NIC
NATIONAL INSURANCE COMPANY

Serving You Serving The Nation

2016 ANNUAL REPORT

NIC General Insurance Co. Ltd

Contents

ABOUT NIC Group

The National Insurance Co. Ltd and NIC General Insurance Co. Ltd were set up by the Government of Mauritius and licensed by the Financial Services Commission in 2015 to conduct long term and general insurance business respectively.

Operating under the purpose-driven brand name of "NIC", they are amongst the leading insurance players in Mauritius providing a broad range of innovative products and services for protection, savings, pensions, financing and general insurance for both the individual and corporate markets. NIC holds strong insurance capabilities to serve, protect and empower the nation at large through its insurance solutions and services with an ultimate objective of "Serving You, Serving the Nation" with passion and excellence.

The NIC Group comprises of the National Insurance Co. Ltd ("NIC Life"), NIC General Insurance Co. Ltd ("NIC General"), NIC Healthcare Co. Ltd and NIC Services Co. Ltd. The NIC Group is ultimately owned by the Government of Mauritius and held through the National Property Fund Ltd. NIC Life has also set up a Trust ("NIC Multi-Employer Pension Scheme") to promote and manage private pension schemes for the SMEs and large Corporates.

LIFE Insurance

For Personal Needs
- Protection Plans
- Savings Plans
- Education Plan

For Corporate Needs
- Group Life Plans

GENERAL Insurance

For Personal Needs
- Accident & Healthcare Policy
- Motor Policy
- Travel Policy
- Home Policy

For Corporate Needs
- Group Healthcare Policy
- Group Personal Accident Policy
- Property Policy
- Motor & Fleet Policy
- Liability Policy
- Guarantee Policy
- Engineering Policy
- Transportation Policy
- Group Travel & Miscellaneous Policy

PENSIONS

For Personal Needs
- Retirement Plan

For Corporate Needs
- Group Pension Schemes

LOANS

For Personal Needs
- Home Loan
- Education Loan
- Policy Loan

Serving You Serving The Nation

OUR MISSION

We adopt a sustainable approach to doing business and play a broad economical and societal role, by serving our customers, business partners, employees, salesforce, shareholders, local communities and the nation, at large.

We contribute to their financial security, protection, prosperity, empowerment and success, through a culture of elevated care and service, innovative and personalised products & services, and community outreach programmes.

OUR VISION

We aim to be the company of choice for insurance and other financial products and services on the local and regional markets, and a meaningful contributing partner for the prosperity of all stakeholders.

OUR DNA

Our DNA defines who we are and what makes us different. It encompasses our core values and behaviour which we live through our 5Rs organisational culture built around Respect, Relationship, Responsibility, Rigour and Results. These principles guide our thoughts, decisions and actions in our mission to Serve, Protect and Empower our customers, business partners, salesforce, shareholders, community and other stakeholders.

BOARD OF DIRECTORS

FOR THE PERIOD ENDED 30 JUNE 2016

DIRECTORS' PROFILES FOR THE PERIOD ENDED 30 JUNE 2016

1. Mr. Tamanah Appadu (up to 14 May 2019)

Mr. Tamanah Appadu is the Permanent Secretary at the Prime Minister's Office (Home Affairs Division). He holds an MSc in Public Sector Management and is a member of the Chartered Institute of Logistics and Transport. He is also holder of a Diploma in Public Administration and Management from the University of Mauritius, a Diploma in Journalism and a Diploma in Advanced Business English. He started his career in the public service in December 1975 and has been serving in different grades and in various ministries and departments.

2. Mr. Richard Li Ting Chung (up to 14 October 2016)

Mr. Richard Li Ting Chung is the Head of Insurance Services at Kross Border. He is an Actuary and specialises in insurance and pensions. Prior to joining Kross Border, he spent 6 years in London working for major consulting firms such as KPMG, PWC and Mercer. Mr. R. Li Ting Chung is a Fellow of the Institute of Actuaries and holds a Postgraduate Diploma in Actuarial Management at CASS Business School (London). He also holds a Bachelor of Commerce (Honours) at the University of Melbourne.

3. Mr. Gerard Pascal Bussier (up to 16 May 2017)

Mr. Gerard Pascal Bussier holds a Masters in Business Administration with Specialisation in Finance from the University of Mauritius. Mr G. Bussier is a Fellow of the Association of Chartered Certified Accountant and a Certified Fraud Examiner. He is currently the Director of Ministry of Finance and Economic Development. Mr. G. Bussier was a Director of ICAC and has been working in the National Audit Office. He has also been working overseas in companies such as Sinclairs Chartered Accountants in the Audit department and has been involved in the audit team for SADC Plant Generic Research Centre, SADC Head Quarters and Regional Tourism Office of Southern Africa.

4. Mr. Yash Balgobin (up to 16 May 2017)

Mr. Yash Balgobin is an Attorney-at-Law and has set up his own practice namely Etude Yash Balgobin whereby he offers advisory and litigation services in Civil Law, Commercial Law, Criminal Law and Family Law. He also acts as Company Secretary and was a Board Member of local entities. Mr. Y. Balgobin works closely with several local law firms and barristers, and also assists clients in the incorporation and management of domestic and Global Business Licence companies.

5. Mr. Azaad Aumeerally (up to 14 October 2016)

Mr. Azaad Aumeerally is a Fellow of the Institute of Actuaries of Australia (FIAA) and is presently the Managing Director of NestInvest, Mauritius. He has 25 years of experience in the field of Finance, Investment and Insurance. He is also a Director of the Mauritius Housing Corporation Ltd and is a past Vice President of Insurers Association of Mauritius.

6. Mr. Faadeel Ramjanally (up to 25 January 2017)

Mr. Faadeel Ramjanally is a Fellow of the Association of Chartered Certified Accountants, qualified in 2006 and holds a B.A (Hons) Law and Management from the University of Mauritius. He joined the Ministry of Financial Services, Good Governance and Institutional Reforms in April 2015 as Advisor. Prior to joining the Ministry, he spent 12 years at PwC which he joined in 2003. He was successfully promoted each year to reach Senior Management position in 2012. At PwC he focused on delivering audits and other assurance services to a wide array of clients, mostly focusing on project audits in Africa.

DIRECTORS' PROFILES FOR THE PERIOD ENDED 30 JUNE 2016 (CONTINUED)

7. Mr. Somduth Nemchand (up to 23 September 2015)

Late Mr. Somduth Nemchand was the Deputy Permanent Secretary at the Ministry of Financial Services, Good Governance and Institutional Reforms. Prior to that, he was posted at the Ministry of Energy and Public Utilities where his scope of services included advising the Minister in relation to parliamentary business, policy formulation, oversight of institutions under the aegis of the Ministry, financial management and human resource management. Mr. Nemchand had also been a board member of different statutory bodies. He had extensive experience in administration and finance. He held important positions such as Administrative and Finance Manager and Acting Director General at the Independent Commission Against Corruption (ICAC). He was a holder of Brevet International D'Administration Publique from Ecole D'Administration (ENA), France.

8. Mrs. Devi Chand Anandi Rye Seewooruthun (up to 28 March 2016)

Mrs. Devi Chand Anandi Rye Seewooruthun occupied the post of Permanent Secretary at Home Affairs, Prime Minister's Office since April 2012. She joined the public sector in 1981. She has acquired substantial experience in public sector administration and management for having worked successively at the Ministry of Civil Service Affairs, the Ministry of Industry and Industrial Technology, and having occupied the post of Principal Assistant Secretary at the Home Affairs, Prime Minister's Office since December 2000 until her appointment. Mrs Devi Chand Anandi Rye Seewooruthun holds an MBA from Leicester Business School, UK (1994), a Masters in Public Sector Management from the University of Technology, Mauritius (2004) and a Cycle International d'Administration Publique (CIAP) Diploma from the Ecole Nationale d'Administration, France (2005).

9. Mr. Darren Vencatasawmy (up to 09 May 2016)

Mr. Darren Vencatasawmy is qualified from the Association of Tax Technicians and holds a BSc Mathematics from Kings' College London. He joined the Ministry of Financial Services, Good Governance and Institutional Reforms in April 2015. He was also a Senior Officer of the Financial Services Promotions Agency. Mr. Darren Vencatasawmy has expertise in international tax and has previously held posts at KPMG LLP in London, PwC LLP Munich and PwC LLP London.

10. Mr. Jean Daniel Henry (date of appointment 23 May 2017)

Mr. Jean Daniel Henry is an appointed Director of the Heritage City Project, and a Director of Development Bank of Mauritius Ltd. He holds a Diploma in Project Management, a Diploma in Advance Technical Training from University Tamil Nadu, Chennai and a certificate in Investment in Excellence. He also has some 7 years of experience in the construction sector.

11. Dr. Daneshwar Doobree (date of appointment 22 May 2017)

Dr. Daneshwar Doobree is presently a Management Consultant and an adjunct Senior Lecturer in Financial Management, Human Resources Management, Good Governance & Corporate Ethics and Research Methodology. He holds a B.A. (Hons) in Economics, M.B.A. (Finance) from University of Delhi (India), MSc (Human Resources) from University of Surrey (U.K.) and Doctor in Business Administration (DBA) from University of S. Queensland (Australia). He started his career at the Bank of Mauritius as a Clerical Officer in 1976 and served for 35 years in different grades of Research Officer, Senior Research Officer, Assistant Director - Administration and Head – Banking and Currency before retiring in 2015. He has also been an adjunct Lecturer/Senior Lecturer in modules related to Human Resource Management/Business Administration as well as Banking and Finance at the post-graduate, graduate and undergraduate level at the University of Mauritius and the Open University of Mauritius for the past twenty-five years. He is a Rotarian and is engaged in a number of philanthropic and social activities.

DIRECTORS' PROFILES FOR THE PERIOD ENDED 30 JUNE 2016 (CONTINUED)

12. Mr. Joseph Benoit Mamet (date of appointment 22 May 2017)

Mr. Benoit Mamet is an experienced professional with business, consulting and insurance background. He is a Consultant in insurance claims. He studied towards a B. Com at UNISA and holds a Diploma in Business and Financial Management. He also has long standing experience in cross-industry sectors.

13. Dr. Arty Rambharush (date of appointment 26 May 2017)

Mrs. Arty Rambharush is a full-time educator at the New Educational College with 23 years of service. She is an author and a registered artist. She holds a Master in philosophy from Kurukshetra University, an MSC in Educational leadership and management from University of Technology, a BA (Hons) in Philosophy from The University of London, a Diploma in Business English from London and a Diploma in Vocal Hindustani.

14. Mr. Shastree Ramodhin (date of appointment 29 December 2017)

Mr. Shastree Ramodhin is self-employed and has been an active member on the social front. He was a previous Member of the Young Farmers Federation Eastern Section and Bramsthan Social Welfare Centre. years of experience having served at different levels in various Ministries.

15. Mr. Oodaye Prakash Issary - Chairman (date of appointment 19 February 2019)

Mr. Oodaye Prakash Issary is currently the Chief Executive Officer of the National Property Fund Ltd, the holding company of NIC General. He is a Fellow of the Association of Chartered Certified Accountants (FCCA). With his background in accounting, audit and advisory practice, he has international industry experience and cumulates over 19 years in senior leadership roles with resort destination expertise within the luxury hospitality segment. With proven success in leading multiple stakeholders across various functions at all levels, he has also been highly involved in the implementation of business strategy, championing operational efficiency and continuous improvement in bottom line.

16. Dr. Sudhirsen Kowlessur (date of appointment 12 June 2019)

Dr. Sudhirsen Kowlessur is presently the Chief Health Promotion and Research Coordinator at the Ministry of Health and Quality of Life. He has also been the Head of NCD and Health Promotion Unit at the same Ministry. He holds a MA in Health Promotion and Communication from Middlesex University, UK and a Doctorate in Philosophy in Epidemiology and Health Statistics from Nanjing Medical University, China.

SENIOR MANAGEMENT

FOR THE PERIOD ENDED 30 JUNE 2016

SENIOR MANAGEMENT'S PROFILES FOR THE PERIOD ENDED 30 JUNE 2016

1. Mr. Anil Sewpaul – Chief Executive Officer

Mr. Sewpaul, Chartered Insurer, has over 40 years of experience in the insurance sector. He joined SICOM in 1981 and has managed different departments of the company and eventually retired as Group Senior Manager. He was also a Director on the Board of SICOM, National Housing Development Co. Ltd, State Property Development Co. Ltd and Cotton Bay Hotel. He was appointed Chief Executive Officer of National Insurance Co. Ltd and NIC General Insurance Co. Ltd as from 20 April 2015.

2. Mr. Oumeshsingh Sookdawoor – Chief Operating Officer

Mr. Sookdawoor holds a Masters in Business Administration (MBA), a Masters in Science (MSc) in Information Systems and is a Fellow of BCS, the Chartered Institute for IT (UK). He holds 20 years of experience at management level in cross industries including financial services, technology and services. He is multi-skilled and steered several key strategic projects including large business setups (locally and overseas), mergers & acquisitions and operations management. He held various senior positions in private companies during his career including Professional Services Executive, Group Head of Information Systems and Senior Vice President at Corporate Office levels. He was appointed Chief Executive Officer of BAI Co (Mtius) Ltd between November 2009 and June 2015. In July 2015, he was appointed the Chief Operating Officer of National Insurance Co. Ltd and NIC General Insurance Co. Ltd, two entities that were set up to take over the life and general insurance businesses of BAI Co (Mtius) Ltd. He served as Director of regulated entities in different jurisdictions including EU & Africa. He also fulfilled the role of the Chairperson of BCS, The Chartered Institute for IT (Mauritius Branch), and Vice Chair (Life) of the Insurers Association.

3. Mr. Shakeel Summun – Chief Financial Officer

Mr. Summun is a Fellow of the Association of Chartered Certified Accountants (FCCA) and cumulates over 15 years of professional experience in the Financial Services sector. He is the Chief Financial Officer of the National Insurance Co. Ltd and NIC General Insurance Co. Ltd. He is also the Chairperson of the Investment Management Committee. He was a former Panel Network Member of ACCA Mauritius. He has been in practice as auditor with Deloitte Mauritius and Ernst & Young as well as worked in the offshore sector as Client's Accountant. He has held several C-Level positions in the Insurance Industry and assisted on international projects. He was also a former board member, as an Independent Non-Executive Director, of the SBM Bank (Mauritius) Ltd. In 2014, he was awarded the "Young Achiever Award 2014" by the Africa Leadership Awards.

4. Mrs. Chitra Devi Moonoosamy – Chief Services Officer

Mrs. Moonoosamy holds a BSc (Hons) in Economics and a Bachelor (Hons) in Law. She is the Chief Services Officer at the National Insurance Co. Ltd and NIC General Insurance Co. Ltd and is presently in charge of the Legal & Compliance, Human Resources, Information Technology, Customer Service, Marketing, Procurement and Facilities Management. She has held various strategic positions for over 20 years and has cross-industry experience notably in Insurance, Financial Services, Business Process Outsourcing, Healthcare Services and Retail markets.

5. Mr. Shafique Bhunnoo – Chief Actuarial Officer

Mr. Bhunnoo is a Fellow of the Institute and Faculty of Actuaries (UK) and has over 25 years of industry experience. He was appointed Chief Actuarial Officer at the National Insurance Co. Ltd and NIC General Insurance Co. Ltd in July 2015 and is in charge of Actuarial, Pensions, Reinsurance, Investments, Statistics and Analytics. He is a member of several management committees and is the Chairperson of the Credit Committee. As an experienced actuary he has worked in Pensions, General Insurance, Health and Life Insurance for both global insurers and reinsurers in the UK, UAE and Mauritius. He is the President of the local Actuarial Society in Mauritius and has presented at a number of international conferences in Africa and the UK.

SENIOR MANAGEMENT'S PROFILES FOR THE PERIOD ENDED 30 JUNE 2016 (CONTINUED)

6. Mr. Pershing Rughooputh – Chief Technical Officer

Mr. Rughooputh holds an Executive MBA, a Diploma in Insurance from the Chartered Insurance Institute UK. He is a Fellow Certified Insurance Professional of the Australian and New Zealand Institute of Insurance and Finance (ANZIIF), a Fellow Member of the Institute of Sales and Marketing Management UK. He cumulates over 20 years of professional experience in the life insurance industry. He is presently the Chief Technical Officer at National Insurance Co. Ltd (NIC) in charge of the Life Insurance Operations, leading inter alia, Underwriting, Claims, Benefits Processing, Portfolio Maintenance, Loan Operations, and as well as Registry & Mailing as shared support functions for NIC General Insurance Ltd. He also fulfilled the roles of Project Manager – New Life Operations System, Operations Manager, Vice President – Technical Services, Senior Vice President – Business and Channel Development at BAI Co (Mtius) Ltd. In 2012, he was seconded to Bramer Life - Botswana as Deputy CEO/Principal Officer and was responsible for the implementation of the Business Plan for the setting up and running of the life insurance operations until June 2015. Since July 2015, he has been fulfilling the duties of the Chief Technical Officer at NIC. He was a finalist for Sales Director of the Year in the British Excellence Sales and Marketing Award (BESMA) in 2010.

