



IFFCO-TOKIO



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Board of Directors



K. Srinivasa Gowda
Chairman



Takashi Yoshikawa
Vice Chairman



Surinder Kumar Jakhar
Director



Dr. B.S. Vishwanathan
Director



Dr. U.S. Awasthi
Director



Rakesh Kapur
Director



Dr. P.S. Gahlaut
(w.e.f. 22nd March 2010)
Director



S.K. Kanwar
(w.e.f. 1st April 2010)
Director



Bahushrut Lugani
(w.e.f. 1st April 2010)
Director



S. Narayanan
Managing Director &
Chief Executive Officer



N.K. Kedia
Director (Marketing)



Y. Fukuda
Director (Operations)

BOARD OF DIRECTORS

K. Srinivasa Gowda	Chairman
Takashi Yoshikawa	Vice Chairman
Surinder Kumar Jakhar	Director
Dr. B.S. Vishwanathan	Director
Dr. U.S. Awasthi	Director
Rakesh Kapur	Director
Dr. P.S. Gahlaut	Director
(w.e.f. 22nd March 2010)	
S.K. Kanwar	
(w.e.f. 1st April 2010)	Additional Director
Bahushrut Lugani	
(w.e.f. 1st April 2010)	Additional Director
S. Narayanan	Managing Director & Chief Executive Officer
N.K. Kedia	Director (Marketing)
Y. Fukuda	Director (Operations)

SENIOR EXECUTIVES

M.K. Tandon	Financial Advisor
V.S. Rao	Executive Director & Company Secretary
H.O. Suri	Executive Director
U.C. Dubey	Executive Director
K.K. Aggarwal	Executive Vice President
S.S. Kukreja	Executive Vice President
R. Kannan	Executive Vice President
Parag Gupta	Executive Vice President
Sanjay Seth	Executive Vice President
Sanjeev Chopra	Executive Vice President

AUDITORS

S.P. Chopra & Co. (Chartered Accountants)
Raghu Nath Rai & Co. (Chartered Accountants)

BANKERS

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

REGISTERED OFFICE

IFFCO Sadan, C-1, District Centre,
Saket, New Delhi-110017
Phone No.: 011 26510001

CORPORATE OFFICE

'IFFCO Tower', 5th Floor,
Plot No. 3, Sector 29,
Gurgaon 122001.
Phone No.: 0124-2850100

NOTICE OF 10TH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO General Insurance Company Limited** will be held on **Tuesday, the 25th May, 2010 at 4 P.M. at its Registered Office 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 as at 31st March, 2010 and the Profit and Loss Account for the year ended as on the date together with Auditors Report thereon and the Report of the Board of Directors to the Members.
2. To declare Dividend.
3. To appoint Director in place of Mr. Takashi Yoshikawa who retires by rotation and is eligible for reappointment.
4. To appoint Director in place of Dr. U.S. Awasthi who retires by rotation and is eligible for reappointment.
5. To appoint Director in place of Mr. Rakesh Kapur who retires by rotation and is eligible for reappointment.
6. 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 Raghu Nath Rai & Co., Chartered Accountants and M/s G.S. Mathur & Co., Chartered Accountants be and are hereby appointed as Joint Auditors of the Company to hold Office from the conclusion of this Annual General Meeting till the Conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Company.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED that Mr. Bahushrut Lugani be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED that Mr. S.K. Kanwar be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Regd.Office:

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

Dated: 28th April, 2010

By Order of the Board

(V.S. Rao)

Executive Director &
Company Secretary

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 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.
3. The Register of Members and Share Transfer Books will remain closed from 18th May, 2010 to 25th May, 2010 (both days inclusive)

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business

Item No. 7

Mr. Bahushrut Lugani was appointed as Additional Director in the Board Meeting held on 22nd March, 2010 and continues to be in the Office till the ensuing Annual General Meeting. At the Annual General Meeting he can be appointed as a regular Director by following the procedure laid down in Section 257 of the Companies Act, 1956.

Section 257 provides that a person on his own or any other person proposing his candidature must give a special notice to the Company not less than 14 days before the date of Annual General meeting specifying the willingness of the person stated therein, of being appointed as Director along with a deposit of Rs. 500. The Company has received a notice under Section 257 of the Companies Act, 1956 along with Rs. 500 from Mr. Bahushrut Lugani, signifying his intention to be appointed as a Director of the Company, liable to retire by rotation.

Mr. B. Lugani is a Chartered Accountant and possesses experience of more than 29 years in the field of Finance. He has been the Managing Partner of M/s. B. Lugani & Associates since August, 1980. He is also on the Board of many Companies as a Director and the Member of the Audit Committee of various Companies. Mr. B. Lugani, has vast experience in the area of Accounts.

The relevant documents in connection with the appointment of Mr. Lugani are open for inspection during working hours of the Company at its Registered Office.

None of the Directors is personally interested or concerned in the Resolution.

Item No. 8

Mr. S.K. Kanwar was appointed as Additional Director in the Board Meeting held on 22nd March, 2010 and continues to be in the Office till the ensuing Annual General Meeting. At the Annual General Meeting he can be appointed as a regular Director by following the procedure laid down in Section 257 of the Companies Act, 1956.

Section 257 provides that a person on his own or any other person proposing his candidature must give a special notice to the Company not less than 14 days before the date of Annual General meeting specifying the willingness of the person stated therein, of being appointed as Director along with a deposit of Rs. 500. The Company has received a notice under Section 257 of the Companies Act, 1956 along with Rs. 500 from Mr. S.K. Kanwar, signifying his intention to be appointed as a Director of the Company, liable to retire by rotation.

Mr. S.K. Kanwar was the former Chairman and Managing Director of New India Assurance Co. Ltd. and United India Insurance Co. Ltd. apart from being Director on the Boards of other Companies, he was also the Chief Insurance Advisor for Reliance Group Companies. He was associated with Tariff Advisory Committee, Air India, ONGC on various assignments. Mr. S.K. Kanwar has vast experience in the area of Insurance.

The relevant documents in connection with the appointment of Mr. Kanwar are open for inspection during working hours of the Company at its Registered Office.

None of the Directors is personally interested or concerned in the Resolution.

IFFCO-TOKIO

DIRECTORS' REPORT

Honourable Members,

Your Directors have pleasure in presenting the Tenth Annual Report on the activities of your Company together with the audited financial results for the year ended 31st March, 2010 along with the Auditors' Report thereon.

1.0 ECONOMIC ENVIRONMENT AND INDUSTRIAL SCENARIO

- 1.1 Honourable Members are kindly aware that the preceding two years witnessed a global economic meltdown which had an adverse impact on country's economic growth.

However, during the second half of the year 2009-10 recovery in the industrial sector is clearly discernible. The downward trend observed in the rate of growth of the industrial sector that spanned almost eight quarters (beginning the first quarter of 2007-08 and continuing through to the last quarter of 2008-09) stands reversed as gleaned from the latest data for the current fiscal. After reaching a trough of 0.6% during the second half of 2008-09, growth in the industrial production revived to a level of 7.7% during April-November 2009. The broad-based nature of the recovery was evident in the pick-up in growth of almost all major components of the industrial production. Members are kindly aware that the growth of economy in India is visible during the last year but impact of Global Economic Meltdown had adversely affected industrial production, marketing and operating results across all segments of economy in the previous years.

2.0 INDUSTRY SCENARIO OF GENERAL INSURANCE

- 2.1 As per the present indications the market growth of Insurance Industry is estimated at 10% for the year 2010-11 as against 15% anticipated earlier. Consequent to the slow growth of Insurance Market in the year 2009-10 and as foreseen for the year 2010-11 the premium growth of private players is estimated at 9% in the year 2009-10 and 12% in the year 2010-11. With the increase in new players in the market, there is a surge in growth in the private sector mainly from these players. However, the top players in the market are changing their strategy to profitable growth rather than top line growth at any cost. It is anticipated that the economy in general would rally around in the current year consequent to various effective measures taken by the Government. It is also expected that better discipline would prevail amongst various market players in respect of pricing of products.

3.0 FINANCIAL HIGHLIGHTS

- 3.1 Your Company has completed another year of its operations and earned a profit before tax of Rs.38.61 Crores as against the profit of Rs.6.92 Crores during the previous year. In terms of the directions issued by the IRDA, Indian Motor Third Party Insurance Pool was formed w.e.f. 1st April 2007. The Pool is a multilateral Reinsurance arrangement wherein all direct business written in respect of Motor Third Party in respect of Commercial vehicles is ceded into the Pool. In accordance with the sharing pattern agreed to amongst the members and the Pool, the net impact of Pool operation allocated to the Company had net adverse effect on the profits of the year by Rs. 16.22 Crores. Since the operating results of the Pool are allocated to members on the basis of their respective market share, the impact would vary in the ensuing years.
- 3.2 Despite the difficult market conditions, your Company has underwritten Gross premium of Rs.1639.56 Crores, including Rs.118.29 Crores allocated from the motor third party insurance pool as compared to Rs.1515.52 Crores achieved in the previous year, representing an increase of 8.18% over the previous year. The underwriting results however, show a loss of Rs.85.18 Crores mainly due to the changes consequent to shift from regulated market to detariff market and amounts allocated by the Motor Pool. The reinsurance market has been hardening due to increase in claim payments on account of natural disaster as also reduced pricing.
- 3.3 The commercial lines of business have been showing signs of saturation. New investments have shrunk due to global recession. Taking into consideration the potential and profitability of various classes the growth of the market will be limited to retail lines of business and more significantly in Motor & Health Segments. Though the retail lines of business do not contribute adequately to the bottom lines, however, in view of the growth expected, the Company has planned to augment business in retail lines without sacrificing the quality and also controlling the incurred claim ratio.

3.4 The financial highlights of the year's operations are summarized below:

FINANCIAL RESULTS

Rupees in Crores

Particulars	2009-10	2008-09
Gross Written premium	1639.56	1515.52
Less Reinsurance premium	648.73	629.84
Net premium	990.83	885.68
Unexpired Risk Reserve	68.61	52.75
Earned premium	922.22	832.93
Commission earned (net)	(25.19)	3.23
Others	0.10	0.06
Total underwriting Revenue	897.13	836.22
Net incurred claims	732.67	695.02
Expenses of Management	249.27	239.62
Others	0.38	0.11
Total underwriting expenses	982.32	934.75
Underwriting profit /Loss	(85.19)	(98.53)
Investment Income:		
Allocated to Revenue A/c	106.66	85.69
Allocated to P&L A/c.	13.26	19.72
	<u>119.92</u>	<u>105.41</u>
Others	3.88	(0.04)
Net underwriting surplus	21.47	(12.89)
Profit before Tax	<u>38.61</u>	<u>6.92</u>

4.0 DIVIDEND

4.1 The distributable profits after making suitable provision towards income-tax works out to Rs. 25.38 Crores. Accordingly, your Directors recommend a payment of dividend at the rate of 3% on the paid up capital of Rs. 247 crores of the Company. In the audited Accounts a provision of Rs. 8.67 Crores including Rs. 1.26 Crores towards Dividend Distribution Tax has been made towards payment of Dividend to the Members.

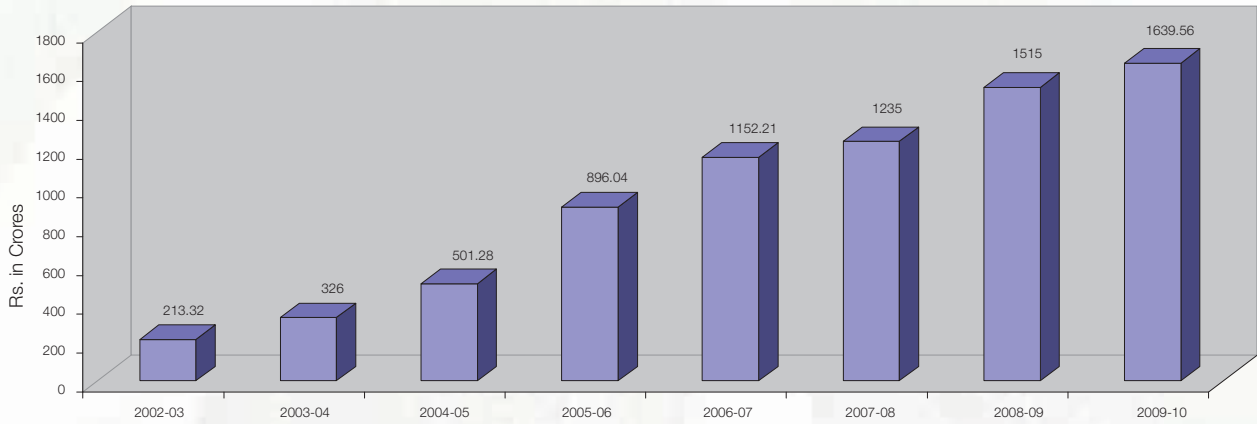
5.0 INVESTMENTS

5.1 The total investments of your Company as on 31st March, 2010 were Rs.1279.49 Crores as against Rs.1058.01 Crores at the end of the previous year. Investments were made in Government Securities and other approved schemes prescribed in IRDA Investment (4th Amendment) Regulations 2008. The yield on these investments during the year worked out to 8.33% as against 8.92% earned in the previous year.

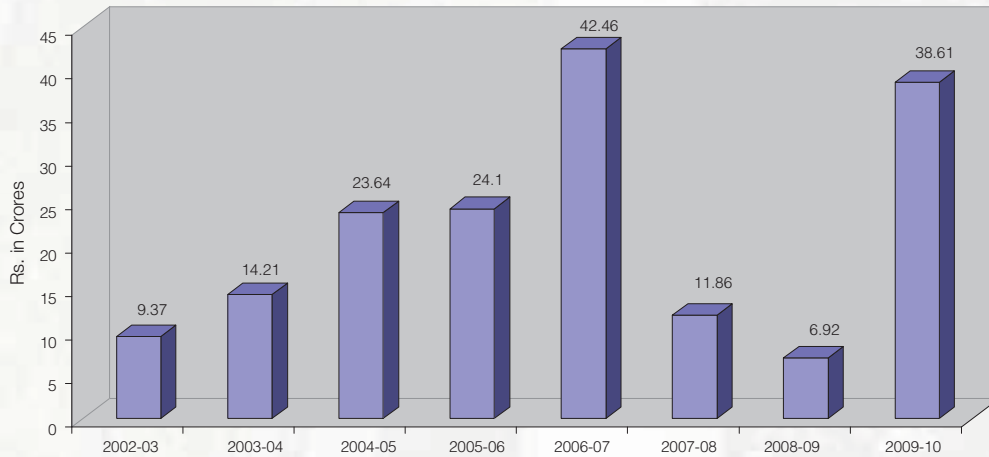
6.0 ICAI AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

6.1 Members would be happy to note that the Institute of Chartered Accountants of India (ICAI) has adjudged the Annual Report and Accounts of your Company for the year ended on 31st March 2009 as 'Commendable' and awarded the 'Plaque for commended Annual Report in the Insurance Sector'. IFFCO TOKIO is the only General Insurance Company to receive the award for the year 2008-09.

