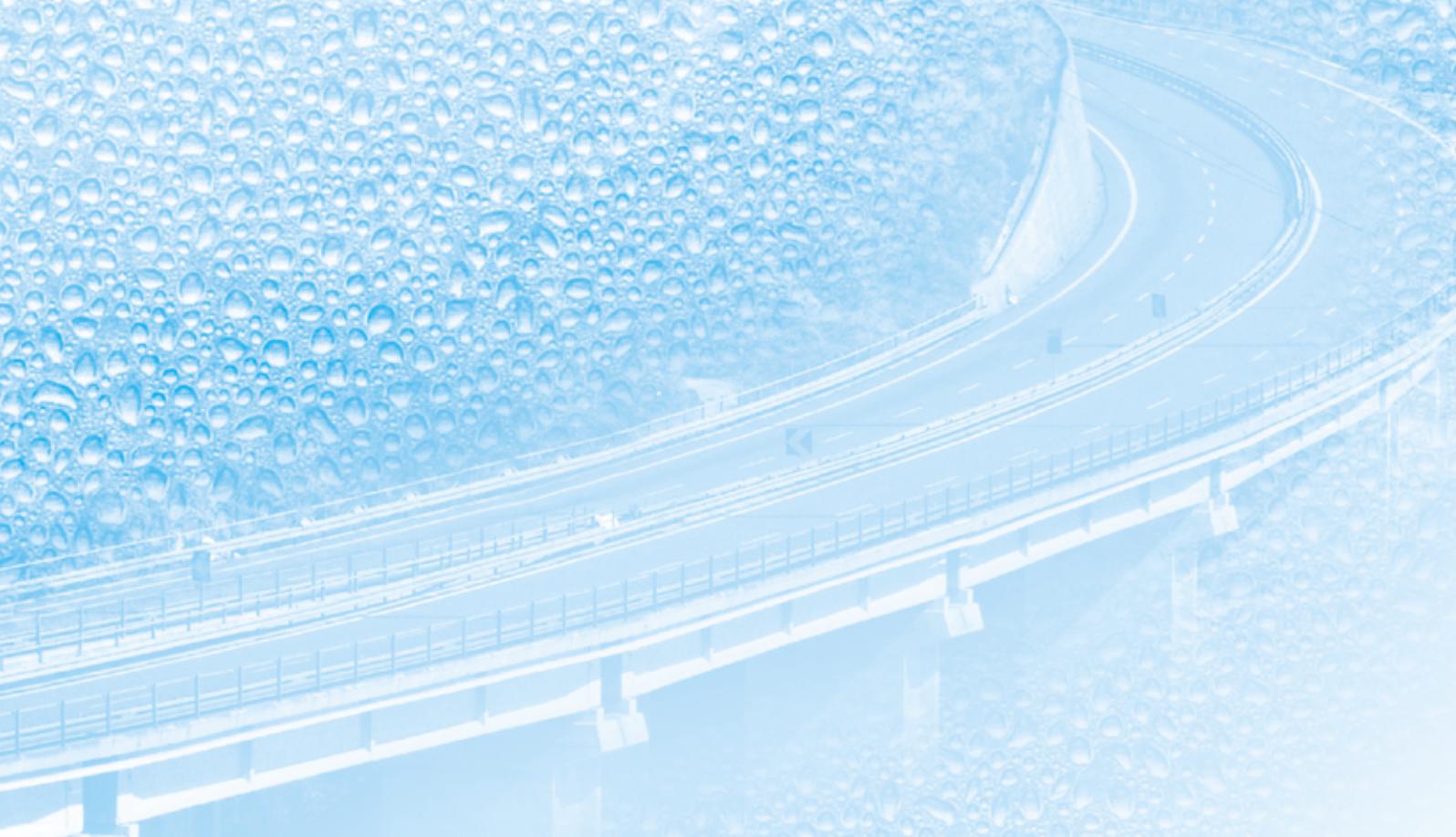


IFCO-TOKIO

Accounts



IFFCO TOKIO INSURANCE SERVICES LIMITED
Balance Sheet as at 31st March 2007

		<i>Amount in Rs.</i>	
	Schedule No.	As at 31st March, 2007	As at 31st March, 2006
I. SOURCES OF FUNDS			
(1) SHARE CAPITAL	1	5,000,000	5,000,000
(2) RESERVE AND SURPLUS Profit and Loss account		3,512,146	2,276,453
Total		8,512,146	7,276,453
II. APPLICATION OF FUNDS			
(1) Fixed Assets			
Telephone Instruments Gross Block		1,699,440	1,500,400
Less : Accumulated Depreciation		<u>(1,699,440)</u>	<u>(1,500,400)</u>
Net Block		—	—
(2) Deferred Tax Asset		1,810,000	625,000
(3) Current Assets & Loans and Advances			
(a) Sundry Debtors	2	—	1,735,018
(b) Cash and Bank Balances	3	9,215,843	567,725
(c) Other Current Assets	4	29,226,376	28,294,597
		<u>38,442,219</u>	<u>30,597,340</u>
Less:			
Current liabilities and provisions			
(a) Current Liabilities	5	10,597,430	2,317,734
(b) Provisions	6	21,142,643	21,628,153
		<u>31,740,073</u>	<u>23,945,887</u>
Net Current Assets		6,702,146	6,651,453
Total		8,512,146	7,276,453

Notes on Accounts 9

Schedule 1 to 9 form an Integral part of Financial Statements

As per our Report of even date attached.

For S K Mehta & Co.
Chartered Accountants

S.K.MEHTA
Partner
M.No. 10870

New Delhi
Dated : 25th April, 2007

For IFFCO TOKIO Insurance Services Ltd.

K. Srinivasa Gowda
Chairman

Rakesh Kapur
Director

Masahiro Ogawa
Director

N.K. Kedia
Director & CEO

IFFCO TOKIO INSURANCE SERVICES LIMITED
Profit and Loss Account for the year ended 31st March 2007

		<i>Amount in Rs.</i>	<i>Amount in Rs.</i>
	Schedule No.	Current Year	Previous Year
INCOME			
Income from Operations		169,483,522	129,366,424
Other Income		1,107,116	416,020
		170,590,638	129,782,444
EXPENDITURE			
Employees Remuneration & Benefits	7	51,245,587	43,979,574
Administration, Operating and Other Expenses	8	114,874,258	82,504,154
Interest & Bank Charges		543,917	135,697
Depreciation		208,040	456,063
		166,871,802	127,075,488
Profit before Tax		3,718,835	2,706,956
Provision for Taxation			
For the year			
- Current Tax		425,000	650,000
- Deferred Tax		1,415,000	170,000
- Fringe Benefit Tax		1,125,000	1,000,000
- Credit for MAT entitlement		(425,000)	-
For earlier year			