7. Mr. Saratchandran Sridharan – Head of General Insurance Operations

Mr. Sridharan is a licentiate of the Insurance Institute of India and holds a Masters Degree in Social work and a BSc in Mathematics and Chemistry with over 30 years of professional experience in the General Insurance Industry. He joined the New Assurance Company in June 1983 as a directly recruited Assistant Administrative Officer in Class I Cadre in the All India Service Recruitment, where he worked up to May 2002 in various senior capacities, before joining Jubilee Insurance as Country Head from June 2002 to April 2006.

8. Mr. Jacques Dany Tong Sam – Head of Customer Service *(Also fulfils the role of Complaints Coordinator)*

Mr. Tong Sam is a Fellow of the Association of Chartered Certified Accountants (FCCA). He also holds a BA (Hons) Accounting and Finance, MBA (Financial Management) and followed a specialised course on Business Continuity Management from the BCM Institute Singapore. He has over 15 years of professional experience in Accounting & Financial Management, Operations & Risk Management, Corporate Finance, Customer Relations and Insurance Operations (Underwriting & Claims Management) in the financial services and insurance sectors amongst others.

9. Mr. Upendra Ramjutton – Head of Business Development (General Insurance)

Mr. Ramjutton holds an MBA and has over 15 years of professional experience. He has in the past, whilst working at BAI Co (Mtius) Ltd, held the position of Head of Financial Planning and headed the Sales and Marketing Department supervising over 600 Insurance Advisors.

10. Mr. Laxman Mewasingh – Head of Legal & Compliance

Mr. Mewasingh holds an LLM in International Business Law and an LLB (Hons) and cumulates over 15 years of professional experience. He has, in the past, worked in the Global Business sector, namely for the Federal Trust (Mauritius) Ltd as Manager – Trust and Company Administration and Mauritius International Trust Company Ltd as Trust and Company Administrator.

SENIOR MANAGEMENT'S PROFILES FOR THE PERIOD ENDED 30 JUNE 2016 (CONTINUED)

11. Mr. Kailash Moloye – Head of Human Resources & Corporate Services *(Also fulfils the role of Secretary to Board Committees)*

Mr. Moloye is a Fellow of the Governance Institute (UK), the holder of a BSc (Hons) in Management and a Diploma in Business Administration with over 15 years of sound business and corporate governance experience in the financial services sector. His experience also encompasses portfolio management of offshore and domestic companies, including small private, large private/public and public listed companies. He is also member of the Mauritius Institute of Directors and ICSA (Mauritius) respectively.

12. Mr. Pawan Kumarsingh Canhye – Manager, Internal Audit

Mr. Canhye is a member of the Association of Chartered Certified Accountants and of the Institute of Internal Auditors. He cumulates over 15 years of professional work experience, including over 10 years within the Internal Control and Audit fields. Mr. Canhye, has prior to his appointment as Manager - Internal Audit at National Insurance Co. Ltd, and NIC General Insurance Co. Ltd, successively held the posts of Internal Control Officer and Assistant Manager-Internal Audit respectively.

CORPORATE GOVERNANCE REPORT

FOR THE PERIOD ENDED 30 JUNE 2016

CORPORATE GOVERNANCE REPORT FOR THE PERIOD ENDED 30 JUNE 2016

NIC General Insurance Co. Ltd (the "Company') is a public interest entity, as defined by law, and is licensed by the Financial Services Commission as an Insurer to carry out general insurance business. The Company has always been committed to observing high standards of Corporate Governance, promoting corporate transparency and enhancing shareholder value.

The Company's objective is to comply with all the principles and guidelines set out in the newly introduced National Code of Corporate Governance for Mauritius (2016) ("the Code") which brings considerable changes, from the corporate governance reporting perspective. This report outlines the Company's corporate governance processes, its compliance to all the Principles contained in the Code, and provides explanations for any deviation.

GOVERNANCE STRUCTURE

"All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified."

The Company is led and controlled by a Board of suitably qualified and experienced professionals. The Board is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Company.

The Board assumes broad and diverse responsibilities encompassing the setting out of the long term vision, providing strategic direction, overseeing the implementation of strategic projects and business plans, overseeing the financial and investment affairs, corporate governance, risk management, regulatory and compliance matters, internal control and service standards amongst others.

The Board also fulfils a strategic mission, as set out by the shareholder, through the Company and in the best interests of its policyholders and other key stakeholders.

The Board considers its fiduciary responsibilities with great care and diligence. Directors are appointed with the understanding of the amount of time and care that they will need to devote to the Board and to the affairs of the organisation for it to prosper and serve the best interests of all its stakeholders.

The Board has adopted a Board Charter, Board Committee Charters and Code of Ethics (as approved in September 2019) for the organisation to further supplement its existing terms of reference, operating guidelines and governance structures and practices. The Board has established appropriate job descriptions of the key senior governance positions.

The Company has not adopted a Constitution and is governed by the Companies Act 2001.

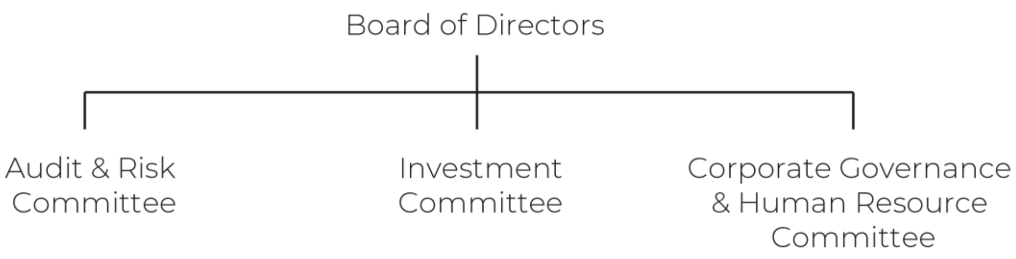
The following information are available at the registered address of the Company and published on the NIC Group's website (www.nicl.mu):

- Governance Statement
- Compliance Statement
- Shareholding Information
- Board Charter
- Board Committee Charters
- Composition of the Board
- Board Committees and their roles
- Key Management Team
- Organisation's Code of Ethics
- Financial Statements
- Corporate Social Responsibility

GOVERNANCE STRUCTURE (CONTINUED)

Board Governance Structures

The Board has structured itself in a way that it can provide its focus and attention to the key areas of the business through established Board Committees with clear terms of reference. The delegation of authority to any Board Committee does not discharge the responsibility of the Board as regards to actions and decisions of such Committees.



Five Board Committees were set up in May 2015 namely, the Corporate Governance Committee, the Audit Committee, the Risk Management Committee, the Investment Committee and the Human Resource Committee. These were streamlined and reconstituted into three Board Committees in September 2015, comprising of the Corporate Governance & Human Resource Committee, the Audit & Risk Committee and the Investment Committee respectively.

Key Governance Responsibilities and Accountabilities

The Board has ensured that the key governance positions within the organisation are matched with the corresponding accountabilities. The Directors are aware of their legal duties and responsibilities in line with the Companies Act 2001, Insurance Act 2005, Financial Services Act 2007, and other applicable laws and guidelines.

Key Governance Positions

Chairperson of the Board

The Chairperson of the Board is responsible for the activities of the Board and its committees. He acts as spokesperson for the Board and is the principal Board contact for the Management team. The Chairperson of the Board and the Management team meet regularly. The Chairperson of the Board presides over the meetings of shareholders.

The Chairperson ensures that:
(i) The Board fulfils its duties;
(ii) Board Members, when appointed, participate in an induction program and, if needed, in supplementary training programs;
(iii) Members receive all the information necessary for them to perform their duties;
(iv) The agenda of Board meetings are determined;
(v) The Board meetings are chaired in an effective manner;
(vi) The Board has sufficient time for deliberation and decision-making;
(vii) Minutes of Board and committee meetings are properly recorded and stored;
(viii) The Committees function properly;
(ix) Consultations are held with external advisors appointed by the Board;
(x) The performance of the Board Members is evaluated regularly;
(xi) Problems related to the performance of individual Board Members are addressed;
(xii) Internal disputes and conflicts of interest concerning individual Board Members, including the possible resignation of such Members as a result, are addressed; and
(xiii) The Board has proper contact with the Management team.

GOVERNANCE STRUCTURE (CONTINUED)

Key Governance Positions (Continued)

Chairperson of the Audit & Risk Committee

The Chairperson of the Audit & Risk Committee works in close collaboration with and provides support and advice to the Chairperson of the Board. He has the following responsibilities, amongst others:

- To provide risk expertise to the Committee;
- To ensure the financial statements comply with the appropriate accounting standards;
- To guide and advise the Board on an appropriate risk management framework; and
- To report the deliberations of the Audit & Risk Committee to the Board.

The Audit & Risk Committee was chaired by Mr. R. Li Ting Chung as at 30 June 2016.

Chairperson of the Investment Committee

The Chairperson of the Investment Committee works in close collaboration with, and provides support and advice to, the Chairperson of the Board. The Chairperson of the Committee has the following responsibilities, amongst others:

- To formulate and review the investment strategies and policies of the Company; and
- To monitor the investment processes of the Company in order to ensure compliance with such strategies and policies and with the overall risk profile of the Company.

The Investment Committee was chaired by Mr. F. Ramjanally as at 30 June 2016.

Chairperson of the Corporate Governance & Human Resource Committee

The Chairperson of the Corporate Governance and Human Resource Committee works in close collaboration with, and provides support and advice to, the Chairperson of the Board. He has the following responsibilities, amongst others:

- To provide expertise in the areas of corporate governance and human resource;
- To ensure that the Board is up to standard with the Code;
- To report the deliberations of the Corporate Governance and Human Resource Committee to the Board;
- To consider and recommend major Human Resource matters to the Board;
- To provide direction with regards to the Human Resource strategy including key objectives, plans and workforce requirements;
- To consider succession planning for Officers, Senior Officers and Executives, taking into account the challenges and opportunities facing the Company, and the skills/expertise needed in relation thereto; and
- To oversee any major change in organisational and employee benefits structures across the Company.

The Corporate Governance & Human Resource Committee was chaired by Mr. T. Appadu as at 30 June 2016.

GOVERNANCE STRUCTURE (CONTINUED)

Key Governance Positions (Continued)

The Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources to perform their duties to shareholders under the relevant legal frameworks. The Company Secretary is also responsible for the organisation and co-ordination of the Board and Committee meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

Prime Partners Ltd is the Company Secretary of the Company for the period ended 30 June 2016. Prime Partners Ltd is a wholly owned subsidiary of The State Investment Corporation Limited and is actively involved in the provision of statutory corporate secretarial services and registrar & transfer office services to Domestic Companies/Trusts/Mutual Funds registered in Mauritius.

Other Key Governance Responsibilities and Accountabilities - Senior Management

The profiles of the following key officers and senior management members are found on pages 11 to 13.

Mr. Anil Sewpaul
Chief Executive Officer

- Provides strategic & executive leadership
- Acts as the main point of contact between Board of Directors and the Management team and directs the implementation of the Board's mandates
- Responsible for the overall management of the business

Mr. Oumeshsingh Sookdawoor
Chief Operating Officer

- Provides strategic leadership, directs and leads the implementation of key business strategies
- Responsible for the overall business operations
- Assists the Chief Executive Officer on matters pertaining to the implementation of the Board's mandates

Mr. Shakeel Summun
Chief Financial Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the finance operations, premium management and recovery

Mrs. Chitra Devi Moonoosamy
Chief Services Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the Shared Services functions comprising of Customer Service, HR, IT, Legal & Compliance, Marketing & Communications, Facilities & Logistics and Procurement

GOVERNANCE STRUCTURE (CONTINUED)

Other Key Governance Responsibilities and Accountabilities - Senior Management (Continued)

Mr. Shafique Bhunnoo
Chief Actuarial Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the Actuarial, Reinsurance, Statistics and Investment functions

Mr. Pershing Rughooputh
Chief Technical Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for Support Service functions including Registry

Mr. Saratchandran Sridharan
Head of General Insurance Operations

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for day to day operations of the general insurance activities including underwriting and claims management for health and non-health insurance classes

Mr. Jacques Dany Tong Sam
Head of Customer Service *(Also fulfils the role of Complaints Coordinator)*

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for day to day customer service function

Mr. Upendra Ramjutton
Head of Business Development (General Insurance)

- Provides functional leadership and implements business development strategies to attain business objectives and targets
- Responsible for channel and business development function

Mr. Laxman Mewasingh
Head of Legal & Compliance

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for legal and compliance functions

Mr. Kailash Moloye
Head of Human Resources & Corporate Services *(Also fulfils the role of Secretary to Board Committees)*

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for human resources and corporate services functions
- Provides Corporate Secretarial services to Board Committees

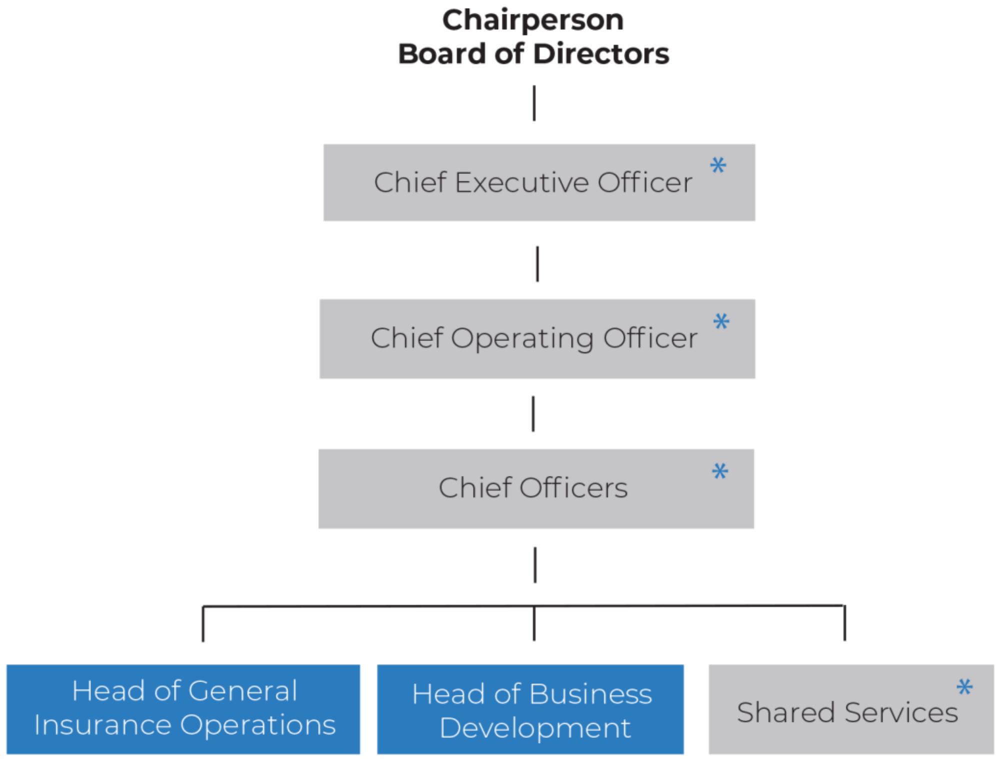
GOVERNANCE STRUCTURE (CONTINUED)

Other Key Governance Responsibilities and Accountabilities - Senior Management (Continued)

Mr. Pawan Kumarsingh Canhye
Manager - Internal Audit

- Provides internal audit services to assess internal control, business and risk management processes
- Responsible for reporting of audit findings and recommendations to the Audit & Risk Committee

Organisation Chart



* Also fulfils a shared role across NIC Group

GOVERNANCE STRUCTURE (CONTINUED)

Organisation Chart (Continued)

The Company is structured in a way that blends direct accountability of core functional responsibilities as well as optimises its specialist and support resources in a "Shared Services Model" serving the entire business requirements of the National Insurance Co. Ltd, NIC General Insurance Co. Ltd and NIC HealthCare Ltd as follows:

1. The Chief Officers having broad responsibility of leadership and accountability of Strategic and Shared Services functions across the NIC Group. The Shared Services functions comprises of:

    - Finance
    - Investment
    - Actuarial & Reinsurance
    - Customer Service
    - Sales & Branch Operations
    - Marketing & Communications
    - Human Resources
    - Legal & Compliance
    - Information Technology
    - Internal Audit
    - Support Services including Procurement and Registry & Facilities Management

2. The core functional responsibilities and day to day operations of Business Development, Underwriting, Claims & Recovery operations, for the various classes of general insurance business, fall under the respective Heads.

