

CIRCULAR

No. F&A/CIR/024/JUNE-04

22nd June, 2004

ALL INSURERS

Re.: Furnishing of the Returns by the insurers

Attention is drawn to section 15 of the Insurance Act, 1938 which requires that the audited accounts and statements of the insurers referred to under section 11 or sub-section (5) of section 13 and the abstract and statements referred to in section 13 shall be printed, and four copies thereof shall be furnished as returns to the Authority within six months from the end of the period to which they refer. The submission of audited accounts and statements is further governed by the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

It has been observed by the Authority that as a normal practice, several insurers, especially those in the private sector, are finalizing their accounts within three months of the close of the financial year, and these are also normally adopted by the shareholders shortly thereafter.

Attention is also drawn to section 220 of the Companies Act, 1956 which stipulates that after the balance sheet has been laid before a company at the annual general meeting, these shall be filed with the Registrar within thirty days from the date on which the balance sheet and the profit and loss account were so laid.

While the Insurance Act, 1938 provides a period of six months for filing of the returns, with a view to facilitating the process of review of the statements filed by the insurers, it is preferable that the insurers file the returns as required under the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, **within a period of thirty days of the adoption by the shareholders and in any case within six months from the end of the period to which they refer, whichever is earlier.**

Cooperation of the insurers is requested in this regard.

(C. S. RAO)
Chairman