

NOTICE OF 116TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that 116th Annual General Meeting (“AGM”) of the Members of **National Insurance Company Limited** will be held on Tuesday, 29th August 2023 at 2.30 p.m. through Video Conference (VC) / Other Audio Visual Means (OAVM) facility at the Registered Office of the Company at Premises No.18-0374, Plot No.CBD-81, New Town, Kolkata-700 156 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company including Consolidated Accounts for the financial year ended 31st March 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To authorize the Board of Directors to fix the remuneration of Statutory Auditors, to be appointed by the Comptroller and Auditor General of India for the financial year 2023-24.

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT in terms of the Ministry's Order dated 28th June 2023, Shri Debadatta Chand (DIN: 07899346), MD & CEO of Bank of Baroda, be and is hereby appointed as Non-Executive & Independent Director on the Board of National Insurance Company Limited for a period of three years w.e.f. 1st July 2023 or until further orders, whichever is earlier.”

“RESOLVED FURTHER THAT approval of the shareholders by way of a special resolution be obtained for the appointment of Shri Debadatta Chand as Non-Executive Independent Director on the Board of Directors of National Insurance Company Limited at the ensuing Annual General Meeting in terms of Regulation 25(2A) of SEBI (LODR) (Third Amendment) Regulations, 2021.”

**By order of the Board
For National Insurance Company Limited**
Sd/-
(Rina Madia)
Company Secretary

Place: Kolkata

Dated: 25th August 2023

Notes:

1. The Annual General Meeting is being convened at a shorter notice after obtaining consent from the Members of the Company pursuant to Section 101 of the Companies Act, 2013.
2. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the special business given in this Notice is annexed hereto.
3. The Ministry of Corporate Affairs (MCA) circular no. 20/2020 dated 5th May 2020, circular no. 02/2022 dated 5th May 2022 & circular no. 10/2022 dated 28th December 2022 have permitted companies to conduct Annual General Meeting (AGM) and Extra-Ordinary General Meeting (EGM) through video

conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA circulars and applicable provisions of the Companies Act, 2013 and Rules made thereunder & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, this AGM of the Company is being convened and conducted through VC.

4. The Company has enabled the Members to participate at the AGM through the VC facility.
5. As per the provisions under the MCA circulars, Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. As per the Companies Act, 2013, a Member entitled to attend and vote at these meetings is entitled to appoint a proxy to attend and vote on his/her behalf. Since the AGM is being held through VC as per the MCA circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Since the proceedings of this AGM are being conducted through VC/OAVM, the Registered Office of the Company situated at Premises No.18-0374, Plot No. CBD-81, New Town, Kolkata – 700156 is deemed to be the venue of the AGM.
8. In line with the MCA circulars, the notice of the AGM is being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company.
9. Documents as referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection by the Members electronically during the conduct of the AGM including-(a) Memorandum and Articles of Association of the Company & (b) Register of Directors and Key Managerial Personnel and their shareholding maintained under the Companies Act, 2013.
10. Members may note that the Notice and Annual Report for the financial year 2022-23 will be made available on the Company's website at <https://nationalinsurance.nic.co.in> and also on the website of BSE Limited and National Stock Exchange of India Limited.
11. The facility for joining the meeting shall be kept open fifteen minutes before the scheduled time of the meeting and shall be closed fifteen minutes after the commencement of the meeting.
12. As the AGM is being held through VC, the route map is not annexed to this Notice.

By order of the Board
For National Insurance Company Limited
Sd/-
(Rina Madia)
Company Secretary

Place: Kolkata
Dated: 25th August 2023



Annexure to Notice

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

Item No. 3

Shri Debadatta Chand (DIN:07899346), MD & CEO of Bank of Baroda, was appointed as Non-executive Independent Director by the Ministry of Finance, Department of Financial Services vide order no. F.No.A.15011/05/2021-Ins.I dated 28th June 2023 on the Board of National Insurance Company Limited with effect from the date of his assumption of office as MD & CEO of Bank of Baroda i.e., 1st July 2023 in place of Shri Sanjiv Chadha, Director of the Company who has retired from the services of Bank of Baroda as MD & CEO on the close of office hours on 30th June 2023.

The Board recommends this resolution for the approval of the members as a Special Resolution.

Shri Debadatta Chand and his relatives are interested in the resolution relating to his appointment. None of the other Directors or Key Managerial Personnel or any of their relatives is in any way concerned or interested, in the proposed resolution.

**By order of the Board
For National Insurance Company Limited
Sd/-
(Rina Madia)
Company Secretary**

Place: Kolkata
Dated: 25th August 2023

निदेशकों की रिपोर्ट
2022-23
DIRECTORS' REPORT

वार्षिक प्रतिवेदन
Annual Report 2022-23

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

Your Directors takes immense pleasure in submitting their 116th Annual Report and the Audited Statement of Accounts for the financial year ended 31st March 2023.

FINANCIAL RESULTS

SUMMARISED FINANCIAL RESULTS AS ON 31ST MARCH 2023

(₹ in crore)

			Fire	Marine	Misc	Total
Gross Direct Premium Income- India	CY		1180.00	275.94	13692.06	15148.00
	PY		1104.10	224.37	11697.27	13025.74
	(% Growth)	CY	6.87	22.98	17.05	16.29
	PY		-6.07	16.38	-8.42	-7.89
Gross Direct Premium Income - Outside India	CY		22.36	7.98	27.50	57.84
	PY		19.63	7.86	23.61	51.10
	(% Growth)	CY	13.91	1.53	16.48	13.19
	PY		0.56	24.76	23.61	13.76
Gross Direct Premium Income -Total	CY		1202.36	283.92	13719.56	15205.84
	PY		1123.74	232.23	11720.88	13076.84
	(% Growth)	CY	7.00	22.26	17.05	16.28
	PY		-5.95	16.64	-8.37	-7.82
Reinsurance Premium Accepted	CY		263.29	15.69	411.37	690.35
	PY		164.21	12.30	444.76	621.27
	(% Growth)	CY	0.24	0.00	4.51	4.75
	PY		0.80	0.00	2.28	3.08
	(% to Gross Premium)	CY	263.53	15.69	415.88	695.10
	PY		165.01	12.30	447.04	624.35
Reinsurance Premium Ceded	India	CY	559.01	139.70	1897.08	2595.79
		PY	351.13	108.66	1077.74	1537.53
	Outside India	CY	8.31	2.11	13.66	24.08
		PY	8.72	0.96	11.54	21.22
	Total	CY	567.32	141.81	1910.74	2619.87
		PY	359.85	109.62	1089.28	1558.75
Net Premium	India	CY	884.28	151.93	12206.35	13242.56
		PY	917.18	128.01	11064.29	12109.48
	(% Growth)	CY	-3.59	18.69	10.32	9.36
		PY	9.61	3.84	-5.07	-4.01
	(% to Gross Premium)	CY	74.94	55.06	89.15	87.42
		PY	83.07	57.05	94.59	92.97

(₹ in crore)

Net Premium	Outside India	CY	14.29	5.87	18.35	38.51
		PY	11.71	6.90	14.35	32.96
	(% Growth)	CY	22.03	-14.93	27.87	16.84
		PY	15.69	40.24	9.79	17.17
	(% to Gross Premium)	CY	63.91	73.56	66.73	66.58
PY		59.65	87.79	60.78	64.50	
Total Net Premium		CY	898.57	157.80	12224.70	13281.07
		PY	928.89	134.91	11078.64	12142.44
	(% Growth)	CY	-3.26	16.97	10.34	9.38
		PY	9.68	5.23	-5.05	-3.96
	(% to Gross Premium)	CY	74.73	55.58	89.10	87.34
PY		82.66	58.09	94.52	92.85	
Addition/Reduction in Un-expired Risk Reserve & PDR		CY	-50.45	-21.36	646.73	574.92
		PY	-0.49	-5.65	-174.08	-180.22
	(% to Net Premium)	CY	-5.61	-13.54	5.29	4.33
		PY	-0.05	-4.19	-1.57	-1.48
		CY	949.02	179.16	11577.97	12706.15
PY		929.38	140.56	11252.70	12322.64	
Incurred Claims Net		CY	507.41	41.96	12264.91	12814.28
		PY	821.60	131.92	11887.81	12841.33
	(% to Earned Premium)	CY	53.47	23.42	105.93	110.85
		PY	88.40	93.85	105.64	104.21
		CY	112.14	17.56	673.03	802.73
PY		102.23	10.46	719.11	831.80	
Commission Net	(% to Earned Premium)	CY	11.82	9.80	5.81	6.32
		PY	11.00	7.44	6.39	6.75
		CY	345.66	45.13	4731.14	5121.93
		PY	215.17	23.46	2566.53	2805.16
	(% to Earned Premium)	CY	36.42	25.19	40.86	40.31
PY		23.15	16.69	22.81	22.76	
Other Income(-)/Outgo(+) <small>[Includes ₹1584.24 crore (₹8.74 crore) Excess expenses over allowable limits]</small>		CY	-65.07	-0.33	-1518.84	-1584.24
		PY	0.00	0.00	-8.74	-8.74
	Underwriting Results		CY	48.88	74.84	-4572.27
PY			-209.62	-25.28	-3912.01	-4146.91
(% to Earned Premium)		CY	5.15	41.77	-39.49	-35.01
		PY	-22.55	-17.99	-34.76	-33.65
		CY	193.86	31.91	2335.51	2561.28
	PY	173.26	28.14	2378.91	2580.31	
Operating Results		CY	242.74	106.75	-2236.76	-1887.27
		PY	-36.36	2.86	-1533.08	-1566.58

(₹ in crore)

Investment Income - Share Holders	CY				268.95
	PY				60.99
Total Investment Income	CY				2830.23
	PY				2641.30
Provision for Doubtful Debts/Investment Written off/Amortization	CY				442.29
	PY				102.79
Other Income less Outgo	CY				-1805.21
	PY				-66.29
[Includes ₹ 1584.24 crore (₹ 8.74 crore) excess expenses over allowable limits]					
Profit Before Tax	CY				-3865.82
	PY				-1674.67
Provision for Tax	CY				0.00
	PY				0.00
Tax Adjustment for Earlier years	CY				-0.42
	PY				0.04
Profit After Tax	CY				-3865.40
	PY				-1674.71
Proposed Dividend	CY				0.00
	PY				0.00
Dividend distribution Tax	CY				0.00
	PY				0.00
Transfer to General Reserves, and Unclaimed Policy holders' Funds and carried forward to Balance Sheet	CY				-3865.40
	PY				-1674.71

CAPITAL & FUNDS:

Policyholders' Funds:

Sl.	Particulars	Amount (₹ in '000)	Amount (₹ in '000)
		31.03.2023	31.03.2022
1	Estimated liability for outstanding claims (including IBNR/IBNER)	20,72,45,629	20,24,05,699
2	Unexpired Risk Reserve	6,20,22,323	5,71,40,173
3	Premium deficiency, if any	16,19,088	7,52,022
4	Catastrophe Reserve	-	-
	Others:		
5	Premium received in advance	96,03,739	1,03,16,418
6	Unallocated Premium	1,08,20,702	1,04,44,583
7	Balance due to other insurance companies (including pools)	1,55,43,312	1,55,75,403
8	Balance due to other Members of Third Party Pool (IMTPIP)	-	-
9	Unclaimed amount of Policy Holders including Investment Income thereon	24,29,063	15,27,435
	Less:		
10	Outstanding Premium	11,24,435	35,96,543
11	Due from other entities (insurance companies including pools)	1,83,24,320	2,10,54,681
12	Balance with Terrorism Pool	1,44,30,073	1,24,41,006
13	Balance with Motor Third Party Pool	-	-
14	Fixed Deposit – Unclaimed Amount of Policyholders including Investment Income thereon	24,29,063	15,27,435
	Policyholders' Funds	27,29,75,965	25,95,42,068

Shareholders' Funds/Net Worth:

SL.	Particulars	Amount (₹ in '000)	Amount (₹ in '000)
		31.03.2023	31.03.2022
1	Share Capital	9,37,50,000	9,37,50,000
2	General Reserve	-	-
3	Less: Miscellaneous Expenditure (to the extent not written off)	15,77,616	31,55,232
4.	Less : Debit balance in Profit & Loss Account	10,18,08,628	6,30,84,624
	Shareholders' Funds/Net worth	-96,36,244	2,75,10,144

The total assets of the Company amounted to ₹ 38,896.09 crore in the financial year 2022-23 as against ₹ 40,493.06 crore in the previous year.

NET INCURRED CLAIMS:

The overall Net Incurred Claim has come down to 110.85% in 2022-23 from 104.21% in 2021-22 with a decrease in Net Retained Premium as % to GDP from 92.85% in the last fiscal to 87.34% in the current fiscal

EXPENSES OF MANAGEMENT:

Total expenses of management for the F.Y. 2022-23 was Rs.5,121.93 crore as against ₹2,805.16 crore in the F.Y. 2021-22.

COMPLIANCE WITH SECTION 40C:

The Limitation of Expenses of Management for the FY 2022-23, was computed and certified by the Statutory Auditors of the Company, in accordance with the Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers Transacting General or Health Insurance Business) Regulations, 2016.

(₹ in crore)

Particulars	F.Y. 2022-23	F.Y. 2021-22
	As computed under IRDAI (Expenses of Management of Insurers Transacting General or Health Insurance Business) Regulations, 2016	
Allowable limit of expenses	4696.44	4124.30
Actual expenses (inclusive of operating expenses & commission on direct business & on re-insurance accepted)	6280.68	3813.57
Difference	1,584.24	(-)310.73
Segmental excess charged to shareholder's account in accordance with revised regulations (details furnished below)	1,584.24	8.74

The segmental deviations, as charged to Profit and Loss Account for the FY 2022-23 & FY 2021-22 in accordance with Regulation 13 of the aforesaid Regulations, have been stated as follows:

(₹ in crore)

Deviation pertaining to segment	F.Y. 2022-23 Rs. (in crore)	F.Y. 2021-22 Rs. (in crore)
Fire	65.07	Nil
Marine	0.33	Nil
Miscellaneous	1,518.84	8.74
Total amount charged to profit & loss account	1,584.24	8.74

The Company has recorded a Net Loss Before Tax amounting to ₹ (-) 3,865.82 crore in the current year as against Net Loss Before Tax of ₹(-) 1,674.67 crore in the previous year.

DIVIDEND:

The Board of Directors has not recommended any dividend for the financial year 2022-23.

COMPLIANCE OF SOLVENCY MARGIN REQUIREMENTS:

The solvency position (with and without forbearance) of the Company as at 31st March 2023 is given below:

(₹ in crore)

Particulars	With Forbearance (100% of FVCA)	Without Forbearance
Available Solvency Margin	1,945	-1,184
Required Solvency Margin as per IRDAI Regulations	4,050	4,050
Solvency Ratio	0.48*	- 0.29

*(In accordance with the forbearances given by the IRDAI)

RATING FROM CRISIL LIMITED:

In respect of unsecured non-convertible debentures issued by the Company to the tune of Rs.895 crore, CRISIL Limited has reaffirmed its rating as 'CRISILAA-/Stable' with Stable Outlook on the debt instrument. This rating is considered to have high degree of safety regarding timely servicing of financial obligations.

Further, CRISIL Limited has also reaffirmed its Corporate Credit Rating for the Company as 'CRISIL AA-/Stable' with Stable Outlook which reflects high degree of safety regarding timely servicing of debt obligations.

RATING FROM ICRA LIMITED:

Towards the aforesaid unsecured non-convertible debentures, ICRA has reaffirmed its rating as '[ICRA] A+ (Stable)' on the debt instrument. The outlook on the long-term rating is Stable. This rating indicates having adequate degree of safety regarding timely servicing of financial obligations.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The earnings and outgo of the Company in foreign exchange for the year 2022-23 is given below-

Earnings	₹ 83,88,75,957/-
Outgo	₹ 34,68,95,341/-

OPERATING MODEL TRANSFORMATION INITIATIVES:

Operating Model Transformation is a part of the long-term growth plan which the 04 PSGICs embarked on to enhance profitable growth & greater operational efficiencies. This is in line with the objectives of employee development through performance management & capability build.

Consultant M/s. Ernst & Young LLP was assigned with the task to bring in the Operating Model Transformation Initiatives in all the 04 PSGICs. The approach and scope of work of M/s E&Y was divided into in 3 Phases – Diagnose, Design, and Implement, as under :

- Diagnose Phase (1-2 Months): Analyzing current operating environment, workforce, roles, KPIs & Business Applications.
- Design Phase (3-5 Months): Designing To-be Operating Model, Organization Structure, and Capacity building and change framework. Designing roles, KPIs and Dashboards.
- Implement Phase (6-10 Months): To provide implementation support and handholding support for Operating Model Transitions, Dashboarding and Tech Changes.

Three Tier Structure of the Operating Model Transformation Initiatives via IT system was done on 17th April 2023 in National Insurance. Key milestones achieved so far are as under:

- Enhanced focus on Business Development, across channels and office types:
 - Implementation of Three (03) Tier Organisation Structure (HO, RO and BO (Business Offices) across PSGICs.
 - Business Offices (BOs) responsible for Business Procurement via three (03) Business Development (BD) Channels (Bos) are focused on serving as retail business generation and customer experience centers.
- Regionalization of core processes – Underwriting, Claims & Accounts :

Structure and Processes have been realigned to bring in greater specialization and to Increase regionalization initiatives in claims, underwriting & accounts.

- a. Standard Insurance Products (SIP products) are exclusively kept at the Bos to underwrite, Non-SIP products are booked at Bos with concurrence with the respective Regional Underwriting Offices.
- b. Only claim Intimation of claims can be done at a Business Office. All further steps (including claim settlement) are being carried out at the mapped Regional Claims. All communication with the customers regarding claim documents, claim status etc. is being undertaken by the Regional Claims Office only. As such, no claims would be processed at any Business offices, however the BO executives will provide helpdesk information to Claimants in case of requirements.
- C) Building performance orientation through role based KPIs for the financial year 2023-24 through dash-boarding is under implementation for all employees.

INVESTMENT:

The total Investments as on 31st March 2023 was ₹ 28520.92 crores as against ₹ 30719.34 crores as on 31st March 2022. During the year, the Investment Corpus of the Company decreased by ₹ 2198.42 crore (on account of wage arrears outgo) as against accretion of ₹ 3205.21 crore in the previous year.

Investments in socially-oriented sectors which include Central and State Government Securities, Government Guaranteed Bonds, Infrastructure Bonds, Loans to HUDCO and various State Governments for Housing and Fire Fighting Equipment amounted to ₹ 15345.78 crores as on 31st March 2023 as against ₹ 15526.12 crores as on 31st March 2022.

The aggregate book value of Equity Investments in India as on 31st March 2023 amounted to ₹ 8029.47 crores as against the last year's figure of ₹ 7891.47 crores. The fair value of these investments as on 31st March, 2023 was ₹ 11147.76 crores.

Investment written off / down during the year was ₹ 17.68 crores as against the last year's figure of ₹ 4.88 crores.

The Company continued to operate actively in the secondary market. The profit earned on sale and redemption of securities during the year was ₹ 776.67 crores as against last year's figure of ₹ 843.18 crores. The total investment Income (inclusive of profit on sale / redemption) during the year was ₹ 2715.45 crores as against ₹ 2552.94 crores in the previous year. The yield on investment without profit for the year 2022-23 was 6.38% as against 6.19% in the previous year whereas the yield on investment with profit for the year 2022-23 was 8.93% as against 9.24% in the previous year.

The Company has followed the norms prescribed by IRDAI relating to classification of Loans and Debentures and provision for Non-Performing Assets (NPA). The gross NPA percentage to total investment as on 31st March, 2023 is 0.98% as against 1.00% in the previous year.

REINSURANCE:

The January 1, 2022 renewals was a challenging one, marked by the war in Ukraine, surging inflation, the tail end of the COVID-19 pandemic and elevated natural catastrophe losses. Global Insured Catastrophe losses rose to US\$ 112 Billion, the fourth highest on record. The two costliest natural disasters of the year Hurricane Ida and winter storm Uri in US along with July flooding in Germany, Belgium caused extensive insured losses. The Property & Casualty treaty reinsurance market continued to harden, following years of large catastrophe losses, attritional inflation and low interest rates. Inflation was a critical and technical part of reinsurance rate negotiations with reinsurers providing capacity only after having factored inflation in their pricing. Reinsurers withdrew capacity and only renewing signed lines and not the expiring written line capacity, particularly on lower attaching working layers exposed to weather and secondary perils. All aggregate and loss frequency protections proved very demanding with cedants having to struggle to achieve completion. As expected, the Marine renewals exhibited market hardening with risk adjusted rate increase and pressure to restrict coverage to reflect the geo-political status. Concomitant to this, the retrocession buyers too experienced a very difficult renewal with severe restrictions in coverage.

Indian market too witnessed several catastrophe events in 2022 i.e. Cyclone Asani, Assam Floods, Maharashtra Floods, Gujarat Floods, Karnataka Floods and EQ in Northern India. Though the impact of these events were minimal on the reinsurance treaties, the frequency of Nat Cat incidents in the Indian Sub-continent were a major cause of concern. Indian Market therefore did not witness the same hardening of rates in line with the January 1, 2022 renewals. The impact of inflation in the Indian market were already factored in pricing by the insurers in earlier renewals and hence the rates were almost flat with Risk loss hit accounts witnessing rate increases above 10%.

Our Reinsurance Programme provides automatic underwriting capacity through a mix of proportional, non-proportional treaties, with Risks beyond this capacity being facultatively reinsured. Whilst, Proportional treaties provide automatic capacity to insure risk beyond the retention level, Non Proportional treaties protect concentration of exposures thus mitigating and reducing the strain on our capital. The proportional treaty renewals 2022-23, have been little difficult with pressure from many reinsurers for reduced 'event cap' in natural catastrophe perils, cession limits and reduction in commission levels. However, we have been able to resist these strictures to an extent and successfully place all our treaties. We have also increased treaty limits in Fire for developing in-house automatic capacity to tap profitable portfolio.

Despite the global loss scenario, we have been able to negotiate and contain the rates in our Non Proportional programme, by furnishing granular Catastrophe exposure figures, to the reinsurers. Based on the output of the modeling reports our catastrophe excess of loss protection limits were bought for a 1 in 200 Years Return Period which reflected the Company's business growth and exposure levels. Though the company had a Risk-loss free year, despite this, there was price increase of 5% in the Risk and Catastrophe treaties due to increase in the exposures, large losses affecting the Indian market as also the hardening of property rates globally as mentioned in the foregoing paras. By and large the trend in the Indian market was reflected in the renewal cost of the company's treaties.

Re-insurance protection cost for other than the property line of business is less than 15% of the total cost. Motor TP and Liability excess of loss treaties has seen price increase of 12.5% and 30% in view of increased exposures. The Russian-Ukraine tension, had considerably impacted the price of Marine and Energy excess of loss treaties which rose by 15 %. The Russia Ukraine war has had a massive impact on the international aviation market with Aircraft lessors looking at a loss of USD 10 billion consequent to denial of access to their assets. Reinsurers globally have hiked up rates for reinsurance and retro treaty covers. Despite this imbroglio, we have been able to renew our Aviation treaty covering foreign and domestic business with minimal increase. To cover the net accumulation from our foreign overseas inward acceptance portfolio, we have arranged an excess of loss reinsurance protection with adequate limits.

The cover limits of our Reinsurance programme proved to be more than adequate, entailing recoveries thereby protecting the Balance Sheet from impact of major Catastrophe and or large risk losses.

FIRE AND ENGINEERING:

Fire and Engineering segment has shown a stable and consistent performance during the financial year 2022-23. In Fire segment, National Insurance achieved a decent growth, in-line with industry average. Engineering segment showed a very commendable growth of around 24.75%.

We did experience some major fire losses in the year 2022-23, especially towards the year end. However, there has been only a marginal impact on loss ratios. The positive performance of the segment, both Fire and Engineering, can be attributed to our prudent underwriting practices and a robust & diligent claim monitoring. Further, as a risk mitigation measure, Facultative reinsurance placements had also been arranged appropriately for sensitive risks to protect our treaties from losses and to take advantage in terms of proportional recoveries in case of claims.

Ultimately, the segment has performed commendably with a positive operating result for the year 2022-23. The highlight of the performance of this segment is very favourable ICRs achieved

during the year. In spite of the impact of additional management expenses due to wage revision, Fire line of business has shown a profit of Rs. 174 crore and Engineering line of business has returned a profit of ₹112 crores.

We also launched three new Insurance products under fire segment, namely, Standalone Terrorism and Sabotage Policy, National Bharat Sookshma Udyam Suraksha Plus and National Bharat Laghu Udyam Suraksha Plus policies as per approval from the Regulator. These products cater to the requirements of customers in retail/MSME segment with wider and flexible coverage than existing MSME policy. New and innovative add-ons to cater market demands are also being contemplated and work is in progress in this direction.

The Techno marketing team has been delivering value additions like dedicated seminars for the major clients, disseminating Insurance product knowledge, conducting risk inspections and offering risk improvement measures for effective Risk Management. We have maintained strong database for various risks across the country to monitor and retain our profitable renewals.

Going forward, our Company is shifting to a 3 tier operating structure with underwriting and claim hubs in place. This structure shall streamline the processes, especially claims management and bring more control over the performance of the segment. The newly formed Corporate Business Offices [CBOs] shall cater exclusively to our large corporate clients and shall deliver better experience to our corporate clients as well as brokers. The HO Techno Marketing department shall directly monitor the newly formed CBOs.

MARINE INSURANCE (MARINE CARGO, HULL, OIL & ENERGY):

Non-life insurance traces its origin to Marine Insurance, the oldest form of insurance; it is governed by International laws and practices.

Marine Cargo insurance relates to insurance of goods or merchandise in transit. Since the introduction of pricing decontrol in 1994, there has been a gradual fall in overall premium in Marine Cargo. Further, the overall slowdown of infrastructure projects coupled with the increasing

practice of self-insurance by large Cargo Insurance buyers, has contributed to decline in revenues for insurance across globe.

The second component of Marine Insurance Marine Hull Insurance which pertains to insurance of ships, boats barges etc. is limited only to the coastal areas of India thereby does not have universal appeal as compared to other branches of insurance.

The tariff rating in Marine Hull was de-tariffed in the year 2005. Since then stiff market condition led to reduction in premium rates over the years. This portfolio being globally loss making, market correction has commenced and pricing trends have become stable. Indian market remains mostly flat, where many global insurers have partially or completely withdrawn from this line due to losses and others are tightening their rating.

The Union Budget proposes to promote coastal shipping as an energy efficient and lower cost mode of transport both for the passengers and freight. Apart from Coastal Shipping, there is focus in Shipbuilding activity as well.

As a consequence to this, there has been growth in the Hull Premium and the Portfolio has also become profitable.

The Upstream Energy Market was performing well, however, fluctuation of Crude Oil Pricing has decelerated the Exploration & Offshore Construction policies to some extent.

Recent Ukraine – Russia conflict and its subsequent sanctions on entities/trade/territory have made it extremely difficult to get insurance for transport of goods and their carrying vessels. Delays for compliance check, limited capacity availability and high rates are the concerns of the stakeholders in their respective trade & business. To address this issue Marine Cargo Excluded Territories (MCET) Pool was created by pooling the domestic capacity to enable pool members to provide insurance cover for Marine Cargo export shipments of Mineral fertilizers and/or other fertilizers, Coal, Crude Oil etc and other commodities as decided by the Pool only for Indian Insured's from Excluded Territories. This agreement is based on the combined underwriting capacity of the Members and the GIC Re. Our share in the Pool is 6.1881%.

As far as your Company is concerned, even in today's decontrolled and competitive market, this department has the glory of being insurer to some prestigious international clients, which has helped us carve our footprints in global market.

During the year 2022-23, Marine department contributed ₹ 275.94 crores of premium with Incurred Claim Ratio 44% producing ₹ 73.91 crores of operating surplus.

This line of business demands specialized knowledge and experience. To augment the knowledge base of officials working in the Company's Marine department nationwide, Head Office Marine Department has taken up the task of knowledge building and information sharing through workshops and seminars, specifically designed to cater to the Regional / Zonal business units. This will be an ongoing process in up-skilling the employees and remain competitive in the market.

MOTOR TP CLAIMS:

The Motor TP Department work essentially involves giving an Action Plan to the Regions to synergise their efforts towards attainment of the corporate goals. The follow up through periodic Performance Review meetings laid stress on the following points viz.

- Fast tracking of Claims Handling process, right from prompt registration, physical verification for reconciliation.
- Repeatedly emphasizing the need for increasing conciliation settlements, primarily the Lok Adalats, DICC /RICC/TPHCC.
- Formation of more TP Claim Hubs. Currently there are 70 number of Hubs, with some Regions having multiple Hubs.
- Instructions given for review of Appeals for withdrawal due to the same becoming infructuous due to change in Laws.

The Regions have shown good results with the 4 National Lok Adalats held under the aegis of National Legal Service Authority, with the initiative and inspiration of Department of Financial Services, giving 25511 settlements, amounting to more than ₹1110 crores and total conciliation settlements(including DIICC /RCC TP HCC) being

25918 amounting to ₹1137 crores. The department has settled more claims than intimated leading to a reduction of outstanding claims by more than 13000 from last year. The year also saw highest number of cases settled (7433) in a single NLA. The year's claim settlement ratio too is highest in the last three years at 29.65%.

CONSUMER COMMISSION CLAIMS & ARBITRATION CLAIMS

Consumer Commission & Arbitration claims are dealt by a separate vertical with an objective for speedier and timely disposal of cases and work towards reducing the number of complaints. Complete coordination with concerned Technical departments is ensured so that all available defenses are taken to avoid any protracted litigation. This is ensured through monthly/quarterly review of cases with stress on maintaining the time lines and improve the settlement ratio. During the year, 3312 number of cases have been settled as against an intimation of 3077 cases.

Special thrust has been given to increase the settlement ratio through

- Lok Adalat : For the first time settlement of consumer commission cases through Lok Adalat has been initiated by Ministry of Consumer Affairs, Government of India. In the 2 Lok Adalats held in the financial year 2022-23, 139 number of cases have been settled for an amount of ₹1,50,48,099/-.
- Pre-litigation Mediation: Efforts are being made for pre-litigation Mediation through Mediation centres in District & State Commission.
- Avoid Protracted Litigation : Constant review and analysis of awards pronounced are made and similar factual matters are decided by the Company itself on the basis of policy terms and conditions and leading case laws on insurance claim. Number of cases where appeal has been filed by the Company has been reduced to 539 in the current financial year 2022-23 as compared to 1363 in the previous financial year 2021-22.

MOTOR OD:

Motor Portfolio of our company has witnessed a

positive year on business front as summarized below:

1. Overall Motor business grew at a rate of 9.54%, while the growth rate of Motor OD and Motor TP stood at 16.53% and 6.37% respectively.
2. The consolidated Motor OD and Motor TP premiums were ₹ 1694.51 crores and ₹ 3394.63 crores respectively, resulting in the gross premium of Motor portfolio being ₹ 5089.15 crores.

For the financial year 2022-23, Motor Technical Department continued the previous year's goal of introducing more Add On covers for our existing and prospective customers. As a result, the following Add-On coverages were approved during the year:

1. Loss of Driving Licence and Vehicular documents Add On for all classes of vehicles
2. Loss of personal belongings Add On for Private Cars
3. Consumable Protect Add On for Commercial Vehicles
4. Nil Depreciation Plus Add On cover for Private Cars (PC) with age exceeding 5 years and less than 7 years.

We want our customers to have a hassle free claim settlement process and therefore we have taken the following initiatives during the year:

1. New MoUs have been done with many garages to provide cashless claim settlement facilities to our customers at these garages. The overall, network strengthened to more than 1400 outlets (besides OEM cashless garage).
2. Settlement of claims within 7 days where estimate of repairs does not exceed ₹ 50,000/-
3. Waiver of repair bills for assessed loss up to ₹ 50,000/- for Private Cars and Two Wheelers
4. Settlement of claims based on scanned copies of documents

We plan to include assessment of Motor Claims through app, using Artificial Intelligence (AI). In order to get more insight into such technologies, AI based claims assessment is being run on pilot basis at Kolkata Regional Office II and Delhi Regional Office II.

Vendors have been successfully selected for providing Road Side Assistance (RSA) through Tender Process. In the coming years, we plan to utilize them for servicing our customers who will opt for RSA Add On cover.

Another important parameter of the Company's performance lies in the Claim Settlement Ratio (CSR), which, for non-suit Motor claims, is 92.02% at the end of the financial year. Our endeavor for the current financial year is to achieve the Claim Settlement Ratio of more than 95%.

In conclusion, we aim to reach greater heights in all parameters that would not only help the Company to achieve profitable growth, but also make National Insurance Company Limited the preferred choice of Indian citizens as their motor insurance service provider.

HEALTH INSURANCE MANAGEMENT:

The Company has garnered a total Premium of ₹15,139 crores in the fiscal year 2022-23. Health Insurance Premium of ₹6944 crores constitutes around 46% of the overall Premium Income and is the single largest portfolio for the Company. In the year 2022-2023 focus was on Profitable Growth in "Health Segment" with emphasis on "Claims Management". The claim settlement ratio of Health Segment was favorably above 96% for the year. More than 90% of cashless claims was approved in less than 2 hours and average turnaround time for settlement of a health claim was less than 7 days which has shown considerable improvement over the last year.

We have introduced a new retail health product in the market – National Young India Mediclaim Policy which is a specially designed health insurance policy for the youth population including coverage for restoration of sum insured, maternity expenses, zone-wise premium paying facility and many attractive discounts. The Company has also launched its first retail health add on product named National Home Care Treatment Add on which covers medical expenses incurred on account of treatment taken at home.

Keeping in view the genuine hardships faced by our policyholders during the pandemic and to promote COVID-19 vaccination we have extended a discount up to 10% on new and renewal premium

of our popular health product - National Mediclaim Policy and newly launched National Young India Mediclaim Policy for policyholders who are vaccinated against COVID-19.

Our Health products are available for online purchase through Company's own portal and other external models. We have been promoting and widely publicizing all our Retail Products on our website, social media and through webinars & briefing sessions conducted regularly.

National Insurance has adopted a cautious and conservative approach in Group Health Segment with greater emphasis on sustainability. The Company has endeavored to make conscientious efforts towards Price and Cover corrections in our Group policies. Large Corporate Accounts are now directly monitored from Head Office for analyzing policy performance and establishing claims control on a monthly basis.

Concerted efforts have been made in bringing down the Incurred Claim Ratio through regular Claim File Audits, interactive meeting held with Regional Offices and TPAs, pre-payment checking of claim files and of cashless authorizations granted by TPAs to Hospitals by our Company Doctors. Nine Health Hubs have been opened in eight major cities of Delhi (I&II), Mumbai, Chennai, Kolkata, Bengaluru, Ahmedabad, Hyderabad and Pune which are mapped with nearby TPA Corporate Offices for effective claims control.

We have also expanded our Cashless Network Hospitals to Tier-II/III cities and started expansion and inclusion of PPN (Preferred Provider Network) cities across India. Company is taking the lead in new PPN cities of Ranchi, Patna, Bhubaneswar and Guwahati. The existing PPN network in Kolkata has also been expanded to include surrounding regions so that the benefit of PPN can be extended to our policyholders in these Regions.

National Insurance also continues to be the sole Insurer for the prestigious "Ayushman Bharat" Scheme in the State of Jharkhand since inception in 2018. In the present year 2022-2023 the Scheme covers almost 90% of Jharkhand's population.

We are also catering to approximately 6.88 lac families under the "Megha Health Insurance Scheme-(MHIS-V)" which is the Health Insurance

Scheme of Meghalaya Government, accounting a Premium of ₹114.47 crore during the year 2022-2023.

CROP INSURANCE:

The Company has successfully implemented Crop Insurance Schemes (PMFBY/RWBCIS/BSB) since Rabi 2016-17 in 10 States and 2 Union Territories in both Kharif & Rabi seasons. The Company, in these 7 years, has underwritten ₹6883.46 crores premium and paid claims amounting to ₹7176.46 crores. It is pertinent to note that the premium figure stated above includes ₹827.32 crores for financial year 2016-17. During the financial year 2016-17, the crop premium was part of RNTB segment as there was no separate crop segment.

In the financial year 2022-23, the Company has participated in Andaman & Nicobar Islands, Sikkim & Puduchery in both Kharif and Rabi seasons. The total premium booked is ₹153.52 crores and the incurred claims stand at ₹177.91 crores. It may be noted that the premium and claim figures stated above include inward and outward coinsurance also.

FOREIGN OPERATIONS:

The Company has active operations in Nepal only.

Nepal:

NICL conducts its operations in Nepal through its foreign operation branch, which has strong financial standing. The Nepal operations has Controlling Office situated in Kathmandu, overseeing two Branch Offices, and a dedicated Controlling Unit responsible for effectively managing RI (Reinsurance), claims, and marketing activities. In addition, Nepal operation has strategically set up twelve additional offices outside the valley to ensure comprehensive coverage and deliver exceptional insurance-related services to our customers throughout the region. With its network of branches and offices across Nepal, NICL strives to reach and serve customers in different regions of the country.

Nepal Office has experienced significant growth in the direct business segment, achieving a Gross Direct Premium Income (GDPI) of INR 57.86 crores in the fiscal year 2022-23 with impressive

Incurred Claims Ratio (ICR) of approximately 79%.

Hong Kong:

Hong Kong Branch stopped accepting new business since 18th February 2002. The run-off

operations are being handled by New India who continues to service existing policies and claims.

The working result of the foreign operations for the year 2022-23 is as follows:

FOREIGN BRANCH RESULTS:

(₹ in crore)

Particulars	Nepal		Hong Kong		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Gross Direct Premium	57.86	51.10	0	0	57.86	51.10
Net Premium	38.55	32.97	0	0	38.55	32.97
Net Incurred Claims	28.92	45.89	0	0.06	28.92	45.95
Net Commission	-5.01	-2.13	0	0	-5.01	-2.13
Expenses of Management	8.17	6.96	0.37	0.5	8.54	7.46
Decrease(-)/Increase(+) in Reserve for Unexpired Risk	2.77	2.69	0	0	2.77	2.69
Underwriting Results	3.70	-20.44	-0.37	-0.56	8.87	-21.00
Investment and other Income	11.12	8.86	0.58	0.28	11.7	9.14
Foreign Exchange Gain/Loss	0	0	2.49	1.01	2.49	1.01
Net Profit (+)/Loss (-)	14.82	-11.58	2.7	0.73	23.06	-10.85

MARKETING:

BUSINESS DEVELOPMENT INCENTIVE SCHEME FOR PSGICs

The Governing Board of GIPSA has approved the Business Development Incentive Scheme as part of the initiative for profitable premium growth and to encourage workforce for “Go-to-Market” approach in PSGICs for a period of one year effective from 1st April, 2022.

Hence, our Company has accordingly on 6th April, 2022 has issued instructions on Business Development Incentives Scheme, 2022-23 for one year effective from 1st April 2022.

The Scheme is applicable for Class-III Employees, Class-II Development Officer (Administration) and Class-I Officers upto Scale-IV, except Officers with Marketing functions under Conveyance Scheme, 9A(V). The core job of the business development workforce will be to continuously promote /support/assist/train/collaborate with the channel partners to bring profitable business. Key benefits of the scheme:

- No upper limit on incentive earning potential.
- Monthly Business Development Expense Reimbursement, ranging from Rs.2500/- to Rs. 4500/-.
- Continuous support from the Company in the form of BD skills.
- Profitable Growth Incentive – All BD Roles on Risk Adjusted Premium Income (RPI)
- Incentive on No. of Policies.
- Incentive on Recruitment of Agents/POSP- Applicable to Agency Vertical.

Total 1725 employees were assigned roles under 3 channels of BDIS–during the financial year as below-

Channel	Selected under BDIS-pilot
Agency	1400
Alternate Channels	153
Bancassurance	172
Grand Total	1725

- Premium of ₹184 crores is booked under various BD Verticals.
- The Company has organized Training Programmes for the BDMs to enhance their product knowledge. There is continuous sharing of knowledge on various retail products through zone wise Whatsapp group created for the BDMs.

BUSINESS ASSOCIATES

In accordance with the NICL (Contractual Appointment of Business Associates) Scheme-2016, the Company appoints on contract basis eligible retired Development Officers and/or

AO(D)s/AM(D)s as Business Associates in order to facilitate retention and organization of Retail Market Premium. It also helps to provide continuity to the clients and agents in seamless transition of business even after retirement of such Development Staff and Marketing Officers i.e. AO(D)s/AM(D)s. Further, the Scheme has been extended to Deputy Managers (D) in FY 2021-22. In line with the Scheme, we have extended marketing functions to Deputy Managers through circulation on 25.11.2022. The Company has appointed 253 eligible retired officers as Business Associates and the premium procured during the financial year 2022-23 stands at ₹559.81 crores approximately.

Total number of ROs, DOs, BOs and Business Centres as on 31st March 2023:

Head Office	Regional Offices	Divisional Offices	Branch Offices	Business Centres	Total
1	34	315	402	131	883

428 offices were consolidated/closed during the year, with a view to have structural cost efficiency, while ensuring full protection of the existing business of the offices involved, and seamless services to our policyholders are unaffected.

BANCASSURANCE

We have Bancassurance Tieups with 14 Commercial and Cooperative Banks in the FY 2022-23 which generated a total premium of ₹19.60 crores with a growth rate of 2.11% and accretion of ₹ 40.5 lakhs. This was a departure from the de-growth which was seen in Bancassurance business for the past few years.

Also 172 employees were assigned exclusive Bancassurance servicing role under BDI Scheme this year. All these BDMs/BDEs and other marketing officials from operating offices, Regional Office and Head Office officials are regularly visiting the bank counterparts of our Bancassurance partners. One of our strategy to increase Bancassurance business is to increase the number of our bank tie-ups. Continuous efforts are being made for the same. We expect that all these efforts shall fructify into improved business performance in 2023-24.

BUSINESS DEVELOPMENT FROM AGENCY CHANNEL

Individual Agents contributes the majority of Premium gained by NIC. Presently, about 37.36% (i.e about ₹ 5,676.41 crores) of the total premium gained by the Company in FY-2022-23 has been procured through the Individual Agency Channel & the current strength of Individual Agents in NIC stands at about 60,787.

NIC at the very start of FY-2022-23 had adopted and implemented NICL (Appointment of Insurance Agents) Policy, 2022 & NICL (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Policy, 2022 based on the IRDAI regulations for the same. The NICL (Appointment of Insurance Agents) Policy has ensured that the individual agency force is maintained in a structured and organized manner in accordance with IRDAI regulations.

The Company has further recruited about 4,594 agents during the FY-2022-23 and had also carried out a special drive for appointment of agents.

The Company had also recognized and conducted felicitation of Star Performing Agents with a view to

encourage the agency force and to appreciate their efforts. A total of 162 Agents were recognised as General Manager's Club Star Agents, and 36 Agents were identified as Chairman-cum-Managing Director's Club Star Agents.

To ensure steady business retention & an increase of the premium especially in the Retail sector procured through this channel NIC had launched reward schemes on Motor, Health & Non-Motor Non-Health portfolios in accordance with the Regulatory & Company guidelines. The Company also provides for reimbursement of Personal Accident & Mediclaim Policy premium and also extends critical illness coverage to agents depending on the amount of premium procured by them.

Steps were taken to further improve the existing Agents Business Portals and to make it more user-friendly. As on 31st March 2023, a total of ₹ 1,557.37 crores of premium has been gained online through Agents Business Portals against 51,21,386 Policies.

POINT OF SALES PERSONS:

National Insurance has appointed 2,787 Point of Sales Persons (POSP) during FY-2022-23. As on 31st March, 2023 the Company as a total of 8,390 POSPs. Pre-underwritten simple products such as Motor Insurance, Fire Insurance for dwellings, Health, Travel, Personal Accident, Home Insurance, Critical Care Insurance and rural insurance can be sold by Point of Sales Persons. A total Premium of ₹ 164.93 crores has been sourced from POSP channel out of which ₹56.49 crores was procured through online portals.

INTERMEDIARIES [OTHER THAN CORPORATE AGENT (BANKS)]

NIC at the very start of FY-2022-23 had adopted and implemented NICL (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Policy, 2022 based on the IRDAI regulations for the same.

BROKERS

A premium of about ₹ 4,427.04 crores was collected through Broker Channel in FY 2022-23 which constitutes about 29.15% of the total premium of the Company during the FY 2022-23. As on

31.03.2023 the number of Brokers placing business with NICL stands at 464.

WEB-AGGREGATORS

A premium of about ₹ 82.04 lakhs was collected through Web-Aggregators channel in FY-2022-23. At present three (03) Web-Aggregators are placing business with NICL.

INSURANCE MARKETING FIRMS (IMF)

As on 31.03.2023 the number of Insurance Marketing Firms (IMFs) engaged with NICL stands at 24 and during the FY 2022-23 a total of about ₹1.00 crores of premium has been collected through IMFs. During the FY 2022-23, the Company has adopted and implemented National Insurance Company Limited (Utilization of Insurance Marketing Firms) Policy, 2022. The Company has also launched an in-house IMF empanelment/engagement portal in FY-2022-23.

CORPORATE AGENTS (NON-BANKS)

As on 31.03.2023 the number of Corporate Agents (Non-Banks) engaged with NICL stands at 20 and during FY-2022-23 Corporate Agents (Non-Banks) have procured a premium of about ₹ 3.88 crores.

Product Department

Research and Development Department has always strived in its efforts to develop innovative products and revise existing products in tandem with market requirements, corporate goals and regulatory requirements and also to spur retail growth of premium.

During the F.Y. 2022-23 out of the 15 product filings undertaken, the major new product filings were New National Parivar Mediclaim Policy, National Women Safety Policy (Women specific PA Policy at economical rates), National Young Women Advantage Policy (PA cum Critical Illness Policy for young women), Fire Products with optional Terrorism (Sookshma Udyam Suraksha Plus & Laghu Udyam Suraksha Plus), National Domestic Travel Policy and Divyangjan Sanjeevani Policy - National (for persons with disability, mental illness and HIV).

Experience based rate corrections and design up gradation were undertaken in National Group Mediclaim Policy, Janata Personal Accident

Insurance Policy, National Senior Citizen Medclaim Policy.

Out of 5 Motor add-on filings undertaken during FY 2022-23 to provide additional coverage to Motor Package Policies, the notable add-ons are, Daily Allowance (for two wheeler and private car), Road Side Assistance (for two wheeler, private car & commercial vehicle) and Fuel Flip Flop (for private car).

The department has a dedicated e-mail (r.d@nic.co.in) where our employees can reach us to provide active feedback, market requirements or product improvement suggestions directly from our offices.

Digital Tie-Ups

As part of marketing side of Digital Marketing initiatives, two new partners have been successfully tied as Digital Tie Up including the Pan India reputed 'Phone Pe' from the source of which alone ₹ 62.39 crores retail premium has been earned within a functional period of ten months.

Social Media Platform and Direct Digital Selling

Social Media Platform of the Company has been re-activated during the year 2022-23 by engaging a dedicated creative team for enhancing our meaningful presence in Facebook, Twitter etc.

The above apart, both through Company website and through newly initiated SMS communication channel with payment link message was sent to the customers for cross-selling and up-selling in the last month of the last financial year.

The process for WhatsApp Direct Communication Channel with agents, customers and Marketing employees has been initiated intending to share product brochures and product knowledge to maximize its reach.

Generic Mail ID

Head Office Marketing has created a generic e-mail id, i.e., ho.marketing@nic.co.in for a direct communication/suggestion coming forth from any quarter which can simultaneously attract attention of all officers of Head Office-Marketing including General Manager and Deputy General Managers of Marketing Department, intending improvement in the system and improvement in marketing channels and strategy of the Company.

ACTIVITIES OF STRATEGIC ALLIANCE MANAGEMENT DEPARTMENT:

During the financial year 2022-23, Company has maintained its strong presence in Motor Insurance through PAN India Auto Tie-ups which has contributed around '12%' to the GDPI of the Company. Overcoming the Covid-19 challenges there has been a good growth in automobile sector and our Auto Tie-up Premium also grew by 20% as compared to last year. This growth is a testament to the hard work and dedication of our officials, partners, and all stakeholders, who have worked tirelessly towards achieving this feat. Company insured 26.80 lakhs vehicles and settled 4.69 lakhs own damage Tie-up claims through the Dealer's network during the year and achieved 95% non-suit claim settlement ratio in Auto Tie-ups in FY 2022-23. We have also made significant improvements in technology and infrastructure, which have helped us to enhance our operational efficiency and provide better customer experiences. As we move forward, we remain committed to pursuing opportunities and deliver value to our customers and stakeholders.

PUBLICITY ACTIVITIES:

Publicity Activity in 2022-23 focused on brand building of National Insurance as a trusted name & most preferred non-life insurance company with a legacy of 117 years, providing diverse insurance solutions with emerging technology and establishing a top of mind recall of the National Insurance brand amongst the insurable populace and general public. In the light of the pandemic situation and the aftermath of new normal, Publicity activities of the company were also tailored to Branding in the image of the company as a Company which cares for the well-being of its customers and all stakeholders. Emphasis was also laid on celebrating and promoting 'Azadi Ka Amrit Mahotsav (AKAM)', an initiative by the Government of India to celebrate and commemorate 75 years of India's independence and the glorious history of its people, culture and achievements. Due to the austerity measures adopted by the Company, it increasingly relied upon a cost effective and impactful Advertisement and Promotion Campaign through NICL's three (3) Official Social Media Channels:-

1. Twitter – @NICLofficial
2. Facebook
 - Insurance Company Limited-Trusted Since 1906 - A public Page on Facebook
 - NICians – Official Forum (Facebook Group for all serving NICians)
 - Proud NICian (for Serving and Retired employees and Stakeholders)
3. YouTube – National Insurance

NICL's Social Media Channels

Company's Social Media and Virtual Tech Channels were increasingly used and relied upon to meet the ever increasing need for communication of vital information. Digital Platform had been the most effective and cost saving way of communication and dissemination of information for all the stakeholders in the aftermath of the pandemic situation.

Some of the activities have been:

- **Awareness Campaign & regular updates:**

Information and awareness about Pradhan Mantri Fasal Bima Yojana, Crop Insurance Week, and Vigilance Awareness Week etc., were posted on our Social Media handles. Advisories and awareness initiatives by MyGovIndia, DFS, Ministry of Road Transport and Highways, National Disaster Management Authority, Ministry of Information and Broadcasting, Ministry of Agriculture and Farmers Welfare etc have also been disseminated from time to time through SMVT. Our followers on Twitter have increased from 5000 in March 2022 to more than 6300 by March 2023.

- **Creating Audio Visual Campaigns & promotion/ updating of various products/ programs:**

Information on new health insurance product – National Young India Mediclaim Policy have been disseminated through NIC's SMVT Channels.

- **Participation and sponsorship of events:**
NICL has participated in prestigious events

like Dharma Chakra Pravartan Din at Diksha Bhoomi, Nagpur and Ullas 2022 at Bhubaneshwar

Azadi Ka Amrit Mahotsav (AKAM) celebrated by NICL on a Pan-India basis:

Live telecast of Iconic Week Samaroh of AKAM and address of the Hon'ble Prime Minister were held across offices of NIC across the country. Activities like Health check-up camp, Blood donation camp, Vigilance Awareness Walk, Customers' Meet, Clean Your Workspace Drive and Special Health Check-up camps on Women's Day, Felicitation of Senior Citizens etc. were held in offices of NICL all over the country.

CUSTOMER RELATIONSHIP MANAGEMENT:

Customer Relationship Management is the strongest tool for building up healthy and mutually beneficial relations with the customer through Grievance Management. Grievance is a dissatisfaction or feeling of injustice, expressed by the customer which needs to be redressed with in a time line. Grievance if redressed promptly culminates in trust building and customer retention.

A highly dedicated team for grievance management is continuously tracking the grievance received on the Company's behalf and ensuring its speedy disposal. An updated list of Grievance Officers with their contact details is available on the website of the Company for the convenience of the customer.

A dedicated toll free number 1800-345-0330 and a mail id customer.relations@nic.co.in as Single Point of Contact (SPOC) available for Customers to lodge their complaints. Also, Grievance Portal called as Customer Grievance Management System (CGMS) available on the Company's website <https://nationalinsurance.nic.co.in> inter-linked with Integrated Grievance Management System of IRDAI, where customers can directly register their grievances.

Grievances are received online from various Government Portals and our own portal. We also receive grievance through e-mail, post, telephone and walk in customers, which are also lodged in the portal. An auto generated SMS is sent to the complainants' mobile number conveying his/her

GRI No. An acknowledgement via e-mail or post is sent to the complainant with escalation matrix at senior level for expediting redressal of grievances.

The CRM department of the Company also handle grievances registered at Centralized Public Grievance Redressing and Monitoring System (CPGRAMS) which is directly monitored by the

Department of Administrative Reforms & Public Grievances, Government of India and grievance registered via National Consumer Helpline which is directly monitored by the Department of Consumer Affairs, Government of India. In the Financial Year 2022-23, we have redressed 1322 grievances at CPGRAMS and 564 grievances at NCH with utmost satisfaction of the complainant.

ON-LINE GRIEVANCE REDRESSAL INCLUDING CPGRAMS FOR THE YEAR 2022-23

Number of Grievances outstanding as on 01/04/2022	Number of Grievances reported during 2022-23	Number of Grievances redressed during 2022-23	Number of Grievances outstanding as on 31/03/2023	Grievance Resolution ratio during 2022-23 (%)	Grievance Resolution ratio during 2021-22 (%)
105	8351	8146	310	96.33	98.91

The above data clearly highlights our effort to ensure effective and speedy redressal of grievances of the customers.

HUMAN RESOURCES:

1. Class wise employees' strength as on 31st March 2023:

Class	Total	SC	ST	OBC	GEN	Out of which	
						PwD	Ex-Serviceman
I	5056	1083	488	1009	2476	119	66
II	121	18	7	15	81	1	-
III	2727	640	301	543	1243	97	58
IV	726	339	72	95	220	11	-
Total	8630	2080	868	1662	4020	228	124

2. Net addition to the work force of the Company during 2022-23:

Class	Total	SC	ST	OBC	GEN	Out of which	
						PwD	Ex-Serviceman
I	-	-	-	-	-	-	-
II	-	-	-	-	-	-	-
III	31	10	5	5	11	-	-
IV	24	9	2	5	8	-	-
Total	55	19	7	10	19	-	-

Welfare of SC/ST/OBC/PWD/ex-Servicemen

The guidelines on reservation of posts, relaxation and concession for SC/ST/OBC/PWD/Ex-Servicemen in recruitment is followed as per applicable guidelines for departments under Government of India. There are also reservation/

relaxation in some promotional posts/ promotional posting for SC/ST/PWD. Pre-promotion training programmes are being conducted for SC/ST/OBC employees/ officers. Pre-recruitment training programmes are also being conducted for SC/ST/OBC candidates.

The officers and employees are imparted regular online/ offline training courses at National Insurance Academy (NIA) Pune, College of Insurance Academy at Mumbai and at National Centre for Insurance & Learning (NCIL), Kolkata, in which the participation of employees from SC/ST/OBC categories are adequate.

There is a SC/ST Cell and an OBC Liaison Cell with Chief Liaison Officers and Liaison Officers for SC/ST and OBC posted at Head Office to look after the welfare and implementation of reservation of SC/ST/OBC category employees in our Company. Separate Liaison Officers for SC/ST category & OBC category are nominated in Regional Offices/ centres also. Chief Liaison Officer have also been appointed to look after the grievances and matters related to PWD & Ex-Servicemen.

Meeting with Check Off qualified Unions/ Associations & Welfare Associations are held at regular intervals in order to resolve issue related to grievances/service matter/ welfare of our SC/ST/OBC employees.

Rosters (promotions and recruitment) as per the Ministry's guidelines are maintained at Head Office and Regional Offices to ensure adequate representation of SC/ST/OBC employees. Inspection of Rosters is carried out on regular basis.

There are benefit schemes under Dr. Ambedkar Welfare Trust Schemes for SC/ST/OBC employees as detailed under launched by Dr. Ambedkar Welfare Trust:-

1. Reimbursement of school fees books, notebooks and school uniforms for children of FTS/PTS belonging to SC/ST/OBC employees.
2. Reimbursement of expenses towards cost of books, fees incurred for MBBS, MBA, Engineering, LLB to Class-I (upto Scale I), Class II, Class III employees belonging to SC/ST/OBC employees.
3. For passing Insurance examination for SC/ST/OBC employees. LIII – 500/-, AIII- 1000/-, FIII- 2000/-.
4. Dr. Babasaheb Ambedkar Scholarship for Higher Education: For MBBS, MBA, Engineering, LLB & PHD for sons/ daughters of Class IV SC/ST/OBC employees - 25000/-.

5. Dr. Babasaheb Ambedkar State Merit Scholarship: Sons/daughter of SC/ST employees who stood first in the respective State/UT in class 10th and 12th - 25,000/- or laptop.
6. Dr. Babasaheb Ambedkar Special Grant: For wedding of one daughter of Class IV SC/ST employee - 11000/-.

NICEGRF (NATIONAL INSURANCE COMPANY EMPLOYEES' GRIEVANCE REDRESSAL FORUM):

Internal Grievances of all sections of employees were redressed through this forum. No cases were escalated to NICEGRF Stage 3 from the ROs in 2022-23.

Human Resources Development

The financial year 2022-23 was challenging as far as training and HR development programmes were concerned as we came out of the enforced online mode and reverted to classroom training across all classes of employees. Hybrid modes of training in both online and offline environments were adopted and utilized by the Company to engage and enhance the skills of our HR assets, enabling them to provide new global standards of service to the customers as well as efficiently meeting the Company requirements in diverse settings and the contemporary challenges of a rapidly changing insurance market scenario. It is vital to motivate the workforce to deliver at an enhanced level to meet the objectives as described above.

HRD continued its strategic role in augmenting the skill sets and technical know-how as well as to maintain an enhanced level of motivation which in turn helped employees to successfully meet the organizational goals and achieve excellence in every sphere.

With the new business model adopted by the Company and the migration to UPI based organization changes from 3 tiered operational setup to 2 tiered one, training needs were redesigned to provide new categories of learning experiences to our employees to meet the challenges seamlessly.

