


# CONTENTS II

DIRECTORS' REPORT.....	7
AUDITORS' REPORT .....	23
ACCOUNTS .....	27
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS .....	49
MANAGEMENT REPORT .....	67
ACCOUNTS OF SUBSIDIARY COMPANY.....	73



## BOARD OF DIRECTORS ||



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

## BOARD OF DIRECTORS

K. Srinivasa Gowda  
Lee King Chi Arthur  
Balwinder Singh Nakai  
Dr. U. S. Awasthi  
Rakesh Kapur  
Dr. B. S. Vishwanathan  
Ravindra Pratap Singh  
Dr. P. S. Gahlaut  
S. K. Kanwar  
Bahushrut Lugani  
Yogesh Lohiya  
Ichiro Maeda  
H. O. Suri

Chairman  
Vice Chairman  
Director  
Director  
Director  
Director (Up to 27<sup>th</sup> February, 2014)  
Director (From 29<sup>th</sup> April, 2014)  
Director  
Director  
Director  
Managing Director & CEO  
Director (Operations)  
Director (Marketing)

## SENIOR EXECUTIVES

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

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

## COMPANY SECRETARY

Amit Jain

## STATUTORY AUDITORS

M/s G. S. Mathur & Co.,  
M/s S. K. Mehta & Co.,

## BANKERS

Deutsche Bank,  
Indian Overseas Bank,  
Standard Chartered Bank

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## MANAGEMENT TEAM ||



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

## NOTICE OF THE 14<sup>th</sup> ANNUAL GENERAL MEETING

### TO THE MEMBERS

**NOTICE** is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO General Insurance Company Limited** will be held on **Wednesday, the 21<sup>st</sup> May, 2014 at 4.30 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 31<sup>st</sup> March, 2014 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. B. S. Nakai who retires by rotation and is eligible for reappointment.
3. To appoint Director in place of Mr. Rakesh Kapur who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s S. K. Mehta & Co., Chartered Accountants and M/s. S. K. Mittal & 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."

#### SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution**:

**"RESOLVED** that Mr. Ravindra Pratap Singh be and is hereby appointed as Director of the Company liable to retire by rotation."

By Order of the Board,

**Registered Office,**  
IFFCO Sadan, C1, Distt. Centre,  
Saket Place, New Delhi 110017.  
Dated : 29<sup>th</sup> April, 2014

**Amit Jain**  
Company Secretary

#### Notes:

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 Wednesday, the 14<sup>th</sup> May, 2014 to Wednesday, the 21<sup>st</sup> May, 2014 (both days inclusive).
4. Explanatory Statement to Item No. 5 (Pursuant to Section 102 of the Companies Act, 2013)

Mr. Ravindra Pratap Singh was nominated by IFFCO for his appointment as Director on the Board of the Company to fill the casual vacancy caused by resignation of Mr. B. S. Vishwanathan. Accordingly, Board of Directors of the Company at its Meeting held on 29<sup>th</sup> April, 2014 appointed Mr. Ravindra Pratap Singh, as Director on the Board of the Company. Term of office of Shri Ravindra Pratap Singh as Director of the Company is expiring in the ensuing Annual General Meeting (AGM) of the Company.

Notice under Section 160(1) of the Companies Act, 2013 has been received by the Company from a member proposing the name of Mr. Ravindra Pratap Singh for appointment as Director of the Company at the said AGM. Your Directors consider that the continued presence of Mr. Ravindra Pratap Singh would be beneficial to the Company. The Resolution is accordingly recommended for approval by the members.

None of the Directors / Key Managerial Personnel, except Mr. Ravindra Pratap Singh may be deemed to be concerned or interested in the resolution proposed for his appointment.

**IFFCO-TOKIO**

# DIRECTORS' REPORT

## Honourable Members,

Your Directors have pleasure in presenting the 14<sup>th</sup> Annual Report and Audited Financial Statements for the Financial Year 2013-14 along with the Auditors' Report thereon.

## ECONOMIC ENVIRONMENT AND INDUSTRY SCENARIO

The year under report has witnessed a sluggish domestic economic growth across all sectors. The high rate of inflation dented the ability of the RBI to extend monetary policy support to growth revival and as a result growth projection for the year 2013-14 has remained around 5.0% to 5.5%. During the period mid-May to end-August, 2013, rupee depreciated by 17.7% against the US dollar and rupee reached at its record low of 68.36 against dollar in August, 2013. This unprecedented fall in the value of rupee has adversely impacted the profitability of the corporate business.

Growth of General Insurance Industry during the year has also suffered in line with the overall economic growth scenario and has seen sharp decline since November, 2013. Overall General Insurance Industry growth, which for the period April-October, 2013 was at 14.4%, declined to 12.7% at the end of the financial year as against 19.2% in 2012-13. During 2013-14 Gross Direct Premium (GDP) of the industry excluding the specialised insurer increased to ₹72,853 Crores as against ₹64,653 Crores in 2012-13 with no significant improvement in penetration of General Insurance. The market environment has been highly competitive and price sensitive. The growth of automobile insurance remained low due to insignificant growth of domestic sale in automobile industry. The Premium growth of Private Sector, excluding specialized insurer, at 15.5% has exceeded the growth of Public Sector which recorded a growth of 10.3%. The Direct Premium growth of your Company has been 14.0% and the Company continued to maintain its third position amongst Private Sector Companies with a market share of 4.02% as against 3.98% in 2012-13.

## FINANCIAL PERFORMANCE

Despite tough economic and market conditions, the Company recorded a Gross Written Premium income (including Reinsurance Inward Business and share from Declined Motor Commercial Vehicle Third Party Pool) of ₹2,991.90 Crores as against ₹2,649.41 Crores in 2012-13. The combined ratio of the Company improved to 99.92% as against 103.81% in 2012-13. The Profit Before Tax (PBT) for the year has been ₹322.50 Crores compared to ₹196.28 Crores in 2012-13 registering an increase of 64.3%. The Profit After Tax (PAT) for the year has been ₹216.09 Crores against ₹134.79 Crores in 2012-13.

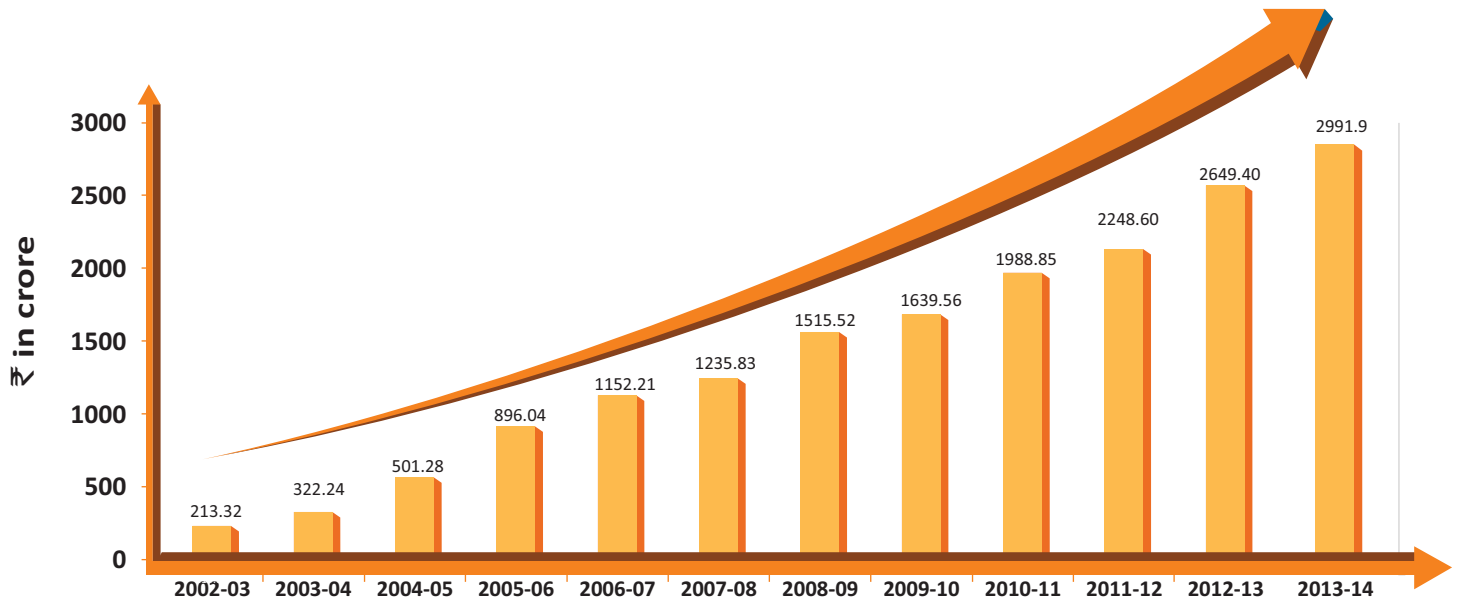
The highlights of the financial performance of the Company are summarised as under:

(₹ in Crores)

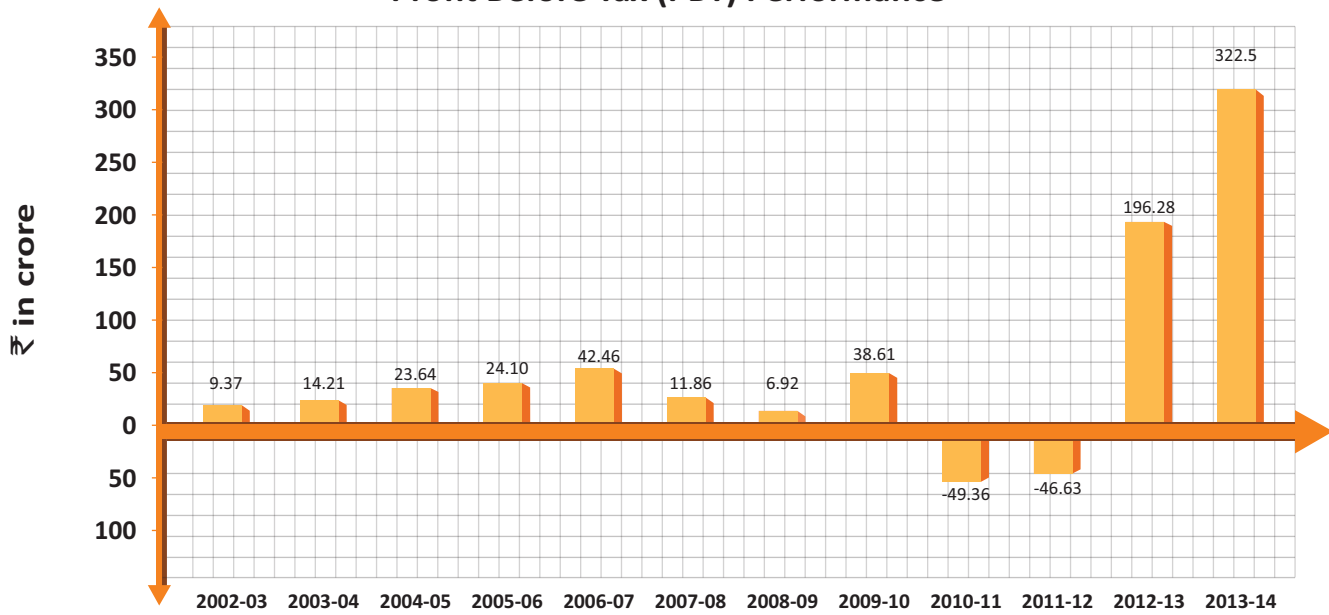
Particulars	2013-14	2012-13
Gross Written Premium	2,991.90	2,649.41
Less: Reinsurance Premium	968.20	790.20
Net Premium	2,023.70	1,859.21
Unexpired Risk Reserve	70.59	235.13
Earned Premium	1,953.11	1,624.08
Commission Earned (Net)	32.23	4.69
Others	0.33	1.48
<b>Total Underwriting Revenue</b>	<b>1,985.67</b>	<b>1,630.25</b>
Net Incurred Claims	1,481.73	1,245.44
Expenses of Management	502.03	445.20
<b>Total Underwriting Expenses</b>	<b>1,983.76</b>	<b>1,690.64</b>
<b>Underwriting Profit /(Loss)</b>	<b>1.91</b>	<b>(60.39)</b>
Investment Income	320.08	254.75
Allocated to Revenue Accounts	262.82	223.45
Allocated to P&L Account	57.26	31.30
Others	0.51	1.93
Net Underwriting Surplus	264.73	163.05
<b>Profit /(Loss) Before Tax</b>	<b>322.50</b>	<b>196.28</b>



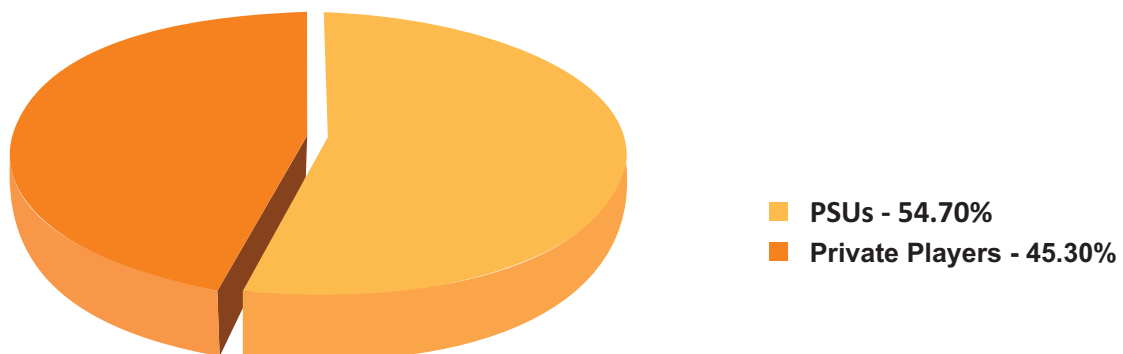
### Gross Written Premium (GWP)