3. The Internal Audit and risk management functions operate independently and report to the Chairperson of the Audit & Risk Committee for matters governing the business.

STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES

"The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties."

Board Structure and Composition

Pursuant to the provisions of Section (30)(2) of the Insurance Act 2005, the Company has for the purpose of the composition of its Board of Directors, at least 7 natural persons of which at least 30 percent (30%) are independent Directors. For the period ended 30 June 2016, the Company has had the required statutory number of directors up to 09 May 2016. The statutory number of required directors was subsequently restored in September 2016. The Board has a unitary structure and its size, which is considered optimal for the effective execution of its responsibilities, has been determined on the basis of the Company's present size, spread of operations and activities.

The following Directors held office during the period ended 30 June 2016 and unless otherwise stated, up to the date of signing the financial statements:

No.	Name of Directors	Date of appointment	Date of Cessation	Classification
1.	Mr. Faadeel Ramjanally –*(Appointed as Chairperson from 23 October 2015 to 25 January 2017)*	15 April 2015	25 January 2017	Non-Independent & Non-Executive
2.	Mr. Azaad Aumeerally	15 April 2015	14 October 2016	Independent & Non-Executive
3.	Mr. Yash Balgobin	17 April 2015	16 May 2017	Independent & Non-Executive
4.	Mr. Gerard Pascal Bussier	15 April 2015	16 May 2017	Non-Independent & Non-Executive
5.	Mr. Richard Li Ting Chung	15 April 2015	14 October 2016	Independent & Non-Executive
6.	Mr. Somduth Nemchand – *(Appointed as Chairperson from 20 April 2015 to 23 September 2015)*	15 April 2015	23 September 2015	Non-Independent & Non-Executive
7.	Mrs. Devi Chand Anandi Rye Seewooruthun	15 April 2015	28 March 2016	Non-Independent & Non-Executive
8.	Mr. Darren Vencatasawmy	15 October 2015	09 May 2016	Non-Independent & Non-Executive
9.	Mr. Tamanah Appadu	21 April 2016	14 May 2019	Non-Independent & Non-Executive

Subsequent appointments:

10.	Mr. Jean Daniel Henry	23 May 2017	-	Independent & Non-Executive
11.	Dr. Daneshwar Doobree	22 May 2017	-	Non-Independent & Non-Executive
12.	Mr. Joseph Benoit Mamet	22 May 2017	-	Independent & Non-Executive
13.	Dr. Arty Rambharush	26 May 2017	-	Independent & Non-Executive

No.	Name of Directors	Date of appointment	Date of Cessation	Classification
14.	Mr. Shastree Ramodhin	29 December 2017	-	Independent & Non-Executive
15.	Mr. Oodaye Prakash Issary– *(Chairperson from 20 February 2019)*	19 February 2019	-	Non-Independent & Non-Executive
16.	Dr. Sudhirsen Kowlessur	12 June 2019	-	None Independent & Non-Executive

The existing Directors, who are all resident in Mauritius, have expertise in various domains including Insurance, Business, Finance, Accounting and Administration. Their appointments to hold office as Directors of the Company have been formalised following approval of the Financial Services Commission. Only Board Members attend Board Meetings. Management and other subject matter experts attend the meeting or part thereof on invitation of the Chairperson. A clear division of responsibilities at Board level ensures that no one Director has unfettered powers in decision making.

The Chairperson of the Board and the Chairperson of the Board Committee are all carefully selected on the basis of their relevant knowledge and experience in these key governance roles.

The Board has a sufficient number of directors who do not have relationship with the organisation. A sufficient number of directors does not have relationship with the majority shareholder.

Gender Balance

The Company promotes gender balance and equal opportunity at every level of its operating and governance structures. During the financial period, the Company's Board had one female director who resigned from her position in March 2016.

Directorship

Executive Director

As at 30 June 2016, the Company did not have any Executive Director.

The Board is of the opinion that it is appropriately constituted for the execution of its responsibilities. The day to day management of the operations of the Company are performed by the Chief Executive Officer who reports directly to the Chairperson of the Board. Moreover, other members of the Senior Management team are, as and when required, pertaining to business matters and functions under their purview, in attendance during deliberation of the Board.

Director's Independence Review

The Board is determined to ensure that on an annual basis, and as and when the circumstances require, whether or not a Director is independent. Additionally, review will be conducted and particular consideration given to Directors serving on the Board for a long period of time, from the date of their first election.

Notwithstanding the above, the Board recognises that over time independent Directors develop significant insights in the Company's business and operations and can contribute objectively to the Board as a whole. In circumstances where a Director has served as an Independent Director for over nine years, the Board will perform a review of their continuing contribution and independence. The Board considers that additional Directors may need to be appointed, particularly Independent Directors so as to ensure gender diversity.

STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTINUED)

Directorship (Continued)

Non-Executive Directors

The Non-Executive Directors constructively challenge and help develop proposals on strategy, review the performance of management in attainting goals and objectives and monitor the reporting of performance. The Non-Executive independent Directors meet and/or hold discussions regularly without the presence of Management.

Powers of the Board

The Board is aware of its key roles and responsibilities and ensures that the Company adheres to all relevant legislations such as the Companies Act 2001, the Insurance Act 2005 and the Financial Services Act 2007. The Board also follows the principles of good corporate governance as recommended in the Code.

Board Meetings

The Board met six (6) times during the financial period ended 30 June 2016. The Board deliberated on a range of issues including:

(a) Key matters pertaining to the Transfer of Undertaking pursuant to Section 110B of the Insurance Act 2005 in consultation with key stakeholders;
(b) The review of the progress of the issues pertaining to the Transfer of Undertaking;
(c) Capital requirements and shareholding structure of the Company;
(d) Review of the Business Plan including Rodrigues operations;
(e) The examination and endorsement of the recommendations of various Board Committees;
(f) The reviews of tenders for allocation of contracts to service providers;
(g) The reviews of marketing plans and corporate positioning;
(h) The transitional reorganisation of internal resources and functions;
(i) The investment decisions and returns thereof;
(j) The valuation of properties and other assets; and
(k) The major legal affairs and undertakings, including formalisation of novation agreements and contracts.

Board Committees for the period ended 30 June 2016

The Board has carefully considered the work that it needs to carry out to be effective and in order to implement the Company's strategy. The governance structure of the Company provides for delegation of authority. As at 30 June 2016, the following Board Committees were in place with clearly defined mandates:

(a) Audit & Risk Committee
(b) Corporate Governance & Human Resource Committee
(c) Investment Committee

STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTINUED)

Board Committees for the period ended 30 June 2016 (Continued)

The objectives of these Committees are as follows:

- To bring focus and appropriate expertise and specialisation to the consideration of specific Board issues;
- To enhance Board efficiency and effectiveness;
- To enable key issues to be studied in depth prior the Board's consideration; and
- To make recommendations pertaining to their specific areas of responsibility to the Board.

The Board Committees have established their respective Charters, embodying their key roles and responsibilities which were endorsed by the Board in 2019. The Board ensures that the Company is being managed in line with its objectives through deliberations and reporting of its various Committees.

Audit & Risk Committee

The Audit & Risk Committee is governed by its Charter, which will be reviewed on an annual basis in line with the provisions of the Code.

As at 30 June 2016, the Audit & Risk Committee constituted of three [3] members namely, Mr. R. Li Ting Chung (Chairperson), Mr. A. Aumeerally and Mr. G. P. Bussier.

The Board considers the members of the Audit & Risk Committee as appropriately qualified to discharge the responsibilities of the Audit & Risk Committee.

The Audit & Risk Committee has the explicit authority to investigate any matter within its terms of reference. In addition, the Audit & Risk Committee has full access to and co-operation of Management as well as full discretion to invite any Director to attend its meetings.

The duties of the Audit & Risk Committee include amongst others:

- Examining and reviewing the quality and integrity of the financial statements of the Company including its annual report;
- Compliance with International Financial Reporting standards and legal requirements;
- Keeping under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
- Reviewing the annual compliance work plan and other reports from the Compliance function;
- Ensuring the Internal Auditor has direct access to the Board Chairperson and to the Committee Chairperson;
- Considering and making recommendations to the Board, to be put to shareholders for approval at the Annual Meeting of Shareholders, in relation to the appointment, re-appointment and removal of the Company's External Auditor; and
- Making recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

In performing its function, the Audit & Risk Committee meets regularly with the internal and external auditors. Where necessary, separate meetings are held without the presence of Management. The internal and external auditors have unrestricted access to the Audit & Risk Committee.

STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTINUED)

Board Committees for the period ended 30 June 2016 (Continued)

Investment Committee

The Investment Committee is governed by its Charter, which will be reviewed on an annual basis in line with the provisions of the Code.

As at 30 June 2016, the Investment Committee constituted of five [5] members namely, Mr. F. Ramjanally (Chairperson), Mr. A. Aumeerally, Mr. Y. Balgobin, Mr. G. P. Bussier and Mr. R. Li Ting Chung.

The duties of the Investment Committee include, amongst others, the following:

- To formulate and review the investment strategies and policies of the Company; and
- To monitor the investment performance and processes of the Company in order to ensure compliance with such strategies and policies and with the overall risk profile of the Company.

Corporate Governance & Human Resource Committee

The Corporate Governance & Human Resource Committee is governed by its Charter, which will be reviewed on an annual basis in line with the provisions of the Code.

As at 30 June 2016, the Corporate Governance & Human Resource Committee constituted of four [4] members namely, Mr. T. Appadu (Chairperson), Mr. F. Ramjanally, Mr. G. P. Bussier and Mr. Y. Balgobin.

The Corporate Governance & Human Resource Committee is a useful mechanism for making recommendations to the Board on various corporate governance and human resource matters so that the Board remains effective and complies with good governance principles.

The duties of the Corporate Governance & Human Resource Committee include, amongst others, the following:

- To provide expertise in the areas of corporate governance and human resource;
- To ensure that the Board is up to standard with the Code;
- To report the deliberations and recommendations of the Corporate Governance and Human Resource Committee to the Board;
- To provide direction with regards to the Human Resource strategy including key objectives, plans and workforce requirements;
- To consider succession planning for Officers, Senior Officers and Executives, taking into account the challenges and opportunities facing the Company, and the skills/expertise needed in relation thereto;
- To oversee any major change in organisational and employee benefits structures across the Company; and
- Oversee the implementation of the corporate governance framework.

STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTINUED)

Board & Board Committee Attendance

The detailed attendance of members of the Board and Board Committees at meetings during the financial period ended 30 June 2016 was as follows:

Directors	Board Meetings (6)	Corporate Governance & Human Resource Committee Meetings (0)	Audit & Risk Committee Meetings (1)	Investment Committee (1)	Human Resource Committee (0) *Restructured*	Audit Committee (0) *Restructured*	Risk Management (0) *Restructured*	Corporate Governance Committee (0) *Restructured*
Mr. Faadeel Ramjanally (up to 25 January 2017)	6/6	0/0	N/A	1/1	0/0	0/0	N/A	N/A
Mr. Azaad Aumeerally (up to 14 October 2016)	6/6	N/A	1/1	1/1	N/A	N/A	0/0	N/A
Mr. Yash Balgobin (up to 16 May 2017)	6/6	0/0	N/A	1/1	0/0	0/0	N/A	N/A
Mr. Gerard Pascal Bussier (up to 16 May 2017)	4/6	0/0	1/1	1/1	N/A	0/0	N/A	0/0
Mr. Richard Li Ting Chung (up to 14 October 2016)	6/6	N/A	1/1	1/1	N/A	N/A	0/0	N/A
Mr. Somduth Nemchand (up to 23 September 2015)	2/2	N/A	N/A	N/A	0/0	N/A	N/A	0/0
Mrs. Devi Chand Anandi Rye Seewooruthun (up to 28 March 2016)	5/6	0/0	N/A	N/A	N/A	N/A	0/0	0/0
Mr. Darren Vencatasawmy (up to 09 May 2016)	3/3	0/0	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Tamanah Appadu (appointed on 21 April 2016)	N/A	0/0	N/A	N/A	N/A	N/A	N/A	N/A

STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTINUED)

Directorships of Directors in other related Companies

Name of Director	Name of Company	Designation Chairman / Director
Mr. Tamanah Appadu	National Insurance Co. Ltd	Non-Independent & Non-Executive Director *(up to 14 May 2019)*
Mr. Richard Li Ting Chung	National Insurance Co. Ltd	Independent & Non-Executive Director *(up to 14 October 2016)*
	National Property Fund Ltd	Independent & Non-Executive Director *(up to 25 May 2017)*
Mr. Gerard Pascal Bussier	National Insurance Co. Ltd	Non-Independent & Non-Executive Director *(up to 12 May 2017)*
Mr. Yash Balgobin	National Insurance Co. Ltd	Non-Independent & Non-Executive Director *(up to 12 May 2017)*
Mr. Azaad Aumeerally	National Insurance Co. Ltd	Independent & Non-Executive Director *(up to 14 October 2016)*
Mr. Faadeel Ramjanally	National Insurance Co. Ltd	Chairman-Non-Independent & Non-Executive Director *(up to 25 January 2017)*
	NIC Healthcare Ltd	Non-Independent & Non-Executive Director *(up to 09 September 2015)*
Late Mr. Somduth Nemchand	National Insurance Co. Ltd	Chairman-Non-Independent & Non-Executive Director *(up to 23 September 2015)*
	NIC Healthcare Ltd	Non-Independent & Non-Executive Director *(up to 09 September 2015)*
Mrs. Devi Chand Anandi Rye Seewooruthun	National Insurance Co. Ltd	Non-Independent & Non-Executive Director *(up to 28 March 2016)*
Mr. Darren Vencatasawmy	National Insurance Co. Ltd	Non-Independent & Non-Executive Director *(up to 09 May 2016)*

DIRECTORS' APPOINTMENT PROCEDURES

"There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of Directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard to the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders."

Appointment of Directors

The Board carefully considers the needs of the Company in appointing Board Members. The following factors are considered:

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed Director;
- Previous experience as a Director;
- Specific roles required on the Board such as Chairperson of a Committee;
- Balance required on the Board such as gender and age;
- Independence where required;
- Fit & proper;
- Amount of time the proposed director is able to devote to the business of the Board; and
- Conflicts of interests.

The Board assumes the responsibilities for the appointment of new directors to the Board and their proper induction to governance structures, terms of reference, and the affairs of the Company.

As per the Charter of the Corporate Governance and the Human Resources Committee, the role of the said Committee in respect of nomination of Directors include the following:

- To keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace; and
- To identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise.

The proposed appointee is required to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

The Board considers its succession very carefully and assumes responsibility for succession planning. The Corporate Governance and the Human Resources Committee is responsible to give consideration to succession planning for directors and other senior executives in the course of their work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
The profiles of the current directors have been provided on pages 7 to 9.

Professional Development

The Board has reviewed the professional development and on-going education of Directors. During the Board evaluation exercise, the Board Members are invited to indicate any training development programme they require. The needs of the Directors are taken into account with regards to training and continuous professional development.

The following information is provided on the Company's website:

- Details of the nomination and appointment process;
- Profiles of directors including their experience, skills, expertise and continuing professional development; and
- Short profile of the Company Secretary including its experience, skills and expertise.

DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

"Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives."

Legal Duties

All Directors are fully aware of their fiduciary duties. The duties of directors are listed in the Companies Act 2001, but other legal obligations are contained in other relevant and applicable legislations. Directors are required to exercise that degree of care, skill and diligence which a reasonably prudent and competent director in his or her position would exercise.

Code of Ethics

The Code of Ethics, as approved by the Board in 2019, is published on the Company's website.

Conflict of Interest

Board Members have a fiduciary duty to conduct themselves without conflict of the interests of the Company. In their capacity as Board Members, they must subordinate personal individual business, third-party and other interests to the welfare and best interests of the Company.

A conflict of interest occurs when a present transaction or relationship might conflict with a Board Member's obligations owed to the Company and the Board Member's personal, business or other interests.

The Company ensures that Directors declare any interest and report to the Chairman and Company Secretary any related party transactions.

The Company Secretary records appropriate disclosures as part of its secretarial duties. Any such records are available to the shareholder(s) upon request. The Company Secretary maintains a register of Directors' interests. Conflicts of interest and related party transactions have been dealt with relevant governance policies and frameworks.