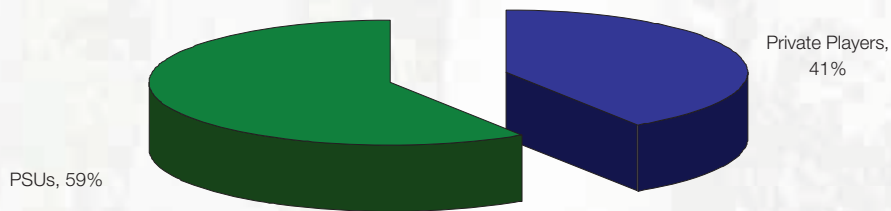
GWP Growth



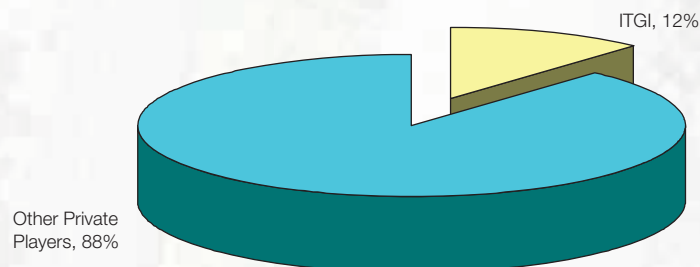
PBT Performance



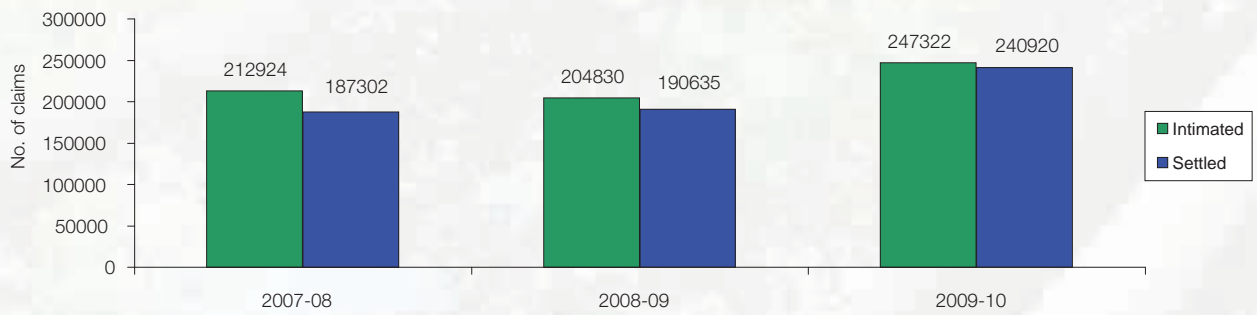
Market Share of Private Players



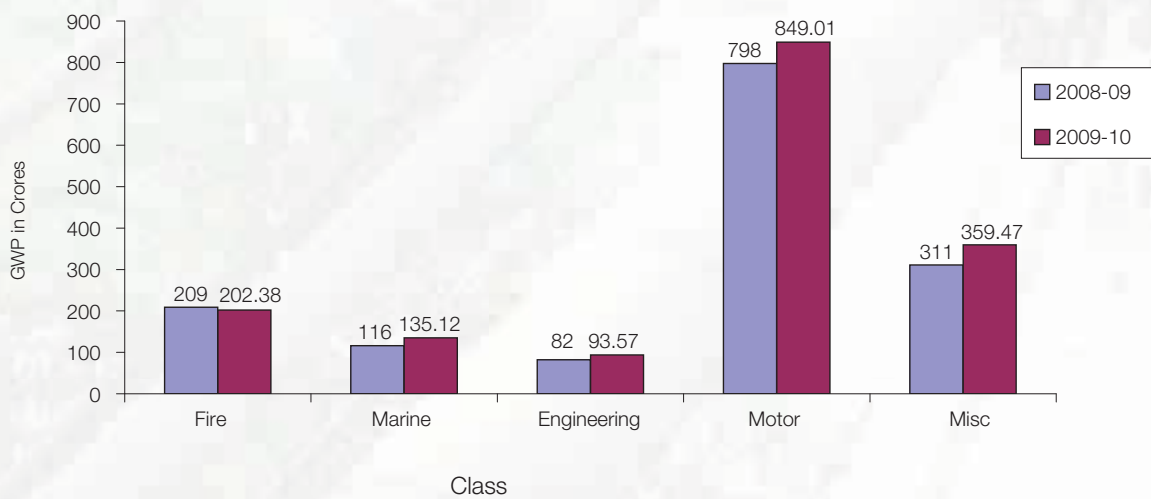
ITGI Share Among Private



Claim Settlement Trend



Class wise GWP Breakup



7.0 CORPORATE GOVERNANCE

- 7.1 During the year IRDA had issued Guidelines on Corporate Governance for the Insurance Sector and had directed that Companies should ensure their compliance with effect from 1st April 2010. The guidelines prescribed for adoption by Insurance Companies are in addition to the provisions of the Companies Act, 1956, Insurance Act, 1938 and any other laws or Regulations framed thereunder. The guidelines inter alia envisage introduction of Code of Business Conduct and Ethics for Board Members and Senior Management, Whistle Blower Policy, Constitution of Risk Management Committee, Constitution of Policyholder Protection Committee, Reconstitution of Audit Committee, Appointment of Independent Directors and conduct of meetings of Board of Directors. It has been the endeavor of your Company to adopt systems & procedures which would strengthen good corporate governance, transparency, accountability and full disclosure of information to its shareholders and other stakeholders. The Board of Directors had accordingly constituted the following Committees:

Executive Committee

The Executive Committee comprises of one non Executive Director, Managing Director and Director (Operations) as its Members. This Committee is responsible for finalization of Business Plan, Annual Budgets, review of operations, review of performance of personnel, HRD issues, etc.

Investment Committee

The Investment Committee comprises of two Non-Executive Directors, Chief Executive Officer, Financial Advisor, Chief of Investment Division, Chief of Finance Division and Appointed Actuary. The Investment Committee is responsible for formulating the Annual Investment Policy, laying down guidelines for investment of surplus funds, approval of investment decisions, monitoring the implementation of approved investment policy and guidelines and also compliance of IRDA (Investment) Regulations.

Your Board of Directors have appointed M/s N.K. Bhargava & Co., Chartered Accountants as Concurrent Auditor for auditing the Investment accounts. This firm of auditors conducts regular audits on monthly basis and audit reports / observations made by them are submitted in every meeting of the Investment Committee for consideration.

Audit Committee

Pursuant to the Guidelines on Corporate Governance issued by IRDA, your Board of Directors had reconstituted an Audit Committee consisting of Mr. Surinder Kumar Jakhar, Chairman, Mr. Bahushrut Lugani, an independent Director as Vice Chairman. In addition two Non- Executive Directors and Managing Director are the Members of the Committee. The terms of reference of the Audit Committee inter alia include-

- (i) Review of Financial and Accounting policies and practices of the Company.
- (ii) Review the efficiency of the internal control; mechanism of the Company.
- (iii) Review the reports furnished by the internal and statutory auditors.
- (iv) Review the periodical and annual financial statements before submission to the Board.
- (v) Recommend appointment, remuneration, performance and oversight of the work of Auditors (internal/statutory/concurrent)

During the year four meetings of the Board of Directors, eleven meetings of the Executive Committee, four meetings of the Audit Committee and four meetings of the Investment Committee were held. All the meetings were well attended.

Risk Management Committee

In compliance with the Guidelines on Corporate Governance by Insurers issued by IRDA your Company has constituted Risk Management Committee w.e.f. 1st April 2010 comprising of Head (Underwriting), Chief Financial Officer and Compliance Officer of the Company. The Committee is responsible for monitoring all the risks across various lines of business of the Company, reviewing the business underwritten, investment of funds, reinsurance supports, major claims, amount recoverable and such other business activities which have a potential of exposing the Company to avoidable risks.

Policyholder Protection Committee

In compliance with the Guidelines on Corporate Governance by Insurers issued by IRDA your Company has constituted Policyholder Protection Committee w.e.f. 1st April 2010 comprising of Head (Claims), Head (Retail Marketing) and Chief Investment Officer. The Committee is responsible for reviewing the complaints and grievances of policyholders as also compliance with statutory requirements as laid down in the regulatory framework.

8.0 CUSTOMER SERVICE

- 8.1 Members would recall that with the objective of providing prompt services to our customers and optimize utilization of resources, your Company had set up Customers Service Centers located at Mumbai, Kolkata, Vadodara, Bangalore and New Delhi. During the year two new Customers Service Centers at Bhopal and New Delhi were set up to augment services to its customers. These Centers apart from handling financial accounting in respect of branches under their respective control have significantly reduced the turnaround time in respect of claims preferred by the customers. The centers handled approximately 2.40 lakh claims during the year and were able to achieve a settlement ratio of 84% on an average. Besides Customers servicing the seven Customer Service Centres and the Centralised Claim unit located at Corporate office also focused on Claims / loss control measures by introducing e-survey and on line technical scrutiny of Motor claims, improved salvage management and utilizing the services of in house surveyors.
- 8.2 In addition to setting up of Centers for servicing of Customers in respect of Claims, your Company has also set up underwriting Hubs in Mumbai and Delhi. The Underwriting Hubs are mainly responsible for timely issuance of error free policy documents, standardization of documentation, optimum utilization of core resources etc. With the constant increase in retail lines of business and growing number of customers Customers Relationship Management (CRM) has been implemented to minimize the time taken in issuance of policies.

9.0 SPREAD OF OPERATIONS

- 9.1 Your Company has expanded its operations in several potential market areas. Members would be happy to know that all the Branches across the country are on line on the IT system. Your Company has plans to further strengthen its operations by expanding its business in potential market areas and in rural segments so as to make its services easily accessible to its customers across the country.

10.0 INFORMATION TECHNOLOGY

- 10.1 The Members are kindly aware that the Company is using a dedicated insurance software Policy 400 in the conduct of business viz. underwriting, accounting, issue of policy documents, regulation and disposal of claims and to service its customers. With a view to induce customers and internet portal for online sale of Motor, health and travel Insurance policies was implemented during the year. CRM point of sale system for motor policies was enhanced to make it available 24 x 7 without any interruption. Further a Web based e-marine system was developed and implemented to enable our customers to generate marine certificates against their MOP using internet. The Company with a view to expand services to its customers has developed and implemented a 'System for Customer Life Cycle Management'. This will enable the Company to keep regular contact with the customers and improve opportunities of renewals and

Gross sales. The Company has also taken suitable action for strengthening its 'Information Security Management System' and has initiated activities to acquire ISO 27001 certificate from BSI for its Data Centre and IT Department.

11.0 BUSINESS PLAN 2010-11

11.1 The Company has achieved a GWP of Rs. 1521 Crores (excluding allocation of Rs.118 Crores by Motor Pool) during the year ended 31st March, 2010. The Company has set a target of Rs. 1650 Crores (excluding anticipated allocation that may be made by the Motor Pool) for the financial year 2010-11 comprising of Rs. 450 Crores from Commercial Lines and Rs. 1200 Crores of Retail lines. As per the present market scenario the opportunities in Commercial lines of Business have shrunk considerably due to the impact of detarification and economic slow down in the preceding two years. In the proposed Budget for the year 2010-11 mobilisation of business from the Retail segment has been planned since it is anticipated that it will continue to grow as in the previous year.

11.2 MARKET STRATEGY

Members are kindly aware that detarification of Property and Motor business has led to steep fall in premiums. The entry of new players has aggravated the price war in the market. Your Company has drawn detailed guidelines for profit oriented underwriting of commercial business after due diligence in respect of risk perception, burning cost analysis and loss minimization measures. Since the Company has set an enhanced target for retail lines, it would endeavor to enter into suitable understanding with various intermediaries, introduce new products, enter into tie up arrangements with dealers, Banks etc. Pursuant to the liberalization of the Insurance market, the threat of premiums being reduced to induce customers and the role of intermediaries playing increasing role in buying and selling of insurance, your Company would take a cautious approach in mobilizing business. Since the emphasis in the Business Plan is to augment retail lines of business, your Company would encourage Cooperative Model, Bancassurance tie ups and agents with proven loyalty to the Distribution channels. Commercial lines of business as far as possible would be solicited directly.

11.3 PRODUCT DEVELOPMENT

Hon'ble Members are aware that your Company presently sells various products customized to suit the needs of target market segments like, art lovers, industries and corporate, International travelers, semi urban and rural segments of the Indian market.

11.4 REINSURANCE

Your Company formulated its reinsurance programme in line with the guidelines laid down by Insurance Regulatory and Development Authority (IRDA). The reinsurance programme finalized aims at –

- (a) optimum retention within the country consistent with prudent risk retentions to reduce foreign exchange outgo
- (b) develop adequate automatic reinsurance capacity within the Indian Insurance market to maximize the market retention as also to create sufficient automatic capacity to absorb mega risks and to
- (c) secure the best possible protection with top class securities at economical cost.

Further in order to mitigate the risk arising out of single large loss and /or catastrophe affecting company's net retentions, your Company has also taken excess of loss and catastrophe cover.

11.5 RISK MANAGEMENT

Risk is fundamental to life-both human and corporate. Insurance being the business of transfer of risks from client to insurer, its viability depends on underwriter's ability to precisely assess the risk. As Members are aware, your Company has formed a Risk Management Committee which is proficient in qualitative evaluation of risk, providing safety consultancy for loss reduction and suggesting measures for risk mitigation to the client. In the detariffed market

scenario this team is striving to develop expertise in areas like risk pricing, business continuity planning, earthquake hazard simulation, consequence analysis and Marine loss reduction which will help us in offering a bouquet of services to the clients. The strength of the Team has been increased keeping in view the detariff scenario and the challenges anticipated to be faced by your Company in the new environment. The Company continues to follow loss control measures in motor insurance with the help of e-survey, on-line scrutiny of motor claims, improved salvage management and increased use of in-house surveyors.

11.6 RURAL BUSINESS

Your Company in fulfillment of its commitments to serve the rural masses continued with its innovative products during the year under review. A new micro insurance policy, Pasudhan Bima was launched to cover risks of death of farmers' livestock. The product also won an ILO innovation grant for using RFID chips as a means of livestock identification. The Baarish Bima Yojna has been vibrant in eleven states during Kharif sowing covering approx. 70,000 farmers. Similarly the Mausam Bima Yojna for Rabi sowing has been spread to 5 states covering approx. 2800 farmers. To meet similar requirements of marginal farmers and the people in lowly paid economic activities, this year too your Company celebrated Micro Insurance months in January and February 2010, to extend the benefits of Micro Insurance to the poor and marginal section of the society. This includes Janta Bima Yojna for protection of household contents and health, Jan Swasthya Bima, a micro insurance group health policy to address the needs of community health insurance for the rural and social sector, Jan Suraksha and Mahila Suraksha micro insurance policies to cover the risk of accident to member of various self help groups. Sankat haran Bima Yojna which has entered in 9th year has so far benefitted approx. 9628 beneficiaries with the claim disbursement to the tune of Rs. 57.79 Crores.

In order to register ITGI's physical presence in B and C class cities and rural areas, ITGI has continued opening of Bima Kendras. These centers have been instrumental in giving impetus to the co- operative insurance activities and development of rural agency forces. As per the regulations notified by IRDA, your company was required to underwrite 7% of Gross Direct Premium towards Rural business and insure 55,000 lives for compliance with the social sector obligations. The Members would be happy to note that the actual business underwritten in respect of Rural Sector works out to 11.71 % of Gross Direct Premium and that the company had covered 14.62 lakhs lives during the year. The company places on record its gratitude to IFFCO and its Member Co-operative who have extended their unstinted support to the Company to enable it to fulfill the mandatory requirements.

12.0 IFFCO TOKIO INSURANCE SERVICES LIMITED – A WHOLLY OWNED SUBSIDIARY

12.1 IFFCO TOKIO Insurance Services Limited (ITIS), the subsidiary Company which was incorporated by IFFCO TOKIO in the year 2003-04 to promote a dedicated direct sales force and also to provide personalized services to IFFCO TOKIO customers at the point of sales, has scaled new heights by extending its presence to over 318 locations in the year 2009-10. The Company has sourced and serviced premium of Rs. 610 Crores for IFFCO TOKIO in the year 2009-10 registering a growth of approx. 10% over 2008-09. Continuing with its efforts to get closer to the rural populace, the Company has penetrated further into the tier B and C class cities through its Lateral Spread Centers and Bima Kendras. The Company has on its rolls over 1370 trained persons comprising of Employees and Trainees who procure business and also render services to IFFCO TOKIO customers both in urban and rural areas.

Members are kindly aware that your Company with a view to penetrate deeper into the SME and retail market and to create inroads in rural markets created a dedicated channel for marketing IFFCO TOKIO products and also service its esteemed customers had formed a wholly owned subsidiary under the name of IFFCO TOKIO Insurance Services Limited. The Company during its operations for the year ended on 31st March, 2010 contributed business valuing 651.12 Crores as against Rs.555.22 Crores during the previous year to IFFCO TOKIO and earned a profit before tax of Rs. 18.88 lakhs as against Rs. 27.32 lakhs during the previous year. ITIS has served the semi-urban and Rural segments of India with innovative products of IFFCO TOKIO and serviced several customers. As required under section 212(1) of the Companies Act, 1956, the audited accounts and other particulars of the Subsidiary Company are appended.

13.0 HUMAN RESOURCE DEVELOPMENT

- 13.1 Human Resources is an invaluable asset of an Organization. Suitable strategies were evolved during the year to achieve the vision of the Company viz., winning the trust of the Customer through fairness, transparency and quick response. In order to empower and motivate the employees at all levels, their incentive scheme is linked to their own performance as well as of the Company.
- 13.2 Induction and refresher training schemes covering functional and behavioral areas were conducted during the year and employees at all levels were exposed to various training programmes.

14.0 INFORMATION UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Information as per the provisions contained Under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended 31st March, 2010 is placed at Annexure –A.

15.0 CONSERVATION OF ENERGY AND TECHNOLOGY

As your Company does not carry out any Manufacturing activity, the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable in this regard and accordingly the information is not provided.

FOREIGN EXCHANGE EARNING AND OUTGO

The particulars of Foreign Exchange earnings/outgo as required by the Companies Act, 1956 are given below.

EARNINGS

Rs. 20,819 Lakhs
(Previous year Rs.10,585 lakhs)

OUTGO

Rs. 17,911 Lakhs
(Previous year Rs. 11,560 lakhs)

16.0 PUBLIC DEPOSITS

- 16.1 Your Company has not accepted any Public deposits during the year under review.

17.0 AUDITORS' OBSERVATIONS

- 17.1 AUDITORS' REPORT

The Report of the Auditors to the Shareholders of the Company is annexed to the financial statements for the year ended 31st March, 2010. There are no specific observations in the report of the Auditors which require clarification.

18.0 BOARD OF DIRECTORS

- 18.1 APPOINTMENT OF NOMINEE DIRECTOR

During the year IFFCO conveyed the nomination of Dr. P.S. Gahlaut, Managing Director, IPL as nominee Director on the

Board of the Company. Consequently, Dr. P.S. Gahlaut was appointed as Nominee Director of IFFCO on the Board of IFFCO TOKIO w.e.f. 22nd March, 2010.

18.2 APPOINTMENT OF DIRECTORS

Pursuant to the provisions contained in the Guidelines on Corporate Governance for induction of atleast 2 independent Directors on the Board of the Insurers, IFFCO TOKIO has inducted Mr. S.K. Kanwar and Mr. Bahushrut Lugani as Additional Directors on its Board w.e.f. 1st April 2010. The Additional Directors will hold office till the ensuing Annual General meeting as per the provisions of Section 260 of Companies Act, 1956. The Company has received Notices from Mr. S.K. Kanwar and Mr. Bahushrut Lugani under Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500 /- each, signifying their intention to be appointed as Director on the Board of IFFCO TOKIO. The Notice of the Annual General Meeting provides for appointment of Mr. S.K. Kanwar and Mr. Bahushrut Lugani as directors' on the Board of Company.