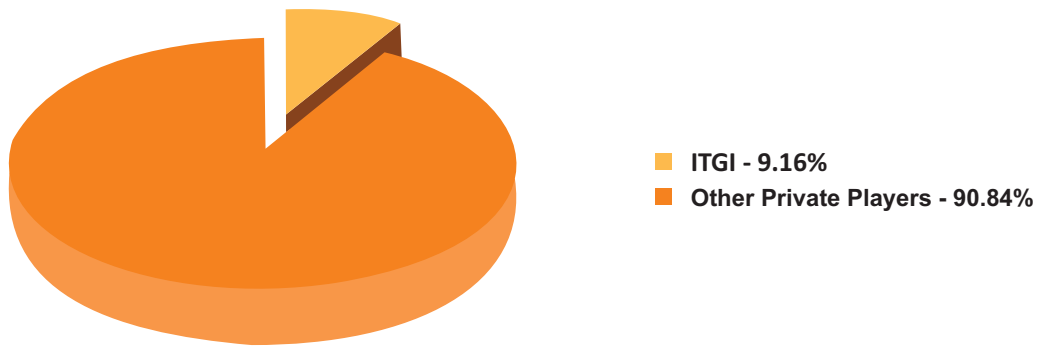
### Profit Before Tax (PBT) Performance



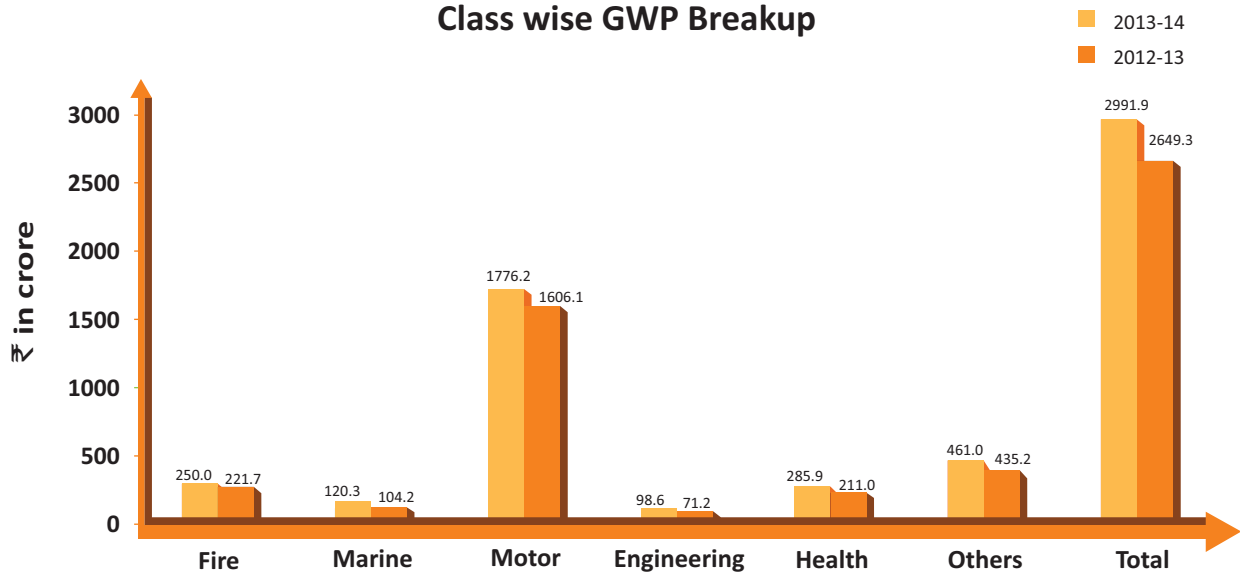
### Market Share of Private Players



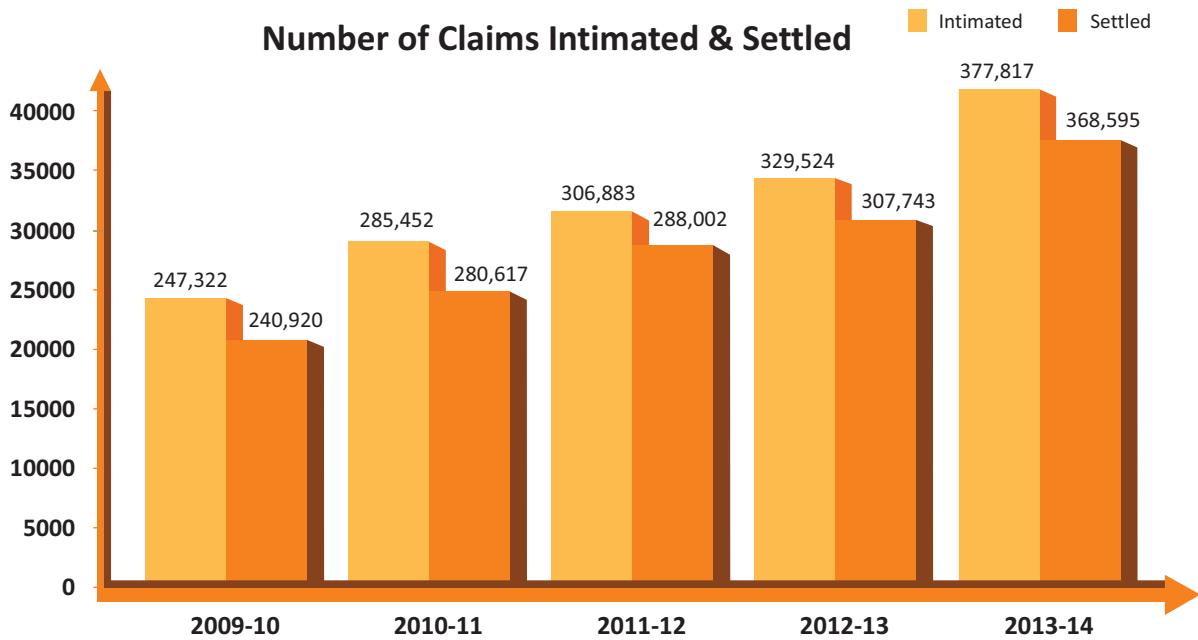
### ITGI Share Among Private Insurers



### Class wise GWP Breakup



### Number of Claims Intimated & Settled



The financial performance of the Company during the year has been remarkable. The Company has succeeded in breaking the combined ratio benchmark and recorded the same at 99.92%. This has resulted into the Company recording maiden underwriting profits of ₹1.91 Crores. This achievement has been possible by implementing strict underwriting policies; focus on economical and speedy settlement of claims and exercising stringent control on expenses of management. The strategy of the Company to increase contribution of non motor portfolio in overall Gross Written Premium has also shown results. The contribution of Non Motor Business increased from 39.38% in 2012-13 to 40.63% in 2013-14 and individual Health business registered a growth of 58.8% over the year 2012-13. Your Company continued to pursue efforts to enhance retention of renewal business and renewal ratio percentage of the Company has shown marked improvement. During the year, your company sold over 44.55 Lakhs policies.

During the year your Company has underwritten standalone commercial vehicle third party premium of ₹61.53 Crores as against ₹79.23 crores required to be underwritten in accordance with the formula set by IRDA. As a result, the Company had to accept business amounting to ₹14.46 crores (on proportionate basis) from Declined Motor Pool and also to provide anticipated claim liability of ₹7.77 Crores.

#### **SOLVENCY AND SHAREHOLDERS FUND**

The Solvency ratio of the Company as at 31<sup>st</sup> March, 2014 has improved substantially to 1.67 as against 1.43 as at 31<sup>st</sup> March, 2013 and regulatory requirement of 1.50. This improvement has been possible due to various measures implemented by the Company during the year which have resulted into writing balance in business mix and improved profits. With this sustainable solvency ratio, the Company during the current year will endeavour to optimise capital utilization.

The Shareholder's Fund as at 31<sup>st</sup> March, 2014 also improved to ₹885.73 Crores as compared to ₹669.64 Crores as at 31<sup>st</sup> March, 2013.

#### **DIVIDEND**

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

2013-14.

#### **INVESTMENTS AND INVESTMENT INCOME**

The Total Investments of the Company as at 31<sup>st</sup> March, 2014 increased to ₹3576.06 crores as compared to ₹3117.44 Crores as at 31<sup>st</sup> March, 2013. The distribution of investments of the company has been in compliance with the limits prescribed in IRDA Investment Regulations and Approved Investment Policy of the Company. The investment portfolio of the Company has been regularly monitored in line with the duration of liabilities through Assets Liability Management Policy so as to ensure availability of funds at all times for settlement of obligations towards policyholders.

The investment income of the Company for the year under review has been ₹320.09 Crores with an average investment yield of 9.18% as against ₹254.75 Crores and 9.26% respectively in the previous year.

#### **CORPORATE GOVERNANCE**

The Guidelines on Corporate Governance issued by IRDA for the Insurance sector were implemented by the Company with effect from 1<sup>st</sup> April, 2010. The guidelines inter alia envisaged introduction of Code of Business Conduct and Ethics for Board Members and Senior Management, Whistle Blower Policy, Constitution of Risk Management Committee, Constitution of Policy Holders Protection Committee, Reconstitution of Audit Committee, Appointment of Independent Directors and conduct of meetings of Board of Directors. We had taken appropriate measures and complied with the requirements of IRDA.

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 terms sustainability. It has been the endeavour of your Company to adopt systems and procedures which would strengthen good Corporate Governance, transparency, accountability and full disclosure of information to its shareholders and other stakeholders.

A Report on Corporate Governance pursuant to IRDA Guidelines issued is placed at Annexure "A."

## REINSURANCE

The Reinsurance Programme of the Company for the year 2014-15 has been in place in line with the guidelines laid down by the IRDA. The Programme has been designed to provide automatic capacities to underwrite business, protecting the risks retained by the Company and maintaining best securities.

## MARKETING

During the year under review, the market, in view of lowered industry growth and insurers eager to retain their market share, witnessed stiff competition. The industry continued to follow indiscriminate pricing in commercial lines of business. In this market scenario, your Company maintained its cautious approach in commercial business and focused more on retail business. Various low cost retail product distribution channels viz: Direct, Agency and Cooperative were strengthened. In line with the vision of the promoters to service farmers and rural masses, the company actively participated in Government Sponsored Health Scheme for BPL section of the population and Weather Insurance Scheme for marginal farmers.

## RURAL BUSINESS

Keeping farmers and rural populace in mind, IFFCO TOKIO launched several customised rural centric insurance products like Janta Bima Yojna, Jansuraksha Bima Yojna, Janswastha Bima Yojna, Mahila Suraksha Bima Yojna, Barish Bima Yojna, Fasal Bima Yojna etc. The Company also participated in Weather based crop insurance scheme and Modified National Agriculture Insurance Scheme of Government of India in 55 notified districts to insure the farmers against losses due to adverse weather conditions. During the year, 14.95 Lakhs farmers were covered and 12.03 Lakhs farmers were benefited under these schemes. IFFCO TOKIO also participated in the Government Sponsored Health Schemes like Rashtriya Swasthya Bima Yojna (RSBY) and Biju Krushak Kalyan Yojana to extend health insurance to below poverty line (BPL) families. During the year about 31.40 Lakhs BPL families were covered under these policies. Recently, IFFCO TOKIO has been the first Company to sign an agreement with a Government sponsored E-Governance agency CSC-

SPV to sell insurance products through their network of Common Service Centres. This will help the Company in achieving higher penetration into rural markets and bring insurance at the doorstep of the rural populace.

The unique policy 'Sankatharan Bima Yojna' which is linked to the purchase of fertiliser bags from the Co-operative Society and sponsored by IFFCO has entered into its 14<sup>th</sup> year. The Sankatharan Bima Yojna has covered approximately 130.02 Lakhs farmers and disbursed about ₹85.46 Crores in claims since its inception in September, 2001.

During the year, the company has underwritten rural business amounting to ₹480.66 Crores which is 17% of the Gross Direct Premium and covered 77.11 Lakhs lives as against the obligation of 7.0% of Gross Direct Premium and 55000 lives.

## ENTERPRISE RISK MANAGEMENT

During the year Risk Management Committee has taken initiatives for implementing Enterprise Risk Management. The Committee identified and prioritised the risks to be taken up for management. The plan for mitigation of identified risks was drawn and its implementation was monitored actively by the committee during the year. The committee also continuously reviewed the investment securities, reinsurance securities, loss reserving and solvency ratio to ensure financial stability of the Company.

## CUSTOMER SERVICE

Keeping Customer in focus, the Company has taken various measures to improve deliveries to customers. During the year, Customer Service Centres at Mumbai, Kolkata, Vadodara, Bangalore, Delhi (NCR), Delhi (North), Chennai, and Bhopal settled 3,54,976 claims with much improved settlement TAT and despite increase in number of claims, achieved a claim settlement ratio of 102.05% of intimated claims, thereby reducing the outstanding claims as compared to the previous year. In house health claims team settled 16031 claims and achieved settlement ratio of 98% of intimated claims.

The Company's efforts to expedite settlement of Motor Third Party claims by creating a separate vertical have shown results. During the year, the number of settled Motor Third party claims

exceeded the numbers of intimated claims and as a result number of outstanding Motor Third Party claims as at 31<sup>st</sup> March, 2014 have come down significantly as compared to the number of outstanding claims as at 31<sup>st</sup> March, 2013. The Company intends to continue similar efforts during the current year and strengthen this vertical to achieve higher results.

During the year, In and Out bound Call Centre services has been strengthened to enhance reach of customer and intermediaries to the Company. Our toll free 24X7 In-bound call centre services have facilitated customers and business partners in lodging and servicing their service & claim requests, whereas enhanced out bound call centre services have facilitated customers in timely renewal of their existing policies. Integrated Grievances Management System (IGMS) facilitated the policyholders to register and track their complaints on line. The IGMS also enabled IRDA in monitoring the Grievances Redressal Procedure established by the Company. Policyholders Protection committee continued to review the customer grievances, their timely resolution and also suggested the Company various measure to minimize customer dissatisfaction and grievances.

#### **INFORMATION TECHNOLOGY**

Information Technology, being the backbone of the Company's services, the company has continuously laid focus and successfully optimised and maintained all business applications. The Company has strengthened IT infrastructure and upgraded business applications for improving IRDA compliances, policy and claims delivery and management information. During the year, the Company launched its new website and added various retail products for online selling.

#### **BUSINESS PLAN 2014-15**

During the year, the Company has prepared a five year business roadmap and carved out various strategies for phased implementation. The Business Plan for the Financial Year 2014-15 of the Company, after considering the broader five year plan and the current economic and industry scenario aims to achieve Gross Written Premium target of ₹3400 Crores. The Business Plan has built focus on growth in retail line of business and to achieve an orderly growth across all lines of business, allocation of premium targets to business

units has been made line wise / channel wise.

During the year, the Company will be focusing on leap improvement in customer service i.e Policy and claim delivery and work for expansion of business distribution network. The Company has drawn its Citizen Charter and will work for re-engineering customer centric processes for improving service delivery turnaround time. Without losing focus on Motor business, Health and other retail lines of business will be our growth drivers and in retail channel expansion, the Company will concentrate on low cost channel viz. direct, agency and alternate channels. The Company has drawn up programme for expansion in tier B and C cities and has found synergy with some recently created channel by IRDA like CSC-SPV e-Governance. In line with the mission of our promoters to protect farmers and rural masses, the Company will expand its rural base through its subsidiary i.e IFFCO TOKIO Insurance Services Ltd. and sell specially customised low price products suitable to their needs. The Company will continue to participate in Government sponsored Health scheme for BPL section of Population and Weather Insurance for farmers.

#### **IFFCO TOKIO INSURANCE SERVICES LIMITED – A WHOLLY OWNED SUBSIDIARY**

IFFCO TOKIO Insurance Services Limited (ITIS), the Wholly Owned Subsidiary of IFFCO TOKIO, has taken forward the mission of the Company to increase its penetration and presence into rural area through its Lateral Spread Centres and Bima Kendras. The ITIS has on its roll over 1353 trained persons comprising of employees and trainees who procured business and also rendered services to IFFCO TOKIO customers both in urban and rural areas.

During the year the Company sourced and serviced premium of ₹1302.21 Crores as against ₹1130.98 Crores in 2012-13 registering a growth of 15% and earned a pre-tax profit of ₹33.36 Lakhs as against ₹26.97 Lakhs in 2012-13. 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.

#### **HUMAN RESOURCE DEVELOPMENT**

Human resource is an invaluable asset of your Organization. Suitable strategies were evolved during the year to achieve the vision of the

Company viz. to be the industry leader by building customer satisfaction through fairness, transparency and quick response. In order to empower and motivate the employees, compensation package was revised at all levels. The incentive schemes are linked to employees own performance as well as performance of the Company. The employees of the Company rendered their full cooperation and support to the management.

During the year under report, Induction and refresher training programs covering functional and behavioural areas were conducted during the year and employees at all levels were exposed to various training programs which is an ongoing process.

#### **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 31<sup>st</sup> March, 2013 is placed at **Annexure "C"**.

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**Earnings:** ₹4,264.39 Lakhs (Previous year ₹15714.28 Lakhs)

**Outgo:** ₹26,969.09 Lakhs (Previous year ₹16621.96 Lakhs)

#### **PUBLIC DEPOSITS**

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

#### **AUDITORS' OBSERVATIONS**

The Report of the Auditors to the Shareholders of

the Company is annexed to the financial statements for the year ended 31<sup>st</sup> March, 2014. There are no specific observations in the Report of the Auditors which require clarification.

#### **BOARD OF DIRECTORS**

##### **Resignation of Dr. B. S. Vishwanathan**

During the year, one of the Directors of your Company, Dr. B. S. Vishwanathan, resigned from the directorship with effect from 27<sup>th</sup> February, 2014. Your Directors place on record their deep appreciation for the valuable services rendered by him during his tenure as a director of the Company.

##### **Appointment of Mr. Ravindra Pratap Singh, Nominee Director**

Mr. Ravindra Pratap Singh was nominated by IFFCO for his appointment as Director on the Board of the Company to fill the casual vacancy caused by resignation of Mr. B. S. Vishwanathan. Accordingly, Board of Directors of the Company at its meeting held on 29<sup>th</sup> April, 2014 appointed Mr. Ravindra Pratap Singh, as Director on the Board of the Company. Term of office of Shri Ravindra Pratap Singh as Director of the Company is expiring in the ensuing Annual General Meeting (AGM) of the Company.

Notice under Section 160(1) of the Companies Act, 2013 has been received by the Company from a member proposing the name of Mr. Ravindra Pratap Singh for appointment as Director of the Company at AGM. Your Directors consider that the continued presence of Mr. Ravindra Pratap Singh would be beneficial to the Company.

##### **Revision of Remuneration of Managing Director and Whole Time Directors**

During the year under review, the remuneration of all the Whole Time Directors and Managing Director was increased as a part of normal revision of compensation package of all the employees across the Company and necessary approvals of competent authority were obtained in this regard.

##### **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, 2013, Mr. B. S. Nakai and Mr. Rakesh Kapur, Directors retire by

rotation at the ensuing Annual General Meeting and are eligible for reappointment.

#### AUDITORS

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 2013-14 and they will continue in the Office till the conclusion of the ensuing Annual General Meeting. A communication has been received from M/s G. S. Mathur & Co., Chartered Accountants, in which they have conveyed their intention to retire on completion of audit for the financial year 2013-14. The Company has received Communication from M/s S. K. Mehta & Co., Chartered Accountants, confirming their willingness to accept the audit of the Company in the event of their reappointment.

The Company has also received communication from M/s S. K. Mittal & Co., Chartered Accountants, confirming their willingness to accept the audit of the Company in the event of their appointment. Both M/s S. K. Mehta & Co. & M/s S. K. Mittal & Co. have confirmed that their appointment if made will be in accordance with the limits specified under Section 139(1) of the Companies Act, 2013 and they fulfill the eligibility criteria specified under IRDA Regulations for appointment of Statutory Auditors.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

As mandated under the new Companies Act, 2013, your Company has initiated the process of fulfillment of its CSR obligations and has constituted a Corporate Social Responsibility Committee to carry out the functions stipulated under Section 135 of Companies Act, 2013 and Companies (CSR) Rules, 2014. CSR Committee of Directors consists of Mr. Bahushrut Lugani, Independent Director, Mr. Yogesh Lohiya, Managing

Director and Mr. Ichiro Maeda, Director (Operations). CSR Committee of Directors will formulate and recommend the CSR Policy to the Board and will also recommend the amount of expenditure to be incurred on CSR activities. CSR Committee will also monitor the implementation of CSR Policy of the Company from time to time through a transparent monitoring mechanism.

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirm:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there has been no material departure.
- ii. That the selected accounting policies were applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 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.