As part of our regular activities, we continued to nominate our officers from all over the country to

undergo specialized training programmes in Insurance, Management and IT based domains conducted by National Insurance Academy, Pune, the premier insurance training institute of the country. Our officers were nominated for training at NIA during the year. Some of the nominated courses are namely :

- Management of Marine Insurance (Cargo)
- Enterprise Risk Management
- Programme for Young Officers
- Management of Motor Underwriting & Claims (OD)
- Advanced Claims Management (Property Insurance)
- Management of Miscellaneous Insurance Business
- Increasing Profitability
- Programme on Digital Marketing
- Workshop on Motor Third Party Claims
- General Management Programme for BMs/DMs
- Workshop on Broker's Relationship Management
- Programme on Self Awareness and Personal Effectiveness
- Artificial Intelligence Techniques and Practices for GI Advantage
- Programme on Fire Underwriting Skills
- Profitable Management of Health Portfolio

NCIL (National Centre for Insurance Learning) Training Centre, Narendrapur introduced online training activities to cover a larger cross section of officers compared to previous years. Our officers were trained in various domain related and functional areas during the year 2022-23. Separate training programmes were held at Regional Office level in RTCs/ ATCs. During the year, the number of employees trained online by NCIL alone was 2600 in 8 different training programmes.

Pre-promotional online training was held for SC/ST/OBC officers and Class III employees around the country before the Promotional Exercises for the year 2022. A total of more than 58

officers and 123 Class III employees have received this training.

This year our senior officials were nominated for a comprehensive learning & development initiative programme organized by National Insurance Academy (NIA), Pune for senior executives "RAISE" (Rebuild, Accelerate, Inspire, Sustain, Excellence). The above mentioned programme is a comprehensive intervention for PSGICs for Business Excellence by NIA. The programme "RAISE" specially focused on achievements of KPIs , sharpening strategic thinking and execution excellence and developing business development skills among key role holders. Some of the nominated courses were namely : RAISE – Workshop for CMDs, RAISE – Strategy Retreat for the General Managers, Workshop for DGM, Workshop for Regional In-Charges, Workshop for Chief Managers from Head Office, Workshop for Change Champions (RMs), Workshop for Corporate Centres/LCBOs, Workshop for Channel Management & Driving Retail Growth (Rms).

Our officers were also nominated for specialized training, seminars and workshops at reputed external institutes and organizations namely College of Insurance (Insurance Institute of India) – Mumbai and Kolkata Insurance Institute, Institute of Insurance and Risk Management, Xsentinel Risk & Claim Advisory Pvt. Ltd.

There are various types of financial and non-financial risks associated with increased digital foot prints in financial intermediaries and innovative financial products. Our Company took an initiative and nominated officials for a training programme for better risk mitigation conducted by The Institute of Insurance and Risk management.

This year our Company also took an initiative for gender sensitization and nominated dealing officers from HO/RO ICC for an online special programme on Prevention of Sexual Harassment Act (POSH ACT, 2013) conducted by the Mind Power Training Institution (MPTI).

Training Statistics: 2022–23	
<u>Training at National Insurance Academy (NIA) , Pune</u>	
	<u>No. of participants</u>
Class – I Officers	512
<u>Training at College of Insurance (Col) , Mumbai</u>	
	<u>No. of participants</u>
Class – I Officers	18
<u>External Training Programmes / Seminars / Workshops etc. (Online & Class Room)</u>	
	<u>No. of participants</u>
Class – I Officers	37
<u>Training Programmes at NCIL / RTC / ATC (including Pre-promotional Training for SC / ST officers at NCIL / RTCs)</u>	
	<u>No. of participants</u>
<u>Training Programmes at NCIL</u>	Class – I 2600
<u>Training Programmes at RTCs</u>	Class – I 265 Class II NIL Class III 332 Class IV NIL
TOTAL	3197

RIGHT TO INFORMATION:

The Indian Constitution guarantees the Right to Freedom of speech and expression to all its citizens under Article 19(A). The Right to Information Act, 2005 is recognized under this Article. Its basic objective is to provide a practical regime of right to information for empowering its citizens, promote transparency and accountability in the working of Government. Right to Information Act mandates timely response to the citizen's request for information.

In National Insurance, we have designated ACPIOs at each branch office, CPIOs at all divisional offices, Regional offices and Head Office to deal with the applications and appeals under RTI Act, 2005. There is full-fledged RTI Cell with a senior officer as CPIO at the Head Office.

RTI Applications/Appeals filed through both online and conventional modes. There is an increase in the number of online applications/appeals. For these the nodal officer is the single contact point in the Company who in turn forwards the RTI

Applications/Appeals to the concerned CPIOs/FAAs.

RTI related issues and problems faced by different CPIOs/FAAs were addressed individually. Regular interactive sessions on RTI matters are incorporated in various online/offline training

programs. The officials dealing with RTI matters are being updated constantly with the latest decisions and judgments of the Hon'ble CIC, High Courts and the Supreme Court.

It is our constant endeavor to provide information to citizens in line with the spirit of the law.

The statistics for the year 2022-23 along with comparative figures for the year 2021-22 are given hereunder:-

Sr. No.	Applications	2022-23	2021-22
1	Outstanding of the last financial year	18	16
2	No. of new application received	1039	870
3	No. of cases where information was provided	968	772
4	No. of cases where information was denied	72	96
5	Outstanding at the end of current financial year	17	18
FIRST APPEALS			
1	No. of appeals received	167	115
2	No. of appeals accepted	167	115
3	No. of cases where appeal was rejected	0	0
4	Appeals pending at the close of financial year	0	0
CIC CASES			
1	No. of Appeals/complaints	50	33
2	Decisions upholding the contention of CPIO	38	22

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

National Insurance is ever committed to the aim of creating better and safe working environment for

the women employees. The Company strictly complies with all the requirements as mandated by the Act and also has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace.

At present, the Internal Complaints Committee (ICC) comprises of the following Members:

Smt Geetanjali Khanna , Chief Manager , Head Office	Presiding Officer
Shri Tapan Das, Manager, Head Office	Member (from May 2021 onwards)
Smt Sushma Gandhi , Manager, Head Office	Member (from Feb 2023 onwards)
Smt Paramita Chaudhury	External Member (Third Party Representative)

Internal Complaints Committee at RO level has also been constituted in all Regional Centres across the country and each of such ICC has been constituted as per the provisions contained in the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'.

As the Company endeavors to have a 'Zero Tolerance Policy' for sexual harassment at work place, it conducts various training programmes to sensitize the employees both men & women about its vital aspect periodically.

The number of complaints received, pending and disposed of as on 31st March 2023 is detailed herein below –

Period	No of cases pending as on 1 st April 2022	No of cases registered during 2022-23	No of cases disposed off during 2022-23	No. of pending cases as on 31 st March 2023
	(a)	(b)	(c)	(d)
01.04.2022 to 31.03.2023	1	0	1	0

ENTERPRISE RISK MANAGEMENT (ERM):

In National Insurance Company Limited, the identification and management of risk is a continuous process linked to the achievement of the Company's strategic and operational objectives. Reviewing the risks and continuous updating of its control measures, is taken up on a regular basis and the reports are presented periodically to the Risk Management Committee of the Board.

Scores for Inherent Risk, Control Rating and Residual Risk were updated as per the inputs provided by respective departments in all the Risk Registers in the F.Y. 2022-23. The Risk Register of various departments including Motor, Fire & Engineering, Vigilance, Reinsurance, IT, IA&ID, Miscellaneous, Accounts, HR & Training, Actuarial and Investment Departments were updated with new control measures/root causes. Risk owners in various Risk Registers, who are responsible for taking risk reduction and risk mitigation measure, have been identified as DGMs of respective lines of business/ Depts. At Head Office.

As part of the Risk Management process and in compliance with the IRDAI guidelines, the Anti-Fraud Policy and the Whistle Blower Policy of the Company were updated and approved by the Board in the F.Y. 2022-23.

Risk Management Report, prepared and placed before the Risk Management Committee of the Board, highlighted the performance of various LOBs, ICR movements of various Regional Offices, performances of various Motor Tie-Ups, Vehicle category-wise performance of Motor portfolio, Fire portfolio analysis, Review of Government Health Schemes, Top Group Health Clients, Retail Health portfolio, TPA's performance along with remedial

measures undertaken, profitable areas of growth as well as LOB wise ICR analysis. Risk Management Framework for the Company was presented and approved by the Board during the F.Y. 2022-23, focusing on control measures in order to improve the Company's overall business performance by targeting on more profitable lines of business. The Framework also included segment wise Gross Loss Ratio & Net Loss Ratio comparison with other insurers.

The dedicated ID titled FAF (Fight against Fraud) with email address (faf@nic.co.in), is available on the Company's website for reporting of frauds. This email id is being continuously monitored by ERM department. Cases reported on FAF are analyzed and proper action is initiated as per the Anti-Fraud Policy Guidelines. Nodal Officers at Regional Office level, nominated as per the Anti- Fraud Policy Guidelines provide monthly reports of fraud reported in their respective Regional office.

Quarterly reports are compiled on the basis of fraud claims data received from offices, TPAs and investigation of suspected fraudulent complaints received on Company's dedicated email ID faf@nic.co.in. Risk Management Committee of the Board is kept informed on regular basis.

As envisaged by IRDAI and as part of information sharing on frauds, the Company has been uploading data relating to policyholder's and service provider's frauds on a regular basis on Fraud Risk Mitigation Portal of GI Council.

ESTATE & ESTABLISHMENT:

Estate & Establishment Department is responsible for the overall management of all Company-owned and leasehold properties. The department deals with repair/renovation, upkeep and maintenance of the properties, fixation of rents, execution of lease

agreements, procurement of assets, AMC's for various office-related services and outsourcing arrangements for services like security, cleaning, caretakers, drivers etc. The Department also handles litigation cases on estate matters.

Construction of New Corporate Office at Plot No. CBD-81, New Town, Kolkata-700156 by M/S. NBCC Limited has been completed and Occupancy Certificate has already been issued by New Town Kolkata Development Authority (NKDA) in July, 2022. This project has been completed confirming to international standards with intelligent building management system. The office building is designed as an Energy Efficient smart building with 4-Star GRIHA rating having capacity of 1000 people along with facilities for Training Center, 400 seating capacity auditorium and parking space for more than 400 cars. Handing/taking over of the building and Networking & IT related jobs are in final stages and Head Office will start functioning from this building very soon. Further, we have also identified space for renting out in this new building.

Present income of the Company from renting out of Company-owned office premises at Kolkata (4 rented premises) & Mumbai (6 rented premises) is ₹8.30 crores. Space Utilization Committee has identified office space of around 25000 sq. ft. for renting out in National Insurance Building, Kolkata to generate revenue from non-operational sources. The Committee has also identified office space of around 24000 sq. ft. for renting out in Company Owned premises of Mumbai.

Our Company has 28 commercial properties and 581 residential properties having market value of approx. ₹ 3000 crores. We have also come up with a Comprehensive Estate Manual which was approved by the Board in its meeting held on 29th March 2023.

We have under taken repair/renovation work at National Insurance Tower (Sterling Cinema Building) Mumbai, GIC Staff Quarters Complex in Mumbai and Noida Flats. The works are under progress. In line with the directives of the West Bengal Fire & Emergency Service (WBFES), we have undertaken a project to upgrade our Fire Detection and address system at our Head Office, Kolkata. In the process, tender was floated for construction of steel stair case for Fire Escape and

work is on the verge of completion. The Establishment Manual of the Company was last revised in 2005. The Draft of the updated Manual is on the verge of completion and thereafter it will be placed before the Board.

As a part of Swachh Bharat Abhiyan, stress was given for cleanliness and hygiene of our offices. In the process, good number of old records have been disposed off. GeM implementation has also picked up the pace and procurement through GeM has increased manifold, thereby leading to substantial savings for the Company. We are still following all essential protocols to contain the spread of COVID-19.

OFFICIAL LANGUAGE IMPLEMENTATION:

National Insurance Company Limited has always been committed and dedicated for the continuous development and progressive use of official language Hindi. In this sequence, our Company has prepared its annual program on the basis of the Annual Program-2022-23 issued by the Department of Official Language, Ministry of Home Affairs, Government of India for the promotion of Official Language and to increase the awareness of Official Language among the employees. This annual program is implemented in our offices located all over India.

The Official Language quarterly progress report has been uploaded by the Head Office as well as all the regional offices on the online portal operated by the Ministry of Home Affairs.

The meetings of the Official Language Implementation Committee were organized by the Head Office as well as by the Regional Offices on time to time basis. All these were reviewed at the Head Office level and appropriate steps were taken to achieve the objectives of the Official Language.

This year inspection of Haldwani Division Office was done by the third sub-committee of the Committee of Parliament on Official Language and Sonipat Branch Office was inspected by the Draft and Evidence Committee of Parliament on Official Language. Bhubaneswar Regional Office was successfully inspected by the Head Office.

In the financial year 2022-23, there was active participation of the Head Office in all the meetings organized by the Town Official Language

Implementation Committee (Bank), Kolkata. Various programs and competitions were organized by TOLIC from time to time, in which our employees participated enthusiastically. Many of our employees were awarded by TOLIC.

In-house magazines are expected to be published at the Head Office and Regional Offices level so that through these magazines Hindi can be propagated and necessary awareness can be brought amongst the employees. Most of the house magazines at the Head Office and Regional Office level were digitized and their e-version were published.

IT INITIATIVES TO IMPROVE BUSINESS PROCESS:

Augmentation of Servers and Storage Devices:

Servers and Storage Devices at Data Centre and Disaster Recovery Centre have been augmented for Core Insurance Solution and all India Auto Tie-up applications to accommodate high intensity Computing and Data Storage requirements. This will facilitate faster processing of current and forthcoming needs as well as provide adequate space for enhanced Data Storage.

Centralization of legacy data:

Centralization of legacy data which was spread across the Operating Offices across India under Client-Server Technology has been taken up and successfully deployed at Data Centre.

Online KYC implementation:

As per IRDAI guidelines for AML/CFT whereby General Insurance Companies have to implement KYC for their new as well as existing customers effective from 01.01.2023, NICL has implemented comprehensive online KYC services in all Tie-up portals, Web aggregators and Core insurance solution as per compliance requirement.

Automation in legacy software and process used for Auto tie-ups

Automation has been introduced at Auto Tie-up solutions for faster processing with enhanced security features.

ILA image capture

Features have been provided for capturing Initial Loss Assessment images for Auto Tie-ups which is integrated with Mobile App.

Procurement of endpoints

NICL has replaced EOL Endpoints for better efficiency of operations.

Digital Marketing initiatives implemented during the year

Online Business Portal

Online Business Portals have been enhanced with new features, functionalities and modules during the year 2022-23. The portals are accessible by Customers, Agents, POSPs, IMFs, Brokers, Corporate Agents, Business Associates, BD Officials and Bancassurance Partners. Premium booked through the online portal business grew 13.66% from ₹1896 crores in 2021-22 to ₹ 2155 crores in 2022-23 which constitutes about 14.19% of overall premium of the Company. Following products were also introduced on the portals during 2022-23.

- 1) National Group Mediclaim Policy
- 2) Saral Suraksha Bima Policy
- 3) National Young India Policy
- 4) MSME Package Policy
- 5) Traffic Accident Policy
- 6) Employees Compensation Policy
- 7) E-vehicle (Two Wheeler, Pvt. Car, PCV) Policy

Download Renewal Notice facility in Portal has also been introduced for ease of access to the renewal notices.

API Integrations

API Integration with Brokers/Web-aggregators that have been initiated during the year 2020-21, have been further enhanced during 2022-23 and 3 new entities like GreenLife, SMC and Paytm have been added to the list of integrations. The major breakthrough in this field is the integration with PhonePe during May 2022 which alone had earned us a premium of more than Rs.62 crores. So, through new integrations alone during 2022-23, we could generate a premium of more than Rs. 80 crores. We too have initiated the process of API Integration with 16 new entities.

Development of new mobile Apps

For NIC Premium Calculator in-house development took place for motor & health

products and the same were launched for the use of Intermediaries and BDMs.

Improvements in existing mobile Apps

In the existing Surveyor App, Hero tie-up module had been added through in-house development. 2023 update of NIC calendar had also been launched through an in-house development initiative.

VIGILANCE:

The Vigilance Department of the Company, headed by the Chief Vigilance Officer comprises of officers posted at the Head Office and at 34 Regional Offices and prioritizes all areas of preventive, participative, and punitive vigilance activities.

Preventive Vigilance:

In 2022-23, various initiatives were undertaken as preventive measures. Aligning the underwriting software of the Company with M-Parivahan of the Government of India, restricting the transfer of balances of CD/PD Accounts from one customer to another, uploading of circulars of all Departments to the intranet platform of the Company for dissemination of information real time to all employees across all offices, roll out of a Preventive Vigilance utility for all operating units for certification and guidance are some of the important initiatives to ensure compliance and better governance.

Periodic online knowledge sharing sessions have been conducted with all Regional Offices to sensitize on various preventive vigilance parameters. Surprise inspections of Branch & Divisional Offices, regular off site surveillance of data related to the operations through generation of various reports, periodic scrutiny of audit reports have been augmented. An important milestone is the revision and updation of the manuals and guidelines of the Company. Board-approved updated Vigilance Manual has been published in December 2022.

During the year, 6 special examinations of tender related activities have been conducted for the first time in the Company and observations were shared with the management for improvement in the procedures. Vigilance Bulletin has been published,

contents of which are enriching and useful for all employees. An initiative was also taken to recognize and felicitate the alert employees who had championed the cause of prevention of corruption and taken steps to avert the loss of resources of the Company.

Participative Vigilance:

Vigilance Awareness Week (VAW) was celebrated from 31/10/2022 to 06/11/2022. During VAW, apart from creating awareness and taking pledges at all level, various in-house events and competitions have been organized. Pamphlets and posters about Public Interest Disclosure and Protection of Informers (PIDPI) were distributed. Preventive vigilance seminars, Claim Settlement drives and campaigns have been conducted. Internal house-keeping activities have been prioritised in the areas of property management and record management at the behest of Central Vigilance Commission.

All the Regions and Operating Offices have participated in spreading of awareness amongst the stakeholders and general public. Video presentations and elocution competitions and seminars on motor insurance have been held at Gram Sabhas. Video conferences with renowned Judge of High Court and Ex- Joint Director of CBI were arranged and their views/lectures streamed to all employees to spread the awareness about the ill effects of corruption and ways of eradication, theme being "Corruption free India for a developed Nation".

Punitive Vigilance:

Vigilance Department has disposed of 24 cases during the year. As on 31st March 2023, only 14 cases were pending. Beyond TAT cases have been reduced to only 3 at the end of this financial year. 84 complaints have been examined and disposed ensuring minimum pendency.

INTERNAL AUDIT AND INSPECTION ACTIVITIES:

Internal Audit and Inspection Department plays key role in evaluating compliance with the policies and procedures as well as the sound business practices. The main objectives of the Internal Audit Department are:

- 1) Assessment of the overall effectiveness of the organizations internal control and risk management process.
- 2) Preparing the summary of the significant changes to the organizations risk profile and internal control environment during the year and the impact of these changes on the overall working of the Organisation.
- 3) To pinpoint minor and major gaps in the Internal Control System, the same to be communicated to the Management for removal of such gaps in the system.
- 4) To monitor compliance of laws, regulations, internal policies, circulars, instructions and report on its violations thereof for corrective measures.

- 5) To assist management in developing and establishing adequate internal control measures.

To achieve the above objectives Internal Audit department has conducted various Audits and Inspections during the year such as audit of Business Centers, Branch Offices, Divisional Offices, Regional Offices, HO Wings, TPA Audits, Special Audit and Audit for the incentives to Development Officers given during the year 2022-23. The major findings and financial queries are placed periodically in a summary format before the Audit Committee for review of the performance of the Company and the Internal Audit Department.

The following numbers of Audits were performed during the fiscal year 2022-23-

Year	Regular Audit	TPA (unit) Audit	Incentive Audit	Special Audit
2022-23	822	48	55	32
2021-22	636	35	95	9

There have been improvements in systems and day to day operations which are carried out on regular basis with respect to Internal Audit findings. Timely compliance of Audit queries is an integral

part of overall Internal Control mechanism in the Company. The outstanding queries are periodically monitored at various stages of compliance level and emphasized for early resolution.

During the fiscal year 2022-23, the status of queries raised, resolved and outstanding is as under:-

Queries resolution during the FY 2022-23:

Year	Queries outstanding at the start of the F.Y. 2022-23	Queries raised/ identified during the F.Y. 2022-23	Queries resolved / dropped during the F.Y. 2022-23	Queries outstanding at the end of the F.Y. 2022-23	% of Query Resolution
2022-23	1426	3511	2111	2826	42.75

To monitor the performance of the Audit Teams posted at various Regional office Cells and to monitor the Audit Reports issued by the RO Cells, the Audit Queries and Recoveries we have taken the following steps :

- 1) The Audit Portal was further improved considering the problems faced by the Audit Teams in Posting the Audit Reports on the Portal.
- 2) Reporting System of the Internal Audit Department has also improved. Due to the

introduction of New Monthly Progress Report and Reporting System wherein the overall Performance Parameters of the department are being monitored on monthly basis.

- 3) The Parameters such as No. of Audits Done during the Year, Audit Plan and its Compliance, Audit Queries Pending, Dropped, Recovered and Added during the period and its summary, Age wise Pendency of the Audit Recoveries, the Detailed Sheet of such queries, BC Audits Done during the Year and the CAG Audit

Queries Pending and Follow up etc. is available with the Audit Department on a click.

- 4) We have given our requirement to TCS to improve the Audit Portal considering all these requirements so that we can go live on these Statements very soon.
- 5) The Report Formats such as TPA Audit Report formats for HO Wings etc. are being devised in the Audit Portal so that the Reporting System becomes unique.
- 6) Due to effective reporting System we are able to monitor the Audit Reports, Audit Queries, Audit

Recoveries from various entities and Performance of the Audit Team.

The Compliance of Audit Paras of CAG is also being monitored quarterly as we have prepared the Statement of the Pending Paras Office wise and the same are updated as and when the new Audit Paras are added or new Paras are dropped by CAG Auditors. Also Action Taken Notes (ATN) is being submitted to DFS on such Pending CAG Paras to facilitate the disposal of the PARAS. CAG Paras dropped during the fiscal year 2022-23 are as follows:

Part-II A(Paras)	Part-II B (Paras)	Amount involved (₹ in lakhs)
3	10	4342

IRDAI COMPLIANCE DEPARTMENT:

The Compliance Department at Head Office is the Nodal contact point between IRDAI and the Company. It has the onerous responsibility of arranging for complying with the Authority's regulations/circulars/guidelines and submitting various IRDAI requirements of monthly, quarterly, half yearly & annual returns and other multifarious information within stipulated timelines.

IRDAI's Circulars/Guidelines/Regulations are circulated among the departments on a regular basis. Exposure drafts are studied and our responses and suggestions are given to IRDAI as per their timelines.

The other most significant assignment is arranging for publication of various Non-life Public Disclosure Formats as mandated by the Authority in the website of our Company.

The department facilitates Onsite/Remote Inspection by the Authority & arranges for timely submission of responses to Inspection Reports pertaining to multiple departments.

The Company is able to meet all the compliance requirements of the Authority in a proactive manner with unstinted support and co-ordination of all concerned.

C&AG Inspection:

The Audit of 'Corporate Governance' of National Insurance Company Limited has been conducted by the C&AG Audit Team in terms of Regulation 15 to 27 of SEBI (LODR) Regulations, 2015 and the relevant provisions of the Companies Act, 2013 for Central Public Sector Enterprises (CPSE) and DPE guidelines for Corporate Governance on CPSEs, 2010 for the financial year 2021-22 from 25th January 2023 to 3rd February 2023. The inspection concluded with no adverse observations/comments.

WHISTLE BLOWER POLICY:

A Whistle Blower Policy is in place in compliance with the IRDAI Guidelines on Corporate Governance with the objective of reporting of any serious irregularities or unfair practice or misconduct or illegal activity occurring in the Company for better transparency and governance.

During the year, the Policy has been reviewed by the Risk Management Committee and approved by the Board at its meeting held on 3rd June 2022. The Whistle Blower Policy has been displayed on the website of the Company at <https://national-insurance.nic.co.in>.

PARTICULARS OF EMPLOYEES UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014:

The name of top 10 employees in terms of remuneration drawn along with other particulars as

prescribed under Rule 5(2) & Rule 5(3) of the Companies (Appointment and Remuneration) Rules, 2014) as on 31st March, 2023 is mentioned below-

Sl.	Name of the employee	Designation	Gross Salary (₹)	Value of Perquisites (₹)	Total Remuneration (₹)
1.	Shri Ashok Kr. Lahoty	Appointed Actuary	1,02,37,503	-	1,02,37,503
2.	Shri Swapan Sarkar	Development Officer-Grade-I	78,06,633.34	-	78,06,633.34
3.	Shri Gandra Rao	Development Officer-Grade-I	55,90,568.93	3,144.90	55,93,713.83
4.	Shri Babulal Sonkar	Development Officer-Grade-I	44,43,297.01	4,90,350.38	49,33,647.39
5.	Shri A. Sivakumar	Development Officer-Grade-I	48,96,144.19	16,680.78	49,12,824.97
6.	Shri Peter Chittaranjan	General Manager & Director	48,70,646.41	33,453.57	49,04,099.98
7.	Smt. Mamta Sagar	Deputy General Manager	48,07,856.32	21,600.00	48,29,456.32
8.	Shri Debasis Das	General Manager	45,01,525.82	2,76,218.94	47,77,744.76
9.	Shri P.C. Gothwal	General Manager	47,41,195.80	21,600.00	47,62,795.80
10.	Shri Vinay Shukla	Deputy General Manager	42,41,622.27	4,87,760.53	47,29,382.80

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not made any loans, guarantees or investments pursuant to the provisions of Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS:

During the financial year 2022-23, the Company has entered into a Related Party Transaction with Associate Companies namely 'Health Insurance TPA of India Limited' & 'India International Insurance Pte. Ltd. Singapore' in compliance with the provisions of Section 188 of the Companies Act, 2013. The details are disclosed in Form AOC-2 which is appended as 'Annexure-F' to this Report.

INTERNAL FINANCIAL CONTROL (IFC):

Internal Financial Control is a continuous process of appraisal of financial risk and controls which enables an organisation to accomplish its objectives. IFC Framework in the organisation is an integral part of the risk management culture of the Company.

The Company ensures that it continues to have a robust Internal Financial Control Framework in terms of the requirement of the Companies Act, 2013.

The Company has already adopted Board approved IFC Governance Manual which gives high priority to the establishment and maintenance of a strong control environment in the organisation. It will further help in strengthening the existing

reporting framework in respect of Internal Financial Controls and will formalize the process of review of such controls at all levels in the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that –

- i) in the preparation of the Annual Accounts for the financial year ended 31st March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any,
- ii) they have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for that period,
- iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

- iv) they have prepared the Annual Accounts on a going concern basis; and
- v) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBORDINATED DEBT:

The Company had issued and allotted 8950 number of Non-convertible Debentures to the tune of ₹895 crore on 27th March 2017, which had been listed with BSE & NSE. The interest was paid to the debenture holders whose names have appeared in the BENPOS of NSDL & CDSL as on the record date as on 13th March 2023.

The details of the interest paid by the Company [@8.35% p.a. on ₹895 crores] to the debenture holders since its inception is as follows-

Year	Record Date	No. of debenture holders	Date of Payment	Amount of Interest (₹)
2017-18	12 th March 2018	139	27 th March 2018	74,73,25,000/-
2018-19	12 th March 2019	139	27 th March 2019	74,73,25,000/-
2019-20	12 th March 2020	141	27 th March 2020	74,73,25,000/-
2020-21	15 th March 2021	142	29 th March 2021	74,73,25,000/-
2021-22	14 th March 2022	235	25 th March 2022	74,73,25,000/-
2022-23	13 th March 2023	412	27 th March 2023	74,73,25,000/-

Debenture Trustee:

The Company had appointed SBICAP Trustee Company Limited as Debenture Trustee for its non-convertible debentures, details of the same is as follows-

Contact person	Ms. Aayushi Sanghvi
Designation	Company Secretary
Official Address	Mistry Bhavan, 4 th Floor, 122, Dinshaw Vachha Road, Churchgate, Mumbai – 400 020.
Telephone	(022) 4302-5555, 4302-5566
Fax	(022) 2204-0465
E-mail	corporate@sbicaptrustee.com
Website	www.sbicaptrustee.com

Registrar & Transfer Agent (RTA):

RCMC Share Registry Private Limited is the Company's Registrar & Transfer Agent (RTA) for its non-convertible debentures, the details of the same are as follows-

Contact person	Shri Ravinder Dua
Designation	General Manager (Systems)
Official Address -	B 25/1, OKHLA Industrial Area Phase II, New Delhi- 110020
Telephone	(011) 2638-7320, 2638-7321
Fax	(011) 2638-7322
E-mail	rdua@rcmcdelhi.com
Website	www.rcmcdelhi.com

Scrip Code:

BSE : 956092

NSE : NICL27

ISIN : INE168X08014

INVESTOR'S COMPLAINTS ON SCORES:

The details of investor's complaints received, pending and disposed of during the financial year 2022-23 in compliance with Regulation 13(4) of SEBI Regulations, 2015 is as follows-

Particulars	No. of complaints
Complaints pending as at 1 st April 2022	0
Complaints received during the year	0
Complaints disposed of during the year	0
Complaints remaining unresolved as at 31 st March 2023	0

The details of investor's complaints are also displayed in the Company's website quarterly at <https://nationalinsurance.nic.co.in>.

CONSOLIDATED FINANCIAL STATEMENTS:

Your Company's Board of Directors is responsible for the preparation of the consolidated financial statement of the Company including its Associate Companies in terms of the requirement of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 and in accordance with the applicable Accounting Standards. The consolidated financial statements are appended and forms part of this Report.

The respective Board of Directors of the Company and of its Associates is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements.

CORPORATE GOVERNANCE:

The Company continues to adopt the best practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning. The Corporate Governance Report alongwith compliance certificate obtained from M/s S. M. Gupta & Co., Practicing Company Secretaries for the financial year 2022-23 is annexed as 'Annexure-A' forming part of this Annual Report.

COMPLIANCE CERTIFICATE:

In compliance with IRDAI circular on public disclosures by insurers dated 30th September 2021, certificate has been obtained from the Chief Executive Officer, Chief Financial Officer & Chief Compliance Officer on the financial statements of the Company for the financial year 2022-23 which is appended as 'Annexure-B' to this Report.

In compliance with Regulation 17(8) of SEBI (LODR) Regulations, 2015 as specified in Part B of Schedule II, a compliance certificate also has been obtained from the Chief Executive Officer and Chief Financial Officer of the Company for the financial year 2022-23 which is appended as 'Annexure-C' to this Report.

CODE OF CONDUCT:

The Company has formulated a Code of Conduct for Board of Directors and Senior Management, in compliance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a measure towards good corporate governance. The Code of Conduct is also displayed on the Company's website at <https://nationalinsurance.nic.co.in>.

Further, in terms of SEBI (LODR) Regulations, 2015 as specified in Part D of Schedule V, CMD has certified that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them during the year ended 31st March 2023 which is appended as 'Annexure-E' to this Report.

DECLARATION BY THE INDEPENDENT DIRECTORS:

The Company has received annual declarations from Shri Satya Brata Dass & Shri Sanjiv Chadha Independent Directors of the Company in terms of the provision of Section 149(7) of the Companies Act, 2013 and in compliance with Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

INDEPENDENT DIRECTORS' MEETING:

In compliance with the requirement of Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of SEBI (LODR) Regulations, 2015, the Independent Directors' Meet was held on 29th March 2023 to evaluate the flow of information between the Company's management and the Board for the financial year 2022-23.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has been taking initiatives in implementing its CSR activities in line with the provision of Section 135 of the Companies Act, 2013 and Rules made thereunder. The Annual

Report detailing the CSR activities during the financial year 2022-23 is appended as 'Annexure-H' to this Report.

The CSR Policy has been displayed on the website of the Company at <https://nationalinsurance.nic.co.in>.

STATUTORY AUDITORS:

M/s. Guha Nandi & Co., Chartered Accountants, was re-appointed and M/s. Ray & Ray, Chartered Accountants, was newly appointed as Statutory Auditors of the Company in place of M/s. De & Bose, Chartered Accountants for the financial year 2022-23 by the Comptroller & Auditor General of India in terms of Section 139 of the Companies Act, 2013. Further, Auditors are also appointed for the various Regional Offices, Operating Offices and foreign branches. The Board of Directors conveys their sincere appreciation to the Auditors for their valuable guidance and support.

SECRETARIAL AUDITOR:

In terms of the provision of Section 204 of the Companies Act, 2013, M/s S.M. Gupta & Co., Practicing Company Secretaries, Kolkata (Membership No.FCS-896; COP No.2053) has been re-appointed as the Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ended 31st March 2023. The Secretarial Audit Report in Form MR-3 for the financial year 2022-23 is appended as 'Annexure-I' to this Report.

Further, in terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Compliance Report dated 23rd May 2023 of the Company for the year ended 31st March 2023 is also appended as 'Annexure-J' to this Report.

EXPLANATION ON THE COMMENTS MADE BY THE SECRETARIAL AUDITOR IN THEIR REPORT DATED 30TH MAY 2023:

Sl.	Comments made by Secretarial Auditor	Management's Reply
1.	There was a delay in submission of the accounts for Quarter and financial year ended 31.03.2022 to the Stock Exchanges within the stipulated time. There was a delay of 9 days. The National Stock Exchange of India Limited (NSE) imposed a fine of ₹ 54,000/- for the deviation which together with the GST amounted to ₹ 63,720/- . The fine amount has been paid by the company on 06.03.2023.	The Annual Accounts for the quarter and financial year ended 31 st March 2022 was adopted by the Board on 8 th June 2022 and was submitted to NSE & BSE on the same day. The delay was due to the concurrent running of dual IT platforms which were in existence in some of the offices.
2.	Delay in submission of the accounts for the First Quarter ended 30.06.2022 to the Stock Exchanges within the stipulated time. There was a delay of 1 day. The National Stock Exchange of India Limited (NSE) imposed a fine of ₹ 6,000/- for the deviation which together with the GST amounted to ₹ 7,080/- . The Company has sent a letter to the NSE requesting them for waiver of fines for the reasons stated therein. Response from NSE is awaited.	The Accounts for the 1 st quarter ended 30 th June 2022 was adopted by the Board of Directors on 17 th August 2022 and was submitted to NSE & BSE on the same day. There was a delay by 1 day. The floods in various part of the country had affected the operations of the Company's offices which are wide-spread and consequently delayed the finalisation of the Accounts for the 1 st quarter ended 30 th June 2022.

Sl.	Comments made by Secretarial Auditor	Management's Reply
3	No Debenture Redemption Reserve has been created by the Company as required under Section 71 (4) of the Companies Act, 2013 and the Rules made thereunder.	As per the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Company is required to create Debenture Redemption Reserve (DRR) out of the profits of the Company. In the absence of profits for the financial year 2022-23, no amount was transferred to DRR.
4.	The Internal Control and Internal Financial Control mechanism of the Company are required to be strengthened.	<p>M/s. Deloitte have presented their findings on internal financial controls of the Company to the management. Further, a Workshop was conducted on 25th July 2022 for the benefit of single Point of Contact (SPOC) of all departments at the Head Office.</p> <p>While most of the GAPs identified by the consultants have been mitigated, it is expected that the remaining GAPs will be mitigated once the ongoing exercise of restructuring of the Company is completed. Creation of Underwriting Hubs, Claims Hubs and Accounts Hubs will ensure that the internal financial controls will be greatly strengthened.</p> <p>The management have also decided to appoint Consultant and continue the process of review of Internal Financial Controls of the Company for the FY 2022-23. The process of preparation of RFP has begun and the consultant will be appointed to continue the assessment of internal financial controls of the Company.</p>
5.	The matter of appeal filed by The Competition Commission of India before The Hon'ble Supreme Court of India is still sub-judice.	<p>The last hearing in this matter was held on 6th March 2017 and was last listed on 10th August 2017. Counter has been filed by the Company.</p> <p>However, Competition Commission of India vs. National Insurance Company Ltd [CA/3405/2017] remains pending for hearing before the Supreme Court and would be listed in due course.</p>
6.	The Company has exceeded the limit by ₹ 1,584.24 crores on Expenses of Management as prescribed under the IRDAI (Expenses of Management of Insurers Transacting General or Health Insurance Business) Regulations, 2016 during the financial year 2022-23 and the corresponding figure for the financial year 2021-22 was ₹ 8.74 crores.	The total expenses of the Company, comprising of Expenses of Management and Commission (on Gross & Reinsurance Acceptance business), amounting to ₹ 6,280.68 crore has exceeded the overall limits of Expenses of Management amounting to ₹ 4,696.44 crore as computed under IRDAI (Expenses of Management of Insurers Transacting General or Health Insurance Business) Regulations, 2016.

Sl.	Comments made by Secretarial Auditor	Management's Reply		
6.		The Company reported Segmental Deviations to the tune of ₹ 1,584.24 crore and ₹ 8.74 crore above the Segmental Allowable Limit for FY 2022-23 & FY 2021-22 respectively, in the following segments. The said amounts have been charged to the Profit & Loss Account for the respective years:		
		Line of Business	Expenses of Management in excess of Allowable Limits	
			(₹ In crore)	
			FY 2022-23	FY 2021-22
		Fire	65.07	Nil
		Marine	0.33	Nil
		Miscellaneous	1,518.84	8.74
		Total	1,584.24	8.74
7.	<p>As per the requirement of the Companies Act, 2013, relevant Rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (LODR) and IRDAI Regulations, the company does not have adequate number of Independent Directors and to that extent the Board of Directors of the company is not properly constituted.</p> <p>The Audit Committee and Nomination and Remuneration Committee are also not properly constituted as required under Law in absence of adequate number of Independent Directors.</p>	<p>The requirement to have requisite number of independent directors on the Board of NICL has been informed to the Department of Financial Services. It is pertinent to note that the Company is a wholly-owned Government of India Undertaking and the appointment of Director is undertaken by the Ministry of Finance.</p>		
8.	<p>IRDAI has sent letter dated 16.11.2022 regarding request for forbearance for computation of solvency margin as on 31.03.2022 and advised that considering the request made and assurances provided in the meeting held on 25.08.2022, as an exception, the company was allowed to consider 75% of fair value change account as on 31.03.2022 in the reduced Available Solvency Margin (ASM) subject to the condition mentioned in the said letter.</p>	<p>The Board at its meeting held on 13th January 2023 has taken note of the observations of IRDAI's letter dated 16th November 2022. In compliance with the IRDAI's directive, the Board is regularly apprised of the steps initiated by the management and the progress report is also submitted to them from time to time.</p>		

INTERNAL AUDITOR:

Shri T. Maheswar Rao, Chief Manager, ACA, (IA & ID) was appointed as an Internal Auditor of the Company on 10th September, 2020 in compliance with the provision of Section 138 of the Companies Act, 2013 & Rules made thereunder.

Consequent to his retirement from the services of the Company on 30th June 2022, Shri Chandrakant Yashwant Lohar, Chief Manager, presently posted at Internal Audit and Inspection department at Head Office has been appointed as an Internal Auditor of the Company on 17th August 2022 in compliance with the above provision.

DETAILS OF PERFORMANCE OF PERSONAL LINES INSURANCE:

The performance of Personal Lines Insurance is detailed and is shown in 'Annexure-K' to this Report.

ANNUAL RETURN:

In accordance with Section 134(3)(a) read with Section 92(1) of the Companies Act, 2013, Annual Return for the financial year 2022-23 has been displayed on the website of the Company at <https://nationalinsurance.nic.co.in/en/about-us/annualreturn>.

AUDIT BY COMPTROLLER AND AUDITOR-GENERAL OF INDIA:

The Board of Directors conveys their sincere thanks to the Comptroller and Auditor-General of India, the Chairman of the Audit Board, Principal Director of Commercial Audit and ex-officio Member, Audit Board-II, Kolkata for their valuable guidance and co-operation.

PLACEMENT OF ANNUAL REPORT BEFORE THE PARLIAMENT:

The Annual Report & Accounts of the Company will be placed before both the Houses of the Parliament under Section 394 of the Companies Act, 2013. The Annual Report of the Company for the financial year 2021-22 along with the Directors' Report has been laid before both the Houses as under:

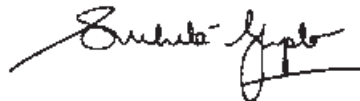
Rajya Sabha	13 th December 2022
Lok Sabha	12 th December 2022

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record their appreciation for the commendable work done by the officers and other classes of employees comprising of development officers and staff at all levels in rendering efficient services to the policyholders thereby contributing to the performance of the Company. The directors also deeply appreciate the confidence reposed in the Company by a wide spectrum of its existing as well as the new client base. The Directors acknowledge the excellent support extended by overseas Reinsurers and the General Insurance Corporation of India (GIC Re) as the National Reinsurer in placement of Company's Reinsurance business.

The Directors would also like to place on record their gratitude and deep appreciation of the support and guidance received from the senior officials of the Insurance Division, Ministry of Finance, Department of Financial Services, Government of India and General Insurers' (Public Sector) Association of India (GIPSA), General Insurance Council of India, Securities Exchange Board of India (SEBI) and Insurance Regulatory and Development Authority of India (IRDAI) in the management of the affairs of the Company.

For and on behalf of the Board of Directors



(Suchita Gupta)

Chairman-cum-Managing Director

(DIN: 08697650)

Kolkata
30th May 2023

ANNEXURE – A

CERTIFICATE ON CORPORATE GOVERNANCE

S.M. GUPTA & CO.
Company Secretaries

P-15, Bentinck Street
Kolkata -700 001
033-2236-1385, 2236-7135
Fax:033-2236-7135
Mob-9830057568
E-mail: smguptaandco@yahoo.com
Website: www.smguptaandco.com

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE
for the financial year ended 31.03.2023**

**TO THE MEMBERS
NATIONAL INSURANCE COMPANY LIMITED
3, Middleton Street,
Kolkata – 700 071
(CIN: U10200WB1906GOI001713)**

1. We have examined the compliance of conditions of corporate governance by National Insurance Company Limited for the financial year ended March 31, 2023 as stipulated in Regulation 15 to 27 of Chapter IV of the LODR to the extent made applicable to this Company by SEBI (Listing Obligations and Disclosure Requirements) (Fifth amendment) Regulations, 2021 w.e.f. 07.09.2021; The provisions of this amendment shall be applicable to the Company being a “high value debt listed entity” on a “comply or explain” basis until March 31, 2023 and on a mandatory basis thereafter.
2. a) National Insurance Company Limited (‘The Company’) is a Public Sector Undertaking wholly-owned by the Government of India as all its equity shares are 100% held in the name of the President of India.
b) The Company has listed only its Non-Convertible Debentures with NSE and BSE and none of its equity shares have been listed.
c) The Company is a Financial Sector entity regulated by Insurance Regulatory and Development Authority of India (‘IRDAI’).
d) Since the Equity shares of the Company are not listed on any stock exchange, none of the Rules and Regulations issued by SEBI relating to entities which have listed their equity shares are applicable to this Company, except as mentioned herein below;
e) The Company is no more a “Listed Company” consequent to insertion of Rule 2A by the Companies (Specification of definitions details) Second Amendment Rules, 2021 vide notification dated 19.02.2021 effective from 01.04.2021.
f) The following Rules/Regulations only are applicable to this Company:
 - i. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and

- ii. Chapter III, Chapter V and Part B of Schedule III of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (“LODR”);
3. The preparation of the Corporate Governance Report and the compliance of conditions of Corporate Governance is the responsibility of the Company’s Management including the maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Corporate Governance Report.
The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations issued by the Securities and Exchange Board of India.
Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. In our opinion and to the best of our knowledge, belief and information and according to the explanations given to us and based on the Audit conducted by us physically and also by way of electronic mode, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations to the extent applicable to it.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This Report is addressed to and provided for the members of the Company solely for the purpose of enabling the Company to comply with its obligations under Listing Regulations with reference to compliance with the relevant Regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

(S. M. Gupta)
Proprietor

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 2464/2022
UDIN: F000896E000419435

Place: Kolkata
Date: 30.05.2023

Report on Corporate Governance as on 31st March 2023:

A brief statement on Company's philosophy on code of governance:

The Company is governed by various regulations on Corporate Governance viz., Insurance Regulatory and Development Authority of India (IRDAI), the Companies Act, 2013, & SEBI (LODR) Regulations, 2015 and the amendments made from time to time. The Company is fully geared with the sound corporate governance practices. The Company's philosophy on code of governance gives emphasis on transparency, accountability and integrity.

With a view to maintain high standards of governance, the Board Members and Senior Management Personnel act within the authority conferred upon them in the best interest of the Company and its stakeholders by observing the Code of Conduct in letter and spirit.

BOARD OF DIRECTORS:

The details of the Board of Directors as on 31st March 2023:

Sr.	Name of the Director	Date of Appointment	Designation	Category	Qualification	Field of specialization	Status of directorship held
1	Smt. Suchita Gupta	02/08/2021	Chairman-cum-Managing Director	Executive Director	M.Com, LLB, FIII, FCS	Non-life Insurance	1) Agriculture Insurance Company of India Limited. 2) Health Insurance TPA of India Limited. 3) GIC Housing Finance Ltd. 4) India International Insurance Pte. Ltd., Singapore 5) National Insurance Academy, Pune 6) Chairperson of Governing Board of General Insurers' (Public Sector) Association of India (GIPSA) 7) Chairperson of Council of Insurance Ombudsman
2.	Shri Saurabh Mishra	28/11/2019	Government Nominee Director	Non-Executive Director	B.Sc., MBA, PGDCTA, FIII, Certified Block chain Expert	Financial Services and Insurance	1) Insurance Advisory Committee of IRDAI. 2) Institute of Actuaries of India 3) National Insurance Academy, Pune 4) Council for Insurance Ombudsmen
3	Shri Sanjiv Chadha	28/10/2020	Director	Non-Executive & Independent Director	B.Com, CAIIB	Banking	1) MD & CEO of Bank of Baroda 2) BOBCAPS Ltd. 3) BOB Financials Ltd. 4) BOB UK Ltd. 5) Indiafirst Life Insurance Ltd. 6) Indian Institute of Banking & Finance, 7) National Institute of Bank Management
4.	Shri Satya Brata Dass	21/12/2021	Part-time Non-official Director	Non-Executive & Independent Director	M.Com, FCA	Practicing Chartered Accountant	-
5.	Shri Peter Chittaranjan	01/11/2022	Wholetime Director	Executive Director	MA in Economics	Non-life Insurance	M/s. ITC Limited
6.	Smt Geetha Santhaseelan	21/11/2022	Whole-time Director	Executive Director	MBA, FIII	Non-life Insurance	-

Directorships in other Companies:

None of the directors of the Company is a director in more than ten public limited companies (as specified in Section 165 of the Companies Act, 2013) and director in more than seven listed entities (as specified in Regulation 17A of the SEBI LODR Regulations).

Further, none of the directors on the Board of the Company is member in more than ten committees or act as chairperson of more than five committees (as specified in Regulation 26 of the SEBI LODR Regulations), across all listed entities in which he/she is a director.

Details of directorship, category and committee positions held by the Directors in other companies as on 31st March 2023 are as detailed below:

Name of Director	Number of directorships in other listed companies	Number of Committees in other listed Companies*		Directorship in other listed companies (Category of Directorship)
		Chairman	Member	
Smt. Suchita Gupta	1	0	0	GIC Housing Finance Limited (Non-Executive Director)
Shri Saurabh Mishra	0	0	0	Nil
Shri Sanjiv Chadha	1	0	0	Bank of Baroda (MD & CEO)
Shri Peter Chittaranjan	1	0	1	M/s. ITC Limited (Non-Executive Director)
Smt Geetha Santhaseelan	0	0	0	Nil
Shri Satya Brata Dass	0	0	0	Nil

Note: Shri Peter Chittaranjan is Non-Executive Director on the Board of M/s. ITC Limited and holds the Membership of CSR & Security holders Relationship Committee w.e.f. 3rd February 2023.

*Member/Chairman in Audit Committee & Stakeholders Relationship Committee in listed companies.

Disclosure of relationships between directors inter-se:

All directors of the Company have disclosed notice of interest as specified in Section 184 of the Companies Act, 2013 and also confirmed that they are not disqualified to be appointed as Directors of the Company. The Independent and Non-Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company except for the sitting fees received by them. There is no inter-se relationship between Directors of the Company.

Changes in directorship of the Company on the date of adoption of this Report is as follows:-

Sl.	Name of the Director	Designation	Date of changes
1.	Shri Peter Chittaranjan General Manager	Whole-time Director	Appointed on 01.11.2022
2.	Smt Geetha Santhaseelan General Manager	Whole-time Director	Appointed on 21.11.2022

3.	Shri Mukesh Kumar Bansal Joint Secretary, DFS	Government Nominee Director	Appointed on 02.05.2023
4.	Shri Saurabh Mishra, Joint Secretary, DFS	Government Nominee Director	Ceased on 02.05.2023

The Board placed on record their sincere appreciation for the valuable contributions made by Shri Saurabh Mishra, erstwhile Joint Secretary, DFS, during his tenure as Government Nominee Director of the Company.

Changes in Key Managerial Personnel (As per the Companies Act, 2013):

Sl.	Name of the Director/KMP	Date of Appointment & Designation	Date of Cessation
1.	Shri Peter Chittaranjan, General Manager	Appointed as Whole-time Director on 01.11.2022	-
2.	Smt. Geetha Santhaseelan, General Manager	Appointed as Whole-time Director on 21.11.2022	-
3.	Shri V. Ratna Kumar, Deputy General Manager	Appointed as Chief Financial Officer on 13.01.2023	-
4.	Smt. S. M. Geetha, Deputy General Manager	Appointed as Chief Financial Officer on 13.11.2020	Retired on 31.12.2022

Changes in Key Management Persons (As per IRDAI Guidelines):

Sl.	Name of KMP	Date of Appointment & Designation	Date of Cessation
1.	Shri Peter Chittaranjan, General Manager	Appointed as Whole-time Director on 01.11.2022	-
2.	Smt. Geetha Santhaseelan, General Manager	Appointed as Whole-time Director on 21.11.2022	-
3.	Shri Navneet Doda General Manager	Joined as General Manager on 18.01.2021	Services transferred to United India Insurance Company Limited on the close of office hours on 21.11.2022
4.	Smt. Sunita Tuli Nagpal General Manager	Joined as General Manager on 20.05.2019 Appointed as Chief Investment Officer on 22.08.2017	Services transferred to The Oriental Insurance Company Limited on the close of office hours on 15.11.2022
5.	Shri Chiranjib Das, General Manager	Joined as General Manager on 31.10.2022	-

6.	Shri T. Babu Paul, General Manager	Joined as General Manager on 13.12.2022.	-
		Appointed as Chief Investment Officer on 13.12.2022	
7.	Smt. Madhumita Jena, General Manager	Joined as General Manager on 28.04.2023	-
8.	Smt. Kasturi Sengupta, General Manager	Joined as General Manager on 28.04.2023	-
9.	Shri Ashok Kumar Lahoty, Appointed Actuary	Appointed as Chief Risk Officer w.e.f. 10.05.2021	Ceased to be CRO effective 01.04.2023
10.	Smt. Sreelata Mukerjee, Deputy General Manager	Appointed as Chief Risk Officer w.e.f. 01.04.2023	-
11.	Shri V. Ratna Kumar, Deputy General Manager	Appointed as Chief Financial Officer on 13.01.2023	-
12.	Smt. S.M. Geetha, Deputy General Manager (Retd.)	Appointed as Chief Financial Officer on 13.11.2020	Retired on 31.12.2022
13.	Smt. Sophia Singh, General Manager (Retd.)	Joined as General Manager on 09.07.2018	Retired on 31.10.2022

NUMBER OF BOARD, COMMITTEE MEETINGS & ANNUAL GENERAL MEETING CONDUCTED DURING THE FINANCIAL YEAR 2022-23 AND ATTENDANCE OF THE DIRECTORS/MEMBERS THEREAT:

The statement showing number of Board, Committee and Annual General Meeting held during the financial year 2022-23 and attendance of the Directors/Members is appended as 'Annexure-G' to this Board.

DIGITAL MEETINGS:

During the financial year 2022-23, the Company's Board & Committee meetings were held digitally in a full-fledged manner through the use of services provided by DESS Technologies Private Limited.

COMPOSITION OF THE BOARD OF DIRECTORS:

The Board of the Company comprises of Executive and Non-Executive Directors. The composition of the Board on the date of adoption of this Report is as follows:

Category	Number of Directors
Executive Director	3
Non-Executive Director	
• Government Nominee Director	1
• Non-Executive & Independent Director (representing bank)	1
• Independent Director	1

REMUNERATION TO DIRECTORS & KEY MANAGEMENT PERSONS (KMPs):

Chairman-cum-Managing Director	CMD & Government Nominee Director draw their remuneration as per the Central Government norms. Executive Director & KMPs draw their remuneration as per the norms of the Company.
Executive Directors & KMPs	
Non-executive Directors	<p>Sitting fees is paid for attending the meeting of Board & sub-Committees of the Board as per Government norms i.e., ₹ 20,000/- per Board Meeting & ₹ 10,000/- per Committee Meeting. However, no sitting fee is paid to the Government Nominee Director and Non-Executive Director representing bank.</p> <p>An amount of ₹ 4,20,000/- (excluding TDS) has been paid to Shri Satya Brata Dass, Independent Director for attending 10 Board Meetings, 21 Committee Meetings & 1 Independent Directors' meeting held during the financial year 2022-23.</p>

Shri Udayan Mukhopadhyay is an expert/representative of customers and also a Permanent Invitee to Policy holder Protection Committee (PHPC). As per the terms of his appointment, ₹ 10,000/- is paid as sitting fees for attending each meeting of PHPC. During the financial year 2022-23, he has been paid sitting fees amounting to ₹ 40,000/- (excluding TDS) for attending 4 (four) meetings of the PHPC.

REMUNERATION DETAILS TO THE DIRECTORS & KEY MANAGEMENT PERSONS:

Remuneration details as per IRDAI on Corporate Governance as on 31st March 2023-

Sl.	Name of the Directors/KMPs	Designation	Gross Salary (₹)	Perquisites (₹)	Others (Arrears) (₹)	Total Remuneration (₹)
1.	Smt. Suchita Gupta	Chairman-cum-Managing Director	33,95,262	0	11,39,745	45,35,008
2.	Shri Peter Chittaranjan	General Manager & Director	31,14,248	33,452	17,56,397	49,04,100
3.	Smt. Geetha Santhaseelan (from 21.11.2022 to 31.03.2023)	General Manager & Director	11,75,117	0	-	11,75,117
4.	Smt. SunitaTuli Nagpal (from 01.04.2022 to 15.11.2022)	General Manager & Chief Investment Officer	20,02,313	40,905	18,10,445	38,53,664
5.	Shri T. Babu Paul (from 13.12.2022 to 31.03.2023)	General Manager & Chief Investment Officer	10,38,792	12,967	-	10,51,759
6.	Shri Ashok Kumar Lahoty	Appointed Actuary & Chief Risk Officer	1,02,37,503	0	-	1,02,37,503
7.	Shri V. Ratna Kumar (from 13.01.2023 to 31.03.2023)	Chief Financial Officer	6,53,205	2,35,912	-	8,89,118
8.	Smt. S. M. Geetha (retd.) (from 01.04.2022 to 31.12.2022)	DGM & Chief Financial Officer	20,52,368	2,15,779	15,65,870	38,34,018
9.	Shri Debabrata Kar	DGM & Chief Compliance Officer	25,09,975	2,90,562	13,92,837	41,93,375
10.	Smt. Rina Madia	Company Secretary	23,00,565	0	12,82,196	35,82,762

COMMITTEES OF THE BOARD:

AUDIT COMMITTEE (Mandatory):

The Audit Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Shri Satya Brata Dass, Independent Director (Chairman)
- Shri Mukesh Kumar Bansal, Government Nominee Director
- Shri Sanjiv Chadha, Non-Executive & Independent Director

Brief descriptions of terms of reference of Audit Committee:

- (1) The Audit Committee oversees the financial statements, financial reporting, statement of cash flow and disclosure processes both on an annual and quarterly basis. It set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- (2) The Audit Committee oversees the efficient functioning of the internal audit department and review its reports and monitors the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.
- (3) The Audit Committee is responsible for the recommendation of the appointment, performance and oversight of the work of the auditors (internal/statutory/concurrent).
- (4) The Audit Committee approves any transactions with related party.

INVESTMENT COMMITTEE (Mandatory):

The Investment Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Smt Suchita Gupta (Chairperson)
- Shri Sanjiv Chadha
- Shri Satya Brata Dass
- Smt Geetha Santhaseelan
- Shri T. Babu Paul (Chief Investment Officer)
- Shri V. Ratna Kumar (Chief Financial Officer)
- Shri Ashok Kumar Lahoty (Appointed Actuary)
- Smt. Sreelata Mukerjee (Chief Risk Officer)

RISK MANAGEMENT COMMITTEE (Mandatory):

The Risk Management Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Smt Suchita Gupta (Chairperson)
- Shri Sanjiv Chadha
- Shri Satya Brata Dass
- Shri Peter Chittaranjan
- Smt Geetha Santhaseelan
- Smt Sreelata Mukerjee (Chief Risk Officer)

POLICYHOLDER PROTECTION COMMITTEE (Mandatory):

The Policyholder Protection Committee has been re-constituted by the Board and presently it comprises of the following Members –

- Shri Satya Brata Dass (Chairman)
- Smt Suchita Gupta
- Shri Mukesh Kumar Bansal
- Shri Sanjiv Chadha
- Shri Peter Chittaranjan
- Shri Udayan Mukhopadhyay (Permanent Invitee)

CORPORATE SOCIAL RESPONSIBILITY (Mandatory):

The Corporate Social Responsibility Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Smt Suchita Gupta (Chairperson)
- Shri Mukesh Kumar Bansal
- Shri Sanjiv Chadha
- Shri Satya Brata Dass
- Shri Peter Chittaranjan
- Smt Geetha Santhaseelan

HR COMMITTEE:

The HR Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Smt Suchita Gupta (Chairperson)
- Shri Mukesh Kumar Bansal
- Shri Sanjiv Chadha
- Shri Peter Chittaranjan
- Smt Geetha Santhaseelan

IT COMMITTEE:

The IT Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Smt Suchita Gupta (Chairperson)
- Shri Sanjiv Chadha
- Shri Peter Chittaranjan

PROPERTY REVIEW COMMITTEE:

The Property Review Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Smt Suchita Gupta (Chairperson)
- Shri Mukesh Kumar Bansal
- Shri Sanjiv Chadha
- Shri Peter Chittaranjan
- Smt Geetha Santhaseelan

REMUNERATION COMMITTEE:

Remuneration Committee was constituted by the Company in the year 2008 for determining the Performance Linked Incentive (PLI) of Chairman-cum-Managing Director (CMD) which is based on the Ministry's Performance Evaluation Matrix.

