Directors/Risk Management Committee to determine its effectiveness.
- The Board of Directors and the Audit Committee periodically reviewed the status of compliances in respect of applicable Laws and report thereon by the Internal Audit team.
- Whistle Blower Policy - Being a Government Company, the CVC guidelines are applicable to the Company. Hence no separate whistle blower mechanism has been formulated. The company has a vigilance department which takes care of this aspect.
- Solvency Margin of the company for the year 2011-12 global is 2.00 times (PY 2.90) and Indian is 2.59 times (PY 4.50).

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

The particulars of employees drawing remuneration of ₹ 60 lakh and above for the year ended 31st March 2012 as required under Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975, are as under :

Name of Employee	Service in Yrs.	Designation	Remuneration(₹)	Qualification	Date of joining	Age	Last employment held	Place
B. Balachandra	29	Chief Operating Officer	72,94,975	BSC, AIII	1/6/1983	53	Glaxo Ltd.	Sydney

XXXII. AUDITORS

Under Section 619 of the Companies Act, 1956, the Comptroller and Auditor General of India, appointed M/s. Ford, Rodhes, Park & Co., M/s. S. R. Goyal & Co. and M/s. L.B. Jha and Co., as the Central Statutory Auditors of the Company for the year 2011-12. Branch auditors for the various Regional Offices, Divisional Offices and claims hubs in India and for the foreign branch/agency offices were also appointed for the year. The Board of Directors expresses its gratitude for the directions and guidance given by the statutory auditors in drawing up the Company's annual results.

XXXIII. RENEWAL OF LICENCE BY THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (IRDA)

The company has received the certificate of renewal of registration dated 16.03.2012 for the year 2012-13.

XXXIV. SUBSIDIARY COMPANIES

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

S. No.	Name of the subsidiary	Total paid-up capital (no. of shares)	New India's shareholding (no. of shares)	% holding of New India Assurance
1.	The New India Assurance Company (Trinidad & Tobago) Limited	17,418,946	146,12,444	83.89
2.	The New India Assurance Company (Sierra Leone) Limited	250,000	250,000	100.00
3.	Prestige Assurance Plc. Nigeria	2,508,315,437	1,279,314,265	51.00

The performance of subsidiaries for the year ended 31st December 2011 is summarized below:

(Figures in '000)

Name of the subsidiary	Currency	U/w Profit/Loss		Investment Income		Other Income		Net Income (before tax)		Dividend	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
NIA (T&T) Ltd.	\$	21215	11573	5111	5373	643	-884	26969	12762	1741	1741
NIA (S..Leone) Ltd.	Le	-10937	-17124	28565	20337	NIL	NIL	17628	3213	NIL	NIL
Prestige Assurance	N	1069463	912351	605442	674056	26164	10497	415669	822561	128999	214998

- All the subsidiary companies follow the calendar year for finalisation of accounts. Therefore, performance has been given for the year ended 31st December 2011.
- The New India Assurance Company (Sierra Leone) Limited has closed down business operations with effect from 1st January 2003 due to the civil disturbances prevailing in that country. The Company has not declared any dividend for the year 2011-12.



Directors' Report

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- In compliance with the provisions of the Section 212 of the Companies Act 1956, the report and audited accounts of the subsidiary companies are appended hereto.

XXXV. ADOPTION OF ACCOUNTS BY SHAREHOLDERS

The Company's Annual Accounts for the year 2010-11 were adopted by the shareholders at the Annual General Meeting held on 14th September 2011.

XXXVI. GENERAL BODY MEETING

The last three Annual General Body meetings (AGMs) of the company were held at the Registered office of the company at 87, M. G. Road, Fort, Mumbai - 400 001 on the following dates :

Wednesday, 14th September 2011

Monday, 16th August 2010

Monday, 17th August 2009

XXXVII. SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT

The Ministry of Finance, Department of Financial Services, (Insurance Division) has confirmed that the Annual Report of the Company for the Financial Year 2010-11 along with the Directors' Report was placed before Lok Sabha on 09.12.2011 and Rajya Sabha on 13.12.2011 as per the requirement of Section 619A read with Section 619B of the Companies Act, 1956.

XXXVIII. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) the Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the year under review.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have arranged preparation of the accounts for the financial year ended 31st March, 2012 on 'going concern' basis.

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

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

XXXX. ACKNOWLEDGEMENT

The Board of directors thanks Government of India, Ministry of Finance, Department of Financial Services (Insurance Division), Insurance Regulatory & Development Authority (IRDA), General Insurers' (Public Sector) Association of India (GIPSA) and other government and regulatory agencies for their valuable guidelines and continuous support provided to the company throughout the year.

The Board of directors are also grateful to the valued customers, bankers, agents, surveyors, stakeholders and public at large for the patronage and confidence reposed in the company.

The Board of directors places on record their appreciation for the commitment, sense of involvement and dedication exhibited by each staff member in the overall development and growth of the company and look forward to the continued support and whole-hearted cooperation for the realization of the corporate goals in the year ahead.

For and on behalf of the Board

A.R. SEKAR

CHAIRMAN-CUM-MANAGING DIRECTOR (OFFICIATING)

Place : Mumbai

Dated : 9th June 2012



Directors' Report

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[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
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ANNEXURE I TO DIRECTORS' REPORT DETAILS OF COUNTRY-WISE OPERATIONAL RESULTS FOR FOREIGN BRANCHES AND AGENCIES FOR THE FINANCIAL YEAR 2011-12

(₹ IN CRORE)

COUNTRY		GROSS PREMIUM	NET PREMIUM	CLAIMS	COMMISSION	MGT. EXP.	RES. STR.N	INCOME	U/W PROFIT (+) LOSS (-)	NVTMENTI INCOME	NET PROFIT (+) LOSS (-)
		₹	₹	₹ %	₹ %	₹ %	₹ %	₹ %	₹ %	₹ %	₹ %
ABU DHABI	C.Y.	94.21	72.38	41.93 57.9	22.59 31.2	0.99 1.4	11.63 16.1	- -	-4.76 (6.6)	2.12 2.9	-2.64 (3.6)
	P.Y.	67.21	51.81	24.04 46.4	14.12 27.3	0.87 1.7	4.16 8.0	- -	8.62 16.6	2.17 4.2	10.79 20.8
DUBAI	C.Y.	282.14	165.08	102.35 62.0	52.88 32.0	3.76 2.3	21.22 12.9	0.07 -	-15.06 (9.1)	5.49 3.3	-9.57 (5.8)
	P.Y.	162.52	141.34	47.73 33.8	41.60 29.4	4.17 3.0	14.83 10.5	0.07 -	33.08 23.4	4.35 3.1	37.43 26.50
BAHRAIN	C.Y.	62.05	46.93	24.04 51.2	13.99 29.8	1 2.1	2.8 6.0	- -	5.1 10.9	1.64 3.5	6.74 14.40
	P.Y.	52.58	41.25	27.60 66.9	11.34 27.5	1.27 3.1	0.4 1.0	- -	0.64 1.6	1.9 4.6	2.54 6.20
KUWAIT	C.Y.	65.16	60.87	44.19 72.6	20.80 34.2	1.06 1.7	7.46 12.3	- -	-12.64 (20.8)	0.69 1.1	-11.95 (19.6)
	P.Y.	50.68	47.38	30.02 63.4	16.06 33.9	1.02 2.2	0.75 1.6	- -	-0.47 (1.0)	0.75 1.6	0.28 0.6
MUSCAT	C.Y.	298.12	265.52	236.94 89.2	63.46 23.9	0.66 0.2	21.36 8.0	- -	-56.9 (21.4)	10.29 3.9	-46.61 (17.6)
	P.Y.	243.39	219.68	172.40 78.5	51.91 23.6	1.99 0.9	26.56 12.1	0.02 0.0	-33.16 (15.1)	11.3 5.1	-21.86 (10.0)
SAUDI ARABIA	C.Y.	(0.06)	(0.10)	(0.35) 350.0	(0.01) 10.0	0.08 (80.0)	-0.01 10.0	0.01 (10.0)	0.2 (200.0)	- -	0.2 (200.0)
	P.Y.	(0.04)	(0.08)	(0.28) 350.0	(0.01) 12.5	0.05 (62.5)	0.7 (875.0)	0.06 (75.0)	-0.48 600.0	- -	-0.48 600.0
ARUBA	C.Y.	53.38	43.27	19.70 45.5	18.39 42.5	1.48 3.4	0.23 0.5	-0.54 (1.2)	2.93 6.8	3.7 8.6	6.63 15.3
	P.Y.	47.92	42.87	12.74 29.7	15.82 36.9	1.35 3.1	2.03 4.7	0.17 0.4	11.07 25.8	3.89 9.1	14.96 34.9
CURACAO	C.Y.	22.43	19.72	11.76 59.6	5.94 30.1	1.03 5.2	0.3 1.5	0.09 0.5	0.78 4.0	0.47 2.4	1.25 6.3
	P.Y.	21.09	19.25	8.02 41.7	7.25 37.7	0.95 4.9	1.33 6.9	0.08 0.4	1.78 9.2	0.45 2.3	2.23 11.6
TOTAL FOR AGENCIES	C.Y.	877.43	673.67	480.56 71.3	198.04 29.4	10.06 1.5	64.99 9.6	(0.37) (0.1)	(80.35) (11.9)	24.40 3.6	55.95 (8.3)
	P.Y.	645.35	563.50	322.27 57.2	158.09 28.1	11.67 2.1	50.76 9.0	0.40 0.1	21.08 3.7	24.81 4.4	45.89 8.10
MAURITIUS	C.Y.	64.65	51.02	16.85 33.0	7.13 14.0	3.76 7.4	0.97 1.9	0.06 0.1	22.37 43.8	9.13 17.9	31.5 61.70
	P.Y.	57.53	49	26.72 54.5	7.55 15.4	3.16 6.4	2.82 5.8	- -	8.75 17.9	7.7 15.7	16.45 33.6
HONGKONG	C.Y.	38.08	36.78	25.69 69.8	12.79 34.8	2.89 7.9	-0.28 (0.8)	0.11 0.3	-4.2 (11.4)	0.74 2.0	-3.46 (9.4)
	P.Y.	38.85	37.94	25.92 68.3	13.34 35.2	2.72 7.2	-0.59 (1.6)	- -	-3.45 (9.1)	0.71 1.9	-2.74 (7.2)
PHILIPPINES	C.Y.	29.09	22.14	17.2 77.7	5.27 23.8	2.1 9.5	2.82 12.7	3.03 13.7	-2.22 (10.0)	2.81 12.7	0.59 2.7
	P.Y.	20.83	17.02	6.89 40.5	4.06 23.9	1.49 8.8	1.8 10.6	- -	2.78 16.3	2.53 14.9	5.31 31.2
THAILAND	C.Y.	15.22	4.5	275.87 5,130.4	1.72 38.2	2.03 45.1	-1.21 (26.9)	0.45 10.0	-273.46 (6,076.9)	1.25 27.8	-272.21 (6,049.1)
	P.Y.	10.64	6.78	4.83 71.2	1.58 23.3	1.85 27.3	0.9 13.3	- -	-2.38 (35.1)	1.12 16.5	-1.26 (18.6)
AUSTRALIA	C.Y.	83.89	22.91	97.07 423.7	10.52 45.9	4.95 21.6	2.24 9.8	-0.38 (1.7)	-92.25 (402.7)	12.98 56.7	-79.27 (346.0)
	P.Y.	75.4	18.34	121.81 664.2	10.16 55.4	4.84 26.4	-7.8 (42.5)	0.02 0.1	-110.65 (603.3)	12.68 69.1	-97.97 (534.2)
FIJI	C.Y.	67.83	54.8	27.03 49.3	7.75 14.1	5.16 9.4	5.47 10.0	-11.25 (20.5)	-1.86 (3.4)	9.44 17.2	7.58 13.8
	P.Y.	55.83	44.26	21.85 49.4	5.32 12.0	4.88 11.0	-4.62 (10.4)	0.11 0.2	16.94 38.3	8.32 18.8	25.26 57.1
AUCKLAND	C.Y.	52.96	41.63	21.62 51.9	4.33 10.4	2.93 7.0	11.97 28.8	-0.32 (0.8)	0.46 1.1	2.08 5.0	2.54 6.1
	P.Y.	22.25	17.86	9.45 52.9	2.33 13.0	2.11 11.8	2.46 13.8	0.02 0.1	1.53 8.6	0.94 5.3	2.47 13.8
JAPAN	C.Y.	241.49	185.42	130.51 70.4	37.55 20.3	59.41 32.0	5.59 3.0	-0.07 -	-47.71 (25.7)	3.37 1.8	-44.34 (23.9)
	P.Y.	210.19	174.94	110.89 63.4	35.46 20.3	63.89 36.5	3.81 2.2	0.24 0.1	-38.87 (22.2)	2.51 1.4	-36.36 (20.8)
UNITED KINGDOM	C.Y.	627.6	460.15	386.27 83.9	109.53 23.8	29.67 6.4	55.53 12.1	-1.97 (0.4)	-122.82 (26.7)	43.64 9.5	-79.18 (17.2)
	P.Y.	458.02	349.09	290.58 83.2	90.89 26.0	26.74 7.7	15.15 4.3	-0.96 (0.3)	-75.23 (21.6)	38.36 11.0	-36.87 (10.6)
TOTAL FOR BRANCHES	C.Y.	1220.81	879.35	998.11 113.5	196.59 22.4	112.9 99.5	83.1 371.7	-10.34 (10.4)	-521.69 (59.3)	85.44 9.7	-436.25 (49.6)
	P.Y.	949.54	715.23	618.94 86.5	170.69 23.9	111.68 129.1	13.93 58.4	-0.57 (0.4)	-200.58 (28.0)	74.87 10.5	-125.71 (17.6)
RUN-OFF & OTHERS	C.Y.	-	-	- -	- -	1.66 -	- -	-1.91 -	-3.57 -	0.14 -	-3.43 -
	P.Y.	-	-	0.44 -	- -	-0.50 -	- -	-1.3 -	-0.80 -	0.21 -	-0.59 -
TOTAL (₹).	C.Y.	2,098.24	1,553.02	1,478.67 95.2	394.63 25.4	124.62 8.0	148.09 9.5	(12.62) (0.8)	(605.61) (39.0)	109.98 7.1	(495.63) (31.9)
	P.Y.	1,594.89	1,278.73	941.21 73.6	328.78 25.7	122.85 9.6	64.69 5.1	(1.47) (0.1)	(180.30) (14.1)	99.89 7.8	(80.41) (6.3)

ANNEXURE II TO DIRECTORS' REPORT

RURAL INSURANCE, SOCIAL SECTOR INSURANCE AND SPECIAL SCHEME

Policy Details	Year	No of Policies Sold	No of Persons Covered	Amount of Premium (₹. In Lakh)	No of Claims Reported	No of Claims Settled	Amount of Claims Settled (₹. In Lakh)	Claims Ratio(%)
Cattle Insurance	2006-07	181054	635092	4128.10	39926	42631	3055.25	74.01
	2007-08	152999	536683	3488.44	33739	36252	2162.87	62.00
	2008-09	223287	753223	4519.34	23319	23478	2705.29	59.86
	2009-10	237431	880935	4805.61	14816	15497	2906.84	60.49
	2010-11	305469	605270	3562.28	23182	11147	1656.91	46.51
	2011-12	114806	407679	4519.87	17060	14663	2593.11	57.37
Livestock Insurance	2006-07	77058	320332	896.93	9975	10761	350.00	39.02
	2007-08	71318	292230	818.27	9102	9817	540.72	66.08
	2008-09	94313	386456	1082.11	12035	11987	684.75	63.28
	2009-10	110999	454828	1273.56	13259	15756	916.96	71.99
	2010-11	57897	252313	473.84	2619	2493	183.51	38.73
	2011-12	25210	419273	745.09	9579	7483	302.41	40.59
Agriculture Pumpset	2006-07	40220	58306	166.19	4115	4022	75.25	45.23
	2007-08	21853	31680	90.30	2236	2147	39.79	44.06
	2008-09	15917	109616	65.77	1628	1598	28.07	42.68
	2009-10	12062	83066	49.84	510	508	8.79	17.64
	2010-11	11367	12916	35.14	109	121	4.66	13.26
	2011-12	10023	11895	37.48	106	94	3.71	9.90
Janta Personal Accident	2006-07	685520	7278901	1400.72	5020	5966	1820.93	130.35
	2007-08	608708	6463304	1243.77	4458	4012	1187.96	95.51
	2008-09	781527	7647701	1317.89	1701	1698	1805.60	137.01
	2009-10	846569	8284173	1427.57	4790	2131	1357.21	95.07
	2010-11	1049351	4421513	1500.03	1879	1640	1075.62	71.71
	2011-12	214084	10652087	3712.11	3634	2576	2415.32	65.07
Gramin Personal Accident	2006-07	18671	121295	50.98	675	546	34.50	67.71
	2007-08	16521	107329	45.11	597	483	24.24	53.74
	2008-09	18341	1045261	51.10	243	212	65.60	128.38
	2009-10	21683	1235698	60.41	182	159	49.23	81.49
	2010-11	32454	136747	46.39	58	50	54.74	118.00
	2011-12	5649	187129	15.97	68	54	4.93	30.87
Universal Health Insurance Scheme	2006-07	5291	23098	38.14	851	476	32.79	85.97
	2007-08	6936	32170	46.96	508	460	32.14	64.33
	2008-09	4212	51903	60.05	1064	912	31.71	52.81
	2009-10	5791	493968	575.86	10553	10477	361.74	62.81
	2010-11	8973	287098	399.96	13474	11596	418.89	104.73
	2011-12	6365	32953	42.89	493	495	28.42	66.26
Medicclaim	2006-07	1130913	6232431	74841.55	613463	552623	74105.50	99.02
	2007-08	1234554	8560474	113929.10	813463	752623	93213.00	81.82
	2008-09	1437947	5982784	133767.00	671877	610973	127189.00	99.10
	2009-10	1446268	6095223	152695.80	743754	734492	149597.25	97.97
	2010-11	1613626	7166982	199920.82	608009	551733	182320.47	91.20
	2011-12	1591086	9531815	234229.47	590376	607484	199182.57	85.04
Jan Arogya Bima Policy	2006-07	17669	105393	96.14	2796	2332	91.15	94.81
	2007-08	8230	20637	21.27	1022	1072	36.39	171.09
	2008-09	9689	16152	16.26	1089	804	20.31	121.50
	2009-10	14049	25258	30.09	1069	945	31.26	103.88
	2010-11	7525	16375	15.03	768	684	19.46	129.47
	2011-12	12274	54307	51.76	1762	1561	60.44	116.77



Addendum to Directors' Report

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Addendum to Directors' Report dated 9th June, 2012, As per Section 217(3) of the Companies Act -1956 Response to qualifications in Auditors' Report dated 9th June, 2012

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

1. Para 1 a. of Auditors' Report regarding non availability of confirmation of loans and investments.
Demand notices to state government for outstanding dues are sent on half yearly basis, indicating, balances outstanding on account of principal as well as over dues of interest. And these have not been disputed by the respective state governments. As regards term loan accounts, which are restructured reconciliation of balances as per the company records and borrowers' records is carried out and accounts are suitably modified already. Hence there is no material impact on the financial statements.
2. Para 1 b. of Auditors' Report regarding historical /weighted average cost of listed equity/equity related instruments, the value of which were impaired on or before 31.03.2000.
The company has prepared accounts as per IRDA regulations for the first time for the year 2001-02. IRDA Regulations on preparations of financial statements require insurers to assess at each balance sheet date whether any impairment in value of specified assets has occurred and to recognize the same in revenue. Further the regulations also require the company to incorporate any reversal of impairment loss recognized in earlier years.
The company as per its own internal guidelines, as also guidelines issued by GIC has been working out impairment value in respect of equity and preference shares. The exercise has been carried out for more than 25 years before notification of the same by IRDA in 2000-01. Further over the years the historical cost has undergone changes on account of subscription to rights shares, allotment of bonus shares, conversion of other security into equity etc. More over the company did not have the practice of working out reversal of impairment loss recognized in the earlier years and hence the details of amounts impaired prior to 31.03.2000 is not available. This has been clearly stated in company's accounting policies
3. Para 1 c. of Auditors' Report regarding non reconciliation of re-insurers' and coinsurer's balances and inter office accounts.
A special exercise was done during 2011-12 for reconciliation of facultative balances which were in arrears for some time. As a result of this Rs 335 crore (Net) representing facultative non moving items of 5 years and above was brought down to Rs 6.57 crore. This effort will be further continued.
Regarding outward treaty reinsurance arrangements, as per our regular practice, statements of accounts have been sent to all re-insurers up to 4th Quarter 2011-12. In few cases wherever some minor errors were brought to our notice the same have been rectified in the current fiscal (2012-13).
The accounting of inward treaty transactions is always based on the statements received from other public sector insurers, which are accounted for all statements received up to 4th quarter of 2012. Hence theses balances stand automatically reconciled.
The major inter office accounts are inter-office accounts for funds and inter office accounts for balances. Accounts have been reconciled and outstanding items are listed out for follow up. Inter office accounts reconciliation is a continuous process.

4. Para 1 d. of Auditors' Report regarding accounting of deferred tax liability in foreign countries.

We are finding it extremely difficult to account for deferred tax liability / asset in foreign countries. The reason being determination of accurate and reasonable deferred tax liability / asset has not been possible due to difficulty in obtaining the complete and correct information on the various tax laws of more than 20 countries in which we have our operations. However the financial impact of the same is not material.

5. Para 2 of Auditors' Report regarding substantial strengthening in the areas of internal audit and coverage and compliance.

We have been working towards building as many system controls as possible in our software, so that the errors / irregularities are minimized. New software having been rolled out in all offices, in the year 2011-12, we will put special efforts in this regard. Apart from regular audit of all offices, surprise inspections, and anti fraud audits have also become integral part of our internal audit system. TPA Audit, TP Claims audit with special emphasis on pay and recover cases is one of the important step taken during the year 2011-12. To enhance the effectiveness efforts have been made by the department to reduce the time gap between the conduct of the audit and submission of report to two weeks. System audit and risk based audit practices are being inculcated in our audit practices of internal audit department. The Internal Audit has conducted 30 HO Level workshop in all ROs. two CAG workshops during 2011-12. This has resolved many audit paras and brought down considerably the number of outstanding paras. With all these above steps, we are sure our internal audit department is well prepared to meet the audit needs of our company. In addition, the Investment Operations are subject to concurrent audit by an independent professional.

For and on behalf of the Board

A R Sekar

Chairman cum Managing Director (O)

Date : 09.06.2012

Place : Mumbai



Certificate

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

CERTIFICATE ON FINANCIAL STATEMENTS

This is to certify that the financial statements of the company for the year ended 31st March 2012 placed before the board of directors for adoption and approval, do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

Dinesh R. Waghela
Chief Financial Officer

A.R. Sekar
Chairman-cum-Managing Director (Officiating)

Place : Mumbai
Dated : 9th June, 2012

Certificate of Compliance of the Corporate Governance Guidelines

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

V. C. JAIN
Company Secretary

Place : Mumbai
Dated : 9th June, 2012

MANAGEMENT REPORT

1. We confirm that the registration granted by the Insurance Regulatory & Development Authority is valid during the year. The same is renewed for the year 2012-13
2. We confirm that all known and undisputed dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares during the year are in accordance with the statutory or regulatory requirements.
4. We confirm that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. We confirm that the required solvency margins have been maintained.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and to the best of our belief the assets set forth in the Balance Sheet are shown in the aggregate amounts not exceeding their realizable or market value under the several headings- "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and several items specified under "Other Account".
7. The overall risk exposure for the risks accepted by us is limited to ₹.200 crores per risk except in respect of certain risks in which cases there are exposures of ₹.400 crores PML per policy. The same has been approved by the Board. We have made adequate reinsurance arrangements to mitigate the losses arising out of any major claims.
8. We have overseas operations in 20 countries. The foreign branches have their own reinsurance arrangements to protect their exposure. Over and above there is an excess of loss protection available, which takes care of the exposure risk of the Company as a whole, including domestic and foreign branches.

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

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

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

Year	No. of days
2011-12	54
2010-11	51
2009-10	88
2008-09	137
2007-08	138.

10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority and shown in the balance sheet.
11. All investment assets are reviewed periodically and assets are classified into performing and non-performing based on IRDA norms.



MANAGEMENT REPORT

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

12. It is hereby confirmed:

- (I) That in preparation of financial statements, the applicable accounting standards, principles and policies have been followed, except amortisation of additional actuarial liability for Gratuity as per I.R.D.A. circular no. IRDA/F&A/CIR/ACT/069042011 dated 18.04.2011 and deferment of additional liability in respect of motor pool claims on dismantling of pool as per IRDA circular no. IRDA/F&A/ORD/MTPP/070/03-2012 dated 22nd March 2012.
- (ii) That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating loss of the Company for the year except as mentioned in Para 12 (I) above.
- (iii) That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938(4 of 1938) and Companies Act, 1956(1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the management has prepared the financial statements on a going concern basis.
- (v) That the management has ensured that the internal audit system commensurate with the size and nature of business exists and is operating effectively.

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

V. C. Jain
Company Secretary

Ganapathi Subramanian
Director

Prakash Bakliwal
Director

A. R. Sekar
Chairman-cum-Managing Director (O)

Mumbai
June 09, 2012

AUDITORS' REPORT

To The Members,

The New India Assurance Company Limited

We have audited the attached Balance Sheet of The New India Assurance Company Limited (the Company) as at 31st March, 2012 and the annexed the revenue accounts of Fire, Marine and Miscellaneous Insurance Revenue Accounts (collectively known as 'Revenue Accounts'), Profit and Loss Account and Receipts and Payments Account of the Company for the year ended on that date, in which are incorporated:

- (a) Returns from twenty-eight Regional Offices, four hundred Divisional Offices audited by the other firms of Auditors appointed by the Central Government;
- (b) Returns from nine Foreign Branches audited by other firms of Auditors appointed by the Company;
- (c) Returns from seven foreign agencies audited by local auditors appointed by the Company; and
- (d) Returns of eight unaudited run-off foreign agencies,

(in all covering total premium of Rs.8539.44 crores and Claims of Rs.6509.62 crores.)

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

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

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

- a. Note number 8(a), 8(b) (ii), 8 (c) and 8 (d) in Schedule 16 B regarding non-compliance of Insurance Regulatory and Development Authority (IRDA) Regulations during the year.
- b. Note number 12 in Schedule 16 B, which describe deferment of gratuity liability of the company to the extent of Rs.10293.60 lakhs, pursuant to the circular dated 18-04-2011 of IRDA to Public sector insurance companies.
- c. Note number 8 (b) (i) in Schedule 16 B, non-disclosure of segment reporting in respect of Public and Product Liability of Foreign Business.
- d. Note 16 in Schedule 16 B, which describes deferment of the liability on dismantling of the Indian Motor Third Party Insurance Pool by the Company to the extent of Rs. 130331.16 lakhs pursuant to the exercise of the option for the accounting treatment for the same prescribed under paragraph 3(b) of Insurance Regulatory and Development Authority Order no. IRDA/F&A/ORD/MTAP/070/03/2012 dated 22nd March 2012. We report that:



AUDITORS' REPORT

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

1. ***a. In view of non-availability of balance confirmations of some loans and investments (Refer Note number 9, notes to accounts in Schedule 16 B), we are unable to comment on the impact of adjustments arising out of reconciliation / confirmation of such balances on the financial statements.***
b. The historical/weighted average cost of listed and unlisted equity / equity related instruments / preference shares, the value of which were impaired on or before 31.03.2000 is not available with the Company. As a result, the reversal of impairment losses recognized in Profit and Loss/Revenue account prior to 01.04.2000 has not been accounted for. (Refer Significant Accounting Policy in schedule 16 under 13 L and M(II)).
c. Balances due to/from persons or bodies carrying on Insurance Business and balances of inter office accounts are pending for reconciliation/confirmation as stated in Note number 3 (a) and (c) of Notes to accounts, in schedule 16 B. Consequential effect, if any, is not ascertainable.
d. The accounting of Tax Liability for Branches in Foreign Countries is not in accordance with "Accounting Standard 22 - Accounting for Taxes on Income" as it does not recognize deferred tax assets and liabilities. (Refer Notes to accounts note number 11 C v 3 in Schedule 16 B)
2. ***The Company's internal audit system requires strengthening in the areas of audit coverage and compliance.***
3. ***Overall impact of the above Para 1 (a) to and the consequential effects on Revenue Accounts, Profit and Loss Accounts and Reserve and Surplus as on 31st March, 2012 are not ascertainable.***

Subject to above, we further report that:

- a. We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit and found them satisfactory.
 - b. In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payments Account are in agreement with the books of accounts.
 - d. The actuarial valuations of liability in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at 31st March, 2012, have been duly certified by the Company's Appointed Actuary and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuations are in accordance with guidelines and norms prescribed by the Insurance Regulatory and Development Authority (IRDA) and the Actuarial Society of India in concurrence with the IRDA.
 - e. As per Circular Number 8/2002 dated 22.03.2002 of the Department of Company Affairs, the directors of the Government Companies are exempted from applicability of the provisions of section 274 (1)(g) of the Companies Act, 1956. The reports of the regional auditors consolidating divisional auditors' reports, reports of the foreign branches and foreign agencies auditors have been forwarded to us and considered by us and were adequate for the purposes of our audit.
4. We further report that in our opinion and to the best of our information and according to the information and explanation given to us;
- a. The Balance Sheet, Profit and Loss Account and Receipts and Payment Account comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable to the Company and are also in conformity with the accounting principles as prescribed in the IRDA

- Regulations, except preparation of Receipts and Payments Account has been drawn by "Indirect Method" instead of "Direct Method" as required by Part I of Schedule B.
- b. The investments have been valued in accordance with the provisions of the Insurance Act, 1938, the regulations and orders/ directions issued by IRDA in this regard.
- c. The said accounts read together with significant accounting policies and notes to accounts thereon have been drawn up in accordance with the applicable provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required, and subject to paragraph 1(a) to (d) above, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:
- (i) of the state of affairs of the Company, in so far it relates to the Balance Sheet as at 31st March, 2012;
 - (ii) of the deficit, in so far it relates to the Revenue Accounts of Fire, Marine and Miscellaneous Business for the financial year ended on that date;
 - (iii) of the Profit, in so far it relates to the Profit and Loss Account for the financial year ended on that date, and
 - (iv) for the receipts and payments, in so far it relates to the Receipts and Payments Account for the financial year ended on that date.
5. Further on the basis of our examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- a. We have reviewed the management report attached to the financial statements for the year ended 31st March, 2012 and there is no apparent mistake or material inconsistency with the financial statements; and
 - b. Based on the information and explanations received during the normal course of our audit and management representation by officer of the Company charged with the compliance, nothing has come to our attention which causes to believe that the Company has not complied with the terms and conditions of registration as stipulated by the IRDA.

