

26th September 2020

The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E) Mumbai- 400051	The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
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Dear Sir/Madam,

Sub: Financial Results under Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: ISIN INE168X08014 - Security Name: 8.35% National Insurance Company Limited 2027

We wish to inform you that the Board of Directors of the Company at its meeting held on 26th September 2020 has considered and approved the Audited Financial Results of the Company for the year ended 31st March 2020. Pursuant to Regulation 52 of SEBI (LODR) Regulations, we enclose a copy of the financial results along with the Independent Auditors Report for your information and record. The financial results will also be made available on the Company's website.

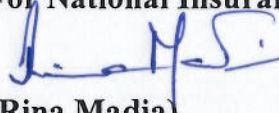
Further, the submission of information/documents as specified under Regulation 52(4) & 52(5) of SEBI (LODR) Regulations 2015 is *not* applicable to the Company since the Company has issued non-convertible debentures and is a financial entity regulated by IRDAI.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,

For National Insurance Company Limited



(Rina Madia)

Company Secretary & Compliance Officer

Encl: Audited Financial Results for the financial year ended 31st March 2020



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INDEPENDENT AUDITORS' REPORT

**To the Members of
National Insurance Company Limited**

Report on the Audit of the Standalone Financial Statements

Qualified 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, 2020, 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 33 Regional Offices, 383 Divisional Offices audited by statutory branch auditors appointed by the Comptroller and Auditor General of India (C&AG) and 2 Foreign Branch Offices, 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.

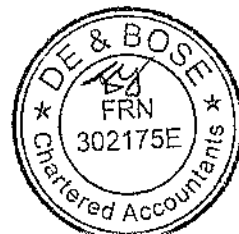
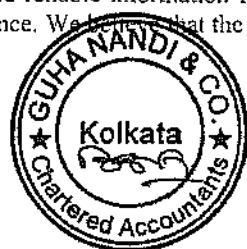
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the aforementioned Acts 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, 2020;
- (b) in the case Marine Revenue Account, of the operating profit and in the case of Fire and Miscellaneous Revenue Accounts, of the operating losses 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 Qualified Opinion

- (a) Balances due to/from persons or bodies carrying on insurance/reinsurance business, sundry debtors and creditors, are subject to confirmations and/or reconciliations (Refer Schedule 17 - Note No.27). Consequential impact of adjustments, if any, that may arise upon their reconciliations and/or confirmations on revenue accounts, profit and loss account, reserves and surplus and assets and liabilities as on 31-03-2020 is not ascertainable.
- (b) Procedural and structural deficiency in collating data and relevant documents of GST input tax credit (ITC) has caused inability to claim a portion thereof and consequently un-availed ITC has been charged off as expenses, quantum of which has not been ascertained (Refer Schedule 17 - Note No.37).

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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We have taken due consideration of ICAI accounting and auditing advisory due to COVID-19 fall out and obtained management assertion of correct, complete and reliable information for web based remote audit wherever necessary to obtain sufficient and appropriate audit evidence. We have concluded 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) Impact of Covid-19:

The extent to which COVID-19 pandemic will likely impact operations and financial results of the Company is dependent on future developments, which are highly uncertain. Impact of adverse economic conditions on operations and financial statements of the Company has remained largely unascertained as on the date of approval of these financial statements (Refer Schedule 17 – Note No.51.1).

b) Fair Value Change Account:

Management has considered the diminution in the value of certain investments as not permanent in nature and accordingly, no provision for diminution has been provided for but carried as debit balance in the fair value change account (Refer Schedule 17 – Note No.10.2).

c) Recognition of Quota Share Reinsurance Treaty Commission:

The Company analyzed ultimate loss ratios of motor business of preceding years and concluded that the ultimate loss ratio of this business segment will not be more than 90% in any of the underwriting years under Quota Share Reinsurance Treaty and the ceding commission receivable on the sliding scale will not be less than 8.75% in each of the year and further concluded that it will not be imprudent to recognize the initial commission of 5% as income at the time of ceding the premium income. Accordingly, the Company continued to recognize 5% initial ceding commission income of Rs. 5,62,424 thousand (Rs.6,26,886 thousand) on Quota Share Reinsurance Treaty (Refer Schedule 17 – Note No.26).

