

13TH ANNUAL REPORT

FOR THE YEAR 2012 -2013



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BOARD OF DIRECTORS



	<p>A K. Srinivasa Gowda B Lee King Chi Arthur C Balwinder Singh Nakai D Dr. B.S. Vishwanathan E Dr. U.S. Awasthi F Dr. P.S. Gahlaut G Rakesh Kapur H S.K. Kanwar I Bahushrut Lugani J Yogesh Lohiya K Ichiro Maeda L H.O.Suri</p>	<p>Chairman Vice Chairman Director Director Director Director Director Director Director Director Managing Director & Chief Executive Officer Director - Operations Director - Marketing</p>
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BOARD OF DIRECTORS

K. Srinivasa Gowda
Lee King Chi Arthur
Balwinder Singh Nakai
Dr. B.S. Vishwanathan
Dr. U.S.Awasthi
Dr. P.S. Gahlaut
Rakesh Kapur

S.K. Kanwar
Bahushrut Lugani
Yogesh Lohiya

Yasunobu Fukuda
Ichiro Maeda
N.K. Kedia
H.O.Suri

Chairman
Vice Chairman
Director
Director
Director
Director
MD & CEO (21st June, 2012 to 15th February, 2013)
Director (From 15th February, 2013)
Director
Director
MD & CEO (16th May, 2012 to 21st June, 2012)
MD & CEO (From 15th February, 2013)
Director - Operations (Upto 30th June, 2012)
Director - Operations (From 2nd July, 2012)
Director - Marketing (Upto 31st October, 2012)
Director - Marketing (From 1st November, 2012)

SENIOR EXECUTIVES

M.K. Tandon
V.S. Rao
K.K. Aggarwal
S.S. Kukreja
R. Kannan
Parag Gupta
Sanjay Seth
Sanjeev Chopra
Ramesh Kumar
Sumesh Mahendra
Abhay Kumar
B. Ravinder
Tapan Paul

Financial Advisor
Executive Director & Company Secretary
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President

STATUTORY AUDITORS

M/s G.S. Mathur & Co.,
Chartered Accountants.

M/s S.K. Mehta & Co.,
Chartered Accountants.

BANKERS

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

REGISTERED OFFICE

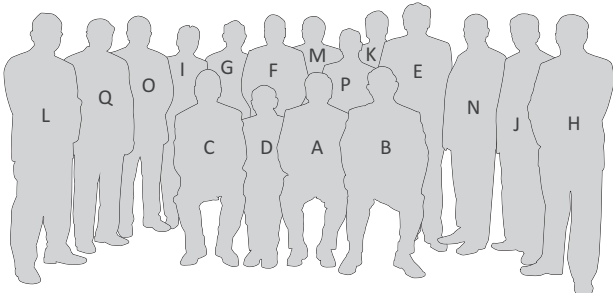
IFFCO SADAN,
C-1, District Centre, Saket,
New Delhi- 110017,
Phone No. 011-26542625.

CORPORATE OFFICE

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

Management Team



	A	Yogesh Lohiya	Managing Director and CEO
	B	Ichiro Maeda	Director Operations
	C	H.O. Suri	Director Marketing
	D	M.K. Tandon	Financial Advisor
	E	V.S. Rao	Executive Director and Company Secretary
	F	K.K. Aggarwal	Executive Vice President
	G	S.S. Kukreja	Executive Vice President
	H	R. Kannan	Executive Vice President
	I	Parag Gupta	Executive Vice President
	J	Sanjay Seth	Executive Vice President
	K	Sanjeev Chopra	Executive Vice President
	L	Joydeep Roy	Executive Vice President
	M	Ramesh Kumar	Executive Vice President
	N	Sumesh Mahendra	Executive Vice President
	O	Abhay Kumar	Executive Vice President
	P	B. Ravinder	Executive Vice President
	Q	Tapan Paul	Executive Vice President

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO General Insurance Company Limited** will be held on **Monday, the 24th June, 2013 at 4:00 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, 2013 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 appoint Director in place of Dr. U.S. Awasthi who retires by rotation and is eligible for reappointment.
3. To appoint Director in place of Mr. Lee King Chi Arthur who retires by rotation and is eligible for reappointment.
4. To appoint Director in place of Mr. K. Srinivasa Gowda who retires by rotation and is eligible for reappointment.
5. 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. G. S. Mathur & Co., Chartered Accountants and M/s S. K. Mehta & 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 Board of Directors.”

Registered Office
IFFCO Sadan, C-1,
District Centre, Saket,
New Delhi-110017,
Date : 11th May, 2013.

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 / herself 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 Monday, the 17th June, 2013 to Monday, the 24th June, 2013 (both days inclusive).

IFFCO-TOKIO

DIRECTORS' REPORT

Honourable Members,

The Board of Directors have pleasure in presenting the Thirteenth Annual Report and the Audited Financial Statements for the year ended 31st March, 2013 along with the Auditors' Report thereon.

1.0. ECONOMIC ENVIRONMENT AND INDUSTRIAL SCENARIO

Members are aware that during the financial year 2012-13, the general economic growth of the country was at the decades lowest of 5.0% as against 6.2% in 2011-12. The Indian economy which had recorded an average growth of over 6.0% since 2003-04, and the highest being 9.6% in 2006-07, had a retarded growth during the year 2012-13 which was mainly on account of significant decline in domestic investment, unfavourable macro economic situation and rising global uncertainty. The retarded economic growth had an overall impact on the agriculture, industry and the service sector.

2.0. GENERAL INSURANCE IN INDIA

The General Insurance Industry in India is currently operating with 25 Companies including the four Public Sector Companies and six specialized Insurers. The Gross Written Premium (GWP) of the industry during the year 2012-13 has increased from ₹58,119 Crores to ₹69,080 Crores at a growth of 18.8% as compared to 23.3% achieved during the previous year. The Premium growth of Private Players at 25.13% during the year 2012-13 exceeded that of the Public Sector which recorded a growth of 14.64%. We continued to maintain third position amongst the private players with an overall market share of 4.08%.

3.0 FINANCIAL HIGHLIGHTS

3.1 The Company has successfully completed another year of its operations. Despite the difficult market conditions and dip in the overall economy of the country, the Company had underwritten Gross premium of ₹2649 Crores during the year 2012-13 as against ₹2248 Crores in the previous year representing an increase of 17.83% over the previous year. The financial results show a pretax profit of ₹196.28 Crores as against net loss of ₹46.63 Crores during the previous year.

3.2. Financial Results

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

		₹ in Crores	
Particulars	2012-13	2011-12	
Gross Written premium	2649.41	2248.62	
Less Reinsurance premium	790.20	825.32	
Net premium	1859.21	1423.30	
Unexpired Risk Reserve	235.13	90.62	
Earned premium	1624.08	1332.68	
Commission earned (net)	4.69	12.00	
Others	1.48	(0.05)	
Total underwriting Revenue	1630.25	1344.63	
Net incurred claims	1245.45	1233.67	
Expenses of Management	445.20	352.57	
Total underwriting	1690.65	1586.24	
Underwriting profit /Loss	(60.40)	(241.61)	
Investment Income:			
Allocated to Revenue A/c	223.45	161.57	
Allocated to P&L A/c	31.30	254.75	32.35
Others	1.93	1.05	
Net underwriting surplus	163.05	(80.03)	
Profit /(loss)before Tax	196.28	(46.63)	

3.3. Declined Risk Insurance Pool

IRDA had dismantled the erstwhile Indian Motor Third Party Insurance Pool effective from the 1st April, 2012. With a view to safeguard the interests of Industry, IRDA had created a Declined Risk Insurance Pool for commercial vehicles with effect from 1st April, 2012. Under the new pool arrangement, every insurer shall underwrite a minimum percentage of standalone third party insurance of commercial vehicles the quantum of which is to be worked out in accordance with the guidelines prescribed by IRDA. During the year the Company has underwritten premium of ₹16.42 Crores under the Declined Risk Insurance Pool.

3.4. Solvency Ratio

With the improved operating results during the year, the Solvency Ratio of the Company as on 31st March, 2013 stood at 1.43 as against 1.22 in the previous year.

4.0. DIVIDEND

Your Directors have not proposed payment of any Dividend for the financial year 2012-13 to comply with the directions of IRDA with regard to required solvency margin.

5.0. INVESTMENTS

The total Investments of the Company as on 31st March, 2013 were ₹3117 Crores as against ₹2328 Crores at the end of the previous financial year. Investments were made in Government Securities and other approved Schemes prescribed in IRDA Investment (4th Amendment) Regulations 2008. The average yield on these investments for the year worked out to 9.26% as against 9.11% achieved during the previous year.

6.0. MARKETING

6.1. The Indian Insurance industry faced stiff competition and moved from corporate commercial business to retail segment of business. The Commercial Lines of Business faced severe competition at unviable premium rates. In view of continuing losses, reinsurance terms also hardened, the Company has worked out the strategy for balance portfolio of Retail as well as Commercial lines of Business.

6.2. The Company gained experience in Government Sponsored Group Health Schemes for rural masses by participating in such Schemes during the year 2012-13.

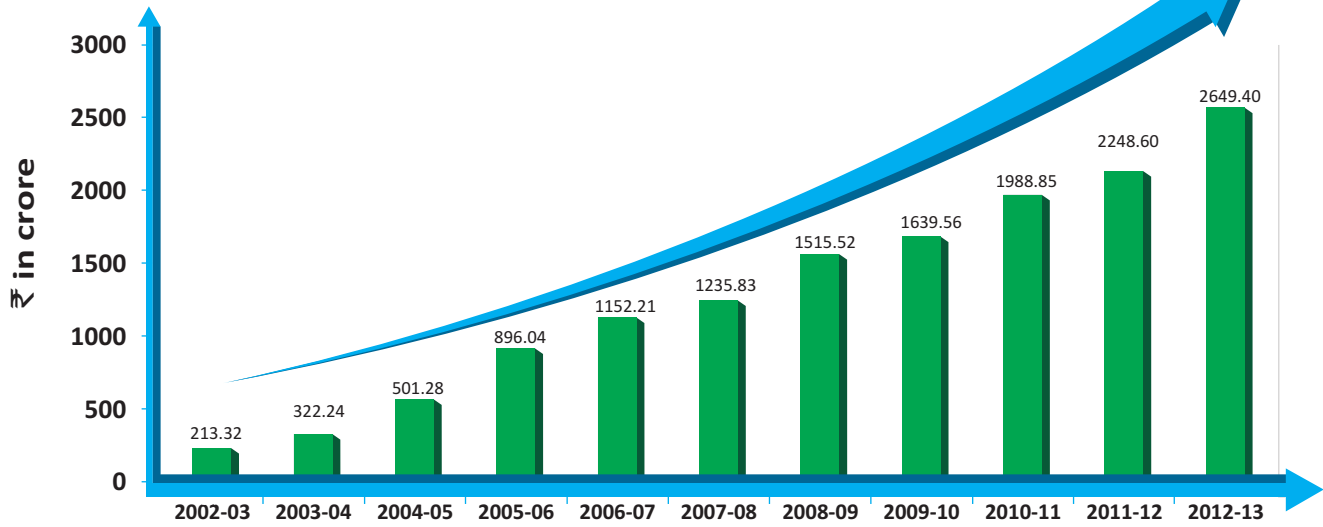
6.3. Rural Business

6.3.1. Based on its commitment to serve the Rural Masses, the Company had strived continuously to improve upon its products and delivery systems and actively participated in the weather based crop Insurance Subsidy Schemes and implemented them in 35 Districts spread over 10 states. During the year, ₹14.20 lakhs farmers were covered and ₹10.80 lakhs farmers were benefited under the scheme.

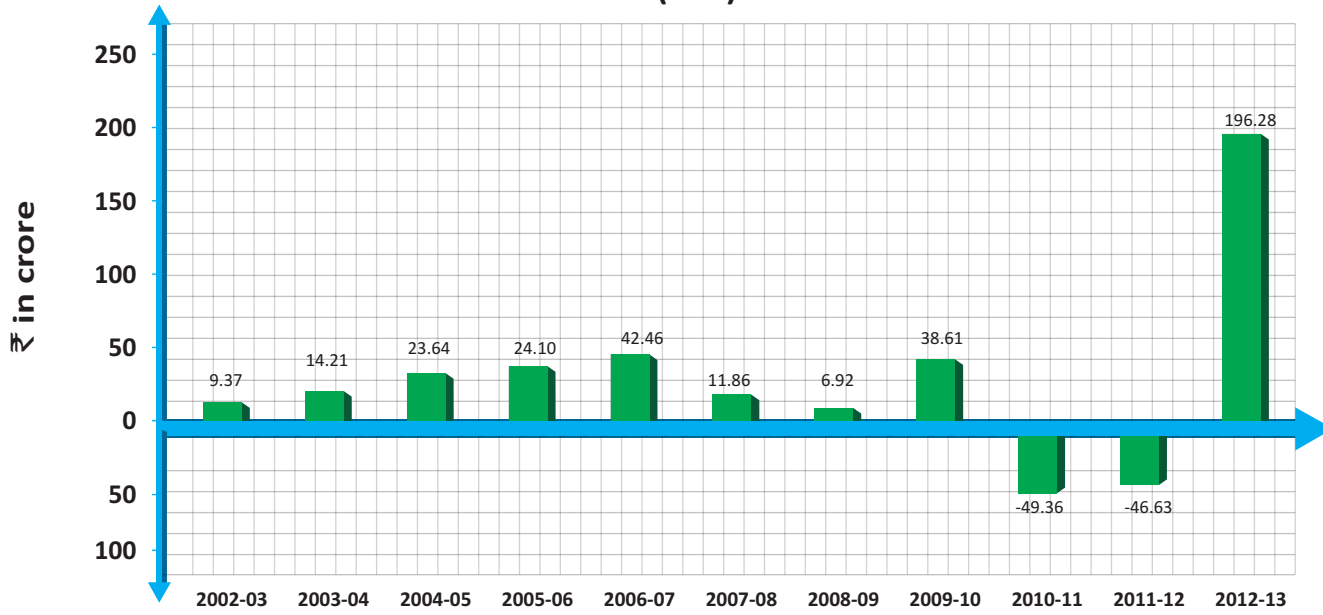
6.3.2. The Company also participated in the Rashtriya Swasthya Bima Yojana, (RSBY) a Health Scheme for people living below poverty line and about 21.21 lakh BPL families were covered under these policies. The Janta Bima Yojana also was well accepted by the rural populace. We also conducted Micro Insurance campaigns and collected premium of ₹224 lakhs. Sankat Haran Bima Yojana, a Personal Accident policy for buyers of IFFCO and IPL fertilizer, was widely accepted by the Indian farmers. The livestock Insurance Product "Pashudhan Bima" was also well accepted by the farmers and a robust growth of 62% was registered during the year under review. The Company was presented with a National Award on 8th April, 2013 by the Ministry of Labour and Employment, Government of India, for successfully implementing the Rashtriya Swastha Bima Yojana.

6.3.3. As per the Regulations notified by IRDA, the Company was required to underwrite 7.0% of Gross Direct Premium towards Rural Business and insure 55,000 lives for compliance with the Social Sector obligations. The Actual Business underwritten in respect of Rural Sector worked out to 16.0% of Gross Direct Premium and that the company had covered ₹58.25 lakhs lives during the year. We place on record appreciation to IFFCO and its Member Co-operatives, who have extended its unstinted support to the Company to enable it to fulfill the mandatory requirements.