Information, IT and Information Security Governance

The Board of Directors ensures that appropriate resources are allocated for the implementation of an information and IT security framework. The Company has a set of information technology and information security guidelines supported by policies, which are reviewed regularly to ensure that data is safeguarded both within its premises as well as those hosted on the server including access rights granted only to authorised personnel and the implementation of password expiry and complexity policy, and backups of digital information. Backups are held securely off-site. Testing of backups of the systems are conducted on a regular basis by the IT department. The Company plans to implement a comprehensive Disaster Recovery Plan which will ensure that in the event of a major disaster causing the site to be unavailable, systems and business operations will be promptly restored at a backup site. To ensure user awareness and compliance across the organisation, an Information Security Charter has been developed for deployment.

DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Information, IT and Information Security Governance (Continued)

The Board oversees the information governance through regular reviews of the inputs received from the internal and external auditors, risk officer, information control processes and reports, and where required, issues directives or guidelines for improvement. The exchange of key and sensitive information between the Company and external service providers is generally governed through Non-Disclosure Agreements. The employees and the members of the salesforce are contractually bound by Confidentiality clauses forming part of their contracts of services.

Investment in latest information technology systems and their ongoing support and maintenance are reviewed as part of the Company's:

- Medium to long term Business Plans set out for implementation
- Annual budgetary exercise
- Overall strategic review exercises undertaken on a regular basis

On a regular basis, the Board considers and approves key recommendations for investments in technology systems and software for the proper running of the operations and safeguarding of its information assets.

Board Evaluation

The Company will establish a system of Board Appraisal to assess the effectiveness/ performance of the Board and sub-committees, focusing on the following major governance issues relevant to the Board:

- Objectives and Strategy;
- Performance Measurement;
- Relationships with key stakeholders;
- Propriety, Fraud and Other Leakage;
- Project Management;
- Risk Management;
- Oversight of Management;
- The Audit Committee, Internal Audit and Corporate Reporting;
- Composition of the Board; and
- Conduct of Board Meetings.

As at 30 June 2016, the Board and Board Committees have not carried out a formal documented evaluation. However, the respective Chairpersons undertake on a regular basis continual appraisal discussions with the members of the Board and Board Committees with a view to improve the overall effectiveness in decision making and governance.

The formal Board evaluation will be led by the Chairperson of the Board rather than being outsourced to an independent facilitator in view of the size of the Company.

DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Statement of Remuneration Philosophy

The Directors are remunerated for their knowledge, experience, insights and their collective contribution towards achievement of the Company's objectives. The remuneration of Directors is based on the remuneration policy established and approved by the Shareholder and is aligned to similar state owned companies.

The total fees earned by the different classification of directors during the period under review, are as follows:-

No	Directors Classification	Remuneration (MUR)
1.	Non-Executive Directors	1,804,046
2.	Executive Directors	Nil

The Board had also mandated the study of a comprehensive review of salaries and benefits of the employees, management and senior executives of the Company through an independent Salary Commissioner. The Board is guided by the remuneration structure of the Salary Commissioner Report for the remuneration of the Company's senior executives, management and staff. The Board has reviewed the adequacy of directors' and senior management remuneration as well as for its employees and also undertakes such exercises on a regular basis.

The proportions of fixed and variable remuneration of directors' fees are as follows:

- Fixed : 99% (Retainer Fees)
- Variable: 1% (Adhoc Committees & Meetings)

The Company does not have any long-term incentive plans apart from the pension benefits provided to its eligible employees.

Non-executive directors have not received any remuneration in the form of share options or bonuses associated with organisational performance.

RISK GOVERNANCE & INTERNAL CONTROL

"The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system."

The Board of directors is responsible for determining the overall strategic direction and the proper risk management strategy and policies of the Company. It sets the appropriate risk level and tolerance of the Company. The risk strategy covers all the major risk areas in which the Company has significant exposure. The Company is responsible for implementing the risk strategy and policies approved by the Board of Directors. It oversees the day-to-day risk management issues in line with the approved strategy, policies and procedures.

The Audit & Risk Committee and the Board evaluate on a regular basis the Company's strategic risk, financial risk, compliance and operational risk.

Assurance on risk management processes

The Board relies on the risk management, internal and external audit functions to report on any weaknesses and to make recommendations via the Audit & Risk Committee, the objective being to ensure the effective and efficient use of available resources and ascertaining the accuracy of information used in the preparation of financial statements.

The internal and external auditors report directly to the Audit & Risk Committee on a regular basis for identification of any deficiency noted in internal processes and controls, compliance issues and any material misstatements noted in the financial reports.

The principal risks faced by the Company and the way in which each is managed are as follows:

The Company's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

(a) *The risk management mechanisms in place include*:

- A system for the ongoing identification and assessment of risks;
- Development of strategies in respect of risks and definition of acceptable and non-acceptable levels of risk;
- The communication of risk management policies to all levels of the organisation as appropriate, and methods to ensure commitment, both by managers and by other employees, to the process;
- The implementation of a documented system of internal control that closely aligns the control effort to the nature and importance of the risk; and
- Processes to reduce or mitigate identified risks and maintain them within the levels of risk tolerance defined by the Board and Management.

(b) *Structures and processes for identification of risks and risk management*

There is clear accountability for risk management, which is a key performance area of line managers throughout the Company. Each manager is required to document how these risks will be managed and what mitigating activities have been put in place in respect of each significant risk.

RISK GOVERNANCE & INTERNAL CONTROL (CONTINUED)

The principal risks faced by the Company and the way in which each is managed are as follows: (Continued)

(c) *Integration of internal control and risk management*
The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Company's business objectives will be achieved within the risk tolerance levels defined by the Board. The effectiveness of the internal control systems is reviewed regularly by the Committee and the review covers all internal control systems including financial, operational, compliance and risk management.

(d) *Assurance on the effectiveness of the risk management process*
Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of Board's assurance. The Finance Department provides confirmation that financial and accounting control frameworks have operated satisfactorily. The Board also receives assurance from the Audit & Risk Committee, which derives its information, in part, from regular risk management, internal and external audit reports on risks and internal control throughout the Company.

(e) *Management of key risks identified*
Within the Company, the risk elements are viewed under the following headings:

- Physical risks: Losses due to torrential rainfall, flood, fire, cyclones, riots, etc.;
- Operational risks: Operational risk is defined as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events;
- Human resources risks: Losses arising from attrition, talent scarcity, health and safety laws, personal injury claims and acts inconsistent with employment, etc.;
- Technology risks: Includes hardware and software failures, system development and support and maintenance aspects. The ability of the legacy system to cover forthcoming classes of insurance and its ongoing support and maintenance arrangements have been identified as areas needing attention in a near future;
- Business continuity risks: Losses from inaccessible systems and worksites arising from major natural disasters and system failures. These potential risks will be looked into in due course;
- Financial risks: The identification and management of these risks are further discussed in Note 5 to the Financial Statements;
- Compliance risks: Losses arising from failure to comply with regulations governing the conduct of an organisation's business in the countries in which it operates. It is a composite risk made up of the risk of legal or regulatory sanctions, financial loss, or loss of reputation; and
- Reputational risks: Losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product or adverse publicity.

In conducting its annual review of the effectiveness of risk management, the Board considers the key findings from the ongoing monitoring and reporting processes, management assertions and independent assurance reports. The Board also takes account of material changes and trends in the risk profile and considers whether the control system, including reporting, adequately supports the Board in achieving its risk management objectives.

During the course of the period, the Board considered the Company's responsiveness to changes within its business environment including any change brought through statutes and regulations. The Board is satisfied that there is an ongoing process, which has been operational throughout the period.

RISK GOVERNANCE & INTERNAL CONTROL (CONTINUED)

Internal Audit and Compliance

Internal audit is an independent objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Internal Audit activities are conducted by the Internal Audit Department under the supervision of the Internal Auditor. This falls under the aegis of the Risk and Audit Committee with a direct independent reporting line on all affairs relating to internal audits, controls and risk management.

The main objectives of internal audit are:
(a) Evaluating control systems;
(b) Ensuring compliance to rules, procedures and regulations;
(c) Evaluating organisational efficiency and effectiveness;
(d) Assessing accuracy and reliability of Departments' reporting processes;
(e) Evaluating effectiveness of Departments' accountability framework, and the extent of adherence to ethical standards; and
(f) Ensuring audit findings and recommendations add value to the organisations and provide an independent opinion whether the organisational goals and objectives have been achieved in an economic, efficient and effective manner.

Frameworks and processes for the sound management of risk and Internal Controls

The Audit & Risk Committee has appointed an independent Internal Auditor for reviewing the effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems. This ensures that appropriate frameworks and effective processes are in place for a sound management of risk.

Management is responsible for the implementation of internal control and risk management systems under the supervision of the Audit & Risk Committee which ensures that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented.

The Internal Auditor covers all key areas of activities, including IT. Any deviation in policies and non-performance of internal control are duly reported and discussed at large at Management and Audit & Risk Committee levels. Corrective actions are promptly taken, and regular follow ups are done. This enables the Board to derive assurance that the internal control systems are effective.

There has been no identification of any significant areas which was not covered by the Internal Auditor during the period. Based on the internal audit report, no major risk or deficiency has been found in the Company's system of internal controls that have been left unattended for remedial action. The acquisition and implementation of an enterprise-wide software system for the general insurance operations, is under present consideration.

REPORTING WITH INTEGRITY

"The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report"

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the Company and the results of its operations and that comply with the International Financial Reporting Standards (IFRS), the Companies Act and Insurance Act.

The Annual Report of the Company include its Financial Statements and its Corporate Governance Report which provide comprehensive details on all of the Company's financial, environmental, social and governance position as well as its performance for the financial year under consideration. The financial statements and other key corporate governance related information of the Company is published in full on the Company's website.

Health, Safety, Social and Environmental Policies

The Company has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with the Occupational Safety and Health Act 2005 and other statutory and regulatory frameworks.

The Company ensures social harmony through its employment policies and it follows non-discriminatory policies in recruitment and promotion. It adopts a transparent and merit-based procedure.

Given the nature of its activities, the Company's operations do not cause significant adverse impact on environment. The Company operates its day-to-day activities in a way that is aligned as far as possible with green, environmentally-friendly and energy-saving principles. Furthermore, in view to minimise carbon emissions, e-filing, e-mails, scanning of documents and file sharing are being heavily encouraged. In this spirit, the Company has been using Gargantua, an electronic Content and Document Management System, for managing its insurance policies online. Along similar lines, the Company has implemented digital platforms supporting SMS communications to its clients.

Corporate Social Responsibility and Donations

The Company has adopted the 3rd Global Sustainable Development Goal of the United Nations, **"Good Health and Well Being"**. The Company has devised its own Corporate Social Responsibility Programme *(GetHealthy on Route8)* and plans to run regularly across the country thereby promoting health awareness campaigns to make Healthy Living accessible to the Mauritian nation and its future generations by offering free medical screening tests to the general public and to its clients

There was no donation made during the period.

AUDIT

"Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditors"

Internal Audit

The role of Internal Audit is to provide independent and objective assurance to management and the Board of Directors through the Audit and Risk Committee. By following a systematic and disciplined approach, Internal Audit helps to accomplish the Company's objectives by evaluating and recommending improvements to operations, internal controls, risk management systems, and governance processes.

The Internal Audit Department is adequately staffed and is headed by the Manager - Internal Audit, Mr. Pawan Kumarsing Canhye. He is assisted by two resources, including one qualified in law with field audit experience, as well as a senior resource with long standing auditing expertise. The Department also conducts internal audits for its subsidiary, National Insurance Co. Ltd.

The internal audit is performed on the basis of an established and approved Internal Audit Plan and the progress thereon are reported to the Audit & Risk Committee on a regular basis. The Internal Audit Plan covers all key aspects of the business including sales, receipting, cashiering, banking, posting, underwriting, claims assessment, recovery and payment as well as other areas regarding systems and control processes. During the period ended 30 June 2016, internal audits were conducted on branch operations, commissions and cost optimisation.

The Internal Auditor reports directly to the Audit & Risk Committee, has unrestricted access to review all activities and transactions undertaken within the Company and to appraise and report thereon. There was no restriction placed over the right of access by internal audit to the records, management or employees of the organisation.

External Audit

The Company has appointed Moore Stephens (Mauritius) as external auditors for the financial period ended 30 June 2016.

The Audit & Risk Committee will ensure that the external auditor is rotated at least every 7 years. The approach to appointing external auditor is done through a tendering process. The last tender for appointment of Moore Stephens (Mauritius) was conducted in 2018 in replacement of the previous external auditor Ernst & Young.

Meeting with Audit & Risk Committee and Key Audit Issues

The External Auditors have met with the Audit & Risk Committee whereby the financial statements of the Company, timeline of the audit, the audit approach, the accounting principles and critical policies adopted are discussed. The External Auditors have regularly been appraising the Audit & Risk Committee and Board members, through attendance and presentation at such instances, of key audit matters pertaining to the business and necessitating the attention of the directors. The External Auditors have also had meetings with key stakeholders without Management being present.

AUDIT (CONTINUED)

Meeting with Audit & Risk Committee and Key Audit Issues (Continued)

The significant issues that the Audit & Risk Committee considered in relation to the financial statements regard the challenges emanating from the Transfer of Undertaking registered in 2016, which includes the valuation of and encumbrances on certain transferred assets and the valuation of transferred policyholders' liabilities pertaining to the NIC Group. These were the main challenges that delayed the timely completion of the audit exercises. These issues were gradually addressed through remedial measures taken by the Management, Board and through the intervention of the shareholder where applicable. Any gap in assets and Minimum Capital Requirements were addressed through capital injection by the shareholder prior to the signature of the audited financial statements in 2019.

Evaluation of the Auditors

The Audit & Risk Committee will evaluate the external auditor in fulfilling their duty annually, to make an informed recommendation to the Board for the reappointment of the auditors. The Audit & Risk Committee assesses the qualifications and performance of the auditor, the quality of the auditors' communications with the Audit & Risk Committee and the auditors' independence, objectivity and professional scepticism.

Information on non-audit services

The Company has appointed Moore Stephens (Mauritius) for tax compliance services.

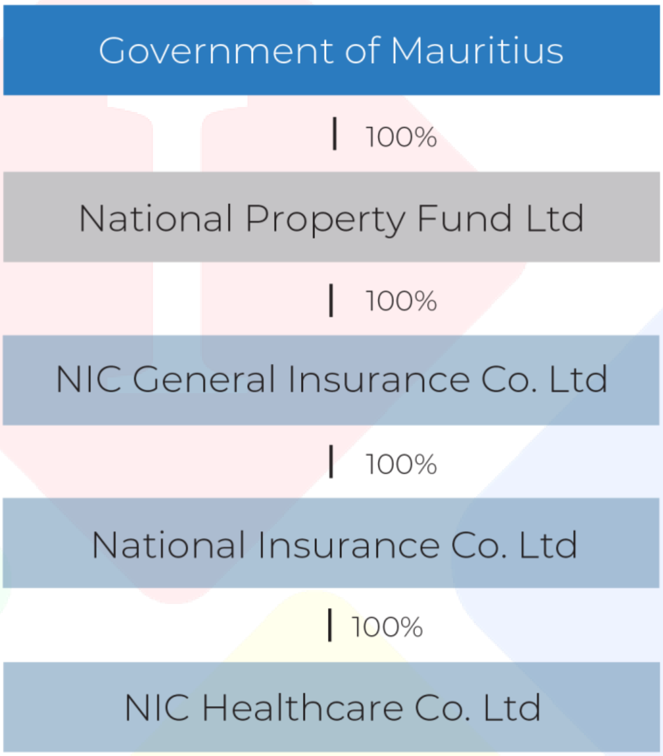
The audit and tax department of Moore Stephens (Mauritius) are two separate departments and the manager and signing partner for the provision of the respective services are different persons.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

"The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose"

Holding Structure

The Holding structure of the Company as at 30 June 2016 was as follows:



In March 2016, the Government of Mauritius transferred its 100% holding in the Company to its wholly owned subsidiary, the National Property Fund Ltd. The Government of Mauritius also transferred its 100% holding in National Insurance Co. Ltd to the Company.

Except for the above, no person has reported any material interest of 5% or more of the equity share capital of the Company.

Dividend Policy

The Board has not established a formal dividend policy. However, the Board endeavours to authorise distributions in the light of the Company's profitability, cash flow requirements and planned capital expenditure in due course.