#### ACKNOWLEDGEMENTS

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

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

**K. SRINIVASA GOWDA**  
CHAIRMAN

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014

### REPORT ON CORPORATE GOVERNANCE

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

#### 1.0. Corporate Governance Practices

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

#### 2.0. Composition of the Board of Directors

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

#### 3.0. Guidelines for Committees of the Board

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

#### 4.0 Board of Directors Meetings

The details of Meetings of the Board of Directors of the Company held during the year 2013-14 are as under:

Sl.No.	Date	Board Strength	No. of Directors present
1	11 <sup>th</sup> May, 2013	12	12
2	21 <sup>st</sup> August, 2013	12	12
3	29 <sup>th</sup> October, 2013	12	10
4	10 <sup>th</sup> February, 2014	12	12



The names of the Directors and their attendance at the Board Meetings held during the financial year 2013-14 are as under:

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

Note (\*): Dr. B. S. Vishwanathan resigned from the Directorship of the Company with effect from 27.02.2014

## 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 2013-14 are as under.

### (A) Investment Committee

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

S. No.	Date	Strength	No. of Directors/Members present
1	30 <sup>th</sup> April, 2013	8	7
2	12 <sup>th</sup> August, 2013	8	7
3	29 <sup>th</sup> October, 2013	8	8
4	10 <sup>th</sup> February, 2014	8	8

The names of the Directors and other Members present at the Investment Committee Meetings held during the financial year 2013-14 and their attendance is as under:

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

### (B) Audit Committee

The details of the Meetings of the Audit Committee held during the year 2013-14 are as under:

S. No.	Date	Strength	No. of Directors/Members present
1	7 <sup>th</sup> May, 2013	4	4
2	12 <sup>th</sup> August, 2013	4	4
3	29 <sup>th</sup> October, 2013	4	3
4	7 <sup>th</sup> February, 2014	4	4

The names of the Directors and other Members present at the Audit Committee Meetings held during the financial year 2013-14 and their attendance is as under:

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

**(C) Risk Management Committee**

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

S. No.	Date	Strength	No. of Directors/Members present
1	28 <sup>th</sup> April, 2013	5	5
2	7 <sup>th</sup> June, 2013	5	4
3	7 <sup>th</sup> October, 2013	5	5
4	30 <sup>th</sup> January, 2014	5	5

The names of the Director and other Members present at the Risk Management Committee Meetings held during the financial year 2013-14 and their attendance is as under:

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

**Note:** (\*) Mr. V. S. Rao, ED & CS superannuated from the services of the Company on 31.10.2013 and ceased to be member of the Committee from that date.

(\*\*) Mr. Amit Jain, Co. Secretary & Chief Compliance Officer took charge with effect from 1.11.2013 and became member of the Committee from 1.11.2013.

## (D) Policyholders Protection Committee

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

S. No.	Date	Strength	No. of Directors/Members present
1	16 <sup>th</sup> April, 2013	5	5
2	15 <sup>th</sup> July, 2013	5	4
3	14 <sup>th</sup> November, 2013	4	4
4	3 <sup>rd</sup> February, 2014	4	4

The names of the Directors and other Members present at the Policy holders Protection Committee Meetings held during the financial year 2013-14 and their attendance is as under:

S. No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1	Mr. H. O. Suri	Chairman /Member	4	4
2	Mr. V. S. Rao (*)	Member	4	2
3	Mr. Parag Gupta	EVP/Head (Claims)	4	4
4	Mr. R. Kannan	EVP/Head (Retail Marketing)	4	3
5	Mr. Raj K Bora	VP (Underwriting)	4	4

**Note (\*):** Mr. V. S. Rao, ED & CS superannuated from the services of the Company effective from 31<sup>st</sup> October, 2013 and ceased to be Member of the Committee effective from the said date.

## 6.0. Non-Mandatory Committees

### (a) Executive Committee

In accordance with the provisions contained in the Articles of Association of the Company, the Company had constituted an Executive Committee which is in operation since the inception of the Company. The Committee is primarily responsible for finalization of Business Plan, Annual Budgets, review of operations, review of performance of personnel, HRD issues, etc. During the financial year 2013-14, 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 appointment of MD & CEO and other functional Directors and fix their compensation. During the year under review, the Selection and Remuneration Committee was held to consider the revision compensation of MD & CEO, Director (Operations) and Director (Marketing). The recommendations of the Committee were approved by the Board.

#### **7.0. Code of Business Conduct and Ethics**

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

#### **8.0. Whistle Blower Policy**

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

#### **9.0 Compliance certificate of the Company Secretary**

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

**Annexure I of 'A'**

#### **Certification for compliance of the Corporate Governance Guidelines**

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

**Place:** New Delhi,  
**Date:** 29<sup>th</sup> April, 2014

**(Amit Jain)**  
Company Secretary &  
Chief Compliance Officer

## Annexure B

### Statement of Interest in the Subsidiary Company IFFCO TOKIO INSURANCE SERVICES LIMITED (ITIS) Under Section 212 of the Companies Act, 1956

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

Entire Equity Share Capital of the IFFCO TOKIO Insurance Services Ltd. as on 31<sup>st</sup> March, 2014 (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's accounts:**

For the financial year of the Subsidiary, Profit After Tax of the Subsidiary Company for the period ended 31<sup>st</sup> March, 2014 is ₹22,96,232/-. The Cumulative Profit After Tax for the previous financial years of the subsidiary since it became holding Company's Subsidiary is ₹91,43,171/-.

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

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

## Annexure C

IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED									
Statement under section 217(2A) of the Companies act, 1956 read with Companies (Particulars of Employees) Rules 1975 for the year ended 31 <sup>st</sup> March 2014									
S. No.	Emp. Code	Name of Employee	Age (Years)	Designation/ Nature of Duties	Gross Remuneration (₹in '000)	Qualification	Experience (Years)	Date of Commencement of Employment	Particulars of Previous Employment
1	11687	Mr. Yogesh Lohiya	62	MD&CEO	95.77	B. E (Mechanical) All from the Institute of Insurance, Diploma in (Business Management) of AIMA	37	15.2.2013	GIC Re.

**Note:** The gross remuneration comprises Salary, Allowances, Monetary Value of Perquisites and Company's contribution to Provident Fund.

# AUDITORS' **REPORT**

## To the Members of

### IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Revenue Accounts of Fire, Marine and Miscellaneous Insurance (collectively known as the 'Revenue Accounts'), the Profit and Loss Account and the Receipts and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulations') read with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Revenue Accounts, Profit and Loss Account and Receipts and Payments Account read together with the notes thereon give the information required by the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999, the Companies Act, 1956 to the extent applicable and the Companies Act, 2013 (to the extent notified) and in manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Revenue Accounts, of the surplus, for the year ended on that date;
- (c) in the case of the Profit and Loss Account, of the profit for the year ended on that date;
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

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



- (2) We further report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
- (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
- (c) We have audited the branches and head office of the Company.
- (d) The Balance Sheet, the Revenue Accounts, Profit and Loss Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account;
- (e) The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at 31<sup>st</sup> March, 2014, has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDA and the Institute of Actuaries of India (formerly known as the Actuarial Society of India) in concurrence with the IRDA; and
- (f) On the basis of the written representations received from the Directors, as at 31<sup>st</sup> March, 2014 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
- (3) In our opinion and according to the information and explanations given to us, we further report that:
- (a) The accounting policies selected by the Company are appropriate and are in compliance

with the applicable Accounting Standards referred to under sub section 3C of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and with the accounting principles prescribed by the Regulations and orders / directions issued by IRDA in this behalf;

- (b) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payment Account referred to in this report are in compliance with the accounting standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent they are not inconsistent with the accounting policies prescribed by IRDA;
- (c) Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the regulations and orders / directions issued by IRDA in this behalf;
- (4) Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us during the course of our audit and to the best of our knowledge and belief, we further certify that:
- (a) We have reviewed the management report attached to the financial statements for the year ended 31<sup>st</sup> March, 2014 and there are no apparent mistakes or material inconsistencies with the financial statements; and
- (b) Based on information and explanations received during the course of our audit and management representation, nothing has come to our attention which causes us to believe that the company has not complied with the terms and conditions of registration.

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

**K. K Gangopadhyay**  
Partner  
Membership No. 013442

New Delhi  
Dated: 29<sup>th</sup> April, 2014

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

**Rohit Mehta**  
Partner  
Membership No. 91382

## 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 31<sup>st</sup> March, 2014, 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 31<sup>st</sup> March, 2014, the Company had no secured loans.
- (b) The Company is not a trustee of any trust.

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

**K. K Gangopadhyay**  
Partner  
Membership No. 013442

New Delhi  
Dated: 29<sup>th</sup> April, 2014

- (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 Auditors' Report of Insurance Companies) Regulations, 2002 ('the Accounting Regulations'), read with regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

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

**Rohit Mehta**  
Partner  
Membership No. 91382

# ACCOUNTS

## BALANCE SHEET AS AT 31<sup>st</sup> March, 2014

(₹ In '000)

S. No.	PARTICULARS	SCHEDULE		As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)		(4)	(5)
<b>SOURCES OF FUNDS</b>					
1	SHARE CAPITAL	5		2,693,215	2,693,215
2	RESERVES AND SURPLUS	6		6,164,065	4,003,215
3	FAIR VALUE CHANGE ACCOUNT			-	166
4	BORROWINGS	7		-	-
<b>TOTAL</b>				<b>8,857,280</b>	<b>6,696,596</b>
<b>APPLICATION OF FUNDS</b>					
5	INVESTMENTS	8		21,935,572	19,584,368
6	LOANS	9		-	-
7	FIXED ASSETS	10		276,673	274,278
8	CURRENT ASSETS :				
	Cash and Bank Balances	11	14,599,437		12,144,502
	Advances and Other Assets	12	4,615,562		3,637,762
<b>Sub-Total (A)</b>				<b>19,214,999</b>	<b>15,782,264</b>
9	CURRENT LIABILITIES	13		22,350,301	19,414,558
10	PROVISIONS	14		10,300,163	9,594,256
<b>Sub-Total (B)</b>				<b>32,650,464</b>	<b>29,008,814</b>
11	NET CURRENT ASSETS (C) = (A-B)			(13,435,465)	(13,226,550)
12	DEFERRED TAX ASSET (NET)			80,500	64,500
13	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15		-	-
<b>TOTAL</b>				<b>8,857,280</b>	<b>6,696,596</b>

## CONTINGENT LIABILITIES

(₹ In '000)

S. No.	PARTICULARS		As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)	(5)
1	Partly paid up Investments		-	-
2	Claims, other than against policies, not acknowledged as debts by the company		-	-
3	Underwriting commitments outstanding (in respect of shares and securities)		-	-
4	Guarantees given by or on behalf of the company		-	-
5	Statutory demands / liabilities in dispute, not provided for		10,163	7,035
6	Reinsurance obligations to the extent not provided for in the accounts		-	-
7	Others		-	-
<b>TOTAL</b>			<b>10,163</b>	<b>7,035</b>

Notes to Accounts

16

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

For and on behalf of Board of Directors

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

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

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**K. K. Gangopadhyay**  
Partner  
M. No. 013442

**Rohit Mehta**  
Partner  
M. No. 91382

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014.

**M. K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

**FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2014**

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums Earned (Net)	1	372,286	516,933
2	Profit / (Loss) on Sale / Redemption of Investments		914	1,161
3	Others: Exchange Gain / (Loss)		(1,940)	(3,931)
	Handling Charges		(2,804)	(325)
4	Interest, Dividend & Rent - Gross		71,436	66,465
	<b>TOTAL (A)</b>		<b>439,892</b>	<b>580,303</b>
1	Claims Incurred (Net)	2	278,035	439,149
2	Commission	3	(157,675)	(89,510)
3	Operating expenses related to Insurance Business	4	91,777	133,991
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>212,137</b>	<b>483,630</b>
	<b>Operating Profit / (Loss) from Fire Business C = (A-B)</b>		<b>227,755</b>	<b>96,673</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		227,755	96,673
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL ( C )</b>		<b>227,755</b>	<b>96,673</b>

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

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

As per our Report of even date attached.

For and on behalf of Board of Directors

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

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

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**K. K. Gangopadhyay**  
Partner  
M. No. 013442

**Rohit Mehta**  
Partner  
M. No. 91382

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014.

**M. K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

## MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2014

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums Earned (Net)	1	429,158	383,908
2	Profit / (Loss) on Sale / Redemption of Investments		1,062	1,299
3	Others: Exchange Gain / (Loss)		(78)	9,020
	Handling Charges		447	534
4	Interest, Dividend & Rent - Gross		82,965	74,322
	<b>TOTAL (A)</b>		<b>513,554</b>	<b>469,083</b>
1	Claims Incurred (Net)	2	401,318	438,129
2	Commission	3	(56,060)	(24,163)
3	Operating expenses related to Insurance Business	4	95,779	92,253
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>441,037</b>	<b>506,219</b>
	<b>Operating Profit / (Loss) from Marine Business C = (A-B)</b>		<b>72,517</b>	<b>(37,136)</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		72,517	(37,136)
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL (C)</b>		<b>72,517</b>	<b>(37,136)</b>

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

**Yogesh Lohiya**  
Managing Director

**K. K. Gangopadhyay**  
Partner  
M. No. 013442

**Rohit Mehta**  
Partner  
M. No. 91382

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014.

**M. K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

### MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2014

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums Earned (Net)	1	18,729,594	15,339,994
2	Profit / (Loss) on Sale / Redemption of Investments		31,237	35,907
3	Others: Transfer & Duplicate Fee		9,463	8,051
	Exchange Gain / (Loss)		(2,284)	1,289
	Handling Charges		509	141
4	Interest, Dividend & Rent - Gross		2,440,608	2,055,323
	<b>TOTAL (A)</b>		<b>21,209,127</b>	<b>17,440,705</b>
1	Claims Incurred (Net)	2	14,137,982	11,577,199
2	Commission	3	(108,601)	66,847
3	Operating expenses related to Insurance Business	4	4,832,785	4,225,747
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>18,862,166</b>	<b>15,869,793</b>
	<b>Operating Profit / (Loss) from Miscellaneous Business C = (A-B)</b>		<b>2,346,961</b>	<b>1,570,912</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		2,346,961	1,570,912
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL (C)</b>		<b>2,346,961</b>	<b>1,570,912</b>

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

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

As per our Report of even date attached.

For and on behalf of Board of Directors

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

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

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**K. K. Gangopadhyay**  
Partner  
M. No. 013442

**Rohit Mehta**  
Partner  
M. No. 91382

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014.

**M. K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2014

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	<b>OPERATING PROFIT / (LOSS)</b>			
	(a) Fire Insurance		227,755	96,673
	(b) Marine Insurance		72,517	(37,136)
	(c) Miscellaneous Insurance		2,346,961	1,570,912
			2,647,233	1,630,449
2	<b>INCOME FROM INVESTMENTS</b>			
	(a) Interest(Gross)		565,405	307,662
	(b) Profit on sale of Investments		7,236	5,375
	Less : Loss on Sale of Investments		-	-
			572,641	313,037
3	<b>OTHERS</b>			
	Miscellaneous Income		34,156	28,521
	<b>TOTAL (A)</b>		<b>3,254,030</b>	<b>1,972,007</b>
4	<b>PROVISIONS (Other than taxation)</b>			
	(a) For Diminution in the value of Investments		-	-
	(b) For Doubtful Debts		-	-
	(c) For Doubtful Advances		-	-
5	<b>OTHER EXPENSES</b>			
	(a) Expenses other than those related to Insurance business		7,497	9,074
	(b) Bad Debts / Advances written off		21,169	-
	(c) Loss on Sale / Scraping of Fixed Assets		357	97
	<b>TOTAL (B)</b>		<b>29,023</b>	<b>9,171</b>
	<b>Profit Before Tax</b>		<b>3,225,007</b>	<b>1,962,836</b>
	Less: Provision for Taxation			
	Current Tax		1,074,600	351,800
	Deferred Tax		(11,050)	331,500
	Wealth Tax		500	500
	Add: Credit for Mat Entitlement		-	68,900
	Less: Short / Excess provision for taxation for earlier years		-	-
	Current Tax		5,055	-
	Deferred Tax		(4,950)	-
	Wealth Tax		2	15
	<b>Profit After Tax</b>		<b>2,160,850</b>	<b>1,347,921</b>
	<b>Balance of Profit brought forward from last year</b>		<b>1,433,260</b>	<b>85,339</b>
	Balance available for appropriation		<b>3,594,110</b>	<b>1,433,260</b>
	<b>APPROPRIATIONS</b>			
	(a) Interim Dividends paid during the year		-	-
	(b) Proposed Final Dividend		-	-
	(c) Dividend Distribution Tax		-	-
	(d) Transfer to any Reserves or other Accounts		-	-
	Balance carried forward to Balance sheet		3,594,110	1,433,260
	<b>Basic &amp; Diluted Earnings per share</b> <b>(Equity shares of face value of ₹ 10 each)</b>		<b>8.02</b>	<b>5.00</b>

Notes to Accounts

16

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

For and on behalf of Board of Directors

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

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

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**K.K. Gangopadhyay**  
Partner  
M. No. 013442

**Rohit Mehta**  
Partner  
M. No. 91382

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014.