- Current Tax		2,543,142	-
- Deferred Tax		(2,600,000)	-
Profit after Tax		1,235,693	886,956
Balance of profit brought forward from last year		2,276,453	1,389,497
Balance Carried Forward to Balance Sheet		3,512,146	2,267,453
Basic and diluted earning per share (Equity Shares of face value of Rs.10/- each)		2.47	1.77

Notes on Accounts

9

Schedule 1 to 9 form an Integral part of Financial Statements

As per our Report of even date attached.

For IFFCO TOKIO Insurance Services Ltd.

For S K Mehta & Co.
Chartered Accountants

K. Srinivasa Gowda
Chairman

S.K.MEHTA
Partner
M.No. 10870

Rakesh Kapur
Director

Masahiro Ogawa
Director

New Delhi
Dated : 25th April, 2007

N.K. Kedia
Director & CEO

IFFCO TOKIO INSURANCE SERVICES LIMITED
Schedules Forming Part of Accounts

Amount in Rs.

	As at 31st March, 2007	As at 31st, March 2006
Schedule '1' Share Capital		
Authorised:		
2000000 Equity Shares of Rs. 10 each	20,000,000	20,000,000
Issued, Subscribed & Paid up		
500000 Equity Shares of Rs. 10 each fully paid up	5,000,000	5,000,000
<hr/>		
Schedule '2' Sundry Debtors		
Less than six months:		
Due from Holding Company	-	1,735,018
	-	1,735,018
<hr/>		
Schedule '3' Cash & Bank balances		
Cash in Hand	112,294	3,780
Cheques in Hand	-	159,203
Balance with Scheduled Banks		
- In Current Accounts	1,448,549	404,742
- In Fixed Deposits Accounts	7,655,000	-
	9,215,843	567,725
<hr/>		
Schedule '4' Other Current Assets		
Fixed Deposits With IFFCO	-	6,333,000
Advance Income Tax (net of provision)	25,043,153	20,268,543
MAT Credit Entitelment	425,000	-
Rent Deposit	2,794,950	1,693,054
Interest accrued but not due on FDR's	261,690	-
Advance Recovrable in cash or in kind or for value to be received	701,583	-
	29,226,376	28,294,597
<hr/>		
Schedule '5' Current Liabilities		
TDS Payable	340,333	277,718
Service Tax Payable	-	1,018,956
Expenses Payable	1,778,369	1,021,060
Due To Holding Company	8,478,728	-
	10,597,430	2,317,734
<hr/>		
Schedule '6' Provisions		
Gratuity	398,939	279,798
Leave Encashment	1,274,929	507,579
Leave Travel Concession	1,259,300	1,165,500
Incentive Payable	18,209,475	19,675,276
	21,142,643	21,628,153

IFFCO TOKIO INSURANCE SERVICES LIMITED
Schedules Forming Part of Accounts

Amount in Rs.