During the year, the Remuneration Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Shri Mukesh Kumar Bansal (Chairman)
- Shri Sanjiv Chadha
- Shri Satya Brata Dass

NOMINATION AND REMUNERATION COMMITTEE (Mandatory):

The Nomination and Remuneration Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Shri Satya Brata Dass (Chairman)
- Shri Mukesh Kumar Bansal
- Shri Sanjiv Chadha

Brief descriptions of terms of reference of Nomination and Remuneration Committee:

The provisions of Section 178(2)/(3)/(4) of the Companies Act, 2013 shall not apply to government company except with regard to appointment of 'Senior Management' and other employees vide Notification No. GSR 463(E), dated 5th June 2015.

Performance evaluation criteria for independent directors: Not applicable.

ASSET LIABILITY MANAGEMENT COMMITTEE:

The Asset Liability Management Committee has been re-constituted by the Board and presently it comprises of the following Members -

- Smt Suchita Gupta (Chairperson)
- Shri Sanjiv Chadha
- Smt Geetha Santhaseelan
- Shri Ashok Kumar Lahoty (Appointed Actuary)
- Smt Sreelata Mukerjee (Chief Risk Officer)

STAKEHOLDERS RELATIONSHIP COMMITTEE:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been amended w.e.f. 7th September 2021. In terms of Regulation 20(1) of SEBI (LODR) Regulations, 2015, a listed entity shall constitute a Stakeholders Relationship Committee which will specifically look into various aspects of interest of shareholders, debenture holders and other security holders. In view of this, the Board at its meeting held on 30th March 2022. The 'Stakeholders Relationship Committee' has been re-constituted by the Board and presently it comprises of the following members-

Sri Satya Brata Dass (Chairman)

Smt Suchita Gupta

Shri Sanjiv Chadha

Smt Geetha Santhaseelan

Name and Designation of Compliance Officer:

Smt. Rina Madia, Company Secretary

Number of shareholders' complaints received during the financial year 2022-23:

The equity shares of the Company are not listed, therefore, it is not applicable to the Company.

Number of complaints not resolved to the satisfaction of shareholders:

The equity shares of the Company are not listed, therefore, it is not applicable to the Company.

Number of pending complaints:

The Debentures of the Company is listed with BSE & NSE, therefore, we submit the details of investor's complaints received, pending and disposed of during the financial year 2022-23 in compliance with Regulation 13(4) of SEBI Regulations, 2015 as follows-

Particulars	No. of complaints
Complaints pending as at 1 st April 2022	0
Complaints received during the year	0
Complaints disposed of during the year	0
Complaints remaining unresolved as at 31 st March 2023	0

The details of investor's complaints are also displayed in the Company's website on quarterly basis at <https://nationalinsurance.nic.co.in>.

Number of equity shares and convertible instruments held by non-executive directors:

Shri Saurabh Mishra, erstwhile Joint Secretary, DFS is holding 1 (one) equity share @Rs.10/- as nominee shareholder on behalf of the President of India. Apart from this, none of the non-executive directors are holding equity shares. The Company has issued non-convertible debentures in the year 2017 which is not issued/held by the non-executive directors.

Familiarization programmes for independent directors:

The details of the familiarization programme for independent directors has been displayed on the website of the Company at <https://nationalinsurance.nic.co.in>.

Skills/expertise/competence of the Board of Directors of the Company:

The Company is a Wholly-owned Government of India Undertaking, the appointment of Directors on the Board of the Company is done by the Department of Financial Services, Ministry of Finance.

Confirmation in the opinion of the Board:

Yes, the independent director fulfils the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.

Resignation of Independent Director:

During the financial year 2022-23, none of the independent director has resigned from the Board of National Insurance Company Limited.

GENERAL BODY MEETINGS:

The details of the general body meetings of Members of the Company held during the last three financial years-

Financial Year	Details of Meeting	Date & Time	Venue	Whether any special resolutions passed
2019-20	113 th Annual General Meeting	30 th December 2020 at 1.00 p.m.	Registered Office at 3, Middleton Street, Kolkata – 700 071	Nil
	Extra Ordinary General Meeting	7 th March 2020 at 1.00 p.m.	Registered Office at 3, Middleton Street, Kolkata – 700 071	(1) Increase in Authorised Share Capital of the Company from the existing ₹200 crores to ₹2600 crores

				(2) Alteration in the 'Capital Clause' of the Memorandum of Association. (3) Alteration in the 'Capital Clause' of the Articles of Association of the Company.
2020-21	Extra Ordinary General Meeting	28 th July 2020 at 2.30 p.m.	Registered Office 3, Middleton Street, Kolkata – 700 071	(1) Increase in Authorised Share Capital of the Company from the existing ₹2600 crores to ₹7500 crores (2) Alteration in the 'Capital Clause' of the Memorandum of Association. (3) Alteration in the 'Capital Clause' of Articles of Association of the Company.
2020-21	114 th Annual General Meeting	26 th November 2021 at 4.00 p.m.	Registered Office 3, Middleton Street, Kolkata – 700 071	Nil
2021-22	Extra Ordinary General Meeting	25 th March 2022 at 4.00 p.m.	Registered Office 3, Middleton Street, Kolkata – 700 071	(1) Increase in the Authorised Share Capital of the Company from the existing ₹7500 crores to ₹15000 crores (2) Alteration in the 'Capital Clause' of the Memorandum of Association. (3) Alteration in the 'Capital Clause' of Articles of Association of the Company.
2021-22	115 th Annual General Meeting	21 st September 2022 at 1.00 p.m.	Registered Office 3, Middleton Street, Kolkata – 700 071	Nil

No special resolution was passed during the last three financial years through postal ballot.

Details of fixed component and performance linked incentives, along with the performance criteria:

Not applicable

Service contracts, notice period, severance fees : Not applicable

MEANS OF COMMUNICATION:

(a) Quarterly/Half-yearly/Annual Financial Results:

The quarterly and half-yearly unaudited financial results / annual audited financial results of the Company are announced in terms of SEBI Listing Regulations. The financial results are published in leading business/regional newspapers.

(b) Website:

The Company's website <https://nationalinsurance.nic.co.in> provides separate section for information related to debenture holders under the head "Disclosure under SEBI Regulations".

(c) News Release:

All official news releases are displayed in the Company's website at <https://nationalinsurance.nic.co.in>.

(d) Annual Report:

Annual Report is circulated to the shareholders and debentureholders of the Company.

Presentations made to the institutional investors or to the Analysts: Not applicable.

GENERAL SHAREHOLDER INFORMATION:

(a) 116th Annual General Meeting: held in the month of September, 2023.

(b) Financial Year: 1st April 2022 to 31st March 2023.

© Dividend payment date:

In the absence of profit, the Board of Directors has not recommended any dividend for the financial year 2022-23.

(e) Name and address of each stock exchange(s) at which the listed entity's securities are listed:

The Non-Convertible Debentures of the Company is listed with BSE and NSE. The name & address of the stock exchanges is given herein below-

Name & address of the stock exchange	Scrip Code
(i) The BSE Limited, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai – 400 001	BSE : 956092
(ii) The National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	NSE : NICL27

The Company has paid the Annual Listing Fees to the above stock exchanges within the prescribed time limit. Moreover, the equity shares of the Company are not listed with any stock exchange.

Market price data- high, low during each month in last financial year: Not applicable

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc: Not applicable

In case the securities are suspended from trading, the directors' report shall explain the reasons thereof: Not applicable

Distribution of shareholding: Not applicable

Registrar to an issue and share transfer agents:

The Non-Convertible Debentures raised by the Company to the tune of ₹895 crores, has been listed with BSE & NSE and M/s. RCMC Share Registry Private Limited, New Delhi has been appointed as Registrar & Transfer Agent, the details is given herein below-

Name of the RTA	M/s. RCMC Share Registry Private Limited
Office Address	B-25/1, First Floor, OKHLA Industrial Area, Phase-II, New Delhi-110 020
Telephone nos.	(011) 2638-7320, (011) 2638-7321
Email	rdua@rcmcdelhi.com
Website	www.rcmcdelhi.com
SEBI Reg. No.	INR000000429

The equity shares of the company is not listed, therefore, Share Transfer Agent has not been appointed.

Share Transfer System:

All the equity shares of the company are held by the President of India in dematerialised mode, except 10 (ten) equity shares which are held in the name of the nominee shareholders each is holding one equity share.

Dematerialization of shares and liquidity:

Equity Shares:

During the financial year 2021-22, the Company has issued and allotted 370 crore number of equity shares @ ₹10/- each to the existing shareholders on Rights basis in two tranches. The entire equity shares have been issued and allotted to the President of India and the same has been dematerialised in CDSL, the details is given hereunder -

Date of Allotment	Tranche	No. of Equity Shares	Date of Dematerialisation
30 th March 2022	1 st	182,50,00,000	13 th April 2022
31 st March 2022	2 nd	187,50,00,000	21 st April 2022

Debentures:

The Non-Convertible Debentures of the Company are listed with NSE and BSE. The transfers, if any, of the Debentures takes place only in dematerialized mode.

Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:

It is not applicable to the Company.

Commodity price risk or foreign exchange risk and hedging activities:

This is not applicable to the Company, since the Company does not have any derivatives or liabilities denominated in foreign currency.

Plant Locations:

Not applicable to the Company, since the Company is not a manufacturing entity.

Address for correspondence:

Corresponding address of the Company -

National Insurance Company Limited
3, Middleton Street, Kolkata – 700 071
Tel. No. 033-2283-1705-09/1760
E-mail id: ncd.coordinator@nic.co.in

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

The Company's unsecured non-convertible debentures are rated by CRISIL Limited & ICRA Limited. The following table provides the credit ratings obtained during the year-

Rating Agency	Credit Rating	Outlook	Remarks
CRISIL Ratings Limited	AA-/Stable	Stable	This rating indicates high degree of safety regarding timely servicing of financial obligations.
	Corporate Credit Rating AA-/Stable	Stable	This rating indicates high degree of safety regarding timely servicing of debt obligations.
ICRA Limited	[ICRA] A+	Stable	This rating indicates having adequate degree of safety regarding timely servicing of financial obligations.

OTHER DISCLOSURES:

Related Party Transactions:

There are no material significant related party transactions that may have potential conflict with the interest of the Company.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or the board or any statutory authority, on any matter related to capital markets, during the last three years:

During the last three financial years, the Company has received letters from National Stock Exchange of India Limited (NSE) towards the following non-compliances-

Financial year	Regulation	Date of NSE Letter	Fine	Reasons
2022-23	52(1) & 52(4)	29 th June 2022	₹ 63,720/- (including GST) [Fine paid on 6 th March 2023]	Delay by a period of 9 days in adoption of the Accounts of the Company for the quarter & financial year ended 31 st March 2022.
		14 th September 2022	₹ 7,080/- (including GST) [Response is awaited from NSE]	Delay by a period of 1 day in adoption of the Accounts of the Company for the 1 st quarter ended 30 th June 2022.
2021-22	52(1) & 52(4)	15 th March 2022	₹ 95,580 /- (including GST) [Fine paid on 20 th July 2022]	Delay by a period of 2 days in adoption of the Accounts of the Company for the quarter and nine months ended 31 st December 2021.
		10 th December 2021		Delay by a period of 8 days in adoption of the Accounts of the Company for the half year ended 30 th September 2021.

During the financial year 2020-21, SEBI had imposed penalty of ₹74,93,063/- in regard to the non-compliance of Regulation 7(2)(a) of the SEBI (Prohibition of Insider Trading) Regulation, 2015 for making delayed disclosure in respect of change in shareholding of Axis Bank Limited where National Insurance Company Limited was a promoter. The Company has availed the Settlement Offer under Regulation 5 of SEBI (Settlement Proceedings) Regulations, 2018 and had remitted an amount of ₹74,93,063/- to SEBI on 28th January 2021.

Details of establishment of vigil mechanism/ whistle blower policy, and affirmation that no personnel have been denied access to the Audit Committee:

The Company has a Whistle Blower Policy and no personnel have been denied access to Audit Committee. The Policy has been displayed on the Company's website at <https://nationalinsurance.nic.co.in>.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with Regulations 15 to 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 effective 7th September 2021 which are mandatory requirements.

Web link where policy for determining 'material' subsidiaries is disclosed:

Not applicable since the Company does not have a subsidiary.

Web link where policy on dealing with related party transactions:

The Company has a Related Party Transactions Policy which has been hosted at Company's website at <https://nationalinsurance.nic.co.in>.

Details of utilization of funds:

During the financial year 2022-23, the Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and the Companies Act, 2013.

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:

Shri S.M. Gupta from M/s. S.M. Gupta & Co., Company Secretaries, has issued a certificate dated 26th May 2023 as required under the SEBI (LODR) Regulations, 2015 confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI or Ministry of Corporate Affairs or such statutory authority. The Certificate is enclosed with the report as 'Annexure-A'.

Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in submission by the Committee is required in the relevant financial year:

No such instance arose during the financial year 2022-23 under review.

Total fees paid to the Statutory Auditors:

Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part in the financial year 2022-23 as under –

Audit Fees	₹ 4,09,43,782
Tax Audit Fees	₹ 61,02,682
Other services	₹ 10,29,467
Total	₹ 4,80,75,931

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosure in relation to the sexual harassment of women at work place forms part of the Directors' Report.

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

NIL

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Not applicable since the Company does not have a subsidiary.

Non-Compliance of any requirement of Corporate Governance report:

The Company is complying with the various mandatory and non-mandatory Corporate Governance requirements envisaged under the SEBI (LODR) Regulations.

Discretionary Requirements:

The status of adoption of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the SEBI LODR Regulations are as follows-

- (a) The Board: The Chairperson of the Company is an Executive Chairperson.
- (b) Shareholder Rights: Quarterly, Half-yearly and Annual Financial Statements are published in newspapers and uploaded on the Company's website at <https://nationalinsurance.nic.co.in>
- (c) Modified opinion(s) in audit report: The Company has a regime of un-qualified financial statements. Statutory Auditors have expressed an un-modified opinion on the Audited Financial Statements of the Company.

The Company has complied with the applicable conditions of Corporate Governance requirements as specified in Regulation 17 to 27 to the extent applicable of SEBI (LODR) Regulations.

Place: Kolkata
Date :30th May 2023

sd-/
(Suchita Gupta)
Chairman-cum-Managing Director
(DIN:08697650)

ANNEXURE – A

CORPORATE GOVERNANCE REPORT

S.M. GUPTA & CO.
Company Secretaries

P-15, Bentinck Street
Kolkata -700 001
033-2236-1385, 2236-7135
Fax:033-2236-7135
Mob-9830057568
E-mail: smguptaandco@yahoo.com
Website: www.smguptaandco.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as amended]

To,
The Members
NATIONAL INSURANCE COMPANY LIMITED
CIN: U10200WB1906GOI001713
3, Middleton Street
Kolkata, WB 700071

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NATIONAL INSURANCE COMPANY LIMITED having CIN: U10200WB1906GOI001713 and having registered office 3, Middleton Street, Kolkata, WB 700071 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers (including by way of electronic mode), we hereby certify that none of the Directors mentioned below on the Board of the Company as on 31st March, 2023 was debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs under the Companies Act, 2013.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Shri Saurabh Sureshchandra Mishra	06998739	28/11/2019
2	Shri Sanjiv Chadha	08368448	28/10/2020
3	Smt. Suchita Gupta	08697650	02/08/2021
4	Smt. Geetha Santhaseelan	09100673	21/11/2022
5	Shri Satya Brata Dass	09448325	21/12/2021
6	Shri Peter Chittaranjan	09773278	01/11/2022

Standing the test of time



Ensuring the eligibility of the directors for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(S. M. Gupta)
Proprietor

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 2464/2022
UDIN: F000896E000392980

Place: Kolkata
Date: 26.05.2023

ANNEXURE – B

COMPLIANCE CERTIFICATE

(In compliance of the IRDAI circular dated 30th September 2021)

We do hereby certify that to the best of our knowledge & belief the financial results for the year ended 31st March 2023 as placed before the Board of Directors of the Company do not contain any false or misleading statements or figures. Further, to the best of our knowledge & information the said financial statements do not omit any material fact which may make the statements or figures contained therein misleading.

Sd/-
(Debabrata Kar)
Chief Compliance Officer

Sd/-
(V. Ratna Kumar)
Chief Financial Officer

Sd/-
(Suchita Gupta)
Chief Executive Officer

Date: 30th May 2023

ANNEXURE – C

COMPLIANCE CERTIFICATE

(In compliance with Regulation 17(8) of SEBI (LODR) Regulations, 2015)

We do hereby certify that-

- A. We have reviewed the financial statement and the cash flow statement for the financial year 2022-23 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the relevant year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee –
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-
(V. Ratna Kumar)
Chief Financial Officer

Sd/-
(Suchita Gupta)
Chief Executive Officer

Date: 30th May 2023

ANNEXURE – D

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

(In compliance of the IRDAI circular dated 18th May 2016)

I, Rina Madia, hereby certify that National Insurance Company Limited has complied with the corporate governance guidelines for Insurance Companies, as amended from time to time, and nothing has been concealed or suppressed.

Sd/-

(Rina Madia)

Company Secretary & Compliance Officer

Date: 30th May 2023

ANNEXURE – E

**COMPLIANCE WITH CODE OF CONDUCT FOR
BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

(in compliance SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

This is to certify that the Company has laid down Code of Conduct for all its Board Members and Senior Management and the same have been uploaded on the website of the Company at <https://nationalinsurance.nic.co.in>.

Further certified that the Members of the Board of the Directors and Senior Management Personnel have affirmed compliance with the code as applicable to them during the year ended 31st March 2023.

Sd/-

(Suchita Gupta)

Chairman-cum-Managing Director

Date: 30th May 2023

ANNEXURE – F

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto for the financial year 2022-23.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/ transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis for the financial year 2022-23:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements transaction	Salient terms of the contracts or arrangements or transaction including the value, if any.	Date of approval by the Board, if any	Amount paid as advances if any
(1) TPA Fees:						
Health Insurance TPA of India Limited (HITPA)	Associate	Availing or rendering any services.	For the financial year 1 st April 2022 to 31 st March 2023.	The Company had availed the services of HITPA during the financial year 2022-23 for Staff Group Mediclaim Policy for serving/retired employees of the Company. Total TPA charges paid to HITPA: ₹ 2,37,39,000/-	The Audit Committee has approved the servicing of health claims under Staff Group Mediclaim Policies by HITPA at its meeting held on 30 th March 2022.	Nil

ANNEXURE – F

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements transaction	Salient terms of the contracts or arrangements or transaction including the value, if any.	Date of approval by the Board, if any	Amount paid as advances if any
Health Insurance TPA of India Limited (HITPA)	Associate	Availing or rendering any services.	For the financial year 1 st April 2022 to 31 st March 2023.	The Company has been utilizing HITPA during the financial year 2022-23 for administration of health claims under various Health policies of the Company. Total TPA charges paid to HITPA: ₹ 22,43,33,000 /-	The Audit Committee has approved the servicing of various health claims by HITPA at its meeting held on 30 th March 2022.	Nil
(2) Rent Income booked:						
Health Insurance TPA of India Limited (HITPA)	Associate Company	Rent Income	For the financial year 1 st April 2022 to 31 st March 2023.	₹ 20,90,000/-	-	-
(3) Reinsurance Transactions:						
India International Insurance Pte. Ltd., Singapore (IIIPL)	Associate	Availing or rendering any services.	For the financial year 1 st April 2022 to 31 st March 2023.	Company's participation in the reinsurance treaty business as also retro arrangements viz. Aviation Fac Inward and Property Treaty Inward of IIIPL.	The Audit Committee has approved participation in the reinsurance treaties of IIIPL at its meeting held on 30 th March 2022.	Nil

ANNEXURE – F

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements transaction	Salient terms of the contracts or arrangements or transaction including the value, if any.	Date of approval by the Board, if any	Amount paid as advances if any
(3) Reinsurance Transactions:						
		Premium Income on Reinsurance Accepted	For the financial year 1 st April 2022 to 31 st March 2023.	Income ₹ 49,21,02,000/-	-	Nil
		Premium Income on Reinsurance Cessions	For the financial year 1 st April 2022 to 31 st March 2023.	Income	-	Nil
		Claims Paid on Reinsurance Accepted Business	For the financial year 1 st April 2022 to 31 st March 2023.	Expense ₹ 17,32,56,000/-	-	Nil
		Claims Recovered on Reinsurance Ceded Business	For the financial year 1 st April 2022 to 31 st March 2023	Income	-	Nil
		Commission Paid on Reinsurance Accepted Business	For the financial year 1 st April 2022 to 31 st March 2023.	Expense ₹ 3,97,50,000/-	-	Nil
(4) Payable/Receivable:						
India International Insurance Pte. Ltd., Singapore (IIIPL)	Associate Company	Payable	For the financial year 1 st April 2022 to 31 st March 2023.	₹ 2,21,43,000/-	-	Nil

ANNEXURE – F

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements transaction	Salient terms of the contracts or arrangements or transaction including the value, if any.	Date of approval by the Board, if any	Amount paid as advances if any
(5) Dividend Received:						
India International Insurance Pte. Ltd., Singapore (IIIPL)	Associate Company	Income	For the financial year 1 st April 2022 to 31 st March 2023.	₹ 5,67,80,000/-	-	-
(6) Remuneration to Key Managerial Persons:						
Remuneration to KMPs	KMP	Expense	For the financial year 1 st April 2022 to 31 st March 2023.	₹ 5,48,80,000/-	-	-
Loans and advances to KMPs	KMP	Loans/ Advances	For the financial year 1 st April 2022 to 31 st March 2023.	₹ 22,59,000/-	-	-

Note: (i) The approval from the Board was not required as the above transactions were on arm's length basis.
(ii) The transactions have been carried out in the ordinary course of business.

ANNEXURE – G

STATEMENT SHOWING THE NUMBER OF BOARD/COMMITTEE MEETINGS & ANNUAL GENERAL MEETING HELD DURING THE FINANCIAL YEAR 2022-23 AND ATTENDANCE OF THE DIRECTORS/MEMBERS THEREAT

1. BOARD MEETING

No. of meetings held: 10

Name of the Directors	Nature of Directorship	Designation in the Board	Date of Meetings													
			03/06/2022	08/06/2022	17/08/2022	01/11/2022	11/11/2022	22/12/2022	13/01/2023	14/02/2023	17/02/2023	29/03/2023				
Smt.Suchita Gupta, CMD	Chairman cum Managing Director	Chairman	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Shri Saurabh Mishra	Government Nominee Director	Member	Present*	Present*	Present	Absent	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*
Shri Sanjiv Chadha	Non-Executive & Independent Director	Member	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*
Shri Satya Brata Dass	Independent Director	Member	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*	Present*
Shri Peter Chittaranjan (w.e.f. 01/11/2022)	Whole-Time Director	Member	-	-	-	Present	Present	Present	Present	Present	Absent	Present	Present	Present	Present	Present
Smt. Geetha Santhaseelan, (w.e.f. 21/11/2022)	Whole-Time Director	Member	-	-	-	-	-	-	-	-	Present	Present	Present	Present	Present	Absent

(*Attended through video conference)

2. AUDIT COMMITTEE (Mandatory)

No. of meetings held: 7

Name of Members	Date of Meetings						
	03/06/2022	08/06/2022	17/08/2022	11/11/2022	13/01/2023	14/02/2023	29/03/2023
Shri Satya Brata Dass (Chairman)	Present*	Present*	Present*	Present*	Present*	Present*	Present*
Shri Saurabh Mishra	Present*	Present*	Present	Present*	Present*	Present*	Present
Shri Sanjiv Chadha	Present*	Present*	Present*	Present*	Present*	Present*	Absent

*(Attended through Video Conference)

3. INVESTMENT COMMITTEE (Mandatory)

No. of meetings held: 4

Name of the Members	Date of Meetings			
	03/06/2022	17/08/2022	11/11/2022	14/02/2023
Smt. Suchita Gupta (Chairperson)	Present	Present	Present	Present
Shri Sanjiv Chadha	Present*	Present*	Present*	Present*
Shri Saurabh Mishra	Present*	Present	Present*	Present*
Smt. Geetha Santhaseelan (w.e.f. 08/12/2022)	-	-	-	Present
Smt. Sunita Tuli Nagpal (Chief Investment Officer-upto 15/11/2022)	Present	Present	Present	-
Shri T. Babu Paul (Chief Investment Officer- w.e.f. 13/12/2022)	-	-	-	Present*
Shri Ashok Kumar Lahoty (Appointed Actuary & Chief Risk Officer)	Present	Present	Present	Present
Smt. S. M. Geetha (Chief Financial Officer – upto 31/12/2022)	Present	Present	Present	-
Shri V. Ratna Kumar (Chief Financial Officer- w.e.f. 13/01/2023)	-	-	-	Present

(* Attended through Video Conference)

4. RISK MANAGEMENT COMMITTEE (Mandatory)

No. of meetings held: 4

Name of the Members	Date of Meetings			
	03/06/2022	27/09/2022	22/12/2022	29/03/2023
Smt. Suchita Gupta (Chairperson)	Present	Present	Present	Present
Shri Saurabh Mishra	Present*	Present*	Present*	Present
Shri Sanjiv Chadha	Present*	Absent	Present*	Present*
Shri Satya Brata Dass	Present*	Present*	Present*	Present*
Shri Peter Chittaranjan (w.e.f. 09/11/2022)	-	-	Present	Present
Smt Geetha Santhaseelan (w.e.f. 08/12/2022)	-	-	Present	Absent
Shri Ashok Kumar Lahoty (Chief Risk Officer)	Present	Present	Present	Present

(* Attended through Video Conference)

5. POLICYHOLDER PROTECTION COMMITTEE (Mandatory)

No. of meetings held: 4

Name of the Members	Date of Meetings			
	29/06/2022	27/09/2022	22/12/2022	29/03/2023
Shri Sanjiv Chadha (Chairman)	Present*	Absent	Present*	Absent
Smt. Suchita Gupta	Present	Present	Present	Present
Shri Saurabh Mishra	Present*	Present*	Present*	Present
Shri Peter Chittaranjan (w.e.f. 09/11/2022)	-	-	Present	Present
Shri Udayan Mukhopadhyay (Customer Representative)	Present*	Present*	Present	Present

(* Attended through Video Conference)

6. NOMINATION AND REMUNERATION COMMITTEE (Mandatory)

No. of meetings held: 5

Name of the Members	Date of Meetings				
	03/06/2022	01/11/2022	22/12/2022	13/01/2023	29/03/2023
Shri Satya Brata Dass (Chairman w.e.f. 16/09//2022)	Present*	Present*	Present*	Present*	Present*
Shri Sanjiv Chadha (ex-Chairman)	Present*	Present*	Present*	Present*	Present*
Shri Saurabh Mishra	Present*	Absent	Present*	Present*	Present

(* Attended through Video Conference)

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (Mandatory)

No. of meetings held: 4

Name of the Members	Date of Meetings			
	08/06/2022	11/11/2022	14/02/2023	29/03/2023
Smt. Suchita Gupta (Chairperson)	Present	Present	Present	Present
Shri Sanjiv Chadha	Present*	Present*	Present*	Absent
Shri Satya Brata Dass	Present*	Present*	Present*	Present*
Shri Peter Chittaranjan (w.e.f. 09/11/2022)	-	Present	Present	Present
Smt Geetha Santhaseelan (w.e.f. 08/12/2022)	-	-	Present	Absent

(* Attended through Video Conference)

8. IT COMMITTEE

No. of meetings held: 3

Name of the Members	Date of Meetings		
	03/06/2022	22/12/2022	13/01/2023
Smt. Suchita Gupta (Chairperson)	Present	Present	Present
Shri Saurabh Mishra	Present*	Present*	Present*
Shri Sanjiv Chadha	Present*	Present*	Present*
Shri Peter Chittaranjan (w.e.f. 09/11/2022)	-	Present	Absent

(* Attended through Video Conference)

9. ASSET LIABILITY MANAGEMENT COMMITTEE

No. of meetings held: 4

Name of the Members	Date of Meetings			
	29/06/2022	27/09/2022	22/12/2022	29/03/2023
Smt. Suchita Gupta (Chairperson)	Present	Present	Present	Present
Shri Saurabh Mishra	Present*	Present*	Present*	Present
Shri Sanjiv Chadha	Present*	Absent	Present*	Present*
Smt Geetha Santhaseelan (w.e.f. 08/12/2022)	-	-	Present	Absent
Smt. Sunita Tuli Nagpal, CIO (upto 15/11/2022)	Present	Present	-	-
Shri Ashok Kumar Lahoty, Appointed Actuary & CRO	Present	Present	Present	Present
Smt. S. M. Geetha, CFO (upto 31/12/2022)	Present	Present	Present	-

(* Attended through Video Conference)

10. HUMAN RESOURCES COMMITTEE

No. of meeting held: 1

Name of the Members	Date of Meeting
	11/11/2022
Smt. Suchita Gupta (Chairperson)	Present
Shri Saurabh Mishra	Present*
Shri Sanjiv Chadha	Present*
Shri Peter Chittaranjan (w.e.f. 09/11/2022)	Present

(* Attended through Video Conference)

11. STAKEHOLDERS RELATIONSHIP COMMITTEE

No. of meeting held: 1

Name of the Members	Date of Meeting
	29/03/2023
Shri Satyabrata Dass (Chairman)	Present*
Smt. Suchita Gupta	Present
Shri Sanjiv Chadha	Present*
Smt. Geetha Santhaseelan (w.e.f. 08/12/2022)	Absent

(* Attended through Video Conference)

12. ANNUAL GENERAL MEETING:

Name of the Directors	Last AGM held on 21/09/2022
Smt. Suchita Gupta (Chairperson)	Present*
Shri Saurabh Mishra	Absent
Shri Sanjiv Chadha	Absent
Shri Satya Brata Dass	Present*

(* Attended through Video Conference)

13. No meetings of Remuneration Committee, & Property Review Committee took place during the year 2022-23.

ANNEXURE – H

Annual Report on Corporate Social Responsibility Activities

1. As a responsible Corporate, National Insurance believes in contributing to the community at large through initiatives which have positive Social, Economic and Environmental impact. Accordingly, our Board approved CSR policy incorporates activities enlisted in Schedule VII of the Company's Act 2013.

- ▶ Education/Literacy Enhancement & Vocational training.
- ▶ Sanitation & drinking water projects including rain water harvesting.
- ▶ Healthcare/Medical Facility.
- ▶ Welfare & Rehabilitation of underprivileged & differently abled persons.
- ▶ Environment Protection.
- ▶ Relief to victims of natural calamities/disasters.
- ▶ Training in Sports and Development of Sports-related infrastructure.
- ▶ Any other area of contemporary importance.

The CSR policy and projects undertaken by the Company are displayed on the website of the Company at <https://nationalinsurance.nic.co.in>.

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year 2022-2023	Number of meetings of CSR Committee attended during the year 2022-2023
1.	Mrs Suchita Gupta	Chairperson	4	4
2.	Mr. Sanjiv Chadha	Member	4	3
3.	Mr. Peter Chittaranjan	Member	4	3
4.	Mrs Geetha Santhaseelan	Member	4	1
5.	Mr. Satya Brata Dass	Member	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company : <https://nationalinsuranceindia.nic.co.in>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rule, 2014 and amount required for set off for the financial year, if any : **NIL**

Sl.No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set- off for the financial year, if any (in ₹)
1	2022-23	NIL	NIL

6. Average Net Profit of the Company for last three financial years:

Net Profit as per Section 135 (5) of the Companies Act, 2013:

- ❑ Financial Year 2021-22:(-) ₹ 1976.85 crore
- ❑ Financial Year 2020-21: (-) ₹ 848.17 crore
- ❑ Financial Year 2019-20: (-) ₹ 4339.90 crore

Total Net Profit of the immediately preceding three financial years: (-) ₹ 7164.93 crore

7. (a) Two percent of average net profit of the company as per section 135 (5) : **NIL**

(b) Surplus arising out of the CSR project or programs or activities of the previous financial years. : **₹4,74,54,116/**

(c) Amount required to be set off for the financial year, if any : **NIL**

(d) Total CSR obligation for the financial year 2022-2023 (7a+7b-7c). : **₹ 4,74,54,116/-**

8. (a) CSR amount spent or unspent for the financial year 2022-2023:

Total Amount Spent for the Financial Year 2022-2023 (in ₹)	Amount unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 2,58,13,718	NIL	-	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year: 2022-2023:

1	2	3	4	5		6	7	8	9	10	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number
1	Menstrual Hygiene Management for adolescent girl students	Preventive health care and sanitation	Yes	West Bengal	Purulia	34,76,626	851913	NIL	No	Nirman Foundation & CSR00017479	

2	Sponsored Tailoring Unit for skill development for 40 traffic victim adolescent girls	Welfare & Rehabilitation	Yes	West Bengal	24 Parganas (South)	3,39,900	110960	NIL	No	Digamberpur Angikar & CSR00002997
3	Construction of Class Room, Toilets & GAP Hall	Promoting education	No	U.P.	Kanpur	22,45,976	578909	NIL	No	Ramkrishna Mission Ashram, Kanpur & CSR00003390
4	Construction of Library and Laboratory cum classroom	Promoting education	No	Meghalaya	Cherapunjee	68,53,809	2056143	NIL	No	Ramkrishna Mission Ashrama, Sohra (Cherapunjee) & CSR000006101
5	Purchase of Medical Equipment /s and Two Medical Vans	Promoting Health Care	No	Gujrat	Valsad	80,00,000	60,00,000	NIL	No	SrimadRajchandra Love and Care, Valsad
6	Purchase of Multipurpose vehicle, emergency communication and surveillance system,	Promoting Health Care	No	Andhrapradesh	Vijaywada	4147700	2500000	NIL	No	Indian Red Cross Society, Vijayawada, Andhra Pradesh
7	Distribution of Assistive Devices for Persons with Disabilities	Promoting Health Care	Various States of India	West Bengal, Assam, Nagaland, Tripura, Odisha & Jharkhand	Servral District of West Bengal, Assam, Nagaland, Tripura, Odisha, Jharkhand	25000000	7667793	NIL	NO	ALIMCO
8	CT Scan Machine	Promoting Health Care	No	Maharashtra	Pune	6048000	6048000	NIL	No	Indian Red Cross Society, Pune

(c) Details of CSR amount spent against other than ongoing projects for the financial year: 2022-2023

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
NIL									

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 2,58,13,718/-

(g) Excess amount for set off, if any NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in the succeeding financial year. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2019-2020	1,11,31,502	15,41,782		NIL		28,48,882
2	2020-2021	6,84,32,017	1,66,04,143		NIL		1,27,08,903
3	2021-2022	NIL	NIL		NIL		NIL
	Total	7,95,63,519	1,81,45,925				1,55,57,785

(b) Details of CSR amount spent in the financial year 2022-23 for ongoing projects of the preceding financial years:

1	2	3	4	5	6	7	8
Sl. No.	Project ID	Name of the project	Financial year in which the project was commenced	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project – Completed/Ongoing
1	Nirman Foundation	Menstrual Hygiene Management for adolescent girl students	2019-20	39,15,430	851913	3459078	Completed
2	Digambarpur Angikar	Sponsored Tailoring Unit for skill development for 40 traffic victim adolescent girl	2019-20	3,39,900	110960	314900	Completed
3	Ramkrishna Mission Ashrama - Kanpur	Construction of Class Room, Toilets & GAP Hall	2019-20	22,45,976	578793	2150976	Completed

4	Ramakrishna Mission Ashrama Sohra	Construction of Library and Laboratory cum classroom	2020-21	68,53,809	2056143	6853809	Completed
5	Shrimad Rajchandra Love and Care, Valsad	Purchase of Medical Equipment/s and Two Medical Vans	2020-21	80,00,000	60,00,000	80,00,000	Completed
6	ALIMCO	Promoting Health Care	2016-17	2,50,00,000	76,67,793	2,01,67,793	Completed

10. Details of CSR project approved for the financial year: 2022-2023

Sl. No	Project ID	Project Name	Project approval year	Amount approved for the project	Status of the Project
1	TRILOCHANPUR ASSOCIATION FOR DEVELOPMENT IN SOCIAL WELFARE (ADSW): CSR No.: CSR00006455	Digital education and computer literacy among the rural underprivileged school going students	2022-2023	2,17,400	On going Project
2	HOWRAH VIVEKANANDA SHIKSHA KENDRA DHIMDA: CSR No.: CSR00028014	Computer education	2022-2023	4,09,615	On going Project
3	JEEVODAY EDUCATION SOCIETY: CSR No.: CSR00019107	Special school for the Intellectually Disabled,	2022-2023	3,30,800	On going Project
4	FUTURE HOPE INDIA CSR No.: CSR00007351	Provide education to the vulnerable children from the streets and slums of Kolkata	2022-2023	15,91,470	On going Project
5	HOLY MISSION FOR CHILDREN'S WELFARE & RURAL DEVELOPMENT: CSR No.: CSR00020235	Skill training for providing Self-employment opportunities.	2022-2023	3,68,150	On going Project
6	RAGHUNATHPUR NARI KALYAN SAMITY (RNKS): CSR No.: CSR00001055	Skill development training	2022-2023	3,95,850	On going Project
7	Support to Sahiya/ASHA Workers of Jharkhand CSR proposal received from Jharkhand Government	Bundis to Sahiya/ASHA workers of Jharkhand	2022-2023	1,00,00,000	On going Project
8	Apna Ghar Ashram, Jodhpur (A Branch Of Apna Ghar Sanstha, Bharatpur) CSR No.: CSR00003469	Providing residential shelter, treatment and food to mentally, physically challenged people	2022-2023	2,27,500	On going Project
9	Siksha Niketan, Purba Bardhaman CSR No.: CSR000050756	"Basic Education" - based on the ideals of Mahatma Gandhi's "Buniyadi Shiksha"	2022-2023	4,70,000	On going Project
10	Jagruk Parents Association, Raipur: CSR No.: CSR000035714	Promoting special education and employment enhancing vocational skills	2022-2023	29,96,150	On going Project

11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

Sl. No.	Name of the Project	Amount of CSR spent for (₹)	Financial Year of acquisition of asset	Asset created and owned by the Implementing Agency
1	Indian Red Cross Society, Pune	6048000	2022-2023	Machinery
2	Indian Red Cross Society, Vijayawada,	2500000	2022-2023	Vehicle
3	SrimadRajchandra Love and Care, Valsad	6000000	2022-2023	Medical Van and Equipments
4	Ramkrishna Mission Ashrama, Sohra	2056143	2022-2023	Library and Laboratory-cum-classroom
5	Ramkrishna Mission Ashram, Kanpur	578909	2022-2023	Classroom, Toilets and Hall
6	Digamberpur Angikar	110960	2022-2023	Tailoring unit
7	Nirman Foundation	851913	2022-2023	Sanitary pad vending machine and incinerator

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135 (5).

As there is net loss in the three immediate preceding financial years, this clause is not applicable.

Sd/-
(Peter Chittaranjan)
General Manager & Director

Sd/-
(Suchita Gupta)
Chairman CSR Committee

Place : Kolkata
Date : 30th May 2023

ANNEXURE – I

S.M. GUPTA & CO.
Company Secretaries

P-15, Bentinck Street
Kolkata -700 001
033-2236-1385, 2236-7135
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E-mail: smguptaandco@yahoo.com
Website: www.smguptaandco.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED – 31.03.2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
National Insurance Company Limited
3, Middleton Street,
Kolkata – 700 071

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Insurance Company Limited (CIN: U10200WB1906GOI001713) (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (A statutory body constituted under the Company Secretaries Act, 1980) read with Company Secretaries Auditing Standards (CSAS) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Compliance of Guidelines for Corporate Governance and also the information provided by the Company, its officers; agents and authorized representatives during the conduct of secretarial audit including by way of electronic mode, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31.03.2023 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

- a) The Company is a Public Sector Undertaking wholly-owned by the Government of India as all its equity shares are 100% held in the name of the President of India.

- b) The Company has listed only its Non-Convertible Debentures with NSE and BSE and none of its equity shares have been listed.
- c) The Company is a Financial Sector entity regulated by Insurance Regulatory and Development Authority of India (“IRDAI”).
- d) Since the Equity shares of the Company are not listed on any stock exchange, none of the Rules and Regulations issued by SEBI relating to entities which have listed their equity shares are applicable to this Company, except as mentioned herein below;
- e) The Company is no more a “Listed Company” consequent to insertion of Rule 2A by the Companies (Specification of definitions details) Second Amendment Rules, 2021 vide notification dated 19.02.2021 effective from 01.04.2021.
- f) The following Rules/Regulations only are applicable to this Company:
 - iii. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and
 - iv. Chapter III, Chapter V and Part B of Schedule III of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (“LODR”);
 - v. Regulations 15 to 27 of Chapter IV of the LODR to the extent made applicable to this Company by SEBI (Listing Obligation and Disclosure Requirements) (Fifth amendment) Regulations, 2021 w.e.f. 07.09.2021; The provisions of this amendment shall be applicable to the Company being a “high value debt listed entity” on a “comply or explain” basis until March 31, 2023 and on a mandatory basis thereafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by National Insurance Company Limited “the Company” for the financial year ended on 31.03.2023 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder read with the exemptions granted to Government Companies by issue of notifications under Section 462 of the said Act from time to time;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act; 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company: **As reported to us, there were no FDI, ODI transactions and ECB transactions in the Company during the year under review.**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable to the Company: and to the extent complied with by the Company: -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not applicable
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; to the extent applicable to the Company.
 - d) The Securities Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; Not applicable

- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. Not applicable.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; to the extent applicable to the Company and to the extent complied with by the Company.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to it including the following observations with available updates:

1. There was a delay in submission of the accounts for the financial year ended 31.03.2022 to the Stock Exchanges. There was a delay of 9 days. The National Stock Exchange of India Limited (NSE) imposed a fine of ₹ 54,000/- for the delay which together with the GST amounted to ₹ 63,720/-. The fine amount has been paid by the company on 06.03.2023.
2. Delay in submission of the accounts for the First Quarter ended 30.06.2022 to the Stock Exchanges. There was a delay of 1 day. The National Stock Exchange of India Limited (NSE) imposed a fine of ₹ 6,000/- for the delayed submission of Accounts which together with the GST amounted to ₹ 7,080/-. The Company has sent a letter to the NSE requesting them for waiver of fines for the reasons stated therein. Response from NSE is awaited.
3. No Debenture Redemption Reserve has been created by the Company as required under Section 71 (4) of the Companies Act, 2013 and the Rules made thereunder.
4. The Internal Control and Internal Financial Control mechanism of the Company are required to be strengthened.
5. The matter of appeal filed by The Competition Commission of India before The Hon'ble Supreme Court of India is still sub-judice.
6. The Company has exceeded the limit by ₹1,584.24 Crores on Expenses of Management as prescribed under the IRDAI (Expenses of Management of Insurers Transacting General or Health Insurance Business) Regulations, 2016 during the financial year 2022-23 and the corresponding figure for the financial year 2021-22 was ₹ 8.74 Crores.
7. As per the requirement of the Companies Act, 2013, relevant Rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (LODR) and IRDAI Regulations, the company does not have adequate number of Independent Directors and to that extent the Board of Directors of the company is not properly constituted.

The Audit Committee and Nomination and Remuneration Committee are also not properly constituted as required in absence of adequate number of Independent Directors. Mr. Sanjiv Chadha was re-categorised as an Independent Director w.e.f. 08.06.2022.

8. IRDAI has sent letter dated 16.11.2022 regarding request for forbearance for computation of solvency margin as on 31.03.2022 and advised that considering the request made and assurances provided in the meeting held on 25.08.2022, as an exception, the company was allowed to consider 75% of fair value change account as on 31.03.2022 in the reduced Available Solvency Margin (ASM) subject to the condition mentioned in the said letter.

We further report that as far as we have been able to ascertain:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes, if any, in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, except as mentioned above by us in relation to absence of Independent Directors on the Board and the Committees.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, except for meetings called at a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- iv. Based on the compliance mechanism established by the Company and on the basis of the certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines to the extent applicable to the Company and to the extent complied by the Company. The Company has complied with the following laws specifically applicable to it, as reported to us:-
 - (i) Insurance Act, 1938; to the extent complied with by the Company.
 - (ii) Insurance Regulatory and Development Authority Act, 1999; to the extent complied with by the Company.
 - (iii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- v. We write to state about the following corporate updates as given below:
 - a. During the year under review, there was a change in Directors and KMPs as follows:

Sl No.	Name	Change	Effective Date	Designation
1	Mr.Sanjiv Chadha	Re-Categorisation as an Independent Director	08.06.2022	Non-Executive Independent Director
2	Mr.Peter Chittaranjan	Appointment	01.11.2022	Whole Time Director
3	Mrs.Geetha Santhaseelan	Appointment	21.11.2022	Whole Time Director
4	Mrs. S. M. Geetha	Retirement	31.12.2022	Chief Financial Officer
5	Mr.V.Ratna Kumar	Appointment	13.01.2023	Chief Financial Officer

b. As regards CSR we have been informed by the company as follows:

- (i) There was no fresh CSR obligation in the year under review as the Company suffered net loss in the last three financial years.

In this Certificate, we have not taken into consideration the events which are already in public domain and also not those events which have not come to our knowledge while conducting this audit.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its officers for systems and mechanism set-up by the Company for compliances under applicable Laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities/ statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

(S. M. Gupta)
Proprietor

S. M. GUPTA & CO.

Company Secretaries

Firm Registration No.: S1993WB816800

Membership No: FCS – 896

CP No.: 2053

Peer Review No: 2464/2022

UDIN: F000896E000419325

Place: Kolkata

Date: 30.05.2023

Encl.: Annexure 'A' forming an integral part of this Report

ANNEXURE – A

**To
The Members
National Insurance Company Limited
3, Middleton Street,
Kolkata – 700 071**

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on such secretarial records based on our audits.
2. We have followed the audit practices and processes as we considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. Our verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation with respect to compliance of laws, rules and regulations and of significant events during the year.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations is the responsibility of the management. Our examination was limited to the verification of secretarial records on test basis to the extent applicable to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(S. M. Gupta)
Proprietor

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 2464/2022
UDIN: F000896E000419325

Place: Kolkata
Date: 30.05.2023

ANNEXURE – J

S.M. GUPTA & CO.
Company Secretaries

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SECRETARIAL COMPLIANCE REPORT
FOR THE FINANCIAL YEAR ENDED – 31.03.2023
[Pursuant to Regulation 24A of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015]

To
The Members of
National Insurance Company Limited
3, Middleton Street,
Kolkata – 700 071

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by NATIONAL INSURANCE COMPANY LIMITED (hereinafter referred as 'the listed entity'), having its Registered Office at 3, Middleton Street, Kolkata-700071. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We, S. M. Gupta & Co., Practicing Company Secretaries, have conducted the Secretarial Compliance Audit of the applicable Securities and Exchange Board of India (SEBI) Regulations and the circulars/ guidelines issued there under and examined:

- (a) all the documents and records made available to us and explanation provided by National Insurance Company Limited (CIN:U10200WB1906GOI001713) having its registered office at 3, Middleton Street, Kolkata-700071 ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the Stock Exchange(s),
- © website of the listed entity,
- (d) any other document/ filing, as may be relevant including by way of electronic mode, which has been relied upon to make this certification, for the financial year ended 31.03.2023 ("Review Period") in respect of compliance with the provisions of:
 - a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder, to the extent applicable to this Company; and

- b. the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”); to the extent applicable to this Company as:
- The Company is a Union Government Company wholly-owned by the Government of India as all its equity shares are 100% held in the name of the President of India.
 - The Company has listed only its Non-Convertible Debentures with NSE and BSE and none of its equity shares have been listed.
 - The Company is a Financial Sector entity regulated by Insurance Regulatory and Development Authority of India (“IRDAI”)
 - Since the Equity shares of the Company are not listed on any stock exchange, none of the Rules and Regulations issued by SEBI relating to entities which have listed their equity shares are applicable to this Company, except as mentioned herein below;
 - The following Rules/Regulations are only applicable to this Company:
 - Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - Chapter III, Chapter V and Part B of Schedule III of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“LODR”); and
 - Regulations 15 to 27 of Chapter IV of the LODR to the extent made applicable to this Company by SEBI (Listing Obligation and Disclosure Requirements) (Fifth amendment) Regulations, 2021 w.e.f. 07.09.2021; The provisions of this amendment shall be applicable to the Company being a “high value debt listed entity” on a “comply or explain” basis until March 31, 2023 and on a mandatory basis thereafter.

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; to the extent applicable to this Company
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; to the extent applicable to this Company
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not applicable
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not applicable
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; to the extent applicable to this Company
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; to the extent applicable to this Company;

Based on the above examination, we hereby report that, during the Review Period the compliance status of the listed entity is appended as below

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-
2.	Adoption and timely updation of the Policies: All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	Yes Yes	- -
3.	Maintenance and disclosures on Website: The Listed entity is maintaining a functional website Timely dissemination of the documents/information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re directs to the relevant document(s)/ section of the website	Yes Yes Yes	- - -
4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	-
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: a) Identification of material subsidiary companies b) Disclosure requirement of material as well as other subsidiaries	The Company does not have any subsidiary.	-

6.	<p>Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	The Company has already adopted similar such Policy on “Maintenance of Insurance Records” as per IRDAI Regulations.	-
7	<p>Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations</p>	Performance Evaluation has been done by the Independent Directors to assess the flow of information between the Company’s Management & the Board for the F.Y. 2022-23.	-
8	<p>Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</p>	Yes NA	- Prior approval was taken.
9	<p>Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Regulation 30 of SEBI LODR is not applicable to the Company.	-
10	<p>Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	SDD entry has been initiated in February 2023.	-
11	<p>Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.</p>	NSE has imposed fines on different dates on account of delay in submission of financial results etc. as mentioned hereinafter below:	-

12	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	No	No additional non-compliances except as mentioned in serial no. 11 above.
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Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	N.A.	No such instance.
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	N.A.	No such instance.
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	N.A.	No such instance.
2.	Other conditions relating to resignation of statutory auditor		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	N.A.	No such instance.
	a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has	N.A.	No such instance.

	<p>hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii) Disclaimer in case of non-receipt of information. The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	<p>N.A.</p> <p>N.A.</p> <p>N.A.</p>	<p>No such instance.</p> <p>No such instance</p> <p>No such instance</p>
<p>3.</p>	<p>The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.</p>	<p>N.A.</p>	<p>No such instance.</p>

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation / CircularNo.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Re - marks
1	Regulation No. 52 of SEBI(LODR) Regulations, 2015	Regulation No. 52(1) and 52(4) of SEBI(LODR) Regulations, 2015	Delay in submission of the accounts for Quarter and Financial year ended 31.03.2022 to NSE within the stipulated time. There was a delay of 9 days.	NSE	Fine	Delay in submission of the accounts for Quarter and Financial year ended 31.03.2022 to NSE within the stipulated time. There was a delay of 9 days.	₹ 63,720/- including GST @ 18%	The fine amount has been paid by the company.	₹ 63,720/- has been paid by the company to NSE on 06.03.2023.	As mentioned in previous columns.
2	Regulation No. 52 of SEBI(LODR) Regulations, 2015	Regulation No. 52(1) and 52(4) of SEBI(LODR) Regulations, 2015	Delay in submission of the accounts for the First Quarter ended 30.06.2022 to NSE within the stipulated time. There was a delay of 1 day.	NSE	Fine	Delay in submission of the accounts for the First Quarter ended 30.06.2022 to NSE within the stipulated time. There was a delay of 1 day.	₹ 7080/- including GST @ 18%	Fine not yet paid by the company.	Company has requested for waiver and response of NSE is awaited.	Response from NSE is awaited.
3	Section 149 of the Companies Act, 2013 and the Rules made thereunder read with 17, 18, 19, 21 and 25 of the LODR	Section 149 of the Companies Act, 2013 and the Rules made thereunder read with 17, 18, 19, 21 and 25 of the LODR	The composition of Board of Directors, Audit Committee and Nomination and Remuneration Committee of the Company are not properly constituted in accordance with the Companies Act, 2013 and the SEBI (LODR) in absence of required number of Independent Directors. However, Risk Management Committee had an Independent Director.	-	-	The composition of Board of Directors, Audit Committee and Nomination and Remuneration Committee of the Company are not properly constituted in accordance with the Companies Act, 2013 and the SEBI(LODR)in absence of required number of Independent Directors. However, Risk Management Committee had an Independent Director.	-	The company has re-categorised Mr. Sanjiv Chadha as an independent director at the board meeting held on 08.06.2022. Thereafter, the board has two independent directors. The total strength of the Board was six directors and as per requirement of law the company should have three independent directors.	The Company at present has two Independent Directors on the Board of NICL. The requirement to have minimum three Independent Directors on the Board of NICL has already been informed to the Department of Financial Services.	As mentioned in previous columns.

4	Regulation 18(2)(b) of SEBI(LODR) Regulations, 2015.	Regulation 18(2)(b) of SEBI(LODR) Regulations, 2015.	The requirement of quorum was not made at the Audit Committee meeting held on 29.03.2023 as only one Independent Director was present.	-	-	The requirement of quorum was not made at the Audit Committee meeting held on 29.03.2023 as only one Independent Director was present.	-	As mentioned in previous columns.	Due to urgent office exigencies, Mr. Sanjiv Chadha, Independent Director of the Company was not present in the Audit Committee meeting held on 29-03-2023.	As mentioned in previous columns.
5	Regulation 5(1) of IRDAI	Regulation 5(1) of IRDAI	The composition of the board of directors is not proper as Corporate Governance Guidelines of IRDAI has prescribed minimum number of 3 Independent Directors whereas at the beginning of the year the company had only one Independent Director. One more director Mr. Sanjiv Chadha was re-categorised as Independent Director only w.e.f. 08.06.2022.	IRDAI	-	The composition of the board of directors is not proper as Corporate Governance Guidelines of IRDAI has prescribed minimum number of 3 Independent Directors whereas at the beginning of the year the company had only one Independent Director. One more director Mr. Sanjiv Chadha was re-categorised as Independent Director only w.e.f. 08.06.2022.	-	As mentioned in previous columns.	The Company at present has two Independent Directors on the Board of NICL. The requirement to have minimum three Independent Directors on the Board of NICL has already been informed to the Department of Financial Services.	As mentioned in previous columns.

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Regulation 52(1) and 52(4) of LODR	52(1) and 52(4) of SEBI(LODR) Regulations, 2015	NSE has levied a fine of ₹81,420/- for delay of 8 and 29 days respectively in adoption of the Half-Yearly accounts for the period ended 30.09.2021 and also reporting line of items to NSE within the stipulated time.	NSE	Fine	NSE has levied a fine of ₹ 81,420/- for delay of 8 and 29 days respectively in adoption of the Half-Yearly accounts for the period ended 30.09.2021 and also reporting line of items to NSE within the stipulated time.	₹81,420/- including GST	The fine amount has been paid by the company.	₹81,420/- has been paid by the company to NSE on 20.07.2022.	As mentioned in previous columns.
2.	Regulation 52(1) and 52(4) of LODR	52(1) and 52(4) of SEBI(LODR) Regulations, 2015	NSE has levied a fine of ₹14,160/- for delay of 2 days respectively in adoption of the Quarterly accounts for the period ended 31.12.2021 and also reporting line of items to NSE within the stipulated time.	NSE	Fine	NSE has levied a fine of ₹ 14,160/- for delay of 2 days respectively in adoption of the Quarterly accounts for the period ended 31.12.2021 and also reporting line of items to NSE within the stipulated time.	₹ 14,160/- including GST @ 18%	The fine amount has been paid by the company.	₹14,160 has been paid by the company to NSE on 20.07.2022.	As mentioned in previous columns.

- In this Certificate, we have not taken into consideration the events which are already in public domain and also not those events which have not come to our knowledge while conducting this audit.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.

