

TWELFTH ANNUAL REPORT
2011-12

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ANNUAL REPORT 2011-12



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BOARD OF DIRECTORS



K. Srinivasa Gowda
Chairman



Lee King Chi Arthur
Vice Chairman



Balwinder Singh Nakai
Director



Dr. B.S. Vishwanathan
Director



Dr. U.S. Awasthi
Director



Dr. P.S. Gahlaut
Director



Rakesh Kapur
Director



S.K. Kanwar
Director



Bahushrut Lugani
Director



Yogesh Lohiya
Managing Director &
Chief Executive Officer



N.K. Kedia
Director (Marketing)



Y. Fukuda
Director (Operations)

BOARD OF DIRECTORS

K. Srinivasa Gowda	Chairman
Lee King Chi Arthur	Vice Chairman
Balwinder Singh Nakai	Director
Dr. B.S. Vishwanathan	Director
Dr. U.S. Awasthi	Director
Rakesh Kapur	Director
Dr. P.S. Gahlaut	Director
S.K. Kanwar	Director
Bahushrut Lugani	Director
S. Narayanan (upto 15 th May, 2012)	Managing Director & Chief Executive Officer
Yogesh Lohiya (from 16 th May, 2012)	Managing Director & Chief Executive Officer
N.K. Kedia	Director (Marketing)
Y. Fukuda	Director (Operations)

SENIOR EXECUTIVES

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

AUDITORS

G.S. Mathur & Co. Chartered Accountants
S.K Mehta & CO Chartered Accountants

BANKERS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

IFFCO TOWER, 4th & 5th Floor,
Plot No. 3, Sector 29,
Gurgaon 122001 (Haryana),
Phone No. 0124-2850100

NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO General Insurance Company Limited** will be held on **Monday, the 28th May, 2012, at 4 P.M. at its Registered Office at IFFCO Sadan, C1, District Centre, Saket, New Delhi 110017** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 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 Mr. S.K. Kanwar who retires by rotation and is eligible for reappointment.
3. To appoint Director in place of Mr. Bahushrut Lugani who retires by rotation and is eligible for reappointment.
4. To appoint Director in place of Dr. P.S. Gahlaut 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, C1,
District Centre, Saket
New Delhi 110017.
Dated : 26th April, 2012

By Order of the Board,

(V.S. RAO)

Executive Director &
Company Secretary

NOTE:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a Member of the Company.
2. Instruments of proxies in order to be effective must be received/deposited with the Company at its Registered Office not less than 48 hours before the time fixed for the meeting.
3. The Register of Members and Share Transfer Books will remain closed from Monday, the 21st May, 2012 to 28th May, 2012 (both days inclusive)



**DIRECTORS'
REPORT**



Honourable Members,

1.0. Your Directors have pleasure in presenting the Twelfth Annual Report on the activities of your Company together with the audited financial results for the year ended 31st March, 2012 along with the Auditors' Report thereon.

2.0. ECONOMIC ENVIRONMENT AND INDUSTRIAL SCENARIO

2.1. Members are aware that the Gross Domestic Product (GDP) growth rate was 7.3 per cent in the first half of the financial year 2011-12 but it slipped down to 6.7 per cent in the second half, restricting the overall growth to 6.9 per cent as against 8.4 per cent growth rate in each of the two preceding financial years. The global economic slow down and Eurozone crisis coupled with high inflation rate and weakening industrial growth had direct bearing on the low performance of Indian economy.

2.2. Managing the projected growth rate of GDP, containing high inflation and slow down in investments became major challenges of macroeconomic policy making. During the financial year 2011-12, India found itself in the heart of these conflicting demands and challenges. Though the agricultural and territorial sectors performed at their best, Indian economy was hit by the deterioration in the external environment and the slow down in the domestic investment. At the same time, one should not lose sight of the fact that despite the low growth rate India remained one of the fastest growing economies of the world.

2.3. The global economic environment, which has been tenuous at best throughout the year 2011-12, turned sharply adverse in September 2011 owing to the turmoil of Eurozone and questions about the outlook on the US economy provoked by rating agencies. However, for the Indian economy,

the outlook for growth and price stability looks more promising. There are signs from some high frequency indicators that the weakness in economic activities has bottomed out and a gradual upswing is imminent. The Central Bank has started taking measures for industrial growth by reducing CRR rates and it is expected that borrowing interest rates will relent in future.

3.0. INDUSTRY SCENARIO OF GENERAL INSURANCE

3.1. During the year under review, Insurance Industry registered a growth at 23.5% as against 23.7% during the year 2010-11. The growth was primarily in motor and health segments of business and the two segments continued to be the largest business lines within the non-life sector. The outlook of non-life insurance sector for the financial year 2012-13 is expected to be good and with the dismantling of Indian Third Party Motor Pool, financials of the industry are expected to improve substantially. It is expected that non life insurance sector would grow by 18% year on year and by 2015 the size of the industry would reach to ₹95,000 Crores from its current size of ₹58,300 Crores.

3.2. The Premium growth of Private Players at 23.8% during the year 2011-12 exceeded that of the Public Sector which recorded a growth of 21.4%. Members will be happy to note that your Company maintained third position amongst Private Players with an overall market share of 3.8 per cent. During the year under review your Company has weeded out several loss making accounts.

4.0. FINANCIAL HIGHLIGHTS

4.1. Your Company has successfully completed another year of its operations. Despite the difficult market conditions, your Company has underwritten Gross premium of ₹2248 Crores including ₹222 Crores allocated from the motor third party

insurance pool as compared to ₹1989 Crores achieved in the previous year representing an increase of 13.0 per cent over the previous year. The financial results of your Company however, show a net loss of ₹31.80 Crores during the year under review as against net loss of ₹32.70 Crores during the previous year, mainly on account of increased Third party motor pool liability created from 2007-08 to 2011-12 consequent to the mandate received from IRDA. Members may be pleased to know that your Company has made underwriting profit excluding motor Pool operations during the year under review.

4.2. Indian Motor Third Party Insurance

Pool: During the year under review, IRDA conveyed significant increase in IBNR provisions of Motor Pool for the years 2007-08 to 2011-12, revision in requirements of solvency ratio and also increase in motor third party premium rates. IRDA appointed Government Actuary's Department UK (GAD) to evaluate the liabilities of the Motor Third Party Insurance Pool in order to assess the adequacy of the reserves which in earlier years were accounted for on the basis of communication received from Pool Administrator and Notifications issued by IRDA. Based on the Report of Government Actuary's Department UK (GAD), IRDA issued Orders conveying the ultimate loss ratio for TP Motor Pool for the period 2007-08 to 2011-12. Your Company had mobilized additional equity of Rs.125 Crores to meet the solvency margin requirements prescribed by IRDA in its Order dated 3rd January, 2012 which was anticipated consequent to IRDA's mandate to account for the entire accrual of the Motor Pool liability in the financial year 2011-12.

4.3. Pursuant to representation made by the GI Council, IRDA vide notification dated 22nd March, 2012 had notified two options to either account for the arrears liability in the financial year 2011-12 or in three years in

equal installments commencing from 2011-12, subject to companies exercising irrevocable choice of option they wished to adopt. Your Company having mobilized additional equity well before 22nd March, 2012, the date on which the notification was issued by IRDA, had exercised an irrevocable choice of option for accounting of entire arrears liability in financial year 2011-12 and accordingly apprised IRDA.

4.4. Members may be aware that IRDA while observing that the current frame work of the Pool was severely affecting the financial viability of general insurance sector to alarming capital depletion and also eroding the interest of the policy holders, ordered dismantling of Motor Pool with effect from 31st March, 2012 on a clean cut basis and creation of a Declined Risk Insurance Pool for commercial vehicles (Act only Insurance) with effect from 1st April, 2012. Under the new pool arrangement, every insurer shall underwrite a minimum percentage of standalone commercial third party business, the quantum of which is to be worked out in accordance with the guidelines prescribed in the order.

4.5. **Solvency Ratio:** Your Company having exercised the choice of accounting for the entire transitional liability of the Motor Pool from 2007-08 to 2011-12 in the financial year 2011-12 itself, provided for the entire liability in the accounts and maintains solvency margin of 1.22 as on 31st March, 2012 as against 1.10 prescribed by IRDA vide its order dated 3rd January, 2012. The solvency Ratio of your Company would have been 1.97 as at 31st March, 2012 had the entire liability of Third Party Motor Pool was not accounted in the financial year under review.

4.6. FINANCIAL RESULTS

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

₹ in Crores

Particulars	2011-12	2010-11
Gross Written premium	2248.62	1988.87
Less Reinsurance premium	825.32	736.58
Net premium	1423.30	1252.29
Unexpired Risk Reserve	90.62	117.19
Earned premium	1332.68	1135.10
Commission earned (net)	12.00	(15.11)
Others	1.05	0.40
Total underwriting Revenue	1345.73	1120.39
Net incurred claims	1233.67	990.46
Expenses of Management	352.57	318.64
Others	1.10	0.84
Total underwriting expenses	1587.34	1309.94
Underwriting profit/(Loss)	(241.61)	(189.55)
Investment Income:		
Allocated to Revenue A/c	161.57	116.04
Allocated to P&L A/c.	32.35	22.71
Others	1.05	1.43
Net underwriting surplus	(80.03)	(73.51)
Profit /(loss)before Tax	(46.63)	(49.37)

4.7. Share Capital: During the year under review your Company issued against cash 2,23,21,500 equity shares of ₹10 each at a premium of ₹46 per share on preferential allotment basis. Out of the above, 1,62,14,338 equity shares to M/s Indian Farmers Fertilizers Cooperative Limited, 3,03,572 equity shares to M/s Indian Potash

Limited and 58,03,590 equity shares to M/s Tokio Marine Asia Pte Limited were issued. The entire amount was received from promoters including the premium and the shares were allotted on 16th March, 2012.

5.0. DIVIDEND

Your Directors have not proposed to declare

any dividend for the year 2011-12 in view of the net loss for the year and also to comply with the directions of IRDA with regard to required solvency margin.

6.0. INVESTMENTS

The total investments of your Company as on 31st March, 2012 were ₹2328 Crores as against ₹1817 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 yield on these investments during the year worked out to 9.11% as against 8.02% earned in the previous year.

7.0. MARKETING

- 7.1. During the year under review, 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. As against the expectations of price corrections in commercial lines of business after 4-5 years of de-tariffing of insurance market, prices continued to be less than the burning cost. In view of continuing losses, reinsurance terms also hardened. In the current market scenario most of the insured are opting to utilize services of insurance brokers thus resulting into increase in acquisition costs. Your Company having achieved recognition as a leading property underwriter continued to focus on the commercial lines of business, but with enhanced caution.
- 7.2. Though the Retail lines of business did not contribute adequately to the bottom line, however, in view of the growth expected, the Company augmented its business in retail lines without sacrificing quality and controlling the incurred claim ratio. Your Company gained experience in Government Sponsored group health schemes for rural masses by participating in such Schemes during the year 2011-12.

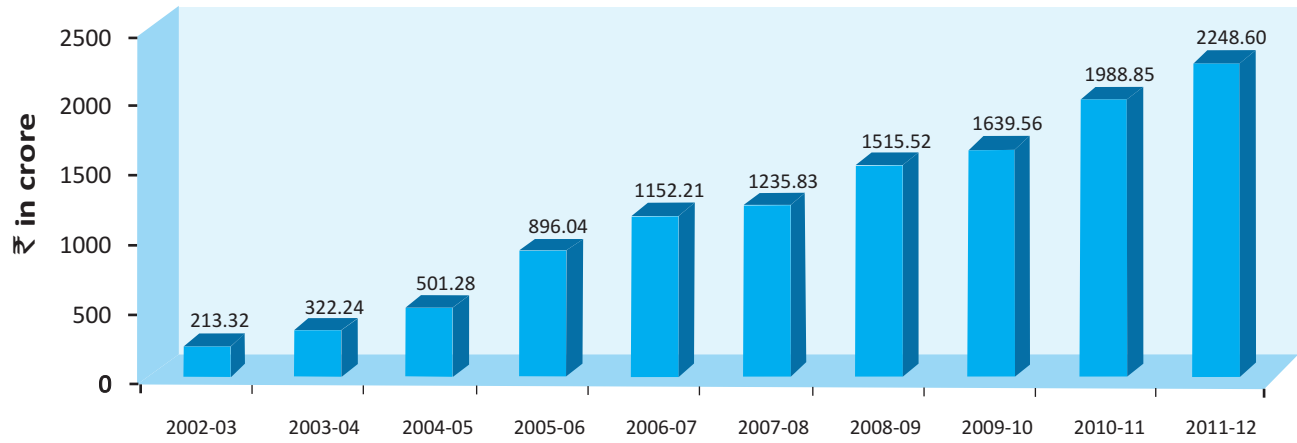
8.0. RURAL BUSINESS

- 8.1. Based on its commitment to serve the rural

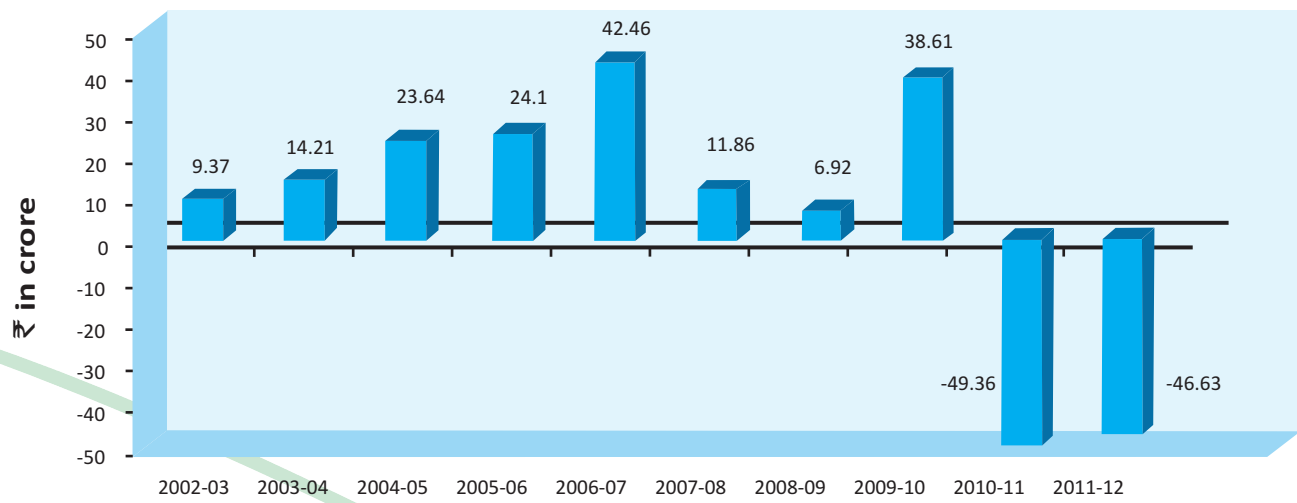
masses, the Company had strived continuously to improve upon its products and delivery systems. During the year under review, your Company launched a new weather index based crop insurance product and piloted in four districts covering 30,600 farmers. Your Company actively participated in the weather based crop insurance subsidy schemes and implemented them in thirty districts spread over nine states. During the year, 7.87 Lakh farmers were covered and 2.75 Lakh farmers were benefited under the scheme.

- 8.2. Your Company also participated in the Rashtriya Swasthya Bima Yojana, a health scheme for people living below poverty line and about 9.70 lakh BPL families were covered under these policies. The innovation of using RFID tags for identification in livestock insurance was well accepted by the farmers and the premium base has increased by about 29% over the previous year. The Janta Bima Yojana was also well accepted by the rural populace and the premium base has grown by 66% as compared to previous year. Your Company also conducted micro insurance campaigns and collected premium of ₹1.77 Crores. Sankat Haran Bima Yojana, a personal accident policy for buyers of IFFCO and IPL fertilizer, was widely accepted by the Indian farmers.
- 8.3. As per the Regulations notified by IRDA, your Company was required to underwrite 7% of Gross Direct Premium towards Rural business and insure 55,000 lives for compliance with the social sector obligations. Members would be happy to note that the actual business underwritten in respect of Rural Sector worked out to 14.26 % of Gross Direct Premium and that the Company had covered 18.82 lakhs lives during the year. The Company places on record its appreciation to IFFCO and its Member Co-operatives, who have extended their unstinted support to the Company to enable it to fulfill the mandatory requirements.

