THE GAZETTE OF INDIA

EXTRAORDINARY

PART III ----Section 4

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA, HYDERABAD

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (PREPARATION OF FINANCIAL STATEMENTS AND AUDITORS' REPORT OF INSURERS) REGULATIONS, 2015

NOTIFICATION

Hyderabad, the __________________.

In exercise of the powers conferred by section 114A (2) (f) of the Insurance Act, 1938, (4 of 1938),and in suppression of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report Of Insurance Companies) Regulations, 2002, the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:-

1. Short title and commencement

(1) These regulations may be called the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurers) Regulations, 2015

(2) They shall come into force from the date of their publication in the Official Gazette and shall apply to all insurers whose financial year commences on or after April 01, 2016 or such other date as may be notified by the Authority

(3) On and from the commencement of these regulations, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 shall stand superceded upon notification to that effect by the Authority, except as respect things done or omitted to be done or especially permitted to be done by the Authority thereunder.

2. Definitions.—(1) In these regulations, unless the context otherwise requires ---

(a) "*Act*" means the Insurance Act, 1938 (4 of 1938);

(b) "*Authority*" means the Insurance Regulatory and Development Authority of India established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);

(c) All words and expressions used herein and not defined but defined in the Insurance Act, 1938 (4 of 1938), or Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), or the Companies Act, 2013 (18 of 2013), shall have the meanings respectively assigned to them in those Acts.

3. Preparation of financial statements, management report and auditors' report

(1) An insurer carrying on life insurance business, after the commencement of these Regulations, shall comply with the requirements of Schedule A.

(2) An insurer carrying on the business of general insurance, health insurance, reinsurance, after the commencement of these Regulations, shall comply with the requirements of Schedule B.

Provided that this sub-regulation shall apply, *mutatis mutandis*, to the foreign insurer engaged in the business of reinsurance through a branch office established in India.

Provided that this regulation shall apply, as may be applicable, *mutatis mutandis*, to an insurer granted certificate of registration to transact the business of insurance in Special Economic Zone (SEZ) in accordance with the guidelines issued by the Authority.

(3) The financial statements of an insurer shall be signed in a manner as required under section 11 of the Insurance Act, 1938. In case of a branch office in India of a foreign insurer and the insurer registered to operate in SEZ, financial statements shall be signed in the manner as may be prescribed by the Authority.

(4) The report of the auditors on the financial statements of every insurer shall be in conformity with the requirements of Schedule C, or as near thereto as the circumstances permit.

(5) The Authority may, from time to time, issue directions/ guidelines in the matter of appointment, continuance or removal of auditors of an insurer, as the case may be, and such directions/ guidelines may include prescriptions regarding qualifications and experience of auditors, their rotation, period of appointment, ceiling on numbers of audits which an auditor can undertake etc. as may be deemed necessary by the Authority.

SCHEDULE A

(See Regulation 3(1))

PART I

ACCOUNTING PRINCIPLES FOR PREPARATION OF FINANCIAL STATEMENTS

1. Applicability of Accounting Standards

Every Balance Sheet, Revenue Account [Policyholders' Account], Receipts and Payments Account [Cash Flow statement] and Profit and Loss Account [Shareholders' Account] of an insurer shall be in conformity with the Accounting Standards (AS) issued under the Companies (Accounting Standards) Rules 2006, to the extent applicable to insurers carrying on life insurance business, except that:

(i) Accounting Standard 3 (AS 3) – Cash Flow Statements – Cash Flow Statement shall be prepared only under the Direct Method.

(ii) Accounting Standard 17 (AS 17) - Segment Reporting – shall apply to all insurers irrespective of the requirements regarding listing and turnover mentioned therein.

(iii) Accounting Standard 18 (AS 18)-Related party shall apply as prescribed by the Authority

2. Premium

Premium shall be recognised as income when due. For linked business and business of similar nature, the due date for payment may be taken as the date when the associated units are created.

3. Acquisition Costs

Acquisition costs, if any, shall be expensed in the period in which they are incurred.

Acquisition costs are those costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts. The most essential test is the obligatory relationship between costs and the execution of insurance contracts (i.e., commencement of risk).

4. Claims Cost

The ultimate cost of claims shall comprise the policy benefit amount and specific claims settlement costs, wherever applicable.

5. Forward Exchange Contract

An insurer entering into a Forward Exchange Contract or another financial instrument that is in substance a Forward Exchange Contract shall amortise the premium or discount arising at the inception of such a Forward Exchange Contract, as expense or income over the life of the contract. Exchange differences on such a contract should be recognised in the Revenue Account or in the Profit and Loss Account in the reporting period, in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a Forward Exchange Contract shall be recognised as income or as expense for the period.

6. Actuarial Valuation -- Liability for Life Policies

The estimation of liability against life policies shall be determined by the appointed actuary of the insurer pursuant to his annual investigation of the life insurance business. Actuarial assumptions are to be disclosed by way of notes to the accounts.

The liability shall be so calculated that together with future premium payments and investment income, the insurer can meet all future claims (including bonus entitlements to policyholders) and expenses.

7. Procedure to determine value of investments

An insurer shall determine the values of investments in the following manner:-

a) Real Estate – Investment Property -- The value of investment property shall be determined at historical cost, subject to revaluation at least once in every three years. The change in the carrying amount of the investment property shall be taken to Revaluation Reserve.

The insurer shall assess at each balance sheet date whether any impairment of the investment property has occurred.

Gains/ losses arising due to changes in the carrying amount of real estate shall be taken to ‘Revaluation Reserve’. The ‘Profit on Sale of Investments’ or ‘Loss on Sale of Investments’, as the case may be, shall include accumulated changes in the carrying amount previously recognised under ‘Revaluation Reserve’ in respect of a particular property and being recycled to the relevant Revenue Account or Profit and Loss Account on sale of that property.

The bases for revaluation shall be disclosed in the notes to accounts. The Authority may issue directions specifying the amount to be released from the revaluation reserve to the revenue account for declaring bonus to the policyholders. For the removal of doubt, it is clarified that except for the amount that is released to policyholders as per the Authority’s direction, no other amount shall be distributed/transferred to shareholders out of Revaluation Reserve Account.

An impairment loss shall be recognised as an expense in the Revenue/Profit and Loss Account immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease of that asset and if the impairment loss exceeds the corresponding revaluation reserve, such excess shall be recognised as an expense int eh Revenue/Profit and Loss Account.

b) Debt Securities--Debt securities, including government securities and redeemable preference shares, shall be considered as “held to maturity” securities and shall be measured at historical cost subject to amortisation.

c) Equity Securities and Derivative Instruments that are traded in active markets---Listed equity securities and derivative instruments that are traded in active markets shall be measured at fair value on the balance sheet date. For the purpose of calculation of fair value the closing price on the last business day of the year on the Primary Exchange shall be taken. The Investment Committee of the insurer shall select from NSE and BSE as the Primary and Secondary Exchange, and the valuation shall be made at the closing price of the Primary Exchange as selected. If a security is not listed or traded on the Primary Exchange, the insurer shall use the closing price on the Secondary Exchange. The selection of the Primary and Secondary Exchange shall be followed consistently. Any change in the selection shall have prior approval from Investment Committee with proper justification.

The insurer shall assess on each balance sheet date whether any impairment of listed equity security (ies)/derivative(s) instruments has occurred.

An active market shall mean a market, where the securities traded are homogenous, availability of willing buyers and willing sellers is normal and the prices are publicly available.

Unrealised gains/ losses arising due to changes in the fair value of listed equity shares and derivative instruments shall be taken to equity under the head 'Fair Value Change Account". The 'Profit on sale of investments' or 'Loss on sale of investments', as the case may be, shall include accumulated changes in the fair value previously recognised in equity under the heading 'Fair Value Change Account' in respect of a particular security and being recycled to the relevant Revenue Account or Profit and Loss Account on actual sale of that listed security.

The Authority may issue directions specifying the amount to be released from the Fair Value Change Account attributable to policyholders account to the revenue account for declaring bonus to the policyholders. For the removal of doubt, it is clarified that except for the amount that is released to policyholders as per the Authority's prescription, no other amount shall be transferred or released to shareholders out of Fair Value Change Account

The insurer shall assess, on each balance sheet date, whether any impairment has occurred. An impairment loss shall be recognised as an expense in Revenue/Profit and Loss Account to the extent of the difference between the re-measured fair value of the security/investment and its acquisition cost as reduced by any previous impairment loss recognised as expense in Revenue/Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue/Profit and Loss Account shall be recognised in Revenue/Profit and Loss Account.

d) Unlisted and other than actively traded Equity Securities and Derivative Instruments --- Unlisted equity securities and derivative instruments and listed equity securities and derivative instruments that are not regularly traded in active markets shall be measured at historical cost. Provision shall be made for diminution in value of such investments. The provision so made shall be reversed in subsequent periods if estimates based on external evidence show an increase in the value of the investment over its carrying amount. The increased carrying amount of the investment due to the reversal of the provision shall not exceed the historical cost.

For the purposes of this regulation, a security shall be considered as being not actively traded, if as per guidelines governing mutual funds laid down from time to time by SEBI, such a security is classified as "thinly traded".

8. Loans

Loans shall be measured at historical cost subject to impairment provisions.

The insurer shall assess the quality of its loan assets and shall provide for impairment. The impairment provision shall not be lower than the amounts derived on the basis of guidelines prescribed from time to time by the Reserve Bank of India, that apply to companies and financial institutions.

9. Linked Business

Valuation of Investments under linked business shall be as per the stipulations under IRDA (Investments) Regulation 2000. A separate set of financial statements, for each segregated fund of the linked businesses, shall be annexed.

Segregated funds represent funds maintained in accounts to meet specific investment objectives of policyholders who bear the investment risk. Investment income/ gains and losses generally accrue directly to the policyholders. The assets of each account are segregated and are not subject to claims that arise out of any other business of the insurer.

10. Funds for Future Appropriation

The funds for future appropriation shall be presented separately.

The funds for future appropriation represent all funds, the allocation of which, either to the policyholders or to the shareholders, has not been determined by the end of the financial year.

11. Preliminary Expenses

Preliminary expenses incurred for incorporation of the company shall be written off in the year of incorporation to the Profit and Loss Account.

Expenses incurred on issue of shares capital shall be written off to the Profit and Loss Account in the year in which they are incurred.

12. Catastrophe Reserve

Catastrophe reserve shall be created in accordance with norms, if any, prescribed by the Authority and shall form part of policyholders' funds. Investment of funds out of catastrophe reserve shall be made in accordance with prescription of the Authority

13. No part of policyholders' funds shall be applied directly or indirectly in any manner save in accordance with Insurance Act, 1938 and Regulations made thereunder or as expressly permitted by the Authority.

PART II

DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS

A. The following shall be disclosed by way of notes to the Balance Sheet:

1. Contingent Liabilities:

   (a) Partly-paid up investments
   (b) Claims, other than those under policies, not acknowledged as debts
   (c) Guarantees/letter of comfort given by or on behalf of the company
   (d) Statutory demands/liabilities in dispute, not provided for
   (e) Reinsurance Obligations to the extent not provided for in accounts
   (f) Others (to be specified).

2. Actuarial assumptions for valuation of liabilities for life policies in force.

3. Encumbrances on assets of the insurer in and outside India.

4. Commitments made and outstanding for Loans, Investments, Fixed Assets

5. Basis of amortisation of debt securities.

6. Details of controlled fund in the manner prescribed by the Authority.

7. Claims settled and remaining unpaid for a period of more than six months as on the balance sheet date.

8. Ageing of the unclaimed amounts as prescribed by the Authority

9. Value of contracts in relation to investments, for:
   (a) Purchases where deliveries are pending;
   (b) Sales where payments are overdue

10. Operating expenses charged to Policyholders' Fund: basis of allocation of expenditure to various segments of business.