4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

(S. M. Gupta)
Proprietor

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 2464/2022
UDIN: F000896E000362763

Place: Kolkata
Date: 23.05.2023

ANNEXURE – J

DETAILS OF PERFORMANCE OF SOME OF THE PERSONAL LINE INSURANCE

JANATA PERSONAL ACCIDENT POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	25219	51996	40773	795	595	81360	137.93
2019-20	20619	36826	58334	1278	394	49666	6.20
2020-21	12184	12040007	256757	907	563	59405	14
2021-22	16440	277198	30058	3721	3309	274857	758
2022-23	22005	25796669	43396	653	867	81954	257

PERSONAL ACCIDENT INSURANCE FOR KISSAN CREDIT CARD HOLDERS:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	979	1068	7029	72	111	5041	70.06
2019-20	899	899	10005	152	146	6609	16.91
2020-21	818	1786	7472	64	180	3794	47.42
2021-22	383	383	2185.25	55	53	1563.28	89.47
2022-23	336	336	3795.10	18	18	932.09	14.28

RAJRAJESHWARI MAHILA KALYAN BIMA YOJANA:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	0	0	0	0	0	0	0
2019-20	9	9	0.553	0	0	0	0
2020-21	3	3	0.43	0	0	0	0
2021-22	2	2	0.13	0	0	0	0
2022-23	2	2	1.35	0	1	27	0

BHAGYASHREE CHILD WELFARE BIMA YOJANA:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	10	10	0.915	0	0	0	0
2019-20	1	1	0.015	0	0	0	0
2020-21	2	2	0.003	0	0	0	0
2021-22	18	25	0.27	0	0	0	0
2022-23	13	13	0.195	0	0	0	0

UNIVERSAL HEALTH INSURANCE SCHEME:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	14523	12666	46479	4582	4902	36217	75.54
2019-20	11630	66032	20818	4125	3836	31905	35.47
2020-21	12610	60545	12484	1371	1322	10503	52
2021-22	10795	46211	11695	1285	1109	10705	92
2022-23	6883	40229	12160	1401	1270	14134	111

NATIONAL MEDICLAIM POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	1037988	1088300	10625043	235117	206472	9063128	89.97
2019-20	1138729	2454839	11684305	296239	266734	10572686	26.01
2020-21	868356	1888685	11365873	242166	222348	11710935	102
2021-22	633467	1281870	10249297	210962	200654	10681379	102
2022-23	534071	963022	9330014	161755	149020	7869073	78

NATIONAL MEDICLAIM PLUS POLICY:

(Rs. In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in Rs.)	No. of claims reported	No. of claims settled	Amount paid (in Rs.)	Incurred claim ratio (%)
2018-19	10528	12007	345652	4191	4139	164803	53.11
2019-20	12879	17780	378346	5105	4656	199740	39.64
2020-21	11810	18237	405523	5193	4853	273639	66
2021-22	10734	16278	390503	5819	5453	334927	87
2022-23	10471	14618	391875	5025	4643	305452	71

NATIONAL VIDYARTHI MEDICLAIM POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	3306	6480	52920	575	559	15906	31.19
2019-20	3402	73321	54265	789	672	18606	23.19
2020-21	2965	86036	35969	292	314	8566	19
2021-22	2668	63660	41480	493	444	13880	34
2022-23	2771	67234	41138	562	468	17652	39

NATIONAL PARIVAR MEDICLAIM POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	89868	70736	1523236	23835	17793	798760	58.08
2019-20	260186	746327	2294287	84012	76132	2588621	32.29
2020-21	71461	215006	687148	53436	51506	2240495	301
2021-22	368433	1181023	6409750	149152	135752	6609318	105
2022-23	367631	1174168	6620027	166723	151287	6901598	105

NATIONAL PARIVAR MEDICLAIM PLUS POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2020-21	7168	18522	296926	2544	2201	164919	57
2021-22	7652	23033	328454	3673	3322	251109	79
2022-23	8409	22974	363802	4296	3862	269720	67

NATIONAL SENIOR CITIZEN MEDICLAIM POLICY

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2020-21	86397	133365	2131923	6808	5213	365264	23
2021-22	168659	257585	4279199	71779	62636	3502494	90
2022-23	175777	244292	4684003	97284	88214	4836522	99

NATIONAL SUPER TOP UP POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2019-20	17090	18440	91232	24	16	197	0
2020-21	42825	45369	232315	348	273	32728	18
2021-22	52778	137468	297032	1269	670	70645	27
2022-23	60123	147629	353652	1555	707	78310	17

AROGYA SANJEEVANI POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2020-21	660	1013	6917	30	26	2004	37
2021-22	717	1194	8139	124	91	6035	86
2022-23	739	1188	8142	149	125	6436	62

CORONA KAVACH POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2020-21	74135	84635	369278	3495	2625	193313	60
2021-22	43403	46875	243281	21307	5119	317847	123
2022-23	835	1201	4703	145	254	14963	128

PRADHAN MANTRI SURAKSHA BIMA YOJANA (PMSBY):

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	193	339	321206	3813	3513	611419	195.23
2019-20	59023469	59023469	708282	5669	4690	913174	0.01
2020-21	203	24518125	1014218	7838	4819	957500	116
2021-22	203	107395917	1288751	9699	6205	1209302	94
2022-23	197	128403209	2529699	12992	9086	1815630	70

CATTLE INSURANCE POLICY:

(₹ In thousand)

Year	No. of policies issued	No. of cattle covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	41902	64894	350741	8401	9704	356227	103.05
2019-20	31807	254456	281535	975	9526	349565	3.07
2020-21	32885	32885	349387	10119	15745	313050	94.51
2021-22	20963	308861	421460	9933	14636	338767	91.71
2022-23	19330	-	425846	13291	10828	501478.17	122.59

RURAL INSURANCE:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	22105	31484	939257	61408	62403	10801343	216
2019-20	12293	128	14	13449	13420	1734398	109
2020-21	48021	48021	737835	18187	25235	1018399	113.36
2021-22	45281	56879	475188	16923	19567	516240.37	91
2022-23	52514	-	548904.6	18828	15511	1048690.6	193.93

MICRO-INSURANCE POLICIES

(a) Gramin Suswasthya Micro Insurance Policy:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	0	0	0	1	1	3.31	0
2019-20	2603	3000	4041	264	258	2719	0
2020-21	1748	1748	690	154	157	1450	175.67
2021-22	1297	1297	894.84	139	140	1593.72	171.96
2022-23	948	948	729.07	144	133	1487.67	203.67

(b) Gramin Suraksha Micro Insurance Policy:

(₹ In thousand)

Year	No. of policies issued	No. of persons covered	Premium received (in ₹)	No. of claims reported	No. of claims settled	Amount paid (in ₹)	Incurred claim ratio (%)
2018-19	0	0	0	0	0	0	0
2019-20	10	10	1.5	2	2	17	20
2020-21	17	17	8.17	0	0	0	0
2021-22	13	13	1.17	1	1	6.77	579.45
2022-23	1	0	0.162	3	2	70	37037

STANDALONE FINANCIAL STATEMENTS 2022-23

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL INSURANCE COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **National Insurance Company Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31st March, 2023, Revenue Accounts of Fire, Marine and Miscellaneous Insurance Business (collectively known as 'Revenue Accounts'), Profit and Loss Account and Receipts and Payments Account for the year ended as on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements"), in which are incorporated the audited returns for the year then ended of 34 Regional Offices, 317 Divisional Offices audited by statutory branch auditors appointed by the Comptroller and Auditor General of India (C&AG) and 2 Foreign Offices (Nepal Office comprising 6 branches and Hong Kong Office), audited by local auditors appointed by C&AG on the recommendation of the Company. These financial statements have been prepared in accordance with the requirements of the Insurance Act 1938 as amended by the Insurance Laws (Amendment) Act 2015 (the "Insurance Act"), the Insurance Regulatory and Development Act 1999 (the "IRDA Act"), the Companies Act 2013 (the "Act") and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 (the "IRDA Financial Statements Regulations") notified by the Insurance Regulatory and Development Authority of India (IRDAI), to the extent applicable and in the manner so required.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the aforementioned Acts and Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:

- a. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2023;
- b. in the case of Fire and Marine Revenue Accounts, of the operating profits and in the case of Miscellaneous Revenue Account, of the operating loss for the year ended on that date;
- c. in the case of Profit and Loss Account, of the loss for the year ended on that date; and
- d. in the case of Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters :

a) Provision against unconfirmed / unreconciled recoverable:

Due to / due from balances in respect of re-insurance / co-insurance business transactions, other debtors, creditors and inter-office balances are subject to confirmations, reconciliations and/or adjustments. Although the consequential impact of adjustments, if any, that may arise upon their reconciliations, confirmations or adjustments on revenue accounts, profit and loss account, reserves and surplus and assets and liabilities as on 31-03-2023 is not exactly ascertainable, as a prudential

measure, pending such confirmations / reconciliations / adjustments, the Company has provided a sum of ₹39,66,744 thousand during the year against such unconfirmed / unreconciled / unadjusted balances. Cumulative amount of such provision as at the year-end is ₹100,47,874 thousand (Refer Schedule 17 – Note No. 25.1).

b) Bad-debt Written Off :

In terms of the Board approved policy for writing off and writing back of coinsurance and reinsurance receivables and payables, the Company during the year has written off old outstanding receivables net of payables of ₹2,45,808 thousand and ₹8,99,339 thousand in respect of coinsurance and reinsurance respectively. Besides, the Company during the year, wrote off ₹2,43,706 thousand of old unreconciled debtors and advances. The total write off amount of ₹13,88,853 thousand is charged to profit and loss account (Refer Schedule 17 – Note No. 25.2).

c) Amortization of Pension Liability:

The Company has incurred additional pension liability consequent to implementation of General Insurance (Employees') Pension Amendment Scheme, 2019 notified by the Central Government. Pursuant to approval granted by IRDAI, the Company has amortized actuarially determined additional pension liability of ₹78,88,080 thousand in respect of fresh pension Optees under that Scheme over a period of five years from FY 2019-20. Accordingly, ₹15,77,616 thousand is

charged off in the current year and the balance ₹ 15,77,616 thousand is deferred for amortization in the next year (Refer Schedule 17 – Note No.30).

d) Pay Revision:

Pursuant to Gazette Notifications of Government of India rationalizing pay scales and other conditions of service of officers, development staff and supervisory, clerical and subordinate staff of Central Government owned General Insurance Companies, the Company has recognized ₹1,63,75,934 thousand towards pay revision and made additional provision of ₹967,52,00 thousand towards retirement benefits during the year. [Refer Schedule 17– Note No.32].

e) Solvency Ratio:

The declared Solvency Ratios of the Company as on 31st March, 2023 with or without forbearances are below the threshold limit (Refer Schedule 17 – Note No.38).

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have identified the matters described below to be the key audit matters in the current year.

Key Audit Matter	How our Audit addressed the Key Audit Matter
Recognition of Premium Income	
Premium income is the main source of income of the Company and one of the major areas of concern for correct depiction of financial results. The Company is required to comply IRDAI regulations for creation of Unexpired Risk Reserve and also comply various reinsurance obligations and treaties for recognition of premium income.	We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to recognising premium income. We verified the booking of premium income and assessed the control over the following aspects in relation thereto.

Key Audit Matter	How our Audit addressed the Key Audit Matter
	<ul style="list-style-type: none"> (i) segregation of premium amongst different business segments broadly fire, marine and miscellaneous; (ii) segregation of policies between risk booked and non-risk booked for the purpose of premium cession as per reinsurance underwriting policy of the Company; (iii) premium income from Government sponsored insurance schemes; (iv) premium earned from motor insurance tie-up business; and (v) adjustment of Unexpired Risk Reserve comprising Unearned Premium Reserve and Premium Deficiency Reserve to arrive at Net Earned Premium.
Assessment of Incurred and Outstanding Claims	
<p>The Company has significant outstanding claims including claims relating to Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER). Estimating outstanding claims and probable future claims is based on critical judgments and is a key source of estimation uncertainty which is again the basis of estimating incurred claims during a given period.</p> <p>The methodologies and assumptions utilized to develop IBNR and IBNER involve a significant degree of judgment. The liabilities are based on the best-estimate ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs. There is generally less information available in relation to these claims, which can result in variability between initial estimates and final settlement. A range of methods are used to determine these provisions.</p> <p>The claims estimation uses an actuarial modeling process which involves complex and subjective actuarial methodologies, judgments and assumptions about future events and developments, both</p>	<p>Our audit approach is to understand the systems, procedures and control over the claims registered at different operating offices and evaluate the implementation design of these essential elements. We focused on these areas because underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims which are subject to critical judgement. We further assessed the control over –</p> <ul style="list-style-type: none"> (i) segregation of claims amongst different business segments broadly fire, marine and miscellaneous; (ii) segregation of claims between risk booked and non-risk booked for the purpose of claim cession as per reinsurance underwriting policy of the Company; (iii) acknowledgement of claims in respect of Government sponsored insurance schemes and motor insurance tie-up business;

Assessment of Incurred and Outstanding Claims	
<p>within and external to the Company, and for which small changes can have significant implications to the quantification.</p> <p>The estimation of claims at year end relies on the integrity of the underlying data, including claim payments and individual estimates of unsettled claims</p>	<p>(iv) recording revision of estimated claim amount; and</p> <p>(v) computation of incurred claims based on claims paid, outstanding registered claims and IBNR and IBNER.</p>
Valuation of Investments	
<p>The Company has made substantial investments in various State and Central Government Securities, Bonds, Debentures, Shares and other approved securities. The value of investments assumes a significant portion of the total assets of the Company.</p> <p>Entire gamut of investment functions encompassing purchase, disposal, recognition, measurement and disclosure of investments is governed by the Company's Investment Policy duly approved by the Board of Directors on annual basis based on Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, Investments-Master Circular, 2017 and other Directions and Circulars issued by IRDAI on investments.</p> <p>These regulations, directions and circulars cover valuation of investments, identification of non-performing investments and corresponding non-recognition of income and provision there against.</p>	<p>We conducted our audit of the investments with reference to IRDAI Regulations, Circulars, Directives etc. based upon understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments, provision/depreciation/write off and also assessment of fair value changes in relation to investments.</p> <p>Our audit procedures were primarily concentrated on –</p> <p>(i) Evaluation and understanding of Company's internal control system, IT governance structure vis-à-vis implementation of investment risk management systems and processes.</p> <p>(ii) Substantive testing of transactions relating to investments, verification of investment assets, identification of non-performing investments and provision made there against.</p> <p>(iii) Valuation and disclosure in the financial statements in accordance with the investment policy, regulations etc.</p>
Valuation of employees' defined benefit obligations	
<p>The Company has recognised long-term defined benefit obligations for its employees on actuarial basis. Shortfall, if any, in Bank's Provident Fund Scheme is also provided for on actual basis. Pension and gratuity obligations are funded by the Company. Unfunded long-term defined benefit obligations are leave encashment, sick leave and leave travel subsidy. The funded defined benefit obligations are recognised net of plan asset.</p>	<p>We examined the reports of external actuarial specialist and reviewed the key actuarial assumptions used, both financial and demographic, and considered the methodology utilised to derive these assumptions including review of input data provided for actuarial valuations of employees' defined benefit obligations. Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations.</p>

<p>The actuarial valuations of employee benefit obligations are dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions: discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third-party actuary.</p>	<p>We also evaluated the objectivity and competence of management's expert involved in the valuation of the defined benefit obligation. We assessed the appropriateness of the methodology used, and tested the accuracy of the calculation, to estimate the liability.</p>
<p>Ascertainment, disclosure and provisioning in respect of contingent liabilities</p>	
<p>The Company has material uncertain tax matters, both direct and indirect, under dispute involving considerable demand raised on the Company which require significant judgment to determine the possible outcome of these disputes.</p> <p>Additionally, the Company has other ongoing legal matters relating to various claims not acknowledged as debts which require application of management judgement in order to determine the likely outcome.</p>	<p>Our audit procedure was to obtain from management details of direct and indirect tax and penalty demands which are considered as contingent liabilities. We undertook following principal audit procedures:</p> <p>Assessment of the process and relevant controls implemented to identify tax litigations and pending administrative proceedings.</p> <ul style="list-style-type: none"> ● Assessment of assumptions used in the evaluation of potential tax risks performed by the tax department of the Company considering the legal precedence and other rulings in similar cases. ● Discussion with the management regarding the status of the most significant disputes and inspection of the key relevant documentation. ● Analysis of opinion received from tax experts where available. ● Review of the adequacy of the disclosures in the notes to the financial statements. <p>In assessing the potential exposures of the Company in respect of other contingent liabilities, we have:</p> <ul style="list-style-type: none"> ● assessed the design and implementation of controls in relation to the monitoring of known exposures; ● consulted with the Company's official dealing with the matters in understanding ongoing and potential legal matters impacting the Company; ● reviewed available legal precedence; and ● reviewed the proposed accounting and disclosure of actual and potential legal liabilities.

Other Matters

We did not audit the financial statements / information of 34 Regional Offices, 317 Divisional Offices, and 2 Foreign Offices, included in the standalone financial statements of the Company whose financial statements / information reflect total assets of ₹2,97,24,513 thousand as at 31st March, 2023 and total gross direct premium income of ₹15,20,58,511 thousand for the year ended on that date. The financial statements / information of these components/branches have been audited by other auditors whose reports have been furnished to us. We have considered the significant findings of the other auditors and obtained clarifications from the managements of the components as well as those charged with governance in respect of the audit findings or other matters affecting the financial information of the components for giving effect thereof in the financial statements of the Company. We have also carried out supplemental tests of the records or the financial statements/information of the components wherever considered necessary. Our opinion in so far as it relates to the amounts and disclosures included in respect of these components is based solely on the reports of such auditors.

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) that are estimated using statistical methods is the responsibility of the Company's appointed actuary. The actuarial valuation of these liabilities as at March 31, 2023 has been duly certified by the appointed actuary. The appointed actuary also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the appointed actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claim reserves and PDR contained in the financial statements of the Company.

Our opinion is not modified in respect of these matters.

Management's Responsibility for the Standalone Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Insurance Act, the IRDA Act, the IRDA Financial Statement Regulations, Orders/Directions/Circulars and other relevant Regulations issued/notified by IRDAI. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, that could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis

of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in Directors' Report, management discussion, analysis and information contained in the Annual Report but does not include the financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance for appropriate actions under applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

1. As required by Sub-Regulation 3 of Regulation 3 of the IRDA Financial Statements Regulations read with Schedule–C thereof, we

give in the **Annexure 'A'** to this report a certificate on the matters specified in paragraphs 3 and 4 of the Schedule.

2. In compliance to directions including additional directions of the Comptroller and Auditor General of India u/s.143(5) of the Act, we give in **Annexure 'B'** to this report a statement on the matters specified therein.
3. As required by Section 143(3) of the Act read with Schedule–C of the IRDA Financial Statements Regulations, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
 - c) The reports of the 34 Regional Auditors consolidating the reports of 317 Divisional Auditors and the reports of 2 foreign offices audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, the Revenue Accounts, the Profit & Loss Account and the Receipts & Payments Account dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - e) In our opinion, accounting policies selected by the Company are appropriate and the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles, as prescribed in the IRDA Financial Statements Regulations

- and orders or directions issued by IRDAI in this regard.
- f) The provisions of Section 164(2) of the Act with regard to disqualifications for appointment of director are not applicable to the Company in view of Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India.
- g) The provisions of Section 197(16) of the Act regarding payment of managerial remuneration to Company's directors are not applicable in view of Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India.
- h) Our report on the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control is given in Annexure 'C' to this report.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has pending litigations, the liabilities in respect of which is either provided for or disclosed as contingent liabilities – Refer Schedule 17 Note 1. The impact of these pending litigations on the financial position of the Company is subject to their judicial outcome;
- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses (Refer Schedule 17 Note 48).
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company (Refer Schedule 17 Note 49).
- iv) (a) To the best of our knowledge and belief, as disclosed in the notes to accounts and as represented by the management, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Schedule 17 Note 50).
- (b) To the best of our knowledge and belief, as disclosed in the note accounts, and as represented by the management, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Schedule 17 Note 51).
- (c) Based on such audit procedures as we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations made by the management in this regard contain any material mis-statement.

- v) No dividend is declared or paid during the year by the Company and hence compliance with section 123 of the Companies Act, 2013 does not arise.
- vi) Rule 3(I) of the Companies (Accounts) Rules, 2014 requires companies, which use accounting software for maintaining their books of account, to use only such accounting software which has audit trail feature. This requirement for companies is made applicable for the financial year commencing on or after April 1, 2023. However, the Company, in respect of the financial year commencing on 1st April, 2022, continue to use accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and based on our examination which included test

checks, the same has been operated throughout the year for all transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail is preserved by the Company as per the statutory requirements for record retention.

- j) In our opinion and to the best of our information and according to the explanations given to us investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations and Orders/Directions/Circulars and other relevant Regulations issued/notified by IRDAI in this regard.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(CA. Dr. B. S. Kundu)
Partner
M. No – 051221
UDIN:23051221BGYLEP3009

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060
UDIN: 23056060BGWPKT5070

Place: Kolkata
Date: 30th May, 2023

Annexure – ‘A’

Annexure to the Independent Auditors' Report of even date on the Standalone Financial Statements of National Insurance Company Limited for the year ended 31st March, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section)

Certificate for the year ended 31st March, 2023 as required by Schedule–C of the Insurance Regulatory & Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002

On the basis of our examination of books and records of the Company and according to the information and explanation given to us and to the best of our knowledge and belief, we certify that –

1. We have reviewed the Management Report for the year ended 31st March, 2023 and conclude that there is no apparent mistake or material inconsistencies with the standalone financial statements except that trends in average claim settlement time during the preceding five years have not been reported in the Management Report;

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(CA. Dr. B. S. Kundu)
Partner
M. No - 051221
UDIN: 23051221BGYLEP3009

2. Based on management representations and the compliance certificate taken on record by the Board of Directors of the Company, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by the Insurance Regulatory and Development Authority of India.
3. Cash balances at branches have been verified by the branch auditors. We have verified securities relating to the Company's loans and investments as at 31st March, 2023 on the basis of certificate/confirmations received from the custodian/ depository participants/ CSGL Account Holder as the case may be. However, no significant variation between book records and physically verifiable investment records is noticed;
4. There is no investments and transactions relating to any trusts undertaken by the Company as trustee; and
5. No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders' funds.

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060
UDIN: 23056060BGWPKT5070

Place: Kolkata
Date: 30th May, 2023

ANNEXURE – 'B'

Annexure to the Independent Auditors' Report of even date on the Standalone Financial Statements of National Insurance Company Limited for the year ended 31st March, 2023

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section)

Replies to the Directions issued to Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the Financial Year 2022-23

Sl. No.	Query	Reply
1	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	All the accounting transactions of the Company are processed through different IT Systems and are finally integrated into for preparation of the accounts. Thus, implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications do not arise.
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	The Company has not taken any loan except issue of debentures as subordinate debt on 27th March 2017 for a period of ten years in terms of IRDAI (Other Forms of Capital) Regulations, 2015. There is no restructuring / waiver / write off of the above mentioned debt or interest thereon during the year. The Company has in its investment portfolio term loans and debentures of ₹5,99,48,035 thousand out of which ₹27,85,571 thousand has turned non-performing asset (NPA). No interest is recognized in respect of these NPAs. Accumulated unrecognized overdue interest on these loans and debentures is ₹1,39,40,267 thousand. The debentures subjected to restructuring in earlier years is ₹3,23,449 thousand. There is no restructuring / waiver / write off of the loans or debentures or interest thereon during the year. However, full provision is made in the books of accounts against those NPAs. Recovery of interest and principal against NPAs during the year ₹7,658 thousand and ₹3,00,398 thousand respectively have been duly accounted for.
3	Whether funds (grants / subsidy etc.) received / receivable for specific schemes from Central / State Governments and its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	The Company has not received any grants or subsidy during the year other than premium subsidy received or receivable from Central / State Government or its agencies under various crop insurance schemes for farmers. The premium subsidy so received or receivable have been properly accounted for.

Replies to the Additional Directions issued to Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the Financial Year 2022-23

Sl. No.	Query	Reply																																																							
1	Number of titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures etc. available in physical/ demat form and out of these, number of cases which are not in agreement with the respective amounts shown in the Company's books of accounts may be verified and discrepancy found may be suitably reported.	We give in the Table below number as well as corresponding book value of different class of securities, where there is mismatch between Company's books of accounts and statements from Custodian, Depository Participant or CSDL Account Holder as the case may be.																																																							
	<table border="1"> <thead> <tr> <th rowspan="2">Security Class</th> <th colspan="2">Total</th> <th colspan="2">Shortage</th> <th colspan="2">Excess</th> </tr> <tr> <th>Number of Accounts</th> <th>Book Value (₹ in '000.)</th> <th>Number of Accounts</th> <th>Book Value (₹ in '000.)</th> <th>Number of Accounts</th> <th>Book Value (₹ in '000.)</th> </tr> </thead> <tbody> <tr> <td>CGS</td> <td>42</td> <td>613,36,836</td> <td>NIL</td> <td>0</td> <td>NIL</td> <td>0</td> </tr> <tr> <td>SGS</td> <td>270</td> <td>644,01,498</td> <td>NIL</td> <td>0</td> <td>NIL</td> <td>0</td> </tr> <tr> <td>BONDS & DEBENTURES</td> <td>248</td> <td>596,43,654</td> <td>26</td> <td>3,39,941</td> <td>1</td> <td>23,468 (FV)</td> </tr> <tr> <td>EQUITY SHARES</td> <td>570</td> <td>8,03,38,269</td> <td>48</td> <td>579</td> <td>10</td> <td>63</td> </tr> <tr> <td>PREFERENCE SHARES</td> <td>135</td> <td>4,775</td> <td>22</td> <td>0.022</td> <td>2</td> <td>12 (FV)</td> </tr> <tr> <td>MUTUAL FUND</td> <td>5</td> <td>9,09,097</td> <td>NIL</td> <td>0</td> <td>NIL</td> <td>0</td> </tr> </tbody> </table>	Security Class	Total		Shortage		Excess		Number of Accounts	Book Value (₹ in '000.)	Number of Accounts	Book Value (₹ in '000.)	Number of Accounts	Book Value (₹ in '000.)	CGS	42	613,36,836	NIL	0	NIL	0	SGS	270	644,01,498	NIL	0	NIL	0	BONDS & DEBENTURES	248	596,43,654	26	3,39,941	1	23,468 (FV)	EQUITY SHARES	570	8,03,38,269	48	579	10	63	PREFERENCE SHARES	135	4,775	22	0.022	2	12 (FV)	MUTUAL FUND	5	9,09,097	NIL	0	NIL	0	
Security Class	Total		Shortage		Excess																																																				
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2	Whether Investment Policy exists and includes mechanism to review investment portfolios and also whether stop loss limits have been prescribed? If yes, whether or not the limit was adhered to? If not in existence or not adhered to, details may be given.	The Company has an Investment Policy which inter-alia includes mechanism to review investment portfolios. As informed to us no stop loss limit has been prescribed by the Company in respect of its investments.																																																							
3	Whether Company has carried out reconciliation exercise for inter-company balances reflected in their financial statements with other PSU insurers and whether confirmation has been obtained from other PSU insurers for balances due from them?	Co-insurance business with other PSU insurers are carried out at operating offices. Confirmation of inter-company balances are obtained and reconciliation done periodically by the respective operating offices. As informed to us, the Company has in place an ongoing process of reconciliation exercise and efforts are on to bring down the																																																							

Sl. No.	Query	Reply
		<p>unreconciled differences. However, there are still unconfirmed / unreconciled inter-company balances lying in the books of the operating offices.</p> <p>In respect of balances reflected in the books of reinsurance department of the Company, no balance confirmations from other PSU insurers are available and no reconciliation is done.</p>
4	Whether entire input tax credit (ITC) available on GST portal in respect of the company has been availed within prescribed time limits.	<p>The Company is yet to establish a technology driven automated procedure for one-to-one matching of tax invoices with auto populated invoice details available on the GST portal. Complete reconciliations of (a) ITC available on GST portal (b) eligible ITC and (c) ITC availed which are now being done manually are in progress. Due to above, we are unable to state as to what extent ITC available on GST portal of the Company has been availed within the prescribed time limits.</p>

For Guha Nandi & Co.
 Chartered Accountants
 FRN: 302039E

(CA. Dr. B. S. Kundu)
 Partner
 M. No - 051221
 UDIN: 23051221BGYLEP3009

For Ray & Ray
 Chartered Accountants
 FRN: 301072E

(CA. Amitava Chowdhury)
 Partner
 M. No - 056060
 UDIN: 23056060BGWPKT5070

Place: Kolkata
 Date: 30th May, 2023

Annexure – ‘C’

Annexure to the Independent Auditors' Report of even date on the Standalone Financial Statements of National Insurance Company Limited for the year ended 31st March, 2023

(Referred to in paragraph 3(h) under 'Report on Other Legal and Regulatory Requirements' section)

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

1. We have audited the internal financial controls over financial reporting of National Insurance Company Limited (“the Company”) as 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. Those standards and guidance note require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidences obtained by the branch auditors in terms of their reports referred to in the other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.
8. According to the information and explanations given to us and based on our audit and audit done by Divisional and Regional auditors, the following deficiencies have been noticed:
 - i) Maintenance of data base of motor tie-up business in a separate platform.
 - ii) Accounting of reinsurance business is not incorporated in the Company's Enterprise Architecture Solution for Insurance (EASI) to enable generation of risk booked policies from the system for the purpose of preparation of bordereau for premium and claim cessions.
 - iii) Lack of timely reconciliation and/or obtaining confirmations of due to/due from balances in respect of re-insurance / co-insurance transactions, other debtors / creditors, inter-office balances.
 - iv) Absence of technology driven automated process for one-to-one matching of invoices with the auto-populated invoices in the GST Portal and for capturing eligible GST input.
9. A 'deficiency' in internal financial control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis and is important enough to merit attention of those charged with governance. Our opinion is not modified in respect of these matters.

Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, the Company has maintained in all material respects adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.
11. We have considered the deficiencies identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of 31st March, 2023 of the Company, and these deficiencies do not affect our opinion on the standalone financial statements of the Company.

Other Matter

12. Our aforesaid report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Regional Offices and Divisional Offices is based on the report u/s.143(3)(i) of the Act received from the Branch Auditors of Regional/Divisional Offices.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(CA. Dr. B. S. Kundu)
Partner
M. No - 051221
UDIN: 23051221BGYLEP3009

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060
UDIN: 23056060BGWPKT5070

Place: Kolkata
Date: 30th May, 2023

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF NATIONAL INSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of National Insurance Company Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2023.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National Insurance Company Limited for the year ended 31 March 2023 under section 143(6) (a) of the Act. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Profitability

A.1 Balance Sheet

Provisions (Schedule-14)

Premium Deficiency Reserve:	₹161.91 crore
Loss after Tax:	₹3865.40 crore

As per IRDAI circular (July 2013), Premium Deficiency shall be recognized at Segmental Revenue Account level. In computing the overall Premium Deficiency in the Miscellaneous Revenue account level, the Premium Deficiency arising out of Motor Third Party portfolio including erstwhile Motor Pool, Declined Risks Pool and other Pools which may operate need not be recognized.

Contrary to IRDAI circular, Company set off the negative figures of PDR of ₹190 crore in Motor Third Party sub-segment with the positive figure of PDR pertaining to the other sub-segments under Miscellaneous Revenue Segment.

This has resulted in understatement of Premium Deficiency Reserve with corresponding understatement of Loss by ₹190 crore.

A.2 Balance Sheet

Provisions (Schedule-14)

Unearned Premium Reserve:	₹6202.23 crore
Loss after Tax:	₹3865.40 crore

The above includes an amount of ₹312.85 crore being the Unearned Premium Reserve created for the premium received in 2022-23, against the policies issued prior to 2022-23 to Jharkhand State Aarogya Society for servicing Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana and Mukhyamantri Swasthya Bima Yojana (AB-PMJAY & MSBY) and the risks for which have already been expired.

This has resulted in overstatement of Provisions, Reserves for Unexpired Risk and Loss for the year by an amount of ₹312.85 crore.

A.3 Miscellaneous Revenue Account for the year ended 31st March 2023

Claims Incurred (Net):	₹12264.91 crore
Loss after Tax:	₹3865.40 crore

Interest provisioning of ₹100.12 crore on Motor Third Party claims was understated due to an inadvertent error in the calculation in IT System for the tie-up business.

This has resulted in understatement of Claims Outstanding under Current Liabilities by ₹100.12 crore with corresponding understatement of Miscellaneous Claims Incurred (Net) by the same amount. Loss was also understated by ₹100.12 crore.

A.4 Miscellaneous Revenue Account for the year ended 31st March 2023

Premium Earned (Net):	₹11577.98 crore
Loss after Tax:	₹3865.40 crore

Refund premium of ₹134.82 crore was not booked by the Company while servicing the Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana and Mukhyamantri Swasthya Bima Yojana (AB-PMJAY & MSBY) during 2022-23.

Thus, non-provision of refund premium of ₹134.82 crore has resulted in overstatement of Premium Earned (Net) - Miscellaneous as well as understatement of loss by the same amount.

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



(Atul Prakash)
Principal Director

Place: Kolkata

Dated: 02 August 2023

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF NATIONAL INSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023

COMMENTS OF THE C&AG	MANAGEMENT'S REPLY
<p>A.1 Balance Sheet Provisions (Schedule-14) Premium Deficiency Reserve: ₹161.91 crore Loss after Tax: ₹3865.40 crore</p> <p>The Company has recognized Premium Deficiency Reserve (PDR) of ₹161.91 crore under Miscellaneous Revenue Segment.</p> <p>As per IRDAI circular (July 2013), Premium Deficiency shall be recognized at Segmental Revenue Account level. In computing the overall Premium Deficiency in the Miscellaneous Revenue account level, the Premium Deficiency arising out of Motor Third Party portfolio including erstwhile Motor Pool, Declined Risks Pool and other Pools which may operate need not be recognized. Contrary to IRDAI circular, the Company has set off the negative figures of PDR of ₹190 crore in Motor Third Party sub-segment with the positive figure of PDR pertaining to the other sub-segments under Miscellaneous Revenue Segment.</p> <p>This has resulted in understatement of Premium Deficiency Reserve with corresponding understatement of Loss by ₹190 crore.</p>	<p>In terms of IRDAI Circular No. IRDA/F&A/CIR/FA/126/07/2013 dated 3rd July, 2013 as a Corrigendum to Master Circular IRDA/F&I/CIR/F&A/231/10/2012 dated 5th October, 2012, w.e.f. 1st April, 2015, premium deficiency shall be recognized at Segmental Revenue Account level. Further, it is stated in the circular that "In computing the overall Premium Deficiency in the Miscellaneous Revenue account level, the Premium Deficiency arising out of Motor Third Party portfolio including erstwhile Motor Pool, Declined Risks Pool and other Pools which may operate need not be recognized".</p> <p>The above clearly indicates that deficiency arising out of Motor Third Party portfolio need not be recognized. However, upon perusal of the Circular it was felt that there is no prohibition for recognition of the surplus, if any, in the Motor TP portfolio for calculating Premium deficiency at Segmental Revenue Account level. Accordingly, the Company has set off the surplus arising in Motor TP portfolio at Segmental Revenue Account level for arriving at Net Premium Deficiency Reserves.</p> <p>However, on a prudent basis, the Company has not considered the surplus in Motor TP portfolio for calculation of Premium Deficiency Reserves in the Q1 accounts of FY 2023-24.</p>
<p>A.2 Balance Sheet Provisions (Schedule-14) Unearned Premium Reserve: ₹6202.23 crore Loss after Tax: ₹3865.40 crore</p> <p>The above includes an amount of ₹312.85 crore being the Unearned Premium Reserve (UPR) created for the premium received in 2022-23, against the policies issued prior to 2022-23 to Jharkhand State Aarogya Society for servicing Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana and Mukhyamantri Swasthya Bima Yojana (AB-PMJAY & MSBY) and risks for which have already been expired.</p> <p>This has resulted in overstatement of Provisions, Reserves for Unexpired Risk and Loss for the year by an amount of ₹312.85 crore.</p>	<p>Please refer clause 10.2 of the Contract Agreement dealing with "Refund of Premium & Payment of additional Premium at the end of contract period" which runs as follows: "The SHA shall issue a letter to the Insurer stating the Insurer's average Claim Ratio for the entire term of Policy Cover Period for the State. If the contract is terminated earlier by the SHA, the date of termination of Policy shall be considered as Term of Policy Cover Period and stated for Insurer's average Claims ratio. In the letter the SHA shall indicate the amount of premium that the Insurer shall be obliged to return."</p> <p>The refund provisioning was not done in FY 2022-23 since the policy was extended for 2 months (11/02/2023 - 10/04/2023) at the request of the State Government.</p>

	<p>The State Govt. had paid the due premium for 2 months. Also, no claim for premium refund had been made by SHA during the continuation of contract period.</p> <p>As the refund was not booked in FY 2022-23, the Company, on a prudent basis, created a UPR @ 50% amounting to Rs. 301 crore.</p>
<p>A.3 Miscellaneous Revenue Account for the year ended 31st March 2023 Claims Incurred (Net): ₹12264.91 crore Loss after Tax: ₹3865.40 crore</p> <p>Interest provisioning of 100.12 crore on Motor Third Party claims was understated due to an inadvertent error in the calculation in IT system for the tie-up business.</p> <p>This has resulted in understatement of Claims Outstanding under Current Liabilities by ₹100.12 crore with corresponding understatement of Miscellaneous Claims Incurred (Net) by the same amount. Loss was also understated by ₹100.12 crore.</p>	<p>The Company regrets the error which happened due to an inadvertent error in the logic for calculation of interest on Motor Third Party Claims for a section of OEM tie ups business. However, necessary corrective action has been taken to rectify the logic for calculation of interest and correct provisions have been reflected in the 1st quarter accounts of FY 2023-24.</p>
<p>A.4 Miscellaneous Revenue Account for the year ended 31st March 2023 Premium Earned (Net): ₹11577.98 crore Loss after Tax: ₹3865.40 crore</p> <p>Refund premium of 134.82 crore was not booked by the Company while servicing the Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana and Mukhyamantri Swasthya Bima Yojana (AB-PMJAY & MSBY) during 2022-23.</p> <p>Thus, non-provision of refund premium of ₹134.82 crore has resulted in overstatement of Premium Earned (Net) - Miscellaneous as well as understatement of loss by the same amount.</p>	<p>Please refer to clause 10.2 of the Contract Agreement dealing with "Refund of Premium & Payment of additional Premium at the end of contract period" which runs as follows:</p> <p>" The SHA shall issue a letter to the Insurer stating the Insurer's average Claim Ratio for the entire term of Policy Cover Period for the State. If the contract is terminated earlier by the SHA , the date of termination of Policy shall be considered as Term of Policy Cover Period and stated for Insurer's average Claims ratio. In the letter the SHA shall indicate the amount of premium that the Insurer shall be obliged to return. "</p> <p>The refund provisioning was not done in FY 2022-23 since the policy was extended for 2 months (11/2/2023 - 10/4/2023) as per the request of the Government .</p> <p>The State Govt. had paid the due premium for 2 months. The actual Incurred Claims ratio calculation was awaited. Also, no claim for premium refund had been made by SHA during the continuation of contract period and hence, refund was not booked.</p> <p>Currently, the policy issued with effect from 11-02-2023 is being continued, hence refund provision for the expiring policy that ended on 10-02-2023</p>

	<p>has been done in Q1 of FY 2023-24 for accounting purposes.</p> <p>It is also to be noted that the aforesaid policy is reinsured to the extent of 59% (55% Facultative and 4% Obligatory). Hence, the net combined effect of Comments A.2 and A.4 is as below:</p>		
	(₹. In crore)		
	Ayushman Bharat - Premium for 1st year policy	Ayushman Bharat - Premium refund for 1st year policy	Total
Gross	602.70	-134.82	467.88
Cession	355.59	-79.54	276.05
Net	247.11	-55.28	191.83
	UPR created on above	UPR which should have been released on above	Effect on Net UPR for comments A.2 and A.4
Gross	301.35	-67.41	233.94
Cession	177.80	-39.77	138.02
Net	123.55	-27.64	95.92
	<p>The net effect on UPR and consequently Net Earned Premium is Rs. 95.92 crores which comes to approximately 0.75% of total net earned premium and the same has been effected in Q1 Accounts of FY 2023-24.</p>		

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

Sd/-
(Atul Prakash)
Principal Director

Kolkata
3rd August, 2023

For and on behalf of the Board of Directors

Sd/-
(Suchita Gupta)
Chairman-cum-Managing Director

Kolkata
10th August, 2023

MANAGEMENT REPORT AS REQUIRED IN PART IV OF SCHEDULE 'B' OF INSURANCE REGULATORY & DEVELOPMENT AUTHORITY (PREPARATION OF FINANCIAL STATEMENTS AND AUDITORS' REPORT OF INSURANCE COMPANIES) REGULATIONS, 2002

We certify that:

1. Renewal of Registration for carrying out the General Insurance Business of our Company has been obtained from the Authority (Registration No.58 renewed on 19th January, 2023);
2. All undisputed dues payable during the year to the statutory authorities have been duly paid;
3. The shareholding pattern and transfer of shares effected during the year are in accordance with statutory/regulatory requirements;
4. The funds of the holders of policies issued in India have not been directly or indirectly invested outside India;
5. The Solvency Margin as at 31st March, 2023 is (-)0.29 as per IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016, and 0.48 considering the forbearances, which is subject to approval by the IRDAI;
6. The value of all the Assets have been reviewed on the date of the Balance Sheet and that in our belief the Assets set forth in Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value, under the several headings – “Loans”, “Investments”, “Agents' Balances”, “Outstanding Premiums”, “Interest, Dividends and Rents accruing but not due”, “Amounts due from other Persons or Bodies carrying on Insurance Business”, “Sundry Debtors”, “Bills Receivable”, “Cash” and items specified under “OtherAccounts”;
7. The Company is exposed to various types of risk such as adverse loss risk, especially due to catastrophic events, market risk, liquidity risk, operational risk, etc. The adverse loss risk is mitigated by a reinsurance programme consisting of both proportional and non-proportional reinsurance arrangements. The loss due to catastrophic events such as flood, cyclone and earthquake is limited per event by means of a Catastrophic Excess of Loss treaty. As regards market risk, the mitigation is by means of a balanced and diversified investment portfolio consisting of both debt and equity holdings and exposure limits per sector/ investee Company. Liquidity risk is managed through an effective Asset Liability Management policy. Internal control systems, internal audit and business continuity plan are few of the mechanisms in place to reduce the operational risk.
8. Out of the offices in two foreign countries situated in Nepal and in Hong Kong, the exposure in Nepal is predominantly in property insurance area and the assumption of risks of this kind is mainly taken care of by the reinsurance programme of the Company. In respect of Hong Kong Branch, an agreement was entered into with New India Assurance Co. Ltd. to transfer the branch's operation, Assets and Liabilities at their carrying values. The approval for the same was obtained from the Insurance Authority of Hong Kong in accordance with Section 25D of the Insurance Companies Ordinance (chapter 41). The present arrangement would continue as a pure run-off operation and the run-off exercise will be over once the entire outstanding liability is fully paid-off.
9. Ageing of claims (on gross business in India) during the preceding five years is given below. Barring disputed cases, the claims are settled within a reasonable period of time.

Ageing of Claims (on gross basis in India) 2022-23

(Rs.in thousand)

Segment	30 Days	30 Days to 6 Months	6 Months to 1 Year	1 Year to 5 Years	5 Years and above	TOTAL
FIRE	874755	2895255	1394937	11537277	5723333	22425556
(No Of Cases)	119	481	393	745	695	2433
MARINE CARGO	66858	156004	149531	811035	175415	1358843
(No Of Cases)	201	502	245	320	175	1443
MARINE HULL	16797	106756	64127	1317283	86048	1591010
(No Of Cases)	9	30	16	78	46	179
MOTOR OD	1656427	1198569	379134	257077	174334	3665542
(No Of Cases)	21647	18951	2203	2112	1506	46419
MOTOR TP	2566067	8734406	7697955	38756207	22715166	80469802
(No Of Cases)	1285	13600	12562	64817	54944	147208
ENGINEERING	121709	416339	475679	935549	496841	2446117
(No Of Cases)	141	903	274	235	155	1708
AVIATION	1132	63911	93226	624715	11507	794491
(No Of Cases)	1	9	11	34	8	63
PUBLIC LIABILITY	15469	61938	34699	349268	186177	647550
(No Of Cases)	15	154	64	270	234	737
EMPLOYERS LIABILITY	4675	50536	35038	100844	57177	248269
(No Of Cases)	32	174	88	293	303	890
PERSONAL ACCIDENT	248338	554505	44305	114081	99642	1060872
(No Of Cases)	577	1338	217	1047	408	3587
RURAL & CROP	27220	432005	6822	410150	80668	956865
(No Of Cases)	4855	55891	880	767	498	62891
HEALTH	4043251	3518902	548216	397661	30442	8538472
(No Of Cases)	126596	32912	1979	77	7	161571
OTHERS	658045	1989642	1416227	2805358	213601	7082872
(No Of Cases)	431	2565	311	1158	542	5007
TOTAL	10300745	20178769	12339893	58416504	30050350	131286262
(No Of Cases)	155909	127510	19243	71953	59521	434136

Ageing of Claims (on gross basis in India) 2021-22

(Rs.in thousand)

Segment	30 Days	30 Days to 6 Months	6 Months to 1 Year	1 Year to 5 Years	5 Years and above	TOTAL
FIRE	1113848	1759536	2319340	13974220	5066126	24233070
(No Of Cases)	191	505	471	807	623	2597
MARINE CARGO	66173	149644	442020	259852	175788	1093477
(No Of Cases)	199	381	203	278	166	1227
MARINE HULL	6974	74308	1212298	648837	68347	2010764
(No Of Cases)	18	30	28	81	39	196
MOTOR OD	924149	1396402	459611	598861	142763	3521787
(No Of Cases)	25551	14149	2753	2289	1337	46079
MOTOR TP	2045941	6209723	5688244	45479597	21422535	80846040
(No Of Cases)	4133	11959	10416	78185	56393	161086
ENGINEERING	94431	513709	348470	1463330	161148	2581089
(No Of Cases)	268	799	404	322	137	1930
AVIATION	80729	12561	164566	846118	17282	1121255
(No Of Cases)	7	8	14	27	9	65
PUBLIC LIABILITY	20767	31070	83703	401169	166322	703030
(No Of Cases)	100	282	68	266	191	907
EMPLOYERS LIABILITY	13157	30247	33120	132009	57944	266477
(No Of Cases)	54	125	114	342	273	908
PERSONAL ACCIDENT	215856	254988	53885	569388	29731	1123848
(No Of Cases)	1190	1338	236	1128	294	4186
RURAL & CROP	51125	779141	97504	66147	40519	1034435
(No Of Cases)	734	22050	2598	1727	403	27512
HEALTH	5395657	3207000	230479	374723	39564	9247423
(No Of Cases)	187471	34146	3121	3053	910	228701
OTHERS	265295	376088	357285	3179168	203861	4381697
(No Of Cases)	637	1274	629	1288	545	4373
TOTAL	10294102	14794417	11490523	67993419	27591931	132164392
(No Of Cases)	220553	87046	21055	89793	61320	479767

Ageing of Claims (on gross basis in India) 2020-21

(Rs.in thousand)

Segment	30 Days	30 Days to 6 Months	6 Months to 1 Year	1 Year to 5 Years	5 Years and above	TOTAL
FIRE	1807256	2357755	2739555	10792433	3677903	21374901
(No Of Cases)	182	447	692	678	503	2502
MARINE CARGO	46434	144589	85915	224062	76141	577141
(No Of Cases)	200	371	255	300	84	1210
MARINE HULL	26065	28277	1131409	196613	103322	1485685
(No Of Cases)	21	27	24	78	26	176
MOTOR OD	915491	1674612	489538	462225	101757	3643622
(No Of Cases)	25013	18185	3981	2647	1021	50847
MOTOR TP	1683009	6381383	3710232	44794824	17685952	74255401
(No Of Cases)	3365	13327	8306	85259	50183	160440
ENGINEERING	106474	510842	578224	1816449	87037	3099026
(No Of Cases)	319	795	281	286	79	1760
AVIATION	35604	0	142570	686057	605982	1470214
(No Of Cases)	2	0	8	23	5	38
PUBLIC LIABILITY	32444	13180	36873	460919	125180	668597
(No Of Cases)	48	68	61	197	165	539
EMPLOYERS LIABILITY	4808	23110	22971	134884	38684	224459
(No Of Cases)	49	157	95	259	346	906
PERSONAL ACCIDENT	136887	284585	140995	182497	169917	914880
(No Of Cases)	578	1244	485	38	255	2600
RURAL & CROP	66372	3138429	5659257	3172448	14983	12051489
(No Of Cases)	397	1161	1116	156503	198	159375
HEALTH	4228228	1575801	131478	455443	19753	6410702
(No Of Cases)	127068	36527	2232	32237	433	198497
OTHERS	180127	479037	180050	1552052	238259	2629526
(No Of Cases)	764	1241	550	1468	447	4470
TOTAL	9269198	16611600	15049067	64930907	22944871	128805643
(No Of Cases)	158006	73550	18086	279973	53745	583360

Ageing of Claims (on gross basis in India) 2019-20

(Rs.in thousand)

Segment	30 Days	30 Days to 6 Months	6 Months to 1 Year	1 Year to 5 Years	5 Years and above	TOTAL
FIRE	1451542	3282263	6505976	6623509	101973	17965263
(No Of Cases)	230	611	738	449	93	2121
MARINE CARGO	112357	174897	263381	164647	48234	763516
(No Of Cases)	288	662	467	165	23	1605
MARINE HULL	79540	53883	84523	360959	74258	653163
(No Of Cases)	35	33	19	62	16	165
MOTOR OD	1250243	2110882	709492	279458	45384	4395459
(No Of Cases)	42515	29576	5629	1322	332	79374
MOTOR TP	3750937	13485199	11304497	26003054	8587677	63131364
(No Of Cases)	7894	26678	21512	48641	25079	129804
ENGINEERING	332723	776650	602332	1295816	1084	3008605
(No Of Cases)	288	677	353	223	10	1551
AVIATION	0	785135	415523	574477	0	1775135
(No Of Cases)	0	34	6	19	0	59
PUBLIC LIABILITY	4765	301234	39080	140859	4678	490616
(No Of Cases)	23	112	39	43	21	238
EMPLOYERS LIABILITY	16114	55420	42889	60667	11596	186686
(No Of Cases)	55	220	171	200	38	684
PERSONAL ACCIDENT	119474	436454	129035	283605	12340	980908
(No Of Cases)	86	693	732	2342	35	3888
RURAL & CROP	3889127	11316179	2102393	2465791	5246	19778736
(No Of Cases)	48287	193150	84627	222803	33	548900
HEALTH	6774704	1476990	111003	185057	2180	8549934
(No Of Cases)	183775	64569	17269	5219	139	270971
OTHERS	649217	1321279	715463	689169	25567	3400695
(No Of Cases)	920	2560	906	451	116	4953
TOTAL	18430743	35576465	23025587	39127068	8920217	125080080
(No Of Cases)	284396	319575	132468	281939	25935	1044313

Ageing of Claims (on gross basis in India) 2018-19

(Rs.in thousand)

Segment	30 Days	30 Days to 6 Months	6 Months to 1 Year	1 Year to 5 Years	5 Years and above	TOTAL
FIRE	85866	4562466	6648686	6962813	538079	18797910
(No. of Cases)	121	590	1169	437	186	2503
MARINE CARGO	252498	199594	271816	149382	50241	923531
(No. of Cases)	166	454	704	199	38	1561
MARINE HULL	37849	90382	315216	257035	35875	736358
(No. of Cases)	15	37	40	61	15	168
MOTOR OD	1268549	1878223	1270286	521206	46226	4984489
(No. of Cases)	55385	34595	15435	4344	400	110159
MOTOR TP	1816170	10204309	10387765	17796127	9676205	49880576
(No. of Cases)	2048	20300	21858	40719	38697	123622
ENGINEERING	141934	606989	1277702	804289	131765	2962679
(No. of Cases)	178	554	716	287	41	1776
AVIATION	509128	657238	170449	57766	5519	1400101
(No. of Cases)	2	29	5	17	1	54
PUBLIC LIABILITY	0	309	20	105912	191747	297987
(No. of Cases)	0	1	1	9	10	21
EMPLOYERS LIABILITY	6524	32187	44494	51869	18925	153999
(No. of Cases)	25	163	172	203	104	667
PERSONAL ACCIDENT	42102	1206475	371409	161953	10047	1791987
(No. of Cases)	348	889	1058	804	112	3211
RURAL	1133549	810714	666073	596425	28586	3235347
(No. of Cases)	29627	21455	18111	16293	558	86044
HEALTH	3073737	3490798	182340	335571	0	7082446
(No. of Cases)	73826	87328	1500	24971	0	187625
OTHERS	367072	689661	369703	401578	142993	1971007
(No. of Cases)	448	947	990	508	290	3183
TOTAL	8734979	24429344	21975960	28201927	10876208	94218418
(No. of Cases)	162189	167342	61759	88852	40452	520594

10. All investments and stocks as shown in the Balance Sheet have been valued in the manner disclosed in Significant Accounting Policies (Schedule 16) i.e.
- Investments other than Equity Shares and units of Mutual Funds are stated at cost and the premium paid on securities is amortised over the remaining period.
 - Investments in Equity Shares that are actively traded in the market and the units of Mutual Funds are stated at fair value.
 - Shares that are thinly traded are valued at lower of Cost or break up value.
 - Foreign Government securities are valued at the acquisition cost.
 - In respect of loans and debentures prudential norms as prescribed by IRDA regarding provisioning have been followed by the Company.
11. Review of Assets quality and performance of Investment Portfolio :

(Rs.in thousand)

Particulars	Book Value	Market Value	Income
Equity Shares	80294651	111477593	10613485
Other than Equity Shares	204594051	204696289	16655992
TOTAL	284888702	316173882	27269477

All investments are reviewed periodically and assets are classified into performing and non-performing based on Insurance Regulatory and Development Authority (IRDA) Prudential norms.

12. We confirm that:
- in the preparation of financial statements the applicable accounting standards principles and policies have been followed along with proper explanations relating to material departures if any;
 - the management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating loss of the Company for the year;
 - the management has taken proper and sufficient care for maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938)/Companies Act 2013 (18 of 2013) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - the management has prepared the financial statements on a going concern basis;
 - the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
13. We confirm that no payments have been made to individuals firms companies and organizations in which the Directors of the Company are interested.

For and on behalf of National Insurance Company Limited

Place: Kolkata
Date: 30th May, 2023

(Suchita Gupta)
DIN : 08697650
Chairman-Cum-Managing Director

FORM B-RA
 IRDA Registration No. 58 renewed on 19th January, 2023
 CIN: U10200WB1906GOI001713
Fire Revenue Account for the year ended 31st March 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
1. Premiums earned (Net)	1A	9,490,149	9,293,893
2. Profit/Loss on sale/redemption of Investments		531,982	553,102
3. Others:			
Exchange Gain		-	-
Contribution from Shareholders Funds towards excess EoM		650,743	-
4. Interest, Dividend & Rent - Gross		1,406,599	1,179,518
Total (A)		12,079,473	11,026,513
1. Claims Incurred (Net)	2A	5,074,093	8,216,025
2. Commission	3A	1,121,418	1,022,254
3. Operating Expenses related to Insurance Business	4	3,456,576	2,151,672
4. Others:			
Exchange loss		-	-
Provision for diminution in the value of Investments, amortisation of Premium on investments, and amount written off in respect of depreciated investments		31,248	36,183
Total (B)		9,683,335	11,426,134
Operating Profit/-Loss from Fire Business C = (A - B)		2,396,138	-399,621
Appropriations:			
Transfer to Shareholders' Account		2,396,138	-399,621
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total ©		2,396,138	-399,621
Significant Accounting Policies	16		
Notes to Accounts	17		

The schedules referred to above form an integral part of the Financial Statements

This is the Fire Insurance Revenue Account for the year ended 31st March, 2023 referred to in our report of even date

For and on behalf of the Board of Directors

For Guha Nandi & Co.
 Chartered Accountants
 FRN: 302039E

(Dr. B. S. Kundu)
 Partner
 M. No - 051221

For Ray & Ray
 Chartered Accountants
 FRN: 301072E

(CA. Amitava Chowdhury)
 Partner
 M. No - 056060

Suchita Gupta
 Chairman-Cum-Managing Director
 DIN: 08697650

Peter Chittaranjan
 Director
 Din: 09773278

Place: Kolkata
 Date: 30th May, 2023

V R Kumar **Rina Madia**
 Chief Financial Officer Company Secretary

Marine Revenue Account for the year ended 31st March, 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
1. Premiums earned (Net)	1B	1,791,729	1,405,619
2. Profit/Loss on sale/redemption of Investments		87,579	89,834
3. Others:			
Exchange Gain		-	-
Contribution from Shareholders Funds towards excess EoM		3,257	-
4. Interest, Dividend & Rent - Gross		231,565	191,576
Total (A)		2,114,130	1,687,029
1. Claims Incurred (Net)	2B	419,649	1,319,200
2. Commission	3B	175,601	104,590
3. Operating Expenses related to Insurance Business	4	451,321	234,644
4. Others:			
Exchange Loss		-	-
Provision for diminution in the value of Investments, amortisation of Premium on investments, and amount written off in respect of depreciated investments.		5,144	5,877
Total (B)		1,051,715	1,664,311
Operating Profit/ - Loss from Marine Business C = (A - B)		1,062,415	22,718
Appropriations:			
Transfer to Shareholders' Account		1,062,415	22,718
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		1,062,415	22,718
Significant Accounting Policies	16		
Notes to Accounts	17		

The schedules referred to above form an integral part of the Financial Statements

This is the Marine Insurance Revenue Account for the year ended 31st March, 2023 referred to in our report of even date.

For and on behalf of the Board of Directors

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

Place: Kolkata
Date: 30th May, 2023

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

FORM B-RA
IRDA Registration No. 58 renewed on 19th January, 2023
CIN: U10200WB1906GOI001713

Miscellaneous Revenue Account for the year ended 31st March, 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
1. Premiums earned (Net)	1C	115,779,753	112,527,167
2. Profit/Loss on sale/redemption of Investments		6,409,064	7,594,176
3. Others:		-	-
Contribution from Shareholders Funds towards excess EoM		15,188,401	87,419
4. Interest, Dividend & Rent - Gross		16,946,023	16,194,958
Total (A)		154,323,241	136,403,720
1. Claims Incurred (Net)	2C	122,649,077	118,878,066
2. Commission	3C	6,730,340	7,191,106
3. Operating Expenses related to Insurance Business	4	47,311,427	25,665,299
4. Others:			
Exchange Loss		-	-
Provision for diminution in the value of Investments, amortisation of Premium on investments, and amount written off in respect of depreciated investments		376,466	496,804
Total (B)		177,067,310	152,231,275
Operating Profit/ - Loss from Miscellaneous Business C = (A - B)		-22,744,069	-15,827,555
Appropriations :			
Transfer to Shareholders' Account	-	-22,744,069	-15,827,555
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-22,744,069	-15,827,555
Total (C)			
Significant Accounting Policies	16		
Notes to Accounts	17		

The schedules referred to above form an integral part of the Financial Statements

This is the Miscellaneous Insurance Revenue Account for the year ended 31st March, 2023 referred to in our report of even date.

For and on behalf of the Board of Directors

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

Place: Kolkata
Date: 30th May, 2023

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

Profit and Loss Account for the year ended 31st March, 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
1. OPERATING PROFIT/LOSS		-19,285,516	-16,204,458
(a) Fire Insurance		2,396,138	-399,621
(b) Marine Insurance		1,062,415	22,718
(c) Miscellaneous Insurance		-22,744,069	-15,827,555
2. INCOME FROM INVESTMENTS		2,689,488	609,864
(a) Interest, Dividend & Rent - Gross		1,951,443	415,178
(b) Profit on sale of investments		738,045	194,686
Less: Loss on sale of Investments		-	-
3. OTHER INCOME		41,085	231,496
(a) Profit on sale of other asset		9,067	6,189
(b) Miscellaneous Income		13,161	216,401
(c) Exchange Gain		18,857	8,906
(d) Others		-	-
Total (A)		-16,554,943	-15,363,098
4. PROVISIONS (Other than taxation)		3,939,626	475,052
(a) For diminution in the value of Investments		-27,118	-1,266
(b) For doubtful debts		3,966,744	476,718
(c) Others		-	-
5. OTHER EXPENSES		18,163,579	908,568
(a) Expenses other than those related to Insurance Business		114,115	1,736
(b) Bad debts written off		1,388,853	-
(c) Others:			
Amortisation of Premium on Investments		53,669	12,876
Amount written off in respect of depreciated Investments		16,801	1,126
Exchange Loss		-	-
Assets written off		87	58
Loss on Sale on Asset		-	604
Interest on Debentures		747,325	747,325
Debenture Related Expenses		327	-
Contribution to Policyholders funds towards excess EoM		15,842,402	87,419
Corporate Social Responsibility Expenses		-	57,424
Other Misc Expenses		-	-
Total (B)		22,103,205	1,383,620

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
Profit/ - Loss before tax		-38,658,148	-16,746,718
Provision for Taxation		-	-
Adjustment of taxation for Earlier Years		-4,170	424
Profit/ - Loss after Tax		-38,653,978	-16,747,142
Appropriations:		70,026	61,669
(a) Interim dividends paid during the year		-	-
(b) Proposed Final Dividend		-	-
(c) Dividend Distribution tax		-	-
(d) Transfer to/from General Reserve		-	-
(e) Transfer to Unclaimed Policyholders Funds		70,026	61,669
Balance of profit/ - loss brought forward from last year		-63,084,624	-46,275,815
Balance carried forward to Balance Sheet		-101,808,628	-63,084,624
Significant Accounting Policies	16		
Notes to Accounts	17		
The schedules referred to above form an integral part of the Financial Statements			
Basic earnings per share of ₹ 10 face value		-4.12	-2.94
Diluted earnings per share of ₹ 10 face value		-4.12	-2.94

This is the Profit and Loss Account for the year ended 31st March, 2023 referred to in our report of even date.