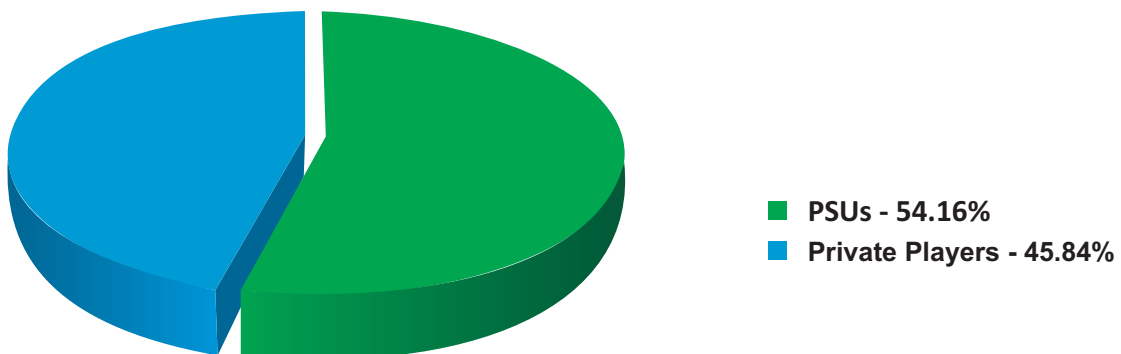
Gross Written Premium (GWP)



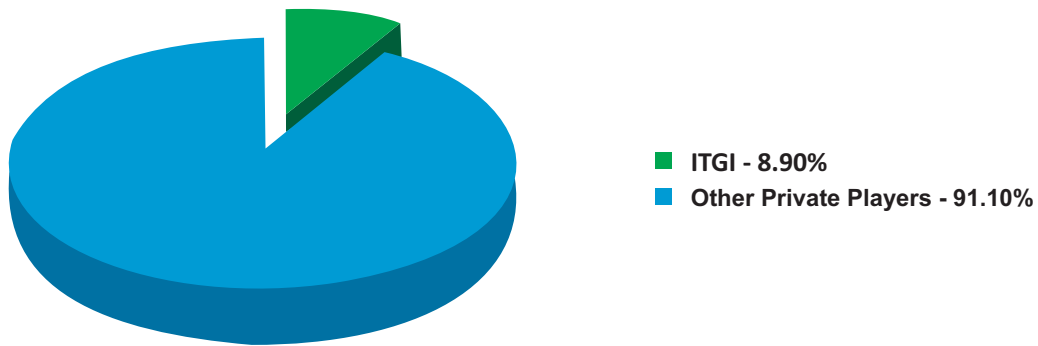
Profit Before Tax (PBT) Performance



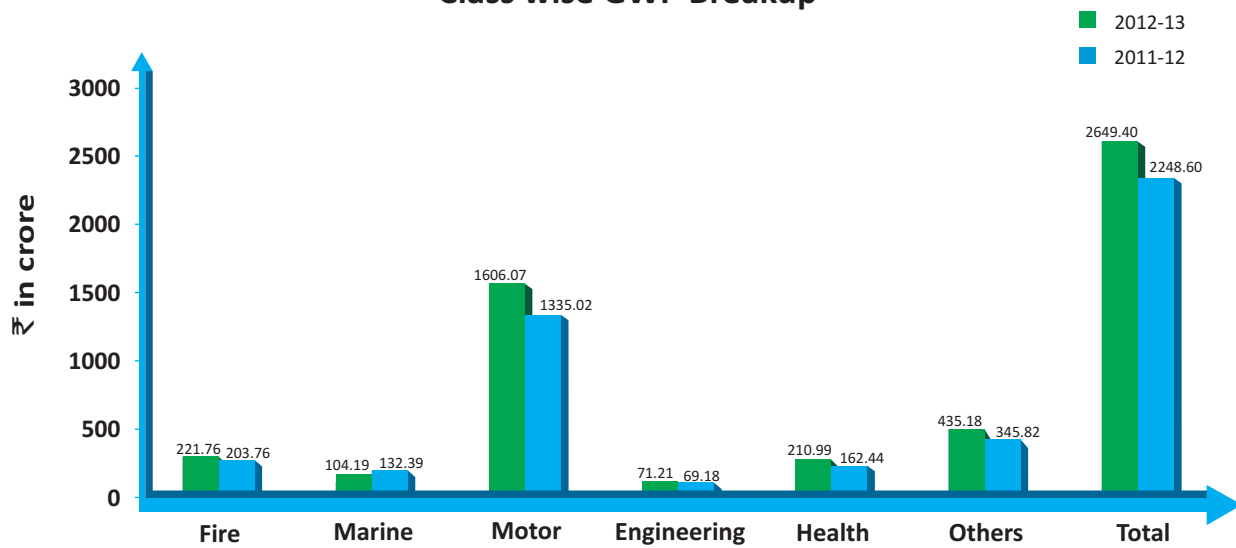
Market Share of Private Players



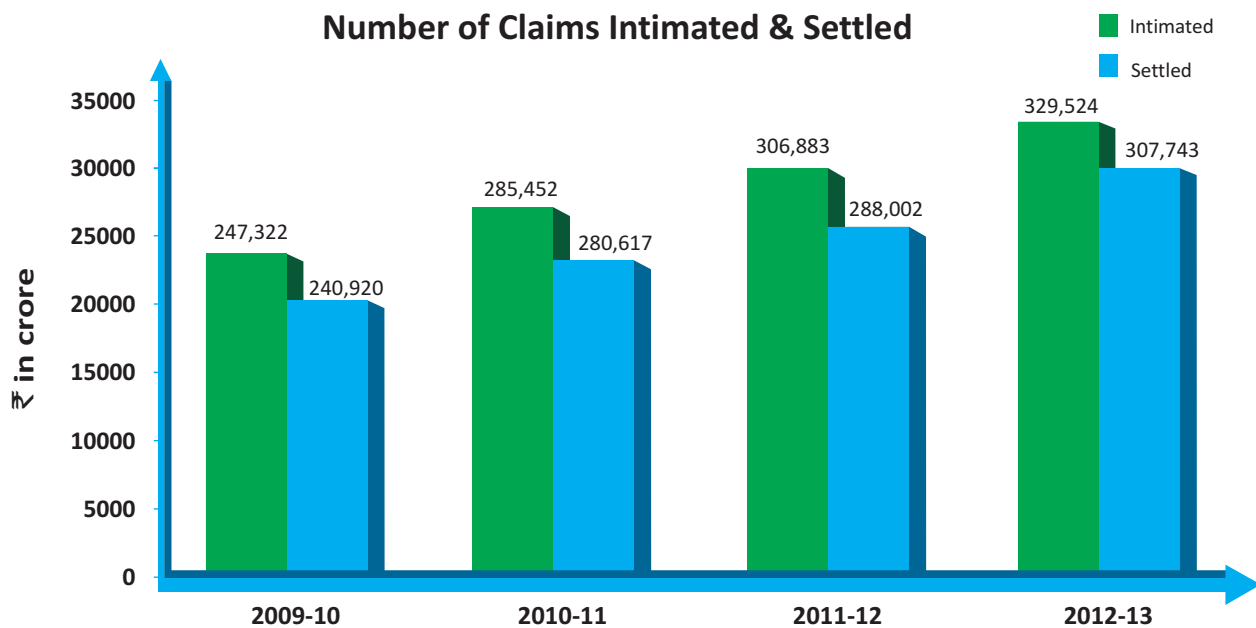
ITGI Share Among Private Insurers



Class wise GWP Breakup



Number of Claims Intimated & Settled



7.0. CORPORATE GOVERNANCE

- 7.1. The Guidelines on Corporate Governance issued by IRDA for the Insurance sector were implemented by the Company with effect from 1st April 2010. The Guidelines inter alia envisaged introduction of Code of Business Conduct and Ethics for Board Members and Senior Management, Whistle Blower Policy, Constitution of Risk Management Committee, Constitution of Policy Holders Protection Committee, Reconstitution of Audit Committee, Appointment of Independent Directors and conduct of meetings of Board of Directors. We had taken appropriate measures and complied with the requirements of IRDA.
- 7.2. A Report on Corporate Governance pursuant to IRDA Guidelines issued is placed at **Annexure "A"**.

8.0. CUSTOMER SERVICES

8.1. Customers Service Centers (CSCs)

With the objective of providing prompt services to customers and optimize utilization of resources, Customers Service Centers (CSCs), were set up at Mumbai, Kolkata, Vadodara, Bangalore, Delhi (NCR), Delhi (North), Chennai and Bhopal. 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 Company has also established In house Health Claims Team to settle Health Claims in its Corporate Office.

- 8.2. In addition to setting up of Customers Service Centers for servicing of Customers in respect of Claims, the Company has set up a centralized Underwriting Hub in Gurgaon. The Underwriting Hub is 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.

8.3. Integrated Grievance Management System

Pursuant to the Guidelines of IRDA, Integrated Grievances Management System (IGMS) was developed and implemented. The Integrated Grievances Management System was also synchronized with IRDA's Integrated Grievance Management System. The new IGMS not only facilitated the policy holder to register /track their complaints on line but also facilitated IRDA for monitoring the Grievances Redressal Procedure established by the Insurers.

9.0. INFORMATION TECHNOLOGY

The Oracle EBS was successfully completed and the accounts for the financial year 2012-13 have been finalized and audited using Reports from Oracle EBS. Accounting functions related to General ledger, Cash Management, Vendor Payments, Claims Processing, etc were implemented and ERP system was integrated with P/400, Siebel CRM, Investment Management and document management applications.

10.0 BUSINESS PLAN 2013-14

The Company has set a target of ₹3050 Crores for the financial year 2013-14. As per the present market scenario the opportunities in Commercial lines of Business have shrunk with weakening in Industrial growth and slow down in Domestic Investment. In the proposed Budget for the year 2013-14 mobilization of business from the Retail/Nonretail segment has been planned by allocating line wise/channel wise Business targets to SBUs.

11.0. Market strategy

- 11.1. The Company has drawn a strategy for profitable growth by focusing on profitable lines of Business and reducing focus on unprofitable lines. Accordingly Motor and Health would continue to be our growth driver but with stringent guidelines to ensure business quality and loss control through streamlined processes. In order to improve profitability, there would be an increased focus on Non-Motor Retail basket comprising of products like Home,

Individual health and Travel etc. Since the emphasis on the Business Plan is to augment retail lines of business, we would emphasize low cost distribution channels viz. ITIS, Individual Agents, Cooperatives and Bancassurance. The Company having gained experience in Government Sponsored group health schemes for rural masses will continue to participate in such schemes during the year 2013-14.

11.2. **Rural Business**

We will strive to improve upon our products and delivery systems to serve rural masses and propagate awareness and benefits of Insurance among the rural population.

12.0. **REINSURANCE**

The Company formulated its Reinsurance Programme for the year 2013-14 in line with the guidelines laid down by Insurance Regulatory and Development Authority (IRDA).

13.0. **RISK MANAGEMENT**

Insurance being the Business of transfer of risks from client to Insurer, its viability depends on underwriter's ability to precisely assess the risk. Risk Management Department has been created in three centers for evaluating the 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 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.

14.0. **IFFCO-TOKIO INSURANCE SERVICES LIMITED – A WHOLLY OWNED SUBSIDIARY**

14.1. IFFCO TOKIO Insurance Services Limited (ITIS), the wholly owned subsidiary of the 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 373 locations in the year 2012-13. The Company sourced and serviced premium of ₹1131 Crores for IFFCO-TOKIO during the year 2012-13 as against the previous year ₹846 Crores, registering a growth of 34.0% over 2011-12. 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 1435 trained persons comprising of employees and trainees who procure business and also render services to IFFCO-TOKIO customers both in urban and rural areas.

14.2. The Subsidiary Company during its operations for the year ended on 31st March, 2013 earned a profit before tax of ₹26.93 lakhs as against ₹21.65 lakhs during the previous year. As required under section 212(1) of the Companies Act, 1956, the audited accounts and other particulars of the Subsidiary Company are appended as at **Annexure "B"**.

15.0. **HUMAN RESOURCE DEVELOPMENT**

15.1. Human resource is an invaluable asset of any Organization. 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 which is an ongoing process.

15.2. **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, 2013 is placed at **Annexure "C"**.

16.0. Foreign Exchange Earnings and Outgo

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

Earnings: ₹15714.28 Lakhs (Previous year ₹10418.26 lakhs)

Outgo: ₹16621.96 Lakhs (Previous year ₹18535.65 Lakhs)

17.0. PUBLIC DEPOSITS

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

18.0. AUDITORS' OBSERVATIONS

The Report of the Auditors to the Shareholders of the Company is annexed to the financial statements for the year ended 31st March, 2013. There are no specific observations in the Report of the Auditors which require clarification.

19.0 BOARD OF DIRECTORS

19.1. Appointment of Managing Director & CEO

Mr. S. Narayanan, Managing Director & CEO, superannuated on 15th May, 2012 and ceased to be MD & CEO of the Company from the said date. The Board of Directors appointed Mr. Yogesh Lohiya as Managing Director & CEO of the Company with effect from 16th May, 2012. Mr. Lohiya resigned from the position of MD & CEO for want of approval from IRDA. He was appointed as MD & CEO with effect from 15th February, 2013 for a period of three years with the approval of IRDA.

19.2. The Board of Directors appointed Mr. Rakesh Kapur Director IFFCO TOKIO and Joint MD IFFCO as MD & CEO of IFFCO TOKIO effective from 21st June, 2012 and he continued to hold the post upto 15th February, 2013 with the approval of IRDA as an interim arrangement. He resigned from the post of MD & CEO with effect from 15th February, 2013 and continues as Non-Executive Director of the Company effective from 15th February, 2013.

19.3. Appointment of Nominated Directors

A. Appointment of Director (Operations)

During the year, M/s Tokio Marine Asia Pte Limited, informed that Mr. Ichiro Maeda would succeed Mr. Y. Fukuda, Director (Operations) and assume the role of Directors (Operations) for a period of three years effective from 2nd July, 2012. Your Board of Directors considered appointment of Mr. Ichiro Maeda as Director (Operations) in place of Mr. Y. Fukuda, effective from 2nd July, 2012 and necessary approval was obtained from competent authorities for the same.

B. Appointment of Director (Marketing)

Mr. N.K. Kedia, Director (Marketing) completed his tenure of appointment on 31st October, 2012. Your Directors have appointed Mr. H.O. Suri as Director (Marketing) to replace Mr. N.K. Kedia effective from 1st November, 2012 and necessary approval was obtained from competent authorities for the same.

19.4. Retirement of Directors

In accordance with the provisions contained in Articles 102, 103 and 104 of the Articles of Association of your Company and applicable relevant provisions of the Companies Act, 1956, Dr. U.S. Awasthi, Mr. Lee King Chi Arthur and Mr. K. Srinivasa Gowda Directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

20.0. AUDITORS

20.1. M/s G.S. Mathur & Co. and M/s S. K. Mehta & Co. were appointed as Joint Statutory Auditors of your Company for the financial year 2012-13 and they will continue in the Office till the conclusion of the ensuing Annual General Meeting.

20.2. The Company has received communication from M/s G.S. Mathur & Co. and M/s S.K. Mehta & Co., Chartered Accountants, confirming their willingness to accept the audit of the Company in the event of their reappointment, 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 fulfill 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.

21.0. DIRECTORS' RESPONSIBILITY

The Board of Directors of the Company confirm:

- 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, 2013 and of the profit/loss 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.

22.0. ACKNOWLEDGEMENTS

- 22.1. The Directors express their gratitude to all customers of the Company for their valuable patronage, shareholders, the Insurance Regulatory & Development Authority, General Insurance Corporation of India, Reinsurers and other statutory authorities for their continued support and guidance. We place on record sincere thanks to its statutory Auditors, Bankers, Insurance Agents, Brokers and other constituents for their continued support.
- 22.2. The Directors also express their sincere appreciation for the unstinted support rendered by the employees of the Company at all levels for their hard work, dedication and commitment.

Place: New Delhi,
Date: 11th May, 2013.

For and on behalf of the Board

K. SRINIVASA GOWDA
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

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

1.0. Corporate Governance Practices

M/s IFFCO TOKIO General Insurance Company Limited believes that sound Corporate Governance practices are essential for healthy growth of business and to repose confidence in all interested parties. IFFCO TOKIO has placed adequate Corporate Governance Practices for improving long term values. The Corporate Governance Philosophy of IFFCO TOKIO has been further strengthened with the formulation of Code of Conduct for Management, Whistle Blower Policy, Online Grievance Redressal system and implementation of Public Disclosure Policies. The Company has also set up mandatory committees as prescribed in the Corporate Governance Guidelines. The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

2.0. Composition of the Board of Directors

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

3.0. Guidelines for Committees of the Board

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

4.0. Board of Directors Meetings

The details of Meetings of the Board of Directors of the Company held during the year 2012-13 are as under:

S.No.	Date	Board Strength	No. of Directors present
1	26 th April, 2012	12	11
2	24 th August, 2012	11	11
3	26 th October, 2012	11	10
4	8 th February, 2013	11	11

The names of the Board of Directors and their attendance at the Board Meetings held during the financial year 2012-13 are as under:

S. No.	Name of the Director(s)	Qualification	Field of specialization	Status of Directorship	No. of Meetings held	No. of Meetings attended
1	Mr. K. Srinivasa Gowda	B.Sc.,	Agriculture	Chairman	4	4
2	Mr. Lee King Chi Arthur	Bachelor degree of Arts and Jurisdoctorate	Legal	Vice Chairman	4	4
3	Mr. Balwinder Singh Nakai	Graduate	Agriculture	Director	4	4
4	Dr. B.S. Vishwanathan	Ph.D., B.Com.,	Management	Director	4	3
5	Dr. U.S.Awasthi	Ph.D. and Graduate in Chemical Engineering	Management	Director	4	4
6	Mr. Rakesh Kapur (***)	B. Tech (Mechanical)	Finance	Director	4	4
7	Dr. P.S. Gahlaut	Ph.D., B.Sc. (Hons.)	Business Management	Director	4	3
8	Mr. Bahushrut Lugani	F.C.A., B.Sc.,	Finance	Independent Director	4	4
9	Mr. S.K. Kanwar	Graduate	Insurance	Independent Director	4	4
10	Mr. S. Narayanan(*)	M.Sc. (Maths), A.I.I.I from Insurance Institute of India	Insurance	Managing Director & CEO	4	1
11	Mr. Yogesh Lohiya (**)	B.E. (Mech.), A.I.I.I from Insurance Institute of India, Diploma (Business Mgmt.) of AIMA	Insurance	Managing Director & CEO	4	Nil
12	Mr. N.K. Kedia(*****)	B.Sc. (Engg.) Mechanical, Licentiate from III	Marketing	Director (Marketing)	4	3
13	Mr. Yasunobu Fukuda (***)	B. Com.	Operations	Director (Operations)	4	1
14	Mr. Ichiro Maeda(*****)	Commerce Graduate	Insurance	Director (Operations)	4	3
15	Mr. H.O. Suri (*****)	FCA, B.Com. (Hons.)	Marketing	Director (Marketing)	4	1

(*) Mr. S. Narayanan, MD & CEO superannuated on 15th May, 2012 and ceased to be MD & CEO of the Company from 15th May, 2012.

- (**) Mr. Yogesh Lohiya was appointed as MD & CEO of the Company effective 16th May, 2012 and he resigned with effect from 21st June, 2012 for want of approval from IRDA. He was subsequently appointed as MD & CEO with effect from 15th February, 2013 with the approval of IRDA. No Board Meeting was held during his tenure when he was acting as MD & CEO earlier or between 15th February, 2013 to 31st March, 2013.
- (***) Mr. Rakesh Kapur, Director was appointed as MD & CEO of the Company effective from 21st June, 2012 and he continued to hold the post upto 15th February, 2013 with the approval of IRDA as an interim arrangement. He resigned from the post of MD & CEO with effect from 15th February, 2013 and continues as Non-Executive Director of the Company effective from 15th February, 2013 (AN).
- (****) Mr. Yasunobu Fukuda, ceased to be Director effective from 30th June, 2012 on completion of his tenure of appointment.
- (*****) Mr. Ichiro Maeda was appointed as Director (Operations) effective from 2nd July, 2012.
- (*****) Mr. N.K. Kedia ceased to be Director (Marketing) effective from 31st October, 2012 on completion of his tenure of appointment.
- (*****) Mr. H.O. Suri was appointed as Director (Marketing) effective from 1st November, 2012.