d) Deferment of Pension Liability:

The Company has incurred additional pension liability of Rs. 1,43,85,566 thousand 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 the actuarially determined additional pension liability of Rs. 78,88,080 thousand in respect of fresh pension optees who are in service over a period of five years with effect from FY 2019-20. Accordingly Rs. 80,75,102 thousand is charged off in the current year and Rs. 63,10,464 thousand is deferred for amortization over the next four years. Owing to such deferment, loss for the year is understated by Rs. 63,10,464 thousand (Refer Schedule 17 – Note No.32.4).

e) Change in Accounting of dearness allowance component of future pension obligation:

The Company has during the year changed its accounting practice to provide for dearness allowance component of future pension obligation which was hitherto provided on cash basis. Pursuant to such change a sum of Rs. 79,78,380 thousand is provided during the year on the basis of actuarial valuation of the said obligation. Had there been no such change, loss for the year and current liability as on 31-03-2020 would have been lower by Rs. 79,78,380 thousand (Refer Schedule 17 – Note No.32.5).

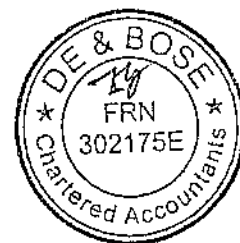
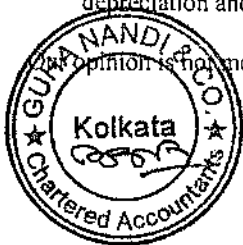
f) Solvency Ratio:

Solvency Ratio of 0.02 as on 31st March, 2020 is computed after considering the forbearance granted by IRDAI. (Refer Schedule 17 – Note No.41).

g) Change in the useful life of Computer Software:

The Company has changed its accounting policy by changing estimated useful life of computer software from 5 years to 3 years in line with IRDAI directive for Solvency computation. Due to such change amount of depreciation and loss for the year are increased by Rs. 78,016 thousand (Refer Schedule 17 – Note No.50).

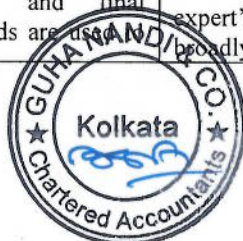
Our opinion is not modified in respect of these matters.



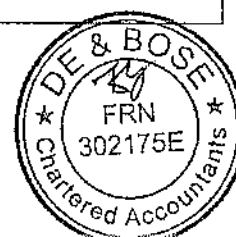
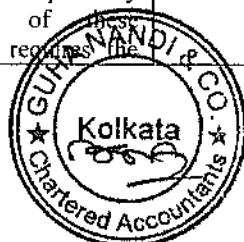
Key Audit Matters

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 as per the Company's accounting policy described in the significant policies of the Company in respect of recognition of premium income.	<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 assessed the control over –</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; (v) adjustment of Unexpired Risk Reserve comprising Unearned Premium Reserve and Premium Deficiency Reserve to arrive at Net Earned Premium; and (vi) compliance of Government Notifications for accepting belated renewal premium in respect of motor vehicle third party and health insurance policies due to fall out of COVID-19. <p>We are satisfied with the manner of recognizing premium income by the Company.</p>
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 estimate the value of IBNR and IBNER.</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; (iv) recording revision of estimated claim amount; and (v) Computation of incurred claims based on claims paid, outstanding registered claims and IBNR and IBNER. <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</p>



<p>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>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 was primarily concentrated on –</p> <ol style="list-style-type: none"> Evaluation and understanding of Company's internal control system, IT governance structure vis-à-vis implementation of investment risk management systems and processes. Substantive testing of transactions relating to investments, verification of investment assets, identification of non-performing investments and provision made there against. Valuation and disclosure in the financial statements in accordance with the investment policy, regulations etc. <p>We agree with the value of investments as determined by the management and carried in the financial statements.</p>
<p>Valuation of employees' defined benefit obligations</p>	
<p>The Company has recognised long-term employee benefit liabilities for pension and gratuity respectively being defined benefit obligations (net of plan asset against funded obligation) and unfunded leave liability also a defined benefit obligation.</p> <p>The actuarial valuations of employee benefit obligations is 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</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>We are satisfied that the basis, methodology and assumptions applied in relation to determining the liabilities are acceptable.</p>