11. Historical costs of those investments valued on fair value basis.

12. Basis of revaluation of investment property.

13. Disclosures on derivatives:

    i. Description of insurer's financial risk management objective and policies, in particular its policy for hedging forecasted transactions.
    ii. Hedging strategy.
    iii. Nature and terms of outstanding Interest Rate derivative contracts.

14. Disclosures on related party transactions – As prescribed by the Authority.

B. The following accounting policies shall form an integral part of the financial statements:

1. All significant accounting policies in terms of the accounting standards issued under the Companies (Accounting Standards) Rules 2006, to the extent applicable and significant principles and policies given in Part I of Accounting Principles. Any other accounting policies, followed by the insurer, shall be stated in the manner required under Accounting Standard AS 1 issued under the Companies (Accounting Standards) Rules 2006.

2. Any departure from the accounting policies shall be separately disclosed with reasons for such departure.

C. The following information shall be disclosed:

1. Investments made in accordance with any statutory requirement should be disclosed separately together with its amount, nature, security and any special rights in and outside India;

2. Segregation into performing/ non-performing investments for purpose of income recognition as per the directions, if any, issued by the Authority;

3. Assets to the extent required to be deposited under local laws or otherwise encumbered in or outside India;

4. Rural business, social sector business indicating gross premium underwritten, number of policies issued and number of lives covered (both in absolute and in percentage terms).

5. Extent of risk retained and re-insured shall be separately disclosed.

6. Total amount of assets subject to restructuring and those under the heads standard, sub-standard, doubtful assets as may be prescribed by the Authority.

7. Information on the penalties imposed on the insurer by various government/regulatory bodies, as may be prescribed by the Authority

8. Details of Combi-products including name of the partner insurer, number of contracts underwritten during the year, premium collected during the year, commission paid.

9. Disclosures on discontinued fund as may be prescribed, including

   (i) Number of policies discontinued during the financial year;
   (ii) Percentage of discontinued policies to total policies (product-wise) during the year;
   (iii) Number and Percentage of policies (discontinued policies) revived during the year
   (iv) Charges imposed on account of discontinued policies.
   (v) Charges readjusted on account of revival of discontinued policies

10. A summary of financial statements for the last five years, in the manner as may be prescribed by the Authority;

11. Accounting Ratios as may be prescribed by the Authority.

12. Disclosures for ULIP business shall be as prescribed by the Authority

PART III

GENERAL INSTRUCTIONS FOR PREPARATION OF FINANCIAL STATEMENTS

1. The corresponding amounts for the immediately preceding financial year for all items shown in the Balance Sheet, Revenue Account, Profit and Loss Account and Receipts and Payments Account- Statement of Cash Flows-shall be given.

2. The figures in the financial statements may be rounded off to the nearest lakh of rupees.

3. Interest, dividends and rentals receivable in connection with an investment should be stated at gross amount. The amount of income tax deducted at source should be included under 'advance taxes paid' and taxes deducted at source".

4. (I) For the purposes of financial statements, unless the context otherwise requires -

   (a) the expression 'provision' shall, subject to (II) below means any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or retained by way of providing for any known liability or loss of which the amount cannot be determined with substantial accuracy;

   (b) the expression 'reserve' shall not, subject to as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability or loss;

   (c) the expression 'capital reserve' shall not include any amount regarded as free for distribution through the profit and loss account; and the expression 'revenue reserve' shall mean any reserve other than a capital reserve;

   (d) The expression "liability" shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.

   (II) Where:

   (a) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or

   (b) any amount retained by way of providing for any known liability or loss, is in excess of the amount which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated as a reserve and not provision.

5. The company shall make provisions for damages under lawsuits where the management is of the opinion that the award may go against the insurer.

6. Any debit balance of the Profit and Loss Account shall be shown separately as deduction from uncommitted reserves and the balance, if any, shall be shown separately.

7. Service tax collected from the policyholders to remit to the government is to be shown under L-RA. Service Tax charge which is borne by the insurer as an expenditure shall be accounted under Schedule 3-Operating expenses charged to Revenue account.

8. **Instructions on Preparation of financial statements for ULIP business:**

   i. Treatment of premium inclusive of both Investment and risk premium :

Risk premium and Investment premium shall form part of income and should be disclosed in revenue account.

ii. Treatment of Benefits paid

a. All the benefits paid should be shown under the head “Benefits Paid” in Revenue account. No part of benefits shall be reduced from the fund directly.

b. Treatment of Unrealized Gains: Both in Revenue A/c. and Balance Sheet.

1. Unrealized gains in respect of unit linked business shall be credited in revenue account.

2. In the Balance Sheet the disclosure should be as under:

Linked liabilities	XXX
Fair value change	XXX

Total Linked Liability	XXX

9. **Treatment of Group Insurance business:**

i. Regular Premium plans with limited premium payment term and/or pre-determined policy term shall be treated as regular business with due classification into first year premium and renewal premium.

ii. Plans other than those under 9 (i) above shall be treated as Single Premium plans.

PART IV

CONTENTS OF MANAGEMENT REPORT

There shall be attached to the financial statements, a management report containing, inter alia, *the following, duly authenticated by the management:*

1. Confirmation regarding the continued validity of the registration granted by the Authority and compliance with the terms and conditions of Registration

2. Certification that all the dues payable to the statutory authorities have been duly paid;

3. Confirmation to the effect that the shareholding pattern and any transfer of shares during the year are in accordance with the statutory or regulatory requirements;

4. Confirmation that the required solvency margins have been maintained; Solvency margin as at the balance sheet date of the current year and preceding financial year against the required margin prescribed by the Authority, both in terms of quantum and percentage.

5. Confirmation that the provisions relating to investments under the Insurance Act 1938 and the Regulations made thereunder have been complied with

6. Confirmation of compliance with domestic statutory, regulatory and other laws in the countries in relation to subsidiaries, associates, joint ventures and joint arrangements.

7. Certification to the effect that no part of the life insurance fund has been applied directly or indirectly in any manner save in accordance with Insurance Act, 1938 and Regulations made thereunder or as expressly permitted by the Authority

8. Disclosure with regard to the overall risk exposure and strategy adopted to mitigate the same;

9. Operations in other countries, if any, with a separate statement giving the management's estimate of country risk and exposure risk and the hedging strategy adopted

10. Ageing of claims indicating the trends in average claim settlement time during the current year and preceding five years to be disclosed as may be prescribed by the Authority

11. Review of asset quality and performance of investment in terms of portfolios, *i.e.,* separately in terms of real estate, loans, investments, etc.

12. Corporate Governance framework and necessary details requiring disclosure as may be prescribed.

13. Details of payments to individuals, firms, companies and organizations in which directors /authorised signatories/trustees are interested as may be prescribed by the Authority

14. Confirmation to the effect that :

    i) All the claims registered upto the year-end have been reckoned while making appropriate provision for all outstanding claims. Appropriate provision has been made for all outstanding claims at the year end.

    ii) All the claims entered in claims register up to the year end have been considered while making provision for outstanding claims.

15. A responsibility statement indicating therein that:

(a) 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;

(b) the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the insurer at the end of the financial year, of the surplus/deficit in revenue account and of the profit or loss in the Profit and Loss Account for the year and of the receipts and payments for the year;

(c) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) Companies Act, 2013 (18 of 2013), for safeguarding the assets of the insurer and for preventing and detecting fraud and other irregularities;

(d) the management has prepared the financial statements on a going concern basis;

(e) the management has laid down internal financial controls to be followed by the insurer and that such internal financial controls are adequate and were operating effectively;

(f) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively; and

(g) the management has devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively

Part V

PREPARATION OF FINANCIAL STATEMENTS

(1) An insurer shall prepare the Revenue Account [Policyholders' Account], Profit and Loss Account [Shareholders' Account] and the Balance Sheet in Form A-RA, Form A-PL and Form A-BS, as prescribed in this Part, or as near thereto as the circumstances permit:

Provided that an insurer shall prepare Revenue Account and Balance Sheet for the under mentioned businesses separately and to that extent the application of AS 17 shall stand modified:-

a) Participating policies and Non-participating policies;

b) i) Linked business [As defined in IRDAI (Linked Insurance Products) Regulations , 2013] including Variable Insurance Products separately for Life, General Annuity, Pensions and Health Insurance

   ii) Non-Linked business including Variable Insurance Products separately for Life, General Annuity, Pensions and Health Insurance;

   iii) In respect of business of health insurance, separately for, Retail, Group and Government Scheme

c) Business within India and business outside India.

(2) An insurer shall prepare separate Receipts and Payments Account in accordance with the Direct Method prescribed in AS 3 – "Cash Flow Statement".

Part VI

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. An insurer, where applicable, shall prepare Consolidated Financial Statements, i.e., Consolidated Balance sheet, Consolidated Revenue Account, Consolidated Profit and Loss and Consolidated Receipts and Payment Accounts –Consolidated Cash Flow Statement.

Provided that the requirements of this Schedule shall apply *mutatis mutandis* for consolidated financial statements. The consolidated financial statements shall disclose the information as per the requirements specified in the applicable AS including the following:

i) Profit or loss attributable to –minority/"non-controlling interest" and to the owners of the parent, in the profit and loss shall be presented as allocation for the period.

ii) Minority/"non-controlling interests" in the balance sheet within equity shall be presented separately from the equity of the owners of the parent.

2. All subsidiaries, associates and joint ventures (whether Indian or foreign) will be covered under consolidated financial statements.

3. An insurer shall disclose the list of subsidiaries or associates or joint ventures which have not been consolidated in the consolidated financial statements along with reasons for not consolidating.

In Consolidated Financial Statements, the following shall be disclosed by way of additional information

(₹lakh)

Name of the entity in	Net Assets i.e., total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
1	2	3	4	5
Parent				
Subsidiaries				
Indian				
1.				
2.				
3.				
Foreign				
1.				
2.				
3.				
Minority interests in				
All Subsidiaries				
Associates (Investments as per equity method)				
Indian				
1.				
2.				
3.				
Foreign				
1.				
2.				
3.				
Joint ventures (as per proportionate consolidation/ Investment as per equity method)				
Indian				
1.				
2.				
3.				
Foreign				
1.				
2.				
3.				
TOTAL				

FORM L-RA

Name of the Insurer: **Registration No. and Date of Registration with the IRDAI**

REVENUE ACCOUNT FOR THE YEAR ENDED 31[ST] MARCH, 20___.

Policyholders' Account (Technical Account)

Particulars	**Schedule**	**Current Year**	**Previous Year**
		(₹ lakh)	(₹ lakh)
Premiums earned – net			
(a) Premium (net of service tax) (b) Reinsurance ceded (c) Reinsurance accepted	**1**		
Income from Investments			
(a) Interest (Net of Accretions/ Amortisation of discounts/premium) (b) Dividend (c) Rent (d) Profit on sale/redemption of investments (e) (Loss on sale/ redemption of investments) (f) Transfer/Gain on revaluation/change in fair value*			
Other Income (to be specified)			
Shareholders contribution for meeting deficit			
TOTAL (A)			
Commission	**2**		
Operating Expenses	**3**		
Provision for doubtful debts			
Provisions (other than taxation)			
(a) For impairment in the value of investments (Net) (b) Others (to be specified)			
Bad debts written off			
Service tax on linked business			
Provision for Tax			
TOTAL (B)			
Benefits Paid (Net)	**4**		
Interim Bonuses Paid			
Change in valuation of liability in respect of life policies (a) Policy Liabilities** (b) Fund Reserve (c) Discontinued fund (d) Amount ceded in Reinsurance (e) Amount accepted in Reinsurance			
TOTAL (C)			
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)			
Amount available for appropriation (D)			
APPROPRIATIONS			
Allocation of Bonus to Policyholders			
Transfer to Shareholders' Account			
Transfer to Catastrophe Reserve			
Transfer to Other Reserves (to be specified)			
Transfer to/from Funds for Future Appropriations			
TOTAL (D)			

Notes:
*****Represents the deemed realised gain as per norms specified by the Authority.
****** Represents Mathematical Reserves before allocation of bonus

See Notes appended at the end of Form L-PL

FORM L-PL

Name of the Insurer: **Registration No. and Date of Registration with the IRDAI**

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 20___.