18.3 In accordance with the provisions contained in Articles 102, 103 and 104 of the Articles of Association of your Company, Mr. Takashi Yoshikawa, Dr. U.S. Awasthi and Mr. Rakesh Kapur, Directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

19.0 AUDITORS

19.1 M/s S.P. Chopra & Co, and M/s Raghu Nath Rai & Co. were appointed as Joint Statutory Auditors of your Company for the financial year 2009-10 and they will continue in the Office till the conclusion of the ensuing Annual General Meeting.

As per the IRDA Guidelines each insurance Company is required to have two Auditors on Joint Audit. One of them is to have a term of five years on the conclusion of the Annual General Meeting. The present Auditors would be completing the term of four years on the conclusion of the ensuing Annual General Meeting of the Company. A Communication has been received from M/s S.P. Chopra & Company in which they have conveyed their intention to retire on completion of audit for the financial year 2009-10.

19.2 The Company has received communication from M/s Raghu Nath Rai & Co. confirming their willingness to accept the audit of the Company in the event of their reappointment. The Company has also received communication from M/s G.S. Mathur & Co., Chartered Accountants, confirming their willingness to accept the audit of the Company in the event of their appointment and stating that their appointment if made will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956 and they fulfil the eligibility criteria specified under IRDA Regulations for appointment of Statutory Auditors. Notice of the ensuing Annual General Meeting provides for appointment of Auditors as per the provisions of the Companies Act, 1956.

20.0 DIRECTORS' RESPONSIBILITY STATEMENT

20.1 The Board of Directors of your Company confirms:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that there has been no material departure.
- ii. 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 the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the period ended on that date;

- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Annual Accounts have been prepared on a going concern basis.

21.0. ACKNOWLEDGEMENTS

- 21.1 Your Directors express their gratitude to all customers of your Company for their valuable patronage, shareholders, the Insurance Regulatory & Development Authority, General Insurance Council, Tariff Advisory Committee, General Insurance Corporation of India, Reinsurers and Other Statutory Authorities for their continued support and guidance to the Company. Your Directors also place on record their sincere thanks to its Statutory Auditors, Bankers, Insurance Agents, Brokers and other constituents for their continued support.
- 21.2 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
Dated: 28th April, 2010

for and on behalf of the Board,

(K. Srinivasa Gowda)
Chairman

Statement of Interest in the Subsidiary Company (ITIS) Under Section 212 of the Companies Act, 1956

1. The extent of Company's interest in the subsidiary at the end of the financial year of the Subsidiary Company :
Entire Equity Share Capital of the IFFCO – TOKIO Insurance Services Ltd. as on 31st March, 2010 (5,00,000 shares of Rs. 10/- each fully paid) are held by IFFCO-TOKIO General Insurance Company Limited.
2. The net aggregate amount of the subsidiary's profit so far as it concerns Members of the Company and is not dealt with in the company accounts:
For the financial year of the subsidiary, Profit of the subsidiary company for the period ended 31st March, 2010 is Rs. 10,75,134. Profit for the previous financial years of the subsidiary since it became holding Company's subsidiary Rs. 42,46,354.
3. The net aggregate amount of the subsidiary's profit after deducting its losses or vice versa so far as these are dealt with in the Company's accounts:
 - (i) For the financial year of the subsidiary - Nil.
 - (ii) For the previous years of the subsidiary since it became holding company's subsidiary - NIL

IFFCO-TOKIO

AUDITORS' REPORT

To the Members of IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

1. We have audited the attached Balance Sheet of Iffco Tokio General Insurance Company Limited (the Company), as at March 31, 2010, and also the Revenue accounts relating to fire, marine and miscellaneous insurance business, the Profit and Loss account and the Receipts and Payments account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement's presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
 - (b) In our opinion, proper books of account, as required by law have been maintained by the Company so far as appears from our examination of those books;
 - (c) We have audited the branches and head office of the Company;
 - (d) The Balance Sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account referred to in this report are in agreement with the books of account;
 - (e) The actuarial valuation of liabilities in respect of Claims 'Incurred But Not Reported' (IBNR) and Claims 'Incurred But Not Enough Reported' (IBNER) as at 31st March, 2010, has been duly certified by the appointed actuary and relied upon by us. The appointed actuary has certified that the assumptions used for such valuation are appropriate and are in accordance with the requirements of the IRDA and Actuarial Society of India.
On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
4. In our opinion and to the best of our information 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 in Section 211(3C) of the Companies Act, 1956 and with the accounting principles, as prescribed in the Regulations or any order or direction issued by IRDA in this behalf;
 - (b) The Balance Sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account referred to in this report are prepared in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act 1956;
 - (c) Investments have been valued in accordance with the provisions of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

AUDITORS' REPORT (Contd.) **IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED**

- (d) The said financial statements read together with the Notes thereon are prepared in accordance with the requirements of the Insurance Act 1938, the Insurance Regulatory and Development Act, 1999, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 1956, to the extent applicable and in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii. in the case of the Revenue accounts, of the surplus / deficit for the year ended March 31, 2010;
 - iii. in the case of the Profit and Loss account, of the Profit of the Company for the year ended March 31, 2010;
and
 - iv. in the case of the Receipts and Payments account, of the Receipts and Payments of the Company for the year ended March 31, 2010.
5. Further, on the basis of our examination of books & records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- (a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2010 and there are no apparent mistakes or material inconsistency 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. P. Chopra & Co.
Chartered Accountants

for Raghu Nath Rai & Co.
Chartered Accountants

Pawan K. Gupta
Partner
Membership No. 92529

Sharat Prakash
Partner
Membership No. 96267

New Delhi
27th April, 2010

AUDITOR'S CERTIFICATE

In accordance with the information and explanations given to us and 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, 2010, 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, 2010, the Company had no secured loans.
- (b) The Company is not a trustee of any trust.
- (c) No part of the asset 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.

The 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.P. Chopra & CO.
Chartered Accountants

Pawan K Gupta
Partner
Membership No. 92529

for Raghu Nath Rai & Co.
Chartered Accountants

Sharat Prakash
Partner
Membership No. 96267

New Delhi
27th April, 2010

IFFCO-TOKIO

ACCOUNTS

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

REGISTRATION NO. 106 Dated 4.12.2000


BALANCE SHEET AS AT 31st MARCH, 2010

(Rs. in '000)

SI No.	Particulars	Schedule		As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)		(4)	(5)
	SOURCES OF FUNDS				
	SHARE CAPITAL	5		2,470,000	2,470,000
	RESERVES AND SURPLUS	6		2,273,191	2,106,067
	FAIR VALUE CHANGE ACCOUNT			-	-
	BORROWINGS	7		-	-
	TOTAL			4,743,191	4,576,067
	APPLICATION OF FUNDS				
	INVESTMENTS	8		8,148,246	7,030,491
	LOANS	9		-	-
	FIXED ASSETS	10		151,582	132,605
	CURRENT ASSETS :				
	Cash and Bank Balances	11	4,796,341		3,854,388
	Advances and Other Assets	12	5,408,281		4,876,386
	Sub-Total (A)		10,204,622		8,730,774
	CURRENT LIABILITIES	13	8,550,701		6,897,587
	PROVISIONS	14	5,286,358		4,478,916
	Sub-Total (B)		13,837,059		11,376,503
	NET CURRENT ASSETS (C) = (A-B)			(3,632,437)	(2,645,729)
	DEFERRED TAX ASSET (NET)			75,800	58,700
	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted) Debit Balance in Profit and Loss Account	15		-	-
	TOTAL			4,743,191	4,576,067

CONTINGENT LIABILITIES

SI No.		As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Partly paid up investments	-	-
2	Claims, other than against policies, not acknowledged as debts by the company	6,786	6,786
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	-	-
6	Reinsurance obligations to the extent not provided for in the accounts	-	-
7	Others	-	-
	Total	6,786	6,786

Notes to Accounts

16

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

for and on behalf of Board of Directors

As per our Report of even date attached.

S.P. Chopra & Co.
Chartered Accountants

Raghu Nath Rai & Co.
Chartered Accountants

K. Srinivasa Gowda
Chairman

Pawan K Gupta
Partner
M. No. 92529

Sharat Prakash
Partner
M. No. 96267

S. Narayanan
Managing Director

Rakesh Kapur
Director

Yasunobu Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

 New Delhi
Dated : 27th April, 2010

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

REGISTRATION NO. 106 Dated 4.12.2000

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010*(Rs. in '000)*

SI No.	Particulars	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	468,372	604,890
2	Profit / Loss on sale / redemption of Investments		1,185	2,325
3	Others : Handling Charges		(430)	421
	Exchange Gain / (Loss)		(23,077)	(927)
4	Interest, Dividend & Rent-Gross		59,491	60,851
	TOTAL (A)		505,541	667,560
1	Claims Incurred (Net)	2	438,274	441,410
2	Commission	3	(104,739)	(165,421)
3	Operating expenses related to Insurance Business	4	293,067	340,150
	TOTAL (B)		626,602	616,139
	Operating Profit / (Loss) from Fire Business C=(A-B)		(121,061)	51,421
	APPROPRIATIONS			
	Transfer to Shareholders' Account		(121,061)	51,421
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves (to be specified)		-	-
	TOTAL (C)		(121,061)	51,421

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.

for and on behalf of Board of Directors

As per our Report of even date attached.

S.P. Chopra & Co.
Chartered Accountants

Pawan K Gupta
Partner
M. No. 92529

Raghu Nath Rai & Co.
Chartered Accountants

Sharat Prakash
Partner
M. No. 96267

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

Rakesh Kapur
Director

Yasunobu Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 27th April, 2010

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

REGISTRATION NO. 106 Dated 4.12.2000


MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in '000)

SI No.	Particulars	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	396,856	445,977
2	Profit / Loss on sale / redemption of Investments		1,165	2,310
3	Others: Handling Charges		(345)	(69)
	Exchange Gain / Loss		27,454	(1,166)
4	Interest, Dividend & Rent-Gross		58,495	60,454
	TOTAL (A)		483,625	507,506
1	Claims Incurred (Net)	2	408,488	444,842
2	Commission	3	(32,386)	(46,898)
3	Operating expenses related to Insurance Business	4	226,041	197,965
	TOTAL (B)		602,143	595,909
	Operating Profit / (Loss) from Marine Business C = (A-B)		(118,518)	(88,403)
	APPROPRIATIONS			
	Transfer to Shareholders' Account		(118,518)	(88,403)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves (to be specified)		-	-
	TOTAL (C)		(118,518)	(88,403)

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.

for and on behalf of Board of Directors

As per our Report of even date attached.

S.P. Chopra & Co.
Chartered Accountants

Pawan K Gupta
Partner
M. No. 92529

Raghu Nath Rai & Co.
Chartered Accountants

Sharat Prakash
Partner
M. No. 96267

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

Rakesh Kapur
Director

Yasunobu Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

 New Delhi
Dated : 27th April, 2010

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

REGISTRATION NO. 106 Dated 4.12.2000

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010*(Rs. in '000)*

SI No.	Particulars	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	8,357,013	7,278,434
2	Profit / Loss on sale / redemption of Investments		18,484	26,902
3	Others: Handling Charges		(2,881)	(1,323)
	Exchange Gain / (Loss)		(4,516)	1,959
	Transfer & Duplicate Fee		995	662
4	Interest, Dividend & Rent-Gross		927,715	704,093
	TOTAL (A)		9,296,810	8,010,727
1	Claims Incurred (Net)	2	6,479,922	6,063,989
2	Commission	3	388,986	180,063
3	Operating expenses related to Insurance Business	4	1,973,610	1,858,057
	TOTAL (B)		8,842,518	8,102,109
	Operating Profit / (Loss) from Miscellaneous Business C = (A-B)		454,292	(91,382)
	APPROPRIATIONS			
	Transfer to Shareholders' Account		454,292	(91,382)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves (to be specified)		-	-
	TOTAL (C)		454,292	(91,382)

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.

for and on behalf of Board of Directors

As per our Report of even date attached.

S.P. Chopra & Co.
Chartered Accountants

Pawan K Gupta
Partner
M. No. 92529

Raghu Nath Rai & Co.
Chartered Accountants

Sharat Prakash
Partner
M. No. 96267

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

Rakesh Kapur
Director

Yasunobu Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 27th April, 2010

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

REGISTRATION NO. 106 Dated 4.12.2000


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in '000)

SI No.	Particulars	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	OPERATING PROFIT / (LOSS)			
	(a) Fire Insurance		(121,061)	51,421
	(b) Marine Insurance		(118,518)	(88,403)
	(c) Miscellaneous Insurance		454,292	(91,382)
			214,713	(128,364)
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent-Gross		130,007	189,895
	(b) Profit on sale of Investments		2,590	7,256
	Less : Loss on Sale of Investments		-	-
			132,597	197,151
3	OTHERS			
	Miscellaneous Income		43,699	4,247
	TOTAL (A)		391,009	73,034
4	PROVISIONS (Other than taxation)			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		-	-
	(c) Others (to be specified)		-	-
5	OTHER EXPENSES			
	(a) Expenses other than those related to Insurance business		4,889	3,738
	(b) Bad Debts written off		-	-
	(c) Loss on Sale/Scrap of Fixed Assets		13	102
	TOTAL (B)		4,902	3,840
	Profit Before Tax		386,107	69,194
	Less : Provision for Taxation		-	-
	Current Tax		141,600	7,692
	Deferred Tax		(10,700)	21,000
	Fringe Benefit Tax		-	12,100
	Credit for MAT Entitlement		-	(7,692)
	Less : Short / Excess provision for tax for earlier years		-	-
	Current Tax		7,789	5,067
	Deferred Tax		(6,400)	6,000
	Profit After Tax		253,818	25,027
	Balance of Profit brought forward from Last Year		562,901	537,874
	Balance available for appropriation		816,719	562,901
	APPROPRIATIONS			
	(a) Interim dividends paid during the year		-	-
	(b) Proposed Final Dividend		74,100	-
	(c) Dividend distribution tax		12,594	-
	(d) Transfer to any Reserves or Other Accounts		-	-
	Balance carried forward to Balance sheet		730,025	562,901
	Basic & Diluted Earnings per Share (Equity Shares of Face Value of Rs 10 each)		1.03	0.11

Notes to Accounts

16

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

for and on behalf of Board of Directors

As per our Report of even date attached.

S.P. Chopra & Co.
Chartered Accountants

Raghu Nath Rai & Co.
Chartered Accountants

K. Srinivasa Gowda
Chairman

Pawan K Gupta
Partner
M. No. 92529

Sharat Prakash
Partner
M. No. 96267

S. Narayanan
Managing Director

Rakesh Kapur
Director

Yasunobu Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

 New Delhi
Dated : 27th April, 2010

ANNUAL REPORT 2009-10

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

REGISTRATION NO. 106 Dated 4.12.2000

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in '000)

	Current Year		Previous Year	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premium received from policyholders, including advance receipts	16,529,258		16,076,469	
Other receipts	43,699		4,247	
Payments to the re-insurers, net of commissions and claims	(2,932,561)		(3,188,490)	
Payments to co-insurers, net of claims recovery	(78,727)		131,272	
Payments of claims	(8,526,354)		(9,167,190)	
Payments of commission and brokerage	(962,881)		(1,000,359)	
Payments of other operating expenses	(2,645,468)		(2,531,891)	
Preliminary and pre-operative expenses	-		-	
Deposits, advances and staff loans	23,319		(15,283)	
Income taxes paid (Net)	(81,109)		(29,846)	
Service tax paid	(395,597)		(986,277)	
Other payments	-		-	
Cash Flows before extraordinary items	973,579		(707,348)	
Cash Flow from extraordinary operations	-		-	
Net Cash Flow from operating activities		973,579		(707,348)
CASH FLOW FROMS INVESTING ACTIVITIES:				
Purchase of fixed assets	(88,255)		(65,888)	
Proceeds from sale of fixed assets	435		1,308	
Purchases of investments	(14,819,460)		(2,066,696)	
Loans disbursed	-		-	
Sales of investments	13,680,000		451,444	
Repayments received	-		-	
Rents/Interests/Dividends received	1,200,543		965,679	
Investments in money market instruments and in liquid mutual funds (Net)	-		-	
Expenses related to investments	(4,889)		(3,738)	
Net Cash Flow from investing activities		(31,626)		(717,891)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	-		1,512,000	
Proceeds from borrowing	-		-	
Repayments of borrowing	-		-	
Interest/dividends paid	-		-	
Net Cash Flow from financing activities		-		1,512,000
Effect of foreign exchange rates on cash and cash equivalents, net		-		-
Net Increase /(Decrease) in Cash & Cash equivalents		941,953		86,761
Cash equivalents at beginning of Year		3,854,388		3,767,627
Cash equivalents at end of Year		4,796,341		3,854,388

for and on behalf of Board of Directors

As per our Report of even date attached.