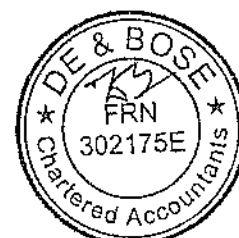
exercise of significant management judgement with the support of third party actuary.	
Ascertainment, disclosure and provisioning in respect of contingent liabilities	
<p>The Company has material uncertain tax matters, both direct and indirect, under dispute involving considerable demand raised on the 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 by the policyholders and other 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. <p>We concur that the accounting and disclosures in relation to the ongoing legal matters are appropriate.</p>

Other Matters

We did not audit the financial statements of 33 Regional offices, 383 Divisional offices, and 2 Foreign offices, included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs. 5,21,77,002 thousand as at 31st March, 2020 and total revenues of Rs.15,31,28,811 thousand for the year ended on that date. The financial statements/information of these offices have been audited by other auditors whose reports have been furnished to us by the management. We believe that the auditors of these offices have taken due consideration of ICAI accounting and auditing advisory due to COVID-19 fall out and obtained management assertion of correct, complete and reliable information for web based remote audit wherever necessary to obtain sufficient and appropriate audit evidence. Our opinion in so far as it relates to the amounts and disclosures included in respect of these offices 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) is the responsibility of the Company's appointed actuary. The actuarial valuation of these liabilities as at March 31, 2020 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 financial statements of the Company.

Our opinion is not modified in respect of these matters.



Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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.

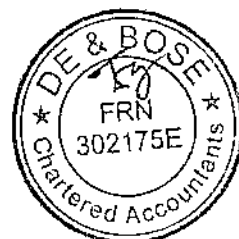
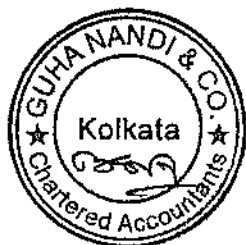
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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 Standards of Auditing 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.



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 including management discussion, analysis and other 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.

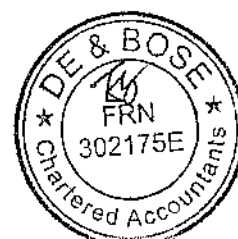
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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 to take 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, except for the matters described in the basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, except for the matters described in the basis for qualified opinion paragraph, 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 33 Regional Auditors consolidating the 383 Divisional Auditors reports and reports of 2 foreign branches 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) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure '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 52.
- 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 53.
- 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:20051221AAAAAL65



Place: Kolkata

Date: 26th September, 2020

For De & Bose
Chartered Accountants
FRN: 302175E


(CA. Tarit Dasgupta)
Partner
M. No - 053380
UDIN: 20053380AAAAAL97398



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, 2020**

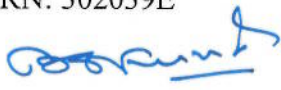
(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section)

**Certificate for the year ended 31st March, 2020 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 attached with the standalone financial statements for the year ended 31st March, 2020 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;
2. Based on management representations and the compliance certificate submitted to the Board by the officers of the Company charged with compliance, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration 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, 2020 (except loans given to employees) on the basis of certificate/confirmations received from the custodian / depository participants / CSGI 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. However, due to temporary fall in the market value of investments, policyholders’ fund is not fully covered by investments as at the year end.

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



(CA Dr. B. S. Kundu)
Partner
M. No – 051221
UDIN: 20051221AAAAA1657



Place: Kolkata

Date: 26th September, 2020

For De & Bose
Chartered Accountants
FRN: 302175E


(CA. Tarit Dasgupta)
Partner
M. No - 053380
UDIN: 20053380AAAAA1657



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, 2020**

(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 2019-20**

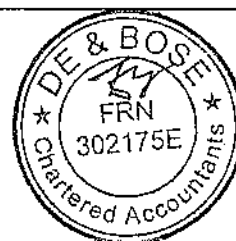
Sl. No.	Query	Reply
1.	Whether the Company has system in place to process all the accounting transaction through IT system? If no, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	Company’s accounting transactions of different departments and operating offices are processed through different IT Systems and also by way of passing manual JVs. All these are finally integrated into the accounts. There is no financial implications on the integrity of the accounts in respect of these accounting transactions processed outside IT System which are subjected to verification and validation tests.
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.	The Company has not taken any loan except issue of debentures as subordinate debt on 27 th 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 debt or interest thereon during the year.
3.	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	The Company has received Rs. 240,00,000 thousand during the year as capital infusion from the Government of India towards its Investment in the form of equity shares of the Company. No fund is received or receivable for any specific scheme from Central/ State agencies during the year.



