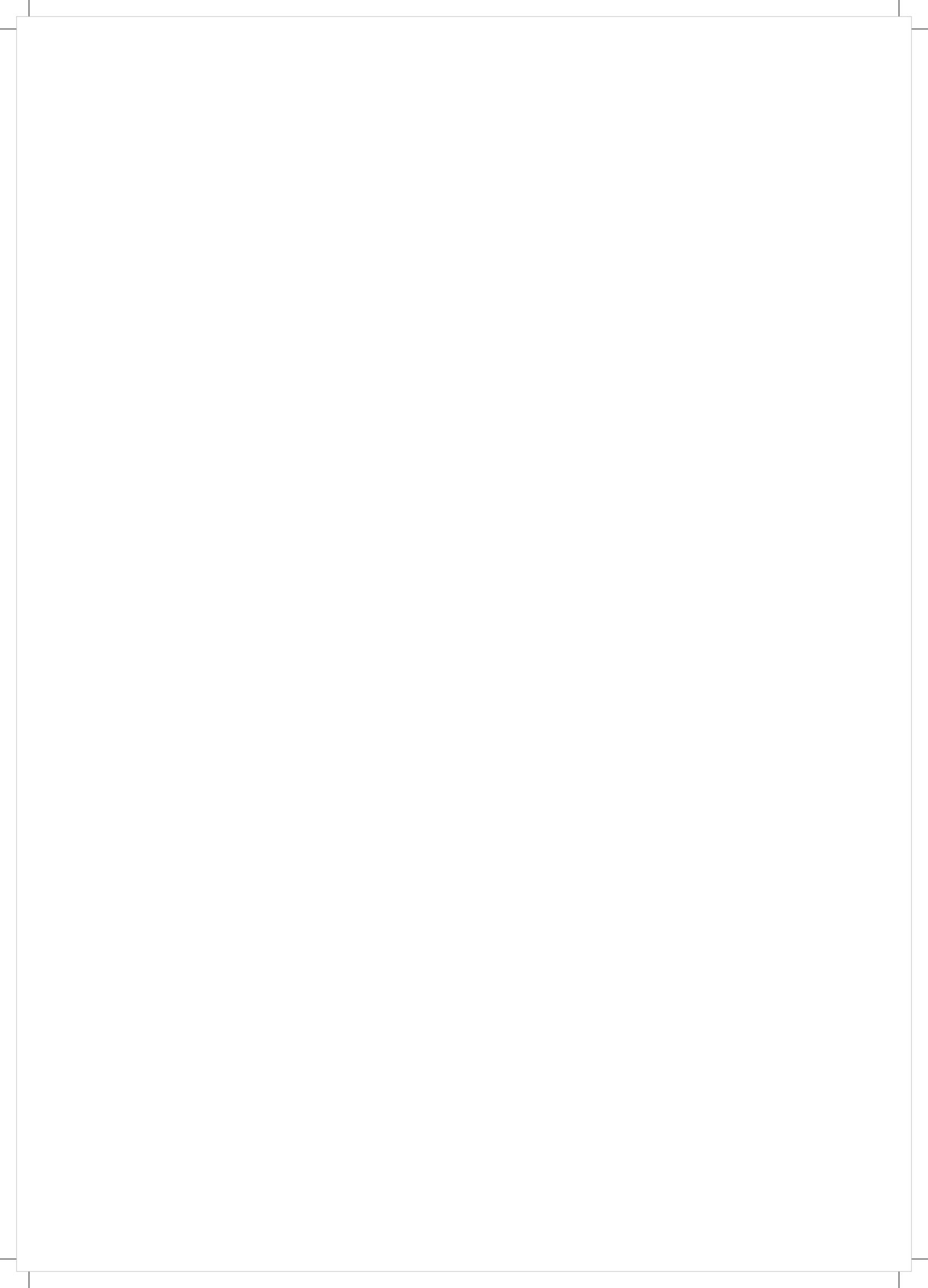




17TH ANNUAL REPORT

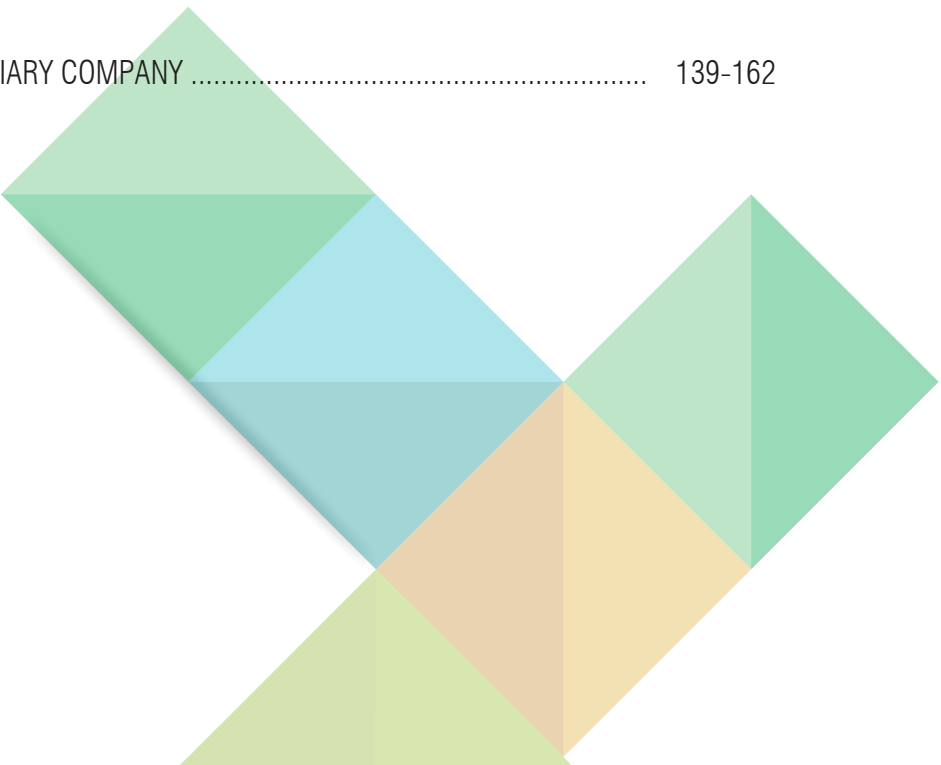
FOR THE YEAR 2016-2017





CONTENTS ||

DIRECTORS' REPORT	7-40
AUDITORS' REPORT	41-47
FINANCIAL STATEMENTS.....	49-69
ACCOUNTING POLICIES & NOTES ON ACCOUNTS	71-88
MANAGEMENT REPORT	89-93
AUDITORS' REPORT - CONSOLIDATED	95-100
FINANCIAL STATEMENTS - CONSOLIDATED	101-121
ACCOUNTING POLICIES & NOTES ON ACCOUNTS - CONSOLIDATED	123-138
FINANCIAL STATEMENTS OF SUBSIDIARY COMPANY	139-162



BOARD OF DIRECTORS ||



	A	Mr. K. Srinivasa Gowda	Chairman
	B	Mr. Lee King Chi Arthur	Vice Chairman
	C	Mr. Balwinder Singh Nakai	Director
	D	Dr. U.S. Awasthi	Director
	E	Mr. Rakesh Kapur	Director
	F	Dr. P.S. Gahlaut	Director
	G	Mrs. Mira Mehrishi	Independent Director
	H	Mr. Sudhakar Rao	Independent Director
	I	Mr. Ashwani Kumar	Independent Director
	J	Mr. Warendra Sinha	Managing Director & CEO
	K	Mr. H.O. Suri	Director (Marketing)
	L	Mr. Hiroshi Yasui	Director (Operations)

BOARD OF DIRECTORS

Mr. K. Srinivasa Gowda
Mr. Lee King Chi Arthur
Mr. Balwinder Singh Nakai
Dr. U.S. Awasthi
Mr. Rakesh Kapur
Dr. P.S. Gahlaut
Mrs. Mira Mehrishi
Mr. Sudhakar Rao
Mr. Ashwani Kumar
Mr. Yogesh Lohiya
Mr. Warendra Sinha
Mr. H.O. Suri
Mr. Hiroshi Yasui

Chairman
Vice Chairman
Director
Director
Director
Director
Independent Director
Independent Director
Independent Director
Managing Director & CEO (Till 14th February, 2017)
Managing Director & CEO (From 28th March, 2017)
Director (Marketing)
Director (Operations)

SENIOR EXECUTIVES

Mr. Harbhajan Singh
Mr. K.K. Aggarwal
Mr. R. Kannan
Mr. Sanjay Seth
Mr. Sanjeev Chopra
Mr. Ramesh Kumar
Mr. Sumesh Mahendra
Mr. Abhay Kumar
Mr. V. Rajaraman
Mr. Abhijit Chatterjee
Mr. Gunashekhar Boga
Mrs. Seema Gaur
Mr. Srikanth Charan Mudigonda
Mr. Subrata Mondal

Financial Advisor
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President & CFO
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President

COMPANY SECRETARY

Mr. Amit Jain

STATUTORY AUDITORS

M/s S.K. Mittal & Co.,
Chartered Accountants
M/s J.C. Bhalla & Co.,
Chartered Accountants

MAIN BANKERS

Deutsche Bank, New Delhi
Indian Overseas Bank, New Delhi
Standard Chartered Bank
IndusInd Bank

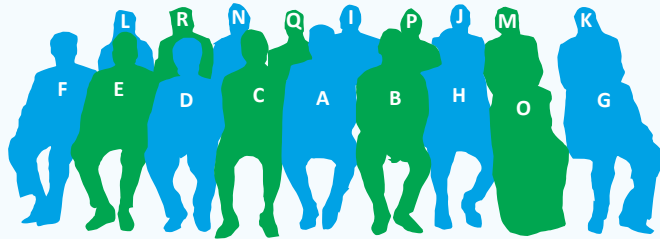
REGISTERED OFFICE

IFFCO SADAN, C-1 District Centre,
Saket, New Delhi- 110017
Phone No. 011- 26542625

CORPORATE OFFICE

IFFCO TOWER - II
Plot No. 3, Sector 29,
Gurugram 122001(Haryana)
Phone No.0124-2850200

MANAGEMENT TEAM ||



A	Mr. Warendra Sinha	Managing Director & CEO
B	Mr. H.O. Suri	Director (Marketing)
C	Mr. Hiroshi Yasui	Director (Operations)
D	Mr. Harbhajan Singh	Financial Advisor
E	Mr. K.K. Aggarwal	Executive Vice President
F	Mr. R. Kannan	Executive Vice President
G	Mr. Sanjay Seth	Executive Vice President
H	Mr. Sanjeev Chopra	Executive Vice President & CFO
I	Mr. Ramesh Kumar	Executive Vice President
J	Mr. Sumesh Mahendra	Executive Vice President
K	Mr. Abhay Kumar	Executive Vice President
L	Mr. V. Rajaraman	Executive Vice President
M	Mr. Abhijit Chatterjee	Executive Vice President
N	Mr. Gunashekhar Boga	Executive Vice President
O	Mrs. Seema Gaur	Executive Vice President
P	Mr. Srikanth Charan Mudigonda	Executive Vice President
Q	Mr. Subrata Mondal	Executive Vice President
R	Mr. Vaibhav Tyagi	Appointed Actuary

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO General Insurance Company Limited** will be held on Tuesday, the 30th May, 2017 at 3 PM at its **Registered Office at IFFCO Sadan, C1, District Centre, Saket, New Delhi 110017** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and Consolidated Financial Statements of the Company as at 31st March, 2017 together with Auditors' Report thereon and the Report of the Board of Directors to the Members.
2. To appoint Director in place of Mr. K. S. Gowda (DIN No. 00059811) who retires by rotation and is eligible for reappointment.
3. To appoint Director in place of Mr. B. S. Nakai (DIN No. 00823528) who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and fix their remuneration and for this purpose to consider and if thought fit, to pass the following Resolution, with or without modification as an Ordinary Resolution.

“RESOLVED THAT M/s. J.C. Bhalla & Co.(FRN.001111N) Chartered Accountants and M/s S.K. Mittal & Co.,(FRN.001135N) Chartered Accountants be and are hereby appointed as Joint Statutory Auditors of the Company for the financial year 2017-18 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, which will be their 2nd and 4th consecutive year respectively within the period of five years in terms of section 139(1) of the Companies Act, 2013 on a remuneration decided by the Board of Directors of the Company”.

Registered Office

IFFCO Sadan, C1,
District Centre, Saket
New Delhi - 110017.
Dated: 02nd May, 2017

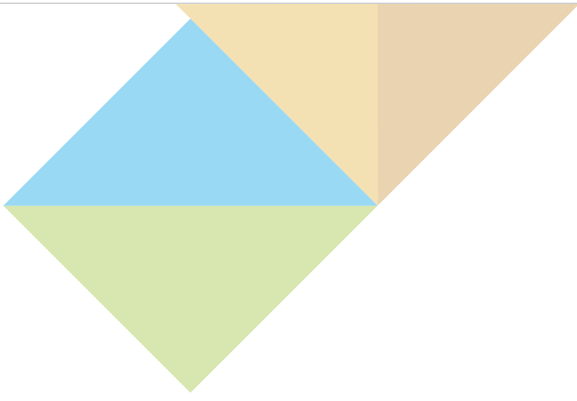
By Order of the Board,

(AMIT JAIN)
Company Secretary

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and such a proxy need not be a Member of the Company.
2. Instruments of proxies in order to be effective must be received/ deposited with the Company at its Registered Office not less than 48 hours before the time fixed for the meeting.

IFFCO-TOKIO



DIRECTORS' REPORT



Honourable Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report and Audited Financial Statements of the Company for the Financial Year 2016-17 along with the Auditors' Report thereon.

ECONOMIC ENVIRONMENT AND INDUSTRY SCENARIO:

During the year under report, amidst the somewhat gloomy landscape of unusual volatility in the international economic environment the overview of Indian economy remained optimistic, even despite demonetization which for almost three months from Nov 16 to Jan 17, appeared to have affected the growth. Overall the macro-economy remained stable, founded on the Government's commitment to fiscal consolidation and low inflation. The country's economic growth was amongst the highest in the world, helped by a reorientation of government spending toward needed public infrastructure.

The Country's performance reflects the implementation of number of meaningful reforms. FDI continued to be liberalized across the major sectors, and committed efforts have been undertaken to ease the process of doing business, besides passage of GST Bill has also sent positive signals to both Multinational Companies and Foreign Institutional Investors. Government is continuing with its broad policies of major public investment especially in Power, Rail and Road sectors to further strengthen the infrastructure and provide conducive environment for overall economic development.

In the farm sector, Government is giving required push to its major crop insurance programme (PMFBY) and plan to cover almost 40% of cultivated land under crop insurance in immediate future. Efforts are also in place to cover more and more people under social security schemes such as Pradhan Mantri Bima Yojna & Atal Pension Bima Yojna. Government is also expected to come out with a new Health Insurance Scheme for masses during Financial Year 17-18 in place of its existing scheme namely RSBY. All these initiatives have given boost to the Insurance sector as a whole.

During the year 2016-17 growth rate of GDP at constant market prices decreased to **7.1%** as compared to **7.6%** in 2015-16. Industry has shown significant improvement on account of acceleration in manufacturing sector while services continue to expand steadily. The production and domestic sales of the Automobile industry also increased during the year. The inflation has taken hold and confidence in price stability has improved. The fiscal discipline implemented by the Government has resulted into decline in Current Account Deficit. Initiatives like "Make in India" liberalization in FDI Policy has increased the foreign exchange reserves to around **US\$ 369 billion** in early April, 2017.

During the year 2016-17, the non-life insurance sector saw phenomenal growth of 32.43% as compared to growth of 13.83% during FY 2015-16. The growth in Motor, Health and Crop Insurance was 18.60%, 23.80% and 449% respectively. During the same period, GDP growth for private sector companies at 35.40% is higher than the growth of public sector companies at 25.20% as against 13.12% and 12.14%, respectively during the same period in the year 2015-16. The GDP growth of your Company at 50.72% is significantly higher than the Industry growth (including standalone health insurance companies' growth) of 26.45%. This is primarily due to substantial crop insurance premium procured by the Company under PMFBY. However, this being tender based business and active participation by Public Sector Companies during coming years, will settle down to average industry growth.

The Insurance market continues to witness more and more regulatory changes. At one side the Regulator is opening up new distribution network to increase penetration of insurance and also creating ease of doing business by simplifying product development and approvals process, on the other, is trying to enhance policyholders' protection through prescribed stricter underwriting, financial, claim provisioning and solvency norms for insurers. Central Government's continued efforts to increase public investments in infrastructure like power, road, railways, and manufacturing sector are likely to bring further growth for the Insurance Industry.

FINANCIAL PERFORMANCE:

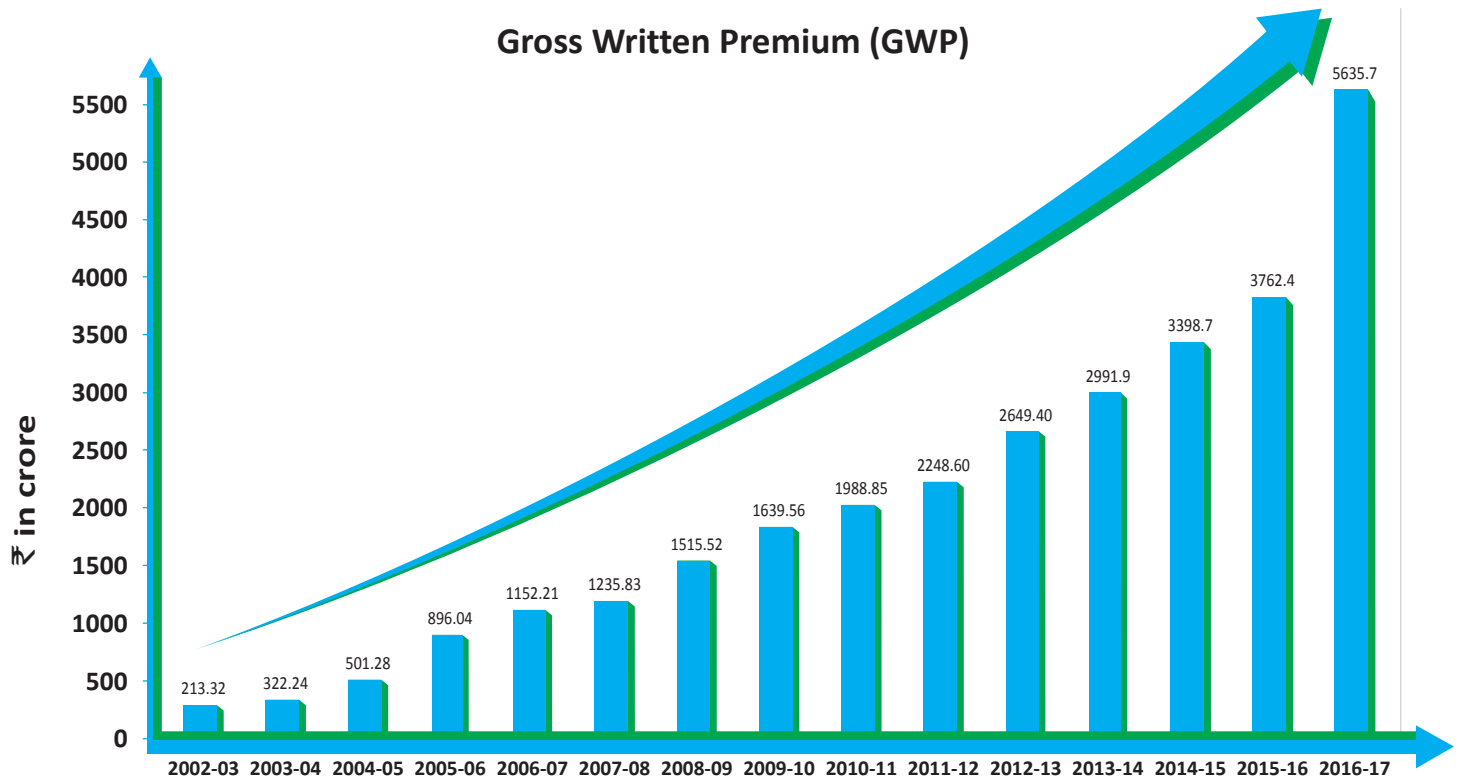
During the year, the Company recorded a Gross Written Premium income of **Rs. 5,635.74 Crore** as against **Rs. 3,762.44 Crore** achieved during previous financial year, thus registering a growth of **49.78%** over the previous year. The Profit Before Tax (PBT) for the year worked out to **Rs. 619.55 Crore** compared with **Rs. 239.93 Crore** earned in the previous year. The Profit After Tax (PAT) for the year works out to **Rs. 426.82 Crore** against **Rs. 167.09 Crore** in the previous financial year.

The highlights of the financial performance of the company are summarised as under:

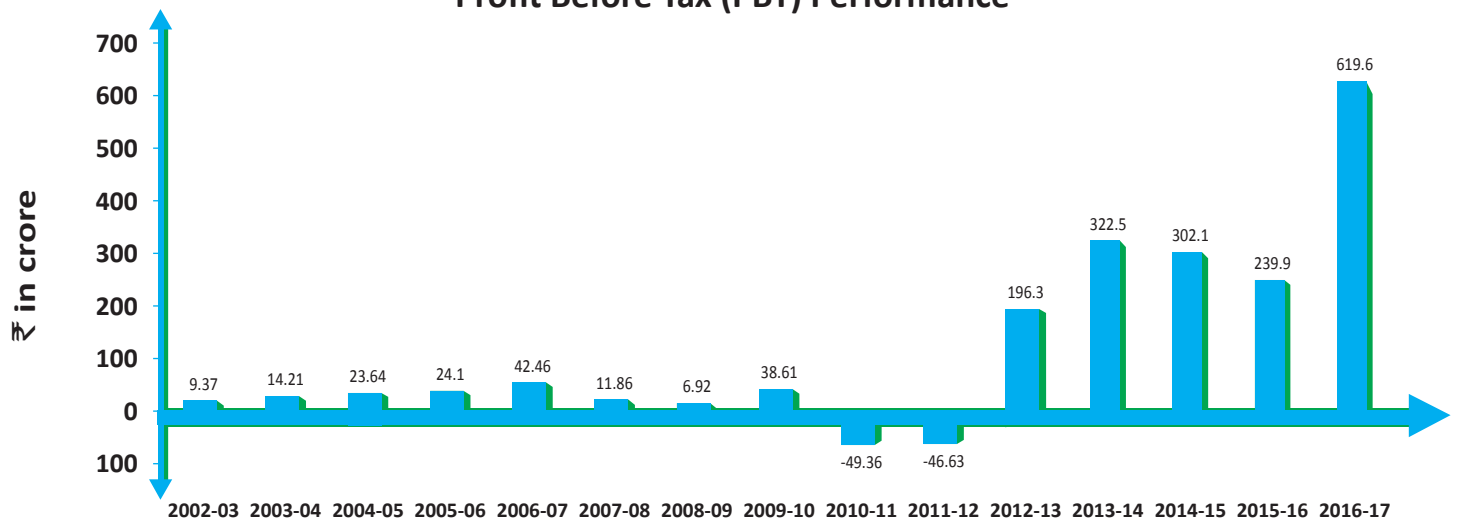
(₹ in Crores)

Particulars	2016-17	2015-16
Gross Written premium	5,635.74	3,762.44
Less: Reinsurance Premium	2,173.85	803.33
Net premium	3,461.89	2,959.11
Less: Adjustment for changes in Reserve for Unexpired Risk	(49.11)	154.16
Earned Premium (A)	3,511.00	2,804.95
Commission Expenses – Net	(186.21)	49.54
Net Incurred Claims	2,877.72	2,219.67
Expenses of Management	912.05	729.11
Other Expenses	(0.94)	(1.03)
Total Underwriting Expenses (B)	3,602.62	2,997.29
Underwriting Profit/ (Loss) (A) – (B)	(91.62)	(192.34)
Investment Income allocated to Revenue account	546.73	362.92
Operating Profit/ (Loss)	455.11	170.58
Investment Income allocated to P & L A/C	166.38	69.49
Others Income/ (Expenses)	(1.94)	(0.14)
Profit / (Loss) before Tax	619.55	239.93

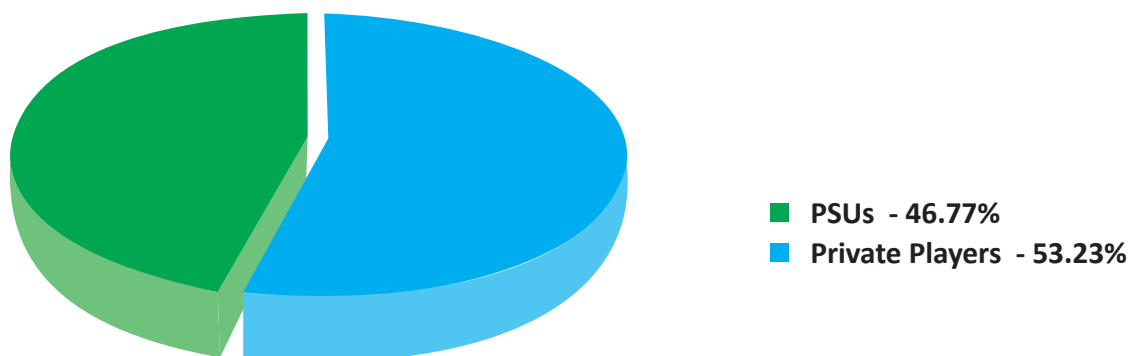
Gross Written Premium (GWP)



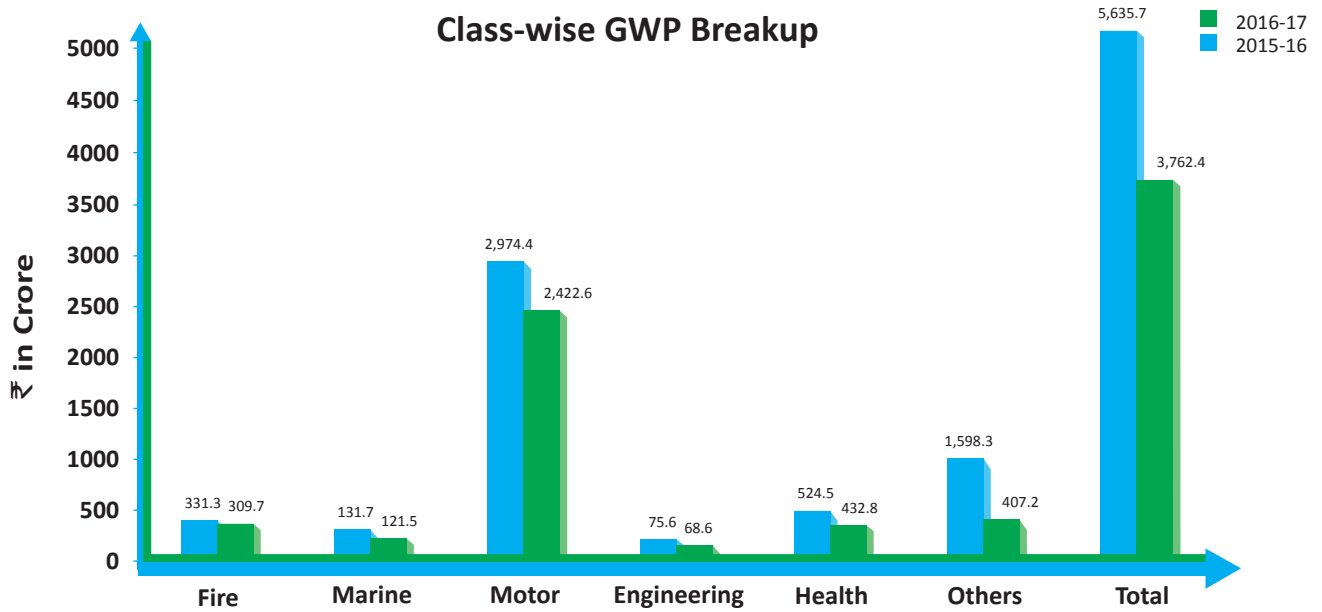
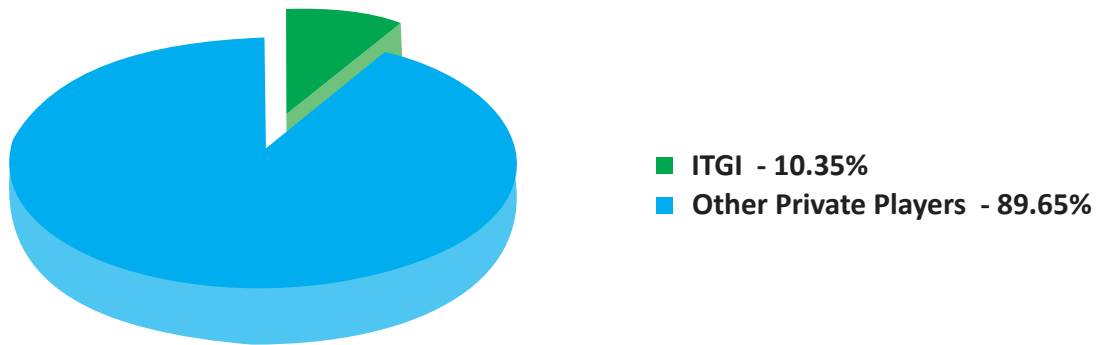
Profit Before Tax (PBT) Performance



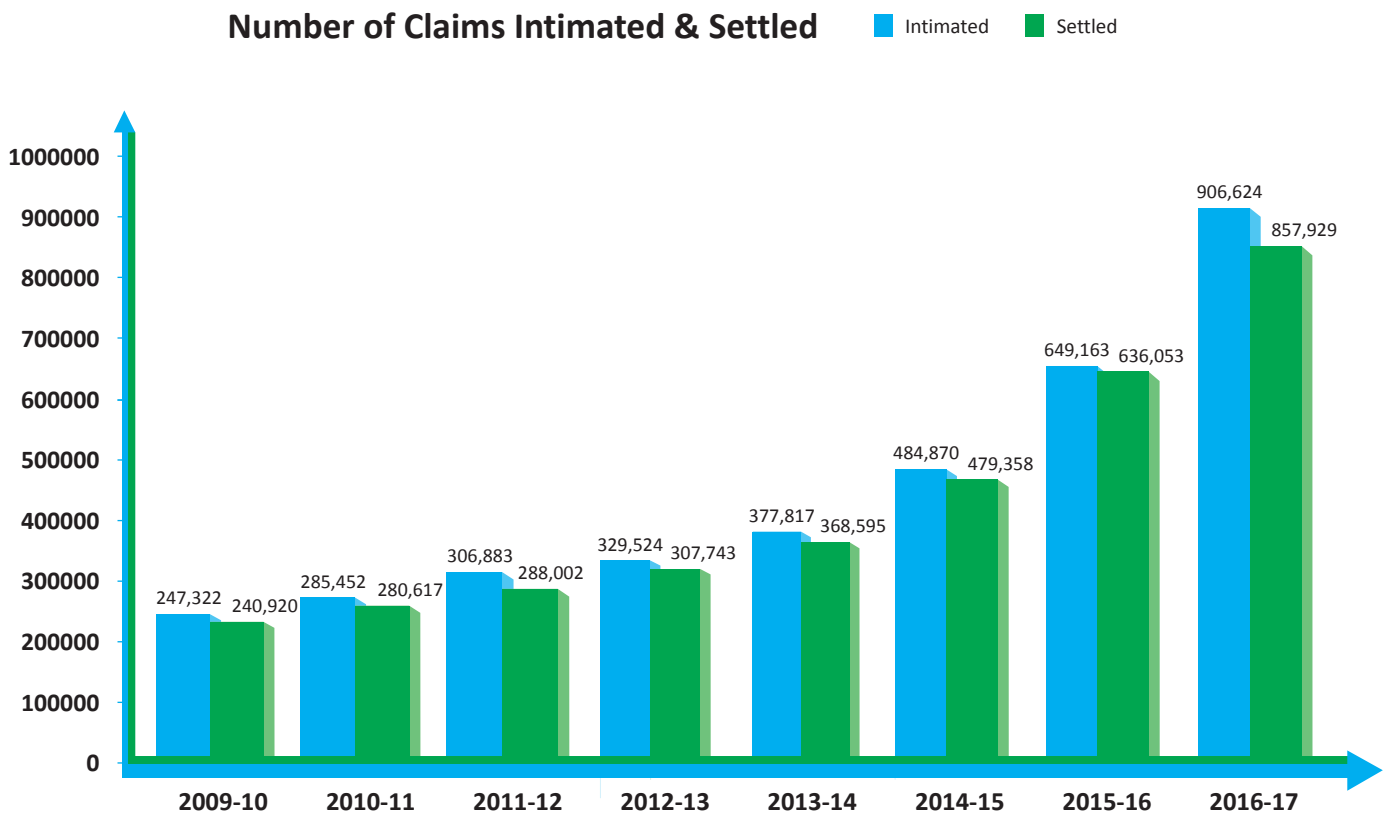
Market Share of Private Players



IFFCO-TOKIO Share Among Private Insurers



Number of Claims Intimated & Settled



SOLVENCY AND SHAREHOLDERS FUND:

The Solvency ratio of the Company as at 31st March, 2017 was 1.60 as against regulatory requirement of 1.50.

The Shareholder's Fund as at 31st March, 2017 was **Rs. 1,685.64 Crore** as compared to **Rs. 1,258.83 Crore** as at 31st March, 2016.

DIVIDEND:

Your Directors propose to retain profits to meet the capital requirements arising out of future growth plan of the Company and hence have not proposed payment of any dividend for the financial year 2016-17.

INVESTMENTS AND INVESTMENT INCOME:

The total investments of the Company as at 31st March, 2017 increased to **Rs. 6,609.69 Crore** as compared to **Rs. 4,831.06 Crore** as at 31st March, 2016. The distribution of investments of the company has been in compliance of limits prescribed in IRDAI Investment Regulations and Approved Investment Policy of the Company. The investment portfolio of the company was regularly monitored in line with the duration of liabilities through Assets Liability Management Policy so as to ensure availability of funds at all times for settlement of obligations towards policyholders.

The investment income of the Company for the year under review including profit on sale of investments in opportune market conditions was **Rs. 713.11 Crore** with an average investment yield of **12.55%** as against **Rs. 432.40 Crore** with yield of **9.31%** in the previous year.

IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND-AS) IN INSURANCE COMPANIES

IRDAI vide its order dated March 01, 2016 has issued directions for the implementation of the Indian Accounting Standards (Ind AS) as notified under the companies (Indian Accounting standards) Rules, 2015 for accounting period beginning from April 1, 2018 onwards. Ind AS implementation is likely to significantly impact the financial reporting systems and processes and would also have an impact on the financial position including adequacy of capital taking into account the solvency regulations requirement. IRDA in its Meeting held on 17th March, 2016 wherein Member Finance, IRDAI conveyed that IRDAI would come out with a detailed guidance note on the specific aspects of the Ind AS applicable to the insurance industry by July 2016. Till date such guidelines have

yet to be finalised by IRDAI. In the meantime, the Company has engaged the services of a professional firm to help to carry out the impact analysis of the difference between the current accounting framework and Ind AS impacting the financials. Your Company is also in the process of setting up the steering committee to initiate the implementation process and required system changes. The Committee would meet on regular basis and update the Audit Committee and Board about the progress in the implementation of Ind AS.

REINSURANCE:

The Company's reinsurance treaties for the year 2016-17 are led by General Insurance Corporation of India and other Foreign Reinsurers. The conventional Reinsurance Treaties were successfully placed with best rated reinsurers on a 100% basis in line with the guidelines laid down by the IRDAI and reinsurance programme approved by the Board. The Facultative Placements have also been made with best rated reinsurers and before commencement of the risk.

The reinsurance programme has helped the bottom line of the company by containing the impact of large losses and also those arising out of catastrophe events. The reinsurance treaties for the year 2016-17 were successfully concluded by the company before commencement of the Financial Year.

IFFCO-TOKIO INSURANCE SERVICES LIMITED – A WHOLLY OWNED SUBSIDIARY

IFFCO TOKIO Insurance Services Limited (ITIS), the Wholly Owned Subsidiary of IFFCO-TOKIO, has taken forward the mission of the Company to increase its penetration and presence into rural area through its Lateral Spread Centers and Bima Kendra's. The ITIS has on its roll over **1694** trained persons comprising of employees and trainees who rendered services to IFFCO-TOKIO customers both in Urban and Rural areas.

During the year, the ITIS sourced a premium of **Rs. 139.2 Crore** as against **Rs. 143.0 Crore** in 2015-16 and serviced a premium valuing **Rs. 1,645.3 Crore** as against **Rs. 1,340.4 Crore** in 2015-16 and earned a pre-tax profit of **Rs. 0.30 Crore** as against **Rs. 0.29 Crore** in 2015-16. As required under Section 129 (3) of the Companies Act, 2013, a separate Statement in prescribed form **AOC-1** containing the salient features of the Financial Statements of IFFCO-TOKIO Insurance Services Ltd., a Wholly Owned Subsidiary of the Company, is enclosed as Annexure to the Financial Statements of the Company.