S.P. Chopra & Co.
Chartered Accountants

Pawan K Gupta
Partner
M. No. 92529

Raghu Nath Rai & Co.
Chartered Accountants

Sharat Prakash
Partner
M. No. 96267

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

Rakesh Kapur
Director

Yasunobu Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 27th April, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 1

PREMIUM EARNED (NET)

(Rs. in '000)

Particulars	CURRENT YEAR				PREVIOUS YEAR			
	FIRE	* MARINE	**MISCELLANEOUS	TOTAL	FIRE	*MARINE	**MISCELLANEOUS	TOTAL
Premium from direct business written	1,716,157	1,324,093	11,538,105	14,578,355	1,952,768	1,136,964	10,650,850	13,740,582
Add : Premium on reinsurance accepted	307,655	27,140	1,482,486	1,817,281	137,297	24,305	1,253,035	1,414,637
	2,023,812	1,351,233	13,020,591	16,395,636	2,090,065	1,161,269	11,903,885	15,155,219
Less : Premium on reinsurance ceded	1,557,999	969,741	3,959,600	6,487,340	1,582,980	729,238	3,986,235	6,298,453
Net Premium	465,813	381,492	9,060,991	9,908,296	507,085	432,031	7,917,650	8,856,766
Adjustments for changes in Reserve for Unexpired Risks	(2,559)	(15,364)	703,978	686,055	(97,805)	(13,946)	639,216	527,465
Total Premium Earned (Net)	468,372	396,856	8,357,013	9,222,241	604,890	445,977	7,278,434	8,329,301

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

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

SCHEDULE – 1A

PREMIUM EARNED (NET)

(Rs. in '000)

Particulars	CURRENT YEAR			PREVIOUS YEAR		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Premium from direct business written	698,412	625,681	1,324,093	817,099	319,865	1,136,964
Add : Premium on reinsurance accepted	7,007	20,133	27,140	7,800	16,505	24,305
	705,419	645,814	1,351,233	824,899	336,370	1,161,269
Less : Premium on reinsurance ceded	373,845	595,896	969,741	427,156	302,082	729,238
Net Premium	331,574	49,918	381,492	397,743	34,288	432,031
Adjustments for changes in Reserve for Unexpired Risks	(30,995)	15,631	(15,364)	6,973	(20,919)	(13,946)
Total Premium Earned (Net)	362,569	34,287	396,856	390,770	55,207	445,977

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 1B

PREMIUM EARNED (NET)

(Rs. in '000)

Particulars	CURRENT YEAR								
	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Premium from direct business written	7,306,658	879,129	182,250	94,535	205,970	55,568	1,642,160	1,171,835	11,538,105
Add : Premium on reinsurance accepted	1,183,515	56,582	236,880	-	72	665	-	4,772	1,482,486
	8,490,173	935,711	419,130	94,535	206,042	56,233	1,642,160	1,176,607	13,020,591
Less : Premium on reinsurance ceded	1,640,332	722,588	260,569	18,882	74,331	26,434	387,587	828,877	3,959,600
Net Premium	6,849,841	213,123	158,561	75,653	131,711	29,799	1,254,573	347,730	9,060,991
Adjustments for changes in Reserve for Unexpired Risks	725,323	(7,270)	6,592	(2,372)	(3,952)	(2,611)	19,524	(31,256)	703,978
Total Premium Earned (Net)	6,124,518	220,393	151,969	78,025	135,663	32,410	1,235,049	378,986	8,357,013

SCHEDULE – 1B

PREMIUM EARNED (NET)

(Rs. in '000)

Particulars	PREVIOUS YEAR								
	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Premium from direct business written	6,832,380	782,830	97,030	97,356	245,783	61,741	1,409,881	1,123,849	10,650,850
Add : Premium on reinsurance accepted	1,143,204	32,605	64,486	2,159	2,482	-	-	8,099	1,253,035
	7,975,584	815,435	161,516	99,515	248,265	61,741	1,409,881	1,131,948	11,903,885
Less : Premium on reinsurance ceded	2,149,218	552,618	101,920	19,364	102,287	29,234	294,641	736,953	3,986,235
Net Premium	5,826,366	262,817	59,596	80,151	145,978	32,507	1,115,240	394,995	7,917,650
Adjustments for changes in Reserve for Unexpired Risks	588,145	(10,793)	19,935	(767)	(156)	2,850	9,747	30,255	639,216
Total Premium Earned (Net)	5,238,221	273,610	39,661	80,918	146,134	29,657	1,105,493	364,740	7,278,434

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 2

CLAIMS INCURRED (NET)

(Rs. in '000)

Particulars	CURRENT YEAR				PREVIOUS YEAR			
	FIRE	* MARINE	**MISCELLANEOUS	TOTAL	FIRE	*MARINE	**MISCELLANEOUS	TOTAL
Claims Paid								
Direct	1,274,609	565,281	6,146,846	7,986,736	2,009,324	863,215	5,423,436	8,295,975
Add: Reinsurance accepted	63,495	12,164	422,329	497,988	7,327	19,935	74,469	101,731
Less: Reinsurance ceded	936,143	250,974	1,691,969	2,879,086	1,582,359	476,427	1,392,459	3,451,245
Net Claims Paid	401,961	326,471	4,877,206	5,605,638	434,292	406,723	4,105,446	4,946,461
Add: Claims Outstanding at the end of the year	273,472	373,967	6,428,654	7,076,093	237,159	291,950	4,825,938	5,355,047
Less: Claims Outstanding at the beginning of the year	237,159	291,950	4,825,938	5,355,047	230,041	253,831	2,867,395	3,351,267
Total Claims Incurred	438,274	408,488	6,479,922	7,326,684	441,410	444,842	6,063,989	6,950,241

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

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

SCHEDULE – 2A

CLAIMS INCURRED (NET)

(Rs. in '000)

Particulars	CURRENT YEAR			PREVIOUS YEAR		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Claims Paid						
Direct	533,448	31,833	565,281	835,686	27,529	863,215
Add: Reinsurance accepted	1,219	10,945	12,164	4,287	15,648	19,935
Less: Reinsurance ceded	226,021	24,953	250,974	455,804	20,623	476,427
Net Claims Paid	308,646	17,825	326,471	384,169	22,554	406,723
Add: Claims Outstanding at the end of the year	292,532	81,435	373,967	264,055	27,895	291,950
Less: Claims Outstanding at the beginning of the year	264,055	27,895	291,950	235,618	18,213	253,831
Total Claims Incurred	337,123	71,365	408,488	412,606	32,236	444,842

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 2B

CLAIMS INCURRED (NET)

(Rs. in '000)

CURRENT YEAR									
Particulars	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public/Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Claims Paid									
Direct	3,571,195	385,859	4,122	22,669	168,681	11,033	1,550,020	433,267	6,146,846
Add: Reinsurance accepted	321,361	1,573	99,292	-	-	-	-	103	422,329
Less: Reinsurance ceded	779,558	287,301	15,183	4,322	52,044	5,874	284,607	263,080	1,691,969
Net Claims Paid	3,112,998	100,131	88,231	18,347	116,637	5,159	1,265,413	170,290	4,877,206
Add: Claims Outstanding at the end of the year	5,339,419	258,633	30,128	45,737	93,132	42,782	444,897	173,926	6,428,654
Less: Claims Outstanding at the beginning of the year	3,909,648	215,498	26,319	27,009	75,630	35,311	360,372	176,151	4,825,938
Total Claims Incurred	4,542,769	143,266	92,040	37,075	134,139	12,630	1,349,938	168,065	6,479,922

SCHEDULE – 2B

CLAIMS INCURRED (NET)

(Rs. in '000)

PREVIOUS YEAR									
Particulars	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public/Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Claims Paid									
Direct	2,915,020	277,890	631	24,066	169,811	1,376	1,571,425	463,217	5,423,436
Add: Reinsurance accepted	62,458	84	10,384	-	1,082	-	-	461	74,469
Less: Reinsurance ceded	580,552	164,325	113	4,068	49,792	293	288,464	304,852	1,392,459
Net Claims Paid	2,396,926	113,649	10,902	19,998	121,101	1,083	1,282,961	158,826	4,105,446
Add: Claims Outstanding at the end of the year	3,909,648	215,498	26,319	27,009	75,630	35,311	360,372	176,151	4,825,938
Less: Claims Outstanding at the beginning of the year	2,276,997	124,783	-	19,239	68,978	23,471	292,115	61,813	2,867,395
Total Claims Incurred	4,029,577	204,364	37,221	27,768	127,753	12,923	1,351,218	273,164	6,063,989

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 3

COMMISSION

(Rs. in '000)

Particulars	CURRENT YEAR				PREVIOUS YEAR			
	FIRE	* MARINE	**MISCELLANEOUS	TOTAL	FIRE	*MARINE	**MISCELLANEOUS	TOTAL
Commission Paid								
Direct	93,055	69,286	698,694	861,035	111,130	85,871	714,465	911,466
TOTAL (A)	93,055	69,286	698,694	861,035	111,130	85,871	714,465	911,466
Add: Re-insurance Accepted	41,729	4,630	190,869	237,228	25,380	5,363	162,894	193,637
Less : Commission on								
Re-insurance ceded	239,523	106,302	500,577	846,402	301,931	138,132	697,296	1,137,359
Net Commission	(104,739)	(32,386)	388,986	251,861	(165,421)	(46,898)	180,063	(32,256)

Breakup of the expenses incurred to procure business:

Agents	28,656	26,573	375,112	430,341	38,988	28,296	378,649	445,933
Brokers	33,737	37,257	152,598	223,592	51,334	54,419	218,582	324,335
Corporate Agency	24,530	5,452	154,242	184,224	16,854	3,155	107,321	127,330
Referral	6,132	4	16,742	22,878	3,954	1	9,913	13,868
Others	-	-	-	-	-	-	-	-
TOTAL (B)	93,055	69,286	698,694	861,035	111,130	85,871	714,465	911,466

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

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

SCHEDULE – 3A

COMMISSION

(Rs. in '000)

Particulars	CURRENT YEAR			PREVIOUS YEAR		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Commission Paid						
Direct	52,093	17,193	69,286	63,493	22,378	85,871
TOTAL (A)	52,093	17,193	69,286	63,493	22,378	85,871
Add : Re-insurance Accepted	589	4,041	4,630	1,650	3,713	5,363
Less : Commission on						
Re-insurance ceded	55,244	51,058	106,302	73,841	64,291	138,132
Net Commission	(2,562)	(29,824)	(32,386)	(8,698)	(38,200)	(46,898)

Breakup of the expenses (Gross) incurred to procure business :

Agents	21,007	5,566	26,573	27,808	488	28,296
Brokers	26,732	10,525	37,257	33,771	20,648	54,419
Corporate Agency	4,350	1,102	5,452	1,913	1,242	3,155
Referral	4	-	4	1	-	1
Others	-	-	-	-	-	-
TOTAL (B)	52,093	17,193	69,286	63,493	22,378	85,871

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 3B

COMMISSION

(Rs. in '000)

Particulars	CURRENT YEAR								
	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public/Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Commission Paid									
Direct	441,531	42,049	2,095	9,174	12,206	4,630	83,028	103,981	698,694
TOTAL (A)	441,531	42,049	2,095	9,174	12,206	4,630	83,028	103,981	698,694
Add : Re-insurance									
Accepted	135,030	6,917	47,882	-	16	166	-	858	190,869
Less : Commission on									
Re-insurance ceded	217,615	116,935	5,631	3,775	11,103	2,960	48,790	93,768	500,577
Net Commission	358,946	(67,969)	44,346	5,399	1,119	1,836	34,238	11,071	388,986

Breakup of the expenses (Gross) incurred to procure business :

Agents	279,263	12,221	-	7,454	5,804	2,333	31,399	36,638	375,112
Brokers	51,475	19,233	1,847	1,518	3,937	1,832	30,792	41,964	152,598
Corporate Agency	106,846	10,522	248	147	1,054	422	20,458	14,545	154,242
Referral	3,947	73	-	55	1,411	43	379	10,834	16,742
Others	-	-	-	-	-	-	-	-	-
TOTAL (B)	441,531	42,049	2,095	9,174	12,206	4,630	83,028	103,981	698,694

SCHEDULE – 3B

COMMISSION

(Rs. in '000)

Particulars	PREVIOUS YEAR								
	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public/Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Commission Paid									
Direct	398,250	47,523	2,416	9,413	16,742	5,445	131,627	103,049	714,465
TOTAL (A)	398,250	47,523	2,416	9,413	16,742	5,445	131,627	103,049	714,465
Add : Re-insurance									
Accepted	142,129	4,806	12,318	451	1,009	-	-	2,181	162,894
Less : Commission on									
Re-insurance ceded	337,206	158,719	2,660	4,374	20,547	3,941	64,108	105,741	697,296
Net Commission	203,173	(106,390)	12,074	5,490	(2,796)	1,504	67,519	(511)	180,063

Breakup of the expenses (Gross) incurred to procure business :

Agents	254,817	22,659	1,091	6,494	7,183	2,834	41,766	41,805	378,649
Brokers	73,498	23,351	1,325	2,615	7,806	2,128	67,911	39,948	218,582
Corporate Agency	67,404	1,462	-	260	1,519	442	21,684	14,550	107,321
Referral	2,531	51	-	44	234	41	266	6,746	9,913
Others	-	-	-	-	-	-	-	-	-
TOTAL (B)	398,250	47,523	2,416	9,413	16,742	5,445	131,627	103,049	714,465

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 4

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(Rs. in '000)

Particulars	CURRENT YEAR				PREVIOUS YEAR			
	FIRE	*MARINE	**MISCELLANEOUS	TOTAL	FIRE	*MARINE	**MISCELLANEOUS	TOTAL
1 Employees remuneration and welfare benefits	55,247	42,625	371,437	469,309	61,975	36,084	338,025	436,084
2 Travel, Conveyance and vehicle running expenses	11,772	9,083	79,145	100,000	14,276	8,312	77,866	100,454
3 Training expenses	822	634	5,526	6,982	2,508	1,460	13,678	17,646
4 Rent, rates and taxes	16,309	12,583	109,650	138,542	17,964	10,459	97,979	126,402
5 Repairs	7,832	6,043	52,657	66,532	7,574	4,410	41,313	53,297
6 Printing and Stationery	5,899	4,552	39,662	50,113	7,997	4,656	43,622	56,275
7 Communication	7,111	5,486	47,807	60,404	8,263	4,811	45,071	58,145
8 Legal and professional charges	139,013	107,255	934,616	1,180,884	156,566	91,158	853,949	1,101,673
9 Auditor's fees, expenses etc.								
(a) As Auditor	212	163	1,425	1,800	256	149	1,395	1,800
(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	-	-	-	-	-	-	-	-
10 Advertisement and publicity	13,438	10,369	90,352	114,159	18,320	10,667	99,920	128,907
11 Interest and Bank charges	3,634	2,803	24,429	30,866	3,137	1,826	17,107	22,070
12 Others:								
Policy Stamps	95	-	3,896	3,991	139	-	3,558	3,697
Information & Technology Expenses	7,558	5,831	50,813	64,202	7,591	4,420	41,405	53,416
Electricity & Water Charges	3,341	2,578	22,461	28,380	4,106	2,391	22,394	28,891
Courtesies & Entertainment	2,017	1,556	13,559	17,132	2,154	1,254	11,747	15,155
Others	10,786	8,322	72,517	91,625	16,249	9,460	88,622	114,331
13 Depreciation	7,981	6,158	53,658	67,797	11,075	6,448	60,406	77,929
TOTAL	293,067	226,041	1,973,610	2,492,718	340,150	197,965	1,858,057	2,396,172

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

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

SCHEDULE – 4A

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(Rs. in '000)

Particulars	CURRENT YEAR			PREVIOUS YEAR		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
1 Employees remuneration and welfare benefits	22,483	20,142	42,625	25,932	10,152	36,084
2 Travel, Conveyance and vehicle running expenses	4,791	4,292	9,083	5,974	2,338	8,312
3 Training expenses	334	300	634	1,049	411	1,460
4 Rent, rates and taxes	6,637	5,946	12,583	7,517	2,942	10,459
5 Repairs	3,187	2,856	6,043	3,169	1,241	4,410
6 Printing and Stationery	2,401	2,151	4,552	3,346	1,310	4,656
7 Communication	2,894	2,592	5,486	3,458	1,353	4,811
8 Legal and professional charges	56,573	50,682	107,255	65,512	25,646	91,158
9 Auditor's fees, expenses etc.						
(a) As Auditor	86	77	163	107	42	149
(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	-	-	-	-	-	-
10 Advertisement and publicity	5,469	4,900	10,369	7,666	3,001	10,667
11 Interest and Bank charges	1,478	1,325	2,803	1,312	514	1,826
12 Others:						
Policy Stamps	-	-	-	-	-	-
Information & Technology Expenses	3,076	2,755	5,831	3,177	1,243	4,420
Electricity & Water Charges	1,360	1,218	2,578	1,718	673	2,391
Courtesies & Entertainment	821	735	1,556	901	353	1,254
Others	4,390	3,932	8,322	6,799	2,661	9,460
13 Depreciation	3,248	2,910	6,158	4,634	1,814	6,448
Total	119,228	106,813	226,041	142,271	55,694	197,965

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 4 B

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(Rs. in '000)