5.0. Committee Meetings of the Board of Directors

The details of the Committee Meetings of the Board of Directors held during the financial year 2012-13 are as under:

(A) Investment Committee

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

S.No.	Date	Strength	No. of Directors/Members present
1	24 st August, 2012	7	6
2	26 th October, 2012	7	7
3	7 th February, 2013	7	7

The names of the Board of Directors and other Members present at the Investment Committee Meetings held during the financial year 2012-13 and their attendance is as under:

S.No.	Name of the Member(s)	Status of Directorship	No. of Meetings held	No. of Meetings attended
1	Dr. U.S. Awasthi	Chairman	3	3
2	Mr. Rakesh Kapur	Member	3	3
3	Mr. S. Narayanan(*)	Member	3	Nil
4	Mr. Yogesh Lohiya(**)	Member	3	Nil

5	Dr. P.S. Gahlaut(***)	Member	3	3
6	Mr. K.K. Wadhwa (****)	Member/ Appointed Actuary	3	2
7	Mr. M. K. Tandon	Financial Advisor	3	3
8	Mr. H. O. Suri	Chief Investment Officer	3	3
9	Mr. Sanjeev Chopra	Chief Finance Officer	3	3
10	Mr. Khushwant Pahwa (*****)	Appointed Actuary	3	Nil

- (*) Mr. S. Narayanan, MD & CEO superannuated on 15th May, 2012 and ceased to be Member of the Investment Committee effective from 15th May, 2012. No Meeting of Investment Committee was held between 1st April, 2012 and 15th May, 2012.
- (**) Mr. Yogesh Lohiya, as MD & CEO was appointed as Member of the Investment Committee effective 16th May, 2012 and he resigned with effect from 21st June, 2012 as MD & CEO of the Company for want of approval from IRDA and ceased to be Member with effect from the said date. He was subsequently appointed as MD & CEO with effect from 15th February, 2013 with the approval of IRDA and he became the Member effective from 15th February, 2013. No Meeting of Investment Committee was held during his tenure when he was acting as MD & CEO earlier or between 15th February, 2013 to 31st March, 2013.
- (***) Dr. P. S. Gahlaut, Director became Member of the Investment Committee effective from 17th August, 2012.
- (****) Mr. K.K. Wadhwa ceased to be the “Appointed Actuary” with effect from 31st December, 2012.
- (*****) Mr. Khushwant Pahwa was appointed as the “Appointed Actuary” effective from the date of his joining i.e. effective from 15th February, 2013. No meeting of the Investment Committee was held between 15th February, 2013 and 31st March, 2013.

(B) Audit Committee

The details of the Meetings of the Audit Committee held during the year 2012-13 are as under:

S.No.	Date	Strength	No. of Directors/Members present
1	26 th April, 2012	4	3
2	22 nd August, 2012	3	3
3	25 th October, 2012	3	3
4	21 st February, 2013	4	4

The names of the Board of Directors and the attendance of the Directors/Members attended the meetings are as under:

S.No.	Name of the Member(s)	Status of Directorship	No. of Meetings held	No. of Meetings attended
1	Mr. Bahushrut Lugani	Chairman	4	4
2	Dr. P.S. Gahlaut	Member	4	3
3	Mr. Rakesh Kapur	Member	4	4
4	Mr. S. Narayanan (*)	Member	4	1
5	Mr. Yogesh Lohiya (**)	Member	4	1

(*) Mr. S. Narayanan, MD & CEO superannuated on 15th May, 2012 and ceased to be Member of the Investment Committee effective from 15th May, 2012.

(**) Mr. Yogesh Lohiya, as MD & CEO was appointed as Member of the Audit Committee effective 16th May, 2012 and he resigned with effect from 21st June, 2012 as MD & CEO of the Company for want of approval from IRDA and ceased to be Member with effect from the said date. He was subsequently appointed as MD & CEO with effect from 15th February, 2013 with the approval of IRDA and he became the Member effective from 15th February, 2013.

(c) Risk Management Committee

The Meetings of the Risk Management Committee held during the year are as under.

S.No.	Date	Strength	No. of Directors / Members present
1	22 nd June, 2012	4	4
2	17 th October, 2012	4	4
3	15 th February, 2013	5	5
4	28 th February, 2013	5	5

The names of the Board of Director and other Members present at the Risk Management Committee Meetings held during the financial year 2012-13 and their attendance are as under:

S. No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1	Mr. Y. Fukuda (*)	Chairman / Chief Risk Officer	4	1
2.	Mr. Ichiro Maeda (**)	Chairman / CRO	4	3
3	Mr. V.S. Rao	Member	4	4
4	Mr. Sanjay Seth	Member	4	4
5	Mr. Sanjeev Chopra	Member	4	4
6	Mr. Parag Gupta (***)	Member	4	2

- (*) Mr. Yasunobu Fukuda, Director (Operations) ceased to be Director effective from 30th June, 2012 on completion of his tenure of appointment and he ceased to be the Chairman of the Committee effective from the said date.
- (**) Mr. Ichiro Maeda was appointed as Director (Operations) effective from 2nd July, 2012 and he became the Chairman of Risk Management Committee from the said date.
- (***) Mr. Parag Gupta became the Member effective from 15th February, 2013.

(d) Policyholders Protection Committee

The Meetings of the Policy Holders Protection Committee held during the year are as under:

S.No.	Date	Strength	No. of Directors / Members present
1	17 th July, 2012	6	6
2	29 th October, 2012	6	4
3	22 nd February, 2013	5	4
4	28 th March, 2013	5	5

The names of the Board of Directors and other Members present at the Policy Holders Protection Committee Meetings held during the financial year 2012-13 and their attendance are as under:

S.No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1	Mr. N. K. Kedia (*)	Chairman	4	1
2.	Mr. H.O. Suri (**)	Chairman/Member	4	4
3	Mr. V.S. Rao	Member	4	4
4	Mr. Parag Gupta	Member	4	4
5	Mr. R. Kannan	Member	4	2
6.	Mr. Raj K Bora (***)	Member	4	4

- (*) Mr. N.K. Kedia ceased to be Director (Marketing) effective from 31st October, 2012 on completion of his tenure of appointment. Consequently, he ceased to be the Chairman of the Committee effective from the said date.
- (**) Mr. H.O. Suri was appointed as Director (Marketing) effective from 1st November, 2012 and he became the Chairman of the Committee effective from the said date.
- (***) Mr. Raj Kumar Bora became Member of the Committee effective from 17th July, 2012.

6.0. Non-Mandatory Committees

(a) Executive Committee

The Company constituted in accordance the provisions contained in the Articles of Association of the Company, an Executive Committee which is in operation since the inception of the Company. The Committee is primarily responsible for finalization of Business Plan, Annual Budgets, review of operations, review of performance of personnel, HRD issues, etc. During the financial year 2012-13, Ten Executive Committee Meetings were held by the Company.

(b) Selection and Remuneration Committee

The Board of Directors constituted a Selection and Remuneration Committee for considering appointment of MD & CEO and other functional Directors and fix their compensation. During the year under review four Meetings of the Selection and Remuneration Committee were held to consider and recommend appointment of MD & CEO, Director - Operations and Director - Marketing and fix their remuneration. The recommendations of the Committee were approved by the Board.

7.0. Code of Business Conduct and Ethics

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

8.0. Whistle Blower Policy

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

9.0 Compliance certificate of the Company Secretary

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

Annexure I of 'A'

Certification for compliance of the Corporate Governance Guidelines

I, V.S. Rao, Executive Director and Company Secretary, hereby, certify that the Company has complied with the Corporate Governance Guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed during the period under report.

Place: New Delhi,
Date: 11th May, 2013.

(V.S. RAO)
Executive Director &
Company Secretary

Annexure B

**Statement of Interest in the Subsidiary Company
IFFCO TOKIO INSURANCE SERVICES LIMITED (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, 2013 (5,00,000 shares of ₹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 after tax of the Subsidiary Company for the period ended 31st March, 2013 is ₹15,76,129. The Cumulative Profit after tax for the previous financial years of the Subsidiary since it became holding Company's Subsidiary is ₹ 75,67,042.

3. The net aggregate amount of the subsidiary's profit after deducting its losses or vice versa so far as these are dealt within 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.

Annexure C

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED								
Statement under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 for the year ended 31 st March, 2013								
S.No.	Name of Employee	Age (Years)	Designation	Gross Remuneration	Qualification	Experience (Years) of Employment	Date of Employment	Previous Employment
1	Mr. Yogesh Lohiya (*)	61	MD&CEO	16.94 lakhs	B. E (Mechanical) All from the Institute of Insurance of India, Diploma in (Business Management) of AIMA	36	16.5.2012 to 21.6.2012 and 15.2.2013	GIC Re.

Note

- 1. *Mr. Yogesh Lohiya was appointed as MD & CEO of the Company effective 16th May, 2012 and he resigned with effect from 21st June, 2012 for want of approval from IRDA. He was subsequently appointed as MD & CEO with effect from 15th February, 2013 (AN) with the approval of IRDA.
- 2. The Gross remuneration comprises salary, allowances, monetary value of perquisites and Company's contribution to Provident Fund.

IFFCO-TOKIO

AUDITORS' REPORT

To the Members of

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED (the Company), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Accounts of Fire, Marine and Miscellaneous Insurance (collectively known as the 'Revenue Accounts'), the Profit and Loss Account and the Receipts and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulations') read with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and

fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payments Account read together with the notes thereon give the information required by the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Companies Act, 1956 to the extent applicable, and in manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Revenue Accounts, of the surplus/deficit, for the year ended on that date;
- (c) in the case of the Profit and Loss Account, of the profit for the year ended on that date;
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) This report does not include a statement on the matters specified in paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
- (2) We further 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 the audit;

- (b) In our opinion and to the best of our information and according to the explanations given to us, 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, Profit and Loss Account and the Receipts and Payments Account dealt with by 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 those Incurred But Not Enough Reported (IBNER) as at March 31, 2013, has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDA and the Institute of Actuaries of India (formerly known as the Actuarial Society of India) in concurrence with the IRDA; and
- (f) On the basis of the written representations received from the Directors, as at 31st March 2013 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- (3) In our opinion and according to the information and explanations given to us, we further report that:
- (a) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub section 3C of Section 211 of the Companies Act, 1956 and with the accounting principles prescribed by the Regulations and orders / directions issued by IRDA in this behalf;
- (b) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payment Account referred to in this report are in compliance with the accounting standards referred to under sub section 3C of Section 211 of the Companies Act, 1956 to the extent they are not inconsistent with the accounting policies prescribed by IRDA;
- (c) Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the regulations and orders / directions issued by IRDA in this behalf;
- (4) Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us during the course of our audit and to the best of our knowledge and belief, we further certify that:
- (a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2013 and there are no apparent mistakes or material inconsistencies with the financial statements; and
- (b) Based on information and explanations received during the course of our audit and management representation, nothing has come to our attention which causes us to believe that the company has not complied with the terms and conditions of registration.

For G.S. Mathur & Co.
Chartered Accountants
FRN 008744N

Ajay Mathur
Partner
Membership No. 082223

Place: New Delhi
Date: 11th May, 2013

For S.K. Mehta & Co.
Chartered Accountants
FRN 000478N

S.K. Mehta
Partner
Membership No. 010870

AUDITOR'S CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and other records maintained by Iffco Tokio General Insurance Company Limited (the Company) for the year ended March 31, 2013, 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, 2013, the Company had no secured loans.
- (b) The Company is not a trustee of any trust.

For G.S. Mathur & Co.
Chartered Accountants
FRN 008744N

Ajay Mathur
Partner
Membership No. 082223

Place: New Delhi,
Date: 11th May, 2013.

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

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

For S.K. Mehta & Co.
Chartered Accountants
FRN 000478N

S.K. Mehta
Partner
Membership No. 010870

ACCOUNTS

BALANCE SHEET AS AT 31st March, 2013

(₹ In '000)

S.No.	PARTICULARS	SCHEDULE	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)	(5)
	SOURCES OF FUNDS			
	SHARE CAPITAL	5	2,693,215	2,693,215
	RESERVES AND SURPLUS	6	4,003,215	2,655,294
	FAIR VALUE CHANGE ACCOUNT		166	325
	BORROWINGS	7	-	-
	TOTAL		6,696,596	5,348,834
	APPLICATION OF FUNDS			
	INVESTMENTS	8	19,584,368	14,770,000
	LOANS	9	-	-
	FIXED ASSETS	10	274,278	269,772
	CURRENT ASSETS :			
	Cash and Bank Balances	11	12,144,502	8,984,618
	Advances and Other Assets	12	3,637,762	4,098,560
	Sub-Total (A)		15,782,264	13,083,178
	CURRENT LIABILITIES			
	PROVISIONS	13	19,414,558	15,927,118
		14	9,594,256	7,242,998
	Sub-Total (B)		29,008,814	23,170,116
	NET CURRENT ASSETS (C) = (A-B)		(13,226,550)	(10,086,938)
	DEFERRED TAX ASSET (NET)		64,500	396,000
	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15	-	-
	TOTAL		6,696,596	5,348,834

CONTINGENT LIABILITIES

(₹ In '000)

S.No.	PARTICULARS	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
	Partly paid up Investments	-	-
	Claims, other than against policies, not acknowledged as debts by the company	-	-
	Underwriting commitments outstanding (in respect of shares and securities)	-	-
	Guarantees given by or on behalf of the company	-	-
	Statutory demands / liabilities in dispute, not provided for	7,035	21,782
	Reinsurance obligations to the extent not provided for in the accounts	-	-
	Others	-	-
	TOTAL	7,035	21,782

Notes to Accounts

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

For and on behalf of Board of Directors

G.S. Mathur & Co.
Chartered Accountants
Firm Regn. No. 008744N

S.K. Mehta & Co.
Chartered Accountants
Firm Regn. No. 000478N

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Managing Director

Ajay Mathur
Partner
M.No. 082223

S.K. Mehta
Partner
M.No. 10870

Ichiro Maeda
Director

Rakesh Kapur
Director

Place: New Delhi,
Date: 11th May, 2013.

M.K. Tandon
Financial Advisor

Sanjeev Chopra
Chief Financial Officer

V.S. Rao
Company Secretary

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2013

(₹ In '000)

S.No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	516,933	513,148
2	Profit / (Loss) on sale / Redemption of Investments		1,161	1,706
3	Others: Exchange Gain / (Loss)		(3,931)	(7,938)
	Handling Charges		(325)	686
4	Interest, Dividend & Rent - Gross		66,465	70,636
	TOTAL (A)		580,303	578,238
1	Claims Incurred (Net)	2	439,149	385,927
2	Commission	3	(89,510)	(103,416)
3	Operating expenses related to Insurance Business	4	133,991	312,564
	TOTAL (B)		483,630	595,075
	Operating Profit / (Loss) from Fire Business C = (A-B)		96,673	(16,837)
	APPROPRIATIONS			
	Transfer to Shareholders' Account		96,673	(16,837)
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves (to be specified)			
	TOTAL (C)		96,673	(16,837)

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

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

As per our Report of even date attached.

For and on behalf of Board of Directors

G.S. Mathur & Co.
Chartered Accountants
Firm Regn. No. 008744N

S.K. Mehta & Co.
Chartered Accountants
Firm Regn. No. 000478N

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Managing Director

Ajay Mathur
Partner
M.No. 082223

S.K. Mehta
Partner
M.No. 10870

Ichiro Maeda
Director

Rakesh Kapur
Director

Place: New Delhi,
Date: 11th May, 2013.

M.K. Tandon
Financial Advisor

Sanjeev Chopra
Chief Financial Officer

V.S. Rao
Company Secretary

MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2013

(₹ In '000)

S.No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	383,908	401,010
2	Profit / (Loss) on sale / Redemption of Investments		1,299	1,854
3	Others: Exchange Gain / (Loss)		9,020	289
	Handling Charges		534	285
4	Interest, Dividend & Rent - Gross		74,322	76,763
	TOTAL (A)		469,083	480,201
1	Claims Incurred (Net)	2	438,129	381,541
2	Commission	3	(24,163)	(43,371)
3	Operating expenses related to Insurance Business	4	92,253	233,000
	TOTAL (B)		506,219	571,170
	Operating Profit / (Loss) from Marine Business C = (A-B)		(37,136)	(90,969)
	APPROPRIATIONS			
	Transfer to Shareholders' Account		(37,136)	(90,969)
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves (to be specified)			
	TOTAL (C)		(37,136)	(90,969)

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

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

As per our Report of even date attached.

G.S. Mathur & Co.
Chartered Accountants
Firm Regn. No. 008744N

S.K. Mehta & Co.
Chartered Accountants
Firm Regn. No. 000478N

For and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Managing Director

Ajay Mathur
Partner
M.No. 082223

S.K. Mehta
Partner
M.No. 10870

Ichiro Maeda
Director

Rakesh Kapur
Director

Place: New Delhi,
Date: 11th May, 2013.

M.K. Tandon
Financial Advisor

Sanjeev Chopra
Chief Financial Officer

V.S. Rao
Company Secretary

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2013

(₹ In '000)

S.No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	15,339,994	12,412,658
2	Profit / (Loss) on sale / Redemption of Investments		35,907	34,547
3	Others: Transfer & Duplicate Fee		8,051	3,943
	Exchange Gain / Loss		1,289	(3,017)
	Handling Charges		141	5,248
4	Interest, Dividend & Rent - Gross		2,055,323	1,430,288
	TOTAL (A)		17,440,705	13,883,667
1	Claims Incurred (Net)	2	11,577,199	11,569,184
2	Commission	3	66,847	26,833
3	Operating expenses related to Insurance Business	4	4,225,747	2,980,170
	TOTAL (B)		15,869,793	14,576,187
	Operating Profit / (Loss) from Miscellaneous Business C = (A-B)		1,570,912	(692,520)
	APPROPRIATIONS			
	Transfer to Shareholders' Account		1,570,912	(692,520)
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves (to be specified)			
	TOTAL (C)		1,570,912	(692,520)

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

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

As per our Report of even date attached.