For FORD, RHODES, PARKS & CO.

Firm Registration No. 102860W
Chartered Accountants

Shrikant B. Prabhu

Partner
Membership No. 35296

For S.R. GOYAL & CO.

Firm Registration No. 001537C
Chartered Accountants

Anil Goyal

Partner
Membership No. 071158

L .B. JHA & CO.

Firm Registration No. 301088E
Chartered Accountants

Tirtha Mandal

Partner
Membership No. 050070

Place : Mumbai

Date : 9th June, 2012



Comments Of CAG

दि न्यू इन्डिया एश्योरन्स कं. लि.

[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]

The New India Assurance Co. Ltd.

[IRDA Regn No.190, Renewal Date 16.03.2012]

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE NEW INDIA ASSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2012.

The preparation of financial statements of the New India Assurance Company Limited for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 9 June 2012.

I on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of the New India Assurance Company Limited for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619 (4) of the Companies Act, 1956.

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

(DHIREN MATHUR)

Principal Director of Commercial Audit and
Ex-Officio Member Audit Board-I, Mumbai

Place: Mumbai

Date: 23 August 2012

Certificate for the year ended 31st March, 2012 as required by Schedule 'C' of Insurance Regulatory & Development Authority Regulations, 2002 for Preparation of Financial Statements and Auditor's Report of Insurance Companies in case of The New India Assurance Company Limited.

We certify that:

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

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

(b) I) No confirmations were available from custodian in respect of following:

- a) Investments in equity shares having book value of ₹1.18 lakh are under objection.
- b) Equity shares and Debentures/Bonds amounting to ₹5.37 lakh and ₹66.32 lakh respectively for which no evidence of ownership was available.
- ii) The number of equity shares, preference shares, other approved securities and Debentures /Bonds actually held by Stock Holding Corporation of India Ltd. (Custodian) on behalf of the Company are in excess of the number of equity shares, preference and Debentures/ Bonds held as per the books of the Company. The book value of such excess is ₹26.05 lakh, ₹0.75 lakh, and ₹9.99 lakh respectively.
- iii) Investment in Term Loans, Loans to State Government for the purpose of Housing & Fire Fighting Equipments, Investments in Pass Through Certificates (PTC) and Balances on account of restructuring/rescheduling of debts are subject to confirmations/ reconciliations.
- iv) No confirmations were available in respect of foreign investments amounting to ₹2.67 lakh.
- 2 To the best of our information and explanations given to us, the Company has not undertaken any trust as trustee.
- 3 No part of the assets of Policyholders' funds has been directly or indirectly applied in contravention of the provision of the Insurance Act, 1938 relating to the application and Investments of the Policy Holders' funds.

As per our report of even date

For FORD, RHODES, PARKS & CO.

Firm Registration No. 102860W
Chartered Accountants

Shrikant B. Prabhu

Partner
Membership No. 035296

For S. R. GOYAL & CO.

Firm Registration No. 001537C
Chartered Accountants

Anil Goyal

Partner
Membership No. 071158

For L. B. JHA & CO

Firm Registration No. 301088E
Chartered Accountants

T. Mandal

Partner
Membership No. 050070

Place : Mumbai
Date : June 09, 2012



Revenue Account

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Fire Insurance Revenue Account for the year ended 31st March, 2012

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	13789681	12124747
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	989174	1086873
Loss on Sale or Redemption of Investments (Policy Holders)		0	0
3. Interest, Dividend and Rent (Gross)	-	2135850	1482325
4. Premium Deficiency		(1100382)	0
Total (A)		15814323	14693945
1. Claims Incurred (Net)	2	16573456	12722669
2. Commission	3	1930106	1777956
3. Operating Expenses Related to Insurance Business	4	4032331	4042548
4. Others - Foreign Taxes		9648	51
Amortisation, Write off, Provisions - Investments		(12955)	23516
Total (B)		22532586	18566740
Operating Profit/ (Loss) C=(A-B)		(6718263)	(3872795)
Appropriations			
Transfer to Share Holders Account (Profit and Loss Account)	-	(6718263)	(3872795)
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
Total		(6718263)	(3872795)

Significant Accounting Policies and Notes to Accounts 16

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

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

V. C. Jain
Company Secretary

S. Ganapathi Subramanian
Director

Prakash Bakliwal
Director

A. R. Sekar
Chairman-Cum- Managing Director (O)

As per our report of even date

For FORD, RHODES, PARKS & CO.
Firm Reg No.102860W
Chartered Accountants

For S. R. GOYAL & CO.
Firm Reg. No.001537C
Chartered Accountants

For L. B. JHA & CO
Firm Reg. No.301088E
Chartered Accountants

Shrikant B. Prabhu
Partner
Membership Number 035296
Mumbai
June 09, 2012

Anil Goyal
Partner
Membership Number 071158

T. Mandal
Partner
Membership Number 050070

Marine Insurance Revenue Account for the year ended 31st March, 2012

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	3025315	2289914
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	257933	292865
Loss on Sale or Redemption of Investments (Policy Holders)		0	0
3. Interest, Dividend and Rent (Gross)	-	556935	399423
4. Premium Deficiency		0	0
Total (A)		3840183	2982202
1. Claims Incurred (Net)	2	2776413	2576432
2. Commission	3	224327	322264
3. Operating Expenses Related to Insurance Business	4	1031705	967194
4. Others - Foreign Taxes		23	0
Amortisation, Write off, Provisions - Investments		(3378)	6336
Total (B)		4029090	3872226
Operating Profit/ (Loss) C=(A-B)		(188907)	(890024)
Appropriations			
Transfer to Share Holders Account (Profit and Loss Account)	-	(188907)	(890024)
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
Total		(188907)	(890024)

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.

V. C. Jain
Company Secretary

S. Ganapathi Subramanian
Director

Prakash Bakliwal
Director

A. R. Sekar
Chairman-Cum- Managing Director (O)

As per our report of even date

For FORD, RHODES, PARKS & CO.
Firm Reg No.102860W
Chartered Accountants

For S. R. GOYAL & CO.
Firm Reg. No.001537C
Chartered Accountants

For L. B. JHA & CO
Firm Reg. No.301088E
Chartered Accountants

Shrikant B. Prabhu
Partner
Membership Number 035296
Mumbai
June 09, 2012

Anil Goyal
Partner
Membership Number 071158

T. Mandal
Partner
Membership Number 050070



Revenue Account

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Miscellaneous Insurance Revenue Account for the year ended 31st March, 2012

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Premium Earned (Net)	1	61930868	50318571
2. Profit on Sale or Redemption of Investments (Policy Holders)	-	3502432	4478142
Loss on Sale or Redemption of Investments (Policy Holders)		0	0
3. Interest, Dividend and Rent (Gross)	-	7562540	6107486
4. Premium Deficiency		0	0
Total (A)		72995840	60904199
1. Claims Incurred (Net)	2	51525418	49949581
2. Commission	3	6820551	4386491
3. Operating Expenses Related to Insurance Business	4	15579143	14422524
4. Others - Foreign Taxes		5234	0
Amortisation, Write off, Provisions - Investments		(45861)	96889
Total (B)		73884485	68855485
Operating Profit/ (Loss) C=(A-B)		(888645)	(7951286)
Appropriations			
Transfer to Share Holders Account (Profit and Loss Account)	-	(888645)	(7951286)
Transfer to Catastrophic Reserves	-	0	0
Transfer to Other Reserves	-	0	0
Total		(888645)	(7951286)

Significant Accounting Policies and Notes to Accounts

16

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

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

V. C. Jain
Company Secretary

S. Ganapathi Subramanian
Director

Prakash Bakliwal
Director

A. R. Sekar
Chairman-Cum- Managing Director (O)

As per our report of even date

For FORD, RHODES, PARKS & CO.
Firm Reg No.102860W
Chartered Accountants

For S. R. GOYAL & CO.
Firm Reg. No.001537C
Chartered Accountants

For L. B. JHA & CO
Firm Reg. No.301088E
Chartered Accountants

Shrikant B. Prabhu
Partner
Membership Number 035296
Mumbai
June 09, 2012

Anil Goyal
Partner
Membership Number 071158

T. Mandal
Partner
Membership Number 050070

Profit and Loss Account for the year ended 31st March, 2012

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
1. Operating Profit / (Loss)			
a. Fire Insurance	-	(6718263)	(3872795)
b. Marine Insurance	-	(188907)	(890024)
c. Miscellaneous Insurance	-	(888645)	(7951286)
2. Income from Investments			
a. Interest, Dividend and Rent (Gross) - Share Holders	-	5701916	5578048
b. Profit on Sale of Investment - Share Holders	-	2640723	4089947
Less: Loss on Sale of Investment - Share Holders	-	0	0
3. Other Income Misc Receipts - Credit Balances Written Back	-	10110	(29969)
Total (A)=1+2+3		556934	(3076079)
4. Provisions (Other Than Taxation)			
a. Others - Amortisation, Provision For Thinly Traded Shares - Shareholders"	-	38862	35511
b. For Doubtful Debts - Investments(Shareholders)	-	(115102)	(18305)
c. For Doubtful Debts - Operations	-	(996755)	930587
d. For Diminution In Value Of Investments (Shareholders)	-	41662	71284
5. Other Expenses(Other Than Those Related To Insurance Business)			
a. Others - Interest On Income/Service Tax	-	30389	22512
b. (Profit)/Loss On Sale Of Assets	-	(5375)	(4856)
c. Penalty For Breach Of Tariff	-	1600	852
Total (B)=(4+5)		(1004719)	1037585
Profit Before Tax (A-B)	-	1561653	(4113664)
Provision For Taxation - Current Tax	-	60792	165582
Deferred Tax	-	(304734)	(72774)
Wealth Tax	-	12427	9133
Profit After Tax	-	1793168	(4215605)
Transfer from General Reserves for UK Equalization Reserve	-	508285	0
Appropriations			
a. Proposed Final Dividend	-	(400000)	0
b. Dividend Distribution Tax.	-	(64890)	3284
c. Transfer to General Reserves	-	(1328278)	4212321
d. Transfer to UK Equalization Reserves	-	508285	0
Profit / (Loss) Carried Forward to The Balance Sheet	-	0	0
Basic and diluted earnings per share (₹) {Refer Note 11 B to notes to accounts in Schedule 16 B}	16	8.97	(21.08)
Significant Accounting Policies and Notes to Accounts			
The schedules referred to above form integral part of the Profit and Loss Account			

V. C. Jain
Company Secretary

S. Ganapathi Subramanian
Director

Prakash Bakliwal
Director

A. R. Sekar
Chairman-Cum- Managing Director (O)

As per our report of even date

For FORD, RHODES, PARKS & CO.
Firm Reg No.102860W
Chartered Accountants

For S. R. GOYAL & CO.
Firm Reg. No.001537C
Chartered Accountants

For L. B. JHA & CO
Firm Reg. No.301088E
Chartered Accountants

Shrikant B. Prabhu
Partner
Membership Number 035296
Mumbai
June 09, 2012

Anil Goyal
Partner
Membership Number 071158

T. Mandal
Partner
Membership Number 050070



Balance Sheet

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Balance Sheet as at 31st March, 2012

Particulars	Schedule	Current year ₹ (000)	Previous year ₹ (000)
A. Sources of Funds			
1. Share Capital	5 & 5A	2000000	2000000
2. Reserves and Surplus	6	75312971	69115405
3. Fair Value Change Account	-	154451957	167320075
4. Borrowings	7	0	0
Total A		231764928	238435480
B. Application of Funds			
1. Investments	8	282032202	284782244
2. Loans	9	4233085	4856564
3. Fixed Assets	10	1547211	1568312
4. Deferred Tax Assets		1323298	1018563
5. Current Assets			
a. Cash and Bank Balances	11	71421744	53044531
b. Advances and Other Assets	12	61069897	50942487
Sub Total(a+b)		132491641	103987018
c. Current Liabilities	13	134709519	112783566
d. Provisions	14	56182350	46366135
Sub Total(c+d)		190891869	159149701
Net Current Assets (a+b-c-d)		(58400228)	(55162683)
6. Miscellaneous Expenditure - Contribution to Gratuity Fund-Deferred (to the extent not written off or adjusted)	15	1029360	1372480
Total B		231764928	238435480
Significant Accounting Policies and Notes to Accounts	16		
The Schedules referred to above form integral part of the Balance Sheet			

V. C. Jain
Company Secretary

S. Ganapathi Subramanian
Director

Prakash Bakliwal
Director

A. R. Sekar
Chairman-Cum- Managing Director (O)

As per our report of even date

For FORD, RHODES, PARKS & CO.
Firm Reg No.102860W
Chartered Accountants

For S. R. GOYAL & CO.
Firm Reg. No.001537C
Chartered Accountants

For L. B. JHA & CO
Firm Reg. No.301088E
Chartered Accountants

Shrikant B. Prabhu
Partner
Membership Number 035296
Mumbai
June 09, 2012

Anil Goyal
Partner
Membership Number 071158

T. Mandal
Partner
Membership Number 050070

Schedules to Fire Insurance Revenue Account for the year ended 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 1 - Fire		
Premium Earned(Net)		
Premium From Direct Business - in India	11508085	10492612
- outside India	4275193	3051940
Total	15783278	13544552
Add: Premium on Reinsurance Accepted	7636379	6290105
Less: Premium on Reinsurance Ceded	9119616	6555334
Net Premium	14300041	13279323
Adjustment for Change in Reserve for Un-Expired Risks	510360	1154576
Total Premium Earned (Net)	13789681	12124747
Schedule 2 - Fire		
Claims Incurred (Net)		
Claims Paid Direct	8488430	8392817
Add: Claims on Reinsurance Accepted	7168526	2492418
Less: Claims on Reinsurance Ceded	5745049	3901527
Net Claims Paid	9911907	6983708
Add: Claims Outstanding at End (Net)	26660654	19999105
Less : Claims Outstanding at Beginning (Net)	19999105	14260144
Total Incurred Claims (Net)	16573456	12722669
Schedule 3- Fire		
Commission (Net)		
Commission - Direct	1624506	1412864
Add : Commission on Reinsurance Accepted	1401791	1053411
Less : Commission on Reinsurance Ceded	1096191	688319
Commission (Net)	1930106	1777956
Break-up of Commission Direct		
Direct Commission	1384569	1097120
Direct Brokerage	194964	180958
Direct Corporate Agency Commission	44972	134786
Referrals	0	0
Total Commission	1624505	1412864



Schedules

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The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Schedules to Marine Insurance Revenue Account for the year ended 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 1 - Marine		
Premium Earned(Net)		
Premium From Direct Business - in India	6064236	5495614
- outside India	1571140	570175
Total	7635376	6065789
Add: Premium on Reinsurance Accepted	354108	261563
Less: Premium on Reinsurance Ceded	4085775	3302036
Net Premium	3903709	3025316
Adjustment for Change in Reserve for Un-expired Risks	878394	735402
Total Premium Earned (Net)	3025315	2289914
Schedule 2 - Marine		
Claims Incurred (Net)		
Claims Paid Direct	3518715	3039059
Add: Claims on Reinsurance Accepted	212426	301234
Less: Claims on Reinsurance Ceded	1636193	1654186
Net Claims Paid	2094948	1686107
Add: Claims Outstanding at End (Net)	4602359	3920894
Less : Claims Outstanding at Beginning (Net)	3920894	3030569
Total Incurred Claims (Net)	2776413	2576432
Schedule 3- Marine		
Commission (Net)		
Commission - Direct	803339	503718
Add : Commission on Reinsurance Accepted	76687	50154
Less : Commission on Reinsurance Ceded	655699	231608
Commission (Net)	224327	322264
Break-up of Commission Direct		
Direct Commission	625670	353023
Direct Brokerage	175256	147148
Direct Corporate Agency Commission	2413	3547
Referrals	0	0
Total Commission	803339	503718

Schedules to Miscellaneous Insurance Revenue Account for the year ended 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 1 - Miscellaneous		
Premium Earned(Net)		
Premium From Direct Business - in India	67856326	54983151
- outside India	9463802	7661629
Total	77320128	62644780
Add: Premium on Reinsurance Accepted	13163077	8118963
Less: Premium on Reinsurance Ceded	20974881	15146099
Net Premium	69508324	55617644
Adjustment for Change in Reserve for Un-expired Risks	7577456	5299073
Total Premium Earned (Net)	61930868	50318571
Schedule 2 - Miscellaneous		
Claims Incurred (Net)		
Claims Paid Direct	52313876	47944812
Add: Claims on Reinsurance Accepted	6399190	4663600
Less: Claims on Reinsurance Ceded	16344830	10326924
Net Claims Paid	42368236	42281488
Add: Claims Outstanding at End (Net)	74796340	65639158
Less : Claims Outstanding at Beginning (Net)	65639158	57971065
Total Incurred Claims (Net)	51525418	49949581
Schedule 3- Miscellaneous		
Commission (Net)		
Commission - Direct	6389179	5613803
Add : Commission on Reinsurance Accepted	948361	719435
Less : Commission on Reinsurance Ceded	516989	1946747
Commission (Net)	6820551	4386491
Break-up of Commission Direct		
Direct Commission	5488574	4745719
Direct Brokerage	725367	558976
Direct Corporate Agency Commission	175238	309108
Referrals	0	
Total Commission	6389179	5613803



Schedules

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[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Schedule to Revenue Accounts for the year ended 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE - 4		
Operating Expenses Related To Insurance Business		
1. Employees Remuneration And Welfare Benefits	15494454	14154444
2. Travel Conveyance And Vehicle Running Expenses	499724	440074
3. Training Expenses	29238	32920
4. Rent Rates And Taxes	661741	626708
5. Repairs And Maintenance	568905	535818
6. Printing And Stationery	341995	424078
7. Communication Expenses	414388	381607
8. Legal And Professional Charges	352238	385596
(Outsourcing Expenses) -TPA Fees (Refer Note No.8(d) of Sch 16B)	0	0
9. Auditors Fees, Expenses Etc. As Auditor	51425	45714
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Taxation	0	0
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Insurance	0	0
Auditors Fees, Expenses Etc. As Advisor Or Other Capacity - Mgt Services	0	0
Auditors Fees, Expenses Etc. In Other Capacity	0	0
10. Advertisement And Publicity	322050	396967
11. Interest And Bank Charges	36771	36884
12. Others - Exchange (Gain) / Loss	(604677)	83893
IT Implementation	117932	181585
Input Service Tax Recovery	41049	(176078)
Other Taxes	316005	255422
Others	1226964	994617
13. Depreciation	772977	632017
Total	20643179	19432266
Apportioned to Fire Segment	4032331	4042548
Apportioned to Marine Segment	1031705	967194
Apportioned to Miscellaneous Segment	15579143	14422524
Total	20643179	19432266

Schedule to Balance Sheet as at 31st March, 2012

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

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

SCHEDULE 5A

Pattern of Shareholding

(As Certified by Management)

Numbers in (000)

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



Schedules

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The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Schedule to Balance Sheet as at 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 6		
Reserves and Surplus		
1. Capital Reserve (Op. Balance)	575	575
Addition During The Year	0	0
Deduction During The Year	0	0
(Cl.Balance)	575	575
2. Capital Redemption Reserve	0	0
3. Share Premium	0	0
4. General Reserves (Op. Balance)	67827141	72039462
Addition During The Year - Balance Transferred From P & L Account	1328278	(4212321)
Transfer To P&L A/C For Uk Equilization Reserve	(508285)	0
Net Deduction During The Year	0	0
(Cl. Balance)	68647134	67827141
5. Catastrophe Reserve	0	0
6. Other Reserves		
A. Foreign Currency Translation Reserve		
Opening Balance	838189	(187469)
Addition During The Year		
(Refer Note No 17 To Notes To Accounts In Schedule 16 B)	4869288	1025658
Deduction During The Year	0	0
(Cl.Balance)	5707477	838189
B. Contingency Reserves For Unexpired Risks (Created in 2009-10 as per IRDA Circular No. IRDA/F&I/CIR/F&A/CIR/081/ 12/2009 dt. 17.12.2009 in respect of Health Segment)	449500	449500
C. UK Euqalization Reserve (Refer Note Number 20 of Notes to Accounts in Schedule 16 B)		
Transfer From P&L A/C	508285	0
7. Balance Of Profit In Profit And Loss Account	0	0
Total	75312971	69115405
Schedule 7		
Borrowings		
1. Debentures / Bonds	-	-
2. Banks	-	-
3. Financial Institutions	-	-
4. Others	-	-
Total	Nil	Nil

Schedule to Balance Sheet as at 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 8		
Investments		
Long term investments		
1. Government securities		
Central government securities	35130761	31525861
State government securities	13740374	11350913
Foreign government securities	1392112	1485308
2. Other approved securities	43815	95806
3. Other investments		
a. Shares		
aa. Equity	180593064	191542042
Equity share odd lots	0	0
bb. Preference		
Preference shares	6283	6286
Preference shares of railways in India	0	0
b. Mutual funds	0	0
c. Derivative instruments	0	0
d. Debentures/Bonds/PTCs	0	0
Debentures in India	12546244	13529286
Other debentures - Foreign	402622	0
e. Other securities (to be specified)		
Foreign shares	31529	27976
Foreign preference shares	0	0
Foreign securities	0	0
Special deposit with Government of India	0	0
f. Subsidiaries	597099	597099
g. Investment properties (real estate)	0	0
4. Investment in infrastructure and social sector	14378210	13797201
5. Investment in housing bonds	9619747	7638519
6. Other than Approved Investments, Debentures, Pref.shares, Foreign Shares, Venture Funds and Equity	2915098	3460753
Total	271396958	275057050



Schedules

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The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Schedule to Balance Sheet as at 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 8 CONTINUED		
Short Term Investments		
1. Government Securities		
Central Government. Securities	2584517	1596316
State Government Securities	832437	565615
Government Guaranteed Securities	0	0
Foreign Government Securities	0	0
2. Other Approved Securities	51991	213770
3. Other Investments		
a. Shares		
aa. Equity	0	0
Equity Share Odd Lots	0	0
bb. Preference	0	0
b. Mutual Funds	0	0
c. Derivative Instrument	0	0
d. Debentures/Bonds/PTCs		
Debentures in India	2798075	2393790
Other Debentures Foreign	0	0
e. Other Securities		
Special Deposit With Government. Of India	0	0
f. Subsidiaries	0	0
g. Investment Properties (Real Estate)	0	0
4. Investment In Infrastructure And Social Sector	3567970	3718982
5. Investment In Housing Bonds	800254	1236721
6. Other Than Approved Investments	0	0
Total	10635244	9725194
Grand Total	282032202	284782244
Investments		
1.In India	279374537	282489351
2.Outside India	2657665	2292893
Investment in foreign associates included in equity above	174410	182509
Aggregate amount of Companies Investments in other than listed equity shares Book Value	533495	628530
Market value	517974	615209
Preference shares and FITL preference shares (LTUA) amounting to ₹86686572 (P.Y. ₹110329129) is netted against interest suspense of an equal amount.		
Debentures and FITL debentures amounting to ₹46875666 (P.Y. ₹46875666) are netted against interest suspense of an equal amount. Equity shares (LTUA) amounting to ₹6481537 (P.Y. ₹6481537) is netted against interest suspense of an equal amount.		
Provision made for bad and doubtful debts shown under		
Schedule 14.5 against assets in Schedule 8		
Debentures - Standard Provisions	63248	65573
Housing sector bonds - Standard Provisions	41694	35512
Infrastructure investments - Standard Provisions	71850	70126
Investments in OAS - Standard Provisions	383	1238
Other than approved investments (Debenture)	524262	575035
Equity - Thinly traded and unlisted equity - diminution in value	36623	13321
Equity - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6034/12	61886	292
Equity subsidiary - Long term unapproved thinly traded and unlisted equity - diminution in value (F)6039/12	1535	1535
Investments in France Agency (Foreign & France)	1838	1838
Total	803319	764470

Schedule to Balance Sheet as at 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
Schedule 9		
Loans		
1. Security-Wise Classification		
Secured		
a. On Mortgage Of Property		
aa. In India		
Loan Against Mortgage Of Property	0	0
Housing, Vehicle And Computer Loans To Employees	1971268	2133612
Direct Term Loans	834470	1137557
bb. Outside India Housing, Vehicle Loan To Employees	6527	6081
b. On Shares, Bonds, Government Securities	0	0
c. Others		
Loans Guaranteed By Banks/Governments-Loans To State Government	1254561	1410655
Housing, FFE Loans To Hudco	166259	168659
Unsecured (Term Loans, Bridge Loans, Short-Term Loans, Term Loans PFPS)		
Total	4233085	4856564
2. Borrower-Wise Classification		
a. Central And State Governments(Term Loans, Housing and FFE)	1210561	1366655
b. Banks And Financial Institutions	0	0
c. Subsidiaries	0	0
d. Industrial Undertakings (Term Loans, Bridge Loans, Short-Term Loans, Loans To PFPS)	965220	1229730
e. Others - Housing Loans, Vehicle Loans, Computer Loans To Employees	1977795	2139693
Hudco, Term Loans And PFPS	79509	120486
Total	4233085	4856564
3. Performance-wise Classification		
a. Loans Classified as Standard		
aa. In India: Term Loans, Bridge Loans, State Government Housing And FFE, Loans To Hudco, PFPS	1314747	1576721
Housing, Vehicle And Computer Loans To Employees	1971268	2133612
bb. Outside India (Loans To Employees)	6527	6081
b. Non-Performing Loans Less Provisions		
aa. In India (Term Loans, Bridge Loans, Short-Term Loans, Loans PFPS)	940543	1140150
bb. Outside India	0	0
Total	4233085	4856564
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 FFE, Loans To Hudco And Loans PFPS)	2255290	2716871
Housing, Vehicle, And Computer Loans To Employees.	1977795	2139693
Total	4233085	4856564
PFPS and FITL PFPS amounting to ₹795092532 (P.Y. ₹1018820131) and FITL short term loan amounting to ₹1675199 (P.Y. ₹1675199) and direct term loans amounting to ₹8107002 (P.Y. ₹15758739) are netted against interest suspense of an equal amount.		
Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 9		
Direct term loans (Investments) std.provision	0	157
Direct term loans (Investments)	21680	21680
Bridge loan (Investments)	400	400
Term loans PFPS std.provision	542	823
Term loans PFPS	726005	993866
Short term loans (Investments)	85068	87468
Loans to HUDCO std. Provision	176	176
Housing loans to state govts. - std.provision	4409	4918
Housing loans to state govts.	69818	73993
FFE loans to state govts. - std.provision	173	233
FFE loans to state govts.	4858	4858
Total	913129	1188572



Schedules

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The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Schedule to Balance Sheet as at 31st March, 2012

Schedule 10

Fixed Assets

PARTICULARS	Gross Block				Depreciation/Amortisation			Net Block	
	Opening Balance	Additions	Deletions	* Closing Balance	Opening Balance	Additions	Deletions	* Closing Balance	Opening
	1/4/2011	During 2011-12	During 2011-12	31/3/2012	1/4/2011	During 2011-12	During 2011-12	31/3/2012	31/3/2011
Intangibles	883383	146603	0	1029986	592409	437577	0	1029986	290974
Land Freehold	75960	4480	0	80440	0	0	0	0	75960
Buildings	1396956	113386	(3124)	1513466	762038	37841	(1331)	801210	634918
Furnitures & Fittings	464258	19966	(5247)	489471	394666	16383	(10992)	422041	69592
Information & Technology Equipments	2398733	69639	(31870)	2500242	2194165	158925	8801	2344289	204568
Vehicles	607697	362116	140315	829498	382795	109701	125228	367268	224902
Office Equipments	120909	1125	2050	119984	101767	3208	1175	103800	19142
Other Assets	254839	16554	7024	264369	206583	9342	4274	211651	48256
Grand Total	6202735	733869	109148	6827456	4634423	772977	127155	5280245	1568312
Previous Year	5725196	583307	105768	6202735	4103689	632016	101282	4634423	1621507

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

Schedule to Balance Sheet as at 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 11		
Cash and Bank Balances		
1. Cash (Including Cheques, Drafts and Stamps)	1745337	3445314
2. Bank Balances		
a. Deposit Accounts		
aa. Short - Term (due within 12 Months)	28537158	15487210
bb. Others	29033043	26296609
b. Current Accounts	8456042	4001199
3. Money at Call and Short Notice		
With Banks	1785084	1116553
With other Institutions	1865080	2697646
Total	71421744	53044531
Cash and Bank Balances IN INDIA	36130599	23001799
Cash and Bank Balances OUTSIDE INDIA	35291145	30042732
Total	71421744	53044531
1 above includes remittance in transit	5892	4860
Balances with non scheduled banks included in 2b above	5481596	5624391
Provision made for bad and doubtful debts shown under Schedule 14.5 against assets in Schedule 11		
Foreign balances included in 2abb above (France 911897)	31294	29075
Foreign balances included in 2b above (France 911897)	9672	8986
Indian balances included in 2b above	130042	43232
Total	171008	81293