		CURRENT YEAR								
Particulars	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public/Product Liability	Health	Other Miscellaneous	Total Miscellaneous	
1	Employees remuneration and welfare benefits	235,217	28,301	5,867	3,043	6,631	1,789	52,865	37,724	371,437
2	Travel, Conveyance and vehicle running expenses	50,120	6,030	1,250	648	1,413	381	11,265	8,038	79,145
3	Training expenses	3,499	421	87	45	99	27	786	562	5,526
4	Rent, rates and taxes	69,437	8,355	1,732	898	1,957	528	15,606	11,137	109,650
5	Repairs	33,346	4,012	832	431	940	254	7,494	5,348	52,657
6	Printing and Stationery	25,116	3,022	626	325	708	191	5,645	4,029	39,662
7	Communication	30,274	3,643	755	392	853	230	6,804	4,856	47,807
8	Legal and professional charges	591,858	71,212	14,763	7,658	16,684	4,501	133,020	94,920	934,616
9	Auditor's fees, expenses etc.									
	(a) As Auditor	902	109	23	12	25	7	203	144	1,425
	(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	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	57,217	6,884	1,427	740	1,613	435	12,859	9,177	90,352
11	Interest and Bank charges	15,470	1,861	386	200	436	118	3,477	2,481	24,429
12	Others:									
	Policy Stamps	2,467	297	62	32	70	19	555	394	3,896
	Information & Technology Expenses	32,178	3,872	803	416	907	245	7,232	5,160	50,813
	Electricity & Water Charges	14,224	1,711	355	184	401	108	3,196	2,282	22,461
	Courtesies & Entertainment	8,586	1,033	214	111	242	65	1,929	1,379	13,559
	Others	45,922	5,525	1,145	594	1,295	349	10,321	7,366	72,517
13	Depreciation	33,980	4,088	848	440	958	258	7,637	5,449	53,658
	TOTAL	1,249,813	150,376	31,175	16,169	35,232	9,505	280,894	200,446	1,973,610

SCHEDULE – 4 B

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(Rs. in '000)

		PREVIOUS YEAR								
Particulars	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public/Product Liability	Health	Other Miscellaneous	Total Miscellaneous	
1	Employees remuneration and welfare benefits	216,839	24,845	3,079	3,090	7,800	1,959	44,745	35,668	338,025
2	Travel, Conveyance and vehicle running expenses	49,949	5,723	709	712	1,797	451	10,308	8,217	77,866
3	Training expenses	8,774	1,005	125	125	316	79	1,811	1,443	13,678
4	Rent, rates and taxes	62,852	7,201	893	896	2,261	568	12,970	10,338	97,979
5	Repairs	26,502	3,036	376	378	953	239	5,469	4,360	41,313
6	Printing and Stationery	27,982	3,206	397	399	1,007	253	5,774	4,604	43,622
7	Communication	28,912	3,313	411	412	1,040	261	5,966	4,756	45,071
8	Legal and professional charges	547,798	62,765	7,780	7,806	19,706	4,950	113,040	90,104	853,949
9	Auditor's fees, expenses etc.									
	(a) As Auditor	895	105	13	13	32	8	184	145	1,395
	(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	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	64,099	7,344	910	913	2,306	579	13,227	10,542	99,920
11	Interest and Bank charges	10,974	1,257	156	156	395	99	2,264	1,806	17,107
12	Others:									
	Policy Stamps	2,282	262	32	33	82	21	471	375	3,558
	Information & Technology Expenses	26,561	3,043	377	378	956	240	5,481	4,369	41,405
	Electricity & Water Charges	14,365	1,646	204	205	517	130	2,964	2,363	22,394
	Courtesies & Entertainment	7,536	863	107	107	271	68	1,555	1,240	11,747
	Others	56,850	6,514	807	810	2,045	514	11,731	9,351	88,622
13	Depreciation	38,750	4,440	550	552	1,394	350	7,996	6,374	60,406
	TOTAL	1,191,920	136,568	16,926	16,985	42,878	10,769	245,956	196,055	1,858,057

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 5

SHARE CAPITAL

(Rs. in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Authorised Capital 400000000 Equity Shares of Rs 10 each	4,000,000	4,000,000
2	Issued Capital 247000000 Equity Shares of Rs 10 each	2,470,000	2,470,000
3	Subscribed Capital 247000000 Equity Shares of Rs 10 each	2,470,000	2,470,000
4	Called up Capital 247000000 Equity Shares of Rs 10 each 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	2,470,000 - - - - -	2,470,000 - - - - -
	TOTAL	2,470,000	2,470,000

SCHEDULE – 5A

SHARE CAPITAL

PATTERN OF SHAREHOLDING

(As certified by the Management)

	As at 31st March, 2010		As at 31st March, 2009	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian	182780000	74	182780000	74
Foreign	64220000	26	64220000	26
Others	-	-	-	-
TOTAL	247000000	100	247000000	100

SCHEDULE – 6

RESERVES AND SURPLUS

(Rs. in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium:		
	Opening Balance	1,542,000	300,000
	Additions during the year	-	1,242,000
	Closing Balance	1,542,000	1,542,000
4	General Reserve	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy Back	-	-
5	Catastrophe Reserve	1,166	1,166
6	Other Reserves (to be specified)	-	-
7	Balance of Profit in Profit & Loss account	730,025	562,901
	TOTAL	2,273,191	2,106,067

SCHEDULE – 7

BORROWINGS

(Rs. in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 8 INVESTMENTS

(Rs. in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
	LONG TERM INVESTMENTS		
1	Govt Securities and Govt guaranteed Bonds incl Treasury Bills	3,807,165	3,766,174
2	Other Approved Securities	-	-
3	Other Investments	-	-
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debenturs/Bonds (Housing)	951,350	964,473
	(e) Other Securities		
	(aa) Non convertible Debentures	802,366	300,000
	(f) Subsidiaries	5,000	5,000
	(g) Investment Properties - Real Estate	-	-
4	Investment in Infrastructure and Social Sector	1,804,171	1,629,182
5	Other than approved investments	-	-
	SHORT TERM INVESTMENTS		
1	Govt Securities, Govt guaranteed Bonds incl Treasury Bills	318,602	-
2	Other Approved Securities	-	-
3	Other Investments	-	-
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debenturs/Bonds (Housing)	334,565	295,662
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investment in Infrastructure and Social Sector	125,027	70,000
5	Other than approved investments	-	-
	TOTAL	8,148,246	7,030,491

Note : Aggregate amount of company's investment other than listed equity securities and derivative instruments is Rs 8,148,245 thousand (Previous year Rs 7,025,491 thousand)
Market value of such investments as at 31.03.2010 is Rs. 8,167,205 thousand (Previous year Rs 7,169,593 thousand)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 9

LOANS

(Rs. in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Security wise Classification		
	Secured		
	(a) On mortgage of property		
	(aa) in India	-	-
	(bb) outside india	-	-
	(b) On shares, Bonds, Govt Securities, etc.	-	-
	(c) Others	-	-
	Unsecured	-	-
	Total	-	-
2	Borrowerwise 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		
	(aa) in India	-	-
	(bb) outside India	-	-
	(b) Non performing loans less provisions		
	(aa) in India	-	-
	(bb) outside India	-	-
	Total	-	-
4	Maturity wise Classification		
	(a) Short Term	-	-
	(b) Long Term	-	-
	TOTAL	-	-

11. Pre-Paid Expenses

Expenditure upto Rs. 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 value of assets and liabilities expressed in foreign currency are translated at the exchange rate prevailing at the end of the year.

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

13. Taxation

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 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 in accordance with the scheme.

- 14.2 Liability for leave encashment is provided for on the basis of actuarial valuation.

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

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

A provision, other than those relating to contract with policy holders, arising out of a present obligation is recognized when 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.

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
 SCHEDULE – 10
 FIXED ASSETS

(Rs. in '000)

Particulars	Gross Block			Depreciation			Net Block	
	As at 1st April, 2009	Additions during the year	Sales/ Adjustments during the year	As at 31st March 2010	For the year	On Sales/ adjustments	As at 31st March 2010	As at 31st March 2009
Goodwill	-	-	-	-	-	-	-	-
Intangibles:								
Computer Software	87,863	-	-	87,863	2,187	-	108	2,295
Land - Freehold	-	-	-	-	-	-	-	-
Leasehold Property	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Furniture & Fittings	167,643	20,880	70	188,453	15,704	51	41,172	36,015
Information Technology Equipment	273,490	55,378	1,219	327,649	47,390	1,219	70,950	62,962
Vehicles	3,004	-	-	3,004	285	-	1,691	1,976
Office Equipment	38,058	6,370	17	44,411	2,231	3	33,067	28,942
Others	-	-	-	-	-	-	-	-
TOTAL	570,058	82,628	1,306	651,380	67,797	1,273	146,988	132,190
Work in Progress	415	4,594	415	4,594	-	-	4,594	415
Grand Total	570,473	87,222	1,721	655,974	67,797	1,273	151,582	132,605
Previous Year	508,483	66,187	4,197	570,473	77,929	2,787	132,605	145,757

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 11

CASH AND BANK BALANCES

(Rs. in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Cash (including cheques, drafts and stamps)	113,522	84,325
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short term (due within 12 months)	4,646,570	3,549,650
	(bb) Others	-	-
	(b) Current Accounts	36,249	220,413
	(c) Others	-	-
3	Money at call & short notice		
	With Banks	-	-
	With Other Institutions	-	-
4	Others	-	-
	TOTAL	4,796,341	3,854,388
	Balances with non -scheduled banks included in 2 and 3 above	-	-

SCHEDULE – 12

ADVANCES AND OTHER ASSETS

(Rs in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
	ADVANCES		
1	Reserve Deposit with ceding Companies	-	-
2	Application Money for Investments	-	-
3	Prepayments	192,999	18,314
4	Advance to Directors / Officers	-	-
5	Advance Tax Paid and Tax Deducted at source (Net of provision for taxation)	-	25,895
6	MAT Credit Entitlement	-	7,692
7	Deposit towards Rent	53,450	50,460
8	Service Tax Recoverable	18,266	172,488
9	Others	68,151	74,582
	TOTAL (A)	332,866	349,431
	OTHER ASSETS		
1	Income accrued on Investments / FDRs	385,311	365,016
2	Outstanding Premiums	321	152,196
3	Agents' balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	4,680,556	3,980,638
6	Due from Subsidiaries/holding	9,227	29,105
7	Deposit with Reserve Bank of India (Pursuant to section 7 of Insurance Act, 1938)	-	-
8	Others	-	-
	TOTAL (B)	5,075,415	4,526,955
	TOTAL (A+B)	5,408,281	4,876,386

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 13

CURRENT LIABILITIES

(Rs. in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Agents Balances	98,085	102,564
2	Balances due to other insurance companies (including reinsurers)	269,362	332,725
3	Deposits held on reinsurances ceded	-	-
4	Premiums received in advance	591,136	520,637
5	Unallocated Premium	-	-
6	Sundry Creditors	341,554	205,376
7	Due to subsidiaries/holding company	-	-
8	Claims outstanding	7,076,093	5,355,047
9	Due to Officers / Directors	-	-
10	Deposit Premium	123,493	327,446
11	Employee Benefits	50,978	53,792
	TOTAL	8,550,701	6,897,587

SCHEDULE – 14

PROVISIONS

(Rs. in '000)

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Reserve for Unexpired Risk	5,164,971	4,478,916
2	For taxation (less advance tax paid and taxes deducted at source)	34,693	-
3	For Proposed Dividends	74,100	-
4	For Dividend Distribution Tax	12,594	-
	TOTAL	5,286,358	4,478,916

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Rs. in '000

SI No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
(1)	(2)	(3)	(4)
1	Discount allowed in issue of shares/debentures	-	-
2	Others	-	-
	TOTAL	-	-

Accounting Policies & Notes on Accounts

SCHEDULE -16: NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention:

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, the Insurance Act, 1938, the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India 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 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 except in marine cargo business where premium is recognized after 60 days from the date of inception of the risk. In respect of reinsurance inward acceptances from the Indian Motor Third party Insurance Pool, the earned premium is recognized in accordance with the returns received from the Pool.

Reserve for unexpired risk representing premium attributable to the succeeding accounting period is maintained subject to minimum amount of reserve as required under section 64V (1) (ii) (b) of the Insurance Act, 1938 except for reinsurance premium acceptances in respect of Terrorism Pool for Fire and Engineering classes where the Reserve for Unexpired Risk is maintained at hundred percent of the net premium.

- 3.2 Any subsequent revision to the premium under the policies is accounted for in the year in which they arise.
- 3.3 Premium deficiency is recognized whenever expected claim costs, related expenses and maintenance costs exceeds related reserve for unexpired risks for each major class of business viz. Fire, Marine & Miscellaneous.
- 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 year in which the premium is ceded. Profit commission under reinsurance treaties, wherever applicable, is recognized on the determination of profit for the year.
- 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, judgement 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 inadequate reserves (IBNER) is provided for on actuarial basis 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 direct written 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. Expenses incurred and/or allocable exclusively for earning investment income are charged to Profit and Loss account.

7. Acquisition Cost of insurance contracts

Cost relating to acquisition of new/renewal of insurance contracts are charged in the year 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 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) and the unrealized gains / losses are accounted in the 'Fair Value Change Account'.
- (iii) 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.

10. Depreciation

10.1 Depreciation Fixed Assets is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except

- (i) Fixtures in rented premises are depreciated proportionately over the residual lease period.
- (ii) Information Technology Equipments are depreciated over their useful life of three years on straight line method.

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

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 Rs 4,024 Thousand (Previous Year Rs. 27,841 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:

(Rs.'000)

Class of Business	In India		Outside India	
	Year ended 31.3.2010	Year ended 31.3.2009	Year ended 31.3.2010	Year ended 31.3.2009
Fire	391,921	434,292	10,040	Nil
Marine	323,418	391,075	3,053	15,648
Miscellaneous	4,826,281	4,095,150	50,925	10,296

4. Age-wise breakup of claims outstanding on Gross basis under various class of business as at 31st March, 2010 is as under:

(Rs.'000)

Class of Business	Outstanding for more than 6 months		Other Claims	
	As at 31.3.2010	As at 31.3.2009	As at 31.3.2010	AS at 31.3.2009
Fire	1,178,023	1,185,699	909,434	746,080
Marine	471,177	339,190	193,152	261,452
Miscellaneous	3,731,517	2,828,385	1,670,303	1,723,776

5. Claims settled and remaining unpaid for a period of more than six months as at 31st March, 2010 is NIL (Previous Year Nil).

6. (a) Premium less reinsurances written during the year under various classes of business is as under:

(Rs. '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2010	Year ended 31.3.2009	Year ended 31.3.2010	Year ended 31.3.2009
Fire	378,388	462,709	87,425	44,376
Marine	363,717	418,588	17,775	13,443
Miscellaneous	8,927,940	7,849,426	133,051	68,224

(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 31.3.2010	Year ended 31.3.2009	Year ended 31.3.2010	Year ended 31.3.2009
Fire	23.02%	24.26%	76.98%	75.74%
Marine	28.23%	37.20%	71.77%	62.80%
Miscellaneous	69.59%	66.51%	30.41%	33.49%

(d) There are no insurance contracts where the claim payment period exceeds 4 years.

7. All the investments held by the company as at 31st March, 2010 and 31st March, 2009 are performing investments.

8. Value of Contracts in relation to Investments for :

(Rs. '000)

	As at 31.3.2010	As at 31.3.2009
Purchases where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

9. Details of investments made as per statutory requirements under Section 7 of Insurance Act, 1938 is as follows:

(Rs. '000)

Nature of Investment	As at 31.3.2010	As at 31.3.2009
Book Value	108,564	108,939
Market Value as on date of deposit of security	119,316	114,164

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

	Year ended 31.3.2010	Year ended 31.3.2009
Urban areas	88.29%	92.48%
Rural areas	11.71%	7.52%
Social sector	0.41%	0.04%
Gross Premium	Rs. 59,344 thousand	Rs. 5,338 Thousand
Number of lives covered (Estimated)	1,462 thousand	1,068 Thousand

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

(Rs.'000)

	Year ended 31.3.2010		Year ended 31.3.2009	
	Managing Director	Whole-time Directors	Managing Director	Whole-time Directors
Salaries and Allowances	3,561	5,315	4,089	5,786
Contribution to Provident Fund	238	230	237	180
Contribution to Gratuity Scheme	95	62	95	62
Total	3,894	5,607	4,421	6,028

The remuneration paid to Managing Director has been approved by IRDA.