Shareholders' Account (Non-technical Account)

Particulars	**Schedule**	**Current Year**	**Previous Year**
		(₹ lakh)	(₹ lakh)
Income From Investments			
(a) Interest (Net of Accretions/Amortisation of discounts/premium) (b) Dividend (c) Rent (d) Profit on sale/redemption of investments (e) (Loss on sale/ redemption of investments)			
Other Income (To be specified)			
Amounts transferred from the Policyholders Account - (Technical Account)			
TOTAL (A)			
Operating Expenses	**3A**		
Interest on Debentures/Bonds			
Bad debts written off			
Provisions (Other than taxation)			
(a) For impairment in the value of investments (Net) (b) Provision for doubtful debts (c) Others (to be specified)			
Amounts transferred to the Policyholders Account (Technical Account)			
TOTAL (B)			
Profit/(Loss) before Tax			
Provision for Taxation			
Profit/(Loss) (after tax)			
Appropriations (a) Balance at the beginning of the year (b) Interim dividends paid during the year (c) Proposed Final dividend (d) Dividend distribution tax (e) Transfer to reserves/ other accounts (to be specified)			
Balance carried to the Balance Sheet			
Earnings per equity share			
Basic			
Diluted			

Notes to Form L-RA and L-PL:

a) Premium income received from business concluded in and outside India shall be separately disclosed.
b) Reinsurance premiums whether on business ceded or accepted are to be brought into account gross (i.e. before deducting commissions) under the head reinsurance premiums.
c) Claims incurred shall comprise claims paid, specific claims settlement costs wherever applicable and change in the outstanding provision for claims at the year-end.

d) Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or ₹500000 whichever is higher, shall be shown as a separate line item.
e) Fees and expenses connected with claims shall be included in claims.
f) Under the sub-head "Others” shall be included items like foreign exchange gains or losses and other items.
g) Interest, dividends and rentals receivable in connection with an investment should be stated as gross amount, the amount of income tax deducted at source being included under 'advance taxes paid and taxes deducted at source”.
h) Income from rent shall not include only the realised rent. It shall not include any notional rent

FORM L-BS

Name of the Insurer:
Registration No. and Date of Registration with the IRDAI

BALANCE SHEET AS AT 31ST MARCH, 20____.

Particulars	**Schedule**	**Current Year**	**Previous Year**
		(₹ lakh)	(₹ lakh)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS:			
Share capital	**5**		
Reserves and surplus	**6**		
Credit/[debit] fair value change account			
Sub-Total			
BORROWINGS	**7**		
POLICYHOLDERS' FUNDS:			
Reserves	**6A**		
Credit/[debit] fair value change account			
POLICY LIABILITIES			
FUNDS FOR DISCONTINUED POLICIES			
Discontinued on account of non-payment of premiums			
Others			
PROVISION FOR LINKED LIABILITIES			
Sub-Total			
FUNDS FOR FUTURE APPROPRIATIONS	**6B**		
TOTAL			
APPLICATION OF FUNDS			
INVESTMENTS			
Shareholders'	**8**		
Policyholders'	**8A**		
Assets held to cover linked liabilities	**8B**		
LOANS	**9**		
FIXED ASSETS	**10**		
CURRENT ASSETS			
Cash and Bank Balances	**11**		
Advances and Other Assets	**12**		
Sub-Total (A)			
CURRENT LIABILITIES	**13**		
PROVISIONS	**14**		
Sub-Total (B)			
NET CURRENT ASSETS (C) = (A – B)			
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT (Shareholders' Account)			

DEFICIT IN THE REVENUE A/c (Policyholders' Account)			
TOTAL			

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 1
PREMIUM (net of service tax)

Particulars	Current Year	Previous Year
	(₹ lakh)	(₹ lakh)
1. First year premiums		
2. Renewal Premiums		
3. Single Premiums		
TOTAL PREMIUM		

SCHEDULE- 2
COMMISSION

Particulars	Current Year	Previous Year
	(₹ lakh)	(₹ lakh)
Commission paid		
Direct – First year premiums - Renewal premiums - Single premiums Total **(A)** Add: Commission on Re-insurance Accepted Less: Commission on Re-insurance Ceded		
Net Commission		

Note:
The profit/commission, if any, are to be combined with the re-insurance accepted or re-insurance ceded figures.

Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:		
Channel	**Current Year**	**Previous Year**
	(₹ lakh)	**(₹ lakh)**
Agents		
Brokers		
Corporate Agency		
Web Aggregators		
Common Service Centers		
Others (pl. specify)		
TOTAL (B)		
Note: Total (A) and (B) above should tally.		

Note: Commission / remuneration paid to the all the insurance intermediaries needs to be shown separately (Insurance Intermediaries-wise)

SCHEDULE – 3
OPERATING EXPENSES CHARGED TO REVENUE ACCOUNT

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
1. Employees' remuneration & welfare benefits		
2. Travelling and conveyance expenses		
3. Training expenses		
4. Rents, rates & taxes		
5. Repairs		
6. Printing & stationery		
7. Communication expenses		
8. Legal & professional charges		
9. Medical fees		
10. Auditors' fees, expenses etc.		
a) as auditor 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		
11. Advertisement and publicity		
12. Interest & Bank Charges		
13. Service Tax		
14. Depreciation		
15. Others (to be specified)		
TOTAL		
In India		
Outside India		

Note: Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or ₹ 500,000 whichever is higher, shall be shown as a separate line item.

SCHEDULE 3A
OPERATING EXPENSES CHARGED TO PROFIT AND LOSS ACCOUNT

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
1. Employees' remuneration & welfare benefits		
2. Travel, conveyance and vehicle running expenses		
3. Rents, rates & taxes		
4. Printing & stationery		
5. Communication expenses		
6. Legal & professional charges		
7. Others (to be specified)		
8. Depreciation		
9. Interest on Debentures / subordinated Debts		
10. Others (to be specified)		
TOTAL		
In India		
Outside India		

Note: Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or ₹500,000 whichever is higher, shall be shown as a separate line item.

SCHEDULE – 4
BENEFITS PAID [NET]

Particulars	Current Year (₹ lakh)	Previous Year (₹ lakh)
1. Insurance Claims (a) Claims by Death, (b) Claims by Maturity, (c) Annuities (d) Pension payment, (e) Other benefits, specify 2. Surrenders		
3. (Amount ceded in reinsurance): (a) Claims by Death, (b) Other benefits, specify		
4. Amount accepted in reinsurance: (a) Claims by Death, (b) Other benefits, specify		
TOTAL		
In India		
Outside India		

Notes: (a) Claims include specific claims settlement costs, wherever applicable.

(b) Legal and other fees and expenses shall also form part of the claims cost, wherever applicable.

(c) Fees paid to Third Party Administrators shall form part of claims cost. whereas the TPA services are in-house, an expense not exceeding 3 percent of the premium may be charged claim cost.

SCHEDULE – 5
SHARE CAPITAL

Particulars	Current Year	Previous Year
A. EQUITY	**(₹ lakh)**	**(₹ lakh)**
1. Authorised Capital		
Equity Shares of ₹..... each		
2. Issued Capital		
Equity Shares of ₹. .....each		
3. Subscribed Capital		
Equity Shares of ₹.......each		
4. Paid up Capital		
Equity Shares of ₹ .....each		
Less : Calls unpaid		
Add : Shares forfeited (Amount originally paid up)		
Less : Par value of Equity Shares bought back		
Total A		
B. PREFERENCE SHARE CAPITAL	**(₹ lakh)**	**(₹ lakh)**
1. Authorised Capital		
…..Shares of ₹..... each		
2. Issued Capital		
………Shares of ₹.....each		
3. Subscribed Capital		
……….Shares of ₹.......each		
4. Called-up Capital		
………Shares of ₹ .....each		
Less : Calls unpaid		
Add : ……..Shares forfeited (Amount originally paid up)		
Total B		
Grand Total A+B		

Notes:

(a) Particulars of the different classes of capital should be separately stated.
(b) The amount capitalised on account of issue of bonus shares should be disclosed.
(c) In case any part of the capital is held by a holding company, the same should be separately disclosed.
(d) The terms of issue of preference share capital, date of redemption should be disclosed
(e) Pattern of shareholding in the following format shall be disclosed

Shareholder	**Current Year**		**Previous Year**	
	Number of Shares	**% of Holding**	**Number of Shares**	**% of Holding**
Promoters • Indian • Foreign				
Investors • Indian • Foreign • Others				
TOTAL				

[to be given separately for each class of shares]

SCHEDULE – 6
RESERVES AND SURPLUS

Particulars	Current Year (₹ lakh)	Previous Year (₹ lakh)
1. Capital Reserve		
2. Capital Redemption Reserve		
3. Securities Premium		
4. Revaluation Reserve		
5. General Reserves Less: Debit balance in Profit and Loss Account, if any Less: Amount utilized for Buy-back		
6. Balance of profit in Profit and Loss Account		
7. Other Reserves (to be specified)		
TOTAL		

Note: Additions to and deductions from the reserves shall be disclosed under each of the specified heads.

SCHEDULE – 6A
RESERVES

Particulars	Current Year (₹ lakh)	Previous Year (₹ lakh)
1. Revaluation Reserve		
2. Catastrophe Reserves		
3. Other Reserves (to be specified)		
TOTAL		

Note: Additions to and deductions from the reserves shall be disclosed under each of the specified heads.

SCHEDULE- 6B
FUNDS FOR FUTURE APPROPRIATION**

Particulars	Current Year				Previous Year			
	Par funds	Non-par funds		Total	Par funds	Non-par funds		Total
		Linked	Non-Linked			Linked	Non-Linked	
	(₹ lakh)	(₹ lakh)		(₹ lakh)	(₹ lakh)	(₹ lakh)		(₹ lakh)
Opening Balance								
Add: (i) Lapsed policies on which revival period has not expired (ii) Others (to be specified)								
Less: Deductions during the year (i) on Account of revival								

policies (ii) others (to be specified)						
TOTAL						

**where the FFA is outstanding for more than one year, age-wise break up under par and non-par categories shall also be given with the following classification

0-1 year
1-2 years
2-3 years
3-4 years
above 4 years

SCHEDULE - 7
BORROWINGS

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
1. Debentures		
2. Bonds		
3. Banks		
4. Financial Institutions		
5. Others (to be specified)		
TOTAL		

Notes:

(a) The extent to which the borrowings are secured shall be separately disclosed stating the nature of the security under each sub-head.

(b) The terms of issue for each class of debentures, date of redemption should be disclosed

(c) Modification in date in repayment of loans and interest, shall be specified separately in each case

(d) Borrowings from related parties shall be disclosed as a separate line item.

(e) Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed

SCHEDULE- 8
INVESTMENTS-SHAREHOLDERS

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Subsidiaries (f) Investment Property-Real Estate (g) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub-Total		
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds		

(c) Derivative Instruments (d) Debentures/ Bonds (e) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub-Total		
Total		

Note: See Notes appended at the end of Schedule- 8B

SCHEDULE- 8A
INVESTMENTS-POLICYHOLDERS

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Subsidiaries (f) Investment Property-Real Estate (g) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub- Total		
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub-Total		
Total		

Note: No investments in investment property for self use from funds of participating business is permitted

Also see notes appended at the end of Schedule- 8B

SCHEDULE- 8B
ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Subsidiaries (f) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub- Total		
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Subsidiaries (f) Investment Property-Real Estate (g) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub-Total		
Total		

Notes (applicable to Schedules 8 and 8A & 8B):

(a) Investments in subsidiary/holding companies, joint ventures and associates shall be separately disclosed, at cost.