**M. K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary



RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

(₹ In '000)

	Current Year		Previous Year	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Premium received from policyholders, including advance receipts	33,202,419		28,486,808	
Other receipts	34,156		28,521	
Receipts from the re-insurers, net of commissions and claims	(4,521,124)		(922,395)	
Payments to co-insurers, net of claims recovery	(618,617)		(40,553)	
Payments of claims	(16,717,674)		(13,713,449)	
Payments of commission and brokerage	(1,307,024)		(1,211,650)	
Payments of other operating expenses	(5,525,932)		(4,568,334)	
Preliminary and pre-operative expenses	-		-	
Deposits, advances and staff loans	127,069		(83,816)	
Income taxes paid (Net)	(907,219)		(260,322)	
Service tax paid	(1,523,739)		(1,741,519)	
Other payments	-		-	
Cash Flows before extraordinary items	2,242,315		5,973,291	
Cash Flow from extraordinary operations	-		-	
<b>Net Cash Flow from operating activities</b>		<b>2,242,315</b>		<b>5,973,291</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(99,743)		(88,998)	
Proceeds from sale of fixed assets	758		39	
Purchases of investments	(40,813,411)		(43,720,931)	
Loans disbursed	-		-	
Sales of investments	38,678,765		38,930,082	
Repayments received	-		-	
Rents/Interests/Dividends received	2,453,748		2,075,475	
Investments in money market instruments and in liquid mutual funds (Net)	-		-	
Expenses related to investments	(7,497)		(9,074)	
<b>Net Cash Flow from investing activities</b>		<b>212,620</b>		<b>(2,813,407)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of share capital	-		-	
Proceeds from borrowing	-		-	
Repayments of borrowing	-		-	
Interest/dividends paid	-		-	
<b>Net Cash Flow from financing activities</b>		<b>-</b>		<b>-</b>
<b>Effect of foreign exchange rates on cash and cash equivalents, net</b>		<b>-</b>		<b>-</b>
<b>Net Increase /(Decrease) in Cash &amp; Cash equivalents</b>		<b>2,454,935</b>		<b>3,159,884</b>
<b>Cash equivalents at beginning of Year</b>		<b>12,144,502</b>		<b>8,984,618</b>
<b>Cash equivalents at end of Year</b>		<b>14,599,437</b>		<b>12,144,502</b>

As per our Report of even date attached.

For and on behalf of Board of Directors

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

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

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**K.K. Gangopadhyay**  
Partner  
M. No. 013442

**Rohit Mehta**  
Partner  
M. No. 91382

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014.

**M. K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 1

#### PREMIUM EARNED (NET)

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Premium from direct business written	2,134,274	1,174,105	26,000,850	29,309,229	1,731,715	1,017,464	22,901,129	25,650,308
Add : Premium on reinsurance accepted	365,574	28,449	215,713	609,736	485,875	24,486	333,376	843,737
	<b>2,499,848</b>	<b>1,202,554</b>	<b>26,216,563</b>	<b>29,918,965</b>	<b>2,217,590</b>	<b>1,041,950</b>	<b>23,234,505</b>	<b>26,494,045</b>
Less : Premium on reinsurance ceded	2,129,840	816,275	6,735,905	9,682,020	1,657,834	656,472	5,587,646	7,901,952
<b>Net Premium</b>	<b>370,008</b>	<b>386,279</b>	<b>19,480,658</b>	<b>20,236,945</b>	<b>559,756</b>	<b>385,478</b>	<b>17,646,859</b>	<b>18,592,093</b>
Adjustments for changes in Reserve for Unexpired Risks	(2,278)	(42,879)	751,064	705,907	42,823	1,570	2,306,865	2,351,258
<b>Total Premium Earned (Net)</b>	<b>372,286</b>	<b>429,158</b>	<b>18,729,594</b>	<b>19,531,038</b>	<b>516,933</b>	<b>383,908</b>	<b>15,339,994</b>	<b>16,240,835</b>

\* 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	1,045,874	128,231	1,174,105	883,012	134,452	1,017,464
Add : Premium on reinsurance accepted	28,315	134	28,449	22,230	2,256	24,486
	<b>1,074,189</b>	<b>128,365</b>	<b>1,202,554</b>	<b>905,242</b>	<b>136,708</b>	<b>1,041,950</b>
Less : Premium on reinsurance ceded	717,110	99,165	816,275	554,256	102,216	656,472
<b>Net Premium</b>	<b>357,079</b>	<b>29,200</b>	<b>386,279</b>	<b>350,986</b>	<b>34,492</b>	<b>385,478</b>
Adjustments for changes in Reserve for Unexpired Risks	(26,111)	(16,768)	(42,879)	4,837	(3,267)	1,570
<b>Total Premium Earned (Net)</b>	<b>383,190</b>	<b>45,968</b>	<b>429,158</b>	<b>346,149</b>	<b>37,759</b>	<b>383,908</b>

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 1 B**

**PREMIUM EARNED (NET)**

(₹ In '000)

Particulars	Current Year										
	Motor - OD	Motor -TP	Motor-Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Premium from direct business written	10,425,433	7,191,832	17,617,265	934,670	36,012	160,563	307,505	130,425	2,853,561	3,960,849	26,000,850
Add : Premium on reinsurance accepted	-	144,695	144,695	51,180	7,448	-	3,542	111	4,943	3,794	215,713
	<b>10,425,433</b>	<b>7,336,527</b>	<b>17,761,960</b>	<b>985,850</b>	<b>43,460</b>	<b>160,563</b>	<b>311,047</b>	<b>130,536</b>	<b>2,858,504</b>	<b>3,964,643</b>	<b>26,216,563</b>
Less : Premium on reinsurance ceded	1,667,272	740,457	2,407,729	812,624	34,403	9,575	41,095	38,850	400,263	2,991,366	6,735,905
<b>Net Premium</b>	<b>8,758,161</b>	<b>6,596,070</b>	<b>15,354,231</b>	<b>173,226</b>	<b>9,057</b>	<b>150,988</b>	<b>269,952</b>	<b>91,686</b>	<b>2,458,241</b>	<b>973,277</b>	<b>19,480,658</b>
Adjustments for changes in Reserve for Unexpired Risks	(288,822)	441,516	152,694	(14,302)	(5,155)	13,552	(3,922)	17,606	484,112	106,479	751,064
<b>Total Premium Earned (Net)</b>	<b>9,046,983</b>	<b>6,154,554</b>	<b>15,201,537</b>	<b>187,528</b>	<b>14,212</b>	<b>137,436</b>	<b>273,874</b>	<b>74,080</b>	<b>1,974,129</b>	<b>866,798</b>	<b>18,729,594</b>

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 1 B**

**PREMIUM EARNED (NET)**

(₹ In '000)

Particulars	Previous Year										
	Motor - OD	Motor -TP	Motor-Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Premium from direct business written	9,926,188	5,920,989	15,847,177	656,050	57,754	132,878	301,631	93,933	2,107,197	3,704,509	22,901,129
Add : Premium on reinsurance accepted	-	213,528	213,528	56,003	55,049	-	2,757	286	2,663	3,090	333,376
	<b>9,926,188</b>	<b>6,134,517</b>	<b>16,060,705</b>	<b>712,053</b>	<b>112,803</b>	<b>132,878</b>	<b>304,388</b>	<b>94,219</b>	<b>2,109,860</b>	<b>3,707,599</b>	<b>23,234,505</b>
Less : Premium on reinsurance ceded	1,012,757	604,405	1,617,162	530,040	83,027	13,303	40,941	42,558	475,992	2,784,623	5,587,646
<b>Net Premium</b>	<b>8,913,431</b>	<b>5,530,112</b>	<b>14,443,543</b>	<b>182,013</b>	<b>29,776</b>	<b>119,575</b>	<b>263,447</b>	<b>51,661</b>	<b>1,633,868</b>	<b>922,976</b>	<b>17,646,859</b>
Adjustments for changes in Reserve for Unexpired Risks	1,190,708	1,051,053	2,241,761	(384)	(4,934)	4,095	26,163	4,075	(22,122)	58,211	2,306,865
<b>Total Premium Earned (Net)</b>	<b>7,722,723</b>	<b>4,479,059</b>	<b>12,201,782</b>	<b>182,397</b>	<b>34,710</b>	<b>115,480</b>	<b>237,284</b>	<b>47,586</b>	<b>1,655,990</b>	<b>864,765</b>	<b>15,339,994</b>

## 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	1,415,184	807,901	13,680,461	15,903,546	1,630,580	788,345	10,554,733	12,973,658
Add: Reinsurance accepted	16,321	20,340	392,803	429,464	110,533	-	10,139,157	10,249,690
Less: Reinsurance ceded	1,202,502	455,379	4,381,083	6,038,964	1,268,559	368,939	3,537,572	5,175,070
<b>Net Claims Paid</b>	<b>229,003</b>	<b>372,862</b>	<b>9,692,181</b>	<b>10,294,046</b>	<b>472,554</b>	<b>419,406</b>	<b>17,156,318</b>	<b>18,048,278</b>
Add: Claims Outstanding at the end of the year	457,735	502,770	12,394,773	13,355,278	408,703	474,314	7,948,972	8,831,989
Less: Claims Outstanding at the beginning of the year	408,703	474,314	7,948,972	8,831,989	442,108	455,591	13,528,091	14,425,790
<b>Total Claims Incurred</b>	<b>278,035</b>	<b>401,318</b>	<b>14,137,982</b>	<b>14,817,335</b>	<b>439,149</b>	<b>438,129</b>	<b>11,577,199</b>	<b>12,454,477</b>

\* 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	804,749	3,152	807,901	748,118	40,227	788,345
Add: Reinsurance accepted	20,340	-	20,340	-	-	-
Less: Reinsurance ceded	453,659	1,720	455,379	348,267	20,672	368,939
<b>Net Claims Paid</b>	<b>371,430</b>	<b>1,432</b>	<b>372,862</b>	<b>399,851</b>	<b>19,555</b>	<b>419,406</b>
Add: Claims Outstanding at the end of the year	402,581	100,189	502,770	403,364	70,950	474,314
Less: Claims Outstanding at the beginning of the year	403,364	70,950	474,314	343,549	112,042	455,591
<b>Total Claims Incurred</b>	<b>370,647</b>	<b>30,671</b>	<b>401,318</b>	<b>459,666</b>	<b>(21,537)</b>	<b>438,129</b>

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 2 B**

**CLAIMS INCURRED (NET)**

(₹ In '000)

Particulars	Current Year										
	Motor - OD	Motor -TP	Motor-Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Claims Paid Direct	5,743,566	3,358,520	9,102,086	328,248	17,582	23,292	163,928	4,661	1,876,770	2,163,894	13,680,461
Add: Reinsurance accepted	-	377,741	377,741	3,643	6,297	-	-	-	-	5,122	392,803
Less: Reinsurance ceded	719,324	1,551,568	2,270,892	192,016	5,763	2,196	18,321	2,559	305,325	1,584,011	4,381,083
<b>Net Claims Paid</b>	<b>5,024,242</b>	<b>2,184,693</b>	<b>7,208,935</b>	<b>139,875</b>	<b>18,116</b>	<b>21,096</b>	<b>145,607</b>	<b>2,102</b>	<b>1,571,445</b>	<b>585,005</b>	<b>9,692,181</b>
Add: Claims Outstanding at the end of the year	1,177,397	9,429,708	10,607,105	337,995	50,734	79,132	173,811	109,243	462,403	574,350	12,394,773
Less: Claims Outstanding at the beginning of the year	1,158,510	5,386,279	6,544,789	272,955	78,344	71,553	136,542	96,957	312,950	434,882	7,948,972
<b>Total Claims Incurred</b>	<b>5,043,129</b>	<b>6,228,122</b>	<b>11,271,251</b>	<b>204,915</b>	<b>(9,494)</b>	<b>28,675</b>	<b>182,876</b>	<b>14,388</b>	<b>1,720,898</b>	<b>724,473</b>	<b>14,137,982</b>

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 2 B**

**CLAIMS INCURRED (NET)**

(₹ In '000)

Particulars	Previous Year										
	Motor - OD	Motor -TP	Motor-Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Claims Paid Direct	4,379,777	2,430,048	6,809,825	300,165	555,227	23,624	171,679	8,858	1,727,314	958,041	10,554,733
Add: Reinsurance accepted	-	10,048,798	10,048,798	1,597	88,762	-	-	-	-	-	10,139,157
Less: Reinsurance ceded	425,315	1,290,804	1,716,119	202,399	528,710	2,766	35,171	4,668	356,066	691,673	3,537,572
<b>Net Claims Paid</b>	<b>3,954,462</b>	<b>11,188,042</b>	<b>15,142,504</b>	<b>99,363</b>	<b>115,279</b>	<b>20,858</b>	<b>136,508</b>	<b>4,190</b>	<b>1,371,248</b>	<b>266,368</b>	<b>17,156,318</b>
Add: Claims Outstanding at the end of the year	1,158,510	5,386,279	6,544,789	272,955	78,344	71,553	136,542	96,957	312,950	434,882	7,948,972
Less: Claims Outstanding at the beginning of the year	837,584	11,568,164	12,405,748	249,561	142,431	66,946	97,482	69,735	249,782	246,406	13,528,091
<b>Total Claims Incurred</b>	<b>4,275,388</b>	<b>5,006,157</b>	<b>9,281,545</b>	<b>122,757</b>	<b>51,192</b>	<b>25,465</b>	<b>175,568</b>	<b>31,412</b>	<b>1,434,416</b>	<b>454,844</b>	<b>11,577,199</b>

## 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	61,203	57,755	1,044,523	1,163,481	62,209	61,348	1,028,042	1,151,599
<b>TOTAL (A)</b>	<b>61,203</b>	<b>57,755</b>	<b>1,044,523</b>	<b>1,163,481</b>	<b>62,209</b>	<b>61,348</b>	<b>1,028,042</b>	<b>1,151,599</b>
Add : Commission on Re-insurance Accepted	25,836	3,672	4,694	34,202	29,650	2,489	12,236	44,375
Less : Commission on Re-insurance Ceded	244,714	117,487	1,157,818	1,520,019	181,369	88,000	973,431	1,242,800
<b>Net Commission</b>	<b>(157,675)</b>	<b>(56,060)</b>	<b>(108,601)</b>	<b>(322,336)</b>	<b>(89,510)</b>	<b>(24,163)</b>	<b>66,847</b>	<b>(46,826)</b>
<b>Breakup of the expenses (Gross) incurred to procure business:</b>								
Agents	30,211	23,699	522,102	576,012	32,284	26,928	577,865	637,077
Brokers	24,546	32,731	429,366	486,643	20,689	33,150	368,302	422,141
Corporate Agency	6,446	1,325	93,055	100,826	9,236	1,270	81,875	92,381
Others	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>61,203</b>	<b>57,755</b>	<b>1,044,523</b>	<b>1,163,481</b>	<b>62,209</b>	<b>61,348</b>	<b>1,028,042</b>	<b>1,151,599</b>

\* 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	50,022	7,733	57,755	52,645	8,703	61,348
<b>TOTAL (A)</b>	<b>50,022</b>	<b>7,733</b>	<b>57,755</b>	<b>52,645</b>	<b>8,703</b>	<b>61,348</b>
Add : Commission on Re-insurance Accepted	3,654	18	3,672	2,466	23	2,489
Less : Commission on Re-insurance Ceded	109,437	8,050	117,487	79,134	8,866	88,000
<b>Net Commission</b>	<b>(55,761)</b>	<b>(299)</b>	<b>(56,060)</b>	<b>(24,023)</b>	<b>(140)</b>	<b>(24,163)</b>
<b>Breakup of the expenses (Gross) incurred to procure business :</b>						
Agents	21,124	2,575	23,699	21,195	5,733	26,928
Brokers	27,580	5,151	32,731	30,188	2,962	33,150
Corporate Agency	1,318	7	1,325	1,262	8	1,270
Others	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>50,022</b>	<b>7,733</b>	<b>57,755</b>	<b>52,645</b>	<b>8,703</b>	<b>61,348</b>

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

(₹ In '000)

Particulars	Current Year										
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Commission Paid Direct	679,687	25,698	705,385	28,371	1,867	14,776	21,390	15,822	119,185	137,727	1,044,523
<b>Total (A)</b>	<b>679,687</b>	<b>25,698</b>	<b>705,385</b>	<b>28,371</b>	<b>1,867</b>	<b>14,776</b>	<b>21,390</b>	<b>15,822</b>	<b>119,185</b>	<b>137,727</b>	<b>1,044,523</b>
Add : Commission on Re-insurance Accepted	-	-	-	4,285	270	-	35	1	50	53	4,694
Less : Commission on Re-insurance Ceded	335,853	84,739	420,592	100,949	1,120	1,336	5,808	3,272	39,174	585,567	1,157,818
<b>Net Commission</b>	<b>343,834</b>	<b>(59,041)</b>	<b>284,793</b>	<b>(68,293)</b>	<b>1,017</b>	<b>13,440</b>	<b>15,617</b>	<b>12,551</b>	<b>80,061</b>	<b>(447,787)</b>	<b>(108,601)</b>
<b>Breakup of the expenses (Gross) incurred to procure business:</b>											
Agents	361,280	20,687	381,967	14,905	(18)	9,663	10,306	2,668	59,065	43,546	522,102
Brokers	270,421	4,400	274,821	11,887	1,885	3,415	6,859	12,806	45,926	71,767	429,366
Corporate Agency	47,986	611	48,597	1,579	-	1,698	4,225	348	14,194	22,414	93,055
Others	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>679,687</b>	<b>25,698</b>	<b>705,385</b>	<b>28,371</b>	<b>1,867</b>	<b>14,776</b>	<b>21,390</b>	<b>15,822</b>	<b>119,185</b>	<b>137,727</b>	<b>1,044,523</b>