(2)

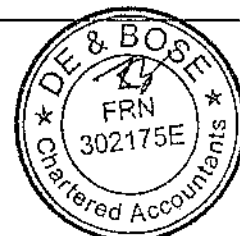
**Replies to the Additional Directions issued to Statutory Auditors under Section 143(5)
of the Companies Act, 2013 for the Financial Year 2019-20**

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 CSGL Account Holder as the case may be.																																																							
	<table><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 (Rs in '000.)</th><th>Number of Accounts</th><th>Book Value (Rs in '000.)</th><th>Number of Accounts</th><th>Book Value (Rs in '000.)</th></tr><tr><td>CGS</td><td>51</td><td>489,71,720</td><td>NIL</td><td>0</td><td>NIL</td><td>0</td></tr><tr><td>SGS</td><td>128</td><td>295,73,942</td><td>NIL</td><td>0</td><td>NIL</td><td>0</td></tr><tr><td>BONDS & DEBENTURES</td><td>254</td><td>438,17,944</td><td>24</td><td>30,144</td><td>2</td><td>200,000 (FV)</td></tr><tr><td>EQUITY SHARES</td><td>605</td><td>806,97,448</td><td>45</td><td>2,426</td><td>10</td><td>136</td></tr><tr><td>PREFERENCE SHARES</td><td>129</td><td>2,883</td><td>20</td><td>0.0001</td><td>2</td><td>12 (FV)</td></tr><tr><td>MUTUAL FUND</td><td>22</td><td>177,20,798</td><td>NIL</td><td>0</td><td>NIL</td><td>0</td></tr></table>		Security Class	Total		Shortage		Excess		Number of Accounts	Book Value (Rs in '000.)	Number of Accounts	Book Value (Rs in '000.)	Number of Accounts	Book Value (Rs in '000.)	CGS	51	489,71,720	NIL	0	NIL	0	SGS	128	295,73,942	NIL	0	NIL	0	BONDS & DEBENTURES	254	438,17,944	24	30,144	2	200,000 (FV)	EQUITY SHARES	605	806,97,448	45	2,426	10	136	PREFERENCE SHARES	129	2,883	20	0.0001	2	12 (FV)	MUTUAL FUND	22	177,20,798	NIL	0	NIL	0
Security Class	Total			Shortage		Excess																																																			
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MUTUAL FUND	22	177,20,798	NIL	0	NIL	0																																																			
2.	Whether stop loss limits have been prescribed in respect of the investments? If yes, whether or not the limit was adhered to. If no, details may be given.	No stop loss limit has been prescribed in respect of investments.																																																							
3.	Whether the 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?	Transactions with other PSU insurers are carried out at operating offices. As informed to us confirmation of inter-company balances with other PSU insurers are generally obtained and periodical reconciliation done by the respective operating offices audited by branch auditors. However, 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 reconciliations done.																																																							



(3)