(i) Holding company and subsidiary shall be construed as defined in the Companies Act, 2013:
(ii) Joint Venture is a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control.
(iii) Joint control - is the contractually agreed sharing of power to govern the financial and operating policies of an economic activity to obtain benefits from it.
(iv) Associate - is an enterprise in which the company has significant influence and which is neither a subsidiary nor a joint venture of the company.
(v) Significant influence (for the purpose of this schedule) -means participation in the financial and operating policy decisions of a company, but not control of those policies. Significant influence may be exercised in several ways, for example, by representation on the board of

directors, participation in the policymaking process, material inter-company transactions, interchange of managerial personnel or dependence on technical information. Significant influence may be gained by share ownership, statute or agreement. As regards share ownership, if an investor holds, directly or indirectly through subsidiaries, 20 percent or more of the voting power of the investee, it is presumed that the investor does have significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds, directly or indirectly through subsidiaries, less than 20 percent of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence is clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence

(b) Aggregate amount of company's investments other than listed equity securities and derivative instruments and also the market value thereof shall be disclosed.

(c) Investments made out of Catastrophe reserves shall be shown separately

(d) Debt Securities will be considered as "held to maturity" securities and will be measured at historical costs subject to amortisation

(e) Investment Property means a property [land or building or part of a building or both] held to earn rental income or for capital appreciation or for both, rather than for use in services or for administrative purposes.

(f) Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve months from balance sheet date shall be classified as short-term investments

SCHEDULE - 9
LOANS

Particulars	**Current Year**	**Previous Year**
	(₹ lakh).	(₹ lakh).
1. SECURITY-WISE CLASSIFICATION		
Secured		
1. On mortgage of property i) In India ii) Outside India		
2. On Shares, Bonds, Govt. Securities, etc.		
3. Loans against policies		
4. Others (to be specified)		
Unsecured		
TOTAL		
2. BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments		
(b) Banks and Financial Institutions		
(c) Subsidiaries		
(d) Companies		
(e) Loans against policies		
(f) Others (to be specified)		
TOTAL		
3. PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard i) In India ii) Outside India (b) Non-standard loans less provisions i) In India ii) Outside India		
TOTAL		
4. MATURITY-WISE CLASSIFICATION		
(a) Short Term		

(b) Long Term		
TOTAL		

Notes:

(a) *Short-term loans shall include those, which are repayable within 12 months from the date of balance sheet. Long term loans shall be the loans other than short-term loans.*

(b) *Provisions against non-performing loans shall be shown separately against each category of loan.*

(c) *The nature of the security in case of all long term secured loans shall be specified in each case. Secured loans for the purposes of this schedule, means loans secured wholly or partly against an asset of the company.*

(d) *Loans considered doubtful and the amount of provision created against such loans shall be disclosed.*

SCHEDULE - 10
FIXED ASSETS

(₹lakh)

Particulars	**Cost/ Gross Block**				**Depreciation**				**Net Block**	
	Opening	Additions	Deductions	Closing	Up to Last Year	For The Year	On Sales/ Adjustments	To Date	As at year end	Previous Year
Goodwill										
Intangibles (specify)										
Land-Freehold										
Leasehold Property										
Buildings										
Furniture & Fittings										
Information Technology Equipment										
Vehicles										
Office Equipment										
Others (Specify nature)										
TOTAL										
Work in progress										
Grand Total										
PREVIOUS YEAR										

Note: Assets included in land, property and building above exclude Investment Properties as defined in note (e) at the end to Schedule 8B.

SCHEDULE- 11
CASH AND BANK BALANCES

Particulars	**Current Year**	**Previous Year**
	(₹ lakh)	**(₹ lakh)**
1. Cash (including cheques, drafts and stamps)		
2. Balance with Banks		
(a) Deposit Accounts i) Short-term (due within 12 months of the date of Balance Sheet) ii) Others (b) Current Accounts (c) Others (to be specified)		
3. Money at Call and Short Notice		
(a) With Banks (b) With Other Institutions		
4. Others (to be specified)		
TOTAL		
Balances with non-scheduled banks included in 2 and 3 above		
CASH & BANK BALANCES		
1. In India		
2. Outside India		
TOTAL		

Note: Bank balance may include remittances in transit. If so, the nature and amount shall be separately stated.

SCHEDULE – 12
ADVANCES AND OTHER ASSETS

Particulars	Current Year	Previous Year
	(₹ lakh)	(₹ lakh)
ADVANCES		
1. Reserve deposits with ceding companies		
2. Application money for investments		
3. Prepayments		
4. Advances to Directors/Officers		
5. Advance tax paid and taxes deducted at source (Net of provision for taxation)		
6. Others (to be specified)		
TOTAL (A)		
OTHER ASSETS		
1. Income accrued on investments		
2. Outstanding Premiums		
3. Agents' Balances		
4. Foreign Agencies Balances		
5. Due from other entities carrying on insurance business (including reinsures)		
6. Due from subsidiaries/ holding company		
7. Service tax unutilized credit		
8. Others (to be specified)		
TOTAL (B)		
TOTAL (A+B)		

Notes:

(a) The items under the above heads shall not be shown net of provisions for doubtful amounts. The amount of provision against each head should be shown separately.

(b) The term 'officer' should conform to the definition of that term as given under the Companies Act, 2013

(c) Sundry debtors will be shown under item 8 (Others)

SCHEDULE – 13
CURRENT LIABILITIES

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
1. Agents' Balances		
2. Balances due to other insurance companies		
3. Deposits held on re-insurance ceded		
4. Premiums received in advance		
5. Unallocated premium		
6. Sundry creditors		
7. Due to subsidiaries/ holding company		
8. Claims Outstanding		
9. Unclaimed amounts		
10. Annuities Due		
11. Due to Officers/ Directors		
12. Service Tax Liability		
13. Others (to be specified)		
TOTAL		

SCHEDULE – 14
PROVISIONS

Particulars	Current Year	Previous Year
	(₹ lakh)	(₹ lakh)
1. For taxation (less payments and taxes deducted at source)		
2. For Proposed dividends		
3. For dividend distribution tax		
4. Employee Benefits		
5. Others (to be specified)		
TOTAL		

Financial Statements of Unit Linked Business

Annexure to Revenue Account-Break up of Unit Linked Business (UL)											
Name of the Insurer **Registration No.** **Date of Registration with IRDAI**											
Policyholders' Account (Technical Account)											**(₹ lakh)**
Particulars	**Schedule**	**Linked Life**			**Linked Pension**			**Linked Group**			**Total Unit Linked**
		Non-Unit	**Unit**	**Total**	**Non-Unit**	**Unit**	**Total**	**Non-Unit**	**Unit**	**Total**	
		(1)	(2)	(3)=(1) + (2)	(4)	(5)	(6)=(4) + (5)	(7)	(8)	(9)=(7) + (8)	(10)=(3)+ (6)+(9)
Premiums earned – net											
(a) Premium											
(b) Reinsurance ceded											
Income from Investments											
(a) Interest											
(b) Dividend											
(c) Rent											
(d) Profit on sale/redemption of investments											
(e) Loss on sale/redemption of investments											
(f) Unrealised gain/(loss)											
Other income:											
Linked Income	UL1										
Shareholders contribution for meeting deficit											
TOTAL (A)											
Commission											
Operating Expenses											
Service tax on linked business											
Provision for Taxation											
TOTAL (B)											
Benefits Paid (Net)	UL2										
Interim Bonus Paid											
Change in Valuation Liability											

TOTAL (C)											
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)											
APPROPRIATIONS											
Transfer to Shareholders' a/c											
Funds available for future appropriations											
Total (D)											

Note: Previous Year figures should also be given in the same format

Schedules to Annexure to Revenue Account (UL) forming part of Financial Statements

Name of the Insurer

Registration No.

Date of Registration with IRDAI

Schedule-UL1

Linked Income (recovered from linked funds)*

(₹ lakh)

Particulars	**Life Linked Unit**	**Pension Linked Unit**	**Group Linked Unit**	**Total**
	(1)	(2)	(3)	(4)= (1)+(2)+(3)
Fund Administration charges				
Fund Management charge				
Policy Administration charge				
Surrender charge				
Switching charge				
Mortality charge				
Rider Premium charge				
Partial withdrawal charge				
Miscellaneous charge				
TOTAL (UL-1)				

* (net of service tax, if any)

Note: Previous Year figures should also be given in the same format

Name of the Insurer
Registration No.
Date of Registration with IRDAI

Schedule–UL2

BENEFITS PAID [NET] (₹ lakh)

Sl. No.	Particulars	Linked Life			Linked Pension			Linked Group			Total Unit Linked
		Non Unit	Unit	Linked Life	Non - Unit	Unit	Linked Pension	Non-Unit	Unit	Linked Group	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)=(3)+(6)+(9)
1	Insurance Claims										
(a)	Claims by Death										
(b)	Claims by Maturity										
(c)	Annuities / Pension payment										
(d)	Other benefits										
	- Surrender										
	- Survival										
	Sub Total (A)										
2	Amount Ceded in reinsurance										
(a)	Claims by Death										
(b)	Other benefits										
	- Surrender										
	- Survival										
	Sub Total (B)										
	TOTAL (A) - (B)										
	Benefits paid to claimants:										
	In India										
	Outside India										
	TOTAL (UL2)										

Note: Previous Year figures should also be given in the same format

Form L-BS(UL)			
Name of the Insurer			
Registration No.			
Date of Registration with IRDAI			
Fund Balance Sheet as at 31st March ___________			
			(₹ lakh)
Particulars	**Schedule**	**Current year**	**Previous Year**
Sources of Funds			
Policyholders' Funds:			
Policyholder contribution	F-1		
Revenue Account			
Total			
Application of Funds			
Investments	F-2		
Current Assets	F-3		
Less: Current Liabilities and Provisions	F-4		
Net current assets			
Total			
Net Asset Value (NAV) per Unit:			
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ lakh)			
(b) Number of Units outstanding			
(c) NAV per Unit (a)/(b) (₹)			

Form L-RA(UL)			
Name of the Insurer			
Registration No.			
Date of Registration with IRDAI			
Fund Revenue Account for the year ended 31st March___________			
			(₹ lakh)
Particulars	**Schedule**	**Current Year**	**Previous Year**
Income from investments			
Interest income			
Dividend income			
Profit/loss on sale of investment			
Profit/loss on inter fund transfer/ sale of investment			
Miscellaneous Income			
Unrealised Gain/loss*			
Total (A)			
Fund management expenses			
Fund administration expenses			
Other charges:	F-5		
Service tax charge			
Total (B)			
Net Income for the year (A-B)			
Add: Fund revenue account at the beginning of the year			
Fund revenue account at the end of the year			
* Net change in mark to market value of investments			

Schedules to Fund Revenue Account		
Name of the Insurer		
Registration No.		
Date of Registration with IRDAI		
Schedule: F-1		
POLICYHOLDERS' CONTRIBUTION		
		(₹ lakh)
Particulars	**Current Year**	**Previous Year**
Opening balance		
Add: Additions during the year*		
Less: Deductions during the year*		
Closing balance		
* Additions represents units creation and deductions represent unit cancellations		

Schedules to Fund Revenue Account		
Name of the Insurer		
Registration No.		
Date of Registration with IRDAI		
Schedule: F-2		
INVESTMENTS		
		(₹ lakh)
Particulars	**Current Year**	**Previous Year**
Approved Investments		
Government Bonds		
Corporate Bonds		
Infrastructure Bonds		
Equity		
Money Market		
Mutual Funds		
Total		
Other Investments		
Corporate Bonds		
Infrastructure Bonds		
Equity		
Money Market		
Mutual Funds		
Total		
GRAND TOTAL		
% of Approved Investments to Total		
% of Other Investments to Total		