MARKETING:

During the year under review, the market competition intensified further and as a result the premium rates dropped below viability, both in commercial and retail segment. In this market environment, our Company maintained its cautious approach in underwriting. To drive growth, the Company focused on retail segment specially on various low cost retail products distribution by strengthening Direct, Agency and Cooperatives Channels.

In cut throat market environment in the motor segment the Company has been endeavoring to be selective in risk selection by way of increasing its share in profitable segment of vehicles through less expensive channels. With an aim to increase penetration into rural areas, in line with the vision of the promoters to service farmers and rural masses, the Rural and Cooperative Channel has developed a total of 5800 Micro Insurance Agents and have registered a considerable growth of 31% in cooperative business during the year. The participation of the Company in Government Sponsored Crop Insurance Scheme noticed a Year on Year growth of 1280%.

On the retail front, our Company had taken a number of initiatives to push premium growth and the same have yielded encouraging results. During the year, the Company took various measures to increase growth in Agency Channel and initiatives for recruitment, retention and recognition of agents yielded encouraging results and performance of the channel enhanced considerably registering the overall Year On Year growth in agency business from around **20.6%** in 2015-16 to about **25.4%** in 2016-17.

On the product front the Motor and Health segments registered a growth of **19.9%** and **15.9%** respectively over the previous year.

The above initiatives have resulted in our company showing the growth of **47%** over the previous year.

RURAL BUSINESS:

Keeping farmers and rural populace in mind, IFFCO-TOKIO over a period had launched many insurance products like Sankat Haran Bima Yojna, Janta Suraksha Bima Yojna, Jan Sewa Bima Yojna, Mahila Suraksha Bima Yojna, Fasal Bima Yojna, Pashu Dhan Bima Yojna etc. and provided timely support through insurance claims. The Company also participated in the Weather Based Crop Insurance Scheme (WBCIS) of Government of India in notified districts to ensure the farmers against loss of productivity due to adverse

weather conditions and Government Sponsored Health Schemes like Rashtriya Swasthya Bima Yojna (RSBY) to extend Health Insurance to below poverty line (BPL) families. In order to increase its penetration into rural markets and deliver insurance at the doorstep of the rural populace, IFFCO TOKIO is working aggressively to sell its specialised products through IFFCO cooperatives network and Government sponsored E-Governance agency "CSC-SPV".

The unique policy 'Sankat Haran Bima Yojna' which is linked to the purchase of fertiliser bags from the Co-operative Society and sponsored by IFFCO has entered into its 16th year. The Sankat Haran Bima Yojna has covered approximately **167.82 Lakhs** farmers and disbursed about **Rs. 100.61 Crore** in claims since its launch in September, 2001.

During the year, the Company has underwritten rural business amounting to **Rs. 1628.72 Crore** which is **29.27%** of the Gross Direct Premium and covered **171.07 Lakhs** lives as against the obligation of **7.0%** of Gross Direct Premium and **5%** of social sector lives computed on the basis of total business procured.

CUSTOMER SERVICE:

A total of 4,19,620 claims were reported in the FY 2016-17 and more than 4,16,824 claims were settled with an achievement of over 99.33% settlement ratio. Several new initiatives were taken in order to improve the overall working of the claims department and to achieve a better customer satisfaction by bringing separate focus on OEM & Non-OEM claims and strengthening the Preferred Garage network across the Country. Call Centre operations were strengthened further with changes in their script. Several steps were undertaken to improve the overall working of the Motor OD Claims department.

HUMAN RESOURCE DEVELOPMENT

Human resource is an invaluable asset of your Organization. Suitable strategies along with vertical concept in Marketing were successfully evolved and were in practice for the last two years to achieve the vision of the Company viz. to be the industry leader by building customer satisfaction through fairness, transparency and quick response. The Salary revision was implemented successfully and it had a positive impact on the Employees. Incentive schemes are linked to employees own performance as well as performance of the Company. The employees of the Company rendered their full cooperation and support to the management.

During the year under report, **65** training programs covering functional and behavioral areas were conducted and a total **1012** employees at various levels were exposed to various training programs.

INFORMATION TECHNOLOGY:

Information Technology is the backbone of the Company's services. During the year, the Company has taken big strides in the area of Digitization and Modernization. Mobile App for Motor Claim Survey has been implemented which is being used extensively by Surveyors. IFFCO Tokio's on-line Web Portal has been revamped and made fully responsive i.e. it displays different Form-layouts as per the Device, like Mobile, Tablet, Laptop etc. Micro Rural Products like Tractors, IPF (Personal Accident), JSBY (Janta Suraksha Bima Yojana) and JBY (Jan Sewa Bima Yojana) have been introduced in the Web Portal for easy access by end-customers in the Rural area. Mobile Apps related to Home Suvidha and Trade Suvidha with facility for Cash-less Premium Receipts, have been developed and released for Agents, Brokers and Field staff.

In addition to above, following new enhancements in Software, Infrastructure and Security setup have been carried out in IT :-

1. Core System P400 has been enhanced by way of a SOA (Services Oriented Architecture) layer to make it user friendly and operable through the browsers, using a Graphical User Interface. It also enables seamless Integration of P-400 with other peripheral Systems, like Oracle EBS and Siebel-CRM.
2. IT Infrastructure and Network has been strengthened for better throughput and performance.
3. IFFCO Tokio has been accredited with Information Security certification- ISMS 27001-2013 in Jan 2017. This speaks of Security standards and capability of the Company in protecting the confidentiality & Integrity of its IT Information and assets.

The ultimate goal of IT is to leverage the available technology in innovation of Business processes and facilitate End-Users in catering to the growing Business needs of the company.

BUSINESS PLAN

In line with the performance of the year under report and also current economic and industry scenario, business plan 2017-18 of the Company, aims to achieve

Gross Written Premium target of **Rs. 6423 Crore**. The business plan is focused mainly on growth in retail line of business especially motor, individual health, PA, Dwelling & SME package policies, and mobilising low cost channels like individual agents, cooperatives etc. to achieve overall growth in both top and bottom line. The aim is to reduce over dependence on expensive and loss making motor OEM as well as large Group Health business of big corporate.

Members are kindly aware that with a modest beginning in 2001, the company has consistently grown to achieve gross written premium of **Rs. 5635 Crore** in 2016-17, and has planned to continue to grow in future with profitability. In the plan period 2017-18, the company will continue to upgrade its IT systems and improve existing business processes. The Company during the year will put more focus on IT system on Mobile technology and plans to come out with innovative business oriented mobile applications. These changes will enable company in creating ease in doing business with all intermediaries by eliminating redundant processes, enhancing information sharing and developing enablers to improve services to customers. The company would further expand its base in some of the states / regions, which have more business prospects by opening a few new offices (SBUs') and customer service centre (CSC), during the year. It is felt that these initiatives will work as catalyst in meeting out long term plans of the company.

In line with the mission of our promoters to protect farmers and rural masses, the Company will further expand its operations in rural and semi rural areas with the help of IFFCO field officers, member cooperatives, IFFCO E-bazaars', its own subsidiary IFFCO-TOKIO Insurance Services Ltd. and also through the network of Government's E-governance Common Service Centers. The Company has also planned to continue to actively participate in the IFFCO Golden Jubilee Exhibition Events, during the year to further penetrate into the rural and semi rural areas.

EXTRACTS OF ANNUAL RETURN:

Pursuant to the Provisions of Section 92(3) read with Rule 11 of the Companies (Management and Administration) Rules, 2014 the extract of Annual Return in the prescribed Form MGT 9 is enclosed as **Appendix I** to the report.

CORPORATE GOVERNANCE

Your Company believes that good Corporate Governance holds balance between social and commercial goals. It instills essential vision and

structures to make decisions that ensure long term sustainability. It has been the endeavour of your Company to adopt systems and procedures which would strengthen good corporate governance, transparency, accountability and full disclosure of information to its shareholders and other stakeholders.

The Guidelines on Corporate Governance issued by IRDAI for the Insurance sector were implemented by the Company in letter and spirit. The Code of Business Conduct and Ethics for Board Members and Senior Management, Whistle Blower Policy, Constitution of Risk Management Committee, Policy Holders Protection Committee, Investment Committee and Audit Committee, Appointment of Independent Directors and conduct of meetings of Board of Directors etc. are fully implemented by the Company.

A Report on Corporate Governance pursuant to IRDAI Guidelines is placed at **Annexure 'A.'**

ENTERPRISE RISK MANAGEMENT AND RISK MANAGEMENT POLICY:

Your Company has a comprehensive Risk Management Policy & Framework in place to ensure that all the material risk(s) that may affect the Company are identified, assessed, and monitored periodically and the same are reported to the Management in structured manner. In addition to normal Enterprise Risks, your Company, being in general insurance industry, is exposed to various other risks including the risk of loss due to inadequate pricing, reserving or inadequate reinsurance protection. To effectively mitigate these risks, the Company has laid down the following controls and mitigation measures:

- Risks are underwritten based on underwriting guidelines after thorough analysis to enable that the proper price is charged from proposer.
- Reinsurance program is designed to ensure optimal protection from financially sound reinsurers.
- Risk Management Committee comprising of Chief Risk Officer and other Senior Executives of the Company meet regularly to identify and assess various Business and other Enterprise risks as well as to suggest and monitor the mitigation measures taken up by the management.
- The Risk Management Committee also continuously review the investments, reinsurance securities, loss reserving and solvency ratio to ensure financial stability of the company.
- Business Continuity Plan is being reviewed from time to time and mock drills for measuring the effectiveness of the same are being conducted on regular basis.

BOARD OF DIRECTORS

Meetings:

During the year 2016-17, six meetings of Board of Directors of the Company were held on 9th May, 2016, 10th August, 2016, 21st September, 2016, 18th November, 2016, 24th January, 2017 and 20th March, 2017.

Changes in the Composition of the Board

During the year 2016-17, Mr. Yogesh Lohiya has completed his tenure as Managing Director & CEO of the Company with effect from 14th February, 2017. Your Directors place on record their appreciation for the valuable services rendered by him during his tenure as Managing Director & CEO of the Company. Your Company has appointed Mr. Warendra Sinha as Managing Director & CEO of the Company w.e.f 28th March, 2017 for a period of three years. IRDAI has also accorded its approval for the appointment of Mr. Warendra Sinha as Managing Director & CEO of the Company.

Declaration by the Directors

Your Company has received declarations from all the Directors confirming that they are not disqualified from being appointed as directors under the provisions of Section 164 of the Companies Act, 2013.

Your Company has also received declarations from all Independent Directors confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

Retirement by Rotation

In accordance with the provisions contained in Articles 102, 103 and 104 of the Articles of Association of your Company and applicable relevant provisions of the Companies Act, 2013, Mr. K. Srinivasa Gowda, Chairman and Mr. B.S. Nakai, Director shall retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

STATUTORY AUDITORS & THEIR REPORT

M/s S.K.Mittal & Co. and M/s J.C. Bhalla & Co. were appointed as Joint Statutory Auditors of your Company for the financial year 2016-17 and they will continue in the office till the conclusion of the ensuing Annual General Meeting. Both M/s S.K. Mittal & Co. and M/s J.C. Bhalla & Co. have confirmed that their appointment, if made, will be in accordance with the limits specified under Section 139(1) of the Companies Act, 2013 and they fulfill the eligibility criteria specified under Section 141 of the Companies Act and IRDAI Regulations/guidelines for appointment of Statutory Auditors.

The Report of the Joint Statutory Auditors to the Shareholders of the Company is annexed to the financial statements for the year ended 31st March, 2017. There is no specific qualification, reservation or adverse remarks in the Report of the Joint Statutory Auditors which require clarification.

SECRETARIAL AUDITOR'S REPORT

In accordance of the provisions Section 204 of the Companies Act, 2013 read with Section 134(3) of the Companies Act, 2013, Board had appointed Mr. P.S.R. Murthy as Secretarial Auditor of the Company to conduct the Secretarial Audit for the financial year 2016-17. Secretarial Audit Report in the prescribed form **MR 3** is enclosed at **Annexure 'B'**.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR is the way of conducting business, by which corporate visibly contribute to the social good. Socially responsible companies do not limit themselves to use resources to engage in activities that increase only their profits. Your Directors believe that fulfilment of CSR obligation may be used to integrate economic, environmental and social objectives with the company's operations and growth.

The CSR Policy of the Company inter alia specifies the broad areas of CSR activities that will be taken up by the Company and includes CSR Implementing Strategy, Governance & Monitoring Mechanism and Reporting Methodology and Impact Analysis etc. During the year, Board upon the recommendations of the CSR Committee of Directors has approved the Annual CSR Plan of the Company for the Financial Year 2016-17 incorporating Long term and short term CSR Projects to be undertaken by the Company during the year. The CSR Policy and Annual CSR Plan of the Company are available on the website of the Company.

On the recommendation of CSR Committee of Directors, Board of Directors allocated a sum of Rs. 5,78,33,529/- (being 2% of average Profits for the last three financial years) towards implementation of CSR Plan during the year 2016-17. Out of the allocated funds, due to various limitations, as detailed in the CSR Annual Report, only a sum Rs. 3,27,94,496/- could be spent towards various CSR Projects/Programs and activities during the year 2016-17.

As required under the Companies Act, 2013 and CSR Rules, 2014, CSR Annual Report of the Company containing the brief outline of the CSR Policy, the details of the specified amount allocated for CSR Activities during the Financial Year 2016-17 and the unspent amount including the reasons thereof is enclosed in prescribed format as per **Annexure 'C'**.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company has in place a Board approved Policy on 'Appointment and Selection of Directors and members of Senior Management and criteria for determining Directors' Independence (Appointment & Selection Policy)' and Policy on Remuneration of Directors, Key Managerial Personnel and other Employees (Remuneration Policy). The objective of the policy is inter-alia to provide a framework and set standards for the appointment of high quality directors who should have the capacity and ability to lead the Company towards achieving its strategic objectives, taking into account the interests of the policyholders and employees. In the financial year 2016-17, pursuant to guidelines on Remuneration of Non-Executive Directors and Managing Director/Chief Executive Officer/Whole Time Directors, your Company has amended the Remuneration Policy of the Company to align it with the requirements of the IRDAI guidelines. Brief extracts of the above mentioned Policies are enclosed as **Appendix II** to this report.

ANNUAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS' PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance and the performance of its Committees and Independent Directors. Similarly, the annual performance evaluation of every Director was also carried out by the Nomination & Remuneration Committee. The Independent Directors of the Company also at their meeting held on 1st May, 2017 evaluated the

performance of the Board as a whole, its Chairman and other Non Independent Directors. Independent Directors also assessed the quality, quantity and flow of information to the Board. The Annual Performance Evaluation for the FY 2016-17, as mentioned above, carried out by the Board, and N&R Committee respectively at their separate meetings held on 2nd May, 2017.

The evaluation of performance of the Board, its Committees and Directors etc. was carried out on the basis of various parameters including qualification, experience, quality, personal attributes, participation, contribution to the Board, preparedness, strengths etc.

AUDIT COMMITTEE

The Audit Committee of Directors comprises of Mr. Ashwani Kumar, Mrs. Mira Mehrishi, and Mr. Sudhakar Rao, Independent Directors and Mr. Rakesh Kapur and Dr. P.S. Gahlaut, Non Executive Directors. Mr. Ashwani Kumar, Independent Director is the Chairman of the Committee. All the members of the Committee have adequate qualifications to fulfil their duties stipulated under the Companies Act, 2013. The Members of the Audit Committee met four times during the Financial Year 2016-17.

INFORMATION UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is placed at **Annexure 'D'**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

As your Company does not carry out any manufacturing activity, the provisions with regard to disclosure of particulars regarding Conservation of Energy and Technology absorption are not applicable to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange earnings/outgo during the year 2016-17 as required under the Companies Act, 2013 are given below.

Earnings: Rs. 1772.78 Lakhs (Previous year **Rs.8,694.67 Lakhs**)

Outgo: Rs. 51,158 Lakhs (Previous year **Rs. 23,704.85 Lakhs**)

PUBLIC DEPOSITS

The Company has not accepted any Public Deposits during the year under review.

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

In terms of provisions of Section 186(11) of the Companies Act, 2013, as amended by the Companies (Removal of Difficulties) Order, 2015 dated 13th February, 2015, the provisions of Section 186 except sub section (1) does not applicable to the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

Under Section 188 (1) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 the disclosure of the details of contracts or arrangements entered by the Company with the Related Parties during the Financial Year 2016 -17 in the prescribed **Form AOC 2** is enclosed at **Annexure 'E'**. The Audit Committee of Directors has given in principle approval to different types of related party transactions which are in ordinary course of business. During the year under review, the Company did not enter into any transaction or arrangements with related parties which were material or not at arm's length. As per the Accounting Standards (AS 18) on "Related Party Disclosures", the details of related party transactions entered into by the Company are included in the Notes to Accounts.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS

There were no significant or material orders passed by the regulators, courts or tribunals which would impact the going concern status of the Company or its future operations.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION:

There were no material changes and commitments, affecting the financial position of the Company between 31st March, 2017 and the date of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. the directors had prepared the annual accounts on a going concern basis; and
- v. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENTS

Your Directors express their gratitude to all customers of the Company for their valuable patronage, and to shareholders, the Insurance Regulatory & Development Authority of India, General Insurance Council, General Insurance Corporation of India, Reinsurers and other Statutory authorities for their continued support and guidance. We place on record sincere thanks to its Statutory Auditors, Bankers, Insurance Agents, Brokers and other constituents for their continued support.

Your Directors also express their sincere appreciation for the unstinted support rendered by the employees of the Company at all levels for their hard work, dedication and commitment.

Place: New Delhi
Date: 02nd May, 2017

For and on behalf of the Board

K. SRINIVASA GOWDA
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

IFFCO TOKIO's Corporate Governance Guidelines harmonize governance principles and procedures. We follow the Corporate Governance guidelines as specified by IRDAI which are as under:

1.0. Corporate Governance Practices

The Company believes that Corporate Governance is a commitment to conduct business in a fair, transparent and complying of applicable laws, rules, regulations, circulars etc. IFFCO TOKIO believes that sound Corporate Governance practices are essential for healthy growth of business and to repose confidence in all interested parties. The Company has placed adequate corporate governance practices for improving long term values. The corporate governance philosophy of IFFCO TOKIO has been further strengthened with the formulation of Code of Conduct for Management, Whistle Blower Policy, Online Grievance Redressal system and implementation of Public Disclosure Policies. The Company has also set up mandatory committees as prescribed in the Corporate Governance Guidelines. The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

2.0. Composition of the Board of Directors

The Company has appointed Independent Directors on the Board and Board of the Company consists of both Executive and Non Executive Directors. The Company has three functional Directors including the Managing Director. All the Members of the Board have executed Deed of Covenants as prescribed in the Guidelines.

3.0. Guidelines for Committees of the Board

The Company has set up mandatory Committees of the Board. The Committees of the Board meet at frequent intervals as per the Guidelines prescribed for holding such meetings. The Company Secretary ensures that the meetings of the Shareholders, Board of Directors and Committees of the Board are held as per the time frame and the minutes of such meetings are properly recorded.

4.0 Board of Directors Meetings

The details of Meetings of the Board of Directors of the Company held during the year 2016-17 are as under:

S.No.	Date	Board Strength	No. of Directors present
1.	9 th May, 2016	12	12
2.	10 th August, 2016	12	11
3.	21 st September, 2016	12	12
4.	18 th November, 2016	12	12
5.	24 th January, 2017	12	11
6.	20 th March, 2017	11	10

The names of the Directors and their attendance at the Board Meetings held during the financial year 2016-17 are as under:

S. No.	Name of the Director(s)	Qualification	Field of Specialisation	Status of Directorship	No. of Meetings held	No. of Meetings attended
1.	Mr. K. Srinivasa Gowda	B.Sc.	Agriculture	Chairman	6	6
2.	Mr. Lee King Chi-Arthur	Bachelor degree of Arts and Juris doctorate	Legal	Vice Chairman	6	5
3.	Mr. Balvinder Singh Nakai	Graduate	Agriculture	Director	6	5
4.	Dr. U.S. Awasthi	Ph.D. and Graduate in Chemical Engineering	Management	Director	6	6
5.	Mr. Rakesh Kapur	B. Tech (Mechanical)	Finance	Director	6	6
6.	Dr. P.S. Gahlaut	Ph.D., B.Sc. (Hons.)	Business Management	Director	6	6
7.	Mrs. Mira Mehrishi	Master's degree in Business Administration	Management & Administration	Independent Director	6	5
8.	Mr. Sudhakar Rao	M.A. (Economics)	Management & Administration	Independent Director	6	6
9.	Mr. Ashwani Kumar	FCA, B.Com	Finance	Independent Director	6	6
10.	Mr. Yogesh Lohiya*	B.E. AIII from Insurance Institute of India, Diploma (Business Management) of AIMA	Insurance	Managing Director & CEO	6	5
11.	Mr. H.O. Suri	FCA, B.Com (Hon.)	Marketing	Director (Marketing)	6	6
12.	Mr. Hiroshi Yasui	B.A.	Business Operations & Internal Controls	Director (Operations)	6	6
13.	Mr. Warendra Sinha **	Master's in Sociology, AIII from Insurance Institute of India, Bachelor's in History	Insurance	Managing Director & CEO	6	0

Note (*) : Mr. Yogesh Lohiya has completed his tenure and demitted the office as Managing Director & CEO of the Company on 14th February, 2017.

(**) : Mr. Warendra Sinha joined the Company as Managing Director & CEO with effect from 28th March, 2017.

5.0. Committee Meetings of the Board of Directors

The details of the Committee Meetings of the Board of Directors held during the financial year 2016-17 are as under.

(A) Investment Committee

The details of Meetings of the Investment Committee held during the year are as under:

S. No.	Date	Strength	No. of Directors/Members present
1.	25 th April, 2016	8	8
2.	10 th August, 2016	8	8
3.	16 th November, 2016	8	8
4.	13 th January, 2017	8	8

The names of the Directors and other Members present at the Investment Committee Meetings held during the financial year 2016-17 and their attendance is as under:

S. No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1.	Dr. U.S. Awasthi	Chairman	4	4
2.	Mr. Rakesh Kapur	Member	4	4
3.	Mr. Yogesh Lohiya	Member	4	4
4.	Dr. P.S. Gahlaut	Member	4	4
5.	Mr. Harbhajan Singh	Financial Advisor	4	4
6.	Mr. H.O. Suri	Chief Investment Officer	4	4
7.	Mr. Sanjeev Chopra	Chief Finance Officer	4	4
8.	Mr. Khushwant Pahwa*	Appointed Actuary	4	2
9.	Mr. Hiroshi Yasui**	Director (Operations)	4	2

(*) Mr. Khushwant Pahwa, has completed his tenure and demitted the office as Appointed Actuary of the Company with effect from 30th September, 2016.

(**) Mr. Hiroshi Yasui, Director (Operations) & Chief Risk Officer of the Company was nominated as the Member of the Investment Committee with effect from 21st September, 2016.

(B) Audit Committee

The details of Meetings of the Audit Committee held during the year 2016-17 are as under:

S. No.	Date	Strength	No. of Directors/Members present
1.	9 th May, 2016	5	5
2.	2 nd September, 2016	5	4
3.	18 th November, 2016	5	5
4.	20 th January, 2017	5	5

The names of the Directors and other Members present at the Audit Committee Meetings held during the financial year 2016-17 and their attendance is as under:

S. No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1.	Mr. Ashwani Kumar	Chairman	4	4
2.	Mrs. Mira Mehrishi	Member	4	4
3.	Mr. Sudhakar Rao	Member	4	4
4.	Mr. Rakesh Kapur	Member	4	4
5.	Dr. P.S. Gahlaut	Member	4	3

(C) Risk Management Committee

The details of Meetings of the Risk Management Committee held during the year 2016-17 are as under.

S. No.	Date	Strength	No. of Directors/Members present
1.	17 th May, 2016	4	4
2.	16 th September, 2016	4	4
3.	29 th November, 2016	6	6
4.	10 th March, 2017	6	5

The names of the Director and other Members present at the Risk Management Committee Meetings held during the financial year 2016-17 and their attendance is as under:

S. No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1.	Mr. Hiroshi Yasui	Chairman / Chief Risk Officer	4	4
2.	Mr. Sanjay Seth	Member	4	4
3.	Mr. Sanjeev Chopra	Member	4	4
4.	Mr. R. Kannan*	Member	4	1
5.	Mr. Subrata Mondal*	Member	4	2
6.	Mr. Amit Jain	Member	4	4

(*) Nominated as members of the Risk Management Committee with effect from 21st September, 2016

(D) Policyholders Protection Committee

The details of Meetings of the Policy Holders Protection Committee held during the year 2016-17 are as under:

S. No.	Date	Strength	No. of Directors/Members present
1.	20 th May, 2016	3	2
2.	27 th July, 2016	3	3
3.	16 th November, 2016	8	7
4.	23 rd January, 2017	8	7

The names of the Directors and other Members present at the Policy holders Protection Committee Meetings held during the financial year 2016-17 and their attendance is as under:

S. No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1.	Mr. H.O. Suri	Chairman/Member	4	4
2.	Mr. Sudhakar Rao (*)	Chairman/Member	4	2
3.	Mr. R. Kannan	EVP/Head (Retail Marketing)	4	2
4.	Mr. V. Rajaraman (*)	EVP/Head (Commercial)	4	3
5.	Mr. K.K. Aggarwal (*)	EVP/Head – Marketing (Commercial)	4	2
6.	Mr. Abhay Kumar (*)	EVP/Head – Marketing (Retails)	4	2
7.	Mr. Sanjay Seth (*)	EVP/Head – Underwriting (Health)	4	2
8.	Mr. Subrata Mandal (*)	EVP/Head - Underwriting	4	0
9.	Mr. Amit Jain (*)	Chief Grievance Redressal Officer	4	2

(*) The Policyholders' Protection Committee was reconstituted with effect from 21st September, 2016 and new members were inducted in the Committee.

(E) CSR Committee

The details of Meetings of the CSR Committee held during the year 2016-17 are as under:

S. No.	Date	Strength	No. of Directors/Members present
1.	2 nd September, 2016	4	3
2.	31 st March, 2017	3	3

The names of the Directors and other Members present at the CSR Committee Meetings held during the Financial Year 2016-17 and their attendance is as under:

S. No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1.	Mrs. Mira Mehrishi	Chairperson	2	2
2.	Mr. Yogesh Lohiya(*)	Member	2	1
3.	Mr. H.O. Suri	Member	2	2
4.	Mr. Hiroshi Yasui	Member	2	1

(*) Consequent upon completion of tenure, Mr. Yogesh Lohiya ceased to be member of the CSR Committee with effect from 14th February, 2017.

(F) Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors had constituted a Nomination and Remuneration Committee comprising of three Independent Directors namely Mr. Sudhakar Rao, Mrs. Mira Mehrishi, Mr. Ashwani Kumar, and three Non Executive Directors namely Mr. K. Srinivasa Gowda, Mr. Lee King Chi Arthur and Dr. U.S. Awasthi. Mr. Sudhakar Rao, Independent Director is Chairman of the Committee. During the financial year 2016-17, three meetings of Nomination & Remuneration Committee were held on 9th May, 2016, 18th November, 2016 and 24th January, 2017 which were attended by the all the members of the Committee.

(G) Executive Committee

In accordance with the provisions contained in the Articles of Association of the Company, the Company had constituted, an Executive Committee which is in operation since the inception of the Company. The Committee is primarily responsible for preparation/ monitoring of Business Plan, Annual Budgets, review of operations, review of performance of personnel, HRD issues, etc. During the financial year 2016-17, Eleven Executive Committee Meetings were held by the Company.

7.0 Separate Meeting of Independent Directors

For the evaluation of the performance of Executive Directors, Non-Executive Directors and Chairman of the Company during the Financial Year 2016 -17, Independent Directors meeting was held on 1st May, 2017 which was attended by Mrs. Mira Mehrishi, Mr. Sudhakar Rao and Mr. Ashwani Kumar, Independent Directors. During the meeting Independent Directors evaluated the performance of Executive Directors, Non-Executive Directors and Chairman. Independent Directors also evaluated the performance of Board as a whole and also assessed the quality, quantity and timeliness of the flow of information to the Board during the year 2016-17.

8.0. Code of Business Conduct and Ethics

The Company promotes ethical behavior in all its business activities. The Company has a Board approved "Code of Business conduct and Ethics for Board Members and Senior Management personnel of the Company". The code of Business conduct and ethics provides prevention of insider trading, access to confidential information, protection of company's properties, conflict of interests, information to be placed before Board etc. The Code also provides the role of Compliance officer and other senior management.

9.0. Whistle Blower Policy

The Whistle Blower Policy formulated by the Company provides an opportunity to employees to have access, in good faith, to the Chairman of the Company in case they observe any unethical and improper practices or wrongful conduct in the Company. The Board of Directors formulated the whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct. The Policy provides maintenance of confidentiality of data, procedure for reporting improper and unethical practices etc.

10.0 Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, the Company has not received any complaint.

11.0 Compliance certificate of the Company Secretary

Certificate from the Company Secretary confirming compliances as stipulated under the Guidelines is attached to the Directors Report forming part of the Annual Report as per Annexure I.

Annexure I of 'A'

Certification for compliance of the Corporate Governance Guidelines

I, Amit Jain, Company Secretary & Chief Compliance Officer hereby certify that the Company has complied with the corporate governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed during the period under report.

Place: New Delhi
Date: 02nd May, 2017

(Amit Jain)
Company Secretary &
Chief Compliance Officer

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2017

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

To,
The Members,
IFFCO-TOKIO General Insurance Company Limited,
C-1, District Centre, Saket,
New Delhi – 110017

Dear Sirs,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IFFCO-TOKIO General Insurance Company Limited (hereinafter called the company) CIN No.U74899DL2000PLC107621. M/s IFFCO-TOKIO General Insurance Company Limited is an unlisted Public Limited Company under the Companies Act 2013. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

1. The Companies Act, 2013 and the rules made there under;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
3. Insurance Regulatory & Development Authority Act 1939;
4. Insurance Act 1938;
5. Income Tax Act 1961;
6. Service Tax Act 1994 as amended from time to time.;
7. Professional Tax as applicable in some States of India where the Company has operations
8. Prevention of Money Laundering Act 2002
9. Information Technology (Amendment) Act 2008
10. The Indian Stamp Act 1889, and,

11. The Industrial and Labour Laws consisting of :

- a) Contract Labour (Regulation and Abolition) Act 1970
- b) The Minimum Wages Act 1948
- c) Payment of Wages Act 1936
- d) Maternity Benefit Act 1961
- e) Industrial Disputes Act 1947
- f) Workmen Compensation Act 1923
- g) Sexual Harassment of Women at Work Places (Prevention, Prohibition and Redressal) Act 2013
- h) Shops and Establishment Act as applicable in various places where the Company has operations in various States of India
- i) Employees Provident Fund and Misc. Prov. Act 1952
- j) Payment of Gratuity Act 1972
- k) Employees State Insurance Act 1948

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by "The Institute of Company Secretaries of India".

During the period under review and based on the assurances, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Under Section 135 of the Companies Act, 2013, the Company is required to spend towards CSR sum of ₹5.78 Crores during 2016-17, being 2% of average net profits for the Financial years 2015-16; 2014-15 and 2013-14. However, the Company had spent a sum of ₹3.27 Crores only.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company assured to further the scope of the quarterly reports/certificates submitted to the Board so as to make the reports more specific to the Acts/Laws that are applicable.

I further report that during the audit period, the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: New Delhi

Date: 20th April, 2017

(P.S.R. Murthy)

A-5880

C.P. No. 13090

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms integral part of this report.

The Members
Iffco Tokio General Insurance Company Limited
New Delhi – 110017

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi
Date: 20th April, 2017

(P.S.R. Murthy)
ACS-5880;
C.P. No. 13090

IFFCO TOKIO General Insurance Co. Ltd.
CORPORATE SOCIAL RESPONSIBILITY REPORT
(FY 2016-17)

1. Brief Outline of Company's CSR Policy and Overview of the Projects or Programs proposed to be undertaken by the Company:

IFFCO TOKIO has in place its Corporate Social Responsibility (CSR) Policy in line with the requirements of Companies Act, 2013. The Company's CSR Policy outlines the Company's Responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking activities for the welfare and sustainable development of the Community at large. The CSR Policy of the Company outlines the scope of CSR Activities, Modalities of the execution of the Projects and Programs and their monitoring & assessment.

The process for implementation of CSR Programs involves identification of programs based on the proposals received through various channels, assessment of the projects in the terms of funding required, due diligence of implementation agency and recommendation to the CSR Committee. The CSR Committee, if found appropriate, approves the proposal and amount of expenditure to be incurred on the same within the overall limit approved by the Board. CSR Policy encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainability development of the Community at large.

Under the CSR Policy of the Company, following programs were proposed to be undertaken by the Company during the financial year 2016-17:

- a. IFFCO – TOKIO Integrated Rural Development Project
- b. IFFCO-TOKIO Health Care & Safe Drinking Water Project
- c. IFFCO-TOKIO Sanitation & Cleanliness Project
- d. IFFCO-TOKIO Education Assistance & Skill Development Project
- e. IFFCO-TOKIO Disaster Response & Assistance Project
- f. IFFCO-TOKIO Women Empowerment Project
- g. IFFCO-TOKIO Save the Environment Project
- h. IFFCO-TOKIO Sheetal Mata Diagnostic Laboratory at Civil Hospital, Gurugram

CSR Policy of the Company as well as the CSR Plan of the Company for the FY 2016-17 can be viewed at www.iffcotokio.co.in/sites/default/files/CSR-Policy-2016.pdf and www.iffcotokio.co.in/sites/default/files/CSR-Plan-2016.pdf respectively

2. Composition of CSR Committee :

The CSR Committee of the Company comprises of the following Directors:

- | | |
|---|-------------|
| a. Mrs. Mira Mehrishi, Independent Director | Chairperson |
| b. Managing Director & CEO | Member |
| c. Director (Marketing) | Member |
| d. Director (Operations) | Member |

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

Average Net Profit of the Company for the last three financial years worked out to ₹2,891,676,455/- detailed as under:

Particulars	2015 - 16	2014 - 15	2013 - 14
Profit Before Tax	2,399,345,248	3,020,984,005	3,225,007,498
Add: Expenses on CSR debited to P/LA/c	27,414,255	2,278,360	-
Profit as per Section 198	2,426,759,503	3,023,262,365	3,225,007,498

- | | |
|-------------------------------------|------------------|
| A. Total Profit of last three years | ₹8,675,029,366/- |
| B. Avg. Profit for CSR [(A)/3] | ₹2,891,676,455/- |

4. Prescribed CSR expenditure for the FY 2016-17

The total amount allocated for the CSR for the FY 2016-17 worked out to ₹57,833,529/- (being 2% of average Profits for the last three financial years).

