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## Board of Directors

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

### Audit Committee

|   |
|---|
| <b>TARUN BAJAJ, IAS, (Chairman)</b>                           |
| <b>T. S. NARAYANASAMI</b><br><i>(Ceased - 20.10.2008)</i>     |
| <b>M. D. MALLYA</b><br><i>(Appointed - 29.12.2008)</i>        |
| <b>M. RAZZACK</b>   |
| <b>N. S. R. CHANDRAPRASAD</b><br><i>(Ceased - 04.06.2009)</i> |
| <b>A. R. SEKAR</b><br><i>(Appointed - 17.08.2009)</i>         |

### Investment Committee

|   |
|---|
| <b>B. CHAKRABARTI (Chairman)</b>                          |
| <b>TARUN BAJAJ, IAS</b>                                   |
| <b>T. S. NARAYANASAMI</b><br><i>(Ceased - 20.10.2008)</i> |
| <b>M. D. MALLYA</b><br><i>(Appointed - 29.12.2008)</i>    |
| <b>SANJAY GUPTA</b>                                       |
| <b>A. R. SEKAR</b>  |
| <b>A. R. PRABHU</b>                                       |

### Remuneration Committee

|                                     |
|-------------------------------------|
| <b>TARUN BAJAJ, IAS, (Chairman)</b> |
| <b>M. D. MALLYA</b>                 |
| <b>M. RAZZACK</b>                   |

### Financial Advisor & Company Secretary

|                    |
|--------------------|
| <b>A. R. SEKAR</b> |
|--------------------|

### Appointed Actuary

|                     |
|---------------------|
| <b>A. R. PRABHU</b> |
|---------------------|

## General Managers

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

## Chief Vigilance Officer

MRS. GOPA RAY

## Deputy General Managers

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

\* On deputation to other companies

## Auditors

|   |   |  |
|---|---|--|
| SARDA & PAREEK<br>CHARTERED ACCOUNTANTS | KARNAVAT & CO.<br>CHARTERED ACCOUNTANTS | CHATURVEDI & SHAH<br>CHARTERED ACCOUNTANTS |
|---|---|--|

## Registered Office

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



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Directors & Management

## Chairman-cum-Managing Director



**B. CHAKRABARTI**

## Directors



**M. D. MALLYA**



**TARUN BAJAJ, IAS**



**M. RAZZACK**



**S. PATTANAYAK**

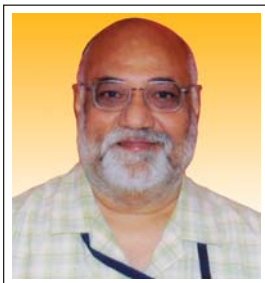


**SANJAY GUPTA**

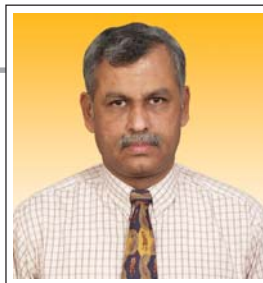


**A. R. SEKAR**

## General Managers



**J. K. GUPTA**



**A. R. SEKAR**



**I. S. PHUKELA**



**S. B. L. GOUR**



**S. GOPALAKRISHNAN**



**MRS. ASHA NAIR**



**N. TOBDAN**

## Chief Vigilance Officer



**MRS. GOPA RAY**

## Appointed Actuary



**A. R. PRABHU**

**NOTICE OF THE 90<sup>TH</sup> ANNUAL GENERAL MEETING**

To :

All Shareholders / Directors / Statutory Auditors

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

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

Place : Mumbai

Date : 06.08.2009

By order of the Board

**(A. R. SEKAR)**  
DIRECTOR & COMPANY SECRETARY

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

## DIRECTORS' REPORT 2008-09

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

To The Members :

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

#### I. CLASS-WISE PERFORMANCE SUMMARY

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



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

(Rupees in crores)

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



|   |           |               |
|---|-----------|---------------|
| <b>Provision for Tax</b>                            | <b>CY</b> | <b>73.08</b>  |
|   | <i>PY</i> | 120.33        |
| <b>Profit after Tax</b>                             | <b>CY</b> | <b>224.14</b> |
|   | <i>PY</i> | 1401.15       |
| <b>Dividend (Proposed)</b>                          | <b>CY</b> | <b>45.00</b>  |
|   | <i>PY</i> | 283.00        |
| <b>Dividend Tax</b>                                 | <b>CY</b> | <b>7.65</b>   |
|   | <i>PY</i> | 48.10         |
| <b>Transfer to Contingency and General Reserves</b> | <b>CY</b> | <b>171.49</b> |
|   | <i>PY</i> | 1070.05       |