4.	Whether the method of accounting of premium and reported claims are as per conditions of agreement / scheme relating to – (i) Pradhan Mantri FasalBima Yojana (ii) Rashtriya Swasthya Bima Yojana (iii) Prime Minister Jan Arogya Yojana.	The Company has accounted the premium income and the reported claims under (i) Pradhan Mantri FasalBima Yojana; (ii) Rashtriya Swasthya Bima Yojana; and (iii) Prime Minister Jan Arogya Yojana in accordance with the Company's accounting policies and in compliance with the operational guidelines of respective schemes.
5	Whether the Company has complied with IRDAI CIRCULAR (No. IRDA/ F&A/CIR/MISC/052/03/2018 dated 27 th March, 2018) regarding exemption of re-insurance schemes of specified insurance schemes such as Pradhan Mantri FasalBima Yojana, Pradhan Mantri Suraksha Bima Yojana etc. from the purview of GST and passed on to the insured/Government the benefit of reduction in premium?	As explained to us, in respect of Pradhan Mantri Fasal Bima Yojana and other Government sponsored insurance schemes, business is procured through tendering process and the premium rates are determined by way of actuarial estimation of ultimate loss of the respective schemes. Exemption of GST on re-insurance obligatory premium cession in respect of these schemes has been taken into consideration by the Company for the purpose of determination of premium rates. In the case of Pradhan Mantri Suraksha Bima Yojana, premium rate is determined by the Govt. of India and business is procured through designated bankers. The PMSBY scheme had come into effect before implementation of GST and premium rates continue to be the same even after introduction of GST. Accordingly, the management is of the opinion that benefits of GST exemption is not accrued to the Company but deemed to have been passed on to the beneficiaries.
6.	Whether the Company has enhanced/ modified the provisions for compensation for hit and run victims as per Section 161 of The Motor Vehicles (Amendment) Act, 2019 applicable from 1 September 2019, and if so, whether it is adequate.	In compliance to section 161 of The Motor Vehicles Act, 1988 coupled with the recommendation of General Insurance Council (the Council), the Company since 2005-06 is providing 0.10% of 'Motor Third Party Gross Direct Premium income in India' as contribution to the Solatium Fund for payment of compensation to hit and run victims. New India Assurance Co. Ltd., is entrusted by the Council to administer the Fund. As per communication of the Council dated July 26, 2010 no contribution to the fund would be required beyond 2009-10 as the administrator is holding sufficient balance in the fund for payment of compensations. Contribution will be collected when the fund balance goes below Rs.10 crore. Neither the fund administrator nor the Council has warranted any requirement of additional fund owing to enhancement of compensation as provided in The Motor Vehicles (Amendment) Act, 2019 applicable from 1 st September 2019. Accordingly, in the absence of any direction from the Council or Administrator of the fund, the Company has not enhanced/ modified the basis of making provisions towards compensation payable to hit and run victims. The Company is carrying adequate provisional liability in its books in this regard.



(4)

7.	Whether entire input tax credit (ITC) available on GST portal in respect of the Company has been availed within prescribed time limits.	Due to procedural and structural deficiency in collating data and relevant records of GST input tax credit (ITC), the Company has failed to avail a portion of eligible ITC which has been charged off as expenses. The Company has not yet undertaken one to one matching of tax invoices with the auto populated invoice details available in the GST portal. Further, reconciliations of (a) ITC as per GST portal (b) eligible ITC (c) ITC availed and (d) ITC utilized in respect of FY 2017-18 and 2018-19 are pending, Prescribed time limits of availing ITC of these years have expired on 30 th September 2018 and 2019 respectively. 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.
8.	Whether premium and claims in respect of foreign operations, if any, have been accounted for correctly and reconciled with actual figures of these operations (wherein accounting year is different for foreign operations)	At present the Company has foreign operations in Nepal only. Though the accounting year of Nepal operations is different from that of the Company, the accounts of Nepal operations is prepared and audited for the same period as that of the Company for the purpose of consolidation. The accounting for premium and claims in respect of Nepal operations is done correctly. The Company has also a branch office in Hong Kong but it has stopped accepting new business since February, 2002 and its run-off operations are now handled by New India Assurance Co. Ltd. The accounting period of Hong Kong branch is same as that of the Company and claims in respect thereof has been accounted for correctly.

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

(CA Dr. B. S. Kundu)
Partner
M. No – 051221
UDIN:20051221AAAAA1163



Place: Kolkata

Date: 26th September, 2020

For De & Bose
Chartered Accountants
FRN: 302175E

(CA. Tarit Dasgupta)
Partner
M. No – 053380
UDIN: 20053380AAAAAD7398



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, 2020

(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")

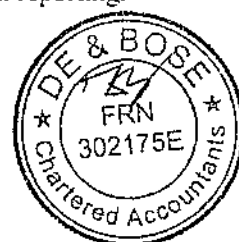
1. We have audited the internal financial controls over financial reporting of National Insurance Company Limited ("the Company") as at 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by the Institute of Chartered Accountants of India 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.