5. Details of CSR amount spent during the FY 2016-17

- | | |
|---|---------------|
| a. Total amount to be spent for the Financial Year 2016-17: | ₹57,833,529/- |
| b. Amount unspent: | ₹25,039,033/- |
| c. Actual amount spent on CSR during the FY 2016-17: | ₹32,794,496/- |

The manner in which the amount allocated and spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or program was Undertaken [Dist. (State)]	Amount outlay (budget) project or programs wise (Amount in Rs.)	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs . (2) Overheads (Amount in Rs.)	Cumulative expenditure upto the reporting period (Amount in Rs.)	Amount spent: Direct or through implementing agency
1.	IFFCO TOKIO Integrated Rural Development Project (Note1)	Rural Development Projects	Three villages each in Dist. Pratapgarh (Rajasthan State); and Dist. Jajpur (Odisha State)	₹23,554,700/-	₹16,310,176/-	₹16,310,176/-	Farmers Forestry Development Coop.Ltd. (IFFDC), Gurugram
2.	IFFCO TOKIO Health Care, Safe Drinking Water Project	Health Care Provision of Safe Drinking Water	Dist. Gurugram (Haryana State)	₹5,000,000/-	₹400,000/-	₹4,772,800/-	Sri Shiv Kalyan Kendra Trust, Gurugram
			Dist. Coimbatore (Tamil Nadu State), Dist. Hyderabad (Telangana) Dist. Kolhapur (Maharashtra State)		₹1,372,800/-		Direct
			Dist. Bharatpur (Rajasthan State)		₹30,00,000/-		Indian Social Responsibility Network (ISRN), New Delhi
3.	IFFCO TOKIO Sanitation & Cleanliness Project	Sanitation and Cleanliness	Dist. Coimbatore, (Tamil Nadu State) Dist. Kolhapur, (Maharashtra State)	₹5,000,000/-	₹1,963,000/-	₹1,963,000/-	Farmers Forestry Development Coop. Ltd. (IFFDC), Gurugram
4.	IFFCO TOKIO Disaster Response & Assistance Project (Note2)	Eradication of Hunger, Poverty & Malnutrition	NA	₹5,000,000/-	NIL	NIL	NA
5.	IFFCO TOKIO Education Assistance & Skill Development Project	Promotion of Education including Special Education	Dist. Birbhum Dist., Cooch Behar Distt. Raghunathpur (West Bengal)	₹5,000,000/-	₹1,512,000/-	₹7,591,628/-	M/s REACH Society for Remedial, Education Assessment Counselling for Handicapped, Kolkata

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Dist. Nuh (Haryana State), Dist. Hapur (Uttar Pradesh State).		₹5,500,000/-		Indian Social Responsibility Network (ISRN), New Delhi
			Dist. Palghat, (Maharashtra State), Dist. Mehabobnagar & Karimnagar (Telangana State).		₹579,628/-		Direct
6.	IFFCO TOKIO Save the Environment Project (Note 2)	Environmental sustainability	Dist. Bargar, Sambalpur (Odisha State)	₹3,500,000/-	₹595,250/-	₹595,250/-	Direct
7.	IFFCO TOKIO Women Empowerment Project (Note 2)	Women Empowerment	NA	₹3,500,000/-	NIL	NIL	NA
8.	IFFCO TOKIO Sheetala Mata Diagnostic Laboratory at Gurugram (Note 3)	Promotion of Health Care	Dist. Gurugram (Haryana State)	₹5,000,000/-	NIL	NIL	District Health & Family Welfare Society (DHFWS), Gurugram
9.	CSR Capacity Building Expenses & Other Administrative Cost			₹2,278,829/-	₹1,561,642/-	₹1,561,642/-	Direct
TOTAL				₹57,833,529/-	₹32,794,496/-	₹32,794,496/-	

Note(s):

- (1). This is a long term Rural Integrated Development Project with a total outlay of Rs. 6,27,66,744/- to be implemented in three financial years ending on 31st March, 2018. Out of this total budgeted outlay, Rs. 87,77,000/- were spent during the FY 2015-16 and Rs. 1,63,10,176/- were spent during the FY 2016-17. During the year 2016-17, lower spent of CSR Amount under this project was mainly due to change of location of the project, halt of CSR work due to Local elections in Odisha and heavy rains in Rajasthan. Short Expenditure in the project are proposed to be clubbed with balance outlay for the FY 2017-18.
- (2). Due to unavailability of sustainable CSR programs from credible NGOs, allocated amount for these projects could not be fully spent during the FY 2016-17
- (3). Due to change of location of proposed Diagnostic Laboratory the project could not progressed as per original milestone plan hence no contribution could be made to the project during FY 2016-17. In FY 2015-16, Company had already made a contribution of Rs. 1.00 Crore out of the total commitment of Rs. 1.50 Crore.

6. REASONS FOR NOT SPENDING THE PRESCRIBED CSR AMOUNT DURING THE FINANCIAL YEAR 2016 – 17

For the long term sustainability and larger impact, your Company had undertaken a long term project namely “IFFCO-TOKIO Integrated Rural Development Project”, which is being implemented in six villages (Three villages each in Pratapgarh Dist. at Rajasthan and in Jajpur District at Odisha), which is spread over

a period of three years. Therefore, the work on this project is in ongoing mode and would be completing by March, 2018. During the year 2016-17, lower spent of CSR Amount under this project was mainly due to change of location of the project site and halt of CSR Activities due to Local elections in Odisha and heavy rains in Rajasthan. Similarly, due to change of location of proposed Diagnostic Laboratory, the CSR amount allocated for IFFCO TOKIO Sheetal Mata Diagnostic Laboratory Project could not be spent during the FY 2016-17. However, the Company is committed to complete the above projects by allocating the unspent amount under these projects in the CSR Plan for the FY 2017-18.

Further, due to unavailability of sustainable CSR programs from credible NGOs, no activity under the IFFCO TOKIO Disaster Response Project and IFFCO TOKIO Women Empowerment Project could be undertaken and amount allocated for the IFFCO TOKIO Save the Environment Project and IFFCO TOKIO Sanitation & Cleanliness Project could not be fully spent during the FY 2016-17. However, keeping in view the increasing thrust in the area of Promotion of Education & Skill Development, Company has spent higher amount under the IFFCO TOKIO Education Assistance and Skill Development Project, as compared to originally allocated budgeted amount for the project.

7. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

The CSR Committee hereby declares that the implementation and monitoring of CSR Policy of the Company is in compliance with CSR objectives and is in consonance with Section 135 of the Companies Act, 2013. We also undertake to follow the objectives of the Company's CSR Policy in letter and spirit.

Warendra Sinha
(Managing Director & CEO)
Dated: 01st May, 2017

Mira Mehrishi
(Chairperson CSR Committee)

Annexure 'D'

IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED									
Statement under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31 st March 2017									
S. No.	Emp. Code	Name of Employee	Age (Years)	Designation/ Nature of Employment	Remuneration Received (₹in lakhs)	Qualification & Experience	% of equity shares held	Date of Commencement of Employment	Particulars of Previous Employment
1	11687	Mr. Yogesh Lohiya	66	MD & CEO	146.99	B. E , All from the Institute of Insurance, and Diploma in Business Management from AIMA Experience 39 Years	NIL Mr. Lohiya is not a relative of any Director of the Company	15.2.2013	GIC Re.
2	12994	Mr. Warendra Sinha	58	MD & CEO	1.43	Master's in Sociology, Bachelor's in History and AIII from the Insurance Institute of India	NIL Mr. Sinha is not a relative of any Director of the Company	28.03.2017	National Insurance Co., Kolkata

* Mr. Yogesh Lohiya has completed his tenure as MD& CEO of the Company on 14th February, 2017.

** Mr. Warendra Sinha has joined the Company as MD& CEO with effect from 28th March, 2017.

Note: 1. The gross remuneration comprises salary, allowances, monetary value of perquisites and Company's contribution to Provident Fund.

IFFCO TOKIO General Insurance Co. Ltd.

FORM No. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including arms length transactions under third proviso thereto

- 1. Details of material contracts or arrangement or transactions not at arm's length basis - NIL**
- 2. Details of material contracts or arrangement or transactions at arm's length basis**

(a) Name (s) of the related party and nature of relationship :

Name of Related Party : IFFCO TOKIO Insurance Services Ltd.

Nature of Relationship : Subsidiary of the Company with 100% Voting Rights

(b) Nature of contracts/arrangements/transactions :

(i) Receipt of Insurance Premium and Payment of Insurance Claim for Direct Business

(ii) Payment of Commission and Service Charges

(iii) Recovery of Expenses.

(c) Duration of the contracts / arrangements / transactions : 2016-17

(d) Salient terms of the contacts or arrangements or transactions including the value, if any:

Name of the Related Parties	Nature of Related party relationship	Description of Nature of Transactions	2016-17 (₹ in thousand)
IFFCO-TOKIO Insurance Services Ltd	Subsidiary of the Company with 100% Voting Rights	Receipt of Insurance Premium	4,718
		Claims paid	(4,588)
		Recovery of Expenses	8,950
		Payment of - Commission	(55,836)
		Payment of Service Charges	(724,112)

(e) Date(s) of approval by the Board, if any: Not applicable

(f) Amount paid as advances, if any: Not applicable

for IFFCO-TOKIO General Insurance Co. Ltd.,

**K. Srinivasa Gowda
(Chairman)**

APPENDIX - 'I'

FORM No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U74899DL2000PLC107621
- ii) Registration Date : 4th December, 2000
- iii) Name of the Company: IFFCO- TOKIO General Insurance Co. Ltd.
- iv) Address of the Registered office and contact details :
IFFCO SADAN, C-1, District Centre, Saket, New Delhi – 110017
- v) Whether listed Company Yes / No : No
- vi) Name, Address and Contact details of Registrar and Transfer Agent, if any:
MCS Share Transfer Agent Limited, F-65, Okhala industrial Area, Phase- I, New Delhi- 110 020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the business shall be stated:-

S. No.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to Total Turnover of the Company
1.	Non-life Insurance	65120	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	IFFCO-TOKIO Insurance Services Ltd. IFFCO Sadan, C-1, District Centre, Saket, New Delhi - 110017	U65999DL2003 PLC121571	Subsidiary	100%	Section 2 (87) of the Companies Act, 2013

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding

Shareholders Category:	No. of shares held at the beginning of the year				No. of shares held at the end of the year			
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
A. Promoters								
1. Indian								
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	36,62,772	NIL	36,62,772	1.36%	36,62,772	NIL	36,62,772	1.36%
e) Banks/ FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other (Cooperative Society & its nominees)	19,56,35,131	7	19,56,35,138	72.64%	19,56,35,131	7	19,56,35,138	72.64%
Sub-Total (A) (1)	19,92,97,903	7	19,92,97,910	74%	19,92,97,903	7	19,92,97,910	74%
2. Foreign								
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corporate	7,00,23,590	NIL	7,00,23,590	26%	7,00,23,590	NIL	7,00,23,590	26%
d) Banks/ FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (A)(2)	7,00,23,590	NIL	7,00,23,590	26%	7,00,23,590	NIL	7,00,23,590	26%
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	26,93,21,493	7	26,93,21,500	100%	26,93,21,493	7	26,93,21,500	100%
B. Public Shareholding								
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B) = (B)(1)+(B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	26,93,21,493	7	26,93,21,500	100%	26,93,21,493	7	26,93,21,500	100%

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the Company	% shares pledge / encumbered to total shares	No. of shares	% of total shares of the Company	% shares pledge / encumbered to total shares	% change in share holding during the year
1.	IFFCO & its Nominees	19,56,35,138	72.64%	NIL	19,56,35,138	72.64%	NIL	NIL
2.	Indian Potash Limited	36,62,772	1.36%	NIL	36,62,772	1.36%	NIL	NIL
3.	TOKIO Marine Asia Pte. Ltd.	7,00,23,590	26%	NIL	7,00,23,590	26%	NIL	NIL
	TOTAL	26,93,21,500	100%	NIL	26,93,21,500	100%	NIL	NIL

(iii) Change in Promoters' Shareholding:

There was no change in Promoters' Shareholding during the Year 2016-17

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

There is no Shareholder other than Promoters and their Nominees

(v) Shareholding of Directors and Key Managerial Personnel :

None of the Directors or Key Managerial Personnel holds shares of the Company except as Nominee of Promoters and there was no change in the Shareholding of Promoter's Nominees during the year 2016-17

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole – time Directors and / or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount in ₹ Lakhs
		Mr. Yogesh Lohiya (MD & CEO) *	Mr. Warendra Sinha (MD & CEO) **	Mr. H.O. Suri Director (Marketing & CIO)	Mr. Hiroshi Yasui Director (Operations & CRO)	
1	Gross Salary					
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	143.40	1.38	54.66	51.29	250.73
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify	0.00	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00	0.00
	Total (A)	143.40	1.38	54.66	51.29	250.73

* Mr. Yogesh Lohiya has completed his tenure as MD& CEO of the Company on 14th February, 2017

** Mr. Warendra Sinha has joined the company as MD& CEO with effect from 28th March, 2017.

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors						Total Amount in ₹ Lakhs
		Mr. Sudhakar Rao	Mr. Ashwani Kumar	Mrs. Mira Mehrishi				
1.	Independent Directors							
(a)	Fee for attending board/ committee Meetings	16.00	14.00	15.00				45.00
(b)	Commission	0.00	0.00	0.00				0.00
(c)	Others, please specify	0.00	0.00	0.00				0.00
	Total (1)	16.00	14.00	15.00				45.00
2.	Other Non-executive Directors	Mr. K. Srinivasa Gowda	Mr. Lee King Chi Arthur	Mr. B.S. Nakai	Mr. Rakesh Kapur	Dr. P.S. Gahlaut	Dr. U.S. Awasthi	Total Amount ₹ In Lakhs
(a)	Fee for attending board/ committee Meetings	9.00	8.00	5.00	25.00	13.00	23.00	83.00
(b)	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c)	Others, please specify	6.00	0.00	0.00	0.00	0.00	0.00	6.00
	Total (2)	15.00	8.00	5.00	25.00	13.00	23.00	89.00
	Total (B) = (1 + 2)	31.00	22.00	20.00	25.00	13.00	23.00	134.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹ Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel				
		MD & CEO		CFO	Company Secretary	Total
		From 01.04.2016 to 14.02.2017	From 28.03.2017 to 31.03.2017			
1.	Gross Salary					
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	143.40	1.38	36.66	22.78	204.22
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.00	0.00	0.00	0.22	0.22
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4.	Commission - As % of profit - Others, specify	0.00	0.00	0.00	0.00	
5.	Others, please specify	0.00	0.00	0.00	0.00	0.00
	Total	143.40	1.38	36.66	23.00	204.44

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
B. DIRECTORS	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					

REMUNERATION OF OTHER KEY MANAGERIAL PERSONS UNDER CORPORATE GOVERNANCE GUIDELINES OF IRDAI

(Amount in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	APPOINTED ACTUARY	
		Mr. Khushwant Pahwa* 1.04.2016 to 30.09.2016	Mr. Vaibhav Tyagi** 14.02.2017 to 31.03.2017
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	6.60
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	0.02
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	
(2)	Stock Option	-	-
(3)	Sweat Equity	-	-
(4)	Commission - As % of profit - Others, specify	-	-
(5)	Others, please specify-Consultant	31.00	-
	Total	31.00	6.62

* Mr. Khushwant Pahwa has demitted office of Appointed Actuary on 30.09.2016 on completion of his term.

** Mr. Vaibhav Tyagi has joined the Company on 14th February, 2017 and his appointment as Appointed Actuary has been approved by IRDAI on 12th April, 2017.

IFFCO TOKIO General Insurance Co. Limited

Policy for Appointment and Selection of Directors and members of Senior Management and determining Directors' Independence.

1. Scope & Objective

- a) This Policy sets out the guiding principles for the Nomination and Remuneration Committee (N&R Committee) for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the IFFCO TOKIO General Insurance Co. Limited (the "Company" or "ITGI").
- b) This policy aims to achieve an appropriate balance of skills, experience, knowledge and expertise amongst its Directors and members of Senior Management
- c) This policy also aims to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

2. Definitions :

In this Policy, the following terms shall have the following meanings:

- a) **"Director"** means a director appointed to the Board of a Company.
- b) **"Nomination and remuneration Committee" or N&R Committee** means the committee constituted by Company's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Corporate Governance Guidelines of Insurance Regulatory and Development Authority of India (IRDAI).
- c) **"Independent Director"** means a director referred to in sub-section (6) of section 149 of the Companies Act, 2013.
- d) **"Senior Management"** means personnel of the Company who are members of its core management team excluding members of the Board of Directors comprising all members of the Management one level below the Executive/Whole- time Directors including functional heads.

3. Qualifications and Criteria for Appointment of a Director

- a) Meeting the requirements of the Company and enhancing the competencies of the Board are the basis for the N&R Committee to shortlist and recommend a person for appointment as Director on the Board of the Company. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.
- b) When evaluating the suitability of individual and making a recommendation to the Board for appointment of such individual as Director on the Board of the Company, the N&R Committee may take into account factors, such as:
 - i. General understanding of the Company's business dynamics, Industrial and Social perspective;
 - ii. Educational and professional background,
 - iii. Standing in the profession;
 - iv. Personal and professional ethics, integrity and values;
 - v. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- c) The proposed appointee shall also fulfil the following requirements:
 - i. shall possess a Director Identification Number (DIN);
 - ii. shall not be disqualified under the Companies Act, 2013;
 - iii. shall give his written consent to act as a Director;
 - iv. shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
 - v. shall abide by the Code of Conduct established by the company;
 - vi. shall disclose his concern or interest in any company or companies or bodies corporate, firms or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - vii. shall meet the fit and proper criteria as laid down by Corporate Governance Guidelines of IRDAI and provided with suitable declaration and undertakings to the Company in this regard
 - viii. shall execute a Deed of Covenant with the Company as prescribed under Governance Guidelines of IRDAI
 - ix. such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, IRDAI Guidelines and other relevant laws.

4. Criteria of Independence

- a) The N&R Committee shall assess the independence of Directors at the time of appointment/ re-appointment and the Board shall assess the same annually.
- b) The Independent Directors shall fulfil the criteria of independence and other requirements as laid down in Section 149(6) of the Companies Act, 2013 and the provisions of Corporate Governance Guidelines of IRDAI and shall submit the requisite declarations to this effect.

- c) The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.

5. Disqualifications and Directorships in other companies:

- a) No person shall be considered for appointment as a Director of the Company, if he is disqualified to be appointed as such in terms of Section 164 of the Companies Act, 2013.
- b) No person shall be considered for appointment as Director of the Company if he is already a Director in twenty companies and/or holds the directorship in ten or more public companies or private companies that is either a holding or subsidiary of a public company.

6. Criteria for selection & Appointment of Members of Senior Management

The criteria to be considered when assessing the prospective candidate for appointment as member of Senior Management shall include the following:

- a) Highest level of personal and professional ethics and integrity
- b) High quality attributes such as discipline, objectiveness, sensitivity and creativity
- c) Experience and expertise in the relevant discipline for which the appointment is being considered
- d) Excellent interpersonal communicational and representational skills
- e) Strong influencing and negotiation skills
- f) Inclination for continuous professional development to refresh knowledge and skills

IFFCO TOKIO General Insurance Co. Limited

Remuneration Policy for Directors, Key Managerial Personnel and other Employees

1. Scope & Objective

This Remuneration Policy of the Company provides a framework and sets out the guiding principles for the Nomination and Remuneration Committee (the “N&R Committee”) for recommending to the Board the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the IFFCO TOKIO General Insurance Co. Ltd. (the “Company”).

The primary objectives of this Policy are as under:

- a) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, at all levels, the quality talent required to run the company successfully.
- b) To ensure that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) To ensure that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Definitions :

In this Policy, the following terms shall have the following meanings:

- a. “Director” Means a director appointed to the Board of the Company.
- b. “Key Managerial Person/ Personnel” or “KMP” means members of the core management team of the Company including all Whole Time Directors, Managing Director/CEO, and the functional heads one level below the MD/CEO, including the CFO, Appointed Actuary, Chief Investment Officer, Chief Risk Officer, Chief Compliance Officer and the Company Secretary
- c. “Nomination and Remuneration Committee” or “N&R Committee” means the committee constituted by Company's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Corporate Governance Guidelines of Insurance Regulatory and Development Authority of India (IRDAI).

3. Remuneration to Non Executive/ Independent Directors:

- a) Subject to the overall limit as prescribed in the Companies Act, 2013 and rules made thereunder, as amended from time to time, the Board, on the recommendations of the N & R Committee shall review and approve the remuneration payable to the Non Executive Directors of the Company within the overall limits approved by the Shareholders.
- b) Non- Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.
- c) All the Non Executive/ Independent Directors shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.
- d) The Independent Directors shall not be eligible for the Stock Options, if any.

4. Remuneration to Executive/ Whole-time Directors and Managing Director & CEO

- a) The Whole-time Directors and MD & CEO are appointed on contractual basis for a fixed tenure as approved by the IRDAI and the Shareholders and such contracts are renewable upon expiry of the tenure subject to recommendations by the N&R Committee/ Board and approval of IRDAI and Shareholders.
- b) The Remuneration payable to Executive/ Whole-time Directors including MD & CEO shall be approved and recommended by the N&R Committee subject to the approval of IRDAI under the provisions of Section 34A of the Insurance Act, 1938, as amended and the Shareholders of the Company under the provision of the Companies Act, 2013.

- c) The Remuneration payable to Executive/ Whole-time Directors including MD & CEO may include Basic Pay, House Rent Allowance, Grade Allowance, Perquisites, Variable Pay (Performance Based Incentives), and other Allowances/ elements/ benefits as may be approved by the N&R Committee from time to time. They may also be eligible for the Stock Options as per the Scheme framed by the Company from time to time
- (ca) While determining or reviewing the remuneration for a MD/CEO/WTD, it should be ensured that :
- (i) Remuneration is adjusted for all type of risk,
 - (ii) Remuneration outcomes are symmetric with the risk outcomes,
 - (iii) Remuneration payouts are sensitive to the time horizon of the risk
 - (iv) The mix of cash, equity and other forms of remuneration must be consistent with risk alignment
 - (v) Risk adjustment parameters e.g. Persistency, Solvency, Grievance Redressal, Expenses of Management, Claim Settlement, Claim Repudiations, overall compliance status, Overall financial position including Net worth, Asset under Management (AUM) etc. have been taken into account:
 - (vi) The fixed portion of remuneration is reasonable and there is a proper balance between the fixed pay and variable pay. At higher level of responsibility, the proportion of variable may be higher
 - (vii) In case where variable pay is substantial i.e. 50% or more of total pay, then the appropriate portion of such variable pay (i.e. 40% to 60%) must be deferred over a period not less than 3 years and will be subject to claw back in the event of any negative trend in risk adjustment parameters.
- d) Executive/ Whole-time Directors including MD & CEO shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.
- 5. Remuneration to Key Managerial Personnel (other than MD & CEO and Whole time Directors)**
- a) The Key Components of Remuneration Package of KMPs shall comprise of Basic Pay, House Rent Allowance, Grade Allowance, Leave Travel Allowances and other allowances, Perquisites, Variable Performance Incentive, Retiral Benefits including contribution to Provident Fund, Gratuity and other Benefits. They may also be eligible for the Stock Options as per the Scheme framed by the Company from time to time.
 - b) The Board, on the recommendation of the N&R Committee, shall review and approve the Remuneration Package for the KMPs of the Company.
 - c) KMPs shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.
- 6. Remuneration to Other Employees:**
- a) Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.
 - b) Remuneration Package of Employees of the Company shall normally comprised of the Basic Pay, House Rent Allowance, Grade Allowances, Leave Travel Allowances and other allowances, Perquisites, Variable Performance Incentive, Retiral Benefits including contribution to Provident Fund, Gratuity and other Benefits.
 - c) Remuneration Package for the Employees under each grade shall be determined and reviewed with the approval of the Board/ Committee.
- 7. Disclosure in the Board's Report:**
- As required under the relevant provisions of the Companies Act, 2013, and the rules made there under as well as the requirements of the IRDAI's Guidelines on Corporate Governance, appropriate disclosures with regard to the remuneration details of the Directors, KMPs, Senior Management and other employees shall be made in the Board's Report of the Company.
- 8. Policy Review:**
- a) This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the IRDAI Regulations and Guidelines, the Insurance Act 1938 and rules/regulations/ guidelines made there under, the Memorandum and Articles of Association of the Corporation or as may be otherwise prescribed by the Board from time to time.
 - (aa) This Policy will be reviewed by the N&R Committee on annual basis and in case of any change or modification the same shall be recommended to the Board for approval.
 - b) The N&R Committee may issue/implement such guidelines, procedures, formats and/or reporting mechanisms to enforce this Policy as it may deem fit.

AUDITORS' REPORT



TO THE MEMBERS OF IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March, 2017, the Revenue Accounts of Fire, Marine and Miscellaneous Insurance (collectively known as the “Revenue Accounts”), the Profit and Loss Account and the Receipts and Payments Accounts for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company in accordance with the accounting principles generally accepted in India, Insurance Act, 1938, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulations) including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its surplus in revenue accounts, its profit and its receipts and payments accounts for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Revenue Accounts, Profit and Loss Account, and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by IRDA.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-A**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on the notes to the Balance Sheet as at 31st March, 2017.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. In our opinion and according to the information and explanations given to us, we further report that:
 - (a) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 and with the accounting principles prescribed by the Regulations and orders / directions issued by IRDA in this behalf;
 - (b) Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the regulations and orders / directions issued by IRDA in this behalf;
 - (c) The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at March 31, 2017, has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the

assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDA and the Institute of Actuaries of India (formerly known as the Actuarial Society of India) in concurrence with the IRDA; and

4. Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us during the course of our audit and to the best of our knowledge and belief, we further certify that:

- (a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2017 and there are no apparent mistakes or material inconsistencies with the financial statements; and
- (b) Based on information and explanations received during the course of our audit and management representation, nothing has come to our attention which causes us to believe that the company has not complied with the terms and conditions of registration.

For S.K. Mittal & Co.
Chartered Accountants
FRN 001135N

S.K. Mittal
Partner
M.No. 8506

Place: New Delhi
Date: 02nd May, 2017

For J.C. Bhalla & Co.
Chartered Accountants
FRN 001111N

Rajesh Sethi
Partner
M.No. 85669

AUDITOR'S CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and other records maintained by IFFCO TOKIO General Insurance Company Limited (the Company) for the year ended March 31, 2017, we certify that:

- (a) We have verified the cash balances and investments of the Company with the dematerialized statement/confirmations received from the custodians as at March 31, 2017, the Company had no secured loans.
- (b) The Company is not a trustee of any trust.
- (c) No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders funds.

This certificate is issued to comply with Schedule 'C' of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Accounting Regulations'), read with regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For S.K. Mittal & Co.
Chartered Accountants
FRN 001135N

For J.C. Bhalla & Co.
Chartered Accountants
FRN 001111N

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

Place: New Delhi
Date: 02nd May, 2017

ANNEXURE 'A'

The Annexure referred to in paragraph 2 (g) of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of IFFCO TOKIO General Insurance Company Limited on the Internal Financial Controls required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of IFFCO TOKIO General Insurance Company Limited as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of

Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

For S.K. Mittal & Co.
Chartered Accountants
FRN 001135N

S.K. Mittal
Partner
M.No. 8506

Place: New Delhi
Date: 02nd May, 2017

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J.C.Bhalla & Co.
Chartered Accountants
FRN 001111N

Rajesh Sethi
Partner
M.No. 85669

IFFCO-TOKIO

FINANCIAL STATEMENTS



BALANCE SHEET AS AT 31st March, 2017

(₹ In '000)

S. No.	PARTICULARS	SCHEDULE	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)	(5)
	SOURCES OF FUNDS			
1	SHARE CAPITAL	5	2,693,215	2,693,215
2	RESERVES AND SURPLUS	6	14,163,250	9,895,072
3	FAIR VALUE CHANGE ACCOUNT			
	- Shareholders		(394)	(424)
	- Policyholders		(1,481)	(6,036)
4	BORROWINGS	7	-	-
	TOTAL		16,854,590	12,581,827
	APPLICATION OF FUNDS			
5	INVESTMENTS			
	Investments - Shareholders	8	13,803,267	2,695,502
	Investments - Policyholders	8A	51,813,619	38,415,281
6	LOANS	9	-	-
7	FIXED ASSETS	10	301,536	220,695
8	DEFERRED TAX ASSET (NET)		245,700	163,300
9	CURRENT ASSETS :			
	Cash and Bank Balances	11	1,292,778	8,139,366
	Advances and Other Assets	12	4,512,298	5,686,645
	Sub-Total (A)		5,805,076	13,826,011
10	CURRENT LIABILITIES	13	40,481,829	27,651,789
11	PROVISIONS	14	14,632,779	15,087,173
	Sub-Total (B)		55,114,608	42,738,962
12	NET CURRENT ASSETS (C) = (A-B)		(49,309,532)	(28,912,951)
13	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15	-	-
	TOTAL		16,854,590	12,581,827

CONTINGENT LIABILITIES

(₹ In '000)

S. No.	PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Partly paid up Investments	-	-
2	Claims, other than against policies, not acknowledged as debts by the company	-	-
3	Underwriting commitments outstanding (in respect of shares and securities)	-	-
4	Guarantees given by or on behalf of the company	-	-
5	Statutory demands / liabilities in dispute, not provided for	748,137	280,281
6	Reinsurance obligations to the extent not provided for in the accounts	-	-
7	Others	-	-
	TOTAL	748,137	280,281

Notes to Accounts

16

Schedule No. 1 to 16 form an integral part of the financial statements
As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Place : New Delhi
Dated : 02nd May, 2017

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2017

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	403,317	449,291
2	Profit / (Loss) on Sale/Redemption of Investments		40,701	3,889
3	Others: Exchange Gain / (Loss)		(3,409)	(3,992)
	Handling Charges		(5,309)	(976)
4	Interest, Dividend & Rent - Gross		70,922	75,415
	TOTAL (A)		506,222	523,627
1	Claims Incurred (Net)	2	211,477	250,829
2	Commission	3	(377,910)	(262,516)
3	Operating expenses related to Insurance Business	4	121,900	114,976
4	Premium Deficiency		-	-
	TOTAL (B)		(44,533)	103,289
	Operating Profit / (Loss) from Fire Business C = (A-B)		550,755	420,338
	APPROPRIATIONS			
	Transfer to Shareholders' Account		550,755	420,338
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		550,755	420,338

Schedule No. 1 to 16 form an integral part of the financial statements

As required by Section 40C of the Insurance Act, 1938, we certify that the expenses of management, wherever incurred, whether directly or indirectly in respect of Fire insurance business have been debited to Fire insurance revenue account as expense as per the accounting policy of the Company in this regard.

As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Place : New Delhi
Dated : 02nd May, 2017

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2017

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	534,270	396,139
2	Profit / (Loss) on sale / Redemption of Investments		37,899	3,897
3	Others: Exchange Gain / (Loss)		(64)	-
	Handling Charges		(378)	14
4	Interest, Dividend & Rent - Gross		66,039	75,570
	TOTAL (A)		637,766	475,620
1	Claims Incurred (Net)	2	384,063	400,281
2	Commission	3	(42,608)	(68,212)
3	Operating expenses related to Insurance Business	4	150,046	90,759
4	Premium Deficiency		(4,885)	4,885
	TOTAL (B)		486,616	427,713
	Operating Profit / (Loss) from Marine Business C = (A-B)		151,150	47,907
	APPROPRIATIONS			
	Transfer to Shareholders' Account		151,150	47,907
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		151,150	47,907

Schedule No. 1 to 16 form an integral part of the financial statements

As required by Section 40C of the Insurance Act, 1938, we certify that the expenses of management, wherever incurred, whether directly or indirectly in respect of Marine insurance business have been debited to Marine insurance revenue account as expense as per the accounting policy of the Company in this regard.

As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
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Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Place : New Delhi
Dated : 02nd May, 2017

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2017

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	34,172,398	27,204,054
2	Profit / (Loss) on sale / Redemption of Investments		1,914,928	170,183
3	Others: Transfer & Duplicate Fee		12,627	12,729
	Exchange Gain / (Loss)		(320)	7,428
	Handling Charges		1,394	(32)
4	Interest, Dividend & Rent - Gross		3,336,824	3,300,208
	TOTAL (A)		39,437,851	30,694,570
1	Claims Incurred (Net)	2	28,181,622	21,545,548
2	Commission	3	(1,441,575)	826,120
3	Operating expenses related to Insurance Business	4	8,848,582	7,085,356
4	Premium Deficiency		-	-
	TOTAL (B)		35,588,629	29,457,024
	Operating Profit / (Loss) from Miscellaneous Business C = (A-B)		3,849,222	1,237,546
	APPROPRIATIONS			
	Transfer to Shareholders' Account		3,849,222	1,237,546
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		3,849,222	1,237,546

Schedule No. 1 to 16 form an integral part of the financial statements

As required by Section 40C of the Insurance Act, 1938, we certify that the expenses of management, wherever incurred, whether directly or indirectly in respect of Miscellaneous insurance business have been debited to Miscellaneous insurance revenue account as expense as per the accounting policy of the Company in this regard.

As per our Report of even date attached.

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

S.K. Mittal
Partner
M.No. 8506

Place : New Delhi
Dated : 02nd May, 2017

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

Rajesh Sethi
Partner
M.No. 85669

For and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2017

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	OPERATING PROFIT / (LOSS)			
	(a) Fire Insurance		550,755	420,338
	(b) Marine Insurance		151,150	47,907
	(c) Miscellaneous Insurance		3,849,222	1,237,546
			4,551,127	1,705,791
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent - Gross		1,057,133	660,838
	(b) Profit on sale of Investments		606,665	34,077
	Less : Loss on Sale of Investments		-	-
			1,663,798	694,915
3	OTHER INCOME			
	(a) Miscellaneous Income		54,893	36,006
	(b) Profit on Sale of Fixed Assets		97	-
	TOTAL (A)		6,269,915	2,436,712
4	PROVISIONS (Other than taxation)			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		41,621	-
	(c) For doubtful Advances		-	-
5	OTHER EXPENSES			
	(a) Expenses other than those related to Insurance business		-	9,128
	(b) Bad Debts / Advances written off		-	-
	(c) Loss on Sale of Fixed Assets		-	825
	(d) Expenses on Corporate Social Responsibility (CSR)		32,794	27,414
	TOTAL (B)		74,415	37,367
	Profit Before Tax (A-B)		6,195,500	2,399,345
	Less: Provision for Taxation			
	Current Tax		2,014,300	639,000
	Deferred Tax		(84,500)	89,900
	Wealth Tax		-	-
	Less: Short / (Excess) provision for taxation for earlier years			
	Current Tax		(4,578)	(416)
	Deferred Tax		2,100	-
	Wealth Tax		-	(22)
	Profit After Tax		42,68,178	1,670,883
	APPROPRIATIONS			
	(a) Interim dividends paid during the year		-	-
	(b) Proposed final dividend		-	-
	(c) Dividend distribution tax		-	-
	(d) Transfer to any Reserves or other Accounts		-	-
	Balance of Profit brought forward from last year		7,325,117	5,654,234
	Balance carried forward to Balance sheet		11,593,295	7,325,117
	Basic & Diluted Earnings per share (Equity shares of face value of ₹10 each)		15.85	6.20

Notes to Accounts

16

Schedule No. 1 to 16 form an integral part of the financial statements
As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Place : New Delhi
Dated : 02nd May, 2017

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st March, 2017

(₹ In '000)

	Current Year		Previous Year	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premium received from policyholders, including advance receipts	62,948,308		42,161,935	
Other receipts	54,893		36,007	
Payments to re-insurers, net of commissions and claims	(8,475,579)		(935,040)	
Payments to co-insurers, net of claims recovery	94,624		(201,612)	
Payments of claims	(27,142,403)		(27,612,933)	
Payments of commission and brokerage	(1,869,853)		(1,798,893)	
Payments of other operating expenses	(9,424,697)		(7,262,922)	
Preliminary and pre-operative expenses	-		-	
Deposits, advances and staff loans	(22,476)		(26,677)	
Income taxes paid (Net)	(1,795,707)		(927,761)	
Service tax paid	(3,098,712)		(2,851,137)	
Other payments	-		-	
Cash Flows before extraordinary items	11,268,397		580,968	
Cash Flows from extraordinary operations	-		-	
Net Cash Flows from operating activities		11,268,397		580,968
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(170,909)		(106,312)	
Proceeds from sale of fixed assets	191		912	
Purchases of investments	(258,485,033)		(77,345,152)	
Loans disbursed	-		-	
Sales of investments	236,296,943		65,005,746	
Repayments received	-		-	
Rent/Interest/Dividend received	4,243,822		3,316,493	
Investments in money market instruments and in liquid mutual funds (Net)	-		-	
Expenses related to investments	-		(9,128)	
Net Cash Flows from investing activities		(18,114,985)		(9,137,441)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	-		-	
Proceeds from borrowing	-		-	
Repayments of borrowing	-		-	
Interest/dividends paid	-		-	
Net Cash Flows from financing activities		-		-
Effect of foreign exchange rates on cash and cash equivalents (Net)		-		-
Net Increase / (Decrease) in Cash & Cash equivalents		(6,846,589)		(8,556,473)
Cash equivalents at beginning of Year		8,139,366		16,695,839
Cash equivalents at end of Year		1,292,778		8,139,366

As per our Report of even date attached.

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

For and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Place : New Delhi
Dated : 02nd May, 2017

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1

PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Premium from direct business written	2,767,478	1,288,219	51,581,329	55,637,026	2,659,496	1,167,348	33,086,472	36,913,316
Add : Premium on reinsurance accepted	545,307	28,686	146,390	720,383	437,711	47,759	225,617	711,087
	3,312,785	1,316,905	51,727,719	56,357,409	3,097,207	1,215,107	33,312,089	37,624,403
Less : Premium on reinsurance ceded	2,850,020	747,133	18,141,401	21,738,554	2,630,458	846,565	4,556,304	8,033,327
Net Premium	462,765	569,772	33,586,318	34,618,855	466,749	368,542	28,755,785	29,591,076
Adjustments for changes in Reserve for Unexpired Risks	59,448	35,502	(586,080)	(491,130)	17,458	(27,597)	1,551,731	1,541,592
Total Premium Earned (Net)	403,317	534,270	34,172,398	35,109,985	449,291	396,139	27,204,054	28,049,484

* For analysis of the segment of Marine business, refer Schedule 1A.