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

(₹ In '000)

Particulars	Previous Year										
	Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
Commission Paid Direct	693,483	29,236	722,719	34,394	2,595	12,215	13,522	9,712	97,147	135,738	1,028,042
<b>Total (A)</b>	<b>693,483</b>	<b>29,236</b>	<b>722,719</b>	<b>34,394</b>	<b>2,595</b>	<b>12,215</b>	<b>13,522</b>	<b>9,712</b>	<b>97,147</b>	<b>135,738</b>	<b>1,028,042</b>
Add : Commission on Re-insurance Accepted	-	247	247	4,410	7,472	-	28	9	27	43	12,236
Less : Commission on Re-insurance Ceded	124,947	118,855	243,802	82,565	2,327	1,980	(13,871)	4,027	67,814	584,787	973,431
<b>Net Commission</b>	<b>568,536</b>	<b>(89,372)</b>	<b>479,164</b>	<b>(43,761)</b>	<b>7,740</b>	<b>10,235</b>	<b>27,421</b>	<b>5,694</b>	<b>29,360</b>	<b>(449,006)</b>	<b>66,847</b>
<b>Breakup of the expenses (Gross) incurred to procure business:</b>											
Agents	411,523	23,244	434,767	16,103	171	8,961	6,541	2,832	48,588	59,902	577,865
Brokers	240,377	5,429	245,806	16,835	2,424	2,254	5,202	6,420	40,490	48,871	368,302
Corporate Agency	41,583	563	42,146	1,456	-	1,000	1,779	460	8,069	26,965	81,875
Others	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>693,483</b>	<b>29,236</b>	<b>722,719</b>	<b>34,394</b>	<b>2,595</b>	<b>12,215</b>	<b>13,522</b>	<b>9,712</b>	<b>97,147</b>	<b>135,738</b>	<b>1,028,042</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 4

#### OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year				Previous Year			
		FIRE	*MARINE	** MISCELLANEOUS	Total	FIRE	*MARINE	** MISCELLANEOUS	Total
1	Employees remuneration and welfare benefits	16,214	16,927	853,651	886,792	21,498	14,805	677,760	714,063
2	Travel, Conveyance and vehicle running expenses	5,176	5,403	272,506	283,085	7,804	5,375	246,040	259,219
3	Training expenses	146	153	7,711	8,010	181	124	5,702	6,007
4	Rent, rates and taxes	5,304	5,537	279,251	290,092	7,432	5,118	234,293	246,843
5	Repairs	1,631	1,703	85,886	89,220	2,435	1,677	76,767	80,879
6	Printing and Stationery	983	1,026	51,763	53,772	1,640	1,129	51,697	54,466
7	Communication	1,170	1,221	61,573	63,964	1,746	1,203	55,057	58,006
8	Legal and professional charges	19,135	19,976	1,007,434	1,046,545	25,998	17,904	819,617	863,519
9	Auditor's fees, expenses etc.								
	(a) As Auditor	57	57	2,886	3,000	75	52	2,373	2,500
	(b) As advisor or in any other capacity in respect of								
	(i) Taxation matters	6	5	289	300	9	6	285	300
	(ii) Insurance matters	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-	-	-
10	Advertisement and publicity	1,940	2,026	102,179	106,145	4,428	3,050	139,608	147,086
11	Marketing & Support Services	30,109	31,434	1,585,247	1,646,790	44,445	30,607	1,401,169	1,476,221
12	Interest and Bank charges	1,016	1,061	53,509	55,586	1,679	1,156	52,928	55,763
13	Others :								
	Policy Stamps	33	-	2,511	2,544	30	-	2,477	2,507
	Information & Technology Expenses	3,484	3,637	183,410	190,531	4,351	2,995	137,139	144,485
	Electricity & Water Charges	844	882	44,443	46,169	1,258	866	39,653	41,777
	Courtesies & Entertainment	478	500	25,182	26,160	759	523	23,928	25,210
	Others	1,110	1,159	58,433	60,702	1,566	1,078	49,365	52,009
14	Depreciation	1,769	1,849	93,227	96,845	2,540	1,749	80,085	84,374
15	Service Tax Expense	1,172	1,223	61,694	64,089	4,117	2,836	129,804	136,757
	<b>Total</b>	<b>91,777</b>	<b>95,779</b>	<b>4,832,785</b>	<b>5,020,341</b>	<b>133,991</b>	<b>92,253</b>	<b>4,225,747</b>	<b>4,451,991</b>

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

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

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 4 A

#### OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year			Previous Year		
		Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
1	Employees remuneration and welfare benefits	15,647	1,280	16,927	13,480	1,325	14,805
2	Travel, Conveyance and vehicle running expenses	4,995	408	5,403	4,894	481	5,375
3	Training expenses	141	12	153	113	11	124
4	Rent, rates and taxes	5,119	418	5,537	4,660	458	5,118
5	Repairs	1,574	129	1,703	1,527	150	1,677
6	Printing and Stationery	948	78	1,026	1,028	101	1,129
7	Communication	1,129	92	1,221	1,095	108	1,203
8	Legal and professional charges	18,466	1,510	19,976	16,302	1,602	17,904
9	Auditor's fees, expenses etc.						
	(a) As Auditor	53	4	57	47	5	52
	(b) As advisor or in any other capacity in respect of						
	(i) Taxation matters	5	-	5	5	1	6
	(ii) Insurance matters	-	-	-	-	-	-
	(iii) Management Services	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-
10	Advertisement and publicity	1,873	153	2,026	2,777	273	3,050
11	Marketing & Support Services	29,058	2,376	31,434	27,868	2,739	30,607
12	Interest and Bank charges	981	80	1,061	1,053	103	1,156
13	Others:						
	Policy Stamps	-	-	-	-	-	-
	Information & Technology Expenses	3,362	275	3,637	2,727	268	2,995
	Electricity & Water Charges	815	67	882	789	77	866
	Courtesies & Entertainment	462	38	500	476	47	523
	Others	1,071	88	1,159	982	96	1,078
14	Depreciation	1,709	140	1,849	1,593	156	1,749
15	Service Tax Expense	1,131	92	1,223	2,582	254	2,836
	<b>Total</b>	<b>88,539</b>	<b>7,240</b>	<b>95,779</b>	<b>83,998</b>	<b>8,255</b>	<b>92,253</b>



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

(₹ In '000)

S. No.	Particulars	Current Year										
		Motor - OD	Motor -TP	Motor-Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
1	Employees remuneration and welfare benefits	383,786	289,043	672,829	7,591	397	6,616	11,829	4,018	107,721	42,650	853,651
2	Travel, Conveyance and vehicle running expenses	122,514	92,269	214,783	2,423	127	2,112	3,776	1,283	34,387	13,615	272,506
3	Training expenses	3,467	2,611	6,078	68	4	60	107	36	973	385	7,711
4	Rent, rates and taxes	125,546	94,553	220,099	2,483	130	2,164	3,870	1,314	35,238	13,953	279,251
5	Repairs	38,613	29,081	67,694	764	40	666	1,190	404	10,838	4,290	85,886
6	Printing and Stationery	23,272	17,527	40,799	460	24	401	717	244	6,532	2,586	51,763
7	Communication	27,682	20,848	48,530	547	29	477	853	290	7,770	3,077	61,573
8	Legal and professional charges	452,925	341,113	794,038	8,958	468	7,808	13,960	4,742	127,127	50,333	1,007,434
9	Auditor's fees, expenses etc.											
	(a) As Auditor	1,298	978	2,276	26	1	22	40	14	364	143	2,886
	(b) As advisor or in any other capacity in respect of											
	(i) Taxation matters	130	98	228	3	-	2	4	1	36	15	289
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management Services	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	45,937	34,597	80,534	909	47	792	1,416	481	12,894	5,106	102,179
11	Marketing & Support Services	712,699	536,758	1,249,457	14,096	737	12,287	21,967	7,461	200,041	79,201	1,585,247
12	Interest and Bank charges	24,057	18,118	42,175	476	25	415	742	252	6,752	2,672	53,509
13	Others:											
	Policy Stamps	1,075	809	1,884	3	-	85	13	-	72	454	2,511
	Information & Technology Expenses	82,458	62,102	144,560	1,631	85	1,422	2,542	863	23,144	9,163	183,410
	Electricity & Water Charges	19,981	15,048	35,029	395	21	344	616	209	5,608	2,221	44,443
	Courtesies & Entertainment	11,321	8,526	19,847	224	12	195	349	118	3,178	1,259	25,182
	Others	26,270	19,785	46,055	519	27	453	810	275	7,374	2,920	58,433
14	Depreciation	41,913	31,566	73,479	829	43	723	1,292	439	11,764	4,658	93,227
15	Service Tax Expense	27,737	20,890	48,627	549	29	478	855	290	7,785	3,081	61,694
	<b>Total</b>	<b>2,172,681</b>	<b>1,636,320</b>	<b>3,809,001</b>	<b>42,954</b>	<b>2,246</b>	<b>37,522</b>	<b>66,948</b>	<b>22,734</b>	<b>609,598</b>	<b>241,782</b>	<b>4,832,785</b>

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

(₹ In '000)

S. No.	Particulars	Previous Year										
		Motor - OD	Motor - TP	Motor - Total	Engineering	Aviation	Workmen Compensation	Personal Accident	Public / Product Liability	Health	Other Miscellaneous	Total Miscellaneous
1	Employees remuneration and welfare benefits	342,337	212,394	554,731	6,991	1,144	4,592	10,118	1,984	62,752	35,448	677,760
2	Travel, Conveyance and vehicle running expenses	124,275	77,103	201,378	2,538	415	1,667	3,673	720	22,780	12,869	246,040
3	Training expenses	2,880	1,787	4,667	59	10	39	85	17	528	297	5,702
4	Rent, rates and taxes	118,341	73,422	191,763	2,417	395	1,588	3,498	686	21,692	12,254	234,293
5	Repairs	38,775	24,057	62,832	792	130	520	1,146	225	7,108	4,014	76,777
6	Printing and Stationery	26,112	16,201	42,313	533	87	350	772	151	4,786	2,705	51,697
7	Communication	27,809	17,254	45,063	568	93	373	822	161	5,098	2,879	55,057
8	Legal and professional charges	413,989	256,848	670,837	8,454	1,383	5,554	12,236	2,399	75,886	42,868	819,617
9	Auditor's fees, expenses etc.											
	(a) As Auditor	1,199	743	1,942	24	4	16	35	7	220	125	2,373
	(b) As advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	144	89	233	3	-	2	4	1	26	16	285
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management Services	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	70,516	43,750	114,266	1,440	236	946	2,084	409	12,926	7,301	139,608
11	Marketing & Support Services	707,730	439,094	1,146,824	14,452	2,364	9,494	20,918	4,102	129,730	73,285	1,401,169
12	Interest and Bank charges	26,734	16,586	43,320	546	89	359	790	155	4,900	2,769	52,928
13	Others:											
	Policy Stamps	1,194	741	1,935	3	-	68	14	-	40	417	2,477
	Information & Technology Expenses	69,269	42,977	112,246	1,414	231	929	2,047	401	12,697	7,174	137,139
	Electricity & Water Charges	20,029	12,426	32,455	409	67	269	592	116	3,671	2,074	39,653
	Courtesies & Entertainment	12,086	7,499	19,585	247	40	162	357	70	2,215	1,252	23,928
	Others	24,935	15,470	40,405	509	83	334	737	145	4,571	2,581	49,365
14	Depreciation	40,451	25,096	65,547	826	135	543	1,196	234	7,415	4,189	80,085
15	Service Tax Expense	65,563	40,678	106,241	1,339	219	880	1,938	380	12,018	6,789	129,804
	<b>Total</b>	<b>2,134,368</b>	<b>1,324,215</b>	<b>3,458,583</b>	<b>43,564</b>	<b>7,125</b>	<b>28,685</b>	<b>63,062</b>	<b>12,363</b>	<b>391,059</b>	<b>221,306</b>	<b>4,225,747</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 5

#### SHARE CAPITAL

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
1	Authorised Capital 400000000 Equity Shares of ₹10 each	4,000,000	4,000,000
2	Issued Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
3	Subscribed Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
4	Called up Capital 269321500 Equity Shares of ₹10 each (Previous Year 269321500 Equity Shares of ₹10 each)	2,693,215	2,693,215
	Less: Calls unpaid	-	-
	Add: Equity Shares forfeited (amount originally paid up)	-	-
	Less: Par Value of Equity Shares bought back	-	-
	Less: preliminary Expenses	-	-
	Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	<b>TOTAL</b>	<b>2,693,215</b>	<b>2,693,215</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 5A

#### SHARE CAPITAL

#### PATTERN OF SHAREHOLDING

(As certified by the Management)

S. No.		As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		Number of Shares	% of Holding	Number of Shares	% of Holding
	<b>Promoters</b>				
1	Indian	199297910	74	199297910	74
2	Foreign	70023590	26	70023590	26
3	Others	-	-	-	-
	<b>TOTAL</b>	<b>269321500</b>	<b>100</b>	<b>269321500</b>	<b>100</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 6

#### RESERVES AND SURPLUS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	2,568,789	2,568,789
4	General Reserve	-	-
5	Catastrophe Reserve	1,166	1,166
6	Other Reserves (to be specified)	-	-
7	Balance of Profit in Profit and Loss Account	3,594,110	1,433,260
	<b>TOTAL</b>	<b>6,164,065</b>	<b>4,003,215</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 7

#### BORROWINGS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 8

#### INVESTMENTS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
	<b>LONG TERM INVESTMENTS</b>		
1	Govt Securities, Govt guaranteed Bonds incl Treasury Bills	11,410,644	10,553,315
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	-	-
	Derivative Instruments	-	-
	Debenture/Bonds (Housing)	3,563,952	3,163,955
	Non Convertible Debenture/Bonds	900,000	800,000
	Other Securities	-	-
	Subsidiaries	5,000	5,000
	Investment Properties - Real Estate	-	-
4	Investment in Infrastructure and social sector	5,231,931	3,932,610
5	Other than approved investments	-	-
	<b>SHORT TERM INVESTMENTS</b>		
1	Govt Securities, Govt guaranteed Bonds incl. Treasury Bills	101,662	-
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	-	300,166
	Derivative Instruments	-	-
	Debentures & Bonds ( Housing)	300,000	100,000
	Non Convertible Debenture/ Bonds	100,000	114,310
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investments in Infrastructure & Social Sector	322,383	615,012
5	Other than approved investments	-	-
	<b>TOTAL</b>	<b>21,935,572</b>	<b>19,584,368</b>

**Note:** Aggregate amount of company's investment other than listed equity securities and derivative instruments is ₹21,935,572 thousand (Previous year ₹19,584,368 thousand).

Market value of such investments as at 31.03.2014 is ₹21,711,251 thousand (Previous year ₹19,586,633 thousand).