12. Summary of Financial Statements

(Rs. in lacs)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
OPERATING RESULTS					
Gross Premium written	163,956.36	151,552.19	123,583.42	115,220.68	89,604.19
Net Earned Premium					
Income	92,222.41	83,293.01	63,966.60	54,759.94	34,598.46
Premium Deficiency	-	-	100.00	-	(50.00)
Income from Investments	10,665.35	8,569.35	5,155.74	3,528.20	2,234.12
Other Income	9.95	6.62	6.94	6.70	2.69
Total Income	102,897.71	91,868.98	69,229.28	58,294.84	36,785.27
Commission	2,518.61	(322.56)	(395.19)	(4,152.43)	(4,010.68)
Operating expenses	24,965.13	23,972.78	20,131.05	20,473.07	15,260.18
Claims Increase in unexpired risk reserve and other outgoes	73,266.84	69,502.41	50,474.34	39,859.37	24,435.80
	100,750.58	93,152.64	70,210.20	56,180.01	35,685.30
Operating Profit/(Loss)	2,147.13	(1,283.64)	(980.92)	2,114.83	1,099.97
NON OPERATING RESULT					
Total Income under shareholders account	1,713.94	1,975.58	2,166.83	2,130.92	1,310.01
Profit /(Loss) before tax	3,861.07	691.94	1,185.91	4,245.75	2,409.98
Provision for tax	1,322.89	441.67	469.63	1,532.54	948.00
Profit /(Loss) after tax	2,538.18	250.27	716.28	2,713.21	1,461.98
MISCELLANEOUS					
Paid up Equity Capital	24,700.00	22,821.10	22,000.00	22,000.00	22,000.00
Net Worth	47,431.91	45,760.67	30,390.40	29,674.12	27,990.47
Total assets	1,85,044.48	1,58,938.70	1,17,651.37	89,605.86	76,180.39
Yield on total investments	8.33%	8.92%	8.67%	7.93%	7.36%
Earnings per share	1.03	0.11	0.33	1.23	0.92
Book value per share	19.20	20.05	13.81	13.49	12.72
Total dividend	741.00	-	-	880.00	880.00
Dividend per share	0.30	-	-	0.40	0.40

13. Performance Ratios:-

Classwise Ratios

Segmentwise Ratios	Fire		Marine		Miscellaneous	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Gross Premium growth rate	0.97	0.89	1.16	1.67	1.09	1.28
Net Retention Ratio	0.23	0.24	0.28	0.37	0.70	0.67
Net Commission Ratio	(0.22)	(0.33)	(0.08)	(0.11)	0.04	0.02
Underwriting balance ratio	(0.26)	0.10	(0.31)	(0.20)	0.05	(0.01)
Other Ratios for the Company			2009-10	2008-09		
Combined ratio			0.49	0.45		
Expenses of Management to Gross Direct premium ratio			0.15	0.16		
Technical reserves to net premium ratio			1.24	1.11		
Gross Premium to Shareholder funds ratio			3.46	3.31		
Growth rate of shareholder funds			1.04	1.51		
Operating Profit ratio			0.02	(0.01)		
Liquid assets to liabilities ratio			0.45	0.46		
Net Earnings ratio			0.03	0.00		
Return on net worth			0.05	0.01		
Reinsurance ratio			0.40	0.42		

14. The investments as at the year end have not been allocated into Policy Holders and Shareholders as the same are not specifically earmarked separately.

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

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

(Rs. '000)

Particulars	2009-10	2008-09
Outsourcing Expenses(Manpower)	60,668	59,558
Business Development	270,710	253,400
Marketing Support	680,961	634,488

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

Sl. No.	Authority	Non- compliance/ violation	Amount in (Rs.'000)		
			Penalty Awarded	Penalty Paid	Penalty waived/ Reduced
1.	Insurance Regulatory and Development Authority	Non Fulfillment of Rural Sector Obligation for Year 2007-08	Nil	500.00	Nil
2.	Service Tax Authorities		Nil	Nil	Nil
3.	Income Tax Authorities		Nil	Nil	Nil
4.	Any other Authorities		Nil	Nil	Nil
5.	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA		Nil	Nil	Nil
6.	Registrar of Companies/NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956.		Nil	Nil	Nil
7.	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation.		Nil	Nil	Nil
8.	Securities and Exchange Board of India		Nil	Nil	Nil
9.	Competition Commission of India		Nil	Nil	Nil
10.	Any other Central State/Local Government/ Statutory Authority.		Nil	Nil	Nil

II. Accounting standard disclosures

21. Employee Benefits (AS-15 Revised)

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 5 years or more.
Leave Encashment	Payable on encashment during the service or on separation to the eligible employees who have accumulated earned leave.

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

(Rs. '000)

	Gratuity			Leave Encashment		
	2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Current Service Cost	3,852	4,088	3,313	13,289	13,477	12,739
Interest cost on benefit obligation	1,705	1,267	1,303	4,458	4,285	2,305
Expected return on plan assets	(1,558)	(1,539)	(1,434)	-	-	-
Net actuarial (Gain)/loss recognized in the year	1,739	3,139	(650)	(15,961)	(8,993)	1,898
Expenses recognized in the Profit & Loss Account	5,738	6,955	2,532	1,786	8,769	16,942

ii. The amount recognized in the Balance Sheet

(Rs.'000)

	Gratuity			Leave Encashment		
	2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Present Value of obligation at end of year (i)	(28,902)	(22,775)	(16,683)	(45,240)	(46,837)	(42,454)
Fair Value of Plan assets at end of year (ii)	23,164	17,359	18,222	-	-	-
Difference (ii-i) i.e. Assets/(Liabilities)	(5,738)	(5,416)	1,539	(45,240)	(46,837)	(42,454)
Net Asset/ (liability) recognized in the Balance Sheet	(5,738)	(6,955)	-	45,240	(46,837)	(42,454)

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

(Rs.'000)

	Gratuity			Leave Encashment		
	2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Present Value of obligation at beginning of year	22,775	16,683	14,839	46,837	42,454	32,101
Interest Cost	1,705	1,267	1,303	4,458	4,285	2,305
Current Service Cost	3,852	4,088	3,313	13,289	13,477	12,739
Benefit Paid	(1,169)	(2,402)	(2,122)	(3,383)	(4,386)	(6,589)
Net actuarial (Gain)/Loss on obligation	1,739	3,139	(650)	(15,961)	(8,993)	1,898
Present value of the defined benefit as at end of year	28,902	22,775	16,683	45,240	46,837	42,454

iv Changes in the fair value of plan assets:

(Rs.'000)

	Gratuity			Leave Encashment		
	2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Fair value of plan assets at beginning of year	17,359	18,222	8,219	-	-	-
Expected return on plan assets	1,558	1,539	1,434	-	-	-
Contributions by employer	6,949	-	10,691	3,383	4,386	6,589
Benefit Paid	(1,169)	(2,402)	(2,122)	(3,383)	(4,386)	(6,589)
Actuarial Gain/(Loss) on plan assets	(1,533)	-	-	-	-	-
Fair value of plan assets at end of year	23,164	17,359	18,222	-	-	-

v. The disclosure above is in respect of the current year and two preceding years. The disclosure in respect of two immediate preceding annual periods as required by 'AS-15 (Revised 2005)' is not presented as the management considered it impracticable in the absence of requisite information.

vi. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

	Gratuity			Leave Encashment		
	2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Method used	Projected Unit Credit Method					
Discount rate	8.00%	8.00%	8.00%	8.25%	7.75%	8.00%
Salary Escalation	6.00%	5.00%	5.00%	5.00%	5.00%	7.00%
Mortality rate	LIC (1994-96) Ultimate					
Withdrawal rate	1 to 3%	1 to 3%	1 to 3%	1%	1%	1%
Rate of return on plan assets	9.25%	9.25%	9.15%	-	-	-

2. Segments of the company in accordance with the Accounting Standard (AS-17) are as follows.

a) Business Segments

(Rs. '000)

	Year ended 31 st March, 2010	Year ended 31 st March, 2009
SEGMENT REVENUE:		
Fire Insurance	20,84,488	2,153,241
Marine Insurance	1,410,893	1,224,033
Motor Insurance-OD	5,309,164	5,079,898
Motor Insurance-TP	3,920,189	3,421,775
Engineering Insurance	969,920	842,915
Workmen Compensation Insurance	100,631	107,642
Personal Accident Insurance	221,867	262,942
Product Liability Insurance	61,224	64,720
Health Insurance	1,734,700	1,520,909
Other Insurance	1,649,095	1,334,080
Investments	132,597	197,151
Total	17,594,768	16,209,306
SEGMENT RESULT: Profit/(Loss)		
Fire Insurance	(121,060)	51,421
Marine Insurance	(118,517)	(88,403)
Motor Insurance-OD	790,881	705,172
Motor Insurance-TP	(77,716)	(365,534)
Engineering Insurance	28,928	66,551
Workmen Compensation Insurance	25,476	38,802
Personal Accident Insurance	(19,002)	(7,022)
Product Liability Insurance	13,429	7,459
Health Insurance	(337,481)	(448,173)
Other Insurance	29,776	(88,637)
Investments	127,707	193,413
Unallocable	43,686	4,145
Total	386,107	69,194
Less Provision for Taxation	132,289	44,167
Profit After Tax	253,818	25,027
SEGMENT ASSETS:		
Fire Insurance	-	-
Marine Insurance	-	-
Motor Insurance	-	-
Engineering Insurance	-	-
Workmen Compensation Insurance	-	-
Personal Accident Insurance	-	-
Product Liability Insurance	-	-
Health Insurance	-	-
Other Insurance	-	-
Investments	12,794,816	10,580,141
Total:	12,794,816	10,580,141
Add: Unallocable Assets	5,785,434	5,372,429
Total	18,580,250	15,952,570

SEGMENT LIABILITIES:

Fire Insurance	975,637	519,649
Marine Insurance	591,762	525,110
Motor Insurance-OD	3,120,335	3,491,732
Motor Insurance-TP	5,881,290	3,354,801
Engineering Insurance	361,287	325,421
Workmen Compensation Insurance	70,626	54,270
Personal Accident Insurance	160,035	146,484
Product Liability Insurance	53,747	84,603
Health Insurance	958,230	854,181
Other Insurance	659,251	998,349
Investments	-	-
Total:	12,832,200	10,354,600
Add: Unallocable Liabilities	1,004,859	1,021,903
Total	13,837,059	11,376,503
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	-	-
Other Insurance	-	-
Investments	-	-
Total:	-	-
Add: Unallocable Fixed assets	87,222	66,187
Total	87,222	66,187
Amount of expenses included in segment result for depreciation and amortization in respect of assets:		
Fire Insurance	7,981	11,075
Marine Insurance	6,158	6,448
Motor Insurance-OD	23,328	26,848
Motor Insurance-TP	10,652	11,901
Engineering Insurance	4,088	4,440
Workmen Compensation Insurance	440	552
Personal Accident Insurance	958	1,394
Product Liability Insurance	258	350
Health Insurance	7,637	7,996
Other Insurance	6,297	6,925
Investments	-	-
Total:	67,797	77,929
Add: Unallocable Expenses	-	-
Total	67,797	77,929

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. The transactions between the company and its related parties during the year as envisaged under Accounting Standard (AS-18) are as under:

(Rs. '000)

Name of the Related Parties	Indian Farmers Fertilisers Coop. Ltd		Tokio Marine Asia Pte Ltd. (formerly (Millea Asia Pte Ltd)		Tokio Marine & Fire Insurance Co Ltd		Tokio Marine Global Re Ltd.		IFFCO-TOKIO Insurance Services Ltd.	
	Promoters with more than 20% Voting rights		Promoters with more than 20% Voting rights		Associate of Promoter with more than 20% Voting rights		Associate of Promoter with more than 20% Voting rights		Subsidiary of the Company with 100% Voting rights	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Description of nature of transactions										
Premium collected from direct business	497925	527267	-	-	-	-	-	-	1773	1593
Claims paid on direct basis	316990	328081	-	-	-	-	-	-	1329	916
Premium on cessions to re-insurers	-	-	-	-	125424	73003	105572	98909	-	-
Commission earned on premium cessions	-	-	-	-	21801	15793	20875	24290	-	-
Losses recovered from Reinsures	-	-	-	-	151619	102404	77656	127966	-	-
Payment of Rent and other expenses	46349	23357	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-	7577	9802
Payment of										
-Commission	-	-	-	-	-	-	-	-	51489	52447
-Service charges	-	-	-	-	-	-	-	-	270710	253400
Investment in Equity	-	-	-	-	-	-	-	-	5000	5000
Payment of Dividend	-	-	-	-	-	-	-	-	-	-
Deposits for insurance Premium	2500	2500	-	-	-	-	-	-	-	-
Amounts payable / (receivable) at the Balance Sheet date	2087	-	(236)	-	(99646)	(37052)	(18991)	(57392)	(9227)	(29105)

Note: Remuneration to Key Management Personnel viz. Managing Director and Other Whole Time Directors is given in Note No 11.

4. In respect of premises taken on operating lease, the lease agreements are mutually renewable/cancellable by the lessor/lessee. (AS-19)

(i) Amount charged to revenue accounts for cancellable operating lease is Rs 141,655 thousand (Previous year Rs 126,401 thousand).

(ii) Amount recovered/recoverable and appearing in the revenue account in regard to sub leases is Rs 3,113 thousands. (Previous year Rs 5,911 thousand)

5. Earnings per Share (AS-20)

	2009-10	2008-09
a) Net Profit available for Equity Shareholders (Rs. '000)	Rs. 253,818	Rs. 25,027
b) Weighted Average number of Equity Shares outstanding during the year (No. of Units in Thousand)	247,000	228,211
c) Basic and Diluted Earning per Share (Equity Share of Face Value of Rs. 10/- each)	Rs. 1.03	Rs. 0.11

6. The break-up of deferred tax assets and liabilities into major components at the year end is as below: (AS-22)

(Rs. '000)

Particulars	As at 31.3.2010		As at 31.3.2009	
	Liabilities	Assets	Liabilities	Assets
Depreciation	-	12,502	-	7,256
Expenditure accrued but not deductible for tax purposes, allowable on actual payment	-	15,029	-	15,920
Unexpired Risk reserve provided in excess of limit specified in Income Tax Act.	-	48,269	-	35,524
Total	-	75,800	-	58,700
Net Deferred tax asset	-	75,800	-	58,700

III. Other Disclosures

1. In terms of the directions issued by the IRDA, Indian Motor Third party Insurance Pool was formed in the year 2007- 2008. The Pool is a multilateral reinsurance arrangement wherein all direct business written in respect of motor Third Party on commercial Vehicles is ceded into the Pool. In accordance with the sharing pattern agreed amongst the members and the pool, the Company's share of revenue and expenses based on the return received from the pool aggregating to a loss of Rs 162,182 thousand (Previous year Rs 157,245 thousand) have been incorporated under the appropriate heads in the accounts.
2. 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 31.03.2010 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

As per our Report of even date attached.

for S.P. Chopra & Co.
Chartered Accountants

Pawan K Gupta
Partner
M. No. 92529

for Raghu Nath Rai & Co.
Chartered Accountants

Sharat Prakash
Partner
M. No. 96267

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

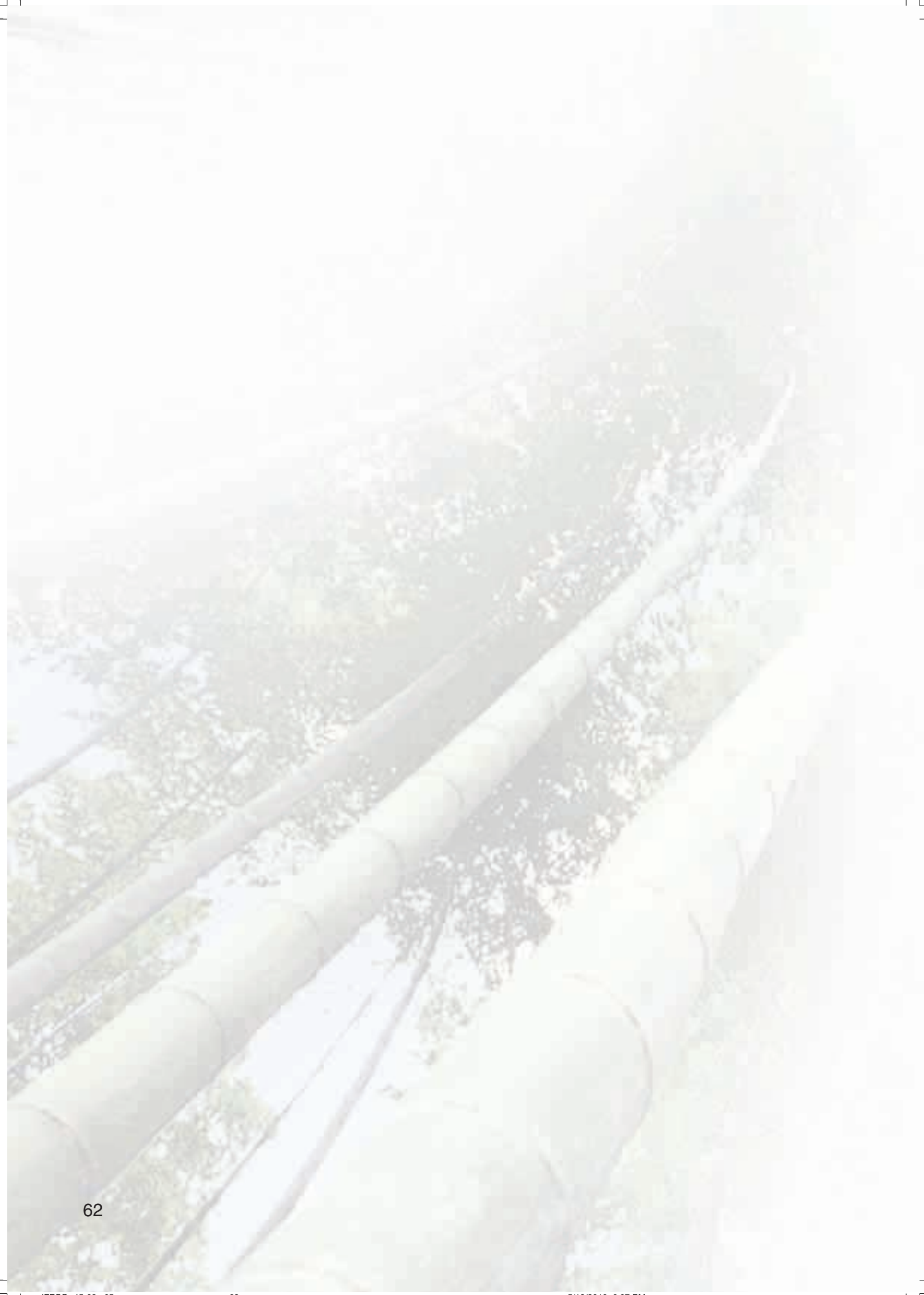
Rakesh Kapur
Director

Yasunobu Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 27th April, 2010



Management Report

Attached to the Financial Statements for the year ending 31st March, 2009

1. The registration granted by the Insurance Regulatory and Development Authority has been renewed from time to time and the same is valid upto 31st March, 2011
2. It is confirmed that all the dues payable to the statutory authorities upto 31st March, 2010 were duly paid.
3. The shareholding pattern as on 31st March, 2010 was as under which is in accordance with the statutory requirements:

(Rs. in Crores)

Shareholders	Year ended 31 st March, 2010		Year ended 31 st March, 2009	
	Rs. in Crores	%	Rs. in Crores	%
Indian:				
Indian Farmers Fertilisers Co-op Ltd.	179.42	72.64	179.42	72.64
Indian Potash Ltd	3.36	1.36	3.36	1.36
Sub-Total	182.78	74.00	182.78	74.00
Foreign:				
Tokio Marine Asia Pte., Ltd.	64.22	26.00	64.22	26.00
Total	247.00	100.00	247.00	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, 2010 are shown in the aggregate at amounts not exceeding their realizable or market value except Debt securities which are valued in accordance with Accounting Policy No 8.
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, 2010.
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, 2010 is as under:

No of Claims	Year ended 31 st March, 2010			Year ended 31 st March, 2009		
	Fire	Marine	Miscellaneous	Fire	Marine	Miscellaneous
Outstanding						
Less than 30 Days	152	351	13,164	86	447	11,241
30 days to 6 months	269	673	14,803	208	757	12,798
6 months to 1 Year	200	560	6,629	148	315	6,071
1 Year to 5 years	173	376	12,563	130	141	8,024
5 Years and above	9	13	188	7	1	44
Total	803	1,973	47,347	579	1,661	38,178

(Amount in '000)

Claims	Year ended 31 st March, 2010			Year ended 31 st March, 2009		
	Fire	Marine	Miscellaneous	Fire	Marine	Miscellaneous
Outstanding						
Less than 30 Days	135,727	52,840	560,248	100,937	50,869	588,837
30 days to 6 months	773,707	140,312	1,110,055	645,143	210,583	1,134,939
6 months to 1 Year	257,537	104,248	1,297,046	316,982	274,749	1,516,788
1 Year to 5 years	916,501	366,414	2,412,185	862,186	64,391	1,299,750
5 Years and above	3,985	515	22,286	6,531	50	11,847
Total	2,087,457	664,329	5,401,820	1,931,779	600,642	4,552,161

10. As at 31st March, 2010, 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:

	Rs. in Lacs	
	Government	Corporate
1. Acquisition Cost of Debt Securities held	42,708	40,155
2. Amortized value of securities as at (1)	41,258	40,175
3. Market Value of securities as at (1)	41,166	40,506
4. Value of (1) as appearing in the balance sheet	41,258	40,175

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 Rs. 99.12 Crores (Previous year Rs. 91.16 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/ loss 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, Companies Act, 1956 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:

S. No.	Name of the Director	Entity in which Director is Interested	Interested as	Rs. in Lacs	
				Year ended 31 st March, 2010	Year ended 31 st March, 2009
1	Dr U.S. Awasthi Mr Rakesh Kapur Mr S.K. Jakhhar Mr K.S. Gowda Mr B.S. Vishwanathan	Indian Farmers Fertilisers Cooperative Ltd	Director Director Chairman Director Director	3,633	3,514
2	Mr P.S. Gahlaut Dr U.S. Awasthi	Indian Potash Ltd	Director Director	27	23
3	Mr B.S. Vishwanathan Mr K.S. Gowda	Karnataka State Cooperative Marketing Federation Ltd	Director	11	10
4	Dr U.S. Awasthi Mr P.S. Gahlaut	Fertiliser Association of India Ltd	Director Director	62	54
5	Mr K.S. Gowda Mr Rakesh Kapur Mr S. Narayanan Mr N.K. Kedia Mr Y. Fukuda	IFFCO-Tokio Insurance Services Ltd	Director Director Director Director Director	3225	3067

for and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman

S. Narayanan

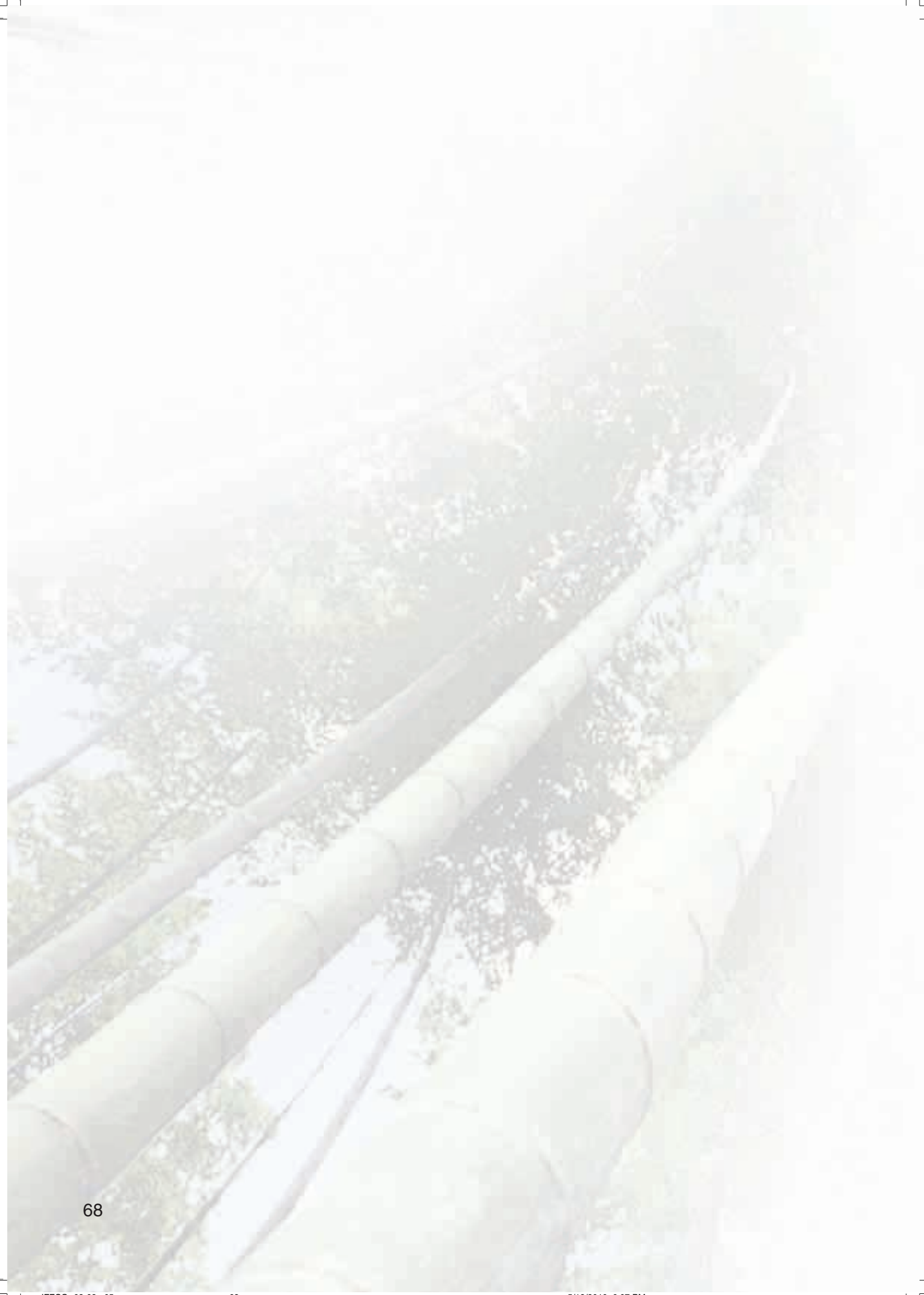
Managing Director
Rakesh Kapur
Director

Yasunobu Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 27th April, 2010



ACCOUNTS OF SUBSIDIARY COMPANY

IFFCO TOKIO INSURANCE SERVICES LIMITED

IFFCO-TOKIO

BOARD OF DIRECTORS

K. Srinivasa Gowda
Dr. Parvinder Singh Gahlaut
Rakesh Kapur
S. Narayanan
Yasunobu Fukuda
Veer Pratap Singh Parihar
Nand Kishore Kedia

Chairman
Director
Director
Director
Director
Director
Director

Joydeep Roy
Chief Executive Officer

AUDITORS

S.K. Mehta & Co.
Chartered Accountants

BANKERS

Deutsche Bank,
New Delhi

HDFC Bank,
New Delhi

REGISTERED OFFICE

IFFCO Sadan, C-1,
District Centre, SAKET
New Delhi-110017
Phone No.: 011 - 2651 0001

CORPORATE OFFICE

'IFFCO Tower', 5th Floor,
Plot No. 3, Sector 29,
Gurgaon 122001.
Phone No.: 0124 - 285 0100

NOTICE OF 7TH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of the Members of **IFFCO-TOKIO Insurance Services Limited** will be held on **Tuesday, the 25th May, 2010 at 3 P.M. 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 2009 to 31st March, 2010 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 Director in Place of Dr. P.S. Gahlaut who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. Yasunobu Fukuda who retires by rotation and being eligible, offers himself 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 a Special Resolution.

"RESOLVED THAT M/s S.K. Mehta & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Company."

Regd.Office: IFFCO Sadan,
C-1 District Centre, Saket,
New Delhi- 110017.
Dated: 28th April, 2010

By Order of the Board

(JOYDEEP ROY)
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 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.

IFFCO-TOKIO

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Resolution.

Item No. 6

According to the provisions of Section 224A of the Companies Act, 1956, a Company in which not less than twenty five per cent of the subscribed share capital is held whether singly or in any combination by a General Insurance Company, shall appoint its Auditors by way of Special Resolution in its General Body Meeting. Since IFFCO TOKIO General Insurance Co. Ltd, being a General Insurance Company, holds 100% of the subscribed share capital of IFFCO TOKIO Insurance Services, the said resolution is proposed to be passed as Special Resolution.

DIRECTORS' REPORT

To the Members

- 1.0 Your Directors have pleasure in presenting to you the Seventh Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2010 along with the Auditors' Report thereon.

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

2.0 Financial Highlights

Members will be pleased to note that your Company earned a profit before tax of Rs.18.88 Lakhs against a budgeted estimate of Rs.42.00 Lakhs. During the financial year ended 31st March 2010, your Company had generated a gross written premium of Rs.71.89 Crores for IFFCO TOKIO. Furthermore, your Company serviced a premium valuing Rs.579.38 Crores. The breakup of premium serviced through Lateral Spread Centre, Individual Agency Model, Cooperative Model and Bancassurance Model is detailed below:-

MODEL	GWP FOR 2009-10 (Rs. in Crores)
LATERAL SPREAD	333.47
BANCASSURANCE	60.35
INDIVIDUAL AGENCY MODEL	96.24
COOPERATIVE MODEL	89.30
TOTAL	579.38

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

- 4.1 Your Company has 386 employees on its permanent rolls as on 31st March 2010. In addition to the employees on permanent rolls the Company also has 223 Sr. Marketing Executives and Marketing Executives and 16 Graduate Trainees as on 31st March 2010. Your Company has utilized the services of 669 Relationship Executives and Customer Care Associates for servicing ITGI customers and tie up arrangements.

- 4.2 The training of manpower has been consolidated through both on-line modules and various class room trainings for employees and trainees to enhance their functional skills and efficiency. The company also conducted training for the marketing personnel as required under the IRDA regulations. During the year, your Company embarked upon a new training initiative for training the business associates of ITGI through its online modules and various other class room programmes. During the year a total of 550 persons were trained under this initiative. The Gurukul Training facility in Gurgaon was utilized to train 609 employees / trainees during the year.

5.0 Marketing Strategy

- 5.1 Members are kindly aware that your Company distributes ITGI products in the market through its network of employees and trainees. With a view to penetrate deeper into the market and enhance distribution/sale of ITGI products, your Company has strengthened and successfully expanded the concept of Lateral Spread Centers by increasing the number of such centers from 96 to 97. These centers have helped ITGI to enhance its presence in small but potential centers at a lower cost. These centers have jointly procured gross written premium of Rs.333.47 Crores for ITGI at an average expense ratio of 4.15%. The total number of LSCs as of 31st March 2010 is 97. Members would be pleased to note that 3 of these centers namely Dehradun, Patiala and Rajkot were upgraded to ITGI offices.
- 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 recruit, train and monitor Individual agents in the retail segment and also agents from cooperatives back ground. During the year the Company deployed 411 employees and trainees to manage these two models. A total of 4418 (3609 individual agents and 809 co-operative agents) agents have been issued license who have procured a GWP of Rs.185.55 Crores for ITGI during the year 2009-10 collectively under Individual Agency Model and Cooperative Model.
- 5.3 Your Company continues to play an important role in servicing of ITGI customers. The Service channel consisting of Relationship Executives and Customer care Associates (on outsourced basis) has yielded very good response from the market. This model has serviced a total premium of Rs.576 Crores sourced from ITGI Service provider tie ups. During the year, your Company had actively promoted and sold the Barish Bima Yojana, Janta Bima Yojana and Mausam Bima Yojana and other weather products launched by ITGI.

6.0 Corporate Governance

The Executive Committee is responsible for finalization of business plan, annual budgets, review of operations, review of performance of personnel and HR matters. During the period, nine meetings of Executive Committee and 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 09 to 31st March 10. There are no specific observations in the report of the Auditors which require clarification.

8.0 Future Plan

As your Company has to render dedicated services as a corporate agent to ITGI, it has drawn a Business plan for the ensuing year 2010-11 as per the direction provided by ITGI.

The Company has drawn up plans to strengthen the Direct Channel further and meet the challenges of de-tariffing through its trained direct sales force. The blue ocean strategy adopted by the Company in the form of managing its geographical spread into B and C centers through Lateral Spread offices and Bima Kendras is going to be driven in a planned manner. The emphasis will be on Bima Kendras to spread into B and C class of cities. Some of these, depending upon the premium that they will procure, will be provided with upgraded facilities. Your Company also plans to strictly imbibe the philosophy of selection of risk and work consciously towards increased operational efficiency through cost control and enhanced capacity utilisation.

9.0 Information under section 217(2A) of the Companies Act, 1956

Information as per the provisions contained under section 217(2A) of the companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 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 31st 2010 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.

11.0 Appointment of Auditors

As per the provisions contained in section 224 of the Companies Act, 1956, your Company has received a communication from M/s. S.K. Mehta & Co. that if they are re-appointed they are well within the limits prescribed under section 224(1B) of the companies act. They have also confirmed their willingness to accept the audit of Company in the event of their appointment. Your Directors recommended the appointment of M/s. S.K. Mehta & Co. as statutory Auditors for the financial year 2010-11.

12.0 Board of Directors

Pursuant to article 78 of the Article of Association of your Company, Dr. P.S. Gahlaut and Mr. Yasunobu Fukuda, Directors retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

13.0 Acknowledgement

Your Directors express gratitude to the shareholders, IRDA, 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 employees, trainees and other out sourced personnel of your Company at all levels.

for and on behalf of the
Board of Directors

Place: New Delhi
Date: 27th April 2010

(K. Srinivasa Gowda)
Chairman

Sudhanshu Gupta B Associates

Company Secretaries
 IDf, Indraprastha Building,
 H-58, Vikas Marg, Laxmi Nagar, Delhi-110092
 Phone No. BI-11- 43Q2G455 Fax No. 42487D11,
 M-9811547321

COMPLIANCE CERTIFICATE

Registration No.: 55-121571
Nominal Capital: Rs.200 Lac

To,

The Members,

IFFCO-TOKIO INSURANCE SERVICES LIMITED

I have examined the registers, records, books and papers of **IFFCO-TOKIO INSURANCE SERVICES LIMITED** (The Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2010**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded;
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, and Central Government. Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder;
3. The Company is a public limited company and has minimum prescribed paid up capital;
4. The Board of Director duly met **4 (Four) times** respectively on 25th April 2009, 25 September 2009, 17th December 2009 and 22nd March 2010 (dates) in respect of which meetings proper notices were given and the proceedings were properly recorded and signed it in the Minutes Book maintained for the purpose;
5. The Company has not closed/was not required to close its Register of Members or Debenture holders during the financial year;
6. The Annual General Meeting for the financial year ended on 31.03.2009 was held on 7th July 2009 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose;
7. No Extraordinary General Meeting was held during the financial year;
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act;
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act;
10. The Company has made necessary entries in the register maintained u/s 301 of the Act;

11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government;
12. The Company has not issued any duplicate share certificates during the financial year;
13. The Company has:
 - (i) Not Applicable
 - (ii) Not Applicable
 - (iii) Not Applicable
 - (iv) Not Applicable
 - (v) Duly complied with the requirements of section 217 of the Act;
14. The Board of Directors of the Company is duly constituted. Re-appointment of Directors u/s 256 has been duly made during the financial year;
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year;
16. The Company has not appointed any sole selling agents during the financial year;
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year;
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder;
19. The Company has not issued any shares, debentures or other securities during the financial year;
20. The Company has not bought back any shares during the financial year;
21. There was no redemption of preference shares or debentures during the financial year;
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares;
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year;
24. The Company has no transactions falling under Section 293(1) (d) of the Act;
25. The Company has no transaction as per Section 372A of the Act during the financial year;
26. The Company has not altered the provision of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny;
27. The Company has not altered the provision of the memorandum with respect to object of the Company during the year under scrutiny;
28. The Company has not altered the provision of the memorandum with respect to name of the Company during the year under scrutiny;
29. The Company has not altered the provision of the memorandum with respect to share capital of the company during the year under scrutiny;