Gross Written Premium (GWP)



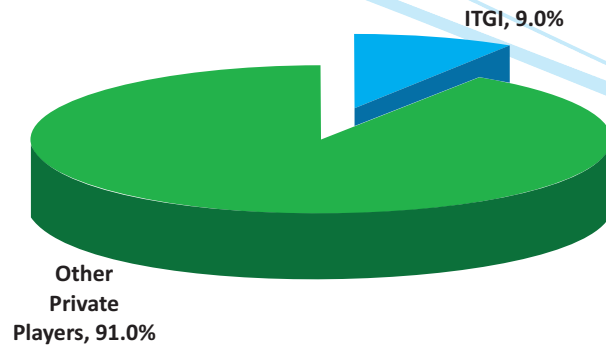
Profit Before Tax (PBT) Performance

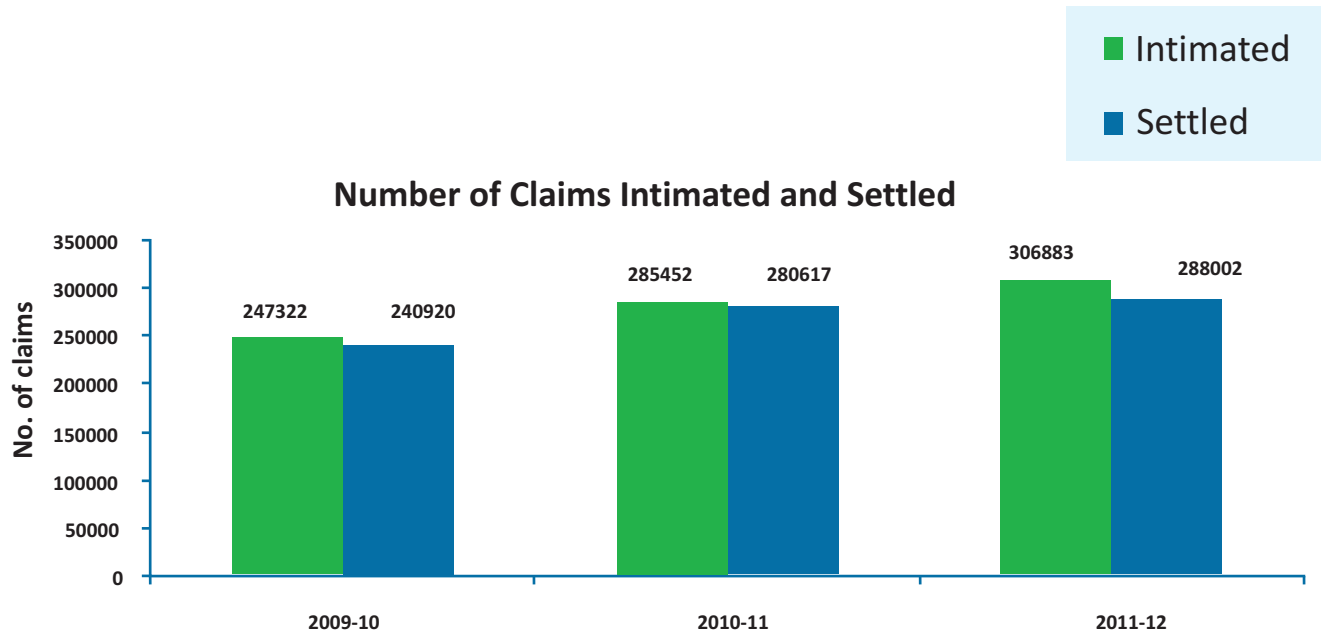


Market Share of Private Players

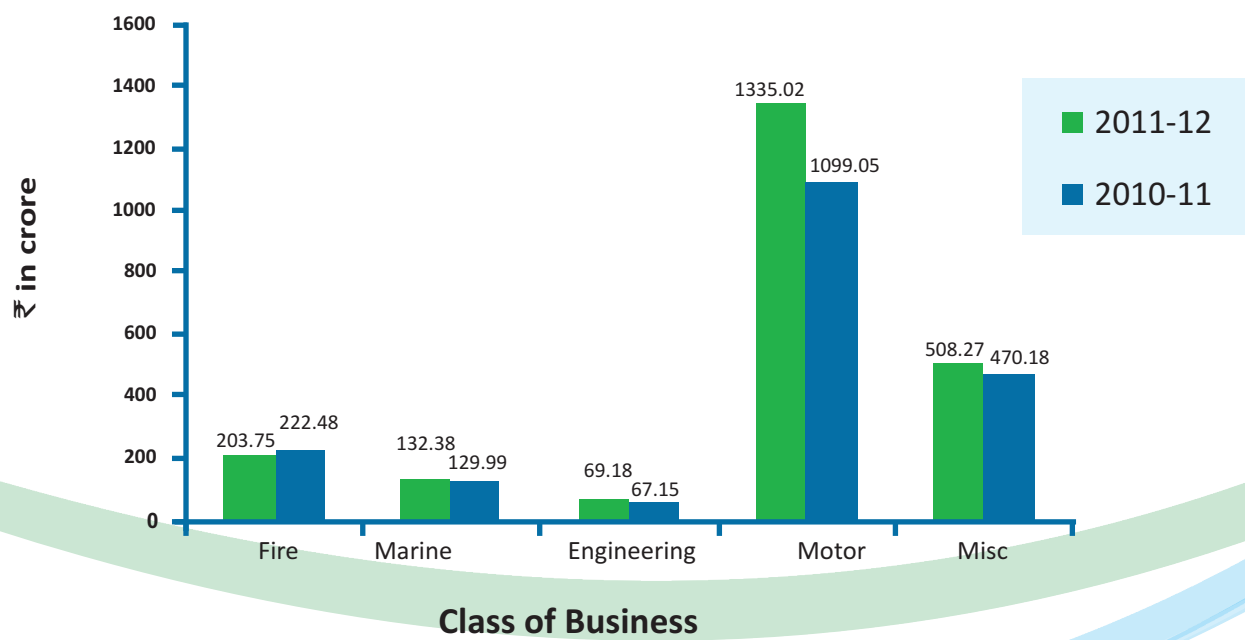


ITGI Share Among Private Insurers





Class wise GWP Breakup



9.0. CORPORATE GOVERNANCE

9.1. 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. Members would be pleased to note that your Company had taken appropriate measures and complied with the requirements of IRDA.

Your Company believes that good Corporate Governance holds balance between economic and social goals and between individual and commercial goals. It instills essential vision and structures to make decisions that ensure long term sustainability. It has been the endeavor of your Company to adopt systems and procedures which would strengthen good corporate governance, transparency, accountability and full disclosure of information to its shareholders and other stakeholders. The Board of Directors had accordingly constituted the following Committees:

(a) Executive Committee

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

(b) Investment Committee

The Investment Committee comprises of two Non-Executive Directors, Managing Director, Financial Advisor, Chief of Investment Division, Chief of Finance Division and Appointed Actuary. The Investment Committee is responsible for formulating the Annual Investment Policy,

laying down guidelines for investment of surplus funds, approval of investment decisions, monitoring the implementation of approved investment policy and guidelines and also compliance of IRDA (Investment) Regulations.

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

(c) Audit Committee

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

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

(d) Risk Management Committee

In compliance with the Guidelines on Corporate Governance by Insurers issued by IRDA your Company has constituted a Risk Management Committee comprising of Director (Operations), Head (Underwriting), Chief Financial Officer and Compliance

Officer of the Company. The Committee is responsible for monitoring all the risks across various lines of business of the Company, reviewing the business, underwritten investment of funds, reinsurance supports, major claims, amount recoverable and such other business activities which have a potential of exposing the Company to avoidable risks.

(e) Policyholder Protection Committee

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

- 9.2. During the year four meetings of the Board of Directors, nine meetings of the Executive Committee, four meetings of the Audit Committee, four meetings of the Investment Committee, four meetings of Risk Management Committee and four meetings of Policyholder Protection Committee were held. All the meetings were well attended.
- 9.3. A Report on Corporate Governance pursuant to IRDA Guidelines issued is placed at Annexure "A".

10.0. CUSTOMER SERVICES

- 10.1. Customers Service Centers (CSCs):** Members would recall that with the objective of providing prompt services to our customers and optimize utilization of resources, your Company had set up Customers Service Centers (CSCs), located at Mumbai, Kolkata, Vadodara, Bangalore, Delhi (NCR), Delhi (North) 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

Centers handled approximately 3.10 lakhs claims during the year under review and were able to achieve a settlement ratio of 85% on an average. Your Company opened a new CSC at Chennai with effect from 1st April, 2012 and had set up a Corporate Health Claims Team to settle Health Claims in its Corporate Office. Besides Eight Customer Service Centers servicing Customers, the Centralized Claim Unit located at Corporate Office also focused on Claims / loss control measures by introducing e-survey and on line technical scrutiny of motor claims, improved salvage management and utilizing the services of in-house surveyors.

- 10.2. In addition to setting up of Customers Service Centers for servicing of Customers in respect of Claims, your Company has set up a centralized underwriting Hub in NCR. 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.
- 10.3. **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.

11.0 INFORMATION TECHNOLOGY

- 11.1. The first phase of ERP, Oracle EBS, was successfully completed during the year under review. 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.

11.2. Cover note control system was implemented providing leaf level accounting of all cover notes. Suitable validations and escalation processes were also inbuilt to avoid misuse of cover notes. Real time integrations with broker portals were developed to facilitate issuance of motor and travel policies. An in-house web based Inventory Management System has been developed and implemented to maintain proper records of all IT assets. New software AAYOJAK was developed and implemented to record and monitor activities of field force.

11.3. Surveillance audit by BSI was successfully conducted to continue ISO 27001 certification for information security for IT department and data centre. IT implementations received many awards and accolades including Top 100 CISO Award, C-Change Enterprise Gold Award, CIO100 Award, and Silver Edge Award during the year.

12.0. BUSINESS PLAN 2012-13

12.1. Your Company has achieved a GWP of ₹2248 Crores (including allocation of ₹222 Crores from the Motor Third Party Insurance Pool) during the year ended 31st March, 2012. The Company has set a target of ₹2375 Crores for the financial year 2012-13. 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 2012-13, mobilization of business from the retail segment has been planned since it is anticipated that it will continue to grow as in the previous year.

12.2. **Market Strategy:** Your Company has drawn a strategy for profitable growth by focusing on profitable lines of business and reducing focus on unprofitable lines. Accordingly, motor would continue to be our growth driver but with stringent guidelines to ensure business quality and loss control through streamlined processes. Your Company would have a reduced focus on

certain lines such as Aviation, Marine and Group health. 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, your Company would encourage low cost distribution channels viz. ITIS, Individual Agents, Cooperatives and Bancassurance. Your Company having gained experience in Government Sponsored group health schemes for rural masses will continue to participate in such schemes during the year 2012-13.

12.3. **Rural Business:** Your Company will strive to improve upon its products and delivery systems to serve rural masses and propagate awareness and benefits of insurance among the rural population. Keeping the strength of your promoters, all efforts will be made to service the rural population with existing insurance products and by developing new products. Your Company has plans to further strengthen its operations by expanding its business in potential market areas and in rural segments so as to make its services easily accessible to its customers across the country.

12.4. **Product Development:** Hon'ble Members are aware that your Company presently sells various products customized to suit the needs of target market segments like, art lovers, industries and corporate, International travelers, semi urban and rural segments of the Indian market. Your Company will continue to develop new products during the year 2012-13 to service its customers and to face the challenges of competitive market.

12.5. **Reinsurance:** Your Company formulated its Reinsurance Programme for the year 2012-13 in line with the guidelines laid down by Insurance Regulatory and Development Authority (IRDA). The reinsurance programme finalized aims at –

- (a) optimum retention within the country consistent with prudent risk retentions to reduce foreign exchange outgo.
- (b) develop adequate automatic reinsurance

capacity within the Indian Insurance market to maximize the market retention as also to create sufficient automatic capacity to absorb mega risks and to

- (c) Secure the best possible protection with top class securities at economical cost.

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

- 12.6. **Risk Management:** Risk is fundamental to life-both human and corporate. Insurance being the business of transfer of risks from client to insurer, its viability depends on underwriter's ability to precisely assess the risk. As Members are aware, your Company has formed a Risk Management Committee which is proficient in qualitative evaluation of risk, providing safety consultancy for loss reduction and suggesting measures for risk mitigation to the client. In the detariffed market scenario this team is striving to develop expertise in areas like risk pricing, business continuity planning, earthquake hazard simulation, consequence analysis and marine loss reduction which will help us in offering a bouquet of services to the clients. The 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.

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

- 13.1. IFFCO TOKIO Insurance Services Limited (ITIS), the subsidiary Company which was incorporated by IFFCO-TOKIO in the year 2003-04 to promote a dedicated direct sales force and also to provide personalized services to IFFCO-TOKIO customers at the point of sales has scaled new heights by extending its presence to over 374 locations in the year 2011-12. The Company sourced and serviced premium of ₹846 Crores for IFFCO-TOKIO during the year 2011-12 registering a growth of approx. 33 per cent

over 2010-11. 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 1500 trained persons comprising of employees and trainees who procure business and also render services to IFFCO-TOKIO customers both in urban and rural areas.

- 13.2. Members are kindly aware that your Company with a view to penetrate deeper into the SME and retail market and to create inroads in rural markets created a dedicated channel for marketing IFFCO TOKIO products and also service its esteemed customers had formed a wholly owned subsidiary under the name of IFFCO-TOKIO Insurance Services Limited. The Company during its operations for the year ended on 31st March, 2012 contributed business valuing ₹846 Crores as against ₹638 Crores during the previous year to IFFCO TOKIO and earned a profit before tax of ₹21.65 lakhs as against ₹22.58 lakhs during the previous year. ITIS served the semi-urban and rural segments of India with innovative products of IFFCO TOKIO and serviced several customers. As required under section 212(1) of the Companies Act, 1956, the audited accounts and other particulars of the subsidiary Company are appended as at Annexure "B."

14.0. HUMAN RESOURCE DEVELOPMENT

- 14.1. Human resource is an invaluable asset of any Organization. Suitable strategies were evolved during the year to achieve the vision of the Company viz., winning the trust of the Customer through fairness, transparency and quick response. In order to empower and motivate the employees coverage for personal accident has been enhanced suitably at all levels, their incentive scheme is linked to their own performance as well as of the Company. Actuarial Development Policy has also been introduced for retaining the talent in the Company.
- 14.2. Induction and refresher training schemes

covering functional and behavioral areas were conducted during the year and employees at all levels were exposed to various training programmes. A dedicated training Division conducted 35 programmes for employees and imparted both technical and non technical training during the year under review.

14.3. 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, 2012 is placed at Annexure "C".

15.0. CONSERVATION OF ENERGY AND TECHNOLOGY

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

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- ₹10,418.26 Lakhs (Previous year ₹11,038.91 lakhs)

Outgo- ₹18,535.65 Lakhs (Previous year ₹19,011.44 Lakhs)

17.0. PUBLIC DEPOSITS

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

18.0. AUDITORS' OBSERVATIONS

Auditors' Report

The Report of the Auditors to the Shareholders of the Company is annexed to the financial statements for the year ended 31st March, 2012. There are no specific observations in the Report of the Auditors which require clarification.

19.0. BOARD OF DIRECTORS

19.1. Appointment of Nominee Director: During

the year, M/s Tokio Marine Asia Pte Limited conveyed the nomination of Mr. Lee King Chi Arthur, CEO of M/s Tokio Marine Asia Pte Limited as nominee Director on the Board of the Company in place of Mr. Takashi Yoshikawa. Consequently, Mr. Lee King Chi Arthur was appointed as Nominee Director of M/s Tokio Marine Asia Pte Limited on the Board of IFFCO TOKIO with effect from 10th June, 2011 and he became the Vice Chairman from the date of his appointment. Your Board of Directors place on record appreciation of the services rendered by Mr. Takashi Yoshikawa during his tenure as Vice Chairman of the Company.

19.2. Extension of Tenure of Appointment of Director (Marketing): The Board of Directors have extended the tenure of appointment of Mr. N.K. Kedia, Director (Marketing) from 1.11.2011 to 31.10.2012 and necessary approvals were obtained from the competent authorities for the same.

19.3. Revision in Remuneration of Director (Operations): During the year under review remuneration of Mr. Yasunobu Fukuda, Director (Operations) was increased effective from 1st April, 2011 and necessary approvals of competent authorities were obtained.

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, Mr. S.K. Kanwar, Mr. Bahushrut Lugani and Dr. P.S. Gahlaut, 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 2011-12 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 appointment and stating that their appointment if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956 and they 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 STATEMENT

21.1. The Board of Directors of your Company confirms:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that there has been no material departure;
- ii. That the selected accounting policies were applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 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. Your Directors express their gratitude to all customers of your Company for their valuable patronage, shareholders, the Insurance Regulatory & Development Authority, General Insurance Council, Tariff Advisory Committee, General Insurance Corporation of India, Reinsurers and other

statutory authorities for their continued support and guidance to the Company. Your Directors also place on record their sincere thanks to its statutory Auditors, Bankers, Insurance Agents, Brokers and other constituents for their continued support.

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

for and on behalf of the Board

Place: New Delhi
Dated: 26th April, 2012

(K. SRINIVASA GOWDA)
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

In accordance with the “Corporate Governance Guidelines for Insurance Companies” issued by IRDA vide Circular No. IRDA/ F&A/ CIR/ 025/ 2009-10, the Report containing the details of Governance systems and practices at IFFCO TOKIO General Insurance Company Limited 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, 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

As part of good Governance, the Company, in compliance with the Guidelines issued by IRDA, has appointed independent Directors on the Board. The Board of Directors 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. The Board has constituted all mandatory Committees as prescribed in the Guidelines and the same are functional.