Relations with Shareholder

The Shareholder is convened to attend Annual Meetings for the purpose of adoption of the Financial Statements, receiving the Auditor's Report and consideration of the Annual Report. Notice of Annual Meeting of Shareholders is sent within the prescribed statutory timeframe. The Shareholder is also encouraged to ask questions at the Annual Meeting.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

Relations with Shareholder (Continued)

Moreover, other decisions pertaining to Shareholder matters are also taken by way of written resolution in lieu of holding Meetings of the Shareholder in conformity with Section 117 of Companies Act 2001, given the that there is a sole Shareholder.

The Company ensures that there is regular contact and dialogue with the sole shareholder to keep the latter informed on material events affecting the Company including its performance and outlook. The Chairperson, through the assistance of the Company Secretary, is available to answer any query from the shareholder. Where and when required, appropriate papers and reports pertaining to the critical business affairs are shared between the Company and the Shareholder, and representatives of the Ultimate Shareholder for appropriate consideration and support.

The Company's website is used to provide relevant information and open lines of communication are maintained to ensure transparency and optimal disclosure.

Company Key Stakeholders

Regulator & Authorities

Relationships with the regulators, mainly the Financial Services Commission, the Registrar of Companies, Financial Reporting Council and the Mauritius Revenue Authority are considered as critical for good running of the Company. The Company maintains relationship with its regulator and authorities through written communications, meetings, filing of returns and financial reports, participation in forums, conferences and workshops as well as compliance with relevant legislation.

These relationships are viewed as strategic partnerships to ensure that the Company upholds and maintains best practices with full transparency.

Calendar of Important Events

The key milestones of important events during the financial year are as follows:

December	Annual Meeting of Shareholder
June	Financial Year End

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: NIC General Insurance Co. Ltd
Reporting period: 30 June 2016

We, the Directors of NIC General Insurance Co. Ltd, the "Company" confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance except for the following section:

Reasons for non-compliance with the sections of the Code:

Governance Structure
Statement of Accountabilities - The Board, Board Committees and other key governance roles have been operating according to their respective terms of reference. These terms of references were formalised as Board and Board Committee Charters and duly approved by the Board in September 2019.

A Code of Ethics for the organisation was also formally approved by the Board in September 2019.

The Structure of the Board and its Committees
Composition of the Board - The recommendation of the Code is to have at least two Executive Directors. As at 30 June 2016, the Board did not have any Executive Director. The Board is of the opinion that it is appropriately constituted for the execution of its responsibilities. The day to day management of the operations of the Company are performed by the Chief Executive Officer who reports directly to the Chairperson of Board. Moreover, other members of the Senior Management team are, as and when required, pertaining to business matters and functions under their purview, in attendance during deliberation of the Board.

Directors Duties, Remuneration and Performance
Board Evaluation - As at 30 June 2016, the Board and Board Committees have not carried out a formal documented evaluation. However, the respective Chairpersons undertake on a regular basis continual appraisal discussions with the members of the Board and Board Committees with a view to improve the overall effectiveness in decision making and governance.

Signed on behalf of the Board of Directors:

....	....
Mr. Oodaye Prakash Issary	**Dr. Daneshwar Doobree**
Chairman	Director

Date: 28 September 2019

NIC GENERAL INSURANCE CO. LTD

SECRETARY'S CERTIFICATE FOR THE PERIOD FROM 15 APRIL 2015 (DATE OF INCORPORATION) TO 30 JUNE 2016

We confirm that, based on the records and information made available to us by the Directors and Shareholder of NIC General Insurance Co. Ltd, the Company has filed with the Registrar of Companies, for the financial period from 15 April 2015 (date of incorporation) to 30 June 2016, all such returns as are required under Section 166(d) of the Companies Act 2001, save and except the audited financial statements for the financial period from 15 April 2015 (date of incorporation) to 30 June 2016, which are now being filed.

....
Prime Partners Ltd
Corporate Secretary
Per Gopal Bullyraz

Date: 28 September 2019

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIC GENERAL INSURANCE CO. LTD

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of NIC General Insurance Co. Ltd ("the Company") set out on pages 52 to 103, which comprise the statement of financial position as at 30 June 2016 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 15 April 2015 (date of incorporation) to 30 June 2016, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements give a true and fair view of the financial position of the Company as at 30 June 2016 and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in notes 35 and 36 concerning the Company's ability to continue as a going concern and non-compliance with the Insurance (General Insurance Business Solvency) Rules 2007 under the Insurance Act 2005 respectively. The Company had a loss of MUR 56,065,222 and reported a shareholder's deficit of MUR 26,065,222 as at 30 June 2016. Subsequent to the reporting date, there has been an injection of capital by the shareholder (as disclosed under note 37), which has addressed the issue of going concern and non-compliance with the Insurance Act 2005, in respect of Minimum Capital Requirements. Our report is not qualified on this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Business combination under IFRS 3

Key audit matter

Pursuant to Section 110B of the Insurance Act 2005, part of the undertakings of BAI Co (Mtius) Ltd and related entities ("BAI"), under Special Administration, was transferred to the Company by way of a Deed of Transfer on 20 July 2015 (the "Transfer Date") and duly registered at the Registrar General Department of Mauritius on 30 May 2016.

Given that the transfer of undertakings constitutes a business for which the Company obtained control, the transaction has been treated as a business combination under IFRS 3.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIC GENERAL INSURANCE CO. LTD

Report on the Audit of the financial statements (continued)

Key audit matter (continued)

The Company carried out a purchase price allocation exercise in accordance with the requirements of IFRS 3 as at transfer date and fair valued the identifiable assets and liabilities using updated appraisals. Fair value was determined using various valuation models, which were applied according to the assets and liabilities being measured. An independent valuer was appointed by the Company to assess the fair value of the investment property. The technical provisions included insurance contract liabilities, which were valued by an independent actuary, and an expense reserve calculated by an expert appointed by the then Special Administrator.

In this respect, the Purchase Price Allocation ("PPA") exercise under the above transfer of undertakings was considered a key audit matter.

Related disclosures

Refer to note 30 of the accompanying financial statements.

Audit response

- We assessed whether the PPA exercise was carried out in accordance with the requirements of IFRS 3, sought internal legal and accounting expert's advice on whether the transfer of undertakings did constitute a business for which the Company obtained control.
- We inspected and perused through board minutes, legal correspondence, communication with notaries, the registered transfer deed to obtain sufficient appropriate evidence over the Company's ownership and right over identifiable assets acquired and liabilities assumed at transfer date.
- We enquired with management and the compliance team about encumbrances on assets taken over and corroborated their findings through independent confirmation with the Registrar of Companies to mitigate the risk of any material unrecorded liabilities at transfer date.
- We also assessed the competence, capabilities and objectivity of the experts, gained an understanding of work of the experts and assessed the suitability of their results as audit evidence for the relevant assertions.
- We also examined the data provided to the experts for completeness and accuracy.
- We reviewed the choice of valuation model used in the valuation report to measure investment property in terms of their applicability.
- We compared the inputs and assumptions used with internal Company data and external data, forecasts and market expectations for consistency.
- We obtained an understanding of the complexity and nature of the models and measurement techniques used by the actuary to estimate the technical provisions at transfer date.
- We assessed the design and operating effectiveness of management's controls over integrity, reliability, completeness and accuracy of the source data (financial and non-financial) provided to the actuary.
- We reviewed the nature and extent of the documentation supporting significant assumptions used to develop those provisions to ensure they were reasonable when considered collectively or individually, internally consistent with the Company's business plans and the external environment.
- We tested selected key management's controls over the development, monitoring of technical provisions and review and approval of technical provisions by appropriate levels of management.
- We performed substantive tests on the estimation of a material expense reserve at transfer date, focusing on the appropriateness of the accounting treatment of such provision, and its subsequent release.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIC GENERAL INSURANCE CO. LTD

Report on the Audit of the financial statements (continued)

Key audit matter (continued)

- We reviewed and tested reasonableness of management's assumptions around determination of expenses expected to be incurred up to 30 June 2018 and assessed the suitability of the discount rate to ensure that it reflected the inherent business risks of the company at transfer date.

2. Valuation of outstanding claims ("OC") including claims Incurred But Not Reported ("IBNR")

Key audit matter

As at 30 June 2016, the Company had outstanding claims ("OC") including claims incurred but not reported ("IBNR") as disclosed in note 16(b) to the financial statements.

We focused on this area because the valuation of OC including claims IBNR are significant in magnitude and requires the use of judgements, estimates and the use of actuarial and statistical projections. OC including claims IBNR are estimated for settlement of claims in future which are impacted by a number of factors which include the trends in severity of historical claims, frequency of historical claims, and changes in Laws and Regulations. In particular, the claims arising from death or disability covered under motor insurance contracts involve complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact on the valuation of these insurance contract liabilities.

Related disclosures

Refer to note 16(b), note 3.14(iii) (accounting policies) and note 6.2 (critical accounting estimates) of the accompanying financial statements.

Audit response

- We assessed and tested the design and operating effectiveness of selected key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claims' estimates recorded.
- We performed substantive tests on the amounts recorded for a sample of claims notified, focusing on those with most significant impact on the financial statements, to assess whether claims are appropriately estimated and recorded.
- We evaluated the competence, objectivity and independence of the independent actuary appointed by management of the Company to review the adequacy of OC including claims IBNR.
- We tested the completeness, accuracy and integrity of the underlying insurance data provided by management to the independent actuary to estimate the IBNR provisions. We focused our tests of key controls over management's collection, extraction and data validation processes.
- We critically appraised the reasonableness of assumptions used in the actuarial report, especially around mortality, disability, morbidity, expenses and risk discount rates, through a combination of analytical procedures and benchmarking against market trends as well as regulatory and reporting requirements for consistency.
- We assessed the adequacy of the Company's related disclosures by reference to International Financial Reporting Standards ("IFRSs").

Report on the Audit of the financial statements (continued)

Key audit matter (continued)

3. Insurance receivables and Reinsurance assets

Key audit matter

As at 30 June 2016, the Company had insurance receivables and reinsurance assets as disclosed in notes 10 and 12(c) respectively in the financial statements. Significant judgement is required to assess the credit risk of these receivables. The net carrying amount of insurance receivables and reinsurance assets are measured at amortised cost less any provision for impairment. Provision for impairment is based on objective evidence of default.

Insurance receivables: The Company's assessment of the recoverability of its insurance receivables is based on historical data, which involves an analysis and examination of the credit history of its customers.

Reinsurance assets: The carrying value of the reinsurance assets in respect of the ceded part of the insurance liabilities, as detailed in note 12(d), requires judgement to reflect the underlying credit risk exposure of such assets. Irrecoverable balances are assessed and provided for.

Related disclosures

Refer to notes 10, 12(c), notes 3.6 and 3.14(ii) (accounting policy) and notes 6.2 and 6.3 (critical accounting estimates) of the accompanying financial statements.

Audit response

- We tested the design, implementation and operating effectiveness of key controls over the identification of impaired assets and reviewed the model governance framework underpinning the impairment process.
- We reviewed the methodology and judgement used and tested management's key assumptions used in assessing impairment.
- We tested the design and operating effectiveness of key controls over the reinsurance asset measurement and valuation process.
- We sought external confirmation of the outstanding amount from counterparties and re-insurers, and performed alternative procedures to ensure existence and accuracy of those receivables where response rates were below our tolerable threshold.
- We reviewed the correspondence with the re-insurers as a means to gauge recoverability.
- We tested management's key assumptions in estimating credit risk and reviewed the methodology used for credit risk appraisal. A benchmarking exercise was performed which entailed a comparison of the underlying credit ratings for key reinsurance counterparties to independent sources.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Certificate from the Company Secretary, or any other information. The other information does not include the financial statements and our auditors' report thereon.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIC GENERAL INSURANCE CO. LTD

Report on the Audit of the financial statements (continued)

Directors' responsibility for the financial statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIC GENERAL INSURANCE CO. LTD

Report on the Audit of the financial statements (continued)

Other matter

This report is made solely to the Company's members, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.
We have obtained all the information and explanations we have required.
In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the principles of the Code.

The directors have given satisfactory explanations on the principles of the Code which have not been complied with. In our opinion, the disclosure in the annual report, including explanations on the reasons for non-compliance, is consistent with the principles of the Code.

Insurance Act 2005

The financial statements have been prepared in the manner and meet the requirements specified by the Financial Services Commission ("FSC"), except for non-compliance with the requirements of the Insurance (General Insurance Business Solvency) Rules 2007 under the Insurance Act 2005 in respect of Minimum Capital Requirements as at reporting date.

Subsequent to the reporting date, there has been an injection of capital in September 2019 (as disclosed under note 37) which has addressed the non-compliance issue.

MOORE STEPHENS
Chartered Accountants

Port Louis
Republic of Mauritius

Arvin ROGBEER, FCA, FCCA
Licensed by FRC

Date: 28 September 2019

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2016

The Directors have the pleasure of submitting the Annual Report of **NIC General Insurance Co. Ltd** (the "Company"), together with the audited financial statements for the period from 15 April 2015 (date of incorporation) to 30 June 2016.

1. PRINCIPAL ACTIVITY

The Company is mainly engaged in general insurance business.

2. RESULTS FOR THE PERIOD

The statement of profit or loss and other comprehensive income for the period is shown on page 53.

3. DIRECTORS

The directors of the Company are as follows:

	Date of appointment	Date of resignation
Non-Executive Chairman		
Mr. Somduth Nemchand	20-Apr-15	23-Sep-15
Mr. Faadeel Ramjanally	15-Apr-15	25-Jan-17
Mr. Chettandeo Bhugun	3-May-17	27-Nov-17
Mr. Dhanunjaye Gaoneadry	18-Dec-17	7-Feb-19
Mr. Oodaye Prakash Issary	19-Feb-19	-
Independent and Non-Executive Director		
Mr. Azaad Aumeerally	15-Apr-15	14-Oct-16
Mr. Yash Balgobin	17-Apr-15	16-May-17
Mr. Richard Li Ting Chung	15-Apr-15	14-Oct-16
Mr. Devanand Halkharee	13-Sep-16	16-May-17
Mr. Mahmad Salim Timol	13-Sep-16	16-May-17
Mr. Kevinsingh Heymankesh Dukhira	14-Oct-16	16-May-17
Mr. Humkumar Peryagh	14-Oct-16	16-May-17
Mr. Sameer Udhin Chitbahal	5-Jun-17	6-May-19
Mr. Joseph Benoit Mamet	22-May-17	-
Dr. Arty Rambharush	26-May-17	-
Mr. Shastree Ramodhin	29-Dec-17	-
Non-Executive Director		
Mr. Gerard Pascal Bussier	15-Apr-15	16-May-17
Mr. Tamanah Appadu	21-Apr-16	14-May-19
Mrs. Devi Chand Anandi Rye Seewooruthun	15-Apr-15	28-Mar-16
Mr. Darren Vencatasawmy	15-Oct-15	9-May-16
Mr. Jean Daniel Henry	23-May-17	-
Dr. Daneshwar Doobree	22-May-17	-
Mr. Vidianand Luchmeepersad	22-May-17	29-May-19
Dr. Sudhirsen Kowlessur	12-Jun-19	-
Executive Director		
None		

4. DIRECTORS' SERVICE CONTRACTS

None of the Directors had any contract of service with the Company during the period.

5. DIRECTORS' SHARE INTEREST

The Directors, both past and present, do not hold any share in the Company nor do they have any dealings in those shares.

6. CONTRACT OF SIGNIFICANCE

None of the Directors had any contract of significance with the Company during the period.

7. DIRECTORS' REMUNERATION

	2016
	MUR
Directors' remuneration	1 804 046

There was no executive director for the period ended 30 June 2016.

8. DONATION

The Company made no donation during the period ended 30 June 2016.

9. AUDITORS' REMUNERATION

	2016	
	AUDIT	OTHERS
	MUR	MUR
Moore Stephens (Mauritius)	830 000	-
Ernst & Young (Mauritius)	280 000	92 000

Moore Stephens (Mauritius) are the current external auditors for these financial statements. Ernst & Young (Mauritius) were initially appointed as external auditors, but after a mutual agreement with the Company, their contract was terminated and no signed audit report was issued by them on these financial statements.