For and on behalf of the Board of Directors

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

Place: Kolkata
Date: 30th May, 2023

Balance Sheet as at 31st March, 2023

Particulars	Schedule	As at 31.03.2023 Audited (₹ '000)	As at 31.03.2022 Audited (₹ '000)
SOURCES OF FUNDS			
SHARE CAPITAL	5	93,750,000	93,750,000
RESERVES AND SURPLUS	6	144,730	153,003
FAIR VALUE CHANGE ACCOUNT - SHAREHOLDERS FUNDS		-	2,558,505
FAIR VALUE CHANGE ACCOUNT - POLICYHOLDERS FUNDS		31,285,180	24,365,393
BORROWINGS	7	8,950,000	8,950,000
TOTAL		134,129,910	129,776,901
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS FUNDS	8	-	31,730,447
INVESTMENTS - POLICYHOLDERS FUNDS	8A	316,173,882	302,178,322
LOANS	9	304,380	326,133
FIXED ASSETS	10	5,841,693	5,495,528
CURRENT ASSETS			
Cash and Bank Balances	11	7,259,918	6,881,422
Advances and Other Assets	12	59,380,996	58,318,738
Sub-Total (A)		66,640,914	65,200,160
CURRENT LIABILITIES	13	275,626,093	268,802,486
PROVISIONS	14	82,591,110	72,591,059
Sub-Total (B)		358,217,203	341,393,545
NET CURRENT LIABILITIES (C) = (A-B)		-291,576,289	-276,193,385
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	1,577,616	3,155,232
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		101,808,628	63,084,624
TOTAL		134,129,910	129,776,901
Significant Accounting Policies	16		
Notes to Accounts	17		

The schedules referred to above form an integral part of the Financial Statements

CONTINGENT LIABILITIES

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Partly paid-up Investments	4,181	4,181
2. Claims, other than against policies, not acknowledged as debts by the Company	1,270,174	700,412
3. Underwriting commitments outstanding (in respect of shares and securities)	-	-
4. Guarantees given by or on behalf of the Company	72,661	72,661
5. Statutory demands/liabilities in dispute, not provided for	14,525,889	14,404,485
6. Reinsurance obligations to the extent not provided for in Accounts	-	-
7. Others - Policyholders unclaimed amount transferred to Senior Citizen Welfare Fund	264,609	157,221
TOTAL	16,137,515	15,338,961

This is the Balance Sheet as at 31st March, 2023 referred to in our report of even date.

For and on behalf of the Board of Directors

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

Place: Kolkata
Date: 30th May, 2023

IRDA Registration No. 58 renewed on 19th January, 2023

CIN: U10200WB1906GOI001713

Receipts and Payments Account for the year ended 31st March, 2023

Particulars	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
A. Cash flows from Operating Activities:		
1 Premium received from policyholders, (including advance receipts)	150,353,950	130,245,271
2 Other receipts	749,928	6,512,608
3 Receipts/Payments from/to the re-insurers, net of commissions and claims	-14,850,100	-8,071,267
4 Receipts/Payments from/to co-insurers, net of claims recovery	-1,965,945	21,468,091
5 Payments of claims	-120,742,912	-133,270,171
6 Payments of commission and brokerage	-7,865,978	-9,473,286
7 Payments of other operating expenses	-46,765,824	-27,900,605
8 Preliminary and pre-operative expenses	-	-
9 Deposits, advances and staff loans (including House building Loan)	-707,730	-150,969
10 Income taxes paid (Net) (Including Wealth Tax)	-5,712,131	-4,465,253
11 Service tax/GST paid	-1,787,881	-1,904,401
12 Other payments	-662,260	-1,952,837
13 Cash flows before extraordinary items	-49,956,883	-28,962,819
14 Cash flow from extraordinary operations	-	-
15 Net cash flow from operating activities (A)	-49,956,883	-28,962,819
B. Cash flows from Investing Activities:		
1 Purchase of fixed assets	-3,625	4,042
2 Proceeds from sale of fixed assets	318	3,998
3 Purchases of investments (Other than money market instruments & liquid mutual funds)	-199,514,283	-175,002,877
4 Loans disbursed	-	-
5 Sales of investments	355,322,516	296,638,432
6 Repayments received	23,477	13,465
7 Rents/Interests/Dividends received	21,826,216	17,890,812
8 Investments in money market instruments and in liquid mutual funds	-126,581,900	-146,280,800
9 Expenses related to investments	-326	-275
10 Net cash flow from investing activities (B)	51,072,393	-6,733,203

Receipts and Payments Account for the year ended 31st March, 2023

Particulars	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
C. Cash flows from Financing Activities:		
1 Proceeds from issuance of share capital	-	37,000,000
2 Proceeds from borrowing	-	-
3 Repayments of borrowing	-	-
4 Interest / dividends (including dividend distribution tax) paid	-747,325	-747,325
5 Net cash flow from financing activities ©	-747,325	36,252,675
D. Effect of Foreign Exchange rates on Cash & Cash Equivalents, net (due to translation of assets and liabilities)	10,311	-4,480
E. Net increase in Cash & Cash Equivalents: (A+B+C+D)	378,496	552,173
1 Cash and cash equivalents at the beginning of the year	6,881,422	6,329,249
a. Cash (including cheques, drafts and stamps)	78,474	82,649
b. Bank balances (including short term deposits)	6,802,948	6,246,577
c. Remittances in transit	-	23
2 Cash and cash equivalents at the end of the year	7,259,918	6,881,422
a. Cash (including cheques, drafts and stamps)	162,667	78,474
b. Bank balances (including short term deposits)	7,097,251	6,802,948
c. Remittances in transit	-	-

This is the Receipts and Payments A/c for the year ended 31st March, 2023 referred to in our report of even date.

For and on behalf of the Board of Directors

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

Place: Kolkata
Date: 30th May, 2023

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 1A FIRE

PREMIUM EARNED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Premium from direct business written	12,023,631	11,237,243
Add: Premium on reinsurance accepted	2,635,306	1,650,183
Less : Premium on reinsurance ceded	5,673,256	3,598,482
Net Premium	8,985,681	9,288,944
Adjustment for change in reserve for unexpired risks*	504,468	4,949
Total Premium Earned (Net)	9,490,149	9,293,893

SCHEDULE – 2A FIRE

CLAIMS INCURRED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Claims paid		
Direct	5,652,594	4,782,760
Add: Re-insurance accepted	1,095,324	853,602
Less: Re-insurance ceded	910,082	-205,053
Net Claims paid	5,837,836	5,841,485
Add: Claims Outstanding at the end of the year	14,707,996	15,471,739
Less: Claims Outstanding at the beginning of the year	15,471,739	13,097,129
Total Claims Incurred	5,074,093	8,216,025

SCHEDULE- 3A FIRE

COMMISSION

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Commission paid		
Direct - Total (A) *	1,082,618	1,001,192
Add: Commission on Re-insurance accepted	290,697	265,532
Less: Commission on Re-insurance ceded	251,897	244,470
Net Commission	1,121,418	1,022,254

Break-up of the expenses (Gross) incurred to procure business:

	2022-23	2021-22
	(₹ '000)	(₹ '000)
Agents	705,413	689,057
Brokers	367,027	303,500
Corporate Agency	10,178	8,635
Others:		
Referral	-	-
Misc. Others	-	-
TOTAL (B)	1,082,618	1,001,192

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	FIRE					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1A						
PREMIUM FROM DIRECT BUSINESS WRITTEN		11,799,997	223,634	12,023,631	11,040,978	196,265	11,237,243
ADD: PREMIUM ON R/I ACCEPTANCE		2,632,884	2,422	2,635,306	1,642,138	8,045	1,650,183
LESS: PREMIUM ON R/I CEDED		5,590,107	83,149	5,673,256	3,511,258	87,224	3,598,482
NET PREMIUM		8,842,774	142,907	8,985,681	9,171,858	117,086	9,288,944
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		517,379	-12,911	504,468	12,786	-7,837	4,949
TOTAL PREMIUM EARNED (NET)		9,360,153	129,996	9,490,149	9,184,644	109,249	9,293,893
CLAIMS INCURRED (NET)	2A						
CLAIMS PAID – DIRECT		5,342,174	310,420	5,652,594	4,671,893	110,867	4,782,760
ADD: R/I ACCEPTANCE		1,092,583	2,741	1,095,324	853,602	-	853,602
LESS: R/I CEDED		804,233	105,849	910,082	-230,076	25,023	-205,053
NET CLAIMS PAID		5,630,524	207,312	5,837,836	5,755,571	85,844	5,841,415
ADD: CLAIMS O/S AT THE END OF YEAR		14,480,016	227,980	14,707,996	15,331,636	140,103	15,471,739
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		15,331,636	140,103	15,471,739	13,047,038	50,091	13,097,129
TOTAL CLAIMS INCURRED		4,778,904	295,189	5,074,093	8,040,169	175,856	8,216,025
COMMISSION	3A						
COMMISSION PAID – DIRECT *		1,082,121	497	1,082,618	1,000,613	579	1,001,192
ADD: R/I ACCEPTANCE		290,265	432	290,697	264,368	1,164	265,532
LESS: R/I CEDED		223,352	28,545	251,897	230,943	13,527	244,470
NET COMMISSION		1,149,034	-27,616	1,121,418	1,034,038	-11,784	1,022,254
OPERATING EXPENSES	4	3,423,621	32,955	3,456,576	2,123,704	27,968	2,151,672
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
CONTRIBUTION FROM SHAREHOLDER'S FUNDS TOWARDS EXCESS EoM		650,743	-	650,743	-	-	-
UNDERWRITING RESULT		659,337	-170,532	488,805	-2,013,267	-82,791	-2,096,058
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		1,919,034	19,547	1,938,581	1,722,544	10,076	1,732,620
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		30,933	315	31,248	35,973	210	36,183
OPERATING RESULT		2,547,438	-151,300	2,396,138	-326,696	-72,925	-399,621

* Includes incentive/reward paid to intermediaries

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 1B MARINE

PREMIUM EARNED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Premium from direct business written	2,839,270	2,322,304
Add: Premium on reinsurance accepted	156,934	122,987
Less : Premium on reinsurance ceded	1,418,072	1,096,163
Net Premium	1,578,132	1,349,128
Adjustment for change in reserve for unexpired risks*	213,597	56,491
Total Premium Earned (Net)	1,791,729	1,405,619

SCHEDULE – 2B MARINE

CLAIMS INCURRED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Claims paid		
Direct	1,231,626	1,297,692
Add: Re-insurance accepted	72,505	83,703
Less :Re-insurance ceded	592,194	547,073
Net Claims paid	711,937	834,322
Add: Claims Outstanding at the end of the year	2,228,326	2,520,614
Less: Claims Outstanding at the beginning of the year	2,520,614	2,035,736
Total Claims Incurred	419,649	1,319,200

SCHEDULE- 3B MARINE

COMMISSION

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Commission paid		
Direct - Total (A)*	247,929	211,490
Add: Commission on Re-insurance accepted	26,514	23,077
Less: Commission on Re-insurance ceded	98,842	129,977
Net Commission	175,601	104,590

Break-up of the expenses (Gross) incurred to procure business:

	2022-23 (₹ '000)	2021-22 (₹ '000)
Agents	195,319	161,763
Brokers	52,176	49,602
Corporate Agency	434	125
Others:		
Referral	-	-
Misc. Others	-	-
TOTAL (B)	247,929	211,490

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	MARINE CARGO					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1B	1,414,876	79,844	1,494,720	1,238,418	78,627	1,317,045
PREMIUM FROM DIRECT BUSINESS WRITTEN		45,160	-	45,160	50,446	-	50,446
ADD: PREMIUM ON R/I ACCEPTANCE		409,551	21,082	430,633	233,388	9,563	242,951
LESS: PREMIUM ON R/I CEDED		1,050,485	58,762	1,109,247	1,055,476	69,064	1,124,540
NET PREMIUM		158,159	5,151	163,310	-6,508	-9,951	-16,459
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		1,208,644	63,913	1,272,557	1,048,968	59,113	1,108,081
CLAIMS INCURRED (NET)	2B	607,321	77,700	685,021	864,695	66,946	931,641
CLAIMS PAID – DIRECT		23,100	-	23,100	11,997	-	11,997
ADD: R/I ACCEPTANCE		271,064	20,924	291,988	150,635	15,051	165,686
LESS: R/I CEDED		359,357	56,776	416,133	726,057	51,895	777,952
ADD: CLAIMS O/S AT THE END OF YEAR		996,907	126,017	1,122,924	1,037,215	30,305	1,067,520
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		1,037,215	30,305	1,067,520	677,667	15,900	693,567
TOTAL CLAIMS INCURRED		319,049	152,488	471,537	1,085,605	66,300	1,151,905
COMMISSION	3B	201,308	231	201,539	174,595	217	174,812
COMMISSION PAID – DIRECT *		12,953	-	12,953	15,313	-	15,313
ADD: R/I ACCEPTANCE		43,117	5,805	48,922	27,721	2,645	30,366
LESS: R/I CEDED		171,144	-5,574	165,570	162,187	-2,428	159,759
NET COMMISSION	4	305,013	10,163	315,176	183,274	12,373	195,647
OPERATING EXPENSES		-	-	-	-	-	-
EXCHANGE GAIN (+) / LOSS (-)		2,377	-	2,377	-	-	-
CONTRIBUTION FROM SHAREHOLDER'S FUNDS TOWARDS EXCESS EoM		415,815	-93,164	322,651	-382,097	-17,132	-399,229
UNDER WEIGHT RESULT		149,739	6,380	156,119	115,532	4,048	119,580
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		2,413	103	2,516	2,413	84	2,497
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		563,141	-86,887	476,254	-268,978	-13,168	-282,146
OPERATING RESULT							

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	MARINE HULL					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1B	1,344,550	-	1,344,550	1,005,259	-	1,005,259
PREMIUM FROM DIRECT BUSINESS WRITTEN		111,774	-	111,774	72,541	-	72,541
ADD: PREMIUM ON R/I ACCEPTANCE		987,439	-	987,439	853,212	-	853,212
LESS : PREMIUM ON R/I CEDED		468,885	-	468,885	224,588	-	224,588
NET PREMIUM		50,287	-	50,287	72,950	-	72,950
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		519,172	-	519,172	297,538	-	297,538
TOTAL PREMIUM EARNED (NET)		546,605	-	546,605	366,051	-	366,051
CLAIMS INCURRED (NET)	2B	49,405	-	49,405	71,706	-	71,706
CLAIMS PAID – DIRECT		300,206	-	300,206	381,387	-	381,387
ADD : R/I ACCEPTANCE		295,804	-	295,804	56,370	-	56,370
LESS : R/I CEDED		1,105,402	-	1,105,402	1,453,094	-	1,453,094
NET CLAIMS PAID		1,453,094	-	1,453,094	1,342,169	-	1,342,169
ADD: CLAIMS O/S AT THE END OF YEAR		-51,888	-	-51,888	167,295	-	167,295
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		46,390	-	46,390	36,678	-	36,678
TOTAL CLAIMS INCURRED	3B	13,561	-	13,561	7,764	-	7,764
COMMISSION		49,920	-	49,920	99,611	-	99,611
COMMISSION PAID – DIRECT *		10,031	-	10,031	-55,169	-	-55,169
ADD: R/I ACCEPTANCE		136,144	-	136,144	38,997	-	38,997
LESS: R/I CEDED		-	-	-	-	-	-
NET COMMISSION	4	880	-	880	-	-	-
OPERATING EXPENSES		425,765	-	425,765	146,415	-	146,415
EXCHANGE GAIN (+) /LOSS (-)		163,025	-	163,025	161,830	-	161,830
CONTRIBUTION FROM SHAREHOLDER'S FUNDS		-	-	-	-	-	-
TOWARDS EXCESS EoM		-	-	-	-	-	-
UNDERWRITING RESULT		2,628	-	2,628	3,380	-	3,380
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		586,162	-	586,162	304,865	-	304,865
INVESTMENT PROVISION, AMORTIZATION OF INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		-	-	-	-	-	-
OPERATING RESULT		-	-	-	-	-	-

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	MARINE TOTAL					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1B						
PREMIUM FROM DIRECT BUSINESS WRITTEN		2,759,426	79,844	2,839,270	2,243,677	78,627	2,322,304
ADD: PREMIUM ON R/I ACCEPTANCE		156,934	-	156,934	122,987	-	122,987
LESS : PREMIUM ON R/I CEDED		1,396,990	21,082	1,418,072	1,086,600	9,563	1,096,163
NET PREMIUM		1,519,370	58,762	1,578,132	1,280,064	69,064	1,349,128
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		208,446	5,151	213,597	66,442	-9,951	56,491
TOTAL PREMIUM EARNED (NET)		1,727,816	63,913	1,791,729	1,346,506	59,113	1,405,619
CLAIMS INCURRED (NET)	2B						
CLAIMS PAID – DIRECT		1,153,926	77,700	1,231,626	1,230,746	66,946	1,297,692
ADD : R/I ACCEPTANCE		72,505	-	72,505	83,703	-	83,703
LESS : R/I CEDED		571,270	20,924	592,194	532,022	15,051	547,073
NET CLAIMS PAID		655,161	56,776	711,937	782,427	51,895	834,322
ADD: CLAIMS O/S AT THE END OF YEAR		2,102,309	126,017	2,228,326	2,490,309	30,305	2,520,614
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		2,490,309	30,305	2,520,614	2,019,836	15,900	2,035,736
TOTAL CLAIMS INCURRED		267,161	152,488	419,649	1,252,900	66,300	1,319,200
COMMISSION	3B						
COMMISSION PAID – DIRECT *		247,698	231	247,929	211,271	217	211,488
ADD: R/I ACCEPTANCE		26,514	-	26,514	23,077	-	23,077
LESS: R/I CEDED		93,037	5,805	98,842	127,332	2,645	129,977
NET COMMISSION		181,175	-5,574	175,601	107,018	-2,428	104,590
OPERATING EXPENSES	4						
EXCHANGE GAIN (+) / LOSS (-)		441,158	10,163	451,321	222,271	12,373	234,644
CONTRIBUTION FROM SHAREHOLDER'S FUNDS		-	-	-	-	-	-
TOWARDS EXCESS EoM		3,257	-	3,257	-	-	-
UNDERWRITING RESULT		841,579	-93,164	748,415	-235,683	-17,132	-252,815
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		312,764	6,380	319,144	277,362	4,048	281,410
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		5,041	103	5,144	5,793	84	5,877
OPERATING RESULT		1,149,302	-86,887	1,062,415	35,886	-13,168	22,718

* Includes incentive/reward paid to intermediaries

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 1C MISCELLANEOUS

PREMIUM EARNED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Premium from direct business written	137,195,610	117,208,768
Add: Premium on reinsurance accepted	4,158,817	4,470,410
Less : Premium on reinsurance ceded	19,107,392	10,892,814
Net Premium	122,247,035	110,786,364
Adjustment for change in reserve for unexpired risks*	-6,467,282	1,740,803
Total Premium Earned (Net)	115,779,753	112,527,167

* includes Reserve for Premium deficiency amounting to ₹8,67,066 thousand (₹ 7,52,022 thousand)

SCHEDULE – 2C MISCELLANEOUS

CLAIMS INCURRED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Claims paid		
Direct	125,158,033	127,100,062
Add: Re-insurance accepted	4,373,921	2,256,811
Less: Re-insurance ceded	12,778,838	11,605,075
Net Claims paid	116,753,116	117,751,798
Add: Claims Outstanding at the end of the year	190,309,307	184,413,346
Less: Claims Outstanding at the beginning of the year	184,413,346	183,287,078
Total Claims Incurred	122,649,077	118,878,066

SCHEDULE- 3C MISCELLANEOUS

COMMISSION

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Commission paid		
Direct - Total (A)*	9,598,826	8,262,995
Add: Commission on Re-insurance accepted	340,926	319,757
Less: Commission on Re-insurance ceded	3,209,412	1,391,646
Net Commission	6,730,340	7,191,106

Break-up of the expenses (Gross) incurred to procure business:

	2022-23	2021-22
	(₹ '000)	(₹ '000)
Agents	6,458,737	5,839,926
Brokers	3,074,446	2,362,397
Corporate Agency	11,564	12,545
Others:		
Referral	-	-
Misc. Others (Including MISP Distribution fees)	54,079	48,127
TOTAL (B)	9,598,826	8,262,995

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	MOTOR OD					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C						
PREMIUM FROM DIRECT BUSINESS WRITTEN		16,942,466	32,756	16,975,222	14,477,380	36,489	14,513,869
ADD: PREMIUM ON R/I ACCEPTANCE		2,935	40,951	43,886	788	18,208	18,996
LESS : PREMIUM ON R/I CEDED		741,831	11,476	753,307	932,838	23,083	955,921
NET PREMIUM		16,203,570	62,231	16,265,801	13,545,330	31,614	13,576,944
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-1,915,950	-15,309	-1,931,259	192,822	-7,757	185,065
TOTAL PREMIUM EARNED (NET)		14,287,620	46,922	14,334,542	13,738,152	23,857	13,762,009
CLAIMS INCURRED (NET)	2C						
CLAIMS PAID – DIRECT		17,469,981	25,451	17,495,432	14,352,844	29,229	14,382,073
ADD : R/I ACCEPTANCE		158	9,079	9,237	65	-	65
LESS : R/I CEDED		970,409	10,844	981,253	1,072,248	10,128	1,082,376
NET CLAIMS PAID		16,499,730	23,686	16,523,416	13,280,661	19,101	13,299,762
ADD: CLAIMS O/S AT THE END OF YEAR		4,319,400	36,857	4,356,257	4,121,394	23,322	4,144,716
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		4,121,394	23,322	4,144,716	4,140,987	16,719	4,157,706
TOTAL CLAIMS INCURRED		16,697,736	37,221	16,734,957	13,261,068	25,704	13,286,772
COMMISSION	3C						
COMMISSION PAID – DIRECT *		3,635,601	578	3,636,179	3,201,829	726	3,202,555
ADD: R/I ACCEPTANCE		166	20	186	54	8	62
LESS: R/I CEDED		103,276	3,447	106,723	117,329	3,560	120,889
NET COMMISSION		3,532,491	-2,849	3,529,642	3,084,554	-2,826	3,081,728
OPERATING EXPENSES	4	6,276,740	14,351	6,291,091	3,140,981	7,552	3,148,533
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
UNDERWRITING RESULT		-12,219,347	-1,801	-12,221,148	-5,748,451	-6,573	-5,755,024
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		1,070,448	3,850	1,074,298	1,108,761	2,476	1,111,237
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		17,255	62	17,317	23,155	52	23,207
OPERATING RESULT		-11,166,154	1,987	-11,164,167	-4,662,845	-4,149	-4,666,994

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHE- DULE	MOTOR TP					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C						
PREMIUM FROM DIRECT BUSINESS WRITTEN		33,935,543	33,649	33,969,192	31,982,126	22,335	32,004,461
ADD: PREMIUM ON R/I ACCEPTANCE		3,330	-	3,330	1,764	-	1,764
LESS: PREMIUM ON R/I CEDED		1,588,919	28,721	1,617,640	2,003,218	-	2,003,218
NET PREMIUM		32,349,954	4,928	32,354,882	29,980,672	22,335	30,003,007
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-1,196,729	8,704	-1,188,025	856,564	-4,273	852,291
TOTAL PREMIUM EARNED (NET)		31,153,225	13,632	31,166,857	30,837,236	18,062	30,855,298
CLAIMS INCURRED (NET)	2C						
CLAIMS PAID – DIRECT		34,250,296	30,968	34,281,264	23,637,977	19,486	23,657,463
ADD: R/I ACCEPTANCE		2,154	-	2,154	1,124	-	1,124
LESS: R/I CEDED		3,894,764	-	3,894,764	2,729,352	-	2,729,352
NET CLAIMS PAID		30,357,686	30,968	30,388,654	20,909,749	19,486	20,929,235
ADD: CLAIMS O/S AT THE END OF YEAR		156,362,859	-	156,362,859	153,966,122	9,995	153,976,117
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		153,966,122	9,995	153,976,117	147,714,726	7,868	147,722,594
TOTAL CLAIMS INCURRED		32,754,423	20,973	32,775,396	27,161,145	21,613	27,182,758
COMMISSION	3C						
COMMISSION PAID – DIRECT *		871,794	-	871,794	459,652	-	459,652
ADD: R/I ACCEPTANCE		233	-	233	186	-	186
LESS: R/I CEDED		79,467	-	79,467	100,161	-	100,161
NET COMMISSION		792,560	-	792,560	359,677	-	359,677
OPERATING EXPENSES	4	12,523,994	1,136	12,525,130	6,941,140	5,335	6,946,475
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
UNDERWRITING RESULT		-14,917,752	-8,477	-14,926,229	-3,624,726	-8,886	-3,633,612
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		16,619,277	2,083	16,621,360	16,345,116	1,475	16,346,591
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		267,890	33	267,923	341,345	31	341,376
OPERATING RESULT		1,433,635	-6,427	1,427,208	12,379,045	-7,442	12,371,603

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	MOTOR TOTAL					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C	50,878,009	66,405	50,944,414	46,459,506	58,824	46,518,330
PREMIUM FROM DIRECT BUSINESS WRITTEN							
ADD: PREMIUM ON R/I ACCEPTANCE		6,265	40,951	47,216	2,552	18,208	20,760
LESS: PREMIUM ON R/I CEDED		2,330,750	40,197	2,370,947	2,936,056	23,083	2,959,139
NET PREMIUM		48,553,524	67,159	48,620,683	43,526,002	53,949	43,579,951
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-3,112,679	-6,605	-3,119,284	1,049,386	-12,030	1,037,356
TOTAL PREMIUM EARNED (NET)		45,440,845	60,554	45,501,399	44,575,388	41,919	44,617,307
CLAIMS INCURRED (NET)	2C	51,720,277	56,419	51,776,696	37,990,821	48,715	38,039,536
CLAIMS PAID – DIRECT							
ADD: R/I ACCEPTANCE		2,312	9,079	11,391	1,189	-	1,189
LESS: R/I CEDED		4,865,173	10,844	4,876,017	3,801,600	10,128	3,811,728
NET CLAIMS PAID		46,857,416	54,654	46,912,070	34,190,410	38,587	34,228,997
ADD: CLAIMS O/S AT THE END OF YEAR		160,682,259	36,857	160,719,116	158,087,516	33,317	158,120,833
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		158,087,516	33,317	158,120,833	151,855,713	24,587	151,880,300
TOTAL CLAIMS INCURRED		49,452,159	58,194	49,510,353	40,422,213	47,317	40,469,530
COMMISSION	3C	4,507,395	578	4,507,973	3,661,481	726	3,662,207
COMMISSION PAID – DIRECT *							
ADD: R/I ACCEPTANCE		399	20	419	240	8	248
LESS: R/I CEDED		182,743	3,447	186,190	217,490	3,560	221,050
NET COMMISSION		4,325,051	-2,849	4,322,202	3,444,231	-2,826	3,441,405
OPERATING EXPENSES	4	18,800,734	15,487	18,816,221	10,082,121	12,887	10,095,008
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
CONTRIBUTION FROM SHAREHOLDER'S FUNDS							
TOWARDS EXCESS EoM		7,611,095	-	7,611,095	-	-	-
UNDERWRITING RESULT		-19,526,004	-10,278	-19,536,282	-9,373,177	-15,459	-9,388,636
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		17,689,725	5,933	17,695,658	17,453,877	3,951	17,457,828
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		285,145	95	285,240	364,500	83	364,583
OPERATING RESULT		-2,121,424	-4,440	-2,125,864	7,716,200	-11,591	7,704,609

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

PARTICULARS	SCHEDULE	EMPLOYERS' LIABILITY (WC)					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C						
PREMIUM FROM DIRECT BUSINESS WRITTEN		449,172	373	449,545	420,542	4,411	424,953
ADD: PREMIUM ON R/I ACCEPTANCE		-	-	-	-	-	-
LESS : PREMIUM ON R/I CEDED		17,967	-	17,967	21,027	516	21,543
NET PREMIUM		431,205	373	431,578	399,515	3,895	403,410
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-12,512	1,761	-10,751	44,032	-208	43,824
TOTAL PREMIUM EARNED (NET)		418,693	2,134	420,827	443,547	3,687	447,234
CLAIMS INCURRED (NET)	2C						
CLAIMS PAID – DIRECT		195,808	2,178	197,986	100,451	6,942	107,393
ADD : R/I ACCEPTANCE		-	-	-	-	19,135	19,135
LESS : R/I CEDED		11,620	-	11,620	6,270	-	6,270
NET CLAIMS PAID		184,188	2,178	186,366	94,181	26,077	120,258
ADD: CLAIMS O/S AT THE END OF YEAR		440,279	30,914	471,193	495,563	28,926	524,489
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		495,563	28,926	524,489	445,570	51,101	496,671
TOTAL CLAIMS INCURRED		128,904	4,166	133,070	144,174	3,902	148,076
COMMISSION	3C						
COMMISSION PAID – DIRECT *		73,068	-	73,068	65,279	221	65,500
ADD: R/I ACCEPTANCE		-	-	-	-	-	-
LESS: R/I CEDED		2,694	-	2,694	3,154	-	3,154
NET COMMISSION		70,374	-	70,374	62,125	221	62,346
OPERATING EXPENSES	4	167,183	86	167,269	92,719	931	93,650
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
UNDERWRITING RESULT		52,232	-2,118	50,114	144,529	-1,367	143,162
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		63,641	3,038	66,679	64,060	5,283	69,343
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		1,026	49	1,075	1,338	110	1,448
OPERATING RESULT		114,847	871	115,718	207,251	3,806	211,057

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	PUBLIC LIABILITY					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C	1,459,764	143	1,459,907	884,673	255	884,928
PREMIUM FROM DIRECT BUSINESS WRITTEN		311	6	317	-	-	-
ADD: PREMIUM ON R/I ACCEPTANCE		377,423	31	377,454	151,631	8	151,639
LESS : PREMIUM ON R/I CEDED		1,082,652	118	1,082,770	733,042	247	733,289
NET PREMIUM		-128,978	65	-128,913	-59,303	-83	-59,386
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		953,674	183	953,857	673,739	164	673,903
TOTAL PREMIUM EARNED (NET)							
CLAIMS INCURRED (NET)	2C	101,593	232	101,825	105,934	120	106,054
CLAIMS PAID – DIRECT		26	-	26	-	-	-
ADD : R/I ACCEPTANCE		16,672	24	16,696	11,396	24	11,420
LESS : R/I CEDED		84,947	208	85,155	94,538	96	94,634
ADD: CLAIMS O/S AT THE END OF YEAR		582,395	104	582,499	470,222	664	470,886
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		470,222	664	470,886	558,153	-	558,153
TOTAL CLAIMS INCURRED		197,121	-353	196,768	6,607	760	7,367
COMMISSION	3C	145,387	3	145,390	97,248	1	97,249
COMMISSION PAID – DIRECT *		55	-	55	-	-	-
ADD: R/I ACCEPTANCE		13,614	10	13,624	7,132	-	7,132
LESS: R/I CEDED		131,828	-7	131,821	90,116	1	90,117
NET COMMISSION		419,158	27	419,185	169,732	59	169,791
OPERATING EXPENSES	4	-	-	-	-	-	-
EXCHANGE GAIN (+)/LOSS (-)		205,567	516	206,083	407,284	-656	406,628
UNDERWRITING RESULT		81,187	22	81,209	85,221	71	85,292
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		1,309	-	1,309	1,780	1	1,781
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		285,445	538	285,983	490,725	-586	490,139
OPERATING RESULT							

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	ENGINEERING					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C						
PREMIUM FROM DIRECT BUSINESS WRITTEN		3,943,066	148,576	4,091,642	3,144,973	105,802	3,250,775
ADD: PREMIUM ON R/I ACCEPTANCE		178,634	4,145	182,779	272,803	4,472	277,275
LESS: PREMIUM ON R/I CEDED		1,321,820	77,854	1,399,674	1,151,195	53,713	1,204,908
NET PREMIUM		2,799,880	74,867	2,874,747	2,266,581	56,561	2,323,142
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-46,099	-9,153	-55,252	-17,133	-2,755	-19,888
TOTAL PREMIUM EARNED (NET)		2,753,781	65,714	2,819,495	2,249,448	53,806	2,303,254
CLAIMS INCURRED (NET)	2C						
CLAIMS PAID – DIRECT		870,189	114,820	985,009	803,933	111,094	915,027
ADD: R/I ACCEPTANCE		55,263	2,873	58,136	128,523	194	128,717
LESS: R/I CEDED		211,246	30,423	241,669	320,852	25,771	346,623
NET CLAIMS PAID		714,206	87,270	801,476	611,604	85,517	697,121
ADD: CLAIMS O/S AT THE END OF YEAR		2,145,355	110,747	2,256,102	2,245,565	109,766	2,355,331
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		2,245,565	109,766	2,355,331	2,867,436	56,151	2,923,587
TOTAL CLAIMS INCURRED		613,996	88,251	702,247	-10,267	139,132	128,865
COMMISSION	3C						
COMMISSION PAID – DIRECT *		361,474	3,483	364,957	297,778	3,101	300,879
ADD: R/I ACCEPTANCE		34,211	373	34,584	56,231	479	56,710
LESS: R/I CEDED		147,637	16,225	163,862	129,102	6,976	136,078
NET COMMISSION		248,048	-12,369	235,679	224,907	-3,396	221,511
OPERATING EXPENSES	4	1,083,963	17,264	1,101,227	524,773	13,511	538,284
EXCHANGE GAIN (+) /LOSS (-)		-	-	-	-	-	-
UNDERWRITING RESULT		807,774	-27,432	780,342	1,510,035	-95,441	1,414,594
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		327,931	13,681	341,612	388,356	13,525	401,881
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		5,286	221	5,507	8,110	283	8,393
OPERATING RESULT		1,130,419	-13,972	1,116,447	1,890,281	-82,199	1,808,082

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	AVIATION					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C	613,427	-	613,427	1,126,027	-	1,126,027
PREMIUM FROM DIRECT BUSINESS WRITTEN							
ADD: PREMIUM ON R/I ACCEPTANCE		1,298,394	-	1,298,394	952,805	-	952,805
LESS: PREMIUM ON R/I CEDED		701,362	-	701,362	1,192,720	-	1,192,720
NET PREMIUM		1,210,459	-	1,210,459	886,112	-	886,112
ADJUSTMENT FOR CHANGE IN RESERVE							
FOR UNEXPIRED RISK		-21,660	-	-21,660	-155,876	-30	-155,906
TOTAL PREMIUM EARNED (NET)		1,188,799	-	1,188,799	730,236	-30	730,206
CLAIMS INCURRED (NET)	2C	527,849	-	527,849	552,545	-	552,545
CLAIMS PAID – DIRECT							
ADD : R/I ACCEPTANCE		1,091,802	-	1,091,802	417,532	-	417,532
LESS : R/I CEDED		384,745	-	384,745	521,868	-	521,868
NET CLAIMS PAID		1,234,906	-	1,234,906	448,209	-	448,209
ADD: CLAIMS O/S AT THE END OF YEAR		1,976,314	-	1,976,314	1,591,867	-	1,591,867
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		1,591,867	-	1,591,867	1,301,564	-	1,301,564
TOTAL CLAIMS INCURRED		1,619,353	-	1,619,353	738,512	-	738,512
COMMISSION	3C	9,107	-	9,107	12,211	-	12,211
COMMISSION PAID – DIRECT *							
ADD: R/I ACCEPTANCE		72,868	-	72,868	76,290	-	76,290
LESS: R/I CEDED		19,355	-	19,355	23,026	-	23,026
NET COMMISSION		62,620	-	62,620	65,475	-	65,475
OPERATING EXPENSES	4	468,618	-	468,618	205,154	-	205,154
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
UNDERWRITING RESULT		-961,792	-	-961,792	-278,905	-30	-278,935
INVESTMENT INCOME (INTEREST, DIVIDEND &							
RENT PLUS PROFIT ON SALE OF INVESTMENTS)		198,558	-	198,558	157,122	-3	157,119
INVESTMENT PROVISION, AMORTIZATION OF							
PREMIUM AND WRITE OFF		3,201	-	3,201	3,281	-	3,281
OPERATING RESULT		-766,435	-	-766,435	-125,064	-33	-125,097

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

PARTICULARS	SCHEDULE	PERSONAL ACCIDENT					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C	4,682,941	-	4,682,941	2,263,554	-	2,263,554
PREMIUM FROM DIRECT BUSINESS WRITTEN		446,416	-	446,416	-	-	-
ADD: PREMIUM ON R/I ACCEPTANCE		920,384	-	920,384	134,620	-	134,620
LESS : PREMIUM ON R/I CEDED		4,208,973	-	4,208,973	2,128,934	-	2,128,934
NET PREMIUM							
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-1,018,307	-	-1,018,307	-77,423	-	-77,423
TOTAL PREMIUM EARNED (NET)		3,190,666	-	3,190,666	2,051,511	-	2,051,511
CLAIMS INCURRED (NET)	2C	2,727,394	-	2,727,394	2,031,013	-	2,031,013
CLAIMS EMP LIABID – DIRECT		3,638	-	3,638	-	-	-
ADD : R/I ACCEPTANCE		225,382	-	225,382	143,456	-	143,456
LESS : R/I CEDED		2,505,650	-	2,505,650	1,887,557	-	1,887,557
NET CLAIMS PAID		4,357,499	-	4,357,499	3,672,232	-	3,672,232
ADD: CLAIMS O/S AT THE END OF YEAR		3,672,232	-	3,672,232	2,230,060	-	2,230,060
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		3,190,917	-	3,190,917	3,329,729	-	3,329,729
TOTAL CLAIMS INCURRED							
COMMISSION	3C	240,888	-	240,888	82,814	-	82,814
COMMISSION PAID – DIRECT *		9,457	-	9,457	-	-	-
ADD: R/I ACCEPTANCE		81,276	-	81,276	24,572	-	24,572
LESS: R/I CEDED		169,069	-	169,069	58,242	-	58,242
NET COMMISSION	4	1,637,589	-	1,637,589	501,364	-	501,364
OPERATING EXPENSES		-	-	-	-	-	-
EXCHANGE GAIN (+) /LOSS (-)		-1,806,909	-	-1,806,909	-1,837,824	-	-1,837,824
UNDERWRITING RESULT		464,097	-	464,097	319,590	-	319,590
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		7,481	-	7,481	6,674	-	6,674
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		-1,350,293	-	-1,350,293	-1,524,908	-	-1,524,908
OPERATING RESULT							

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	HEALTH					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C						
PREMIUM FROM DIRECT BUSINESS WRITTEN		69,348,641	26,656	69,375,297	58,487,928	28,843	58,516,771
ADD: PREMIUM ON R/I ACCEPTANCE		2,017,525	-	2,017,525	3,041,796	-	3,041,796
LESS: PREMIUM ON R/I CEDED		11,859,186	5,331	11,864,517	6,976,020	4,356	6,980,376
NET PREMIUM		59,506,980	21,325	59,528,305	54,553,704	24,487	54,578,191
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-584,377	1,581	-582,796	-899,616	-2,380	-901,996
TOTAL PREMIUM EARNED (NET)		58,922,603	22,906	58,945,509	53,654,088	22,107	53,676,195
CLAIMS INCURRED (NET)	2C						
CLAIMS PAID – DIRECT		64,820,107	42,684	64,862,791	68,190,077	45,018	68,235,095
ADD: R/I ACCEPTANCE		3,135,680	-	3,135,680	1,556,954	-	1,556,954
LESS: R/I CEDED		7,324,571	-	7,324,571	5,227,138	2,772	5,229,910
NET CLAIMS PAID		60,631,216	42,684	60,673,900	64,519,893	42,246	64,562,139
ADD: CLAIMS O/S AT THE END OF YEAR		11,006,030	4,032	11,010,062	11,275,639	3,169	11,278,808
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		11,275,639	3,169	11,278,808	9,199,842	2,082	9,201,924
TOTAL CLAIMS INCURRED		60,361,607	43,547	60,405,154	66,595,690	43,333	66,639,023
COMMISSION	3C						
COMMISSION PAID – DIRECT *		3,683,488	318	3,683,806	3,713,127	1,442	3,714,569
ADD: R/I ACCEPTANCE		207,597	-	207,597	170,517	-	170,517
LESS: R/I CEDED		2,503,940	1,439	2,505,379	1,002,110	-	1,002,110
NET COMMISSION		1,387,145	-1,121	1,386,024	2,881,534	1,442	2,882,976
OPERATING EXPENSES	4	23,038,397	4,918	23,043,315	12,631,169	5,849	12,637,018
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
CONTRIBUTION FROM SHAREHOLDER'S FUNDS							
TOWARDS EXCESS EoM		6,580,495	-	6,580,495	-	-	-
UNDERWRITING RESULT		-19,284,051	-24,438	-19,308,489	-28,454,305	-28,517	-28,482,822
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		3,745,224	1,517	3,746,741	3,507,530	1,195	3,508,725
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		60,370	25	60,395	73,250	25	73,275
OPERATING RESULT		-15,599,197	-22,946	-15,622,143	-25,020,025	-27,347	-25,047,372

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

PARTICULARS	SCHEDULE	RNTB					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C	512,198	-	512,198	475,188	-	475,188
PREMIUM FROM DIRECT BUSINESS WRITTEN		-	-	-	-	-	-
ADD: PREMIUM ON R/I ACCEPTANCE		22,224	-	22,224	25,262	-	25,262
LESS: PREMIUM ON R/I CEDED		489,974	-	489,974	449,926	-	449,926
ADJUSTMENT FOR CHANGE IN RESERVE		-43,497	-	-43,497	34,491	-	34,491
FOR UNEXPIRED RISK		446,477	-	446,477	484,417	-	484,417
CLAIMS INCURRED (NET)	2C	619,560	-	619,560	516,240	-	516,240
CLAIMS PAID – DIRECT		-	-	-	-	-	-
ADD: R/I ACCEPTANCE		28,061	-	28,061	39,754	-	39,754
LESS: R/I CEDED		591,499	-	591,499	476,486	-	476,486
ADD: CLAIMS O/S AT THE END OF YEAR		438,826	-	438,826	366,662	-	366,662
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		366,662	-	366,662	423,699	-	423,699
TOTAL CLAIMS INCURRED		663,663	-	663,663	419,449	-	419,449
COMMISSION	3C	60,876	-	60,876	61,723	-	61,723
COMMISSION PAID – DIRECT *		-	-	-	-	-	-
ADD: R/I ACCEPTANCE		-	-	-	-	-	-
LESS: R/I CEDED		60,876	-	60,876	61,723	-	61,723
OPERATING EXPENSES	4	189,903	-	189,903	104,327	-	104,327
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
UNDERWRITING RESULT		-467,965	-	-467,965	-101,082	-	-101,082
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		57,181	-	57,181	67,243	-	67,243
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		922	-	922	1,404	-	1,404
OPERATING RESULT		-411,706	-	-411,706	-35,243	-	-35,243

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	CROP					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C						
PREMIUM FROM DIRECT BUSINESS WRITTEN		1,535,219	-	1,535,219	897,395	-	897,395
ADD: PREMIUM ON R/I ACCEPTANCE		-	-	-	-	-	-
LESS: PREMIUM ON R/I CEDED		938,866	-	938,866	-2,223,064	-	-2,223,064
NET PREMIUM		596,353	-	596,353	3,120,459	-	3,120,459
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-60,740	-	-60,740	1,814,210	-	1,814,210
TOTAL PREMIUM EARNED (NET)		535,613	-	535,613	4,934,669	-	4,934,669
CLAIMS INCURRED (NET)	2C						
CLAIMS PAID – DIRECT		1,870,398	-	1,870,398	15,395,766	-	15,395,766
ADD: R/I ACCEPTANCE		-	-	-	-	-	-
LESS: R/I CEDED		-512,989	-	-512,989	1,346,213	-	1,346,213
NET CLAIMS PAID		2,383,387	-	2,383,387	14,049,553	-	14,049,553
ADD: CLAIMS O/S AT THE END OF YEAR		963,976	-	963,976	795,391	-	795,391
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		795,391	-	795,391	9,867,199	-	9,867,199
TOTAL CLAIMS INCURRED		2,551,972	-	2,551,972	4,977,745	-	4,977,745
COMMISSION	3C						
COMMISSION PAID – DIRECT *		2,658	-	2,658	-129,572	-	-129,572
ADD: R/I ACCEPTANCE		-	-	-	-	-	-
LESS: R/I CEDED		196,737	-	196,737	-75,542	-	-75,542
NET COMMISSION		-194,079	-	-194,079	-54,030	-	-54,030
OPERATING EXPENSES	4	303,975	-	303,975	722,450	-	722,450
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
UNDERWRITING RESULT		-2,126,255	-	-2,126,255	-711,496	-	-711,496
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		80,389	-	80,389	1,169,924	-	1,169,924
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		1,296	-	1,296	24,432	-	24,432
OPERATING RESULT		-2,047,162	-	-2,047,162	433,996	-	433,996

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	MISCELLANEOUS OTHERS					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C						
PREMIUM FROM DIRECT BUSINESS WRITTEN		3,498,126	32,893	3,531,019	2,812,874	37,973	2,850,847
ADD: PREMIUM ON R/I ACCEPTANCE		166,169	1	166,170	177,638	136	177,774
LESS: PREMIUM ON R/I CEDED		480,858	13,139	493,997	411,947	33,724	445,671
NET PREMIUM		3,183,437	19,755	3,203,192	2,578,563	4,385	2,582,948
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-1,418,398	-7,685	-1,426,083	14,437	11,084	25,521
TOTAL PREMIUM EARNED (NET)		1,765,039	12,070	1,777,109	2,593,000	15,469	2,608,469
CLAIMS INCURRED (NET)	2C						
CLAIMS PAID – DIRECT		1,469,779	18,745	1,488,524	1,180,100	21,291	1,201,391
ADD: R/I ACCEPTANCE		73,248	-	73,248	133,284	-	133,284
LESS: R/I CEDED		166,863	16,203	183,066	132,363	15,468	147,831
NET CLAIMS PAID		1,376,164	2,542	1,378,706	1,181,021	5,823	1,186,844
ADD: CLAIMS O/S AT THE END OF YEAR		7,530,493	3,225	7,533,718	5,201,886	34,960	5,236,846
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		5,201,886	34,960	5,236,846	4,399,905	4,015	4,403,920
TOTAL CLAIMS INCURRED		3,704,771	-29,193	3,675,578	1,983,002	36,768	2,019,770
COMMISSION	3C						
COMMISSION PAID – DIRECT *		508,165	1,938	510,103	395,503	-88	395,415
ADD: R/I ACCEPTANCE		15,810	136	15,946	15,582	411	15,993
LESS: R/I CEDED		37,630	2,667	40,297	47,264	2,802	50,061
NET COMMISSION		486,345	-593	485,752	363,821	-2,479	361,342
OPERATING EXPENSES	4	1,159,569	4,556	1,164,125	597,206	1,047	598,253
EXCHANGE GAIN (+) / LOSS (-)		-	-	-	-	-	-
UNDERWRITING RESULT		-3,585,646	37,300	-3,548,346	-351,029	-19,867	-370,896
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		619,309	3,655	622,964	550,460	1,729	552,189
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		9,983	59	10,042	11,496	36	11,532
OPERATING RESULT		-2,976,320	40,896	-2,935,424	187,935	-18,174	169,761

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	MISC TOTAL (INCLUDING MOTOR)					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)	1C						
PREMIUM FROM DIRECT BUSINESS WRITTEN		136,920,564	275,046	137,195,610	116,972,660	236,108	117,208,768
ADD: PREMIUM ON R/I ACCEPTANCE		4,113,714	45,103	4,158,817	4,447,594	22,816	4,470,410
LESS: PREMIUM ON R/I CEDED		18,970,840	136,552	19,107,392	10,777,414	115,400	10,892,814
NET PREMIUM		122,063,438	183,597	122,247,035	10,642,840	143,524	110,786,364
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-6,447,246	-20,036	-6,467,282	1,747,205	-6,402	1,740,803
TOTAL PREMIUM EARNED (NET)		115,616,192	163,561	115,779,753	112,390,045	137,122	112,527,167
CLAIMS INCURRED (NET)	2C						
CLAIMS PAID – DIRECT		124,922,955	235,078	125,158,033	126,866,882	233,180	127,100,062
ADD: R/I ACCEPTANCE		4,361,969	11,952	4,373,921	2,237,482	19,329	2,256,811
LESS: R/I CEDED		12,721,344	57,494	12,778,838	11,550,912	54,163	11,605,075
NET CLAIMS PAID		116,563,580	189,536	116,753,116	117,553,452	198,346	117,751,798
ADD: CLAIMS O/S AT THE END OF YEAR		190,123,428	185,879	190,309,307	184,202,543	210,803	184,413,346
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		184,202,543	210,803	184,413,346	183,149,142	137,936	183,287,078
TOTAL CLAIMS INCURRED		122,484,465	164,614	122,649,077	118,606,853	271,213	118,878,066
COMMISSION	3C						
COMMISSION PAID – DIRECT *		9,592,506	6,320	9,598,826	8,257,592	5,403	8,262,995
ADD: R/I ACCEPTANCE		340,397	529	340,926	318,859	898	319,757
LESS: R/I CEDED		3,185,624	23,788	3,209,412	1,378,308	13,338	1,391,646
NET COMMISSION		6,747,276	-16,939	6,730,340	7,198,143	-7,037	7,191,106
OPERATING EXPENSES	4	47,269,089	42,338	47,311,427	25,631,015	34,284	25,665,299
EXCHANGE GAIN (+)/LOSS (-)		-	-	-	-	-	-
CONTRIBUTION FROM SHAREHOLDER'S FUNDS		-	-	-	-	-	-
TOWARDS EXCESS EoM		15,188,401	-	15,188,401	87,419	-	87,419
UNDERWRITING RESULT		-45,696,240	-26,450	-45,722,690	-38,958,547	-161,338	-39,119,885
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		23,327,241	27,846	23,355,087	23,763,383	25,751	23,789,134
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		376,017	449	376,466	496,266	538	496,804
OPERATING RESULT		-22,745,016	947	-22,744,069	15,691,430	-136,125	-15,827,555

* Includes incentive/reward paid to intermediaries

SEGMENT REPORT SCHEDULE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

₹ In thousands

PARTICULARS	SCHEDULE	ALL DEPARTMENTS					
		2022-23			2021-22		
		IN INDIA	OUTSIDE INDIA	TOTAL	IN INDIA	OUTSIDE INDIA	TOTAL
PREMIUM EARNED (NET)							
PREMIUM FROM DIRECT BUSINESS WRITTEN		151,479,987	578,524	152,058,511	130,257,315	511,000	130,768,3159
ADD: PREMIUM ON R/I ACCEPTANCE		6,903,532	47,525	6,951,057	6,212,719	30,861	6,243,580
LESS : PREMIUM ON R/I CEDED		25,957,937	240,783	26,198,720	15,375,272	212,187	15,587,459
NET PREMIUM		132,425,582	385,266	132,810,848	121,094,762	329,674	121,424,436
ADJUSTMENT FOR CHANGE IN RESERVE FOR UNEXPIRED RISK		-5,721,421	-27,796	-5,749,217	1,826,433	-24,190	1,802,243
TOTAL PREMIUM EARNED (NET)	1	126,704,161	357,470	127,061,631	122,921,195	305,484	123,226,679
CLAIMS INCURRED (NET)							
CLAIMS PAID – DIRECT		131,419,055	623,198	132,042,253	132,769,521	410,993	133,180,514
ADD : R/I ACCEPTANCE		5,527,057	14,693	5,541,750	3,174,787	19,329	3,194,116
LESS : R/I CEDED		14,096,847	184,267	14,281,114	11,852,858	94,237	11,947,095
NET CLAIMS PAID		122,849,265	453,624	123,302,889	124,091,450	336,085	124,427,535
ADD: CLAIMS O/S AT THE END OF YEAR		206,705,753	539,876	207,245,629	202,024,488	381,211	202,405,699
LESS: CLAIMS OUTSTANDING AT THE BEGINNING		202,024,488	381,211	202,405,699	198,216,016	203,927	198,419,943
TOTAL CLAIMS INCURRED	2	127,530,530	612,291	128,142,819	127,899,922	513,369	128,413,291
COMMISSION							
COMMISSION PAID – DIRECT *		10,922,325	7,048	10,929,373	9,469,476	6,199	9,475,675
ADD: R/I ACCEPTANCE		657,176	961	658,137	606,304	2,062	608,366
LESS: R/I CEDED		3,502,013	58,138	3,560,151	1,736,583	29,510	1,766,093
NET COMMISSION	3	8,077,485	-50,129	8,027,359	8,339,199	-21,249	8,317,950
OPERATING EXPENSES	4	51,133,868	85,456	51,219,324	27,976,990	74,625	28,051,615
EXCHANGE GAIN (+) /LOSS (-)		-	-	-	-	-	-
CONTRIBUTION FROM SHAREHOLDER'S FUNDS TOWARDS EXCESS EoM		15,842,401	-	15,842,401	87,419	-	87,419
UNDERWRITING RESULT		-44,195,324	-290,146	-44,485,470	-41,207,497	-261,261	-41,468,758
INVESTMENT INCOME (INTEREST, DIVIDEND & RENT PLUS PROFIT ON SALE OF INVESTMENTS)		25,559,039	53,773	25,612,812	25,763,289	39,875	25,803,164
INVESTMENT PROVISION, AMORTIZATION OF PREMIUM AND WRITE OFF		411,991	867	412,858	538,032	832	538,864
OPERATING RESULT		-19,048,276	-237,240	-19,285,516	-15,982,240	-222,218	-16,204,458

* Includes incentive/reward paid to intermediaries

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
1. Employees' remuneration & welfare benefits	44,460,150	20,775,167
2. Travel, conveyance and vehicle running expenses	281,533	227,430
3. Training expenses	22,074	13,993
4. Rents, rates & taxes	1,190,727	975,268
5. Repairs	77,376	57,610
6. Printing & stationery	282,646	312,815
7. Communication	286,280	260,888
8. Legal & professional charges	173,047	165,607
9. Auditors' fees, expenses etc		-
(a) as auditor	47,047	44,579
(b) as adviser or in any other capacity, in respect of		-
(i) Taxation matters	-	-
(ii) Insurance matters	-	-
(iii) Management services; and	-	-
(c) in any other capacity	-	-
10. Advertisement and publicity	-109,786	161,356
11. Interest & Bank Charges	39,482	361,911
12. Others:		
IT expenses	2,124,527	2,024,942
Policy Stamps	13,546	15,171
Misc expenses	1,007,893	1,186,255
13. Depreciation	766,582	655,544
14. Service Tax Account/ GST Expenses	556,200	813,079
TOTAL	51,219,324	28,051,615
Allocated to:		
Fire Revenue Account	3,456,576	2,151,672
Marine Revenue Account	451,321	234,644
Miscellaneous Revenue Account	47,311,427	25,665,299
TOTAL	51,219,324	28,051,615

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 5

SHARE CAPITAL

Particulars	As at	As at
	31.03.2023 (₹ '000)	31.03.2022 (₹ '000)
1. Authorised Capital 150,000,000 Equity shares of ₹ 10/- each	150,000,000	150,000,000
2. Issued Capital * 93,750,000 Equity shares of ₹ 10/- each	93,750,000	93,750,000
3. Subscribed Capital * 93,750,000 Equity shares of ₹ 10/- each	93,750,000	93,750,000
4. Called-up Capital * 93,750,000 Equity shares of ₹ 10/- each	93,750,000	93,750,000
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid up)	-	-
Less: Par value of Equity shares bought back	-	-
Less: Preliminary expenses Expenses including commission or brokerage on underwriting or subscription of shares	-	-
TOTAL	93,750,000	93,750,000

*(includes 9,70,96,955 Equity shares of Rs. 10/- each as fully paid-up Bonus shares by capitalisation of General Reserve and Share premium)

SCHEDULE – 5A

SHARE CAPITAL

PATTERN OF SHAREHOLDING

(As certified by the Management)

Shareholder	As at 31.03.2023		As at 31.03.2022	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
• India	9,375,000,000	100%	9,375,000,000	100%
• Foreign	-	-	-	-
Others	-	-	-	-
TOTAL	9,375,000,000	100%	9,375,000,000	100%

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE - 6
RESERVES AND SURPLUS**

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium	-	-
4. General Reserves	-	-
Less: Transfer to Profit and Loss Account	-	-
Less: Amount utilized for Buy-Back	-	-
5. Catastrophe Reserve	-	-
6. Other Reserves:		
a) Foreign Exchange Translation Reserve	130,303	138,576
b) Investment Reserve	9,610	9,610
c) Exchange Reserve	4,817	4,817
7. Balance of profit in Profit & Loss Account	-	-
TOTAL	144,730	153,003

**Disclosure under AS-11, para 40(b)
FOREIGN EXCHANGE
TRANSLATION RESERVE**

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
Opening Reserve	138,576	142,029
Add: Effect of translation during the year	-8,273	-3,453
Closing Reserve	130,303	138,576

**SCHEDULE - 7
BORROWINGS**

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Debentures/ Bonds	89,50,000	89,50,000
2. Banks	-	-
3. Financial Institutions	-	-
4. Others	-	-
TOTAL	89,50,000	89,50,000

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8

INVESTMENTS - SHAREHOLDERS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills [See note (1) below]	-	10,295,352
2. Other Approved Securities	-	26,448
3. Other Investments		
(a) Shares		
(aa) Equity	-	10,045,752
(bb) Preference	-	244
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds [See note (3a) below]	-	2,291,374
(e) Other Securities: Auto ancillary and Venture Capital	-	3,415
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	198
4. Investments in Infrastructure and Social Sector	-	2,021,863
TOTAL	-	24,684,646
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills	-	1,741,907
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	1,981,227
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	-	828,365
(e) Other securities (See note below)	-	2,200,195
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4. Investments in Infrastructure and Social Sector	-	294,107
TOTAL	-	7,045,801
GRAND TOTAL	-	31,730,447

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE - 8A
INVESTMENTS - POLICYHOLDERS**

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds	115,282,980	98,045,649
2. Other Approved Securities [See note (1) below]	278,325	251,877
3. Other Investments		
(a) Shares		
(aa) Equity	111,580,433	95,668,631
(bb) Preference	2,565	2,321
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds [See note (3a) below]	29,402,972	21,821,425
(e) Other Securities:	-	-
Auto ancillary and Venture Capital	35,322	32,522
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	1,968	1,882
4. Investments in Infrastructure and Social Sector	22,243,809	19,254,790
TOTAL	278,828,374	235,079,097
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds	11,154,697	16,588,693
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	1,011,335	18,867,801
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	6,339,206	7,888,760
(e) Other securities (See note below)	17,192,602	20,953,105
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4. Investments in Infrastructure and Social Sector	1,647,668	2,800,866
TOTAL	37,345,508	67,099,225
GRAND TOTAL	316,173,882	302,178,322

Notes :

- 1) Includes ₹3,61,292 thousand (₹3,61,292 thousand) kept as margin money for NSE/BSE equity transactions as per SEBI Circular No. MRD/DoP/SE/Cir-07/2005 dated 23rd February, 2005

Notes to Schedule 8 and 8A	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Investment in Associates (included in Equity Shares) is as follows:		
a) India International Insurance Pte. Ltd., Singapore	28,576	28,576
b) Health Insurance TPA of India Ltd.	200,679	200,679
2. Aggregate amount of Company's Investments other than listed Equity Securities and derivative instruments and also the Market Value thereof:		
Book value	205,539,880	228,278,781
Market Value	202,210,711	230,578,783
3. Provisions:		
a) Provision against non-performing debentures (grouped under Provision for Non-performing Investments in Schedule 14)	2,499,498	2,797,939
b) Provision against thinly traded Equity Shares and short holding of Equity Shares (grouped under Provision for Non-performing Investments in Schedule 14)	2,467	2,443
c) Provision against Venture Capital (grouped under Provision for Non-performing Investments in Schedule 14)	27,935	23,772
d) Provision against Standard Investments (grouped under Provision for Standard Assets in Schedule 14)	228,577	217,654

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9

LOANS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. SECURITY-WISE CLASSIFICATION		
Secured	219,973	225,316
(a) On mortgage of property		
(aa) In India	219,973	225,316
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	84,407	100,817
TOTAL	304,380	326,133
2. BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	20,177	36,588
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	283,564	288,906
(e) Others	639	639
TOTAL	304,380	326,133
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard*		
(aa) In India	18,307	38,102
(bb) Outside India	-	-
(b) Non-performing loans*		
(aa) In India	286,073	288,031
(bb) Outside India	-	-
TOTAL	304,380	326,133
MATURITY-WISE CLASSIFICATION		
(a) Short Term	6,275	5,372
(b) Long Term	298,105	320,761
TOTAL	304,380	326,133

*Notes	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
Provision against non-performing loans (Grouped under Others in Schedule 14)	286,073	288,031
Provision against Standard loans (Grouped under Provision for Standard Assets in Schedule 14)	73	152

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE – 10
FIXED ASSETS**

₹ In thousands

Particulars	Cost/ Gross Block				Depreciation				Net Block	
	Opening as at 01.04.2022	Additions during the year	Deductions for the year	Closing as at 31.03.2023	Upto 31.03.2022	For the year	On Sales/ Adjustments	As on 31.03.2023	As at 31.03.2023	As at 31.03.2022
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles (software)	932,055	-	-	932,055	568,375	239,891	-	808,266	123,789	363,680
Land - Freehold	6,452	-	-	6,452	-	-	-	-	6,452	6,452
Leasehold Property*	317,573	-	-	317,573	31,457	3,170	-	34,627	282,946	286,116
Buildings - **	1,247,938	3,573,877	-	4,821,815	522,759	155,199	-	677,958	4,143,857	725,179
Furniture & Fittings	614,068	63,667	64,382	613,353	507,444	29,134	-10,357	526,221	87,132	106,624
Computer and other end use devices	2,844,486	438,326	447,461	2,835,351	2,721,766	34,195	-129,355	2,626,606	208,745	122,720
Servers & Network	3,530,445	151,300	77,719	3,604,026	3,173,483	131,242	-11,956	3,292,769	311,257	356,962
Motor Cars	1,006,749	482,591	515,059	974,281	649,750	140,913	-206,134	584,529	389,752	356,999
Office Equipment	224,845	23,329	25,966	222,208	210,089	5,231	-5,870	209,450	12,758	14,756
Electrical Equipments	477,925	60,401	55,662	482,664	391,829	27,337	-10,167	408,999	73,665	86,096
Plant & Machinery***	14,239	-	-	14,239	12,590	270	-	12,860	1,379	1,649
TOTAL	11,216,775	4,793,491	1,186,249	14,824,017	8,789,542	766,582	-373,839	9,182,285	5,641,732	2,427,233
Capital Work in progress	3,068,295	199,961	3,068,295	199,961	-	-	-	-	199,961	3,068,295
Grand Total	14,285,070	4,993,452	4,254,544	15,023,978	8,789,542	766,582	-373,839	9,182,285	5,841,693	5,495,528
PREVIOUS YEAR	13,468,992	1,820,194	1,004,116	14,285,070	8,377,815	655,544	-243,817	8,789,542	5,495,528	

* The Company has clear title/lease deeds for freehold and leasehold land except for one joint leasehold land (4316 sq. meter) at Ellis Bridge, Ahmedabad which was purchased in the name of General Insurance Corporation of India on 26.7.1989 on behalf of four PSU insurance companies.