For and on behalf of Board of Directors

G.S. Mathur & Co.
Chartered Accountants
Firm Regn. No. 008744N

S.K. Mehta & Co.
Chartered Accountants
Firm Regn. No. 000478N

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Managing Director

Ajay Mathur
Partner
M.No. 082223

S.K. Mehta
Partner
M.No. 10870

Ichiro Maeda
Director

Rakesh Kapur
Director

Place: New Delhi,
Date: 11th May, 2013.

M.K. Tandon
Financial Advisor

Sanjeev Chopra
Chief Financial Officer

V.S. Rao
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2013

(₹ In '000)

S.No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	OPERATING PROFIT / (LOSS)			
	(a) Fire Insurance		96,673	(16,837)
	(b) Marine Insurance		(37,136)	(90,969)
	(c) Miscellaneous Insurance		1,570,912	(692,520)
			1,630,449	(800,326)
2	INCOME FROM INVESTMENTS			
	(a) Interest(Gross)		307,662	315,896
	(b) Profit on sale of Investments		5,375	7,630
	Less : Loss on Sale of Investments		-	-
			313,037	323,526
3	OTHERS			
	Miscellaneous Income		28,521	18,066
	TOTAL (A)		1,972,007	(458,734)
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		9,074	6,501
	(b) Bad Debts written off		-	-
	(c) Loss on Sale/Scraping of Fixed Assets		97	1,050
	TOTAL (B)		9,171	7,551
	Profit Before Tax		1,962,836	(466,285)
	Less: Provision for Taxation			
	Current Tax		351,800	-
	Deferred Tax		331,500	(148,800)
	Wealth Tax		500	487
	Add: Credit for Mat Entitlement		68,900	-
	Less: Short / Excess provision for taxation for earlier years			
	Current Tax		-	-
	Deferred Tax		-	-
	Wealth Tax		15	-
	Profit After Tax		1,347,921	(317,972)
	Balance of Profit brought forward from last year		85,339	403,311
	Balance available for appropriation		1,433,260	85,339
	APPROPRIATIONS			
	(a) Interim dividends paid during the year		-	-
	(b) Proposed final dividend		-	-
	(c) Dividend distribution tax		-	-
	(d) Transfer to any Reserves or other Accounts		-	-
	Balance carried forward to Balance sheet		1,433,260	85,339
	Basic & Diluted Earnings per share			
	(Equity shares of face value of Rs. 10 each)		5.00	(1.29)

Notes to Accounts

16

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

For and on behalf of Board of Directors

G.S. Mathur & Co.
Chartered Accountants
Firm Regn. No. 008744N

S.K. Mehta & Co.
Chartered Accountants
Firm Regn. No. 000478N

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Managing Director

Ajay Mathur
Partner
M.No. 082223

S.K. Mehta
Partner
M.No. 10870

Ichiro Maeda
Director

Rakesh Kapur
Director

Place: New Delhi,
Date: 11th May, 2013.

M.K. Tandon
Financial Advisor

Sanjeev Chopra
Chief Financial Officer

V.S. Rao
Company Secretary

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

(₹ In '000)

	Current Year		Previous Year	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premium received from policyholders, including advance receipts	28,486,808		23,707,478	
Other receipts	28,521		18,066	
Receipts from the re-insurers, net of commissions and claims	(922,395)		(1,912,328)	
Payments to co-insurers, net of claims recovery	(40,553)		(450,655)	
Payments of claims	(13,713,449)		(12,473,444)	
Payments of commission and brokerage	(1,211,650)		(1,018,427)	
Payments of other operating expenses	(4,568,334)		(3,848,400)	
Preliminary and pre-operative expenses	-		-	
Deposits, advances and staff loans	(83,816)		110,396	
Income taxes paid (Net)	(260,322)		(104,317)	
Service tax paid	(1,741,519)		(1,233,846)	
Other payments	-		-	
Cash Flows before extraordinary items	5,973,291		2,794,524	
Cash Flow from extraordinary operations	-		-	
Net Cash Flow from operating activities		5,973,291		2,794,524
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(88,998)		(113,501)	
Proceeds from sale of fixed assets	39		244	
Purchases of investments	(43,720,931)		(39,811,340)	
Loans disbursed	-		-	
Sales of investments	38,930,082		37,399,863	
Repayments received	-		-	
Rents/Interests/Dividends received	2,075,475		1,617,781	
Investments in money market instruments and in liquid mutual funds (Net)	-		-	
Expenses related to investments	(9,074)		(6,501)	
Net Cash Flow from investing activities		(2,813,407)		(913,454)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	-		1,250,004	
Proceeds from borrowing	-		-	
Repayments of borrowing	-		-	
Interest/dividends paid	-		-	
Net Cash Flow from financing activities				1,250,004
Effect of foreign exchange rates on cash and cash equivalents, net		-		-
Net Increase /(Decrease) in Cash & Cash equivalents		3,159,884		3,131,074
Cash equivalents at beginning of Year		8,984,618		5,853,544
Cash equivalents at end of Year		12,144,502		8,984,618

As per our Report of even date attached.

For and on behalf of Board of Directors

G.S. Mathur & Co
Chartered Accountants
Firm Reg No 008744N

S.K Mehta & Co.
Chartered Accountants
Firm Regn No.000478N

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Managing Director

Ajay Mathur
Partner
M No. 082223

S.K Mehta
Partner
M No. 10870

Ichiro Maeda
Director

Rakesh Kapur
Director

Place: New Delhi,
Date: 11th May, 2013.

M.K. Tandon
Financial Advisor

Sanjeev Chopra
Chief Financial Officer

V.S. Rao
Company Secretary

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1

PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Premium from direct business written	1,731,715	1,017,464	22,901,129	25,650,308	1,751,998	1,306,181	16,694,259	19,752,438
Add : Premium on reinsurance accepted	485,875	24,486	333,376	843,737	285,554	17,696	2,430,491	2,733,741
	2,217,590	1,041,950	23,234,505	26,494,045	2,037,552	1,323,877	19,124,750	22,486,179
Less : Premium on reinsurance ceded	1,657,834	656,472	5,587,646	7,901,952	1,525,686	825,636	5,901,879	8,253,201
Net Premium	559,756	385,478	17,646,859	18,592,093	511,866	498,241	13,222,871	14,232,978
Adjustments for changes in Reserve for Unexpired Risks	42,823	1,570	2,306,865	2,351,258	(1,282)	97,231	810,213	906,162
Total Premium Earned (Net)	516,933	383,908	15,339,994	16,240,835	513,148	401,010	12,412,658	13,326,816

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

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1 A

PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Premium from direct business written	883,012	134,452	1,017,464	1,023,032	283,149	1,306,181
Add : Premium on reinsurance accepted	22,230	2,256	24,486	15,786	1,910	17,696
	905,242	136,708	1,041,950	1,038,818	285,059	1,323,877
Less : Premium on reinsurance ceded	554,256	102,216	656,472	578,334	247,302	825,636
Net Premium	350,986	34,492	385,478	460,484	37,757	498,241
Adjustments for changes in Reserve for Unexpired Risks	4,837	(3,267)	1,570	95,727	1,504	97,231
Total Premium Earned (Net)	346,149	37,759	383,908	364,757	36,253	401,010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1 B

PREMIUM EARNED (NET)

(₹ 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	15,847,177	656,050	57,754	132,878	301,631	93,933	2,107,197	3,704,509	22,901,129
Add : Premium on reinsurance accepted	213,528	56,003	55,049	-	2,757	286	2,663	3,090	333,376
	16,060,705	712,053	112,803	132,878	304,388	94,219	2,109,860	3,707,599	23,234,505
Less : Premium on reinsurance ceded	1,617,162	530,040	83,027	13,303	40,941	42,558	475,992	2,784,623	5,587,646
Net Premium	14,443,543	182,013	29,776	119,575	263,447	51,661	1,633,868	922,976	17,646,859
Adjustments for changes in Reserve for Unexpired Risks	2,241,761	(384)	(4,934)	4,095	26,163	4,075	(22,122)	58,211	2,306,865
Total Premium Earned (Net)	12,201,782	182,397	34,710	115,480	237,284	47,586	1,655,990	864,765	15,339,994

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1 B

PREMIUM EARNED (NET)

(₹ 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	11,123,526	638,222	100,847	131,439	272,754	97,395	1,939,872	2,390,204	16,694,259
Add : Premium on reinsurance accepted	2,226,626	53,587	136,158	-	78	42	-	14,000	2,430,491
	13,350,152	691,809	237,005	131,439	272,832	97,436	1,939,872	2,404,204	19,124,750
Less : Premium on reinsurance ceded	2,798,432	497,816	116,818	13,295	73,537	51,522	547,005	1,803,454	5,901,879
Net Premium	10,551,720	193,993	120,187	118,144	199,295	45,914	1,392,867	600,750	13,222,871
Adjustments for changes in Reserve for Unexpired Risks	750,531	(4,505)	(31,888)	(7,545)	6,602	773	62,695	33,549	810,213
Total Premium Earned (Net)	9,801,189	198,498	152,075	125,689	192,693	45,141	1,330,172	567,201	12,412,658

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

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Claims Paid								
Direct	1,630,580	788,345	10,554,733	12,973,658	1,055,189	1,829,270	8,760,170	11,644,629
Add: Reinsurance accepted	110,533	-	10,139,157	10,249,690	69,664	20,985	1,158,422	1,249,071
Less: Reinsurance ceded	1,268,559	368,939	3,537,572	5,175,070	834,917	1,494,668	2,700,495	5,030,080
Net Claims Paid	472,554	419,406	17,156,318	18,048,278	289,936	355,587	7,218,097	7,863,620
Add: Claims Outstanding at the end of the year	408,703	474,314	7,948,972	8,831,989	442,108	455,591	13,528,091	14,425,790
Less: Claims Outstanding at the beginning of the year	442,108	455,591	13,528,091	14,425,790	346,117	429,637	9,177,004	9,952,758
Total Claims Incurred	439,149	438,129	11,577,199	12,454,477	385,927	381,541	11,569,184	12,336,652

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

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

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

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Claims Paid						
Direct	748,118	40,227	788,345	1,261,097	568,173	1,829,270
Add: Reinsurance accepted	-	-	-	4,418	16,567	20,985
Less: Reinsurance ceded	348,267	20,672	368,939	938,427	556,241	1,494,668
Net Claims Paid	399,851	19,555	419,406	327,088	28,499	355,587
Add: Claims Outstanding at the end of the year	403,365	70,949	474,314	343,550	112,041	455,591
Less: Claims Outstanding at the beginning of the year	343,550	112,041	455,591	329,398	100,239	429,637
Total Claims Incurred	459,666	(21,537)	438,129	341,240	40,301	381,541

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

(₹ In '000)

Particulars	Current Year								
	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public /Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Claims Paid									
Direct	6,809,825	300,165	555,227	23,624	171,679	8,858	1,727,314	958,041	10,554,733
Add: Reinsurance accepted	10,048,798	1,597	88,762	-	-	-	-	-	10,139,157
Less: Reinsurance ceded	1,716,119	202,399	528,710	2,766	35,171	4,668	356,066	691,673	3,537,572
Net Claims Paid	15,142,504	99,363	115,279	20,858	136,508	4,190	1,371,248	266,368	17,156,318
Add: Claims Outstanding at the end of the year	6,544,789	272,955	78,344	71,553	136,542	96,957	312,950	434,882	7,948,972
Less: Claims Outstanding at the beginning of the year	12,405,748	249,561	142,431	66,946	97,482	69,735	249,782	246,406	13,528,091
Total Claims Incurred	9,281,545	122,757	51,192	25,465	175,568	31,412	1,434,416	454,844	11,577,199

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

(₹ In '000)

Particulars	Previous Year								
	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public /Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Claims Paid									
Direct	5,468,890	241,850	16,830	23,634	211,990	30,649	1,754,528	1,011,799	8,760,170
Add: Reinsurance accepted	1,075,944	1,943	78,426	150	-	1,533	-	426	1,158,422
Less: Reinsurance ceded	1,308,267	143,705	29,321	3,207	68,432	28,215	386,738	732,610	2,700,495
Net Claims Paid	5,236,567	100,088	65,935	20,577	143,558	3,967	1,367,790	279,615	7,218,097
Add: Claims Outstanding at the end of the year	12,405,748	249,561	142,431	66,946	97,482	69,735	249,782	246,406	13,528,091
Less: Claims Outstanding at the beginning of the year	7,874,112	277,086	102,930	56,482	100,498	59,658	464,692	241,546	9,177,004
Total Claims Incurred	9,768,203	72,563	105,436	31,041	140,542	14,044	1,152,880	284,475	11,569,184

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-3

COMMISSION

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Commission Paid								
Direct	62,209	61,348	1,028,042	1,151,599	60,435	73,601	758,234	892,270
TOTAL (A)	62,209	61,348	1,028,042	1,151,599	60,435	73,601	758,234	892,270
Add : Re-insurance Accepted	29,650	2,489	12,236	44,375	23,641	1,684	37,108	62,433
Less : Commission on Re-insurance ceded	181,369	88,000	973,431	1,242,800	187,492	118,656	768,510	1,074,658
Net Commission	(89,510)	(24,163)	66,847	(46,826)	(103,416)	(43,371)	26,833	(119,954)
Breakup of the expenses (Gross) incurred to procure business :								
Agents	32,284	26,928	577,865	637,077	28,842	30,900	475,122	534,864
Brokers	20,689	33,150	368,302	422,141	24,704	39,971	210,730	275,405
Corporate Agency	9,236	1,270	81,875	92,381	6,889	2,730	72,382	82,001
Referral	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
TOTAL (B)	62,209	61,348	1,028,042	1,151,599	60,435	73,601	758,234	892,270

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

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-3 A

COMMISSION

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Commission Paid						
Direct	52,645	8,703	61,348	65,343	8,258	73,601
TOTAL (A)	52,645	8,703	61,348	65,343	8,258	73,601
Add : Re-insurance Accepted	2,466	23	2,489	1,620	64	1,684
Less : Commission on Re-insurance ceded	79,134	8,866	88,000	101,459	17,197	118,656
Net Commission	(24,023)	(140)	(24,163)	(34,496)	(8,875)	(43,371)
Breakup of the expenses (Gross) incurred to procure business :						
Agents	21,195	5,733	26,928	25,696	5,204	30,900
Brokers	30,188	2,962	33,150	36,932	3,039	39,971
Corporate Agency	1,262	8	1,270	2,715	15	2,730
Referral	-	-	-	-	-	-
Others	-	-	-	-	-	-
TOTAL (B)	52,645	8,703	61,348	65,343	8,258	73,601

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-3 B

COMMISSION

(₹ In '000)

Particulars	Current Year								
	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public /Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Commission Paid Direct	722,719	34,394	2,595	12,215	13,522	9,712	97,147	135,738	1,028,042
Total (A)	722,719	34,394	2,595	12,215	13,522	9,712	97,147	135,738	1,028,042
Add : Re-insurance Accepted	247	4,410	7,472	-	28	9	27	43	12,236
Less : Commission on Re-insurance ceded	243,802	82,565	2,327	1,980	(13,871)	4,027	67,814	584,787	973,431
Net Commission	479,164	(43,761)	7,740	10,235	27,421	5,694	29,360	(449,006)	66,847
Breakup of the expenses (Gross) incurred to procure business:									
Agents	434,767	16,103	171	8,961	6,541	2,832	48,588	59,902	577,865
Brokers	245,806	16,835	2,424	2,254	5,202	6,420	40,490	48,871	368,302
Corporate Agency	42,146	1,456	-	1,000	1,779	460	8,069	26,965	81,875
Referral	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
TOTAL (B)	722,719	34,394	2,595	12,215	13,522	9,712	97,147	135,738	1,028,042

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE-3 B

COMMISSION

(₹ In '000)

Particulars	Previous Year								
	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public /Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Commission Paid Direct	503,976	36,293	2,572	12,279	11,425	8,497	84,568	98,625	758,234
Total (A)	503,976	36,293	2,572	12,279	11,425	8,497	84,568	98,625	758,234
Add : Re-insurance Accepted	11,520	4,544	20,708	-	8	3	-	326	37,108
Less : Commission on Re-insurance ceded	233,605	102,361	6,008	1,349	26,407	5,976	84,097	308,708	768,510
Net Commission	281,891	(61,524)	17,272	10,930	(14,974)	2,524	471	(209,758)	26,833
Breakup of the expenses (Gross) incurred to procure business									
Agents	343,491	15,124	212	8,419	5,676	6,123	45,391	50,686	475,122
Brokers	121,834	18,311	2,360	2,511	3,595	1,999	31,826	28,293	210,730
Corporate Agency	38,651	2,858	-	1,349	2,154	374	7,351	19,645	72,382
Referral	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
TOTAL (B)	503,976	36,293	2,572	12,279	11,425	8,497	84,568	98,625	758,234