4.0 Board of Directors Meetings

Four Meetings of the Board of Directors were held during the year 2011-12. The Company has held at least one Board meeting in every quarter and the gap between two meetings is not more than four months. The details of the Board meetings held during the year are as under:

S.No	Date	Board Strength	No .of Directors present
1	16 th May, 2011	12	10
2	19 th July, 2011	12	12
3	21 st October, 2011	12	11
4	16 th January, 2012	12	12

The names of the Board of Directors and their attendance at the Board Meetings held during the financial year 2011-12 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. Takashi Yoshikawa	M.B.A	Insurance	Vice Chairman	1	1
3	**Mr. Lee King Chi Arthur	Bachelor degree of Arts and Jurisdoctorate	Legal	Vice Chairman	3	3
4	Mr. Balwinder Singh Nakai	Graduate	Agriculture	Director	4	4
5	Dr. B.S. Vishwanathan	Ph.D., B.Com.	Management	Director	4	3
6	Dr. U.S. Awasthi	Ph.D. and Graduate in Chemical Engineering	Management	Director	4	3
7	Mr. Rakesh Kapur	B. Tech (Mechanical)	Finance	Director	4	4
8	Dr. P.S. Gahlaut	Ph.D., B.Sc. (Hons.)	Business Management	Director	4	4
9	Mr. Bahushrut Lugani	C.A., B.Sc.	Finance	Independent Director	4	4
10	Mr. S.K. Kanwar	Graduate	Insurance	Independent Director	4	4
11	Mr. S. Narayanan	M.Sc. (Maths), A.I.I.I	Insurance	Managing Director & C.E.O	4	4
12	Mr. N.K. Kedia	B.Sc (Engg.) Mechanical, L.I.I.I	Marketing	Director (Marketing)	4	3
13	Mr. Yasunobu Fukuda	B. Com	Operations	Director (Operations)	4	4

* Mr. Takashi Yoshikawa ceased to be Director effective from 16th May, 2011

**Mr. Lee King Chi Arthur was appointed as Director w.e.f. 10th June, 2011.

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 2011-12 are as under.

(A) Investment Committee

Four Meetings of the Investment committee were held during the year 2011-12. The gap between two meetings is not more than four months. The details of the Board meetings held during the year are as under:

S. No	Date	Strength	No. of Directors/Members present
1	21 st June, 2011	7	7
2	7 th October, 2011	7	6
3	22 nd December, 2011	7	7
4	20 th March, 2012	7	7

The names of the Board of Directors and other Members present at the Investment Committee Meeting held during the financial year 2011-12 and the attendance are 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	4	4
2	Mr. Rakesh Kapur	Member	4	4
3	Mr. K.K. Wadhwa	Member/ Appointed Actuary	4	4
4	Mr. S. Narayanan	Member	4	4
5	Mr. M. K. Tandon	Member / Financial Advisor	4	4
6	Mr. H. O. Suri	Member / Chief Investment Officer	4	3
7	Mr. Sanjeev Chopra	Member / Chief Finance Officer	4	4

(B) Audit Committee

Four Meetings of the Audit Committee were held during the year 2011-12. The gap between two meetings was not more than four months. The details of the Audit Committee meetings are as under:

S. No	Date	Strength	No. of Directors/Members present
1	12 th May, 2011	4	4
2	10 th August, 2011	4	4
3	21 st October, 2011	4	4
4	15 th February, 2012	4	3

The names of the Board of Directors and other Members present at the Audit Committee Meetings held during the financial year 2011-12 and the attendance 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	4
3	Mr. Rakesh Kapur	Member	4	4
4	Mr. S. Narayanan	Member	4	3

(C) Risk Management Committee

Four Meetings of the Risk Management Committee were held during the year. The gap between two meetings was not more than four months. The details of the Risk Management Committee meetings are as under:

S. No	Date	Strength	No. of Directors/Members present
1	16 th May, 2011	4	4
2	2 nd September, 2011	4	4
3	22 nd December, 2011	4	3
4	20 th March, 2012	4	4

The names of the Board of Directors and other Members present at the Risk Management Committee Meetings held during the financial year 2011-12 and the 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	4
2	Mr. V.S. Rao	Member	4	4
3	Mr. Sanjay Seth	Member	4	3
4	Mr. Sanjeev Chopra	Member	4	4

(D) Policyholders Protection Committee

Four Meetings of the Policy Holders Protection Committee were held during the year. The gap between any two meetings was not more than four months. The details of the Policy holders Protection Committee meetings are as under:

S. No	Date	Strength	No .of Directors/Members present
1	21 st June, 2011	5	4
2	6 th October, 2011	5	5
3	23 rd December, 2011	5	4
4	20 th March, 2012	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 2011-12 and the 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	4
2	Mr. V.S. Rao	Member	4	4
3	Mr. H.O. Suri	Member	4	3
4	Mr. Parag Gupta	Member	4	4
5	Mr. R. Kannan	Member	4	3

(E) Asset Liability Management Policy (ALM)

As per the requirement of IRDA, the Company has formulated Asset Liability Management (ALM) Policy for the financial year 2012-13

8.0. Non-Mandatory Committees

(a) Executive Committee

The Company constituted 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 2011-12, Eight 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 re-

appointment of Director (Marketing) and also fix his salary. A meeting of the Selection and Remuneration Committee was held to revise the remuneration payable to Director (Operations) during the financial year 2011-12 and the recommendations of the Committee were approved by the Board.

9.0. 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.

10.0 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.

11.0. Compliance Certificate of the Company Secretary

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

Annexure I of 'A'

Certification for compliance of the Corporate Governance Guidelines

I, 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: 26th April, 2012

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

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

1. The extent of Company's interest in the subsidiary at the end of the financial year of the Subsidiary Company :

Entire Equity Share Capital of the IFFCO-TOKIO Insurance Services Ltd. as on 31st March, 2012 (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 of the subsidiary Company for the period ended 31st March, 2012 is ₹6,92,256. Profit for the previous financial years of the subsidiary since it became holding Company's subsidiary is ₹68,74,786.

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

- | | | |
|------|---|--------|
| (i) | For the financial year of the subsidiary | - Nil. |
| (ii) | For the previous years of the subsidiary since it became holding Company's subsidiary | - NIL |



**AUDITORS'
REPORT**



AUDITORS' REPORT

To the Members of

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

1. We have audited the attached Balance Sheet of Iffco Tokio General Insurance Company Limited (the Company), as at March 31, 2012, and also the Revenue accounts relating to fire, marine and miscellaneous insurance business, the Profit and Loss account and the Receipts and Payments account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether (the financial statements are free of material misstatement). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement's presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. We report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
 - b. In our opinion, proper books of account, as required by law have been maintained by the Company so far as appears from our examination of those books;
 - c. We have audited the branches and head office of the Company;
 - d. The Balance Sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account referred to in this report are in agreement with the books of account;
 - e. The actuarial valuation of liabilities in respect of Claims 'Incurred But Not Reported' (IBNR) and Claims 'Incurred But Not Enough Reported' (IBNER) as at 31st March, 2012, has been duly certified by the appointed actuary and relied upon by us. The appointed actuary has certified that the assumptions used for such valuation are appropriate and are in accordance with the requirements of the IRDA and Actuarial Society of India.
 - f. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the information and explanations given to us; we further report that:
 - a. The accounting policies selected by the Company are appropriate and are in compliance with the applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956 and with the accounting principles, as prescribed in the Regulations or any order or direction issued by IRDA in this behalf;
 - b. The Balance Sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account referred to in this report are prepared in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act 1956;
 - c. Investments have been valued in accordance with the provisions of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

- d. The said financial statements read together with the Notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999, Insurance Regulatory And Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 1956, to the extent applicable and in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in the case of the Revenue accounts, of the deficit for the year ended March 31, 2012;
 - iii. in the case of the Profit and Loss account, of the Loss of the Company for the year ended March 31, 2012; and
 - iv. in the case of the Receipts and Payments account, of the Receipts and Payments

of the Company for the year ended March 31, 2012.

5. Further, on the basis of our examination of books & records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- (a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2012 and there are no apparent mistakes or material inconsistency with the financial statements; and
 - (b) Based on the information and explanations received during the course of our audit, management representations read together with Note No. B-III-2 of Schedule 16 forming part of the Financial Statements in relation to maintenance of Solvency Ratio, 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

K.K Gangopadhyay
Partner
Membership No 13442

New Delhi
Dated: 26th April, 2012

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

S.K Mehta
Partner
Membership No. 10870

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, 2012, 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, 2012, the Company had no secured loans.

- (b) The Company is not a trustee of any trust.
- (c) No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders funds.

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

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

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

K.K Gangopadhyay
Partner
Membership No 13442

S.K Mehta
Partner
Membership No. 10870

New Delhi
Dated: 26th April, 2012



ACCOUNTS



BALANCE SHEET AS AT 31st March, 2012

(₹ In '000)

S. No.	PARTICULARS	SCHEDULE		As at 31st March, 2012	As at 31st March, 2011
(1)	(2)	(3)		(4)	(5)
	SOURCES OF FUNDS				
	SHARE CAPITAL	5		2,693,215	2,470,000
	RESERVES AND SURPLUS	6		2,655,294	1,946,477
	FAIR VALUE CHANGE ACCOUNT			325	130
	BORROWINGS	7		-	-
	TOTAL			5,348,834	4,416,607
	APPLICATION OF FUNDS				
	INVESTMENTS	8		14,770,000	12,378,935
	LOANS	9		-	-
	FIXED ASSETS	10		269,772	237,174
	CURRENT ASSETS :				
	Cash and Bank Balances	11	8,984,618		5,853,544
	Advances and Other Assets	12	4,098,560		3,029,039
	Sub-Total (A)		13,083,178		8,882,583
	CURRENT LIABILITIES				
	PROVISIONS	13	15,927,118		10,992,450
		14	7,242,998		6,336,835
	Sub-Total (B)		23,170,116		17,329,285
	NET CURRENT ASSETS (C) = (A-B)			(10,086,938)	(8,446,702)
	DEFERRED TAX ASSET (NET)			396,000	247,200
	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15		-	-
	Debit Balance in Profit and Loss Account				
	TOTAL			5,348,834	4,416,607

CONTINGENT LIABILITIES

(₹ In '000)

Sl. No.	PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
(1)	(2)	(3)	(4)
	Partly paid up investments	-	-
	Claims, other than against policies, not acknowledged as debts by the company	-	8,179
	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	21,782	6,780
	Reinsurance obligations to the extent not provided for in the accounts	-	-
	Others	-	-
	Total	21,782	14,959

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

K.K. Gangopadhyay
Partner
M.No. 013442

S.K. Mehta
Partner
M.No. 10870

S. Narayanan
Managing Director

Rakesh Kapur
Director

Y. Fukuda
Director

M.K. Tandon
Financial Advisor

New Delhi
Dated : 26th April, 2012

V.S. Rao
Company Secretary

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2012

(₹ In '000)

S.No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	513,148	503,530
2	Profit / (Loss) on sale / redemption of Investments		1,706	1,442
3	Others : Handling Charges		686	(405)
	Exchange Gain / (Loss)		(7,938)	(5,394)
4	Interest, Dividend & Rent-Gross		70,636	57,991
	TOTAL (A)		578,238	557,164
1	Claims Incurred (Net)	2	385,927	485,340
2	Commission	3	(103,416)	(90,592)
3	Operating expenses related to Insurance Business	4	312,564	335,839
	TOTAL (B)		595,075	730,587
	Operating Profit / (Loss) from Fire Business C=(A-B)		(16,837)	(173,423)
	APPROPRIATIONS		-	-
	Transfer to Shareholders' Account		(16,837)	(173,423)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		(16,837)	(173,423)

ANNUAL REPORT 2011-12

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

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

For and on behalf of Board of Directors

As per our Report of even date attached.

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

K.K. Gangopadhyay
Partner
M.No. 013442

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

S.K. Mehta
Partner
M.No. 10870

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

Rakesh Kapur
Director

Y. Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 26th April, 2012

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Registration No. 106 Dated 4. 12. 2000

MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2012

(₹ In '000)				
S.No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	401,010	388,235
2	Profit / (Loss) on sale / redemption of Investments		1,854	1,416
3	Others: Handling Charges		285	789
	Exchange Gain / (Loss)		289	1,284
4	Interest, Dividend & Rent-Gross		76,763	56,928
	TOTAL (A)		480,201	448,652
1	Claims Incurred (Net)	2	381,541	384,065
2	Commission	3	(43,371)	(44,216)
3	Operating expenses related to Insurance Business	4	233,000	228,527
	TOTAL (B)		571,170	568,376
	Operating Profit / (Loss) from Marine Business C = (A-B)		(90,969)	(119,724)
	APPROPRIATIONS		-	-
	Transfer to Shareholders' Account		(90,969)	(119,724)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		(90,969)	(119,724)

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

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

As per our Report of even date attached.

For and on behalf of Board of Directors

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

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

K. Srinivasa Gowda
Chairman

K.K. Gangopadhyay
Partner
M.No. 013442

S.K. Mehta
Partner
M.No. 10870

S. Narayanan
Managing Director

Rakesh Kapur
Director

Y. Fukuda
Director

M.K. Tandon
Financial Advisor

New Delhi
Dated : 26th April, 2012

V.S. Rao
Company Secretary

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31st March, 2012

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	12,412,658	10,459,262
2	Profit / (Loss) on sale / redemption of Investments		34,547	25,297
3	Others: Handling Charges		5,248	(2,622)
	Exchange Gain / (Loss)		(3,017)	677
	Transfer & Duplicate Fee		3,943	1,249
4	Interest, Dividend & Rent-Gross		1,430,288	1,017,335
	TOTAL (A)		13,883,667	11,501,198
1	Claims Incurred (Net)	2	11,569,184	9,035,244
2	Commission	3	26,833	285,876
3	Operating expenses related to Insurance Business	4	2,980,170	2,622,075
	TOTAL (B)		14,576,187	11,943,195
	Operating Profit / (Loss) from Miscellaneous Business C = (A-B)		(692,520)	(441,997)
	APPROPRIATIONS		-	-
	Transfer to Shareholders' Account		(692,520)	(441,997)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves (to be specified)		-	-
	TOTAL (C)		(692,520)	(441,997)

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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

K.K. Gangopadhyay
Partner
M.No. 013442

S.K. Mehta
Partner
M.No. 10870

S. Narayanan
Managing Director

Rakesh Kapur
Director

Y. Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 26th April, 2012

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Registration No. 106 Dated 4. 12. 2000

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2012

(₹ In '000)

S.No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	OPERATING PROFIT / (LOSS)			
	(a) Fire Insurance		(16,837)	(173,423)
	(b) Marine Insurance		(90,969)	(119,724)
	(c) Miscellaneous Insurance		(692,520)	(441,997)
			(800,326)	(735,144)
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent-Gross		315,896	221,591
	(b) Profit on sale of Investments		7,630	5,510
	Less : Loss on Sale of Investments		-	-
			323,526	227,101
3	OTHERS			
	Miscellaneous Income		18,066	19,583
	TOTAL (A)		(458,734)	(488,460)
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		6,501	4,982
	(b) Bad Debts written off		-	-
	(c) Loss on Sale/Scraping of Fixed Assets		1,050	234
	TOTAL (B)		7,551	5,216
	Profit/(Loss) Before Tax		(466,285)	(493,676)
	Less : Provision for Taxation			
	Current Tax		-	-
	Deferred Tax		(148,800)	(166,170)
	Wealth Tax		487	515
	Less : Short provision for current tax for earlier years		-	-
	Current Tax		-	4,209
	Deferred Tax		-	(5,230)
	Profit/(Loss) After Tax		(317,972)	(327,000)
	Balance of Profit brought forward from Last Year		403,311	730,025
			-	-
	Balance available for appropriation		85,339	403,025
	APPROPRIATIONS			
	(a) Interim dividends paid during the year		-	-
	(b) Proposed Final Dividend		-	-
	(c) Dividend distribution tax		-	(286)
	(d) Transfer to any Reserves or Other Accounts		-	-
	Balance carried forward to Balance sheet		85,339	403,311
	Basic & Diluted Earnings per Share			
	(Equity Shares of Face Value of ₹10 each)		(1.29)	(1.32)

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

K.K. Gangopadhyay
Partner
M.No. 013442

S.K. Mehta
Partner
M.No. 10870

S. Narayanan
Managing Director

Rakesh Kapur
Director

Y. Fukuda
Director

M.K. Tandon
Financial Advisor

 New Delhi
Dated : 26th April, 2012

V.S. Rao
Company Secretary

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012

(₹ In '000)

	Current Year		Previous Year	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premium received from policyholders, including advance receipts	23,707,478		19,978,828	
Other receipts	18,066		19,583	
Receipts from the re-insurers, net of commissions and claims	(1,912,328)		477,986	
Payments to co-insurers, net of claims recovery	(450,655)		(274,685)	
Payments of claims	(12,473,444)		(9,956,549)	
Payments of commission and brokerage	(1,018,427)		(970,606)	
Payments of other operating expenses	(3,848,400)		(3,813,989)	
Preliminary and pre-operative expenses	-		-	
Deposits, advances and staff loans	110,396		(73,154)	
Income taxes paid (Net)	(104,317)		(140,912)	
Service tax paid	(1,233,846)		(902,323)	
Other payments	-		-	
Cash Flows before extraordinary items	2,794,524		4,344,179	
Cash Flow from extraordinary operations	-		-	
Net Cash Flow from operating activities		2,794,524		4,344,179
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(126,483)		(160,754)	
Proceeds from sale of fixed assets	13,226		5,076	
Purchases of investments	(39,811,340)		(40,515,236)	
Loans disbursed	-		-	
Sales of investments	37,399,863		36,296,095	
Repayments received	-		-	
Rents/Interests/Dividends received	1,617,781		1,179,233	
Investments in money market instruments and in liquid mutual funds (Net)	-		-	
Expenses related to investments	(6,501)		(4,982)	
Net Cash Flow from investing activities		(913,454)		(3,200,568)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	1,250,004		-	
Proceeds from borrowing	-		-	
Repayments of borrowing	-		-	
Interest/dividends paid	-		(86,408)	
Net Cash Flow from financing activities		1,250,004		(86,408)
Effect of foreign exchange rates on cash and cash equivalents, net		-		-
Net Increase /(Decrease) in Cash & Cash equivalents		3,131,074		1,057,203
Cash equivalents at beginning of Year		5,853,544		4,796,341
Cash equivalents at end of Year		8,984,618		5,853,544

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As per our Report of even date attached.