** For analysis of the segment of Miscellaneous business, refer Schedule 1B.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1A

PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Premium from direct business written	1,231,187	57,032	1,288,219	1,095,706	71,642	1,167,348
Add : Premium on reinsurance accepted	28,256	430	28,686	46,906	853	47,759
	1,259,443	57,462	1,316,905	1,142,612	72,495	1,215,107
Less : Premium on reinsurance ceded	714,376	32,757	747,133	796,499	50,066	846,565
Net Premium	545,067	24,705	569,772	346,113	22,429	368,542
Adjustments for changes in Reserve for Unexpired Risks	33,073	2,429	35,502	(21,818)	(5,779)	(27,597)
Total Premium Earned (Net)	511,994	22,276	534,270	367,931	28,208	396,139

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 1B
PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Premium from direct business written	15,278,310	14,454,774	29,733,084	711,260	6,351	300,104	523,382	228,296	5,175,800	12,552,207	2,350,845	51,581,329
Add : Premium on reinsurance accepted	-	10,448	10,448	44,643	-	-	4,725	8,575	69,405	-	8,594	146,390
	15,278,310	14,465,222	29,743,532	755,903	6,351	300,104	528,107	236,871	5,245,205	12,552,207	2,359,439	51,727,719
Less : Premium on reinsurance ceded	3,813,847	3,631,742	7,445,589	607,772	6,293	15,005	70,208	76,356	450,359	7,882,395	1,587,424	18,141,401
Net Premium	11,464,463	10,833,480	22,297,943	148,131	58	285,099	457,899	160,515	4,794,846	4,669,812	772,015	33,586,318
Adjustments for changes in Reserve for Unexpired Risks	(695,760)	(11,923)	(707,683)	(22,612)	(45)	8,366	782	11,767	119,349	(5,712)	9,708	(586,080)
Total Premium Earned (Net)	12,160,223	10,845,403	23,005,626	170,743	103	276,733	457,117	148,748	4,675,497	4,675,524	762,307	34,172,398

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 1B
PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Previous Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Premium from direct business written	13,289,852	10,781,581	24,071,433	637,449	7,577	280,919	493,092	201,531	4,324,689	907,112	2,162,670	33,086,472
Add : Premium on reinsurance accepted	-	154,236	154,236	48,778	(17)	-	4,001	8,928	3,604	-	6,087	225,617
	13,289,852	10,935,817	24,225,669	686,227	7,560	280,919	497,093	210,459	4,328,293	907,112	2,168,757	33,312,089
Less : Premium on reinsurance ceded	722,886	565,952	1,288,838	486,564	6,938	14,047	61,633	69,029	499,524	725,679	1,404,052	4,556,304
Net Premium	12,566,966	10,369,865	22,936,831	199,663	622	266,872	435,460	141,430	3,828,769	181,433	764,705	28,755,785
Adjustments for changes in Reserve for Unexpired Risks	501,684	825,989	1,327,673	9,479	(635)	18,091	65,508	4,658	45,627	2,830	78,500	1,551,731
Total Premium Earned (Net)	12,065,282	9,543,876	21,609,158	190,184	1,257	248,781	369,952	136,772	3,783,142	178,603	686,205	27,204,054

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 2

CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Claims Paid Direct	1,133,511	770,727	23,681,007	25,585,245	1,406,951	1,440,155	22,666,642	25,513,748
Add : Reinsurance accepted	47,515	22,575	276,149	346,239	523,368	16,067	157,835	697,270
Less : Reinsurance ceded	969,710	451,678	4,858,815	6,280,203	1,643,769	1,058,396	5,113,677	7,815,842
Net Claims Paid	211,316	341,624	19,098,341	19,651,281	286,550	397,826	17,710,800	18,395,176
Add : Claims Outstanding at the end of the year	458,456	582,400	29,176,481	30,217,337	458,295	539,961	20,093,200	21,091,456
Less : Claims Outstanding at the beginning of the year	458,295	539,961	20,093,200	21,091,456	494,016	537,506	16,258,452	17,289,974
Total Claims Incurred	211,477	384,063	28,181,622	28,777,162	250,829	400,281	21,545,548	22,196,658

* For analysis of the segment of Marine business, refer Schedule 2A.

** For analysis of the segment of Miscellaneous business, refer Schedule 2B.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 2A

CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Claims Paid Direct	737,530	33,197	770,727	1,367,385	72,770	1,440,155
Add : Reinsurance accepted	22,575	-	22,575	16,067	-	16,067
Less : Reinsurance ceded	421,808	29,870	451,678	1,027,236	31,160	1,058,396
Net Claims Paid	338,297	3,327	341,624	356,216	41,610	397,826
Add : Claims Outstanding at the end of the year	499,399	83,001	582,400	424,533	115,428	539,961
Less : Claims Outstanding at the beginning of the year	424,533	115,428	539,961	401,476	136,030	537,506
Total Claims Incurred	413,163	(29,100)	384,063	379,273	21,008	400,281

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 2B

CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Current Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Claims Paid Direct	10,082,405	5,266,043	15,348,448	302,550	-	78,063	384,914	58,357	5,015,568	1,254,717	1,238,390	23,681,007
Add : Reinsurance accepted	-	221,861	221,861	5,773	2,789	-	3,440	687	38,854	-	2,745	276,149
Less : Reinsurance ceded	1,281,850	1,023,560	2,305,410	191,157	-	4,256	64,166	23,579	496,952	866,959	906,336	4,858,815
Net Claims Paid	8,800,555	4,464,344	13,264,899	117,166	2,789	73,807	324,188	35,465	4,557,470	387,758	334,799	19,098,341
Add : Claims Outstanding at the end of the year	2,212,587	21,868,002	24,080,589	243,864	941	104,453	215,140	87,799	1,333,699	2,657,709	452,287	29,176,481
Less : Claims Outstanding at the beginning of the year	1,390,689	16,544,470	17,935,159	292,311	9,739	94,429	151,260	99,914	925,887	196,909	387,592	20,093,200
Total Claims Incurred	9,622,453	9,787,876	19,410,329	68,719	(6,009)	83,831	388,068	23,350	4,965,282	2,848,558	399,494	28,181,622

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 2B

CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Previous Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Claims Paid Direct	9,062,168	5,523,515	14,585,683	451,793	4,413	46,942	234,835	4,091	4,264,740	2,418,855	655,290	22,666,642
Add : Reinsurance accepted	-	141,174	141,174	739	(1,725)	-	5,135	-	7,632	-	4,880	157,835
Less : Reinsurance ceded	619,697	1,390,663	2,010,360	338,104	3,102	2,727	25,123	643	476,036	1,935,011	322,571	5,113,677
Net Claims Paid	8,442,471	4,274,026	12,716,497	114,428	(414)	44,215	214,847	3,448	3,796,336	483,844	337,599	17,710,800
Add : Claims Outstanding at the end of the year	1,390,689	16,544,470	17,935,159	292,311	9,739	94,429	151,260	99,914	925,887	196,909	387,592	20,093,200
Less : Claims Outstanding at the beginning of the year	1,340,990	12,869,161	14,210,151	328,333	14,656	75,311	136,071	89,497	622,661	389,666	392,106	16,258,452
Total Claims Incurred	8,492,170	7,949,335	16,441,505	78,406	(5,331)	63,333	230,036	13,865	4,099,562	291,087	333,085	21,545,548

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS SCHEDULE - 3 COMMISSION

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Commission Paid Direct	91,453	69,097	1,485,323	1,645,873	63,778	56,571	1,289,697	1,410,046
TOTAL (A)	91,453	69,097	1,485,323	1,645,873	63,778	56,571	1,289,697	1,410,046
Add : Commission on reinsurance accepted	33,236	1,443	14,238	48,917	31,046	4,171	6,457	41,674
Less : Commission on reinsurance ceded	502,599	113,148	2,941,136	3,556,883	357,340	128,954	470,034	956,328
Net Commission	(377,910)	(42,608)	(1,441,575)	(1,862,093)	(262,516)	(68,212)	826,120	495,392
Breakup of the expenses (Gross) incurred to procure business:								
Agents	39,360	28,903	618,242	686,505	29,004	22,988	549,905	601,897
Brokers	44,868	38,792	793,080	876,740	30,023	32,158	636,204	698,385
Corporate Agency	7,225	1,402	74,001	82,628	4,751	1,425	103,588	109,764
Others	-	-	-	-	-	-	-	-
TOTAL (B)	91,453	69,097	1,485,323	1,645,873	63,778	56,571	1,289,697	1,410,046

* For analysis of the segment of Marine business, refer Schedule 3A.

** For analysis of the segment of Miscellaneous business, refer Schedule 3B.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS SCHEDULE - 3A COMMISSION

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Commission Paid Direct	64,568	4,529	69,097	52,442	4,129	56,571
TOTAL (A)	64,568	4,529	69,097	52,442	4,129	56,571
Add : Commission on reinsurance accepted	1,443	-	1,443	4,163	8	4,171
Less : Commission on reinsurance ceded	109,413	3,735	113,148	126,059	2,895	128,954
Net Commission	(43,402)	794	(42,608)	(69,454)	1,242	(68,212)
Breakup of the expenses (Gross) incurred to procure business:						
Agents	25,948	2,955	28,903	20,116	2,872	22,988
Brokers	37,311	1,481	38,792	30,931	1,227	32,158
Corporate Agency	1,309	93	1,402	1,395	30	1,425
Others	-	-	-	-	-	-
TOTAL (B)	64,568	4,529	69,097	52,442	4,129	56,571

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 3B
COMMISSION

(₹ In '000)

Particulars	Current Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Commission Paid Direct	897,667	16,088	913,755	46,677	389	27,635	33,352	28,770	275,603	-	159,142	1,485,323
Total (A)	897,667	16,088	913,755	46,677	389	27,635	33,352	28,770	275,603	-	159,142	1,485,323
Add : Commission on reinsurance accepted	-	-	-	3,575	-	-	47	1,434	7,404	-	1,778	14,238
Less : Commission on reinsurance ceded	721,653	610,935	1,332,588	65,829	839	2,251	8,643	7,805	47,837	1,233,396	241,948	2,941,136
Net Commission	176,014	(594,847)	(418,833)	(15,577)	(450)	25,384	24,756	22,399	235,170	(1,233,396)	(81,028)	(1,441,575)
Breakup of the expenses (Gross) incurred to procure business:												
Agents	357,998	13,417	371,415	19,769	-	16,532	14,625	4,885	144,916	-	46,100	618,242
Brokers	506,387	1,839	508,226	25,828	389	9,756	16,361	23,654	110,755	-	98,111	793,080
Corporate Agency	33,282	832	34,114	1,080	-	1,347	2,366	231	19,932	-	14,931	74,001
Others	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	897,667	16,088	913,755	46,677	389	27,635	33,352	28,770	275,603	-	159,142	1,485,323

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 3B
COMMISSION

(₹ In '000)

Particulars	Previous Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Commission Paid Direct	752,811	8,328	761,139	35,952	336	25,663	31,254	24,784	247,650	-	162,919	1,289,697
Total (A)	752,811	8,328	761,139	35,952	336	25,663	31,254	24,784	247,650	-	162,919	1,289,697
Add : Commission on reinsurance accepted	-	-	-	4,351	-	-	40	1,202	64	-	800	6,457
Less : Commission on reinsurance ceded	99,548	27,143	126,691	55,443	795	2,107	8,062	6,762	48,747	77,208	144,219	470,034
Net Commission	653,263	(18,815)	634,448	(15,140)	(459)	23,556	23,232	19,224	198,967	(77,208)	19,500	826,120
Breakup of the expenses (Gross) incurred to procure business:												
Agents	335,618	7,092	342,710	15,937	-	14,829	13,242	3,126	112,757	-	47,304	549,905
Brokers	376,759	912	377,671	18,472	336	9,171	14,008	21,467	115,361	-	79,718	636,204
Corporate Agency	40,434	324	40,758	1,543	-	1,663	4,004	191	19,532	-	35,897	103,588
Others	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	752,811	8,328	761,139	35,952	336	25,663	31,254	24,784	247,650	-	162,919	1,289,697

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year				Previous Year			
		FIRE	*MARINE	** MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
1	Employees remuneration and welfare benefits	18,324	22,561	1,329,915	1,370,800	17,003	13,425	1,047,544	1,077,972
2	Travel, conveyance and vehicle running expenses	1,430	1,760	103,783	106,973	1,566	1,236	96,465	99,267
3	Training expenses	32	40	2,344	2,416	82	66	5,131	5,279
4	Rent, rates and taxes	4,816	5,930	349,558	360,304	4,917	3,882	302,899	311,698
5	Repairs	1,587	1,954	115,178	118,719	1,754	1,385	108,071	111,210
6	Printing and stationery	832	1,024	60,390	62,246	1,092	862	67,261	69,215
7	Communication	1,224	1,507	88,830	91,561	1,243	981	76,569	78,793
8	Legal and professional charges	15,574	19,176	1,130,320	1,165,070	16,337	12,899	1,006,506	1,035,742
9	Auditor's fees, expenses etc.								
	(a) As Auditor	39	47	2,814	2,900	39	30	2,331	2,400
	(b) As Advisor or in any other capacity in respect of								
	(i) Taxation matters	-	-	-	-	6	5	389	400
	(ii) Insurance matters	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-
	(c) in any other capacity (Tax audit fees)	9	12	679	700	9	7	584	600
10	Advertisement and publicity	864	1,064	62,692	64,620	2,460	1,943	151,583	155,986
11	Marketing & support services	69,071	85,043	5,013,009	5,167,123	58,646	46,307	3,613,130	3,718,083
12	Interest and bank charges	1,219	1,501	88,473	91,193	1,111	878	68,424	70,413
13	Others :								
	Policy stamps	34	-	3,835	3,869	31	-	3,764	3,795
	Information & technology expenses	1,671	2,058	121,299	125,028	2,999	2,368	184,765	190,132
	Electricity & water charges	728	896	52,818	54,442	872	688	53,722	55,282
	Courtesies & entertainment	657	809	47,682	49,148	1,157	913	71,258	73,328
	Others	658	809	47,709	49,176	951	751	58,563	60,265
14	Depreciation	1,308	1,611	94,960	97,879	1,447	1,143	89,140	91,730
15	Service tax expense	1,823	2,244	132,294	136,361	1,254	990	77,257	79,501
	TOTAL	121,900	150,046	8,848,582	9,120,528	114,976	90,759	7,085,356	7,291,091

* For analysis of the segment of Marine business, refer Schedule 4A.

** For analysis of the segment of Miscellaneous business, refer Schedule 4B.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4 A

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year			Previous Year		
		Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
1	Employees remuneration and welfare benefits	21,583	978	22,561	12,608	817	13,425
2	Travel, conveyance and vehicle running expenses	1,684	76	1,760	1,161	75	1,236
3	Training expenses	38	2	40	62	4	66
4	Rent, rates and taxes	5,673	257	5,930	3,646	236	3,882
5	Repairs	1,869	85	1,954	1,301	84	1,385
6	Printing and stationery	980	44	1,024	810	52	862
7	Communication	1,441	66	1,507	921	60	981
8	Legal and professional charges	18,344	832	19,176	12,114	785	12,899
9	Auditor's fees, expenses etc.						
	(a) As Auditor	45	2	47	28	2	30
	(b) As Advisor or in any other capacity in respect of						
	(i) Taxation matters	-	-	-	5	-	5
	(ii) Insurance matters	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-
	(c) In any other capacity (Tax audit fees)	11	1	12	7	-	7
10	Advertisement and publicity	1,018	46	1,064	1,825	118	1,943
11	Marketing & support services	81,356	3,687	85,043	43,489	2,818	46,307
12	Interest and bank charges	1,436	65	1,501	824	54	878
13	Others:						
	Policy stamps	-	-	-	-	-	-
	Information & technology expenses	1,969	89	2,058	2,224	144	2,368
	Electricity & water charges	857	39	896	646	42	688
	Courtesies & entertainment	774	35	809	857	56	913
	Others	774	35	809	705	46	751
14	Depreciation	1,541	70	1,611	1,073	70	1,143
15	Service tax expense	2,147	97	2,244	930	60	990
	TOTAL	143,540	6,506	150,046	85,236	5,523	90,759

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 4 B
OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year											Total Miscellaneous
		Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	
1	Employees remuneration and welfare benefits	453,958	428,972	882,930	5,866	3	11,289	18,131	6,356	189,861	184,910	30,569	1,329,915
2	Travel, conveyance and vehicle running expenses	35,425	33,476	68,901	458	-	881	1,415	496	14,816	14,430	2,386	103,783
3	Training expenses	800	756	1,556	10	-	20	32	11	335	326	54	2,344
4	Rent, rates and taxes	119,319	112,752	232,071	1,542	1	2,967	4,766	1,670	49,904	48,602	8,035	349,558
5	Repairs	39,315	37,152	76,467	508	-	978	1,570	550	16,443	16,014	2,648	115,178
6	Printing and stationery	20,614	19,479	40,093	266	-	513	823	289	8,621	8,397	1,388	60,390
7	Communication	30,322	28,653	58,975	392	-	754	1,211	424	12,681	12,351	2,042	88,830
8	Legal and professional charges	385,827	364,592	750,419	4,985	2	9,595	15,410	5,402	161,367	157,159	25,981	1,130,320
9	Auditor's fees, expenses etc.												
	(a) As Auditor	960	908	1,868	13	-	23	39	14	401	392	64	2,814
	(b) As Advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity (Tax audit fees)	232	219	451	3	-	6	9	3	97	94	16	679
10	Advertisement and publicity	21,399	20,222	41,621	276	-	532	855	300	8,950	8,717	1,441	62,692
11	Marketing & support services	1,711,157	1,616,978	3,328,135	22,109	9	42,553	68,345	23,958	715,667	697,004	115,229	5,013,009
12	Interest and bank charges	30,200	28,537	58,737	390	-	751	1,206	423	12,631	12,301	2,034	88,473
13	Others:												
	Policy stamps	1,443	1,363	2,806	4	-	147	15	1	77	-	785	3,835
	Information & technology Expenses	41,405	39,125	80,530	535	-	1,030	1,654	580	17,317	16,865	2,788	121,299
	Electricity & water charges	18,029	17,037	35,066	233	-	448	720	253	7,540	7,344	1,214	52,818
	Courtesies & entertainment	16,276	15,380	31,656	210	-	405	650	228	6,807	6,630	1,096	47,682
	Others	16,285	15,389	31,674	211	-	405	650	228	6,811	6,633	1,097	47,709
14	Depreciation	32,414	30,630	63,044	419	-	806	1,295	453	13,557	13,203	2,183	94,960
15	Service tax expense	45,157	42,672	87,829	584	-	1,123	1,804	632	18,887	18,394	3,041	132,294
	TOTAL	3,020,537	2,854,292	5,874,829	39,014	15	75,226	120,600	42,271	1,262,770	1,229,766	204,091	8,848,582

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 4 B
OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Previous Year											Total Miscellaneous
		Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	
1	Employees remuneration and welfare benefits	457,802	377,763	835,565	7,274	23	9,722	15,863	5,152	139,478	6,609	27,858	1,047,544
2	Travel, conveyance and vehicle running expenses	42,158	34,787	76,945	670	2	895	1,461	474	12,844	609	2,565	96,465
3	Training expenses	2,242	1,850	4,092	36	-	48	78	25	683	32	137	5,131
4	Rent, rates and taxes	132,374	109,231	241,605	2,103	7	2,811	4,587	1,490	40,330	1,911	8,055	302,899
5	Repairs	47,230	38,972	86,202	750	2	1,003	1,637	532	14,389	682	2,874	108,071
6	Printing and stationery	29,394	24,256	53,650	467	1	624	1,019	331	8,956	424	1,789	67,261
7	Communication	33,462	27,612	61,074	532	2	711	1,159	377	10,195	483	2,036	76,569
8	Legal and professional charges	439,867	362,965	802,832	6,988	22	9,341	15,242	4,950	134,014	6,350	26,767	1,006,506
9	Auditor's fees, expenses etc.												
	(a) As Auditor	1,019	842	1,861	16	-	22	35	11	310	14	62	2,331
	(b) As Advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	170	140	310	3	-	3	6	2	52	2	11	389
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity (Tax audit fees)	255	210	465	4	-	5	9	3	78	4	16	584
10	Advertisement and publicity	66,246	54,664	120,910	1,052	3	1,407	2,295	746	20,183	956	4,031	151,583
11	Marketing & support services	1,579,025	1,302,961	2,881,986	25,087	78	33,532	54,715	17,771	481,080	22,797	96,084	3,613,130
12	Interest and bank charges	29,903	24,675	54,578	475	1	635	1,036	337	9,111	432	1,819	68,424
13	Others:												
	Policy stamps	1,498	1,236	2,734	4	-	148	11	1	88	-	778	3,764
	Information & technology Expenses	80,747	66,630	147,377	1,283	4	1,715	2,798	908	24,601	1,166	4,913	184,765
	Electricity & water charges	23,478	19,373	42,851	373	1	498	814	264	7,153	339	1,429	53,722
	Courtesies & entertainment	31,141	25,697	56,838	495	2	661	1,079	350	9,488	450	1,895	71,258
	Others	25,593	21,119	46,712	407	1	544	887	288	7,797	370	1,557	58,563
14	Depreciation	38,956	32,146	71,102	619	2	827	1,350	438	11,869	563	2,370	89,140
15	Service tax expense	33,763	27,860	61,623	536	2	717	1,170	380	10,287	488	2,054	77,257
	TOTAL	3,096,323	2,554,989	5,651,312	49,174	153	65,869	107,251	34,830	942,986	44,681	189,100	7,085,356

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 5
SHARE CAPITAL

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Authorised Capital 400000000 Equity Shares of ₹10 each (Previous Year 400000000 Equity Shares of ₹10 each)	4,000,000	4,000,000
2	Issued Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
3	Subscribed Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
4	Called up Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
	Less: Calls unpaid	-	-
	Add: Equity Shares forfeited (amount originally paid up)	-	-
	Less: Par Value of Equity Shares bought back	-	-
	Less: Preliminary Expenses	-	-
	Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	TOTAL	2,693,215	2,693,215

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 5A
SHARE CAPITAL
PATTERN OF SHAREHOLDING
(As certified by the Management)

S. No.		As at 31 st March, 2017		As at 31 st March, 2016	
		Number of Shares	% of Holding	Number of Shares	% of Holding
	Promoters				
	a) Indian	199297910	74	199297910	74
	b) Foreign	70023590	26	70023590	26
	Others	-	-	-	-
	TOTAL	269321500	100	269321500	100

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 6
RESERVES AND SURPLUS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	2,568,789	2,568,789
4	General Reserve	-	-
5	Catastrophe Reserve	1,166	1,166
6	Other Reserves	-	-
7	Balance of Profit in Profit and Loss Account	11,593,295	7,325,117
	TOTAL	14,163,250	9,895,072

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 7 BORROWINGS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8 INVESTMENTS - SHAREHOLDERS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
	LONG TERM INVESTMENTS		
1	Govt. Securities, Govt. guaranteed Bonds incl. Treasury Bills	4,247,393	964,108
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	5,435	5,205
	Preference Shares	-	-
	Mutual Funds	-	-
	Derivative Instruments	-	-
	Debenture / Bonds (Housing)	1,549,474	323,153
	Non-Convertible Debenture / Bonds	511,370	180,901
	Other Securities	-	-
	Subsidiaries	1,052	328
	Investment Properties - Real Estate	-	-
4	Investment In Infrastructure and social sector	6,097,681	935,575
5	Other than approved investments	-	-
	SHORT TERM INVESTMENTS		
1	Govt. Securities, Govt. guaranteed Bonds incl. Treasury Bills	75,709	29,613
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	263,022	32,177
	Derivative Instruments	-	-
	Debentures & Bonds (Housing)	336,898	134,152
	Non-Convertible Debenture/ Bonds	316,171	49,265
	Others Securities	104,967	-
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investments in Infrastructure & Social Sector	294,095	41,025
5	Other than approved investments	-	-
	TOTAL	13,803,267	2,695,502

Note: (Sch 8 & Sch 8A): Aggregate amount of company's investment other than listed equity securities and derivative instruments is ₹65,591,052 thousand. (Previous year ₹41,031,395 thousand)

Market value of such investments as at 31.03.2017 is ₹65,342,357 thousand. (Previous year ₹42,450,416 thousand)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8A

INVESTMENTS - POLICYHOLDERS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
	LONG TERM INVESTMENTS		
1	Govt. Securities, Govt. guaranteed Bonds incl. Treasury Bills	15,943,532	13,740,104
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	20,400	74,183
	Preference Shares	-	-
	Mutual Funds	-	-
	Derivative Instruments	-	-
	Debenture / Bonds (Housing)	5,816,294	4,605,457
	Non-Convertible Debenture / Bonds	1,919,542	2,578,133
	Other Securities	-	-
	Subsidiaries	3,948	4,672
	Investment Properties - Real Estate	-	-
4	Investment In Infrastructure and social sector	22,888,994	13,333,454
5	Other than approved investments	-	-
	SHORT TERM INVESTMENTS		
1	Govt. Securities, Govt. guaranteed Bonds incl. Treasury Bill	284,190	422,032
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	987,312	458,575
	Derivative Instruments	-	-
	Debentures & Bonds (Housing)	1,264,622	1,911,889
	Non-Convertible Debenture/ Bonds	1,186,818	702,108
	Others Securities	394,018	-
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investments in Infrastructure & Social Sector	1,103,949	584,674
5	Other than approved investments	-	-
	TOTAL	51,813,619	38,415,281

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9

LOANS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Security wise Classification Secured		
	(a) On mortgage of property		
	(i) In India	-	-
	(ii) Outside India	-	-
	(b) On shares, Bonds, Govt Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	Total	-	-
2	Borrower wise Classification		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	Total	-	-
3	Performance wise Classification		
	(a) Loans classified as standard		
	(i) in India	-	-
	(ii) outside India	-	-
	(b) Non performing loans less provisions		
	(i) in India	-	-
	(ii) outside India	-	-
	Total	-	-
4	Maturity wise Classification		
	(a) Short Term	-	-
	(b) Long Term	-	-
	TOTAL	-	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 10
FIXED ASSETS

(₹ in '000)

Particulars	Gross Block			Depreciation			Net Block			
	As at 1 st April, 2016	Additions during the year	Sales/ Adjustments during the year	As at 31 st March, 2017	Upto 31 st March, 2016	For the Year	On Sales/ Adjustments	Upto 31 st March 2017	As at 31 st March, 2017	As at 31 st March, 2016
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles:	-	-	-	-	-	-	-	-	-	-
- Computer Software	209,182	54,082	-	263,264	200,150	20,062	-	220,212	43,052	9,032
Land - Freehold	37,849	-	-	37,849	-	-	-	-	37,849	37,849
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	12,251	-	-	12,251	1,206	202	-	1,408	10,843	11,045
Furniture & Fittings	284,789	43,329	6,787	321,331	234,839	18,413	6,693	246,559	74,772	49,950
Information Technology Equipment	569,726	57,570	1,878	625,418	487,336	51,901	1,878	537,359	88,058	82,390
Vehicles	6,215	-	-	6,215	1,953	833	-	2,786	3,429	4,262
Office Equipment	87,999	6,970	440	94,529	73,846	6,468	440	79,874	14,655	14,153
Others	-	-	-	-	-	-	-	-	-	-
TOTAL	1,208,011	161,951	9,105	1,360,857	999,330	97,879	9,011	1,088,198	272,658	208,681
Capital Work In Progress	12,014	28,878	12,014	28,878	-	-	-	-	28,878	12,014
Grand Total	1,220,025	190,829	21,119	1,389,735	999,330	97,879	9,011	1,088,198	301,536	220,695
Previous Year Total	1,124,343	105,854	10,172	1,220,025	909,737	91,730	2,136	999,330	220,695	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 11

CASH AND BANK BALANCES

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Cash (including cheques, drafts and stamps)	35,235	13,276
2	Bank Balances		
	(a) Deposit Accounts		
	(i) Short term (due within 12 months)	480,000	6,919,851
	(ii) Others	-	280,000
	(b) Current Accounts	777,543	926,239
	(c) Others	-	-
3	Money at call & short notice		
	With Banks	-	-
	With Other Institutions	-	-
4	Others	-	-
	TOTAL	1,292,778	8,139,366
	Balances with non-scheduled banks included in 2 and 3 above	-	-

Note: Balance with Banks in current accounts above, includes liquid flexi term deposit of ₹362,900 thousand (Previous year ₹614,980 thousand)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
	ADVANCES		
1	Reserve Deposit with Ceding Companies	-	-
2	Application Money for Investments	-	-
3	Pre-payments	52,640	82,680
4	Advance to Directors / Officers	-	-
5	Advance Tax Paid and Tax Deducted at source (Net of provision for taxation)	17,164	231,179
6	Deposit towards Rent	70,480	65,027
7	Service Tax Recoverable	6,354	-
8	Others	5,742	19,110
	TOTAL (A)	152,380	397,996
	OTHER ASSETS		
1	Income accrued on Investments / FDRs	2,423,691	1,944,851
2	Outstanding Premiums	1,303,427	1,210,534
3	Agents' Balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from entities carrying on insurance business (including reinsurers)	632,800	2,133,264
6	Due from Subsidiaries/ Holdings	-	-
7	Deposit with Reserve Bank of India {Pursuant to section 7 of Insurance Act, 1938}	-	-
8	Others	-	-
	TOTAL (B)	4,359,918	5,288,649
	TOTAL (A+B)	4,512,298	5,686,645

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 13

CURRENT LIABILITIES

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Agents Balances	167,249	119,143
2	Balances due to other insurance companies (including reinsurers)	4,469,078	678,598
3	Deposits held on reinsurances ceded	-	-
4	Premiums received in advance	310,096	396,688
5	Unallocated premium	-	-
6	Sundry Creditors	879,301	658,027
7	Due to subsidiaries/holding company	18,858	49,249
8	Claims outstanding *	33,559,216	25,060,923
9	Due to Officers / Directors	-	-
10	Deposit Premium	394,918	224,223
11	Service Tax Payable	-	346
12	Employee Benefit	258,898	154,284
13	Unclaimed Amount of Policyholders	424,215	310,308
	TOTAL	40,481,829	27,651,789

* Claims Outstanding Includes ₹3,341,879 thousand (Previous Year ₹3,969,467 thousands) on account of settlement received from the IMTPIP towards the Company's share of claim liability determined by the pool upto the date of dismantling (Net of claims paid upto reporting period)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 14

PROVISIONS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Reserve for Unexpired Risk	14,591,157	15,082,288
2	For Taxation (less advance tax paid and taxes deducted at source)	-	-
3	For Proposed Dividends	-	-
4	For Dividend Distribution Tax	-	-
5	For Premium Deficiency	-	4,885
6	For Doubtful Debt	41,622	-
	TOTAL	14,632,779	15,087,173

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Discount allowed in issue of shares/debentures	-	-
2	Others	-	-
	TOTAL	-	-

IFFCO-TOKIO

ACCOUNTING POLICIES & NOTES ON **ACCOUNTS**



SCHEDULE 16: NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statement:

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the generally accepted accounting principles and conform to the statutory requirements prescribed under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 including directions thereon, the Insurance Act, 1938, the provisions of Companies Act, 2013 including notified Accounting Standards there under except otherwise stated.

2. Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent assets & liabilities. Such estimates and assumptions are based on the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Any revision to the accounting estimates is recognized prospectively in the period in which the results are known/materialized.

3. Revenue Recognition

- 3.1 Premium and cession thereof are recognized over the contract period or the period of the risk in respective revenue account following 1/365 method.

Reserve for unexpired risk representing premium attributable to the succeeding accounting period is maintained based on the above method except in Marine Hull business and reinsurance premium acceptances in respect of Terrorism Pool for Fire & Miscellaneous business, where the reserve for unexpired risk is maintained at hundred

percent of the Net Premium during the preceding twelve months.

- 3.2 Any subsequent revision to the premium under the policies is accounted for in the period in which they occur.
- 3.3 Premium deficiency is recognized whenever expected claim costs, related expenses and maintenance costs exceeds related reserve for unexpired risks for each segment of business.
- 3.4 Reinsurance Inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.
- 3.5 Commission on reinsurance cessions are recognized as income in the period in which the premium is ceded. Profit commission under reinsurance treaties, wherever applicable, is recognized on the determination of profit for the period.
- 3.6 Interest Income is recognized on accrual basis.
- 3.7 Dividend income is recognized when the right to receive dividend is established.
- 3.8 Profit or Loss on sale/redemption of investments which is the difference between sale consideration and carrying value is recognized on trade date and includes effects of accumulated fair value changes, previously recognized, for specific investments sold/redeemed during the year. In determining realized gain/loss, cost of securities is arrived at on 'Weighted average cost' basis and sale consideration for the purpose of realized gain/loss is net of Brokerage and taxes, if any.

4. Allocation of Investment Income between Revenue Accounts and Profit and Loss Account:

Investment income is apportioned to Profit and Loss Account and Revenue Accounts in the ratio of average of Shareholders Funds and Policyholders Funds standing in each class of business at the end of each month.

5. Claims Incurred:

- 5.1 Liability in respect of claims is provided for the intimations received up to the year-end based on the surveyor's assessment, information provided by the insured, judgment based on past experience and other applicable laws and practices. However, in respect of claims under re-insurance acceptances, the claim liability is provided based on the returns / advices, to the extent received, from the Reinsurers.
- 5.2 Liability in respect of "claims incurred but not reported" (IBNR) and "Claims incurred but not enough reported" (IBNER) is provided for on actuarial estimates as certified by the "Appointed Actuary".
- 5.3 Salvage/Recoveries under claims are netted against "Claims Incurred" and are accounted for on realization.

6. Allocation of Operating Expenses

Operating expenses other than policy stamps are apportioned to respective revenue accounts on the basis of net premium in each class of business at the end of financial year. Expenses relating to policy stamps are directly taken to the respective revenue accounts.

7. Acquisition Cost of insurance contracts

Cost relating to acquisition of new/renewal of insurance contracts are expensed in the period in which they are incurred.

8. Investments

Investments are recorded on the trade date at the acquisition cost.

Classification

Investment maturing within twelve months from the Balance Sheet date and investments made with specific intention to dispose off within twelve months from the Balance Sheet date are classified as Short term Investments. Other investments are classified as Long term Investments.

Valuation

- (i) Debt securities including Government securities are considered as held to maturity and are valued at cost subject to amortization by charging off/ crediting investment income with the difference of acquisition cost and maturity value over the unexpired period of maturity on straight line method.
- (ii) Investments in units of mutual funds are valued at Net Asset Value (NAV)
- (iii) Equity securities listed and actively traded are stated at fair value, being the last quoted closing price on the National Stock Exchange (NSE). However, in case of any stock not being listed at NSE, the same is valued based on the last quoted closing price on Bombay Stock Exchange (BSE).
- (iv) Any unrealized gain/loss arising due to change in fair value of mutual fund investments and listed equity shares is accounted in 'Fair Value Change Account' and carried forward in the Balance Sheet and is not available for distribution.
- (v) Investment in subsidiary company is valued at cost less permanent diminution, if any.

9. Fixed Assets:

Fixed Assets are stated at their cost of acquisition less accumulated depreciation/ amortization. Capital Work in Progress is stated at cost.

10. Depreciation/Amortisation

10.1 Depreciation on Fixed Assets is provided on straight line method based on useful life as provided in Schedule II of the Companies Act, 2013 except

- (i) Fixtures in rented premises are depreciated proportionately over the residual lease period wherever the lease period is less than the useful life specified in Schedule II.

(ii) Information Technology Equipments – Servers & Networks are depreciated over their useful life of three years on straight line method.

(iii) Fixed Assets having value up to ₹5000 are fully depreciated in the year of acquisition.

10.2 Software is amortized over its useful life of three years on straight line method.

11. Pre-Paid Expenses

Expenditure up to ₹25,000 in each case is accounted for in the year in which the same is incurred.

12. Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rate prevailing on the date of the transaction.

The monetary items remaining outstanding as on the date of Balance Sheet are translated at the exchange rate as on that date.

Exchange Gain/Loss on settlement/ translation of foreign currency transactions is recognized as income/expense.

13. Income Tax

Income tax comprises of Current Tax and Deferred Tax. Deferred tax, resulting from 'timing differences' between book and taxable profits, is accounted for using the tax rates and laws that have been enacted or substantively enacted. The deferred tax asset is recognized and carried only to the extent that there is a reasonable/virtual certainty that the asset will be realized in future.

14. Employee Benefits

14.1 The Liability for Gratuity is covered by the "Group Gratuity Cash Accumulation Scheme" with an Insurance Company. The liability is accounted for based on actuarial valuation as on the date of Balance Sheet.

14.2 Liability for leave encashment is provided for on the basis of actuarial valuation as on the date of Balance Sheet.

14.3 Provident Fund and Family Pension Scheme contributions and liability towards Leave Travel Assistance (LTA) are accounted for on accrual basis.

14.4 Gains/losses arising out of the actuarial valuation are recognized immediately in the accounts.

15. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for indications of any impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to that effect.

16. Provisions & Contingencies

A provision, other than those relating to contract with policy holders, is recognized when there is present obligation arising out of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability. Contingent liability in respect of Show Cause Notices is considered only when converted into demand.