On behalf of the Board of Directors

Mr. Oodaye Prakash Issary
Chairman

Dr. Daneshwar Doobree
Director

Date: 28 September 2019

	Notes	2016 MUR
ASSETS		
Non-current assets		
Investment property	7	43 000 000
Investment in subsidiary	8	1
Investment in financial assets	9	47 913 332
Deferred tax assets	17	50 550
		90 963 883
Current assets		
Insurance receivables	10	65 010 004
Other receivables	11	3 290 898
Reinsurance assets	12(c)	147 653
Cash and cash equivalents	13	19 221 590
		87 670 145
TOTAL ASSETS		**178 634 028**
EQUITY AND LIABILITIES		
Equity		
Stated capital	14	30 000 000
Reserves	15	(56 065 222)
Total equity		(26 065 222)
Technical provisions		
Insurance contract liabilities	16(a)	55 496 421
Outstanding claims	16(b)	19 975 712
Expense reserve	16(c)	108 248 249
		183 720 382
Non-current liabilities		
Retirement benefit obligations	18	337 000
		337 000
Current liabilities		
Trade and other payables	19	20 424 207
Current tax liabilities	20(a)	217 661
		20 641 868
TOTAL EQUITY AND LIABILITIES		**178 634 028**

These financial statements have been approved for issue by the Board of Directors on 28 September 2019

Mr. Oodaye Prakash Issary
Chairman

Dr. Daneshwar Doobree
Director

Date: 28 September 2019

The notes on pages 56 to 103 form an integral part of these financial statements.
Auditors' report on pages 43 to 48.

	Notes	From 15 Apr 2015 to 30 Jun 2016
		MUR
Revenue		
Gross premiums	21	124 065 041
Premiums ceded to reinsurers	22	(1 966 251)
Net premiums		122 098 790
Claims, reserves and commissions		
Gross claims paid	25	(102 912 029)
Movement in outstanding claims	26	(12 517 851)
Gross change in insurance contract liabilities	16(a)	14 267 715
Change in contract liabilities ceded to reinsurers	12(d)	(4 546 150)
Change in expense reserve	16(c)	46 443 038
Commissions paid	28	(4 349 825)
Net claims, reserves and commissions		(63 615 102)
UNDERWRITING RESULTS		58 483 688
Investment and other income	23	(3 998 807)
Fees and commission income	24	427 237
Other revenue		(3 571 570)
Other operating and administrative expenses	27	(12 735 776)
Profit from operations		42 176 342
Goodwill written off	30	(98 074 453)
LOSS BEFORE TAXATION		(55 898 111)
Income tax	20(b)	(167 111)
LOSS FOR THE PERIOD		(56 065 222)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Re-measurements of defined benefit obligations		-
Items that may be reclassified subsequently to profit or loss		-
Other comprehensive income for the period, net of tax		-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(56 065 222)

The notes on pages 56 to 103 form an integral part of these financial statements.
Auditors' report on pages 43 to 48.

		RESERVES	
	Stated capital MUR	Revenue deficit MUR	Total equity MUR
Balance as at 15 April 2015	-	-	-
Issue of shares	30 000 000	-	30 000 000
Loss for the period	-	(56 065 222)	(56 065 222)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(56 065 222)	(56 065 222)
BALANCE AS AT 30 JUNE 2016	**30 000 000**	**(56 065 222)**	**(26 065 222)**

The notes on pages 56 to 103 form an integral part of these financial statements.
Auditors' report on pages 43 to 48.

	Notes	From 15 Apr 2015 to 30 Jun 2016
		MUR
Cash generated from operations		
Loss before taxation		**(55 898 111)**
Adjustments for:		
Goodwill written off	30	**98 074 453**
Movement in retirement benefit obligations	18	**29 000**
Movement in fair value of financial assets	9	**5 665 643**
		47 870 985
Changes in working capital:		
Change in insurance receivables		**(7 764 397)**
Change in other receivables		**(3 290 898)**
Change in reinsurance assets		**4 546 150**
Change in insurance contract liabilities		**(14 267 715)**
Change in outstanding claims	16(b)	**12 517 851**
Change in expense reserve	16(c)	**(54 500 000)**
Change in trade and other payables		**4 109 614**
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(10 778 410)**
Cash flows from financing activity		
Proceed from issue of share capital		**30 000 000**
Net cash flows from financing activity		**30 000 000**
INCREASE IN CASH AND CASH EQUIVALENTS		**19 221 590**
Movement in cash and cash equivalents		
At 15 April 2015		**-**
Movement		**19 221 590**
AT 30 JUNE	13	**19 221 590**

The notes on pages 56 to 103 form an integral part of these financial statements.
Auditors' report on pages 43 to 48.

1. GENERAL INFORMATION

NIC General Insurance Co. Ltd (the Company) is a public company incorporated in Mauritius. Its registered office is situated at NIC Centre, 217 Royal Road, Curepipe, Mauritius (previously located at 15th Floor, Air Mauritius Centre, 6 President John Kennedy Street, Port Louis). The Company is engaged in general insurance business.

These financial statements are submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 Amendments to IFRSs that are mandatorily effective for the current period

In the current period, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The Company does not operate any Defined Benefit Plans. Accordingly, these amendments did not has any impact on the Company's financial statement for the period under review.

· Discretionary employee contributions are accounted for as reduction of the service cost upon payments to the plans.

· Employee contributions specified in the defined benefit plans are accounted for as reduction of the service cost, only if such contributions are linked to services. Specifically, when the amount of such contribution depends on the number of years of service, the reduction to service cost is made by attributing the contributions to periods of service in the same manner as the benefit attribution. On the other hand, when such contributions are determined based on a fixed percentage of salary (i.e. independent of the number of years of service), the Company recognises the reduction in the service cost in the period in which the related services are rendered.

The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Company’s financial statements.

Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle

The Company has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle for the first time in the current year. One of the annual improvements requires entities to disclose judgements made by management in applying the aggregation criteria set out in paragraph 12 of IFRS 8 Operating Segments. The application of the other amendments has had no impact on the disclosures or amounts recognised in the Company’s financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and Revised IFRSs issued but not yet effective

As at the date of these financial statements, the following new and revised IFRSs that are relevant to the Company's operations have been issued but are not yet effective:

	Effective for annual periods beginning on or after
IFRS 9, Financial Instruments (As applicable to insurance sector)	January 1, 2018
IFRS 15, Revenue from Contracts with Customers	January 1, 2016
Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
Amendment to IAS 1, Presentation of Financial Statements: Disclosure Initiative	January 1, 2016
Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016
Amendments to IAS 16 and IAS 41, Agriculture: Bearer Plants	January 1, 2016
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28, Investment Entities: Applying the Consolidation Exception	January 1, 2016
Amendments to IFRSs, Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016

The Company is in the process of assessing the impact of IFRS 9 and IFRS 15 on the financial statements. Except as disclosed above, the directors expect the adoption of the new and revised IFRSs above will have no material financial impact on the financial statements in the period of initial application.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and Revised IFRSs issued but not yet effective (Continued)

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss;

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss;

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised; and

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Company is in the process of assessing the impact of IFRS 9 on the financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and Revised IFRSs issued but not yet effective (Continued)

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.

• Step 2: Identify the performance obligations in the contract.

- Step 3: Determine the transaction price.

- Step 4: Allocate the transaction price to the performance obligations in the contract.

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company performs a detailed review.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding the recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and Revised IFRSs issued but not yet effective (Continued)

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 11 may have an impact on the Company's financial statements in future periods should such transactions arise.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Company's financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or
b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Company's financial statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Company's financial statements as the Company is not engaged in agricultural activities.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and Revised IFRSs issued but not yet effective (Continued)

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 10 and IAS 28 may have an impact on the Company's financial statements in future periods should such transactions arise.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The directors of the Company do not anticipate that the application of these amendments to IFRS 10, IFRS 12 and IAS 28 will have a material impact on the Company's financial statements as the Company is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

Annual Improvements to IFRSs 2012-2014 Cycle

The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and Revised IFRSs issued but not yet effective (Continued)

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

The financial statements of **NIC General Insurance Co. Ltd** comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The financial statements are presented in Mauritian Rupee (MUR).

The financial statements are prepared under the historical cost convention, except that:

(i) investment property is stated at fair value; and

(ii) financial assets and financial liabilities are stated at their fair values or carried at amortised cost.

3.2 Exemption from presenting consolidated financial statements

The financial statements are the separate financial statements which contain information about NIC General Insurance Co Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The Company has taken advantage of the exemption under IFRS 10 paragraph 4, "Consolidated Financial Statements", from the requirement to prepare group financial statements, as its holding company, National Property Fund Ltd, a company incorporated in the Republic of Mauritius, shall prepare group financial statements in accordance with International Financial Reporting Standards and shall be available for public use at the registered office of the holding company, 6 President John Kennedy Street, 15th Floor, Air Mauritius Centre, Port Louis, Mauritius.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment in subsidiary

Separate financial statements

Subsidiaries are entities over which the Company has control. The Company controls an entity if and only if it has power over the entity and when it is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect those returns. The Company will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investment in subsidiary is stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of such investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

3.4 Revenue recognition

Premiums written on General Insurance Business are accounted for when the policies incept.

Provision for unearned premium has been made in respect of the General Insurance Business represent the proportion of premium written in the year which relate to the unexpired terms of policies in force at the reporting date, calculated on the basis of the 365th method.

Investment and other income comprises mainly of dividend, interest and rent receivable for the period. Dividend is accounted for when received. Interest income is recognised using the effective interest method.

Rental income, fees and commissions are accounted on an accrual basis.

3.5 Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupee (MUR), the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Mauritian rupee, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: “held-to-maturity” investments, financial assets at “fair value through profit or loss" and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Except where stated separately, the carrying amounts of the Company’s financial assets approximate their fair values.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the Company. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months to the end of the reporting period.

The Company has not designated any debt investment as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed. Subsequently these financial assets are measured at fair values.

Dividends from such investments are recognised in profit or loss as long as they represent a return on investment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial assets (Continued)

Held-to-maturity investments

Debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortised cost using the effective interest method less any impairment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money or services directly to a debtor with no intention of trading the receivable. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequently to initial recognition, loans and receivables are measured at amortised costs using the effective interest method, less any impairment. They are included in current assets when maturity is within twelve months after the end of the reporting period or non-current assets for maturities greater than twelve months.

Insurance and other receivables

Insurance and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of insurance and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognized in the profit or loss.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial liabilities and equity instruments

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(c) Financial liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(d) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

3.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (Continued)

(b) Deferred tax

Deferred taxation is provided in full using the liability method. Deferred tax liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the end of the reporting date and are expected to apply in the period when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is possible that taxable profit will be available against which the deductible temporary differences can be utilised.

The principal temporary difference arises from depreciation on plant and equipment, retirement benefit assets/obligations, revaluation reserve, fair value gains/losses on investment property and Company's accumulated tax losses.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdraft and short terms deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown in current liabilities in the statements of financial position.

3.11 Retirement benefit obligations

(i) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(ii) Defined Benefit Plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Retirement benefit obligations (Continued)

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(iii) State plan

Contributions to the National Pension Scheme are expensed to the profit or loss in the period in which they fall due.

3.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period. Provisions are reviewed at end of reporting period and adjusted to reflect the current best estimate.

3.13 Impairment of financial assets

Financial assets are assessed for indicators of impairment at end of reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counter party; or
- Default or delinquency in interest or principal payments; or
- Becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment of financial assets (Continued)

For certain categories of financial assets, such as insurance receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of insurance receivables where the carrying amount is reduced through the use of an allowance account. When an insurance receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been, had the impairment not been recognised.

3.14 Insurance contracts

(i) Insurance contracts – classification

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired.

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain event adversely affects the policyholder. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect.

The Company considers that virtually all its short term products are insurance contracts.

Short term insurance contracts are in respect of the following classes of business: (i) accident and health and (ii) others (motor, engineering, liability, property, transportation, guarantee and miscellaneous). These contracts provide compensation following damage to or loss of property, goods, equipment, losses and expenses incurred, sickness and loss of earnings resulting from the occurrence of the events insured against.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Insurance contracts (Continued)

(ii) Reinsurance contracts

Reinsurance contracts entered into by the Company are either of proportional or non-proportional type. Under a proportional treaty, the premiums and claims are apportioned between the Company and the reinsurer in agreed proportions. Proportional reinsurance may be either in the form of a quota share whereby the proportion of each risk reinsured is fixed, or in the form of surplus whereby the Company can retain a part of a risk within a fixed limit, and the reinsurer accepts part of the risk as a multiple of the Company's retention. Under the non-proportional type of reinsurance, the Company uses the Excess of Loss treaty whereby in consideration for a premium, the reinsurer agrees to pay claims in excess of a specified amount (the retention), up to a specified maximum amount.

The Company reinsures either on a treaty basis, with all risks falling within the treaty terms, conditions and limits being reinsured automatically, or on a facultative basis. Under facultative reinsurance, risks are offered to the reinsurer or an individual basis and can be accepted or rejected by the reinsurer.

Short-term balances due from reinsurers are classified within insurance and other receivables and amounts that are dependent on the expected claims and benefits arising under the related reinsurance contracts are classified under reinsurance assets. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. Any gains or losses on buying reinsurance contracts are recognised immediately in the profit or loss and are not subject to amortisation.

Impairment of reinsurance assets

Reinsurance assets are reviewed for impairment. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. If reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognises that impairment loss in the profit or loss.

(iii) Claims expenses and outstanding claims provisions

Claims incurred

Claims incurred comprise claims and claims handling costs paid in the period and changes in the provision of outstanding claims including provision for claims incurred but not reported (IBNR) and related expenses together with any adjustments to claims of prior years. Claims handling costs include costs incurred in connection with the negotiation and settlement of claims.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Insurance contracts (Continued)

Outstanding claims provision

Outstanding claims provision represents the estimated ultimate cost of settling all claims arising from events which have occurred up to the end of the reporting period, including provision for claims incurred but not reported (IBNR). It includes related expenses and a deduction for the expected value of salvage and subrogation. The Company does not discount its liabilities for unpaid claims.

Significant delays can be expected in the notification and settlement of certain claims, especially in respect of liability class of business, the ultimate cost of which cannot therefore be known with certainty at the end of the reporting period. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure and that the provision is determined using best estimates of claims development patterns, forecast inflation and settlement of claims.

However, given the uncertainty in establishing claims provision, it is likely that the outcome will prove to be different from the original liability established. Differences between the estimated cost and subsequent settlement of claims are recognized in profit or loss in the year in which they are settled or in which the provisions for claims outstanding are re-estimated.

Salvage and subrogation reimbursements

Salvage is the equitable right of the Company to the residual value of property for which it has paid a total loss. When the Company compensates an insured due to a loss caused by a third party, it is subrogated to the right of the insured to be compensated by that third party.

Estimates of salvage and subrogation are taken into consideration while calculating provisions for outstanding claims. The salvage property and subrogation reimbursements are recognised in other assets when the liabilities are settled. Allowance for salvage is the amount that can reasonably be recovered from the disposal of property whereas the subrogation allowance is the assessment of the amount that can be recovered from the action against the liable third party.

(iv) Liability adequacy test

At the end of the reporting period, a liability adequacy test is performed to ensure the adequacy of the contract liabilities. In performing the test, current best estimates of future contractual cash flows (including claims handling and administration expenses) and expected investment returns on assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss and a provision is established for losses arising from liability adequacy test (the unexpired risk provision).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leasing

The Company as lessor

Operating lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3.16 Investment property

Property held to earn rentals and/or for capital appreciation and not occupied by the Company is stated at its fair value at the end of the reporting period, representing Sales Comparison Approach determined by independent valuers. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the year in which they arise.

3.17 Expense reserve

The Company has established a high-level approach to set up an expense reserve for the health business, based on a report prepared by an Actuary appointed by the then Special Administrator. The reserve has been determined as the present value of the expenses expected to be incurred over the first three years of operation.

The Company identifies the actual expenses incurred during each relevant period/year relating to expenses incurred for the health business in that year and matches those expenses to the expense reserve. Any variations between the provisioned amount and the amounts actually incurred are accounted for in the profit or loss.

3.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared.

3.19 Related parties

Parties are considered to be related if one party has control, joint control or exercises significant influence over the other party or is a member of the key management personnel of the other party.

3.20 Commissions paid

Commissions consist of payment made to sales persons, agents and brokers incurred for selling insurance policies. These costs are recognised in the profit or loss in the period in which they are incurred.

4. INSURANCE RISKS

The Company's activities expose it to a variety of insurance risks. A description of the significant risk factors is given below together with the risk management policies applicable.

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain future event (other than a change in a financial variable) adversely affects the policyholder. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The main risk that the Company faces under its insurance contracts is that actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits are greater than estimated.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered.

4.1 Insurance liabilities

The frequency and severity of claims can be affected by several factors. The most significant claims result from accident, liability claims awarded by the Court, fire and allied perils and their consequences. Inflation is also a significant factor due to the long period typically required to settle some claims.