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

K.K. Gangopadhyay
Partner
M.No. 013442

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

S.K. Mehta
Partner
M.No. 10870

For and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

Rakesh Kapur
Director

Y. Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 26th April, 2012

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Registration No. 106 Dated 4. 12. 2000

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	1,751,998	1,306,181	16,694,259	19,752,438	1,880,504	1,279,783	14,671,480	17,831,767
Add : Premium on reinsurance accepted	285,554	17,696	2,430,491	2,733,741	344,336	20,170	1,692,396	2,056,902
	2,037,552	1,323,877	19,124,750	22,486,179	2,224,840	1,299,953	16,363,876	19,888,669
Less : Premium on reinsurance ceded	1,525,686	825,636	5,901,879	8,253,201	1,684,194	922,818	4,758,766	7,365,778
Net Premium	511,866	498,241	13,222,871	14,232,978	540,646	377,135	11,605,110	12,522,891
Adjustments for changes in Reserve for Unexpired Risks	(1,282)	97,231	810,213	906,162	37,116	(11,100)	1,145,848	1,171,864
Total Premium Earned (Net)	513,148	401,010	12,412,658	13,326,816	503,530	388,235	10,459,262	11,351,027

* 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	1,023,032	283,149	1,306,181	830,323	449,460	1,279,783
Add : Premium on reinsurance accepted	15,786	1,910	17,696	17,676	2,494	20,170
	1,038,818	285,059	1,323,877	847,999	451,954	1,299,953
Less : Premium on reinsurance ceded	578,334	247,302	825,636	507,120	415,698	922,818
Net Premium	460,484	37,757	498,241	340,879	36,256	377,135
Adjustments for changes in Reserve for Unexpired Risks	95,727	1,504	97,231	2,563	(13,663)	(11,100)
Total Premium Earned (Net)	364,757	36,253	401,010	338,316	49,919	388,235

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	11,123,526	638,222	100,847	131,439	272,754	97,394	1,624,428	2,705,648	16,694,258
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	1,624,428	2,719,648	19,124,749
Less : Premium on reinsurance ceded	2,798,432	497,816	116,819	13,295	73,537	51,522	420,734	1,929,723	5,901,878
Net Premium	10,551,720	193,993	120,186	118,144	199,295	45,914	1,203,694	789,925	13,222,871
Adjustments for changes in Reserve for Unexpired Risks	750,531	(4,505)	(31,888)	(7,545)	6,602	774	(57,642)	153,886	810,213
Total Premium Earned (Net)	9,801,189	198,498	152,074	125,689	192,693	45,140	1,261,336	636,039	12,412,658

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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	9,611,128	612,883	216,935	129,343	280,249	99,927	1,792,137	1,928,878	14,671,480
Add : Premium on reinsurance accepted	1,379,335	58,585	245,151	2,485	3,034	1,089	-	2,717	1,692,396
	10,990,463	671,468	462,086	131,828	283,283	101,016	1,792,137	1,931,595	16,363,876
Less : Premium on reinsurance ceded	2,025,571	457,379	262,207	12,999	104,080	54,863	381,857	1,459,810	4,758,766
Net Premium	8,964,892	214,089	199,879	118,829	179,203	46,153	1,410,280	471,785	11,605,110
Adjustments for changes in Reserve for Unexpired Risks	1,124,610	1,895	14,360	19,848	32,891	4,582	(53,539)	1,201	1,145,848
Total Premium Earned (Net)	7,840,282	212,194	185,519	98,981	146,312	41,571	1,463,819	470,584	10,459,262

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Registration No. 106 Dated 4. 12. 2000

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	1,055,189	1,829,270	8,760,170	11,644,630	1,236,998	729,166	7,479,780	9,445,944
Add: Reinsurance accepted	69,664	20,985	1,158,422	1,249,071	187,676	36,310	861,589	1,085,575
Less: Reinsurance ceded	834,917	1,494,668	2,700,495	5,030,080	1,011,979	437,081	2,054,475	3,503,535
Net Claims Paid	289,936	355,587	7,218,097	7,863,621	412,695	328,395	6,286,894	7,027,984
Add: Claims Outstanding at the end of the year	442,108	455,591	13,528,091	14,425,790	346,117	429,637	9,177,004	9,952,758
Less: Claims Outstanding at the beginning of the year	346,117	429,637	9,177,004	9,952,759	273,472	373,967	6,428,654	7,076,093
Total Claims Incurred	385,927	381,541	11,569,184	12,336,652	485,340	384,065	9,035,244	9,904,649

* 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	1,261,097	568,173	1,829,270	553,412	175,754	729,166
Add: Reinsurance accepted	4,418	16,567	20,985	4,013	32,297	36,310
Less: Reinsurance ceded	938,427	556,241	1,494,668	266,139	170,942	437,081
Net Claims Paid	327,088	28,499	355,587	291,286	37,109	328,395
Add: Claims Outstanding at the end of the year	343,550	112,041	455,591	329,398	100,239	429,637
Less: Claims Outstanding at the beginning of the year	329,398	100,239	429,637	292,532	81,435	373,967
Total Claims Incurred	341,240	40,301	381,541	328,152	55,913	384,065

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	5,468,890	241,850	16,830	23,634	211,990	30,649	1,687,139	1,079,188	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	363,708	755,640	2,700,495
Net Claims Paid	5,236,567	100,088	65,935	20,577	143,558	3,967	1,323,431	323,974	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	222,930	273,257	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	464,238	241,999	9,177,004
Total Claims Incurred	9,768,203	72,563	105,436	31,041	140,542	14,044	1,082,123	355,232	11,569,184

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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	4,697,513	337,946	29,665	20,087	151,257	9,812	1,838,154	395,347	7,479,780
Add: Reinsurance accepted	728,469	3,973	126,672	18	-	452	-	2,005	861,589
Less: Reinsurance ceded	1,080,153	234,016	67,969	3,704	43,220	6,313	351,029	268,071	2,054,475
Net Claims Paid	4,345,829	107,903	88,368	16,401	108,037	3,951	1,487,124	129,281	6,286,894
Add: Claims Outstanding at the end of the year	7,874,112	277,086	102,931	56,483	100,498	59,658	464,239	241,997	9,177,004
Less: Claims Outstanding at the beginning of the year	5,339,419	258,633	30,128	45,737	93,132	42,782	444,897	173,926	6,428,654
Total Claims Incurred	6,880,522	126,356	161,171	27,147	115,403	20,827	1,506,466	197,352	9,035,244

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Registration No. 106 Dated 4. 12. 2000

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	60,435	73,601	758,234	892,270	83,403	69,551	761,238	914,192
Total (A)	60,435	73,601	758,234	892,270	83,403	69,551	761,238	914,192
Add : Re-insurance Accepted	23,641	1,684	37,108	62,433	38,158	3,965	84,201	126,324
Less : Commission on Re-insurance ceded	187,492	118,656	768,509	1,074,657	212,153	117,732	559,563	889,448
Net Commission	(103,416)	(43,371)	26,833	(119,954)	(90,592)	(44,216)	285,876	151,068
Breakup of the expenses (Gross) incurred to procure business :								
Agents	28,842	30,900	475,122	534,864	37,276	31,843	461,425	530,544
Brokers	24,704	39,971	210,730	275,406	34,028	33,091	188,599	255,718
Corporate Agency	6,889	2,730	72,382	82,000	8,749	4,610	99,960	113,319
Referral	-	-	-	-	3,350	7	11,254	14,611
Others	-	-	-	-	-	-	-	-
TOTAL (B)	60,435	73,601	758,234	892,270	83,403	69,551	761,238	914,192

* 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	65,343	8,258	73,601	58,591	10,960	69,551
TOTAL (A)	65,343	8,258	73,601	58,591	10,960	69,551
Add : Re-insurance Accepted	1,620	64	1,684	3,356	609	3,965
Less : Commission on Re-insurance ceded	101,459	17,197	118,656	86,301	31,431	117,732
Net Commission	(34,496)	(8,875)	(43,371)	(24,354)	(19,862)	(44,216)
Breakup of the expenses (Gross) incurred to procure business :						
Agents	25,696	5,204	30,900	24,224	7,619	31,843
Brokers	36,932	3,039	39,971	30,369	2,722	33,091
Corporate Agency	2,715	15	2,730	3,991	619	4,610
Referral	-	-	7	-	7	7
Others	-	-	-	-	-	-
TOTAL (B)	65,343	8,258	73,601	58,591	10,960	69,551

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 Mscellaneous
Commission Paid Direct	503,976	36,293	2,572	12,279	11,425	8,497	79,101	104,092	758,234
Total (A)	503,976	36,293	2,572	12,279	11,425	8,497	79,101	104,092	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	51,723	341,082	768,509
Net Commission	281,891	(61,524)	17,272	10,930	(14,974)	2,524	27,378	(236,664)	26,833
Breakup of the expenses (Gross) incurred to procure business:									
Agents	343,491	15,124	212	8,419	5,676	6,123	39,924	56,153	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	79,101	104,092	758,234

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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 Mscellaneous
Commission Paid Direct	489,814	36,630	4,216	11,871	13,542	8,581	83,625	112,959	761,238
Total (A)	489,814	36,630	4,216	11,871	13,542	8,581	83,625	112,959	761,238
Add : Re-insurance Accepted	27,131	5,880	50,182	493	22	201	-	290	84,201
Less : Commission on Re-insurance ceded	193,014	94,919	8,240	1,957	21,211	6,115	44,275	189,832	559,563
Net Commission	323,931	(52,407)	46,158	10,407	(7,647)	2,667	39,350	(76,583)	285,876
Breakup of the expenses (Gross) incurred to procure business									
Agents	346,230	14,038	158	8,635	5,197	6,309	36,047	44,811	461,425
Brokers	74,085	18,550	4,058	2,067	4,398	1,761	40,003	43,677	188,599
Corporate Agency	67,355	3,944	-	1,156	1,830	510	6,721	18,444	99,960
Referral	2,144	98	-	13	2,117	1	854	6,027	11,254
Others	-	-	-	-	-	-	-	-	-
TOTAL (B)	489,814	36,630	4,216	11,871	13,542	8,581	83,625	112,959	761,238

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Registration No. 106 Dated 4. 12. 2000

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

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	** MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
1 Employees remuneration and welfare benefits	59,864	44,631	570,426	674,921	66,425	45,206	518,240	629,871
2 Travel, Conveyance and vehicle running expenses	15,594	11,626	148,592	175,812	13,817	9,403	107,798	131,019
3 Training expenses	1,174	876	11,189	13,239	831	565	6,481	7,877
4 Rent, rates and taxes	14,466	10,785	137,846	163,097	17,059	11,610	133,092	161,761
5 Repairs	6,415	4,783	61,130	72,328	6,383	4,344	49,796	60,523
6 Printing and Stationery	3,737	2,786	35,609	42,132	5,347	3,639	41,719	50,705
7 Communication	6,704	4,999	63,884	75,587	7,262	4,943	56,661	68,866
8 Legal and professional charges	67,923	50,640	647,227	765,790	63,217	43,023	493,216	599,456
9 Auditor's fees, expenses etc.								
(a) As Auditor	222	165	2,114	2,501	264	179	2,057	2,500
(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-
(i) Taxation matters	44	33	422	499	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-
10 Advertisement and Publicity	6,875	5,125	65,505	77,505	9,382	6,385	73,195	88,962
11 Marketing and Support Services	94,095	70,151	896,595	1,060,841	102,017	69,428	795,925	967,370
12 Interest and Bank charges	4,077	3,039	38,847	45,963	4,529	3,082	35,336	42,947
13 Others:								
Policy Stamps	38	-	2,205	2,243	43	-	2,234	2,277
Information and Technology Expenses	5,436	4,053	51,799	61,288	3,737	2,543	29,158	35,438
Electricity and Water Charges	3,083	2,298	29,379	34,760	3,338	2,272	26,042	31,652
Courtesies and Entertainment	1,703	1,269	16,217	19,189	2,311	1,572	18,027	21,910
Others	14,061	10,483	133,983	158,527	22,619	15,393	176,468	214,479
14 Depreciation	7,053	5,258	67,201	79,512	7,258	4,940	56,630	68,828
TOTAL	312,564	233,000	2,980,170	3,525,734	335,839	228,527	2,622,075	3,186,441

* 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)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
1 Employees remuneration and welfare benefits	34,956	9,675	44,631	29,330	15,876	45,206
2 Travel, Conveyance and vehicle running expenses	9,106	2,520	11,626	6,101	3,302	9,403
3 Training expenses	686	190	876	367	199	565
4 Rent, rates and taxes	8,447	2,338	10,785	7,533	4,077	11,610
5 Repairs	3,746	1,037	4,783	2,818	1,525	4,344
6 Printing and Stationery	2,182	604	2,786	2,361	1,278	3,639
7 Communication	3,915	1,084	4,999	3,207	1,736	4,943
8 Legal and professional charges	39,662	10,978	50,640	27,913	15,110	43,023
9 Auditor's fees, expenses etc.						
(a) As Auditor	129	36	165	116	63	179
(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-
(i) Taxation matters	26	7	33	-	-	-
(ii) Insurance matters	-	-	-	-	-	-
(iii) Management Services	-	-	-	-	-	-
(c) In any other capacity	-	-	-	-	-	-
10 Advertisement and Publicity	4,014	1,111	5,125	4,143	2,242	6,385
11 Marketing and Support Services	54,945	15,206	70,151	45,045	24,383	69,428
12 Interest and Bank charges	2,380	659	3,039	2,000	1,082	3,082
13 Others:						
Policy Stamps	-	-	-	-	-	-
Information and Technology Expenses	3,174	879	4,053	1,650	893	2,543
Electricity and Water Charges	1,800	498	2,298	1,474	798	2,272
Courtesies and Entertainment	994	275	1,269	1,020	552	1,572
Others	8,211	2,272	10,483	9,987	5,406	15,393
14 Depreciation	4,118	1,140	5,258	3,205	1,735	4,940
Total	182,491	50,509	233,000	148,270	80,257	228,527

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

(₹ In '000)

Current Year									
Particulars	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public /Product Liability	Health	Other Miscellaneous	Total Miscellaneous
1 Employees remuneration and welfare benefits	380,080	21,807	3,446	4,491	9,320	3,328	55,505	92,449	570,426
2 Travel, Conveyance and vehicle running expenses	99,008	5,681	898	1,170	2,428	867	14,459	24,081	148,592
3 Training expenses	7,455	428	68	88	183	65	1,089	1,813	11,189
4 Rent, rates and taxes	91,848	5,270	833	1,085	2,252	804	13,413	22,341	137,846
5 Repairs	40,732	2,337	369	481	999	357	5,948	9,907	61,130
6 Printing and Stationery	23,727	1,361	215	280	582	208	3,465	5,771	35,609
7 Communication	42,566	2,442	386	503	1,044	373	6,216	10,354	63,884
8 Legal and professional charges	431,252	24,743	3,910	5,096	10,575	3,776	62,979	104,896	647,227
9 Auditor's fees, expenses etc.									
(a) As Auditor	1,408	81	13	17	35	12	206	342	2,114
(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	282	16	3	3	7	2	41	68	422
(iii) Management services	-	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-	-
10 Advertisement and Publicity	43,646	2,504	395	516	1,070	382	6,374	10,618	65,505
11 Marketing and Support Services	597,408	34,276	5,416	7,059	14,649	5,230	87,244	145,313	896,595
12 Interest and Bank charges	25,883	1,485	235	306	635	227	3,780	6,296	38,847
13 Others:									
Policy Stamps	1,773	2	-	67	15	13	40	295	2,205
Information and Technology Expenses	34,515	1,980	313	408	846	302	5,040	8,395	51,799
Electricity and Water Charges	19,576	1,123	177	231	480	171	2,859	4,762	29,379
Courtesies and Entertainment	10,805	620	98	128	265	95	1,578	2,628	16,217
Others	89,274	5,122	809	1,055	2,189	782	13,037	21,715	133,983
14 Depreciation	44,777	2,569	406	529	1,098	392	6,539	10,891	67,201
TOTAL	1,986,015	113,847	17,990	23,513	48,672	17,386	289,812	482,935	2,980,170