	Current Year	Previous Year
Schedule '7' Employees Remuneration & Benefits		
Salary & Allowances	46,706,813	40,875,042
Gratuity	119,141	160,098
Leave Encashment	1,131,570	402,391
Employers Contribution to Provident Fund	987,164	750,258
Staff Welfare	852,076	456,656
Leave Travel Concession	1,325,520	1,236,428
Provident Fund Administration Charges	123,303	98,701
	51,245,587	43,979,574
Schedule '8' Administration, Operating and Other Expenses		
Rent Rates & Taxes	18,583,136	11,873,888
Communication Expenses	6,734,571	4,012,496
Travelling and Conveyance	7,000,466	7,190,592
Printing and Stationery	2,823,953	1,053,426
Stipend to Marketing Trainees	49,821,259	39,771,588
Legal & Professional Expenses		
- Outsourcenge Exp	18,805,451	10,452,786
- Others	5,047,234	4,585,632
Payment to Auditors		
- Audit Fees	80,000	80,000
- Income Tax matters	35,000	-
Electricity & Water Charges	4,479,886	3,007,304
Miscellaneous Expenses	1,463,302	476,442
	114,874,258	82,504,154

Schedule '9' 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 and confirm to the statutory requirements prescribed under the Companies Act, 1956.

b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent assets and liabilities. Such estimates and assumptions are based on the management's evaluation of the relevant facts and circumstances as on the date of financial statements.

c) Fixed Assets and Depreciation

Fixed Assets are stated at cost.

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.

d) Taxation

Income Tax expense comprises Current Tax, Fringe Benefit 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 certainty that the asset will be realized in future.

e) Provisions

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

f) Retirement Benefits

Liability for gratuity and leave encashment is provided for on the basis of actuarial valuation.

Company's contribution under Provident Fund and Employees Family Pension Scheme are accounted for on accrual basis.

2. NOTES TO ACCOUNTS

- a) In the opinion of management current assets & loans & advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated and all known liabilities have been adequately provided for.
- b) **Earning per share**
Earning per share has been reported as per Accounting Standard-20 on "Earning per Share" issued by the Institute of Chartered Accountants of India, which has been computed by dividing net profit after tax by the weighted number of shares outstanding for the period as under
- | | |
|---|-------------------|
| Net Profit available for Equity Shareholders | Rs.12,35,693 |
| Number of Equity Shares | 500000 |
| Earning per Share (Basic & Diluted) Per Share of Rs.10/- each | Rs.2.47 per share |
- c) The break up of deferred tax assets and liabilities into major components at year end is as below:

Amount in Rs.

Particulars	Liabilities		Assets	
	Current Year	Previous Year	Current Year	Previous Year
Depreciation	-	-	3,37,000	3,60,000
Expenditure Incurred but allowable under Income Tax Act on payment basis	-	-	11,35,000	2,65,000
Carried forward business loss as per Income Tax Act.	-	-	3,38,000	-
Total	Nil	Nil	18,10,000	6,25,000
Net Deferred Tax Asset	Rs.18,10,000 /-			

- d) **Related Party Disclosures:**

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

Name of related party	IFFCO-TOKIO General Insurance Co. Ltd. Holding Company		Indian Farmers Fertilizers Coop. Ltd. Promotor of Holding Company		Sh. N.K. Kedia, CEO Sh. Suraj Mishra, CIE Key Management Personnel	
Nature of Relation						
Description of transaction	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Receipt of commission and service charges	16,94,83,522	12,93,66,424	-	-	-	-
2. Reimbursement of expenses	1,52,12,587	1,35,16,075	-	-	-	-
3. Employee Remuneration	-	-	-	-	13,82,997	11,09,352
4. Insurance Premium Paid	3,95,000	2,77,627	-	-	-	-
5. Insurance Claims Received	3,63,794	2,19,143	-	-	-	-
6. Interest earned on fixed deposit receipts	-	-	1,79,407	2,32,238	-	-
7. Fixed deposit receipts	-	-	-	63,33,000	-	-
8. Amount payable/(recoverable) at the balance sheet date	84,78,728	(17,35,018)	-	-	-	-

- e) 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.
- f) Contingent Liabilities - Nil
- g) As per information available with the management there are no outstanding dues to small scale undertakings.
- h) Earning and expenditure in foreign currency - Nil
- i) Previous period figures have been regrouped and rearranged, wherever necessary.