Schedules

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The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Schedule to Balance Sheet as at 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 12		
Advances and Other Assets		
A. Advances		
1. Reserve Deposits With Ceding Companies	168363	592175
2. Application Money For Investments	0	0
3. Pre-Payments	61620	276836
4. Advances To Directors / Officers	0	0
5. Advance Tax Paid And Taxes Deducted At Source (Net Of Provision For Taxation)	15099448	14198743
6. Others	242771	534122
Total (A)	15572202	15601876
B. Other Assets		
1. Income Accrued On Investments	3726854	3093928
2. Outstanding Premiums	1534403	972967
3. Agents Balances	2182821	1353188
4. Foreign Agencies Balances	786571	996688
5. Due From Other Entities Carrying Insurance Business (Including Reinsurers)	30465649	25843752
6. Due From Subsidiaries/Holding Companies	553	482
7. Deposit With R B I Pursuant To Section 7 of Insurance Act 1938	107518	107518
8. Others - a. Other Accrued Income	782725	598925
b. Others Including Sundry Debtors	5910601	2373163
Total (B)	45497695	35340611
TOTAL(A+B)	61069897	50942487

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

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

Reinsurance balances included in A1 above	93984	93984
Reinsurance balances included in B5 above	902108	902108
Reinsurance balances included in B8 above	494	494
Foreign balances included in A1 above (France 911871 & 873)	11399	10591
Foreign balances included in B1 above (France 911897)	138	128
Foreign balances included in B3 above (Fiji, Mauritius, Bangkok, Japan, Hongkong, New Zealand)	44932	35458
Foreign balances included in B4 above (Manila & Dubai)	21228	14429
Foreign balances included in B5 above (Mauritius, Singapore, France)	2717	1960
Foreign balances included in B6 above (Ghana, T&T, Kualalumpur)	553	482
Foreign balances included in B8 above (Equitorial Bank London)	5310	4602
Indian reinsurance balances/Miscellaneous debtors included in B5 above	200000	1500000
Indian coinsurance balances/Miscellaneous debtors included in B5above	69570	15681
Indian miscellaneous debtors included in B8 above	32608	52231
Indian miscellaneous debtors included in 12 B 4 above	171941	192096
Other - TCS	18554	18554
Sundry debtors(5192) investments Indian included in B8 above - Std. provision	795	1425
Sundry debtors(5192) investments Indian included in B8 above	3851	3851
Sundry debtors(5192) investments(F) Indian included in B8 above	759	658
Income accrued on investments(5131) Indian included in B1 above	3	5
Total	1580944	2848737

Schedule to Balance Sheet as at 31st March, 2012

Particulars	Current year ₹ (000)	Previous year ₹ (000)
SCHEDULE 13		
Current Liabilities		
1. Agents Balances	248038	317390
2. Balances Due To Other Insurance Companies	16381543	13256979
3. Deposits Held On Reinsurance Ceded	428186	5833
4. Premium Received In Advance	2319173	1481885
5. Un-Allocated Premium	0	0
6. Sundry Creditors - a. Other Than Service Tax Payable	4012795	7260823
b. Service Tax Payable	(453155)	(849692)
7. Due To Subsidiaries / Holding Company	0	0
8. Claims Outstanding	106059353	89559157
9. Due To Officers/Directors	0	0
10. Others	4224325	777103
Policy Holders Fund - Excess Premium Collected	198314	170101
Policy Holders Fund - Refund Premium Due	185390	181231
Policy Holders Fund - Stale Cheques	1105557	622756
Total	134709519	112783566
Provision made for bad and doubtful debts shown under		
Schedule 14.5 against assets in Schedule 13		
Indian balances included in 1 above	12641	7636
Indian balances included in 4 above	56061	1611
Indian balances included in 10 above	7196	41337
Indian balances included in 6a above	21652	0
Reinsurance balances included in 8 above	1123	1123
Foreign balances included in 2 above (Singapore, France)	0	2460
Total	98673	54167
Schedule 14		
Provisions		
1. a. Reserve for Un-Expired Risks	47313601	38347391
b. Premium Deficiency Reserve	1100382	0
2. Provision for Taxation (Net of Payment of Taxes)	0	0
3. Provision for Proposed Dividend	400000	0
4. Provision for Dividend Distribution Tax	64890	0
5. Others - Reserve for Bad and Doubtful Debts.	3467033	4922096
Provision for Diminution in value of Thinly Traded / Unlisted Shares	100044	15148
Provision for Leave Encashment	3736400	3081500
Total	56182350	46366135
Schedule 15		
Miscellaneous Expenditure (Deferred Expenses to the Extent not Written Off or Adjusted)		
1. Discount Allowed in Issue of Shares and Debentures	0	0
2. Others - Contribution to Gratuity Trust	1029360	1372480
Total	1029360	1372480



Receipt & Payments Account

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

Receipt & Payments Account/Cash Flow Statement for period of 1.4.2011 to 31.03.2012

Description	Current year ₹ (000)	Previous year ₹ (000)
OPERATING ACTIVITIES		
Profit Appropriated to General Reserve	1328278	(4212321)
Adjustments for Non-Cash Items		
Unexpired Risks Reserves	10066592	7189051
Provisions -Outstanding Claims	16500196	14297379
Depreciation	772977	632017
Provision- Dividend and Dividend tax	464890	(3284)
Provision for Taxes	73219	174715
Deferred Tax	(304734)	(72774)
Reserve for Doubtful Debts	(1202659)	(707551)
Foreign Currency Translation Reserve	4869288	1025658
Other Provisions - Outstanding Expenses	1495619	403126
Prepaid Expenses	215216	43527
Deferred - Contribution to Gratuity Trust	343120	(1372480)
Balances Written Back	(306657)	26007
Total Non Cash Items	32987067	17423070
Items Considered Separately		
Interest Dividend & Rent	(15957241)	(13567283)
Profit on sale of Investments	(7390262)	(9947827)
Provision for thinly traded shares	(74932)	(13560)
Provision for Bad Debts	(322121)	(62828)
Impairment	111558	244665
Amortisation	188723	46954
Profit or Loss on Sale of Asset	(5375)	(4856)
Total of Items Considered Separately	(23449650)	(5881665)
Net (Increase) /Decrease in Current Assets	(4000199)	5958707
Net Cash In / (Out) Flow from Operating Activities Before Tax	6865496	77042
Net Tax Expense	(891026)	(925801)
Net Cash In / (Out) Flow from Operating Activities After Tax	5974470	(848759)
INVESTING ACTIVITIES		
Interest, Dividend and Rent	15324315	13197948
Net (Increase)/decrease in Investments	(2798550)	(2128308)
Net(Increase)/decrease in Loans	623479	736908
Net (Additions)/Deletion to Assets	(746501)	(573966)
Net Cash In / (Out) Flow from Investing Activities	12402743	11232582
FINANCING ACTIVITIES		
Dividend Paid	0	(991174)
Increase in Cash and Bank Balances during the year	18377213	9392649
Cash and Bank Balances as per Schedule 11 at the end of the period	71421744	53044531
Cash and Bank Balances as per Schedule 11 at the beginning of the period	53044531	43651882

V. C. Jain
Company Secretary

S. Ganapathi Subramanian
Director

Prakash Bakliwal
Director

A. R. Sekar
Chairman-Cum- Managing Director (O)

As per our report of even date
For FORD, RHODES, PARKS & CO.
Firm Reg No.102860W
Chartered Accountants

Shrikant B. Prabhu
Partner
Membership Number 035296
Mumbai
June 09, 2012

For S. R. GOYAL & CO.
Firm Reg. No.001537C
Chartered Accountants

Anil Goyal
Partner
Membership Number 071158

For L. B. JHA & CO
Firm Reg. No.301088E
Chartered Accountants

T. Mandal
Partner
Membership Number 050070

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - INDIAN (₹,000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	11508085	10492612	2940360	2657861	3123877	2837753	6064237	5495614
Premium Accepted	915044	840558	6910	1962	56099	100355	63009	102317
Premium Ceded	-5694452	-4167768	-415810	-773914	-2634932	-2405424	-3050742	-3179338
Net Premium	6728677	7165402	2531460	1885909	545044	532684	3076504	2418593
Unexpired Risk Reserve Op.	3582701	2903090	1885909	1427132	532684	300452	2418593	1727584
Unexpired Risk Reserve Cl.	-3364336	-3582701	-2531459	-1885909	-545044	-532684	-3076503	-2418593
Net Earned Premium	6947042	6485791	1885910	1427132	532684	300452	2418594	1727584
Profit on Realisation of Investment	988949	1086757	158332	186094	99516	106740	257848	292834
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	1981000	1366974	317193	234078	199364	134262	516557	368340
Investment Provisions	21465	-23726	3437	-4063	2161	-2330	5598	-6393
Total Investment Income	2991314	2430005	478962	416109	301041	238672	780003	654781
Claims Paid Direct	5614180	7006057	1523486	1580275	1845723	1335420	3369209	2915695
Claims Paid Accepted	479587	110911	0	-175	67513	104672	67513	104497
Claims Paid Ceded	-2597829	-1541318	-202320	-382895	-1420663	-1207611	-1622983	-1590506
Net Claim Paid	3495938	5575650	1321166	1197205	492573	232481	1813739	1429686
Cl O/S Claims Direct	22387196	18432712	3051471	2776870	4407015	4940067	7458486	7716937
Cl O/S Claims Accepted	1205054	1120928	0	0	251670	231359	251670	231359
Cl O/S Claims Ceded	-8935863	-6636253	-850108	-1013178	-2885662	-3466688	-3735770	-4479866
Net Cl. O/S Claim	14656387	12917387	2201363	1763692	1773023	1704738	3974386	3468430
Op O/S Claims Direct	-18432712	-15832571	-2776870	-2108101	-4940067	-4925390	-7716937	-7033491
Op O/S Claims Accepted	-1120928	-1001876	0	0	-231359	-249431	-231359	-249431
Op O/S Claims Ceded	6636253	7137299	1013177	764945	3466688	3924822	4479865	4689767
Net Op. O/S Claim	-12917387	-9697148	-1763693	-1343156	-1704738	-1249999	-3468431	-2593155
Incurred Claims Direct	9568664	9606198	1798086	2249044	1312670	1350096	3110757	3599140
Incurred Claims Accepted	563713	229963	0	-175	87824	86599	87825	86424
Incurred Claims Ceded	-4897440	-1040272	-39249	-631128	-839637	-749477	-878886	-1380605
Net Incurred Claims	5234937	8795889	1758838	1617741	560858	687218	2319696	2304959
Commission Direct	652773	667902	346143	317422	56889	42799	403032	360221
Commission Accepted	22007	46919	300	61	10082	18232	10382	18293
Commission Ceded	-945023	-568610	-68550	-77345	-329273	-129067	-397823	-206412
Net Incurred Commission	-270243	146211	277893	240138	-262302	-68036	15591	172102
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	3865551	3736195	443946	444224	545088	449675	989034	893899
Premium Deficiency	1100383		0		0		0	0
Revenue Accounts Result	7727	-3762499	-115805	-458862	-9919	-529733	-125724	-988595



Segment Reporting Schedules

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[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]

The New India Assurance Co. Ltd.

[IRDA Regn No.190, Renewal Date 16.03.2012]

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - INDIAN (₹,000)

Segment	Total Misc.		Motor OD		Motor TP (Excluding Pool)		Motor Pool	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	67856328	54983153	15933513	13435011	4509134	3810939	9961249	5787859
Premium Accepted	11692300	6972930	0	0	0	662	9837995	5394649
Premium Ceded	-19780838	-14360292	-1595700	-2015415	-450913	-382409	-9961249	-5781281
Net Premium	59767790	47595791	14337813	11419596	4058221	3429192	9837995	5401227
Unexpired Risk Reserve Op.	24472786	19670755	6052385	4688244	1748888	1613208	2862650	2537222
Unexpired Risk Reserve Cl.	-31129238	-24474347	-7625675	-6052386	-2108147	-1748888	-5311663	-2862650
Net Earned Premium	53111339	42792199	12764523	10055454	3698962	3293512	7388983	5075799
Profit on Realisation of Investment	3501921	4471832	511561	649672	1004161	1627804	864595	824195
Other Income/Expense (Appportioned)	0	-11	0	0	0	0	0	0
Interest Dividend and Rent	7319230	5910480	1024830	817189	2168210	2220070	1866855	1124072
Investment Provisions	59238	-97246	11105	-14183	13149	-35219	11321	-17832
Total Investment Income	10880389	10285055	1547496	1452678	3185520	3812655	2742771	1930435
Claims Paid Direct	46903693	43413482	8408042	8034320	8115164	9447095	5075714	3983596
Claims Paid Accepted	5446323	3911816	0	0	0	0	4908185	3134277
Claims Paid Ceded	-15805957	-9573938	-1182766	-1386414	-1583255	-1714945	-9484528	-4010556
Net Claim Paid	36544060	37751360	7225276	6647906	6531909	7732150	499372	3107316
CI O/S Claims Direct	63772266	58237487	3735954	2942213	28707499	31938183	15170977	10594316
CI O/S Claims Accepted	29390834	22084543	0	0	0	0	28329439	20421152
CI O/S Claims Ceded	-26085941	-21146976	-436162	-442115	-6014365	-6644704	-15170479	-10594316
Net Cl. O/S Claim	67077159	59175054	3299792	2500098	22693134	25293479	28329937	20421152
Op O/S Claims Direct	-58237490	-58063049	-2942213	-2833291	-31938183	-35486057	-10594316	-7731851
Op O/S Claims Accepted	-22084515	-13359215	0	0	0	0	-20421152	-12435914
Op O/S Claims Ceded	21146978	19395384	442116	514530	6644704	7526948	10594316	7731851
Net Op. O/S Claim	-59175027	-52026880	-2500097	-2318761	-25293479	-27959109	-20421152	-12435914
Incurred Claims Direct	52438470	43587919	9201783	8143242	4884480	5899220	9652375	6846061
Incurred Claims Accepted	12752640	12637113	0	0	0	0	12816473	11119514
Incurred Claims Ceded	-20744919	-11326386	-1176812	-1313999	-952915	-832702	-14060691	-6873021
Net Incurred Claims	44446192	44898646	8024970	6829243	3931565	5066518	8408157	11092554
Commission Direct	4374771	3924408	1317519	1135386	0	0	0	0
Commission Accepted	393444	523604	0	0	0	66	0	49308
Commission Ceded	-413984	-1862109	-239414	-302288	-1	0	577940	-578786
Net Incurred Commission	4354230	2585903	1078105	833098	-1	66	577940	-529478
Foreign Taxes	10468	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	15119251	13326561	3792443	3447477	776370	776852	3408978	2279133
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result	72055	-7733857	1416501	398314	2176548	1262731	-2263321	-5835975

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - INDIAN (₹,000)

Segment	Total Motor		Health		Liability		Personal Accident	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	30403896	23033809	23491736	20033687	2227984	1630583	1419888	1254908
Premium Accepted	9837995	5395311	0	0	22598	22797	52364	22564
Premium Ceded	-12007862	-8179105	-2344096	-2003367	-613019	-295188	-202570	-229980
Net Premium	28234029	20250015	21147640	18030320	1637563	1358192	1269682	1047492
Unexpired Risk Reserve Op.	10663923	8838674	9015160	6985659	706259	388365	523746	412088
Unexpired Risk Reserve Cl.	-15045485	-10663924	-10573820	-9015160	-822539	-706260	-654779	-523746
Net Earned Premium	23852468	18424765	19588980	16000819	1521283	1040297	1138649	935834
Profit on Realisation of Investment	2380317	3101671	446411	533050	155995	202397	48041	61938
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	5059895	4161331	894313	670496	312511	254584	96243	77908
Investment Provisions	35575	-67234	9690	-11637	3386	-4419	1043	-1352
Total Investment Income	7475787	7195768	1350414	1191909	471892	452562	145327	138494
Claims Paid Direct	21598920	21465011	20484860	17957760	337164	254785	731814	903847
Claims Paid Accepted	4908185	3134277	0	0	840	1946	10057	12489
Claims Paid Ceded	-12250549	-7111915	-1987748	-1808887	-59927	-33928	-163880	-283513
Net Claim Paid	14256557	17487372	18497112	16148873	278077	222803	577991	632823
Cl O/S Claims Direct	47614430	45474712	3806435	3151345	1555273	1725608	711385	624684
Cl O/S Claims Accepted	28329439	20421152	0	0	1268	957	4631	130118
Cl O/S Claims Ceded	-21621006	-17681135	-256050	-210718	-474783	-406061	-98707	-134680
Net Cl. O/S Claim	54322863	48214729	3550385	2940627	1081758	1320504	617309	620122
Op O/S Claims Direct	-45474712	-46051199	-3151346	-2844839	-1725608	-1643692	-624684	-826235
Op O/S Claims Accepted	-20421152	-12435914	0	0	-957	-1405	-130118	-264
Op O/S Claims Ceded	17681136	15773329	210718	198968	406061	640182	134681	245030
Net Op. O/S Claim	-48214728	-42713784	-2940628	-2645871	-1320504	-1004915	-620121	-581469
Incurred Claims Direct	23738638	20888523	21139949	18264266	166828	336702	818516	702295
Incurred Claims Accepted	12816472	11119514	0	0	1151	1498	-115431	142343
Incurred Claims Ceded	-16190418	-9019722	-2033080	-1820637	-128650	200194	-127908	-173164
Net Incurred Claims	20364692	22988315	19106869	16443629	39328	538394	575177	671474
Commission Direct	1317519	1135386	1792928	1626040	227650	185972	154031	138066
Commission Accepted	0	49374	0	0	2260	2185	14045	6769
Commission Ceded	338525	-881074	-312805	-284755	-60105	-42153	-23376	-33624
Net Incurred Commission	1656044	303686	1480123	1341285	169805	146004	144700	111211
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	7977790	6503461	3906367	3694987	482591	416174	262922	264465
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result	1329728	-4174929	-3553965	-4287173	1301451	392287	301177	27178
* Sub Segment								
Workmen's Compensation		780371	233814	202893	316601	443067	266986	107347
(Sub Segment of liability Insurance)								378974
Product Liability	1232526				443067			
(Sub Segment of liability Insurance)								
Export credit Insurance	117325	102072	1816	0	6313	0	0	8129
(Sub Segment of credit shield Insurance)								0
Total	24878	14492	4199	0	1588	573	0	5787



Segment Reporting Schedules

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[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]

The New India Assurance Co. Ltd.

[IRDA Regn No.190, Renewal Date 16.03.2012]

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - INDIAN (₹,000)

Segment	Aviation		Engineering		Credit Guarantee		Misc. TB	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	1089651	744032	3930227	3342042	32	572	2259379	2220032
Premium Accepted	49239	43638	642388	698738	0	0	1004528	628499
Premium Ceded	-1498682	-588931	-1941470	-1728845	-3	-57	-679875	-791156
Net Premium	-359792	198739	2631145	2311935	29	515	2584032	2057375
Unexpired Risk Reserve Op.	101356	110105	1202206	943432	258	0	1069835	704369
Unexpired Risk Reserve Cl.	0	-101357	-1394580	-1202206	0	-258	-1292016	-1069835
Net Earned Premium	-258436	207487	2438771	2053161	287	257	2361851	1691909
Profit on Realisation of Investment	52617	66051	155386	173343	442	692	141385	169589
Other Income/Expense (Appportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	105408	83082	311291	218040	954	944	283243	213317
Investment Provisions	1142	-1442	3373	-3784	6	-15	3069	-3702
Total Investment Income	159167	147691	470050	387599	1402	1621	427697	379204
Claims Paid Direct	311325	343174	1360914	1034388	0	-200	990356	433059
Claims Paid Accepted	34012	17440	121308	129599	0	0	346113	201638
Claims Paid Ceded	-138391	-126372	-449518	-255197	0	20	-344057	236577
Net Claim Paid	206946	234242	1032704	908790	0	-180	992412	871273
CI O/S Claims Direct	1514942	683775	4641006	2750883	0	12937	2710974	2223632
CI O/S Claims Accepted	11057	14328	544311	406855	0	0	409011	338020
CI O/S Claims Ceded	-542477	-305133	-2131455	-1335650	-1294	-1294	-622001	-785447
Net CI. O/S Claim	983522	392970	3053862	1822088	-1294	11643	2497984	1776205
Op O/S Claims Direct	-683775	-719626	-2750883	-2176467	-12937	-13937	-2224487	-1845197
Op O/S Claims Accepted	-14328	-6110	-406855	-279146	0	-36	-338019	-223266
Op O/S Claims Ceded	305133	396010	1335650	949476	1294	1394	785447	622760
Net Op. O/S Claim	-392970	-329726	-1822088	-1506137	-11643	-12579	-1777059	-1445703
Incurrd Claims Direct	1142493	307322	3251038	1608804	-12937	-1200	1476843	811494
Incurrd Claims Accepted	30741	25658	258764	257308	0	-36	417105	316391
Incurrd Claims Ceded	-375734	-35495	-1245322	-641370	0	120	-180611	73889
Net Incurred Claims	797499	297485	2264479	1224742	-12937	-1116	1713337	1201773
Commission Direct	8251	6764	268862	203218	0	89	257476	269527
Commission Accepted	2628	3219	123478	282909	0	0	230266	143760
Commission Ceded	-54386	-24098	-107087	-352786	0	-6	-91852	-112967
Net Incurred Commission	-43508	-14115	285253	133341	0	83	395890	300320
Foreign Taxes	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	310407	251308	918155	924705	6	117	729640	682740
Premium Deficiency	0	0	0	0	0	0	0	0
Revenue Accounts Result	-1163666	-179500	-559066	157972	14620	2794	-49319	-113720

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - INDIAN (₹,000)

Segment	Misc RNTB		Misc UNTB		Credit Shield		Total Other Misc.		Total	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements										
Premium Direct	1231454	1007389	1521258	1492403	280823	223696	5012123	4720396	85428650	70971378
Premium Accepted	295	995	0	0	82893	160388	1004823	629494	12670353	7915805
Premium Ceded	-124163	-152275	-177052	-239106	-192046	-152282	-981093	-1182594	-28526032	-21707399
Net Premium	1107586	856109	1344206	1253297	171670	231802	5035853	4167296	69572971	57179784
Unexpired Risk Reserve Op.	445177	449405	626648	642964	118218	195694	2141918	1796738	30474080	24301429
Unexpired Risk Reserve Cl.	-588081	-445177	-672103	-628206	-85835	-118218	-2552200	-2143476	-37570077	-30475642
Net Earned Premium	964682	860337	1298751	1268055	204053	309278	4625571	3820558	62476975	51005571
Profit on Realisation of Investment	42787	68186	42345	51471	36195	43444	226959	289938	4748618	5851423
Other Income/Expense (Apporioned)	0	0	0	-11	0	0	0	-11	0	-11
Interest Dividend and Rent	92387	92995	84832	78533	78153	59250	461416	385789	9816787	7645794
Investment Provisions	560	-1475	920	-1246	474	-940	4555	-6438	86301	-127366
Total Investment Income	135734	159706	128097	128747	114822	101754	692930	669278	14651705	13369839
Claims Paid Direct	793379	653828	238075	332383	56886	35447	2021810	1419070	55887082	53335233
Claims Paid Accepted	1221	181	0	27	24587	414220	347334	201846	5993423	4127223
Claims Paid Ceded	-126070	-120160	-228216	-45738	-57601	-24824	-698343	70699	-20026769	-12705762
Net Claim Paid	668530	533849	9859	286643	23872	424843	1670801	1691614	41853737	44756694
Cl O/S Claims Direct	596436	822542	381723	570771	239662	196598	3689133	3629882	93617948	84387135
Cl O/S Claims Accepted	157	12	0	27	90960	773074	409168	338059	30847558	23436830
Cl O/S Claims Ceded	-111909	-115460	-127093	-58251	-99166	-113147	-862297	-960452	-38757574	-32263095
Net Cl. O/S Claim	484684	707094	254630	512549	231456	856525	3236004	3007489	85707932	75560870
Op O/S Claims Direct	-821687	-923583	-570773	-482700	-196598	-535574	-3629884	-3265417	-84387139	-80929111
Op O/S Claims Accepted	-12	-25	0	-2	-773074	-413047	-338031	-223329	-23436802	-14610523
Op O/S Claims Ceded	115460	134282	58251	78877	113147	355076	960452	837313	32263096	31222449
Net Op. O/S Claim	-706239	-789326	-512522	-404678	-856525	-593545	-3007463	-2651433	-75560845	-64317185
Incurred Claims Direct	568129	552787	49025	420455	99950	-303529	2081060	1783536	65117891	56793256
Incurred Claims Accepted	1366	167	0	25	-657527	774246	418471	316547	13404178	12953500
Incurred Claims Ceded	-122518	-101339	-297058	-25965	-43619	217104	-600187	-53295	-26521245	-13747263
Net Incurred Claims	446977	451615	-248033	394515	-601196	687821	1899344	2046787	52000824	55999493
Commission Direct	99547	95550	217253	235964	31254	27832	574276	601130	5430576	4952531
Commission Accepted	44	149	0	853	20723	34386	230310	144762	425833	588815
Commission Ceded	-21642	-25535	-30632	-40178	-50624	-64933	-144126	-178686	-1756830	-2637131
Net Incurred Commission	77949	70164	186621	196639	1353	-2715	660460	567206	4099579	2904214
Foreign Taxes	0	0	0	0	0	0	0	0	0	0
Operating Expenses Related to Insurance	212079	205521	256670	304803	62624	78281	1198395	1193181	19973836	17956654
Premium Deficiency	0	0	0	0	0	0	0	0	1100383	0
Revenue Accounts Result	363411	292743	1231590	474524	856094	-352355	1560302	682662	-45942	-12511272

Segment Reporting Schedules

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - FOREIGN (₹,000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Total Misc.	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements										
Premium Direct	4275194	3051940	582218	447257	988922	122918	1571140	570175	9463800	7661628
Premium Accepted	6721335	5449547	56738	37306	234362	121940	291100	159246	1470775	1146032
Premium Ceded	-3425164	-2387567	-61084	-37130	-973949	-85567	-1035033	-122697	-1194043	-785805
Net Premium	7571365	6113920	577872	447433	249335	159291	827207	606724	9740532	8021855
Unexpired Risk Reserve Op.	3056960	2581995	447432	415834	159291	146495	606723	562329	4209627	3712587
Unexpired Risk Reserve Cl.	-3785683	-3056960	-577872	-447432	-249335	-159291	-827207	-606723	-5130632	-4208068
Net Earned Premium	6842642	5638955	447432	415835	159291	146495	606723	562330	8819527	7526374
Profit on Realisation of Investment	325	117	52	20	33	11	85	31	511	6310
Other Income/Expense (Apporportioned)	0	0	0	0	0	0	0	0	0	11
Interest Dividend and Rent	154850	115351	24794	19753	15584	11330	40378	31083	243309	197005
Investment Provisions	-8513	210	-1363	36	-857	20	-2220	56	-13377	358
Total Investment Income	146662	115678	23483	19809	14760	11361	38243	31170	230443	203684
Claims Paid Direct	2874251	1386759	117813	90493	31693	32872	149506	123365	5410184	4531330
Claims Paid Accepted	6688939	2381507	31559	15739	113354	180998	144913	196737	952867	751785
Claims Paid Ceded	-3147220	-2360209	-1596	-10447	-11615	-53233	-13211	-63680	-538875	-752985
Net Claim Paid	6415970	1408057	147776	95785	133432	160637	281208	256422	5824176	4530130
Cl O/S Claims Direct	11189927	4916588	237778	189463	260436	178845	498214	368308	7219441	6073294
Cl O/S Claims Accepted	15164147	9703358	78580	53901	136316	105426	214896	159327	1018590	821379
Cl O/S Claims Ceded	-14349807	-7538228	-84885	-75070	-252	-101	-85137	-75171	-518851	-430566
Net Cl. O/S Claim	12004267	7081718	231473	168294	396500	284170	627973	452464	7719180	6464107
Op O/S Claims Direct	-4916588	-2650167	-189463	-233973	-178845	-168648	-368308	-402621	-6073292	-5642774
Op O/S Claims Accepted	-9703358	-4433940	-53901	-55633	-105426	-73904	-159327	-129537	-821406	-609933
Op O/S Claims Ceded	7538228	2521111	75070	94592	101	152	75171	94744	430566	308525
Net Op. O/S Claim	-7081718	-4562996	-168294	-195014	-284170	-242400	-452464	-437414	-6464132	-5944182
Incurred Claims Direct	9147590	3653180	166129	45983	113285	43069	279414	89052	6556330	4961848
Incurred Claims Accepted	12149728	7650925	56238	14007	144244	212520	200482	226527	1150051	936937
Incurred Claims Ceded	-9958799	-7377326	-11412	9075	-11766	-53182	-23178	-44107	-627159	-874174
Net Incurred Claims	11338519	3926779	210955	69065	245763	202407	456718	271472	7079222	5024611
Commission Direct	971732	744962	153809	117927	246498	25569	400307	143496	2014409	1689396
Commission Accepted	1379784	1006492	14168	9881	52137	21980	66305	31861	554917	195830
Commission Ceded	-151168	-119708	-16268	-10701	-241608	-14496	-257876	-25197	-103004	-84639
Net Incurred Commission	2200348	1631746	151709	117107	57027	33053	208736	150160	2466322	1800587
Foreign Taxes	9648	51	16	0	7	0	23	0	5234	0
Operating Expenses Related to Insurance	166780	306353	19154	36424	23518	36871	42672	73295	459892	1095962
Premium Deficiency	0	0	0	0	0	0	0	0	0	0
Revenue Accounts Result	-6725990	-110296	89081	213048	-152264	-114475	-63183	98573	-960700	-191103