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year				Previous Year			
		FIRE	*MARINE	** MISCELLANEOUS	Total	FIRE	*MARINE	** MISCELLANEOUS	Total
1	Employees remuneration and welfare benefits	21,498	14,805	677,760	714,063	59,864	44,631	570,426	674,921
2	Travel, Conveyance and vehicle running expenses	7,804	5,375	246,040	259,219	15,594	11,626	148,592	175,812
3	Training expenses	181	124	5,702	6,007	1,174	876	11,189	13,239
4	Rent, rates and taxes	7,432	5,118	234,293	246,843	14,466	10,785	137,846	163,097
5	Repairs	2,435	1,677	76,767	80,879	6,415	4,783	61,130	72,328
6	Printing and Stationery	1,640	1,129	51,697	54,466	3,737	2,786	35,609	42,132
7	Communication	1,746	1,203	55,057	58,006	6,704	4,999	63,884	75,587
8	Legal and professional charges	25,998	17,904	819,617	863,519	67,923	50,640	647,227	765,790
9	Auditor's fees, expenses etc.								
	(a) As Auditor	75	52	2,373	2,500	222	165	2,114	2,501
	(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-
	(i) Taxation matters	9	6	285	300	44	33	422	499
	(ii) Insurance matters	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-
10	Advertisement and publicity	4,428	3,050	139,608	147,086	6,875	5,125	65,505	77,505
11	Marketing & Support Services	44,445	30,607	1,401,169	1,476,221	94,095	70,151	896,595	1,060,841
12	Interest and Bank charges	1,679	1,156	52,928	55,763	4,077	3,039	38,847	45,963
13	Others :								
	Policy Stamps	30	-	2,477	2,507	38	-	2,205	2,243
	Information & Technology Expenses	4,351	2,995	137,139	144,485	5,436	4,053	51,799	61,288
	Electricity & Water Charges	1,258	866	39,653	41,777	3,083	2,298	29,379	34,760
	Courtesies & Entertainment	759	523	23,928	25,210	1,703	1,269	16,217	19,189
	Others	5,683	3,914	179,169	188,766	14,061	10,483	133,983	158,527
14	Depreciation	2,540	1,749	80,085	84,374	7,053	5,258	67,201	79,512
	TOTAL	133,991	92,253	4,225,747	4,451,991	312,564	233,000	2,980,170	3,525,734

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

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4 A

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year			Previous Year		
		Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
1	Employees remuneration and welfare benefits	13,480	1,325	14,805	34,956	9,675	44,631
2	Travel, Conveyance and vehicle running expenses	4,894	481	5,375	9,106	2,520	11,626
3	Training expenses	113	11	124	686	190	876
4	Rent, rates and taxes	4,660	458	5,118	8,447	2,338	10,785
5	Repairs	1,527	150	1,677	3,746	1,037	4,783
6	Printing and Stationery	1,028	101	1,129	2,182	604	2,786
7	Communication	1,095	108	1,203	3,915	1,084	4,999
8	Legal and professional charges	16,302	1,602	17,904	39,662	10,978	50,640
9	Auditor's fees, expenses etc.						
	(a) As Auditor	47	5	52	129	36	165
	(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-
	(i) Taxation matters	5	1	6	26	7	33
	(ii) Insurance matters	-	-	-	-	-	-
	(iii) Management Services	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-
10	Advertisement and publicity	2,777	273	3,050	4,014	1,111	5,125
11	Marketing & Support Services	27,868	2,739	30,607	54,945	15,206	70,151
12	Interest and Bank charges	1,053	103	1,156	2,380	659	3,039
13	Others:						
	Policy Stamps	-	-	-	-	-	-
	Information & Technology Expenses	2,727	268	2,995	3,174	879	4,053
	Electricity & Water Charges	789	77	866	1,800	498	2,298
	Courtesies & Entertainment	476	47	523	994	275	1,269
	Others	3,564	350	3,914	8,211	2,272	10,483
14	Depreciation	1,593	156	1,749	4,118	1,140	5,258
	Total	83,998	8,255	92,253	182,491	50,509	233,000

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

(₹ In '000)

S. No.	Particulars	Current Year								
		Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public /Product Liability	Health	Other Miscellaneous	Total Miscellaneous
1	Employees remuneration and welfare benefits	554,731	6,991	1,144	4,592	10,118	1,984	62,752	35,448	677,760
2	Travel, Conveyance and vehicle running expenses	201,378	2,538	415	1,667	3,673	720	22,780	12,869	246,040
3	Training expenses	4,667	59	10	39	85	17	528	297	5,702
4	Rent, rates and taxes	191,763	2,417	395	1,588	3,498	686	21,692	12,254	234,293
5	Repairs	62,832	792	130	520	1,146	225	7,108	4,014	76,767
6	Printing and Stationery	42,313	533	87	350	772	151	4,786	2,705	51,697
7	Communication	45,063	568	93	373	822	161	5,098	2,879	55,057
8	Legal and professional charges	670,837	8,454	1,383	5,554	12,236	2,399	75,886	42,868	819,617
9	Auditor's fees, expenses etc.									
	(a) As Auditor	1,942	24	4	16	35	7	220	125	2,373
	(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	233	3	-	2	4	1	26	16	285
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-
	(iii) Management Services	-	-	-	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	114,266	1,440	236	946	2,084	409	12,926	7,301	139,608
11	Marketing & Support Services	1,146,824	14,452	2,364	9,494	20,918	4,102	129,730	73,285	1,401,169
12	Interest and Bank charges	43,320	546	89	359	790	155	4,900	2,769	52,928
13	Others:									
	Policy Stamps	1,935	3	-	68	14	-	40	417	2,477
	Information & Technology Expenses	112,246	1,414	231	929	2,047	401	12,697	7,174	137,139
	Electricity & Water Charges	32,455	409	67	269	592	116	3,671	2,074	39,653
	Courtesies & Entertainment	19,585	247	40	162	357	70	2,215	1,252	23,928
	Others	146,646	1,848	302	1,214	2,675	525	16,589	9,370	179,169
14	Depreciation	65,547	826	135	543	1,196	234	7,415	4,189	80,085
	Total	3,458,583	43,564	7,125	28,685	63,062	12,363	391,059	221,306	4,225,747

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

(₹ In '000)

S. No.	Particulars	Previous Year								
		Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public /Product Liability	Health	Other Miscellaneous	Total Miscellaneous
1	Employees remuneration and welfare benefits	380,080	21,807	3,446	4,491	9,320	3,328	66,284	81,670	570,426
2	Travel, Conveyance and vehicle running expenses	99,008	5,681	898	1,170	2,428	867	17,266	21,274	148,592
3	Training expenses	7,455	428	68	88	183	65	1,300	1,602	11,189
4	Rent, rates and taxes	91,848	5,270	833	1,085	2,252	804	16,018	19,736	137,846
5	Repairs	40,732	2,337	369	481	999	357	7,103	8,752	61,130
6	Printing and Stationery	23,727	1,361	215	280	582	208	4,138	5,098	35,609
7	Communication	42,566	2,442	386	503	1,044	373	7,423	9,147	63,884
8	Legal and professional charges	431,252	24,743	3,910	5,096	10,575	3,776	75,208	92,667	647,227
9	Auditor's fees, expenses etc.									
	(a) As Auditor	1,408	81	13	17	35	12	246	302	2,114
	(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	282	16	3	3	7	2	49	60	422
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-
	(iii) Management Services	-	-	-	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	43,646	2,504	395	516	1,070	382	7,612	9,380	65,505
11	Marketing & Support Services	597,408	34,276	5,416	7,059	14,649	5,230	104,184	128,373	896,595
12	Interest and Bank charges	25,883	1,485	235	306	635	227	4,514	5,562	38,847
13	Others:									
	Policy Stamps	1,773	2	-	67	15	13	40	295	2,205
	Information & Technology Expenses	34,515	1,980	313	408	846	302	6,019	7,416	51,799
	Electricity & Water Charges	19,576	1,123	177	231	480	171	3,414	4,207	29,379
	Courtesies & Entertainment	10,805	620	98	128	265	95	1,884	2,322	16,217
	Others	89,274	5,122	809	1,055	2,189	782	15,569	19,183	133,983
14	Depreciation	44,777	2,569	406	529	1,098	392	7,809	9,621	67,201
	Total	1,986,015	113,847	17,990	23,513	48,672	17,386	346,080	426,667	2,980,170

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 5
SHARE CAPITAL

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
1	Authorised Capital 400000000 Equity Shares of ₹10 each	4,000,000	4,000,000
2	Issued Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
3	Subscribed Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
4	Called up Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
	Less: Calls unpaid	-	-
	Add: Equity Shares forfeited (amount originally paid up)	-	-
	Less: Par Value of Equity Shares bought back	-	-
	Less: preliminary Expenses	-	-
	Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	TOTAL	2,693,215	2,693,215

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

S. No.		As at 31 st March, 2013		As at 31 st March, 2012	
		Number of Shares	% of Holding	Number of Shares	% of Holding
	Promoters				
1	Indian	199297910	74	199297910	74
2	Foreign	70023590	26	70023590	26
3	Others	-	-	-	-
	TOTAL	269321500	100	269321500	100

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

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium		
	Opening Balance	2,568,789	1,542,000
	Additions during the year	-	1,026,789
	Closing Balance	2,568,789	2,568,789
4	General Reserve	-	-
5	Catastrophe Reserve	1,166	1,166
6	Other Reserves (to be specified)	-	-
7	Balance of Profit in Profit and Loss Account	1,433,260	85,339
	TOTAL	4,003,215	2,655,294

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 7

BORROWINGS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8

INVESTMENTS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
	LONG TERM INVESTMENTS		
1	Govt Securities, Govt guaranteed Bonds incl Treasury Bills	10,553,315	7,699,030
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	-	-
	Derivative Instruments	-	-
	Debenture/Bonds (Housing)	3,163,955	2,116,522
	Non Convertible Debenture/ Bonds	800,000	510,334
	Other Securities	-	-
	Subsidiaries	5,000	5,000
	Investment Properties - Real Estate	-	-
4	Investment In Infrastructure and social sector	3,932,610	3,752,411
5	Other than approved investments	-	-
	SHORT TERM INVESTMENTS		
1	Govt Securities, Govt guaranteed Bonds incl. Treasury Bills	-	11,323
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	300,166	320,361
	Derivative Instruments	-	-
	Debentures & Bonds (Housing)	100,000	20,031
	Non Convertible Debenture/ Bonds	114,310	150,000
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investments in Infrastructure & Social Sector	615,012	184,988
5	Other than approved investments	-	-
	TOTAL	19,584,368	14,770,000

Note: Aggregate amount of Company's investment other than listed equity securities and derivative instruments is ₹19,584,368 thousand (Previous year ₹14,770,000 thousand).

Market value of such investments as at 31.03.2013 is ₹19,586,633 thousand (Previous year ₹14,474,035 thousand).

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9

LOANS

(₹ In '000)

S.No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(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	-	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 10
FIXED ASSETS

(₹ In '000)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2012	Additions during the year	Sales/ Adjustments during the year	As at 31 st March, 2013	Upto 31 st March, 2012	For the Year	On sales / adjustments	Upto 31 st March 2013	As at 31 st March, 2013	As at 31 st March, 2012
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles:	-	-	-	-	-	-	-	-	-	-
Computer Software	121,951	49,998	-	171,949	100,816	24,170	-	124,986	46,963	21,135
Land - Freehold	37,849	-	-	37,849	-	-	-	-	37,849	37,849
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	12,251	-	-	12,251	403	200	-	603	11,647	11,847
Furniture & Fittings	238,902	9,500	-	248,402	172,947	15,745	-	188,693	59,709	65,955
Information Technology	-	-	-	-	-	-	-	-	-	-
Equipment	413,794	28,591	-	442,385	348,436	40,084	-	388,520	53,865	65,358
Vehicles	7,185	-	-	7,185	1,619	683	-	2,301	4,884	5,566
Office Equipment	65,799	6,446	204	72,041	17,560	3,492	68	20,984	51,057	48,239
Others	-	-	-	-	-	-	-	-	-	-
TOTAL	897,731	94,535	204	992,062	641,782	84,374	68	726,088	265,974	255,949
Capital Work In Progress	13,823	8,304	13,823	8,304	-	-	-	-	8,304	13,823
Grand Total	911,554	102,839	14,027	1,000,366	641,782	84,374	68	726,088	274,278	269,772
Previous Year	802,550	126,383	17,379	911,554	565,373	79,512	3,103	641,782	269,772	237,174

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 11
CASH AND BANK BALANCES

(₹ In '000)

S.No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
1	Cash (including cheques, drafts and stamps)	12,285	3,147
2	Bank Balances		
	(a) Deposit Accounts	-	-
	(aa) Short term (due within 12 months)	7,710,000	6,885,000
	(bb) Others	3,880,000	1,630,000
	(b) Current Accounts	542,217	466,471
	(c) Others	-	-
3	Money at call & short notice		
	With Banks	-	-
	With Other Institutions	-	-
4	Others	-	-
	TOTAL	12,144,502	8,984,618
	Balances with non-scheduled banks included in 2 and 3 above	-	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 12
ADVANCES AND OTHER ASSETS

(₹ In '000)

S.No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
	ADVANCES		
1	Reserve Deposit with ceding Companies	-	-
2	Application Money for Investments	-	-
3	Prepayments	155,775	35,194
4	Advance to Directors / Officers	-	-
5	Advance Tax Paid and Tax Deducted at source (Net of provision for taxation)	113,331	205,325
6	MAT Credit Entitlement	68,900	-
7	Deposit towards Rent	46,978	52,264
8	Service Tax Recoverable	-	11,031
9	Others	172,592	43,300
	TOTAL (A)	557,576	347,114
	OTHER ASSETS		
1	Income accrued on Investments / FDRs	1,347,452	924,314
2	Outstanding Premiums	574,528	251,320
3	Agents' balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from entities carrying on insurance business (including reinsurers)	1,158,206	2,575,812
6	Due from Subsidiaries/ Holdings	-	-
7	Deposit with Reserve Bank of India (Pursuant to section 7 of Insurance Act, 1938)	-	-
8	Others	-	-
	TOTAL (B)	3,080,186	3,751,446
	TOTAL (A+B)	3,637,762	4,098,560

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 13

CURRENT LIABILITIES

(₹ In '000)

S.No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
1	Agents Balances	106,918	74,287
2	Balances due to other insurance companies (including reinsurers)	1,930,065	269,895
3	Deposits held on reinsurances ceded	-	-
4	Premiums received in advance	161,940	470,539
5	Unallocated premium	-	-
6	Sundry Creditors	519,666	393,246
7	Due to subsidiaries/holding company	42,168	1,978
8	Claims outstanding *	16,224,464	14,425,790
9	Due to Officers / Directors	-	-
10	Deposit Premium	168,855	102,261
11	Service Tax Payable	2,558	-
12	Employee Benefit	65,583	63,447
13	Policyholder Dues	192,341	125,675
	TOTAL	19,414,558	15,927,118

* Current Year amount Includes ₹7,392,475 thousands on account of settlement received from the IMTPIP towards the Company's share of claim liability determined by the pool upto the date of dismantling (Net of claims paid during the year ended on 31st March 2013).

SCHEDULE - 14

PROVISIONS

(₹ In '000)

S.No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
1	Reserve for Unexpired Risk	9,594,256	7,242,998
2	For taxation (less advance tax paid and taxes deducted at source)	-	-
3	For Proposed Dividends	-	-
4	For Dividend Distribution Tax	-	-
5	Premium Defficiency	-	-
	TOTAL	9,594,256	7,242,998

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(₹ In '000)

S.No.	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	(2)	(3)	(4)
1	Discount allowed in issue of shares/debentures	-	-
2	Others	-	-
	TOTAL	-	-

IFFCO-TOKIO

ACCOUNTING POLICIES & NOTES ON ACCOUNTS



SCHEDULE 16: NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statement

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the generally accepted accounting principles and conform to the statutory requirements prescribed under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 including directions thereon, the Insurance Act, 1938, the Companies Act, 1956 including notified Accounting Standards there under except otherwise stated.

2. Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent assets & liabilities. Such estimates and assumptions are based on the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Any revision to the accounting estimates is recognized 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. 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 period in which they occur.
- 3.3. Premium deficiency is recognized whenever expected claim costs, related expenses and maintenance costs exceeds related reserve for unexpired risks for each 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 period in which the premium is ceded. Profit commission under reinsurance treaties, wherever applicable, is recognized on the determination of profit for the period.
- 3.6. Interest Income is recognized on accrual basis.
- 3.7. Dividend income is recognized when the right to receive dividend is established.
- 3.8. Profit or Loss on sale/redemption of investments which is the difference between sale consideration and carrying value is recognized on trade date and includes effects of accumulated fair value changes, previously recognized, for specific investments sold / redeemed during the year. In determining realized gain/loss, cost of securities is arrived at on 'Weighted average cost' basis and sale consideration for the purpose of realized gain/ loss is net of Brokerage and taxes, if any.

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

Investment income is apportioned to Profit and Loss Account and Revenue Accounts in the ratio of average of Shareholders Funds

and Policy holders Funds standing in each class of business at the end of each month.

5. Claims Incurred

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

6. Allocation of Operating Expenses

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

8. Investments

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

Classification

Investment maturing within twelve months from the Balance Sheet date and investments made with specific intention to dispose off

within twelve months from the Balance Sheet date are classified as Short term Investments. Other investments are classified as Long term Investments.

Valuation

(I) Debt securities including Government securities are considered as held to maturity and are valued at cost subject to amortization by charging off/ crediting investment income with the difference of acquisition cost and maturity value over the unexpired period of maturity on straight line method.

(ii) Investments in units of mutual funds are valued at Net Asset Value (NAV) 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 /amortization.

10. Depreciation/Amortisation

10.1. Depreciation on 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.

11. Pre-Paid Expenses

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

12. Foreign Currency Transactions

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

The monetary items remaining outstanding as on the date of Balance Sheet are translated at the exchange rate as on that date. Exchange Gain/ Loss on settlement/ translation of foreign currency transactions is recognized as income/expense.