(2)

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.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at 31st March, 2020:
- i) Use of multiple software for recording business transactions and limited control over motor tie-up business operations create control risk of data integration.
 - ii) Unvalidated and belated reporting of risk booked policies by operating offices for preparation of bordereau gives rise to the risk of errors or omissions of premium and claim cessions as per reinsurance underwriting programme.
 - iii) Deficiency in the system of obtaining confirmations and reconciliation of debtors/creditors, collating data and relevant records for GST compliances causes risk of misstatement.
9. In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, based on the internal control over financial reporting criteria established by it considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, maintained adequate internal financial controls over financial reporting as of 31st March, 2020, and except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, such internal financial controls over financial reporting were operating effectively as of 31st March, 2020.



(3)

10. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of 31st March, 2020 of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

Other Matter

11. 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:20051221AAAAAI1657



Place: Kolkata

Date: 26th September, 2020

For De & Bose
Chartered Accountants
FRN: 302175E

(CA. Tarit Dasgupta)
Partner
M. No - 053380
UDIN: 20053380AAAAAD7398



FORM B-RA
NATIONAL INSURANCE COMPANY LIMITED
IRDA Registration No. 58 renewed on 28th January, 2020
CIN: U10200WB1906GOI001713

FIRE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Schedule	2019-20	2018-19
		Audited (Rs. '000)	Audited (Rs. '000)
1. Premiums earned (Net)	1A	65,23,146	69,73,112
2. Profit/Loss on sale/redemption of Investments		5,25,683	13,66,617
3. Others:			
Exchange Gain		-	-
Contribution from Shareholders Funds towards excess EoM		10,73,329	-
4. Interest, Dividend & Rent - Gross		11,90,799	12,53,402
Total (A)		93,12,957	95,93,131
1. Claims Incurred (Net)	2A	50,30,116	38,98,636
2. Commission	3A	9,11,411	6,97,323
3. Operating Expenses related to Insurance Business	4	33,27,002	15,94,487
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		1,95,545	43,103
Total (B)		94,64,074	62,33,549
Operating Profit/-Loss from Fire Business C = (A - B)		-1,51,117	33,59,582
Appropriations:			
Transfer to Shareholders' Account		-1,51,117	33,59,582
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		-1,51,117	33,59,582
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, 2020 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

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

For De & Bose
Chartered Accountants
FRN: 302175E

(CA. Tarit Dasgupta)
Partner
M. No - 053380

Tajinder Mukherjee
Chairman-Cum-Managing Director
DIN: 08227563

Sivaraman Mahadevan
Director
DIN: 02045100

Pooja Kumar
Chief Financial Officer

Rina Madia
Company Secretary



Place: Kolkata
Date: 26th September, 2020



FORM B-RA
NATIONAL INSURANCE COMPANY LIMITED
IRDA Registration No. 58 renewed on 28th January, 2020
CIN: U10200WB1906GOI001713

MARINE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Schedule	2019-20	2018-19
		Audited (Rs. '000)	Audited (Rs. '000)
1. Premiums earned (Net)	1B	15,32,595	14,38,919
2. Profit/Loss on sale/redemption of Investments		81,973	1,90,291
3. Others:			
Exchange Gain		-	-
Contribution from Shareholders Funds towards excess EoM		61,587	64,827
4. Interest, Dividend & Rent - Gross		1,85,689	1,74,527
Total (A)		18,61,844	18,68,564
1. Claims Incurred (Net)	2B	7,72,856	12,94,226
2. Commission	3B	86,538	1,59,846
3. Operating Expenses related to Insurance Business	4	4,73,196	3,21,307
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		30,493	6,002
Total (B)		13,63,083	17,81,381
Operating Profit/ - Loss from Marine Business C = (A - B)		4,98,761	87,183
Appropriations:			
Transfer to Shareholders' Account		4,98,761	87,183
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		4,98,761	87,183
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, 2020 referred to in our report of even date

For and on behalf of the Board of Directors

For De & Bose
Chartered Accountants
FRN: 302175E

Tarit Dasgupta
(CA. Tarit Dasgupta)
Partner
M. No - 053380

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

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

Tajinder Mukherjee
Tajinder Mukherjee
Chairman-Cum-Managing Director
DIN: 08227563