B. NOTES FORMING PART OF ACCOUNTS

I. Statutory disclosures as required by IRDA

1. The company has all the assets within India. The assets of the company are free from all encumbrances.
2. a) Commitments made and outstanding for loans and investments are Nil (Previous Year- Nil)
b) The company has committed ₹51,257 Thousand (Previous Year ₹39,667 Thousand) for the purchase of fixed assets
3. Claims, less reinsurance, paid to claimants in/outside India during the year under various class of business are as under:

(₹ in '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2017	Year ended 31.3.2016	Year ended 31.3.2017	Year ended 31.3.2016
Fire	210,979	278,170	337	8,380
Marine	341,624	397,826	-	-
Miscellaneous	19,095,552	17,712,297	2,789	(1,497)

4. Age-wise breakup of claims outstanding on Gross basis under various class of business as at 31st March, 2017 is as under:

(₹ in '000)

Class of Business	Outstanding for more than 6 months		Other Claims	
	Year ended 31.3.2017	Year ended 31.3.2016	Year ended 31.3.2017	Year ended 31.3.2016
Fire	2,308,952	1,427,932	1,518,376	745,906
Marine	750,789	601,216	533,897	272,813
Miscellaneous	12,199,699	10,147,485	8,328,443	2,144,456

5. Claims settled and remaining unpaid for a period of more than six months as at 31st March, 2017 is Nil (Previous Year Nil).
6. (a) Premium less reinsurances written during the year under various classes of business is as under:

(₹ in '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2017	Year ended 31.3.2016	Year ended 31.3.2017	Year ended 31.3.2016
Fire	462,765	466,749	-	-
Marine	569,772	368,542	-	-
Miscellaneous	33,586,318	28,755,785	-	-

(b) No premium income is recognized on "varying risk pattern" basis.

(c) Extent of risk retained and reinsured is as under:

Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.3.2017	Year ended 31.3.2016	Year ended 31.3.2017	Year ended 31.3.2016
Fire	13.97%	15.07%	86.03%	84.93%
Marine	43.27%	30.33%	56.73%	69.67%
Miscellaneous	64.93%	86.32%	35.07%	13.68%

(d) There are no insurance contracts where the claim payment period exceeds four years.

7. All the investments held by the company as at 31st March, 2017 and 31st March, 2016 are performing investments.

8. Value of Contracts in relation to Investments for :

(₹ in '000)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
Purchases where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

9. Fair value of Investments in Mutual Fund & listed Equity shares as at 31st March 2017 is ₹12,761,69 Thousand (previous year ₹570,140 Thousand) and historical cost of the same is ₹12,780,44 Thousand (Previous year ₹576,599 Thousand).

10. Sector wise business executed by the company is as follows:

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
Urban Areas	70.73%	88.88%
Rural Areas	29.27%	11.12%
Social Sector	22.76%	2.71%
Gross Premium	₹ 12,663,195 Thousand	₹ 1,000,224 Thousand
Number of Policies Issued	749 Thousand	559 Thousand
Number of Lives Covered (Estimated)	17,107 Thousand	3,423 Thousand

11. Managerial remuneration paid during the year is as under:

(₹ in '000)

Particulars	Year ended 31.3.2017		Year ended 31.3.2016	
	Managing Director	Whole-time Directors	Managing Director	Whole-time Directors
Salaries and Allowances	14,479	10,614	10,659	9,216
Contribution to Provident Fund	364	449	373	391
Total	14,843	11,063	11,032	9,607

Note :-

- The above excludes provision for leave encashment and the gratuity contributions which are determined actuarially on an overall basis and accordingly have not been considered in the above information.
- The remuneration as above has been approved by the IRDAI.

12. Summary of Financial Statements

(₹ in Lacs)

S. No.	Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
	OPERATING RESULTS					
1.	Gross Direct Premiums	556,370.26	369,133.17	332,996.78	293,092.29	256,503.08
2	Net Premium	346,188.55	295,910.76	259,150.10	202,369.45	185,920.93
3	Income from Investments	54,673.13	36,291.62	31,135.81	26,282.22	22,344.75
4	Other Income	94.26	102.86	(13.10)	33.13	147.8
5	Total Income	400,955.94	332,305.24	290,272.81	228,684.80	208,413.48
6	Commission (Net) Including Brokerage	(18,620.93)	4,953.92	3,706.75	(3,223.36)	(468.27)
7	Operating Expenses	91,205.28	72,910.91	61,833.28	50,203.41	44,519.92
8	Net Incurred Claims	287,771.62	221,966.58	168,152.63	148,173.35	124,544.77
9	Increase in Unexpired Risk Reserve	(4,911.30)	15,415.92	32,405.33	7,059.07	23,512.57
	Total Expenses	355,444.67	315,247.33	266,097.98	202,212.47	192,108.99
10	Operating Profit/(Loss)	45,511.27	17,057.91	24,174.82	26,472.33	16,304.49
	NON-OPERATING RESULT					
11	Total Income under Shareholders Account	16,443.72	6,935.55	6,035.02	5,777.74	3,323.87
12	Profit/(Loss) before Tax	61,955.00	23,993.45	30,209.84	32,250.07	19,628.36
13	Provision for Tax	19,273.22	7,284.62	9,608.60	10,641.57	6,149.15
14	Profit/(Loss) after Tax	42,681.78	16,708.83	20,601.24	21,608.50	13,479.21
	MISCELLANEOUS					
15	Policy Holder Account:					
	Total Funds	518,136.19	483,106.34	436,880.29	357,605.72	311,744.00
	Total Investments	518,136.19	483,106.34	436,880.29	357,605.72	311,744.00
	Yields on Investments	12.55%	9.31%	9.26%	9.18%	9.26%
16	Shareholder Account:		No Segregation between Shareholder and Policyholder Funds has been made			
	Total Funds	1,42,833				
	Total Investment	1,42,833				
	Yields on Investments	12.55%				
17	Paid up Equity Capital	26,932.15	26,932.15	26,932.15	26,932.15	26,932.15
18	Net Worth	168,564.65	125,882.87	109,174.04	88,572.80	66,964.30
19	Total Assets	719,691.97	553,207.89	498,776.91	415,077.44	357,054.10
20	Yield on Total Investments	12.55%	9.31%	9.26%	9.18%	9.26%
21	Earnings Per Share (In ₹)	15.85	6.20	7.65	8.02	5.00
22	Book Value Per Share (In ₹)	62.59	46.74	40.54	32.89	24.86
23	Total Dividend	-	-	-	-	-
24	Dividend Per Share (In ₹)	-	-	-	-	-

13. Performance Ratios:

S. No.	Particular	Year ended 31.3.2017	Year ended 31.3.2016
1	Gross Direct Premium Growth Rate	50.72%	10.85%
	Fire	4.06%	14.44%
	Marine Total	10.35%	2.45%
	Miscellaneous Total	55.90%	10.89%
	Marine Cargo	12.36%	8.55%
	Marine Hull	-20.39%	-44.88%
	Motor OD	14.96%	7.43%
	Motor TP	34.07%	19.14%
	Motor Total	23.52%	12.38%
	Engineering	11.58%	5.23%
	Aviation	-16.18%	-42.24%
	Workmen Compensation	6.83%	25.34%
	Personal Accident	6.14%	35.36%
	Public / Product Liability	13.28%	13.39%
	Health	19.68%	22.18%
	Crop	1283.76%	-42.28%
	Other Miscellaneous	8.70%	12.61%
2	Gross Direct Premium to Net Worth Ratio	3.30	2.93
3	Growth rate of Net Worth	33.91%	15.26%
4	Net Retention Ratio	61.43%	78.65%
	Fire	13.97%	15.07%
	Marine Total	43.27%	30.33%
	Miscellaneous Total	64.93%	86.32%
	Marine Cargo	43.28%	30.29%
	Marine Hull	42.99%	30.94%
	Motor OD	75.04%	94.56%
	Motor TP	74.89%	94.82%
	Motor Total	74.97%	94.68%
	Engineering	19.60%	29.10%
	Aviation	0.92%	8.23%
	Workmen Compensation	95.00%	95.00%
	Personal Accident	86.71%	87.60%
	Public / Product Liability	67.76%	67.20%
	Health	91.41%	88.46%
	Crop	37.20%	20.00%
	Other Miscellaneous	32.72%	35.26%
5	Net Commission Ratio	-5.38%	1.67%
	Fire	-81.66%	-56.24%
	Marine Total	-7.48%	-18.51%
	Miscellaneous Total	-4.29%	2.87%
	Marine Cargo	-7.96%	-20.07%
	Marine Hull	3.21%	5.54%
	Motor OD	1.54%	5.20%
	Motor TP	-5.49%	-0.18%
	Motor Total	-1.88%	2.77%
	Engineering	-10.52%	-7.58%
	Aviation	-771.76%	-73.80%
	Workmen Compensation	8.90%	8.83%
	Personal Accident	5.41%	5.34%
	Public / Product Liability	13.95%	13.59%
	Health	4.90%	5.20%
	Crop	-26.41%	-42.55%
	Other Miscellaneous	-10.50%	2.55%
6	Expense of Management to Gross Direct Premium Ratio	19.35%	23.57%
7	Expense of Management to Net Written Premium Ratio	31.10%	29.40%
8	Net Incurred Claims to Net Earned Premium	81.96%	79.13%
9	Combined Ratio	102.93%	105.45%
10	Technical Reserves to Net Premium ratio	1.39	1.36
11	Underwriting balance ratio	-2.64%	-6.89%
	FIRE	111.04%	77.01%
	MARINE	8.01%	-6.74%
	MISCELLANEOUS	-4.14%	-8.28%
12	Operating Profit Ratio	12.94%	6.04%
13	Liquid Assets to liabilities ratio	0.16	0.31
14	Net earning ratio	12.33%	5.65%
15	Return on Net worth ratio	25.32%	13.27%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	1.60	1.60
17	NPA Ratio		
	Gross NPA Ratio	-	-
	Net NPA Ratio	-	-

All ratios are related to Indian operations as Company does not have any foreign operations.

14. Pursuant to IRDAI Circular no. IRDA/F&A/CIR/CPM/010/01/2017 dated 12th Jan. 2017, Investments have been bifurcated on the policyholders' and shareholders' fund on notional basis. Accordingly, investments are bifurcated in Schedule 8 "Investments-Shareholders" and in Schedule 8A "Investments-Policyholders".

15. Details of certain expenses as required by IRDA are as under:

(₹ in '000)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
Outsourcing Expenses (Manpower)	167,348	150,980
Business Development	779,948	708,570
Marketing and Support Services	5,167,123	3,718,083

16. No depreciation is allocable to the Profit and Loss Account based on the 'use' of the asset.

17. Details of penal actions by various Government Authorities during the year are as under:

S. No.	Authority	Non-compliance / Violation	Amount in (₹'000)		
			Penalty Awarded	Penalty Paid	Penalty waived/Reduced
1.	Insurance Regulatory and Development Authority	Non Compliance of IRDAI (Licencing of Corporate Agents) Regulations, 2002	Nil (Previous year - ₹. 1,000)	Nil (Previous year - ₹. 1,000)	Nil
2.	Service Tax Authorities	None	Nil	Nil	Nil
3.	Income Tax Authorities	None	Nil	Nil	Nil
4.	Any other Authorities	None			
5.	Enforcement Directorate/ Adjudicating Authority/Tribunal or any Authority under FEMA	None	Nil	Nil	Nil
6.	Registrar of Companies/NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	None	Nil	Nil	Nil
7.	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	None	Nil	Nil	Nil
8.	Securities and Exchange Board of India	None	Nil	Nil	Nil
9.	Competition Commission of India	None	Nil	Nil	Nil
10.	Any other Central State/Local Government/ Statutory Authority	None	Nil	Nil	Nil

Except under the sub heading-1, penalties in all other sub headings were "Nil" during the FY 2015-16.

18. Analysis of the Unclaimed Amount of Policyholders.

a) Age wise analysis of unclaimed amount.

(₹ in '000)

Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders 2016-17								
S. No.	Particulars	Total Amount	AGE-WISE ANALYSIS					
			4 - 12 months	13 - 18 months	19 - 24 months	25 - 30 months	31 - 36 months	Beyond 36 months
A	Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	-	-	-	-	-	-	-
B	Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-
C	Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	193,008	260	48	201	47	1,027	18,379
D	Cheques issued but not encashed by the policyholder / insured	231,207	20,864	3,410	16,751	6,385	17,045	148,138

b) Reconciliation statement of unclaimed amount and Investment Income.

(₹ in '000)

Particulars	Year ended 31.3.2017
Opening balance of unclaimed amount	310,308
Add. Amount transferred to unclaimed amount.	194,254
Add. Cheque issued out of the unclaimed amount but non encashed by the policyholders. (To be included only when the cheques are stale)	
Add. Investment Income	18,529
Less. Amount paid during the year	98,876
Closing balance of unclaimed amount	424,215

19. Management expenses are apportioned to Revenue Accounts on the basis of Net Premium as per Accounting Policy on 'Allocation of Operating Expenses' (Schedule 16 A (6)). Detail of apportioned expenses is furnished in Schedule 4 (Operating Expenses relating to Insurance business).

20. As certified by Appointed Actuary, no premium deficiency has been provided in the current year (previous years ₹4885 thousand in Marine Cargo segment) in the accounts.

II. Disclosures required under Accounting Standards

1. Accounting Standard-15 "Employee Benefits"

a) General description of the defined benefit scheme:

Gratuity	Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of five years or more.
Leave Encashment	Payable on encashment during the service or on separation to the eligible employees who have accumulated earned leave.
Provident Fund	The Company pays fixed contribution to Provident Fund Trust. Contribution to Family Pension Scheme is paid to appropriate authority. The contribution for ₹51,925 thousand (previous year ₹42,194 thousand) has been recognized as expense in the accounts.

b. Other disclosures as required under AS-15 (Revised 2005) on "Employee Benefits" in respect of defined benefit obligations are as under:

i. Expenses recognized in Profit & Loss Account

(₹ in '000)

Particulars	Gratuity					Leave Encashment				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Current Service Cost	13,112	11,950	10,420	8,066	5,731	29,124	24,124	20,198	15,224	10,765
Interest cost on benefit obligation	6,412	5,797	5,090	3,285	3,056	10,591	9,653	8,559	5,626	4,925
Expected return on plan assets	(6,001)	(4,677)	(3,539)	(3,925)	(3,739)	-	-	-	-	-
Net actuarial (Gain)/ loss recognised in the year	30,304	(2,462)	7,808	12,909	(4,283)	45,718	2,495	18,129	26,756	7,757
Expenses recognised in the Profit & Loss Account	43,827	10,608	19,780	20,335	765	85,433	36,272	46,886	47,606	23,447

ii. The amount recognized in the Balance Sheet

(₹ in '000)

Particulars	Gratuity					Leave Encashment				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of obligation at end of year (i)	131,251	84,072	74,802	58,174	39,823	215,072	143,676	124,559	97,818	68,190
Fair Value of Plan assets at end of year (ii)	87,425	73,464	55,022	40,446	42,430	-	-	-	-	-
Difference (ii-i) i.e. Assets/ (Liabilities)	(43,826)	(10,608)	(19,780)	(17,728)	2,607	(215,072)	(143,676)	(124,559)	(97,818)	(68,190)
Net Asset/(liability) recognised in the Balance Sheet	(43,826)	(10,608)	(19,780)	(17,728)	2,607	(215,072)	(143,676)	(124,559)	(97,818)	(68,190)

iii. Changes in the present value of the Defined Benefit Obligations:

(₹ in '000)

Particulars	Gratuity					Leave Encashment				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of obligation at beginning of year	84,072	74,802	58,174	39,823	37,046	143,676	124,559	97,818	68,190	59,695
Interest Cost	6,412	5,797	5,090	3,285	3,056	10,591	9,653	8,559	5,626	4,925
Current Service Cost	13,112	11,950	10,420	8,066	5,731	29,124	24,124	20,198	15,224	10,765
Benefit Paid	(2,679)	(6,249)	(7,044)	(5,695)	(5,339)	(14,037)	(17,155)	(20,146)	(17,978)	(14,952)
Net actuarial (Gain)/Loss on obligation	30,335	(2,228)	8,161	12,695	(671)	45,718	2,495	18,129	26,756	7,757
Present value of the defined benefit as at end of year	131,252	84,072	74,802	58,174	39,823	215,072	143,676	124,559	97,818	68,190

iv. Changes in the fair value of plan assets:

(₹ in '000)

Particulars	Gratuity					Leave Encashment				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Fair value of plan assets at beginning of year	73,464	55,022	40,446	42,430	40,419	-	-	-	-	-
Expected return on plan assets	6,001	4,677	3,539	3,925	3,739	-	-	-	-	-
Contributions by employer	10,608	19,780	17,727	-	-	-	-	-	-	-
Benefits Paid	(2,679)	(6,248)	(7,044)	(5,695)	(5,339)	-	-	-	-	-
Actuarial Gain/(Loss) on plan assets	31	233	353	(214)	3,611	-	-	-	-	-
Fair value of plan assets at end of year *	87,425	73,464	55,022	40,446	42,430	-	-	-	-	-

* Gratuity Fund is managed by Life Insurance Corporation of India (LIC). Individual investment wise details of the plan assets are not being provided by LIC.

v. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

Particulars	Gratuity (Funded)					Leave Encashment (Non-Funded)				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Method used	Projected Unit Credit Method									
Discount rate	7.25%	7.75%	7.75%	8.75%	8.25%	7.25%	7.75%	7.75%	8.75%	8.25%
Future salary escalation	6.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%	6.00%	6.00%	5.00%
Mortality rate	IALM (2006-08)									
Withdrawal rate	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%
Expected rate of return on plan assets	7.75%	8.50%	8.75%	9.25%	9.25%	-	-	-	-	-

The estimate of future salary increase considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2. Accounting Standard-17 “Segment Reporting”

The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. Disclosure as required is provided as under:

a) Business Segments

(₹ in '000)

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
SEGMENT REVENUE:		
Fire Insurance	3,424,409	3,176,511
Marine Insurance	1,420,842	1,294,574
Motor Insurance-OD	16,280,805	14,027,655
Motor Insurance-TP	18,015,418	13,237,476
Engineering Insurance	802,625	726,085
Workmen Compensation Insurance	327,331	298,969
Personal Accident Insurance	586,127	532,455
Product Liability Insurance	258,943	225,495
Health Insurance	5,556,503	4,528,666
Crop	12,715,840	927,832
Other Insurance	2,435,879	2,277,847
Investment	1,663,799	694,915
Total	63,488,521	41,948,481
SEGMENT RESULT: Profit / (Loss)		
Fire Insurance	550,755	420,338
Marine Insurance	151,150	47,906
Motor Insurance-OD	356,340	574,057
Motor Insurance-TP	2,348,277	1,360,026
Engineering Insurance	126,703	117,569
Workmen Compensation Insurance	119,518	114,074
Personal Accident Insurance	(18,286)	44,795
Product Liability Insurance	82,799	83,889
Health Insurance	(1,476,427)	(1,258,000)
Crop	1,994,231	(59,237)
Other Insurance	316,066	260,373
Investments	1,663,799	685,787
Unallocable	(19,426)	7,767
Total Profit before Tax	6,195,500	2,399,345
Less: Provision for Taxation	1,927,322	728,462
Profit After Tax	4,268,178	1,670,883
SEGMENT ASSETS:	As at 31st March, 2017	As at 31st March, 2016
Fire Insurance	-	-
Marine Insurance	-	-
Motor Insurance	-	-
Engineering Insurance	-	-
Workmen Compensation Insurance	-	-
Personal Accident Insurance	-	-
Product Liability Insurance	-	-
Health Insurance	-	-
Crop Insurance	-	-
Other Insurance	-	-
Investments	68,520,577	48,310,634
Total:	68,520,577	48,310,634
Add: Unallocable Assets	3,448,620	7,010,156
Total	71,969,197	55,320,789

(₹ in '000)

SEGMENT LIABILITIES:	As at 31st March, 2017	As at 31st March, 2016
Fire Insurance	876,054	816,445
Marine Insurance	775,647	702,593
Motor Insurance - OD	8,170,387	8,044,249
Motor Insurance - TP	30,737,511	26,053,489
Engineering Insurance	322,676	393,735
Workmen Compensation Insurance	214,934	196,543
Personal Accident Insurance	444,291	379,629
Product Liability Insurance	154,867	155,215
Health Insurance	2,653,939	2,126,778
Crop Insurance	2,672,134	217,047
Other Insurance	1,127,934	1,062,373
Investments	-	-
Total:	48,150,373	40,148,096
Add: Unallocable Liabilities	6,964,235	2,590,865
Total	55,114,607	42,738,962
Cost incurred to acquire segment assets (Fixed Assets):		
Fire Insurance	-	-
Marine Insurance	-	-
Motor Insurance	-	-
Engineering Insurance	-	-
Workmen Compensation Insurance	-	-
Personal Accident Insurance	-	-
Product Liability Insurance	-	-
Health Insurance	-	-
Crop	-	-
Other Insurance	-	-
Investments	-	-
Total:	-	-
Add: Unallocable Fixed assets	178,815	99,555
Total	178,815	99,555
Amount of expenses included in segment result for depreciation and amortisation in respect of assets:		
	Year ending 31st March, 2017	Year ending 31st March, 2016
Fire Insurance	1,308	1,447
Marine Insurance	1,611	1,142
Motor Insurance-OD	32,414	38,956
Motor Insurance-TP	30,630	32,146
Engineering Insurance	419	619
Workmen Compensation Insurance	806	827
Personal Accident Insurance	1,295	1,350
Product Liability Insurance	454	438
Health Insurance	13,557	11,869
Crop	13,203	562
Other Insurance	2,183	2,372
Investments	-	-
Total:	97,879	91,729
Add: Unallocable Expenses	-	-
Total	97,879	91,729

Assets and Liabilities of the Company, which are not identifiable with any of the segments, have been classified as Unallocable.

(b) Geographical Segment

Since the Company's entire business is conducted within India, there is no reportable Geographical Segmentation for the year.

4. Accounting Standard- 18 “Related Party Disclosures”

The transactions between the company and its related parties during the year are as under:

(₹ in '000)

Name of the Related Parties	Nature of Related Party Relationship	Description of Nature of Transactions	Year ended 31.3.2017	Year ended 31.3.2016
Indian Farmers Fertilizers Coop. Ltd	Promoters with more than 20% Voting rights	Premium accounted from direct business	644,605	798,245
		Claims paid on direct basis	81,073	1,257,391
		Payment of Rent and other expenses	230,738	224,482
		Deposit of Insurance Premium	2,500	2,500
		Amount Payable / (Receivable) at the Balance Sheet Date	317	3,405
Indian Potash Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	53,340	134,886
		Claim paid on direct basis	65,967	135,948
		Deposit of Insurance Premium	100	100
		Amount Payable / (Receivable) at the Balance Sheet Date	(150)	(150)
Tokio Marine Asia Pte. Ltd. (formerly Millea Asia Pte. Ltd.)	Promoters with more than 20% Voting rights	Payment of Professional Fee	2,080	5,329
		Claim/Reimbursement of Expenses	1,030	1,499
		Payment of Fee	1,000	1,005
Tokio Marine & Nichido Fire Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	336,927	382,261
		Commission Earned on Premium Ceded	79,958	91,307
		Losses Recovered from Reinsurer	591,878	196,481
		Claim/Reimbursement of Expenses	-	256
		Payment of Fees	-	-
		Amount Payable / (Receivable) at the Balance Sheet Date	(75,982)	350
Tokio Marine Kiln Singapore Pte. Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	1,922	7,748
		Commission Earned on Premium Ceded	478	1,963
		Losses Recovered from Re-insurer	294	24,977
		Amount Payable / (Receivable) at the Balance Sheet Date	(1,653)	425
Tokio Marine Insurance Singapore Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	151,695	103,292
		Commission Earned on Premium Ceded	21,393	22,286
		Losses Recovered from Reinsurer	46,763	118,505
		Amount Payable / (Receivable) at the Balance Sheet Date	34,101	(3,098)
		Claim/Reimbursement of Expenses	77	-
		Payment of Fee	374	-
Tokio Marine Europe Insurance Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	-	-
		Commission Earned on Premium Ceded	-	-
		Amount Payable / (Receivable) at the Balance Sheet Date	116	116
Tokio Marine Kiln Regional Underwriting Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	-	160
		Commission Earned on Premium Ceded	-	2
Tokio Marine HCC	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	11,778	-
		Commission Earned on Premium Ceded	2,346	-
		Amount Payable / (Receivable) at the Balance Sheet Date	6,300	-
Tokio Marine & Nichido Risk Consulting Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	967	-
Tokio Marine Insurance (Malaysia) Behard	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	55	-
		Payment of Fee	598	416
PT Asuransi Tokio Marine Indonesia	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	291	24
		Payment of Fee	145	-

Tokio Marine Services Europe Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	-	1,056
		Payment of Fee	16	1,099
TM Claim Services Inc.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	10,190	5,628
		Payment of Fee	3,047	2,493
Tokio Marine Management Australasia Pty. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	1,115	1,340
		Payment of Fee	555	305
The Tokio Marine Claim Services Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	449	90
		Payment of Fee	85	28
TM Claim Service Asia PTE Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	121	-
		Payment of Fee	513	-
TM Claim Service Europe Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	1,946	
		Payment of Fee	3,534	
Tokio Marine Insurance (Thailand) Public Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	359	-
IFFCO Ebazar Ltd	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	86	-
		Claims paid on direct basis	15	-
IFFCO Kisan Sanchar Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	1,937	4,945
		Claims paid on direct basis	2,458	2,820
K. Srinivasa Gowda	Chairman	Payment of Rent on office Building	4,800	4,800
		Honorarium Charges	600	600
IFFCO TOKIO Insurance Services Ltd.	Subsidiary of the Company with 100% Voting Rights	Premium accounted from direct business	4,718	3,881
		Claims paid on direct basis	4,588	4,181
		Recovery of Expenses	8,950	6,239
		Payment of - Commission	55,836	63,410
		Payment of Service Charges	724,112	645,160
		Amount Payable / (Receivable) at the Balance Sheet Date	18,858	49,249
IFFCO Kisan Bazar & Logistics Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	1,267	1,647
IFFCO MC Crop Science Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	1,684	527
		Claims paid on direct basis	24	-

IFFCO Kisan SEZ Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	199	278
		Claims paid on direct basis	502	73
Indian Farm Forestry Development Cooperative Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	1,086	594
		Claims paid on direct basis	223	853
		Payment for CSR activity- IFFDC being implementation agency	18,273	10,086
IFFCO Chhattisgarh Power Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	440	786
		Claims paid on direct basis	117	351
Yogesh Lohiya	Managing Director & Chief Executive Officer (Upto 14/02/2017)	Remuneration-Key Management Personnel	14,700	11,032
Warendra Sinha	Managing Director & Chief Executive Officer (w.e.f 28/03/2017)		143	-
H.O. Suri	Director-Marketing		5,723	4,581
Ichiro Maeda	Director-Operations (From 01.04.2015 to 31.05.2015) Chief Operating Officer (From 01.06.2015 to 28.12.2015)		Nil	3,915
Hiroshi Yasui	Director-Operations (w.e.f. 01.06.2015)		5,340	4,149
Sanjeev Chopra	Chief Financial Officer		4,169	3,771
Amit Jain	Company Secretary		2,746	2,272

4. Accounting Standard-19 "Leases"

In respect of premises taken on operating lease,

- Amount recovered/recoverable and appearing in the revenue account in regard to sub leases is ₹4,082 thousand. (Previous year ₹2,802 thousand).
- In respect of premises taken on operating lease, the lease arrangements are generally mutually renewable / cancellable by the lessor/ lessee.
- In respect of premises taken on operating lease, total of future minimum lease payments under non-cancellable operating lease and amount recognized in P&L account is as under:-

(₹ in '000)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
Not later than one year	271,229	291,064
Later than one year and not later than five years	541,159	555,092
Later than five years	236,280	222,479
Lease payment recognized in P&L account	360,305	311,698

5. Accounting Standard -20 "Earnings Per Share"

S. No.	Particulars	Year ended 31.3.2017	Year ended 31.3.2016
a)	Net Profit available for Equity Shareholders (₹ '000)	4,268,178	1,670,883
b)	Weighted Average number of Equity Shares outstanding during the year (No. of Units in thousand)	269,322	269,322
c)	Basic and Diluted Earning per Share (Equity Share of Face Value of ₹10/- each)	15.85	6.20

6. Accounting Standard -22 "Accounting for taxes on income"

The break up of deferred tax assets and liabilities into major components at the year end is as below:

(₹ in '000)

Particulars	Year ended 31.3.2017		Year ended 31.3.2016	
	Liabilities	Assets	Liabilities	Assets
Depreciation	-	22,700	-	28,950
Expenditure accrued but not deductible for tax purposes, allowable on actual payment	-	185,000	-	51,400
Unexpired Risk reserve provided in excess of limit specified in Income Tax Act.	-	38,000	-	82,950
Total	-	245,700	-	163,300
Net Deferred tax asset	-	245,700	-	163,300

Net increase in Deferred Tax asset for the year ₹82,400 thousand has been recognized in the Profit & Loss Account (previous year decrease of ₹89,900 Thousand).

III. Other Notes

1. Disclosure for CSR

- Gross amount required to be spent by the Company during the year is ₹57,834 thousand.
- Amount spent during the year on: ₹32,795 thousand.

(₹ in '000)

S. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	29,321	-	29,321
(ii)	On purchases other than (I) above	3,474	-	3,474

- On the basis of information received from 'enterprises' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 there is no Micro, Small and Medium Enterprises to which the Company owes dues, which are outstanding for more than 45 days during the year ended 31.03.2017 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

For and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

Place : New Delhi
Dated : 02nd May, 2017

MANAGEMENT REPORT



Attached to the Financial Statements for the year ending 31st March, 2017

1. It is confirmed that the registration granted to the Company by the IRDA in terms of Section 3A of the Insurance Act, 1938 as amended by the Insurance Law (Amendment) Act, 2015 is effective till 31st March 2017.
2. It is confirmed that all the dues payable to the statutory authorities' upto 31st March, 2017 were duly paid.
3. The shareholding pattern as on 31st March, 2017 was as under which is in accordance with the statutory requirements:

Shareholders	Year ended 31 st March, 2017		Year ended 31 st March, 2016	
	₹ In Crores	%	₹ In Crores	%
Indian:				
Indian Farmers Fertilizers Co-op Ltd.	195.63	72.64	195.63	72.64
Indian Potash Ltd.	3.66	1.36	3.66	1.36
Sub-Total	199.29	74.00	199.29	74.00
Foreign:				
Tokio Marine Asia Pte. Ltd.	70.03	26.00	70.03	26.00
Total	269.32	100.00	269.32	100.00

4. It is confirmed that no part of funds of the Policy holders were directly or indirectly invested outside India during the year.
5. It is confirmed that solvency margins as required under the IRDA Act and Regulations were maintained during the year.
6. It is certified that the value of the assets have been reviewed on the date of the Balance Sheet and that in the opinion of the management, the assets set forth in the Balance Sheet as on 31st March, 2017 are shown in the aggregate at amounts not exceeding their realizable or market value.
7. The Company has varied risk exposure in different classes of business depending upon the risk hazard and retention capacity of the Company. On overall basis Company is exposed to catastrophe risks. The Company has a strategy to have an effective control on overall risk exposure by working out accumulations per vessel in marine class of business and on geographical basis for property business. The Company has filed its reinsurance program with IRDA as required by their regulations. The Company also has Excess of Loss and Catastrophic Cover in accordance with the programme filed with IRDA.
8. It is certified that there were no operations of the company in any other country during the year ended 31st March, 2017.

9. The information relating to ageing of claims on gross basis indicating the trend of average claim settlement time upto the financial year ended 31st March, 2017 is as under:

(₹ In '000)

Claims Outstanding	Year ending 31 st March, 2017						Year ending 31 st March, 2016					
	LESS THAN 30 DAYS	30 DAYS TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	5 YEARS AND ABOVE	Total	LESS THAN 30 DAYS	30 DAYS TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	5 YEARS AND ABOVE	Total
Fire	36,269	1,482,107	870,650	1,202,709	235,593	3,827,328	41,501	704,405	301,030	925,254	201,648	2,173,838
Marine Cargo	92,286	418,969	112,149	214,930	174,303	1,012,637	22,860	249,354	94,198	192,474	101,589	660,475
Marine Hull	0	22,642	3,400	157,552	88,455	272,050	-	600	63,600	72,608	76,746	213,554
Motor - OD	349,139	810,308	251,623	116,715	11,134	1,538,919	233,571	474,692	127,397	60,150	3,851	899,660
Motor - TP	57,590	240,309	962,608	5,940,902	1,941,965	9,143,374	10,894	149,681	846,758	4,466,962	1,619,995	7,094,290
Engineering	159,881	166,276	144,215	315,762	145,354	931,487	17,663	169,980	178,460	291,983	149,753	807,840
Aviation	0	0	0	1,246	238,227	239,473	965	-	96	5,057	274,546	280,664
Workmen Compensation	3,834	20,331	15,716	14,135	5,929	59,946	3,633	18,823	9,072	22,602	6,492	60,623
Personal Accident	11,247	38,627	58,131	28,021	1,460	137,486	5,630	30,743	18,198	27,575	14,386	96,532
Product/Public Liability	12,598	28,539	17,426	63,552	37,105	159,220	-	8,274	61,342	54,091	767,485	891,193
Health	354,864	440,201	141,438	114,528	734	1,051,764	174,975	270,446	29,785	59,662	1,657	536,525
Crop	704,425	4,720,618	557,834	590,219	25	6,573,121	-	395,070	1,760	587,709	25	984,564
Other Misc.	18,936	190,722	202,449	230,179	51,065	693,352	26,268	153,149	149,854	194,865	115,916	640,051
Total	1,801,068	8,579,648	3,337,639	8,990,451	2,931,349	25,640,156	537,960	2,625,217	1,881,550	6,960,992	3,334,089	15,339,808

No. of Claims Outstanding	Year ending 31 st March, 2017						Year ending 31 st March, 2016					
	LESS THAN 30 DAYS	30 DAYS TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	5 YEARS AND ABOVE	Total	LESS THAN 30 DAYS	30 DAYS TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	5 YEARS AND ABOVE	Total
Fire	15	151	132	491	509	1,298	13	127	146	542	389	1,217
Marine Cargo	192	677	380	395	245	1,889	118	566	255	350	231	1,520
Marine Hull	0	5	5	5	49	64	0	2	4	16	45	67
Motor - OD	7,831	9,117	2,315	894	126	20,283	6,500	5,530	910	428	81	13,449
Motor - TP	10	954	3,959	22,520	9,989	37,432	6	648	3,263	19,099	9,465	32,481
Engineering	47	191	86	474	404	1,202	27	147	71	559	298	1,102
Aviation	0	0	0	4	23	27	1	0	2	7	18	28
Workmen Compensation	59	135	68	74	34	370	33	164	44	80	30	351
Personal Accident	145	457	605	476	83	1,766	94	408	250	445	87	1,284
Product/Public Liability	5	23	23	54	46	151	0	14	43	25	53	135
Health	13,124	51,461	14,423	1,544	4	80,556	9,113	21,374	1,104	751	19	32,361
Crop	0	52	30	104	1	187	0	16	3	106	1	126
Other Misc.	115	521	286	311	95	1,328	155	372	190	319	72	1,108
Total	21,543	63,744	22,312	27,346	11,608	146,553	16,059	29,368	6,285	22,727	10,790	85,229

10. As at 31st March, 2017, the investments of the Company are mainly in debt securities including Government Securities. As per accounting policy adopted for valuation, debt securities including Government Securities are considered as held to maturity and valued at cost subject to amortization. The market value of these investments has been ascertained on the basis of the guidelines issued by IRDA and the information is as under:

(₹ in Lacs)

S. No.		Government Securities	Bonds	Mutual Fund	Equity
1.	Acquisition Cost of Securities held	206,035	438,366	12,500	280
2.	Amortized value of securities as at 31.03.2017 (1)	205,508	437,849	12,500	280
3.	Market Value of securities as at 31.03.2017(1)	205,463	440,447	12,503	258
4.	Value of (1) as appearing in the balance sheet	205,508	437,849	12,503	258

11. The investments held by the Company carry maximum liquidity since they are normally traded in the secondary market and have adequate safety in terms of recovery of principal and interest. During the year, the Company earned an Investment income of ₹713.11 Crores (Previous year ₹432.41 Crores).
12. a) In preparation of financial statement, the applicable accounting standards, principles and policies have been followed and there is no material departure as compared to previous year.
- b) The Management has adopted accounting policies and followed them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the operating profit of the revenue accounts and of profit for the year ended on that date.
- c) The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Management has prepared the Financial Statement on a going concern basis.
- e) The Management has an Internal Audit system commensurate with the size and nature of its business, which is in effective operation during the year.