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

(₹ In '000)

Previous Year									
Particulars	Motor	Engineering	Aviation	Workmen Compensation	Personal Accident	Public /Product Liability	Health	Other Miscellaneous	Total Miscellaneous
1 Employees remuneration and welfare benefits	339,493	21,649	7,663	4,569	9,899	3,530	63,304	68,133	518,240
2 Travel, Conveyance and vehicle running expenses	70,618	4,503	1,594	950	2,059	734	13,168	14,172	107,798
3 Training expenses	4,246	271	96	57	124	44	792	851	6,481
4 Rent, rates and taxes	87,187	5,560	1,968	1,173	2,542	906	16,257	17,499	133,092
5 Repairs	32,621	2,080	736	439	951	339	6,083	6,547	49,796
6 Printing and Stationery	27,330	1,743	617	368	797	284	5,096	5,484	41,719
7 Communication	37,118	2,367	838	500	1,082	386	6,921	7,449	56,661
8 Legal and professional charges	323,101	20,603	7,293	4,348	9,421	3,359	60,247	64,844	493,216
9 Auditor's fees, expenses etc.									
(a) As Auditor	1,348	88	30	18	39	14	251	270	2,058
(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-	-
10 Advertisement and Publicity	47,949	3,058	1,082	645	1,398	499	8,941	9,623	73,195
11 Marketing and Support Services	521,401	33,249	11,768	7,017	15,204	5,421	97,223	104,642	795,925
12 Interest and Bank charges	23,148	1,476	522	312	675	241	4,317	4,645	35,336
13 Others:									
Policy Stamps	1,833	3	-	67	26	15	37	253	2,234
Information and Technology Expenses	19,101	1,218	431	257	557	199	3,562	3,833	29,158
Electricity and Water Charges	17,060	1,088	385	230	497	177	3,181	3,424	26,042
Courtesies and Entertainment	11,809	753	267	159	344	123	2,202	2,370	18,027
Others	1,15,602	7,372	2,609	1,556	3,371	1,202	21,555	23,200	1,76,467
14 Depreciation	37,098	2,366	837	499	1,082	386	6,917	7,445	56,630
TOTAL	1,718,063	109,447	38,736	23,164	50,068	17,859	320,054	344,684	2,622,075

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Registration No. 106 Dated 4. 12. 2000

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 5
SHARE CAPITAL

(₹ In '000)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(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 247000000 Equity Shares of ₹10 each)	2,693,215	2,470,000
3	Subscribed Capital 269321500 Equity Shares of ₹10 each (Previous Year 247000000 Equity Shares of ₹10 each)	2,693,215	2,470,000
4	Called up Capital 269321500 Equity Shares of ₹10 each (Previous Year 247000000 Equity Shares of ₹10 each) Less: Calls unpaid Add: Equity Shares forfeited (amount originally paid up) Less: Par Value of Equity Shares bought back Less: preliminary Expenses Expenses including commission or brokerage on underwriting or subscription of shares	2,693,215 - - - - -	2,470,000 - - - - -
	TOTAL	2,693,215	2,470,000

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 5A
SHARE CAPITAL
PATTERN OF SHAREHOLDING

(As certified by the Management)

	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian	199297910	74	182780000	74
Foreign	70023590	26	64220000	26
Others	-	-	-	-
TOTAL	269321500	100	247000000	100

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

(₹ In '000)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(1)	(2)	(3)	(4)
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium Opening Balance Additions during the year Closing Balance	 1,542,000 1,026,789 2,568,789	 1,542,000 - 1,542,000
4	General Reserve Less: Debit balance in Profit and Loss Account Less: Amount utilized for Buy Back	 - -	 - -
5	Catastrophe Reserve	1,166	1,166
6	Other Reserves (to be specified)	-	-
7	Balance of Profit in Profit & Loss account	85,339	403,311
	TOTAL	2,655,294	1,946,477

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 7

BORROWINGS

(₹ In '000)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(1)	(2)	(3)	(4)
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8

INVESTMENTS

(₹ In '000)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(1)	(2)	(3)	(4)
	LONG TERM INVESTMENTS		
1	Govt Securities and Govt guaranteed Bonds incl Treasury Bills	7,699,030	5,898,363
2	Other Approved Securities	-	-
3	Other Investments	-	-
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/Bonds (Housing)	2,116,522	1,539,256
	(e) Other Securities	-	-
	(aa) Non convertible Debentures	510,334	556,346
	(f) Subsidiaries	5,000	5,000
	(g) Investment Properties - Real Estate	-	-
4	Investment in Infrastructure and Social Sector	3,752,411	3,219,096
5	Other than approved investments	-	-
	SHORT TERM INVESTMENTS		
1	Govt Securities, Govt guaranteed Bonds incl Treasury Bills	11,323	165,742
2	Other Approved Securities	-	-
3	Other Investments	-	-
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	320,361	250,130
	(c) Derivative Instruments	-	-
	(d) Debentures/Bonds (Housing)	20,031	310,000
	(e) Other Securities	-	-
	(aa) Non Convertible Debentures	150,000	250,000
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investment in Infrastructure and Social Sector	184,988	185,002
5	Other than approved investments	-	-
	TOTAL	14,770,000	12,378,935

Note: Aggregate amount of company's investment other than listed equity securities and derivative instruments is ₹14,770,000 thousand (Previous year ₹12,378,935 thousand).

Market value of such investments as at 31.03.2012 is ₹14,474,035 thousand (Previous year ₹12,234,497 thousand)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9

LOANS

(₹ In '000)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(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, 2011	Additions during the year	Sales/ Adjustments during the year	As at 31 st March, 2012	Upto 31 st March, 2011	For the Year	On sales / adjustments	Upto 31 st March, 2012	As at 31 st March, 2012	As at 31 st March, 2011
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles:										
Computer Software	101,093	20,858	-	121,951	90,618	10,198	-	100,816	21,135	10,475
Land - Freehold	-	-	(37,849)	37,849	-	-	-	-	37,849	-
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	50,099	-	37,849	12,251	204	200	-	403	11,847	49,892
Furniture & Fittings	208,284	32,953	2,335	238,902	155,282	19,541	1,876	172,947	65,955	53,002
Information Technology Equipment	368,516	46,466	1,188	413,794	303,537	45,870	971	348,436	65,357	64,979
Vehicles	4,354	2,831	-	7,185	1,129	490	-	1,619	5,566	3,225
Office Equipment	57,222	9,452	875	65,799	14,603	3,214	256	17,560	48,239	42,619
Others	-	-	-	-	-	-	-	-	-	-
TOTAL	789,568	112,560	4,397	897,731	565,373	79,512	3,103	641,782	255,949	224,192
Work in Progress	12,982	13,823	12,982	13,823	-	-	-	-	13,823	12,982
Grand Total	802,550	126,383	17,379	911,554	565,373	79,512	3,103	641,782	269,772	237,174
Previous Year	655,974	159,736	13,160	802,550	504,393	68,828	7,850	565,373	237,174	151,582

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

Registration No. 106 Dated 4. 12. 2000

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

(₹ In '000)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(1)	(2)	(3)	(4)
1	Cash (including cheques, drafts and stamps)	3,147	8,335
2	Bank Balances	-	-
	(a) Deposit Accounts	-	-
	(aa) Short term (due within 12 months)	6,885,000	5,231,000
	(bb) Others	1,630,000	570,000
	(b) Current Accounts	466,471	44,209
	(c) Others	-	-
3	Money at call & short notice	-	-
	With Banks	-	-
	With Other Institutions	-	-
4	Others	-	-
	-	-	-
	TOTAL	8,984,618	5,853,544
	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)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(1)	(2)	(3)	(4)
	ADVANCES		
1	Reserve Deposit with ceding Companies	-	-
2	Application Money for Investments	-	-
3	Prepayments	35,194	160,207
4	Advance to Directors / Officers	-	-
5	Advance Tax Paid and Tax Deducted at source (Net of provision for taxation)	205,325	101,495
6	Deposit towards Rent	52,264	51,450
7	Service Tax Recoverable	11,031	2,386
8	Others	43,300	144,218
	TOTAL (A)	347,114	459,756
	OTHER ASSETS		
1	Income accrued on Investments / FDRs	924,314	582,168
2	Outstanding Premiums	251,320	371,502
3	Agents' Balances	-	-
4	Foreign Agencies' Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	2,575,812	1,607,299
6	Due from Subsidiaries/holding	-	8,314
7	Deposit with Reserve Bank of India (Pursuant to section 7 of Insurance Act, 1938)	-	-
8	Others	-	-
	TOTAL (B)	3,751,446	2,569,283
	TOTAL (A+B)	4,098,560	3,029,039

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 13

CURRENT LIABILITIES

(₹ In '000)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(1)	(2)	(3)	(4)
1	Agents Balances	74,287	115,093
2	Balances due to other insurance companies (including reinsurers)	269,895	270,799
3	Deposits held on reinsurances ceded	-	-
4	Premiums received in advance	470,539	28,685
5	Unallocated Premium	-	-
6	Sundry Creditors	393,246	298,168
7	Due to subsidiaries/holding company	1,978	-
8	Claims outstanding	14,425,790	9,952,758
9	Due to Officers / Directors	-	-
10	Deposit Premium	102,261	160,529
11	Service Tax Payable	-	-
12	Employee Benefits	63,447	73,554
13	Book Overdraft	-	-
14	Policy Holders Dues	125,675	92,864
	TOTAL	15,927,118	10,992,450

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SCHEDULE - 14

PROVISIONS

(₹ In '000)

S. No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(1)	(2)	(3)	(4)
1	Reserve for Unexpired Risk	7,242,998	6,336,835
2	For taxation (less advance tax paid and taxes deducted at source)	-	-
3	For Proposed Dividends	-	-
4	For Dividend Distribution Tax	-	-
5	Premium Deficiency	-	-
	TOTAL	7,242,998	6,336,835

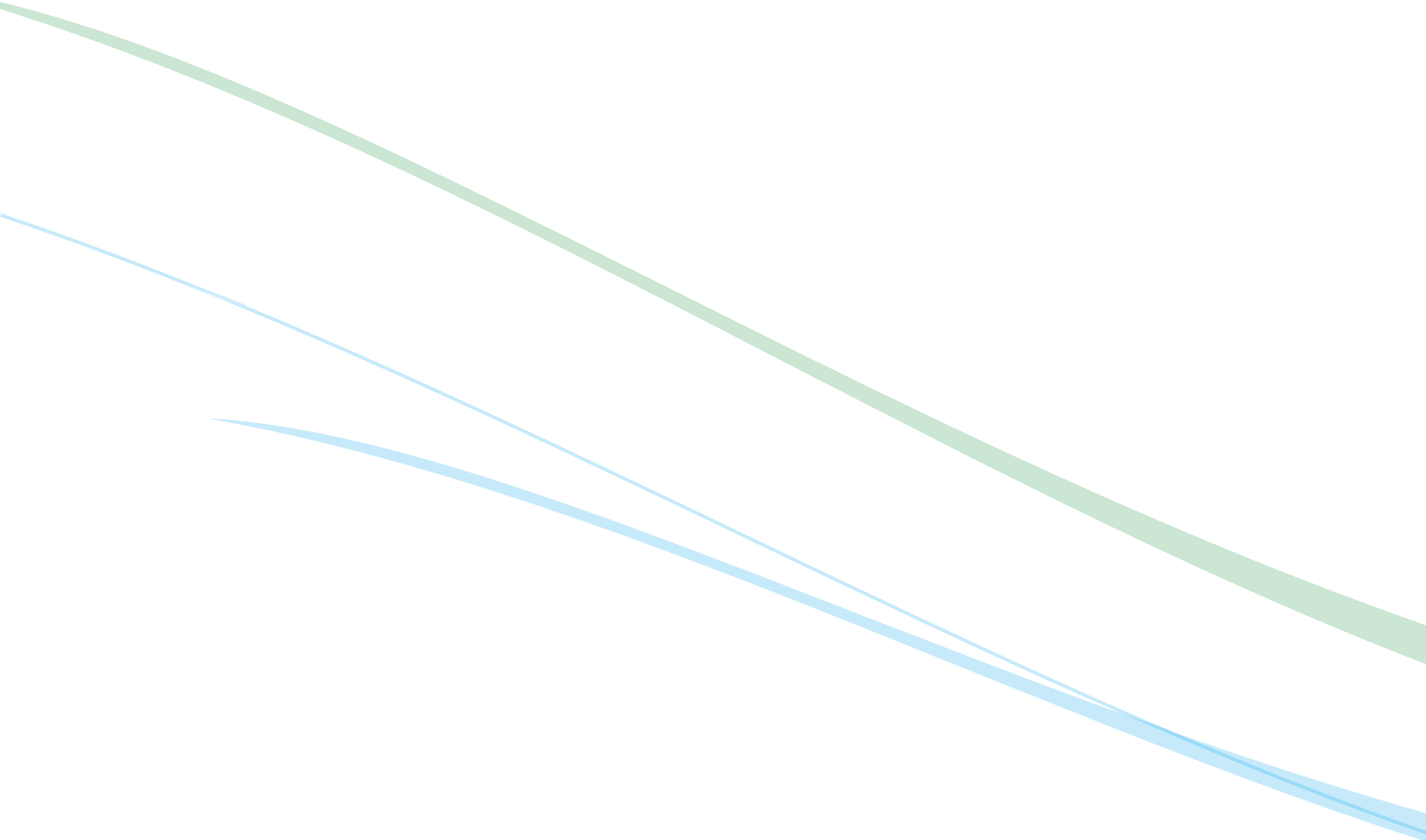
SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(₹ In '000)

SI No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(1)	(2)	(3)	(4)
1	Discount allowed in issue of shares/debentures	-	-
2	Others	-	-
	TOTAL	-	-





**ACCOUNTING
POLICIES & NOTES
ON ACCOUNTS**



SCHEDULE 16: NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. 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 thereunder except otherwise stated.

2. Use of Estimates

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

3. Revenue Recognition

3.1 Premium and cession thereof are recognized over the contract period or the period of the risk in respective revenue account following 1/365 method except in marine cargo business where premium is recognized after 60 days from the date of inception of the risk. In respect of reinsurance inward acceptances from the Indian Motor Third party Insurance Pool, the earned premium is recognized in accordance with the returns received from the Pool.

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

3.2 Any subsequent revision to the premium under the policies is accounted for in the 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 Policyholders Funds standing in each class of business at the end of each month.

5. Claims Incurred:

5.1 Liability in respect of claims is provided for the intimations received up to the year-end based on the surveyor's assessment, information provided by the insured, judgment based on past experience and other applicable laws and practices. However, in respect of claims under re-insurance acceptances, the claim liability is provided based on the returns advices, to the extent received, from the Reinsurers.

5.2 Liability in respect of "claims incurred but not reported" (IBNR) and "Claims incurred but not enough reported" (IBNER) is provided for on actuarial estimates as certified by the "Appointed Actuary".

5.3 Salvage/Recoveries under claims are netted against "Claims Incurred" and are accounted for on realization.

6. Allocation of Operating Expenses

Operating expenses other than policy stamps are apportioned to respective revenue accounts on the basis of direct written premium in each class of business at the end of financial year. Expenses relating to policy stamps are directly taken to the respective revenue accounts. Expenses incurred and/or allocable exclusively for earning investment income are charged to Profit and Loss account.