Schedule: F - 3		
CURRENT ASSETS		
		(₹ lakh)
Particulars	**Current Year**	**Previous Year**
Accrued Interest		
Cash &Bank Balance		
Dividend Receivable		
Receivable for Sale of Investments		
Unit Collection A/c#		
Other Current Assets (for Investments)		
Total		

Schedule: F - 4		
CURRENT LIABILITIES		
		(₹ lakh)
Particulars	**Current Year**	**Previous Year**
Payable for Purchase of Investments		
Other Current Liabilities		
Unit Payable a/c#		
Total		
BREAK UP OF OTHER EXPENSES UNDER ULIP		

Schedule: F- 5		
OTHER EXPENSES*		
		(₹ lakh)
Particulars	**Current Year**	**Previous Year**
Policy Administration charge		
Surrender charge		
Switching charge		
Mortality charge		
Rider Premium charge		
Partial withdrawal charge		
Miscellaneous charge		
Total		
*Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.		
# Represents inter fund receivables or payables, if any		

SCHEDULE B

(See Regulation 3(2))

PART I

ACCOUNTING PRINCIPLES FOR PREPARATION OF FINANCIAL STATEMENTS

1. Applicability of Accounting Standards

Every Balance Sheet, Receipts and Payments Account [Cash Flow statement] , Profit and Loss Account [Shareholders' Account] and Revenue Account of the insurer shall be in conformity with the Accounting Standards (AS) issued under the Companies (Accounting Standards) Rules 2006 to the extent applicable to the insurers carrying on general insurance, health insurance and reinsurance business, except that:

(i) Accounting Standard 3 (AS 3) – Cash Flow Statements – Cash Flow Statement shall be prepared only under the Direct Method.

(ii) Accounting Standard 13 (AS 13) – Accounting for Investments, shall not be applicable.

(iii) Accounting Standard 17 (AS 17) - Segment Reporting – shall apply to all insurers irrespective of the requirements regarding listing and turnover mentioned therein.

(iv) Accounting Standard 18 (AS 18)-Related party shall apply as prescribed by the Authority

2. Head Office Account [in the books of branch office of a foreign reinsurer] – In the case of a foreign reinsurer carrying on the business of reinsurance, through a branch office established in India, in accordance with the provisions of the Insurance Act, 1938, an Head Office account shall be maintained.

The Head office Account shall be maintained in two parts as under:

(a) one representing the irreversible fixed amount which shall be maintained at all times, provided to the branch by the foreign reinsurer to act as adequate capital to carry on the business of reinsurance in India as mandated by the Authority from time to time; and
(b) the other account being current account representing the transactions between the branch office and its head office including transfer of branch profit or loss.

Provided that the net result of (a) and (b) shall at no time be less than the assigned capital as specified by the Authority. No repatriation of profits is permitted without prior approval of the Authority.

Policyholders' funds

Policyholders' funds shall constitute the aggregate of technical reserves plus other liabilities net of assets in respect of insurance/reinsurance business as enumerated below;

As on balance sheet date

(i) Technical Reserves would be the sum total of

Policy Liabilities (Refer Schedule 6A)

(ii) Other liabilities (relating to insurance business)

a. Premium received in advance;
b. Unallocated premium;
c. Balance due to other insurers including reinsurers;
d. Insurance agents' and Insurance intermediaries' balance at credit;
e. Creditors (due to policy holders);
f. Balance payable to any insurers' pool
g. Any other credits relating to insurance business.

(iii) Other Assets (relating to insurance business)

a. Outstanding Premium;
b. Insurance agents' and Insurance intermediaries' balance;
c. Due from insurers including reinsurers, joint arrangers;
d. Balance with any insurers' pool; and
e. Any other.

Policyholders funds = (i)+(ii)-(iii)

3. Premium

Premium shall be recognised as income over the contract period or the period of risk, whichever is appropriate. In the case of reinsurance business, premium shall be recognised on the basis of contractual obligations, having regard to trends, and in consonance with the statements of ceding insurers.

A reserve for unexpired premium shall be created as the amount representing that part of the premium written which is attributable to, and to be allocated to the succeeding accounting periods.

Provided that such reserve shall not be less than

a. **Marine Hull** : 100 percent; and
b. **Other Segments**: Insurer has an option to create UPR at 50 percent or on the basis of premium / unexpired period of policy. Any one of the option exercised shall be followed consistently.

Premium Received in Advance, which represents either premium not relating to the current accounting period or premium received prior to the commencement of the risk, shall be shown separately under the head '*Current Liabilities'* in the financial statements.

4. Premium Deficiency

Premium deficiency shall be recognised, if the sum of expected claim costs, related expenses and maintenance costs exceeds related reserve for unexpired risks.

The insurers shall compute and recognize the premium deficiency for each segment without off-setting between segments unless otherwise permitted by the Authority. Any such premium deficiency has to be provided for by the insurer, irrespective of there being no deficiency on the overall global basis.

5. Acquisition Costs

Acquisition costs, if any, shall be expensed in the period in which they are incurred.

Acquisition costs are those costs that vary with, and are primarily related to, the acquisition of new and renewal insurance/reinsurance contracts. The most essential test is the obligatory relationship between costs and the execution of insurance/re-insurance contracts (i.e. commencement of risk).

6. Claims

The components of the ultimate cost of claims to an insurer comprise the claims under policies and specific claims settlement costs. Claims under policies comprise the claims made for losses incurred, recorded and those estimated or anticipated under the policies following a loss occurrence.

An estimated liability for outstanding claims shall be recognised in respect of both direct business and inward reinsurance business. The liability shall include: -

(a) Future payments in relation to unpaid reported claims;
(b) Claims Incurred but Not Reported (IBNR) including inadequate reserves [sometimes referred to as Claims Incurred but Not Enough Reported (IBNER)],

which will result in future cash/asset outgo for settling liabilities against those claims. Change in estimated liability represents the difference between the estimated liability for outstanding claims at the beginning and at the end of the financial period.

The accounting estimate shall also include claims cost adjusted for estimated salvage value, if there is sufficient degree of certainty of its realisation.

Actuarial Valuation of claim liability – in some cases

Claims made in respect of contracts where the claims payment period exceeds four years shall be recognised on an actuarial basis, subject to regulations that may be prescribed by the Authority. In such cases, certificate from a recognised actuary as to the fairness of liability assessment must be obtained. Actuarial assumptions shall be suitably disclosed by way of notes to the account.

7. Forward Exchange Contract

An insurer entering into a Forward Exchange Contract or another financial instrument that is in substance a Forward Exchange Contract shall amortise the premium or discount arising at the inception of such a Forward Exchange Contract, as expense or income over the life of the contract. Exchange differences on such a contract should be recognised in the Revenue Account or in the Profit and Loss Account in the reporting period, in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a Forward Exchange Contract shall be recognised as income or as expense for the period.

8. Procedure to determine value of investments in other than investment property

An insurer shall determine the values of investments in the following manner:-

a) **Real Estate -Investment Property-**Investment Property shall be measured at historical cost less accumulated depreciation and impairment loss, residual value being considered zero and no revaluation being permissible.

The Insurer shall assess at each balance sheet date whether any impairment of the investment property has occurred.

An impairment loss shall be recognised as an expense in the Revenue/Profit and Loss Account immediately.

Fair value as at the balance sheet date and the basis of its determination shall be disclosed in the financial statements as additional information.

b) Debt Securities--Debt securities, including government securities and redeemable preference shares, shall be considered as “held to maturity” securities and shall be measured at historical cost subject to amortisation.

c) Equity Securities and Derivative Instruments that are traded in active markets---Listed equity securities and derivative instruments that are traded in active markets shall be measured at fair value on the balance sheet date. For the purpose of calculation of fair value the closing price on the last business day of the year on the Primary Exchange shall be taken. The Investment Committee of the insurer shall select from NSE and BSE as the Primary and Secondary Exchange, and the valuation shall be made at the closing price of the Primary Exchange as selected. If a security is not listed or traded on the Primary Exchange, the insurer shall use the closing price on the Secondary Exchange. The selection of the Primary and Secondary Exchange shall be followed consistently. Any change in the selection shall have prior approval from Investment Committee with proper justification.

The insurer shall assess on each balance sheet date whether any impairment of listed equity security(ies)/derivative(s) instruments has occurred.

An active market shall mean a market, where the securities traded are homogenous, availability of willing buyers and willing sellers is normal and the prices are publicly available.

Unrealised gains/ losses arising due to changes in the fair value of listed equity shares and derivative instruments shall be taken to equity under the head ‘Fair Value Change Account”. The ‘Profit on sale of investments’ or ‘Loss on sale of investments’, as the case may be, shall include accumulated changes in the fair value previously recognised in equity under the heading ‘Fair Value Change Account’ in respect of a particular security and being recycled to the relevant Revenue Account or Profit and Loss Account on actual sale of that listed security.

For the removal of doubt, it is clarified that balance or any part thereof shall not be available for distribution as dividends.

The insurer shall assess, at each balance sheet date, whether any impairment has occurred. An impairment loss shall be recognised as an expense in Revenue /Profit and Loss Account to the extent of the difference between the remeasured fair value of the security/investment and its acquisition cost as reduced by any previous impairment loss recognised as expense in Revenue/Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue/Profit and Loss Account shall be recognised in Revenue /Profit and Loss Account.

d) Unlisted and other than actively traded Equity Securities and Derivative Instruments --- Unlisted equity securities and derivative instruments and listed equity securities and derivative instruments that are not regularly traded in active markets shall be measured at historical cost. Provision shall be made for diminution in value of such investments. The provision so made shall be reversed in subsequent periods if estimates based on external evidence show an increase in the value of the investment over its carrying amount. The increased carrying amount of the investment due to the reversal of the provision shall not exceed the historical cost.

For the purposes of this regulation, a security shall be considered as being not actively traded, if as per guidelines governing mutual funds laid down from time to time by SEBI, such a security is classified as “thinly traded”.

9. Loans

Loans shall be measured at historical cost subject to impairment provisions.

The insurer shall assess the quality of its loan assets and shall provide for impairment. The impairment provision shall not be lower than the amounts derived on the basis of guidelines prescribed from time to time by the Authority.

10. Preliminary expenses

Preliminary expenses incurred for incorporation of the company shall be written off in the year of incorporation to the Profit and Loss Account.

Expenses incurred on issue of shares capital shall be written off to the Profit and Loss Account in the year in which they are incurred.

11. No part of policyholders' funds pertaining to a specific operating segment shall be applied directly or indirectly in any manner save in accordance with Insurance Act, 1938 and Regulations made thereunder or as expressly permitted by the Authority

12. Catastrophe Reserve -- Catastrophe reserve shall be created in accordance with norms, if any, prescribed by the Authority and shall form part of policyholder's funds. Investment of funds out of catastrophe reserve shall be made in accordance with prescription of the Authority.

PART II

DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS

A. The following shall be disclosed by way of notes to the Balance Sheet:

1. Contingent Liabilities:
   (a) Partly-paid up investments
   (b) Claims, other than those under policies, not acknowledged as debts
   (c) Guarantees /Letter of Comfort given by or on behalf of the company
   (d) Statutory demands/liabilities in dispute, not provided for
   (e) Reinsurance obligations to the extent not provided for in accounts
   (f) Others (to be specified)

2. Encumbrances on assets of the insurer in and outside India.

3. Commitments made and outstanding for Loans, Investments and Fixed Assets.

4. Claims, less reinsurance, paid to claimants in/outside India.

5. Actuarial assumptions for determination of claim liabilities in the case of claims where the claims payment period exceed four years.