The Company's underwriting strategy attempts to ensure that the underwritten risks are well diversified in type, amount of risk and industry. The Company has underwriting limits by type of risks and by industry. Performance of individual insurance policies are reviewed by management and the Company reserves the right not to renew individual policies. It can impose deductibles and has the right to reject the payment of a fraudulent claim. Where relevant, the Company may sue third parties for payment of some or all liabilities (subrogation). Claims development and provisioning levels are regularly monitored.

The reinsurance arrangements of the Company include proportional, excess-of-loss and as such the maximum loss that the Company may suffer is pre-determined.

4. INSURANCE RISKS (CONTINUED)

4.2 Concentration of insurance risk

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

	2016			
	Outstanding Claims			
Class of Business	No. of claims	Gross	Reinsurance of liabilities	Net
		MUR	MUR	MUR
Motor	-	-	-	-
Property	-	-	-	-
Accident and Health	3 294	13 773 028	-	13 773 028
Engineering	-	-	-	-
Liability	-	-	-	-
Incurred but not reported (IBNR)	-	6 202 684	-	6 202 684
	3 294	**19 975 712**	**-**	**19 975 712**

4.3 Sources of uncertainty

Claims on short-term insurance contracts are payable on a claims occurrence basis for motor and liability business and on a claims made basis for non-motor. Under the claims occurrence basis, the Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract. As a result, liability claims may be settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). For the claims made basis, the Company is liable only if the claims are reported within the specific underwriting year, based on the terms of the contract.

The estimated costs of claims include direct expenses to be incurred in settling claims, net of subrogation and salvage recoveries. The Company ensures that claims provisions are determined using the best information available of claims settlement patterns, forecast inflation and settlement of claims. Estimation techniques also involve obtaining corroborative evidence from as wide a range of sources as possible and combining these to form the best overall estimates. However, given the uncertainty in claims provisions, it is very probable that estimated costs and subsequent settlement amounts would differ.

4. INSURANCE RISKS (CONTINUED)

4.3 Sources of uncertainty (Continued)

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims.

	2016				
	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before taxation	Impact on equity
		MUR	MUR	MUR	MUR
Average claim cost	**10%**	**418**	**-**	**(418)**	**(418)**

5. FINANCIAL RISKS

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts.

The main risks to which the Company is exposed are as follows:

5.1 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuation in foreign currency exchange rates, interest rates and equity prices.

5.1.1 Foreign currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a monetary financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Company's financial instruments are denominated in its functional currency. The Company's financial instruments which are exposed to currency risk consist mainly of reinsurance payables. Management monitors the Company's currency position on a regular basis. The carrying amounts of the Company's financial assets and liabilities at the reporting date are as follows:

	2016
Financial assets	MUR
MUR	135 483 477
TOTAL	**135 483 477**

Financial assets exclude prepayments of MUR 100,000.

5. FINANCIAL RISKS (CONTINUED)

5.1.1 Foreign currency risk (Continued)

	2016
Financial liabilities	MUR
MUR	94 031 504
USD	2 082 494
TOTAL	**96 113 998**

Financial liabilities exclude expense reserve of MUR 108,248,249.

Consequently, the Company is exposed to risks that the exchange rate relative to these currencies may change in a manner which has an effect on the reported value of that portion of the Company's assets and liabilities which are denominated in currencies other than the Mauritian Rupee.

Sensitivity analysis

The following table details the Company's sensitivity to a change of 5% of the Mauritian Rupee against foreign currencies.

Impact on profit or loss and equity	2016
	MUR
USD	**(104 125)**

5.1.2 Interest rate risk

The Company is exposed to interest rate fluctuations on the domestic market. The Company monitors interest rate trends and related impact on investment income for performance evaluation and better management.

Interest rate risk arises from the Company's bank balances which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short term business is observed through a monitoring of assets and liabilities. The impact of exposure to sustained low interest rates is also monitored.

Short term insurance liabilities are not directly sensitive to the level of market interest rates as they are undiscounted and contractually non-interest bearing. However, due to the time value of money and the impact of interest rates on the level of bodily injury related claims incurred by certain insurance contract holders, a reduction for interest rates would normally produce a higher insurance liability. The Company reviews its estimation in respect of these claims on a regular basis and ensures that adequate cash flow is available.

5. FINANCIAL RISKS (CONTINUED)

5.1.2 Interest rate risk (Continued)

The interest rate profile was:

	2016
Financial assets	MUR
Cash at bank	1 944 140

The following table details the sensitivity to a 1% change of the rate of interest of financial assets:

	2016
Change of 1% in interest rate	MUR
Impact on results	19 441

The movement in the interest rate sensitivity is due to fluctuations in interest rates on savings accounts at year end.

5.1.3 Equity price risk

The Company is subject to price risk due to changes in the market values of its equity securities portfolio. Equity price risk is managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out the capital required for risks associated with type of assets held, investments above a certain concentration limit, policy liabilities risks, catastrophes risks and reinsurance ceded.

Sensitivity

The impact on the Company's profit or loss and equity had the equity market values changed by 10% with other assumptions left unchanged would have been as follows:

	2016	
	Impact on profit or loss and equity	
	+10%	-10%
	MUR	MUR
Financial assets at fair value through profit or loss (FVTPL)	4 791 333	(4 791 333)

5. FINANCIAL RISKS (CONTINUED)

5.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial assets.

The Company is exposed to daily payments of claims to clients and to repayment of financial liabilities.

The Company's liquidity position is monitored on a regular basis. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by monitoring forecast and actual cash flows and matching profiles of financial assets.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Maturities of financial assets and liabilities:

	2016				
	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
	MUR	MUR	MUR	MUR	MUR
Financial assets					
Investment in financial asset	-	-	-	47 913 332	47 913 332
Reinsurance assets	147 653	-	-	-	147 653
Insurance receivables	65 010 004	-	-	-	65 010 004
Other receivables	3 190 898	-	-	-	3 190 898
Cash and cash equivalents	19 221 590	-	-	-	19 221 590
	87 570 145	**-**	**-**	**47 913 332**	**135 483 477**

Financial assets exclude prepayments of MUR 100,000.

	2016				
	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
	MUR	MUR	MUR	MUR	MUR
Financial liabilities					
Insurance contract liabilities	55 496 421	-	-	-	55 496 421
Trade and other payables	20 424 207	-	-	-	20 424 207
Outstanding claims	19 975 712	-	-	-	19 975 712
	95 896 340	**-**	**-**	**-**	**95 896 340**

Financial liabilities exclude expense reserve of MUR 108,248,249.

5. FINANCIAL RISKS (CONTINUED)

5.3 Credit risk

Credit risk is a risk that a counterparty will be unable to pay an amount in full when fall due. The Company's credit risk is primarily attributable to its reinsurance assets, insurance and other receivables and cash and cash equivalents. The amounts presented in the statement of financial position are net of allowances for doubtful receivables based on prior experience and the current economic environment. The Underwriting department assesses the creditworthiness of potential policy holders before issuing any new business.

The Company provides payment facilities to clients and there is a credit risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

	2016
	MUR
Financial assets	
Reinsurance assets	147 653
Insurance receivables	65 010 004
Other receivables	3 190 898
Cash and cash equivalents	19 221 590
	87 570 145

Financial assets exclude prepayments of MUR 100,000.

5.4 Reinsurers' default

The Company is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. The Company monitors the financial strength of its reinsurers.

5.5 Capital risk management

The main objectives of the Company when managing capital are:

- to keep and maintain at all times a solvency margin in accordance with the Insurance (General Insurance Business Solvency) Rules 2007, as prescribed by the Insurance Act 2005, as follows:

    (a) The solvency margin shall at all times be at least 100% of the minimum capital requirement.
    (b) The capital requirement ratio shall at all times be at the target level of at least 150%.

- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for the shareholder and benefits for other stakeholders; and

- to provide an adequate return to shareholder by pricing insurance contracts and other services commensurately with the level of risk.

5. FINANCIAL RISKS (CONTINUED)

5.5 Capital risk management (Continued)

The Company's capital and solvency margins are below the minimums required by the Insurance Act 2005 as at reporting date. The Board has escalated the issue to the ultimate Shareholder, the Government of Mauritius, to ensure that urgent measures are taken to meet the capital and solvency requirements. Subsequent to the reporting date, there has been an injection of capital in September 2019 (as disclosed under note 37) which has addressed the minimum capital requirements.

5.6 Categories of financial instruments

	2016
Financial assets	MUR
Investment in financial assets	47 913 332
Reinsurance assets	147 653
Insurance receivable	65 010 004
Trade and other receivables	3 190 898
Cash and cash equivalents	19 221 590
	135 483 477

Financial assets exclude prepayments of MUR 100,000.

Financial Liabilities	
Insurance contract liabilities	55 496 421
Trade and other payables	20 424 207
Outstanding claims	19 975 712
	95 896 340

Financial liabilities exclude expense reserve of MUR 108,248,249.

5.7 Fair value measurement recognised in the statement of financial position

The following table provides an analysis of investment in financial assets that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

5. FINANCIAL RISKS (CONTINUED)

5.7 Fair value measurement recognised in the statement of financial position (Continued)

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2016			
	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
Investment in financial assets (note 9)	-	-	**47 913 332**	**47 913 332**

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES

Estimates, judgements and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

6.2 Insurance contracts

The uncertainty inherent in the financial statements of the Company arises in respect of insurance liabilities, which include liabilities for unearned premiums and outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards to the eventual outcome of claims. As a result, the Company applies estimation techniques to determine the appropriate provisions.

Outstanding claims provision is determined based upon knowledge of events, terms and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases, historical claims payment trends, judicial decisions and economic conditions are also relevant and are taken into consideration.

Sensitivity

The reasonableness of the estimation process is tested by an analysis of sensitivity around several different scenarios and the best estimate is used.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.2 Insurance contracts (Continued)

There may be some reporting lags between the occurrence of the insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as judicial trends, unreported information, etc.

6.3 Reinsurance

The Company is exposed to disputes on, and defect in, contract wording and the possibility of default by its reinsurers. The Company monitors the financial strength of its Reinsurers. Allowance is made in the financial statements for non-recoverability due to reinsurers default as required.

6.4 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.5 Impairment of financial assets

The Company follows the guidance of IAS 39 on determining when an investment is other than temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee.

6.6 Held-to-maturity investments

The Company applies International Accounting Standard (IAS) 39 - "Recognition and Measurement" on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Company evaluates its intention and ability to hold such investments to maturity.

If the Company fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value and not amortised cost.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.7 Revaluation of investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The valuer used the comparative method of valuation.

The determined fair value of the investment property is most sensitive to comparable sales market price per square metre. The key assumptions used to determine the fair value of the investment property, is further explained in Note 7.

6.8 Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 18.

7. INVESTMENT PROPERTY

	2016
	MUR
At 15 April 2015	-
Transfer of undertaking	64 500 000
IFRS 3 adjustments	(21 500 000)
At 30 June 2016	**43 000 000**

The fair values of the Company's investment property as at 30 June 2016 have been arrived at on the basis of a valuation carried out by an independent Chartered Valuation Surveyor. The fair values were determined based on the Sales Comparison Approach.

The investment property of the Company has generated rental income of MUR 577,875 for the period which is included in investment and other income under Note 23. The direct operating expenses for the Company incurred during the period amounted to MUR 220,583.

The Company owns two portions of freehold land situated at Labourdonnais Street Port Louis, which are solely used for rental.

7. INVESTMENT PROPERTY (CONTINUED)

The Company's land is measured at fair value and the information about the fair value hierarchy is as follows:

	2016	
	MUR Level 2	MUR Level 3
Freehold Land	**43 000 000**	**-**

8. INVESTMENT IN SUBSIDIARY

	2016
Unquoted shares	**MUR**
At 15 April 2015	-
Addition	1
At 30 June 2016	**1**

As part of a Group restructuring exercise, the Government of Mauritius has on 08 March 2016 transferred its investment in National Insurance Co. Ltd to NIC General Insurance Co. Ltd for an amount of MUR 1. The investment in subsidiary has been kept at cost. The directors consider that there is no impairment on this investment based on a letter of guarantee provided by the Government of Mauritius.

Details of investment:

Name of subsidiary	Principal activity	Classes of Shares	Country of incorporation & operation	% Holding
National Insurance Co. Ltd	Long Term insurance	Ordinary	Mauritius	100

9. INVESTMENT IN FINANCIAL ASSETS

	2016
	MUR
Unquoted shares	
Investment in financial asset at fair value through profit or loss (FVTPL)	47 913 331
Debt instrument	
Held-to-maturity financial asset	1
	47 913 332

Details of investment in unquoted shares:

Name of investee company	Principal activity	Classes of Shares	Country of incorporation & operation	% Holding
Flic en Flac Ltd (Villas Caroline)	Hospitality	Ordinary	Mauritius	28.58

The Company does not have significant influence on the financial and operational decisions of the investee company and the investment has accordingly been designated as financial asset at fair value through profit or loss (FVTPL).

Details of investment in debt instrument:

Held-to-maturity financial asset

100,000 unsecured redeemable debentures of MUR 1,000 each were issued by Bramer Banking Corporation Ltd (BBCL) to BAI Co (Mtius) Ltd. The debentures were transferred from BAI Co (Mtius) Ltd (Special Administrator appointed) to the Company for an amount of MUR 104,956,164 as per the deed registered and transcribed in May 2016.

BBCL was under special administration up to 07 May 2018 when the Commercial Court of the Supreme Court of Mauritius ordered that BBCL be wound up.

The Company has accordingly provided for an impairment of MUR 104,956,163 as part of the IFRS 3 adjustment.

9. INVESTMENT IN FINANCIAL ASSETS (CONTINUED)

Financial assets are analysed as follows:

	2016		
Non-Current	**Fair value through profit or loss**	**Held-to-maturity**	**Total**
	MUR	**MUR**	**MUR**
At 15 April 2015			
Transfer of undertaking	55 582 513	104 956 164	160 538 677
IFRS 3 adjustments	(2 003 539)	(104 956 163)	(106 959 702)
Fair value adjustment	(5 665 643)	-	(5 665 643)
At 30 June 2016	**47 913 331**	**1**	**47 913 332**

	2016			
<u>Fair value hierarchy of financial assets</u>	**Level 1**	**Level 2**	**Level 3**	**Total**
	MUR	**MUR**	**MUR**	**MUR**
At 15 April 2015	-	-	-	-
Transfer of undertaking	-	-	160 538 677	160 538 677
IFRS 3 adjustments	-	-	(106 959 702)	(106 959 702)
Fair Value adjustment	-	-	(5 665 643)	(5 665 643)
At 30 June 2016	**-**	**-**	**47 913 332**	**47 913 332**

10. INSURANCE RECEIVABLES

	2016
	MUR
At 15 April 2015	-
Transfer of undertaking	60 985 406
IFRS 3 adjustments	(3 739 799)
Movement during the period:	
Accident and health	7 748 157
Others	16 240
At 30 June 2016	65 010 004

(a) Analysis of the age of insurance receivables is as follows:

Up to 60 days	6 860 252
Between 60 days and one year	52 387 009
Above one year	5 762 743
	65 010 004

(b) The carrying amounts of insurance receivables approximate their fair values.

(c) There is no material impairment as at the reporting date.

11. OTHER RECEIVABLES

	2016
	MUR
Transfer of undertaking	55 000 000
IFRS 3 adjustments	(55 000 000)
Prepayments	100 000
Others	3 190 898
At 30 June 2016	3 290 898

(a) The carrying amounts of other receivables approximate their fair values.

(b) As part of the Transfer of Undertakings, a cash and bank balance of MUR 55,000,000 was expected to be received from the Special Administrator. This amount has not been recovered till date.