7. Acquisition Cost of insurance contracts

Cost relating to acquisition of new/renewal of insurance contracts are 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 recognize 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 ₹13,546 Thousand (Previous Year ₹34,160 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:

(₹ '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2012	Year ended 31.3.2011	Year ended 31.3.2012	Year ended 31.3.2011
Fire	275,444	308,818	14,491	103,877
Marine	339,823	307,400	15,765	20,995
Miscellaneous	7,162,380	6,207,148	55,717	79,746

4. Age-wise breakup of claims outstanding on Gross basis under various class of business as at 31st March, 2012 is as under:

(₹ '000)

Class of Business	Outstanding for more than 6 months		Other Claims	
	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
Fire	1,617,069	1,278,782	532,222	806,227
Marine	661,291	673,773	106,783	302,596
Miscellaneous	7,647,504	4,709,869	1,297,597	2,541,077

5. Claims settled and remaining unpaid for a period of more than six months as at 31st March, 2012 is Nil (Previous Year Nil).
6. (a) Premium less reinsurances written during the year under various classes of business is as under:

(₹ '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2012	Year ended 31.3.2011	Year ended 31.3.2012	Year ended 31.3.2011
Fire	491,048	483,518	20,818	57,128
Marine	498,020	369,957	221	7,178
Miscellaneous	13,132,399	11,439,829	90,472	165,281

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

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

(₹ '000)

Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.3.2012	Year ended 31.3.2011	Year ended 31.3.2012	Year ended 31.3.2011
Fire	29.22%	24.30%	70.78%	75.70%
Marine	38.14%	29.01%	61.86%	70.99%
Miscellaneous	79.21%	70.92%	20.79%	29.08%

(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, 2012 and 31st March, 2011 are performing investments.
8. Value of Contracts in relation to Investments for :

(₹ '000)

	As at 31.3.2012	As at 31.3.2011
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:

(₹ '000)

Central Government Securities	As At 31.3.2012	As At 31.3.2011
Book Value	107,268	107,825
Market Value as on date of deposit of security	119,316	119,316

10. Short Term Investments in Mutual Fund as at 31st March 2012 are ₹320,361 thousand (previous year ₹250,130 thousand) and historical cost of the same is ₹320,036 thousand. (Previous year ₹250,000 thousand).

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

(₹ '000)

	Year ended 31.3.2012	Year ended 31.3.2011
Urban areas	85.25%	85.93%
Rural areas	14.75%	14.07%
Social sector	3.22%	1.82%
Gross Premium	₹635,576 Thousand	₹324,120 thousand
Number of lives covered (Estimated)	3620 Thousand	1,882 thousand

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

(₹ '000)

	Year ended 31.3.2012		Year ended 31.3.2011	
	Managing Director	Whole-time Directors	Managing Director	Whole-time Directors
Salaries and Allowances	5,884	7,519	5,997	6,521
Contribution to Provident Fund	276	346	253	251
Contribution to Gratuity Scheme	111	76	102	68
Total	6,271	7,941	6,352	6,840

The remuneration as above has been approved by IRDA

13. Summary of Financial Statements

(₹ in lacs)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATING RESULTS					
Gross Premium written	224,861.79	198,886.69	163,956.36	151,552.19	123,583.42
Net Earned Premium Income	133268.15	113,510.27	92,222.41	83,293.01	63,966.60
Premium Deficiency	-	-	-	-	100.00
Income from Investments	16,157.94	11,604.09	10,665.35	8,569.35	5,155.74
Other Income	(5.04)	12.49	9.95	6.62	6.94
Total Income	149421.05	125,107.12	102,897.71	91,868.98	69,229.28
Commission	(1199.53)	1,510.68	2,518.61	(322.56)	(395.19)
Operating expenses	35257.34	31,921.12	24,965.13	23,972.78	20,131.05
Claims Increase in unexpired risk reserve and other outgoes	123366.51	99,046.49	73,266.84	69,502.41	50,474.34
	157424.32	132,478.31	100,750.58	93,152.64	70,210.20
Operating Profit/(Loss)	(8003.27)	(7,371.19)	2,147.13	(1,283.64)	(980.92)
NON OPERATING RESULT					
Total Income under shareholders account	3,340.42	2,414.68	1,713.94	1,975.58	2,166.83
Profit/(Loss) before tax	(4662.85)	(4,936.76)	3,861.07	691.94	1,185.91
Provision for tax	(1483.13)	(1,666.76)	1,322.89	441.67	469.63
Profit/(Loss) after tax	(3179.72)	(3,270.00)	2,538.18	250.27	716.28
MISCELLANEOUS					
Paid up Equity Capital	26,932.15	24,700.00	24,700.00	22,821.10	22,000.00
Net Worth	53,485.09	44,166.07	47,431.91	45,760.67	30,390.40
Total assets	285,189.51	214,986.92	185,044.48	158,938.70	117,651.37
Yield on total investments	9.11%	8.02%	8.33%	8.92%	8.67%
Earnings per share	-1.29	-1.32	1.03	0.11	0.33
Book value per share	19.86	17.88	19.20	20.05	13.81
Total dividend	-	-	741.00	-	-
Dividend per share	-	-	0.30	-	-

14. Performance Ratios:-

Sl.No.	Particular	2012	2011
1	Gross Premium Growth Rate		
	FIRE	-6.83%	9.58%
	MARINE	2.06%	-3.35%
	MISCELLANEOUS	13.79%	27.16%
2	Gross Premium to shareholders' fund ratio	369.28%	403.76%
3	Growth rate of shareholders' fund	21.11%	-6.89%
4	Net Retention Ratio		
	FIRE	29.22%	28.75%
	MARINE	38.14%	29.47%
	MISCELLANEOUS	79.21%	79.10%
5	Net Commission Ratio		
	FIRE	3.45%	4.44%
	MARINE	5.63%	5.43%
	MISCELLANEOUS	4.54%	5.19%
6	Expense of Management to Gross Direct Premium Ratio	22.37%	23.00%
7	Combined Ratio	81.32%	75.97%
8	Technical Reserves to net premium ratio	152.24%	130.08%
9	Underwriting balance ratio	-16.97%	-15.10%
	FIRE	-16.01%	-42.00%
	MARINE	-34.15%	-47.77%
	MISCELLANEOUS	-16.36%	-12.79%
10	Operating Profit Ratio	-3.40%	-4.06%
11	Liquid Assets to liabilities ratio	44.63%	43.06%
12	Net earning ratio	-2.23%	-2.61%
13	return on net worth ratio	-5.94%	-7.40%
14	Available Solvency Margin Ratio to Required Solvency Margin Ratio	1.22	1.23
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	24,70,00,000
2	Percentage of shareholding (Indian / Foreign)	74/26	74/26
4	Basic and diluted EPS before extraordinary itemsx Solvency Margin Ratio ₹	-1.29	1.32
5	Basic and diluted EPS after extraordinary items (net of tax expense) for the year ₹	-1.29	-1.32
6	Book value per share ₹	19.86	17.88

* Refer Note No. B - III - 2.

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:

(₹ '000)

Particulars	2011-12	2010-11
Outsourcing Expenses (Manpower)	67,465	80,774
Business Development	378,265	340,950
Marketing and Support Services	1,060,841	967,370

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	IRDA Regulation	500	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.	Nil	Nil	Nil	
8.	Securities and Exchange Board of India	None	Nil	Nil	Nil
9.	Competition Commission of India	None	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.

Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders 2011-12

(₹ '000)

SI 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	-	-	-	-	-	-	-	-
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	4,442	788	304	641	418	780	586	925
D	Cheques issued but not encashed by the policyholder /insured	121,233	5,912	20,328	21,437	14,621	12,707	14,083	32,145

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. Contributes to Family Pension Scheme is paid to appropriate authority.. The contribution for ₹23,711 thousand (previous year ₹21,292 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

(₹ '000)

	Gratuity					Leave Encashment				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
Current Service Cost	5,773	6,343	3,852	4,088	3,313	10,017	10,534	13,289	13,477	12,739
Interest cost on benefit obligation	3,447	1,878	1,705	1,267	1,303	4,925	3,876	4,458	4,285	2,305
Expected return on plan assets	(2,912)	(1,908)	(1,558)	(1,539)	(1,434)	-	-	-	-	-
Net actuarial (Gain)/loss recognized in the year	(9,827)	6,454	1,739	3,139	(650)	(6,680)	7,095	(15,961)	(8,993)	1,898
Expenses recognized in the Profit & Loss Account	(3,518)	12,767	5,738	6,955	2,532	8,262	21,505	1,786	8,769	16,942

ii. The amount recognized in the Balance Sheet

(₹ '000)

	Gratuity					Leave Encashment				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
Present Value of obligation at end of year (i)	37,046	41,777	28,902	22,775	16,683	59,695	59,697	45,240	46,837	42,454
Fair Value of Plan assets at end of year (ii)	40,419	29,017	23,164	17,359	18,222	-	-	-	-	-
Difference (ii-i) i.e. Assets/ (Liabilities)	3,373	(12,760)	(5,738)	(5,416)	1,539	(59,695)	(59,697)	(45,240)	(46,837)	(42,454)
Net Asset/ (liability) recognized in the Balance Sheet	3,373	(12,760)	(5,738)	(6,955)	-	(59,695)	(59,697)	(45,240)	(46,837)	(42,454)

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

(₹ '000)

	Gratuity					Leave Encashment				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
Present Value of obligation at beginning of year	41,777	28,902	22,775	16,683	14,839	59,697	45,240	46,837	42,454	32,101
Interest Cost	3,447	1,878	1,705	1,267	1,303	4,925	3,876	4,458	4,285	2,305
Current Service Cost	5,773	6,343	3,852	4,088	3,313	10,017	10,534	13,289	13,477	1,273
Benefit Paid	(1,357)	(1,800)	(1,169)	(2,402)	(2,122)	(8,264)	(7,048)	(3,383)	(4,386)	(6,589)
Net actuarial (Gain)/Loss on	(12,594)	6,454	1,739	3,139	(650)	(6,680)	7,095	(15,961)	(8,993)	1,898
Present value of the defined benefit as at end of year	37,046	41,777	28,902	22,775	16,683	59,695	59,697	45,240	46,837	42,454

iv Changes in the fair value of plan assets:

(₹ '000)

	Gratuity					Leave Encashment				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
Fair value of plan assets at beginning of year	31,477	23,164	17,359	18,222	8,219	-	-	-	-	-
Expected return on plan assets	2,912	1,908	1,558	1,539	1,434	-	-	-	-	-
Contributions by employer	10,155	5,731	6,949	-	10,691	-	-	-	-	-
Benefit Paid	(1,357)	(1,800)	(1,169)	(2,402)	(2,122)	-	-	-	-	-
Actuarial Gain/(Loss) on plan assets	(2,767)	14	(1,533)	-	-	-	-	-	-	-
Fair value of plan assets at end of year *	40,419	29,017	23,164	17,359	18,222	-	-	-	-	-

* 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:

(₹ '000)

	Gratuity (Funded)					Leave Encashment (Non Funded)				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
Method used	Projected Unit Credit Method									
Discount rate	8.25%	8.00%	8.00%	8.00%	8.00%	8.25%	8.50%	8.25%	7.75%	8.00%
Salary Escalation	5.00%	6.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality rate	LIC (1994-96) Ultimate									
Withdrawal rate	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1%	1%	1%	1%
Rate of return on plan assets	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. Segments of the company in accordance with the Accounting Standard (AS-17) are as follows:

a) Business Segments

(₹ '000)

	Year ended 31st March, 2012	Year ended 31st March, 2011
SEGMENT REVENUE:		
Fire Insurance	2,109,894	2,284,274
Marine Insurance	1,402,494	1,358,297
Motor Insurance-OD	10,553,613	7,412,924
Motor Insurance-TP	4,100,849	4,458,166
Engineering Insurance	717,223	698,013
Workmen Compensation Insurance	139,009	138,869
Personal Accident Insurance	287,652	297,214
Product Liability Insurance	103,703	106,247
Health Insurance	1,669,148	1,855,100
Trade Credit	238,751	299,991
Other Insurance	2,779,637	2,139,986
Investments	323,527	227,101
Total	24,425,500	21,276,180
SEGMENT RESULT: Profit / (Loss)		
Fire Insurance	(16,837)	(173,423)
Marine Insurance	(90,970)	(119,724)
Motor Insurance-OD	2,661,551	789,095
Motor Insurance-TP	(3,587,917)	(989,454)
Engineering Insurance	98,941	55,341
Workmen Compensation Insurance	67,824	45,304
Personal Accident Insurance	33,253	2,420
Product Liability Insurance	17,453	5,447
Health Insurance	(93,428)	(339,087)
Trade Credit	(14,253)	(21,490)
Other Insurance	124,054	10,427
Investments	317,026	222,119
Unallocable	17,017	19,348
Total	(466,286)	(493,676)
Less: Provision for Taxation	(148,313)	(166,676)
Profit/(Loss) After Tax	(317,973)	(327,000)
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	23,285,000	18,179,935
Total:	23,285,000	18,179,935
Add: Unallocable Assets	5,233,951	3,565,957
Total	28,518,951	21,745,892

(₹ '000)

SEGMENT LIABILITIES:		
Fire Insurance	1,217,945	663,163
Marine Insurance	759,518	636,333
Motor Insurance-OD	4,476,205	4,164,038
Motor Insurance-TP	13,466,891	8,496,890
Engineering Insurance	349,606	381,636
Workmen Compensation Insurance	104,136	101,219
Personal Accident Insurance	203,877	200,292
Product Liability Insurance	86,211	75,205
Health Insurance	625,082	924,032
Trade Credit	2,724	4,916
Other Insurance	1,472,212	670,554
Investments	-	-
Total	22,764,407	16,318,278
Add: Unallocable Liabilities	405,709	1,011,007
Total	23,170,116	17,329,285
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	126,383	159,736
Total	126,383	159,736
Amount of expenses included in segment result for depreciation and amortization in respect of assets:		
Fire Insurance	7,053	7,258
Marine Insurance	5,258	4,940
Motor Insurance-OD	30,001	26,211
Motor Insurance-TP	14,776	10,886
Engineering Insurance	2,569	2,366
Workmen Compensation Insurance	529	499
Personal Accident Insurance	1,098	1,082
Product Liability Insurance	392	386
Health Insurance	6,539	6,917
Trade Credit	1,031	1,316
Other Insurance	10,266	6,966
Investments	-	-
Total	79,512	68,828
Add: Unallocable Expenses		
Total:	79,512	68,828

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:

Name of the Related Parties	Nature of Related party relationship	Description of nature of transactions	2011-12	2010-11
Indian Farmers Fertilisers Coop. Ltd	Promoters with more than 20% Voting rights	Premium accounted from direct business	668,309	612,533
		Claims paid on direct basis	730,902	402,531
		Payment of Rent and other expenses	74,613	63,765
		Deposit of Insurance Premium	2,500	2,500
		Payment of Dividend	-	53,826
		Amount Payable / (Receivable) at the Balance Sheet Date	1,186	169
		Infusion of Capital including Share Premium	908,003	-
Indian Potash Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	60,240	35,369
		Deposit of Insurance Premium	100	100
		Payment of Rent and other expenses	1,611	2800
		Payment of Dividend	-	1,008
		Claim paid on direct basis	5,287	4,452
		Infusion of Capital including Share Premium	17,000	-
Tokio Marine Asia Pte Ltd (formerly Millea Asia Pte Ltd)	Promoters with more than 20% Voting rights	Payment of Fee	3355	1,527
		Payment of Dividend	-	19,266
		Infusion of Capital including Share Premium	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	207,125	142,961
		Commission Earned on Premium Ceded	47,057	33,564
		Losses Recovered from Re-insurer	156,163	122,895
		Payment of Fee	202	16
		Amount Payable / (Receivable) at the Balance Sheet Date	(6,744)	8,755
Tokio Marine Claim Service Asia Pte Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	348	1,024
Tokio Marine Global Re Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	100,882	105,838
		Commission Earned on Premium Ceded	19,037	19,649
		Losses Recovered from Re-insurer	72,665	57,498
		Amount Payable / (Receivable) at the Balance Sheet Date	7,810	(1,040)

IFFCO-TOKIO

Tokio Marine Insurance (Malaysia) Behard	Associate of Promoters with more than 20% Voting rights	Payment of Fee	709	39
Tokio Marine Newa Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	-	178
Tokio Marine Sri Muang Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	176	40
TM Claim Services Inc.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	223	-
Tokio Marine Management Australasia Pty Ltd.	Associate of Promoters with more than 20% Votingrights	Payment of Fee	453	-
Tokio Marine & Nichido Risk Consulting Co Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	49	-
Tokio Marine Insurance Singapore Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	53	-
TM Management Services Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	833	-
Tokio Marine Cmpania de Seguros S. A. de C.V.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	992	-
K. Srinivasa Gowda	Chairman	Payment of Rent on office Building	2400	2,400
-TOKIO Insurance Services Ltd	Subsidiary of the Cmpany with 100% Voting Rights	Premium accounted from direct business	3,491	2,487
		Claims paid on direct basis	2,734	2,270
		Recovery of Expenses	6,192	5,817
		Payment of -Commission	52,897	53,709
		Payment of Service Charges	378,265	340,950
		Amount Payable / (Receivable) at the Balance Sheet Date	1,978	(8,314)

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 ₹ 166,430 thousand (Previous year ₹ 165,094 thousand).
- (ii) Amount recovered/recoverable and appearing in the revenue account in regard to sub leases is ₹ 3,333 thousand. (Previous year ₹ 3,333 thousand)
5. Earnings per Share (AS-20)

	2011-12	2010-11
a) Net Profit/(Loss) available for Equity Shareholders (₹ '000)	(317,972)	(327,000)
b) Weighted Average number of Equity Shares outstanding during the year (No. of Units in Thousand)	247,917	247,000
c) Basic and Diluted Earning per Share (Equity Share of Face Value of ₹ 10/- each)	(1.29)	(1.32)

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

Particulars	As at 31.03.2012		As at 31.03.2011	
	Liabilities	Assets	Liabilities	Assets
Depreciation	-	10,492	-	12,286
Expenditure accrued but not deductible for tax purposes, allowable on actual payment	-	19,368	-	19,830
Unexpired Risk reserve provided in excess of limit specified in Income Tax Act.	-	4,151	-	-
Business Loss *	-	361,989	-	215,084
Total	-	396,000	-	247,200
Net Deferred tax asset	-	396,000	-	247,200

Net Increase in Deferred Tax asset for the year ₹148,800 thousand (previous year ₹171,400 Thousand) is credited to Profit & Loss Account.