6. Ageing of claims – distinguishing between claims outstanding for more than six months and other claims.

7. Premiums, less reinsurance, written from business in/outside India.

8. Extent of premium income recognised, based on varying risk pattern, category wise, with basis and justification therefor, including whether reliance has been placed on external evidence.

9. Ageing of the unclaimed amounts as prescribed by the Authority

10. Value of contracts in relation to investments, for:
    a) Purchases where deliveries are pending;
    b) Sales where payments are overdue.

11. Operating expenses relating to insurance/reinsurance business: basis of allocation of expenditure to various classes of business

12. Historical costs of those investments valued on fair value basis

13. Basis of amortisation of debt securities

14. Claims settled and remaining unpaid for a period of more than six months as on the balance sheet date.

15. Fair value of investment property and the basis therefor

16. Premium deficiency-segment-wise

17. Details of Combi-products including name of the partner insurer, number of contracts underwritten during the year, premium collected during the year, commission paid.

18. Risk retained and reinsured segment-wise

19. Information on the penalties imposed on the insurers by various government/regulatory bodies within and outside India as prescribed by the Authority.

20. Disclosures on derivatives
    a) Description of insurer's financial risk management objective and policies, in particular its policy for hedging forecasted transactions.
    b) Hedging strategy.
    c) Nature and terms of outstanding Interest Rate derivative contracts.

21. Disclosures on related party transactions – As may be prescribed by the Authority:

B. The following accounting policies shall form an integral part of the financial statements:

1. All significant accounting policies in terms of the accounting standards issued under the Companies (Accounting Standards) Rules 2006, to the extent applicable and significant principles and policies given in Part I of Accounting Principles. Any other accounting policies, followed by the insurer, shall be stated in the manner required under Accounting Standard AS 1 issued under the Companies (Accounting Standards) Rules 2006.
2. Any departure from the accounting policies shall be separately disclosed with reasons for such departure.

C. The following information shall also be disclosed:

1. Investments/deposits made in accordance with any statutory requirement should be disclosed separately together with its amount, nature, security and any special rights in and outside India.

2. Segregation into performing/ non performing investments for purpose of income recognition as per the directions, if any, issued by the Authority.

3. Rural business, social sector business indicating gross premium income and number of lives covered (both in absolute and in percentage terms).

4. Basis of allocation of Interest, Dividends and Rent between Revenue Account and Profit and Loss Account.

5. A summary of financial statements for the last five years, in the manner as may be prescribed by the Authority.

6. Accounting Ratios as may be prescribed by the Authority.

PART III

GENERAL INSTRUCTIONS FOR PREPARATION OF FINANCIAL STATEMENTS

1. The corresponding amounts for the immediately preceding financial year for all items shown in the Balance Sheet, Revenue Account, Profit and Loss Account and Receipts and Payments Account- Statement of Cash Flows- shall be given.

2. The figures in the financial statements may be rounded off to the nearest lakh of rupees.

3. Expenses which could not be allocated to various classes of business shall be apportioned based on Board approved policy in this regard

4. Interest, dividends and rentals receivable in connection with an investment should be stated at gross amount, the amount of income tax deducted at source should be included under 'advance taxes paid'.

5. Income from rent shall not include any notional rent.

6. (I) For the purposes of financial statements, unless the context otherwise requires -

   (a) the expression 'provision' shall, subject to (II) below means any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or retained by way of providing for any known liability or loss of which the amount cannot be determined with substantial accuracy;

   (b) the expression 'reserve' shall not, subject to as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability;

   (c) the expression 'capital reserve' shall not include any amount regarded as free for distribution through the profit and loss account; and the expression 'revenue reserve' shall mean any reserve other than a capital reserve;

   (d) The expression "liability" shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.

   (II) Where:

   (a) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or

   (b) any amount retained by way of providing for any known liability or loss, is in excess of the amount which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated as a reserve and not provision.

7. The company shall make provisions for damages under lawsuits where the management is of the opinion that the award may go against the insurer.

8. Any debit balance of the Profit and Loss Account shall be shown separately as deduction from uncommitted reserves and the balance, if any, shall be shown separately.

PART IV

CONTENTS OF MANAGEMENT REPORT

There shall be attached to the financial statements, a management report containing, inter alia, *the following duly authenticated by the management:*

1. Confirmation regarding the continued validity of the registration granted by the Authority and compliance with the terms and conditions of Registration

2. Certification that all the dues payable to the statutory authorities have been duly paid;

3. Confirmation to the effect that the shareholding pattern and any transfer of shares during the year are in accordance with the statutory or regulatory requirements;

4. Confirmation that the balance in the head office account of a branch office established in India of a foreign reinsurer was at no time during the year less than the amount mandated as a minimum by the authority.

5. Declaration that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India;

6. Confirmation that the required solvency margins have been maintained; Solvency margin – Excess of assets over liabilities as at the balance sheet date of the current and preceding financial year against the required margin prescribed by the Authority, both in terms of quantum and percentage.

7. Confirmation that the provisions relating to investments under the Insurance Act 1938 and the Regulations made thereunder have been complied with;

8. Disclosure with regard to the risk exposures and strategy adopted to manage the same;

9. Operations in other countries, if any, with a separate statement giving the management's estimate of country risk and exposure risk and the hedging strategy adopted;

10. Ageing of claims indicating the trends in average claim settlement time during the preceding five years;

11. Review of asset quality and performance of investment in terms of portfolios, *i.e.,* separately in terms of real estate, loans, investments, etc.;

12. Corporate Governance framework and necessary details requiring disclosure as may be prescribed;

13. Confirmation to the effect that:

    i. Appropriate provision has been made for all outstanding claims at the year end.

    ii. All the claims intimated/recorded in claims register up to the year-end have been considered while making provision for outstanding claims.

14. Confirmation on compliance with the domestic statutory, regulatory and other laws in the countries in which the Head Office/Principal place of business of the foreign reinsurer having branch in India

15. Confirmation of compliance with domestic statutory, regulatory and other laws in the countries in relation to subsidiaries, associates, joint ventures and joint arrangements.

16. A schedule of payments, which have been made to individuals, firms, companies and organizations in which Directors/Authorised Signatories/Trustees of the insurer are interested in the format, if any, as may be, prescribed by the Authority.

17. A responsibility statement indicating therein that:

    i) 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;

    ii) the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the insurer at the end of the financial year, of the surplus/deficit in revenue account and of the profit or loss in the Profit and Loss Account for the year and of the receipts and payments for the year;

    iii) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) Companies Act, 2013 (18 of 2013), for safeguarding the assets of the insurer and for preventing and detecting fraud and other irregularities;

    iv) the management has prepared the financial statements on a going concern basis;

    v) the management has laid down internal financial controls to be followed by the insurer and that such internal financial controls are adequate and were operating effectively;

    vi) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively; and

    vii) the management has devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PART V

PREPARATION OF FINANCIAL STATEMENTS

(1) An insurer shall prepare the Revenue Account, Profit and Loss Account [Shareholders' Account] and the Balance Sheet in Form OL-RA, Form OL-PL, and Form OL-BS, or as near thereto as the circumstances permit.

Provided that an insurer shall prepare Revenue Accounts separately for fire, marine, and miscellaneous insurance business. Segment Reporting shall be in accordance with AS 17 – Segment Reporting and shall have the following segments:

i) Fire; ii) Marine Cargo iii) Marine – Other than Marine Cargo iv) Motor (v) Health Insurance including Personal Accident (vi) Miscellaneous

Provided that any segment of Miscellaneous business other than specified above (i.e. included in others category) which contributes 10% or more in Gross Direct Premium shall be shown separately.

The format of segment reporting for each segment shall be in line with the main revenue account (Form OL-RA)

Provided further that in respect of health insurance, segments shall be Retail, Group and Government Scheme

(2) An insurer shall prepare separate Receipts and Payments Account in accordance with the Direct Method prescribed in AS 3 – "Cash Flow Statement".

Part VI

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. An insurer, where applicable, shall prepare Consolidated Financial Statements, i.e., Consolidated Balance sheet, Consolidated Revenue Account, Consolidated Profit and Loss and Consolidated Receipts and Payment Accounts –Consolidated Cash Flow Statement.

Provided that the requirements of this Schedule shall apply *mutatis mutandis* for consolidated financial statements. The consolidated financial statements shall disclose the information as per the requirements specified in the applicable AS including the following:

i) Profit or loss attributable to –minority/”non-controlling interest” and to the owners of the parent, in the profit and loss shall be presented as allocation for the period.

ii) Minority/”non-controlling interests” in the balance sheet within equity shall be presented separately from the equity of the owners of the parent.

2. All subsidiaries, associates and joint ventures (whether Indian or foreign) will be covered under consolidated financial statements.

3. An insurer shall disclose the list of subsidiaries or associates or joint ventures which have not been consolidated in the consolidated financial statements along with reasons for not consolidating.

In Consolidated Financial Statements, the following shall be disclosed by way of additional information

(₹lakh)

Name of the entity in	**Net Assets i.e., total assets minus total liabilities**		**Share in profit or loss**	
	As % of Consolidated net assets	**Amount**	**As % of Consolidated profit or loss**	**Amount**
1	**2**	**3**	**4**	**5**
Parent				
Subsidiaries				
Indian				
1.				
2.				
3.				
Foreign				
1.				
2.				
3.				
Minority interests in				
All Subsidiaries				
Associates (Investments as per equity method)				
Indian				
1.				
2.				
3.				
Foreign				
1.				
2.				
3.				
Joint ventures (as per proportionate consolidation/ Investment as per equity method)				
Indian				
1.				
2.				
3.				
Foreign				
1.				
2.				
3.				
TOTAL				

FORM OL-RA

Name of the Insurer: **Registration No. and Date of Registration with the IRDAI**

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 20___.
POLICYHOLDERS ACCOUNT [TECHNICAL ACCOUNT]

Particulars	**Schedule**	**Current Year**	**Previous Year**
		(₹ lakh)	**(₹ lakh)**
Premiums earned (Net)	**1**		
Others (to be specified)			
TOTAL (A)			
Claims Incurred (Net)	**2**		
Commission	**3**		
Operating Expenses	**4**		
Premium Deficiency			
TOTAL (B)			
Underwriting Profit/(Loss) Insurance Business C= (A - B)			
Add:			
Profit on Sale/Redemption of Investments			
Loss on Sale/Redemption of Investments			
Others (to be specified)			
Interest (net of Accretions/amortisation of discounts/premium)			
Dividend			
Rent			
Total			
Less:			
Loss Assets written off			
Provision for doubtful debts			
Provisions - impairment loss –Investments			
Provisions - impairment loss-Loans			
Provisions – Others			
Operating Profit/Loss from Insurance Business (D)			
Appropriations			
Transfer to Shareholders' Account			
Transfer to Catastrophe Reserve			
Transfer to Other Reserves (to be specified)			
Total (D)			

Note: Premium to be presented net of service tax
See Notes appended at the end of Form OL-PL

FORM OL-PL

Name of the Insurer: **Registration No. and Date of Registration with the IRDAI**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 20___.
SHAREHOLDERS ACCOUNTS [NON-TECHNICAL ACCOUNT]

Sl. No.	Particulars	Schedule	Current Year	Previous Year
			(₹ lakh)	(₹ lakh)
1.	OPERATING PROFIT/(LOSS)			
	(a) Fire Insurance (b) Marine Insurance (c) Miscellaneous Insurance (d) Others- [Give break up- nature of insurance business wise]			
2.	INCOME FROM INVESTMENTS			
	(a) Interest(Net of Accretions/Amortisation of discounts/premium) (b) Dividend (c) Rent (d) Profit on sale of investments Less: Loss on sale of investments (e) Others (to be specified)			
3.	OTHER INCOME (To be specified)			
	TOTAL (A)			
4.	OTHER EXPENSES			
	(a) Operating Expenses (b) Interest on Debentures/Bonds (c) Bad debts written off (d) Others (To be specified)	4A		
5.	PROVISIONS (Other than taxation)			
	(a) For impairment in the value of investments (b) For impaired loans (c) Others (to be specified)			
	TOTAL (B)			
	Profit / (Loss) Before Tax			
	Provision for Taxation			
	Profit / (Loss) After Tax			
	APPROPRIATIONS			
	(a) Interim dividends paid during the year (b) Proposed final dividend (c) Dividend distribution tax (d) Transfer to any Reserves or Other Accounts (to be specified)			
	Balance of profit/ loss brought forward from last year			
	Balance carried forward to Balance Sheet			
	Earnings per equity share			
	Basic			
	Diluted			

Notes: to Form OL-RA and OL- PL

(a) Premium income received from business concluded in and outside India shall be separately disclosed.
(b) Reinsurance premiums whether on business ceded or accepted are to be brought into account gross (i.e. before deducting commissions) under the head reinsurance premiums.
(c) Claims incurred shall comprise claims paid, specific claims settlement costs wherever applicable and change in the outstanding provision for claims at the year-end.
(d) Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or ₹ 5,00,000 whichever is higher, shall be shown as a separate line item.
(e) Fees and expenses connected with claims shall be included in claims. TPA fee shall also form part of the claims cost. Where the TPA services are in-housed, three percent of the premium may be charged to claim cost.
(f) Under the sub-head "Others” shall be included items like foreign exchange gains or losses and other items.
(g) Interest, dividends and rentals receivable in connection with an investment should be stated as gross amount, the amount of income tax deducted at source being included under 'advance taxes paid and taxes deducted at source”.
(h) Income from rent shall include only the realised rent. It shall not include any notional rent.