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - FOREIGN (₹,000)

Segment	Motor OD		Health		Liability		Personal Accident		Aviation	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements										
Premium Direct	6888749	5270492	175208	147867	670057	618418	108214	158119	0	0
Premium Accepted	154463	124186	0	0	3164	1291	12464	8880	741728	584945
Premium Ceded	-848144	-393094	-174	-7793	-50798	-47566	-13519	-14899	0	0
Net Premium	6195068	5001584	175034	140074	622423	572143	107159	152100	741728	584945
Unexpired Risk Reserve Op.	2650840	2343798	70037	53303	297515	312005	76050	74179	298322	322198
Unexpired Risk Reserve Cl.	-3294895	-2650840	-87517	-70037	-312640	-297514	-55261	-76050	-404941	-298322
Net Earned Premium	5551013	4694542	157554	123340	607298	586634	127948	150229	635109	608821
Profit on Realisation of Investment	168	70	147	57	51	21	16	7	17	7
Other Income/Expense (Apporioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	80108	68958	69906	56579	24428	21483	7523	6574	8240	7011
Investment Provisions	-4404	125	-3843	103	-1343	39	-414	12	-453	13
Total Investment Income	75872	69153	66210	56739	23136	21543	7125	6593	7804	7031
Claims Paid Direct	3944225	3023199	95098	109995	662348	783495	55040	57134	254	68
Claims Paid Accepted	177521	152388	0	0	15	1186	6910	5569	651822	489809
Claims Paid Ceded	-430221	-158862	-36	-20142	-34538	239	-1794	-1944	0	-4538
Net Claim Paid	3691525	3016725	95062	89853	627825	784920	60156	60759	652076	485339
Cl O/S Claims Direct	3347577	2550721	0	121	2421805	2045191	35020	45490	133000	123000
Cl O/S Claims Accepted	68180	65697	0	0	6127	5358	26730	28859	515851	501792
Cl O/S Claims Ceded	-101524	-38729	0	0	-195381	-172452	-55	-70	0	0
Net Cl. O/S Claim	3314233	2577689	0	121	2232551	1878097	61695	74279	648851	624792
Op O/S Claims Direct	-2550721	-2440576	-121	-128	-2045191	-2153163	-45490	-33463	-123000	-129000
Op O/S Claims Accepted	-65697	-68474	0	0	-5358	-61	-28859	-24535	-501792	-309048
Op O/S Claims Ceded	38729	55983	0	0	172452	181172	70	388	0	0
Net Op. O/S Claim	-2577689	-2453067	-121	-128	-1878097	-1972052	-74279	-57610	-624792	-438048
Incurred Claims Direct	4741081	3133344	94977	109988	1038962	675523	44569	69161	10254	-5932
Incurred Claims Accepted	180004	149611	0	0	784	6482	4781	9894	665881	682553
Incurred Claims Ceded	-493016	-141609	-36	-20142	-57467	8959	-1778	-1626	0	-4538
Net Incurred Claims	4428069	3141346	94941	89846	982279	690964	47572	77429	676135	672083
Commission Direct	1469095	1193092	41229	29251	153075	139157	25407	36510	0	0
Commission Accepted	3741	4146	0	0	773	328	3930	2722	85939	105745
Commission Ceded	-62251	-17994	-44	-44	-2439	-1392	-638	-1138	0	0
Net Incurred Commission	1410585	1179244	41185	29207	151409	138093	28699	38094	85939	105745
Foreign Taxes	3329	0	94	0	334	0	58	0	399	0
Operating Expenses Related to Insurance	163625	390246	168541	418263	20821	47110	11344	29936	13393	28448
Premium Deficiency	0	0	0	0	0	0	0	0	0	0
Revenue Accounts Result	-378723	52859	-80997	-357237	-524409	-267990	47400	11363	-132953	-190424



Segment Reporting Schedules

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - FOREIGN (₹,000)

Segment	Engineering		Misc. TB		Misc. UNTB		Total Other Misc.		Total	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements										
Revenue Direct	684852	700008	936720	766724	0	0	936720	766724	15310134	11283743
Premium Accepted	305229	309846	219937	113780	33790	3104	253727	116884	8483210	6754825
Premium Ceded	-130283	-229873	-151125	-92580	0	0	-151125	-92580	-5654240	-3296069
Net Premium	859798	779981	1005532	787924	33790	3104	1039322	791028	18139104	14742499
Unexpired Risk Reserve Op.	405590	241635	409721	367021	1552	-1552	411273	365469	7873310	6856911
Unexpired Risk Reserve Cl.	-455717	-405590	-502766	-409721	-16895	6	-519661	-409715	-9743522	-7871751
Net Earned Premium	809671	616026	912487	745224	18447	1558	930934	746782	16268892	13727659
Profit on Realisation of Investment	51	19	47	18	14	6111	61	6129	921	6458
Other Income/Expense (Apporioned)	0	0	0	0	0	11	0	11	0	11
Interest Dividend and Rent	24333	18399	22140	18001	6631	0	28771	18001	438537	343439
Investment Provisions	-1338	33	-1217	33	-365	0	-1582	33	-24110	624
Total Investment Income	23046	18451	20970	18052	6280	6122	27250	24174	415348	350532
Claims Paid Direct	361060	296163	292159	261276	0	0	292159	261276	8433941	6041454
Claims Paid Accepted	91303	74502	23577	28358	1719	-27	25296	28331	7786719	3330029
Claims Paid Ceded	-77522	-45050	5236	-522688	0	0	5236	-522688	-3699306	-3176874
Net Claim Paid	374841	325615	320972	-233054	1719	-27	322691	-233081	12521354	6194609
Cl O/S Claims Direct	807398	810421	474641	498348	0	2	474641	498350	18907582	11358190
Cl O/S Claims Accepted	279055	136560	122417	83113	230	0	122647	83113	16397633	10684064
Cl O/S Claims Ceded	-217924	-190891	-3967	-28424	0	0	-3967	-28424	-14953795	-8043965
Net Cl. O/S Claim	868529	756090	593091	553037	230	2	593321	553039	20351420	13998289
Op O/S Claims Direct	-810421	-375516	-498348	-510928	0	0	-498348	-510928	-11358188	-8695562
Op O/S Claims Accepted	-136560	-153899	-83113	-53916	-27	0	-83140	-53916	-10684091	-5173410
Op O/S Claims Ceded	190891	71150	28424	685	0	-853	28424	-168	8043965	2924380
Net Op. O/S Claim	-756090	-458265	-553037	-564159	-27	-853	-553064	-565012	-13998314	-10944592
Incurred Claims Direct	358036	731068	268451	248696	0	0	268451	248696	15983334	8704080
Incurred Claims Accepted	233798	57163	62881	57555	1922	-26321	64803	31234	13500261	8814389
Incurred Claims Ceded	-104555	-164791	29693	-550427	0	0	29693	-550427	-10609136	-8295607
Net Incurred Claims	487279	623440	361025	-244176	1922	-26321	362947	-270497	18874459	9222862
Commission Direct	141161	139097	184442	152289	0	0	184442	152289	3386448	2577854
Commission Accepted	287916	63649	29784	19240	142834	0	172618	19240	2001006	1234183
Commission Ceded	-25447	-56095	-12185	-7976	0	0	-12185	-7976	-512048	-229544
Net Incurred Commission	403630	146651	202041	163553	142834	0	344875	163553	4875406	3582493
Foreign Taxes	462	0	540	0	18	0	558	0	14905	51
Operating Expenses Related to Insurance	39614	104676	31480	77284	11074	0	42554	77284	669344	1475611
Premium Deficiency	0	0	0	0	0	0	0	0	0	0
Revenue Accounts Result	-98268	-240290	338371	766615	-131121	34001	207250	800616	-7749873	-202826

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - GLOBAL (₹,000)

Segment	Fire		Marine Cargo		Marine Hull		Total Marine		Total Misc.	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements										
Premium Direct	15783279	13544552	3522578	3105118	4112799	2960671	7635377	6065789	77320128	62644782
Premium Accepted	7636379	6290105	63648	39268	290461	222295	354109	261563	13163075	8118962
Premium Ceded	-9119616	-6555334	-476894	-811045	-3608881	-2490991	-4085775	-3302036	-20974881	-15146098
Net Premium	14300042	13279323	3109332	2333341	794379	691975	3903711	3025316	69508322	55617646
Unexpired Risk Reserve Op.	6639661	5485085	2333341	1842967	691975	446947	3025316	2289914	28682413	23383341
Unexpired Risk Reserve Cl.	-7150019	-6639661	-3109331	-2333341	-794379	-691975	-3903710	-3025316	-36259870	-28682413
Net Earned Premium	13789684	12124747	2333342	1842967	691975	446947	3025317	2289914	61930866	50318574
Profit on Realisation of Investment	989174	1086873	158384	186114	99549	106751	257933	292865	3502432	4478142
Other Income/Expense (Apporportioned)	0	0	0	0	0	0	0	0	0	0
Interest Dividend and Rent	2135850	1482325	341987	253831	214948	145592	556935	399423	7562539	6107486
Investment Provisions	12952	-23516	2074	-4027	1304	-2310	3378	-6337	45861	-96889
Total Investment Income	3137976	2545682	502445	435918	315801	250033	818246	685951	11110832	10488739
Claims Paid Direct	8488431	8392816	1641299	1670768	1877416	1368292	3518715	3039060	52313877	47944813
Claims Paid Accepted	7168526	2492418	31559	15564	180867	285670	212426	301234	6399190	4663601
Claims Paid Ceded	-5745049	-3901527	-203916	-393342	-1432278	-1260843	-1636194	-1654185	-16344832	-10326921
Net Claim Paid	9911908	6983707	1468942	1292990	626005	393119	2094947	1686109	42368236	42281492
Cl O/S Claims Direct	33577123	23349300	3289249	2966333	4667451	5118912	7956700	8085245	70991707	64310782
Cl O/S Claims Accepted	16369201	10824286	78580	53901	387986	336785	466566	390686	30409424	22905921
Cl O/S Claims Ceded	-23285670	-14174481	-934993	-1088247	-2885914	-3466789	-3820907	-4555036	-26604792	-21577544
Net Cl. O/S Claim	26660654	19999105	2432836	1931987	2169523	1988908	4602359	3920895	74796339	65639159
Op O/S Claims Direct	-23349300	-18482738	-2966333	-2342074	-5118912	-5094038	-8085245	-7436112	-64310782	-63705825
Op O/S Claims Accepted	-10824286	-5435816	-53901	-55633	-336785	-323335	-390686	-378968	-22905921	-13969148
Op O/S Claims Ceded	14174481	9658410	1088247	859537	3466789	3924974	4555036	4784511	21577544	19703909
Net Op. O/S Claim	-19999105	-14260144	-1931987	-1538170	-1988908	-1492399	-3920895	-3030569	-65639159	-57971064
Incurred Claims Direct	18716254	13259378	1964215	2295026	1425955	1393165	3390171	3688191	58994800	48549768
Incurred Claims Accepted	12713441	7880889	56238	13833	232068	299120	288307	312953	13902691	13600372
Incurred Claims Ceded	-14856239	-8417598	-50661	-622053	-851403	-802659	-902064	-1424712	-21372078	-12200558
Net Incurred Claims	16573456	12722669	1969793	1686806	806621	889626	2776414	2576432	51525414	49949582
Commission Direct	1624505	1412864	499952	435350	303387	68368	803339	503718	6389180	5613804
Commission Accepted	1401791	1053411	14468	9942	62219	40212	76687	50154	948361	719433
Commission Ceded	-1096191	-688319	-84818	-88046	-570881	-143563	-655699	-231609	-516988	-1946748
Net Incurred Commission	1930105	1777956	429602	357246	-205275	-34983	224327	322263	6820552	4386489
Foreign Taxes	9648	51	16	0	7	0	23	0	5234	0
Operating Expenses Related to Insurance	4032331	4042548	463100	480648	568606	486546	1031706	967194	15579143	14422524
Premium Deficiency	1100383						0	0	0	0
Revenue Accounts Result	-6718263	-3872795	-26724	-245814	-162183	-644209	-188907	-890023	-888645	-7951282

Segment Reporting Schedules

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH,2012 - GLOBAL (₹,000)

Segment	Motor OD		Motor TP (Excluding Pool)		Motor TP Pool		Total Motor	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Revenue Direct	22822262	18705503	4509134	3810939	9961249	5787859	37292645	28304301
Premium Accepted	154463	124186	0	662	9837995	5394649	9992458	5519497
Premium Ceded	-2443844	-2408509	-450913	-382409	-9961249	-5781281	-12856006	-8572199
Net Premium	20532881	16421180	4058221	3429192	9837995	5401227	34429097	25251599
Unexpired Risk Reserve Op.	8703225	7032041	1748888	1613208	2862650	2537222	13314763	11182471
Unexpired Risk Reserve Cl.	-10920570	-8703225	-2108147	-1748888	-5311663	-2862650	-18340380	-13314763
Net Earned Premium	18315536	14749996	3698962	3293512	7388983	5075799	29403481	23119307
Profit on Realisation of Investment	511729	649742	1004161	1627804	864595	824195	2380485	3101741
Other Income/Expense (Apporioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	1104938	886147	2168210	2220070	1866855	1124072	5140003	4230289
Investment Provisions	6701	-14058	13149	-35219	11321	-17832	31171	-67109
Total Investment Income	1623368	1521831	3185520	3812655	2742771	1930435	7551659	7264921
Claims Paid Direct	12352267	11057519	8115164	9447095	5075714	3983596	25543145	24488210
Claims Paid Accepted	177521	152388	0	0	4908185	3134277	5085706	3286665
Claims Paid Ceded	-1612987	-1545276	-1583255	-1714945	-9484528	-4010556	-12680770	-7270777
Net Claim Paid	10916801	9664631	6531909	7732150	499372	3107316	17948082	20504097
CI O/S Claims Direct	7083531	5492934	28707499	31938183	15170977	10594316	50962007	48025433
CI O/S Claims Accepted	68180	65697	0	0	28329439	20421152	28397619	20486849
CI O/S Claims Ceded	-537686	-480845	-6014365	-6644704	-15170479	-10594316	-21722530	-17719865
Net Cl. O/S Claim	6614025	5077786	22693134	25293479	28329937	20421152	57637096	50792417
Op O/S Claims Direct	-5492934	-5273867	-31938183	-35486057	-10594316	-7731851	-48025433	-48491775
Op O/S Claims Accepted	-65697	-68474	0	0	-20421152	-12435914	-20486849	-12504388
Op O/S Claims Ceded	480845	570513	6644704	7526948	10594316	7731851	17719865	15829312
Net Op. O/S Claim	-5077786	-4771828	-25293479	-27959109	-20421152	-12435914	-50792417	-45166851
Incurred Claims Direct	13942864	11276586	4884480	5899220	9652375	6846061	28479719	24021867
Incurred Claims Accepted	180004	149611	0	0	12816473	11119514	12996476	11269125
Incurred Claims Ceded	-1669828	-1455608	-952915	-832702	-14060691	-6873021	-16683434	-9161331
Net Incurred Claims	12453039	9970589	3931565	5066518	8408157	11092554	24792761	26129661
Commission Direct	2786614	2328478	0	0	0	0	2786614	2328478
Commission Accepted	3741	4146	0	66	0	49308	3741	53520
Commission Ceded	-301665	-320282	-1	0	577940	-578786	276274	-899068
Net Incurred Commission	2488690	2012342	-1	66	577940	-529478	3066629	1482930
Foreign Taxes	3329	0	0	0	0	0	3329	0
Operating Expenses Related to Insurance	3956068	3837723	776370	776852	3408978	2279133	8141415	6893707
Premium Deficiency							0	0
Revenue Accounts Result	1037778	451173	2176548	1262731	-2263321	-5835975	951005	-4122070

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - GLOBAL (₹,000)

Segment	Health		Liability		Personal Accident		Aviation	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	23666944	20181554	2898041	2249001	1528102	1413027	1089651	744032
Premium Accepted	0	0	25762	24088	64828	31445	790967	628582
Premium Ceded	-2344270	-2011160	-663817	-342754	-216089	-244880	-1498682	-588931
Net Premium	21322674	18170394	2259986	1930335	1376841	1199592	381936	783683
Unexpired Risk Reserve Op.	9085197	7038962	1003774	700370	599796	486267	399678	432303
Unexpired Risk Reserve Cl.	-10661337	-9085197	-1135179	-1003774	-710040	-599796	-404941	-399678
Net Earned Premium	19746534	16124159	2128581	1626931	1266597	1086063	376673	816308
Profit on Realisation of Investment	446558	533107	156046	202418	48057	61945	52634	66058
Other Income/Expense (Apportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	964219	727075	336939	276067	103766	84483	113648	90093
Investment Provisions	5847	-11534	2043	-4380	629	-1340	689	-1429
Total Investment Income	1416624	1248648	495028	474105	152452	145088	166971	154722
Claims Paid Direct	20579958	18067755	999512	1038281	786854	960981	311579	343242
Claims Paid Accepted	0	0	855	3131	16967	18058	685834	507249
Claims Paid Ceded	-1987784	-1829029	-94465	-33689	-165674	-285457	-138391	-130909
Net Claim Paid	18592174	16238726	905902	1007723	638147	693582	859022	719582
CI O/S Claims Direct	3806435	3151467	3977078	3770799	746405	670174	1647942	806775
CI O/S Claims Accepted	0	0	7395	6315	31361	158977	526908	516120
CI O/S Claims Ceded	-256050	-210718	-670164	-578513	-98762	-134751	-542477	-305133
Net CI. O/S Claim	3550385	2940749	3314309	3198601	679004	694400	1632373	1017762
Op O/S Claims Direct	-3151467	-2844968	-3770799	-3796855	-670174	-859699	-806775	-848626
Op O/S Claims Accepted	0	0	-6315	-1466	-158977	-24799	-516120	-315158
Op O/S Claims Ceded	210718	198968	578513	821354	134751	245418	305133	396010
Net Op. O/S Claim	-2940749	-2646000	-3198601	-2976967	-694400	-639080	-1017762	-767774
Incurred Claims Direct	21234926	18374254	1205790	1012225	863085	771457	1152747	301390
Incurred Claims Accepted	0	0	1935	7980	-110650	152237	696622	708211
Incurred Claims Ceded	-2033116	-1840779	-186117	209153	-129686	-174789	-375734	-40033
Net Incurred Claims	19201810	16533475	1021607	1229358	622749	748905	1473634	969568
Commission Direct	1834157	1655291	380725	325129	179438	174576	8251	6764
Commission Accepted	0	0	3033	2513	17975	9491	88567	108964
Commission Ceded	-312849	-284799	-62544	-43545	-24014	-34762	-54386	-24098
Net Incurred Commission	1521308	1370492	321214	284097	173399	149305	42431	91630
Foreign Taxes	94	0	334	0	58	0	399	0
Operating Expenses Related to Insurance	4074908	4113250	503412	463284	274266	294401	323800	279756
Premium Deficiency								
Revenue Accounts Result	-3634962	-4644410	777042	124297	348577	38540	-1296619	-369924



Segment Reporting Schedules

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[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - GLOBAL (₹,000)

Segment	Engineering		Credit Guarantee		Misc. TB		Misc RNTB	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	4615079	4042050	32	572	3196099	2986757	1231454	1007389
Premium Accepted	947617	1008584	0	0	1224465	742279	295	995
Premium Ceded	-2071753	-1958718	-3	-57	-831000	-883736	-124163	-152275
Net Premium	3490943	3091916	29	515	3589564	2845300	1107586	856109
Unexpired Risk Reserve Op.	1607796	1185067	258	0	1479556	1071390	445177	449405
Unexpired Risk Reserve Cl.	-1850297	-1607796	0	-258	-1794782	-1479556	-588081	-445177
Net Earned Premium	3248442	2669187	287	257	3274338	2437134	964682	860337
Profit on Realisation of Investment	155437	173362	442	692	141432	169607	42787	68186
Other Income/Expense (Apporportioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	335624	236439	954	944	305383	231318	92387	92995
Investment Provisions	2035	-3751	6	-15	1852	-3670	560	-1475
Total Investment Income	493096	406050	1402	1621	448667	397255	135734	159706
Claims Paid Direct	1721974	1330551	0	-200	1282515	694335	793379	653828
Claims Paid Accepted	212611	204101	0	0	369690	229996	1221	181
Claims Paid Ceded	-527040	-300247	0	20	-338821	-286111	-126070	-120160
Net Claim Paid	1407545	1234405	0	-180	1313384	638220	668530	533849
CI O/S Claims Direct	5448404	3561304	0	12937	3185615	2721980	596436	822542
CI O/S Claims Accepted	823366	543415	0	0	531428	421132	157	12
CI O/S Claims Ceded	-2349379	-1526541	-1294	-1294	-625968	-813871	-111909	-115460
Net Cl. O/S Claim	3922391	2578178	-1294	11643	3091075	2329241	484684	707094
Op O/S Claims Direct	-3561304	-2551983	-12937	-13937	-2722835	-2356125	-821687	-923583
Op O/S Claims Accepted	-543415	-433045	0	-36	-421132	-277182	-12	-25
Op O/S Claims Ceded	1526541	1020626	1294	1394	813871	623445	115460	134282
Net Op. O/S Claim	-2578178	-1964402	-11643	-12579	-2330096	-2009862	-706239	-789326
Incurrd Claims Direct	3609074	2339872	-12937	-1200	1745294	1060190	568129	552787
Incurrd Claims Accepted	492562	314471	0	-36	479986	373946	1366	167
Incurrd Claims Ceded	-1349877	-806162	0	120	-150918	-476537	-122518	-101339
Net Incurred Claims	2751758	1848181	-12937	-1116	2074362	957599	446977	451615
Commission Direct	410023	342315	0	89	441918	421816	99547	95550
Commission Accepted	411394	346557	0	0	260050	163000	44	149
Commission Ceded	-132534	-408881	0	-6	-104037	-120943	-21642	-25535
Net Incurred Commission	688883	279991	0	83	597931	463873	77949	70164
Foreign Taxes	462	0	0	0	540	0	0	0
Operating Expenses Related to Insurance	957769	1029381	6	117	761120	760024	212079	205521
Premium Deficiency								
Revenue Accounts Result	-657334	-82316	14620	2794	289052	652893	363411	292743

SEGMENT REPORTING SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2012 - GLOBAL (₹,000)

Segment	Misc UNTB		Credit Shield		Total Other Misc.		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Revenue Accounts Elements								
Premium Direct	1521258	1492403	280823	223696	5948843	5487121	100738784	82255121
Premium Accepted	33790	3104	82893	160388	1258550	746378	21153563	14670630
Premium Ceded	-177052	-239106	-192046	-152282	-1132218	-1275174	-34180272	-25003469
Net Premium	1377996	1256401	171670	231802	6075175	4958325	87712075	71922282
Unexpired Risk Reserve Op.	628200	641412	118218	195694	2553191	2162207	38347390	31158340
Unexpired Risk Reserve Cl.	-688998	-628200	-85835	-118218	-3071861	-2553191	-47313599	-38347390
Net Earned Premium	1317198	1269613	204053	309278	5556505	4567341	78745867	64733232
Profit on Realisation of Investment	42359	57582	36195	43444	227020	296067	4749539	5857880
Other Income/Expense (AppORTioned)	0	0	0	0	0	0	0	0
Interest Dividend and Rent	91463	78533	78153	59250	490187	403790	10255324	7989234
Investment Provisions	555	-1246	474	-940	2973	-6406	62191	-126741
Total Investment Income	134377	134869	114822	101754	720180	693451	15067054	13720373
Claims Paid Direct	238075	332383	56886	35447	2313969	1680346	64321023	59376686
Claims Paid Accepted	1719	0	24587	414220	372630	230177	13780142	7457253
Claims Paid Ceded	-228216	-45738	-57601	-24824	-693107	-451989	-23726075	-15882634
Net Claim Paid	11578	286645	23872	424843	1993492	1458534	54375091	50951305
Cl O/S Claims Direct	381723	570773	239662	196598	4163774	4128232	112525530	95745328
Cl O/S Claims Accepted	230	27	90960	773074	531815	421171	47245191	34120893
Cl O/S Claims Ceded	-127093	-58251	-99166	-113147	-866264	-988876	-53711369	-40307060
Net Cl. O/S Claim	254860	512549	231456	856525	3829325	3560527	106059352	89559161
Op O/S Claims Direct	-570773	-482700	-196598	-535574	-4128232	-3776345	-95745327	-89624675
Op O/S Claims Accepted	-27	-2	-773074	-413047	-421171	-277245	-34120893	-19783932
Op O/S Claims Ceded	58251	78024	113147	355076	988876	837145	40307061	34146830
Net Op. O/S Claim	-512549	-404678	-856525	-593545	-3560527	-3216445	-89559159	-75261777
Incurred Claims Direct	49025	420455	99950	-303529	2349511	2032232	81101225	65497337
Incurred Claims Accepted	1922	25	-657527	774246	483274	374102	26904439	21794215
Incurred Claims Ceded	-297058	-25965	-43619	217104	-570494	-603721	-37130381	-22042869
Net Incurred Claims	-246111	394515	-601196	687821	2262291	1802613	70875283	65248684
Commission Direct	217253	235964	31254	27832	758718	753419	8817024	7530384
Commission Accepted	142834	853	20723	34386	402928	164002	2426839	1822998
Commission Ceded	-30632	-40178	-50624	-64933	-156311	-186662	-2268878	-2866676
Net Incurred Commission	329455	196639	1353	-2715	1005335	730759	8974984	6486707
Foreign Taxes	18	0	0	0	558	0	14905	51
Operating Expenses Related to Insurance	267744	304803	62624	78281	1240949	1270464	20643180	19432266
Premium Deficiency					0	0	1100383	0
Revenue Accounts Result	1100469	508525	856094	-352355	1767552	1456956	-7795815	-12714103



Shareholders' and Policyholders' Funds

Shareholders' Funds

		Balances as on 31.03.2011	Percentage		Balances as on 31.03.2012	Percentage
Share Capital		2000000000			2000000000	
Capital Reserves		575088			575088	
General Reserves		67827139436			69604920236	
Miscellaneous Reserves/						
Special Reserves		1287688833			5707477194	
Total		71115403357	35.73		77312972518	33.36

Policyholders' Funds

	Unexpired Risks Reserves as on 31.03.2011	Outstanding Claims Reserves as on 31.03.2011	Total Reserves as on 31.03.2011	Percentage	* Unexpired Risks Reserves as on 31.03.2012	Outstanding Claims Reserves as on 31.03.2012	Total Reserves as on 31.03.2012	Percentage
Fire	6639661213	19999105446	26638766659		8250403709	26660653750	34911057459	
Marine	3025315783	3920893887	6946209670		3903709733	4602359173	8506068906	
Miscellaneous	28682413818	65639157805	94321571623		36259869551	74796339722	111056209273	
Total	38347390814	89559157137	127906547951	64.27	48413982993	106059352646	154473335639	66.64
Total Funds			199021951309	100.00			231786308156	100.00

* Unexpired Risk Reserves as on 31.03.2012 for Fire Segment includes Premium Deficiency Reserves of ₹1100382718/-

The balances as on 01.04.2011 are used as basis for apportionment of investment income of 2011-12 between policyholders and shareholders

Average Shareholders' Funds (₹ in crores)	(7111.54+7731.30)/2	7421.42	34.45
Average Policyholders' Funds (₹ in crores)	(12790.65+15447.33)/2	14118.99	65.55
Average Total Funds (₹ in crores)		21540.41	100.00

Shareholders' and Policyholders' Funds

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[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]

The New India Assurance Co. Ltd.

[IRDA Regn No.190, Renewal Date 16.03.2012]

Schedule 16

Significant Accounting Policies and Notes forming part of Financial Statements as on 31st March, 2012

16 A. Significant Accounting Policies

1. Accounting Convention

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

2. Use of Estimates

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

3. Revenue Recognition

A. Premium

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

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

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

B. Commission

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



Accounting Policy

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

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

4. Premium Received in Advance

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

5. Reserves for Un-expired Risk/s

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

6. Reinsurance Accepted

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

7. Reinsurance Ceded

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

8. Premium Deficiency

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

9. Acquisition Costs.

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

10. Incurred Claims

Claims are recognized as and when reported.

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

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

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

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

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

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

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

11. Salvage and Claim Recoveries

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

12. Provisions, Contingent Liabilities & Contingent Assets

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

13. Loans and Investments

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



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Dividend on shares/interest on debentures under objection/pending delivery is accounted for on realisation. Interim dividend is accounted for where the amount is received/credited in the account of the company upto 31st March.

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

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

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

- F Profit/Loss on realisation of investments is computed by taking weighted average book value as cost of investments except:
- In respect of Government Securities/Debentures/Bonds under Trading Portfolio, the profit/loss is worked out specific scrip wise.
 - In respect of Government Securities sold from Investment Portfolio, the profit/loss is worked out on first in first out basis (FIFO).
- G The Company follows the prudential norms prescribed by the Insurance Regulatory and Development Authority as regards asset classification, recognition of income and provisioning pertaining to loans/advances.
- H Investment in government securities, debt securities and redeemable preference shares are considered as held till maturity and valued at cost. However, in terms of Insurance Regulatory and Development Authority Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.
- I Investments in Mutual Fund/s/Venture Fund/s are valued at Net Asset Value (NAV) at the year-end and the difference between cost/book value and NAV is accounted in Fair Value Change Account. However, if there is reduction in NAV in case of venture fund, the same is charged to revenue and the book value of investment is reduced accordingly. Any appreciation in NAV to the extent of loss earlier recognised, is taken to revenue.