13. Payments made to companies and organizations in which directors are interested are as under:

(₹ in '000)

S. No.	Name of the Director	Entity in which Director is Interested	Interested as	Year ended 31 st March, 2017	Year ended 31 st March, 2016
1	Dr. U.S. Awasthi Mr. Rakesh Kapur	Indian Farmers Fertilisers Cooperative Ltd.	Managing Director Jt. Managing Director	311,811	1,481,873
2	Dr. P.S. Gahlaut	Indian Potash Ltd.	Managing Director	65,967	135,948
3	Mr. Rakesh Kapur	IFFCO Kisan Sanchar Ltd.	Managing Director	2,458	2,820
		IFFCO Kisan SEZ Ltd.	Managing Director	502	73

For and on behalf of Board of Directors

K. Srinivasa Gowda

Chairman (DIN 00059811)

Warendra Sinha

Managing Director (DIN 03518403)

H.O. Suri

Director (DIN 06416615)

Hiroshi Yasui

Director (DIN 07168387)

Sanjeev Chopra

Chief Financial Officer

Amit Jain

Company Secretary

Place: New Delhi,

Date: 02nd May, 2017

IFFCO-TOKIO

AUDITORS' **REPORT** ON THE CONSOLIDATED FINANCIAL STATEMENTS



TO THE MEMBERS OF IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Revenue Accounts of Fire, Marine and Miscellaneous Insurance (collectively known as the 'Consolidated Revenue Accounts'), the Consolidated Profit and Loss Account, the Consolidated Receipts and Payments Account for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated receipts and payments of the Group in accordance with the accounting principles generally accepted in India, Insurance Act, 1938, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulations') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, as at 31st March, 2017, Its surplus in the Consolidated Revenue Accounts, its Consolidated Profit and its Consolidated Receipts and Payments Account for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements/ financial information of subsidiary, whose financial statements/financial information reflect total assets of ₹18.81 crore as at 31st March, 2017, total revenues of ₹78.19 crore and net cash payments amounting to ₹0.25 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Revenue Accounts, the Consolidated Profit and Loss Account and the Consolidated Receipts and Payments Account dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company (“the Group”) and the operating effectiveness of such controls, refer to our separate report in **Annexure ‘A’**.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the notes to consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

For S.K. Mittal & Co.
Chartered Accountants
FRN 001135N

S.K. Mittal
Partner
M.No. 8506

Place: New Delhi
Date: 02nd May, 2017

For J.C. Bhalla & Co.
Chartered Accountants
FRN 001111N

Rajesh Sethi
Partner
M.No. 85669

ANNEXURE 'A'

The Annexure referred to in paragraph 2 (f) of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of IFFCO TOKIO General Insurance Company Limited ("the Group") on the Internal Financial Controls required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of IFFCO TOKIO General Insurance Company Limited ("the Group") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's ("the Group") internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the

Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's ("the Group") internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's ("the Group") internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (“the Group”);
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company (“the Group”) are being made only in accordance with authorizations of management and directors of the company (“the Group”); and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's (“the Group”) assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

For S.K.Mittal & Co.
Chartered Accountants
FRN 001135N

S.K. Mittal
Partner
M.No. 8506

Place: New Delhi
Date: 02nd May, 2017

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company (“the Group”) has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company (“the Group”) considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company is based on the corresponding report of the auditor of such company incorporated in India.

For J.C. Bhalla & Co.
Chartered Accountants
FRN 001111N

Rajesh Sethi
Partner
M.No. 85669

CONSOLIDATED **FINANCIAL STATEMENTS**



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ In '000)

S. No.	PARTICULARS	SCHEDULE	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)	(5)
SOURCES OF FUNDS				
1	SHARE CAPITAL	5	2,693,215	2,693,215
2	RESERVES AND SURPLUS	6	14,179,728	9,909,505
3	FAIR VALUE CHANGE ACCOUNT			
	- Shareholders		(394)	(424)
	- Policyholders		(1,481)	(6,036)
4	BORROWINGS	7	-	-
TOTAL			16,871,068	12,596,260
APPLICATION OF FUNDS				
5	INVESTMENTS			
	Investments - Shareholders	8	13,802,215	2,695,174
	Investments - Policyholders	8A	51,809,671	38,410,609
6	LOANS	9	-	-
7	FIXED ASSETS	10	301,536	220,695
8	DEFERRED TAX ASSET (NET)		261,152	179,652
9	CURRENT ASSETS :			
	Cash and Bank Balances	11	1,315,493	8,160,687
	Advances and Other Assets	12	4,641,609	5,775,276
Sub-Total (A)			5,957,102	13,935,963
10	CURRENT LIABILITIES	13	40,629,014	27,759,657
11	PROVISIONS	14	14,631,594	15,086,176
Sub-Total (B)			55,260,608	42,845,833
12	NET CURRENT ASSETS (C) = (A-B)		(49,303,506)	(28,909,870)
13	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15	-	-
TOTAL			16,871,068	12,596,260

CONTINGENT LIABILITIES

(₹ In '000)

S. No.	PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Partly paid up Investments	-	-
2	Claims, other than against Policies, not acknowledged as debts by the company	-	-
3	Underwriting commitments outstanding (in respect of shares and securities)	-	-
4	Guarantees given by or on behalf of the company	-	-
5	Statutory demands / liabilities in dispute, not provided for	756,881	280,281
6	Reinsurance obligations to the extent not provided for in the accounts	-	-
7	Others	-	-
TOTAL		756,881	280,281

Notes on Accounts

16

Schedule No. 1 to 16 form an integral part of the consolidated financial statements
As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Place: New Delhi
Dated: 02nd May, 2017

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

CONSOLIDATED FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	403,317	449,291
2	Profit / (Loss) on sale / Redemption of Investments		40,701	3,889
3	Others: Exchange Gain / (Loss)		(3,409)	(3,992)
	Handling Charges		(5,309)	(976)
4	Interest, Dividend & Rent - Gross		70,922	75,415
	TOTAL (A)		506,222	523,627
1	Claims Incurred (Net)	2	211,477	250,829
2	Commission	3	(380,504)	(265,219)
3	Operating expenses related to Insurance Business	4	122,589	115,917
4	Premium Deficiency		-	-
	TOTAL (B)		(46,438)	101,527
	Operating Profit / (Loss) from Fire Business C = (A-B)		552,660	422,100
	APPROPRIATIONS			
	Transfer to Shareholders' Account		552,660	422,100
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		552,660	422,100

Schedule No. 1 to 16 form an integral part of the consolidated financial statements

As required by Section 40C of the Insurance Act, 1938, we certify that the expenses of management, wherever incurred, whether directly or indirectly in respect of fire insurance business have been debited to fire insurance revenue account as expense as per the accounting policy of the Company in this regard.

As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

Place: New Delhi
Dated: 02nd May, 2017

CONSOLIDATED MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	534,270	396,139
2	Profit / (Loss) on sale / Redemption of Investments		37,899	3,897
3	Others: Exchange Gain / (Loss)		(64)	-
	Handling Charges		(378)	14
4	Interest, Dividend & Rent - Gross		66,039	75,570
	TOTAL (A)		637,766	475,620
1	Claims Incurred (Net)	2	384,063	400,281
2	Commission	3	(43,983)	(69,605)
3	Operating expenses related to Insurance Business	4	150,894	91,503
4	Premium Deficiency		(4,885)	4,885
	TOTAL (B)		486,089	427,064
	Operating Profit / (Loss) from Marine Business C = (A-B)		151,677	48,556
	APPROPRIATIONS			
	Transfer to Shareholders' Account		151,677	48,556
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		151,677	48,556

Schedule No. 1 to 16 form an integral part of the consolidated financial statements

As required by Section 40C of the Insurance Act, 1938, we certify that the expenses of management, wherever incurred, whether directly or indirectly in respect of Marine insurance business have been debited to Marine insurance revenue account as expense as per the accounting policy of the Company in this regard.

As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
Chairman (DIN 00059811)

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H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

Place: New Delhi
Dated: 02nd May, 2017

CONSOLIDATED MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	34,167,868	27,200,397
2	Profit / (Loss) on sale / Redemption of Investments		1,914,928	170,183
3	Others: Transfer & Duplicate Fee		12,627	12,729
	Exchange Gain / (Loss)		(320)	7,428
	Handling Charges		1,394	(32)
4	Interest, Dividend & Rent - Gross		3,336,824	3,300,208
	TOTAL (A)		39,433,321	30,690,913
1	Claims Incurred (Net)	2	28,181,622	21,545,548
2	Commission	3	(1,493,442)	766,806
3	Operating expenses related to Insurance Business	4	8,897,339	7,142,388
4	Premium Deficiency		-	-
	TOTAL (B)		35,585,519	29,454,742
	Operating Profit / (Loss) from Miscellaneous Business C = (A-B)		3,847,802	1,236,171
	APPROPRIATIONS			
	Transfer to Shareholders' Account		3,847,802	1,236,171
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		3,847,802	1,236,171

Schedule No. 1 to 16 form an integral part of the consolidated financial statements

As required by section 40C of the Insurance Act, 1938, we certify that the expenses of management, wherever incurred, whether directly or indirectly in respect of Miscellaneous insurance business have been debited to Miscellaneous insurance revenue account as expense as per the accounting policy of the Company in this regard.

As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
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Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Sanjeev Chopra
Chief Financial Officer

Place: New Delhi
Dated: 02nd May, 2017

Amit Jain
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	OPERATING PROFIT / (LOSS)			
	(a) Fire Insurance		552,660	422,100
	(b) Marine Insurance		151,677	48,556
	(c) Miscellaneous Insurance		3,847,802	1,236,171
			4,552,138	1,706,827
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent - Gross		1,058,289	661,957
	(b) Profit on sale of Investments		606,665	34,077
	Less : Loss on Sale of Investments		-	-
			1,664,954	696,034
3	OTHERS			
	a) Miscellaneous Income		55,736	36,794
	b) Profit on Sale of Fixed Assets		97	-
	TOTAL (A)		6,272,925	2,439,655
4	PROVISIONS (Other than taxation)			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		41,621	-
	(c) For doubtful Advances		-	-
5	OTHER EXPENSES			
	(a) Expenses other than those related to Insurance business		-	9,128
	(b) Bad Debts / Advances written off		-	-
	(c) Loss on Sale / Scraping of Fixed Assets		-	825
	(d) Expenses on Corporate Social Responsibility (CSR)		32,794	27,414
	TOTAL (B)		74,415	37,367
	Profit Before Tax		6,198,510	2,402,288
	Less: Provision for Taxation			
	Current Tax		2,014,874	639,561
	Deferred Tax		(83,600)	90,818
	Wealth Tax		-	-
	Add: Credit for Mat Entitlement		545	561
	Less: Short / (Excess) provision for taxation for earlier years		-	-
	Current Tax		(4,542)	(282)
	Deferred Tax		2,100	-
	Wealth Tax		-	(22)
	Profit After Tax		4,270,223	1,672,774
	APPROPRIATIONS			
	(a) Interim dividends paid during the year		-	-
	(b) Proposed final dividend		-	-
	(c) Dividend distribution tax		-	-
	(d) Transfer to any Reserves or other Accounts		-	-
	Balance of Profit brought forward from last year		7,339,550	5,666,776
	Balance carried forward to Balance sheet		11,609,773	7,339,550
	Basic & Diluted Earnings per share (Equity shares of face value of ₹10 each)		15.86	6.21

Notes on Accounts

16

Schedule No. 1 to 16 form an integral part of the financial statements
As per our Report of even date attached.

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

Place: New Delhi
Dated: 02nd May, 2017

CONSOLIDATED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ In '000)

	Current Year		Previous Year	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premium received from policyholders, including advance receipts	62,943,666		42,158,279	
Other receipts	55,736		36,794	
Payment to the re-insurers, net of commissions and claims	(8,475,579)		(935,041)	
Payments to co-insurers, net of claims recovery	94,624		(201,612)	
Payments of claims	(27,142,403)		(27,612,932)	
Payments of commission and brokerage	(1,814,017)		(1,735,483)	
Payments of other operating expenses	(9,466,300)		(7,297,765)	
Preliminary and pre-operative expenses	-		-	
Deposits, advances and staff loans	3,259		(8,483)	
Income taxes paid (Net)	(1,830,531)		(958,873)	
Service tax paid	(3,098,712)		(2,851,137)	
Other payments	-		-	
Cash Flows before extraordinary items	11,269,743		593,747	
Cash Flows from extraordinary operations	-		-	
Net Cash Flows from operating activities		11,269,743		593,747
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(170,909)		(106,312)	
Proceeds from sale of fixed assets	191		912	
Purchases of investments	(258,485,033)		(77,345,152)	
Loans disbursed	-		-	
Sales of investments	236,296,944		65,005,746	
Repayments received	-		-	
Rent/Interest/Dividend received	4,243,871		3,317,101	
Investments in money market instruments and in liquid mutual funds (Net)	-		-	
Expenses related to investments	-		(9,128)	
Net Cash Flow from investing activities		(18,114,937)		(9,136,833)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	-		-	
Proceeds from borrowing	-		-	
Repayments of borrowing	-		-	
Interest/dividend paid	-		-	
Net Cash Flows from financing activities		-		-
Effect of foreign exchange rates on cash and cash equivalents (Net)		-		-
Net Increase / (Decrease) in Cash & Cash equivalents		(6,845,194)		(8,543,086)
Cash equivalents at beginning of Year		8,160,687		16,703,773
Cash equivalents at end of Year		1,315,493		8,160,687

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
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Managing Director (DIN 03518403)

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Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

Place: New Delhi
Dated: 02nd May, 2017

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 1

PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Premium from direct business written	2,767,478	1,288,219	51,576,611	55,632,308	2,659,496	1,167,348	33,082,591	36,909,435
Add : Premium on reinsurance accepted	545,307	28,686	146,390	720,383	437,711	47,759	225,617	711,087
	3,312,785	1,316,905	51,723,001	56,352,691	3,097,207	1,215,107	33,308,208	37,620,522
Less : Premium on reinsurance ceded	2,850,020	747,133	18,141,401	21,738,554	2,630,458	846,565	4,556,304	8,033,327
Net Premium	462,765	569,772	33,581,600	34,614,137	466,749	368,542	28,751,904	29,587,195
Adjustments for changes in Reserve for Unexpired Risks	59,448	35,502	(586,268)	(491,318)	17,458	(27,597)	1,551,507	1,541,368
Total Premium Earned (Net)	403,317	534,270	34,167,868	35,105,455	449,291	396,139	27,200,397	28,045,827

* For analysis of the segment of Marine business, refer Schedule 1A.

** For analysis of the segment of Miscellaneous business, refer Schedule 1B

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 1A

PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Premium from direct business written	1,231,187	57,032	1,288,219	1,095,706	71,642	1,167,348
Add : Premium on reinsurance accepted	28,256	430	28,686	46,906	853	47,759
	1,259,443	57,462	1,316,905	1,142,612	72,495	1,215,107
Less : Premium on reinsurance ceded	714,376	32,757	747,133	796,499	50,066	846,565
Net Premium	545,067	24,705	569,772	346,113	22,429	368,542
Adjustments for changes in Reserve for Unexpired Risks	33,073	2,429	35,502	(21,818)	(5,779)	(27,597)
Total Premium Earned (Net)	511,994	22,276	534,270	367,931	28,208	396,139

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 1B

PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Premium from direct business written	15,278,310	14,454,774	29,733,084	711,260	6,351	300,104	523,124	228,296	5,171,340	12,552,207	2,350,845	51,576,611
Add : Premium on reinsurance accepted	-	10,448	10,448	44,643	-	-	4,725	8,575	69,405	-	8,594	146,390
	15,278,310	14,465,222	29,743,532	755,903	6,351	300,104	527,849	236,871	5,240,745	12,552,207	2,359,439	51,723,001
Less : Premium on reinsurance ceded	3,813,847	3,631,742	7,445,589	607,772	6,293	15,005	70,208	76,356	450,359	7,882,395	1,587,424	18,141,401
Net Premium	11,464,463	10,833,480	22,297,943	148,131	58	285,099	457,641	160,515	4,790,386	4,669,812	772,015	33,581,600
Adjustments for changes in Reserve for Unexpired Risks	(695,760)	(11,923)	(707,683)	(22,612)	(45)	8,366	758	11,767	119,185	(5,712)	9,708	(586,268)
Total Premium Earned (Net)	12,160,223	10,845,403	23,005,626	170,743	103	276,733	456,883	148,748	4,671,201	4,675,524	762,307	34,167,868

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 1B

PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Previous Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Premium from direct business written	13,289,852	10,781,581	24,071,433	637,449	7,577	280,919	492,939	201,531	4,320,961	907,112	2,162,670	33,082,591
Add : Premium on reinsurance accepted	-	154,236	154,236	48,778	(17)	-	4,001	8,928	3,604	-	6,087	225,617
	13,289,852	10,935,817	24,225,669	686,227	7,560	280,919	496,940	210,459	4,324,565	907,112	2,168,757	33,308,208
Less : Premium on reinsurance ceded	722,886	565,952	1,288,838	486,564	6,938	14,047	61,633	69,029	499,524	725,679	1,404,052	4,556,304
Net Premium	12,566,966	10,369,865	22,936,831	199,663	622	266,872	435,307	141,430	3,825,041	181,433	764,705	28,751,904
Adjustments for changes in Reserve for Unexpired Risks	501,684	825,989	1,327,673	9,479	(635)	18,091	65,497	4,658	45,414	2,830	78,500	1,551,507
Total Premium Earned (Net)	12,065,282	9,543,876	21,609,158	190,184	1,257	248,781	369,810	136,772	3,779,627	178,603	686,205	27,200,397

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 2

CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Claims Paid								
Direct	1,133,511	770,727	23,681,007	25,585,245	1,406,951	1,440,155	22,666,642	25,513,748
Add : Reinsurance accepted	47,515	22,575	276,149	346,239	523,368	16,067	157,835	697,270
Less : Reinsurance ceded	969,710	451,678	4,858,815	6,280,203	1,643,769	1,058,396	5,113,677	7,815,842
Net Claims Paid	211,316	341,624	19,098,341	19,651,281	286,550	397,826	17,710,800	18,395,176
Add : Claims Outstanding at the end of the year	458,456	582,400	29,176,481	30,217,337	458,295	539,961	20,093,200	21,091,456
Less : Claims Outstanding at the beginning of the year	458,295	539,961	20,093,200	21,091,456	494,016	537,506	16,258,452	17,289,974
Total Claims Incurred	211,477	384,063	28,181,622	28,777,162	250,829	400,281	21,545,548	22,196,658

* For analysis of the segment of Marine business, refer Schedule 2A.

** For analysis of the segment of Miscellaneous business, refer Schedule 2B

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 2A

CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Claims Paid						
Direct	737,530	33,197	770,727	1,367,385	72,770	1,440,155
Add : Reinsurance accepted	22,575	-	22,575	16,067	-	16,067
Less : Reinsurance ceded	421,808	29,870	451,678	1,027,236	31,160	1,058,396
Net Claims Paid	338,297	3,327	341,624	356,216	41,610	397,826
Add : Claims Outstanding at the end of the year	499,399	83,001	582,400	424,533	115,428	539,961
Less : Claims Outstanding at the beginning of the year	424,533	115,428	539,961	401,476	136,030	537,506
Total Claims Incurred	413,163	(29,100)	384,063	379,273	21,008	400,281

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 2B
CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Current Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Claims Paid Direct	10,082,405	5,266,043	15,348,448	302,550	-	78,063	384,914	58,357	5,015,568	1,254,717	1,238,390	23,681,007
Add : Reinsurance accepted	-	221,861	221,861	5,773	2,789	-	3,440	687	38,854	-	2,745	276,149
Less : Reinsurance ceded	1,281,850	1,023,560	2,305,410	191,157	-	4,256	64,166	23,579	496,952	866,959	906,336	4,858,815
Net Claims Paid	8,800,555	4,464,344	13,264,899	117,166	2,789	73,807	324,188	35,465	4,557,470	387,758	334,799	19,098,341
Add : Claims Outstanding at the end of the year	2,212,587	21,868,002	24,080,589	243,864	941	104,453	215,140	87,799	1,333,699	2,657,709	452,287	29,176,481
Less : Claims Outstanding at the beginning of the year	1,390,689	16,544,470	17,935,159	292,311	9,739	94,429	151,260	99,914	925,887	196,909	387,592	20,093,200
Total Claims Incurred	9,622,453	9,787,876	19,410,329	68,719	(6,009)	83,831	388,068	23,350	4,965,282	2,848,558	399,494	28,181,622

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 2B
CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Previous Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Claims Paid Direct	9,062,168	5,523,515	14,585,683	451,793	4,413	46,942	234,835	4,091	4,264,740	2,418,855	655,290	22,666,642
Add : Reinsurance accepted	-	141,174	141,174	739	(1,725)	-	5,135	-	7,632	-	4,880	157,835
Less : Reinsurance ceded	619,697	1,390,663	2,010,360	338,104	3,102	2,727	25,123	643	476,036	1,935,011	322,571	5,113,677
Net Claims Paid	8,442,471	4,274,026	12,716,497	114,428	(414)	44,215	214,847	3,448	3,796,336	483,844	337,599	17,710,800
Add : Claims Outstanding at the end of the year	1,390,689	16,544,470	17,935,159	292,311	9,739	94,429	151,260	99,914	925,887	196,909	387,592	20,093,200
Less : Claims Outstanding at the beginning of the year	1,340,990	12,869,161	14,210,151	328,333	14,656	75,311	136,071	89,497	622,661	389,666	392,106	16,258,452
Total Claims Incurred	8,492,170	7,949,335	16,441,505	78,406	(5,331)	63,333	230,036	13,865	4,099,562	291,087	333,085	21,545,548

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS SCHEDULE - 3 COMMISSION

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Commission Paid Direct	88,859	67,722	1,433,456	1,590,037	61,075	55,178	1,230,383	1,346,636
TOTAL (A)	88,859	67,722	1,433,456	1,590,037	61,075	55,178	1,230,383	1,346,636
Add : Commission on Re-insurance accepted	33,236	1,443	14,238	48,917	31,046	4,171	6,457	41,674
Less : Commission on Re-insurance ceded	502,599	113,148	2,941,136	3,556,883	357,340	128,954	470,034	956,328
Net Commission	(380,504)	(43,983)	(1,493,442)	(1,917,929)	(265,219)	(69,605)	766,806	431,982
Breakup of the expenses (Gross) incurred to procure business:								
Agents	39,360	28,903	618,242	686,505	29,004	22,988	549,905	601,897
Brokers	44,868	38,792	793,080	876,740	30,023	32,158	636,204	698,385
Corporate Agency	4,631	27	22,134	26,792	2,048	32	44,274	46,354
Others	-	-	-	-	-	-	-	-
TOTAL (B)	88,859	67,722	1,433,456	1,590,037	61,075	55,178	1,230,383	1,346,636

* For analysis of the segment of Marine business, refer Schedule 3A.

** For analysis of the segment of Miscellaneous business, refer Schedule 3B

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS SCHEDULE - 3A COMMISSION

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Commission Paid Direct	63,286	4,436	67,722	51,049	4,129	55,178
TOTAL (A)	63,286	4,436	67,722	51,049	4,129	55,178
Add : Commission on Re-insurance Accepted	1,443	-	1,443	4,163	8	4,171
Less : Commission on Re-insurance ceded	109,413	3,735	113,148	126,059	2,895	128,954
Net Commission	(44,684)	701	(43,983)	(70,847)	1,242	(69,605)
Breakup of the expenses (Gross) incurred to procure business:						
Agents	25,948	2,955	28,903	20,116	2,872	22,988
Brokers	37,311	1,481	38,792	30,931	1,227	32,158
Corporate Agency	27	-	27	2	30	32
Others	-	-	-	-	-	-
TOTAL (B)	63,286	4,436	67,722	51,049	4,129	55,178

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 3B
COMMISSION

(₹ In '000)

Particulars	Current Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Commission Paid Direct	870,035	16,088	886,123	45,667	389	26,338	31,350	28,770	261,936	-	152,883	1,433,456
Total (A)	870,035	16,088	886,123	45,667	389	26,338	31,350	28,770	261,936	-	152,883	1,433,456
Add : Commission on reinsurance accepted	-	-	-	3,575	-	-	47	1,434	7,404	-	1,778	14,238
Less : Commission on reinsurance ceded	721,653	610,935	1,332,588	65,829	839	2,251	8,643	7,805	47,837	1,233,396	241,948	2,941,136
Net Commission	148,382	(594,847)	(446,465)	(16,587)	(450)	24,087	22,754	22,399	221,503	(1,233,396)	(87,287)	(1,493,442)
Breakup of the expenses (Gross) incurred to procure business:												
Agents	357,998	13,417	371,415	19,769	-	16,532	14,625	4,885	144,916	-	46,100	618,242
Brokers	506,387	1,839	508,226	25,828	389	9,756	16,361	23,654	110,755	-	98,111	793,080
Corporate Agency	5,650	832	6,482	70	-	50	364	231	6,265	-	8,672	22,134
Others	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	870,035	16,088	886,123	45,667	389	26,338	31,350	28,770	261,936	-	152,883	1,433,456

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 3B
COMMISSION

(₹ In '000)

Particulars	Previous Year											
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
Commission Paid Direct	719,789	8,328	728,117	34,660	336	24,047	27,886	24,784	234,044	-	156,509	1,230,383
Total (A)	719,789	8,328	728,117	34,660	336	24,047	27,886	24,784	234,044	-	156,509	1,230,383
Add : Commission on reinsurance accepted	-	-	-	4,351	-	-	40	1,202	64	-	800	6,457
Less : Commission on reinsurance ceded	99,548	27,143	126,691	55,443	795	2,107	8,062	6,762	48,747	77,208	144,219	470,034
Net Commission	620,241	(18,815)	601,426	(16,432)	(459)	21,940	19,864	19,224	185,361	(77,208)	13,090	766,806
Breakup of the expenses (Gross) incurred to procure business:												
Agents	335,618	7,092	342,710	15,937	-	14,829	13,242	3,126	112,757	-	47,304	549,905
Brokers	376,759	912	377,671	18,472	336	9,171	14,008	21,467	115,361	-	79,718	636,204
Corporate Agency	7,412	324	7,736	251	-	47	636	191	5,926	-	29,487	44,274
Others	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	719,789	8,328	728,117	34,660	336	24,047	27,886	24,784	234,044	-	156,509	1,230,383

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 4

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year				Previous Year			
		FIRE	*MARINE	** MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
1	Employees remuneration and welfare benefits	26,296	32,377	1,908,261	1,966,935	25,600	20,213	1,576,958	1,622,771
2	Travel, conveyance and vehicle running expenses	1,796	2,211	130,307	134,314	1,914	1,512	117,921	121,347
3	Training expenses	142	175	10,295	10,612	212	167	13,040	13,419
4	Rent, rates and taxes	5,465	6,729	396,584	408,778	5,543	4,377	341,463	351,383
5	Repairs	1,779	2,190	129,079	133,048	1,941	1,533	119,581	123,055
6	Printing and Stationery	963	1,186	69,897	72,046	1,236	976	76,130	78,342
7	Communication	1,386	1,706	100,570	103,662	1,427	1,126	87,882	90,435
8	Legal and professional charges	6,367	7,839	462,004	476,209	6,725	5,310	414,284	426,320
9	Auditor's fees, expenses etc.								
	(a) As Auditor	41	50	2,949	3,040	40	32	2,488	2,560
	(b) As Advisor or in any other capacity in respect of								
	(i) Taxation matters	-	-	-	-	6	5	389	400
	(ii) Insurance matters	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-
	(c) in any other capacity (Tax Audit Fees)	10	12	718	740	10	8	632	650
10	Advertisement and publicity	864	1,064	62,692	64,620	2,461	1,943	151,613	156,018
11	Marketing & Support Services	69,081	85,054	5,012,988	5,167,123	58,654	46,313	3,613,116	3,718,083
12	Interest and Bank charges	1,221	1,503	88,596	91,320	1,113	879	68,565	70,557
13	Others:								
	Policy Stamps	34	-	3,835	3,869	31	-	3,764	3,795
	Information & Technology Expenses	1,672	2,058	121,298	125,028	2,999	2,368	184,764	190,132
	Electricity & Water Charges	870	1,071	63,100	65,040	1,021	806	62,888	64,715
	Courtesies & Entertainment	782	963	56,781	58,527	1,270	1,003	78,238	80,511
	Others	691	851	50,131	51,672	1,011	798	62,275	64,084
14	Depreciation	1,309	1,611	94,959	97,879	1,447	1,143	89,140	91,730
15	Service Tax Expense	1,823	2,245	132,293	136,361	1,254	990	77,257	79,501
	TOTAL	122,589	150,894	8,897,339	9,170,823	115,917	91,503	7,142,388	7,349,808

* For analysis of the segment of Marine business, refer Schedule 4A.

** For analysis of the segment of Miscellaneous business, refer Schedule 4B

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 4A

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year			Previous Year		
		Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
1	Employees remuneration and welfare benefits	30,973	1,404	32,377	18,983	1,230	20,213
2	Travel, conveyance and vehicle running expenses	2,115	96	2,211	1,420	92	1,512
3	Training expenses	167	8	175	157	10	167
4	Rent, rates and taxes	6,437	292	6,729	4,111	266	4,377
5	Repairs	2,095	95	2,190	1,440	93	1,533
6	Printing and Stationery	1,135	51	1,186	916	59	976
7	Communication	1,632	74	1,706	1,058	69	1,126
8	Legal and professional charges	7,499	340	7,839	4,987	323	5,310
9	Auditor's fees, expenses etc.						
	(a) As Auditor	48	2	50	30	2	32
	(b) As Advisor or in any other capacity in respect of						
	(i) Taxation matters	-	-	-	5	0	5
	(ii) Insurance matters	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-
	(c) In any other capacity (Tax Audit Fees)	12	1	12	8	0	8
10	Advertisement and publicity	1,018	46	1,064	1,825	118	1,943
11	Marketing & Support Services	81,366	3,688	85,054	43,494	2,819	46,313
12	Interest and Bank charges	1,438	65	1,503	825	53	879
13	Others:						
	Policy Stamps	-	-	-	-	-	-
	Information & Technology Expenses	1,969	89	2,058	2,224	144	2,368
	Electricity & Water Charges	1,024	46	1,071	757	49	806
	Courtesies & Entertainment	922	42	963	942	61	1,003
	Others	814	37	851	750	49	798
14	Depreciation	1,541	70	1,611	1,073	70	1,143
15	Service Tax Expense	2,147	97	2,245	930	60	990
	Total	144,352	6,543	150,894	85,934	5,569	91,503

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 4B
OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year											
		Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
1	Employees remuneration and welfare benefits	651,464	615,608	1,267,072	8,417	3	16,201	26,005	9,121	272,212	265,360	43,869	1,908,261
2	Travel, conveyance and vehicle running expenses	44,486	42,037	86,523	575	0	1,106	1,776	623	18,588	18,120	2,996	130,307
3	Training expenses	3,515	3,321	6,836	45	0	87	140	49	1,469	1,432	237	10,295
4	Rent, rates and taxes	135,390	127,939	263,329	1,749	1	3,367	5,405	1,896	56,572	55,148	9,117	396,584
5	Repairs	44,067	41,641	85,708	569	0	1,096	1,759	617	18,413	17,950	2,967	129,079
6	Printing and stationery	23,862	22,549	46,411	308	0	593	953	334	9,971	9,720	1,607	69,897
7	Communication	34,334	32,444	66,778	444	0	854	1,371	481	14,346	13,985	2,312	100,570
8	Legal and professional charges	157,724	149,043	306,767	2,038	1	3,922	6,296	2,208	65,904	64,246	10,621	462,004
9	Auditor's fees, expenses etc.												
	(a) As Auditor	1,007	951	1,958	13	0	25	40	14	421	410	68	2,949
	(b) As Advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity (Tax audit fees)	245	232	477	3	0	6	10	3	102	100	17	718
10	Advertisement and publicity	21,403	20,225	41,627	277	0	532	854	300	8,943	8,718	1,441	62,692
11	Marketing & support services	1,711,390	1,617,198	3,328,588	22,113	9	42,559	68,316	23,961	715,098	697,099	115,245	5,012,988
12	Interest and bank charges	30,246	28,581	58,827	391	0	752	1,207	423	12,638	12,320	2,037	88,596
13	Others:												
	Policy stamps	1,443	1,363	2,806	4	0	147	15	1	77	-	785	3,835
	Information & technology Expenses	41,410	39,131	80,541	535	0	1,030	1,653	580	17,303	16,868	2,789	121,298
	Electricity & water charges	21,542	20,356	41,898	278	0	536	860	302	9,001	8,775	1,451	63,100
	Courtesies & entertainment	19,385	18,318	37,702	250	0	482	774	271	8,100	7,896	1,305	56,781
	Others	17,114	16,172	33,286	221	0	426	683	240	7,151	6,971	1,152	50,131
14	Depreciation	32,418	30,634	63,052	419	0	806	1,294	454	13,546	13,205	2,183	94,959
15	Service tax expense	45,164	42,678	87,842	584	0	1,123	1,803	632	18,872	18,397	3,041	132,293
	TOTAL	3,037,607	2,870,422	5,908,030	39,234	15	75,651	121,213	42,511	1,268,728	1,236,719	205,240	8,897,339

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 4B
OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Previous Year											
		Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Crop	Other Miscellaneous	Total Miscellaneous
1	Employees remuneration and welfare benefits	689,261	568,757	1,258,018	10,951	34	14,637	23,875	7,757	209,792	9,951	41,942	1,576,958
2	Travel, conveyance and vehicle running expenses	51,541	42,530	94,072	819	3	1,095	1,785	580	15,688	744	3,136	117,921
3	Training expenses	5,700	4,703	10,403	91	0	121	197	64	1,735	82	347	13,040
4	Rent, rates and taxes	149,248	123,154	272,402	2,371	7	3,169	5,170	1,680	45,427	2,155	9,082	341,463
5	Repairs	52,267	43,129	95,396	830	3	1,110	1,810	588	15,909	755	3,180	119,581
6	Printing and stationery	33,275	27,458	60,733	529	2	707	1,153	374	10,128	480	2,025	76,130
7	Communication	38,412	31,696	70,108	610	2	816	1,331	432	11,691	555	2,337	87,882
8	Legal and professional charges	181,077	149,419	330,495	2,877	9	3,845	6,272	2,038	55,115	2,614	11,019	414,284
9	Auditor's fees, expenses etc.												
	(a) As Auditor	1,087	897	1,985	17	0	23	38	12	331	16	66	2,488
	(b) As Advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	170	140	310	3	0	4	6	2	52	2	10	389
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity (Tax audit fees)	276	228	504	4	0	6	10	3	84	4	17	632
10	Advertisement and publicity	66,268	54,682	120,950	1,053	3	1,407	2,295	746	20,170	957	4,032	151,613
11	Marketing & support services	1,579,231	1,303,132	2,882,363	25,091	78	33,537	54,703	17,773	480,675	22,800	96,097	3,613,116
12	Interest and bank charges	29,969	24,729	54,698	476	1	636	1,038	337	9,122	433	1,824	68,565
13	Others:												
	Policy stamps	1,498	1,236	2,734	4	-	148	11	1	88	-	778	3,764
	Information & technology Expenses	80,757	66,638	147,396	1,283	4	1,715	2,797	909	24,580	1,166	4,914	184,764
	Electricity & water charges	27,487	22,682	50,169	437	1	584	952	309	8,366	397	1,673	62,888
	Courtesies & entertainment	34,197	28,218	62,414	543	2	726	1,185	385	10,408	494	2,081	78,238
	Others	27,219	22,460	49,680	432	1	578	943	306	8,285	393	1,656	62,275
14	Depreciation	38,962	32,150	71,112	619	2	827	1,350	438	11,859	563	2,371	89,140
15	Service tax expense	33,768	27,864	61,631	536	2	717	1,170	380	10,278	488	2,055	77,257
	TOTAL	3,121,669	2,575,903	5,697,571	49,577	154	66,408	108,091	35,116	949,783	45,047	190,642	7,142,388

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 5
SHARE CAPITAL

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Authorised Capital 400000000 Equity Shares of ₹10 each (Previous Year 400000000 Equity Shares of ₹10 each)	4,000,000	4,000,000
2	Issued Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
3	Subscribed Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
4	Called up Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
	Less: Calls unpaid	-	-
	Add: Equity Shares forfeited (amount originally paid up)	-	-
	Less: Par Value of Equity Shares bought back	-	-
	Less: Preliminary Expenses	-	-
	Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	TOTAL	2,693,215	2,693,215

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 5A
SHARE CAPITAL
PATTERN OF SHAREHOLDING
(As certified by the Management)

S. No.		As at 31 st March, 2017		As at 31 st March, 2016	
		Number of Shares	% of Holding	Number of Shares	% of Holding
	Promoters				
	a) Indian	199297910	74	199297910	74
	b) Foreign	70023590	26	70023590	26
	Others	-	-	-	-
	TOTAL	269321500	100	269321500	100

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 6
RESERVES AND SURPLUS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	2,568,789	2,568,789
4	General Reserve	-	-
5	Catastrophe Reserve	1,166	1,166
6	Other Reserves	-	-
7	Balance of Profit in Profit and Loss Account	11,609,773	7,339,550
	TOTAL	14,179,728	9,909,505

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULE - 7
BORROWINGS**

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULE - 8
INVESTMENTS - SHAREHOLDERS**