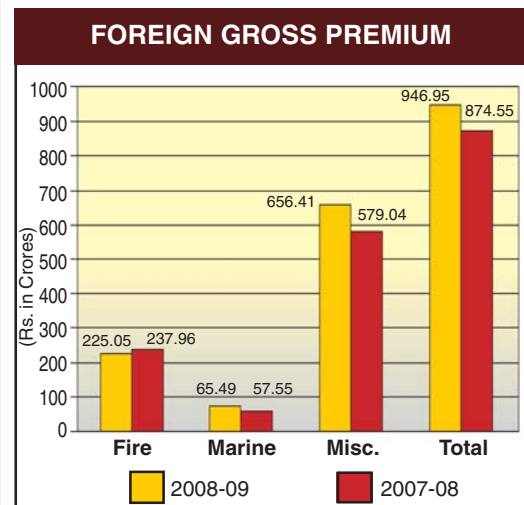
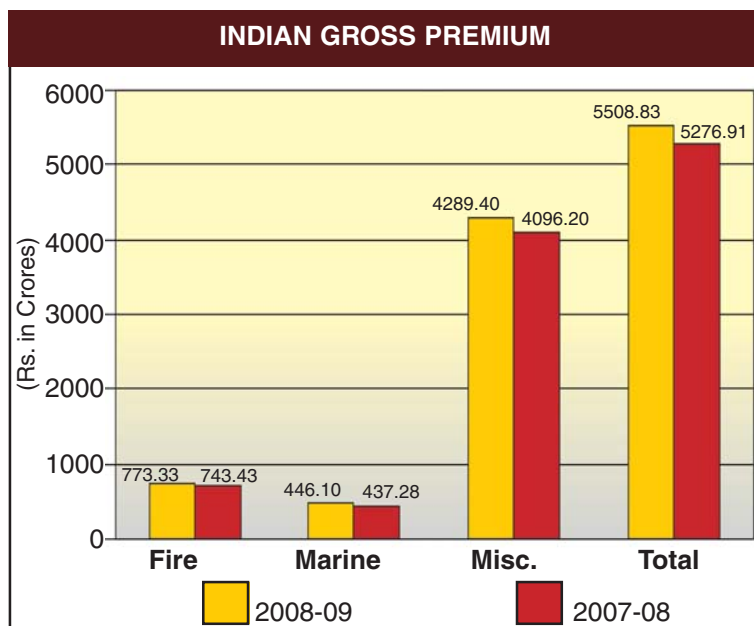
## II PERFORMANCE REVIEW

(Rupees in crores)

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

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

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





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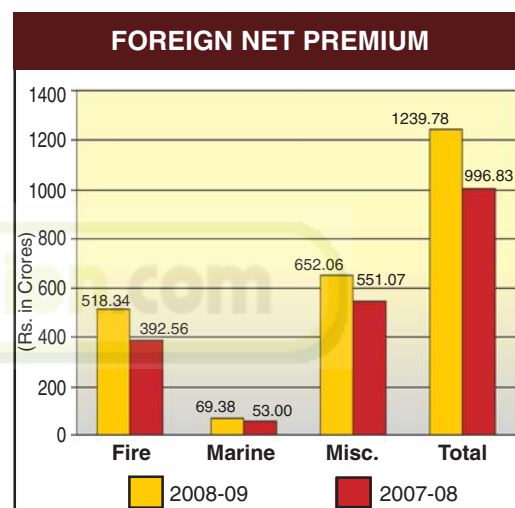
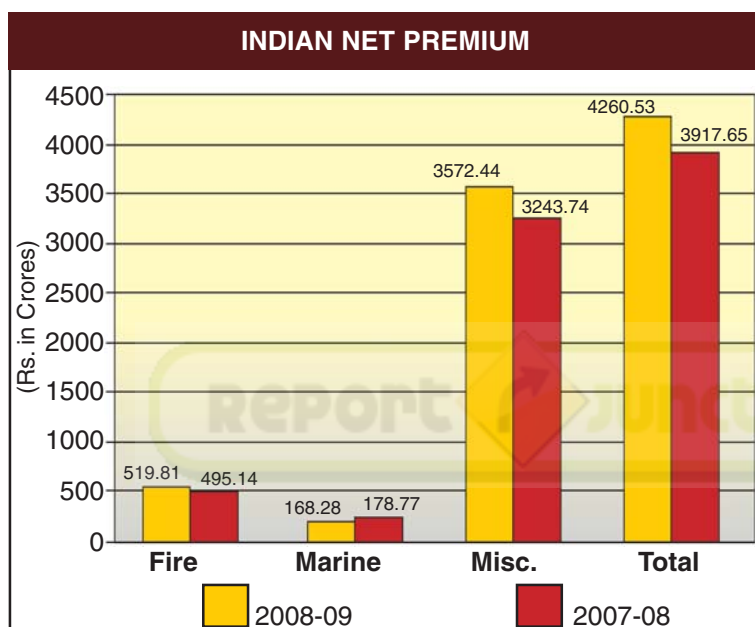
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(Rupees in crores)

|                                 | 2008-09        | 2007-08 |
|---------------------------------|----------------|---------|
| <b>B NET PREMIUM (GLOBAL)</b>   | <b>5500.31</b> | 4914.28 |
| Percentage over previous year : | <b>11.93</b>   | 3.42    |

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

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



(Rupees in crores)

|  | 2008-09       | 2007-08 |
|--|---------------|---------|
| <b>C ADDITIONAL UNEXPIRED RISK RESERVE</b> | <b>251.01</b> | 102.84  |
| Percentage to Net Premium                  | <b>4.56</b>   | 2.09    |

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

(Rupees in crores)

|                           | 2008-09        | 2007-08 |
|---------------------------|----------------|---------|
| <b>D INCURRED CLAIMS</b>  | <b>4671.86</b> | 4177.48 |
| Percentage to Net Premium | <b>84.94</b>   | 85.01   |

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