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

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

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

- K Investment in thinly traded equity shares and unlisted equity shares are shown at cost. However,

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

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



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enumerated in Accounting Policy 13-L are taken under the head “Fair Value Change Account” and on realisation reported in profit and loss account.

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

14. Foreign Currency Transactions

- Reinsurance operations:

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

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

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

15. Fixed Assets

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

16. Depreciation

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

17. Intangible Assets

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

18. Employee Benefits

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

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

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

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

19. Expenses of Management-Basis of Apportionment

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

20. 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.



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

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

21. Taxation.

- Tax expense for the year, comprises current tax and deferred tax.
- Current income tax expense comprises taxes on income from operations in India and in foreign jurisdiction. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.
- Minimum Alternative Tax (MAT) paid in accordance 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 Financial Statements

- 1 The accounts incorporate audited accounts of Branches in Fiji and Thailand on calendar year basis prepared as per local laws. Material changes noted thereafter have been incorporated in these accounts.

The accounts of eight Run-Off Agencies have been incorporated on the basis of Un-Audited Accounts (Riyadh and France Unaudited Ghana, T&T, Malaysia, Singapore, Beirut, Colombo, France, Toronto)

- 2 Buildings include ₹ 740.95 Lakh (Previous Year ₹ 666.26 Lakh) in respect of which the deeds of conveyance are yet to be executed.

- 3 a The balance appearing in the amount due to / from persons or bodies carrying on insurance business are subject to confirmation / reconciliation and consequential adjustments if any. The Company has started extensive reconciliation process and has identified non moving old entries exceeding five years being gross debit of ₹44059.43 lakh and gross credit of ₹32312.65 lakh. Pending reconciliation the Company has provided an amount of ₹11977.09 lakh upto 31.03.2012 towards doubtful debts as a prudent measure.

- b Reinsurance acceptance transactions pertaining to the year have been booked for advices received upto 2nd June, 2012.

- c The balances of inter-office accounts included in net current assets amounting to ₹12049.38 lakh (Debit), previous year ₹85.68 lakh (Credit), are subject to reconciliations and consequential adjustments if any.

- 4 As certified by the Custodian, securities are held in the name of the Company as on 31.03.2012. Variations and other differences are under reconciliation and are not expected to have a material impact on the state of affairs of the Company.

- 5 Certificates of confirmation are awaited for earlier years' Foreign Investments amounting to ₹ 2.92 lakh (Previous Year ₹ 2.92 lakh). However, the same are fully provided for.

- 6 a Provision for standard assets @ 0.40% amounting to ₹1832.71 Lakh (Previous Year ₹1801.83 Lakh) has been made as per Insurance Regulatory and Development Authority guidelines on (i) Term Loan (PFPS/DTL), (ii) Debentures, (iii) Infrastructure Investments, (iv) Bonds/Debentures of HUDCO, (v) Bonds/Debentures of Institutions accredited to NHB and (vi) Loans to HUDCO for Housing (vii) Govt. Guaranteed Bonds/Securities (viii) Housing and Fire fighting Loans to State Governments (ix) Debtors

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

Sr. No.	Particulars	"Current Year (₹ in Lakh)"	"Previous Year (₹ in Lakh)"
	Total amount of assets subjected to restructuring	5,867.78	322.71
	The break up of the same is given here under:		
(i)	Total amount of standard assets subjected to restructuring	-	-
(ii)	Total amount of sub-standard assets subjected to restructuring	-	-
(iii)	Total amount of doubtful assets subjected to restructuring	-	-
(iv)	Total amount of loss assets subjected to restructuring	5,867.78	322.71
	Total	5,867.78	322.71



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c Details of Non Performing Assets (NPA).

I) Details of Non Performing Assets (NPA)

Sr. No.	Particulars	Current Year (₹ in Lakh)	Previous Year (₹ in Lakh)
(i)	Opening Balance	18616.10	20492.51
(ii)	Additions During the Year	431.93	1223.18
(iii)	Reductions During the Year	3388.84	3099.59
(iv)	Closing Balance	15659.19	18616.10
	Percentage of Net NPAs to Net Assets	0.99%	1.37%

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

Sr. No.	Particulars	Current Year (₹ in Lakh)	Previous Year (₹ in Lakh)
(i)	Opening Balance	17611.52	18326.50
(ii)	Incremental Provision During the Year	-3252.10	-714.98
(iii)	Closing Balance	14359.42	17611.52

- 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 31.03.2012, they have been shown under long-term investments, as their realisability is unascertainable. However, necessary provision, wherever required, has been made.
- 8 a There are following cases of non-compliance/contravention of Insurance Regulatory & Development Authority (Investment) Regulations, 2000: The Company is in the process of improving the system to ensure that the investment exposure at any point of time does not exceed the prescribed limits under Regulation 5. However, there is no case of violation of the prescribed exposure limits.
- b There are following cases of non-compliance/contravention of Insurance Regulatory & Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 i) Segmental reporting in respect of Public and Product Liability is not disclosed separately for foreign business. ii) Receipts & Payments Account/(Cash Flow Statement) has been drawn by "Indirect Method" instead of "Direct Method" as required by Part I of Schedule B of the regulation.
- c As per IRDA circular no IRDA/F&I/CIR/CMP/174/11/2011 dated 04.11.2010, Company is required to give the detail of Age-wise analysis of unclaimed amount of the policy holders for the year ended 31st March, 2012. Accordingly the unclaimed amount of ₹14892.61 lakh (P.Y. ₹9740.88 lakh) 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.
- d The separate disclosure requirement as per IRDA circular dated 28.03.2008 in respect of outsourcing expenses has not been complied
- 9 Investment in term loans, loans to State Government for the purpose of Housing & Fire fighting equipments and balances on account of restructuring/rescheduling of debts are subject to confirmations and reconciliations. The impact of adjustments if any, arising out of confirmations / reconciliations of such balances on financial statements are unascertainable.

- 10 Prior period items have been included in the respective heads amounting to ₹9731.09 Lakhs (Debit) (Previous Year ₹840.91 Lakhs (Debit) consisting of the following: -

Sr. No.	Particulars	₹ In Lakh			
		Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Premium	8,467.26	170.99	-	59.90
2	Commission	76.10	404.18	91.48	-
3	Claims	1,874.62	-	138.48	-
4	Expenses	443.20	554.93	702.48	31.63
	Total	10861.18	1,130.10	932.44	91.53

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

A Related party disclosures as per Accounting Standard 18

1 Company's related parties

a Subsidiaries

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

b Associates

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

c Entities over which control exist

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

d Key management personnel of the Company

- Mr. A. R. Sekar
- Mr. I. S. Phukela (Up to 29-02-2012)
- Mr. M. Ramadoss (up to 12-08-2011)
- Mr G. Srinivasan (From 16-08-2011 to 05-12-2011)



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2 Transactions with related parties:

Sr. No.	Nature of Relationship	Nature of Transaction	Current Year (₹ in Lakh)	Previous Year (₹ in Lakh)
i)	Subsidiaries	Management fees earned	36.83	31.12
		Premium on Reinsurance Accepted	561.79	409.25
		Commission on Reinsurance Accepted	(130.44)	(83.26)
		Claims Paid	(120.59)	(78.28)
		Dividend income received	294.54	380.93
		Other Amount Due (From Prestige Assurance PLC-out of Rights Subscription)	-	-
ii)	Associates	Premium on Reinsurance Accepted	476.19	536.66
		Commission on Reinsurance Accepted	(132.69)	(163.84)
		Claims Paid	(595.68)	(587.16)
		Dividend income received	164.47	164.56
		Investment in shares	-	-
		Dividend receivable	Nil	0.05
iii)	Entity over which control exits	"Sale of investment Other amount payable"	-	-
iv)	Key management personnel	Salary and allowances	42.56	51.02

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

Particulars	Current Year	Previous Year
Net profit attributable to shareholders (₹ In Lakhs)	17,931.68	(42,156.05)
Weighted average number of equity shares issued	200,000,000	200,000,000
Basic and diluted earnings per share of ₹10/- each (₹)	8.97	(21.08)

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 ₹563.32 lakh (Previous year ₹1655.82 lakh) relating to foreign taxes.
- The Income Tax Assessments of the Company have been completed up to assessment year 2009-10. Major disputed demands are in respect of capital gain taxes and exempt dividends. Based on the decisions of the appellate authority and the interpretations of the relevant provisions, the Management is

of the opinion that the demands are likely to be either deleted or substantially reduced and accordingly no provisions have been made for the same.

- iii Management, base on the expert opinion from counsel as well as various relevant Judicial Rulings, filed its ground of appeal / in its Tax Returns as to non-applicability of provisions of Section 115 JB and the Company assessments are before various levels of Honorable Judiciary. Hence no MAT provision has been made in F.Y.2011-12.
- iv Income Tax Department during F.Y. 2011-12 adjusted refunds of ₹ 52593 Lakh 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 a Ruling by Hon'ble ITAT dt.29.03.2012 and the accounting of the adjustments, interest payable and receivable by the Company shall be made after obtaining details from the Tax Dept.

v Deferred Taxes

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

Particulars	Current Year (₹ in Lakh)	Previous Year (₹ in Lakh)
i) Fixed Assets	1,321.12	(84.33)
ii) Leave Encashment	11,879.41	10,235.97
iii) Estimated Disallowance u/s 40(a) (ia)	32.45	33.99
Total	13,232.98	10,185.63

Notes

- 1 A sum of ₹3047.35 lakh (Previous year ₹727.74 Lakh) has been credited to the Profit & Loss Account on account of increase in deferred assets during the year.
- 2 On prudence basis recognition of deferred tax asset on unabsorbed depreciation and carry forward losses has not been given effect in the books of account.
- 3 Above deferred tax asset does not include impact of deferred tax in respect of operations of foreign branches.

D Accounting Standard 15 – Employee Benefits

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



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I components of employer expense

(₹ In Lakh)

		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
A	Current Service Cost	9,244	8,376	3,819	2,366	1,526	1,370
B	Interest Cost	19,454	15,374	5,757	3,052	2,543	2,114
C	Expected Return on Plan Assets	(20,966)	(16,066)	(5,791)	(3,942)	-	-
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	(3,309)	(2,561)
F	Past Service Cost	-	-	-	-	-	-
G	Actuarial Losses/(Gains)	19,697	(18)	2,312	(1,476)	5,039	1,121
H	Total expense recognized in the statement of Profit and Loss Account	27,429	7,666	6,336	-	5,799	2,044
Pension Gratuity and Leave Encashment expenses have been recognized in “Employee Remuneration and Welfare Benefits” under schedule 4.		-	-	-	-	-	-
II	Actual Returns for the year 31.03.2012	19,022	16,368	6,059	3,775	-	-
III	Net Asset/(Liability) recognized in Balance Sheet at 31.03.2012						
A	Present Value of Defined Benefit Obligation	262,045	232,020	76,497	67,986	36,614	30,815
B	Fair Value of Plan Assets	260,703	235,210	75,257	67,747	-	-
C	Status (Surplus/Deficit)	1,342	(3,190)	1,240	239	36,614	30,815
D	Un recognized Past Service Cost	-	-	-	-	-	-
E	Net Asset / (Liability) recognized in Balance Sheet	1,342	(3,190)	1,240	239	36,614	30,815
IV	Change in Defined Benefit Obligation during the year ended 31.03.2012						
A	Past value of the Defined Benefit Obligation at the beginning of the period	232,020	205,915	67,986	40,460	30,815	28,771
B	Current Service Cost	9,244	8,376	3,819	2,366	1,526	1,370
C	Interest Cost	19,454	15,374	5,757	3,052	2,543	2,114
D	Curtailment Cost/(Credit)	-	-	-	-	-	-
E	Settlement Cost/(Credit)	-	-	-	-	-	-
F	Plan Amendments	-	-	-	-	-	-
G	Acquisitions	-	-	-	-	-	-
H	Actuarial Losses/(Gains)	16,868	12,594	3,259	24,014	5,039	1,121
I	Asset Loss / (Gain)	-	-	-	-	-	-
J	Benefits Paid	(15,541)	(10,239)	(4,324)	(1,906)	(3,309)	(2,561)
K	Present Value of Defined Benefit Obligation at the end of the period	262,045	232,020	76,497	67,986	36,614	30,815

		Pension		Gratuity		Encashment	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
		Funded				Unfunded	
V	Change in the Fair Value of Assets during the year ended 31.03.2012						
A	Plan Assets at the beginning of the period	235,210	209,275	67,747	39,939	-	-
B	Acquisition Adjustment					-	-
C	Expected return on Plan Assets	20,966	16,066	5,791	3,942	-	-
D	Asset (Losses)/Gains	(2,829)	(18)	947	(1,363)	-	-
E	Actual Company Contributions	22,897	20,126	5,096	27,135	-	-
F	Benefits Paid	(15,541)	(10,239)	(4,324)	(1,906)	-	-
G	Plan Assets at the end of the period	260,703	235,210	75,257	67,747	-	-
VI	Actuarial Assumptions						
A	Discount Rate (%)	8.50%	8.50%	8.50%	8.50%	-	-
B	Expected Return on Plan Assets (%)	8.50%	8.50%	8.50%	8.50%	-	-
C	Rate of escalation in salary	4.50%	5.00%	4.50%	5.00%	-	-
VII	Major Category of Plan Assets as % of the Total Plan Assets as at 31.03.2012						
A	Government Securities	28.56%	23.86%	31.42%	27.48%	-	-
B	High Quality Corporate Bonds	57.23%	60.91%	62.48%	69.69%	-	-
C	Others	14.21%	15.23%	6.10%	2.83%	-	-
VIII	Basis used to determine the expected rate of return on plan assets	The expected rate of return on plan assets is based on the current portfolio of the assets, investment strategy and the market scenario, in order to protect capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.					

- 12 "In 2010-11 the limit of gratuity payable to the employee was enhanced consequent to amendment to the Payment of Gratuity Act, 1972, (Government Gazette notification dated 24.05.2010). The maximum amount of gratuity payable has been increased from ₹3.50 lakh to ₹10.00 lakhs per employee. As a result the gratuity liability of the Company has increased by ₹17156.00 lakh. In terms of requirement of the Accounting Standard (AS-15) Employee Benefits, the entire amount of ₹17156.00 lakh is required to be charged to the Profit & Loss Account. As permitted by IRDA Circular Number IRDA/F&A/CIR/ACT/069042011 dated 18.04.2011 an amount of ₹3431.20 lakh is charged to the revenue in the current year and balance amount remaining to be amortised in next three years is ₹10293.60 lakh"
- 13 During the year, the Company has reviewed its fixed assets for impairment of loss as required by Accounting Standard 28 on impairment of assets. In the opinion of the management no provision for impairment loss is considered necessary.
- 14 Pre-payment premium received in present value terms on account of restructuring/reduction of interest rates in respect of loans/debentures is spread over the remaining tenure of such loans/debentures. Accordingly ₹80.78. Lakh (P.Y ₹111.90 Lakh) has been considered as income received in advance and shown in Schedule – 13 Current Liabilities under the head "Others".



Notes

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15 The management is currently in the process of identifying enterprises which have been provided goods and services to the Company which qualify under the definition of medium and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such Micro, Small, and Medium Enterprises as at 31st March 2012 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

16 Indian Motor Third Party Insurance Pool (IMTPIP) :

a During the year, the Insurance Regulatory and Development Authority (IRDA), vide its Order No. IRDA/NL/ORD/MPL/277/12/2011 dated 23rd December 2011 directed the dismantling of the Indian Motor Third Party Insurance Pool (IMTPIP). Subsequently, as per IRDA circular dt 22.3.2012, the IMTPIP liabilities for estimation/re-estimation of actuarially determined liabilities relating to the financial years (accounting years as the practice is) 2009-10, 2010-11 and 2011-12 following the dismantling of the IMTPIP shall be determined as follows:

(i) The additional IMTPIP liabilities upon re-estimation of actuarially determined liabilities relating to underwriting years 2007-08 and 2008-09 shall be accounted for and recognized in full in the financial year ending March 31, 2012 itself. The Pool Manager shall quantify the liability in respect of each insurer for this purpose.

(ii) The IMTPIP liabilities upon estimation/re-estimation of actuarially determined liabilities relating to the financial years (accounting years as the practice is) 2009-10, 2010-11 and 2011-12 following the dismantling of the IMTPIP shall be determined and such determined liabilities (Transitional Liabilities) shall be recognized by insurers by making an irrevocable choice to recognize the said transitional liabilities:

b Further, such determined liabilities (Transitional Liabilities) shall be recognized by insurers by making an irrevocable choice to recognize the said transitional liabilities in the following manner:

a) Immediately in the financial year ending March, 2012; or b) As an expense on a straight-line basis over upto the three years beginning with the financial year ending March, 31, 2012.

As a result of dismantling of the IMTPIP, the Company has incurred the following liability:

(a) Amount fully recognized in the books (quantified by the Pool Manager) by charging to Profit & Loss Account.

2007 – 08	₹ 2588.73 lakh
2008 – 09	₹ 16322.29 lakh
Total (A)	₹ 18911.01 lakh

(b) Further, the Company has decided to exercise the option given under paragraph 3(b) of the aforesaid Order of IRDA in respect of treatment of Transitional Liability and the amount charged to Profit & Loss Account for the year, the amount not recognized and to be recognized in straight line basis in the next two years and the total transitional liability determined are as follows:

Year	Amount recognized	Amount unrecognized	Total Liability
2009-10	₹ 7975.30 lakh	₹ 15950.61 lakh	₹ 23925.91 lakh
2010-11	₹ 10379.07 lakh	₹ 20758.13 lakh	₹ 31137.20 lakh
2011-12	₹ 46811.21 lakh	₹ 93622.42 lakh	₹ 140433.63 lakh
Total (B)	₹ 65165.58 lakh	₹ 130331.16 lakh	₹ 195496.74 lakh

Further, in the opinion of the management that the provision determined as above is on higher side as against the reported losses and IBNR, and is adequate to cover the full liabilities on written premium basis."

- c Had the Company chosen to exercise the option given under paragraph 3(a) of the aforesaid Order of the IRDA, the Company would have been required to recognize the entire amount of Transitional Liability of ₹195496.74 lakh in its Profit and Loss Account for the year 2011-12. Accordingly, the profit of the company would have been lower by ₹ 130331.16 lakh pursuant to recognition of the said liability in the year of dismantling of IMTPIP.

- 17 Foreign Exchange Reserve Account has increased by ₹48692.88 (Credit) Lakh due to depreciation of foreign currency under the following heads (Previous Year ₹10256.58 Lakh (Credit) consisting of the following.

(₹ In Lakh)

Sr	Particulars	Current Year		Previous Year	
		Debit Amount	Credit Amount	Debit Amount	Credit Amount
1	Head Office Account	-	33,070.46	-	7,077.56
2	Outstanding claims	-	15,610.82	-	3,168.06
3	Fixed assets	-	11.60	-	10.96
	Total	-	48,692.88	-	10,256.58

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

Sr. No.	Authority	Non-Compliance/ Violation	Amount in ₹ ('000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority / TAC	Social Sector / Corporate Agency Licence / Policy Holders Protection Regulations	-	1,600	-
2	Service Tax Authorities	Nil	-	-	-
3	Income Tax	Nil	-	-	-
4	Any other Tax Authorities	Nil	-	-	-
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	-	-	-



Notes

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Srl No.	Authority	Non-Compliance/ Violation	Amount in ₹ ('000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	-	-	-
8	Competition Commission of India	Nil	-	-	-
9	Any other Central/State/Local Government / Statutory Authority	Nil	-	-	-

- 19** 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 ₹6617.41lakh (PY ₹6680.85 lakh) in respect of obligation under operating lease are charged to Revenue Account.
- 20** During the year the Company has created Equalization Reserve in respect of London Branch for ₹5082.85 Lakhs as required by the UK Regulation. This reserve is not available for distribution as Dividend.

16 C. Disclosures Forming Part Of Financial Statements

(₹ in Lakh)

Sr. No	Particulars	Current Year	Previous Year
1	The details of contingent liabilities are as under:		
	(a) Partly-paid up investments	20.62	171.27
	(b) Underwriting commitments outstanding	-	-
	(c) Claims, other than those under policies, not acknowledged as debts	18,671.94	19,399.68
	(d) Guarantees given by or on behalf of the Company	1,425.55	1,442.47
	(e) Statutory demands/liabilities in dispute not provided for	175,889.94	212,165.98
	(f) Reinsurance obligations to the extent not provided for in accounts	-	-
	(g) Others (matters under litigation) to the extent ascertainable	1,145.87	2,000.82
	(h) Tax and other liabilities Venture Fund	1,001.40	-
2	The details of encumbrances to the assets of the Company are as under:		
	(a) In India	3,605.42	3,532.68
	(b) Outside India	4,517.22	4,077.01
3	Commitment made and outstanding for Loans Investments and Fixed Assets	907.68	6,283.59
4	Claims, less reinsurance, paid to claimants:		
	(a) In India	418,537.36	428,577.85
	(b) Outside India	125,213.55	80,935.18
5	Claim liabilities where claim payment period exceeds four years.	-	-
6	Amount of claims outstanding for more than six months		
	Gross Indian	613,120.82	564,720.41
	No. of Claims	231,580	251,375
	Amount of claims outstanding for less than six months (Gross Indian)	231,318.67	184,540.97
	No. of Claims	159,383	83,720
	Total amount of claims outstanding (Gross Indian)	844,439.49	749,261.38
	Total No. of claims outstanding	390,963	335,095
7	Premiums, less reinsurances, written from business		
	a) In India	695,729.73	571,791.19
	b) Outside India	181,391.04	147,431.62
8	The details of contracts in relation to investments, for		
	a) Purchases where deliveries are pending	106.05	166.64
	b) Sales where payments are overdue	-	-
	c) Sales where deliveries are pending	1,091.37	3,663.55
9	Amount of Claims settled and remaining unpaid for a period of more than six months as on balance sheet date	-	3.00
	No. of claims	-	1.00



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Sr. No	Particulars	Current Year	Previous Year
10	Investments made in accordance with statutory requirements are as under:		
	(a) In India- Under Sec.7 of Insurance Act 1938	1,075.17	1,075.17
	(b) Outside India- Statutory Deposits under local laws	34,389.25	168,020.27
11	Segregation of investments into performing and non-performing investments where NPA Provision is required as per IRDA Guidelines is as under:		
	Performing (Standard) Investments	458,176.34	450,457.49
	Non Performing Investments	15,659.19	18,616.10
	Total Book Value (Closing Value)	473,835.53	469,073.59

- 12 All significant accounting policies forming part of the financial statements are disclosed separately.
- 13 Premium is recognized as income on assumption of the risk. Reserve for un-expired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the succeeding accounting periods, subject to minimum at 100% of net premium for marine business and 50% of net premium for other classes of business.
- 14 Operating expenses relating to insurance business are apportioned to the revenue account on the basis of gross direct premium plus reinsurance accepted giving weightage of 75% for marine business and 100% each for fire and miscellaneous business.
- 15 The historical / weighted average cost of investments in equity shares / venture funds, is ₹ 277471.55 Lakh (Previous year ₹ 263056.75 Lakh) and ₹ 224.99 Lakh (Previous year ₹ 553.68 Lakh) respectively. However, the historical / weighted average cost in respect of investment in listed equity instruments/preference shares, the value of which had impaired on or before 31st March, 2000 is not available with the company, and hence, the carrying value of the same as on 01.04.2000 is presumed to be the historical /weighted average cost.
- 16 Computation of managerial remuneration: Being a Government owned Company, the Company is exempted vide notification: GSR 235, dated 31st January 1978 u/s 620 of the Companies Act, 1956.
- 17 Amortisation of debt securities is done from the date of investment on the basis of actual number of days upto the date of Sale/ Redemption/ 31st March, 2012. While working out amortisation put/call option is not considered. However, partial redemption if any, is taken into account.
- 18 a) Unrealised gains / losses arising due to change in the Fair Value of listed equity shares and equity related instruments have been taken to "Fair Value Change Account" and on realisation will be transferred to profit and loss account.
b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.
- 19 The Company does not have Real Estate Investment Property.
- 20 Sector-wise break-up of gross direct premium written in India is as under:

Sector	Current Year			Previous Year		
	(₹ in Crore)	Percentage	Number of Policies/lives	(₹ in Crore)	Percentage	Number of policies/lives
Rural	1,238.50	14.50	1276957	571.22	8.05	958794
Social	418.56	4.90	27566327	414.18	5.84	18744535
Others	6,885.80	80.60	-	6,111.74	86.11	-
Total	8,542.86	100.00	-	7,097.14	100.00	-

21 Performance Ratios

i) Gross Premium Growth rates

(₹ in Crore)

SEGMENT	Current Year	Previous Year	Current Year(%)	Previous Year(%)
Fire	1578.33	1354.46	16.53	11.76
Marine Cargo	352.26	310.51	13.45	32.37
Marine Hull	411.28	296.07	38.91	2.06
Marine Total	763.54	606.58	25.88	15.61
Motor	3729.26	2830.43	31.76	11.01
Personal Accident	152.81	141.30	8.15	18.07
Aviation	108.97	74.40	46.47	15.53
Engineering	461.51	404.20	14.18	21.59
Health	2366.69	2018.16	17.27	28.77
Liability*	289.80	224.90	28.86	14.78
Others	622.97	571.08	9.09	7.09
Misc sub Total	7732.01	6264.47	23.43	16.82
Grand Total	10073.88	8225.51	22.47	15.87

*Liability includes Workmens' compensation

ii) Gross Premium to Share Holders Funds Ratio

Particulars	Current Year	Previous Year
Gross Premium	10073.88	8225.51
Share Holders Funds (beginning of the year)	6890.47	7430.21
Ratio (Times)	1.46	1.11

iii) Growth Rate of Shareholders Funds

	Current Year	Previous Year	Growth Amount	Growth % CY	Growth % PY
Share Holders Funds	7057.61	6890.47	167.14	2.43	-4.29



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iv) Net Retention Ratios

(₹ in Crore)

Segment	Premium Gross	Premium Net	Retention Ratio CY(%)	Retention Ratio PY(%)
Fire	1578.33	1430.00	90.60	98.04
Marine Cargo	352.26	310.93	88.27	75.14
Marine Hull	411.28	79.44	19.32	23.37
Marine Total	763.54	390.37	51.13	49.87
Motor	3729.26	3442.91	92.32	89.21
Personal Accident	152.81	137.69	90.11	84.90
Aviation	108.97	38.19	35.05	105.34
Engineering	461.51	349.09	75.64	76.49
Health	2366.69	2132.27	90.10	90.03
Liability*	289.80	226.00	77.98	85.83
Others	622.97	624.69	100.28	90.88
Misc Sub Total	7732.01	6950.84	89.90	88.78
Grand Total	10073.88	8771.21	87.07	87.44

*Liability includes Workmens' compensation

v) Net Commission Ratio

Segment	Commission Net	Premium Net	Commission Ratio CY(%)	Commission Ratio PY(%)
Fire	193.01	1430.00	13.50	13.39
Marine Cargo	42.96	310.93	13.82	15.31
Marine Hull	- 20.53	79.44	-25.84	-5.06
Marine Total	22.43	390.37	5.75	10.65
Motor	306.66	3442.91	8.91	5.87
Personal Accident	17.34	137.69	12.59	12.45
Aviation	4.24	38.19	11.10	11.69
Engineering	68.89	349.09	19.73	9.06
Health	152.13	2132.27	7.13	7.54
Liability*	32.12	226.00	14.21	14.72
Others	100.68	624.69	16.12	14.03
Misc Sub Total	682.06	6950.84	9.81	7.89
Grand Total	897.50	8771.21	10.23	9.02

*Liability includes Workmens' compensation

vi) Expenses of Management to Gross Premium Ratio

(₹ in Crore)

Particulars	2011-12	2010-11
Expenses	2065.81	1943.23
Gross Premium	10073.88	8225.51
Ratio (%)	20.51	23.62

vii) Combined Ratio

Particulars	2011-12	2010-11
Claims	7087.53	6524.87
Expenses	2065.81	1943.23
Commission	897.50	648.67
Sub Total	10050.84	9116.77
Net Premium	8771.21	7192.23
Ratio (%)	114.59	126.76

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

Particulars	2011-12	2010-11
Unexpired Risks Reserves	4731.36	3834.74
Reserves for Premium Deficiency	110.04	0.00
Outstanding Claims	10605.94	8955.92
Total Technical Reserves	15447.34	12790.66
Net Premium	8771.21	7192.23
Ratio (No. of Times)	1.76	1.78

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

(₹ in Crore)

Segment	U/W Profit (-) Loss	Net Premium	Ratio Current year (%)	Ratio Previous Year (%)
Fire	-671.85	1430.00	-46.98	-29.16
Marine Cargo	-2.67	310.93	-0.86	-10.53
Marine Hull	-16.22	79.44	-20.42	-93.09
Marine Total	-18.89	390.37	-4.84	-29.42
Motor	95.10	3442.91	2.76	-16.32
Personal Accident	34.86	137.69	25.32	3.21
Aviation	-129.66	38.19	-339.51	-47.20
Engineering	-65.73	349.09	-18.83	-2.66
Health	-363.50	2132.27	-17.05	-25.56
Liability*	77.70	226.00	34.38	6.44
Others	262.37	624.69	42.00	21.28
Misc Sub Total	-88.86	6950.84	-1.28	-14.30
Grand Total	-779.60	8771.21	-8.89	-17.68