Sivaraman Mahadevan
Sivaraman Mahadevan
Director
DIN: 02045100

P. Vijaya Kumar
P. Vijaya Kumar
Chief Financial Officer

Rina Madia
Rina Madia
Company Secretary



Place: Kolkata
Date: 26th September, 2020



FORM 8-RA
NATIONAL INSURANCE COMPANY LIMITED
IRDA Registration No. 58 renewed on 28th January, 2020
CIN: U10200WB1906GOI001713

MISCELLANEOUS REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Schedule	2019-20	2018-19
		Audited (Rs. '000)	Audited (Rs. '000)
1. Premiums earned (Net)	1C	887,71,408	955,90,227
2. Profit/Loss on sale/redemption of Investments		53,03,874	124,38,518
3. Others:			
Exchange Gain		-	-
Contribution from Shareholders Funds towards excess EoM		114,81,461	-
4. Interest, Dividend & Rent - Gross		120,14,547	114,08,068
Total (A)		1175,71,290	1194,36,813
1. Claims Incurred (Net)	2C	966,96,503	1091,47,398
2. Commission	3C	70,43,690	73,15,137
3. Operating Expenses related to Insurance Business	4	400,79,923	241,38,090
4. Others:			
Exchange Loss		-	2,16,331
Provision for diminution in the value of Investments, amortisation of Premium on investments, and amount written off in respect of depreciated investments		19,72,950	3,92,310
Total (B)		1457,93,066	1412,09,266
Operating Profit/ - Loss from Miscellaneous Business C = (A - B)		-282,21,776	-217,72,453
Appropriations:			
Transfer to Shareholders' Account		-282,21,776	-217,72,453
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		-282,21,776	-217,72,453
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, 2020 referred to in our report of even date

For and on behalf of the Board of Directors

For De & Bose
Chartered Accountants
FRN: 302175E

For Gupta
(CA. Tarit Dasgupta)
Partner
M. No - 053380

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

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

Tajinder Mukherjee
Tajinder Mukherjee
Chairman-Cum Managing Director
DIN: 08227563

Sivaraman Mahadevan
Sivaraman Mahadevan
Director
DIN: 02045100

P. Vijaya Kumar
P. Vijaya Kumar
Chief Financial Officer

Rina Madia
Rina Madia
Company Secretary



Place: Kolkata
Date: 26th September, 2020

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Schedule	2019-20 Audited (Rs. '000)	2018-19 Audited (Rs. '000)
1. OPERATING PROFIT/LOSS			
(a) Fire Insurance		-278,74,132	-183,25,688
(b) Marine Insurance		-1,51,117	33,59,582
(c) Miscellaneous Insurance		4,98,761	87,183
		-282,21,776	-217,72,453
2. INCOME FROM INVESTMENTS			
(a) Interest, Dividend & Rent - Gross		2,00,979	25,17,895
(b) Profit on sale of investments		1,54,701	12,32,332
Less: Loss on sale of investments		46,278	12,85,563
		-	-
3. OTHER INCOME			
(a) Profit on sale of other asset		1,56,021	7,46,365
(b) Miscellaneous Income		2,602	-
(c) Exchange Gain		89,733	7,41,970
(d) Others		63,686	4,395
Total (A)		-275,17,132	-150,61,428
4. PROVISIONS (Other than taxation)			
(a) For diminution in the value of Investments		1,90,893	9,96,820
(b) For doubtful debts		15,665	24,114
(c) Others		1,75,228	7,02,335
		-	2,70,371
5. OTHER EXPENSES			
(a) Expenses other than those related to Insurance Business		133,75,334	9,04,607
(b) Bad debts written off		9,894	11,184
(c) Others:		-	-
Amortisation of Premium on Investments		1,466	14,951
Amount written off in respect of depreciated investments		84	1,482
Exchange Loss		-	-
Assets written off		16	-
Loss on Sale on Asset		3	828
Interest on Debentures		7,47,325	7,47,325
Debtors Related Expenses		169	1,654
Contribution to Policyholders funds towards excess EoM		126,16,377	64,827
Corporate Social Responsibility Expenses		-	62,285
Other Misc Expenses		-	71
Total (B)		135,66,227	19,01,427
Profit/- Loss before tax		-410,83,359	-169,62,855
Provision for Taxation		-	-
Adjustment of taxation for Earlier Years		-	-
Profit/- Loss after Tax		-410,83,359	-169,61,224
Appropriations:			
(a) Interim dividends paid during the year		-4,92,507	-169,61,224
(b) Proposed Final Dividend		-	-
(c) Dividend Distribution tax		-	-
(d) Transfer to/from General Reserve		-	-
(e) Transfer to Unclaimed Policyholders Funds		-5,65,503	-170,40,741
		72,996	79,517
Balance of profit/- loss brought forward from last year		-	-
Balance carried forward to Balance Sheet		-405,90,852	-
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 Rs. 10 face value		-238.67	-169.61
Diluted earnings per share of Rs. 10 face value		-238.67	-169.61