** Buildings includes value of land for erstwhile units which cannot be segregated.

*** Includes lifts, water treatment plant, etc

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 11

CASH AND BANK BALANCES

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Cash (including cheques, drafts and stamps)	162,667	78,474
2. Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	1,572,803	1,562,568
(bb) Others	-	-
(b) Current Accounts	5,524,448	5,240,380
(c) Others	-	-
3. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4. Others:		
Remittances in transit	-	-
TOTAL	7,259,918	6,881,422
Balances with Non-Scheduled banks included in 2 and 3 above	53,964	65,296

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
ADVANCES		
1. Reserve deposits with ceding companies	78,714	-
2. Application money for investments	-	-
3. Prepayments	-	-
4. Advances to Directors / Officers	2,259	1,262
5. Advance tax paid and taxes deducted at source (Net of provision for taxation)	4,794,999	4,576,864
6. Others: Advance, deposits and prepaid expenses	6,343,063	4,565,377
TOTAL (A)	11,219,035	9,143,503
OTHER ASSETS		
1. Income accrued on investments	4,820,871	4,476,615
2. Outstanding Premiums	1,124,435	1,151,464
3. Agents' Balances	301,450	323,272
4. Foreign agencies balances	-	-
5. Due from other entities carrying on insurance business (including reinsurers)	18,324,320	21,054,681
6. Due from Subsidiaries / Holding	-	-
7. Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8. Others: Sundry Debtors	4,127,208	5,002,276
Service tax unutilised credit/ GST Input Credit	1,382,044	2,114,924
Fixed Deposit - Unclaimed Amount of Policyholders	2,077,943	1,246,341
Income on Unclaimed Policyholders' Funds	351,120	281,094
Balance with Terrorism pool	14,430,073	12,441,006
Misc others	1,222,497	1,083,562
TOTAL (B)	48,161,961	49,175,235
TOTAL (A+B)	59,380,996	58,318,738

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE - 13
CURRENT LIABILITIES**

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Agents' Balances	884,943	806,528
2. Balances due to other insurance companies	15,543,312	15,575,403
3. Deposits held on re-insurance ceded	8,407,085	11,854,792
4. Premiums received in advance	9,603,739	10,316,418
5. Unallocated Premium	10,820,702	10,444,583
6. Sundry creditors	17,698,315	13,476,905
7. Due to Subsidiaries / holding Company	-	-
8. Claims Outstanding (including IBNR/IBNER)	207,245,629	202,405,699
9. Due to Officers / Directors	-	-
10. Others:		
Service tax liability/ GST Liability	2,993,013	2,394,431
Due to former shareholders	292	292
Unclaimed Amount of Policyholders	2,077,943	1,246,341
Investment Income on Unclaimed Policyholders' Fund	351,120	281,094
TOTAL	275,626,093	268,802,486

**SCHEDULE - 14
PROVISIONS**

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Unearned Premium Reserve	62,022,323	57,140,173
2. Premium Deficiency Reserve	1,619,088	752,022
3. For taxation (less Advance tax paid and Taxes deducted at source)	-	-
4. For proposed dividends	-	-
5. For dividend distribution tax	-	-
6. Others:		
For Encashment of Earned Leave	5,536,838	5,027,938
For Leave Travel Subsidy	195,682	157,450
For Sick Leave	124,682	113,076
For doubtful debts	10,047,874	6,070,409
For Non-performing Investments	2,529,900	2,824,154
For Non-performing Loans	286,073	288,031
For Standard Assets - Investments	228,577	217,654
For Standard Assets - Loans	73	152
TOTAL	82,591,110	72,591,059

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Discount Allowed in issue of shares / debentures	-	-
2. Others:		
Deferred Revenue expenditure - Pension	1,577,616	3,155,232
Deferred Revenue expenditure - Gratuity	-	-
TOTAL	1,577,616	3,155,232

Schedule 16

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles followed in India under the historical cost convention and accrual basis of accounting and in accordance with the statutory requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, and orders and directions issued by the IRDAI in this behalf, the Companies Act, 2013 to the extent applicable and in compliance with the Accounting Standards specified under section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing in the Insurance industry.

2. USE OF ESTIMATES

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. Any revision to the accounting estimates is recognized prospectively.

3. PREMIUM

Premium income is recognized net of re-insurance, based on assumption of risk in related revenue account. In the case of policies where payments are received in

installment, revenue is recognized on receipt of the installment.

Premium refunds under Government sponsored schemes are recognized at the end of the policy period in accordance with the refund clauses of respective agreements.

In case of long term motor insurance policies for new cars and two wheelers sold on or after 1st September, 2018, premium received for third party liability coverage is recognized equally over the policy period on 1/n basis where 'n' denotes the term of the policy in years. Premium received for own damage coverage is recognized on a year to year basis in proportion to the insured declared value (IDV) as it moves from year to year.

3.1 UNEXPIRED RISK RESERVE

3.1.1 Unearned Premium Reserve:

Unearned Premium Reserve (UPR) is created on the amount representing that part of the premium written (net of reinsurance) which is attributable to succeeding accounting periods. UPR is made at 50% of net premium except in the case of Marine Hull business, where it is at 100% of net premium. No Unearned Premium Reserve is created where the policy period expires during the year.

3.1.2 Premium Deficiency Reserve:

Reserve for Premium Deficiency is recognized if the sum of expected claims costs, net of reinsurance, related expenses and maintenance costs exceeds related net unearned premium. The net unearned premium reserve is estimated using the 1/24th method and compared with expected net incurred claims including claims related cost. When the expected claim cost exceeds the net unearned premium, premium deficiency arises. It is calculated for each portfolio and is recognized only when there is deficiency at segmental revenue account level.

3.2 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. Further, in the case of long term motor insurance policies, premium recognizable in subsequent years is treated as premium received in advance.

3.3 ACQUISITION COST OF INSURANCE CONTRACTS

Acquisition cost of insurance contracts, including long term motor insurance contracts, is charged in the year in which the premium is recognized.

4. CLAIMS

- 4.1 In the case of direct business, claims are considered on the basis of claim intimations received. In respect of reported claims where supporting information are available, claim liabilities are estimated on the basis of such information. Wherever supporting are not available, provisions are estimated on the basis of current trends and past underwriting experience.
- 4.2 Liability provisions for claims 'Incurred but Not Reported' (IBNR) and "Incurred but not enough Reported (IBNER) are made on the basis of actuarial valuation.
- 4.3 In respect of motor third party claims, where court summons have been served on the Company without adequate policy particulars, provisions are made 1/3rd of the estimated value of such unidentified claims. Where claims remain unidentified for over one year, full provision is made, in accordance with the existing practice.
- 4.4 In the case of claims repudiated by the Company but contested by claimant in court/ombudsman/arbitration etc. provision is made where the management is of the opinion that the

final award is likely to go against the Company.

- 4.5 Where claim is decided against the Company in a court of law and the Company prefers an appeal against the lower forum award, provision is made for the award amount, interest, cost and legal fees.
- 4.6 Court deposits in compliance of Orders of Motor Accident Claims Tribunal (MACT) for appeals filed by the Company are taken as claims paid with corresponding reduction in outstanding claims. On final settlement of the case court deposit is adjusted against payments made, if any, to the claimant. In the event the case is decided in favour of the Company, claims paid account is adjusted to the extent the deposit is refunded to the Company.
- 4.7 Salvage recoveries are accounted for on realization and credited to incurred claims account.

5. RE-INSURANCE

- 5.1 In the case of reinsurance acceptance from foreign insurance companies, returns received up to the date of finalization of accounts and in the case of reinsurance acceptances from Indian companies, returns received up to 3rd quarter of the current year and returns of the 4th quarter of the previous year are incorporated in the accounts. Returns of the 4th quarter of the current year from Indian companies wherever available are also considered.
- 5.2 Reinsurance cessions are done on the basis of information available with the re-insurance department and/or on the basis of reasonable estimation of probable maximum loss wherever applicable.
- 5.3 Income and expenses in respect of Pool Retros are accounted as per the statements received from Pool

Administrator up to finalization of accounts.

6. TRANSLATION/CONVERSION OF FOREIGN CURRENCIES:

6.1 **Reinsurance operations:** Revenue transactions in foreign currencies are converted at the quarterly average of rates of exchange. Monetary assets and liabilities in foreign currencies are converted at the closing rate.

6.2 **Foreign operations:** Foreign branches are classified as 'non-integral foreign operations' other than branches having run off operations which are classified as 'integral foreign operations'.

6.3 The assets and liabilities, both monetary and non-monetary, are translated at the closing exchange rate and the income and expenses are translated at the average exchange rate of the year. Resulting exchange differences in respect of integral foreign operations is recognized in the profit and loss account. For non-integral foreign operations resulting exchange differences are accumulated in Foreign Currency Translation Reserve until closure of operations of the branch. The cumulative amount of balance lying in aforesaid reserve is recognized as income or as expenses in the year of closure of the branch.

6.4 Amount of Gain/Loss on disposal of assets or settlement of liabilities attributable to the discontinuing operation is accounted for on transfer of the undertaking.

6.5 The foreign exchange rates as advised by GIC are considered.

7. INVESTMENTS AND LOANS

7.1 Investment Properties are valued at historical cost less accumulated depreciation and impairment loss.

7.2 The book value of the Investments is the sum of Weighted Average Cost of Opening balance and purchases made during the period as reduced by the Cost of sales for that period.

7.3 Cost of investments includes brokerage, share transfer stamps, fees, taxes etc. Incentives received are deducted from cost.

7.4 Investments have been valued as per IRDAI Regulations as follows:

(a) **Debt Securities:** Debt securities including Government securities and redeemable preference shares are considered as "held to maturity" and measured at historical cost subject to amortization of premium over the residual period of maturity.

(b) **Equity Securities traded in active markets:** Listed equity shares which are traded in active markets are measured at Fair Value as at the Balance Sheet date. For the purpose of calculation of fair value, the market price of the last quoted closing price at the National Stock Exchange (NSE) or if the scrip is not traded at NSE, the last quoted closing price of the Bombay Stock Exchange (BSE) is taken into consideration.

Unrealized gain/loss arising due to changes in the fair value of listed equity shares are taken to equity under the head "Fair Value Change Account".

(c) **Unlisted and other than actively traded Equity Shares:** These are measured at historical cost subject to impairment.

(d) **Short term Money Market Instruments:** Short term money market instruments such as Certificates of Deposit and Commercial Papers, which are

discounted at the time of contract at the agreed rate, are accounted for at their discounted value.

- (e) **Venture Capital Fund (VCF)/ Alternative Investment Fund (AIF):** Investments in Venture Capital Fund (VCF)/Alternative Investment Fund (AIF) are valued at cost for the first three years from the end of the financial year in which the initial disbursement was made. Thereafter, investments are subjected to impairment, if any.
- (f) **Mutual Fund/Exchange Traded Fund:** Investment in units of Mutual/Exchange Traded fund is valued on Net Assets Value (NAV) basis and unrealized gain/ loss is recognized in 'Fair Value Change Account'.

7.5 Impairment of Loans and Investments : Impairment in value of loans and investments is assessed as at the Balance Sheet date and is recognized in the Profit and Loss Account.

- (a) **Equity Share:** Capital is considered to be impaired if the break-up value of a particular equity share is less than its face value or where the current break-up value is not available and there is a three years' history of continuous loss or if the published annual accounts are not available for the last three years as on the date of valuation.

For this purpose, the break-up value is arrived at as per the latest Balance Sheet, which should not be more than 1 (one) year prior to the date of valuation.

When capital is impaired, equity shares are valued as under:

- (i) Actively traded equity shares are written down to lower of cost or market value;
- (ii) Unlisted and other than actively

traded equity shares are written down to lower of the cost or breakup value and where the breakup value is not available or it is negative, such shares are written down to Re. 1.

Further, in cases of other than actively traded equity shares where break-up value is less than acquisition cost (as per latest balance sheet not more than one year prior to the date of valuation) provision is made equivalent to the difference in acquisition cost and the break-up value of the share.

When the break-up value is negative or unavailable, provision shall be difference between the acquisition cost and a nominal value of Re. 1/- per company.

- (b) **Preference share:** Capital is considered to be impaired when the capital is eroded and the companies are having three years' history of continuous losses or where the annual accounts for three immediately preceding years are not available on the date of valuation. Such preference shares are valued as under:

i) If the equity shares of the company are actively traded, its preference shares are written down to a value, which is in the same proportion that the market value of the equity share bears to its face value.

ii) If the equity shares of the company are unlisted/thinly traded, its preference shares are written down to a value, which is in the same proportion that the break-up value of equity share bears to its face value. Where the break-up value of equity shares is negative or where the latest published annual accounts is not available one year prior to the date of valuation, the preference shares are written down to a nominal value of Re. 1/- per company.

- (c) **Loans and debentures:** The Company follows the prudential norms prescribed by the IRDAI/related RBI guidelines as regards Asset classification, recognition of income and provisioning pertaining to Loans/Advances/Debentures. Interest Income on non-performing assets is recognized on realization as per IRDAI (Investment) Regulation 2016.
- (d) **Venture Capital Fund (VCF)/ Alternative Investment Fund (AIF):** Provision is made for impairment in value of such investments where NAV as at the Balance Sheet date is lower than the cost. If the audited Balance Sheet / Financial Statements showing NAV figures are not available continuously for more than 18 months as on the date of valuation, the investments are valued at Re. 1 per VCF/AIF.

7.6 Reversal of impairment

In case of actively traded equity shares, impairment loss earlier recognized in profit & loss account is reversed only when:

- The accumulated losses of the Company are completely wiped out; and
- Company has shown net profit for three immediately preceding financial years.

In case of other than actively traded equity shares, reversal of impairment loss shall be recognized in profit & loss account on realization.

7.7 Recovery in NPA Account

Amount received as recovery in NPA Account is appropriated towards principal outstanding and surplus remaining, if any is adjusted towards interest.

7.8 Dividend Income

- (a) Dividend is accounted for in the year in which right to receive is established provided the book closure date/ Ex-Date also falls within the same period.
- (b) Dividend in respect of foreign equity shares is accounted for when dividend advice is received from the company or credit is received in the bank account whichever is earlier.
- (c) In case of demerger, dividend in respect of resultant company is to be accounted for against shares of demerged company till the documentary evidence in respect of cost acquisition ratio of demerger is not available.
- (d) Where dividend is declared at the Annual General Meeting of the company, but subsequently the receipt of such dividend becomes doubtful, provision is made for the appropriate amount under the head 'Provision for Doubtful Loans, Investment and Debts'.
- (e) Dividend, on shares which are not transferred in the company's name, is accounted for on realization.

7.9 Where contracts of purchase of shares/debentures are made but delivery/registration of certificates is pending, the same are accounted for as investments. If dividend is declared on such shares during the pendency of delivery immediately after purchase, the cost of shares is reduced by the amount of such dividend.

7.10 Bonus is accounted for in the year in which right to receive is established provided the book closure date falls within the same year. Where bonus shares are received, the number of bonus shares is recorded as an increase in holding without affecting the total book value.

7.11 Profit/Loss on realization of investments is computed by taking weighted average book value as cost of investments.

7.12 Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

7.13 Premium paid on debt securities are amortized over their respective residual period of maturity. Discount on purchase of securities is recognized as income at the time of maturity.

7.14 Interest, dividend and rent income, net of expenses and profit/loss on sale/realization of investments, are apportioned between respective Revenue Accounts (Policyholders' Account) and Profit and Loss Account (Shareholders' account) in the ratio of policyholders' fund and shareholders' fund balances at the beginning of the year.

8. SEGREGATION OF POLICYHOLDERS' AND SHAREHOLDERS' FUNDS:

Policyholders' and Shareholders' funds are computed based on IRDA directives. Investment assets and fair value change account are bifurcated between shareholders and policyholders at 'fund level' on notional basis as per IRDA guidelines.

9. EXPENSES OF MANAGEMENT/OPERATING EXPENSES

Allowable Expenses of Management is computed and allocated to Revenue Accounts on the basis of Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016.

Expenses of Management, other than those operating expenses which are directly attributable to Revenue Accounts, are apportioned on the basis of net premium after giving weightage of 75% for Marine business

and 100% for Fire and Miscellaneous business.

10. FIXED ASSETS, DEPRECIATION AND IMPAIRMENT

i) Fixed assets are carried at cost less accumulated depreciation.

ii) Depreciation is provided as per written down value method (WDV) on the basis of useful life of assets as laid out in Schedule II – Part C of the Companies Act, 2013. 95% of the value of asset is considered depreciable whereas balance 5% is retained as residual value.

iii) Cost of Leasehold properties is amortized over the period of lease.

iv) Intangible assets (software) are amortized over the estimated useful life not exceeding 3 years.

v) Impairment loss is recognized when realizable value of block of assets is observed to be less than its carrying cost.

11. EMPLOYEES' BENEFITS

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

(a) National Pension System (NPS) is a defined contribution plan applicable to employees joining the Company on or after 1st April, 2010. The Company pays the fixed monthly contributions to Pension Fund Managers registered under Pension Fund Regulatory and Development Authority (PFRDA).

(b) Provident Fund is considered a defined benefit plan. The Company's obligation is to pay fixed monthly contributions to a separate trust and in the case of shortfall of income of the fund for payment of interest to the members of the fund at the prescribed rate, additional contribution is made to compensate the shortfall.

(c) Pension under Old Pension Scheme, Gratuity, Leave Encashment, Sick Leave

and Leave Travel Subsidy are defined benefit obligations and are provided for on the basis of their actuarial valuations as at the end of the financial year in accordance with Accounting Standard AS-15 (Revised) Employee Benefits.

12. BORROWING COSTS

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

13. SEGMENT REPORTING

Segments have been classified as per directives given in The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and subsequent circulars.

14. PROVISIONS

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Provisions against debtors / receivables / recoverable assets are made when the chance of recovery is doubtful.

15. CONTINGENT LIABILITIES & CONTINGENT ASSETS

Contingent liabilities are possible obligations that arise from past events, the existence of which would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation but payment is not probable or the amount cannot be measured reliably. Contingent liabilities are disclosed in the financial statements unless the possibility of any outflow in settlement is remote. Provision against contingent liabilities is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Contingent assets are not recognized in the accounts.

16. TAXATION

- (a) Provision for income tax is made in accordance with the tax laws. Interest on tax refunds is accounted for on the basis of orders passed by the Tax authorities.
- (b) Deferred tax is recognized on timing differences, being the differences between taxable and accounting income / expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax asset is not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Schedule 17

NOTES FORMING PART OF THE ACCOUNTS

1. Contingent Liabilities:

Contingent liabilities are disclosed below the Balance Sheet. These include demand from various statutory authorities towards income tax, erstwhile service tax, goods and service tax and other government levies which the Company is contesting before various appellate authorities. The impact of these pending litigations on the financial position of the Company is subject to their ultimate judicial outcome. However, it is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the Company's financial position and results of operation.

2. Status of Assets:

- (a) Encumbrance to assets of the Company in India – ₹ Nil (₹ Nil)
- (b) Encumbrance to assets of the Company outside India – ₹ Nil (₹ Nil)

3. Commitments made and outstanding for Loans, Investments and Fixed Assets

₹ in thousand

Particulars	2022-23	2021-22
Loans	-	-
Investments	76,140	76,140
Fixed Assets (including IT enabled Business Process Re-engineering)	9,56,496	12,78,816

4. Claims, less reinsurance, paid to claimants within and outside India:

₹ in thousand

Business	In India		Outside India		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Fire	56,30,524	57,55,571	2,07,312	85,844	58,37,836	58,41,415
Marine	6,55,161	7,82,427	56,776	51,895	7,11,937	8,34,322
Miscellaneous	11,65,63,580	11,75,53,452	1,89,536	1,98,346	1,16,75,3116	11,77,51,798
Total	12,28,49,265	12,40,91,450	4,53,624	3,36,085	12,33,02,889	12,44,27,535

5. The Company has not issued any policy where the claim payment period exceeds four years.

6. Ageing of gross direct outstanding claims:

Rs. in thousand

SEGMENT	Less than 6 months		More than 6 months		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Fire	37,70,011	28,73,384	1,86,55,546	2,13,59,686	2,24,25,556	2,42,33,070
Marine	3,46,415	2,97,099	26,03,438	28,07,141	29,49,854	31,04,240
Miscellaneous	2,63,63,088	2,19,18,036	7,95,47,764	8,29,09,046	10,59,10,852	10,48,27,082
Total	3,04,79,514	2,50,88,519	10,08,06,748	10,70,75,873	13,12,86,262	13,21,64,392

8. Value of contracts in relation to investments, for:

- (a) Purchases where deliveries are pending: ₹1,26,283 thousand (₹ 45,745 thousand)
(b) Sales where payments are due: ₹ 68,927 thousand (₹ 2,68,987 thousand)

9.1 Historical Costs of Investments valued on fair value basis:

Rs. in thousand

Particulars	Market Value (Fair Value)		Historical Cost (Book Value)		(Unrealized Gain/Loss)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Equity Shares of PSU	1,46,37,773	1,48,07,023	2,03,64,382	2,12,51,813	(57,26,609)	(64,44,790)
Equity Shares of Indian Companies other than PSUs	9,68,39,819	9,08,04,418	5,99,30,268	5,76,62,860	36,909,551	3,31,41,558
Mutual Fund	10,11,335	2,05,42,927	9,09,097	2,04,62,400	1,02,238	80,527
Equity ETF	-	3,06,101	-	1,59,498	-	1,46,603
Total	11,24,88,927	12,64,60,469	8,12,03,747	9,95,36,571	3,12,85,180	2,69,23,898

9.2 In accordance with the accounting regulations prescribed by the IRDA net unrealized gain (excess of market value over book value) amounting to ₹3,12,85,180 thousand (Rs.2,69,23,898 thousand) arising due to changes in the fair value of listed equity shares and mutual funds (except equities quoted in stock exchanges outside India and thinly traded equity shares) is taken to "Fair Value Change Account" and is not available for distribution.

10. Being a Government Company computation of managerial remuneration is not applicable vide notification no. GSR463 (E) dated 5th June, 2015.
11. Amortization of premium on investment during the year is ₹5,64,776 thousand (₹5,57,675 thousand).
12. As per available valuation report of independent approved valuer, fair value of properties owned by the Company is ₹91,14,992 thousand (₹90,88,562 thousand) out of which proportionate fair value of the properties occupied by tenants is ₹30,79,056 thousand (₹30,78,434 thousand). Proportionate cost of those properties ₹1,968 thousand (₹2,080 thousand) is shown under Investment Properties (Schedule-8 and 8A).
13. There is no settled claim remaining unpaid for a period of more than six months as on balance sheet date.
14. Incentive/reward paid to intermediaries is apportioned to Direct Commission under Schedule-3 in the ratio of Gross Commission for each segment.
15. The Company has investments in foreign equities having book value of ₹43,615 thousand (₹43,615 thousand) of which book value shares listed in stock exchanges outside India is ₹78 thousand (₹78 thousand). Market value of these listed foreign equities is ₹218243 thousand (₹194192 thousand). The excess in market value over book value of these foreign equities is not taken in fair value change account.
16. Nature of securities in all cases of long term secured loans are:
- (a) a first mortgage and charge on the borrowers' all immovable properties both present and future; and
- (b) a first charge by way of hypothecation on the borrowers' all movable assets including book debts, articles and such other movables as may be agreed to by other lending/financial institutions.
- The mortgage and charge referred to above ranks pari-passu with the mortgages and charges created and/ or to be created in favour of all Lending / Financial Institutions.

17.(a) There is a difference between the Company's holdings of shares and debentures and the certificate of holdings received from Stock Holding Corporation of India (SHCIL). The differences which are under reconciliation are as under:

₹ in thousand

Particulars		2022-23		2021-22	
		Short	Excess	Short	Excess
Equity Share	Book Value	579	63	555	140*
Preference Share	Book Value	0.02	12*	0.02	12*
Debentures	Book Value	3,39,941	23,468	30,070	4,50,000**

* Due to non-availability of book value of certain shares, the figures in respect of those Securities, under the head Excess are shown at Face Value.

** The amount has been received on maturity but the same has not been settled by NSDL at custodian level till the year end.

(b) Investment in Debentures includes ₹44,909 thousand (₹44,909 thousand) against which the Company holds Allotment Letters but Certificates have not been received.

(c) Book value of shares written off due to impairment:

₹ in thousand

Particulars	2022-23	2021-22
a) Equity Shares	1,76,804	48,757
b) Preference Shares	-	-
Total	1,76,804	48,757

18.(a) Total amount of Loan/ other Assets subjected to restructuring:

₹ in thousand

Particulars	2022-23	2021-22
a) Standard Assets	-	3,893
b) Substandard Assets	-	-
c) Doubtful Assets	3,23,449	3,26,932
Total	3,23,449	3,30,825

(b) Segregation of loans, bonds and debentures into performing and non-performing asset:

₹ in thousand

Particulars	2022-23	2021-22
Performing (Standard) Loans, Bonds and Debentures	5,71,62,463	5,44,51,713
Non-Performing Loans, Bonds and Debentures	27,85,571	30,85,970
Total Book Value	5,99,48,034	5,75,37,683
Provision on Loans, Bonds & Debenture	27,85,572	30,85,970

(c) Details of Non-Performing Assets (NPA):

₹ in thousand

SI No	Particulars	2022-23	2021-22
i	Opening balance	30,85,970	31,07,758
ii	Additions during the year	-	-
iii	Reductions during the year	3,00,398	21,788
iv	Closing Balance	27,85,572	30,85,970

(d) Details of provisions for NPA (other than Standard Provision):

₹ in thousand

SI No	Particulars	2022-23	2021-22
i	Opening balance	30,85,970	31,07,758
ii	Incremental/(Reduction) Provision during the year	(3,00,398)	(21,788)
iii	Closing Balance	27,85,572	30,85,970

(e) Provision for standard assets @ 0.4% amounting to ₹2,28,650 thousand (₹2,17,807 thousand) as per IRDAI guidelines has been made on (i) Term Loan (ii) Debentures (iii) Infrastructure Investments (iv) Bonds/Debentures and (v) Housing and Firefighting Loans to State Governments.

19. During the year, the Company has not participated in any Repo and Reverse Repo transaction in Government Securities and Corporate Debt Securities.

20. Loans/Investments under non-performing asset as on the date of balance sheet have been classified under long term category as their realization within the next twelve months is not certain.

21. Reporting of the level of compliance achieved required under Regulation 6.1 of IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015:

Table No. 1 – Rural Sector

₹ in thousand

Gross premium in India for the FY 2022-23	Amount of premium procured in Rural Sector	Rural Sector premium as % to Column (1)	Required % as per the above Regulations	Compliance with the above Regulations (Yes/No)
(1)	(2)	(3)	(4)	(5)
15,14,79,987	1,19,36,677	7.88%	7%	Yes

Table No. 2 – Social Sector

Total business* in the preceding FY 2022-23 (*Total number of lives covered by the Company during the FY 2022-23)	Number of lives covered under Social Sector in the FY 2022-23	Social Sector premium as % to Column (1)	Required % as per the above Regulations	Compliance with the above Regulations (Yes/No)
(1)	(2)	(3)	(4)	(5)
18,76,70,177	98,85,846	5.27%	5	Yes

22. Land and House property in India under fixed assets at written down value (Schedule-10) includes ₹ 4,39,756 thousand (₹1,76,103 thousand) for which executions of deed of conveyance are pending. Stamp duty and registration costs will be incurred and taken into account in the year of execution of the conveyance deeds.
23. Terrorism pool retro figures received from GIC (Pool administrator) include confirmed figures for the 3 quarters of the current year and provisional figure of the 4th quarter.
24. The Company refunded ₹17,15,000 thousand to the Govt. of West Bengal in 2018-19 towards premium refundable under Swasthya Sathi Scheme (as the claim ratio was less than 80 percent) after adjusting premium receivable of ₹2,29,300 thousand against the health scheme Rashtriya Swasthya Bima Yojana (RSBY). The State Government disputed the above adjustment made by the Company and the matter is pending for consensus settlement. The Company is confident that the amount rightfully recovered from the Govt. of West Bengal by way of adjustment against amount payable to the same Government is not refundable. However, as an abundant precaution, the Company disclosed the adjusted amount as contingent liability.
- 25.1 Balances due to/from persons/bodies carrying on Insurance/reinsurance business, balances of inter office accounts, control accounts, other sundry debtors/creditors, unexplained debits and credits entries in bank accounts, are subject to confirmations, reconciliations and/or adjustments. Reconciliation being a continuous exercise, adjustments, if any, that may arise out of such reconciliations will be taken as and when identified. However, as a matter of abundant precaution the Company has made a provision of ₹39,66,744 thousand (₹4,76,318 thousand) during the year against possible unidentified losses. Accumulated provision in this regard is ₹1,00,47,874 thousand (₹60,70,409 thousand) which according to the management is adequate.
- 25.2 As per IRDA directives the Company has during the year put in place a Board approved policy for writing off and writing back of coinsurance and reinsurance receivables and payables. In terms of the said policy, the Company during the year has written off old outstanding receivables net of payables of ₹2,45,808 thousand and ₹8,99,339 thousand in respect of coinsurance and reinsurance respectively. Besides, the Company during the year, wrote off ₹2,43,706 thousand of old unreconciled debtors and advances. Total of the written-off amount of ₹13,88,853 thousand is charged to Profit & Loss Account.
- 25.3 Reconciliations of Input Tax Credit (ITC) as per GST portal, eligible ITC, ITC availed and ITC utilized are in progress. During the year, the Company has charged off ₹5,56,200 thousand (₹8,13,079 thousand) as GST expenses towards reversal of ITC and/or settlement of wrong availment/utilization of ITC. However, in respect of ITC balance of ₹13,82,044 thousand (₹21,14,924 thousand) carried in the books, the Company does not anticipate any loss as it expects to avail and utilize the whole amount thereof.
- 26.(a) Foreign Office at Nepal comprising of 6 branches is classified as non-integral foreign operation.
- 26(b) The Hong Kong Office of the Company is placed under run-off operation with effect from 18.02.2002 and is treated as integral foreign operation. As per agreement with New India Assurance Co. Ltd. dated 27.12.2006, the assets and liabilities of Hong Kong branch will be transferred to them subject to approval by the Insurance Authority of Hong Kong and subject to settlement of all the outstanding claims. Though approval from said Authority has since been obtained but settlement of all the claims is still in progress. The required particulars of the discontinuing operation are given below:

Rs. in thousand

Particulars	2022-23	2021-22
The carrying amounts, as of the balance sheet date, of the total assets to be disposed of.	3,39,159	3,12,126
The carrying amounts, as of the balance sheet date, of the total liabilities to be settled.	30,887	28,610
The amounts of revenue in respect of the ordinary activities attributable to the discontinuing operation during the current financial reporting period.	5,831	2,839
The amounts of expenses in respect of the ordinary activities attributable to the discontinuing operation during the current financial reporting period.	5,931	5,636
The amount of pretax profit or loss from ordinary activities attributable to the discontinuing operation during the current financial reporting period.	-	-
Income tax expense of the current period.	-	-
The amounts of net cash flows attributable to the operating, investing, and financing activities of the discontinuing operation during the current financial reporting period.	2,993	1,065
Exchange difference gain/(loss) charged to Profit & Loss Account.	24,855	10,088

27. Related party disclosures:

(a) Associates:

SL.NO.	NAME OF ASSOCIATE	FINANCIAL YEAR	NO. OF SHARES HELD	% OF HOLDING	BOOK VALUE OF SHARE (₹ in thousand)
1.	India International Insurance Pvt. Ltd. Singapore	2022-23	1,00,00,000	20	28,576
		2021-22	1,00,00,000	20	28,576
2.	Health Insurance TPA of India Ltd.	2022-23	2,85,00,000	23.75	2,00,679
		2021-22	2,85,00,000	23.75	2,00,679

(b) Key Management Personnel:

SL. NO.	NAME OF KEY MANAGEMENT PERSONNEL
1.	Smt. Suchita Gupta, CMD (from 01.04.2022 to 31.03.2023)
2.	Shri Ravi, General Manager (01.04.2022 to 30.04.2022)
3.	Shri Navneet Doda, General Manager (01.04.2022 to 21.11.2022)
4.	Smt. Sophia Singh, General Manager (01.04.2022 to 31.10.2022)
5.	Shri Peter Chittaranjan, General Manager (01.04.2022 to 31.03.2023) and Whole-time Director, (01.11.2022 to 31.03.2023)
6.	Smt. Geetha Santhaseelan, General Manager and Whole-time Director, (21.11.2022 to 31.03.2023)
7.	Shri P.C. Gothwal, General Manager (01.04.2022 to 31.03.2023)
8.	Smt. Sunita Tuli Nagpal, General Manager & Chief Investment Officer (01.04.2022 to 15.11.2022)
9.	Shri T.Babu Paul, General Manager & Chief Investment Officer (13.12.2022 to 31.03.2023)
10.	Shri Debasis Das, General Manager (01.04.2022 to 31.03.2023)
11.	Shri Chiranjib Das, General Manager (31.10.2022 to 31.03.2023)
12.	Smt. S M Geetha, Chief Financial Officer (01.04.2022 to 31.12.2022)
13.	Shri V. Ratna Kumar, Chief Financial Officer (13.01.2023 to 31.03.2023)
14.	Smt. Rina Madia, Company Secretary (from 01.04.2022 to 31.03.2023)
15.	Shri Ashok Kumar Lahoty, Appointed Actuary & Chief Risk Officer (01.04.2022 to 31.03.2023)
16.	Shri Debabrata Kar, Chief Compliance Officer (01.04.2022 to 31.03.2023)

(b) Transaction carried out with related parties:

₹ in thousand

Name(s) of the related party and nature of relationship	Nature of transactions	Nature of Related party	FY 2022-23	FY 2021-22
A) Dividend Received				
India International Insurance Pte. Ltd., Singapore	Income	Associate	56,780	41,123
B) Rent Income booked				
Health Insurance TPA of India Ltd.	Income	Associate	2,090	2,090
C) (i) TPA Fees paid/payable				
Health Insurance TPA of India Ltd.	Expense	Associate	2,24,333	1,48,930
(ii) TPA Charges for staff Group Mediclaim				
Health Insurance TPA of India Ltd.	Expense	Associate	23,739	26,940
D) Reinsurance transactions				
(i) Premium Income on Reinsurance Accepted				
India International Insurance Pte. Ltd., Singapore	Income	Associate	4,92,102	1,61,739
(ii) Premium Income on Reinsurance Cession				
India International Insurance Pte. Ltd., Singapore	Income	Associate	-	-
(iii) Claim Paid on Reinsurance Accepted Business				
India International Insurance Pte. Ltd., Singapore	Expense	Associate	1,73,256	51,067
(iv) Claim Recovered on Reinsurance Ceded Business				
India International Insurance Pte. Ltd., Singapore	Income	Associate	-	5,071
(v) Commission paid on Reinsurance Accepted Business				
India International Insurance Pte. Ltd., Singapore	Expense	Associate	39,750	15,735
E) Payable/ Receivable				
India International Insurance Pte. Ltd., Singapore	Payable	Associate	22,143	91,406
F) (i) Remuneration to Key Managerial Persons				
	Expense	KMP	54,880	10,705
(ii) Loans and advances of Key Managerial Persons				
	Loans/ Advances	KMP	2,259	1,262

(d) Entities over which control exist:

1. National Insurance Company Limited Employees' Provident Fund.
2. National Insurance Company (Employees') Pension Fund.
3. National Insurance Company Limited Employees' Gratuity Fund.

(No investments and transactions have been undertaken by the Company as a trustee).

28. Unearned Premium Reserve:

No Unearned Premium Reserve is created where the policy period expires within the year. Premium income (net of reinsurance) of ₹1,04,25,318 thousand (₹73,47,793 thousand) pertains to short-term or other policies where the risk period expires within the financial year. Accordingly, the same is not considered for the computation of Unearned Premium Reserve which is treated as fully earned.

29. The Company has adopted Accounting Standard (AS) 15 Employees Benefits in respect of following benefits:

29.1 Defined Contribution Plans:

National Pension System: The Company pays fixed contribution under National Pension System for its employees who joined service on or after April 1, 2010 to the trustee bank designated by Pension Fund Regulatory and Development Authority, which in turn invests the money with the pension fund managers as specified by the employee concerned. The Company's liability is limited only to the extent of fixed contribution. An amount of ₹3,88,895 thousand (₹2,23,290 thousand) is recognized as expense for the year on this account

29.2 Defined Benefit Plans:

a) **Provident fund:** The Company pays fixed contribution to Employees' Provident Fund at predetermined rates to a separate trust which invests the funds in permitted securities. On contributions, the trust is required to pay a minimum rate of interest to the members as specified by Govt. of India. Whenever there is shortfall of income of the fund for payment of interest to the members of the fund, Company makes additional contribution to the fund to make up the shortfall in compliance to The Employees' Provident Fund Scheme 1952. Company's regular contribution to the Provident Fund is ₹10,704 thousand (₹2,461 thousand) and compensations towards income shortfall of the Fund net of NPA recovery of ₹44,143 thousand is ₹60,379 thousand (₹7,87,473 thousand). The Company reserves the right to derecognize compensation for the deficit due to provision of ₹8,60,000 thousand created by the Fund on its non-performing investments in the preceding years in the event and to the extent there are realizations against such non-performing investments. Balance amount of NPA provision subject to recovery is ₹8,15,857 thousand.

b) Other Defined Benefit Plans :

₹ in thousand

(A) Present value of obligation	Gratuity	Pension	Leave Encashment
At the beginning of the year	84,15,152	4,09,46,090	50,27,938
	(93,54,823)	(4,46,90,752)	(48,56,645)
Interest Cost	5,07,106	23,16,267	3,02,660
	(6,10,277)	(25,46,423)	(3,11,269)
Current Service Cost	4,47,929	13,98,475	3,88,637
	(4,27,347)	(12,66,406)	(3,17,244)
Past Service Cost	-	-	-
	(-)	(-)	(-)
Actuarial (Gain)/Loss	17,48,953	1,60,49,175	14,42,835
	(2,66,996)	(32,30,707)	(5,85,622)
Benefits Paid	27,04,788	1,71,01,507	16,25,232
	(17,10,298)	(1,07,88,197)	(10,42,842)
At the end of the year	84,14,352	4,36,08,501	55,36,837
	(84,15,152)	(4,09,46,090)	(50,27,938)
(B) Change in Plan Assets	Gratuity	Pension	Leave Encashment
Fair value at the beginning of the year	82,35,724	3,72,62,001	-
	(84,91,314)	(3,32,02,324)	(-)
Expected Return	7,03,331	29,80,960	-
	(6,79,305)	(26,56,186)	(-)
Contributions	1,79,429	57,86,551	-
	(8,63,509)	(1,20,20,986)	(-)
Actuarial (Gain)/Loss	2,09,420	1,05,555	-
	(-88,107)	(1,70,703)	(-)
Benefits Paid	27,04,788	1,71,01,507	-
	(17,10,298)	(1,07,88,197)	(-)
Fair Value at the end of the year	66,23,115	2,88,22,451	-
	(82,35,724)	(3,72,62,001)	(-)
(C) Reconciliation of Fair Value of obligation and Present Value of Plan Assets	Gratuity	Pension	Leave Encashment
Fair Value at the year end	66,23,115	2,88,22,451	-
	(82,35,724)	(3,72,62,001)	(-)
Present Value at the year end	84,14,352	4,36,08,501	55,36,837
	(84,15,152)	(4,09,46,090)	(50,27,938)
Net Liability recognized in Balance Sheet	17,91,237	1,47,86,050	55,36,837
	(1,79,429)	(36,84,089)	(50,27,938)
(D) Expenses recognized in Statement of Profit/Loss	Gratuity	Pension	Leave Encashment
Current Service Cost	4,47,929	13,98,475	3,88,637
	(4,27,347)	(12,66,406)	(3,17,244)

₹ in thousand

Past Service Cost	(-)	(-)	(-)
	(-)	(-)	(-)
Interest Cost	5,07,106	23,16,267	3,02,660
	(6,10,277)	(25,46,423)	(3,11,269)
Expected return on Plan Asset	7,03,331	29,80,960	(-)
	(6,79,305)	(26,56,186)	(-)
Actuarial gain/loss recognized in the year	15,39,533	1,61,54,730	14,42,835
	(-1,78,890)	(30,60,004)	(5,85,622)
Expenses recognized in Statement of Profit/Loss	17,91,237	1,68,88,512	21,34,132
	(1,79,429)	(42,16,647)	(12,14,135)
Unamortized expenses	(-)	15,77,616	(-)
	(-)	(31,55,232)	(-)
(E) Major category of Investment of Plan Assets	Gratuity	Pension	Leave Encashment
Fixed Income/Debt Securities	100%	100%	-
	(100%)	(100%)	(-)
(F) Assumptions	Gratuity	Pension	Leave Encashment
Discount Rate (%)	7.18	7.15	7.18
	(7.18)	(6.48)	(7.17)
Return on Plan Asset(%)	8.54	8.00	-
	(8.00)	(8.00)	(-)
Inflation rate (%)	4.50	4.00	4.50
	(4.50)	(4.00)	(4.50)
Residual Working life (years)	11	6	11
	(11)	(6)	(11)

30. The Insurance Regularity and Development Authority of India (IRDAI) per their letter No.411/F&A(NL)/Amort-EB-2019-20/122 dated 07-07-2020 granted approval for amortization of the additional pension liability of Rs.78,88,080 thousand in respect of OMOP (one more option for pension) of continuing employees over a period of five years from 2019-20. Pursuant to such approval, the Company amortized pension liability in respect of OMOP recognizing ₹15,77,616 thousand as expenses of the year. The balance additional liabilities of ₹15,77,616 thousand is deferred for amortization in the next year.

31. The Company has made provisions for Sick Leave obligation ₹11,606 thousand (reversal ₹5,669 thousand) and Leave Travel Subsidy obligation ₹38,232 thousand (reversal ₹13,286 thousand) on the basis of actuarial valuations. The accumulated provisions for these obligations as at the year-end are ₹1,24,682 thousand (₹1,13,076 thousand) and ₹1,95,682 thousand (₹1,57,450 thousand) respectively.

32. By Gazette Notifications S.O. Nos. 4896(E) / 4897(E) / 4898(E) dated 14 October, 2022 the Ministry of Finance, Government of India has further rationalized pay scales and other conditions of service of officers, development staff and supervisory, clerical and subordinate staff of Central Government owned General Insurance Companies by introducing amendment Schemes. The new Schemes are applicable with effect

from 01.08.2017. Pursuant to such Gazette Notification, an amount of ₹1,63,75,934 thousand has been recognized towards pay revision and additional provision of ₹96,75,200 thousand has been made towards retirement benefits.

33. In accordance with the requirement of Micro, Small and Medium Enterprises Development Act, 2006, the Company is yet to identify the eligible MSM enterprises which are providing goods and services to the Company. However, there has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises and hence disclosure as required under the Micro, Small & Medium Enterprises Development Act, 2006 for payment of interest on delayed payments to MSME does not arise.

34.(a) Properties occupied on monthly rental basis or given on monthly rent are in the nature of operating leases renewable/cancellable at mutual consent. Lease terms are based on individual agreements which fall under Premises Tenancy Act.

(b) The Company has taken various commercial premises and residential flats under cancelable operating leases. These lease agreements are normally renewed on expiry. Lease terms are based on individual agreements. Lease rental expense in respect of operating leases charged to revenue account is ₹11,47,191 thousand (₹9,34,632 thousand).

35. Contribution to Solatium Fund

In accordance with the requirements of the IRDAI, the Company has provided 0.10% of Motor Third Party Gross direct premium in India towards contribution to the Solatium Fund. Accordingly, an amount of ₹33,936 thousand (₹31,982 thousand) has been provided during the year in Miscellaneous Revenue Account and taken to Current Liabilities.

36. Subordinated Debt

The Company had raised ₹89,50,000 thousand as Subordinated Debt by issuing 8950 nos. unsecured, subordinated, fully paid up, listed, redeemable and non-convertible debentures of ₹10 lakhs each at a coupon rate of 8.35% p.a. on private placement basis under the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015 as approved by IRDA vide their letter under Ref. No. 106/F&A/(NL)/GNI/OFC/01/2016-17/153 dated 22nd February, 2017.

Terms of Borrowings:

(A) Gist of the terms of issue are as follows:

Issue Series	I/NIC/NCD/2016-17
Type, Nature and Seniority of Instrument	Unsecured, subordinated, fully paid -up, listed, redeemable and non-convertible debentures (NCD)
Face Value (per security)	₹10,00,000
Issue Size	₹ 8950000 thousand
Issue date/ date of allotment	27 th March, 2017
Redemption date	27 th March, 2027
Call option date	27 th March, 2022
Coupon Rate	8.35% per annum
Credit Rating (latest available)	CRISIL: AA-/Stable ICRA: A+/Stable
Listing	Listed on WDM segment of NSE and BSE on 7 th April, 2017 and 10 th April, 2017 respectively
Frequency of the Interest payment	Annual

(b) **Key Management Personnel:**

Rs. in thousand

Maturity buckets	Borrowings
1 to 5 years	-
Above 5 years	89,50,000
Total	89,50,000

The Company has a call option which can be exercised at the end of 5 years from the date of allotment. However, the company has not exercised any Call Option.

(C) **Debenture Redemption Reserve (DRR)**

Pursuant to IRDAI Circular No. IRDA/F&A/OFC/01/2014-15/115 dated 4th August, 2017 and as required by the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Company is required to create DRR of Rs.8,95,000 thousand out of profits of the Company, being 10% of the value of Outstanding debentures. In the absence of profits, no amount is transferred to DRR during the year.

(D) **Borrowing Cost:**

In the absence of any 'qualifying asset', the entire borrowing cost is charged to profit and loss account.

37. **Claims Incurred but not Reported/ Incurred but not Enough Reported (IBNR/IBNER)**

Estimated liability for IBNR/IBNER has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDAI in terms of Circular No.11/IRDA/ACTL/IBNR/2005-06 dated 8th June, 2005 and applicable provisions of Guidance Note 21 issued by the Institute of Actuaries of India. The Appointed Actuary has used generally accepted actuarial methods for each product category as considered appropriate depending upon availability of past data as well as appropriateness of different methods for different lines of businesses.

Gross IBNR/IBNER absorbed by the Company for all lines of business till 31st March, 2023 is ₹10,92,19,069 thousand (₹10,58,11,251 thousand) and IBNR/IBNER net of reinsurance is ₹9,78,43,667 thousand (₹9,40,82,294 thousand).

38. **Solvency Ratio**

Table 1: Forbearance(s) Granted * and impact on ASM, RSM, and Solvency Ratio:

₹. in lacs

Sr.	Head under which forbearance granted*	Amount as per Financial Statements	Amount considered admissible for solvency computation	Increase in ASM	Decrease in RSM	Impact on Solvency ratio
1	Fair Value Change Account	3,12,852	3,12,852	3,12,852	-	0.77

*Subject to approval by IRDAI

₹ in lacs

Sr.	Particulars	With Forbearance	Without Forbearance
1	Available Solvency Margin	1,94,477	(-)1,18,375
2	Required Solvency Margin	4,04,975	4,04,975
3	Solvency Ratio	0.48	(-)0.29

*Subject to approval by IRDAI

39.1 Expenses of Management

Excess of management expenses over allowable limits have been computed in respect of different lines of business in terms of Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016. The expenses of management for the segments which are within the allowable limits have been charged to the Revenue Accounts. Expenses of management for the segments which have exceeded the allowable limits, have been charged to the Profit & Loss Account (Shareholders' Account) to the tune of ₹1,58,42,402 thousand (₹ 87,419 thousand).

39.2 Segregation of Expenses of Management exceeding allowable limits by line of business:

₹ in thousand

Line Of Business	2022-23	2021-22
Fire	6,50,743	-
Marine Cargo	2,377	-
Marine Hull	880	-
Health- Retail	30,08,479	-
Health - Group/ Corporate	23,40,219	-
Health- Govt Scheme	12,31,796	-
Misc - Group Corporate	9,79,725	87,419
Misc - Retail	17,087	-
Motor	76,11,096	-
Total	1,58,42,402	87,419

40. The Company has substantial carry forward losses and unabsorbed depreciation under the Income Tax Act, 1961 giving rise to deferred tax asset. However, as a matter of prudence the deferred tax asset has not been recognized in the financial statements as per the requirement of Accounting Standard AS-22 (Accounting of Taxes on income) owing to uncertainty over future taxable income.

41. Disclosure as per Accounting Standard (AS 20)

₹ in thousand

Particulars	Current Year	Previous Year
Net Profit/ Loss attributable to Shareholders	(-)3,86,53,978	(-)1,67,47,142
Weighted average number of Shares	937,50,00,000	569,01,36,986
Basic and diluted earnings per share of Rs.10 each	(-)4.12	(-)2.94

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.

42.1 In terms of the IRDAI Master Circular No. IRDA/F&A/CIR/MISC/173/07/2017 dated 25th July, 2017 and as amended from time to time, the Company has transferred unclaimed Policyholders' amount of ₹1,05,531 thousand (₹ 56,568 thousand) outstanding for a period of more than 10 years as on September 30, 2022, to the Senior Citizen Welfare Fund.

42.2 Age-wise analysis of Unclaimed Policyholders' Amount: ₹ in thousand

Particulars	Age-wise Analysis								
	Total Amount	0 to 6	7 to 12	13 to 18	19 to 24	25 to 30	31 to 36	37 to 120	Beyond 120
		Months	Months	Months	Months	Months	Months	Months	Months
a) Claims settled but not paid to the Policy holders/Insureds due to any reasons except under litigation from Insureds / Policy holders	-	-	-	-	-	-	-	-	-
b) Sum due to the Insureds / Policy holders on maturity or otherwise	-	-	-	-	-	-	-	-	-
c) Any excess collection of the Premium / Tax or any other charges which is refundable to the Policyholders either as terms of conditions of the Policy or as per the law or as may be directed by the authority but not refunded to so far.	13,81,304	5,50,668	13,986	71,722	13,551	1,40,123	23,877	5,67,305	72
	(4,72,583)	(76,856)	(12,936)	(12,884)	(7,581)	(9,799)	(1,26,177)	(1,97,551)	(28,800)
d) Cheques issued but not encashed by the Policy holders / Insured	6,99,639	69,498	-	0.72	677	1,877	8004	4,38,473	1,78,110
	(7,73,758)	(2,23,988)	(652)	(1,562)	(5,107)	(23,077)	(28,286)	(3,91,328)	(99,757)
Total	20,77,943	6,20,165	13,986	71,723	14,228	1,42,000	31,881	10,05,778	1,78,182
	(12,46,341)	(3,00,843)	(13,588)	(14,446)	(12,688)	(32,876)	(1,54,463)	(5,88,879)	(1,28,558)

42.3 The Company has invested ₹20,77,943 thousand (₹12,46,341 thousand) in Bank Fixed Deposits and the interest income of ₹70,026 thousand (₹61,669 thousand) for the year on such Fixed Deposits has been allocated to the Unclaimed Policyholders' Fund.