FORM OL-BS

Name of the Insurer:
Registration No. and Date of Registration with the IRDAI

BALANCE SHEET AS AT 31ST MARCH, 20___

	Schedule	Current Year	Previous Year
		(₹ lakh)	(₹ lakh)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	**5**		
Reserves and surplus	**6**		
Head office account	**7**		
Fair value change account			
Sub-Total			
BORROWINGS	**8**		
POLICYHOLDERS' FUNDS			
Policy Liabilities	**6A**		
Fair value change account			
Sub-Total			
TOTAL			
APPLICATION OF FUNDS			
INVESTMENTS			
Shareholders	9		
Policyholders	9A		
LOANS	**10**		
FIXED ASSETS	**11**		
CURRENT ASSETS			
Cash and Bank Balances	**12**		
Advances and Other Assets	**13**		
Sub-Total (A)			
CURRENT LIABILITIES	**14**		
PROVISIONS	**15**		
Sub-Total (B)			

NET CURRENT ASSETS (C) = (A - B)			
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT			
TOTAL			

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 1
PREMIUM EARNED [NET]

Particulars	Current Year	Previous Year
	(₹ lakh)	(₹ lakh)
Premium from direct business written* Add: Premium on reinsurance accepted Less : Premium on reinsurance ceded Net Premium		
Add: Reserve for unexpired premium at the end of the year		
Less: Reserve for unexpired premium at the beginning		
Total Premium Earned (Net)		
*** Within India**		
Outside India		

Note:

(a) Reinsurance premiums whether on business ceded or accepted are to be brought into account, before deducting commission, under the head reinsurance premiums.

(b) Premium to be presented net of service tax

SCHEDULE – 2
CLAIMS INCURRED [NET]

Particulars	Current Year	Previous Year
	(₹ lakh)	(₹ lakh)
Claims paid		
Direct Add :Re-insurance accepted Less :Re-insurance Ceded Net Claims paid		
Add: Claims Outstanding at the end of the year		
Less: Claims Outstanding at the beginning		
Total Claims Incurred*		
*** Within India**		
Outside India		

Notes:

a) *Incurred but Not Reported (IBNR), Incurred but not enough reported [IBNER] claims should be included in the amount for outstanding claims.*
b) *Claims include specific claims settlement cost*
c) *The surveyor fees, legal and other expenses shall also form part of claims cost.*

d) *Claims cost should be adjusted for estimated salvage value, if there is a sufficient certainty of its realisation.*

e) *Fees paid to Third Party Administrators shall form part of claims cost. Where the TPA services are in-housed, an amount not exceeding three percent may be debited to claim cost.*

SCHEDULE- 3
COMMISSION

Particulars	**Current Year (₹ lakh)**	**Previous Year (₹ lakh)**
Commission paid		
Direct* Total **(A)** Add: Re-insurance Accepted Less: Commission on Re-insurance Ceded		
Net Commission		
* Within India		
Outside India		

Note: The profit/ commission, if any, are to be combined with claim cost -Re-insurance accepted or Re-insurance ceded figures as the case may.

B. Break-up of the expenses (Gross) incurred to procure business		
	Current Year	**Previous Year**
Channel	**(₹ lakh)**	**(₹ lakh)**
Agents		
Brokers		
Corporate Agency		
Web Aggregators		
Common Service Centers		
Others (pl. specify)		
TOTAL (B)		
Note: Total (A) and of (B) above should tally.		

Note: Commission / remuneration paid to the all the insurance intermediaries needs to be shown separately (Insurance Intermediaries-wise)

SCHEDULE – 4
OPERATING EXPENSES CHARGED TO REVENUE ACCOUNT

Particulars	Current Year (₹ lakh)	Previous Year (₹ lakh)
1. Employees' remuneration & welfare benefits		
2. Pre- Insurance medical examination costs		
3. Travel, conveyance expenses		
4. Training expenses		
5. Rents, rates & taxes		
6. Repairs		
7. Printing & stationery		
8. Communication		
9. Legal & professional charges		
10. Auditors' fees, expenses etc		
(a) as auditor (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		
11. Advertisement and publicity		
12. Interest & Bank Charges		
13. Depreciation		
14. Service Tax		
15. Others (to be specified)		
TOTAL		
In India		
Outside India		

Note: Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or ₹ 500,000 whichever is higher, shall be shown as a separate line item.

SCHEDULE – 4A
EXPENSES CHARGED TO PROFIT AND LOSS ACCOUNT

Particulars	Current Year (₹ lakh)	Previous Year (₹ lakh)
1. Employees' remuneration & welfare benefits		
2. Travel, conveyance expenses		
3. Rents, rates & taxes		
4. Printing & stationery		
5. Communication		
6. Legal & professional charges		
7. Depreciation		
8. Others (to be specified)		
TOTAL		
In India		
Outside India		

Note: Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or ₹ 5,00,000 whichever is higher, shall be shown as a separate line item.

SCHEDULE – 5
SHARE CAPITAL

Particulars	Current Year	Previous Year
A. EQUITY	**(₹ lakh)**	**(₹ lakh)**
1. Authorised Capital		
Equity Shares of ₹..... each		
2. Issued Capital		
Equity Shares of ₹. .....each		
3. Subscribed Capital		
Equity Shares of ₹.......each		
4. Paid up Capital		
Equity Shares of ₹ .....each		
Less : Calls unpaid		
Add : Shares forfeited (Amount originally paid up)		
Less : Par value of Equity Shares bought back		
Total A		
B. PREFERENCE SHARE CAPITAL	**(₹ lakh)**	**(₹ lakh)**
1. Authorised Capital		
…..Shares of ₹..... each		
2. Issued Capital		
………Shares of ₹.....each		
3. Subscribed Capital		
……….Shares of ₹.......each		
4. Called-up Capital		
………Shares of ₹ .....each		
Less : Calls unpaid		
Add : ……..Shares forfeited (Amount originally paid up)		
Total B		
Grand Total A+B		

Notes:

(a) Particulars of the different classes of capital should be separately stated.
(b) The amount capitalised on account of issue of bonus shares should be disclosed.
(c) In case any part of the capital is held by a holding company, the same should be separately disclosed.
(d) The terms of issue of preference share capital, date of redemption should be disclosed
(e) Pattern of shareholding in the following format shall be disclosed

Shareholder	Current Year		Previous Year	
	Number of Shares	**% of Holding**	**Number of Shares**	**% of Holding**
Promoters • Indian • Foreign				
Investors • Indian • Foreign • Others				
TOTAL				

[to be given separately for each class of shares]

SCHEDULE – 6
RESERVES AND SURPLUS

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
1. Capital Reserve		
2. Capital Redemption Reserve		
3. Share Premium		
4. Revaluation Reserve		
5. General Reserves Less: Debit balance in Profit and Loss Account, if any Less: Amount utilized for Buy-back		
6. Catastrophe Reserve		
7. Balance of profit in Profit and Loss Account		
8. Other Reserves (to be specified)		
TOTAL		

Note: Additions to and deductions from the reserves shall be disclosed under each of the specified heads.

SCHEDULE – 6A
POLICY LIABILITIES*

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
1. Outstanding Claims (including IBNR & IBNER)		
2. Unexpired Premium Reserve		
3. Premium Deficiency		
4. Catastrophe Reserve		
5. Terrorism Pool		
6. Unclaimed amounts		
7. Other Reserves (to be specified)		
TOTAL		

** Segmental Break-up to be given*

SCHEDULE -7
HEAD OFFICE ACCOUNT
[In case of foreign reinsurer operating through a branch office established in India in terms of section 2(9)(d) of the Insurance Act, 1938]

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
Opening Balance of Assigned Capital		
Add: Addition during the year		
Closing balance of Assigned Capital		

*Represents irreversible fixed amount funded by Head Office per terms of licence issued by the Authority and no amount/balance shall be transferred out of the Country without approval of the Authority.

SCHEDULE - 8
BORROWINGS

Particulars	Current Year (₹ lakh)	Previous Year (₹ lakh)
1. Debentures		
2. Bonds		
3. Banks		
4. Financial Institutions		
5. Others (to be specified)		
TOTAL		

Notes:

(a) The extent to which the borrowings are secured shall be separately disclosed stating the nature of the security under each sub-head.

(b) Amounts due within 12 months from the date of Balance Sheet should be shown separately

(c) The terms of issue for each class of debentures, date of redemption should be disclosed

(d) Modification of date in repayment of loans and interest, shall be specified separately in each case

(e) Borrowings from related parties shall be disclosed as a separate line item.

(f) Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed

SCHEDULE- 9
INVESTMENTS-SHAREHOLDERS

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Subsidiaries (f) Investment Property-Real Estate (g) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub- Total		
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub-Total		
Total		

Note: See Notes appended at the end of Schedule- 9A

SCHEDULE- 9A
INVESTMENTS-POLICYHOLDERS

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
LONG TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference		

(b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Investment Property-Real Estate (f) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub- Total		
SHORT TERM INVESTMENTS		
1. Government securities and Government guaranteed bonds including Treasury Bills		
2. Other Approved Securities		
3. Other Investments		
(a) Shares i) Equity ii) Preference (b) Mutual Funds (c) Derivative Instruments (d) Debentures/ Bonds (e) Other Securities (to be specified)		
4. Investments in Infrastructure and Social Sector		
Sub-Total		
Total		

Notes (applicable to Schedules 9 and 9A):

(a) Investments in subsidiary/holding companies, joint ventures and associates shall be separately disclosed, at cost.

(i) Holding company and subsidiary shall be construed as defined in the Companies Act, 2013:

(ii) Joint Venture is a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control.

(iii) Joint control - is the contractually agreed sharing of power to govern the financial and operating policies of an economic activity to obtain benefits from it.

(iv) Associate - is an enterprise in which the company has significant influence and which is neither a subsidiary nor a joint venture of the company.