As per our Report of even date attached.

For and on the behalf of Board of Directors

For S K Mehta & Co.
Chartered Accountants

S.K.MEHTA
Partner
M.No. 10870

New Delhi
Dated : 25th April, 2007

K. Srinivasa Gowda
Chairman

Rakesh Kapur
Director

Masahiro Ogawa
Director

N.K. Kedia
Director & CEO



IFFCO TOKIO INSURANCE SERVICES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956)

I. REGISTRATION DETAILS

Registration No.

U	6	5	9	9	9	D	L	2	0	0	3	P	L	C	1	2	1	5	7	1
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 State Code

5	5
---	---

Balance Sheet Date

3	1
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0	3
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2	0	0	7
---	---	---	---

Date Month Year

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L	Rights Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L
							N	I	L												
							N	I	L												
Bonus Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L	Private Placement <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L
							N	I	L												
							N	I	L												

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Lac)

Total Liabilities <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>8</td><td>5</td><td>1</td><td>2</td></tr></table>								8	5	1	2	Total Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>8</td><td>5</td><td>1</td><td>2</td></tr></table>								8	5	1	2
							8	5	1	2													
							8	5	1	2													

SOURCES OF FUNDS

Paid-up Capital <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>5</td><td>0</td><td>0</td><td>0</td></tr></table>								5	0	0	0	Reserves & Surplus <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>3</td><td>5</td><td>1</td><td>2</td></tr></table>								3	5	1	2
							5	0	0	0													
							3	5	1	2													
Secured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L	Unsecured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L		
							N	I	L														
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APPLICATION OF FUNDS

Net Fixed Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L	Investments <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L	
							N	I	L													
							N	I	L													
Net Current Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>6</td><td>7</td><td>0</td><td>2</td></tr></table>								6	7	0	2	Miscellaneous Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L
							6	7	0	2												
							N	I	L													
Deferred Tax Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>8</td><td>1</td><td>0</td></tr></table>								1	8	1	0	Accumulated Losses <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L
							1	8	1	0												
							N	I	L													

IV. PERFORMANCE OF COMPANY (Amount in Rs. Lac)

Turnover <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>7</td><td>0</td><td>5</td><td>9</td><td>1</td></tr></table>								1	7	0	5	9	1	Total Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>6</td><td>6</td><td>8</td><td>7</td><td>2</td></tr></table>								1	6	6	8	7	2
							1	7	0	5	9	1															
							1	6	6	8	7	2															
Profit/Before Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>3</td><td>7</td><td>1</td><td>9</td></tr></table>								3	7	1	9	Profit/After Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>2</td><td>3</td><td>6</td></tr></table>								1	2	3	6				
							3	7	1	9																	
							1	2	3	6																	
Earnings per Share (in Rs.) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>2</td><td>.</td><td>4</td><td>7</td></tr></table>								2	.	4	7	Dividend <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L					
							2	.	4	7																	
							N	I	L																		

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY:
(As per Monetary Terms)**

Item Code No. _____ (ITC Code)
Product Description: Insurance Auxiliary Services

IFFCO-TOKIO INSURANCE SERVICES LIMITED

Regd. Office: 34, Nehru Place, New Delhi-110019

Regd. Folio No _____

No. of Shares held _____

PROXY FORM

I/we _____

Regd. Folio No. _____ of _____

_____ being a member/members of IFFCO-TOKIO INSURANCE SERVICES LIMITED,

NEW DELHI hereby appoint _____ or _____ failing

him/her _____ of _____ or failing

him/her _____ of _____ as my/our proxy to attend

and vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company to be held on Tuesday, the 5th June 2007 at 3.00 P.M. at IFFCO Sadan, C-1, District Centre, Saket Place, New Delhi – 110 017 and at any adjournment thereof.

Signed this _____ day of _____ 2007.

Signed by the said _____

Affix Rs. 1/-
Revenue
Stamp

Note: The proxy from 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 INSURANCE SERVICES LIMITED

Regd. Office: 34, Nehru Place, New Delhi-110019

ATTENDANCE SLIP

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

I hereby record my presence at the 4th Annual General Meeting of the Company to be held at IFFCO Sadan, C-1, District Centre, Saket Place, New Delhi 110017 on Tuesday, the 5th June 2007 at 3.00 P.M.

Ledger Folio No. _____

No. of Shares _____

Name of Shareholder _____

Signature _____