* The Company's operating results have been adversely impacted due to the accounting of IMTPIP liabilities pursuant to the orders / notifications issued by IRDA. The IMTPIP has been dismantled by IRDA with effect from 1st April 2012. Consequently the Company's operating results as per the business plan projections for the ensuing three years indicate a significant improvement in the ensuing years. The Company has therefore recognized Deferred Tax Assets on losses which it expects to realize from the future taxable income.

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 31.03.2012 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. Pursuant to the directions contained in IRDA's order dated 22nd March 2012 read with the Order dated 3rd January 2012 for quantification and options offered for accounting of transitional liability of Indian Motor Third Party Insurance Pool (IMTPIP) for the financial years 2009-10, 2010-11 and 2011-12, the Company has exercised an irrevocable choice to recognize such transitional liability immediately in the accounts for the financial year ending 31st March 2012. Consequently, the Solvency

Margin as at 31st March 2012 works out to 1.22. Had the Company exercised the option of spreading the said transitional liability over a period of three years, the Solvency Margin as at 31st March 2012 would have worked out to 1.91.

3. IRDA has notified dismantling of IMTPIP with effect from 1st April 2012 and have directed that the allocation of liabilities and premiums as on 31st March 2012 be done amongst Insurers on a clean cut basis. Since IMTPIP follows March to February as its accounting year, the share of revenue and expenses for the period 1st March 2011 to 28th February 2012 aggregating to a net loss of ₹2,656,257 thousand has been accounted for as per the returns received from IMTPIP. In addition, the Company has accounted for a net loss of ₹39,723 thousand for the month of March 2012 on an estimated basis.
4. Previous year figures have been regrouped/ rearranged wherever considered necessary.

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

K.K. Gangopadhyay
Partner
M.No. 013442

S.K. Mehta
Partner
M.No. 10870

For and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

Rakesh Kapur
Director

Y. Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 26th April, 2012

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.

5 5 - 1 0 7 6 2 1

State Code

5 5

Balance Sheet Date

3	1	0	3	2	0	1	2
Date		Month		Year			

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

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement/others

2 2 3 2

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

SOURCES OF FUNDS

Total Liabilities

5 3 4 8 8

Total Assets

5 3 4 8 8

Paid-up Capital

2 6 9 3 2

Reserve and Surplus

2 6 5 5 3

Secured Loans

N I L

Unsecured Loans

N I L

Deferred Tax Liability

N I L

APPLICATION OF FUNDS

Net Fixed Assets

2 6 9 8

Investments

1 4 7 7 0 0

Net Current Assets

(1 0 0 8 6 9)

Miscellaneous Expenditure

N I L

Accumulated Losses

N I L

Deferred Tax Assets

3 9 6 0

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

Turnover

2 2 4 8 6 2

Total Expenditure

3 5 3 2 2

Profit/(loss) Before Tax

(4 6 6 3)

Profit/(loss) After Tax

(3 1 8 0)

Earning per Share (in Rs.)

(1 . 2 9)

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

N A

IFFCO-TOKIO



**MANAGEMENT
REPORT**

Attached to the Financial Statements for the year ending 31st March, 2012

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, 2013
2. It is confirmed that all the dues payable to the were duly paid.
3. The shareholding pattern as on 31st March, 2012 was as under which is in accordance with the statutory requirements:

(₹ in Crores)

Shareholders	Year ended 31 st March, 2012		Year ended 31 st March, 2011	
	Rs In Crores	%	Rs In Crores	%
Indian:				
Indian Farmers Fertilisers Co-op Ltd.	195.63	72.64	179.42	72.64
Indian Potash Ltd	3.66	1.36	3.36	1.36
Sub-Total	199.29	74.00	182.78	74.00
Foreign:				
Tokio Marine Asia Pte., Ltd.	70.03	26.00	64.22	26.00
Total	269.32	100.00	247.00	100.00

4. It is confirmed that no part of funds of the Policy holders were directly or indirectly invested outside India during the year.
5. Pursuant to the directions contained in IRDA's order dated 22nd March, 2012 read with the Order dated 3rd January, 2012 for quantification and options offered for accounting of transitional liability of Indian Motor Third Party Insurance Pool (IMTPIP) for the financial years 2009-10, 2010-11 and 2011-12, the Company has exercised an irrevocable choice to recognize such transitional liability immediately in the accounts for the financial year ending 31st March, 2012. Consequently, the Solvency Margin as at 31st March, 2012 works out to 1.22. Had the Company exercised the option of spreading the said transitional liability over a period of three years, the Solvency Margin as at 31st March, 2012 would have worked out to 1.91.
6. It is certified that the value of the assets have been reviewed on the date of the Balance Sheet and that in the opinion of the management, the assets set forth in the Balance Sheet as on 31st March, 2012 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.
7. The Company has varied risk exposure in different classes of business depending upon the risk hazard and retention capacity of the Company. On overall basis Company is exposed to catastrophe risks. The Company has a strategy to have an effective control on overall risk exposure by working out accumulations per vessel in marine class of business and on geographical basis for property business. The Company has filed its reinsurance program with IRDA as required by their regulations. The Company also has

Excess of Loss and Catastrophic Cover in accordance with the programme filed with IRDA.

8. It is certified that there were no operations of the company in any other country during the year ended 31st March, 2012.
9. The information relating to ageing of claims on gross basis indicating the trend of average claim settlement time upto the financial year ended 31st March, 2012 is as under:

No of Claims Outstanding	Year ended 31st March, 2012			Year ended 31st March, 2011		
	Fire	Marine	Miscellaneous	Fire	Marine	Miscellaneous
Less than 30 Days	23	118	8309	40	112	9,234
30 days to 6 months	92	481	11364	270	636	12,540
6 months to 1 Year	168	416	6555	284	556	5,303
1 Year to 5 years	472	551	26609	396	673	15,541
5 Years and above	80	370	5287	17	13	1,763
Total	835	1936	58124	1,007	1,990	44,381

(Amount in '000)

Claims Outstanding	Year ended 31st March, 2012			Year ended 31st March, 2011		
	Fire	Marine	Miscellaneous	Fire	Marine	Miscellaneous
Less than 30 Days	55,311	6566	508,564	184,786	26,420	1,215,687
30 days to 6 months	476,911	100,217	789,034	621,441	276,176	1,325,390
6 months to 1 Year	435,567	335,583	1,721,821	429,772	229,969	1,120,066
1 Year to 5 years	1,069,791	262,963	5,322,808	844,590	434,043	3,307,625
5 Years and above	111,711	62,743	602,874	4,420	9,761	282,178
Total	2,149,291	768073	8945101	2,085,009	976,369	725,0946

10. As at 31st March, 2012, 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	Bonds	Mutual Fund
1.	Acquisition Cost of Securities held	78,568	60,583	3200
2.	Amortized value of securities as at (1)	77,104	67,313	-
3.	Market Value of securities as at (1)	75,184	66,302	3203
4.	Value of (1) as appearing in the balance sheet	77,104	67,343	3203

11. The investments held by the Company carry maximum liquidity since they are normally traded in the secondary market and have adequate safety in terms of recovery of principal and interest. During the year, the Company earned an Investment income (excluding income received from Pool) of ₹191.34 Crores (Previous year ₹129.94 Crores).
12. (a) In preparation of financial statement, the applicable accounting standards, principles and policies have been followed and there is no material departure as compared to previous year.
- (b) The Management has adopted accounting policies and followed them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the operating 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.

13. 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 31st March, 2012	Year ended 31st March, 2011
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	8055	4,663
2	Dr P.S Gahlaut Dr U. S Awasthi Mr. B S Nakai	Indian Potash Ltd.	Managing Director Director Director	69	38
3	Dr B.S Vishwanathan Mr K.S Gowda	Karnataka State Cooperative Marketing Federation Ltd.	Director Director	13	12
4	Dr U.S Awasthi Mr Rakesh Kapur Dr P.S Gahlaut	Fertiliser Association of India Ltd.	Director Director Director	68	67
5	Mr K. S. Gowda 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	4339	3,969

For and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman

S. Narayanan
Managing Director

Rakesh Kapur
Director

Y. Fukuda
Director

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 26th April, 2012



**ACCOUNTS OF
SUBSIDIARY COMPANY**
IFFCO-TOKIO INSURANCE SERVICES LIMITED

IFFCO-TOKIO

BOARD OF DIRECTORS

Mr. K. Srinivasa Gowda	Chairman
Dr. P.S. Gahlaut	Director
Mr. Rakesh Kapur	Director
Mr. S. Narayanan	Director
Mr. Y. Fukuda	Director
Mr. V. P. S. Parihar	Director
Mr. N. K.Kedia	Director

SENIOR EXECUTIVES

Joydeep Roy
Chief Executive Officer

AUDITORS

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

CORPORATE OFFICE

'IFFCO Tower', 4th & 5th Floor,
Plot No. 3, Sector 29,
Gurgaon 122001.
Phone Nos. 0124-2850100

NOTICE OF NINTH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **NINTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO Insurance Services Limited** will be held on **Monday, the 28th May, 2012 at 3 P.M. at the Registered Office** of the Company at **IFFCO SADAN, C-1 DISTRICT CENTRE, SAKET, NEW DELHI-110017** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company from 1st April, 2011 to 31st March, 2012 and the Profit & Loss Account for the above period and the Reports of the Board of Directors and the Company's Auditors thereon.
2. To appoint Director in place of Mr. Veer Pratap Singh who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. Y. Fukuda who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Regd. Office: IFFCO Sadan,
C-1 District Centre, Saket,
New Delhi- 110017.
Dated: 27th April, 2012

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

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 General Insurance Company, shall appoint its Auditors by way of Special Resolution in its General Body Meeting. Since IFFCO TOKIO General Insurance Co. Ltd, being a General Insurance Company, holds 100% of the subscribed share capital of IFFCO TOKIO Insurance Services, the said resolution is proposed to be passed as Special Resolution.

IFFCO-TOKIO



**DIRECTORS'
REPORT**

To the Members

1.0 Your Directors have pleasure in presenting to you the Ninth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2012 along with the Auditors' Report thereon.

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

2.0 Financial Highlights

Members will be pleased to note that your Company earned a profit before tax of ₹21.66 Lakhs against a budgeted estimate of ₹23.00 Lakhs. During the financial year ended 31st March 2012, your Company had generated a gross written premium of ₹95.29 Crores for IFFCO TOKIO. Further more, your Company serviced a premium valuing ₹751.12 Crores. The breakup of premium serviced through Individual Agency Model, Cooperative Channels, Strategic Tie up and Others is detailed below:-

(₹ In Crores)

MODEL	GWP for 2011-12
Individual Agency Model	298.90
Cooperative channel	88.29
Strategic Tie up	32.20
Others (PA/OEM/ Various dealers)	331.73
Total (A+B)	751.12

3.0 Dividend

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

4.0 Human Resources, Training and Development

Your Company has 586 employees on its permanent rolls as on 31st March, 2012. In

addition to the employees on permanent rolls the Company also has 268 Sr. Marketing Executives and Marketing Executives and 7 Graduate Trainees as on 31st March 2012. Your Company has utilized the services of 639 Relationship Executives and Customer Care Associates for servicing IFFCO TOKIO customers and tie up arrangements.

4.1 The training of manpower has been consolidated through both online modules and various class room trainings for employees and trainees to enhance their functional skills and efficiency. The Company also conducted training for the marketing personnel as required under the IRDA regulations. During the year, your Company embarked upon a new training initiative for training the business associates of IFFCO-TOKIO through its online modules and various other class room programmes. During the year a total of 695 persons were trained under this initiative. The Gurukul Training facility was utilized to train 791 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, your Company has strengthened and successfully expanded the concept of Lateral Spread Centers by increasing the number of such centers from 103 to 122. 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 ₹501.53 Crores for IFFCO-TOKIO at an average expense ratio of 4% The total number of LSCs as of 31st March, 2012 is 122.

5.2 Two other servicing models viz: Cooperative Model and Individual Agency Model were further strengthened during the year to penetrate further in the retail segment. The Company deployed its manpower to recruit train and monitor Individual agents in the retail segment and also agents from cooperatives back ground. During the year the Company deployed 628 employees and trainees to manage these two models.

5.3 Your Company continues to play an important role in servicing of IFFCO TOKIO customers. The Service channel consisting of Relationship Executives and Customer care Associates (on outsourced basis) has yielded very good response from the market. This model has serviced a total premium of ₹667.20 Crores sourced from IFFCO-TOKIO Service provider tie ups. During the year, your Company had actively promoted and sold the Barish Bima Yojana, Janta Bima Yojana and Mausam Bima Yojana and other weather products launched by 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, seven 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 Financial Year 1st April, 2011 to 31st March, 2012. There are no specific observations in the report of the Auditors which require clarification.

8.0 Future Plan

As your Company has to render dedicated services as a corporate agent to IFFCO TOKIO, it has drawn a Business plan for the

ensuing year 2012-13 as per the direction provided by IFFCO -TOKIO.

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

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

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

10.0 Directors' Responsibility Statement

The Board of Directors of your Company confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at March 31st 2012 and of the profits of the Company for the period ended on the date;
3. That proper and sufficient care has been taken for maintenance of adequate accounting records in

accordance with the provisions of the companies act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

11.0 Appointment of Auditors

As per the provisions contained in section 224 of the Companies Act, 1956, your Company has received a communication from M/s. Raghunath Rai & Co. (Chartered Accountant) 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 recommended the appointment of M/s. Raghunath Rai & Co. Chartered Accountants as Statutory Auditors for the financial year 2012-13.

12.0 Board of Directors

Pursuant to article 78 of the Article of Association of your Company, Mr. Y Fukuda and Mr. Veer Pratap Singh, Directors retire by rotation at this Annual General Meeting and being eligible to offer themselves for re appointment.

13.0 Acknowledgement

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

Place: New Delhi
Date: 26th April, 2012

For and on behalf of the
Board of Directors

(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** (The Company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012**. In my opinion and to the best of information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in the respect of the aforesaid financial year.

1. The company has kept and maintained all register 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 filled 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 (Four) times** respectively on **16th May 2011, 19th July 2011, 21st October 2011 and 16th January 2012** (Dates) 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 31.03.2011 was held on 23rd June, 2011 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 advance 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 preview of section 297 of the Act;
10. The company has made necessary entries in the register maintained u/s 301 of the Act;
11. As there were no instances falling within the preview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members of Central Government;
12. The company has not issued any duplicate share certificates during the financial year;
13. The company has:
 - (i) Not Applicable
 - (ii) Not Applicable
 - (iii) Not Applicable
 - (iv) Not Applicable
 - (v) Duly complied with the requirements of section 217 of the Act;
14. The Board of Directors of the company is duly constituted. Re-appointment of Directors u/s 256 has been duly made during the financial year;

15. The company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year;
16. The company has not appointed any sole selling agents during the financial year;
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under various provisions of the Act during the financial year;
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder;
19. The company has not issued any shares, debentures or other securities during the financial year;
20. The company has not bought back any shares during the financial year;
21. There was no redemption of preference shares or debentures during the financial year;
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registrations of transfer of share;
23. The company has not invited/accepted any deposit including any unsecured loan 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 sections 372A of the Act during the financial year;
26. The company has not altered the provision of the memorandum with respect 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 both employers and employee's provident fund with prescribed authorities pursuant to Section 418 of the Act.

**For Sudhanshu Gupta & Associates
Company Secretaries**

**Proprietor
C.P. No. : 4620**

**Place: Delhi
Date: 23rd April, 2012**

Annexure -A

Registers as maintained by the Company

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

Annexure-B

Form and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012

S. N	Form No.	Filed u/s	For	Date of Filing	Whether filed within prescribed time yes/ no	If delay in filing whether requisite additional fee paid yes/ no
1.	Form 20B	159	13-06-2011	21-07-2011	Yes	NA
2.	Form 23AC & 23ACA	220	23-06-2011	20-07-2011	Yes	NA
3.	Form 66	383A	23-06-2011	19-07-2011	Yes	NA
4.	Form 23	192	23-06-2011	19-07-2011	Yes	NA



**AUDITORS'
REPORT**



TO THE MEMBERS OF IFFCO TOKIO INSURANCE SERVICES LIMITED

We have audited the attached Balance Sheet of **IFFCO TOKIO INSURANCE SERVICES LIMITED** as at 31st March, 2012. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 (hereinafter referred as order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and 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, we give below statement on the matter specified in paragraphs 4 and 5 of the said Order.