This is the Profit and Loss Account for the year ended 31st March, 2020 referred to in our report of even date

For and on behalf of the Board of Directors

For De & Bose
Chartered Accountants
FRN: 302175E

(CA. Tarit Dasgupta)
Partner
M. No - 053380

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

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

Tajinder Mukherjee
Chairman-Cum-Managing Director
DIN: 08227563

Sivaraman Mahadevan
Director
DIN: 02045100

Vijaya Kumar
Chief Financial Officer

Rina Madia
Company Secretary



Place: Kolkata
Date: 26th September, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Schedule	As at 31.03.2020 Audited (Rs. '000)	As at 31.03.2019 Audited (Rs. '000)
SOURCES OF FUNDS			
SHARE CAPITAL	5	250,00,000	10,00,000
RESERVES AND SURPLUS	6	1,46,569	7,26,992
FAIR VALUE CHANGE ACCOUNT - SHAREHOLDERS FUNDS		-	2,02,497
FAIR VALUE CHANGE ACCOUNT - POLICYHOLDERS FUNDS		-165,72,165	258,66,905
BORROWINGS	7	89,50,000	89,50,000
TOTAL		175,24,404	367,46,334
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS FUNDS	8	-	18,40,316
INVESTMENTS - POLICYHOLDERS FUNDS	8A	2205,21,251	2350,81,590
LOANS	9	3,68,593	3,91,396
FIXED ASSETS	10	37,20,619	37,42,204
CURRENT ASSETS			
Cash and Bank Balances	11	69,84,621	130,88,277
Advances and Other Assets	12	773,10,819	702,02,017
Sub-Total (A)		842,95,440	832,85,294
CURRENT LIABILITIES	13	2873,19,407	2365,06,117
PROVISIONS	14	509,63,408	510,88,349
Sub-Total (B)		3382,82,815	2875,94,466
NET CURRENT LIABILITIES (C) = (A-B)		-2539,87,375	-2043,09,172
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	63,10,464	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		405,90,852	-
TOTAL		175,24,404	367,46,334
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 31.03.2020 (Rs. '000)	As at 31.03.2019 (Rs. '000)
1. Partly paid-up Investments	4,181	4,181
2. Claims, other than against policies, not acknowledged as debts by the Company	5,78,023	5,46,240
3. Underwriting commitments outstanding (in respect of shares and securities)	-	-
4. Guarantees given by or on behalf of the Company	72,661	11,942
5. Statutory demands/liabilities in dispute, not provided for	120,54,023	65,52,760
6. Reinsurance obligations to the extent not provided for in Accounts	-	-
7. Others - Policyholders unclaimed amount transferred to Senior Citizen Welfare Fund	82,407	57,261
8. Others - Claims, under policies, not acknowledged as debts	-	64,988
TOTAL	127,91,295	72,37,372

This is the Balance Sheet as at 31st March, 2020 referred to in our report of even date

For and on behalf of the Board of Directors

For De & Bose
Chartered Accountants
FRN: 302175E

(CA. Tarit Dasgupta)
Partner
M. No - 053380

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

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

Tajinder Mukherjee
Chairman-Cum-Managing Director
DIN: 08227563

Sivaraman Mahadevan
Director
DIN: 02045100

Pooja Kumar
Chief Financial Officer

Rina Madla
Company Secretary

Place: Kolkata
Date: 26th September, 2020