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
	LONG TERM INVESTMENTS		
1	Govt. Securities, Govt. guaranteed Bonds including Treasury Bills	4,247,393	964,108
2	Other Approved Securities	-	-
3	Other Investments		
	Equity Shares	5,435	5,205
	Preference Shares	-	-
	Mutual Funds	-	-
	Derivative Instruments	-	-
	Debenture /Bonds (Housing)	1,549,474	323,153
	Non Convertible Debenture/ Bonds	511,370	180,901
	Other Securities	-	-
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investment In Infrastructure and social sector	6,097,681	935,575
5	Other than approved investments	-	-
	SHORT TERM INVESTMENTS		
1	Govt Securities, Govt guaranteed Bonds incl. Treasury Bills	75,709	29,613
2	Other Approved Securities	-	-
3	Other Investments		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	263,022	32,177
	Derivative Instruments	-	-
	Debentures & Bonds (Housing)	336,898	134,152
	Non Convertible Debenture/ Bonds	316,171	49,265
	Others Securities	104,967	-
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investments in Infrastructure & Social Sector	294,095	41,025
5	Other than approved investments	-	-
	TOTAL	13,802,215	2,695,174

Note: Aggregate amount of company's investment other than listed equity securities and derivative instruments is ₹65,586,052 thousand (Previous year ₹41,026,395 thousand) Market value of such investments as at 31.03.2017 is ₹65,337,357 thousand (Previous year ₹42,445,416 thousand)

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 8A

INVESTMENTS - POLICYHOLDERS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
	LONG TERM INVESTMENTS		
1	Govt. Securities, Govt. guaranteed Bonds incl. Treasury Bills	15,943,532	13,740,104
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	20,400	74,183
	Preference Shares	-	-
	Mutual Funds	-	-
	Derivative Instruments	-	-
	Debenture / Bonds (Housing)	5,816,294	4,605,457
	Non-Convertible Debenture / Bonds	1,919,542	2,578,133
	Other Securities	-	-
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investment In Infrastructure and social sector	22,888,994	13,333,454
5	Other than approved investments	-	-
	SHORT TERM INVESTMENTS		
1	Govt. Securities, Govt. guaranteed Bonds incl. Treasury Bill	284,190	422,032
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	987,312	458,575
	Derivative Instruments	-	-
	Debentures & Bonds (Housing)	1,264,622	1,911,889
	Non-Convertible Debenture/ Bonds	1,186,818	702,108
	Others Securities	394,018	-
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investments in Infrastructure & Social Sector	1,103,949	584,674
5	Other than approved investments	-	-
	TOTAL	51,809,671	38,410,609

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 9

LOANS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Security-wise Classification Secured		
	(a) On mortgage of property		
	(i) In India	-	-
	(ii) Outside India	-	-
	(b) On shares, Bonds, Govt Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	Total	-	-
2	Borrower-wise Classification		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	Total	-	-
3	Performance-wise Classification		
	(a) Loans classified as standard		
	(i) in India	-	-
	(ii) outside India	-	-
	(b) Non performing loans less provisions		
	(i) in India	-	-
	(ii) outside India	-	-
	Total	-	-
4	Maturity-wise Classification		
	(a) Short Term	-	-
	(b) Long Term	-	-
	TOTAL	-	-

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE - 10
FIXED ASSETS

(₹ In '000)

Particulars	Gross Block			Depreciation			Net Block			
	As at 1 st April, 2016	Additions during the year	Sales/ Adjustments during the year	As at 31 st March, 2017	Upto 31 st March, 2016	For the Year	On Sales/ Adjustments	Upto 31 st March 2017	As at 31 st March, 2017	As at 31 st March, 2016
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles:										
- Computer Software	209,182	54,082	-	263,264	200,150	20,062	-	220,212	43,052	9,032
Land - Freehold	37,849	-	-	37,849	-	-	-	-	37,849	37,849
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	12,251	-	-	12,251	1,206	202	-	1,408	10,843	11,045
Furniture & Fittings	284,789	43,329	6,787	321,331	234,839	18,413	6,693	246,559	74,772	49,950
Information Technology										
Equipment	569,726	57,570	1,878	625,418	487,336	51,901	1,878	537,359	88,058	82,390
Vehicles	6,215	-	-	6,215	1,953	833	-	2,786	3,429	4,262
Office Equipment	88,585	6,970	1,026	94,529	74,432	6,468	1,026	79,874	14,655	14,153
Others	-	-	-	-	-	-	-	-	-	-
TOTAL	1,208,597	161,951	9,691	1,360,857	999,916	97,879	9,597	1,088,198	272,658	208,681
Capital Work In Progress	12,014	28,878	12,014	28,878	-	-	-	-	28,878	12,014
Grand Total	1,220,611	190,829	21,705	1,389,735	999,916	97,879	9,597	1,088,198	301,536	220,695
Previous Year Total	1,124,929	105,854	10,172	1,220,611	910,323	91,730	2,136	999,916	220,695	

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 11

CASH AND BANK BALANCES

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Cash (including cheques, drafts and stamps)	35,235	14,347
2	Bank Balances		
	(a) Deposit Accounts		
	(i) Short Term (due within 12 months)	480,000	6,919,851
	(ii) Others	12,600	292,600
	(b) Current Accounts	787,658	933,889
	(c) Others	-	-
3	Money at call & short notice		
	With Banks	-	-
	With Other Institutions	-	-
4	Others	-	-
	TOTAL	1,315,493	8,160,687
	Balances with non-scheduled banks included in 2 and 3 above	-	-

Note: Balance with Banks in current accounts above, includes liquid flexi term deposit of ₹362,900 thousand (Previous year ₹614,980 thousand)

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
	ADVANCES		
1	Reserve Deposit with ceding Companies	-	-
2	Application Money for Investments	-	-
3	Prepayments	53,480	83,362
4	Advance to Directors / Officers	-	-
5	Advance Tax Paid and Tax Deducted at source (Net of provision for taxation)	121,733	301,533
6	MAT Credit Entitlement	1,643	1,099
7	Deposit towards Rent	82,384	75,440
8	Service Tax Recoverable	6,354	-
9	Others	14,216	24,419
	TOTAL (A)	279,810	485,853
	OTHER ASSETS		
1	Income accrued on Investments / FDRs	2,425,572	1,945,625
2	Outstanding Premiums	1,303,427	1,210,534
3	Agents' Balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from entities carrying on insurance business (including reinsurers)	632,800	2,133,264
6	Due from Subsidiaries / Holdings	-	-
7	Deposit with Reserve Bank of India {Pursuant to Section 7 of Insurance Act, 1938}	-	-
8	Others	-	-
	TOTAL (B)	4,361,799	5,289,423
	TOTAL (A+B)	4,641,609	5,775,276

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 13

CURRENT LIABILITIES

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Agents Balances	167,249	119,143
2	Balances due to other insurance companies (including reinsurers)	4,469,078	678,598
3	Deposits held on re-insurances ceded	-	-
4	Premiums received in advance	310,096	396,688
5	Unallocated premium	-	-
6	Sundry Creditors	967,656	772,881
7	Due to Subsidiaries / Holding Company	-	-
8	Claims outstanding *	33,559,216	25,060,923
9	Due to Officers / Directors	-	-
10	Deposit Premium	394,897	224,126
11	Service Tax Payable	-	346
12	Employee Benefit	336,607	196,644
13	Unclaimed Amount of Policyholders	424,215	310,308
	TOTAL	40,629,014	27,759,657

* Claims Outstanding Includes ₹3,341,879 thousand (Previous Year ₹3,969,467 thousands) on account of settlement received from the IMTPIP towards the company's share of claim liability determined by the pool upto the date of dismantling (Net of claims paid upto reporting period)

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 14

PROVISIONS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Reserve for Unexpired Risk	14,589,972	15,081,291
2	For Taxation (less advance tax paid and taxes deducted at source)	-	-
3	For Proposed Dividends	-	-
4	For Dividend Distribution Tax	-	-
5	Premium Deficiency	-	4,885
6	For Doubtful Debt	41,622	-
	TOTAL	14,631,594	15,086,176

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE


(To the extent not written off or adjusted)

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(1)	(2)	(3)	(4)
1	Discount allowed in issue of shares/debentures	-	-
2	Others	-	-
	TOTAL	-	-

IFFCO-TOKIO

ACCOUNTING POLICIES & NOTES ON **ACCOUNTS** CONSOLIDATED



SCHEDULE 16: NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1. Basis of Preparation of Financial Statement:

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the generally accepted accounting principles and conform to the statutory requirements prescribed under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 including directions thereon, the Insurance Act, 1938, the provisions of Companies Act, 2013 including notified Accounting Standards there under except otherwise stated.

2. Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent assets & liabilities. Such estimates and assumptions are based on the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Any revision to the accounting estimates is recognized prospectively in the period in which the results are known/ materialized.

3. Revenue Recognition

- 3.1 Premium and cession thereof are recognized over the contract period or the period of the risk in respective revenue account following 1/365 method.

Reserve for unexpired risk representing premium attributable to the succeeding accounting period is maintained based on the above method except in Marine Hull business and reinsurance premium acceptances in respect of Terrorism Pool for Fire & Miscellaneous business, where the reserve

for unexpired risk is maintained at hundred percent of the Net Premium during the preceding twelve months.

- 3.2 Any subsequent revision to the premium under the policies is accounted for in the period in which they occur.

- 3.3 Premium deficiency is recognized whenever expected claim costs, related expenses and maintenance costs exceeds related reserve for unexpired risks for each segment of business.

- 3.4 Reinsurance Inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

- 3.5 Commission on reinsurance cessions are recognized as income in the period in which the premium is ceded. Profit commission under reinsurance treaties, wherever applicable, is recognized on the determination of profit for the period.

- 3.6 Interest Income is recognized on accrual basis.

- 3.7 Dividend income is recognized when the right to receive dividend is established.

- 3.8 Profit or Loss on sale / redemption of investments which is the difference between sale consideration and carrying value is recognized on trade date and includes effects of accumulated fair value changes, previously recognized, for specific investments sold / redeemed during the year. In determining realized gain/loss, cost of securities is arrived at on 'Weighted average cost' basis and sale consideration for the purpose of realized gain/loss is net of Brokerage and taxes, if any.

4. Allocation of Investment Income between Revenue Accounts and Profit and Loss Account:

Investment income is apportioned to Profit and Loss Account and Revenue Accounts in the ratio of average of Shareholders Funds and Policyholders Funds standing in each class of business at the end of each month.

5. Claims Incurred:

- 5.1 Liability in respect of claims is provided for the intimations received up to the year-end based on the surveyor's assessment, information provided by the insured, judgment based on past experience and other applicable laws and practices. However, in respect of claims under re-insurance acceptances, the claim liability is provided based on the returns / advices, to the extent received, from the Reinsurers.
- 5.2 Liability in respect of "claims incurred but not reported" (IBNR) and "Claims incurred but not enough reported" (IBNER) is provided for on actuarial estimates as certified by the "Appointed Actuary".
- 5.3 Salvage/Recoveries under claims are netted against "Claims Incurred" and are accounted for on realization.

6. Allocation of Operating Expenses

Operating expenses other than policy stamps are apportioned to respective revenue accounts on the basis of net premium in each class of business at the end of financial year. Expenses relating to policy stamps are directly taken to the respective revenue accounts..

7. Acquisition Cost of insurance contracts

Cost relating to acquisition of new/renewal of insurance contracts are expensed in the period in which they are incurred.

8. Investments

Investments are recorded on the trade date at the acquisition cost.

Classification

Investment maturing within twelve months from the Balance Sheet date and investments made with specific intention to dispose off within twelve months from the Balance Sheet date are classified as Short term Investments. Other investments are classified as Long term Investments.

Valuation

- (i) Debt securities including Government securities are considered as held to maturity and are valued at cost subject to amortization by charging off/ crediting investment income with the difference of acquisition cost and maturity value over the unexpired period of maturity on straight line method.
- (ii) Investments in units of mutual funds are valued at Net Asset Value (NAV)
- (iii) Equity securities listed and actively traded are stated at fair value, being the last quoted closing price on the National Stock Exchange (NSE). However, in case of any stock not being listed at NSE, the same valued based on the last quoted closing price on Bombay Stock Exchange (BSE).
- (iv) Any unrealized gain/loss arising due to change in fair value of mutual fund investments and listed equity shares is accounted in 'Fair Value Change Account' and carried forward in the Balance Sheet and is not available for distribution.
- (v) Investment in subsidiary company is valued at cost less permanent diminution, if any.

9. Fixed Assets:

Fixed Assets are stated at their cost of acquisition less accumulated depreciation/ amortization.

Capital Work in Progress is stated at cost.

10. Depreciation/Amortisation

- 10.1 Depreciation on Fixed Assets is provided on straight line method based on useful life as provided in Schedule II of the Companies Act, 2013 except
- (i) Fixtures in rented premises are depreciated proportionately over the residual lease period wherever the lease period is less than the useful life specified in Schedule II.
- (ii) Information Technology Equipments – Servers & Networks are depreciated over

their useful life of three years on straight line method.

- (iii) Fixed Assets having value up to ₹5000 are fully depreciated in the year of acquisition.

10.2 Software is amortized over its useful life of three years on straight line method.

11. Pre-Paid Expenses

Expenditure up to ₹25,000 in each case is accounted for in the year in which the same is incurred.

12. Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rate prevailing on the date of the transaction.

The monetary items remaining outstanding as on the date of Balance Sheet are translated at the exchange rate as on that date.

Exchange Gain/Loss on settlement/translation of foreign currency transactions is recognized as income/expense.

13. Income Tax

Income tax comprises of Current Tax and Deferred Tax. Deferred tax, resulting from 'timing differences' between book and taxable profits, is accounted for using the tax rates and laws that have been enacted or substantively enacted. The deferred tax asset is recognized and carried only to the extent that there is a reasonable/virtual certainty that the asset will be realized in future.

14. Employee Benefits

14.1 The Liability for Gratuity is covered by the "Group Gratuity Cash Accumulation Scheme" with an Insurance Company. The liability is accounted for based on actuarial valuation as on the date of Balance Sheet.

14.2 Liability for leave encashment is provided for on the basis of actuarial valuation as on the date of Balance Sheet.

14.3 Provident Fund and Family Pension Scheme contributions and liability towards Leave Travel Assistance (LTA) are accounted for on accrual basis.

14.4 Gains/losses arising out of the actuarial valuation are recognized immediately in the accounts.

15. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for indications of any impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to that effect.

16. Provisions & Contingencies

A provision, other than those relating to contract with policy holders, is recognized when there is present obligation arising out of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability. Contingent liability in respect of Show Cause Notices is considered only when converted into demand.

B. NOTES FORMING PART OF ACCOUNTS

I. BASIS OF CONSOLIDATION

The Consolidated financial statements relate to IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED and its wholly-owned subsidiary IFFCO TOKIO INSURANCE SERVICES LIMITED.

a) Basis of Accounting :

- i. The financial statement of the subsidiary company in the consolidation is drawn up to the same reporting date as of the company.
- ii. The Consolidated financial statement have been prepared in accordance with Accounting Standard (AS) 21- 'Consolidated Financial Statement' notified under the Companies Act, 2013 and generally accepted accounting principles.

b) Principles of Consolidation:

The consolidated financial statements have been prepared as per following principles:

- i. The financial statements of the company and its subsidiary are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra- group balances, intra- group transactions, unrealized profits or losses.
- ii. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the notes to accounts.

c) Additional Information required under part II of the schedule III of the Companies Act, 2013 is as under:

(₹ in '000)

Name of Entity	Net Assets (Total assets minus Total liability)		Share in Profit or loss (Profit after tax)	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount
IFFCO-TOKIO INSURANCE SERVICES LIMITED	0.13%	21,478	0.05%	2,045

II. Disclosures required under Accounting Standards

1. Accounting Standard-15 "Employee Benefits"

A. General description of defined contribution plan

Provident Fund (Subsidiary Company)	The company makes contributions at a specified percentage of payroll cost towards Employee Provident Fund (EPF) for qualifying employees. The company recognized ₹13,434 thousand (previous year ₹12,182 thousand) for provident fund contribution in the profit & loss account.
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B. General description of the defined benefit scheme:

Gratuity	Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of five years or more.
Leave Encashment	Payable on encashment during the service or on separation to the eligible employees who have accumulated earned leave.
Provident Fund (Parent Company)	The Company pays fixed contribution to Provident Fund Trust. Contribution to Family Pension Scheme is paid to appropriate authority. The contribution for ₹51,925 thousand (previous year ₹42,194 thousand) has been recognized as expense in the accounts.

C. Other disclosures as required under AS-15 (Revised 2005) on “Employee Benefits” in respect of defined benefit obligations are as under:

i. Expenses recognized in Profit & Loss Account

(₹ in '000)

Particulars	Gratuity					Leave Encashment				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Current Service Cost	17,372	15,697	13,432	10,185	7,637	40,435	34,449	29,660	20,905	15,838
Interest cost on benefit obligation	7,778	6,896	6,013	4,003	3,668	13,449	12,314	10,855	7,430	6,407
Expected return on plan assets	(7,387)	(5,732)	(4,258)	(4,436)	(4,172)	-	-	-	-	-
Net actuarial (Gain)/ loss recognised in the year	54,384	(2,507)	8,891	14,193	(4,932)	45,911	(4,672)	17,999	30,150	7,184
Expenses recognised in the Profit & Loss Account	72,147	14,354	24,078	23,946	2,201	99,795	42,091	58,514	58,485	29,428

ii. The amount recognised in the Balance Sheet

(₹ in '000)

Particulars	Gratuity					Leave Encashment				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of obligation at end of year (i)	177,854	102,632	89,581	68,939	46,956	264,578	182,290	160,424	124,607	86,024
Fair Value of Plan assets at end of year (ii)	105,824	88,322	65,503	46,664	48,128	-	-	-	-	-
Difference (ii-i) i.e. Assets/ (Liabilities)	(72,030)	(14,310)	(24,078)	(22,275)	1,171	(264,578)	(182,290)	(160,424)	(124,607)	(86,024)
Net Asset/(Liability) recognised in the Balance Sheet	(72,030)	(14,310)	(24,078)	(22,275)	1,171	(264,578)	(182,290)	(160,424)	(124,607)	(86,024)

iii. Changes in the present value of the Defined Benefit Obligations:

(₹ in '000)

Particulars	Gratuity					Leave Encashment				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of obligation at beginning of year	102,632	89,582	68,939	46,956	42,509	182,290	160,424	124,607	86,024	73,398
Interest Cost	7,778	6,896	6,013	4,003	3,668	13,449	12,313	10,855	7,430	6,407
Current Service Cost	17,372	15,697	13,432	10,185	7,637	40,435	34,449	29,660	20,905	15,838
Benefit Paid	(4,541)	(7,443)	(8,060)	(6,244)	(5,591)	(17,507)	(20,224)	(22,697)	(19,902)	(16,802)
Net actuarial (Gain)/Loss on obligation	54,613	(2,100)	9,257	14,039	(1,266)	45,911	(4,672)	17,999	30,150	7,184
Present value of the defined benefit as at end of year	177,854	102,632	89,581	68,939	46,956	264,578	182,290	160,424	124,607	86,024

iv. Changes in the fair value of plan assets:

(₹ in '000)

Particulars	Gratuity					Leave Encashment				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Fair value of plan assets at beginning of year	88,322	65,503	46,664	48,128	44,835	-	-	-	-	-
Expected return on plan assets	7,387	5,732	4,258	4,436	4,172	-	-	-	-	-
Contributions by employer	14,428	24,123	22,275	499	1,047	-	-	-	-	-
Benefits Paid	(4,541)	(7,443)	(8,060)	(6,244)	(5,591)	-	-	-	-	-
Actuarial Gain/(Loss) on plan assets	228	407	366	(154)	3,665	-	-	-	-	-
Fair value of plan assets at end of year *	105,824	88,322	65,503	46,664	48,128	-	-	-	-	-

* Gratuity Fund is managed by Life Insurance Corporation of India (LIC). Individual investment wise details of the plan assets are not being provided by LIC.

v. Actuarial Assumptions

Principal assumptions used for actuarial valuation of parent company are:

Particulars	Gratuity (Funded)					Leave Encashment (Non-Funded)				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Method used	Projected Unit Credit Method									
Discount Rate	7.25%	7.75%	7.75%	8.25%	8.25%	7.25%	7.75%	7.75%	8.25%	8.25%
Salary Escalation	6.00%	6.00%	6.00%	5.00%	5.00%	6.00%	6.00%	6.00%	5.00%	5.00%
Mortality rate	IALM (2006-08)									
Withdrawal rate	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%
Rate of return on plan assets	7.75%	8.50%	8.75%	9.25%	9.25%	-	-	-	-	-

Principal assumptions used for actuarial valuation of Subsidiary company are:

Particulars	Gratuity (Funded)					Leave Encashment (Non-Funded)				
	2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14	2012-13
Discount rate	7.00%	7.75%	7.75%	9.00%	8.00%	7.00%	7.75%	7.75%	9.00%	8.00%
Salary Escalation	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

The estimate of future salary increase considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2. Accounting Standard-17 "Segment Reporting"

The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. Disclosure as required is provided as under:

a) Business Segments (₹ in '000)

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
SEGMENT REVENUE:		
Fire Insurance	3,424,408	3,176,511
Marine Insurance	1,420,843	1,294,574
Motor Insurance-OD	16,280,806	14,027,655
Motor Insurance-TP	18,015,418	13,237,476
Engineering Insurance	802,626	726,085
Workmen Compensation Insurance	327,330	298,970
Personal Accident Insurance	585,869	532,303
Product Liability Insurance	258,943	225,495
Health Insurance	5,552,043	4,524,938
Crop	12,715,840	927,832
Other Insurance	2,435,879	2,277,847
Investment	1,664,954	696,033
Total	63,484,958	41,945,718
SEGMENT RESULT: Profit / (Loss)		
Fire Insurance	552,660	422,099
Marine Insurance	151,677	48,566
Motor Insurance-OD	366,903	581,734
Motor Insurance-TP	2,332,148	1,339,112
Engineering Insurance	127,494	118,458
Workmen Compensation Insurance	120,391	115,151
Personal Accident Insurance	(17,133)	47,182
Product Liability Insurance	82,560	83,604
Health Insurance	(1,473,014)	(1,254,706)
Crop	1,987,276	(59,237)
Other Insurance	321,176	264,873
Investments	1,664,954	686,906
Unallocable	(18,582)	8,556
Total Profit before Tax	6,198,510	2,402,288
Less: Provision for Taxation	1,928,287	729,514
Profit After Tax	4,270,223	1,672,774

(₹ in '000)

SEGMENT ASSETS:	As at 31st March, 2017	As at 31st March, 2016
Fire Insurance	-	-
Marine Insurance	-	-
Motor Insurance	-	-
Engineering Insurance	-	-
Workmen Compensation Insurance	-	-
Personal Accident Insurance	-	-
Product Liability Insurance	-	-
Health Insurance	-	-
Crop	-	-
Other Insurance	-	-
Investments	68,530,058	48,318,234
Total:	68,530,058	48,318,234
Add: Unallocable Assets	3,601,618	7,123,859
Total	72,131,676	55,442,093
SEGMENT LIABILITIES:	As at 31st March, 2017	As at 31st March, 2016
Fire Insurance	876,054	816,444
Marine Insurance	775,647	702,592
Motor Insurance-OD	8,170,387	8,044,250
Motor Insurance-TP	30,737,511	26,053,490
Engineering Insurance	322,676	393,735
Workmen Compensation Insurance	214,934	196,543
Personal Accident Insurance	444,227	379,590
Product Liability Insurance	154,867	155,214
Health Insurance	2,652,817	2,125,820
Crop	2,672,134	217,047
Other Insurance	1,127,933	1,062,373
Investments	-	-
Total:	48,149,188	40,147,099
Add: Unallocable Liabilities	7,111,421	2,698,734
Total	55,260,608	42,845,833
Cost incurred to acquire segment assets (Fixed Assets):		
Fire Insurance	-	-
Marine Insurance	-	-
Motor Insurance	-	-
Engineering Insurance	-	-
Workmen Compensation Insurance	-	-
Personal Accident Insurance	-	-
Product Liability Insurance	-	-
Health Insurance	-	-
Crop	-	-
Other Insurance	-	-
Investments	-	-
Total:	-	-
Add: Unallocable Fixed assets	178,815	99,555
Total	178,815	99,555

Amount of expenses included in segment result for depreciation and amortization in respect of assets:	Year ending 31 st March, 2017	Year ending 31 st March, 2016
Fire Insurance	1,309	1,447
Marine Insurance	1,611	1,143
Motor Insurance-OD	32,418	38,962
Motor Insurance-TP	30,634	32,150
Engineering Insurance	419	619
Workmen Compensation Insurance	806	827
Personal Accident Insurance	1,294	1,350
Product Liability Insurance	454	438
Health Insurance	13,546	11,859
Crop	13,205	562
Other Insurance	2,183	2,372
Investments	-	-
Total:	97,879	91,730
Add: Unallocable Expenses	-	-
Total	97,879	91,730

Assets and Liabilities of the Company, which are not identifiable with any of the segments, have been classified as unallocable.

b) Geographical Segment

Since the Company's entire business is conducted within India, there is no reportable Geographical Segmentation for the year.

3. Accounting Standard- 18 "Related Party Disclosures"

The transactions between the company and its related parties during the year are as under:

(₹ in '000)

Name of the Related Parties	Nature of Related party relationship	Description of nature of transactions	Year ended 31.3.2017	Year ended 31.3.2016
Indian Farmers Fertilizers Coop. Ltd	Promoters with more than 20% Voting rights	Premium accounted from direct business	644,605	798,245
		Claims paid on direct basis	81,073	1,257,391
		Payment of Rent and other expenses	231,885	225,522
		Deposit of Insurance Premium	2,500	2,500
		Interest earned on Fixed Deposit receipts	-	315
		Fixed Deposits held	-	-
		Amount Payable / (Receivable) at the Balance Sheet Date	317	3,405
Indian Potash Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	53,340	134,886
		Claim paid on direct basis	65,967	135,948
		Deposit of Insurance Premium	100	100
		Amount Payable / (Receivable) at the Balance Sheet Date	(150)	(150)
Tokio Marine Asia Pte Ltd (formerly Millea Asia Pte Ltd)	Promoters with more than 20% Voting rights	Payment of Professional Fee	2,080	5,329
		Claim/Reimbursement of Expenses	1,030	1,499
		Payment of Fee	1,000	1,005
Tokio Marine & Nichido Fire Insurance Co Ltd	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	336,927	382,261
		Commission Earned on Premium Ceded	79,958	91,307
		Losses Recovered from Re-insurer	591,878	196,481
		Claim/Reimbursement of Expenses	-	256
		Amount Payable / (Receivable) at the Balance Sheet Date	(75,982)	350
Tokio Marine Kiln Singapore Pte Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	1,922	7,748
		Commission Earned on Premium Ceded	478	1,963
		Losses Recovered from Re-insurer	294	24,977
		Amount Payable / (Receivable) at the Balance Sheet Date	(1,653)	425

Tokio Marine Insurance Singapore Ltd	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	151,695	103,292
		Commission Earned on Premium Ceded	21,393	22,286
		Losses Recovered from Re-insurer	46,763	118,505
		Amount Payable / (Receivable) at the Balance Sheet Date	34,101	(3,098)
		Claim/Reimbursement of Expenses	77	-
		Payment of Fee	374	-
Tokio Marine Europe Insurance Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	-	-
		Commission Earned on Premium Ceded	-	-
		Amount Payable / (Receivable) at the Balance Sheet Date	116	116
Tokio Marine Kiln Regional Underwriting Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	-	160
		Commission Earned on Premium Ceded	-	2
Tokio Marine HCC	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	11,778	-
		Commission Earned on Premium Ceded	2,346	-
		Amount Payable / (Receivable) at the Balance Sheet Date	6,300	-
Tokio Marine & Nichido Risk Consulting Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	967	-
Tokio Marine Insurance (Malaysia) Behard	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	55	-
		Payment of Fee	598	416
PT Asuransi Tokio Marine Indonesia	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	291	24
		Payment of Fee	145	-
Tokio Marine Services Europe Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	-	1,056
		Payment of Fee	16	1,099
TM Claim Services Inc.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	10,190	5,628
		Payment of Fee	3,047	2,493
Tokio Marine Management Australasia Pty Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	1,115	1,340
		Payment of Fee	555	305
The Tokio Marine Claim Services Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	449	90
		Payment of Fee	85	28
TM Claim Service Asia PTE Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	121	-
		Payment of Fee	513	-
TM Claim Service Europe Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	1,946	-
		Payment of Fee	3,534	-
Tokio Marine Insurance(Thailand) Public Co. Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	359	-

IFFCO Ebazar Ltd	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	86	-
		Claims paid on direct basis	15	-
IFFCO Kisan Sanchar Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	1,937	4,945
		Claims paid on direct basis	2,458	2,820
K. Srinivasa Gowda	Chairman	Payment of Rent on office Building	4,800	4,800
		Honorarium Charges	600	600
IFFCO Kisan Bazar & Logistics Ltd	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	1,267	1,647
IFFCO MC Crop Science Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	1,684	527
		Claims paid on direct basis	24	-
IFFCO Kisan SEZ Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	199	278
		Claims paid on direct basis	502	73
Indian Farm Forestry Development Cooperative Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	1,086	594
		Claims paid on direct basis	223	853
		Payment for CSR activity- IFFDC being implementation agency	18,273	10,086
IFFCO Chhattisgarh Power Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	440	786
		Claims paid on direct basis	117	351
Yogesh Lohiya	Managing Director & Chief Executive Officer (Upto 14/02/2017)	Remuneration-Key Management Personnel	14,700	11,032
Warendra Sinha	Managing Director & Chief Executive Officer (w.e.f 28/03/2017)		143	-
H.O. Suri	Director-Marketing		5,723	4,581
Ichiro Maeda	Director-Operations (From 01.04.2015 to 31.05.2015) Chief Operating Officer (From 01.06.2015 to 28.12.2015)		-	3,915
Hiroshi Yasui	Director-Operations (w.e.f. 01.06.2015)		5,340	4,149
Sanjeev Chopra	Chief Financial Officer		4,169	3,771
Amit Jain	Company Secretary		2,746	2,272
Srikanth Charan	CEO of Subsidiary Company		4,098	3,383

4. Accounting Standard-19 “Leases”

In respect of premises taken on operating lease,

- (i) In respect of premises taken on operating lease, the lease arrangements are generally mutually renewable / cancellable by the lessor/ lessee.
- (ii) In respect of premises taken on operating lease, total of future minimum lease payments under non-cancellable operating lease and amount recognized in P&L account is as under:-

(₹ in '000)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
Not later than one year	271,229	291,064
Later than one year and not later than five years	541,159	555,092
Later than five years	236,280	222,479
Lease payment recognised in P&L account	408,286	351,236

5. Accounting Standard -20 “Earnings Per Share

S.No	Particulars	Year ended 31.3.2017	Year ended 31.3.2016
a)	Net Profit/(Loss) available for Equity Shareholders (₹ '000)	4,270,223	1,672,774
b)	Weighted Average number of Equity Shares outstanding during the year (No. of Units in Thousand)	269,322	269,322
c)	Basic and Diluted Earning per Share (Equity Share of Face Value of ₹10/- each)	15.86	6.21

6. Accounting Standard -22 “Accounting for taxes on income”

The breakup of deferred tax assets and liabilities into major components at the year end is as below:

(₹ in '000)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Liabilities	Assets	Liabilities	Assets
Depreciation	-	22,700	-	29,101
Expenditure accrued but not deductible for tax purposes, allowable on actual payment	-	200,301	-	63,331
Unexpired Risk reserve provided in excess of limit specified in Income Tax Act.	-	38,000	-	82,950
Carried forward business loss as per Income Tax Act	-	151	-	4,270
Total	-	261,152	-	179,652
Net Deferred tax asset	-	261,152	-	179,652

Net decrease in Deferred Tax asset for the year ₹81,500 thousand has been recognized in the Profit & Loss Account (previous year increase of ₹90,818 thousand).

III. Other Notes

- The company has committed ₹51,257 Thousand (Previous Year ₹39,667 Thousand) for the purchase of fixed assets.
- Managerial remuneration paid during the year is as under:

(₹ in '000)

Particulars	Year ended 31.3.2017		Year ended 31.3.2016	
	Managing Director	Whole-time Directors	Managing Director	Whole-time Directors
Salaries and Allowances	14,479	10,614	10,659	9,216
Contribution to Provident Fund	364	449	373	391
Total	14,843	11,063	11,032	9,607

Note:-

- The above excludes provision for leave encashment and the gratuity contributions which are determined actuarially on an overall basis and accordingly have not been considered in the above information.
 - The remuneration as above has been approved by the IRDAI.
- Disclosure for CSR
 - Gross amount required to be spent by the Company during the year is ₹57,834 thousand.
 - Amount spent during the year is ₹32,795 thousand.

(₹ in '000)

Sr. No	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	29,321	-	29,321
(ii)	On purchases other than (i) above	3,474	-	3,474

- Pursuant to IRDAI Circular no. IRDA/F&A/CIR/CPM/010/01/2017 dated 12th Jan. 2017, Investments have been bifurcated on the policyholders' and shareholders' fund on notional basis. Accordingly, investments are bifurcated in Schedule 8 "Investments-Shareholders" and in Schedule 8A "Investments-Policyholders".
- No depreciation is allocable to the Profit and Loss Account based on the 'use' of the asset.
- Management expenses are apportioned to Revenue Accounts on the basis of Net Premium as per Accounting Policy on 'Allocation of Operating Expenses' (Schedule 16 A (6)). Detail of apportioned expenses is furnished in Schedule 4 (Operating Expenses relating to Insurance business).
- As certified by Appointed Actuary, no premium deficiency has been provided in the current year (previous years ₹4,885 thousand in Marine Cargo segment) in the accounts.
- On the basis of information received from 'enterprises' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 there is no Micro, Small and Medium Enterprises to which the Company owes dues, which are outstanding for more than 45 days during the year ended 31.03.2017 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
- In terms of notification dated 30th March, 2017, the details of Subsidiary Company of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as follows:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted Receipts	NIL	NIL	NIL
(-) Permitted Payments	NIL	NIL	NIL
(-) Amount Deposited In Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

10. Additional statutory information disclosed in the separate financial statements of the Insurance company and its subsidiary having no material bearing on the true and fair view of consolidated financial statement and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

For and on behalf of Board of Directors

K. Srinivasa Gowda

Chairman (DIN 00059811)

Warendra Sinha

Managing Director (DIN 03518403)

H.O. Suri

Director (DIN 06416615)

Hiroshi Yasui

Director (DIN 07168387)

Sanjeev Chopra

Chief Financial Officer

Amit Jain

Company Secretary

Place: New Delhi

Dated: 02nd May, 2017

Form AOC – 1

(Pursuant to first proviso to sub-section (3)
of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Amount In ₹)

1	Name of the subsidiary:	IFFCO TOKIO INSURANCE SERVICE LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A.
4	Share Capital	5,000,000
5	Reserve & Surplus	16,477,685
6	Total Assets	188,116,412
7	Total Liabilities	166,638,727
8	Investments	-
9	Turnover	779,947,536
10	Profit before taxation	3,009,581
11	Provision for taxation	964,956
12	Profit after taxation	2,044,625
13	Proposed Dividend	-
14	% of shareholding	100%

Note: Company has only one subsidiary, information of which is given above.

Part “B” Associates and Joint Ventures

N.A

For and on behalf of Board of Directors

S.K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N

J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

K. Srinivasa Gowda
Chairman (DIN 00059811)

Warendra Sinha
Managing Director (DIN 03518403)

S.K. Mittal
Partner
M.No. 8506

Rajesh Sethi
Partner
M.No. 85669

H.O. Suri
Director (DIN 06416615)

Hiroshi Yasui
Director (DIN 07168387)


Place : New Delhi
Dated : 02nd May, 2017

Sanjeev Chopra
Chief Financial Officer

Amit Jain
Company Secretary

ACCOUNTS OF SUBSIDIARY **COMPANY**

IFFCO TOKIO INSURANCE SERVICES LIMITED



BOARD OF DIRECTORS

Mr. Nand Kishore Kedia	Chairman
Mr. Veer Pratap Singh	Vice Chairman
Mr. Santimoy Dey	Director
Mr. Sunil Khatri	Director
Mr. P. Periasamy	Director
Mr. Kotha Somashekar Rao	Director

SENIOR EXECUTIVES

Srikanth Charan Mudigonda	Chief Executive Officer
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AUDITORS

M/s. Raghu Nath Rai & Co.

BANKERS

Deutsche Bank, New Delhi.
HDFC Bank, New Delhi

REGISTERED OFFICE

IFFCO SADAN, C-1 District Centre,
Saket, New Delhi- 110017

CORPORATE OFFICE

IFFCO TOWER - II, Plot No. 3, Sector 29,
Gurugram 122001(Haryana)
Phone No. 0124-2850100

NOTICE OF 14TH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the Members of M/s **IFFCO-TOKIO Insurance Services Limited** will be held on 30th day of May 2017 at 2:30 PM at the **Registered Office** of the Company at **IFFCO SADAN, C-1 DISTRICT CENTRE, SAKET, NEW DELHI-110017** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company from 1st April 2016 to 31st March, 2017 and the Profit & Loss Account for the above period and the Reports of the Board of Directors and the Company's Auditors thereon.
2. To appoint a Director in Place of Mr. Sunil Khatri (DIN No. 06903603) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. Somashekhar (DIN No. 07581238) Rao who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Regd. Office:

IFFCO Sadan, C-1
District Centre, Saket,
New Delhi- 110017
Dated: 26th April, 2017

By order of the Board
(SRIKANTH CHARAN MUDIGONDA)
Chief Executive Officer

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the Company.
2. Instruments of proxies in order to be effective must be deposited with the Company at its registered office not less than 48 hours before the commencement of the meeting.