13. Income Tax

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

14. Employee Benefits

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

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

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

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

15. Impairment of Assets

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

16. Provisions & Contingencies

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

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 other than Investment under Section 7 of the Insurance Act, 1938.
2. a) Commitments made and outstanding for loans and investments are Nil (Previous Year- Nil)
b) The company has committed ₹7,702 thousand (Previous Year ₹13,546 thousand) for the purchase of fixed assets
3. Claims, less reinsurance, paid to claimants in/outside India during the year under various class of business are as under:

(₹ in '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2013	Year ended 31.3.2012	Year ended 31.3.2013	Year ended 31.3.2012
Fire	453,171	275,444	19,383	14,491
Marine	419,406	339,823	-	15,765
Miscellaneous	1,7082,727	7,162,380	73,591	55,717

4. Age-wise breakup of claims outstanding on Gross basis under various class of business as at 31st March, 2013 is as under:

(₹ in '000)

Class of Business	Outstanding for more than 6 months		Other Claims	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Fire	1,669,795	1,617,069	763,605	532,222
Marine	671,166	661,291	175,005	106,783
Miscellaneous	7,963,200	7,647,504	2,092,551	1,297,597

5. Claims settled and remaining unpaid for a period of more than six months as at 31st March, 2013 is Nil (Previous Year Nil).
6. (a) Premium less reinsurances written during the year under various classes of business is as under:

(₹ in '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2013	Year ended 31.3.2012	Year ended 31.3.2013	Year ended 31.3.2012
Fire	555,758	491,048	3,998	20,818
Marine	384,897	498,020	581	221
Miscellaneous	17,582,448	13,132,399	64,411	90,472

(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 31.3.2013	Year ended 31.3.2012	Year ended 31.3.2013	Year ended 31.3.2012
Fire	25.24%	25.12%	74.76%	74.88%
Marine	37.00%	37.64%	63.00%	62.36%
Miscellaneous	75.95%	69.14%	24.05%	30.86%

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

7. All the investments held by the company as at 31st March, 2013 and 31st March, 2012 are performing investments.
8. Value of Contracts in relation to Investments for:

(₹ in '000)

	As at 31.3.2013	As at 31.3.2012
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:

(₹ in '000)

Central Government Securities	As At 31.3.2013	As At 31.3.2012
Book Value	116,208	107,268
Market Value as on date of deposit of security	123,388	115,118

10. Short Term Investments in Mutual Fund as at 31st March 2013 is ₹300,166 thousand (previous year ₹320,361 thousand) and historical cost of the same is ₹300,000 thousand. (Previous year ₹320,036 thousand).
11. Sector wise business executed by the company is as follows:

	Year ended 31.3.2013	Year ended 31.3.2012
Urban areas	84.09%	85.25%
Rural areas	15.91%	14.75%
Social sector	9.17%	3.22%
Gross Premium	₹2,353,572 thousand	₹635,576 thousand
Number of lives covered (Estimated)	₹5,825 thousand	₹3,620 thousand

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

(₹ in '000)

	Year ended 31.3.2013		Year ended 31.3.2012	
	Managing Director	Whole-time Directors	Managing Director	Whole-time Directors
Salaries and Allowances	5,132	11,400	5,884	7,519
Contribution to Provident Fund	99	446	276	346
Total*	5,231	11,846	6,160	7,865

* Excludes provision for leave encashment and the gratuity contributions which are determined actuarially on an overall basis and accordingly have not been considered in the above information.

The remuneration as above has been approved by IRDA.

13. Summary of Financial Statements

(₹ in Lacs)

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
OPERATING RESULTS					
Gross Premium written	264,940.45	224,861.79	198,886.69	163,956.36	151,552.19
Net Earned Premium	162,408.35	133,268.15	113,510.27	92,222.41	83,293.01
Income					
Income from Investments	22,344.77	16,157.94	11,604.09	10,665.35	8,569.35
Other Income	147.79	(5.04)	12.49	9.95	6.62
Total Income	184,900.91	149,421.05	125,107.12	102,897.71	91,868.98
Commission	(468.26)	(1,199.53)	1,510.68	2,518.61	(322.56)
Operating expenses	44,519.91	35,257.34	31,921.12	24,965.13	23,972.78
Claims Increase in unexpired risk reserve and other outgoes	124,544.77	123,366.51	99,046.49	73,266.84	69,502.41
Total Expenses	168,596.42	157,424.32	132,478.31	100,750.58	93,152.64
Operating Profit/(Loss)	16,304.49	(8,003.27)	(7,371.19)	2,147.13	(1,283.64)
NON OPERATING RESULT					
Total Income under shareholders account	3,323.87	3,340.42	2,414.68	1,713.94	1,975.58
Profit/(Loss) before tax	19,628.36	(4,662.85)	(4,936.76)	3,861.07	691.94
Provision for tax	6,149.15	(1,483.13)	(1,666.76)	1,322.89	441.67
Profit/(Loss) after tax	13,479.21	(3,179.72)	(3,270.00)	2,538.18	250.27
MISCELLANEOUS					
Paid up Equity Capital	26,932.15	26,932.15	24,700.00	24,700.00	22,821.10
Net Worth	66,964.30	53,485.09	44,166.07	47,431.91	45,760.67
Total assets	357,054.10	285,189.50	214,986.92	185,044.48	158,938.70
Yield on total investments	9.26%	9.11%	8.02%	8.33%	8.92%
Earnings per share	5.00	-1.29	-1.32	1.03	0.11
Book value per share	24.86	19.86	17.88	19.20	20.05
Total dividend	-	-	-	741.00	-
Dividend per share	-	-	-	0.30	-

14. Performance Ratios:-

S.No.	Particular	2013	2012
1	Gross Premium Growth Rate		
	FIRE	-1.16%	-6.83%
	MARINE	-22.10%	2.06%
	MISCELLANEOUS	37.18%	13.79%
2	Gross Premium to shareholders' fund ratio (In Times)	3.83	3.69
3	Growth rate of shareholders' fund	25.21%	21.11%
4	Net Retention Ratio		
	FIRE	25.24%	25.12%
	MARINE	37.00%	37.64%
	MISCELLANEOUS	75.95%	69.14%
5	Net Commission Ratio		
	FIRE	-15.99%	-20.20%
	MARINE	-6.27%	-8.70%
	MISCELLANEOUS	0.38%	0.20%
6	Expense of Management to Gross Direct Premium Ratio	21.85%	22.37%
7	Combined Ratio	100.38%	116.50%
8	Technical Reserves to net premium ratio (In Times)	1.39	1.52
9	Underwriting balance ratio	-3.81%	-18.13%
	FIRE	6.44%	-15.97%
	MARINE	-31.86%	-42.43%
	MISCELLANEOUS	-3.45%	-17.43%
10	Operating Profit Ratio	9.95%	-6.00%
11	Liquid Assets to liabilities ratio (In Times)	0.51	0.44
12	Net earning ratio	7.25%	-2.23%
13	Return on net worth ratio	20.14%	-5.94%
14	Available Solvency Margin Ratio to Required Solvency Margin Ratio	1.43	1.22
15	NPA Ratio	-	-
	Gross NPA Ratio	Nil	Nil
	Net NPA Ratio	Nil	Nil
Equity Holding Pattern for Non-Life Insurers			
1	No. of shares	26,93,21,500	26,93,21,500
2	Percentage of shareholding (Indian / Foreign)	74/26	74/26
4	Basic and diluted EPS before extraordinary items (net of tax expense) for the year (₹)	5.00	-1.29
5	Basic and diluted EPS after extraordinary items (net of tax expense) for the year (₹)	5.00	-1.29
6	Book value per share (₹)	24.86	19.86

Note: Performance Ratios are being worked out on the basis of method of calculation as provided in IRDA Master Circular No. IRDA/F&I/CIR/F&A/231/10/2012 dated 5th October 2012.

15. The investments as at the year end have not been allocated into Policy Holders and Shareholders as the same are not specifically earmarked separately.
16. No depreciation is allocable to the Profit and Loss Account based on the 'use' of the asset.
17. Details of certain expenses as required by IRDA are as under:

(₹ in '000)

Particulars	2012-13	2011-12
Outsourcing Expenses (Manpower)	82,778	67,465
Business Development	445,440	378,265
Marketing and Support Services	1,476,221	1,060,841

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

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

19. Agewise analysis of the Unclaimed Amount of Policy holder.

(₹ in '000)

Sl. No.	Particulars	Total Amount	AGE-WISE ANALYSIS						
			1-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 Months
A	Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	1,00,984	32,949	6,092	6,273	8,193	12,911	7,912	26,651
B	Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
C	Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	2,468	25	142	568	204	501	303	725
D	Cheques issued but not encashed by the policyholder / insured	88,889	996	7,107	20,055	10,148	8,820	6,161	35,602

II. Accounting Standard disclosures

1. Employee Benefits (AS-15)

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.
Provident Fund	The Company pays fixed contribution to Provident Fund Trust. Contribution to Family Pension Scheme is paid to appropriate authority. The contribution for ₹24,753 thousand (previous year ₹23,711 thousand) has been recognized as expense in the accounts.

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

i. Expenses recognized in Profit & Loss Account

(₹ in '000)

	Gratuity					Leave Encashment				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
Current Service Cost	5,731	5,773	6,343	3,852	4,088	10,765	10,017	10,534	13,289	13,477
Interest cost on benefit obligation	3,056	3,447	1,878	1,705	1,267	4,925	4,925	3,876	4,458	4,285
Expected return on plan assets	(3,739)	(2,912)	(1,908)	(1,558)	(1,539)	-	-	-	-	-
Net actuarial (Gain)/ loss recognized in the year	(4,283)	(9,827)	6,454	1,739	3,139	7,757	(6,680)	7,095	(15,961)	(8,993)
Expenses recognized in the Profit & Loss Account	765	(3,518)	12,767	5,738	6,955	23,447	8,262	21,505	1,786	8,769

ii. The amount recognized in the Balance Sheet

(₹ in '000)

	Gratuity					Leave Encashment				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
Present Value of obligation at end of year(i)	39,823	37,046	41,777	28,902	22,775	68,190	59,695	59,697	45,240	46,837
Fair Value of Plan assets at end of year(ii)	42,430	40,419	29,017	23,164	17,359	-	-	-	-	-
Difference (ii-I) i.e. Assets/ (Liabilities)	2,607	3,373	(12,760)	(5,738)	(5,416)	(68,190)	(59,695)	(59,697)	(45,240)	(46,837)
Net Asset/ (liability) recognized in the Balance Sheet	2,607	3,373	(12,760)	(5,738)	(6,955)	(68,190)	(59,695)	(59,697)	(45,240)	(46,837)

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

(₹ in '000)

	Gratuity					Leave Encashment				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
Present Value of obligation at beginning of year	37,046	41,777	28,902	22,775	16,683	59,695	59,697	45,240	46,837	42,454
Interest Cost	3,056	3,447	1,878	1,705	1,267	4,925	4,925	3,876	4,458	4,285
Current Service Cost	5,731	5,773	6,343	3,852	4,088	10,765	10,017	10,534	13,289	13,477
Benefit Paid	(5,339)	(1,357)	(1,800)	(1,169)	(2,402)	(14,952)	(8,264)	(7,048)	(3,383)	(4,386)
Net actuarial (Gain)/Loss on	(671)	(12,594)	6,454	1,739	3,139	7,757	(6,680)	7,095	(15,961)	(8,993)
Present value of the defined benefit as at end of year	39,823	37,046	41,777	28,902	22,775	68,190	59,695	59,697	45,240	46,837

iv. Changes in the fair value of plan assets:

(₹ in '000)

	Gratuity					Leave Encashment				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
Fair value of plan assets at beginning of year	40,419	31,477	23,164	17,359	18,222	-	-	-	-	-
Expected return on plan assets	3,739	2,912	1,908	1,558	1,539	-	-	-	-	-
Contributions by employer	-	10,155	5,731	6,949	-	-	-	-	-	-
Benefit Paid	(5,339)	(1,357)	(1,800)	(1,169)	(2,402)	-	-	-	-	-
Actuarial Gain/(Loss) on plan assets	3,611	(2,767)	14	(1,533)	-	-	-	-	-	-
Fair value of plan assets at end of year *	42,430	40,419	29,017	23,164	17,359	-	-	-	-	-

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

v. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

	Gratuity (Funded)					Leave Encashment (Non Funded)				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
Method used	Projected Unit Credit Method									
Discount rate	8.25%	8.25%	8.00%	8.00%	8.00%	8.25%	8.25%	8.50%	8.25%	7.75%
Salary Escalation	5.00%	5.00%	6.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality rate	IALM (1994-96)									
Withdrawal rate	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1%	1%	1%
Rate of return on plan assets	9.25%	9.25%	9.25%	9.25%	9.25%	-	-	-	-	-

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

2. The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. Disclosure as required under Accounting Standard (AS-17) is provided as under:

a) Business Segments

(₹ in '000)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
SEGMENT REVENUE:		
Fire Insurance	2,285,216	2,109,894
Marine Insurance	1,117,569	1,402,494
Motor Insurance-OD	11,066,308	10,553,613
Motor Insurance-TP	6,841,877	4,100,849
Engineering Insurance	743,493	717,223
Workmen Compensation Insurance	143,218	139,009
Personal Accident Insurance	327,184	287,652
Product Liability Insurance	103,943	103,703
Health Insurance	2,193,066	1,984,592
Trade Credit	417,900	238,751
Other Insurance	3,488,746	2,464,193
Investments	313,037	323,527
Total	29,041,557	24,425,500
SEGMENT RESULT: Profit / (Loss)		
Fire Insurance	96,673	(16,837)
Marine Insurance	(37,136)	(90,970)
Motor Insurance-OD	1,892,604	2,661,551
Motor Insurance-TP	(1,054,581)	(3,587,917)
Engineering Insurance	91,278	98,941
Workmen Compensation Insurance	61,434	67,824
Personal Accident Insurance	(5,972)	33,253
Product Liability Insurance	7,840	17,453
Health Insurance	(115,639)	(124,752)
Trade Credit	(27,046)	(14,253)
Other Insurance	720,994	155,378
Investments	303,963	317,026
Unallocable	28,424	17,018
Total	1,962,836	(466,285)
Less: Provision for Taxation	614,915	(148,313)
Profit/(Loss) After Tax	1,347,921	(317,972)
SEGMENT ASSETS:		
Fire Insurance	-	-
Marine Insurance	-	-
Motor Insurance	-	-
Engineering Insurance	-	-
Workmen Compensation Insurance	-	-
Personal Accident Insurance	-	-
Product Liability Insurance	-	-
Health Insurance	-	-
Trade Credit	-	-
Other Insurance	-	-
Investments	31,174,368	23,285,000
Total:	31,174,368	23,285,000
Add: Unallocable Assets	4,531,042	5,233,950
Total	35,705,410	28,518,950

(₹ in '000)

SEGMENT LIABILITIES:		
Fire Insurance	767,291	1,217,945
Marine Insurance	779,812	759,518
Motor Insurance-OD	5,987,838	4,476,205
Motor Insurance-TP	15,728,533	13,466,891
Engineering Insurance	372,615	349,606
Workmen Compensation Insurance	112,840	104,136
Personal Accident Insurance	269,100	203,877
Product Liability Insurance	117,507	86,211
Health Insurance	666,128	772,270
Trade Credit	11,514	2,724
Other Insurance	1,005,541	1,325,024
Investments	-	-
Total:	25,818,719	22,764,407
Add: Unallocable Liabilities	3,190,095	405,709
Total	29,008,814	23,170,116
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	-	-
Trade Credit	-	-
Other Insurance	-	-
Investments	-	-
Total:	-	-
Add: Unallocable Fixed assets	102,839	126,383
Total	102,839	126,383
Amount of expenses included in segment result for depreciation and amortization in respect of assets:		
Fire Insurance	2,540	7,053
Marine Insurance	1,749	5,258
Motor Insurance-OD	41,057	30,001
Motor Insurance-TP	24,491	14,776
Engineering Insurance	826	2,569
Workmen Compensation Insurance	543	529
Personal Accident Insurance	1,196	1,098
Product Liability Insurance	234	392
Health Insurance	7,415	6,539
Trade Credit	926	1,031
Other Insurance	3,397	10,266
Investments	-	-
Total	84,374	79,512
Add: Unallocable Expenses	-	-
Total	84,374	79,512

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:

(₹ in '000)

Name of the Related Parties	Nature of Related party relationship	Description of nature of transactions	2012-13	2011-12
Indian Farmers Fertilisers Coop. Ltd	Promoters with more than 20% Voting rights	Premium accounted from direct business	652,450	668,309
		Claims paid on direct basis	172,504	730,902
		Payment of Rent and other expenses	161,097	74,613
		Deposit of Insurance Premium	2,500	2,500
		Amount Payable / (Receivable) at the Balance Sheet Date	107,628	1,186
		Infusion of Capital including Share Premium	Nil	908,003
Indian Potash Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	73,872	60,240
		Claim paid on direct basis	85,197	5,287
		Payment of Rent and other expenses	1,820	1,611
		Deposit of Insurance Premium	100	100
		Infusion of Capital including Share Premium	NIL	17,000
Tokio Marine Asia Pte Ltd (formerly Millea Asia Pte Ltd)	Promoters with more than 20% Voting rights	Payment of Fee	2,518	3,355
		Infusion of Capital including Share Premium	Nil	325,001
Tokio Marine & Nichido Fire Insurance Co Ltd	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	199,708	207,125
		Commission Earned on Premium Ceded	42,736	47,057
		Losses Recovered from Re-insurer	200,969	156,163
		Payment of Fee	310	202
		Amount Payable / (Receivable) at the Balance Sheet Date	8,639	(6,744)
Tokio Marine Claim Service Asia Pte Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	1,837	348
Tokio Marine Global Re Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	52,607	100,882
		Commission Earned on Premium Ceded	10,730	19,037
		Losses Recovered from Re-insurer	58,472	72,665
		Amount Payable / (Receivable) at the Balance Sheet Date	6,626	7,810

Tokio Marine Insurance (Malaysia) Behard	Associate of Promoters with more than 20% Voting rights	Payment of Fee	213	709
Tokio Marine Newa Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	117	-
Tokio Marine Sri Muang Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	Nil	176
TM Claim Services Inc.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	1,265	223
Tokio Marine Management Australasia Pty Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	Nil	453
Tokio Marine & Nichido Risk Consulting Co Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	Nil	49
Tokio Marine Insurance Singapore Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	95	53
TM Management Services Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	1,009	833
Tokio Marine Cmpania de Seguros S. A. de C.V.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	38	992
K. Srinivasa Gowda	Chairman	Payment of Rent on office Building	2,880	2,400
IFFCO-TOKIO Insurance Services Ltd	Subsidiary of the Cmpany with 100% Voting Rights	Premium accounted from direct business	3,064	3,491
		Claims paid on direct basis	2,284	2,734
		Recovery of Expenses	6,807	6,192
		Payment of - Commission	55,689	52,897
		Payment of Service Charges	445,440	378,265
		Amount Payable / (Receivable) at the Balance Sheet Date	42,168	1,978

Note: Remuneration to Key Management Personnel viz. Managing Director and other Whole Time Directors is given in Note No B.I (12).