43. Details of Unclaimed Amount and Investment Income

Particulars	FY 2022-23	FY 2021-22
Opening Balance of Unclaimed Amount Fund	15,27,435	13,28,123
Add: Amount transferred to Unclaimed Policyholders' Fund	14,52,684	6,54,355
Add: Cheques issued out of the Unclaimed Amount but not encashed by the Policyholders	-	-
Add: Investment Income for the year on Unclaimed Fund	70,026	61,669
Less: Amount of Claims paid during the year	5,15,551	4,60,144
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	1,05,531	156,568
Closing balance of Unclaimed Amount Fund	24,29,063	15,27,435

44.1 Details of Prior Period Items:

₹ in thousand

Expenditures	As on 31.03.2023	As on 31.03.2022
Employee Remuneration and Welfare benefits	4,161	148
Travel, Conveyance and vehicle running expenses	65	33
Rents, Rates and Taxes	49,942	11,241
Repairs	2	672
Printing & Stationery	51	131
Communication	1,365	2,536
Advertisement	-	1,50,631
Electricity Charges	395	770
Office up-keep & Maintenance	1,374	1,785
Payment to Professionals & Contractors	222	16,56,9
Bank Commission	-	2,38,954
Reversal of Premium	82,956	-
Other Expenses	239	760
Total	1,40,772	4,24,230

44.2 Income includes following Prior Period Items:

₹ in thousand

Head Of Accounts	As on 31.03.2023	As on 31.03.2022
Rents, Rates and Taxes	475	-
Others	202	-
Reversal of Bank charges	1,83,941	-
Reversal of Advertisement	1,44,149	-
Total	3,28,766	-

45. Details of penal actions taken by various Government Authorities:

₹ in thousand

Sl. No.	Authority	Non – Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1.	Insurance Regulatory and Development Authority	-	-	-	-
2.	Service Tax/GST Authorities	Non-Compliance	(29,37,881)	(29,756)	(-)
3.	Income Tax Authorities*	-	(17,16,636)	2,39,963	(-)
4.	Any other Tax Authorities (Municipal Corporation)	-	7,332	7,332	(-)
5.	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	-	(-)	(-)	(-)
6.	Register of Companies/NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956.	-	(-)	(-)	(-)
7.	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation.	-	(-)	(-)	(-)
8.	Securities and Exchange Board of India	-	(-)	(-)	(-)
9.	Competition Commission of India	-	(-)	(-)	(-)
10.	Any other Central/State/Local Government/ Statutory Authority.	-	(-)	(-)	(-)

*Disputed and Included in Contingent Liability

46.1 Corporate Social Responsibility:

₹ in thousand

Particulars	2022-23	2021-22
Amount allocated during the year	-	57,424
Add: Unspent amount brought forward	48,165	94,024
Less: Amount spent during the year	25,714	1,03,283
Unspent amount carried forward	22,451	48,165

46.2 Amount spent during the year:

₹ in thousand

Sl. No	Particulars	Amount Spent	Amount yet to be Spent	Total
(i)	Construction/acquisition of any asset	0 (0)	0 (0)	0 (0)
(ii)	On purposes other than (i) above	25,714 (1,03,283)	22,451 (48,165)	48,165 (1,51,488)

47. The business and administrative expenses incurred are disclosed under the following heads as per Regulatory requirement:

₹ in thousand

Particulars	2022-23	2021-22
Business Development	9,916	17,464
Marketing Support	5,929	47,611
Outsourcing expenses	1,46,876	81,825

48. Management is not expecting any foreseeable losses on the long-term contracts entered into. The company has not entered into any derivative contracts.
49. No amount is required to be transferred to the Investor Education and Protection Fund by the company.
50. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
51. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
52. As per IRDA directive, with the objective of effective implementation of Ind AS, the Company has constituted a Steering Committee on 2nd August, 2022 consisting of members from Accounts, Actuarial, Investment, RI & Technical Departments. Regular meetings are held and Training and Presentation are imparted to Steering Committee members. Audit Committee of the Board oversees the progress of the

Ind AS implementation process at regular intervals and appraise the Board of Directors of the Company accordingly. Selection of Consultant for Phase I implementation through RFP process is approved by the Board by circular resolution on 17th January 2023. Bid opening date was fixed on 10.04.2023. As only one Bid was submitted on e-wizard site, the whole tendering process was cancelled. Fresh RFP is planned to be floated shortly.

53.1 Figures in brackets are of the previous year. Previous year's figures have been regrouped or rearranged wherever considered necessary.

53.2 During the year provisions for leave encashment, leave travel subsidy and sick leave is disclosed under the head Provisions in Schedule -14 instead of including the same in Sundry Creditors in Schedule-13. Corresponding previous year's figures have been restated accordingly.

54. Accounting Ratios as prescribed by IRDAI:

SL. NO.	PERFORMANCE RATIO	METHOD OF CALCULATION	2022-23			2021-22		
			TOTAL	INDIA	FOREIGN	TOTAL	INDIA	FOREIGN
1	Gross Direct Premium Growth Rate (%)	[GDPI (CY) - GDPI (PY)] / GDPI (PY)	16.28%	16.29%	13.21%	-7.82%	-7.89%	13.77%
	a) Fire		7.00%	6.87%	13.94%	-5.95%	-6.06%	0.55%
	b) Marine Cargo		13.49%	14.25%	1.55%	14.82%	14.23%	24.87%
	c) Marine other than cargo		33.75%	33.75%	-	19.13%	19.13%	-
	d) Motor Own Damage		16.96%	17.03%	-10.23%	-2.80%	-2.77%	-15.13%
	e) Motor Third Party		6.14%	6.11%	50.66%	-5.26%	-5.29%	61.99%
	f) Engineering		25.87%	25.38%	40.43%	13.96%	13.41%	33.41%
	g) Workmen's Compensation		5.79%	6.81%	-91.54%	2.30%	2.31%	1.43%
	h) Public Liability		64.97%	65.01%	-43.81%	11.07%	11.05%	153.94%
	i) Personal Accident		106.88%	106.88%	-	2.42%	2.42%	-
	j) Health Insurance		18.56%	18.57%	-7.58%	5.42%	5.41%	16.96%
	k) Aviation		-45.52%	-45.52%	-	17.46%	17.45%	-100.00%
	l) Rural and Crop		49.17%	49.17%	-	-90.17%	-90.17%	-
	m) Misc. Others		23.86%	24.36%	-13.38%	14.32%	13.98%	46.69%
2	Gross Direct Premium to Net Worth Ratio (times)	GDPI / Net Worth	-15.78			4.75		
3	Growth Rate of Net Worth (%)	(Net Worth of CY - Net Worth of PY) / (Net Worth of PY)	-135.03%			379.16%		
4	Net Retention Ratio (%)	Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)	83.52%	83.61%	61.54%	88.62%	88.73%	60.84%
	a) Fire		61.30%	61.27%	63.22%	72.08%	72.32%	57.31%
	b) Marine Cargo		72.03%	71.95%	73.60%	82.23%	81.89%	87.84%
	c) Marine other than cargo		32.20%	32.20%	-	20.84%	20.84%	-
	d) Motor Own Damage		95.57%	95.62%	84.43%	93.42%	93.56%	57.80%
	e) Motor Third Party		95.24%	95.32%	14.64%	93.74%	93.74%	100.00%
	f) Engineering		67.25%	67.93%	49.02%	65.85%	66.32%	51.29%
	g) Workmen's Compensation		96.00%	96.00%	100.00%	94.93%	95.00%	88.31%
	h) Public Liability		74.15%	74.15%	78.95%	82.86%	82.86%	96.94%
	i) Personal Accident		82.06%	82.06%	-	94.05%	94.05%	-
	j) Health Insurance		83.38%	83.38%	80.00%	88.66%	88.66%	84.90%
	k) Aviation		63.31%	63.31%	-	42.63%	42.63%	-
	l) Rural and Crop		53.06%	53.06%	-	260.12%	260.12%	-
	m) Misc. Others		86.64%	86.88%	60.06%	85.28%	86.22%	11.51%
5	Net Commission Ratio (%)	Net Commission / Net Written Premium	6.04%	6.10%	-13.01%	6.85%	6.89%	-6.45%
	a) Fire		12.48%	12.99%	-19.32%	11.01%	11.27%	-10.06%
	b) Marine Cargo		14.93%	16.29%	-9.49%	14.21%	15.37%	-3.52%
	c) Marine other than cargo		2.14%	2.14%	-	-24.56%	-24.56%	-
	d) Motor Own Damage		21.70%	21.80%	-4.58%	22.70%	22.77%	-8.94%

	e) Motor Third Party		2.45%	2.45%	0.00%	1.20%	1.20%	0.00%	
	f) Engineering		8.20%	8.86%	-16.52%	9.53%	9.92%	-6.01%	
	g) Workmen's Compensation		16.31%	16.32%	0.00%	15.45%	15.55%	5.66%	
	h) Public Liability	Net Commission / Net Written Premium	12.17%	12.18%	-5.86%	12.29%	12.29%	0.28%	
	i) Personal Accident		4.02%	4.02%	-	2.74%	2.74%	-	
	j) Health Insurance		2.33%	2.33%	-5.26%	5.28%	5.28%	5.89%	
	k) Aviation		5.17%	5.17%	-	7.39%	7.39%	-	
	l) Rural and Crop		- 12.26%	-12.26%	-	0.22%	0.22%	-	
	m) Misc. Others		15.16%	15.28%	-3.00%	13.99%	14.11%	-56.54%	
6	Expenses of Management to Gross Direct Premium Ratio (%)		(Expenses of Management + Direct Commission) / GDPI	40.87%			28.70%		
7	Expenses of Management to Net Written Premium Ratio (%)		(Expenses of Management + Net Commission) / NWPI	44.61%			29.95%		
8	Net Incurred Claims to Net Earned Premium (%)	Net Incurred Claims / Net Earned Premium	100.85%			104.21%			
9	Combined Ratio (%)	[Net Incurred Claim / Net Earned Premium] + [(Expenses of Management (including Net Commission) / Net Written Premium]	145.46%	145.37%	178.82%	134.16%	134.08%	166.61%	
10	Technical Reserves to Net Premium Ratio (times)	(URR + Reserve for Premium Deficiency + Reserve for Outstanding Claims including IBNR and IBNER) / Net Premium	2.04			2.14			
11	Underwriting Balance Ratio	Underwriting profit or Loss / Net earned premium	-0.47			-0.34			
12	Operating Profit Ratio (%)	(Underwriting profit or Loss + Investment Income) / Net earned premium	-27.32%			-12.78%			
13	Liquid Assets to Liabilities Ratio (Times)	Liquid Assets / Policyholders' Liabilities	0.16			0.31			
14	Net Earnings Ratio (%)	Profit after tax / Net Premium	-29.10%			-13.79%			
15	Returns on Net Worth Ratio (%)	Profit after tax / Net Worth	NA			-60.88%			
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio ASM / RSM (Times)		0.48*			1.09**			
17	NPA Ratio (%)								
	Gross NPA Ratio		0.98%			1.00%			
	Net NPA Ratio		0.00%			0.00%			

* Subject to approval of forbearance by the IRDAI. Without forbearance, the Solvency Margin is (-)0.29

**As per forbearance granted by the IRDAI. Without such forbearance, the Solvency Margin is 0.59.

54. Summary of working results for the last 5 years as prescribed by IRDAI:

₹ in thousand

No.	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
OPERATING RESULTS						
1.	Gross direct premiums	15,20,585	13,07,683	14,18,575	15,31,288	15,17,994
2.	Net premium #	13,28,108	12,14,244	12,64,349	9,45,013	9,65,061
3.	Income from investments (net) @	2,52,000	2,52,643	2,65,564	1,71,036	2,63,900
4.	Other income (+)/Outgo(-) (Including Contribution from Shareholders Funds towards excess EoM)	1,58,424	874	36,054	1,26,164	-1,515
5.	Total income (2+3+4)	17,38,532	14,67,762	15,65,967	12,42,213	12,27,446
6.	Commissions (Net) (Includg brokerage)	80,274	83,180	96,743	80,416	81,723
7.	Operating Expenses	5,12,193	2,80,516	3,43,463	4,38,801	2,60,539
8.	Net Incurred Claims	12,81,428	12,84,133	9,69,391	10,24,995	11,43,403
9.	Change in Unexpired Risk Reserve	57,492	-18,022	1,40,200	-23,258	-74,961
10.	Operating profit/loss	-1,92,855	-1,62,045	16,169	-2,78,741	-1,83,258
NON-OPERATING RESULT						
11.	Total income under shareholders' account net of expenses (Including Contribution to Policyholders funds towards excess EoM)	-1,93,726	-5,423	-72,469	-1,32,092	13,629
12.	Profit/ (loss) before tax	-3,86,581	-1,67,467	-56,300	-4,10,834	-1,69,629
13.	Provision for tax(incl. adjustment for earlier years)	-42	4	-114	-	-16
14.	Profit/ (loss) after tax	-3,86,540	-1,67,471	-56,186	-4,10,834	-1,69,612
MISCELLANEOUS						
15.	Policy holders' Account:					
	Total funds	27,29,724	26,19,871	24,65,034	22,36,246	19,99,771
	Total investments	28,48,887	27,78,129	26,86,535	23,70,934	20,92,147
	Yield on investments	8.93%	9.24%	9.98%	13.17%	13.16%
16.	Shareholders' Account:					
	Total funds	-96,327	2,75,101	57,413	-2,19,013	15,655
	Total investments	-	2,91,719	62,572	-	16,378
	Yield on investments	8.93%	9.24%	9.98%	0.00%	13.16%
17.	Paid up equity capital	9,37,500	9,37,500	5,67,500	2,50,000	10,000
18.	Net worth	-96,327	2,75,101	57,413	-2,19,013	15,655
19.	Total assets	38,89,609	40,49,306	37,83,045	30,89,059	32,43,408
20.	Yield on total investments	8.93%	9.24%	9.98%	13.17%	13.16%
21.	Earnings per share (₹)	-4.12	-2.94	-1.44	-238.67	-169.61
22.	Book value per share (₹)	-1.03	2.93	1.01	-8.76	15.66
23.	Total dividend	-	-	-	-	-
24.	Dividend per share (₹)	-	-	-	-	-

For and on behalf of the Board of Directors

Suchita Gupta

Chairman-Cum-Managing Director
DIN: 08697650

Rina Madia

Company Secretary
(CA. Dr. B. S. Kundu)

Partner
M. No – 056060
Place: Kolkata
Date: 30th May, 2023

Peter Chittaranjan

Director
DIN: 09773278

For Guha Nandi & Co.

Chartered Accountants
FRN: 302039E

V R Kumar

Chief Financial Officer

For Ray & Ray

Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)

Partner
M. No - 051221

CONSOLIDATED FINANCIAL STATEMENTS 2022-23

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL INSURANCE COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **National Insurance Company Limited** (hereinafter referred to as "the Company"), which comprise the consolidated Balance Sheet as at 31st March, 2023, consolidated Revenue Accounts of Fire, Marine and Miscellaneous Insurance Business (collectively known as 'Revenue Accounts'), consolidated Profit and Loss Account and consolidated Receipts and Payments Account for the year ended as on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements") in which are included standalone financial statement of the Company audited by us and the financial statements of the two associates of the Company, one audited by other auditor and the other unaudited. These consolidated financial statements have been prepared in accordance with the requirements of the Insurance Act 1938 as amended by the Insurance Laws (Amendment) Act 2015 (the "Insurance Act"), the Insurance Regulatory and Development Act 1999 (the "IRDA Act"), the Companies Act 2013 (the "Act") and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 (the "IRDA Financial Statements Regulations") notified by the Insurance Regulatory and Development Authority of India (IRDAI), to the extent applicable and in the manner so required.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the aforementioned Acts and Regulations in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:

- (a) in the case of consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2023;
- (b) in the case of consolidated Fire and Marine Revenue Account, of the operating profits and in the case of consolidated Miscellaneous Revenue Accounts, of the operating loss for the year ended on that date;
- (c) in the case of consolidated Profit and Loss Account, of the loss for the year ended on that date; and
- (d) in the case of consolidated Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters:

- a) **Provision against unconfirmed/unreconciled recoverable :**

Due to / due from balances in respect of re-insurance / co-insurance business transactions, other debtors, creditors and inter-office balances are subject to confirmations, reconciliations and/or adjustments. Although the consequential impact of adjustments, if any, that may arise upon their reconciliations, confirmations or adjustments on revenue accounts, profit and loss account, reserves and surplus and assets and liabilities as on 31-03-2023 is not exactly ascertainable, as a prudential measure, pending such confirmations / reconciliations / adjustments, the Company has provided a sum of ₹39,66,744 thousand during the year against such unconfirmed / unreconciled / unadjusted balances. Cumulative amount of such provision as at the year-end is ₹100,47,874 thousand [Refer Schedule 17 – Note No. 6(a)].

b) Bad-debt Written Off:

In terms of the Board approved policy for writing off and writing back of coinsurance and reinsurance receivables and payables, the Company during the year has written off old outstanding receivables net of payables of ₹2,45,808 thousand and ₹8,99,339 thousand in respect of coinsurance and reinsurance respectively. Besides, the Company during the year, wrote off ₹2,43,706 thousand of old unreconciled debtors and advances. The total write off amount of ₹13,88,853 thousand is charged to profit and loss account [Refer Schedule 17 – Note No. 6(b)].

c) Amortization of Pension Liability:

The Company has incurred additional pension liability consequent to implementation of General Insurance (Employees') Pension Amendment Scheme, 2019 notified by the Central Government. Pursuant to approval granted by IRDAI, the Company has amortized actuarially determined additional pension

liability of ₹78,88,080 thousand in respect of fresh pension Optees under that Scheme over a period of five years from FY 2019-20. Accordingly, ₹15,77,616 thousand is charged off in the current year and the balance ₹15,77,616 thousand is deferred for amortization in the next year (Refer Schedule 17 – Note No.8).

d) Pay Revision:

Pursuant to Gazette Notifications of Government of India rationalizing pay scales and other conditions of service of officers, development staff and supervisory, clerical and subordinate staff of Central Government owned General Insurance Companies, the Company has recognized ₹1,63,75,934 thousand towards pay revision and made additional provision of ₹967,52,00 thousand towards retirement benefits during the year. [Refer Schedule 17 – Note No.10].

e) Solvency Ratio:

The declared Solvency Ratios of the Company as on 31st March, 2023 with or without forbearances are below the threshold limit (Refer Schedule 17 – Note No.11).

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. We have identified the matters described below to be the key audit matters in the current year.

Key Audit Matter	How our Audit addressed the Key Audit Matter
<p>Recognition of Premium Income</p>	
<p>Premium income is the main source of income of the Company and one of the major areas of concern for correct depiction of financial results. The Company is required to comply IRDA regulations for creation of Unexpired Risk Reserve and also comply various reinsurance obligations and treaties for recognition of premium income.</p>	<p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to recognising premium income. We verified the booking of premium income and assessed the control over the following aspects in relation thereto.</p> <ul style="list-style-type: none"> (i) segregation of premium amongst different business segments broadly fire, marine and miscellaneous; (ii) segregation of policies between risk booked and non-risk booked for the purpose of premium cession as per reinsurance underwriting policy of the Company; (iii) premium income from Government sponsored insurance schemes; (iv) premium earned from motor insurance tie-up business; and (v) adjustment of Unexpired Risk Reserve comprising Unearned Premium Reserve and Premium Deficiency Reserve to arrive at Net Earned Premium.
<p>Assessment of Incurred and Outstanding Claims</p>	
<p>The Company has significant outstanding claims including claims relating to Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER). Estimating outstanding claims and probable future claims is based on critical judgments and is a key source of estimation uncertainty which is again the basis of estimating incurred claims during a given period.</p> <p>The methodologies and assumptions utilized to develop IBNR and IBNER involve a significant degree of judgment. The liabilities are based on the best-estimate ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs. There is generally less information available in</p>	<p>Our audit approach is to understand the systems, procedures and control over the claims registered at different operating offices and evaluate the implementation design of these essential elements. We focused on these areas because underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims which are subject to critical judgement. We further assessed the control over –</p> <ul style="list-style-type: none"> (i) segregation of claims amongst different business segments broadly fire, marine and miscellaneous; (ii) segregation of claims between risk booked and non-risk booked for the purpose of claim

<p>relation to these claims, which can result in variability between initial estimates and final settlement. A range of methods are used to determine these provisions.</p> <p>The claims estimation uses an actuarial modeling process which involves complex and subjective actuarial methodologies, judgments and assumptions about future events and developments, both within and external to the Company, and for which small changes can have significant implications to the quantification.</p> <p>The estimation of claims at year end relies on the integrity of the underlying data, including claim payments and individual estimates of unsettled claims.</p>	<p>cession as per reinsurance underwriting policy of the Company;</p> <p>(iii) acknowledgement of claims in respect of Government sponsored insurance schemes and motor insurance tie-up business;</p> <p>(iv) recording revision of estimated claim amount; and</p> <p>(v) computation of incurred claims based on claims paid, outstanding registered claims and IBNR and IBNER.</p> <p>We relied upon the management engaged independent actuarial expert's report for determining the value of IBNR and IBNER. We broadly reviewed the work of actuarial report including their independence, experience and objectivity. The valuation of liabilities for outstanding claims reserves contained in the financial statements of the Company are based on the actuary's certificate.</p>
<p>Valuation of Investments</p>	
<p>The Company has made substantial investments in various State and Central Government Securities, Bonds, Debentures, Shares and other approved securities. The value of investments assumes a significant portion of the total assets of the Company.</p> <p>Entire gamut of investment functions encompassing purchase, disposal, recognition, measurement and disclosure of investments is governed by the Company's Investment Policy duly approved by the Board of Directors on annual basis based on Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, Investments-Master Circular, 2017 and other Directions and Circulars issued by IRDAI on investments.</p> <p>These regulations, directions and circulars cover valuation of investments, identification of non-performing investments and corresponding non-recognition of income and provision there against.</p>	<p>We conducted our audit of the investments with reference to IRDAI Regulations, Circulars, Directives etc. based upon understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments, provision/depreciation/write off and also assessment of fair value changes in relation to investments.</p> <p>Our audit procedures were primarily concentrated on –</p> <p>i) Evaluation and understanding of Company's internal control system, IT governance structure vis-à-vis implementation of investment risk management systems and processes.</p> <p>ii) Substantive testing of transactions relating to investments, verification of investment assets, identification of non-performing investments and provision made there against.</p> <p>iii) Valuation and disclosure in the consolidated financial statements in accordance with the investment policy, regulations etc.</p>

Valuation of employees’ defined benefit obligations

The Company has recognised long-term defined benefit obligations for its employees on actuarial basis. Shortfall, if any, in Bank’s Provident Fund Scheme is also provided for on actual basis. Pension and gratuity obligations are funded by the Company. Unfunded long-term defined benefit obligations are leave encashment, sick leave and leave travel subsidy. The funded defined benefit obligations are recognised net of plan asset.

The actuarial valuations of employee benefit obligations are dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions: discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third-party actuary.

We examined the reports of external actuarial specialist and reviewed the key actuarial assumptions used, both financial and demographic, and considered the methodology utilised to derive these assumptions including review of input data provided for actuarial valuations of employees’ defined benefit obligations. Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations.

We also evaluated the objectivity and competence of management’s expert involved in the valuation of the defined benefit obligation. We assessed the appropriateness of the methodology used, and tested the accuracy of the calculation, to estimate the liability.

Ascertainment, disclosure and provisioning in respect of contingent liabilities

The Company has material uncertain tax matters, both direct and indirect, under dispute involving considerable demand raised on the Company which require significant judgment to determine the possible outcome of these disputes.

Additionally, the Company has other ongoing legal matters relating to various claims not acknowledged as debts which require application of management judgement in order to determine the likely outcome.

Our audit procedure was to obtain from management details of direct and indirect tax and penalty demands which are considered as contingent liabilities. We undertook following principal audit procedures:

Assessment of the process and relevant controls implemented to identify tax litigations and pending administrative proceedings.

- Assessment of assumptions used in the evaluation of potential tax risks performed by the tax department of the Company considering the legal precedence and other rulings in similar cases.
- Discussion with the management regarding the status of the most significant disputes and inspection of the key relevant documentation.
- Analysis of opinion received from tax experts where available.
- Review of the adequacy of the disclosures in the notes to the financial statements.

In assessing the potential exposures of the

	<p>Company in respect of other contingent liabilities, we have:</p> <ul style="list-style-type: none"> - assessed the design and implementation of controls in relation to the monitoring of known exposures; - consulted with the Company's official dealing with the matters in understanding ongoing and potential legal matters impacting the Company; - reviewed available legal precedence; and - reviewed the proposed accounting and disclosure of actual and potential legal liabilities.
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Other Matters

We did not audit the financial statements/information of 34 Regional Offices, 317 Divisional Offices, and 2 Foreign Offices (Nepal Office comprising 6 branches and Hong Kong Office), included in the standalone financial statements of the Company whose financial statements / information reflect total assets of ₹2,97,24,513 thousand as at 31st March, 2023 and total gross direct premium income of ₹15,20,58,511 thousand for the year ended on that date. The financial statements/information of these branches (offices) have been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches is based solely on the reports of such auditors.

The Company has two associates namely India International Insurance Pte. Ltd., Singapore and Health Insurance TPA of India Limited. India International Insurance Pte. Ltd. is not incorporated in India and Health Insurance TPA of India Ltd. is not engaged in the core insurance/reinsurance business. We did not audit the financial statements of the associate companies.

The consolidated financial statements in respect of India International Insurance Pte. Ltd., Singapore, incorporated outside India, includes Company's share of net loss of ₹98,157 thousand for the year ended 31st March, 2023. The financial statements of the associate company is audited by other auditors whose reports have been furnished to us

by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate company, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate company is based solely on the reports of the other auditors.

The consolidated financial statements in respect of Health Insurance TPA of India Ltd., incorporated in India, includes Company's share of net loss of ₹15,253 thousand for the year ended 31st March, 2023. The financial statements of this associate company is unaudited whose financial statements have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate company and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate company is based on such unaudited financial statements.

Our opinion on the consolidated financial statements is not modified with respect to our reliance on the work done and the reports of other auditors in the case of audited financial statements of the associate company incorporated outside India and on the information furnished to us by the management in the case of unaudited financial statements of the associate company incorporated in India.

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) that are estimated using statistical methods is the responsibility of the Company's appointed actuary. The actuarial valuation of these liabilities as at March 31, 2023 has been duly certified by the appointed actuary. The appointed actuary also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the appointed actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claim reserves and PDR contained in the consolidated financial statements of the Company.

Our opinion on the consolidated financial statements is not modified with respect to our reliance on the work done by the independent actuary of the Company.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company including the associates in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Insurance Act, the IRDA Act, the IRDA Financial Statement Regulations, Orders/Directions/Circulars and other relevant Regulations issued/notified by IRDAI. The respective Board of Directors of the Company and the associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management of the Company and the associates are responsible for assessing their ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Company or the associates either intends to liquidate the Company or the associate entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and the associates are also responsible for overseeing the financial reporting process of the Company and of the associates.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, that could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error,

design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company or the associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company and the associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Company and of such other entities included in the consolidated financial statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of

the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in Directors' Report including management discussion, analysis and information contained in the Annual Report but does not include the consolidated financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance for appropriate actions under applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

1. As required by Sub-Regulation 3 of Regulation 3 of the IRDA Financial Statements Regulations read with Schedule-C thereof, we give in the **Annexure 'A'** to this report a certificate on the matters specified in paragraphs 3 and 4 of the Schedule.

2. In compliance to directions including additional directions of the Comptroller and Auditor General of India u/s. 143(5) of the Act, we give in **Annexure 'B'** to this report a statement on the matters specified therein.
3. As required by Section 143(3) of the Act read with Schedule-C of the IRDA Financial Statements Regulations, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept, so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Revenue Accounts, the Consolidated Profit & Loss Account and the Consolidated Receipts & Payments Account dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, accounting policies selected by the Company are appropriate and the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles, as prescribed in the IRDA Financial Statements Regulations and orders or directions issued by IRDAI in this regard.
 - e) The provisions of Section 164(2) of the Act with regard to disqualifications for appointment of director are not applicable to the Company in view of Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India.
 - f) The provisions of Section 197(16) of the Act

regarding payment of managerial remuneration to Company's directors are not applicable in view of Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India.

- g) Our report on the adequacy of internal financial controls over financial reporting of the Company and the associate incorporated in India, and the operating effectiveness of such control is given in **Annexure 'C'** to this report.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, we state that India International Insurance Pte. Ltd., an associate of the Company, is not incorporated in India and hence Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable to it. The financial statements of Health Insurance TPA of India Ltd., the associate company incorporated in India, is unaudited. In the absence of audited financial statements of the associate company and report of the auditors thereon, our report under Rule 11 of the Companies (Audit and Auditors) Rules, 2014 on the consolidated financial statements in so far as it relates to Health Insurance TPA of India Ltd. is based on the information furnished to us by the management. In our opinion and to the best of our information and according to the explanations given to us:
- i) The Company and the associate incorporated in India have disclosed contingent liabilities which inter-alia includes pending litigations unless provided for. The impact of these pending litigations on the consolidated financial position is subject to their judicial outcome (Refer Schedule 17 Note 4).;
- ii) The Company including the associate incorporated in India did not have any long-term contracts including derivatives

contracts for which there were any material foreseeable losses (Refer Schedule 17 Note 14).

- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company including the associate incorporated in India (Refer Schedule 17 Note 15).
- iv) (a) To the best of our knowledge and belief, as disclosed in the notes to accounts and as represented by the management, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or the associate incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Schedule 17 Note 16).
- (b) To the best of our knowledge and belief, as disclosed in the note on accounts, and as represented by the management, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or the associate incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate

Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Schedule 17 Note 17).

- (c) Based on such audit procedures as we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations made by the management in this regard contain any material misstatement.
- v) No dividend is declared or paid during the year by the Company or the associate incorporated in India and hence compliance with section 123 of the Companies Act, 2013 does not arise.
- vi) Rule 3(l) of the Companies (Accounts) Rules, 2014 requires companies, which use accounting software for maintaining their books of account, to use only such accounting software which has audit trail feature. This requirement for companies is made applicable for the financial year commencing on or after April 1, 2023. However, the Company, in respect of the financial year commencing on 1st April, 2022, continue to use accounting software for

maintaining the books of account which has a feature of recording audit trail (edit log) facility and based on our examination which included test checks, the same has been operated throughout the year for all transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail is preserved by the Company as per the statutory requirements for record retention. In the absence of audited financial statements of Health Insurance TPA of India Ltd., the associate company incorporated in India and report of auditors thereon, our report under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 in respect of the consolidated financial statements is limited to the affairs of the Company.

- i) In our opinion and to the best of our information and according to the explanations given to us investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations and Orders/Directions/Circulars and other relevant Regulations issued/notified by IRDAI in this regard.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(CA. Dr. B. S. Kundu)
Partner
M. No – 051221
UDIN: 23051221BGYLEQ3008

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060
UDIN: 23056060BGWPKU7462

Place: Kolkata
Date: 30th May, 2023

Annexure – ‘A’

Annexure to the Independent Auditors’ Report of even date on the Consolidated Financial Statements of National Insurance Company Limited for the year ended 31st March, 2023

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section)

Certificate for the year ended 31st March, 2023 as required by Schedule–C of the Insurance Regulatory & Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002

On the basis of our examination of books and records of the Company and according to the information and explanation given to us and to the best of our knowledge and belief, we certify that –

1. We have reviewed the Management Report of National Insurance Co. Ltd. (“the Company”) for the year ended 31st March, 2023 and conclude that there is no apparent mistake or material inconsistencies with the consolidated financial statements except that trends in average claim settlement time during the preceding five years have not been reported in the Management Report;
2. Based on management representations and the compliance certificate taken on record by the Board of Directors of the Company, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by the Insurance Regulatory and Development Authority of India.
3. Cash balances at branches of the Company have been verified by the branch auditors. We

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(CA. Dr. B. S. Kundu)
Partner

M. No – 051221
UDIN: 23051221BGYLEQ3008

Place: Kolkata
Date: 30th May, 2023

have verified securities relating to the Company’s loans and investments as at 31st March, 2023 on the basis of certificate/ confirmations received from the custodian/ depository participants/ CSGL Account Holder as the case may be. However, no significant variation between book records and physically verifiable investment records is noticed;

4. There is no investments and transactions relating to any trusts undertaken by the Company as trustee; and
5. No part of the assets of the policyholders’ funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders’ funds.

The Company has two associates namely India International Insurance Pte. Ltd., Singapore and Health Insurance TPA of India Limited. India International Insurance Pte. Ltd. is not incorporated in India and hence IRDA Financial Statements Regulations is not applicable to it. Health Insurance TPA of India Ltd., the associate company incorporated in India, is not engaged in the core insurance / reinsurance business. The financial statements of Health Insurance TPA of India Ltd. is unaudited. In the absence of audited financial statements of the associate company and report of auditors thereon, our Certificate as required by Schedule–C of the Insurance Regulatory & Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002 in respect of the consolidated financial statements is limited to the affairs of the Company.

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner

M. No - 056060
UDIN: 23056060BGWPKU7462

Annexure – ‘B’

Annexure to the Independent Auditors’ Report of even date on the Consolidated Financial Statements of National Insurance Company Limited for the year ended 31st March, 2023

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section)

The Company has two associates namely India International Insurance Pte. Ltd., Singapore and Health Insurance TPA of India Limited. India International Insurance Pte. Ltd. is not incorporated

in India and hence Section 143(5) of the Act is not applicable to it. Health Insurance TPA of India Ltd., the associate company incorporated in India, is not engaged in the core insurance / reinsurance business. The financial statements of Health Insurance TPA of India Ltd. is unaudited. In the absence of audited financial statements of the associate company and report of auditors thereon, our report report under Section 143(5) of the Act on the consolidated financial statements is limited to the affairs of the Company.

Replies to the Directions issued to Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the Financial Year 2022-23

Sl. No.	Query	Reply
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	All the accounting transactions of the Company are processed through different IT Systems and are finally integrated into for preparation of the accounts. Thus, implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications do not arise.
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	The Company has not taken any loan except issue of debentures as subordinate debt on 27th March 2017 for a period of ten years in terms of IRDAI (Other Forms of Capital) Regulations, 2015. There is no restructuring / waiver / write off of the above mentioned debt or interest thereon during the year. The Company has in its investment portfolio term loans and debentures of ₹5,99,48,035 thousand out of which ₹27,85,571 thousand has turned non-performing asset (NPA). No interest is recognized in respect of these NPAs. Accumulated unrecognized overdue interest on these loans and debentures is ₹1,39,40,267 thousand. The debentures subjected to restructuring in earlier years is ₹3,23,449 thousand. There is no restructuring / waiver / write off of the loans or debentures or interest thereon during the year. However, full provision is made in the books of accounts against those NPAs. Recovery of interest and principal against NPAs during the year ₹7,658 thousand and ₹3,00,398 thousand respectively have been duly accounted for.

Sl. No.	Query	Reply
3.	Whether funds (grants / subsidy etc.) received / receivable for specific schemes from Central / State Governments and its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	The Company has not received any grants or subsidy during the year other than premium subsidy received or receivable from Central / State Government or its agencies under various crop insurance schemes for farmers. The premium subsidy so received or receivable have been properly accounted for.

Replies to the Additional Directions issued to Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the Financial Year 2022-23

Sl. No.	Query	Reply																																																							
1.	Number of titles of ownership in respect of CGS / SGS / Bonds/ Debentures etc. available in physical / demat form and out of these, number of cases which are not in agreement with the respective amounts shown in the Company's books of accounts may be verified and discrepancy found may be suitably reported.	We give in the Table below number as well as corresponding book value of different class of securities, where there is mismatch between Company's books of accounts and statements from Custodian, Depository Participant or CSDL Account Holder as the case may be																																																							
	<table border="1"> <thead> <tr> <th rowspan="2">Security Class</th> <th colspan="2">Total</th> <th colspan="2">Shortage</th> <th colspan="2">Excess</th> </tr> <tr> <th>Number of Accounts</th> <th>Book Value (₹ in '000.)</th> <th>Number of Accounts</th> <th>Book Value (₹ in '000.)</th> <th>Number of Accounts</th> <th>Book Value (₹ in '000.)</th> </tr> </thead> <tbody> <tr> <td>CGS</td> <td>42</td> <td>613,36,836</td> <td>NIL</td> <td>0</td> <td>NIL</td> <td>0</td> </tr> <tr> <td>SGS</td> <td>270</td> <td>644,01,498</td> <td>NIL</td> <td>0</td> <td>NIL</td> <td>0</td> </tr> <tr> <td>BONDS & DEBENTURES</td> <td>248</td> <td>596,43,654</td> <td>26</td> <td>3,39,941</td> <td>1</td> <td>23,468 (FV)</td> </tr> <tr> <td>EQUITY SHARES</td> <td>570</td> <td>8,03,38,269</td> <td>48</td> <td>579</td> <td>10</td> <td>63</td> </tr> <tr> <td>PREFERENCE SHARES</td> <td>135</td> <td>4,775</td> <td>22</td> <td>0.022</td> <td>2</td> <td>12 (FV)</td> </tr> <tr> <td>MUTUAL FUND</td> <td>5</td> <td>9,09,097</td> <td>NIL</td> <td>0</td> <td>NIL</td> <td>0</td> </tr> </tbody> </table>	Security Class	Total		Shortage		Excess		Number of Accounts	Book Value (₹ in '000.)	Number of Accounts	Book Value (₹ in '000.)	Number of Accounts	Book Value (₹ in '000.)	CGS	42	613,36,836	NIL	0	NIL	0	SGS	270	644,01,498	NIL	0	NIL	0	BONDS & DEBENTURES	248	596,43,654	26	3,39,941	1	23,468 (FV)	EQUITY SHARES	570	8,03,38,269	48	579	10	63	PREFERENCE SHARES	135	4,775	22	0.022	2	12 (FV)	MUTUAL FUND	5	9,09,097	NIL	0	NIL	0	
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2.	Whether Investment Policy exists and includes mechanism to review investment portfolios and also whether stop loss limits have been prescribed? If yes, whether or not the limit was adhered to? If not in existence or not adhered to, details may be given.	The Company has an Investment Policy which inter-alia includes mechanism to review investment portfolios. As informed to us no stop loss limit has been prescribed by the Company in respect of its investments.																																																							

Sl. No.	Query	Reply
3.	Whether Company has carried out reconciliation exercise for inter-company balances reflected in their financial statements with other PSU insurers and whether confirmation has been obtained from other PSU insurers for balances due from them?.	<p>Co-insurance business with other PSU insurers are carried out at operating offices. Confirmation of inter-company balances are obtained and reconciliation done periodically by the respective operating offices. As informed to us, the Company has in place an ongoing process of reconciliation exercise and efforts are on to bring down the unreconciled differences. However, there are still unconfirmed / unreconciled inter-company balances lying in the books of the operating offices.</p> <p>In respect of balances reflected in the books of reinsurance department of the Company, no balance confirmations from other PSU insurers are available and no reconciliation is done.</p>
4.	Whether entire input tax credit (ITC) available on GST portal in respect of the company has been availed within prescribed time limits.	<p>The Company is yet to establish a technology driven automated procedure for one-to-one matching of tax invoices with auto populated invoice details available on the GST portal. Complete reconciliations of (a) ITC available on GST portal (b) eligible ITC and (c) ITC availed which are now being done manually are in progress. Due to above, we are unable to state as to what extent ITC available on GST portal of the Company has been availed within the prescribed time limits.</p>

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(CA. Dr. B. S. Kundu)
Partner
M. No – 051221
UDIN: 23051221BGYLEQ3008

Place: Kolkata
Date: 30th May, 2023

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060
UDIN: 23056060BGWPKU7462

Annexure – ‘C’

Annexure to the Independent Auditors’ Report of even date on the Consolidated Financial Statements

of National Insurance Company Limited for the year ended 31st March, 2023

(Referred to in paragraph 3(h) under ‘Report on
Other Legal and Regulatory Requirements’
section)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of

Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of **National Insurance Company Limited** (“the Company”) as 31st March, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance Note on Audit of Internal Financial Controls Over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘the ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and

completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (‘the Act’).

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. Those standards and guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

compliance with the policies or procedures may deteriorate.

8. According to the information and explanations given to us and based on our audit, the following deficiencies have been noticed:
- i) Maintenance of data base of motor tie-up business in a separate platform.
 - ii) Accounting of reinsurance business is not incorporated in the Company's Enterprise Architecture Solution for Insurance (EASI) to enable generation of risk booked policies from the system for the purpose of preparation of bordereau for premium and claim cessions.
 - iii) Lack of timely reconciliation and/or obtaining confirmations of due to/due from balances in respect of re-insurance / co-insurance transactions, other debtors / creditors, inter-office balances.
 - iv) Absence of technology driven automated process for one-to-one matching of invoices with the auto-populated invoices in the GST Portal and for capturing eligible GST input.
9. A 'deficiency' in internal financial control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis and is important enough to merit attention of those charged with governance. Our opinion is not modified in respect of these matters.

Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, the Company has maintained in all material respects adequate internal financial controls over financial reporting and such internal financial controls over financial

reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI

11. We have considered the deficiencies identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of 31st March, 2023 of the Company and these deficiencies do not affect our opinion on the consolidated financial statements of the Company.

Other Matter

12. Our aforesaid report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company in so far as it relates to Regional Offices and Divisional Offices is based on the report u/s.143(3)(i) of the Act received from the Branch Auditors of Regional

/ Divisional Offices.

13. The Company has two associates namely India International Insurance Pte. Ltd., Singapore and Health Insurance TPA of India Limited. India International Insurance Pte. Ltd. is not incorporated in India and hence Section 143(3)(i) of the Act is not applicable to it. The financial statements of Health Insurance TPA of India Ltd., the associate incorporated in India, is unaudited. In the absence of audited financial statements of the associate company and report of the auditors thereon, our report under Section 143(3)(i) of the Act on the consolidated financial statements in so far as it relates to the internal financial control over financial reporting is limited to the affairs of the Company.
14. Our opinion on the internal financial control over financial reporting on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors of Regional / Divisional Offices.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(CA. Dr. B. S. Kundu)
Partner
M. No – 051221
UDIN: 23051221BGYLEQ3008
Place: Kolkata
Date: 30th May, 2023

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060
UDIN: 23056060BGWPKU7462

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL INSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2023.

The preparation of consolidated financial statements of National Insurance Company Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of National Insurance Company Limited for the year ended 31 March 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of National Insurance Company Limited but did not conduct supplementary audit of the financial statements of Health Insurance TPA of India Limited (Associate) for the year ended on that date. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to India International Insurance Pte Limited, Singapore, being private entity incorporated in foreign country under the respective laws for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Profitability

A.1 Balance Sheet

Provisions (Schedule-14)

Premium Deficiency Reserve:

₹161.91 crore

Loss after Tax:

₹3882.42 crore

As per IRDAI circular (July 2013), Premium Deficiency shall be recognized at Segmental Revenue Account level. In computing the overall Premium Deficiency in the Miscellaneous Revenue account level, the Premium Deficiency arising out of Motor Third Party portfolio including erstwhile Motor Pool, Declined Risks Pool and other Pools which may operate need not be recognized.

Contrary to IRDAI circular, Company set off the negative figures of PDR of ₹190 crore in Motor Third Party sub-segment with the positive figure of PDR pertaining to the other sub-segments under Miscellaneous Revenue Segment.

This has resulted in understatement of Premium Deficiency Reserve with corresponding understatement of Loss by ₹190 crore.

A.2 Balance Sheet

Provisions (Schedule-14)

Unearned Premium Reserve: ₹6202.23 crore

Loss after Tax: ₹3882.42 crore

The above includes an amount of ₹312.85 crore being the Unearned Premium Reserve created for the premium received in 2022-23, against the policies issued prior to 2022-23 to Jharkhand State Aarogya Society for servicing Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana and Mukhyamantri Swasthya Bima Yojana (AB-PMJAY & MSBY) and the risks for which have already been expired.

This has resulted in overstatement of Provisions, Reserves for Unexpired Risk and Loss for the year by an amount of ₹312.85 crore.

A.3 Miscellaneous Revenue Account for the year ended 31st March 2023

Claims Incurred (Net): ₹12264.91 crore

Loss after Tax: ₹3882.42 crore

Interest provisioning of ₹100.12 crore on Motor Third Party claims was understated due to an inadvertent error in the calculation in IT System for the tie-up business.

This has resulted in understatement of Claims Outstanding under Current Liabilities by ₹100.12 crore with corresponding understatement of Miscellaneous Claims Incurred (Net) by the same amount. Loss was also understated by ₹100.12 crore.

A.4 Miscellaneous Revenue Account for the year ended 31st March 2023

Premium Earned (Net): ₹11577.98 crore

Loss after Tax: ₹3882.42 crore

Refund premium of ₹134.82 crore was not booked by the Company while servicing the Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana and Mukhyamantri Swasthya Bima Yojana (AB-PMJAY & MSBY) during 2022-23.

Thus, non-provision of refund premium of ₹134.82 crore has resulted in overstatement of Premium Earned (Net) - Miscellaneous as well as understatement of loss by the same amount.

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



(Atul Prakash)
Principal Director

Place: Kolkata
Dated: 03 August, 2023

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL INSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023

COMMENTS OF THE C&AG	MANAGEMENT'S REPLY
<p>A.1 Balance Sheet Provisions (Schedule-14) Premium Deficiency Reserve: ₹161.91 crore Loss after Tax: ₹3882.42 crore</p> <p>The Company has recognized Premium Deficiency Reserve (PDR) of ₹161.91 crore under Miscellaneous Revenue Segment.</p> <p>As per IRDAI circular (July 2013), Premium Deficiency shall be recognized at Segmental Revenue Account level. In computing the overall Premium Deficiency in the Miscellaneous Revenue account level, the Premium Deficiency arising out of Motor Third Party portfolio including erstwhile Motor Pool, Declined Risks Pool and other Pools which may operate need not be recognized. Contrary to IRDAI circular, the Company has set off the negative figures of PDR of ₹190 crore in Motor Third Party sub-segment with the positive figure of PDR pertaining to the other sub-segments under Miscellaneous Revenue Segment.</p> <p>This has resulted in understatement of Premium Deficiency Reserve with corresponding understatement of Loss by ₹190 crore.</p>	<p>In terms of IRDAI Circular No. IRDA/F&A/CIR/FA/126/07/2013 dated 3rd July, 2013 as a Corrigendum to Master Circular IRDA/F&I/CIR/F&A/231/10/2012 dated 5th October, 2012, w.e.f. 1st April, 2015, premium deficiency shall be recognized at Segmental Revenue Account level. Further, it is stated in the circular that "In computing the overall Premium Deficiency in the Miscellaneous Revenue account level, the Premium Deficiency arising out of Motor Third Party portfolio including erstwhile Motor Pool, Declined Risks Pool and other Pools which may operate need not be recognized".</p> <p>The above clearly indicates that deficiency arising out of Motor Third Party portfolio need not be recognized. However, upon perusal of the Circular it was felt that there is no prohibition for recognition of the surplus, if any, in the Motor TP portfolio for calculating Premium deficiency at Segmental Revenue Account level. Accordingly, the Company has set off the surplus arising in Motor TP portfolio at Segmental Revenue Account level for arriving at Net Premium Deficiency Reserves.</p> <p>However, on a prudent basis, the Company has not considered the surplus in Motor TP portfolio for calculation of Premium Deficiency Reserves in the Q1 accounts of FY 2023-24.</p>
<p>A.2 Balance Sheet Provisions (Schedule-14) Unearned Premium Reserve: ₹6202.23 crore Loss after Tax: ₹3882.42 crore</p> <p>The above includes an amount of ₹312.85 crore being the Unearned Premium Reserve (UPR) created for the premium received in 2022-23, against the policies issued prior to 2022-23 to Jharkhand State Aarogya Society for servicing Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana and Mukhyamantri Swasthya Bima Yojana (AB-PMJAY & MSBY) and risks for which have already been expired.</p> <p>This has resulted in overstatement of Provisions, Reserves for Unexpired Risk and Loss for the year by an amount of ₹312.85 crore.</p>	<p>Please refer clause 10.2 of the Contract Agreement dealing with "Refund of Premium & Payment of additional Premium at the end of contract period" which runs as follows:- "The SHA shall issue a letter to the Insurer stating the Insurer's average Claim Ratio for the entire term of Policy Cover Period for the State. If the contract is terminated earlier by the SHA, the date of termination of Policy shall be considered as Term of Policy Cover Period and stated for Insurer's average Claims ratio. In the letter the SHA shall indicate the amount of premium that the Insurer shall be obliged to return."</p> <p>The refund provisioning was not done in FY 2022-23 since the policy was extended for 2 months (11/02/2023 - 10/04/2023) at the request of the State Government.</p>

	<p>The State Govt. had paid the due premium for 2 months. Also, no claim for premium refund had been made by SHA during the continuation of contract period.</p> <p>As the refund was not booked in FY 2022-23, the Company, on a prudent basis, created a UPR @ 50% amounting to Rs. 301 crore.</p>
<p>A.3 Miscellaneous Revenue Account for the year ended 31st March 2023 Claims Incurred (Net): ₹12264.91 crore Loss after Tax: ₹3882.42 crore</p> <p>Interest provisioning of 100.12 crore on Motor Third Party claims was understated due to an inadvertent error in the calculation in IT system for the tie-up business.</p> <p>This has resulted in understatement of Claims Outstanding under Current Liabilities by ₹100.12 crore with corresponding understatement of Miscellaneous Claims Incurred (Net) by the same amount. Loss was also understated by ₹100.12 crore.</p>	<p>The Company regrets the error which happened due to an inadvertent error in the logic for calculation of interest on Motor Third Party Claims for a section of OEM tie ups business. However, necessary corrective action has been taken to rectify the logic for calculation of interest and correct provisions have been reflected in the 1st quarter accounts of FY 2023-24.</p>
<p>A.4 Miscellaneous Revenue Account for the year ended 31st March 2023 Premium Earned (Net): ₹11577.98 crore Loss after Tax: ₹3882.42 crore</p> <p>Refund premium of 134.82 crore was not booked by the Company while servicing the Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana and Mukhyamantri Swasthya Bima Yojana (AB-PMJAY & MSBY) during 2022-23.</p> <p>Thus, non-provision of refund premium of ₹134.82 crore has resulted in overstatement of Premium Earned (Net) - Miscellaneous as well as understatement of loss by the same amount.</p>	<p>Please refer to clause 10.2 of the Contract Agreement dealing with "Refund of Premium & Payment of additional Premium at the end of contract period" which runs as follows:</p> <p>" The SHA shall issue a letter to the Insurer stating the Insurer's average Claim Ratio for the entire term of Policy Cover Period for the State. If the contract is terminated earlier by the SHA , the date of termination of Policy shall be considered as Term of Policy Cover Period and stated for Insurer's average Claims ratio. In the letter the SHA shall indicate the amount of premium that the Insurer shall be obliged to return. "</p> <p>The refund provisioning was not done in FY 2022-23 since the policy was extended for 2 months (11/2/2023 - 10/4/2023) as per the request of the Government .</p> <p>The State Govt. had paid the due premium for 2 months. The actual Incurred Claims ratio calculation was awaited. Also, no claim for premium refund had been made by SHA during the continuation of contract period and hence, refund was not booked.</p> <p>Currently, the policy issued with effect from 11-02-2023 is being continued, hence refund provision for the expiring policy that ended on 10-02-2023</p>

	<p>has been done in Q1 of FY 2023-24 for accounting purposes.</p> <p>It is also to be noted that the aforesaid policy is reinsured to the extent of 59% (55% Facultative and 4% Obligatory). Hence, the net combined effect of Comments A.2 and A.4 is as below:</p>		
	(₹. In crore)		
	Ayushman Bharat - Premium for 1st year policy	Ayushman Bharat - Premium refund for 1st year policy	Total
Gross	602.70	-134.82	467.88
Cession	355.59	-79.54	276.05
Net	247.11	-55.28	191.83
	UPR created on above	UPR which should have been released on above	Effect on Net UPR for comments A.2 and A.4
Gross	301.35	-67.41	233.94
Cession	177.80	-39.77	138.02
Net	123.55	-27.64	95.92
	<p>The net effect on UPR and consequently Net Earned Premium is Rs. 95.92 crores which comes to approximately 0.75% of total net earned premium and the same has been effected in Q1 Accounts of FY 2023-24.</p>		

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

Sd/-
(Atul Prakash)
Principal Director

Kolkata
3rd August, 2023

For and on behalf of the Board of Directors

Sd/-
(Suchita Gupta)
Chairman-cum-Managing Director

Kolkata
10th August, 2023

FORM B-RA

IRDA Registration No. 58 renewed on 19th January, 2023
CIN: U10200WB1906GOI001713

Consolidated Fire Revenue Account for the year ended 31st March, 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
1. Premiums earned (Net)	1A	9,490,149	9,293,893
2. Profit/Loss on sale/redemption of Investments		531,982	553,102
3. Others:			
Exchange Gain		-	-
Contribution from Shareholders Funds towards excess EoM		650,743	-
4. Interest, Dividend & Rent - Gross		1,402,710	1,176,821
Total (A)		12,075,584	11,023,816
1. Claims Incurred (Net)	2A	5,074,093	8,216,025
2. Commission	3A	1,121,418	1,022,254
3. Operating Expenses related to Insurance Business	4	3,456,576	2,151,672
4. Others:			
Exchange loss	-	-	-
Provision for diminution in the value of Investments, amortisation of Premium on investments, and amount written off in respect of depreciated investments		31,248	36,183
Total (B)		9,683,335	11,426,134
Operating Profit/-Loss from Fire Business C = (A - B)		2,392,249	-402,318
Appropriations:			
Transfer to Shareholders' Account		2,392,249	-402,318
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		2,392,249	-402,318
Principles of Consolidation and Significant Accounting Policies	16		
Notes to Accounts	17		

The schedules referred to above form an integral part of the Financial Statements

This is the Consolidated Fire Insurance Revenue Account for the year ended 31st March, 2023 referred to in our report of even date.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

For and on behalf of the Board of Directors

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

Place: Kolkata
Date: 30th May, 2023

FORM B-RA

IRDA Registration No. 58 renewed on 19th January, 2023

CIN: U10200WB1906GOI001713

Consolidated Marine Revenue Account for the year ended 31st March, 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
1. Premiums earned (Net)	1B	1,791,729	1,405,619
2. Profit/Loss on sale/redemption of Investments		87,579	89,834
3. Others:		-	-
Exchange Gain		-	-
Contribution from Shareholders Funds towards excess EoM		3,257	-
4. Interest, Dividend & Rent - Gross		230,925	191,138
Total (A)		2,113,490	1,686,591
1. Claims Incurred (Net)	2B	419,649	1,319,200
2. Commission	3B	175,601	104,590
3. Operating Expenses related to Insurance Business	4	451,321	234,644
4. Others:		-	-
Exchange Loss		-	-
Provision for diminution in the value of Investments, amortisation of Premium on investments, and amount written off in respect of depreciated investments		5,144	5,877
Total (B)		1,051,715	1,664,311
Operating Profit/(Loss) from Marine Business C = (A - B)		1,061,775	22,280
Appropriations:			
Transfer to Shareholders' Account		1,061,775	22,280
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total ©		1,061,775	22,280
Principles of Consolidation and Significant Accounting Policies	16		
Notes to Accounts	17		

Operating Profit/(Loss) from Marine Business C = (A - B)

Appropriations:

Transfer to Shareholders' Account
Transfer to Catastrophe Reserve
Transfer to Other Reserves

Total ©

Principles of Consolidation and Significant Accounting Policies 16
Notes to Accounts 17

The schedules referred to above form an integral part of the Financial Statements

This is the Consolidated Marine Insurance Revenue Account for the year ended 31st March, 2023 referred to in our report of even date.

For and on behalf of the Board of Directors

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

Place: Kolkata
Date: 30th May, 2023

FORM B-RA

IRDA Registration No. 58 renewed on 19th January, 2023

CIN: U10200WB1906GOI001713

Consolidated Miscellaneous Revenue Account for the year Ended 31st March, 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
1. Premiums earned (Net)	1C	115,779,753	112,527,167
2. Profit/Loss on sale/redemption of Investments		6,409,064	7,594,176
3. Others:		-	-
Contribution from Shareholders Funds towards excess EoM		15,188,401	87,419
4. Interest, Dividend & Rent - Gross		16,899,168	16,157,921
Total (A)		154,276,386	136,366,683
1. Claims Incurred (Net)	2C	122,649,077	118,878,066
2. Commission	3C	6,730,340	7,191,106
3. Operating Expenses related to Insurance Business	4	47,311,427	25,665,299
4. Others:		-	-
Exchange Loss		-	-
Provision for diminution in the value of Investments, amortisation of Premium on investments, and amount written off in respect of depreciated investments		376,466	496,804
Total (B)		177,067,310	152,231,275
Operating Profit/(Loss) from Miscellaneous Business C = (A - B)		-22,790,924	-15,864,592
Appropriations:			
Transfer to Shareholders' Account	-	-22,790,924	-15,864,592
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)	-	-22,790,924	-15,864,592
Principles of Consolidation and Significant Accounting Policies	16		
Notes to Accounts	17		

The schedules referred to above form an integral part of the Financial Statements

This is the Consolidated Miscellaneous Insurance Revenue Account for the year ended 31st March, 2023 referred to in our report of even date.

For Guha Nandi & Co.

Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)

Partner
M. No - 051221

For Ray & Ray

Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)

Partner
M. No - 056060

For and on behalf of the Board of Directors

Suchita Gupta

Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan

Director
Din: 09773278

Place: Kolkata

Date: 30th May, 2023

V R Kumar

Chief Financial Officer

Rina Madia

Company Secretary

FORM B-PL

IRDA Registration No. 58 renewed on 19th January, 2023

CIN: U10200WB1906GOI001713

Consolidated Profit and Loss Account for the year ended 31st March, 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
1. OPERATING PROFIT/LOSS	-	-19,336,900	-16,244,630
(a) Fire Insurance		2,392,249	-402,318
(b) Marine Insurance		1,061,775	22,280
(c) Miscellaneous Insurance	-	-22,790,924	-15,864,592
2. INCOME FROM INVESTMENTS		2,684,092	608,914
(a) Interest, Dividend & Rent - Gross		1,946,047	414,228
(b) Profit on sale of investments		738,045	194,686
Less: Loss on sale of Investments		-	-
3. OTHER INCOME		41,085	231,496
(a) Profit on sale of other asset		9,067	6,189
(b) Miscellaneous Income		13,161	216,401
(c) Exchange Gain		18,857	8,906
(d) Others		-	-
Total (A)	-	-16,611,723	-15,404,220
4. PROVISIONS (Other than taxation)		3,939,626	475,052
(a) For diminution in the value of Investments		-27,118	-1,266
(b) For doubtful debts		3,966,744	476,318
(c) Others		-	-
5. OTHER EXPENSES		18,163,579	908,568
(a) Expenses other than those related to Insurance Business		114,115	1,736
(b) Bad debts written off		1,388,853	-
(c) Others:		-	-
Amortisation of Premium on Investments		53,669	12,876
Amount written off in respect of depreciated Investments		16,801	1,126
Exchange Loss		-	-
Assets written off		87	58
Loss on Sale on Asset		-	604
Interest on Debentures		747,325	747,325
Debenture Related Expenses		327	-
Contribution to Policyholders funds towards excess EoM		15,842,402	87,419
Corporate Social Responsibility Expenses		-	57,424
Other Misc Expenses		-	-
Total (B)		22,103,205	1,383,620

FORM B-PL
IRDA Registration No. 58 renewed on 19th January, 2023
CIN: U10200WB1906GOI001713

Consolidated Profit and Loss Account for the year ended 31st March, 2023

Particulars	Schedule	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
Profit / Loss before tax	-	-38,714,928	-16,787,840
Provision for Taxation		-	-
Adjustment of taxation for Earlier Years	-	-4,170	-424
Profit / Loss after Tax	-	-38,710,758	-16,788,264
Add: Share of Profit/Loss of Associates		-113,411	-204,694
Profit / Loss after Tax and share of Profit / Loss of Associates	-	-38,824,169	-16,583,570
Appropriations:	-	70,026	61,669
(a) Interim dividends paid during the year		-	-
(b) Proposed Final Dividend		-	-
(c) Dividend Distribution tax		-	-
(d) Transfer to General Reserve		-	-
(e) Transfer to Unclaimed Policyholders Funds		70,026	61,669
Balance of profit / loss brought forward from last year		-62,696,546	-46,051,307
Balance carried forward to Balance Sheet		-101,590,741	-62,696,546
Principles of Consolidation and Significant Accounting Policies	16		
Notes to Accounts	17		
The schedules referred to above form an integral part of the Financial Statements			
Basic earnings per share of ₹ 10 face value		-4.13	-2.91
Diluted earnings per share of ₹ 10 face value		-4.13	-2.91

This is the Consolidated Profit and Loss Account for the year ended 31st March, 2023 referred to in our report of even date.