- 1) (a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed assets.
- (b) As explained to us, all the assets have been physically verified by the management during the year and there is a regular programme of verification and no material discrepancies were noticed on such verification.
- 2) (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any part of fixed assets.
- 2) The Company has not held any inventory during the year under audit. Therefore clause 4 (ii) of CARO is not applicable to the Company.
- 3) (a) During the year under audit the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the registered maintained under section 301 of the Act.
- (b) The Company has not taken any fresh loans, secured or unsecured from companies, firms or other parties covered in the registered maintained under section 301 of the Act.
- 4) In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of Fixed Assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that particulars of the transaction that need to be entered into the register maintained under section 301 are none.

- (b) In view of sub-clause (a) above, the sub clause is not applicable.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit form the public.
- 7) Clause 4 (vii) of CARO is applicable on the company which require it to get Internal Audit done, however the Company does not have any formal internal audit system.
- 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, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of Income Tax, Sales Tax, Excise Duty or any other tax outstanding as at 31st March, 2012.
- 10) In our opinion and as per information and explanations given to us, there are no accumulated losses. Moreover, no cash losses were reported in current financial year and preceding financial year. Therefore Clause 4(x) of CARO is not applicable to the Company.
- 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) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- 13) In our opinion and according to the information and explanations given to us, the Company is not a Chit fund/Nidhi/Mutual Benefit Funds/Society to which the provisions of any special statute relating to chit fund are applicable.
- 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) We have been informed that the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- 16) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year.
- 17) The Company has not taken any short term loan during the year.
- 18) During the year the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issue during the year.
- 21) Based upon the audit procedures performed

and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2012.

Further to and in terms of the above, 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 our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.
- c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
- d) In our opinion, Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Company Act, 1956.
- e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we

report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the Accounting Policies and Notes to the Accounts give the information required by the Companies Act, 1956, in the manner as required and give a true and fair view in conformity with the accounting principles accepted in India:-
 - (i) In the case of Balance Sheet, of the State of Affairs' of the Company as at 31st March, 2012; and
 - (ii) In the case of Profit & Loss Account, the Profit of the company for the year ending on that date.

For RAGHU NATH RAI & CO.
Chartered Accountants
Firm Reg. No. 000451N

(SHARAT PRAKASH)

Partner

Membership No. 96267

New Delhi
Dated: 26th April, 2012



ACCOUNTS



IFFCO TOKIO INSURANCE SERVICES LIMITED BALANCE SHEET AS AT 31ST MARCH, 2012

S. No.	Particulars	Notes No.	As at 31 March 2012	As at 31 March 2011
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's funds			
	a) Share Capital	1	5,000,000	5,000,000
	b) Reserves and surplus	2	7,567,042	6,874,786
	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		-	-
(4)	Current liabilities			
	a) Short term borrowings		-	-
	b) Trade payables		-	8,313,587
	c) Other current liabilities	3	65,647,088	54,279,977
	d) Short term provisions	4	22,074,298	18,021,261
	TOTAL		100,288,428	92,489,611
II.	ASSETS			
(1)	Non Current Assets			
	a) Tangible Fixed Assets			
	Telephone Instruments			
	Gross Block		585,813	585,813
	Less : Accumulated Depreciation		(585,813)	(585,813)
	Net Block		-	-
	b) Non current investments			
	c) Deferred tax assets (Net)		4,525,000	3,965,000
	d) Long term loans & advances		-	-
	e) Other non current assets		-	-
(2)	Current Assets			
	a) Current investments		-	-
	b) Inventories		-	-
	c) Trade receivables		1,977,727	-
	d) Cash and cash equivalents	5	17,203,501	27,373,795
	e) Short term loans and advances		-	-
	f) Other current assets	6	76,582,200	61,150,816
	TOTAL		100,288,428	92,489,611

Notes on Accounts

Schedule 1 to 14 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 : 26th April, 2012

14

For IFFCO TOKIO Insurance Services Ltd.

K. Srinivasa Gowda
Chairman

S. Narayanan
Director

Rakesh Kapur
Director

Y. Fukuda
Director

Joydeep Roy
CEO

IFFCO TOKIO INSURANCE SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

S. No.	Particulars	Notes No.	As at 31 March 2012	As at 31 March 2011
	REVENUE			
I.	Income from Operations	7	431,162,028	394,659,379
II.	Other Income	8	2,192,737	5,169,044
III.	Total Revenue		433,354,765	399,828,423
	EXPENDITURE			
IV.	Employees Benefits Expenses	9	319,685,570	292,100,360
V.	Finance costs	10	797,975	763,473
VI.	Other Expenses	11	110,705,570	104,706,440
VII.	Total Expenses		431,189,115	397,570,273
VIII.	Profit before exceptional and extraordinary items and tax		2,165,650	2,258,150
IX.	Exceptional Items	12	1,163,394	79,851
X.	Profit before extraordinary items and tax		1,002,256	2,178,299
XI.	Extraordinary Items		-	-
XII.	Profit before tax		1,002,256	2,178,299
XIII.	Tax expense:			
	(1) Current tax		870,000	1,040,000
	(2) Deferred tax		(560,000)	(415,000)
XIV.	Profit/(Loss) from the period from continuing operations		692,256	1,553,299
XV.	Profit/(Loss) from discontinuing operations		-	-
XVI.	Tax expense of discounting operations		-	-
XVII.	Profit/(Loss) from Discontinuing operations		-	-
XVIII.	Profit/(Loss) for the period		692,256	1,553,299
XIX.	Earning per equity share:	13		
	(1) Basic		1.38	3.11
	(2) Diluted		1.38	3.11

Notes on Accounts

Schedule 1 to 14 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: 26th April, 2012

14

For IFFCO TOKIO Insurance Services Ltd.

K. Srinivasa Gowda
Chairman

S. Narayanan
Director

Rakesh Kapur
Director

Y. Fukuda
Director

Joydeep Roy
CEO

IFFCO TOKIO INSURANCE SERVICES LIMITED SCHEDULES FORMING PART OF ACCOUNTS

Notes No.	Particulars	As at 31 March 2012	As at 31 March 2011
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
2	RESERVES AND SURPLUS		
	Surplus as per Profit & Loss A/c	6,874,786	5,321,487
	Additions / Created during the year	692,256	1,553,299
	Deductions during the year	-	-
	Total	7,567,042	6,874,786
3	Other current liabilities		
	TDS Payable	1,153,081	1,663,531
	Other Liabilities	64,494,007	52,616,446
	Total	65,647,088	54,279,977
4	Short Term Provisions		
	Gratuity	1,046,743	1,068,502
	Leave Encashment	13,702,838	10,661,039
	Leave Travel subsidy	7,324,717	6,291,720
	Total	22,074,298	18,021,261
5	Cash and cash equivalents		
	Cash in Hand	836,442	815,493
	Cheque in hand	-	13,272,670
	Balance with Scheduled Banks		
	- In Current Accounts	3,767,059	579,153
	- In Fixed Deposits Accounts (more than 12 months)	5,000,000	5,106,479
Deposit with IFFCO (more than 12 months)	7,600,000	7,600,000	
	Total	17,203,501	27,373,795
6	Other Current Assets		
	Advance Income Tax (net of provision)	66,106,517	50,733,434
	MAT Credit Entitlement	-	-
	Rent Deposit	7,454,474	6,346,300
	Interest accrued but not due on deposits	283,129	317,730
	Service Tax recoverable	62,253	1,072,711
	Advance Recoverable in cash or in kind or for value to be received	2,675,827	2,680,641
	Total	76,582,200	61,150,816
7	Revenue from Operations		
	Agency commission	52,897,028	53,709,379
	Fees for services provided to ITGI	378,265,000	340,950,000
	Total	431,162,028	394,659,379
8	Other Income		
	Interest From Banks FDR's (TDS deducted ₹46,393)	450,353	350,872
	Interest Recd From Income Tax	962,913	4,043,596
	Interest- IFFCO FDR (TDS deducted ₹1,38,051)	690,254	740,329
	Stale cheque salary reversal	70,000	-
	Stale cheque others reversal	19,217	34,247
	Total	2,192,737	5,169,044

Notes No.	Particulars	As at 31 March 2012	As at 31 March 2011
9	Employees Benefits Expenses		
	Salary & Allowances	205,772,551	172,808,807
	Stipend to Trainees	92,068,508	101,748,147
	Gratuity	1,046,068	1,066,748
	Leave Encashment	4,648,200	3,717,200
	Employers Contribution to Provident Fund	5,067,245	4,240,517
	Staff Welfare	2,953,965	2,341,153
	Leave Travel Concession	7,301,638	5,639,945
	Provident Fund Administration Charges	648,255	537,843
	Managerial Remuneration		
	Directors Fees	115,000	120,000
	Travelling Etc.	64,140	60,700
	Total	319,685,570	292,281,060
10	Finance Cost		
	HDFC Bank Charges	122,198	763,473
	LSC DD Charges	675,777	-
	Total	797,975	763,473
11	Other Expenses		
	Rent	26,001,159	23,603,478
	Repair & Maintenance	5,365,573	5,052,862
	Communication Expenses	11,640,474	11,553,717
	Travelling and Conveyance	17,163,478	14,914,923
	Printing and Stationery	7,123,802	6,607,799
	Legal & Professional Expenses		
	- Outsourcing Exp	27,117,793	29,301,465
	- Others	3,887,050	4,699,830
	Payment to Auditors		
	- Audit Fees	150,000	120,000
	- Income Tax matters	60,000	85,000
	Insurance Charges	3,692,653	2,365,343
	Electricity & Water Charges	6,608,356	4,629,295
	Miscellaneous Expenses	1,895,232	1,592,028
	Total	110,705,570	104,525,740
12	Exceptional Items		
	Provision for Income Tax for A/Y 2011-12 reversed	360,000	-
	Provision for Income Tax earlier year created now reversed	803,394	80,206
	Provision for FBT w/o	-	(355)
	Total	1,163,394	79,851
13	Earning Per Share		
	I) Net Profit as per Profit and Loss account available for Equity Shareholders	692,256	1,553,299
	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	1.38	3.11
	Diluted Rupees	1.38	3.11

SCHEDULE - 14

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 conform 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 is recognized immediately to the extent of benefit are vested; otherwise it is amortized on straight line basis over the remaining average period until the benefit becomes vested.

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

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 ₹50,67,245 (Previous year ₹42,40,517) for provident fund contribution in the profit & loss account.

II) Defined Benefit Plans

- a) Leave Encashment / Compensated Absences.
b) 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	
	2011-12	2010-11	2011-12	2010-11
Discount Rate (Per Annum)	8.30%	8.25%	8.30%	8.25%
Rate of Increase in compensation level*	10%	10%	10%	10%

*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

Particulars	Leave Encashment / Compensated Absences (Unfunded)		Gratuity (Funded)	
	2011-12	2010-11	2011-12	2010-11
Projected Benefit obligation at beginning of year	1,06,61,039	84,45,779	41,84,183	29,86,480
Current Service Cost	43,18,112	45,41,790	16,83,940	12,06,342
Interest Cost	11,69,516	9,48,336	4,84,120	2,75,155
Actuarial Loss / (Gain) due to change in assumptions	(8,39,428)	(17,72,926)	(6,95,474)	(2,22,447)
Benefit Paid	(16,06,401)	(15,01,940)	(1,94,207)	(78,519)
Past service cost	-	-	-	17,172
Projected Benefit Obligation at end of year	1,37,02,838	1,06,61,039	54,62,562	41,84,183

II. Amount to be recognised in the Balance Sheet

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Projected Benefit Obligation at End of the year	1,37,02,838	1,06,61,039	54,62,562	41,84,183
Ending Assets	-	-	44,15,819	31,15,681
Funded Status assets / (Liability)	(1,37,02,838)	(1,06,61,039)	10,46,743	10,68,502
Liability (-) / Assets (+) recognized in Balance sheet	(1,37,02,838)	(1,06,61,039)	10,46,743	10,68,502

III. Expenses recognised in the Profit & Loss Account

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	43,18,112	45,41,790	16,83,940	12,06,342
Interest Cost	11,69,516	9,48,336	4,84,120	2,75,155
Expected Return on Plan Asset			(2,80,411)	(1,39,830)
Net actuarial (gain)/loss to be recognized in year	(8,39,428)	(17,72,926)	(8,41,581)	(2,92,091)
Past Service Cost			-	17,172
Income (-) / Expenses (+) recognized in the statement of Profit & Loss	46,48,200	37,17,200	10,46,068	10,66,748

IV. Plan Assets (at Fair Value)

(Amount in ₹)

Particulars	Gratuity	
	2011-12	2010-11
Plan Assets at the beginning of the year	31,15,681	17,58,490
Expected Return on Plan Assets	2,80,411	1,39,830
Employer's Contribution	10,67,827	12,26,236
Benefit Payments	(1,94,207)	(78,519)
Asset Gain / (Loss)	1,46,107	69,644
Plan Assets at the end of the year	44,15,819	31,15,681

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 ₹2,60,01,159 (Previous year ₹2,36,03,478).

C. In the opinion of management current assets & loans & advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated and all known liabilities have been adequately provided for.

D. 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	2011-12	2010-11
Net Profit/(Loss) as per Profit and Loss Account	6,92,256	15,53,299
Number of Equity Shares	5,00,000	5,00,000
Earnings per Share (Basic & Diluted)	1.38	3.11
Face Value per share	10	10
Asset Gain / (Loss)	1,46,107	69,644
Plan Assets at the end of the year	44,15,819	31,15,681

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

(Amount in ₹)

Particulars	Liabilities		Assets	
	2011-12	2010-11	2011-12	2010-11
Difference in book depreciation and tax depreciation	-	-	2,00,000	3,40,000
Expenditure Incurred but allowable under Income Tax Act on payment basis	-	-	43,25,000	36,25,000
Carried forward business loss as per Income Tax Act	-	-	-	-
Total	-	-	45,25,000	39,65,000

Net Deferred Tax Asset ₹45,25,000 (Previous year ₹39,65,000) in accordance with Accounting Standard 22 "Accounting for Taxes on Income" the credit of deferred tax amounting ₹5,60,000 (Previous Year ₹4,15,000) 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	43,11,62,028	39,46,59,379	-	-	-	-
2. Reimbursement of expenses	61,91,680	58,16,510	-	-	-	-
3. Employee Remuneration	-	-	-	-	28,59,180	24,84,010
4. Insurance Premium Paid	37,57,594	24,87,255	-	-	-	-
5. Insurance Claims Recd	27,34,013	22,69,879	-	-	-	-
6. Interest earned on fixed deposit receipts	-	-	6,90,254	7,40,329	-	-
7. Amount payable / (recoverable) at the balance sheet date	(19,77,727)	83,13,587	-	-	-	-
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 2012

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 : 26th April, 2012

For IFFCO TOKIO Insurance Services Ltd.

K. Srinivasa Gowda
Chairman

S. Narayanan
Director

Rakesh Kapur
Director

Y. Fukuda
Director

Joydeep Roy
CEO

IFFCO-TOKIO INSURANCE SERVICES LIMITED
BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE
(INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956)

I. Registration Details

Registration No. State Code
Balance Sheet Date

II. Capital Raised during the year (Amount in ₹ Thousand)

Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>	Rights Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>
Bonus Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>	Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>

III. Position of mobilization and Development of Funds (Amount in ₹ Thousand)

Total Liabilities <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="100288"/>	Total Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="100288"/>
Sources of Funds	
Paid-up Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5000"/>	Reserve & Surplus <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7567"/>
Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>	Unsecured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>
Application of Funds	
Net Fixed Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>	Investment <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>
Net Current Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8042"/>	Misc. Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>
Deferred Tax Asset <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4525"/>	
Accumulated Losses <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>	

IV. Performance of Company (Amount in ₹ Thousand)

Turnover <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="433354"/>	Total Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="431189"/>
Profit/Before Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2166"/>	Profit/(Loss)After Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="692"/>
Earning per share in ₹ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1.38"/>	Dividend <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N I L"/>

V. Generic names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description: Insurance Auxiliary Services

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 _____ of _____ as my/our proxy to attend and vote for me/us on my/ our behalf at the Twelfth Annual General Meeting of Company to be held on Monday, the 28th May, 2012 at 4 P.M. at IFFCO Sadan, C1, District Centre, Saket, New Delhi 110017 and at any adjournment thereof.

Signed this

Affix Rs. 1/
Revenue stamp

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 12th Annual General Meeting of the Company to be held on Thursday, the 28th May, 2012 at 4 P.M. at IFFCO Sadan, C1, District Centre, Saket, New Delhi 110017

Ledger Folio No.

No. of Shares:

Name of Shareholder:

Signatures.....