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 ₹251,665 thousand (Previous year ₹166,430 thousand).
- (ii) Amount recovered/recoverable and appearing in the revenue account in regard to sub leases is ₹4,822 thousand. (Previous year ₹3,333 thousand).
5. Earnings per Share (AS-20)

	2012-13	2011-12
a) Net Profit/(Loss) available for Equity Shareholders (₹ '000)	1,347,921	(317,972)
b) Weighted Average number of Equity Shares outstanding during the year (No. of Units in thousand)	269,322	247,917
c) Basic and Diluted Earning per Share (Equity Share of Face Value of ₹10/- each) (in ₹)	5.00	(1.29)

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

(₹ in '000)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Liabilities	Assets	Liabilities	Assets
Depreciation	-	8,350	-	10,492
Expenditure accrued but not deductible for tax purposes, allowable on actual payment	-	23,180	-	19,368
Unexpired Risk reserve provided in excess of limit specified in Income Tax Act.	-	32,970	-	4,151
Business Loss	-	-	-	361,989
Total	-	64,500	-	396,000
Net Deferred tax asset	-	64,500	-	396,000

Net decrease in Deferred Tax asset for the year ₹331,500 thousand (previous year increase of ₹148,800 thousand) has been shown as charge in Profit & Loss Account.

7. Change in Accounting Policy:

Hitherto the expenses of management are being apportioned to respective revenue accounts on the basis of direct written premium of each class of business. During the year, the Company has changed its accounting policy and now these expenses are allocated on the basis of net premium in order to have a more rational appropriation among the business segments. The consequent impact of the above change in the operating results for major classes of business segment is as under:

Operating Profit from Fire Business is increased by ₹166,434 thousand
 Operating Loss from Marine Business is decreased by ₹84,243 thousand
 Operating Profit from Miscellaneous business is decreased by ₹250,677 thousand
 However there is no impact of above on the Profit of the Company for the current year.

iii. Other Notes

1. 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 31.03.2013 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.
2. During the year the company has implemented ERP system as an interface to the existing software package used for policy level accounting of premium, claims and reserve. In the new system the process of bank reconciliation is automated and there are certain unmatched entries appearing in bank reconciliation, both debit as well as credit, the consequential impact of the adjustment shall be accounted upon of clearance which is not considered significant.
3. IRDA vide its ORDER NO. IRDA/NL/ORD/MPL/277/12/2011, dated December 23, 2011 and IRDA/NL/ORD/MPL/003/01/2012 dated January 3, 2012 had directed the dismantling of the Indian Motor Third Party Insurance Pool (IMTPIP) and creation of the Declined Risk Pool for Act only Commercial Vehicle Third Party Insurance (DR Pool) w.e.f. April 1, 2012.

In accordance with the directions of the IRDA, effective April 1, 2012, the Company, together with other insurance companies has participated in the DR Pool, a multilateral reinsurance arrangement, administered by the General Insurance Corporation of India ('GIC'). Every insurer is required to underwrite a minimum prescribed share of standalone (Act only) commercial vehicle motor third party insurance. The Insurers are given the choice to write each such standalone premiums in their books or cede it to the Declined Risk Pool. The Premiums in the Declined Risk Pool are retro ceded back to the member insurers in proportion to the shortfall of each member.

During the year ended March 31, 2013, based on the returns received from the DR Pool, the Company has recognized its share of premium and claims as inward reinsurance acceptance. The earned premium is recognized @50% of the premium received from the Pool and the claims are accounted for @145% of the earned premium. Accordingly net loss for the year amounting to ₹36,950 thousand has been accounted for in the accounts.

4. Previous year figures have been regrouped/rearranged wherever considered necessary.

As per our Report of even date attached.

For G. S. Mathur & Co.
Chartered Accountants
Firm Regn. No. 008744N

For S. K. Mehta & Co.
Chartered Accountants
Firm Regn. No. 00478N

Ajay Mathur
Partner
M No. 082223

S.K. Mehta
Partner
M No. 010870

for and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Managing Director

Ichiro Maeda
Director

Rakesh Kapur
Director

M.K. Tandon
Financial Advisor

Sanjeev Chopra
Chief Financial Officer

V.S. Rao
Company Secretary

Place: New Delhi,
Date: 11th May, 2013.

MANAGEMENT REPORT

Attached to the Financial Statements for the year ending 31st March, 2013

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, 2014
2. It is confirmed that all the dues payable to the statutory authorities' upto 31st March, 2013 were duly paid.
3. The shareholding pattern as on 31st March, 2013 was as under which is in accordance with the statutory requirements:

(₹ in Crores)

Shareholders	Year ended 31 st March, 2013		Year ended 31 st March, 2012	
	₹ In Crores	%	₹ In Crores	%
Indian:				
Indian Farmers Fertilizers Co-op Ltd.	195.63	72.64	195.63	72.64
Indian Potash Ltd	3.66	1.36	3.66	1.36
Sub-Total	199.29	74.00	199.29	74.00
Foreign:				
Tokio Marine Asia Pte., Ltd.	70.03	26.00	70.03	26.00
Total	269.32	100.00	269.32	100.00

4. It is confirmed that no part of funds of the Policy holders were directly or indirectly invested outside India during the year.
5. It is 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, 2013 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(1).
6. 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.
7. It is certified that there were no operations of the company in any other country during the year ended 31st March, 2013.
8. 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, 2012 is as under:

No of Claims Outstanding	Year ended 31 st March, 2013			Year ended 31 st March, 2012		
	Fire	Marine	Miscellaneous	Fire	Marine	Miscellaneous
Less than 30 Days	10	143	8,510	23	118	8,309
30 days to 6 months	107	443	10,775	92	481	11,364
6 months to 1 Year	158	183	5,675	168	416	6,555
1 Year to 5 years	555	310	26,243	472	551	26,609
5 Years and above	92	213	7,513	80	370	5,287
Total	922	1,292	58,696	835	1,936	58,124

(₹in '000)

Claims Outstanding	Year ended 31 st March, 2013			Year ended 31 st March, 2012		
	Fire	Marine	Miscellaneous	Fire	Marine	Miscellaneous
Less than 30 Days	26,331	47,292	703,544	55,311	6,566	508,564
30 days to 6 months	737,274	127,713	1,389,007	476,911	100,217	789,034
6 months to 1 Year	908,157	113,602	1,090,494	435,567	335,583	1,721,821
1 Year to 5 years	685,988	493,431	5,868,739	1,069,791	262,963	5,322,808
5 Years and above	75,650	64,133	1,003,967	111,711	62,743	602,874
Total	2,433,400	846,171	10,055,751	2,149,291	768,073	8,945,101

9. As at 31st March, 2013, the investments of the Company are mainly in debt securities including Government Securities. As per accounting policy adopted for valuation, debt securities including Government Securities are considered as held to maturity and valued at cost subject to amortization. The market value of these investments has been ascertained on the basis of the guidelines issued by IRDA and the information is as under:

(₹ in Lacs)

		Government Securities	Bonds	Mutual Fund
1	Acquisition Cost of Securities held	107,203	87,202	3,000
2	Amortized value of securities as at (1)	105,533	87,259	-
3	Market Value of securities as at (1)	106,975	88,891	3,002
4	Value of (1) as appearing in the balance sheet	105,533	87,259	3,002

10. 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 ₹254.75 Crores (Previous year ₹191.34 Crores).
11. (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 loss of the revenue accounts and of loss for the year ended on that date.
- (c) The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, The Companies Act, 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.
12. Payments made to companies and organizations in which directors are interested are as under:

(₹ in Lacs)

S. No.	Name of the Director	Entity in which Director is Interested	Interested as	Year ended 31 st March, 2013	Year ended 31 st March, 2012
1	Mr. K.S. Gowda Mr. B. S. Nakai Dr. B.S. Vishwanathan Dr. U.S. Awasthi Mr. Rakesh Kapur	Indian Farmers Fertilisers Cooperative Ltd.	Director Vice Chairman Director Managing Director Jt. Managing Director	3,336	8,055
2	Dr. P.S. Gahlaut Dr. U. S. Awasthi Mr. B. S. Nakai	Indian Potash Ltd.	Managing Director Director Director	870	69
3	Dr. B.S. Vishwanathan Mr. K.S. Gowda	Karnataka State Cooperative Marketing Federation Ltd.	Director Director	13	13

4	Dr. U.S. Awasthi Mr. Rakesh Kapur Dr. P.S. Gahlaut	Fertiliser Association of India Ltd.	Director Director Director	69	68
5	Mr. K. S. Gowda Mr. Yogesh Lohiya Mr. Ichiro Maeda Mr. Rakesh Kapur Mr. S.Narayanan Mr. N. K. Kedia Mr. Y. Fukuda Dr. P. S. Gahlaut	IFFCO-TOKIO Insurance Services Ltd	Director Director Director Director Director Director Director Director	5,034	4,339

for and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Managing Director

Ichiro Maeda
Director

Rakesh Kapur
Director

M.K. Tandon
Financial Advisor

Sanjeev Chopra
Chief Financial Officer

V.S. Rao
Company Secretary

Place: New Delhi,
Date: 11th May, 2013.

IFFCO-TOKIO

ACCOUNTS OF SUBSIDIARY COMPANY

IFFCO-TOKIO INSURANCE SERVICES LIMITED



BOARD OF DIRECTORS

Mr. K. Srinivasa Gowda	Chairman
Mr. N. K. Kedia	Director (Upto 31 st October, 2012) Vice Chairman (From 1 st November, 2012)
Dr. P. S. Gahlaut	Director
Mr. Rakesh Kapur	Director
Mr. V. P. S. Parihar	Director
Mr. Yogesh Lohiya	Director (From 16 th May, 2012 to 21 st June, 2012 and from 15 th February, 2013)
Mr. Yasunobu Fukuda	Director (Upto 30 th June, 12)
Mr. Ichiro Maeda	Director (From 2 nd July, 2012)

SENIOR EXECUTIVE

Joydeep Roy	Chief Executive Officer
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AUDITORS

M/s Raghu Nath Rai & 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.: 011-26542625.

CORPORATE OFFICE

“IFFCO Tower - II”
Plot No. 3, Sector 29,
Gurgaon-122001 (Haryana),
Phone No.: 0124-2850100.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO Insurance Services Limited** will be held on **Monday, the 24th June, 2013 at 3:30 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 as at 31st March, 2013 and the Profit & Loss Account for the year ended as on the date together with Auditors Report thereon and the Reports of the Board of Directors to the members.
2. To appoint Director in place of Mr. K.Srinivasa Gowda who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Dr. P.S. Gahlaut 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 Raghunath Rai & 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,
Date: 11th May, 2013.

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 / herself and such a proxy need not be a member of the Company.
2. Instruments of proxies in order to be effective must be deposited with the Company at its registered office not less than 48 hours before the commencement of the meeting.

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

Item No. 4

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 Public Financial Institution, Government Company or a General Insurance Company, shall appoint its Auditors by way of Special Resolution in its Annual General Meeting. Since IFFCO TOKIO General Insurance Company Limited being a General Insurance Company, holds 100% of the subscribed share capital of IFFCO TOKIO Insurance Services Limited, the said resolution is proposed to be passed as Special Resolution.

Memorandum of Association of the Company and other relevant documents are open for inspection up to the Annual General Meeting during the working hours.

None of the Directors is interested in the resolution.

DIRECTORS' REPORT

To the Members

- 1.0. Your Directors have pleasure in presenting to you the Tenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2013 along with the Auditors' Report thereon.

Members will be glad to note that the Company has successfully completed the Tenth full year of operations as a Wholly Owned Subsidiary of IFFCO-TOKIO General Insurance Co. Ltd. (IFFCO-TOKIO). During the period, the 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 the Company earned a profit before tax of ₹26.93 Lakhs against a budgeted estimate of ₹27.00 Lakhs. During the financial year ended 31st March 2013, the Company had generated a gross written premium of ₹128.27 Crores for IFFCO-TOKIO. Furthermore, the Company serviced a premium valuing ₹1002.71 Crores. The breakup of premium serviced through Individual Agency Model, Cooperative Channels, Strategic Tie ups and Others is detailed below:

(₹ In Crores)

Procurement	GWP For 2012-13
Direct Channel	128.27

(₹ In Crores)

MODEL	GWP for 2012-13
Individual Agency Model	488.74
Cooperative channels	131.32
Strategic Tie ups	71.98
Others (PA/OEM/ Various dealers)	310.68
Total	1002.72

3.0. Dividend

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

4.0. Human Resources, Training and Development

- 4.1. The Company has 648 employees on its permanent rolls as on 31st March 2013. In addition to the employees on permanent rolls, the Company also has 248 Sr. Marketing Executives and Marketing Executives and 4 Graduate Trainees as on 31st March 2013. The Company has utilized the services of 539 Relationship Executives and Customer Care Associates for servicing IFFCO-TOKIO 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 its marketing personnel as required under the IRDA regulations. The Gurukul Training facility was utilized to train 800 employees / trainees during the year.

5.0 Marketing Strategy

- 5.1. Members are kindly aware that your Company distributes IFFCO-TOKIO 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 IFFCO-TOKIO products, the Company has strengthened and successfully expanded the concept of Lateral Spread Centers by increasing the number of such centers from 122 to 124. These centers have helped IFFCO-TOKIO to enhance its presence in small but potential centers at a lower cost. These centers have jointly procured gross written premium of ₹685.48 Crores for IFFCO-TOKIO at an average expense ratio of 3.24%. The total number of LSCs as of 31st March 2013 is 124.
- 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 identify, train and monitor Individual agents in the retail segment and also agents from cooperative back ground. During the year the Company deployed 334 employees and 256 trainees to manage these two models.
- 5.3. The Company continues to play an important role in servicing of IFFCO-TOKIO customers. The Service channel consisting of Relationship Executives and Customer care Associates has yielded very good response from the market. This model has serviced a total premium of ₹785.02 Crores sourced from IFFCO-TOKIO Service provider tie ups. During the year, the Company had actively promoted and sold the Barish Bima Yojana, Janta Bima Yojana and Mausam Bima Yojana and other weather products launched by IFFCO-TOKIO.

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, eight 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 2012 to 31st March 2013. There are no specific observations in the report of the Auditors which require clarification.

8.0 Future Plan

The Company has to render dedicated services as a corporate agent to IFFCO TOKIO. It has drawn a Business plan for the ensuing year 2013-14. 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. The 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 utilization.

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 31, 2013 and of the profit 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, 1956, 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. Raghunath Rai & Co. that if they are reappointed 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 recommend the appointment of M/s. Raghunath Rai & Co., Chartered Accountants as Statutory Auditors for the financial year 2013-14.

12.0. Board of Directors

Pursuant to Article 78 of the Articles of Association of the Company, Mr. K. Srinivasa Gowda and Mr. P.S. Gahlaut, 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 Government 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 others at all levels.

For and on behalf of the Board

Place : New Delhi,
Date : 11th May, 2013.

K. Srinivasa Gowda
Chairman

COMPLIANCE CERTIFICATE

Registration No.: 55-121571

Nominal Capital: ₹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** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2013**. 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 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 provision 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 Registrar of Companies, Regional Director, and Central Government. Company Law Board or other authorities within the time prescribed under the Act and the ruled made their under.
3. The Company is a public limited Company and has minimum prescribed paid up capital.
4. The Board of Director duly met **4 times** respectively on **26th April, 2012, 24th August, 2012, 26th October, 2012, 8th February, 2013** in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Books 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 31.03.2012 was held on 28th May, 2012 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for purpose.
7. No Extra Ordinary 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 Registers 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) Delivered all the Certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
 - (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 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 there under.
 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 registrations 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 transactions 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 Companies 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 financial 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 provident fund of the employees in accordance with Employees' Provident Fund Act, 1952.

For Sudhanshu Gupta & Associates
Company Secretaries

Sudhanshu Gupta
Proprietor
C.P. No. : 4620

Place: Delhi,
Date: 9th May, 2013.

Annexure -A

Registers maintained by the Company

1. Register of Members u/s 150 of the Companies Act, 1956.
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 of the Act.
5. Register of Directors Shareholding u/s 307 of the Act.
6. Register u/s 301 of the Act.
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 ended 31st March, 2013

S. No.	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	28-05-2012	23-07-2012	Yes	NA
2	Form 23AC & 23ACA	220	28-05-2012	31-10-2012	Yes	NA
3	Form 66	383A	28-05-2012	25-06-2012	Yes	NA
4	Form 23	192	28-05-2012	25-06-2012	Yes	NA
5	Form 32	303	16-05-2012	23-07-2012	No	Yes
6	Form 32	303	01-07-2012	30-07-2012	Yes	NA

AUDITORS' REPORT TO THE MEMBERS OF IFFCO TOKIO INSURANCE SERVICES LIMITED

We have audited the accompanying financial statements of **IFFCO TOKIO INSURANCE SERVICES LIMITED ("The Company")**, which comprise the Balance Sheet as at **31st March, 2013** and the Statement of Profit and Loss for the year then ended, and a summary of significant Accounting Policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227 (3) of the Act, 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 purpose of audit;
 - b) 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;
 - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

- d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standard referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: New Delhi,
Date: 11th May, 2013.