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 9

#### LOANS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
1	<b>Security-wise Classification Secured</b>		
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) Outside india	-	-
	(b) On shares, Bonds, Govt Securities, etc.	-	-
	(c) Others	-	-
	Unsecured	-	-
	<b>Total</b>	-	-
2	<b>Borrower-wise Classification</b>		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	<b>Total</b>	-	-
3	<b>Performance-wise Classification</b>		
	(a) Loans classified as standard		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non performing loans less provisions		
	(aa) In India	-	-
	(bb) Outside India	-	-
	<b>Total</b>	-	-
4	<b>Maturity-wise Classification</b>		
	(a) Short Term	-	-
	(b) Long Term	-	-
	<b>TOTAL</b>	-	-

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

(₹ in '000)

Particulars	Gross Block			Depreciation			Net Block			
	As at 1 <sup>st</sup> April, 2013	Additions during the period	Sales/ Adjustments during the period	As at 31 <sup>st</sup> March, 2014	Upto 31 <sup>st</sup> March, 2013	For the Year	On Sales/ Adjustments	Upto 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles:										
- Computer Software	171,949	30,865	-	202,814	124,986	29,658	-	154,644	48,170	46,963
Land - Freehold	37,849	-	-	37,849	-	-	-	-	37,849	37,849
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	12,251	-	-	12,251	603	200	-	803	11,448	11,647
Furniture & Fittings	248,402	20,171	5,394	263,179	188,693	19,357	5,029	203,021	60,158	59,709
Information Technology Equipment	442,385	43,929	26,009	460,305	388,520	43,119	26,003	405,637	54,669	53,865
Vehicles	7,185	-	1,866	5,319	2,301	668	1,539	1,430	3,889	4,884
Office Equipment	72,041	8,462	711	79,793	20,985	3,843	293	24,536	55,257	51,057
Others	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>992,062</b>	<b>103,427</b>	<b>33,980</b>	<b>1,061,510</b>	<b>726,088</b>	<b>96,845</b>	<b>32,864</b>	<b>790,071</b>	<b>271,440</b>	<b>265,974</b>
<b>Capital Work In Progress</b>	<b>8,304</b>	<b>5,233</b>	<b>8,304</b>	<b>5,233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,233</b>	<b>8,304</b>
<b>Grand Total</b>	<b>1,000,366</b>	<b>108,660</b>	<b>42,284</b>	<b>1,066,743</b>	<b>726,088</b>	<b>96,845</b>	<b>32,864</b>	<b>790,071</b>	<b>276,673</b>	<b>274,278</b>
<b>Previous Year Total</b>	<b>911,554</b>	<b>102,839</b>	<b>14,027</b>	<b>1,000,366</b>	<b>641,782</b>	<b>84,374</b>	<b>68</b>	<b>726,088</b>	<b>274,278</b>	<b>274,278</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 11

#### CASH AND BANK BALANCES

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
1	Cash (including cheques, drafts and stamps)	13,935	12,285
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short term (due within 12 months)	11,615,000	7,710,000
	(ab) Others	2,210,000	3,880,000
	(b) Current Accounts	760,502	542,217
	(c) Others	-	-
3	Money at call & short notice		
	With Banks	-	-
	With Other Institutions	-	-
4	Others	-	-
	<b>TOTAL</b>	<b>14,599,437</b>	<b>12,144,502</b>
	Balances with non-scheduled banks included in 2 and 3 above		

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 12

#### ADVANCES AND OTHER ASSETS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
	<b>ADVANCES</b>		
1	Reserve Deposit with ceding Companies	-	-
2	Application Money for Investments	-	-
3	Prepayments	350,648	155,775
4	Advance to Directors / Officers	-	-
5	Advance Tax Paid and Tax Deducted at source (Net of provision for taxation)	9,293	113,331
6	MAT Credit Entitlement	-	68,900
7	Deposit towards Rent	52,274	46,978
8	Service Tax Recoverable	52,433	-
9	Others	40,565	172,592
	<b>TOTAL (A)</b>	<b>505,213</b>	<b>557,576</b>
	<b>OTHER ASSETS</b>		
1	Income accrued on Investments / FDRs	1,860,538	1,347,452
2	Outstanding Premiums	983,607	574,528
3	Agents' balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from entities carrying on insurance business (including reinsurers)	1,266,204	1,158,206
6	Due from Subsidiaries/ Holdings	-	-
7	Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)	-	-
8	Others	-	-
	<b>TOTAL (B)</b>	<b>4,110,349</b>	<b>3,080,186</b>
	<b>TOTAL (A+B)</b>	<b>4,615,562</b>	<b>3,637,762</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 13

#### CURRENT LIABILITIES

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
1	Agents Balances	128,541	106,918
2	Balances due to other insurance companies (including reinsurers)	1,598,123	1,930,065
3	Deposits held on reinsurances ceded	-	-
4	Premiums received in advance	219,896	161,940
5	Unallocated Premium	-	-
6	Sundry Creditors	401,050	519,666
7	Due to subsidiaries / Holding company	63,675	42,168
8	Claims Outstanding *	19,462,688	16,224,464
9	Due to Officers / Directors	-	-
10	Deposit Premium	163,314	168,855
11	Service Tax Payable	-	2,558
12	Employee Benefit	115,547	65,583
13	Policyholder Dues	197,467	192,341
	<b>TOTAL</b>	<b>22,350,301</b>	<b>19,414,558</b>

\* Claims outstanding includes ₹6,107,410 thousand (Previous Year ₹7,392,475 thousands) on account of settlement received from the IMTPIP towards the company's share of claim liability determined by the pool upto the date of dismantling (Net of claims paid upto reporting period).

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 14

#### PROVISIONS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
1	Reserve for Unexpired Risk	10,300,163	9,594,256
2	For Taxation (less advance tax paid and taxes deducted at source)	-	-
3	For Proposed Dividends	-	-
4	For Dividend Distribution Tax	-	-
5	Premium Defficiency	-	-
	<b>TOTAL</b>	<b>10,300,163</b>	<b>9,594,256</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 15

#### MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(1)	(2)	(3)	(4)
1	Discount allowed in issue of shares/debentures	-	-
2	Others	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>

**IFFCO-TOKIO**



# ACCOUNTING POLICIES & NOTES ON **ACCOUNTS**

## SCHEDULE 16: NOTES TO ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Preparation of Financial Statement

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the generally accepted accounting principles and conform to the statutory requirements prescribed under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 including directions thereon, the Insurance Act, 1938, the provisions of Companies Act, 2013 (to the extent notified) and Companies Act, 1956 (to the extent applicable) including notified Accounting Standards there under except otherwise stated.

#### 2. Use of Estimates

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

#### 3. Revenue Recognition

- 3.1 Premium and cession thereof are recognized over the contract period or the period of the risk in respective revenue account following 1/365 method except in marine cargo business where premium is recognized after 60 days from the date of inception of the risk.

Reserve for unexpired risk representing premium attributable to the succeeding accounting period is maintained subject to minimum amount of reserve as required under Section 64V (1) (ii) (b) of the Insurance Act,

1938 except for reinsurance premium acceptances in respect of Terrorism Pool for Fire and Engineering classes where the Reserve for Unexpired Risk is maintained at hundred percent of the net premium.

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

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

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

class of business at the end of each month.

## 5. Claims Incurred

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

## 6. Allocation of Operating Expenses

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

## 7. Acquisition Cost of insurance contracts

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

## 8. Investments

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

### Classification

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

Other investments are classified as Long term Investments.

### Valuation

- (i) Debt securities including Government securities are considered as held to maturity and are valued at cost subject to amortization by charging off/crediting investment income with the difference of acquisition cost and maturity value over the unexpired period of maturity on straight line method.
- (ii) Investments in units of mutual funds are valued at Net Asset Value (NAV) and the unrealized gains / losses are accounted in the 'Fair Value Change Account'.
- (iii) Investment in subsidiary company is valued at cost less permanent diminution, if any.

## 9. Fixed Assets

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

## 10. Depreciation/Amortisation

- 10.1 Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except
- (i) Fixtures in rented premises are depreciated proportionately over the residual lease period.
- (ii) Information Technology Equipments are depreciated over their useful life of three years on straight line method.
- 10.2 Software is amortized over its useful life of three years on straight line method.

## 11. Pre-Paid Expenses

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

## 12. Foreign Currency Transactions

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

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

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

## 13. Income Tax

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

## 14. Employee Benefits

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

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

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

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

## 15. Impairment of Assets

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

## 16. Provisions & Contingencies

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

**B. NOTES FORMING PART OF ACCOUNTS**

**I. Statutory disclosures as required by IRDA**

1. The company has all the assets within India. The assets of the company are free from all encumbrances other than Investment under Section 7 of the Insurance Act, 1938.
2. a) Commitments made and outstanding for loans and investments are Nil (Previous Year- Nil)  
b) The company has committed ₹6,327 Thousand (Previous Year ₹7,702 Thousand) for the purchase of fixed assets
3. Claims, less reinsurance, paid to claimants in/outside India during the year under various class of business are as under:

(₹ in '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2014	Year ended 31.3.2013	Year ended 31.3.2014	Year ended 31.3.2013
Fire	220,397	453,171	8,606	19,383
Marine	372,862	419,406	-	-
Miscellaneous	9,689,918	1,7082,727	2,263	73,591

4. Age-wise breakup of claims outstanding on Gross basis under various class of business as at 31<sup>st</sup> March, 2014 is as under:

(₹ in '000)

Class of Business	Outstanding for more than 6 months		Other Claims	
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013
Fire	2,219,826	1,669,795	542,735	763,605
Marine	730,234	671,166	163,504	175,005
Miscellaneous	9,579,445	7,963,200	2,083,190	2,092,551

5. Claims settled and remaining unpaid for a period of more than six months as at 31<sup>st</sup> March, 2014 is Nil (Previous Year Nil).
6. (a) Premium less reinsurances written during the year under various classes of business is as under:

(₹ in '000)

Class of Business	In India		Outside India	
	Year ended 31.3.2014	Year ended 31.3.2013	Year ended 31.3.2014	Year ended 31.3.2013
Fire	369,869	555,758	139	3,998
Marine	386,279	384,897	0	581
Miscellaneous	19,471,739	17,582,448	8,919	64,411

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

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

Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.3.2014	Year ended 31.3.2013	Year ended 31.3.2014	Year ended 31.3.2013
Fire	14.80%	25.24%	85.20%	74.76%
Marine	32.12%	37.00%	67.88%	63.00%
Miscellaneous	74.31%	75.95%	25.69%	24.05%

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

7. All the investments held by the company as at 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are performing investments.
8. Value of Contracts in relation to Investments for:

(₹ in '000)

	As at 31.3.2014	As at 31.3.2013
Purchases where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

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

(₹ in '000)

Central Government Securities	As at 31.3.2014	As at 31.3.2013
Book Value	121,412	121,412
Market Value as on date of deposit of security	123,388	123,388

10. Short Term Investments in Mutual Fund as at 31<sup>st</sup> March, 2014 is NIL (previous year ₹300,166 thousand) and historical cost of the same is NIL. (Previous year ₹300,000 thousand).
11. Sector wise business executed by the company is as follows:

	Year ended 31.3.2014	Year ended 31.3.2013
Urban areas	83.60%	84.09%
Rural areas	16.40%	15.91%
Social sector	9.15%	9.17%
Gross Premium	₹2,681,750 Thousand	₹2,353,572 Thousand
Number of Policies Issued	447 Thousand	431 Thousand
Number of Lives Covered (Estimated)	7,711 Thousand	5,825 Thousand

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

(₹ in '000)

	Year ended 31.3.2014		Year ended 31.3.2013	
	Managing Director	Whole-time Directors	Managing Director	Whole-time Directors
Salaries and Allowances	9,577	8,967	5,132	11,400
Contribution to Provident Fund	346	367	99	446
<b>Total*</b>	<b>9,923</b>	<b>9,334</b>	<b>5,231</b>	<b>11,846</b>

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

The remuneration as above has been approved by the IRDA.

### 13. Summary of Financial Statements

(₹ in '000)

S. No.	Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
	<b>OPERATING RESULTS</b>					
1.	Gross Direct Premiums	293,092.29	256,503.08	197,524.38	178,317.67	145,783.55
2.	Net Premium	202,369.45	185,920.93	142,329.78	125,228.91	99,082.06
3.	Income from Investments	26,282.22	22,344.75	16,157.94	11,604.09	10,665.35
4.	Other Income	33.13	147.8	(5.04)	12.49	9.95
5.	<b>Total Income</b>	<b>228,684.80</b>	<b>208,413.48</b>	<b>158,482.68</b>	<b>136,845.49</b>	<b>109,757.36</b>
6.	Commission (Net) Including Brokerage	(3,223.36)	(468.27)	(1199.53)	1,510.68	2,518.61
7.	Operating expenses	50,203.41	44,519.92	35,257.34	31,921.12	24,965.13
8.	Net Incurred Claims	148,173.35	124,544.77	123,366.51	99,046.49	73,266.84
9.	Increase in unexpired risk reserve	7,059.07	23,512.57	9,061.63	11,738.39	6,859.65
	<b>Total Expenses</b>	<b>202,212.47</b>	<b>192,108.99</b>	<b>166,485.95</b>	<b>144,216.68</b>	<b>107,610.23</b>
10.	<b>Operating Profit/(Loss)</b>	<b>26,472.33</b>	<b>16,304.49</b>	<b>(8,003.27)</b>	<b>(7,371.19)</b>	<b>2,147.13</b>
	<b>NON OPERATING RESULT</b>					
11.	Total Income under shareholders account	5,777.74	3,323.87	3,340.42	2,414.68	1,713.94
12.	Profit/(Loss) before tax	32,250.07	19,628.36	(4662.85)	(4,936.76)	3,861.07
13.	Provision for tax	10,641.57	6,149.15	(1483.13)	(1,666.76)	1,322.89
14.	Profit/(Loss) after tax	21,608.50	13,479.21	(3179.72)	(3,270.00)	2,538.18
	<b>MISCELLANEOUS</b>					
15.	Policy Holder Account:					
	Total Funds	357,605.72	311,744.00	232,850.00	181,799.00	128,311.00
	Total Investments	357,605.72	311,744.00	232,850.00	181,799.00	128,311.00
	Yields on Investments	9.18%	9.26%	9.11%	8.02%	8.33%
16.	Shareholder Account:	No Segregation between Shareholder and Policyholder Funds has been made				
	Total Funds					
	Total Investment					
	Yields on Investments					
17.	Paid up Equity Capital	26,932.15	26,932.15	26,932.15	24,700.00	24,700.00
18.	Net Worth	88,572.80	66,964.30	53,485.09	44,166.07	47,431.91
19.	Total assets	415,077.44	357,054.10	285,189.50	214,986.92	185,044.48
20.	Yield on total investments	9.18%	9.26%	9.11%	8.02%	8.33%
21.	Earnings per share (In ₹)	8.02	5.00	(1.29)	(1.32)	1.03
22.	Book value per share (In ₹)	32.89	24.86	19.86	17.88	19.20
23.	Total dividend	-	-	-	-	741.00
24.	Dividend per share (In ₹)	-	-	-	-	0.30

## 14. Performance Ratios:-

S. No.	Particular	2013-2014	2012-2013
1	Gross Direct Premium Growth Rate #	14.26%	29.86%
	FIRE	23.25%	-1.16%
	MARINE	15.40%	-22.10%
	MISCELLANEOUS	13.54%	37.18%
2	Gross Direct Premium to Net Worth Ratio (In Times)	3.31	3.83
3	Growth rate of Net Worth	32.27%	25.21%
4	Net Retention Ratio #	67.64%	70.17%
	FIRE	14.80%	25.24%
	MARINE	32.12%	37.00%
	MISCELLANEOUS	74.31%	75.95%
5	Net Commission Ratio #	-1.59%	-0.25%
	FIRE	-42.61%	-15.99%
	MARINE	-14.51%	-6.27%
	MISCELLANEOUS	-0.56%	0.38%
6	Expense of Management to Gross Direct Premium Ratio	21.09%	21.85%
7	Expense of Management to Net Written Premium Ratio	30.56%	30.14%
8	Net Incurred Claims to Net Earned Premium	75.87%	76.69%
9	Combined Ratio #	99.08%	100.38%
10	Technical Reserves to Net Premium ratio (In Times)	1.47	1.39
11	Underwriting balance ratio	0.08%	-3.81%
	FIRE	43.02%	6.44%
	MARINE	-2.77%	-31.86%
	MISCELLANEOUS	-0.71%	-3.45%
12	Operating Profit Ratio	13.54%	9.95%
13	Liquid Assets to liabilities ratio	0.51	0.51
14	Net earning ratio	10.68%	7.25%
15	Return on Net worth ratio	24.40%	20.14%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio (In Times)	1.67	1.43
17	NPA Ratio	-	-
	Gross NPA Ratio	Nil	Nil
	Net NPA Ratio	Nil	Nil

S. No.	Equity Holding Pattern for Non-Life Insurers	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
1	No. of shares	269,321,500	269,321,500
2	Percentage of shareholding (Indian / Foreign)	74/26	74/26
3	%of Government holding (in case of public sector insurance companies)	N. A.	N. A.
4	Basic and diluted EPS before extraordinary items (net of tax expense) for the year (₹)	8.02	5.00
5	Basic and diluted EPS after extraordinary items (net of tax expense) for the year (₹)	8.02	5.00
6	Book value per share (₹)	32.89	24.86

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



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

(₹ in '000)

Particulars	2013-14	2012-13
Outsourcing Expenses (Manpower)	121,963	82,778
Business Development	645,951	445,440
Marketing and Support Services	1,646,790	1,476,221

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

S. No.	Authority	Non-compliance / violation	Amount in (₹'000)		
			Penalty Awarded	Penalty Paid	Penalty waived/Reduced
1.	Insurance Regulatory and Development Authority	Penalty under Section 102 of the Insurance Act, 1938	500	500	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/ Tribunal for any matter including claim settlement but excluding compensation.	None	Nil	Nil	Nil
8.	Securities and Exchange Board of India	None	Nil	Nil	Nil
9.	Competition Commission of India	None	Nil	Nil	Nil
10.	Any other Central State/Local Government/ Statutory Authority.	None	Nil	Nil	Nil

Note: All Previous year figures are Nil.

19. Age-wise analysis of the Unclaimed Amount of Policy holder.

(₹ in '000)

Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders 2013-14								
S. No.	Particulars	Total Amount	AGE-WISE ANALYSIS					
			4 - 12 months	13 - 18 months	19 - 24 months	25 - 30 months	31 - 36 months	Beyond 36 months
A	Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policy holders	-	-	-	-	-	-	-
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	21,681	6,905	884	1,144	1,521	1,328	9,899
D	Cheques issued but not encashed by the policyholder / insured	15,737	25,449	15,345	12,243	12,807	13,535	73,357

20. Management expenses are apportioned to Revenue Accounts on the basis of Net Premium as per Accounting Policy on 'Allocation of Operating Expenses' (Schedule 16 A (6)). Detail of apportioned expenses is furnished in Schedule 4 (Operating Expenses relating to Insurance business).
21. As certified by Appointed Actuary, there is no requirement of providing Premium Deficiency in the accounts.
22. As per revised disclosure requirement, Service Tax Expenses has to be disclosed separately in the Schedule of Operating Expenses relating to Insurance business. Accordingly these expenses are disclosed separately in Schedule 4 (Operating Expenses relating to Insurance business). Earlier these expenses were clubbed with Other Expenses in Schedule 4.