30. The Company has not altered its Articles of Association during the financial year;
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act;
32. The Company has not received any money as security from its employees during the financial year;
33. The Company has deposited both Employer's and Employee's Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

for Sudhanshu Gupta & Associates
Company Secretaries

Place: Delhi
Date: 19th Day of April 2010

Proprietor
C.P. No.: 4620

Annexure -A Registers as maintained by the Company

1. Register of Members u/s 150 of the Act.
2. Minutes Book of General Meetings of Members of the company u/s 193 of the Act.
3. Minutes Book of Meetings of the Board u/s 193 of the Act.
4. Register of Directors, Managing Director, Manager and secretary u/s 303.
5. Register of Directors shareholding u/s 307.
6. Register u/s 301.
7. Fixed Assets Register.
8. Share Transfer Register
9. Register of Common Seal

Annexure-B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

S.N.	Form No.	Filed u/s	For	Date of Filing	Whether filed within prescribed time yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 20B	159	07-07-2009	07-08-2009	Yes	NA
2.	Form 23AC	220	07-07-2009	20-07-2009	Yes	NA
3.	Form 66	383A	07-07-2009	16-07-2009	Yes	NA

AUDITORS' REPORT

To the members of IFFCO TOKIO INSURANCE SERVICES LIMITED

We have audited the attached Balance Sheet of IFFCO TOKIO INSURANCE SERVICES LIMITED as at 31st March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Audit Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and Notes to the Accounts, gives the information required by the Companies Act, 1956, in the manner so required gives a true and fair view:
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2010 and

for S.K.MEHTA & CO.
CHARTERED ACCOUNTANTS

PUNEET HARJAI
PARTNER
M.No: 95715

Place: New Delhi
Dated: 27th April 2010

ANNEXURE TO THE AUDITORS REPORT OF IFFCO TOKIO INSURANCE SERVICES LIMITED

(Referred to in Paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets physically verified by the management at reasonable intervals during the period and no discrepancies were noticed on such verification as compared with the records of fixed assets maintained by the Company. Company has not disposed any fixed assets during the period under audit.
2. The Company has neither granted nor taken any loans to / from the Companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets and services and for the sale of services. In our opinion there is no continuing failure to correct major weakness in internal control.
4. As explained to us there has not been any transaction during the year that need to be entered in the register maintained under section 301 of the Companies Act, 1956 exceeding Rs. 5,00,000 or more in respect of each such party.
5. In our opinion and according to the information and explanation given to us the Company has not accepted any deposit from public.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, cess which are outstanding as at 31-03-2010 for a period of more than six months from the date they became payable.
8. The Company has not taken any loans from banks, financial institutions or by issuing debentures.
9. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The Company is not dealing or trading in shares, securities, debentures and other investments.
11. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
12. The Company has not taken any term loans.
13. According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investments. Similarly, no funds raised on long-term basis have been used for short-term investments.
14. According to the information and explanations given to us, no preferential allotment of shares has been made by the Company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

IFFCO-TOKIO

15. According to the information and explanations given to us, a fraud on or by the Company has not been noticed or reported during the year.
16. Clauses (ii), (viii), (x), (xiii), (xix), (xx) are not applicable to the Company.

Place: New Delhi
Dated: 27th April 2010

for S.K.MEHTA & CO.
CHARTERED ACCOUNTANTS

PUNEET HARJAI
PARTNER
M.No: 95715

ACCOUNTS

IFFCO TOKIO INSURANCE SERVICES LIMITED
Balance Sheet as at 31st March 2010



Amount in Rs.

	Schedule No.	As at 31st March, 2010	As at 31st March, 2009
I. SOURCES OF FUNDS			
(1) Share Capital	1	5,000,000	5,000,000
(2) Reserve and Surplus Profit and Loss account		5,321,487	4,246,354
Total		10,321,487	9,246,354
II. APPLICATION OF FUNDS			
(1) Fixed Assets			
Telephone Instruments Gross Block		585,813	2,575,813
Less : Accumulated Depreciation		(585,813)	(2,575,813)
Net Block		-	-
(2) Deferred Tax Asset		3,550,000	1,925,000
(3) Current Assets & Loans and Advances			
(a) Cash and Bank Balances	2	7,230,525	13,574,160
(b) Other Current Assets	3	66,370,186	75,085,384
		73,600,711	88,659,544
<i>Less:</i>			
Current liabilities and provisions			
(a) Current Liabilities	4	57,155,455	76,639,968
(b) Provisions	5	9,673,769	4,698,223
		66,829,224	81,338,191
Net Current Assets		6,771,487	7,321,354
Total		10,321,487	9,246,354

Notes on Accounts 8

Schedule 1 to 8 form an Integral part of Financial Statements

As per our Report of even date attached.

for S K Mehta & Co.
Chartered Accountants

Puneet Harjai
Partner

Place : New Delhi
Dated : 27th April, 2010

for IFFCO TOKIO Insurance Services Ltd.

K. Srinivasa Gowda
Chairman

S Narayanan
Director

Rakesh Kapur
Director

Yasunobu Fukuda
Director

Joydeep Roy
CEO

IFFCO TOKIO INSURANCE SERVICES LIMITED
Profit and Loss Account for the year ended 31st March 2010

Amount in Rs.

	Schedule No.	Current Year	Previous Year
INCOME			
Income from Operations		322,199,231	305,847,349
Other Income		4,120,842	1,163,382
		326,320,073	307,010,731
EXPENDITURE			
Employees Remuneration & Benefits	6	229,791,606	207,332,860
Administration, Operating and Other Expenses	7	94,118,908	95,614,253
Interest & Bank Charges		521,053	691,239
Depreciation		-	585,813
		324,431,566	304,224,165
Profit before Tax		1,888,507	2,786,566
Provision for Taxation			
For the year			
- Current Tax		300,000	950,000
- Deferred Tax		575,000	(85,000)
- Fringe Benefit Tax		-	2,400,000
- Credit for MAT entitlement		(300,000)	-
For earlier year			
- Current Tax		2,638,373	445,066
- Deferred Tax		(2,200,000)	(290,000)
- Fringe Benefit Tax		(200,000)	-
Profit /(Loss) after Tax		1,075,134	(633,500)
Balance of profit brought forward from last year		4,246,354	4,879,854
Balance Carried Forward to Balance Sheet		5,321,487	4,246,354
Basic and diluted earning per share		2.15	(1.27)
(Equity Shares of face value of Rs.10/- each)			

Notes on Accounts 8

Schedule 1 to 8 form an Integral part of Financial Statements

As per our Report of even date attached.

for IFFCO TOKIO Insurance Services Ltd.

for S K Mehta & Co.
Chartered Accountants

K. Srinivasa Gowda
Chairman

Puneet Harjai
Partner
M.No. 95715

S Narayanan
Director

Rakesh Kapur
Director

Yasunobu Fukuda
Director

Joydeep Roy
CEO

Place : New Delhi
Dated : 27th April, 2010

Amount in Rs.

	As at 31st March, 2010	As at 31st March, 2009
Schedule '1' Share Capital		
Authorised:		
2000000 Equity Shares of Rs. 10 each	20,000,000	20,000,000
Issued, Subscribed & Paid up		
500000 Equity Shares of Rs. 10 each fully paid up	5,000,000	5,000,000
Schedule '2' Cash & Bank balances		
Cash in Hand	810,227	790,908
Balance with Scheduled Banks		
- In Current Accounts	1,420,298	2,783,252
- In Fixed Deposit Accounts	5,000,000	10,000,000
	7,230,525	13,574,160
Schedule '3' Other Current Assets		
Advance Income Tax (net of provision)	47,368,837	62,275,701
MAT Credit Entitlement	300,000	
Rent Deposit	6,389,520	6,351,186
Deposit with IFFCO	9,100,000	3,000,000
Interest accrued but not due on deposits	436,129	511,476
Service Tax recoverable	828,010	1,580,724
Advance Recovrable in cash or in kind or for value to be received	1,947,690	1,366,297
	66,370,186	75,085,384
Schedule '4' Current Liabilities		
TDS Payable	1,404,578	2,042,033
Expenses Payable	8,138,838	7,582,207
Incentive Payable	38,385,000	37,911,030
Due To Holding Company	9,227,039	29,104,698
	57,155,455	76,639,968
Schedule '5' Provisions		
Gratuity	1,227,990	100,102
Leave Encashment	8,445,779	4,598,121
	9,673,769	4,698,223
Schedule '6' Employees Remuneration & Benefits		
Salary & Allowances	121,106,876	107,759,105
Stipend to Trainees	92,939,364	87,954,510
Gratuity	1,552,379	532,061
Leave Encashment	4,254,061	2,392,827
Employers Contribution to Provident Fund	2,951,648	2,263,481
Staff Welfare	1,810,297	1,801,794
Leave Travel Concession	4,792,498	4,334,591
Provident Fund Administration Charges	384,483	294,491
	229,791,606	207,332,860

IFFCO TOKIO INSURANCE SERVICES LIMITED
Schedules Forming Part of Accounts

Amount in Rs.

	Current Year	Previous Year
Schedule '7' Administration, Operating and Other Expenses		
Rent Rates & Taxes	23,328,275	22,026,836
Repair & Maintenance	4,276,646	3,933,867
Communication Expenses	10,771,551	10,040,084
Travelling and Conveyance	13,167,399	16,557,063
Printing and Stationery	6,952,259	5,897,759
Legal & Professional Expenses		
- Outsourcing Exp	24,062,343	24,388,828
- Others	3,628,642	4,433,204
Payment to Auditors		
- Audit Fees	120,000	120,000
- Income Tax matters	35,000	35,000
Insurance Charges	1,855,329	1,403,890
Electricity & Water Charges	4,383,479	3,715,903
Miscellaneous Expenses	1,537,985	3,061,819
	94,118,908	95,614,253

Schedule '8' Notes forming part of Accounts

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 general accepted accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and confirm to the statutory requirements prescribed under the Companies Act, 1956.

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

- i) Incomes from services are recognized when the services are rendered.
- ii) 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 XIV of the Companies Act, 1956.

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 can not be made.

g) Employees Benefits:

- i) Defined Contribution Plan: Company contribution paid / payable for the year to defined contribution employee benefit schemes are charged to Profit & Loss account.
- ii) 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.

- iii) 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.

2. NOTES TO ACCOUNTS

a) Employees Benefits:

The company has calculated the various benefits provided to employees as under

i) 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.29,51,648 (Previous year Rs.22,63,481) for provident fund contribution in the profit & loss account.

ii) Defined Benefit Plans

1) Leave Encashment / Compensated Absences.

2) 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	
	2009-10	2008-09	2009-10	2008-09
Discount Rate (Per Annum)	7.75%	7%	7.75%	7%
Rate of Increase in compensation level	10%	10%	10%	10%

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:

a) Change in Present Value of Obligation

Amount in Rupees

Particulars	Leave Encashment / Compensated Absences (Unfunded)		Gratuity (Funded)	
	2009-10	2008-09	2009-10	2008-09
Projected Benefit obligation at beginning of year	45,98,121	27,87,003	13,13,307	7,48,894
Current Service Cost	23,16,364	14,04,291	6,03,387	3,64,335
Interest Cost	4,69,790	3,12,035	1,34,169	89,058
Actuarial Loss / (Gain) due to change in assumptions	14,67,907	6,76,501	9,35,617	1,11,020
Benefit Paid	(4,06,403)	(5,81,709)	-	-
Projected Benefit Obligation at End of year	84,45,779	45,98,121	29,86,480	13,13,307

b) Amount to be recognized in the Balance sheet

Amount in Rupees

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2009-10	2008-09	2009-10	2008-09
Projected Benefit Obligation at End of the year	84,45,779	45,98,121	29,86,480	13,13,307
Ending Assets	-	-	17,58,490	12,13,205
Funded Status assets / (Liability)	(84,45,779)	(45,98,121)	(12,27,990)	(1,00,102)
Liability (-) / Assets (+) recognized in Balance sheet	(84,45,779)	(45,98,121)	(12,27,990)	(1,00,102)

c) Expenses recognized in the Profit and Loss Account

Amount in Rupees

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2009-10	2008-09	2009-10	2008-09
Current Service Cost	23,16,364	14,04,291	6,03,387	3,64,335
Interest Cost	4,69,790	3,12,035	1,34,169	89,058
Expected Return on Plan Asset	-	-	(1,20,794)	(32,352)
Net actuarial (gain)/loss to be recognized in year	14,67,907	6,76,501	9,35,617	1,11,020
Income (-)/ Expenses (+) recognized in the statement of Profit & Loss	42,54,061	23,92,827	15,52,379	5,32,061

d) Plan Assets (at Fair Value)

Amount in Rupees

Particulars	Gratuity	
	2009-10	2008-09
Plan Assets at the beginning of the year	12,13,205	-
Expected Return on Plan Assets	1,20,794	32,352
Employer's Contribution	4,24,491	11,80,853
Plan Assets at the end of the year	17,58,490	12,13,205

Gratuity fund is managed by the Life Insurance Corporation of India.

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. Lease payments are shown in Schedule 7 as Rent, Rates and Taxes.

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) **Earning per share**

Earning per share has been reported as per Accounting Standard-20 issued by the Institute of Chartered Accountants of India, which has been computed by dividing net profit after tax by the weighted average number of shares outstanding for the period as under

Particulars	2009-10	2008-09
Net Profit/(Loss) as per Profit and Loss Account	Rs.10,75,134	Rs.(6,33,500)
Number of Equity Shares	500000	500000
Earnings per Share (Basic & Diluted)	Rs.2.15	Rs.(-) 1.27
Face Value per share	Rs.10	Rs.10

e) Major elements of deferred tax liabilities / assets created for tax effects of timing difference are as under:

Amount in Rs.

Particulars	Liabilities		Assets	
	2009-10	2008-09	2009-10	2008-09
Depreciation	-	-	4,00,000	4,73,000
Expenditure Incurred but allowable under Income Tax Act on payment basis	-	-	29,89,000	14,52,000
Carried forward business loss as per Income Tax Act	-	-	1,61,000	-
Total		Nil	35,50,000	19,25,000

Net Deferred Tax Asset Rs.35,50,000/- (Previous year Rs.19,25,000/-)

In accordance with Accounting Standard 22 "Accounting for Taxes Income" the credit of deferred tax amounting Rs.16,25,000 (Previous Year Rs. 3,75,000) is recognized in the accounts.

f) 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:

Amount in Rupees

Name of related party	IFFCO-TOKIO General Insurance Co. Ltd.		Indian Farmers Fertilizers Coop. Ltd.		Sh. Joydeep Roy, CEO	
	Holding Company		Promotor of Holding Company		Key Management Personnel	
Nature of Relation	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Description of transaction						
1. Receipt of commission and service charges	32,21,99,231	30,58,47,349	-	-	-	-
2. Reimbursement of expenses	75,77,088	98,01,985	-	-	-	-
3. Employee Remuneration	-	-	-	-	19,56,879	19,10,958
4. Insurance Premium Paid	17,72,586	15,92,581	-	-	-	-
5. Insurance Claims Recd	13,28,734	9,16,269	-	-	-	-
6. Interest earned on fixed deposit receipts	-	-	6,23,768	95,836	-	-
7. Amount payable / (recoverable) at the balance sheet date	92,27,039	2,91,04,698	-	-	-	-
8. Fixed Deposits held	-	-	91,00,000	30,00,000	-	-

g) 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.

h) Contingent Liabilities - Nil

i) As per information available with the management there are no outstanding dues to the suppliers / contractors / service providers who are registered as Micro, Small or Medium enterprises under "The Micro Small and Medium Enterprises Development Act 2006" as at 31st March 2010

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 S K Mehta & Co.
Chartered Accountants

Puneet Harjai
Partner
M.No. 95715

Place : New Delhi
Dated : 27th April, 2010

for and on the behalf of Board of Directors

K. Srinivasa Gowda
Chairman

Rakesh Kapur
Director

Yasunobu Fukuda
Director

S Narayanan
Director

Joydeep Roy
CEO



IFFCO TOKIO General Insurance Co. Ltd.

Regd. Office: IFFCO Sadan, C1, Distt. Centre, Saket, New Delhi 110017

Regd. Folio No. _____

No. of Shares held _____

PROXY FORM

I/we Indian Farmers Fertiliser Cooperative Ltd., _____

Regd. Folio No. _____ of _____ Register of Members of IFFCO TOKIO General Insurance Co. Ltd. being a Member/Members of IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED, NEW DELHI hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Tenth Annual General Meeting of the Company to be held on Tuesday, the 25th May, 2010 at 4 P.M. at IFFCO Sadan, C-1, Distt. Centre, Saket, New Delhi – 110 017 and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Signed by the said _____

Affix Rs. 1/-
Revenue
Stamp

Note: The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. A proxy need not be a member.

IFFCO-TOKIO General Insurance Co. Ltd.

Regd. Office: IFFCO Sadan, C1, Distt. Centre, Saket, New Delhi 110017

ATTENDANCE SLIP

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

I hereby record my presence at the 10th Annual General Meeting of the Company to be held at IFFCO Sadan, C-1, Distt. Centre, Saket, New Delhi 110017 on Tuesday, the 25th May, 2010 at 4 P.M.

Ledger Folio No. _____

No. of Shares _____

Name of Shareholder: Indian Farmers Fertiliser Cooperative Ltd.

Signature _____