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

Sharat Prakash
Partner
M. No. 96267

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of IFFCO Tokio Insurance Services Limited on the accounts of the Company for the year ended 31st March, 2013

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

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the Management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- 2) The Company has not have any inventory. Therefore, the clause 4 (ii) of CARO is not applicable to the Company.
- 3) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the Order are not applicable to the Company.
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from, Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus, sub clauses (f) and (g) are not applicable to the Company.
- 4) In our opinion and according to information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of Fixed Assets and payment for expenses and for sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- 5) Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that there are no transactions the particulars of which need to be entered into the register maintained under section 301.
- 6) The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- 7) As per information & explanations given by the Management, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8) Clause 4 (viii) of CARO is not applicable to the Company during the year, as the Company is not doing any production.
- 9) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- 10) The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion and as per information and explanations given to us, the Company has neither taken any loan from banks or financial institutions nor issued any debentures. Therefore 4(xi) is not applicable to the Company.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of Clause (xiv) of CARO is not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- 16) Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
- 17) Based on the information and explanation given to us and on an Overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- 18) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
- 19) The Company has no outstanding debentures during the period under audit.
- 20) The Company has not raised any money by public issue during the year.
- 21) Based on the audit procedures performed and information and explanations given to us, we report that, no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place: New Delhi,
Date: 11th May, 2013.

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

Sharat Prakash
Partner
M. No. 96267

IFFCO TOKIO INSURANCE SERVICES LIMITED BALANCE SHEET AS AT 31ST MARCH 2013

S.No.	Particulars	Notes No.	As at 31 st March 2013	As at 31 st March 2012
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's funds			
	a) Share capital	1	5,000,000	5,000,000
	b) Reserves and Surplus	2	9,143,171	7,567,042
	c) Money received against share warrants		-	-
(2)	Share application money pending allotment		-	-
(3)	Non-current liabilities			
	a) Long-term borrowings		-	-
	b) Deferred tax liabilities (Net)		-	-
	c) Other long term liabilities		-	-
	d) Long-term provisions	3 (a)	15,742,746	12,263,932
(4)	Current liabilities			
	a) Short-term borrowings		-	-
	b) Trade payables		-	-
	c) Other current liabilities	4	4,465,978	3,816,299
	d) Short term provisions	3 (b)	110,320,002	71,578,902
	TOTAL		144,671,897	100,226,175
II.	ASSETS			
(1)	Non Current Assets			
	a) Tangible fixed assets			
	Gross block		585,813	585,813
	Less : Accumulated depreciation		(585,813)	(585,813)
	Net block		-	-
	b) Non current investments		-	-
	c) Deferred tax assets (Net)		5,760,000	4,525,000
	d) Long term loans & advances	5	7,600,000	7,600,000
	e) Other non current assets		-	-
(2)	Current Assets			
	a) Trade receivables	6	42,168,063	1,977,727
	b) Cash and cash equivalents	7	10,229,090	9,603,501
	c) Short term loans and advances	8	70,147,100	68,782,343
	d) Other current assets	9	8,767,645	7,737,604
	TOTAL		144,671,897	100,226,175

Notes on Accounts

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Notes 1 to 16 form an Integral part of Financial Statements

For IFFCO TOKIO Insurance Services Ltd.

As per our report of even date attached

For Raghu Nath Rai&Co.

Chartered Accountants
FRN No. 000451N

Sharat Prakash

Partner
M. No. 96267

Place: NewDelhi,
Date: 11th May,2013.

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Director

Rakesh Kapur
Director

Ichiro Maeda
Director

Joydeep Roy
CEO

IFFCO TOKIO INSURANCE SERVICES LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

S.No.	Particulars	Notes No.	As at 31 st March 2013	As at 31 st March 2012
	REVENUE			
I.	Income from Operations	10	501,129,267	431,162,028
II.	Other income	11	4,421,690	2,192,737
III.	Total Revenue		505,550,957	433,354,765
	EXPENSES			
IV.	Employees benefits expenses	12	377,818,939	320,301,786
V.	Finance costs	13	541,155	797,975
VI.	Other expenses	14	124,497,284	110,089,353
VII.	Total Expenses		502,857,379	431,189,115
VIII.	Profit before exceptional and extraordinary items and tax		2,693,579	2,165,650
IX.	Exceptional items		4,322	-
X.	Profit before extraordinary items and tax		2,697,901	2,165,650
XI.	Extraordinary items		-	-
XII.	Profit before tax		2,697,901	2,165,650
XIII.	Tax expense:			
	(1) Current tax		590,000	870,000
	(2) Deferred tax		(1,235,000)	(560,000)
	(3) Tax adjustments for earlier years		1,766,772	1,163,394
XIV.	Profit/(Loss) from the period from continuing operations		1,576,129	692,256
XV.	Profit/(Loss) from discontinuing operations		-	-
XVI.	Tax expense of discounting operations		-	-
XVII.	Profit/(Loss) from discontinuing operations		-	-
XVIII.	Profit/(Loss) for the period		1,576,129	692,256
XIX.	Earning per equity share:	15		
	(1) Basic		3.15	1.38
	(2) Diluted		3.15	1.38

Notes on Accounts

Schedule 1 to 16 form an Integral part of Financial Statements

As per our report of even date attached.

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

Sharat Prakash
Partner
M.No: 96267

Place: New Delhi,
Date: 11th May, 2013.

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For IFFCO TOKIO Insurance Services Ltd.

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Director

Rakesh Kapur
Director

Ichiro Maeda
Director

Joydeep Roy
CEO

IFFCO TOKIO INSURANCE SERVICES LIMITED NOTES TO BALANCE SHEET

Notes No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
1	SHARE CAPITAL Equity share capital Authorised : 2000000 Equity Shares of ₹10 each	20,000,000	20,000,000
	Issued, Subscribed & Paid up: 500000 Equity Shares of ₹10 each fully paid up (100% shares held by IFFCO Tokio General Insurance Co. Ltd.)	5,000,000	5,000,000
	Reconciliation of number of shares outstanding at the beginning & at the end of the reporting period		
	Equity Shares		
	Number of Shares at the beginning	500,000	500,000
	Add: Shares issued during the period	-	-
	Number of Shares at the end	500,000	500,000
	Shares in the Company held by each Shareholder holding more than 5% shares		
	Name of the Shareholder IFFCO Tokio General Insurance Co. Ltd.		
	No. of Shares	500,000	500,000
	% Shareholding	100	100
2	RESERVES AND SURPLUS Surplus in the Statement of Profit & Loss Balance as per Last Financial Statements Profit for the Year	7,567,042 1,576,129	6,874,786 692,256
	Total	9,143,171	7,567,042
3	PROVISIONS		
3 (a)	Non-Current Provision for gratuity Provision for leave encashment	1,435,702 14,307,044	1,046,743 11,217,189
		15,742,746	12,263,932
3 (b)	Current Provision for leave encashment Provision for expenses Provision for income tax Provision for leave travel subsidy	3,526,661 94,904,523 2,935,000 8,953,818	2,485,649 57,518,536 4,250,000 7,324,717
		110,320,002	71,578,902
	Total	126,062,748	83,842,834
4	OTHER CURRENT LIABILITIES Statutory dues Amount payable for services Other liabilities	1,976,735 286,686 2,202,558	2,387,915 243,000 1,185,384
	Total	4,465,978	3,816,299
5	LONG TERM LOANS & ADVANCES Inter-Corporate Deposit	7,600,000	7,600,000
	Total	7,600,000	7,600,000
6	TRADE RECEIVABLES Unsecured, considered good unless stated otherwise - Outstanding for a period exceeding six months - Other receivables *	- 42,168,063	- 1,977,727

Notes No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
	** Includes due from related parties ₹4,21,68,063 (Previous Year: ₹19,77,727)"		
	Total	42,168,063	1,977,727
7	CASH AND CASH EQUIVALENTS		
	Cash in hand	855,381	836,442
	Balance with scheduled banks		
	- In current accounts	4,373,709	3,767,059
	- In fixed deposits accounts	5,000,000	5,000,000
	Total	10,229,090	9,603,501
8	SHORT TERM LOANS & ADVANCES		
	Unsecured, considered good		
	Advance recoverable in cash or kind	2,220,569	1,844,527
	Balances with statutory authorities	66,969,229	66,106,517
	Prepaid expenses	957,303	831,299
	Total	70,147,100	68,782,343
9	OTHER CURRENT ASSETS		
	Rent deposits	7,999,244	7,454,475
	Interest accrued but not due on deposits	768,401	283,130
	Total	8,767,645	7,737,604

IFFCO TOKIO INSURANCE SERVICES LIMITED NOTES TO PROFIT & LOSS STATEMENT

Notes No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
10	REVENUE FROM OPERATIONS		
	Agency commission	55,689,267	52,897,028
	Fees for services provided to ITGI	445,440,000	378,265,000
	Total	501,129,267	431,162,028
11	OTHER INCOME		
	Interest income	3,750,363	2,103,520
	Miscellaneous income	671,327	89,217
	Total	4,421,690	2,192,737
12	EMPLOYEES BENEFITS EXPENSES		
	Salaries & Other allowances	258,690,169	205,772,551
	Stipend & Incentives to trainees	91,920,729	92,068,508
	Contribution to provident fund	6,622,712	5,715,500
	Staff welfare expenses	4,408,995	3,570,181
	Other benefits	16,058,734	12,995,906
	Managerial sitting & traveling fees	117,600	179,140
	Total	377,818,939	320,301,786
13	FINANCE COST		
	Bank charges	112,997	122,198
	DD charges	428,158	675,777
	Total	541,155	797,975
14	OTHER EXPENSES		
	Advertisement	154,746	-
	Books & Periodicals	105,366	187,782
	Campaign expenses	586,710	-
	Communication expenses	11,336,505	11,452,691

Notes No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
	Rent	31,001,300	26,001,159
	Repair & Maintenance	7,167,690	5,365,573
	Training expenses	3,286,494	870,784
	Travelling and conveyance	22,137,880	17,163,478
	Printing and stationery	8,282,373	7,123,802
	Legal & Professional expenses		
	- Outsourcing expenses	25,237,448	27,117,793
	- Others	4,436,653	3,947,050
	Insurance charges	3,451,335	3,692,653
	Electricity & Water charges	6,942,945	6,608,356
	Miscellaneous expenses	209,839	408,232
	Payment to Auditors		
	Audit fee	120,000	120,000
	Tax audit fees	30,000	30,000
	Others	10,000	-
	Total	124,497,284	110,089,353
15	EARNING PER SHARE		
	I) Net Profit as per Profit and Loss account available for Equity Shareholders	1,576,129	692,256
	II) Weighted average number of equity share for Earning Per Share computation		
	(a) For Basic Earning Per Share of ₹10 each No's	500,000	500,000
	(b) For Diluted Earnings Per Share of ₹10 each No's		
	III) EPS (Weighted Average)		
	Basic (Rupees)	3.15	1.38
	Diluted (Rupees)	3.15	1.38

NOTE - 16

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, and confirm to the statutory requirements prescribed under the Companies Act, 1956 including Accounting Standards notified there under.

b) Use of Estimates

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

c) Revenue Recognition

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

d) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on Fixed Assets is provided on straight Line Method at the rates and in the manner specified in Schedule 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 cannot be made.

g) Employees Benefits

- (1) **Defined Contribution Plan:** Company contribution paid / payable for the year to defined contribution employee benefit schemes are charged to Profit & Loss account.
- (2) **Defined Benefit Plan:** Company liabilities toward defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuation under the Projected Unit Credit Method is carried out at Balance Sheet date. Actuarial gains and losses are recognized in the

Profit & Loss account in the period of occurrence of such gains and losses. Past services cost recognized immediately to the extent of benefit are vested; otherwise it is amortized on straight line basis over the remaining average period until the benefit becomes vested.

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

2. NOTES TO ACCOUNTS

A. Employees Benefits

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

a) Defined Contribution Plans

The company makes contributions at a specified percentage of payroll cost towards Employee Provident Fund (EPF) for qualifying employees. The company recognized ₹58,89,944 (Previous year ₹50,67,245) for provident fund contribution in the profit loss account.

b) Defined Benefit Plans

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

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

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2012-13	2011-12	2012-13	2011-12
Discount Rate (Per Annum)	8.00%	8.30%	8.00%	8.30%
Rate of Increase in compensation level*	10.00%	10.00%	10.00%	10.00%

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

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

I. Change in present value of obligation

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences (Unfunded)		Gratuity (Funded)	
	2012-13	2011-12	2012-13	2011-12
Projected Benefit obligation at beginning of year	1,37,02,838	1,06,61,039	54,62,562	41,84,183
Current Service Cost	50,72,659	43,18,112	19,06,256	16,83,940
Interest Cost	14,81,572	11,69,516	6,11,612	4,76,109
Actuarial Loss / (Gain) due to change in assumptions	(5,72,907)	(8,39,428)	(5,94,738)	(6,87,463)
Benefit Paid	(18,50,457)	(16,06,401)	(2,52,317)	(1,94,207)
Past service cost	-	-	-	-
Projected Benefit Obligation at End of year	1,78,33,705	1,37,02,838	71,33,375	54,62,562

II. Amount to be recognized in the Balance Sheet

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2012-13	2011-12	2012-13	2011-12
Projected Benefit Obligation at End of the year	1,78,33,705	1,37,02,838	71,33,375	54,62,562
Ending Assets	-	-	56,97,673	44,15,819
Funded Status assets / (Liability)	1,78,33,705	1,37,02,838	14,35,702	10,46,743
Liability (-) / Assets (+) recognized in Balance sheet	1,78,33,705	1,37,02,838	14,35,702	10,46,743

III. Expenses recognized in the Profit & Loss Account

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	50,72,659	43,18,112	19,06,256	16,83,940
Interest Cost	14,81,572	11,69,516	6,11,612	4,76,109
Expected Return on Plan Asset			(4,33,173)	(2,80,411)
Net actuarial (gain)/loss to be recognized in year	(5,72,907)	(8,39,428)	(6,48,993)	(8,33,570)
Past Service Cost			-	-
Income (-) / Expenses (+) recognized in the statement of Profit & Loss	59,81,324	46,48,200	14,35,702	10,46,068

IV. Plan Assets (at Fair Value)

(Amount in ₹)

Particulars	Gratuity	
	2012-13	2011-12
Plan Assets at the beginning of the year	44,15,819	31,15,681
Expected Return on Plan Assets	4,33,173	2,80,411
Employer's Contribution	10,46,743	10,67,827
Benefit Payments	(2,52,317)	(1,94,207)
Asset Gain / (Loss)	54,255	1,46,107
Plan Assets at the end of the year	56,97,673	44,15,819

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

B. Operating Leases

The Company's significant leasing agreements are in respect of operating leases of premises for the offices of the company. These leasing arrangements are usually renewable on mutually agreed terms but are cancellable. Amount charged to revenue accounts for cancellable operating lease is ₹3,10,01,300 (Previous year ₹2,60,01,159).

C. In the opinion of management current assets and 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. Earnings per share

Earnings 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:

(Amount in ₹)

Particulars	2012-13	2011-12
Net Profit/(Loss) as per Profit and Loss Account	15,75,269	6,92,256
Number of Equity Shares	5,00,000	5,00,000
Earnings per Share (Basic & Diluted)	3.15	1.38
Face Value per share	10	10

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

(Amount in ₹)

Particulars	Liabilities		Assets	
	2012-13	2011-12	2012-13	2011-12
Difference in book depreciation and tax depreciation	-	-	2,50,000	2,00,000
Expenditure Incurred but allowable under Income Tax Act on payment basis	-	-	55,10,000	43,25,000
Carried forward business loss as per Income Tax Act	-	-	-	-
Total	-	-	57,60,000	45,25,000

Net Deferred Tax Asset ₹57,60,000 (Previous year ₹45,25,000) in accordance with Accounting Standard 22 "Accounting for Taxes on Income" the credit of deferred tax amounting ₹12,35,000 (Previous Year ₹5,60,000) 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 ₹)

Name of Related Party	IFFCO-TOKIO General Insurance Co. Ltd.		Indian Farmers Fertilizers Coop. Ltd.		Sh Joydeep Roy, CEO	
Nature of Relation	Holding Company		Promoter of Holding Company		Key Management Personnel	
Description of transaction	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Receipt of commission and service charges	50,11,29,267	43,11,62,028	-	-	-	-
2. Reimbursement of expenses	68,07,007	61,91,680	1,20,000	1,80,766	-	-
3. Employee Remuneration	-	-	-	-	25,15,342	28,59,180
4. Insurance Premium Paid	30,63,562	37,57,594	-	-	-	-
5. Insurance Claims Recd	22,84,407	27,34,013	-	-	-	-
6. Interest earned on fixed deposit receipts	-	-	7,22,001	6,90,254	-	-
7. Amount recoverable / (payable) at the balance sheet date	4,21,68,062	19,77,727	-	-	-	-
8. Fixed Deposits held	-	-	76,00,000	76,00,000	-	-

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 2013.

J. Earning and expenditure in foreign currency - Nil.

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

As per our report of even date attached.

For Raghu Nath Rai & Co.

Chartered Accountants
FRN No. 000451N

Sharat Prakash

Partner
M.No: 96267

Place: New Delhi
Date : 11th May, 2013

For IFFCO TOKIO Insurance Services Ltd.

K. Srinivasa Gowda
Chairman

Yogesh Lohiya
Director

Rakesh Kapur
Director

Ichiro Maeda
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 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 _____ failing him/her _____ of _____ or failing him/her _____ ofas my/our proxy to attend and vote for me/us on my/ our behalf at the 13th Annual General Meeting of Company to be held on Monday, the 24th June, 2013 at 4:00 P.M. at IFFCO Sadan, C1, District Centre, Saket, New Delhi-110017 and at any adjournment thereof.

Signed this the _____ day of _____ 2013

Affix ₹ 1/
Revenue stamp
& Signature

Signed by the said _____

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 COMPANY LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the 13th Annual General Meeting of the Company to be held on Monday, the 24th June, 2013 at 4:00 P.M. at IFFCO Sadan, C1, District Centre, Saket, New Delhi-110017

Ledger Folio No.

No. of Shares:

Name of Shareholder:

Signature.....



Muskurate Raho

IFFCO-TOKIO General Insurance Company Limited

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

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

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