## II. Disclosures required under Accounting Standards

### 1. Accounting Standard-15 “Employee Benefits”

#### a) General description of the defined benefit scheme:

<b>Gratuity</b>	Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of five years or more.
<b>Leave Encashment</b>	Payable on encashment during the service or on separation to the eligible employees who have accumulated earned leave.
<b>Provident Fund</b>	The Company pays fixed contribution to Provident Fund Trust. Contribution to Family Pension Scheme is paid to appropriate authority. The contribution for ₹32,324 thousand (previous year ₹ 24,753 thousand) has been recognized as expense in the accounts.

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

##### i. Expenses recognized in Profit & Loss Account

(₹ in '000)

	Gratuity					Leave Encashment				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Current Service Cost	8,066	5,731	5,773	6,343	3,852	15,224	10,765	10,017	10,534	13,289
Interest cost on benefit obligation	3,285	3,056	3,447	1,878	1,705	5,626	4,925	4,925	3,876	4,458
Expected return on plan assets	(3,925)	(3,739)	(2,912)	(1,908)	(1,558)	-	-	-	-	-
Net actuarial (Gain)/ loss recognized in the year	12,909	(4,283)	(9,827)	6,454	1,739	26,756	7,757	(6,680)	7,095	(15,961)
Expenses recognized in the Profit & Loss Account	20,335	765	(3,518)	12,767	5,738	47,606	23,447	8,262	21,505	1,786

##### ii. The amount recognized in the Balance Sheet

(₹ in '000)

	Gratuity					Leave Encashment				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of obligation at end of year(i)	58,174	39,823	37,046	41,777	28,902	97,818	68,190	59,695	59,697	45,240
Fair Value of Plan assets at end of year(ii)	40,446	42,430	40,419	29,017	23,164	-	-	-	-	-
Difference (ii-I) i.e. Assets/ (Liabilities)	(17,728)	2,607	3,373	(12,760)	(5,738)	(97,818)	(68,190)	(59,695)	(59,697)	(45,240)
Net Asset/ (liability) recognized in the Balance Sheet	(17,728)	2,607	3,373	(12,760)	(5,738)	(97,818)	(68,190)	(59,695)	(59,697)	(45,240)

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

(₹ in '000)

	Gratuity					Leave Encashment				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of obligation at beginning of year	39,823	37,046	41,777	28,902	22,775	68,190	59,695	59,697	45,240	46,837
Interest Cost	3,285	3,056	3,447	1,878	1,705	5,626	4,925	4,925	3,876	4,458
Current Service Cost	8,066	5,731	5,773	6,343	3,852	15,224	10,765	10,017	10,534	13,289
Benefit Paid	(5,695)	(5,339)	(1,357)	(1,800)	(1,169)	(17,978)	(14,952)	(8,264)	(7,048)	(3,383)
Net actuarial (Gain)/Loss on obligation	12,695	(671)	(12,594)	6,454	1,739	26,756	7,757	(6,680)	7,095	(15,961)
Present value of the defined benefit as at end of year	58,174	39,823	37,046	41,777	28,902	97,818	68,190	59,695	59,697	45,240

### iv. Changes in the fair value of plan assets:

(₹ in '000)

	Gratuity					Leave Encashment				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Fair value of plan assets at beginning of year	42,430	40,419	29,017	23,164	17,359	-	-	-	-	-
Expected return on plan assets	3,925	3,739	2,912	1,908	1,558	-	-	-	-	-
Contributions by employer	-	-	12,615	5,731	6,949	-	-	-	-	-
Benefit Paid	(5,695)	(5,339)	(1,357)	(1,800)	(1,169)	-	-	-	-	-
Actuarial Gain/(Loss) on plan assets	(214)	3,611	(2,767)	14	(1,533)	-	-	-	-	-
Fair value of plan assets at end of year *	40,446	42,430	40,419	29,017	23,164	-	-	-	-	-

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

### v. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

	Gratuity (Funded)					Leave Encashment (Non-Funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Method used	Projected Unit Credit Method									
Discount rate	8.75%	8.25%	8.25%	8.00%	8.00%	8.75%	8.25%	8.25%	8.50%	8.25%
Salary Escalation	6.00%	5.00%	5.00%	6.00%	5.00%	6.00%	5.00%	5.00%	5.00%	5.00%
Mortality rate	IALM (2006-08)									
Withdrawal rate	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1 to 3%	1%	1%
Rate of return on plan assets	9.25%	9.25%	9.25%	9.25%	9.25%	-	-	-	-	-

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

## 2. Accounting Standard-17 "Segment Reporting"

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

### a) Business Segments

(₹ in '000)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>SEGMENT REVENUE:</b>		
Fire Insurance	2,572,198	2,285,216
Marine Insurance	1,286,580	1,117,569
Motor Insurance-OD	11,716,380	11,066,308
Motor Insurance-TP	8,227,067	6,841,877
Engineering Insurance	1,027,377	743,493
Workmen Compensation Insurance	172,604	143,218
Personal Accident Insurance	339,861	327,184
Product Liability Insurance	143,515	103,943
Health Insurance	2,951,235	2,193,066
Trade Credit	526,492	417,900
Other Insurance	3,583,878	3,488,746
Investment	572,641	313,037
<b>Total</b>	<b>33,119,828</b>	<b>29,041,557</b>
<b>SEGMENT RESULT: Profit / (Loss)</b>		
Fire Insurance	227,755	96,673
Marine Insurance	72,517	(37,136)
Motor Insurance-OD	2,787,748	1,892,604
Motor Insurance-TP	(760,306)	(1,054,581)
Engineering Insurance	49,478	91,278
Workmen Compensation Insurance	69,839	61,434
Personal Accident Insurance	37,246	(5,972)
Product Liability Insurance	37,385	7,840
Health Insurance	(343,696)	(115,639)
Trade Credit	(12,155)	(27,046)
Other Insurance	481,421	720,994
Investments	565,144	303,963
Unallocable	12,632	28,424
<b>Total Profit before Tax</b>	<b>3,225,007</b>	<b>1,962,836</b>
Less: Provision for Taxation	1,064,157	614,915
Profit After Tax	2,160,850	1,348,621
<b>SEGMENT ASSETS:</b>	<b>As at 31<sup>st</sup> March, 2014</b>	<b>As at 31<sup>st</sup> March, 2013</b>
Fire Insurance	-	-
Marine Insurance	-	-
Motor Insurance	-	-
Engineering Insurance	-	-
Workmen Compensation Insurance	-	-
Personal Accident Insurance	-	-
Product Liability Insurance	-	-
Health Insurance	-	-
Trade Credit	-	-
Other Insurance	-	-
Investments	35,760,572	31,174,368
<b>Total</b>	<b>35,760,572</b>	<b>31,174,368</b>
Add: Unallocable Assets	5,747,172	4,531,042
<b>Total</b>	<b>41,507,744</b>	<b>35,705,410</b>

(₹ in '000)

<b>SEGMENT LIABILITIES:</b>	<b>As at 31<sup>st</sup> March, 2014</b>	<b>As at 31<sup>st</sup> March, 2013</b>
Fire Insurance	814,046	767,291
Marine Insurance	765,387	779,812
Motor Insurance-OD	5,717,904	5,987,838
Motor Insurance-TP	18,928,412	15,728,533
Engineering Insurance	423,354	372,615
Workmen Compensation Insurance	133,971	112,840
Personal Accident Insurance	302,447	269,100
Product Liability Insurance	147,399	117,507
Health Insurance	1,326,544	666,128
Trade Credit	22,451	11,514
Other Insurance	1,180,936	1,005,541
Investments		
<b>Total</b>	<b>29,762,851</b>	<b>25,818,719</b>
Add: Unallocable Liabilities	2,887,613	3,190,095
<b>Total</b>	<b>32,650,464</b>	<b>29,008,814</b>
<b>Cost incurred to acquire segment assets (Fixed Assets):</b>		
Fire Insurance	-	-
Marine Insurance	-	-
Motor Insurance	-	-
Engineering Insurance	-	-
Workmen Compensation Insurance	-	-
Personal Accident Insurance	-	-
Product Liability Insurance	-	-
Health Insurance	-	-
Trade Credit	-	-
Other Insurance	-	-
Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Add: Unallocable Fixed assets	108,660	102,839
<b>Total</b>	<b>108,660</b>	<b>102,839</b>
<b>Amount of expenses included in segment result for depreciation and amortization in respect of assets:</b>		
	<b>Year ending 31<sup>st</sup> March, 2014</b>	<b>Year ending 31<sup>st</sup> March, 2013</b>
Fire Insurance	1,769	2,540
Marine Insurance	1,849	1,749
Motor Insurance-OD	41,913	41,057
Motor Insurance-TP	31,566	24,491
Engineering Insurance	829	826
Workmen Compensation Insurance	723	543
Personal Accident Insurance	1,292	1,196
Product Liability Insurance	439	234
Health Insurance	11,764	7,415
Trade Credit	692	926
Other Insurance	4,009	3,397
Investments	-	-
<b>Total</b>	<b>96,845</b>	<b>84,374</b>
Add: Unallocable Expenses	-	-
<b>Total</b>	<b>96,845</b>	<b>84,374</b>

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

b) Geographical Segment

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

3. Accounting Standard- 18 "Related Party Disclosures"

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

(₹ in '000)

Name of the Related Parties	Nature of Related party relationship	Description of nature of transactions	2013-14	2012-13
Indian Farmers Fertilisers Coop. Ltd	Promoters with more than 20% Voting rights	Premium accounted from direct business	671,808	652,450
		Claims paid on direct basis	267,890	172,504
		Payment of Rent and other expenses	220,545	161,097
		Deposit of Insurance Premium	2,500	2,500
		Amount Payable / (Receivable) at the Balance Sheet Date	Nil	107,628
Indian Potash Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	44,302	73,872
		Claim paid on direct basis	26,892	85,197
		Payment of Rent and other expenses	537	1,820
		Deposit of Insurance Premium	100	100
Tokio Marine Asia Pte Ltd (formerly Millea Asia Pte Ltd)	Promoters with more than 20% Voting rights	Payment of Fee Professional Fee	2,149	1,670
		Claim/Reimbursement of Expenses	743	848
Tokio Marine & Nichido Fire Insurance Co Ltd	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	382,997	199,708
		Commission Earned on Premium Ceded	80,215	42,736
		Losses Recovered from Re-insurer	204,410	200,969
		Claim/Reimbursement of Expenses	236	310
		Amount Payable / (Receivable) at the Balance Sheet Date	(69,054)	(8,639)
Tokio Marine Claim Service Asia Pte Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Professional Fee	786	Nil
		Claim/Reimbursement of Expenses	317	699
		Payment of Fee	184	1,138
Tokio Marine Global Re Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	55,070	52,607
		Commission Earned on Premium Ceded	10,359	10,730
		Losses Recovered from Re-insurer	48,891	58,472
		Amount Payable / (Receivable) at the Balance Sheet Date	2,263	6,626
Tokio Marine Insurance (Malaysia) Behard	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	21	147
		Payment of Fee	223	66
Tokio Marine News Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	60	19
		Payment of Fee	66	98
Tokio Marine Services Europe Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	2,080	Nil
		Payment of Fee	1,904	Nil
TM Claim Services Inc.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	4,704	212
		Payment of Fee	1,466	1,053

Tokio Marine Management Australasia Pty Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	6	Nil
The Tokio Marine Claim Services Co Ltd	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	151	Nil
		Payment of Fee	259	Nil
Tokio Marine Insurance Singapore Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	Nil	95
TM Management Services Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	10	717
		Payment of Fee	571	292
Tokio Marine Cmpnania de Seguros S. A. de C.V.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	Nil	38
Tokio Marine Insurance (Thailand) Public Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	169	Nil
K. Srinivasa Gowda	Chairman	Payment of Rent on office Building	4,480	2,880
IFFCO-TOKIO Insurance Services Ltd	Subsidiary of the Cmpny with 100% Voting Rights	Premium accounted from direct business	3,535	3,064
		Claims paid on direct basis	2,100	2,284
		Recovery of Expenses	5,713	6,807
		Payment of - Commission	67,112	55,689
		Payment of Service Charges	574.885	445,440
		Amount Payable / (Receivable) at the Balance Sheet Date	63,675	42,168

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



4. Accounting Standard-19 "Leases"

In respect of premises taken on operating lease, the lease agreements are mutually renewable/ cancellable by the lessor/lessee.

- (i) Amount charged to revenue accounts for cancellable operating lease is ₹292,818 thousand (Previous year ₹ 251,665 thousand).
- (ii) Amount recovered/recoverable and appearing in the revenue account in regard to sub leases is ₹2,726 thousand. (Previous year ₹4,822 thousand)

5. Accounting Standard -20 "Earnings Per Share"

	2013-14	2012-13
a) Net Profit/(Loss) available for Equity Shareholders (₹ '000)	2,160,850	1,347,921
b) Weighted Average number of Equity Shares outstanding during the year (No. of Units in Thousand)	269,322	269,322
c) Basic and Diluted Earning per Share (Equity Share of Face Value of ₹10/- each)	8.02	5.00

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

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

(₹ in '000)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Liabilities	Assets	Liabilities	Assets
Depreciation	-	11,160	-	8,350
Expenditure accrued but not deductible for tax purposes, allowable on actual payment	-	33,245	-	23,180
Unexpired Risk reserve provided in excess of limit specified in Income Tax Act	-	36,095	-	32,970
<b>Total</b>	<b>-</b>	<b>80,500</b>	<b>-</b>	<b>64,500</b>
Net Deferred tax asset	-	80,500	-	64,500

Net increase in Deferred Tax asset for the year ₹16,000 thousand has been recognized in the Profit & Loss Account (previous year charge of ₹331,500 Thousand).

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 31.03.2014 and hence disclosure relating to amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been given.

As per our Report of even date attached.

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

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

**K. K. Gangopadhyay**  
Partner  
Membership No. 013442

**Rohit Mehta**  
Partner  
Membership No. 91382

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014

For and on behalf of Board of Directors

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

**M. K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

# MANAGEMENT **REPORT**

## Attached to the Financial Statements for the year ending 31<sup>st</sup> March, 2014

1. The registration granted by the Insurance Regulatory and Development Authority has been renewed from time to time and the same is valid upto 31<sup>st</sup> March, 2015.
2. It is confirmed that all the dues payable to the statutory authorities' upto 31<sup>st</sup> March, 2014 were duly paid.
3. The shareholding pattern as on 31<sup>st</sup> March, 2014 was as under which is in accordance with the statutory requirements:

(₹ in Crores)

Shareholders	Year ended 31 <sup>st</sup> March, 2014		Year ended 31 <sup>st</sup> March, 2013	
	₹ In Crores	%	₹ In Crores	%
<b>Indian:</b>				
Indian Farmers Fertilizers Co-op Ltd.	195.63	72.64	195.63	72.64
Indian Potash Ltd.	3.66	1.36	3.66	1.36
Sub-Total	199.29	74.00	199.29	74.00
<b>Foreign:</b>				
Tokio Marine Asia Pte., Ltd.	70.03	26.00	70.03	26.00
<b>Total</b>	<b>269.32</b>	<b>100.00</b>	<b>269.32</b>	<b>100.00</b>

4. It is confirmed that no part of funds of the Policy holders were directly or indirectly invested outside India during the year.
5. It is confirmed that solvency margins as required under the IRDA Act and Regulations were maintained during the year.
6. It is certified that the value of the assets have been reviewed on the date of the Balance Sheet and that in the opinion of the management, the assets set forth in the Balance Sheet as on 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014.
9. The information relating to ageing of claims on gross basis indicating the trend of average claim settlement time upto the financial year ended 31<sup>st</sup> March, 2014 is as under:

(₹ In '000)

Claims Outstanding	Year ending 31 <sup>st</sup> March, 2014						Year ending 31 <sup>st</sup> March, 2013					
	LESS THAN 30 DAYS	30 DAYS TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	5 YEARS AND ABOVE	Total	LESS THAN 30 DAYS	30 DAYS TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	5 YEARS AND ABOVE	Total
FIRE	168,815	373,920	621,677	1,404,013	194,135	2,762,561	26,331	737,274	908,157	685,989	75,650	2,433,400
Marine Cargo	60,301	101,328	78,443	317,348	50,039	607,458	47,292	126,863	104,918	458,828	21,117	759,019
Marine Hull	485	1,390	34,642	205,630	44,134	286,280	-	849	8,684	34,603	43,016	87,152
Motor - OD	240,958	492,797	220,810	89,570	12,059	1,056,194	236,688	538,353	146,947	97,965	12,621	1,032,574
Motor - TP	19,602	144,435	712,235	4,398,685	1,221,347	6,496,305	342	179,842	610,386	4,242,923	933,188	5,966,681
Engineering	27,114	105,810	363,912	506,435	27,879	1,031,150	7,219	70,115	141,831	430,322	33,072	682,560
Aviation	5,654	-	-	294,799	4,206	304,660	-	1,920	1,022	295,975	88	299,006
Workmen Compensation	921	11,323	10,741	14,495	2,925	40,404	1,671	5,023	4,445	10,923	1,411	23,473
Personal Accident	9,907	36,103	32,920	30,594	1,231	110,754	507	28,548	21,324	23,040	979	74,398
Product/Public Liability	-	3,301	18,887	100,089	9,486	131,763	-	276	4,704	110,183	9,747	124,910
Health	135,784	166,769	16,378	14,635	2,355	335,921	115,657	41,980	24,344	28,198	751	210,930
Other Misc.	208,214	474,499	702,243	751,536	18,992	2,155,485	341,462	522,949	135,491	629,208	12,110	1,641,220
<b>Total</b>	<b>877,755</b>	<b>1,911,674</b>	<b>2,812,888</b>	<b>8,127,828</b>	<b>1,588,789</b>	<b>15,318,934</b>	<b>777,168</b>	<b>2,253,993</b>	<b>2,112,254</b>	<b>7,048,158</b>	<b>1,143,749</b>	<b>13,335,322</b>