DIRECTORS' REPORT

To the Members

1.0 Your Directors have pleasure in presenting to you the Fourteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2017 along with the Auditors' Report thereon.

Members will be glad to note that your Company has successfully completed the Thirteenth full year of operations as a wholly owned subsidiary of IFFCO-TOKIO General Insurance Co. Ltd. During the period, your Company has worked as the Corporate Agent of IFFCO TOKIO General Insurance Co. Ltd. for Marketing and distribution of its Insurance products and also acted as a service provider to IFFCO TOKIO General Insurance Co. Ltd.

2.0 Financial Highlights

The Company has earned a profit before tax of Rs. 3.01Millions against a budgeted estimate of Rs. 3.45 Millions. During the financial year ended 31st March 2017, your Company had serviced a premium valuing Rs. 17845 Millions. The breakup of premium serviced through various channels as detailed below

MODEL	GWP (₹in Millions)
Direct Channel	1392
Individual Agency Model	9152
Cooperative Channels	880
Others (PA/Various Dealers)	6422
TOTAL	17845

3.0 Dividend

In order to conserve the resources of your Company, your Directors do not recommend any dividend for the year under review.

4.0 Human Resources, Training and Development

Your Company has 861 employees on its permanent rolls as on 31st March 2017. In addition to the employees on permanent rolls the Company also has 145 Sr. Marketing Executives and Marketing Executives as on 31st March 2017. Your Company has utilized the services of 688 Relationship Executives and Customer Care Associates for servicing IFFCO TOKIO GENERAL INSURANCE CO. LTD. customers and tie up arrangements.

4.1 The training of manpower has been conducted through various class room trainings for employees and trainees to enhance their functional skills and efficiency. The company also ensures training for the marketing personnel as required under the IRDA Regulations. During the year a total of 656 persons were trained in the class mode.

5.0 Marketing Strategy

- 5.1 Members are kindly aware that your Company distributes General Insurance products and provides service to customers and intermediaries of IFFCO TOKIO General Insurance Co. Ltd in the market through its network of employees and trainees. Your Company has strengthened and successfully expanded the concept of Lateral Spread Centers, with a view to penetrate deeper into the market and enhance distribution/sale/service of the products and services of IFFCO TOKIO General Insurance Co. Ltd. Products. 24 New LSCs and 77 new Bima Kendra's have been opened during the year to take benefit of the lateral expansion. The performance of Bima Kendra's is monitored regularly. The total number of LSCs as of 31st March 2017 is 175 and the total no of Bima Kendra's is 400. These centers have helped IFFCO TOKIO General Insurance Co. Ltd. to provide effective services at lower cost to its customers in small but potential centers. These centers have jointly procured and serviced a gross written premium of Rs. 12878 Millions for IFFCO TOKIO General Insurance Co. Ltd. at an average expense ratio of 4.37%.
- 5.2 Two other servicing models viz: Cooperative Model and Individual Agency Model were further strengthened during the year to penetrate further in the retail segment. The Company deployed its manpower to train and service Individual agents in the retail segment and also agents from cooperatives back ground. During the year the Company deployed 474 employees and 342 trainees to manage these two models.

6.0 Corporate Governance

The Management is responsible for finalization of business plan, annual budgets, review of operations, review of performance of personnel and HR matters. During the period, four meetings of Board of Directors were held which were well attended.

7.0 Auditor's Observations

The Report of the auditors to the shareholders of the Company is annexed to the financial statements for the period 1st April 16 to 31st March 17. There are no specific observations in the report of the Auditors which require clarification.

8.0 Future Plan

Your Company has to render dedicated services as a corporate agent to IFFCO TOKIO. Hence it has drawn a Business plan for the ensuing year 2017-18 to meet the objectives envisaged for the year. The Key objective for the year would be to strengthen the Agency Channel for servicing the Agents of IFFCO Tokio in a big way. Hence it is planned for the appointment of Agency Development Managers and Agency Service Executives at various locations. The strategy adopted by the Company in the form of managing its geographical spread into Tier II and Tier III centers and Rural areas through Lateral Spread offices and Bima Kendra's is going to be driven in a planned manner. The emphasis will be on Bima Kendra's to spread into these areas. We propose to open 75 new Bima Kendra's and 25 new Lateral spread centers during this financial year apart from strengthening the existing ones. Some of the Bima Kendras, depending upon the volume of business they service, will be provided with upgraded facilities. Your Company also plans to strictly imbibe the philosophy of working consciously towards increased operational efficiency through Performance Monitoring and Improvement, cost control and enhanced capacity utilization. Your company envisages achieving a healthy portfolio mix. Hence emphasis is being laid on line channel matrix for targets and the Performance Incentive scheme is designed keeping the same in view to encourage planned growth.

9.0 Information under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Information as per the provisions contained under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is NIL.

10.0 Directors' Responsibility Statement.

The Board of Directors of your Company confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at March 31, 2017 and of the profits of the Company for the period ended on the date;
3. That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the annual accounts has been prepared on a going concern basis;
5. Those proper systems are there to ensure the compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

11.0 Appointment of Auditors

As per the provisions contained in section 139 of the Companies Act, 2013, your Company has received a communication from M/s. Raghunath Rai & Co. (Chartered Accountant) that if they are reappointed they are well within the criteria prescribed under section 141 of the Companies Act 2013. They have also confirmed their willingness to accept the audit of Company in the event of their appointment.

The Board of Directors in their 50th Meeting held on 21st April 2015 had recommended to the shareholders the name of M/s. Raghu Nath Rai & Co for appointment as Statutory auditor and to hold the office from the conclusion of 12th Annual General Meeting till the conclusion of the 17th Annual General Meeting of the Company subject to ratification by the members at every Annual General Meeting held during the intervening period. Accordingly the shareholders have ratified the appointment of M/s. Raghu Nath Rai & Co as Statutory auditors for the years 2015-16 and 2016-17 in the Annual General Meetings held during the intervening period in 2015 and 2016.

In view of the above your Directors recommend the continuation of M/s. Raghu Nath Rai & Co as statutory auditors for the financial year 2017-18.

12.0 Board of Directors & Key Managerial Personnel

Mr. K. Somashekhar Rao was appointed as an additional Director on the Board of IFFCO TOKIO Insurance Services Ltd.

Pursuant to article 78 of the Article of Association of your Company, Mr. Sunil Khatri and Mr. K. Somashekhar Rao, Directors retire by rotation at this Annual General Meeting and being eligible to offer them for re-appointment.

13.0 Extracts of the Annual Return:

In pursuance to Section 134(3) (a), extracts of the Annual Return of the Company are enclosed in **Form MGT-9** as Annexure to the Directors' Report.

14.0 Related Party Transactions:

During the Year Company has entered various transactions with its holding Company M/s IFFCO TOKIO General Insurance Company Limited in the ordinary course of business and on arms length basis. Details of the same are enclosed in **Form AOC -2** as Annexure to the Directors' Report.

15.0 Acknowledgement

Your Directors express gratitude to the shareholders, IRDA, Members of the Board of Directors other Govt. agencies and customers of your Company for their valuable patronage and support and guidance. Your Directors also place on record the deep appreciation of the dedicated services rendered by the CEO, employees, trainees and other outsourced personnel of your Company at all levels.

For and on behalf of the Board of Directors

Place: Gurugram,
Date: 26th April, 2017

(Nand Kishore Kedia)
Chairman

INDEPENDENT AUDITOR'S REPORT

To
the Members
OF IFFCO-TOKIO INSURANCE SERVICES LIMITED

We have audited the accompanying financial statements of **IFFCO TOKIO Insurance Services Limited**, which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("CARO") issued by the Central Government of India in terms of section 143 of the Act, we give in the **Annexure-I** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) A report on presence of internal financial controls system and the operating effectiveness of such controls as required under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 is given in

Annexure-II.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the company.

For Raghu Nath Rai & Co.
Chartered Accountants
Firm Regn No. 000451N

Samir Jain
Partner
Membership No. 077010

Place: New Delhi,
Date: 26th April, 2017

ANNEXURE '1'

The Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of IFFCO TOKIO Insurance Services Limited on the accounts of the Company for the year ended 31st March, 2017.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) According to the information and explanations given to us, the Company has written off its entire fixed asset during the financial year. These assets were fully depreciated and were not in use of the Company.

(b) According to the information and explanations given to us, there was no immovable property held in the name of the company during the financial year ended on 31st March, 2017.
2. The Company did not hold any inventory during the financial year ended on 31st March, 2017, therefore, the clause 3 (ii) of the Order is not applicable to the Company.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of the CARO are not applicable to the Company.
4. There were no transactions of the nature as covered under section 185 and 186 of the Companies Act, 2013; hence Clause (iv) of the CARO is not applicable.
5. The Company has not accepted any deposit. Therefore, the clause 3(v) of CARO is not applicable to the Company.
6. Clause 3(vi) of CARO is not applicable as the Company is not engaged in production of such goods and providing such services as prescribed by Central Government for maintenance of cost records.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, generally the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amount payable in respect of income tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of any disputes except demand of *Rs. 87,43,885 raised by Service tax department for the period from 2006-07 to 2011-12 and the Company is in process of filing appeal against the said order.*
8. Clause (viii) of the CARO is not applicable as the Company did not have any loan or borrowing from a financial institution, bank, Government or dues to debenture holders during the financial year ended on 31st March, 2017.

9. Based on our audit procedures and on the information given by the management, we report that the company has not raised any money by way of initial public offer, further public offer or by way of term loans during the year. Therefore, the clause 3(ix) of CARO is not applicable to the Company.
10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.
11. As per information and explanations given to us the Company has not appointed a Manager and further it is not paying any remuneration to any of its directors, therefore in our opinion provision of Section 197 and schedule V to the Companies Act, 2013 are not applicable to the Company.
12. The Company is not a Nidhi Company; hence clause (xii) of the CARO is not applicable.
13. Based on the audit procedures performed and the information and explanations given to us, all transactions with the related parties are in compliance with 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards. Section 177 of the Companies Act, 2013 is not applicable as the Company is not a listed Company.
14. The Company has not made any preferential allotment or private placement of shares during the financial year ended on 31st March, 2017; hence clause (xiv) is not applicable.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him
16. Clause (xvi) of the Order is not applicable as the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Informed of such case by the management.

For Raghu Nath Rai & Co.
Chartered Accountants
Firm Regn No. 000451N

Samir Jain
Partner
Membership No. 077010

Place: New Delhi,
Date: 26th April, 2017

The Annexure referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of IFFCO TOKIO Insurance Services Limited on the Internal Financial Controls required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of IFFCO TOKIO INSURANCE SERVICES LIMITED as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raghu Nath Rai & Co.
Chartered Accountants
Firm Regn No. 000451N

Samir Jain
Partner
MembershipNo..077010

Place: New Delhi,
Date: 26th April, 2017

IFFCO-TOKIO INSURANCE SERVICES LIMITED
C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017
CIN - U65999DL2003PLC121571

BALANCE SHEET AS AT 31st MARCH, 2017

S. No.	Particulars	Notes No.	As at 31 st March 2017	As at 31 st March 2016
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's funds			
	a) Share capital	1	5,000,000	5,000,000
	b) Reserves and Surplus	2	16,477,685	14,433,060
	c) Money received against share warrants		-	-
(2)	Share application money pending allotment	-	-	-
(3)	Non current liabilities			
	a) Long-term borrowings		-	-
	b) Deferred tax liabilities (Net)		-	-
	c) Other long term liabilities		-	-
	d) Long-term provisions	3 (a)	43,407,042	30,841,440
(4)	Current liabilities			
	a) Short-term borrowings		-	-
	b) Trade payables		-	-
	c) Other current liabilities	4	10,801,589	8,433,171
	d) Short term provisions	3 (b)	112,430,096	118,499,874
	TOTAL		188,116,412	177,207,545
II.	ASSETS			
(1)	Non current assets			
	a) Tangible fixed assets			
	Gross block		-	585,813
	Less : Accumulated depreciation		-	(585,813)
	Net block		-	-
	b) Non current investments		-	-
	c) Deferred tax assets (Net)		15,452,000	16,352,000
	d) Long term loans & advances	5	114,640,438	79,760,474
	e) Other non current assets		-	-
(2)	Current assets			
	a) Trade receivables	6	18,857,554	49,249,237
	b) Cash and cash equivalents	7	22,714,438	20,249,703
	c) Short term loans and advances	8	9,128,823	6,725,865
	d) Other current assets	9	7,323,158	4,870,266
	TOTAL		188,116,412	177,207,545

Notes to Accounts

16

Notes 1 to 16 form an Integral part of Financial Statements

As per our report of even date attached

For Raghu Nath Rai & Co.

Chartered Accountants
FRN No. 000451N

Samir Jain

Partner
M. No. 077010

Place : New Delhi
Date : 26th April, 2017

For IFFCO-TOKIO Insurance Services Ltd.

Mr. N.K. Kedia
Chairman (DIN: 00050917)

Mr. Veer Pratap Singh
Director (DIN: 00051787)

Mr. Santimoy Dey
Director (DIN: 06875452)

Mr. Srikanth Charan Mudigonda
CEO

IFFCO-TOKIO INSURANCE SERVICES LIMITED
C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017
CIN - U65999DL2003PLC121571

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

S. No.	Particulars	Notes No.	As at 31 st March 2017	As at 31 st March 2016
	Revenue			
I	Revenue from operations	10	779,947,536	708,569,618
	Other income	11	1,999,225	1,907,074
	Total Revenue		781,946,761	710,476,692
II	Expenses:			
	Employees benefits expenses	12	636,932,238	582,966,017
	Finance costs	13	126,611	143,702
	Other expenses	14	141,878,331	124,424,035
	Total Expenses		778,937,180	707,533,754
III	Profit before exceptional and extraordinary items and tax		3,009,581	2,942,938
IV	Exceptional items		-	-
V	Profit before extraordinary items and tax		3,009,581	2,942,938
VI	Extraordinary items		-	-
VII	Profit before tax		3,009,581	2,942,938
VIII	Tax expense:			
	(1) Current tax		574,000	561,000
	(2) Deferred tax		900,000	918,000
	(3) Tax adjustments for earlier years		35,640	133,819
	(4) Credit for MAT entitlement		(544,684)	(561,000)
IX	Profit/(Loss) for the period		2,044,625	1,891,119
X	Earning per equity share:	15		
	(1) Basic		4.09	3.78
	(2) Diluted		4.09	3.78

Notes to Accounts

16

Notes 1 to 16 form an Integral part of Financial Statements

As per our report of even date attached

For IFFCO-TOKIO Insurance Services Ltd.

For Raghu Nath Rai & Co.

Chartered Accountants
FRN No. 000451N

Mr. N.K. Kedia
Chairman (DIN: 00050917)

Mr. Veer Pratap Singh
Director (DIN: 00051787)

Samir Jain

Partner
M. No. 077010

Mr. Santimoy Dey
Director (DIN: 06875452)

Place : New Delhi
Date : 26th April, 2017

Mr. Srikanth Charan Mudigonda
CEO

IFFCO-TOKIO INSURANCE SERVICES LIMITED
C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017
CIN - U65999DL2003PLC121571
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

	Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A.	Cash flows from operating activities		
	Cash receipts from customers	811,181,991	719,330,924
	Cash paid to suppliers and employees	(773,941,500)	(684,110,871)
	Cash generated from operations	37,240,491	35,220,053
	Interest paid	-	-
	Dividends paid	-	-
	Income taxes (paid)/refund	(34,824,607)	(31,111,665)
	Net cash from operating activities	2,415,884	4,108,388
B	Cash flows from investing activities		
	Fixed deposit created	-	(7,600,000)
	Fixed deposit matured	-	7,600,000
	Interest income	48,852	607,544
	Net cash from investing activities	48,852	607,544
C	Cash flows from financing activities		
	Proceeds from issue of share capital	-	-
	Proceeds from long-term borrowings	-	-
	Net cash from financing activities	-	-
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,464,736	4,715,932
	Cash and cash equivalents at beginning of period	7,649,703	2,933,771
	Cash and cash equivalents at end of period	10,114,438	7,649,703
	Cash and cash equivalents at the end of the year comprises:		
	(a) Balance with Bank	10,114,438	7,649,703
		10,114,438	7,649,703

Notes to Accounts

Notes 1 to 16 form an Integral part of Financial Statements
As per our report of even date attached

For Raghu Nath Rai & Co.
Chartered Accountants
FRN No. 000451N

Samir Jain
Partner
M. No. 077010

Place : New Delhi
Date : 26th April, 2017

16

For IFFCO-TOKIO Insurance Services Ltd.

Mr. N. K. Kedia
Chairman (DIN: 00050917)

Mr. Veer Pratap Singh
Director (DIN: 00051787)

Mr. Santimoy Dey
Director (DIN: 06875452)

Mr. Srikanth Charan Mudigonda
CEO

IFFCO TOKIO INSURANCE SERVICES LIMITED
C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017
CIN - U65999DL2003PLC121571

NOTES TO BALANCE SHEET

Notes No.	Particulars	As at 31 st March 2017	As at 31 st March 2016
1	SHARE CAPITAL		
	Equity share capital		
	Authorised :		
	2000000 Equity Shares of ₹10 each	20,000,000	20,000,000
	Issued, Subscribed & Paid up:		
	500000 Equity Shares of ₹10 each fully paid up (100% shares held by IFFCO Tokio General Insurance Co. Ltd.)	5,000,000	5,000,000
	Reconciliation of number of shares outstanding at the beginning & at the end of the reporting period		
	<u>Equity Shares</u>		
	Number of Shares at the beginning	500,000	500,000
	Add: Shares issued during the period	-	-
	Number of Shares at the end	500,000	500,000
	Shares in the Company held by each Shareholder holding more than 5% shares		
	Name of the Shareholder		
	IFFCO-Tokio General Insurance Co. Ltd.		
	No. of Shares	500,000	500,000
	% Shareholding	100	100
2	RESERVES AND SURPLUS		
	Surplus in the Statement of Profit & Loss		
	Balance as per Last Financial Statements	14,433,060	12,541,941
	Profit for the year	2,044,625	1,891,119
	Total	16,477,685	14,433,060
3	PROVISIONS		
3 (a)	Long-term Provisions		
	Provision for leave encashment	43,407,042	30,841,440
		43,407,042	30,841,440
3 (b)	Short-term Provisions		
	Provision for leave encashment	6,099,000	7,772,918
	Provision for gratuity	28,202,945	3,746,257
	Provision for expenses	62,095,920	91,396,208
	Provision for income tax	574,000	561,000
	Provision for leave travel subsidy	15,458,231	15,023,491
		112,430,096	118,499,874
	Total	155,837,138	149,341,314
4	OTHER CURRENT LIABILITIES		
	Statutory dues	6,360,123	4,457,522
	Amount payable for services	325,500	352,500
	Other liabilities	4,115,966	3,623,149
	Total	10,801,589	8,433,171
5	LONG TERM LOANS & ADVANCES		
	Rent, Electricity & Telephone Deposits	7,853,786	7,746,473
	MAT Credit Entitlement	1,643,244	1,098,783
	Balance with Statutory Authorities	105,143,408	70,915,218
	Total	114,640,438	79,760,474

Notes No.	Particulars	As at 31 st March 2017	As at 31 st March 2016
6	TRADE RECEIVABLES Unsecured, considered good unless stated otherwise - Outstanding for a period exceeding six months - Other receivables * * Includes due from related parties ₹1,88,57,554/- (Previous Year: ₹4,92,49,237/-)	- 18,857,554	- 49,249,237
	Total	18,857,554	49,249,237
7	CASH AND BANK BALANCES Cash and Cash Equivalents Balance with scheduled banks - In current accounts Other Bank balances Fixed deposits (maturity more than 12 months)	 10,114,438 12,600,000	 7,649,703 12,600,000
	Total	22,714,438	20,249,703
8	SHORT TERM LOANS & ADVANCES Unsecured, considered good Advances recoverable in cash or kind Imprest with Staff Prepaid expenses	 5,929,785 1,173,801 2,025,237	 3,976,207 1,070,801 1,678,857
	Total	9,128,823	6,725,865
9	OTHER CURRENT ASSETS Rent, Electricity & Telephone Deposits Interest accrued but not due on deposits Other Assets	 4,050,752 1,881,268 1,391,138	 2,666,340 773,666 1,430,260
	Total	7,323,158	4,870,266

IFFCO-TOKIO INSURANCE SERVICES LIMITED
C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017
CIN - U65999DL2003PLC121571

NOTES TO PROFIT & LOSS STATEMENT

Notes No.	Particulars	As at 31 st March 2017	As at 31 st March 2016
10	REVENUE FROM OPERATIONS Agency commission Fees for services provided to ITGI	 55,835,553 724,111,983	 63,409,618 645,160,000
	Total	779,947,536	708,569,618
11	OTHER INCOME Interest income Miscellaneous income	 1,156,453 842,772	 1,118,656 788,418
	Total	1,999,225	1,907,074
12	EMPLOYEES BENEFITS EXPENSES Salaries & Other allowances Stipend & Incentives to trainees Contribution to Provident and Other Funds Staff welfare expenses Other benefits Outsourcing expenses Managerial sitting & travelling fees	 402,062,962 118,930,791 43,408,604 9,379,203 31,175,201 31,417,722 557,755	 381,397,622 123,991,298 17,283,838 7,183,431 21,706,464 30,983,395 419,969
	Total	636,932,238	582,966,017
13	FINANCE COST Bank charges DD charges	 101,481 25,130	 103,895 39,807
	Total	126,611	143,702

Notes No.	Particulars	As at 31 st March 2017	As at 31 st March 2016
14	OTHER EXPENSES		
	Advertisement	-	31,574
	Books & Periodicals	324,017	271,552
	Campaign expenses	531,689	1,908,703
	Communication expenses	12,100,823	11,641,766
	Rates & Taxes	493,117	146,125
	Rent	47,981,027	39,538,559
	Repair & Maintenance	14,328,934	11,845,214
	Recruitment expenses	65,802	217,465
	Training expenses	8,195,565	8,140,177
	Travelling and conveyance	27,340,416	22,079,851
	Printing and stationery	9,800,511	9,126,588
	Legal & Professional expenses	3,833,555	4,755,119
	Insurance charges	6,104,438	5,044,329
	Electricity & Water charges	10,598,438	9,432,802
	Miscellaneous expenses	-	34,211
	<u>Payment to Auditors</u>		
	Audit fee	140,000	160,000
	Tax audit fees	40,000	50,000
	Total	141,878,331	124,424,035
15	EARNING PER SHARE		
	I) Net Profit as per Profit and Loss account available for Equity Shareholders	2,044,625	1,891,119
	II) Weighted average number of equity share for Earning Per Share computation		
	(a) For Basic Earning Per Share of ₹10 each No's	500,000	500,000
	(b) For Diluted Earnings Per Share of ₹10 each No's	500,000	500,000
	III) EPS (Weighted Average)		
	Basic (Rupees)	4.09	3.78
	Diluted (Rupees)	4.09	3.78

NOTE - 16

NOTES FORMING PART OF ACCOUNTS

16.1 SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The Financial Statements are prepared under Historical Cost Convention and on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India, and confirm to the statutory requirements prescribed under the Companies Act, 2013 including Accounting Standards notified there under.

b) Use of Estimates

The presentation of the financial statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent assets and liabilities. Such estimates and assumptions are based on the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Difference between the actual results and estimates are recognized in the period in which the results materialize.

c) Revenue Recognition

- (1) Income from services is recognized when the services are rendered.
- (2) Interest Income is recognized on the time basis determined by the amount outstanding and the rate applicable.

d) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on Fixed Assets is provided on straight Line Method at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

e) Taxation

Income Tax expense comprises Current Tax and Deferred Tax charge or credit. Deferred tax resulting from 'timing differences' between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted. The deferred tax asset is recognized and carried only to the extent that there is a reasonable / virtual certainty that the asset will be realized in future.

f) Provisions and Contingent Liabilities

A provision is recognized where the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure of contingent liability is made when there is possible obligation or present obligation that will probably not require outflow of resources or where reliable estimate of the obligation cannot be made.

g) Employees Benefits

- (1) Defined Contribution Plan: Company contribution paid / payable for the year to defined contribution employee benefit schemes are charged to Profit & Loss account.
- (2) Defined Benefit Plan: Company liabilities toward defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuation under the Projected Unit Credit Method is carried out at Balance Sheet date. Actuarial gains and losses are recognized in the Profit & Loss account in the period of occurrence of such gains and losses. Past services cost is recognized immediately to the extent of benefit are vested; otherwise it is amortized on straight line basis over the remaining average period until the benefit becomes vested.

- (3) The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

16.2. NOTES TO ACCOUNTS

A. Employees Benefits

- i) The company has calculated the various benefits provided to employees as under:

a) Defined Contribution Plans

The company makes contributions at a specified percentage of payroll cost towards Employee Provident Fund (EPF) for qualifying employees. The company recognized Rs. 13,433,838/- (Previous year Rs. 12,181,624/-) for provident fund contribution in the profit & loss account.

b) Defined Benefit Plans

- i. Leave Encashment / Compensated Absences.
- ii. Gratuity.

In accordance with Accounting Standard 15 (Revised), an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions.

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2016-17	2015-16	2016-17	2015-16
Discount Rate (Per Annum)	7.00%	7.75%	7.00%	7.75%
Rate of Increase in compensation level*	10.00%	10.00%	10.00%	10.00%

- Considered taking into account inflation, seniority, promotion and other relevant factors.

Summarized position of employee benefits to be recognized in Balance Sheet and Profit & Loss Account as required in accordance with Accounting Standard 15 (Revised) are as under:

I. Change in present value of obligation

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences (Unfunded)		Gratuity (Funded)	
	2016-17	2015-16	2016-17	2015-16
Projected Benefit obligation at beginning of year	38,614,358	35,864,760	18,559,870	14,779,582
Current Service Cost	11,310,535	10,324,814	4,260,209	3,747,026
Interest Cost	2,858,144	2,660,585	1,366,212	1,099,165
Actuarial Loss/(Gain) due to change in assumptions	193,172	(7,166,531)	24,278,358	127,715
Benefit Paid	(3,470,167)	(3,069,270)	(1,862,650)	(1,193,618)
Past service cost	-	-	-	-
Projected Benefit Obligation at End of year	49,506,042	38,614,358	46,602,000	1,85,59,870

II. Amount to be recognised in the Balance Sheet

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2016-17	2015-16	2016-17	2015-16
Projected Benefit Obligation at End of the year	49,506,042	38,614,358	46,602,000	18,559,870
Ending Assets	-	-	18,399,055	14,858,241
Funded Status assets/(Liability)	(49,506,042)	(38,614,358)	(28,202,945)	(3,701,629)
Liability (-) / Assets (+) recognised in Balance sheet	(49,506,042)	(38,614,358)	(28,202,945)	(3,701,629)

III. Expenses recognised in the Profit & Loss Account

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	11,310,535	10,324,814	4,260,209	37,47,026
Interest Cost	2,858,144	2,660,585	1,366,212	1,099,165
Expected Return on Plan Asset	-	-	(1,385,721)	(1,054,874)
Net actuarial (gain)/loss to be recognised in year	193,172	(7,166,531)	24,080,398	(45,060)
Past Service Cost	-	-	-	-
Income (-)/ Expenses (+) recognised in the statement of Profit & Loss	14,361,851	5,818,868	28,321,099	3,746,257

IV. Plan Assets (at Fair Value)

(Amount in ₹)

Particulars	Gratuity	
	2016-17	2015-16
Plan Assets at the beginning of the year	14,858,241	10,480,813
Expected Return on Plan Assets	1,385,721	1,054,874
Employer's Contribution	3,819,783	4,343,397
Benefit Payments	(1,862,650)	(1,193,618)
Asset Gain / (Loss)	197,960	172,775
Plan Assets at the end of the year	18,399,055	14,858,241

Gratuity fund is managed by the Life Insurance Corporation of India (LIC). Individual investment details of plan assets are not provided by the LIC.

B. Operating Leases

The Company's significant leasing agreements are in respect of operating leases of premises for the offices of the company. These leasing arrangements are usually renewable on mutually agreed terms but are cancellable. Amount charged to revenue accounts for cancellable operating lease is Rs. 47,981,027/- (Previous year Rs. 39,538,559/-).

- C. In the opinion of management current assets & loans & advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated and all known liabilities have been adequately provided for.
- D. Major elements of deferred tax liabilities/ assets created for tax effects of timing difference are as under:

(Amount in ₹)

Particulars	Liabilities		Assets	
	2016-17	2015-16	2016-17	2015-16
Difference in book depreciation and tax depreciation	-	-	-	151,000
Expenditure Incurred but allowable under Income Tax Act on payment basis	-	-	15,301,000	11,931,000
Carried forward business loss as per Income Tax Act	-	-	151,000	4,270,000
Total	-	-	15,452,000	16,352,000

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" the credit of deferred tax amounting Rs. 9,00,000(Previous Year Rs. 918,000) is recognized in the accounts.

E. Related Party Disclosures:

Related party disclosures as required as per Accounting Standard-18 on "Related Parties Disclosures" issued by the Institute of Chartered Accountants of India are given below:

Name of the Related Party

IFFCO Tokio General Insurance Co Ltd

Holding Company

Indian Farmers Fertilizers Cooperative Ltd

Promoter of Holding Co.

Sh. Srikanth Charan Mudigonda

Key Management Personnel

(Amount in ₹)

Nature of Relation	Holding Company		Promoter of Holding Company		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Receipt of commission and service charges	77,99,47,536	70,85,69,618	-	-	-	-
2. Reimbursement of expenses	89,49,768	62,38,982	11,47,135	10,39,594	-	-
3. Employee Remuneration	-	-	-	-	40,97,771	33,82,693
4. Insurance Premium	5,198,261	41,90,315	-	-	-	-
5. Insurance Claims Received	35,10,118	33,26,045	-	-	-	-
6. Interest earned on fixed deposit receipts	-	-	-	3,14,622	-	-
7. Amount payable / (recoverable) at the balance sheet date	(18,857,554)	(4,92,49,237)	-	-	-	-

- F.** Company is engaged in the business of soliciting insurance business and providing insurance related services. There is no separate reportable segment for the purpose of segmental reporting as per Accounting Standard – 17 on “Segment Reporting” issued by Institute of Chartered Accountants of India.

G. Contingent Liabilities:

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Statutory demands/ liabilities in dispute, not provided for	87,43,885	-

- H.** In terms of notification dated September 4, 2015 issued by the Central Government of India, the disclosure related to trade payables as at March 31, 2017 are as follows:

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

- I.** In terms of notification dated 30th March, 2017, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as follows:

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted Receipts			
(-) Permitted Payments			
(-) Amount Deposited In Banks			
Closing cash in hand as on 30.12.2016			

- J.** Earning and expenditure in foreign currency – Nil

- K.** Previous period figures have been regrouped and rearranged, wherever necessary.

As per our report of even date attached.

For Raghu Nath Rai & Co.

Chartered Accountants
FRN No. 000451N

Samir Jain

Partner
M.No: 77010

Place: New Delhi,
Date: 26th April, 2017

For IFFCO-TOKIO Insurance Services Ltd.

Mr. N. K. Kedia
Chairman (DIN: 00050917)

Mr. Veer Pratap Singh
Director (DIN: 00051787)

Mr. Santimoy Dey
Director (DIN: 06875452)

Mr. Srikanth Charan Mudigonda
CEO

**Form No. MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

IFFCO-TOKIO GENERAL INSURANCE CO. LTD.

Regd. Office: IFFCO Sadan, C-1, District Centre, Saket, New Delhi 110017

CIN: U74899DL2000PLC107621

Name of the Member (s):.....

Registered Address:

E-mail Id:.....

Folio No/Client Id:.....

DP ID:

I/We, being the member (s) of shares of IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED, NEW DELHI, hereby appoint of..... failing him/herof or failing him/her ofas my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on _____, the _____ at _____ P.M. at IFFCO Sadan, C1, District Centre, Saket, New Delhi 110017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

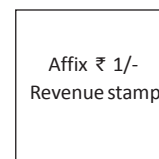
2.....

3.....

4.....

5.....

Signed this _____ day of _____ 2017



Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED

Regd. Office: IFFCO Sadan, C-1 District Centre, Saket, New Delhi-110017

ATTENDANCE SLIP

(PLEASE PRESENT THIS SLIP AT ENTRANCE OF THE MEETING HALL)

I hereby record my presence at the 17th Annual General Meeting of the Company to be held on Tuesday, the 30th May, 2017 at _____ at IFFCO Sadan, C-1, District Centre, Saket, New Delhi 110017.

Name of Shareholder:

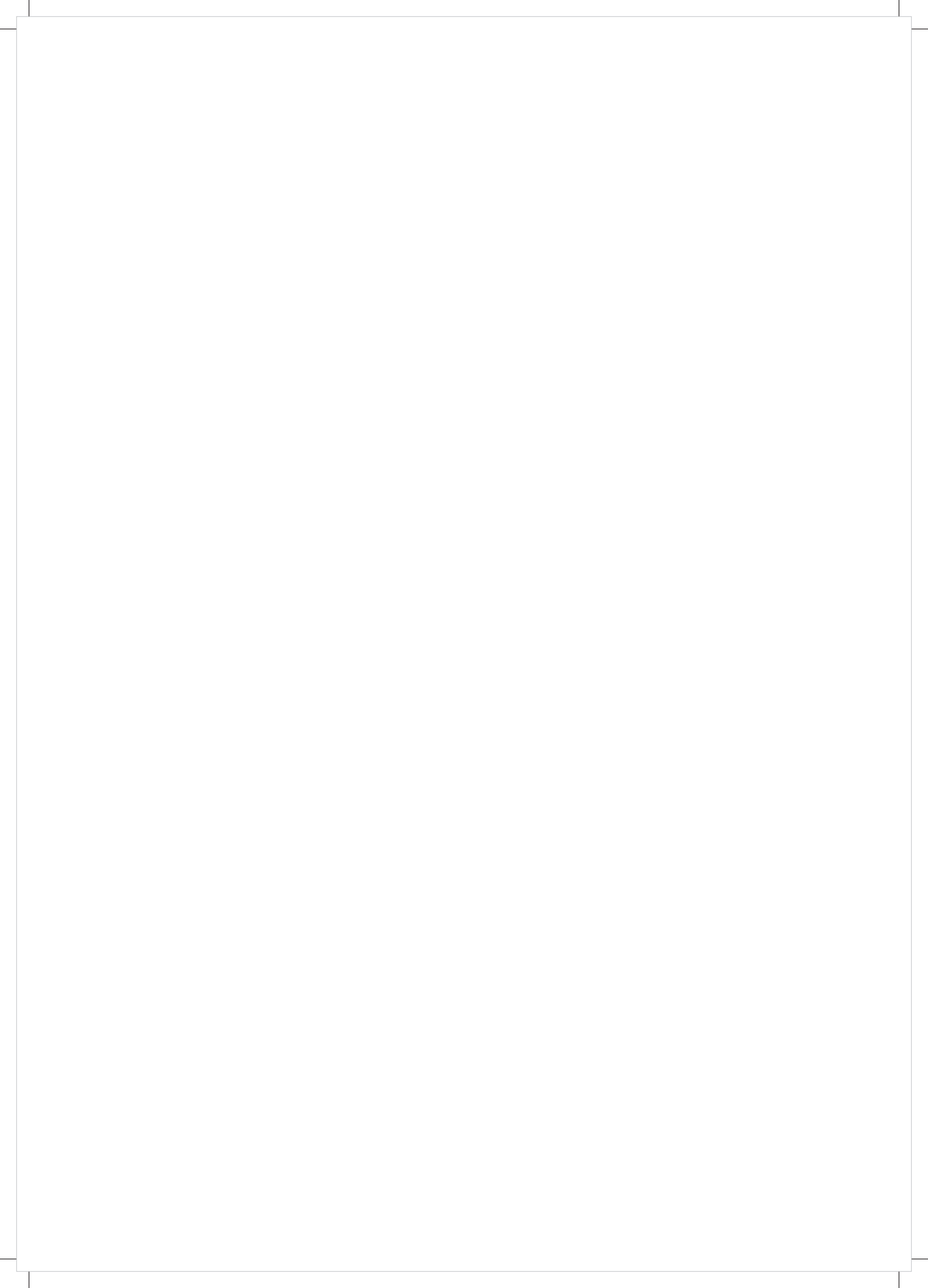
Signature.....

Notes

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IFFCO-TOKIO General Insurance Company Limited

Corporate Office: IFFCO TOKIO-II, Plot No. 3, Sector 29, Gurugram-122001, Haryana, Ph: +91-124-2850100, Fax: +91-124-2577923/24

Regd. Office: IFFCO SADAN, C-1, District Center, Saket, New Delhi-110017

www.iffcotokio.co.in

IRDAI Regd. No. - 106 | CIN: U74899DL2000PLC107621