(v) Significant influence (for the purpose of this schedule) -means participation in the financial and operating policy decisions of a company, but not control of those policies. Significant influence may be exercised in several ways, for example, by representation on the board of directors, participation in the policymaking process, material inter-company transactions, interchange of managerial personnel or dependence on technical information. Significant influence may be gained by share ownership, statute or agreement. As regards share ownership, if an investor holds, directly or indirectly through subsidiaries, 20 percent or more of the voting power of the investee, it is presumed that the investor does have significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds, directly or indirectly through subsidiaries, less than 20 percent of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence is clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence

(b) Aggregate amount of company's investments other than listed equity securities and derivative instruments and also the market value thereof shall be disclosed.

(c) Investments made out of Catastrophe reserves shall be shown separately

(d) Debt Securities will be considered as “held to maturity” securities and will be measured at historical costs subject to amortisation

(e) Investment Property means a property [land or building or part of a building or both] held to earn rental income or for capital appreciation or for both, rather than for use in services or for administrative purposes.

(f) Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve months from balance sheet date shall be classified as short-term investments

SCHEDULE - 10
LOANS

Sl. No.	Particulars	Current Year (₹ lakh).	Previous Year (₹ lakh).
1.	SECURITY-WISE CLASSIFICATION		
	Secured		
	(a) On mortgage of property i) In India ii) Outside India		
	(b) On Shares, Bonds, Govt. Securities, etc.		
	(c) Others (to be specified)		
	Unsecured		
	TOTAL		
2.	BORROWER-WISE CLASSIFICATION		
	(a) Central and State Governments		
	(b) Banks and Financial Institutions		
	(c) Subsidiaries		
	(d) Industrial Undertakings		
	(e) Others (to be specified)		
	TOTAL		
3.	PERFORMANCE-WISE CLASSIFICATION		
	(a) Loans classified as standard i) In India ii) Outside India (b) Non-standard loans less provisions i) In India ii) Outside India		
	TOTAL		
4.	MATURITY-WISE CLASSIFICATION		
	(a) Short Term		
	(b) Long Term		
	TOTAL		

Notes:

(a) Short-term loans shall include those, which are repayable within 12 months from the date of balance sheet. Long term loans shall be the loans other than short-term loans.

(b) Provisions against non-performing loans shall be shown separately against each category of loan.

(c) The nature of the security in case of all long term secured loans shall be specified in each case. Secured loans for the purposes of this schedule, means loans secured wholly or partly against an asset of the company.

(d) Loans considered doubtful and the amount of provision created against such loans shall be disclosed.

SCHEDULE - 11
FIXED ASSETS

(₹lakh)

Particulars	**Cost/ Gross Block**				**Depreciation**				**Net Block**	
	Opening	Additions	Deductions	Closing	Up to Last Year	For The Year	On Sales/ Adjustme nts	To Date	As at year end	Previo us Year
Goodwill										
Intangibles (specify)										
Land-Freehold										
Leasehold Property										
Buildings										
Furniture & Fittings										
Information Technology Equipment										
Vehicles										
Office Equipment										
Others (Specify nature)										
TOTAL										
Work in progress										
Grand Total										
PREVIOUS YEAR										

Note: Assets included in land, property and building above exclude Investment Properties as defined in note (e) at the end to Schedule 9A.

SCHEDULE- 12
CASH AND BANK BALANCES

Particulars	Current Year	Previous Year
	(₹ lakh)	(₹ lakh)
1. Cash (including cheques, drafts and stamps)		
2. Balance with Banks		
(a) Deposit Accounts i. Short-term (due within 12 months of the date of Balance Sheet) ii. Others (b) Current Accounts (c) Others (to be specified)		
3. Money at Call and Short Notice		
(a) With Banks (b) With Other Institutions		
4. Others (to be specified)		
TOTAL		
Balance with non-scheduled banks included in 2 and 3 above		
In India		
Outside India		
TOTAL		

Note: Bank balance may include remittances in transit. If so, the nature and amount shall be separately stated.

SCHEDULE – 13
ADVANCES AND OTHER ASSETS

Particulars	Current Year	Previous Year
	(₹ lakh)	(₹ lakh)
ADVANCES		
1. Reserve deposits with ceding companies		
2. Application money for investments		
3. Prepayments		
4. Advances to Directors/Officers		
5. Advance tax paid and taxes deducted at source (Net of provision for taxation)		
6. Others (to be specified)		
TOTAL (A)		
OTHER ASSETS		
1. Head Office Current Account		
2. Income accrued on investments		
3. Outstanding Premiums		
4. Agents' Balances		
5. Foreign Agencies Balances		
6. Due from other entities carrying on insurance business i. from others Insurers ii. from Reinsurers' iii. from Co-insurers		
7. Due from subsidiaries/ holding company		
8. Service tax unutilized credit		
9. Others (to be specified)		

TOTAL (B)		
TOTAL (A+B)		

Notes:

a) *The items under the above heads shall not be shown net of provisions for doubtful amounts. The amount of provision against each head should be shown separately.*

b) *The term 'officer' should conform to the definition of that term as given under the Companies Act, 2013.*

c) *Sundry Debtors will be shown under item 8(others)*

d) *Premium receivable in case of approved insurance schemes need to be shown and specified under item 9 (Others)*

SCHEDULE – 14
CURRENT LIABILITIES

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
1. Agents' Balances		
2. Balances due to other insurance companies (a) to other insurers (b) to reinsurers (c) to co-insurers		
3. Deposits held on re-insurance ceded		
4. Premiums received in advance		
5. Unallocated premium		
6. Sundry creditors		
7. Due to subsidiaries/ holding company		
8. Due to Officers/ Directors/ Authorised Signatories/ Trustees		
9. Service Tax Liability		
10. Head Office Current Account		
11. Others (to be specified)		
TOTAL		

Note: The term officer should confirm to the definition given under the Companies Act, 2013

SCHEDULE – 15
PROVISIONS

Particulars	Current Year	Previous Year
	(₹ lakh)	**(₹ lakh)**
1. Employee Benefits		
2. For taxation (less payments and taxes deducted at source		
3. For proposed dividends		
4. For dividend distribution tax		
5. Others (to be specified)		
TOTAL		

Schedule C
(See Regulation 3)
AUDITORS' REPORT

The report of the auditors on the financial statements of every insurer shall be in accordance and comply with standards on Auditing and in particular SA 700, SA 705 and SA 706 issued by the Institute of Chartered Accountants of India [ICAI] and deal with the matters specified herein:

1. (a) That they have sought and obtained all the information and explanations which, to the best of their knowledge and belief were necessary for the purposes of their audit and whether they have found them satisfactory;

   (b) Whether proper books of account as required by law have been maintained by the insurer so far as appears from an examination of those books and proper returns adequate for the purposes of his audit have been received from branches and other offices not visited by him

   (c) Whether the report on the accounts of any branch(s) and other offices of the company audited by a person other than the insurer‘s auditor has been sent to him and the manner in which he has dealt with it in preparing his report;

   (d) Whether the Balance sheet, Revenue account, Profit and Loss account and Cash Flow statement -dealt with by the report are in agreement with the books of account and returns;

   (e) Whether, in his opinion, the financial statements comply with the Accounting Standards, to the extent applicable and the Accounting Regulations prescribed by the Authority;

   (f) The observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the insurer;

   (g) Whether any director is disqualified from being appointed as a director under subsection (2) of section 164 of the Companies Act, 2013;

   (h) Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

   (i) Whether the insurer has adequate internal financial controls system in place and the operating effectiveness of such controls;

   (j) Whether the actuarial valuation of liabilities is duly certified by the appointed actuary including to the effect that the assumptions for such valuation are in accordance with the guidelines and norms, if any, issued by the Authority, and/or the Institute of Actuaries of India in concurrence with the Authority;

   (k) Whether the insurer has disclosed the impact, if any, of pending litigations on its financial position in its financial statements;

   (l) Whether the insurer has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts and ;

   (m) Whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the insurer, where applicable.

2. The auditors shall further report that:

   (a) They have verified securities relating to the insurer’s loans, reversions and life interests (in the case of life insurers) and investments and discrepancies if any has been appropriately dealt with

(b) To what extent, if any, they have verified the investments and transactions relating to any trusts undertaken by the insurer as trustee; and

(c) No part of the assets of the policyholders' funds – segment wise-has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds.

3. The auditors shall confirm (in case of linked business) that:

(a) The insurer had declared (date)….. as a business day for accepting proposal forms
(b) The insurer has declared NAV for (date)…………
(c) The application received on …(day)……the 31st March …. upto 3.00 pm. have been stamped as such and that the NAV of ..(date) ….. is applied for proposals received upto 3.00 pm; and
(d) The application received on ……(day and date)…..is after 3.00pm have been stamped as such and that the NAV of next financial year i.e., 1st April ….. is applied for proposal received after 3.00 pm
(e) The concurrent auditors of the insurer……(name of the firm)………………..have issued a certificate dated……….confirming compliance with the requirements of IRDA (Investment) Regulations, 2000, as amended. We have read the certificate and found the same to be in order.

4. The auditors shall express their opinion on:

(i) Whether the balance sheet gives a true and fair view of the insurer's affairs as at the end of the financial year/period;

(ii) Whether the revenue account gives a true and fair view of the surplus or the deficit for the financial year/period;

(iii) Whether the profit and loss account gives a true and fair view of the profit or loss for the financial year/period;

(iv) Whether the receipts and payments account –Cash Flow statement gives a true and fair view of the receipts and payments for the financial year/period;

5. The financial statements referred to in Auditors' Report are prepared in accordance with the requirements of the Insurance Act, 1938 (4 of 1938), the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and the Companies Act, 2013 (18 of 2013), to the extent applicable and in the manner so required.

6. The accounting policies selected by the insurer are appropriate and are in compliance with the applicable accounting standards and with the accounting principles, as prescribed in the Regulations or any order or direction issued by the Authority in this regard.

7. In addition, the Auditors shall issue as an Annexure to his report, a Supplementary Report [SAR] on the matters specified as hereinafter

Annexure to the Auditors' Report

Supplementary Audit Report [SAR] on …..(Name of the Insurer)…. for the financial year ending………………..

Where any of the comments made by the auditors in their Audit Report (AR) is adverse, they should consider whether a modification to their main audit report is necessary and in such a case, the auditors should use their judgement having regard to the facts and circumstances in each case. It should not, however, be assumed that every adverse comment in the AR would necessarily result in a qualification in the main report. Where the auditors have any reservations or adverse remarks with regard to any of the matters to be dealt with in their ARs, they may give the reasons for the same. Also where relevant, instances of situations giving rise to their reservations or adverse remarks may also be given.

Assets:

1. Whether the insurer is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets

2. Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account

3. Whether adequate controls are in place for effective collection, monitoring and custody of cash and whether the cash balance of the insurer at the end of the year has been verified by the management?

Internal Control Procedures:

4. Are there adequate internal control procedures commensurate with size and nature of insurance business in respect of the following

   a. Underwriting;
   b. Reinsurance;
   c. Claims;
   d. Investments;
   e. Bank reconciliation;
   f. Loans granted;
   g. Purchase of fixed assets;
   h. Commission; and
   i. Other expenses of management.

Whether there is a continuing failure to correct major weaknesses in internal control systems?

Internal Audit:

5. Whether the insurer's internal audit system is commensurate with its size in terms of its scope, coverage, frequency and compliance.

Transactions with related parties

6. Whether transactions with related parties stipulated by the Authority have been made on terms which are not prejudicial to the interests of the insurer?

Statutory dues:

7. Is the insurer regular in depositing undisputed statutory dues as may be applicable including Provident Fund, Income-tax, Sales tax, Service tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor

8. In case applicable dues of income tax/cess /service tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending be mentioned.

Reconciliation of Accounts with Other Insurers:

9. Accounts and balances with Co-Insurer/Reinsurers / Insurers with combi products -whether reconciled and confirmed and any difference has been appropriately dealt with.

Fraud

10. Whether any fraud on or by the insurer has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.