*Liability includes Workmens' compensation



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x) Operating Profit Ratio

(₹ in Crore)

Particulars	2011-12	2010-11
Underwriting Result	-779.60	-1271.41
Investment Income	837.72	957.95
Others	98.03	-97.91
Sub Total	156.15	411.37
Net Premium	8771.21	7192.23
Ratio (%)	1.78	-5.72

xi) Liquid Assets to Liabilities Ratio

Particulars	2011-12	2010-11
Liquid Assets	13249.16	10398.24
Policy holders Liabilities	15447.34	12790.66
Ratio (%)	85.77	81.30

xii) Net Earnings Ratio

Particulars	2011-12	2010-11
Profit After Tax	179.31	-421.56
Net Premium	8771.21	7192.23
Ratio (%)	2.04	-5.86

xiii) Return on Net Worth

Particulars	2011-12	2010-11
Profit After Tax	179.31	-421.56
Net Worth	7057.61	6890.47
Ratio (%)	2.54	-6.12

xiv) Reinsurance Ratio

Particulars	2011-12	2010-11
Risks Reinsured (Premium)	3418.03	2500.35
Gross Premium	10073.88	8225.51
Ratio (%)	33.93	30.40

22 Summary of Financial Statements for Last Five Years

(₹ in Crore)

Sr No.	Particulare	2011-12	2010-11	2009-10	2008-09	2007-08
	Operating Results					
1	Gross Premium Written	10073.88	8225.51	7099.14	6455.78	6151.46
2	Net Premium Income#	8771.21	7192.23	6002.66	5500.31	4914.28
3	Income from Investments(Net)@	2344.42	2329.99	2139.69	1686.82	2344.62
4	Other Income	98.03	-97.91	-60.66	50.24	21.23
5	Total Income	11213.66	9424.31	8081.69	7237.37	7280.13

(₹ in Crore)

Sr No.	Particulare Operating Results	2011-12	2010-11	2009-10	2008-09	2007-08
6	Commissions/Brokerage	897.50	648.67	561.37	560.82	459.23
7	Brokerage (included in commissions)	-	-	-	-	-
8	Operating Expenses	2065.81	1943.23	1736.06	1455.01	1019.10
9	Claims, Increase in Unexpired Risk Reseraves and Other Out-Go	8094.19	7243.78	5424.97	4924.32	4280.32
10	Operating Profit/Loss	156.16	-411.37	359.29	297.22	1521.48
11	Total Income under Shareholders a/c	-	-	-	-	-
12	Profit/(Loss) before Tax	156.16	-411.37	359.29	297.22	1521.48
13	Provision for Tax	-23.15	10.19	-45.40	73.08	120.33
14	Net Profit/(Loss) after Tax	179.31	-421.56	404.69	224.14	1401.15
15	Policy Holders' Account (Beginning)					
	Total Funds	15447.34	12790.66	9642.48	8712.89	8229.39
	Total Investments	*	*	*	*	*
	Yield on Investments	*	*	*	*	*
16	Shareholders' Account (Beginning)	-	-	-	-	-
	Total Funds	6890.47	7430.21	7322.15	6972.80	5972.55
	Total Investments	15769.29	13604.63	11851.03	10771.71	11236.00
	Yield on Investments	*	*	*	*	*
17	Paid up equity capital	200.00	200.00	200.00	200.00	200.00
18	Net Worth	7057.61	6890.47	7430.21	7328.00	6972.80
19	Total Assets	42162.74	39621.27	36832.91	26931.58	31944.14
20	Yield on Total Investments(%)	14.68	17.09	15.91	13.18	19.54
21	Earning per Share (₹)	8.97	-21.08	20.23	11.21	70.06
22	Book value per Share(₹)	352.88	355.58	372.21	366.40	348.64
23	Total Dividend	40.00	0.00	85.00	45.00	283.00
24	Dividend per Share (₹)	2.00	0.00	4.25	2.25	14.15
<p># Net of Re-insurance</p> <p>@ Net of losses</p> <p>* Points 15 & 16 may be given separately, if feasible</p>						



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[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

23 Age wise analysis of outstanding claims as on 31.03.2012 (Gross Indian excluding provision for IBNR)

Dept.	Less than 3 months		3 - 6 months		6 months – 1 year	
	Numbers	Amount (₹ in Lakh)	Numbers	Amount (₹ in Lakh)	Numbers	Amount (₹ in Lakh)
Fire	1,019	23,631.58	702	55,144.47	1,075	32,458.38
Marine Cargo	1,414	5,288.04	681	4,793.35	876	5,115.92
Marine Hull	59	2,005.43	31	12,027.29	33	2,826.16
Motor OD	37,590	16,134.97	9,658	5,936.41	7,162	5,485.76
Motor TP	7,161	11,642.86	3,555	5,988.49	6,525	11,026.08
Health	65,838	20,606.11	3,323	1,954.32	3,431	1,537.69
Liability	816	921.72	425	602.45	560	5,723.25
Motor TP Pool	10,814	25,802.88	5,504	12,372.40	9,812	23,665.31
Personal Accident	1,658	2,001.09	488	675.06	514	776.34
Aviation	6	227.74	4	195.91	5	4,164.72
Engineering	1,262	3,893.50	580	7,687.11	590	14,221.96
Credit Guarantee	-	-	-	-	-	-
Misc - Traditional	1,050	8,651.25	569	479.42	1,013	7,771.72
Rural	3,035	844.90	834	330.90	981	511.92
Urban Non-Traditional	915	742.12	378	513.46	585	1,042.80
Credit Shield	5	50.74	9	172.68	12	100.33
Total	132,642	122,444.94	26,741	108,873.73	33,174	116,428.35

Dept.	1 – 2 years		2 – 3 years		3 – 5 years	
	Numbers	Amount (₹ in Lakh)	Numbers	Amount (₹ in Lakh)	Numbers	Amount (₹ in Lakh)
Fire	592	40,932.43	282	13,342.56	204	6,536.60
Marine Cargo	576	7,663.72	131	2,073.74	83	394.36
Marine Hull	89	9,937.47	26	2,790.07	47	7,492.97
Motor OD	3,033	2,824.19	1,111	1,087.99	1,260	1,341.07
Motor TP	11,690	20,161.38	11,511	19,031.17	38,577	62,972.15
Health	2,708	1,224.57	357	455.77	128	78.36
Liability	584	1,327.74	281	539.94	318	1,128.54
Motor TP Pool	17,106	40,513.13	13,167	29,950.26	8,987	19,405.78
Personal Accident	376	533.74	67	155.83	52	83.33
Aviation	22	2,134.09	23	940.47	36	1,285.97
Engineering	475	8,251.91	148	1,780.84	62	302.44
Credit Guarantee	-	-	-	-	-	-
Misc - Traditional	427	3,439.83	102	931.84	98	383.60
Rural	1,150	1,082.20	413	402.07	674	780.69
Urban Non-Traditional	372	667.24	148	185.31	157	280.84
Credit Shield	4	49.63	3	158.76	12	884.49
Total	39,204	140,743.27	27,770	73,826.63	50,695	103,351.20

Dept.	5 years and above		Total	
	Numbers	Amount (₹ in Lakh)	Numbers	Amount (₹ in Lakh)
Fire	317	35,275.94	4,191	207,321.96
Marine Cargo	119	2,805.59	3,880	28,134.71
Marine Hull	71	4,150.75	356	41,230.14
Motor OD	790	1,039.14	60,604	33,849.54
Motor TP	76,469	123,522.86	155,488	254,344.99
Health	127	187.53	75,912	26,044.35
Liability	513	1,419.09	3,497	11,662.73
Motor Pool	-	-	65,390	151,709.77
Personal Accident	85	498.46	3,240	4,723.86
Aviation	9	1,040.52	105	9,989.42
Engineering	56	5,332.30	3,173	41,470.07
Credit Guarantee	-	-	-	-
Misc - Traditional	142	1,102.07	3,401	22,759.74
Rural	1,779	2,011.68	8,866	5,964.36
Urban Non-Traditional	260	385.45	2,815	3,817.23
Credit Shield	-	-	45	1,416.62
Total	80,737	178,771.39	390,963	844,439.49

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

25 The details of premium deficiency as required by IRDA Circular No. F&A/CIR/017/May-04 dated 18.05.2004 are furnished below. Provision of Rs 11003.83 lakh is made for fire segment and no provision is required to be made for other segments where the group as a whole has no deficiency.

(₹ in Lakh)

Segment	Relevant Premium	Expected claim cost and related expenses (based on incurred claim ratio of preceding 3 years)	Expected Maintenance cost	Surplus provision in Unearned Premium	Deficiency
Fire	71500.21	78131.72	6,969.28	2,596.96	-11003.83
Marine Hull	7943.79	11001.24	2,175.84	2,884.55	-2348.74
Health	106,613.37	109,953.58	7,333.60	7,209.05	-3464.76
Aviation	4,049.41	6,062.38	1,160.33	152.01	-3021.29
Motor TP	21,081.47	26,716.24	1,474.92	-	-7109.69
Motor TP Pool	53,116.63	71,033.97	8,166.62	-	-26083.96

V. C. Jain **Ganapathi Subramanian** **Prakash Bakliwal** **A. R. Sekar**
Company Secretary Director Director Chairman-cum-Managing Director (O)

As per our Report of even date

For FORD RHODES PARKS & CO.

Chartered Accountants

Firm registration No. 102860W

Shrikant B. Prabhu

Partner

Membership No. 35296

Place : Mumbai

Date : June 09, 2012

For S. R. GOYAL & CO.

Chartered Accountants

Firm registration No. 001537C

Anil Goyal

Partner

Membership No. 071158

For L. B. JHA & CO.

Chartered Accountants

Firm registration No. 301088E

T. Mandal

Partner

Membership No. 050070



BALANCE SHEET ABSTRACT

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

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

(Rs. In '000)

I. Registration Details

Registration Number : 5 2 6
Balance Sheet Date : 3 1 0 3 2 0 1 2
State Code : 1 1

II Capital Raised During the year

Public Issue : N I L
Bonus Issue : N I L
Rights Issue : N I L
Private Placement : N I L

III Position of Mobilisation and Deployment of Funds

Total Liabilities : 4 2 2 6 5 6 7 9 7
Total Assets : 4 2 2 6 5 6 7 9 7

Sources of funds

Paid up Capital : 2 0 0 0 0 0 0
Current Liabilities : 1 3 4 7 0 9 5 1 9
Reserves & Surplus : 2 2 9 7 6 4 9 2 8
Un-expired Risk Reserves and Provisions : 5 6 1 8 2 3 5 0

Application of Funds

Net Fixed Assets : 1 5 4 7 2 1 1
Current Assets : 1 3 3 5 2 1 0 0 1
Accumulated Losses : N I L
Investments : 2 8 2 0 3 2 2 0 2
Loans : 4 2 3 3 0 8 5
Deferred Tax Assets : 1 3 2 3 2 9 8

IV Performance of the Company

Turnover Premium Income : 1 0 0 7 3 8 7 8 3
Investment & Other Income : 2 3 3 5 7 6 1 3
Profit/(-)Loss Before Tax : 1 5 6 1 6 5 3
Earning Per Share in Rs. : 8 . 9 7
Total Expenditure : 1 2 2 5 3 4 7 4 3
Profit/(-)Loss After Tax : 1 7 9 3 1 6 8
Dividend @ 20% : 4 0 0 0 0 0

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

ITC Code : Not Applicable
Product : Not Applicable
Description : Not Applicable

V.C. Jain
Company Secretary

S. Ganapathi Subramanian
Director

Prakash Bakliwal
Director

A.R. Sekar
Chairman-cum-Managing Director (O)

Date : June 09, 2012
Mumbai

**STATEMENT OF INTREST IN THE SUBSIDIARY COMPANIES AS ON 31ST MARCH 2012
UNDER SECTION 212 OF THE COMPANIES ACT, 1956**

	Particulars of Interest in the Subsidiaries	The New India Assurance Co.Ltd. (Trinidad & Tobago) Ltd.	The New India Assurance Co.Ltd. (Sierra Leone) Ltd.	Prestige Assurance Plc.Limited Lagos
a)	(i) Paid up Capital of the Subsidiary	TT\$ 17418000 consisting of 17418946 shares of no par value	Le 500000divided into 250000 ordinary shares of Le 2.00 each	N 1254157719 consisting of 2508315437 shares of 50Kobos each
	(ii) New India's share in the subsidiary	83.89%	100%	51%
b)	(i) Net Aggregate amount of the subsidiary's profit after deducting losses or vice versa so far as it concerns members of the Company and is not dealt with in the Company's accounts	C.Y.: TT\$ 26969000 P.Y.: TT\$ 12762000	C.Y.: Le 17628000 P.Y.: Le 3213000	C.Y.: N 415669000 P.Y.: N 822561000
	(ii) Net Aggregate amount of the subsidiary's profit after deducting losses or vice versa so far as these dealt with in the Company's accounts	C.Y.: NIL P.Y.: NIL	C.Y.: Nil P.Y.: NIL	C.Y.: NIL P.Y.: NIL
c)	(i) Dividend Proposed by the Subsidiary	C.Y.: TT\$ 1741000 P.Y.: TT\$ 1741 000	C.Y.: NIL P.Y.: NIL	C.Y.: N 128999000 P.Y.: N 214998000
	(ii) New India's Share of Dividend (Dividend for the year under review will be accounted during 2012-13 on receipt)	C.Y.: TT\$ 1461000 P.Y.: TT\$ 1461000	C.Y.: NIL P.Y.: NIL	C.Y.: N 65790000 P.Y.: N 109649000

V.C. JAIN Company Secretary
S. GANAPATHI SUBRAMANIAN Director
PRAKASH BAKLIWAL Director
A.R. SEKAR Chairman-cum-Managing Director (O)

Mumbai
9th June, 2012



COMPANY'S FINANCIAL SUMMARY

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

COMPANY'S FINANCIAL SUMMARY SINCE NATIONALISATION (From 1st JANUARY 1973)

(₹ IN CRORE)

Year	Gross Premium			Net Premium	Unexpired Risk	Earned Premium	Net incurred claims	Commission & Operating exp/income	U/W (profit '+' /loss -)	Investment income	Net profit		Share capital	Dividend	General Reserve	Total Assets	Net Worth
	Indian	Foreign	Total								PBT	PAT					
1973	44.45	8.18	52.63	49.18	4.1	45.08	24.12	14.25	4.91	5.51	6.90	4.06	3.84	0.46	13.98	114.81	16.04
1974	55.64	10.23	65.87	58.91	6.49	52.42	29.53	17.19	5.72	6.06	10.98	4.93	3.85	1.19	18.90	135.60	23.94
1975	67.61	12.10	79.71	70.17	7.3	62.87	36.52	19.31	7.30	8.38	14.61	7.02	3.85	2.31	25.00	162.45	30.02
1976	77.58	15.87	93.45	81.42	7.38	74.04	36.58	21.84	15.60	10.70	24.81	14.88	7.70	2.70	32.99	191.59	41.88
1977	81.51	15.76	97.27	89.29	4.64	84.65	45.59	25.49	13.57	12.91	21.03	8.45	7.70	2.70	38.75	220.97	51.57
1978	92.54	17.32	109.86	99.53	5.91	93.62	57.77	25.65	10.20	14.31	24.39	11.88	7.70	3.85	47.93	259.51	61.53
1979	105.15	16.24	121.39	105.48	3.22	102.26	65.15	30.96	6.15	16.39	18.23	7.10	11.00	3.85	47.89	258.95	69.13
1980	127.48	20.02	147.5	126.86	11.26	115.6	73.61	32.35	9.64	19.13	23.09	8.37	11.00	3.85	52.42	291.58	78.75
1981	164.72	26.20	190.92	162.13	22.00	140.13	98.16	34.43	7.54	23.76	24.70	8.86	11.00	3.85	57.42	350.24	89.86
1982	206.73	25.59	232.32	187.66	11.55	176.11	115.42	38.34	22.35	31.91	48.14	16.61	18.50	6.48	62.68	457.99	108.74
1983	248.78	25.59	274.37	225.6	23.77	201.83	131.80	42.48	27.55	48.84	75.17	29.11	18.50	7.40	85.32	583.59	132.4
1984	287.10	28.70	315.8	253.48	16.16	237.32	168.87	42.35	26.10	51.19	76.87	31.00	18.50	7.40	108.92	699.68	156.01
1985	338.41	31.80	370.21	296.98	25.87	271.11	199.94	65.86	5.31	63.14	68.90	39.40	18.50	7.40	133.52	828.52	180.61
1986	393.52	40.30	433.82	341.67	26.61	315.06	224.14	75.87	15.05	74.82	87.92	46.13	25.90	9.06	163.19	977.35	217.68
1987	446.93	55.70	502.63	398.63	31.7	366.93	258.28	90.07	18.58	86.62	104.00	53.27	25.90	9.06	207.39	1095.94	261.88
1988-89	660.22	73.32	733.54	576.75	35.84	540.91	423.30	147.65	-30.04	129.51	99.48	64.56	25.90	11.33	279.73	1325.34	334.21
1989-90	648.13	69.27	717.40	569.66	63.46	506.2	392.69	142.80	-29.29	130.76	101.18	70.94	25.90	9.06	351.12	1644.30	405.6
1990-91	837.22	88.65	925.87	710.55	79.54	631.01	532.98	152.18	-54.15	166.42	112.89	80.01	40.00	14.00	418.37	1889.23	486.90
1991-92	983.02	165.21	1148.23	942.08	135.11	806.97	656.42	197.65	-47.10	224.19	148.53	92.84	40.00	14.00	519.56	2411.63	588.08
1992-93	1175.06	211.73	1386.79	1047.96	58.25	989.71	760.26	220.04	9.41	260.33	269.07	158.43	40.00	14.00	669.53	2908.07	738.05
1993-94	1362.63	253.89	1616.52	1198.07	84.32	1113.75	831.84	245.01	36.90	285.81	322.41	193.48	40.00	14.00	876.25	3391.89	944.83
1994-95	1524.49	252.44	1776.93	1333.45	66.64	1266.81	1194.94	249.30	-177.43	342.19	168.27	118.30	40.00	14.00	1012.87	4094.58	1081.39
1995-96	1867.48	264.55	2132.03	1616.66	156.45	1460.21	1129.53	358.10	-27.42	432.91	395.08	241.40	40.00	20.00	1248.71	4688.00	1317.23
1996-97	2174.36	259.28	2433.64	1806.93	93.27	1713.66	1263.04	529.57	-78.95	456.35	365.54	196.69	40.00	24.00	1434.00	5281.10	1502.52
1997-98	2433.73	254.84	2688.57	1945.00	60.51	1884.49	1389.34	438.02	57.13	573.90	620.66	470.94	40.00	30.00	1923.76	6071.67	1964.87
1998-99	2729.48	288.16	3017.64	2186.92	121.76	2065.16	1561.61	490.37	13.18	589.41	564.69	375.00	40.00	30.00	2483.12	6727.72	2524.23
1999-00	2979.53	327.000	3306.53	2477.45	146.16	2331.29	1906.25	603.02	-177.98	685.74	435.32	287.29	40.00	30.00	2818.74	7664.71	2859.86
2000-01	3041.17	451.88	3493.05	2671.48	95.02	2576.46	2279.74	742.76	-446.04	737.55	238.84	173.54	100.00	20.00	2966.28	8291.9	3067.39
2001-02	3512.33	685.73	4198.06	3068.23	209.36	2858.87	2555.14	854.35	-529.60	752.00	208.19	142.00	100.00	20.00	3088.28	12273.02	3189.39
2002-03	3921.24	891.55	4812.79	3516.43	219.27	3297.16	2699.51	1087.91	-490.26	762.14	312.82	255.81	100.00	40.00	3302.89	12984.75	3404.00
2003-04	4045.68	875.79	4921.47	3634.94	45.49	3589.45	2713.58	1554.18	-678.31	1249.66	647.89	590.21	100.00	45.00	3843.5	17510.44	3943.50
2004-05	4210.81	892.35	5103.16	3895.11	127.94	3767.17	2904.98	1520.76	-658.57	1450.73	797.88	402.23	150.00	80.00	4166.41	19827.19	4161.69
2005-06	4791.49	884.05	5675.54	4342.66	221.66	4121.00	3632.01	1688.31	-1199.32	2010.79	855.57	716.38	200.00	130.00	4622.79	27025.58	4706.87
2006-07	5017.20	919.58	5936.78	4751.76	216.65	4535.11	3643.61	1544.78	-653.27	2251.35	1613.93	1459.95	200.00	292.00	5741.11	27444.57	5972.55
2007-08	5276.91	874.55	6151.46	4914.28	102.86	4811.42	4177.48	1478.33	-844.39	2344.62	1521.46	1401.13	200.00	283.00	6772.17	31944.14	6972.80
2008-09	5508.83	946.95	6455.78	5500.31	251.01	5249.30	4671.86	2017.28	-1439.84	1686.82	297.22	224.14	200.00	45.00	6898.72	26930.76	7328.00
2009-10	6042.51	1056.63	7099.14	6002.66	291.8	5710.86	5132.45	2298.15	-1719.74	2139.69	359.29	404.69	200.00	85.00	7203.95	36832.91	7430.21
2010-11	7097.14	1128.37	8225.51	7192.23	718.9	6473.33	6524.87	2591.91	-2643.45	2329.99	-411.37	-421.56	200.00	Nil	6782.71	39621.27	6890.47
2011-12	8542.86	1531.01	10073.87	8771.21	896.62	7874.59	7087.53	2963.31	-2286.29	2344.42	156.16	179.31	200.00	40.00	6960.55	42162.74	7057.61

Note : (i) Financial Year

1973 to 1987 Jan to December

1988 - 89 onwards: April to March

(ii) Figures for the year 1988 - 89 are for 15 months i.e., January 1988 to March 1989

ANNUAL REPORTS OF SUBSIDIARIES

The New India Assurance Co. (Trinidad & Tobago) Limited

The New India Assurance Co. (Sierra Leone) Limited

Prestige Assurance Plc (Nigeria)

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
Statement of Financial Position December 31, 2011

(Expressed in thousands of Trinidad and Tobago dollars)

	Note		2011	2010
ASSETS				
Property, plant and equipment	4	\$	1,674	1,802
Investment property	5		25,440	13,000
Deferred tax asset	6(I)		7,419	11,420
Reinsurance assets	10		43,255	43,824
Trade and other receivables	7		42,432	34,671
Investments	8		61,157	56,563
Term deposits			44,942	41,484
Cash and cash equivalents			41,430	38,543
Total assets		\$	267,749	241,307
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	9	\$	17,617	17,617
Capital reserve			12,321	10,235
Catastrophe reserve fund			1,600	1,600
Statutory surplus reserve			8,552	8,552
Retained earnings			83,090	68,223
		\$	123,180	106,227
LIABILITIES				
Insurance contracts	10	\$	116,952	119,115
Deferred tax liability	6(ii)		4,620	3,906
Provision for taxation			3,913	1,624
Trade and other payables	11		19,084	10,435
		\$	144,569	135,080
Total equity and liabilities		\$	267,749	241,307

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

Signed on behalf of the Board

Director

Director



Subsidiaries

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2011	2010
Insurance contracts premium revenue		\$ 110,644	106,564
Reinsurers' share of insurance contracts premium revenue		(43,456)	(40,046)
Net insurance contracts premium revenue		67,188	66,518
Gross change in unearned premium provision and unexpired risks		(1,181)	(7,376)
Reinsurers' share of change in unearned premium provision and unexpired risks		807	3,340
Net change in unearned premium provision and unexpired risks		(374)	(4,036)
Net insurance revenue		66,814	62,482
Reinsurance commissions		10,503	8,944
Investment and other income	12	5,754	4,489
Revaluation loss of investment property		-	(3,300)
Total revenue		83,071	72,615
Gross claims incurred		(30,288)	(36,202)
Reinsurers' share of gross claims incurred		4,585	6,007
Net insurance claims incurred		(25,703)	(30,195)
Agents and brokers commissions		(17,640)	(17,455)
Other operating and administrative expenses		(12,769)	(12,203)
Total claims incurred and other expenses		(56,102)	(59,853)
Profit before tax		26,969	12,762
Taxation	6(v)	(9,574)	480
Net profit for the year		\$ 17,395	13,242

The accompanying notes form an integral part of these financial statements

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2011	2010
Net Profit for the year	\$	17,395	13,242
Other comprehensive income			
Foreign currency translation differences for foreign operations		(787)	3,795
Net change in fair value of available for sale financial assets		<u>2,086</u>	<u>3,215</u>
Total comprehensive income for the year	\$	<u>18,694</u>	<u>20,252</u>
Net profit attributable to shareholders	\$	<u>17,395</u>	<u>13,242</u>
Total comprehensive income attributable to shareholders	\$	<u>18,694</u>	<u>20,252</u>

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



Subsidiaries

दि न्यू इन्डिया एश्योरन्स कं. लि.
[पंजीकरण संख्या 190, नवीकरण तारीख 16.03.12]
The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011

(Expressed in thousands of Trinidad and Tobago dollars)

	Stated Capital	Capital Reserves	Catastrophe Reserve	Statutory Surplus Reserve	Retained Earnings	Total
Balance at January 1, 2011	\$ 17,617	10,235	1,600	8,552	68,223	106,227
Net profit for the year	-	-	-	-	17,395	17,395
Other comprehensive income						
Foreign currency translation differences	-	-	-	-	(787)	(787)
Net unrealised gain on revaluation of available-for-sale investments, net of tax	-	2,086	-	-	-	2,086
Total other comprehensive income	-	2,086	-	-	(787)	1,299
Total comprehensive income for the year	-	2,086	-	-	16,608	18,694
Transaction with owners, recorded directly in equity						
Dividends paid	-	-	-	-	(1,741)	(1,741)
Total transaction with owner	-	-	-	-	(1,741)	(1,741)
Balance at December 31, 2011	\$ 17,617	12,321	1,600	8,552	83,090	123,180

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011

(Expressed in thousands of Trinidad and Tobago dollars)

	Stated Capital	Capital Reserves	Catastrophe Reserve	Statutory Surplus Reserve	Retained Earnings	Total
Balance at January 1, 2010	\$ 17,617	7,020	1,600	8,552	52,927	87,716
Net profit for the year	-	-	-	-	13,242	13,242
Other comprehensive income						
Foreign currency translation differences	-	-	-	-	3,795	3,795
Net unrealised gain on revaluation of available-for-sale investments, net of tax	-	3,215	-	-	-	3,215
Total other comprehensive income	-	3,215	-	-	3,795	7,010
Total comprehensive income for the year	\$ -	3,215	-	-	17,037	20,252
Transaction with owners, recorded directly in equity						
Dividends paid	-	-	-	-	(1,741)	(1,741)
Total transaction with owner	-	-	-	-	(1,741)	(1,741)
Balance at December 31, 2010	\$ 17,617	10,235	1,600	8,552	68,223	106,227

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



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THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011

(Expressed in thousands of Trinidad and Tobago dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	\$ 26,969	12,762
Adjustments for:		
Depreciation	439	324
Revaluation loss on investment property	-	3,300
Gain on disposal of property, plant and equipment	(92)	(80)
Foreign currency translation (loss) gain	(787)	3,795
Interest income	(4,604)	(4,831)
Dividend income	(507)	(542)
Operating profit before working capital changes	21,418	14,728
Change in other receivables and reinsurance assets	(5,971)	(7,556)
Change in insurance contracts liabilities	(2,163)	11,965
Change in other creditors	7,153	(2,903)
	20,437	16,234
Corporation taxes paid	(3,262)	(2,061)
Net cash from operating activities	17,175	14,173
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest received	3,383	3,446
Dividends received	507	542
Additions to property, plant and equipment and investment property	(12,760)	(1,030)
Proceeds from disposal of property, plant and equipment	101	81
Purchase of investments and term deposits	(54,425)	(52,010)
Redemption of investments and term deposits	49,151	35,563
Net cash used in investing activities	(14,043)	(13,408)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(245)	(1,741)
Net cash used in financing activities	(245)	(1,74)

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011

(Expressed in thousands of Trinidad and Tobago dollars)

		2011	2010
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$	2,887	(976)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		38,543	39,519
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$	41,430	38,543
Represented by:			
Cash in hand and at bank	\$	41,430	38,543

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



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THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011 (contd..)

1. Incorporation and principal activity

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

These financial statements were authorized for issue by the Board of Directors on xxxxx, xxxx.

2. Statement of accounting policies

(a) *Statement of compliance*

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

(b) *Basement of measurement*

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

(c) *Functional and presentation currency*

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

These financial statements are presented in Trinidad and Tobago dollars which is the Company's functional and presentation currency. All financial information presented in Trinidad and Tobago dollars has been rounded to the nearest thousand. Some financial information in the prior year have been updated to conform with current year's presentation.

(d) *Use of estimates, assumptions and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and contingent assets and liabilities. The estimates and associated assumptions are based on historical

experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011 (contd..)

discussed in notes 2(s) and (t) and note 20.

(e) *Foreign currency*

i) **Transactions and balances**

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

ii) **Foreign operations**

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

(f) *Segmental reporting*

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

(g) *Impairment of assets*

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

(h) *Property, plant and equipment*

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

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

The rates and methods used are as follows:

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

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

(i) *Investment property*



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

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

(j) **Reinsurance assets**

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

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

(k) **Insurance receivables**

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

(l) **Financial instruments**

i) **Classification**

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

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

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

ii) **Recognition**

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
Statement of Financial Position December 31, 2011 (contd..)

iii) Measurement

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

Subsequent to initial recognition all available-for-sale assets are measured at fair value, based on readily available market prices at the close of business on the balance sheet date for listed instruments or by reference to current market values of another instrument which is substantially the same. If prices are not readily available, the fair value is based on either valuation models or management's estimate of amounts that could be realised under current market conditions. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions.