For and on behalf of the Board of Directors

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

Place: Kolkata
Date: 30th May, 2023

Consolidated Balance Sheet as at 31st March, 2023

Particulars	Schedule	As at 31.03.2023 Audited (₹ '000)	As at 31.03.2022 Audited (₹ '000)
SOURCES OF FUNDS			
SHARE CAPITAL	5	93,750,000	93,750,000
RESERVES AND SURPLUS	6	144,730	153,003
FAIR VALUE CHANGE ACCOUNT - SHAREHOLDERS FUNDS		-	2,558,505
FAIR VALUE CHANGE ACCOUNT - POLICYHOLDERS FUNDS		31,285,180	24,365,393
BORROWINGS	7	8,950,000	8,950,000
TOTAL		134,129,910	129,776,901
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS FUNDS	8	-	31,767,324
INVESTMENTS - POLICYHOLDERS FUNDS	8A	316,391,769	302,529,523
LOANS	9	304,380	326,133
FIXED ASSETS	10	5,841,693	5,495,528
CURRENT ASSETS			
Cash and Bank Balances	11	7,259,918	6,881,422
Advances and Other Assets	12	59,380,996	58,318,739
Sub-Total (A)		66,640,914	65,200,161
CURRENT LIABILITIES	13	275,626,093	274,100,950
PROVISIONS	14	82,591,110	67,242,595
Sub-Total (B)		358,217,203	341,393,545
NET CURRENT LIABILITIES (C) = (A-B)	-	-291,576,289	-276,193,385
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	1,577,616	3,155,232
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		101,590,741	62,696,546
TOTAL		134,129,910	129,776,901
Principles of Consolidation and Significant Accounting Policies	16		
Notes to Accounts	17		

The schedules referred to above form an integral part of the Financial Statements

FORM B-BS
IRDA Registration No. 58 renewed on 19th January, 2023
CIN: U10200WB1906GOI001713

CONTINGENT LIABILITIES

Particulars	As at	As at
	31.03.2023 (₹ '000)	31.03.2022 (₹ '000)
1. Partly paid-up Investments	4,181	4,181
2. Claims, other than against policies, not acknowledged as debts by the Company	1,270,174	700,412
3. Underwriting commitments outstanding (in respect of shares and securities)	-	-
4. Guarantees given by or on behalf of the Company	85,700	85,700
5. Statutory demands/liabilities in dispute, not provided for	14,525,889	14,404,485
6. Reinsurance obligations to the extent not provided for in Accounts	-	-
7. Others - Policyholders unclaimed amount transferred to Senior Citizen Welfare Fund	264,609	157,221
TOTAL	16,150,553	15,351,999

This is the Consolidated Balance Sheet as at 31st March, 2023 referred to in our report of even date.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

For and on behalf of the Board of Directors

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

Place: Kolkata
Date: 30th May, 2023

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

IRDA Registration No. 58 renewed on 19th January, 2023
CIN: U10200WB1906GOI001713

Consolidated Receipts and Payments Account for the year ended 31st March, 2023

Particulars	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
A. Cash flows from Operating Activities:		
1 Premium received from policyholders, (including advance receipts)	150,353,950	130,245,271
2 Other receipts	749,928	6,512,608
3 Receipts/Payments from/to the re-insurers, net of commissions and claims	-14,850,100	-8,071,267
4 Receipts/Payments from/to co-insurers, net of claims recovery	-1,965,945	21,468,091
5 Payments of claims	-120,742,912	-133,270,171
6 Payments of commission and brokerage	-7,865,978	-9,473,286
7 Payments of other operating expenses	-46,765,824	-27,900,605
8 Preliminary and pre-operative expenses	-	-
9 Deposits, advances and staff loans (including House building Loan)	-707,730	-150,969
10 Income taxes paid (Net) (Including Wealth Tax)	-5,712,131	-4,465,253
11 Service tax/GST paid	-1,787,881	-1,904,401
12 Other payments	-662,260	-1,952,837
13 Cash flows before extraordinary items	-49,956,883	-28,962,819
14 Cash flow from extraordinary operations	-	-
15 Net cash flow from operating activities (A)	-49,956,883	-28,962,819
B. Cash flows from Investing Activities:		
1 Purchase of fixed assets	-3,625	4,042
2 Proceeds from sale of fixed assets	318	3,998
3 Purchases of investments (Other than money market instruments & liquid mutual funds)	-199,514,283	-175,002,877
4 Loans disbursed	-	-
5 Sales of investments	355,322,516	296,638,432
6 Repayments received	23,477	13,465
7 Rents/Interests/Dividends received	21,826,216	17,890,812
8 Investments in money market instruments and in liquid mutual funds	-126,581,900	-146,280,800
9 Expenses related to investments	-326	-275
10 Net cash flow from investing activities (B)	51,072,393	-6,733,203

IRDA Registration No. 58 renewed on 19th January, 2023

CIN: U10200WB1906GOI001713

Consolidated Receipts and Payments Account for the year ended 31st March, 2023

Particulars	2022-23 Audited (₹ '000)	2021-22 Audited (₹ '000)
C. Cash flows from Financing Activities:		
1 Proceeds from issuance of share capital	-	37,000,000
2 Proceeds from borrowing	-	-
3 Repayments of borrowing	-	-
4 Interest / dividends (including dividend distribution tax) paid	-747,325	-747,325
5 Net cash flow from financing activities (C)	-747,325	36,252,675
D. Effect of Foreign Exchange rates on Cash & Cash Equivalents, net(due to translation of assets and liabilities)	10,311	-4,480
E. Net increase in Cash & Cash Equivalents: (A+B+C+D)	378,496	552,173
1 Cash and cash equivalents at the beginning of the year	6,881,422	6,329,249
a. Cash (including cheques, drafts and stamps)	78,474	82,649
b. Bank balances (including short term deposits)	6,802,948	6,246,577
c. Remittances in transit	-	23
2 Cash and cash equivalents at the end of the year	7,259,918	6,881,422
a. Cash (including cheques, drafts and stamps)	162,667	78,474
b. Bank balances (including short term deposits)	7,097,251	6,802,948
c. Remittances in transit	-	-

This is the Consolidated Receipts and Payments A/c for the year ended 31st March, 2023 referred to in our report of even date.

For and on behalf of the Board of Directors

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

(Dr. B. S. Kundu)
Partner
M. No - 051221

For Ray & Ray
Chartered Accountants
FRN: 301072E

(CA. Amitava Chowdhury)
Partner
M. No - 056060

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

Peter Chittaranjan
Director
Din: 09773278

Place: Kolkata
Date: 30th May, 2023

V R Kumar **Rina Madia**
Chief Financial Officer Company Secretary

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE – 1A FIRE

PREMIUM EARNED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Premium from direct business written	12,023,631	11,237,243
Add: Premium on reinsurance accepted	2,635,306	1,650,183
Less : Premium on reinsurance ceded	5,673,256	3,598,482
Net Premium	8,985,681	9,288,944
Adjustment for change in reserve for unexpired risks	504,468	4,949
Total Premium Earned (Net)	9,490,149	9,293,893

SCHEDULE – 2A FIRE

CLAIMS INCURRED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Claims paid		
Direct	5,652,594	4,782,760
Add :Re-insurance accepted	1,095,324	853,602
Less :Re-insurance ceded	910,082	-205,653
Net Claims paid	5,837,836	5,841,485
Add: Claims Outstanding at the end of the year	14,707,996	15,471,739
Less: Claims Outstanding at the beginning of the year	15,471,739	13,097,129
Total Claims Incurred	5,074,093	8,216,025

SCHEDULE – 3A FIRE

COMMISSION

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Commission paid		
Direct - Total (A) *	1,082,618	1,001,192
Add: Commission on Re-insurance accepted	290,697	265,532
Less: Commission on Re-insurance ceded	251,897	244,470
Net Commission	1,121,418	1,022,254

Break-up of the expenses (Gross) incurred to procure business:

	2022-23	2021-22
	(₹ '000)	(₹ '000)
Agents	705,413	689,057
Brokers	367,027	303,500
Corporate Agency	10,178	8,635
Others:	-	-
Referral	-	-
Misc. Others	-	-
TOTAL (B)	1,082,618	1,001,192

* Includes incentive/reward paid to intermediaries

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE – 1B MARINE

PREMIUM EARNED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Premium from direct business written	2,839,270	2,322,304
Add: Premium on reinsurance accepted	156,934	122,987
Less: Premium on reinsurance ceded	1,418,072	1,096,163
Net Premium	1,578,132	1,349,128
Adjustment for change in reserve for unexpired risks	213,597	56,491
Total Premium Earned (Net)	1,791,729	1,405,619

SCHEDULE – 2B MARINE

CLAIMS INCURRED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Claims paid		
Direct	1,231,626	1,297,692
Add: Re-insurance accepted	72,505	83,703
Less: Re-insurance ceded	592,194	547,073
Net Claims paid	711,937	834,322
Add: Claims Outstanding at the end of the year	2,228,326	2,520,614
Less: Claims Outstanding at the beginning of the year	2,520,614	2,035,736
Total Claims Incurred	419,649	1,319,200

SCHEDULE- 3B MARINE

COMMISSION

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Commission paid		
Direct - Total (A)*	247,929	211,490
Add: Commission on Re-insurance accepted	26,514	23,077
Less: Commission on Re-insurance ceded	98,842	129,977
Net Commission	175,601	104,590

Break-up of the expenses (Gross) incurred to procure business:

	2022-23	2021-22
	(₹ '000)	(₹ '000)
Agents	195,319	161,763
Brokers	52,176	49,602
Corporate Agency	434	125
Others:		
Referral	-	-
Misc. Others	-	-
TOTAL (B)	247,929	211,490

* Includes incentive/reward paid to intermediaries

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE – 1C MISCELLANEOUS

PREMIUM EARNED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Premium from direct business written	137,195,610	117,208,768
Add: Premium on reinsurance accepted	4,158,817	4,470,410
Less : Premium on reinsurance ceded	19,107,392	10,892,814
Net Premium	122,247,035	110,786,364
Adjustment for change in reserve for unexpired risks*	-6,467,282	1,740,803
Total Premium Earned (Net)	115,779,753	112,527,167

* includes Reserve for Premium deficiency amounting to ₹ 8,67,066 thousand (₹ 7,52,022 thousand)

SCHEDULE – 2C MISCELLANEOUS

CLAIMS INCURRED [NET]

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Claims paid		
Direct	125,158,033	127,100,062
Add : Re-insurance accepted	4,373,921	2,256,811
Less : Re-insurance ceded	12,778,838	11,605,075
Net Claims paid	116,753,116	117,751,798
Add Claims Outstanding at the end of the year	190,309,307	184,413,346
Less Claims Outstanding at the beginning of the year	184,413,346	183,287,078
Total Claims Incurred	122,649,077	118,878,066

SCHEDULE- 3C MISCELLANEOUS

COMMISSION

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
Commission paid		
Direct - Total (A)*	9,598,826	8,262,995
Add: Commission on Re-insurance accepted	340,926	319,757
Less: Commission on Re-insurance ceded	3,209,412	1,391,646
Net Commission	6,730,340	7,191,106

Break-up of the expenses (Gross) incurred to procure business:

	2022-23 (₹ '000)	2021-22 (₹ '000)
Agents	6,458,737	5,839,926
Brokers	3,074,446	2,362,397
Corporate Agency	11,564	12,545
Others:	-	-
Referral	-	-
Misc. Others (Including MISP Distribution fees)	54,079	48,127
TOTAL (B)	9,598,826	8,262,995

* Includes incentive/reward paid to intermediaries

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)
1. Employees' remuneration & welfare benefits	44,460,150	20,775,167
2. Travel, conveyance and vehicle running expenses	281,533	227,430
3. Training expenses	22,074	13,993
4. Rents, rates & taxes	1,190,727	975,268
5. Repairs	77,376	57,610
6. Printing & stationery	282,646	312,815
7. Communication	286,280	260,888
8. Legal & professional charges	173,047	165,607
9. Auditors' fees, expenses etc	-	-
(a) as auditor	47,047	44,579
(b) as adviser or in any other capacity, in respect of	-	-
(i) Taxation matters	-	-
(ii) Insurance matters	-	-
(iii) Management services; and	-	-
(c) in any other capacity	-	-
10. Advertisement and publicity	-109,786	161,356
11. Interest & Bank Charges	39,482	361,911
12. Others:	-	-
IT expenses	2,124,527	2,024,942
Policy Stamps	13,546	15,171
Misc expenses	1,007,893	1,186,255
13. Depreciation	766,582	655,544
14. Service Tax Account/ GST Expenses	556,200	813,079
TOTAL	51,219,324	28,051,615
Allocated to:		
Fire Revenue Account	3,456,576	2,151,672
Marine Revenue Account	451,321	234,644
Miscellaneous Revenue Account	47,311,427	25,665,299
TOTAL	51,219,324	28,051,615

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 5

SHARE CAPITAL

Particulars	As at	As at
	31.03.2023	31.03.2022
	(₹ '000)	(₹ '000)
1. Authorised Capital 1500,00,00,000 Equity shares of ₹ 10/- each (Prev. Yr. 1500,00,00,000 Equity Shares of ₹ 10/- each)	150,000,000	150,000,000
2. Issued Capital * 937,50,00,000 Equity shares of ₹ 10/- each (Prev. Yr. 937,50,00,000 Equity Shares of ₹ 10/- each)	93,750,000	93,750,000
3. Subscribed Capital * 937,50,00,000 Equity shares of ₹ 10/- each (Prev. Yr. 937,50,00,000 Equity Shares of ₹ 10/- each)	93,750,000	93,750,000
4. Called-up Capital * 937,50,00,000 Equity shares of ₹ 10/- each (Prev. Yr. 937,50,00,000 Equity Shares of ₹ 10/- each)	93,750,000	93,750,000
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid up)	-	-
Less: Par value of Equity shares bought back	-	-
Less: Preliminary expenses Expenses including commission or brokerage on underwriting or subscription of shares.	-	-
TOTAL	93,750,000	93,750,000

*(includes 9,70,96,955 Equity shares of ₹ 10/- each as fully paid-up Bonus shares by capitalisation of General Reserve and Share premium)

SCHEDULE – 5A

SHARE CAPITAL

**PATTERN OF SHAREHOLDING
(as Certified by the Management)**

Shareholder	As At 31.03.2023		As At 31.03.2022	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
• India	9,375,000,000	100%	9,375,000,000	100%
• Foreign	-	-	-	-
Others	-	-	-	-
Total	9,375,000,000	100%	9,375,000,000	100%

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 6

RESERVES AND SURPLUS

Particulars	As at 31.03.2023 (₹'000)	As at 31.03.2022 (₹ '000)
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium	-	-
4. General Reserves	-	-
Less: Transfer to Profit and Loss Account	-	-
Less: Amount utilized for Buy-Back	-	-
5. Catastrophe Reserve	-	-
6. Other Reserves:		
a) Foreign Exchange Translation Reserve	1,30,303	138,576
b) Investment Reserve	9,610	9,610
c) Exchange Reserve	4,817	4,817
7. Balance of profit in Profit & Loss Account	-	-
TOTAL	144,730	153,003

Disclosure under AS-11, para 40(b)

FOREIGN EXCHANGE

TRANSLATION RESERVE

Particulars	As at 31.03.2023 (₹'000)	As at 31.03.2022 (₹ '000)
Opening Reserve	138,576	142,029
Add: Effect of translation during the year	-8,273	-3,453
Closing Reserve	130,303	138,576

SCHEDULE - 7

BORROWINGS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Debentures/ Bonds	8,950,000	8,950,000
2. Banks	-	-
3. Financial Institutions	-	-
4. Others	-	-
TOTAL	8,950,000	8,950,000

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 8

INVESTMENTS - SHAREHOLDERS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills [See note (1) below]	-	10,295,352
2. Other Approved Securities	-	26,448
3. Other Investments		
(a) Shares		
(aa) Equity	-	10,023,966
(bb) Preference	-	244
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds [See note (3a) below]	-	2,291,374
(e) Other Securities:		
Auto ancillary and Venture Capital	-	3,415
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	198
4. Investments in Infrastructure and Social Sector	-	2,021,863
5. Investment in Associates	-	-
a) Health Insurance TPA of India Limited	-	20,133
b) India International Insurance Pte Ltd. Singapore	-	38,531
TOTAL	-	24,721,523
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills	-	1,741,907
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	1,981,227
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	-	828,365
(e) Other securities (See note below)	-	2,200,195
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4. Investments in Infrastructure and Social Sector	-	294,107
TOTAL	-	7,045,801
GRAND TOTAL	-	31,767,324

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 8A

INVESTMENTS - POLICYHOLDERS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills[See note (1) below]	115,282,980	98,045,649
2. Other Approved Securities	278,325	251,877
3. Other Investments		
(a) Shares		
(aa) Equity	111,351,178	95,461,161
(bb) Preference	2,565	2,321
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds [See note (3a) below]	29,402,972	21,821,425
(e) Other Securities:		
Auto ancillary and Venture Capital	35,322	32,522
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	1,968	1,882
4. Investments in Infrastructure and Social Sector	22,243,809	19,254,790
5. Investment in Associates		
a) Health Insurance TPA of India Limited	196,610	191,730
b) India International Insurance Pte Ltd. Singapore	250,534	366,941
TOTAL	279,046,263	235,430,298
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds	11,154,697	16,588,693
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	1,011,335	18,867,801
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	6,339,206	7,888,760
(e) Other securities (See note below)	17,192,600	20,953,105
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4. Investments in Infrastructure and Social Sector	1,647,668	2,800,866
TOTAL	37,345,506	67,099,225
GRAND TOTAL	316,391,769	302,529,523

Notes:

- i) Includes ₹3,61,292 thousand (PY ₹3,61,292 thousand) kept as margin money for NSE/BSE equity transactions as per SEBI Circular No. MRD/DoP/SE/Cir-07/2005 dated 23rd February, 2005

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Notes to Schedule 8 and 8A

	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Aggregate amount of Company's Investments other than listed Equity Securities and derivative instruments and also the Market Value thereof:		
Book value	205,539,880	228,278,781
Market Value	202,210,711	230,578,783
2. Provisions:		
a) Provision against non-performing debentures (grouped under Provision for Non-performing Investments in Schedule 14)	2,499,498	2,797,939
b) Provision against thinly traded Equity Shares and short holding of Equity Shares (grouped under Provision for Non-performing Investments in Schedule 14)	2,467	2,443
c) Provision against Venture Capital (grouped under Provision for Non-performing Investments in Schedule 14)	27,935	23,772
d) Provision against Standard Investments (grouped under Provision for Standard Assets in Schedule 14)	228,577	217,654

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 9

LOANS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. SECURITY-WISE CLASSIFICATION		
Secured	219,973	225,315
(a) On mortgage of property		
(aa) In India	219,973	225,315
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	84,407	100,818
TOTAL	304,380	326,133
2. BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	20,177	36,588
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	283,564	288,906
(e) Others	639	639
TOTAL	304,380	326,133
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard*		
(aa) In India	18,307	38,102
(bb) Outside India	-	-
(b) Non-performing loans*		
(aa) In India	286,073	288,031
(bb) Outside India	-	-
TOTAL	304,380	326,133
MATURITY-WISE CLASSIFICATION		
(a) Short Term	6,275	5,372
(b) Long Term	298,105	320,761
TOTAL	304,380	326,133

***Notes**

	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
Provision against non-performing loans (Grouped under Others in Schedule 14)	286,073	288,031
Provision against Standard loans (Grouped under Provision for Standard Assets in Schedule 14)	73	152

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE – 10
FIXED ASSETS

Particulars	Cost/ Gross Block				Depreciation				Net Block	
	Opening as at 01.04.2022	Additions during the year	Deductions for the year	Closing as at 31.03.2023	Upto 31.03.2022	For the year	On Sales/ Adjustments	As at 31.03.2023	As at 31.03.2022	
	₹ In thousands									
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles (software)	932,055	-	-	932,055	568,375	239,891	-	123,789	363,660	
Land - Freehold	6,452	-	-	6,452	-	-	-	6,452	6,452	
Leasehold Property*	317,573	-	-	317,573	31,457	3,170	-	282,946	286,116	
Buildings**	1,247,938	3,573,877	-	4,821,815	522,759	155,199	-	4,143,857	725,179	
Furniture & Fittings	614,068	63,667	64,382	613,353	507,444	29,134	-10,357	87,132	106,624	
Computer and other end use devices	2,844,486	438,326	447,461	2,835,351	2,721,766	34,195	-129,355	208,745	122,720	
Servers & Network	3,530,445	151,300	77,719	3,604,026	3,173,483	131,242	-11,956	311,257	356,962	
Motor Cars	1,006,749	482,591	515,059	974,281	649,750	140,913	-206,134	389,752	356,999	
Office Equipment	224,845	23,329	25,966	222,208	210,089	5,231	-5,870	12,758	14,756	
Electrical Equipments	477,925	60,401	55,662	482,664	391,829	27,337	-10,167	73,665	86,096	
Plant & Machinery	14,239	-	-	14,239	12,590	270	-	1,379	1,649	
TOTAL	11,216,775	4,793,491	1,186,249	14,824,017	8,789,542	766,582	-373,839	5,641,732	2,427,233	
Capital Work in progress	3,068,295	199,961	3,068,295	199,961	-	-	-	199,961	3,068,295	
Grand Total	14,285,070	4,993,452	4,254,544	15,023,978	8,789,542	766,582	-373,839	5,841,693	5,495,528	
PREVIOUS YEAR	13,468,992	1,820,194	1,004,116	14,285,070	8,377,815	655,544	-243,817	5,495,528		

* The Company has clear title/lease deeds for freehold and leasehold land except for one joint leasehold land (4316 sq. meter) at Ellis Bridge, Ahmedabad which was purchased in the name of General Insurance Corporation of India on 26.7.1989 on behalf of four PSU insurance companies.

** Buildings RCC includes value of land for erstwhile units which cannot be segregated.

*** Includes lifts, Water Treatment plant, etc.

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**SCHEDULE - 11****CASH AND BANK BALANCES**

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Cash (including cheques, drafts and stamps)	162,667	78,474
2. Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	1,572,803	1,562,568
(bb) Others	-	-
(b) Current Accounts	5,524,448	5,240,380
(c) Others	-	-
3. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4. Others:		
Remittances in transit	-	-
TOTAL	7,259,918	6,881,422
Balances with Non-Scheduled banks included in 2 and 3 above	53,964	89,952

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
ADVANCES		
1. Reserve deposits with ceding companies	78,714	-
2. Application money for investments	-	-
3. Prepayments	-	-
4. Advances to Directors / Officers	2,259	1,262
5. Advance tax paid and taxes deducted at source (Net of provision for taxation)	4,794,999	4,576,864
6. Others:		
Advance, deposits and prepaid expenses	6,343,063	4,565,377
TOTAL (A)	11,219,035	9,143,503
OTHER ASSETS		
1. Income accrued on investments	4,820,871	4,476,615
2. Outstanding Premiums	1,124,435	1,151,464
3. Agents' Balances	301,450	323,272
4. Foreign agencies balances	-	-
5. Due from other entities carrying on insurance business (including reinsurers)	18,324,320	21,054,681
6. Due from Subsidiaries / Holding	-	-
7. Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8. Others:		
Sundry Debtors	4,127,208	5,002,277
Service tax unutilised credit/ GST Input Credit	1,382,044	2,114,924
Fixed Deposit - Unclaimed Amount of Policyholders	2,077,943	1,246,341
Income on Unclaimed Policyholders' Funds	351,120	281,094
Balance with Terrorism pool	14,430,073	12,441,006
Misc others	1,222,497	1,083,562
TOTAL (B)	48,161,961	49,175,236
TOTAL (A+B)	59,380,996	58,318,739

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 13

CURRENT LIABILITIES

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Agents' Balances	963,657	806,528
2. Balances due to other insurance companies	15,543,312	15,575,403
3. Deposits held on re-insurance ceded	8,328,371	11,854,792
4. Premiums received in advance	9,603,739	10,316,418
5. Unallocated Premium	10,820,702	10,444,583
6. Sundry creditors	17,698,315	13,476,905
7. Due to Subsidiaries / holding Company	-	-
8. Claims Outstanding (including IBNR/IBNER)	207,245,629	202,405,699
9. Due to Officers / Directors	-	-
10. Others:		
Service tax liability/ GST Liability	2,993,013	2,394,431
Due to former shareholders	292	292
Unclaimed Amount of Policyholders	2,077,943	1,246,341
Investment Income on Unclaimed Policyholders' Fund	351,120	281,094
TOTAL	275,626,093	268,802,486

SCHEDULE - 14

PROVISIONS

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Unearned Premium Reserve	62,022,323	57,140,173
2. Premium Deficiency Reserve	1,619,088	752,022
2. For taxation (less Advance tax paid and Taxes deducted at source)	-	-
3. For proposed dividends	-	-
4. For dividend distribution tax	-	-
5. Others:		
For Encashment of Earned Leave	5,536,838	5,027,938
For Leave Travel Subsidy	195,682	157,450
For Sick Leave	124,682	113,076
For doubtful debts	10,047,874	6,070,409
For Non-performing Investments	2,529,900	2,824,154
For Non-performing Loans	286,073	288,031
For Standard Assets - Investments	228,577	217,654
For Standard Assets - Loans	73	152
TOTAL	82,591,110	72,591,059

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	As at 31.03.2023 (₹ '000)	As at 31.03.2022 (₹ '000)
1. Discount Allowed in issue of shares / debentures	-	-
2. Others:		
Deferred Revenue expenditure - Pension	1,577,616	3,155,232
Deferred Revenue expenditure - Gratuity	-	-
TOTAL	1,577,616	3,155,232

Schedule 16

PRINCIPLE OF CONSOLIDATION & SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLE OF CONSOLIDATION

1. The Consolidated Financial Statements have been prepared considering the Financial Statements of National Insurance Company Limited (the Company) and two Associate Companies viz. (i) Health Insurance TPA of India Limited and (ii) India International Insurance Pte Limited. Associate Companies are consolidated by using the investments in associates under the equity method in accordance with Accounting Standard – 23 “Accounting for Investments in Associates in Consolidated Financial Statements.”
2. The consolidated financial statements include the share of profit/ loss of the associate companies which has been accounted as per the “Equity Method”, and accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/ deducted from the cost of investments. No other assets and liabilities of the Associate Company are considered in the Consolidated Financial Statements.
3. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
4. The figures of the last audited Financial Statements of India International Insurance Pte Limited, Singapore incorporated for consolidation purposes, is for the period from 1st January, 2022 to 31st December, 2022. The audited Financial Statements of India International Insurance Pte Limited, Singapore has been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards.

B. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles followed in India under the historical cost convention and accrual basis of accounting and in accordance with the statutory requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority IRDA (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations, 2002, and orders and directions issued by the IRDAI in this behalf, the Companies Act, 2013 to the extent applicable and in compliance with the Accounting Standards specified under section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing in the Insurance industry.

2. USE OF ESTIMATES

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. Any revision to the accounting estimates is recognized prospectively.

3. PREMIUM

Premium income is recognized net of re-insurance, based on assumption of risk in

related revenue account. In the case of policies where payments are received in installment, revenue is recognized on receipt of the installment.

Premium refunds under Government sponsored schemes are recognized at the end of the policy period in accordance with the refund clauses of respective agreements.

In case of long term motor insurance policies for new cars and two wheelers sold on or after 1st September, 2018, premium received for third party liability coverage is recognized equally over the policy period on 1/n basis where 'n' denotes the term of the policy in years. Premium received for own damage coverage is recognized on a year to year basis in proportion to the insured declared value (IDV) as it moves from year to year.

3.1 UNEXPIRED RISK RESERVE

3.1.1 Unearned Premium Reserve: Unearned Premium Reserve (UPR) is created on the amount representing that part of the premium written (net of reinsurance) which is attributable to succeeding accounting periods. UPR is made at 50% of net premium except in the case of Marine Hull business, where it is at 100% of net premium. No Unearned Premium Reserve is created where the policy period expires during the year.

3.1.2 Premium Deficiency Reserve: Reserve for Premium Deficiency is recognized if the sum of expected claims costs, net of reinsurance, related expenses and maintenance costs exceeds related net unearned premium. The net unearned premium reserve is estimated using the 1/24th method and compared with expected net incurred claims including claims related cost. When the expected claim cost exceeds the net unearned premium, premium deficiency arises. It is calculated

for each portfolio and is recognized only when there is deficiency at segmental revenue account level.

3.2 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. Further, in the case of long term motor insurance policies, premium recognizable in subsequent years is treated as premium received in advance.

3.3 ACQUISITION COST OF INSURANCE CONTRACTS

Acquisition cost of insurance contracts, including long term motor insurance contracts, is charged in the year in which the premium is recognized.

4. CLAIMS

4.1 In the case of direct business, claims are considered on the basis of claim intimations received. In respect of reported claims where supporting information are available, claim liabilities are estimated on the basis of such information. Wherever supporting are not available, provisions are estimated on the basis of current trends and past underwriting experience.

4.2 Liability provisions for claims 'Incurred but Not Reported' (IBNR) and "Incurred but not enough Reported (IBNER) are made on the basis of actuarial valuation.

4.3 In respect of motor third party claims, where court summons have been served on the Company without adequate policy particulars, provisions are made 1/3rd of the estimated value of such unidentified claims. Where claims remain unidentified for over one year, full provision is made, in accordance with the existing practice.

4.4 In the case of claims repudiated by the Company but contested by claimant in court/ombudsman/arbitration etc. provision is made where the management is of the opinion that the final award is likely to go against the Company.

4.5 Where claim is decided against the Company in a court of law and the Company prefers an appeal against the lower forum award, provision is made for the award amount, interest, cost and legal fees.

4.6 Court deposits in compliance of Orders of Motor Accident Claims Tribunal (MACT) for appeals filed by the Company are taken as claims paid with corresponding reduction in outstanding claims. On final settlement of the case court deposit is adjusted against payments made, if any, to the claimant. In the event the case is decided in favour of the Company, claims paid account is adjusted to the extent the deposit is refunded to the Company.

4.7 Salvage recoveries are accounted for on realization and credited to incurred claims account.

5. RE-INSURANCE

5.1 In the case of reinsurance acceptance from foreign insurance companies, returns received up to the date of finalization of accounts and in the case of reinsurance acceptances from Indian companies, returns received up to 3rd quarter of the current year and returns of the 4th quarter of the previous year are incorporated in the accounts. Returns of the 4th quarter of the current year from Indian companies wherever available are also considered.

5.2 Reinsurance cessions are done on the basis of information available with the re-insurance department and/or on the basis of reasonable estimation of probable maximum loss wherever applicable.

5.3 Income and expenses in respect of Pool Retros are accounted as per the statements received from Pool Administrator up to finalization of accounts.

6. TRANSLATION/CONVERSION OF FOREIGN CURRENCIES:

6.1 Reinsurance operations:

Revenue transactions in foreign currencies are converted at the quarterly average of rates of exchange. Monetary assets and liabilities in foreign currencies are converted at the closing rate.

6.2 Foreign operations:

Foreign branches are classified as 'non-integral foreign operations' other than branches having run off operations which are classified as 'integral foreign operations'.

6.3 The assets and liabilities, both monetary and non-monetary, are translated at the closing exchange rate and the income and expenses are translated at the average exchange rate of the year. Resulting exchange differences in respect of integral foreign operations is recognized in the profit and loss account. For non-integral foreign operations resulting exchange differences are accumulated in Foreign Currency Translation Reserve until closure of operations of the branch. The cumulative amount of balance lying in aforesaid reserve is recognized as income or as expenses in the year of closure of the branch.

6.4 Amount of Gain/Loss on disposal of assets or settlement of liabilities attributable to the discontinuing operation is accounted for on transfer of the undertaking.

6.5 The foreign exchange rates as advised by GIC are considered.

7. INVESTMENTS AND LOANS

7.1 Investment Properties are valued at historical cost less accumulated depreciation and impairment loss.

7.2 The book value of the Investments is the sum of Weighted Average Cost of Opening balance and purchases made during the period as reduced by the Cost of sales for that period.

7.3 Cost of investments includes brokerage, share transfer stamps, fees, taxes etc. Incentives received are deducted from cost.

7.4 Investments have been valued as per IRDAI Regulations as follows:

(a) **Debt Securities:** Debt securities including Government securities and redeemable preference shares are considered as “held to maturity” and measured at historical cost subject to amortization of premium over the residual period of maturity.

(b) **Equity Securities traded in active markets:** Listed equity shares which are traded in active markets are measured at Fair Value as at the Balance Sheet date. For the purpose of calculation of fair value, the market price of the last quoted closing price at the National Stock Exchange (NSE) or if the scrip is not traded at NSE, the last quoted closing price of the Bombay Stock Exchange (BSE) is taken into consideration.

Unrealized gain/loss arising due to changes in the fair value of listed equity shares are taken to equity under the head “Fair Value Change Account”.

(c) **Unlisted and other than actively traded Equity Shares:** These are

measured at historical cost subject to impairment.

(d) **Short term Money Market Instruments:** Short term money market instruments such as Certificates of Deposit and Commercial Papers, which are discounted at the time of contract at the agreed rate, are accounted for at their discounted value.

(e) **Venture Capital Fund (VCF)/Alternative Investment Fund (AIF):** Investments in Venture Capital Fund (VCF)/Alternative Investment Fund (AIF) are valued at cost for the first three years from the end of the financial year in which the initial disbursement was made. Thereafter, investments are subjected to impairment, if any.

(f) **Mutual Fund/Exchange Traded Fund:** Investment in units of Mutual/Exchange Traded fund is valued on Net Assets Value (NAV) basis and unrealized gain/loss is recognized in ‘Fair Value Change Account’.

7.5 Impairment of Loans and Investments

Impairment in value of loans and investments is assessed as at the Balance Sheet date and is recognized in the Profit and Loss Account.

(a) **Equity Share:** Capital is considered to be impaired if the break-up value of a particular equity share is less than its face value or where the current break-up value is not available and there is a three years’ history of continuous loss or if the published annual accounts are not available for the last three years as on the date of valuation.

For this purpose, the break-up value is arrived at as per the latest Balance

Sheet, which should not be more than 1 (one) year prior to the date of valuation.

When capital is impaired, equity shares are valued as under:

- (i) Actively traded equity shares are written down to lower of cost or market value;
- (ii) Unlisted and other than actively traded equity shares are written down to lower of the cost or breakup value and where the breakup value is not available or it is negative, such shares are written down to Re. 1.

Further, in cases of other than actively traded equity shares where break-up value is less than acquisition cost (as per latest balance sheet not more than one year prior to the date of valuation) provision is made equivalent to the difference in acquisition cost and the break-up value of the share.

When the break-up value is negative or unavailable, provision shall be difference between the acquisition cost and a nominal value of Re. 1/- per company.

- (b) **Preference share:** Capital is considered to be impaired when the capital is eroded and the companies are having three years' history of continuous losses or where the annual accounts for three immediately preceding years are not available on the date of valuation. Such preference shares are valued as under:

- i) If the equity shares of the company are actively traded, its preference shares are written down to a value, which is in the same proportion that the market value of the equity share bears to its face value.

- ii) If the equity shares of the company are unlisted/thinly traded, its preference shares are written down to a value, which is in the same proportion that the break-up value of equity share bears to its face value. Where the break-up value of equity shares is negative or where the latest published annual accounts is not available one year prior to the date of valuation, the preference shares are written down to a nominal value of Re. 1/- per company.

- (c) **Loans and debentures:** The Company follows the prudential norms prescribed by the IRDAI/related RBI guidelines as regards Asset classification, recognition of income and provisioning pertaining to Loans/Advances/ Debentures. Interest Income on non-performing assets is recognized on realization as per IRDAI (Investment) Regulation 2016.

- (d) **Venture Capital Fund (VCF)/Alternative Investment Fund (AIF):** Provision is made for impairment in value of such investments where NAV as at the Balance Sheet date is lower than the cost. If the audited Balance Sheet / Financial Statements showing NAV figures are not available continuously for more than 18 months as on the date of valuation, the investments are valued at Re. 1 per VCF/AIF.

7.6 Reversal of impairment

In case of actively traded equity shares, impairment loss earlier recognized in profit & loss account is reversed only when:

- The accumulated losses of the Company are completely wiped out; and

- Company has shown net profit for three immediately preceding financial years.

In case of other than actively traded equity shares, reversal of impairment loss shall be recognized in profit & loss account on realization.

7.7 Recovery in NPA Account

Amount received as recovery in NPA Account is appropriated towards principal outstanding and surplus remaining, if any is adjusted towards interest.

7.8 Dividend Income

- Dividend is accounted for in the year in which right to receive is established provided the book closure date/ Ex-Date also falls within the same period.
- Dividend in respect of foreign equity shares is accounted for when dividend advice is received from the company or credit is received in the bank account whichever is earlier.
- In case of demerger, dividend in respect of resultant company is to be accounted for against shares of demerged company till the documentary evidence in respect of cost acquisition ratio of demerger is not available.
- Where dividend is declared at the Annual General Meeting of the company, but subsequently the receipt of such dividend becomes doubtful, provision is made for the appropriate amount under the head 'Provision for Doubtful Loans, Investment and Debts'.
- Dividend, on shares which are not transferred in the company's name, is accounted for on realization.

7.9 Where contracts of purchase of shares/ debentures are made but delivery/

registration of certificates is pending, the same are accounted for as investments. If dividend is declared on such shares during the pendency of delivery immediately after purchase, the cost of shares is reduced by the amount of such dividend.

7.10 Bonus is accounted for in the year in which right to receive is established provided the book closure date falls within the same year. Where bonus shares are received, the number of bonus shares is recorded as an increase in holding without affecting the total book value.

7.11 Profit/Loss on realization of investments is computed by taking weighted average book value as cost of investments.

7.12 Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

7.13 Premium paid on debt securities are amortized over their respective residual period of maturity. Discount on purchase of securities is recognized as income at the time of maturity.

7.14 Interest, dividend and rent income, net of expenses and profit/loss on sale/realization of investments, are apportioned between respective Revenue Accounts (Policyholders' Account) and Profit and Loss Account (Shareholders' account) in the ratio of policyholders' fund and shareholders' fund balances at the beginning of the year.

8. SEGREGATION OF POLICYHOLDERS' AND SHAREHOLDERS' FUNDS:

Policyholders' and Shareholders' funds are computed based on IRDA directives. Investment assets and fair value change account are bifurcated between shareholders

and policyholders at 'fund level' on notional basis as per IRDA guidelines.

9. EXPENSES OF MANAGEMENT/OPERATING EXPENSES

Allowable Expenses of Management is computed and allocated to Revenue Accounts on the basis of Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016.

Expenses of Management, other than those operating expenses which are directly attributable to Revenue Accounts, are apportioned on the basis of net premium after giving weightage of 75% for Marine business and 100% for Fire and Miscellaneous business.

10. FIXED ASSETS, DEPRECIATION AND IMPAIRMENT

- i) Fixed assets are carried at cost less accumulated depreciation.
- ii) Depreciation is provided as per written down value method (WDV) on the basis of useful life of assets as laid out in Schedule II – Part C of the Companies Act, 2013. 95% of the value of asset is considered depreciable whereas balance 5% is retained as residual value.
- iii) Cost of Leasehold properties is amortized over the period of lease.
- iv) Intangible assets (software) are amortized over the estimated useful life not exceeding 3 years.
- v) Impairment loss is recognized when realizable value of block of assets is observed to be less than its carrying cost.

11. EMPLOYEES' BENEFITS

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

- (a) National Pension System (NPS) is a defined contribution plan applicable to employees joining the Company on or after 1st April, 2010. The Company pays the fixed monthly contributions to Pension Fund Managers registered under Pension Fund Regulatory and Development Authority (PFRDA).
- (b) Provident Fund is considered a defined benefit plan. The Company's obligation is to pay fixed monthly contributions to a separate trust and in the case of shortfall of income of the fund for payment of interest to the members of the fund at the prescribed rate, additional contribution is made to compensate the shortfall.
- (c) Pension under Old Pension Scheme, Gratuity, Leave Encashment, Sick Leave and Leave Travel Subsidy are defined benefit obligations and are provided for on the basis of their actuarial valuations as at the end of the financial year in accordance with Accounting Standard AS-15 (Revised) Employee Benefits.

12. BORROWING COSTS

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

13. SEGMENT REPORTING

Segments have been classified as per directives given in The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and subsequent circulars.

14. PROVISIONS

Provisions are recognized when there is a

present obligation (legal or constructive) as a result of a past event and it is probable (“more likely than not”) that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Provisions against debtors / receivables / recoverable assets are made when the chance of recovery is doubtful.

15. CONTINGENT LIABILITIES & CONTINGENT ASSETS

Contingent liabilities are possible obligations that arise from past events, the existence of which would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation but payment is not probable or the amount cannot be measured reliably. Contingent liabilities are disclosed in the financial

statements unless the possibility of any outflow in settlement is remote. Provision against contingent liabilities is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Contingent assets are not recognized in the accounts.

16. TAXATION

- (a) Provision for income tax is made in accordance with the tax laws. Interest on tax refunds is accounted for on the basis of orders passed by the Tax authorities.
- (b) Deferred tax is recognized on timing differences, being the differences between taxable and accounting income / expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax asset is not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Schedule 17

NOTES FORMING PART OF THE ACCOUNTS

1. In view of the clarification on matters relating to consolidated financial statements vide General Circular No. 39/2014 dated 14th October, 2014 issued by the Ministry of Corporate Affairs, Government of India, disclosures made in standalone financial statements are not repeated. Disclosures which are relevant for the Consolidated Financial Statements are only mentioned.
2. Notes which are necessary for presenting a true and fair view of the consolidated financial

statements are included in the consolidated financial statements as an integral part thereof. Only the notes involving items which are material is disclosed. Materiality for this purpose is assessed in relation to the information contained in consolidated financial statements. Additional statutory information disclosed in separate financial statements of the Company and its associates having no bearing on the true and fair view of the consolidated financial statements is not disclosed in the consolidated financial statements.

3. List of entities consolidated and their respective share of Net Assets and Profit/Loss:

a) Names of Associates :

Name of the Entity	Ownership (%)	Country of Incorporation	Year Ending
Associates:			
Indian			
Health Insurance TPA of India Limited	23.75%	India	31-03-2023
Foreign			
India International Insurance PTE Ltd., Singapore*	20%	Singapore	31-12-2022

b) Share of Net Assets :

Name of the Entity	Net Assets i.e., total assets minus total liabilities		Net Assets i.e., total assets minus total liabilities	
	As % of consolidated net assets	Amount (₹ in thousands)	As % of consolidated net assets	Amount (₹ in thousands)
	2022-23		2021-22	
Parent:				
National Insurance Company Limited	254.30	(94,18,357)	84.05	278,98,223
Associates				
Indian				
Health Insurance TPA of India Limited	(6.02)	2,22,934	0.72	2,38,187
Foreign				
India International Insurance PTE Ltd., Singapore*	(148.28)	54,91,740	15.23	50,55,519
Total	100	(37,03,683)	100	331,91,929

- a Excluding Fair Value Reserve ₹88,415 thousand (₹ 3,33,043 thousand)

c) Share of Profit :

Name of the Entity	Share in profit or loss		Share in profit or loss	
	As % of consolidated profit or loss	Amount (Rs. in thousands)	As % of consolidated profit or loss	Amount (₹ in thousands)
	2022- 23		2021 - 22	
Parent:				
National Insurance Company Limited	99.71	(3,87,10,758)	101.23	(167,88,263)
Associates				
Indian				
Health Insurance TPA of India Limited	0.04	(15,253)	0.18	(28,942)
Foreign				
India International Insurance PTE Ltd., Singapore	0.25	(98,157)	(1.41)	2,33,635
Total	100	(3,88,24,169)	100	(165,83,570)

d) Share of Other Comprehensive Income :

Name of the Entity	Share in other comprehensive income		Share in other comprehensive income	
	As % of consolidated profit or loss	Amount (Rs. in thousands)	As % of consolidated profit or loss	Amount (Rs. in thousands)
	2022- 23		2021 - 22	
Parent:				
National Insurance Company Limited	-	-	-	-
Associates				
Indian				
Health Insurance TPA of India Limited	-	-	-	-
Foreign				
India International Insurance PTE Ltd.,Singapore*	100	2,63,108	100	88,723
Total	100	2,63,108	100	88,723

- a Other Comprehensive Profit ₹2,63,108 thousand (Income ₹88,723 thousand) being unrealized gain, not recognized in the consolidated Profit & Loss Account.

e) Share of Total Comprehensive Income :

Name of the Entity	Share in total comprehensive income		Share in total comprehensive income	
	As % of consolidated profit or loss	Amount (₹ in thousands)	As % of consolidated profit or loss	Amount (₹ in thousands)
	2022-23		2021-22	
Parent:				
National Insurance Company Limited	99.04	(3,87,10,758)	101.83	(167,88,264)
Associates:				
Indian				
Health Insurance TPA of India Limited	0.04	(15,253)	(0.81)	(28,942)
Foreign				
India International Insurance PTE Ltd., Singapore	0.92	(3,61,265)	(1.02)	3,22,358
Total	100	(3,90,87,276)	100	(164,94,848)

4. Contingent Liabilities:

Contingent liabilities are disclosed below the Balance Sheet. These include demand from various statutory authorities towards income tax, erstwhile service tax, goods and service tax and other government levies which the Company is contesting before various appellate authorities. The impact of these pending litigations on the financial position of the Company is subject to their ultimate judicial outcome. However, it is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the Company's financial position and results of operation.

5. In accordance with the accounting regulations prescribed by the IRDA net unrealized gain (excess of market value over book value) amounting to ₹3,12,85,180 thousand (₹2,69,23,898 thousand) arising due to changes in the fair value of listed equity shares and mutual funds (except equities quoted in stock exchanges outside India and thinly traded equity shares) is taken to "Fair Value Change Account" and is not available for distribution.
6. a) Balances due to/from persons/bodies

carrying on Insurance/reinsurance business, balances of inter office accounts, control accounts, other sundry debtors/creditors, unexplained debits and credits entries in bank accounts, are subject to confirmations, reconciliations and/or adjustments. Reconciliation being a continuous exercise, adjustments, if any, that may arise out of such reconciliations will be taken as and when identified. However, as a matter of abundant precaution the Company has made a provision of ₹39,66,744 thousand (₹4,76,318 thousand) during the year against possible unidentified losses. Accumulated provision in this regard is ₹1,00,47,874 thousand (₹60,70,409 thousand) which according to the management is adequate.

- b) As per IRDA directives the Company has during the year put in place a Board approved policy for writing off and writing back of coinsurance and reinsurance receivables and payables. In terms of the said policy, the Company during the year has written off old outstanding receivables net of payables of ₹2,45,808 thousand and ₹8,99,339 thousand in respect of

coinsurance and reinsurance respectively. Besides, the Company during the year, wrote off ₹2,43,706 thousand of old unreconciled debtors and advances. Total of the written-off amount of ₹13,88,853 thousand is charged to Profit & Loss Account.

- c) Reconciliations of Input Tax Credit (ITC) as per GST portal, eligible ITC, ITC availed and ITC utilized are in progress. During the year,

the Company has charged off ₹5,56,200 thousand (₹8,13,079 thousand) as GST expenses towards reversal of ITC and/or settlement of wrong availment/utilization of ITC. However, in respect of ITC balance of ₹13,82,044 thousand (₹21,14,924 thousand) carried in the books, the Company does not anticipate any loss as it expects to avail and utilize the whole amount thereof.

7. Related party disclosures are given below :

- (a) Key Management Personnel :

SL. NO.	NAME OF KEY MANAGEMENT PERSONNEL
1.	Smt. Suchita Gupta, CMD (from 01.04.2022 to 31.03.2023)
2.	Shri Ravi, General Manager (01.04.2022 to 30.04.2022)
3.	Shri Navneet Doda, General Manager (01.04.2022 to 21.11.2022)
4.	Smt. Sophia Singh, General Manager (01.04.2022 to 31.10.2022)
5.	Shri Peter Chittaranjan, General Manager (01.04.2022 to 31.03.2023) and Whole-time Director, (01.11.2022 to 31.03.2023)
6.	Smt. Geetha Santhaseelan, General Manager and Whole-time Director, (21.11.2022 to 31.03.2023)
7.	Shri P.C. Gothwal, General Manager (01.04.2022 to 31.03.2023)
8.	Smt. Sunita Tuli Nagpal, General Manager & Chief Investment Officer (01.04.2022 to 15.11.2022)
9.	Shri T.Babu Paul, General Manager & Chief Investment Officer (13.12.2022 to 31.03.2023)
10.	Shri Debasis Das, General Manager (01.04.2022 to 31.03.2023)
11.	Shri Chiranjib Das, General Manager (31.10.2022 to 31.03.2023)
12.	Smt. S M Geetha, Chief Financial Officer (01.04.2022 to 31.12.2022)
13.	Shri V. Ratna Kumar, Chief Financial Officer (13.01.2023 to 31.03.2023)
14.	Smt. Rina Madia, Company Secretary (from 01.04.2022 to 31.03.2023)
15.	Shri Ashok Kumar Labty, Appointed Actuary & Chief Risk Officer (01.04.2022 to 31.03.2023)
16.	Shri Debabrata Kar, Chief Compliance Officer (01.04.2022 to 31.03.2023)

- (b) Transaction carried out with related parties are as below:

Name(s) of the related party and nature of relationship	Nature of transactions	Nature of Related party	(₹ in '000)	
			FY 2022-23	FY 2021-22
(i) Remuneration to Key Managerial Persons	Expense	KMP	54,880	10,705
(ii) Loans and advances of Key Managerial Persons	Loans/ Advances	KMP	2,259	1,262

(c) Entities over which control exist:

1. National Insurance Company Limited Employees' Provident Fund.
2. National Insurance Company (Employees') Pension Fund.
3. National Insurance Company Limited Employees' Gratuity Fund.

(No investments and transactions have been undertaken by the Company as a trustee).

8. The Insurance Regularity and Development Authority of India (IRDAI) per their letter No.411/F&A(NL)/ Amort-EB-2019-20/122 dated 07-07-2020 granted approval for amortization of the additional pension liability of ₹78,88,080 thousand in respect of OMOP (one more option for pension) of continuing employees over a period of five years from 2019-20. Pursuant to such approval, the Company amortized pension liability in respect of OMOP recognizing ₹15,77,616 thousand as expenses of the year. The balance additional liabilities of ₹15,77,616 thousand is deferred for amortization in the next year.
9. During the year, the Company has recognized

compensations towards income shortfall of the Provident Fund, net of NPA recovery of ₹44,143 thousand, amounting to ₹60,379 thousand (₹7,87,473 thousand). The Company reserves the right to derecognize compensation for the deficit due to provision of ₹8,60,000 thousand created by the Fund on its non-performing investments in the preceding years in the event and to the extent there are realizations against such non-performing investments. Balance amount of NPA provision subject to recovery is ₹8,15,857 thousand.

10. By Gazette Notifications S.O. Nos. 4896(E) / 4897(E) / 4898(E) dated 14 October, 2022 the Ministry of Finance, Government of India has further rationalized pay scales and other conditions of service of officers, development staff and supervisory, clerical and subordinate staff of Central Government owned General Insurance Companies by introducing amendment Schemes. The new Schemes are applicable with effect from 01.08.2017. Pursuant to such Gazette Notification, an amount of ₹1,63,75,934 thousand has been recognized towards pay revision and additional provision of ₹96,75,200 thousand has been made towards retirement benefits.

11. Solvency Ratio

Table 1: Forbearance(s) Granted * and impact on ASM, RSM, and Solvency Ratio :

₹ in Lacs						
Sr.	Head under which forbearance granted*	Amount as per Financial Statements	Amount considered admissible for solvency computation	Increase in ASM	Decrease in RSM	Impact on Solvency ratio
1	Fair Value Change Account	3,12,852	3,12,852	3,12,852	-	0.77

*Subject to approval by IRDAI

₹ in Lacs			
Sr.	Particulars	With Forbearance	Without Forbearance
1	Available Solvency Margin	1,94,477	(-)1,18,375
2	Required Solvency Margin	4,04,975	4,04,975
3	Solvency Ratio	0.48*	(-)0.29

*Subject to approval by IRDAI

12. Claims Incurred but not Reported/ Incurred but not Enough Reported (IBNR/IBNER)

Estimated liability for IBNR/IBNER has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDAI in terms of Circular No.11/IRDA/ACTL/IBNR/2005-06 dated 8th June, 2005 and applicable provisions of Guidance Note 21 issued by the Institute of Actuaries of India. The Appointed Actuary has used generally accepted actuarial methods for each product category as

considered appropriate depending upon availability of past data as well as appropriateness of different methods for different lines of businesses.

Gross IBNR/IBNER absorbed by the Company for all lines of business till 31st March, 2023 is ₹10,92,19,069 thousand (₹10,58,11,251 thousand) and IBNR/IBNER net of reinsurance is ₹9,78,43,667 thousand (₹9,40,82,294 thousand).

13. Disclosure as per Accounting Standard (AS 20)

₹ in thousand		
Particulars	Current Year	Previous Year
Net Profit/ Loss attributable to Shareholders	(-)3,88,24,169	(-)1,65,83,570
Weighted average number of Shares	937,50,00,000	569,01,36,986
Basic and diluted earnings per share of Rs.10 each	(-)4.13	(-)2.91

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.

14. Management is not expecting any foreseeable losses on the long-term contracts entered into. The Company and its Associate incorporated in India have not entered into any derivative contracts.

15. No amount is required to be transferred to the Investor Education and Protection Fund by the Company, or its Associate incorporated in India.

16. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its associate incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly

or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its associate incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

17. No funds have been received by the Company or its associate incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its associate incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18. The Company has substantial carry forward losses and unabsorbed depreciation under the

Income Tax Act, 1961 giving rise to deferred tax asset. However, as a matter of prudence the deferred tax asset has not been recognized in the financial statements as per the requirement of Accounting Standard AS-22 (Accounting of Taxes on income) owing to uncertainty over future taxable income.

19. As per IRDA directive, with the objective of effective implementation of Ind AS, the Company has constituted a Steering Committee on 2nd August, 2022 consisting of members from Accounts, Actuarial, Investment, RI & Technical Departments. Regular meetings are held and Training and Presentation are imparted to Steering Committee members. Audit Committee of the Board oversees the progress of the Ind AS implementation process at regular intervals and appraise the Board of Directors of the Company accordingly.

Selection of Consultant for Phase I implementation through RFP process is approved by the Board by circular resolution on 17th January 2023. Bid opening date was fixed on 10.04.2023. As only one Bid was submitted on e-wizard site, the whole tendering process was cancelled. Fresh RFP is planned to be floated shortly.

20. Figures in brackets are of the previous year. Previous year's figures have been regrouped or rearranged wherever considered necessary.

21. During the year provisions for leave encashment, leave travel subsidy and sick leave is disclosed under the head Provisions in Schedule -14 instead of including the same in Sundry Creditors in Schedule-13. Corresponding previous year's figures have been restated accordingly.

FORM AOC – I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

22. Statement containing salient features of the financial statement of Subsidiaries / associate companies/ joint ventures

Part "A": Subsidiaries

Amount (Rs. in '000)

SI No.	Particulars	
1	Name of the subsidiary	NIL
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4	Share Capital	NA
5	Reserves & Surplus	NA
6	Total Assets	NA
7	Total Liabilities	NA
8	Investments	NA
9	Turnover	NA
10	Profit before taxation	NA
11	Provision for taxation	NA
12	Profit after taxation	NA
13	Proposed Dividend	NA
14	% of shareholding	NA

Notes:

1	Name of Subsidiaries which are yet to commence operations	NIL
2	Name of Subsidiaries which have been liquidated or sold during the year	NIL

Part "B": Associates

Amount (₹in '000)

NAME OF ASSOCIATES / JOINT VENTURES	HEALTH INSURANCE TPA OF INDIA LIMITED (UNAUDITED)	INDIA INTERNATIONAL INSURANCE PTE LTD, SINGAPORE (AUDITED)
1. Latest Balance Sheet Date	31.03.2023	31.12.2022
2. Shares of Associate/Joint Ventures held by the Company on the year end		
No. of shares	28,500,000	10,000,000
Amount of Investment in Associates / Joint Venture	200,679	28,576
Extent of Holding %	23.75%	20.00%
3. Description of how there is significant influence	By shareholding	By shareholding
4. Reason why the associate / Joint venture is not Consolidated	N.A	N.A
5. Net worth attributable to Shareholding as per latest Audited Balance Sheet	2,22,934	54,91,740*
6. Profit / Loss for the year		
i) Considered in Consolidation	(15,253)	(98,157)
ii) Not considered in Consolidation	N.A	(2,63,108)**

Notes:

1. Names of Associates / Joint Ventures which are yet to commence operations	NIL	NIL
2. Names of Associates / Joint Ventures which have been liquidated or sold during the year	NIL	NIL

* Excluding Fair Value Reserve ₹ 54,91,740 thousand .

** Other Comprehensive Loss ₹ 2,63,108 thousand being unrealized loss, not recognized in consolidation.

For and on behalf of the Board of Directors

Peter Chittaranjan
Director
DIN: 09773278

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

For Ray & Ray
Chartered Accountants
FRN : 301072E

Suchita Gupta
Chairman-Cum-Managing Director
DIN: 08697650

(CA. Dr. B. S. Kundu)
Partner
M. No - 051221

(CA . Amitava Chowdhury)
Partner
M. No – 056060

V R Kumar
Chief Financial Officer

Rina Madia
Company Secretary