12. REINSURANCE ASSETS

(a) Claims	Gross	Reinsurance	Net
	MUR	MUR	MUR
As at 15 April 2015	-	-	-
Transfer of undertaking	7 457 861	-	7 457 861
Claims incurred during the period	115 429 880	-	115 429 880
Claims settled during the period	(102 912 029)	-	(102 912 029)
As at 30 June 2016	**19 975 712**	**-**	**19 975 712**
As at 15 April 2015	-	-	-
Recognised notified claims	13 773 028	-	13 773 028
Incurred but not reported	6 202 684	-	6 202 684
As at 30 June 2016	**19 975 712**	**-**	**19 975 712**
Movement in outstanding claims during the period recognised in the profit or loss (note 26)	(12 517 851)	-	(12 517 851)

(b) Provision for unearned premiums	Gross	Reinsurance	Net
	MUR	MUR	MUR
As at 15 April 2015	-	-	-
Transfer of undertaking	117 763 627	(10 207 877)	107 555 750
IFRS 3 adjustments	(47 999 491)	5 514 074	(42 485 417)
Premium written during the period	124 065 041	(1 966 251)	122 098 790
Premium earned during the period	(138 726 666)	6 512 401	(132 214 265)
As at 30 June 2016	**55 102 511**	**(147 653)**	**54 954 858**

(c) Reinsurance assets	2016
	MUR
As at 15 April 2015	-
Transfer of undertaking	10 207 877
IFRS 3 adjustments	(5 514 074)
Net movement in provision for unearned premiums	(4 546 150)
As at 30 June 2016	**147 653**

(d) Change in insurance contract liabilities ceded to reinsurers	
Claims incurred but not reported	-
Premium written during the period	(1 966 251)
Premium earned during the period	6 512 401
	4 546 150

13. CASH AND CASH EQUIVALENTS

	2016
	MUR
Cash at Bank	19 221 590

14. STATED CAPITAL

	2016
	MUR
Issued and paid	
3,000,000 Ordinary shares	30 000 000

Each ordinary share carries one voting right and rights to dividends. The above ordinary shares are at no par value and fully paid.

15. RESERVES

	Revenue deficit
	MUR
As at 15 April 2015	-
Loss for the period	(56 065 222)
Other comprehensive income for the period	-
As at 30 June 2016	**(56 065 222)**

16. TECHNICAL PROVISIONS

	2016
	MUR
(a) Insurance contract liabilities	
As at 15 April 2015	-
Transfer of undertaking	117 763 627
IFRS 3 adjustment	(47 999 491)
Movement for the period	(14 267 715)
As at 30 June 2016	**55 496 421**

Analysed as follows:

Unearned premium reserve	55 102 511
Claims handling expense reserve	393 910
	55 496 421

16. TECHNICAL PROVISIONS (CONTINUED)

	2016
(b) Outstanding claims	**MUR**
As at 15 April 2015	-
Transfer of undertaking	51 770 337
IFRS 3 adjustment	(44 312 476)
Movement for the period	12 517 851
As at 30 June 2016	**19 975 712**

(c) Expense reserve

As at 15 April 2015	-
Transfer of undertaking	162 748 249
Credited as change in expense reserve in the profit or loss	(46 443 038)
Credited to staff cost in the profit or loss (note 27)	(8 056 962)
As at 30 June 2016	**108 248 249**

At the time of the transfer of undertaking, an expense reserve of MUR 162,748,249 was recommended to be provided for by an appointed Actuary of the then Special Administrator. The high-level approach taken to establishing the expense reserve for the health business which did not exist in the past has been determined as the present value of the expenses expected to be incurred up to 30 June 2018.

Variations between the provisioned amount and the amounts incurred up to 30 June 2018 have been accounted for in the profit or loss in the respective periods.

17. DEFERRED TAX

(a) Deferred taxes are calculated on all temporary differences under the liability method at 15%. The movement on deferred tax account is as follows:

	2016
	MUR
At 15 April 2015	-
Movement in profit or loss (note 20)	50 550
At 30 June 2016	**50 550**

(b) Deferred tax assets and liabilities are offset when the income taxes relate to the same fiscal authority on the same entity.

17. DEFERRED TAX (CONTINUED)

The following amounts are shown in the statement of financial position:

	2016
	MUR
Deferred tax assets	50 550
Deferred tax liabilities	-
Net deferred tax	**50 550**

(c) Deferred tax assets credited to the statement of profit or loss and other comprehensive income are attributable to the following items:

	2016			
	At 15 April 2015	Movement in profit or loss	Movement in other comprehensive income	At 30 June 2016
	MUR	MUR	MUR	MUR
Deferred tax assets				
Retirement benefit obligations	-	50 550	-	50 550
	-	**50 550**	**-**	**50 550**

18. RETIREMENT BENEFIT OBLIGATIONS

NIC General Insurance Co. Ltd participates in a new Multi-Employer Scheme. Its contributions for Defined Contribution (DC) employees are expensed to the profit or loss and amounted to MUR 29,000 for the period ended 30 June 2016.

The Company also contributes to a defined benefit pension plan which is administered by National Insurance Co Ltd. The Company has recognised a net defined benefit liability of MUR Nil as at 30 June 2016.

In addition, the Company has recognised a defined benefit liability of MUR 337,000 in its statement of financial position as at 30 June 2016 in respect of any additional residual retirement gratuities or full retirement gratuities that are expected to be paid out of the Company's cash flows to its employees under the Employment Rights Act (ERA) 2008.

The Company is subject to an unfunded defined benefit plan for the employees. The plan exposes the Company to normal risks described below:

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Company has a residual obligation imposed by ERA 2008 on top of its DC plan. It is therefore particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year except for the past service cost due to transfer of employees from one entity to another and data adjustments.

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

DBBA Pension Scheme

	2016
	MUR
Reconciliation of net defined benefit liability/(asset)	
Opening balance	-
Amount recognised in profit or loss	-
Amount recognised in other comprehensive income	-
Less employer contributions	-
Closing balance	-
Reconciliation of fair value of plan assets	
Opening balance	-
Interest income	-
Employer contributions	-
Employee contributions	-
(Benefits paid)	-
Exchange differences	-
Effect of business combination/disposal	-
Return on plan assets excluding interest income	-
Closing balance	-
Reconciliation of present value of defined benefit obligation	
Opening balance	-
Current service cost	-
Employee contributions	-
Interest expense	-
Past service cost	-
Settlement (gain)/loss	-
(Benefits paid on settlement)	-
(Other benefits paid)	-
Exchange differences	-
Effect of business combination/disposal	-
Liability experience (gain)/loss	-
Liability (gain)/loss due to change in demographic assumptions	-
Liability (gain)/loss due to change in financial assumptions	-
Closing balance	-
Reconciliation of the effect of the asset ceiling	
Opening balance	-
Amount recognised in profit or loss	-
Amount recognised in other comprehensive income	-
Closing balance	-
Components of amount recognised in profit or loss	
Current service cost	-
Past service cost	-
Settlement (gain)/loss	-
Service cost	-
Net interest on net defined benefit liability/(asset)	-
	-

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	2016
	MUR
Components of amount recognised in other comprehensive income	
Return on plan assets (above)/ below interest income	-
Liability experience (gain)/loss	-
Liability (gain)/loss due to change in demographic assumptions	-
Liability (gain)/loss due to change in financial assumptions	-
Change in effect of asset ceiling	-
	-

Allocation of plan assets at end of period	%
Equity - Overseas quoted	-
Equity - Overseas unquoted	-
Equity - Local quoted	-
Equity - Local unquoted	-
Debt - Overseas quoted	-
Debt - Overseas unquoted	-
Debt - Local quoted	-
Debt - Local unquoted	8.0
Property - Overseas	-
Property - Local	-
Investment Funds	-
Cash and other	-
	8.0

Allocation of plan assets at end of period	%
Reporting entity's own transferable financial instruments	**-**
Property occupied by reporting entity	**-**
Other assets used by reporting entity	**-**

Principal assumptions used at end of period	
Discount rate	N/A
Rate of pension increases	N/A
Average retirement age (ARA)	N/A
Average life expectancy for:	
Male at ARA	N/A
Female at ARA	N/A

Sensitivity Analysis on defined benefit obligation at end of period	
Increase due to 1% decrease in discount rate	N/A
Decrease due to 1% increase in discount rate	N/A

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would show smaller variations in the defined benefit obligation.

Future cashflows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

Expected employer contribution for the next year	**N/A**
Weighted average duration of the defined benefit obligation	**N/A**

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Retirement Gratuities	2016
	MUR
Reconciliation of net defined benefit liability/(asset)	
Opening balance	308 000
Amount recognised in profit or loss	29 000
Amount recognised in other comprehensive income	-
Less employer contributions	-
Closing balance	**337 000**
Reconciliation of present value of defined benefit obligation	
Opening balance	308 000
Current service cost	18 000
Employee contributions	-
Interest expense	11 000
Past service cost	-
Settlement (gain)/loss	-
(Benefits paid on settlement)	-
(Other benefits paid)	-
Exchange differences	-
Effect of business combination/disposal	-
Liability experience (gain)/loss	-
Liability (gain)/loss due to change in demographic assumptions	-
Liability (gain)/loss due to change in financial assumptions	-
Closing balance	**337 000**
Components of amount recognised in profit or loss	
Current service cost	18 000
Past service cost	-
Settlement (gain)/loss	-
Service cost	**18 000**
Net interest on net defined benefit liability/(asset)	11 000
	29 000
Components of amount recognised in other comprehensive income	
Liability experience (gain)/loss	-
Liability (gain)/loss due to change in demographic assumptions	-
Liability (gain)/loss due to change in financial assumptions	-
	-
Principal assumptions used at end of period	
Discount rate	7.0%
Rate of salary increases	5.5%
Average retirement age (ARA)	60

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity analysis on defined benefit obligation at end of period	**2016**
	MUR
Increase due to 1% decrease in discount rate	178
Decrease due to 1% increase in discount rate	92

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would shown smaller variations in the defined benefit obligation.

Future cashflows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

	2016
Expected employer contribution for the next year	-
Weighted average duration of the defined benefit obligation	16 years

19. TRADE AND OTHER PAYABLES

	2016
	MUR
Other payables	6 988 540
Payable to ultimate shareholder	1
Reinsurance payables	2 082 494
Amount due to subsidiary	11 353 172
	20 424 207

(a) The carrying amounts of trade and other payables approximate their fair values.
(b) The amount due to subsidiary is unsecured, interest free and repayable on demand.

20. INCOME TAX

Income Tax

Income tax is calculated at the rate of 15% on the profit for the year as adjusted for income tax purposes.

	2016
(a) Statement of financial position	**MUR**
Tax (asset)/liability	
At 15 April 2015	-
Tax charge for the period	217 661
Amount paid during the period	-
Payment under Advance Payment System (APS)	-
Tax deducted at source	-
At 30 June 2016	**217 661**

(b) Statement of profit or loss	
Current tax on the adjusted profit for the period at 15%	217 661
Deferred tax	(50 550)
Charge	**167 111**

(c) Tax reconciliation	
LOSS BEFORE TAXATION	(55 898 111)
Tax calculated at rate of 15%	(8 384 717)
Income not subject to tax	(6 966 456)
Expenses not deductible for tax purposes	15 568 834
Tax charge for the period	**217 661**

21. GROSS PREMIUMS

	2016
	MUR
Accident and health	122 921 675
Others	1 143 366
	124 065 041

22. PREMIUMS CEDED TO REINSURERS

	2016
	MUR
Accident and health	154 966
Others	1 811 285
	1 966 251

23. INVESTMENT AND OTHER INCOME

	2016
	MUR
Rental income	577 875
Bank interest and others	411 732
Fair value gains and losses	(5 665 643)
Others	677 229
	(3 998 807)

24. FEES AND COMMISSION INCOME

	2016
(i) Fees	MUR
Accident and health	380 900
Others	24 225
	405 125
(ii) Commission income	
Accident and health	21 100
Others	1 012
	22 112
Total	**427 237**

25. GROSS CLAIMS PAID

	2016
	MUR
Accident and health	**102 912 029**

26. MOVEMENT IN OUTSTANDING CLAIMS

	2016
	MUR
Accident and health	**12 517 851**

27. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	2016
	MUR
Staff and related costs	**5 346 053**
Director fees and expenses	**1 804 046**
Accommodation costs	**2 195 166**
Office service costs	**1 646 622**
Legal and professional fees	**1 634 260**
Others	**109 629**
	12 735 776

Staff and related costs are analysed as follows:

	2016
	MUR
Wages and salaries	**12 290 312**
Pension	**348 824**
Social Security	**455 095**
Employee development	**138 298**
Expense reserves (note 16(c))	**(8 056 962)**
Other costs	**170 486**
	5 346 053

	2016
Number of employees at period end	24

28. COMMISSIONS PAID

Line of business:	2016
	MUR
Accident and health	4 290 737
Others	59 088
	4 349 825

29. RELATED PARTY DISCLOSURES

	2016				
Relationship	**Remuneration and benefits**	**Sales of goods or services**	**Purchase of goods or services**	**Net amount payable to related parties**	**Net amount receivable from related parties**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**
Ultimate shareholder	-	-	-	**1**	-
Subsidiaries	-	**7 786 108**	**5 830 038**	**11 353 172**	**1 336 691**
Key management personnel	**680 982**	-	-	-	-
	680 982	**7 786 108**	**5 830 038**	**11 353 173**	**1 336 691**

Key management personnel	**MUR**
- Short-term employee benefits	626 770
- Post-employment benefits	54 212
	680 982

The transactions from related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and repayable on demand. There have been no guarantees provided or received for any related party receivables and payables. At each financial year, an assessment of provision for impairment is undertaken through examining the financial position of the related party and the market in which the related party operates

30. TRANSFER OF UNDERTAKING

NIC General Insurance Co. Ltd was set up to take over part of the undertakings of BAI Co (Mtius) Ltd (BAI), under Special Administration, pursuant to Section 110B of the Insurance Act 2005 in a view to safeguard the interest of policyholders of BAI. In this regard part of the undertakings of BAI as at 20 July 2015 (the "Transfer Date"), was transferred to the Company by way of Deed of Transfer (The "Deed of Transfer") and duly registered at the Registrar General Department of Mauritius on 30 May 2016.
The identifiable assets, liabilities and contingent liabilities of the undertaking that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the transfer date.

The details of various assets and liabilities transferred, as per Deed of Transfer and IFRS 3 fair valuation, and consideration paid are given below:

	Deed of Transfer	Fair Value (IFRS 3)
	As at 20 July 2015	
	MUR	MUR
Investment property	64 500 000	43 000 000
Investments in financial assets	160 538 677	53 578 975
Insurance receivables	60 985 406	57 245 607
Other receivables	55 000 000	-
Reinsurance assets	10 207 877	4 693 803
Total assets	**351 231 960**	**158 518 385**
Insurance Contract liabilities	117 763 627	69 764 136
Gross outstanding claims	51 770 337	7 457 861
Expense reserve	162 748 249	162 748 249
Retirement benefits obligations	-	308 000
Trade and other payables	18 904 238	16 314 593
Total liabilities	**351 186 451**	**256 592 839**
Net liabilities as at 20 July 2015	45 509	(98 074 454)
Consideration	1	1
Excess of consideration paid over net assets acquired	**45 510**	**(98 074 453)**

As at the date of the transfer of undertaking, an excess of liabilities over assets amounting to MUR 98,074,453 was accounted for as goodwill in accordance with IFRS 3 and thereafter written-off to the profit or loss.

31. COMMITMENTS

Capital Commitments

There was no capital expenditure contracted for at the reporting date.

32. SHARED SERVICE ARRANGEMENT

The Company has entered into a "shared service arrangement" with its subsidiary, National Insurance Co. Ltd for the apportionment of common costs including usage of space of its subsidiary's property. The transaction is considered at arm's length.

33. HOLDING COMPANY AND ULTIMATE BENEFICIAL OWNER

The Directors regard the National Property Fund Ltd as its holding company which is ultimately wholly owned by the Government of Mauritius.

On incorporation date, the Company's shareholder was the Government of Mauritius. The shares were thereafter transferred to the National Property Fund Ltd on 08 March 2016.

34. CONTINGENT LIABILITIES

The Company may face litigations arising in the normal course of the insurance business. The directors are of the opinion that these litigations will not have a material impact on the financial position or results of the Company, as the insurance contract liabilities consider potential claims related to these litigations in their estimation.

As at 30 June 2016, there were no contingent liabilities.

35. COMPLIANCE WITH INSURANCE ACT 2005

The Company's capital and solvency margins are below the minimums required by the Insurance Act 2005 as at reporting date. The Board has escalated the issue to the ultimate Shareholder, the Government of Mauritius, to ensure that urgent measures are taken to meet the capital and solvency requirements. Subsequent to the reporting date, there has been an injection of capital in September 2019 (as disclosed under note 37) which has addressed the non-compliance issue.

36. GOING CONCERN

As per the Statutory Actuary's report, it is noted that the Minimum Capital Requirement as per the Insurance (General Insurance Business Solvency) Rules 2007 under the Insurance Act 2005 has not been met as at 30 June 2016.

Following capital injection of MUR 150,000,000 in September 2019, the Minimum Capital Requirement as per the Insurance Act 2005 has been addressed. The financial statements of the Company have therefore been prepared on a going concern basis.

37. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the shareholder has, in September 2019, injected an amount of MUR 150,000,000 in the Company. The increase in capital has addressed the non-compliance with the Insurance (General Insurance Business Solvency) Rules 2007 under the Insurance Act 2005.

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