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

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

iii) Measurement (continued)

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

(m) Cash and cash equivalents

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

(n) Impairment

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



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prospects, taking into account the intent and ability to hold the securities under the Company's long-term investment strategy. Impairment losses are recognised in the statement of comprehensive income.

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

i) **Calculation of recoverable amount**

The recoverable amount of the Company's held-to-maturity financial assets carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

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

ii) **Reversals of impairment**

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

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

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

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

(o) **Capital reserve**

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

(p) **Catastrophe reserve**

On an annual basis, the Directors determine an amount that is transferred to a catastrophe reserve. This

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011 (contd..)

is treated as an appropriation of retained earnings and is included as a separate component of equity.

(q) Statutory surplus reserve

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

(r) Product classification

Insurance contracts

Insurance contracts are defined as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependant on both the probability of an insured event and the magnitude of its potential effect.

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

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

All contracts held by the Company as at December 31, 2011 have been classified as insurance contracts.

(s) Claims

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

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

(t) Insurance contract liabilities

General insurance contract liabilities

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

Provision for unearned premiums

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



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Provision for unexpired risks

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

(u) Provision for other insurance financial liabilities

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

(v) Employee benefits

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

(w) Revenue recognition

Premium income

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

Commission income

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

Investment income

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

Realised gains and losses recorded in the income statement

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

(x) Expenses of management

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

(y) Other income and expenditure

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011 (contd..)

(z) Taxation

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

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

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

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

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

3. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2011 and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the company, except:

IAS 1 Presentation of Financial Statements (amendment) - The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss and the title of statement of comprehensive income is changed to the statement of profit or loss and other comprehensive income. However the entity is still allowed to use other titles. This amendment is effective July 1, 2012.

IFRS 9 Financial Instruments (2010) - The revised IFRS supersedes the previous version of IFRS 9 issued in 2009 and is effective for accounting periods beginning on or after January 1, 2013. The revised standard now includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39 Financial Instruments: Recognition and Measurement on the recognition and de-recognition of financial assets and financial liabilities. The Company is assessing the impact that the standard may have on the 2013 financial statements.

IFRS 13 Fair Value Measurement – The standard replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value and sets out disclosure requirements for fair value measurements. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. This standard is effective January 1, 2013.



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4. Property, plant and equipment

	Leasehold Improvements	Office Equipment & Motor Vehicles	Total 2011	Total 2010
Cost				
At beginning of year	\$ 515	4,519	5,034	4,263
Additions	140	180	320	1,030
Disposals	-	(186)	(186)	(259)
At end of year	\$ 655	4,513	5,168	5,034
Depreciation				
At beginning of year	\$ 427	2,805	3,232	3,167
Current year	36	403	439	324
Disposals	-	(177)	(177)	(259)
At end of year	\$ 463	3,031	3,494	3,232
Net written down value	\$ 192	1,482	1,674	1,802

5. Investment property

Investment property comprises properties at 6A Victoria Avenue and 47 New Street, Port of Spain not in use at present. Raymond & Pierre Limited completed a valuation as at February 23, 2011 on the basis of market value for existing use. The properties were valued at \$13 million and the revaluation loss of \$3.3 million was debited to the statement of comprehensive income in the previous year.

	2011	2010
Balance brought forward	\$ 13,000	16,300
Fair value adjustment	-	(3,300)
Additions	12,440	-
	\$ 25,440	13,000

6. Taxation

(I) Deferred tax asset

	2011	2010
Unutilised tax losses	\$ -	3,566
Claims	7,419	7,854

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
Statement of Financial Position December 31, 2011 (contd..)

(ii) The movement in the deferred tax asset comprised:

	2011	2010
Balance at beginning of year	\$ 11,420	8,209
Unutilised tax losses	(3,566)	2,267
Claims	(435)	944
	<u>\$ 7,419</u>	<u>11,420</u>

(iii) Deferred tax liability

The deferred tax liabilities are attributable to the following items:

Unrealised gains on revaluation of available-for-sale investments	\$ (3,616)	(2,861)
Foreign currency translation	(887)	(949)
Property, plant and equipment	(117)	(96)
	<u>\$ (4,620)</u>	<u>(3,906)</u>

(iv) The movement in the deferred tax liability account comprised:

Balance at beginning of year	\$ (3,906)	(1,863)
Unrealised gains on revaluation of available for sale investments	(755)	(1,071)
Foreign currency translation	62	(949)
Property, plant and equipment	(21)	(23)
	<u>\$ (4,620)</u>	<u>(3,906)</u>

(v) Tax charge for the year

Current year - Business levy	\$ 106	110
- Green fund levy	61	55
- Provision for taxation in St Maarten, Dominica, St Lucia and Trinidad and Tobago	5,361	1,585
Deferred tax expense relating to the origination/reversal of temporary differences	474	653
Utilisation of tax losses	1,295	286
Prior year under (over) provision	-	7
Prior year over (under) statement of deferred tax asset	2,277	(3,176)
	<u>\$ 9,574</u>	<u>(480)</u>



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THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED Statement of Financial Position December 31, 2011 (contd..)

The following is a reconciliation between tax and accounting profit multiplied by the applicable tax rate.

	2011	2010
Profit before tax	\$ 26,969	12,762
Tax at the applicable rate	7,609	2,856
Expenses not deductible for tax purposes	68	24
Income exempt from tax	(547)	(356)
Business levy	106	110
Green fund levy	61	55
Prior year under (over) provision	-	7
Prior year over (under) statement of deferred tax asset	2,277	(3,176)
	\$ 9,574	(480)
7. Trade and other receivables		
Insurance receivables	\$ 36,152	27,833
Amounts due from reinsurers		
-New India, Mumbai	2,513	2,277
-Other reinsurers	2,486	2,422
Other receivables	1,281	2,139
	\$ 42,432	34,671
8. Investments		
	2011	2010
Available-for-sale		
Bonds and other securities	\$ 38,061	36,137
Quoted shares	16,683	13,517
Unquoted shares	315	315
	\$ 55,059	49,969
Held-to-maturity		
Bonds	6,098	6,594
Total investments	\$ 61,157	56,563

Bonds and securities pledged with the Inspector of Financial Institutions amount to \$49,861 at December 31, 2011 (2010:\$37,358).

In addition \$4,051 (2010:\$4,517) of term deposits of totalling \$44,942 (2010:\$41,484) at December 31, 2011 are pledged with the Inspector of Financial Institutions.

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
Statement of Financial Position December 31, 2011 (contd..)

9. Stated capital

Authorised 22,000,000 shares of no par value		2011	2010
Issued and fully paid 17,418,946 shares of no par value	\$	17,418	17,418
Share premium		199	199
	\$	<u>17,617</u>	<u>17,617</u>

10. Insurance contracts liabilities

		2011			2010		
	Notes	Insurance Contracts Liabilities	Reinsurers Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers Share of Liabilities	Net
Provision for claims reported by policyholders		44,098	(19,197)	24,901	46,843	(20,317)	26,526
Provision for claims incurred but not reported (IBNR)		7,497	(2,952)	4,545	8,096	(3,208)	4,888
Total claims reported and IBNR	11 (a)	51,595	(22,149)	29,446	54,939	(23,525)	31,414
Provision for unearned Premiums	11 (b)	59,415	(19,186)	40,229	58,342	(18,454)	39,888
Provision for unexpired Risk	11 (c)	5,942	(1,920)	4,022	5,834	(1,845)	3,989
Total insurance contracts liabilities		<u>116,952</u>	<u>(43,255)</u>	<u>73,697</u>	<u>119,115</u>	<u>(43,824)</u>	<u>75,291</u>

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

		2011			2010		
	Notes	Insurance Contracts Liabilities	Reinsurers Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
At January 1		54,939	(23,525)	31,414	50,350	(22,709)	27,641
Claims incurred		30,288	(4,585)	25,703	36,202	(6,007)	30,195
Claims paid during the year		(33,632)	5,961	(27,671)	(31,613)	5,191	(26,422)
At December 31		<u>51,595</u>	<u>(22,149)</u>	<u>29,446</u>	<u>54,939</u>	<u>(23,525)</u>	<u>31,414</u>



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

	2011			2010		
	Insurance Contracts Liabilities	Reinsurers Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers Share of Liabilities	Net
At January 1	58,342	(18,454)	39,888	51,636	(15,418)	36,218
Premium written in the year	110,644	(43,456)	67,188	106,564	(40,046)	66,518
Premium earned during the year	(109,571)	42,724	(66,847)	(99,858)	37,010	(62,848)
At December 31	59,415	(19,186)	40,229	58,342	(18,454)	39,888

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

	2011			2010		
	Insurance Contracts Liabilities	Reinsurers Share of Liabilities	Net	Insurance Contracts Liabilities	Reinsurers Share of Liabilities	Net
At January 1	5,834	(1,845)	3,989	5,164	(1,541)	3,623
Net incurred and utilised during the year	108	(75)	33	670	(304)	366
At December 31	5,942	(1,920)	4,022	5,834	(1,845)	3,989

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Notes to Financial Statements

December 31, 2011

11. Trade and other payables

	2011	2010
Sundry creditors and accruals	\$ 6,973	5,383
Amounts due to reinsurers		
New India, Mumbai	3,433	2,070
Other reinsurers	8,678	2,982
	\$ 19,084	10,435

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
Statement of Financial Position December 31, 2011 (contd..)

12. Investment and other income

		2011	2010
Interest income	\$	4,604	4,831
Dividend income		507	542
Foreign exchange gain (loss) and disposal of property, plant and equipment		643	(884)
	\$	<u>5,754</u>	<u>4,489</u>

13. Profit before taxation

Profit before taxation is arrived at after charging:

Depreciation	\$	439	324
Staff costs		5,929	5,319
Directors' fees		108	108
Interest expense		40	52

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

Terms and conditions

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

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

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

Assumptions

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

Sensitivities

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

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting



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Statement of Financial Position December 31, 2011 (contd..)

from reassessment of the ultimate liabilities are recognized in subsequent financial statements.

15. Fair value of financial instruments

With the exception of insurance contracts which are specifically excluded under IAS 32, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, estimates made do not necessarily reflect the amounts that the Company would realize in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

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

(i) Short-term financial assets and liabilities

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

(ii) Investments

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

16. Insurance and risk management

a. Introduction and overview

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

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

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

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011 (contd..)

b. Insurance risk

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

Management of insurance risk

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

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

c. Credit risk

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

Management of credit risk

Reinsurance

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

Investment securities

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

Insurance receivables

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

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:



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	Carrying amount	
	2011	2010
Available for sale investments	\$ 55,059	49,969
Held-to-maturity investments	6,098	6,594
Trade and other receivables	42,432	34,671
Reinsurance assets	43,255	43,824
Term deposits	44,942	41,484
Cash and cash equivalents	41,430	38,543
	\$ 233,216	215,085

The aging of receivables at the reporting date was:

	Gross 2011	Impairment 2011	Gross 2010	Impairment 2010
Not past due	\$ 9,031	-	9,002	-
Past due 0-30 days	6,225	-	6,277	-
Past due 31-120 days	16,619	-	11,188	-
More than one year	5,742	1,466	2,833	1,467
	\$ 37,617	1,466	29,300	1,467

The movement in the allowance for impairment in respect of receivables during the year was as follows:

	2011	2010
Balance at 1 January	\$ 1,467	1,443
Impairment loss recognized	-	-
Foreign exchange	(1)	24
Balance at December 31	\$ 1,466	1,467

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
Statement of Financial Position December 31, 2011 (contd..)

d. Liquidity risk

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

Management of liquidity risk

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

The table below shows the maturity profile of financial liabilities:

		Maturing			
		Within 1 yr	Between 1 to 5 yrs	Over 5 yrs	Total
2011					
Liabilities					
Insurance contracts	\$	116,952	-	-	116,952
Trade and other payables		19,084	-	-	19,084
	\$	<u>136,036</u>	-	-	<u>136,036</u>
2010					
Liabilities					
Insurance contracts	\$	119,115	-	-	119,115
Trade and other payables		10,435	-	-	10,435
	\$	<u>129,550</u>	-	-	<u>129,550</u>

e. Interest rates risk

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

Management of interest rate risk

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



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Statement of Financial Position December 31, 2011 (contd..)

At the reporting date the interest rate profile of the interest-bearing financial instruments was:

	Carrying amount	
	2011	2010
Fixed rate instruments		
Term deposits	\$ 44,942	41,484
Investments	44,148	42,721
	\$ 89,090	84,205
Variable rate instruments		
Cash and cash equivalents	\$ 41,430	38,543

f. Foreign currency risk

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

2011

Details	BDOS	TT\$	EC\$	FLS	TOTAL
Assets					
Cash and cash equivalents	\$ 86	38,175	2,567	602	41,430
Term deposits	-	28,840	12,916	3,186	44,942
Investments	634	55,058	5,465	-	61,157
Trade and other receivables	236	21,358	21,293	(455)	42,432
Reinsurance assets	4,394	26,715	10,382	1,764	43,255
Total assets	5,350	170,146	52,623	5,097	233,216
Liabilities					
Insurance contracts	6,477	82,572	25,735	2,168	116,952
Trade and other payables	-	34,279	(22,284)	7,089	19,084
Total liabilities	6,477	116,851	3,451	9,257	136,036
Net exposure	\$ (1,127)	53,295	49,172	(4,160)	97,180

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED
Statement of Financial Position December 31, 2011 (contd..)

2010

Details	BDOS	TT\$	EC\$	FLS	TOTAL
Assets					
Cash and cash equivalents	\$ 51	35,822	1,898	772	38,543
Term deposits	-	29,118	12,366	-	41,484
Investments	606	50,469	5,488	-	56,563
Trade and other receivables	5,824	11,109	17,134	604	34,671
Reinsurance assets	4,194	23,888	13,243	3,816	45,141
Total assets	10,675	150,406	50,129	5,192	216,
Liabilities					
Insurance contracts	6,185	75,526	33,212	4,192	119,115
Trade and other payables	18,102	19,878	(23,519)	(4,026)	10,435
Total liabilities	24,287	95,404	9,693	166	129,550
Net exposure	\$ (13,612)	55,002	40,436	5,026	86,852

17. Segmental reporting

The relevant segmental information for the Company is as follows:

2011

	Trinidad & Tobago	Other islands	Total
Total revenue	61,090	21,981	83,071
Profit before tax	18,607	8,361	26,968
Total assets	204,406	63,343	267,749
Total liabilities	123,007	21,562	144,569
Purchase of property, plant and equipment	306	14	320
Depreciation	369	71	439

2010

Total revenue	49,509	23,106	72,615
Profit before tax	8,599	4,163	12,762
Total assets	171,890	69,417	241,307
Total liabilities	99,375	35,705	135,080
Purchase of property, plant and equipment	693	337	1,030
Depreciation	284	40	324



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18. Operating leases

Non-cancelable operating lease rentals are payable as follows:

	2011	2010
Less than one year	\$ 1,553	1,491
Between one and five years	\$ 3,018	7,455

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

During the year ended December 31, 2011 \$1,535 (2010: \$1,465) were recognised as an expense in the statement of comprehensive income in respect of operating leases.

19. Related party transactions

(a) Identity of related party

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

(b) Related party transactions

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

	2011	2010
Income and expenses		
Management fees	\$ 500	500
Reinsurance premiums	\$ 4,126	3,631
Directors' fees	\$ 108	108

Amounts due from related parties are disclosed in note 7.

(c) Transactions with key management personnel

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

	2011	2010
Short-term employee benefits		
Accommodation	\$ 150	150
Vehicle	\$ 350	486

THE NEW INDIA ASSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED

Statement of Financial Position December 31, 2011 (contd..)

20. Use of accounting estimates and judgments

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

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

- *Held-to-maturity investments*

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

- *Determining fair values*

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

- *Impairment of assets*

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

- *Litigation*

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

21. Capital commitment

As at December 31, 2011, capital commitments amounting to approximately \$17,800 (2010 : \$30,200) existed with respect to construction of a building on property situated at 6A Victoria Avenue.



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THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 31 December 2011.

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Sierra Leone Companies Act 2009. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

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

The liabilities include 'Dues to Insurance Companies' which is due to New India in Mumbai as the reinsurer of the company's operations in certain areas.

DIRECTORS

The directors as at 31 December 2011, and their interests in the Share Capital of the Company were as follows:

	Shares of Le2.00 each	
	End of year	Beginning of year
I.S. Phukela	-	-
M Vasnatha Krishna	-	-

AUDITORS

In accordance with Section 308 of the Sierra Leone Companies Act Cap 2009 of the Laws of Sierra Leone a resolution for the re-appointment of PKF, as Auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

TRADING RESULTS

The results for the year and other key indicators are set out in the attached financial statements. The Company made a profit for the financial year of Le 12,339,771 after tax, thus turning the operations into a accumulated profit of Le 19,607,869.

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

BY ORDER OF THE BOARD

LONDON
18.4.2012

Secretary

THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 149 to 152 which have been prepared under the accounting policies set out on page 150.

Respective responsibilities of Directors and Auditors

As described on page 1 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

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

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

Opinion

In our opinion the financial statements give a true and correct view of the state of the Company's affairs as at 31 December 2011 and of its results for the year then ended and have been properly prepared in accordance with the Sierra Leone Companies Act 2009, and the Insurance Act 2000.

FREETOWN

18.04.2012

Chartered Accountants



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THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED PROFIT AND LOSS ACCOUNT - 31 DECEMBER 2011

	Notes	2011 Le 000	2010 Le 000
INVESTMENT INCOME		28,565	20,337
OTHER INCOME		-	-
		28,565	20,337
OPERATING EXPENSES		(10,937)	(17,124)
PROFIT BEFORE TAXATION		17,628	3,213
TAXATION	3	(5,288)	(964)
PROFIT FOR THE FINANCIAL YEAR	2	12,340	2,249

Movement on reserves is set out in note 9.

BALANCE SHEET 31 DECEMBER 2011

	Notes	2011 Le000	2011 Le000	2010 Le000	2010 Le000
FIXED ASSETS					
Tangible assets	4		-		-
Investments	5		343,927		307,539
CURRENT ASSETS					
Debtors	6	23,411		22,665	
Deposits, bank and cash balances		18,536		42,211	
		41,947		64,876	
CREDITORS					
Amounts falling due within one year	7	(374,462)		(373,343)	
		(374,462)		(373,343)	
NET CURRENT LIABILITIES		(332,515)		(308,467)	
TOTAL ASSETS LESS CURRENT LIABILITIES		11,412		(928)	
CAPITAL AND RESERVES					
Called up share capital	8		500		500
Profit and loss account	9		19,608		7,268
Exchange equalisation account			(20,910)		(20,910)
Contingency reserve			12,214		12,214
			11,412		(928)

Approved by the Board on 18th April, 2012

S. Mishra Director
M. Vasantha Krishna Director

THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED
CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2011

	2011		2010	
	Le 000	Le 000	Le 000	Le 000
OPERATING ACTIVITIES				
Operating profit/(loss) before taxation	17,628		3,213	
(Increase) in debtors	(746)		(3,687)	
Net cash inflow/(outflow) from operating activities		16,882		(474)
FINANCING ACTIVITIES				
Exchange gain				
Net cash inflow/(outflow) from financing activities	-		-	
Net cash inflow/(outflow)		16,882		(474)
Analysis of changes in cash and cash equivalents during the year:		(4,169)		6,061
Beginning of year		42,211		104,163
Net cash inflow/(outflow)		16,882		(474)
Less: Transfer from Fixed deposits		(36,388)		(67,539)
End of year		18,536		42,211

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

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

(a) Accounting convention

The financial statements set out on pages 149 to 152 are prepared under the historical cost convention.

2 PROFIT FOR THE FINANCIAL YEAR

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

	2011	2010
	Le 000	Le 000
Auditors' remuneration	8,000,000	8,000,000



Subsidiaries

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The New India Assurance Co. Ltd.
[IRDA Regn No.190, Renewal Date 16.03.2012]

THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2011

3 TAXATION

Taxation has been provided at 30% on the net profit for the year.

4 TANGIBLE FIXED ASSETS

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

5 INVESTMENTS

Investments comprised :

	2011 Le000	2010 Le000	
Treasury Bill	60,000	52,320	
Deposit with Rokel Commercial Bank Sierra Leone Ltd		283,927	255,219
	<u>343,927</u> =====	<u>307,539</u> =====	

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2011

6 DEBTORS

Debtors comprised :

	2011 Le000	2010 Le000
Taxation	941	6,230
Sundry debtors	165	165
Interest receivable	22,305	16,270
	<u>23,411</u> =====	<u>22,665</u> =====

7 CREDITORS

Amounts falling due within one year comprised: Sundry creditors
Amounts due to Insurance Companies

20,487	19,368
353,975	353,975
374,	462
	<u>373,343</u> =====

8 CALLED UP SHARE CAPITAL

Called up share capital comprised allotted, called up and fully paid ordinary shares of Le2.00 each. The authorised share capital of the company throughout the year was Le500,000 divided into 250,000 ordinary shares of Le2.00 each.

THE NEW INDIA ASSURANCE COMPANY (SIERRA LEONE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2011

9 PROFIT AND LOSS ACCOUNT

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

	Le 000
Beginning of year	7,268
Profit for the year	12,340
End of year	19,608
	=====

10 LIBERIA BRANCH

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

11 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2011.

12 CONTINGENT LIABILITIES

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

SHORT TERM BUSINESS REVENUE ACCOUNT YEAR ENDED 31 DECEMBER 2011

	2011 Le000	2010 Le000
Premiums written less reinsurance	-	-
Less increase/decrease in provision for unearned premiums	-	-
Premiums earned	-	-
Commission received from reinsurers	-	-
	-	-
Claims incurred	-	-
Commission paid	-	-
Expenses	10,937	17,124
Contingency reserve	-	-
	10,937	17,124
Underwriting (loss)	10,937	17,124
	=====	=====
Underwriting (loss) comprised:		
Fire	-	-
Marine	-	-
Motor	-	-
Miscellaneous accident	-	-
Expenses	10,937	17,124
	10,937	17,124
	=====	=====



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Prestige Assurance Plc for the year ended 31 December 2011, set out on pages 159 to 175, which have been prepared on the basis of significant accounting policies on pages 154 to 158 and other explanatory notes on pages 163 to 173.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria, the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004 and Insurance Act, CAP 117, LFN 2004 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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

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

OPINION

4. In our opinion, the financial statements give a true and fair view of the state of affairs and of the Company's financial position as at 31 December 2011 in accordance with Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria, the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004 and Insurance Act CAP 117, LFN 2004 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines

Report on other legal requirements

5. The Companies and Allied Matters Act, CAP C20, LFN 2004, requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:
 - i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) in our opinion, proper books of account have been kept by the Company; and
 - iii) the balance sheet and profit and loss account are in agreement with the books of account.

Lagos, Nigeria

27 April 2012

Chartered Accountants

PRESTIGE ASSURANCE PLC (NIGERIA)
FINANCIAL STATEMENTS, 31 DECEMBER 2011

ACCOUNTING POLICIES

The following are the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

Basis of Preparation

1. These financial statements are prepared in accordance with Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria, the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, the Insurance Act CAP 117, LFN 2004 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines. The financial Statements have been prepared under the historical cost convention as modified by the carrying of fixed assets and certain long term investments at valuation amounts. The financial statements for general insurance business have been prepared using the annual basis of accounting.

Reporting Currency

2. The financial statements are presented in Nigerian currency (Naira), which is the Company's reporting currency.

Cash and cash equivalents

3. Cash and cash equivalents comprises cash in hand and deposits held with banks; cash equivalents are short-term, highly liquid instruments which are:
 - (a) Readily convertible into cash, whether in local or foreign currency; and
 - (b) So near to their maturity dates as to present insignificant risk of changes in value as a result of changes in interest rates.

© For the purpose of reporting cashflows, cash and cash equivalents include cash in hand; cash balances with banks and bank overdrafts.

Premium

4. (a) Gross Premium: is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance cover.
- (b) Gross Premium Earned: is written premium after adjusting for the unearned portion of the premium.
- (c) Unearned Premium: Premium relating to risk for period not falling within the accounting period is carried forward as unearned premium.
- (d) Net premium earned represents gross premium less reinsurance costs.

Reinsurance

5. (a) Proportional and non proportional reinsurance premiums are accounted for on an accruals basis. Reinsurance premiums are recognised as outflows in accordance with the tenor of the reinsurance contract.

(b) Reinsurance Cost

Reinsurance Cost represents outward premium paid to reinsurance companies less unexpired portion as at the end of the accounting year.

(c) Reinsurance Recoveries

Reinsurance recoveries represent that portion of claims paid/payable on risks ceded out in respect of which recoveries are received/receivable from the reinsurer.



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA)

(d) Prepaid Reinsurance

Unexpired reinsurance cost is determined on a time apportionment basis and is reported under other asset in the balance sheet.

Commission Earned

6. Commissions are recognised on ceding businesses to the reinsurers and other insurance companies.

Claims

- 7 (a) Gross claims paid: consist of direct claims, plus reinsurance claims.
(b) Gross claims incurred: consist of claims and claims handling expenses paid during the financial year after adjusting for movement in provision for outstanding claims and IBNR.
(c) Net claims incurred: is gross claims incurred after adjusting for reinsurance claims recoveries.

Deferred Acquisition Costs

8. Prepaid expenses include deferred acquisition expenses. These expenses are incurred as a result of direct business earned from brokers. The deferred portion is calculated based on the percentage of unearned premium to written premium.

Maintenance expenses

9. Maintenance expenses are apportioned amongst the various classes of insurance business on the basis of net premium earned in each class.

Investment Income

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

Technical reserves:

- 11 (i) **Provision for unexpired risks**

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

- (ii) **Provision for Outstanding claims/incurred but not yet reported**

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

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

- (iii) **Contingency reserve**

Contingency reserve is calculated at 3% of the gross premium or 20% of the Net profit before tax whichever is greater in accordance with Section 21 (2) of the Insurance Act 2003 until the accumulated

PRESTIGE ASSURANCE PLC (NIGERIA)

reserve reaches the amount of the minimum paid-up capital or 50 percent of the net premiums (whichever is greater).

Property, plant and equipment

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

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

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

(b) Depreciation

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

Asset	Depreciation	Rate
Leasehold land & Buildings	-	2%
Furniture, fittings & equipment	-	10%
Computer equipment & software	-	33 1/3%
Motor vehicles	-	25%
Plant & Machinery	-	12.5%

Investments

13. Long term investments are stated at cost or revalued amount at the balance sheet date while short term investments are stated at cost less provision for diminution in values.

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

Leases

14. Assets on lease to customers are stated at cost less accumulated depreciation. Depreciation is provided on an appropriate basis to write off the related cost over the period of the lease and is included in operating expenses. Rental income from assets on lease to customers is credited to lease income on a consistent basis over the lease term.

Debtors

15. Debtors are stated at cost after writing off bad debts and deducting provision made for other specific debts considered doubtful of recovery. An allowance for specific debt is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the receivables.



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA)

In line with the statutory guidelines for 2011 set by NAICOM, allowance for outstanding premium is made as follows:

Period outstanding	% allowance required
Under 90 Days	Nil
91 – 180 Days	50%
Above 180 Days	100%

FOREIGN CURRENCY CONVERSION

16. Transactions denominated in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of each transaction. Any gain or loss arising from a fluctuation subsequent to the date of the transaction is included in the profit and loss account.

TAXATION

- 17 (i) **Income Tax**
Income tax payable is provided on taxable profits at the current statutory rate.
- (ii) **Deferred taxation**
Provision for deferred taxation is made by the liability methods which represents taxation at the current rate of corporate income tax on the difference between the net book value of fixed assets qualifying for capital allowances and their corresponding tax written down values.
- (iii) **Capital Gain Tax**
Capital Gain Tax is included in the tax expenses for the period to which it relates. Capital Gain Tax relating to a disposal of an extra ordinary item deducted from such item.
- (iv) **Value-Added Tax**
Non-recoverable VAT paid in respect of an expense. Non-recoverable VAT paid in respect of property, plant and equipment is capitalised as part of the cost of the property, plant and equipment
- (v) **Withholding Tax**
The withholding tax credit is used to set off against income tax payable. Tax credit, which is considered irrecoverable, is written off as part of the tax charge for the year.

Employees' retirement benefits scheme

- 18 (a) **Pension Fund Scheme**
The Company operates a defined non contributory staff pension scheme for its employees. The scheme is funded by contribution from Company at 15% of the pensionable emoluments. This is consistent with the provisions of the PensionReform Act, 2004.
- (b) **Gratuity Scheme**
The company operates a non-contributory and defined benefit service gratuity scheme for its employees. The employees' entitlement to retirement benefits.
- Under the service gratuity scheme depends on the individual years of service, terminal salary and conditions of services. Benefit payable to employees on retirement or resignation are accrued over the service life of the employee concerned based on current salary at the balance sheet date. The company's contribution to the service gratuity scheme is charged to the income statement.

PRESTIGE ASSURANCE PLC (NIGERIA)

DIVIDENDS

19. Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividend is approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

Unclaimed Dividened

20. Unclaimed dividend are amount payable to shareholders in respect of dividend previously declared the company, which have remained unclaimed by the shareholder. In compliance with section 385 of the Companies and Allied Matter Act CAP C20, LFN 2004, unclaimed dividend after twelve years are transferred to general reserves.

DIVIDEND PAYABLE

21. Proposed dividened for the year, is recognised as a liability after the balance sheet date when declared and approved by the shareholder at the Annual General Meeting

SEGMENT REPORTING

22. The Company's business segments that are subject to similar risks and returns are presented by products and geographical locations in accordance with Statement of Accounting Standard 24.

PROVISIONS

23. Provisions are recognised when the Company has a present obligation, whether legal or constructive, as a result of past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with Statement of Accounting Standard 23.

DEFERRED ACQUISITION EXPENSES

24. Prepaid expenses included deferred acquisition expenses. These expenses are incurred as a result of direct business earned from brokers. The deferred portion is calculated based on the percentage of unearned premium to written premium.

Reinsurance premium cost (including prepaid reinsurance premium)

25. Reinsurance cost have been apportioned on time basis. Therefore, unexpired portion has been recognised as assets in the balance sheet.



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA) **BALANCE SHEET AS AT 31 DECEMBER 2011**

ASSETS	2011 Notes	N'000	2010 N'000
Cash and bank balances	2	683,377	343,974
Short-term investments	3	1,038,805	2,213,609
Premium debtors	4	1,521,872	1,468,627
Other debtors and prepayments	5	959,228	942,515
Deferred acquisition costs	6	110,976	132,814
Investment in finance lease	7	161,660	-
Long-term investments	8	1,335,286	1,235,114
Statutory deposits	9	300,000	300,000
Property, plant and equipment	10	903,516	917,054
TOTAL ASSETS		7,014,720	7,553,707
CREDITORS: Amounts falling due within one year			
Creditors and accruals	11	424,839	1,010,181
Taxation payable	12	272,290	316,553
		697,129	1,326,734
CREDITORS: Amounts falling after more than one year			
Gratuity payable	14	94,995	-
Deferred taxation	13	65,447	92,197
Insurance funds	15	1,413,737	1,379,125
		1,574,179	1,471,322
NET ASSETS FINANCED BY:		4,743,412	4,755,651
Share capital:			
Authorised	16(a)	3,000,000	2,000,000
Called & Paid up	16(b)	1,254,157	1,074,992
Share premium	17	1,170,820	1,170,820
Contingency reserve	18	1,252,324	1,124,122
Equity revaluation reserve	19	-	139,230
Bonus issue reserve	20	-	179,165
General reserve	21	1,066,111	1,067,322
SHAREHOLDERS' FUNDS		4,743,412	4,755,651

The financial statements and notes on pages 9 to 25 were approved by the Board of Directors on 24 April, 2012

- i) Chief (Dr.) C.S. Sankey)
ii) Dr. A.P.Mittal)

The accounting policies on pages 154 to 158 and notes on pages 163 to 173 form an integral part of these financial statements.

PRESTIGE ASSURANCE PLC (NIGERIA)
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

INCOME	2011 Notes	N'000	2010 N'000
Direct premium		3,068,813	3,029,258
Inward reinsurance premium		1,204,573	845,195
Gross written premium		4,273,386	3,874,453
(Increase)/decrease in unearned premium		(99,890)	(14,403)
Gross premium earned		4,173,496	3,860,050
Reinsurance Cost		(2,539,602)	(1,995,483)
Net premium earned		1,633,894	1,864,567
Commission received		687,635	457,232
Total income		2,321,529	2,321,799
Expenses			
Claims incurred		155,806	338,206
Commission paid		585,677	575,738
Maintenance cost		510,583	495,504
Underwriting expenses		1,252,066	1,409,448
Underwriting profit		1,069,463	912,351
Interest received		147,060	165,327
Lease rental income		351,840	481,681
Dividend received		37,426	18,622
Profit on disposal of investments		66,177	2,893
Profit on disposal of property, plant and equipment		2,939	5,534
Other income	24	26,164	10,497
		631,606	684,554
Net operating income		1,701,069	1,596,905
Management expenses		(650,668)	(555,806)
Provision for bad and doubtful debts	4(b)	(630,533)	(210,230)
Profit before tax and IT development levy		419,868	830,869
Information Technology Development Levy		(4,199)	(8,309)
Profit before taxation after IT development levy		415,669	822,560
Taxation	12	(159,679)	(334,862)
Profit after taxation		255,990	487,698
Appropriations:			
Contingency reserve	18	(128,202)	(166,174)
Retained earnings	21	127,788	321,524
Earnings per share	23	10.20	22.68

The accounting policies on pages 154 to 158 and notes on pages 163 to 173 form an integral part of these financial statements.

Auditors' report pages 153.

Subsidiaries

PRESTIGE ASSURANCE PLC (NIGERIA)
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

REVENUE	Fire N'000	General Accident N'000	Motor Compensation N'000	Workmen N'000	Marine and Aviation N'000	Oil & Energy N'000	CAR & Engineering All risk N'000	Bond N'000	GIT N'000	2011 N'000	2010 N'000
Direct Premium	1,033,169	449,824	371,244	75,948	900,701	84,705	42,527	4,014	106,681	3,068,813	3,029,258
Inward Premium	257,835	460,003	9,428	-	472,813	-	2,919	-	1,575	1,204,573	845,194
Gross Premium Written (Increase)/decrease in Unearned Premium	1,291,004 (142,535)	909,827 38,250	380,672 (22,124)	75,948 (278)	1,373,514 51,918	84,705 (37,346)	45,446 9,331	4,014 (383)	108,256 3,277	4,273,386 (99,890)	3,874,452 (14,402)
Gross Premium Earned	1,148,469	948,077	358,548	75,670	1,425,432	47,359	54,777	3,631	111,533	4,173,496	3,860,050
Outward Reinsurance	(900,812)	(576,022)	(5,346)	-	(1,089,052)	(50,671)	(27,704)	-	(150)	(2,649,757)	(2,159,696)
Prepaid reinsurance	94,295	(18,232)	1,266	-	48,646	-	(15,820)	-	-	110,155	164,213
Net Premium Earned	341,952	353,823	354,468	75,670	385,026	(3,312)	11,253	3,631	111,383	1,633,894	1,864,567
Commission	312,735	178,568	713	-	185,509	-	10,063	-	47	687,635	457,232
Total income	654,687	532,391	355,181	75,670	570,535	(3,312)	21,316	3,631	111,430	2,321,529	2,321,799
EXPENSES											
Gross claims paid	639,791	72,195	93,039	57,477	135,531	-	26,328	-	39,622	1,063,983	985,011
(Decrease)/increase in outstanding claims	(89,795)	(6,341)	1,732	(6,831)	(34,705)	16,500	(6,805)	-	60,968	(65,277)	(106,627)
Movement in outstanding claims recoverables from reinsurance	549,996	65,854	94,771	50,646	100,826	16,500	19,523	-	100,590	998,706	878,384
Gross claims incurred	31,932	25,303	-	-	17,309	-	1,743	-	9,731	86,018	127,223
Reinsurance claims recoveries	581,928	91,157	94,771	50,646	118,135	16,500	21,266	-	110,321	1,084,724	1,005,607
Net claims (recovered)/incurred	(789,231)	(47,394)	(1,735)	-	(76,073)	-	(14,485)	-	-	(928,918)	(667,401)
Acquisition cost	(207,303)	43,763	93,036	50,646	42,062	16,500	6,781	-	110,321	155,806	338,206
Maintenance cost	196,096	164,633	31,667	7,736	153,232	8,521	10,692	162	12,938	585,677	575,738
Total expenses	140,503	115,987	43,865	9,257	174,386	5,794	6,702	444	13,645	510,583	495,504
Underwriting profit/(loss)	129,296	324,383	168,568	67,639	369,680	30,815	24,175	606	136,904	1,252,066	1,409,448
	525,391	208,008	186,613	8,031	200,855	(34,127)	(2,859)	3,025	(25,474)	1,069,463	912,351

PRESTIGE ASSURANCE PLC (NIGERIA)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 N'000	2010 N'000
Cashflows from operating activities	Notes		
Premium received from policy holders		4,229,592	3,436,945
Commission received		687,635	457,233
Operating cost and payment to employees		(5,276,501)	(3,160,879)
Claims incurred		(155,806)	(338,206)
Company income tax paid		(234,891)	(287,710)
		(749,971)	107,383
Input Value Added Tax		11,331	2,657
Output Value Added Tax		(48,500)	(6,544)
-			
Net cash (consumed)/provided by operating activities	25(a)	(787,140)	103,496
Cashflows from investing activities			
Purchase of property, plant & equipment	10	(285,664)	(669,358)
Purchase of investments		(281,480)	(94,014)
Proceeds from disposal of property, plant and equipment		3,301	5,534
Investment income and other receipts		536,326	665,630
Proceeds from disposal of investments		108,255	17,964
Net cash inflow/(outflow) from investing activities	80,738	(74,244)	10,191
Cash flows from financing activities			
Dividend paid		(128,999)	(214,999)
Net cash outflows from financing activities		(128,999)	(214,999)
Net increase in cash and cash equivalents		(835,401)	(185,747)
Cash and cash equivalents at the beginning of the year		2,557,583	2,743,330
Cash and cash equivalents at the end of the year	25(b)	1,722,182	2,557,583

The accounting policies on pages 154 to 158 and the notes on pages 163 to 173 form part of these financial statements.



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL STATEMENTS, 31 DECEMBER 2011

The Company

1(a) Legal form

Prestige Assurance Plc is a subsidiary of The New India Assurance Co. Ltd., Mumbai India. The Company was established in 1952 as a branch office of the New India Assurance Co. Limited Mumbai. Due to Nigerian Enterprises Promotion Act of 1977 the name was changed to Prestige Assurance Plc in September 1992. The Company was quoted on the Nigerian Stock Exchange. The Company is licensed to write all classes of Non Life Insurance in Nigeria.

b) Principal activities and Corporate Development

During the year under review, the Company engaged in General Insurance Business and maintained offices in major cities with corporate headquarters in Victoria Island, Lagos.

PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL STATEMENTS, 31 DECEMBER 2011

	2011 N'000	2010 N'000
Cash and bank balances		
2. Local bank balances	417,876	102,959
Foreign bank balances	265,501	241,015
	<u>683,377</u>	<u>343,974</u>
Short term investments		
	2011 N'000	2010 N'000
3. Deposits and placements - Local banks	218,676	42,395
Trading securities (Note 3(a))	820,129	2,171,214
	<u>1,038,805</u>	<u>2,213,609</u>
	N'000	N'000
(a) Commercial papers	78,090	736,408
Banker's acceptance	362,039	1,434,806
Treasury bills	380,000	-
	<u>820,129</u>	<u>2,171,214</u>

PRESTIGE ASSURANCE PLC (NIGERIA)

Premium debtors	2011 N'000	2010 N'000
4(a) Amount due from insurance brokers	825,587	793,393
Amount due from insurance companies	1,274,327	130,943
Due from re-insurers	87,650	508,640
Amount due from direct insured	718,759	789,569
	2,906,323	2,222,545
Provision for doubtful debts (note 4b)	(1,384,451)	(753,918)
	1,521,872	1,468,627
(b) Movements in provision for bad debts	N'000	N'000
Balance at the beginning of the year	753,918	543,688
Charge during the year	630,533	210,230
Balance at the end of the year	1,384,451	753,918
4(c) The age analysis of premium debtors and related provisions are as follows:		
	Gross premium	Provision
	2011	2011
	N'000	N'000
Under 90 days	1,455,363	-
91- 180 days	133,019	66,510
Above 180 days	1,317,941	1,317,941
	2,906,323	1,384,451
Other debtors and prepayments	2011 N'000	2010 N'000
5. Prepayments	18,748	21,412
Staff Loans	48,159	40,817
Prepaid reinsurance	578,139	467,984
Outstanding claims recoverable	261,071	347,090
Other debtors	53,111	65,212
	959,228	942,515
Deferred acquisition costs		
6. Deferred acquisition costs represent commissions on unearned premium relating to the unexpired risk. The movement in the Deferred acquisition costs during the year		
	2011 N'000	2010 N'000
Balance at the beginning of the year	132,814	118,504
(Decrease)/increase during the year	(21,838)	14,310
Balance at the end of the year	110,976	132,814



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA)

Investment in finance leases	2011 N'000	2010 N'000
7. Gross investment in finance leases	246,599	-
Unearned finance income	(84,939)	-
	161,660	-
Long term investments	2011 N'000	2010 N'000
8. Quoted investments	483,586	809,934
Bond	430,000	-
Unquoted investments	421,700	425,180
	1,335,286	1,235,114
(i) Quoted investments		
Ordinary shares		
Balance at the beginning of the year	809,934	591,762
Addition during the year	-	94,013
Disposal during the year	(158,003)	(15,071)
Investments written off during the year	(88,056)	-
	563,875	670,704
Appreciation during the year	27,443	-
Transferred (from)/ to equity revaluation reserve	(107,732)	139,230
	483,586	809,934
(ii) Unquoted investments	2011 N'000	2010 N'000
Balance at the beginning of the year	425,180	425,180
Addition during the year	37,977	-
	463,157	425,180
Provision for diminution	(41,457)	-
	421,700	425,180
Provision for doubtful investments		
Balance at the beginning of the year	-	-
Charge for the year	41,457	-
Balance as at 31 December	41,457	-
Statutory deposit	2011 N'000	2010 N'000
9. Balance at the beginning and end of the year	300,000	300,000

This represents amount deposited with the Central Bank of Nigeria at the financial year end in accordance with the provisions of sections 9(1) and 10(3) of the Insurance Act, CAP I17, LFN 2004.

PRESTIGE ASSURANCE PLC (NIGERIA)
NOTES TO THE FINANCIAL STATEMENTS FINANCIAL STATEMENTS, 31 DECEMBER 2011

Property, Plant and Equipment	Plant and Machinery N'000	Leasehold Land & Building N'000	Building under Construction N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Assets on Lease N'000	Total N'000
10. Cost/valuation At 1 January Additions Disposals	28,637 714 (5,293)	165,375 - -	388,370 247,449 -	33,985 6,238 -	62,274 17,368 -	81,677 10,345 -	1,222,400 3,550 (253,652)	1,982,718 285,664 (258,945)
At 31 December	24,058	165,375	635,819	40,223	79,642	92,022	972,298	2,009,437
Depreciation At 1 January Charge for the year Disposals	17,479 2,381 (4,931)	22,461 2,909 -	- - -	22,074 2,661 -	54,370 10,880 -	69,245 11,170 -	880,035 268,839 (253,652)	1,065,664 298,840 (258,583)
At 31 December	14,929	25,370	-	24,735	65,250	80,415	895,222	1,105,921
Net book values at: 31 December 2011	9,129	140,005	635,819	15,488	14,392	11,607	77,076	903,516
31 December 2010	11,158	142,914	388,370	11,911	7,904	12,432	342,365	917,054

The leasehold land and buildings with a net book value of N145,823,333 were professionally valued at N400,000,000 on the 16th November 2009 by Messrs Obasi & Co., Estate Surveyors and Valuers on the basis of open market value of N600,000,000. In line with the National Insurance Commission's guideline, this can only be brought into the books of account after 3 years of the valuation.



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA) **NOTES TO THE FINANCIAL STATEMENTS FINANCIAL STATEMENTS, 31 DECEMBER 2011**

Creditors and accruals		2011	2010
		N'000	N'000
11.	Due to agents	46,718	188,346
	Due to direct insured	29,974	70,207
	Due to reinsurers	62,945	297,486
	Due to insurance companies	92	46,025
	Unexpired commission	162,645	160,665
	Sundry creditors and accruals (Note 11(b))	122,465	247,452
		424,839	1,010,181
(b)	Accruals and provisions	N'000	N'000
	Professional fees	9,500	57,195
	Industrial Training fund	4,000	4,000
	Audit fees	4,000	4,000
	Insurance levy	20,000	20,000
	Profit sharing	22,098	41,543
	Others creditors	25,698	90,066
	Dividend payable	-	26,761
	VAT	37,169	3,887
		122,465	247,452
Taxation		2011	2010
Per profit and loss account		N'000	N'000
	Income tax	169,728	278,570
	Education tax	16,701	28,229
	Deferred taxation	(26,750)	28,063
		159,679	334,862
	Information technology development levy	4,199	8,309
		163,878	343,171
	Per balance sheet		
	Balance at the beginning of the year	316,553	289,155
	Income tax	169,728	278,570
	Education tax	16,701	28,229
	Payments during the year	(234,891)	(287,710)
		268,091	308,244
	Information technology development levy	4,199	8,309
		272,290	316,553
(a)	The amount provided as income tax on the profit for the year has been computed on the basis of the Companies Tax rate of 30% in line with the Companies Income Tax Act, CAP C21, LFN 2004.		
(b)	Education tax is computed at 2% of assessable profit in line with Education Tax Act CAP E4, LFN 2004.		

PRESTIGE ASSURANCE PLC (NIGERIA)

Deferred taxation

	2011 N'000	2010 N'000
13. Balance at the beginning of the year (Writeback)/provision for the year	92,197 (26,750)	64,134 28,063
Balance at the end of the year	65,447	92,197

	2011 N'000	2010 N'000
14. Balance at the beginning of the year Provision for the year	- 94,995	- -
Balance at the end of the year	94,995	-

Insurance funds

Per profit and loss account

	2011 N'000	2010 N'000
15. Provision for outstanding claims	592,880	658,157
Provision for unexpired risks	820,857	720,968
	1,413,737	1,379,125

(a)	2011 N'000	2010 N'000
Provision for outstanding claims		
Accident	67,226	72,991
Fire	250,946	332,577
Workmen's compensation	13,840	20,050
Motor	17,025	15,450
Marine and Aviation	95,496	92,805
Engineering	21,425	27,612
Goods in transit	58,024	36,840
Oil and Gas	15,000	-
	538,982	598,325
Plus 10% IBNR	53,898	59,832
Total	592,880	658,157

(b) The movement on the provision for outstanding claims during the year was as follows:

	2011 N'000	2010 N'000
Gross provision for outstanding claims	538,982	598,325
Provision for IBNR	53,898	59,832
Provision for outstanding claims - closing	592,880	658,157
Less: provision for outstanding claims - opening	(658,157)	(764,784)
Decrease in provision for outstanding claims	(65,277)	(106,627)



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA)

©	The age analysis of outstanding claims was as follows:		
	0 - 90 days	36,631	158,081
	91 - 180 days	88,982	148,186
	181 - 270 days	80,525	125,682
	271 - 360 days	109,163	133,984
	361 days and above	277,579	92,224
		592,880	658,157
(d)	Provision for unexpired risks	2011	2010
		N'000	N'000
	Accident	127,534	167,128
	Fire	314,246	180,969
	Workmen's compensation	12,080	11,802
	Motor	130,095	107,971
	Marine and Aviation	159,262	211,180
	Engineering	14,237	23,568
	Goods in transit	16,799	18,349
	Oil and Gas	46,604	-
		820,857	720,967
(e)	Movement in the unexpired risks account during the year:	2011	2010
		N'000	N'000
	Balance at the beginning	720,967	706,564
	Movement during the year	99,890	14,403
		820,857	720,967
	Balance at the end of the year		
Share capital		2011	2010
16(a) Authorised:		N'000	N'000
	6,000,000,000/4,000,000,000 ordinary shares of 50 kobo per share	3,000,000	2,000,000
(b)	At the Annual General Meeting held on Thursday 11th August 2011 an ordinary resolution was assed to increase the authorised share capital of the Company from N2,000,000,000 to N3,000,000,000 by the creation of 2,000,000,000 new ordinary shares of 50k each ranking in all respect pari passu with existing shares of the company.		
(c)	Issued and fully paid:	2011	2010
	2,149,984,660 Ordinary shares of 50k	N'000	N'000
	Balance at the beginning of the year	1,074,992	1,074,992
	Transfer from bonus issue (Note 20)	179,165	-
	Balance at the end of the year	1,254,157	1,074,992
(d)	At the same Annual General Meeting, it was resolved to capitalise the sum of N179,165,389 from the Bonus Issue Reserve Account of the Company and that such sum be set free for distribution amongst the members on the register of members at the close of business on 25th July,2011 on condition that the same be not paid in cash but be applied in paying in full at par 358,330,777 new ordinary shares of 50k each to be allotted and credited as fully paid to and amongst such members in the proportion of one (1) new ordinary share for every six (6) held by them at that date, the shares so distributed being treated for all purposes as capital and not as income and on further condition that the shares so distributed shall not rank for dividend recommended by the Directors for the year ended 31st December, 2010, and the Directors shall give effect to this resolution on receipt of necessary permission from the authorities. That subject to obtaining all regulatory approvals, the Directors of the Company are authorized to issue by way of rights to existing shareholders such number of shares in the unissued share capital of the Company as they may consider appropriate and which issue shall be effected at such price,time and on such terms as the Director of the Company deem fit.		

PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL STATEMENTS, 31 DECEMBER 2011

	2011 N'000	2010 N'000
Share premium		
17. Balance at the beginning of the year	1,170,820	1,349,985
Transfer to bonus issue reserve	-	(179,165)
Balance at the end of the year	1,170,820	1,170,820
Contingency reserve		
18. Balance at the beginning of the year	1,124,122	957,948
Transfer from profit and loss account	128,202	166,174
Balance at the end of the year	1,252,324	1,124,122
This is maintained in compliance with sections 21(1) and (2) and 22(16) of insurance Act CAP 117, LFN 2004.		
Equity revaluation reserve		
19. Balance at the beginning of the year	139,230	-
Charge for the year	(274,405)	-
Appreciation during the year	27,443	139,230
Transfer to profit and loss account	107,732	-
Balance at the end of the year	-	139,230
Bonus issue reserve		
20. Balance at the beginning of the year	179,165	-
Transfer from share premium account	-	179,165
Transfer to share capital (Note 16(c))	(179,165)	-
Balance at the end of the year	-	179,165
General reserve		
21. Balance at the beginning of the year	1,067,322	960,796
Dividend declared/paid	(128,999)	(214,998)
Transfer from profit and loss	127,788	321,524
Balance at the end of the year	1,066,111	1,067,322



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL STATEMENTS, 31 DECEMBER 2011

	2011 N'000	2010 N'000
Profit before taxation		
22(a) Profit before taxation is arrived at after charging:		
Depreciation of property, plant and equipment	298,840	360,501
Auditors' fees	4,000	4,000
Directors' emoluments	17,625	16,866
and after crediting:		
Profit on disposal of property, plant and equipment	2,939	5,534
Unrealised exchange gains	<u>24,377</u>	<u>9,616</u>
 (b) Emoluments of Directors and employees	2011 N'000	2010 N'000
(i) Aggregate emoluments of the directors were:		
Fees	600	600
Other emoluments	14,680	15,916
	15,280	16,516
(ii) The emoluments of the Chairman (excluding pension contributions) totalled	150	150
(iii) The emoluments (excluding pension contributions) of the highest paid director amounted to	<u>14,680</u>	<u>15,916</u>
 (c) Staff numbers The average number of persons employed (excluding directors) in the Company during the year was as follows:	2011 Number	2010 Number
Managerial	7	6
Senior staff	39	41
Junior staff	36	38
	82	85
 (d) Staff costs The aggregate payroll costs of these persons were as follows:	2011 N'000	2010 N'000
Wages and salaries	235,974	274,421
Staff welfare	42,708	47,173
Medical	15,932	17,942
Staff Training	21,648	14,002
Gratuity	94,995	10,330
Pension	32,767	11,240
	<u>444,024</u>	<u>375,108</u>

PRESTIGE ASSURANCE PLC (NIGERIA)

(f)	Staff position as at the end of the year: Category	Male	Female	Total
	Executive Directors	1	-	1
	Management (Managers & above)			9
5	Senior staff	14		22
9	Junior Staff	31		32
4		36		
		64	18	82

(g) Changes during the year 2011:

	Executive Directors	Management	Senior staff	Junior staff
Additions	-	1	1	-
Withdrawals	-	-	5	-
	-	1	6	-

Basic earnings per ordinary share

23. Basic earnings per share is calculated by dividing the results attributable to shareholders by the weighted average number of ordinary shares in issue and ranking for dividend.

Profit for the year attributable to shareholders

N255,990

N487,698

Weighted average number of ordinary shares of 50 kobo each in issue

2,508,314

2,149,985

Basic earnings per share (kobo)

10.20

22.68

Other income

24. Sundry income
Unrealised exchange gains

2011 N'000	2010 N'000
1,787	881
24,377	9,616
26,164	10,497

Reconciliation of operating profit to cash provided by operating activities

25. Profit after tax
Adjustments to reconcile net income to
net cash provided by operating activities:
Depreciation of fixed assets
Investment income
Profit on disposal of property, plant and equipment

2011 N'000	2010 N'000
255,990	487,698
298,840	360,501
(602,503)	(668,522)
(2,939)	(5,534)
(50,612)	174,143



Subsidiaries

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PRESTIGE ASSURANCE PLC (NIGERIA)

Changes in assets and liabilities		
Increase in unearned premium	99,889	14,403
Decrease in claims provision	(65,277)	(106,627)
Increase in premium debtors	(53,245)	(161,153)
Increase in other debtors and prepayments	(16,713)	(99,024)
Decrease/(increase) in deferred acquisition cost	21,838	(14,310)
(Decrease)/ increase in creditors and accruals	(585,342)	240,602
Increase in finance lease	(161,660)	-
Increase/(decrease) in tax payable	(71,013)	55,462
Increase in gratuity payable	94,995	-
Cash (consumed)/generated from operations	(787,140)	103,496

(b) Cash and cash equivalents included in the statement of cashflows are represented by:

	2011 N'000	2010 N'000
Bank and cash balances	683,377	343,974
Short term investments	1,038,805	2,213,609
	1,722,182	2,557,583

Information Technology Development

26. The Nigeria Information Technology Development Agency (NITDA) Act was signed into Law on 24 April 2007. Section 12 (2a) of the Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.

Capital commitments

27. There were capital commitments of N394,970,653 to capital expenditure at the balance sheet date (2010 : N755million).

Comparative figures

28. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year in accordance with the Statement of Accounting Standard (SAS) 2.

Post balance sheet events

29. No events or transactions have occurred since 31 December 2011, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or results of operations at 31 December 2011.

PRESTIGE ASSURANCE PLC (NIGERIA)

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL STATEMENTS, 31 DECEMBER 2011

	2011 N'000		2010 N'000	
Gross premium written - Local	3,068,813		3,029,258	
Foreign	1,204,573		845,194	
	4,273,386		3,874,452	
Other income - Local	26,164		10,497	
	4,299,550		3,884,949	
Reinsurance, claims, commission and services - local	(3,141,017)		(2,326,780)	
Value added	1,158,533	100	1,558,169	100
Value added as a percentage of gross premium	27%		40%	
Applied as follows:				
To pay employees:				
Salaries and other employees benefits	444,024	38	375,108	24
To pay government:				
Taxation	159,679	14	334,862	21
Retained for replacement of assets and expansion of business:				
Depreciation	298,840	26	360,501	23
Contingency reserve	128,202	11	166,174	11
Result for the year	127,788	11	321,524	21
Value added	1,158,533	100	1,558,169	100

Subsidiaries

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The New India Assurance Co. Ltd.

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PRESTIGE ASSURANCE PLC (NIGERIA) FINANCIAL STATEMENTS, 31 DECEMBER 2011 FIVE YEAR FINANCIAL SUMMARY

BALANCE SHEET ASSETS	2011 N	2010 N	2009 N	2008 N	2007 N
Cash and bank balances	683,377	343,974	323,518	237,945	180,605
Short-term investments	1,038,805	2,213,609	2,419,813	1,993,168	2,345,278
Debtors and prepayments	2,642,760	2,411,142	2,150,964	1,589,422	1,263,182
Long-term investments	1,335,286	1,235,114	1,016,941	1,227,727	1,609,824
Statutory deposit with CBN	300,000	300,000	300,000	300,000	300,000
Deferred acquisition cost	110,976	132,814	118,504	35,562	30,110
Property, plant and equipment	903,516	917,054	608,196	561,624	555,405
TOTAL ASSETS	7,014,720	7,553,707	6,937,936	5,945,448	6,284,404
LIABILITIES					
Current liabilities	(857,571)	(1,418,931)	(1,122,867)	(1,124,195)	(1,259,315)
Insurance funds	(1,413,737)	(1,379,125)	(1,471,348)	(451,629)	(343,170)
	(2,271,308)	(2,798,056)	(2,594,215)	(1,575,824)	(1,602,485)
NET ASSETS	4,743,412	4,755,651	4,343,721	4,369,624	4,681,919
SHAREHOLDERS FUNDS					
Paid up share capital	1,254,157	1,074,992	1,074,992	1,074,992	859,994
Share premium	1,170,820	1,170,820	1,349,986	1,349,986	1,349,986
Bonus issue reserve	-	179,166	-	-	214,998
Contingency reserves	1,252,324	1,124,122	957,948	783,265	585,261
Equity revaluation reserve	-	139,230	-	188,978	859,909
Revenue reserve	1,066,111	1,067,321	960,795	972,403	811,771
	4,743,412	4,755,651	4,343,721	4,369,624	4,681,919
PROFIT AND LOSS ACCOUNT					
Gross premium written	4,273,386	3,874,452	3,445,447	3,008,391	2,260,710
Net premium written	1,633,894	1,864,567	1,655,870	1,532,178	1,163,192
Profit before taxation	415,669	822,561	864,682	990,020	901,569
Taxation	(159,679)	(334,862)	(271,610)	(278,371)	(263,485)
Profit after taxation	255,990	487,699	593,072	711,649	638,084
Dividend	-	128,999	214,998	429,997	343,998
Basic earnings per share (kobo)	10.20	22.68	27.58	33.10	39.48
Net assets per share (kobo)	189	222	202	203	272