Claims Outstanding	Year ending 31 <sup>st</sup> March, 2014						Year ending 31 <sup>st</sup> March, 2013					
	LESS THAN 30 DAYS	30 DAYS TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	5 YEARS AND ABOVE	Total	LESS THAN 30 DAYS	30 DAYS TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	5 YEARS AND ABOVE	Total
FIRE	50	113	183	711	97	1,154	10	107	158	555	92	922
Marine Cargo	138	374	121	203	204	1,040	143	441	179	260	197	1,220
Marine Hull	2	5	10	43	20	80	-	2	4	50	16	72
Motor - OD	7,047	6,434	1,525	669	84	15,759	7,878	8,299	1,654	1,068	80	18,979
Motor - TP	3	714	3,254	21,469	8,133	33,573	7	954	2,940	23,645	7,106	34,652
Engineering	20	125	156	726	85	1,112	40	172	166	573	60	1,011
Aviation	-	-	-	79	4	83	-	3	8	70	2	83
Workmen Compensation	18	108	58	60	23	267	24	66	20	58	14	182
Personal Accident	68	551	536	239	129	1,523	41	439	341	220	130	1,171
Product/Public Liability	-	8	9	47	27	91	-	3	10	90	22	125
Health	777	864	238	213	17	2,109	464	521	397	297	61	1,740
Other Misc.	94	262	213	218	52	839	56	298	139	222	38	753
<b>Total</b>	<b>8,217</b>	<b>9,558</b>	<b>6,303</b>	<b>24,677</b>	<b>8,875</b>	<b>57,630</b>	<b>8,663</b>	<b>11,305</b>	<b>6,016</b>	<b>27,108</b>	<b>7,818</b>	<b>60,910</b>

10. As at 31<sup>st</sup> March, 2014, 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 '000)

		Government Securities	Bonds	Mutual Fund
1.	Acquisition Cost of Securities held	117,047	104,287	-
2.	Amortized value of securities as at (1)	115,123	104,183	-
3.	Market Value of securities as at (1)	110,293	106,770	-
4	Value of (1) as appearing in the balance sheet	115,123	104,183	-

11. The investments held by the Company carry maximum liquidity since they are normally traded in the secondary market and have adequate safety in terms of recovery of principal and interest. During the year, the Company earned an Investment income of ₹ 320.09 Crores (Previous year ₹ 254.75 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 '000)

S. No.	Name of the Director	Entity in which Director is Interested	Interested as	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
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 Director	4,884	3,336
2	Dr. P. S. Gahlaut Dr. U. S. Awasthi Mr. B. S. Nakai	Indian Potash Ltd.	Managing Director Director Director	274	870
3	Dr. B. S. Vishwanathan Mr. K. S. Gowda	Karnataka State Cooperative Marketing Federation Ltd.	Director Director	14	13

4	Dr. U. S. Awasthi Mr. Rakesh Kapur Dr. P. S. Gahlaut	Fertiliser Association of India Ltd.	Director Director Director	76	69
5	Mr. K. S. Gowda Mr. Rakesh Kapur Dr. P. S. Gahlaut Mr. Yogesh Lohiya Mr. Ichiro Maeda	IFFCO-Tokio Insurance Services Ltd.	Director Director Director Director Director	6,441	5,034

For and on behalf of Board of Directors

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

**M. K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

Place: New Delhi,  
Date: 29<sup>th</sup> April, 2014.

**IFFCO-TOKIO**



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

## **BOARD OF DIRECTORS**

K. Srinivasa Gowda

Chairman

N. K. Kedia

Vice Chairman

Dr. P. S. Gahlaut

Director

Rakesh Kapur

Director

V. P. S. Parihar

Director

Yogesh Lohiya

Director

Ichiro Maeda

Director

## **SENIOR EXECUTIVES**

Joydeep Roy

Chief Executive Officer

## **AUDITORS**

M/s Raghu Nath Rai & Co.

## **BANKERS**

Deutsche Bank,

HDFC Bank,

## **REGISTERED OFFICE**

IFFCO Sadan, C-1,  
District Centre, Saket  
Plot No. 3, Sector 29,  
New Delhi-110017

## **CORPORATE OFFICE**

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

## NOTICE OF 11<sup>TH</sup> ANNUAL GENERAL MEETING

### TO THE MEMBERS

NOTICE is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO Insurance Services Limited** will be held on **Wednesday, the 21<sup>st</sup> May, 2014 at 4.00 P.M. at the Registered Office** of the Company at **IFFCO SADAN, C-1 DISTRICT CENTRE, SAKET, NEW DELHI- 110017** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and the Profit & Loss Account for the year ended as on the date together with the Auditors Report thereon and the Reports of the Board of Directors to the members.
2. To appoint Director in place of Mr. Rakesh Kapur who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. Veer Pratap Singh who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration and for this purpose to consider and if thought fit, to pass the following Resolution with or without modification, as an Ordinary Resolution:

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

Regd. Office: IFFCO Sadan,  
C-1 District Centre, Saket,  
New Delhi - 110017  
Date: 28<sup>th</sup> April, 2014

By order of the Board

**(Joydeep Roy)**  
Chief Executive Officer

### Note:

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

## DIRECTORS' REPORT

### To the Members

- 1.0** Your Directors have pleasure in presenting to you the Eleventh Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2014 along with the Auditors' Report thereon.

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

### 2.0 Financial Highlights

Members will be pleased to note that your Company earned a profit before tax of ₹33.36 Lakhs against a budgeted estimate of ₹34.00 Lakhs. During the financial year ended 31<sup>st</sup> March 2014, your Company had generated a gross written premium of ₹133.43 Crores for ITGI. Furthermore, your Company serviced a premium valuing ₹1168.74 Crores. The breakup of premium serviced through Individual Agency Model, Cooperative Channels, Strategic Tie ups and Others is detailed below:-

(₹ In Crores)

Procurement	GWP For 2013-14
Direct Channel	133.43

(₹ In Crores)

MODEL	GWP For 2013-14
Individual Agency Model	527.30
Cooperative Channels	138.12
Strategic Tie-ups	96.94
Others (PA/OEM/Various Dealers)	406.41
<b>Total</b>	<b>1168.77</b>

### 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 725 employees on its permanent rolls as on 31<sup>st</sup> March 2014. In addition to the employees on permanent rolls the Company also has 313 Sr. Marketing Executives and Marketing Executives and 2 Graduate Trainees as on 31<sup>st</sup> March 2014. Your Company has utilized the services of 538 Relationship Executives and Customer Care Associates for servicing ITGI customers and tie up arrangements.

- 4.1** The training of manpower has been consolidated through both on-line modules and various class room trainings for employees and trainees to enhance their functional skills and efficiency. The company also conducted training for the marketing personnel as required under the IRDA regulations. During the year a total of 1004 persons were trained in the class mode. The Gurukul Training facility was utilized to train 900 employees / trainees during the year.

## **5.0 Marketing Strategy**

- 5.1 Members are kindly aware that your Company distributes ITGI products in the market through its network of employees and trainees. With a view to penetrate deeper into the market and enhance distribution/sale of ITGI products, your Company has strengthened and successfully expanded the concept of Lateral Spread Centers. These centers have helped ITGI to enhance its presence in small but potential centers at a lower cost. These centers have jointly procured Gross Written Premium of ₹780.12 Crores for ITGI at an average expense ratio of 3.57% The total number of LSCs as of 31<sup>st</sup> March, 2014 is 124.
- 5.2 Two other servicing models viz: Cooperative Model and Individual Agency Model were further strengthened during the year to penetrate further in the retail segment. The Company deployed its manpower to recruit, train and monitor Individual agents in the retail segment and also agents from cooperatives back ground. During the year the Company deployed 352 employees and 268 trainees to manage these two models.
- 5.3 Your Company continues to play an important role in servicing of ITGI customers. The Service channel consisting of Relationship Executives and Customer care Associates (on outsourced basis) has yielded very good response from the market. During the year, your Company had actively promoted and sold the Barish Bima Yojana, Janta Bima Yojana and Mausam Bima Yojana and other weather products launched by ITGI.

## **6.0 Corporate Governance**

The Executive Committee is responsible for finalization of Business Plan, Annual Budgets, Review of Operations, Review of Performance of Personnel and HR matters. During the period, eight meetings of Executive Committee and four meetings of Board of Directors were held which were well attended.

## **7.0 Auditor's Observations**

The Report of the Auditors to the shareholders of the Company is annexed to the financial statements for the period 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014. There are no specific observations in the report of the Auditors which require clarification.

## **8.0 Future Plan**

Your Company has to render dedicated services as a corporate agent to IFFCO TOKIO, it has drawn a Business Plan for the ensuing year 2014-15 as per the direction provided by ITGI. The Company has drawn up plans to strengthen the Direct Channel further and meet the challenges of de-tariffing through its trained direct sales force. The Blue Ocean Strategy adopted by the Company in the form of managing its geographical spread into B and C centers through Lateral Spread offices and Bima Kendra's is going to be driven in a planned manner. The emphasis will be on Bima Kendra's 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 utilization.

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

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

## 10.0 Directors' Responsibility Statement

The Board of Directors of your Company confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at 31<sup>st</sup> March, 2014 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 2014-15.

## 12.0 Board of Directors

Pursuant to Article 78 of the Article of Association of your Company, Mr. Rakesh Kapur and Mr. Veer Pratap Singh, Directors retire by rotation at this Annual General Meeting and being eligible to offer them for re-appointment.

## 13.0 Acknowledgment

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.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 28<sup>th</sup> April, 2014

**(K. Srinivasa Gowda)**  
Chairman

## COMPLIANCE CERTIFICATE

Registration No.: 55-121571

Nominal Capital: ₹200 Lac

To  
The Members,  
IFFCO TOKIO INSURANCE SERVICES LIMITED

I have examined the registers, records, books and papers of **IFFCO TOKIO INSURANCE SERVICES LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March, 2014**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year-

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provision of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with Registrar of Companies, Regional Director, and Central Government. Company Law Board or other authorities within the time prescribed under the Act and the ruled made their under.
3. The Company is a Public Limited Company and has minimum prescribed paid up capital.
4. The Board of Director duly met **4 times** on **11<sup>th</sup> May'13, 21<sup>st</sup> August'13, 29<sup>th</sup> October'13 and 10<sup>th</sup> February'14** respectively 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 31.03.2013 was held on 24<sup>th</sup> June, 2013 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Registers maintained u/s 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
  - (i) has no allotment/ transfer/ transmission of Securities during the financial Year;
  - (ii) has not deposited any amount in a separate Bank account as no divided was declared during the Financial Year;
  - (iii) was not required to post warrants to any member of the company as no divided was declared during the Financial Year;

- (iv) was not required to transfer the amounts in unpaid dividend account, Application Money due for refund, matured deposits, matured debentures, and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to investor Education and Protection Fund;
  - (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Re-appointment of Directors u/s 256 has been duly made during the financial year.
  15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
  16. The Company has not appointed any sole selling agents during the financial year.
  17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under various provisions of the Act during the financial year.
  18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares, debentures or other securities during the financial year.
  20. The Company has not bought back any shares during the financial year.
  21. There was no redemption of preference shares or debentures during the financial year.
  22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registrations of transfer of shares.
  23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
  24. The Company has no transactions falling under Section 293(1) (d) of the Act.
  25. The Company has no transactions as per Section 372A of the Act during the financial year.
  26. The Company has not altered the provision of the memorandum with respect to situation of the Companies Registered Office from one state to another during the year under scrutiny.
  27. The Company has not altered the provision of the memorandum with respect to object of the Company during the year under scrutiny.
  28. The Company has not altered the provision of the memorandum with respect to name of the Company during the financial year under scrutiny.
  29. The Company has not altered the provision of the memorandum with respect to share capital of the Company during the year under scrutiny.
  30. The Company has not altered its Articles of Association during the financial year.
  31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
  32. The Company has not received any money as security from its employees during the financial year.
  33. The Company has deposited provident fund of the employees in accordance with Employees' Provident Fund Act, 1952.

**For Sudhanshu Gupta & Associates**  
Company Secretaries

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

Place: New Delhi,  
Date: 25<sup>th</sup> April, 2014.



## Annexure -A

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

## Annexure-B

**Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending 31<sup>st</sup> March, 2014**

S. No.	Form No.	Filed u/s	For	Date of Filing	Whether filed within prescribed time yes/ no	If delay in filing whether requisite additional fee paid yes/ no
1	Form 20B	159	24-06-2013	31-07-2013	Yes	NA
2	Form 23AC & 23ACA	220	24-06-2013	23-07-2013	Yes	NA
3	Form 66	383A	24-06-2013	23-07-2013	Yes	NA
4	Form 23	224A	24-06-2013	22-07-2013	Yes	NA
5	Form 32	303	15-02-2013	23-07-2013	Yes	NA
6	Form 32	303	01-07-2012	23-07-2013	No	Yes

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IFFCO TOKIO INSURANCE SERVICES LIMITED

We have audited the accompanying financial statements of **IFFCO TOKIO Insurance Services Limited ("the Company")**, which comprise the Balance Sheet as at **31<sup>st</sup> March 2014**, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: New Delhi,  
Date: 28<sup>th</sup> April, 2014.

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

**Sharat Prakash**  
Partner  
Membership No. 96267

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of IFFCO TOKIO Insurance Services Limited on the accounts of the Company for the year ended 31<sup>st</sup> March, 2014.**

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. The Company does not have any inventory. Therefore, the Clause 4 (ii) of CARO is not applicable to the Company.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the Order are not applicable to the Company.  
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and payment for expenses & for sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions the particulars of which need to be entered into the register maintained under Section 301.
6. The Company has not accepted any deposits from the public covered under Section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its Business.
8. Clause 4 (viii) of CARO is not applicable to the Company during the year, as the Company is not doing any production.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and as per information and explanations given to us, the Company has neither taken any loan from banks or financial institutions nor issued any debentures. Therefore 4(xi) is not applicable to the Company.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a Nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of Clause (xiv) of CARO is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the Management, we report that the Company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the Management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the Management.

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

**Sharat Prakash**  
Partner  
Membership No. 96267

Place: New Delhi,  
Date: 28<sup>th</sup> April, 2014.

## IFFCO TOKIO INSURANCE SERVICES LIMITED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014

S. No.	Particulars	Notes No.	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholder's funds</b>			
	a) Share capital	1	50,00,000	50,00,000
	b) Reserves and Surplus	2	1,14,39,403	91,43,171
<b>(2)</b>	<b>Non-current liabilities</b>			
	a) Long-term provisions	3 (a)	2,58,30,313	1,57,42,746
<b>(3)</b>	<b>Current liabilities</b>			
	a) Other current liabilities	4	68,75,266	44,65,978
	b) Short term provisions	3 (b)	13,47,33,256	11,03,20,002
	<b>TOTAL</b>		<b>18,38,78,238</b>	<b>14,46,71,897</b>
<b>II.</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current assets</b>			
	a) Tangible fixed assets			
	Gross block		5,85,813	5,85,813
	Less : Accumulated depreciation		(5,85,813)	(5,85,813)
	Net block		-	-
	b) Deferred tax assets (Net)		84,90,000	57,60,000
	c) Long term loans & advances	5	76,00,000	76,00,000
<b>(2)</b>	<b>Current assets</b>			
	a) Trade receivables	6	6,36,75,216	4,21,68,063
	b) Cash and cash equivalents	7	1,39,98,584	1,02,29,090
	c) Short term loans and advances	8	8,04,77,321	7,01,47,100
	d) Other current assets	9	96,37,118	87,67,645
	<b>TOTAL</b>		<b>18,38,78,238</b>	<b>14,46,71,897</b>

### Notes to Accounts

16

### Notes 1 to 16 form an Integral part of Financial Statements

As per our report of even date attached

### For Raghu Nath Rai & Co.

Chartered Accountants  
FRN No. 000451N

### Sharat Prakash

Partner  
M. No. 96267

Place : New Delhi,  
Date : 28<sup>th</sup> April, 2014.

### For IFFCO TOKIO Insurance Services Ltd.

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Director

**Ichiro Maeda**  
Director

**Joydeep Roy**  
CEO

**IFFCO TOKIO INSURANCE SERVICES LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

S. No.	Particulars	Notes No.	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
I	<b>Revenue</b>			
	Revenue from operations	10	64,19,96,682	50,11,29,267
	Other income	11	42,89,139	44,21,690
	<b>Total Revenue</b>		<b>64,62,85,821</b>	<b>50,55,50,957</b>
II	<b>Expenses:</b>			
	Employees benefits expenses	12	53,74,77,859	40,30,56,387
	Finance costs	13	2,48,302	5,41,155
	Other expenses	14	10,52,21,064	9,92,59,836
	<b>Total Expenses</b>		<b>64,29,47,225</b>	<b>50,28,57,379</b>
III	<b>Profit before exceptional and extraordinary items and tax</b>		<b>33,38,596</b>	<b>26,93,579</b>
IV	Exceptional items		(2,364)	4,322
V	Profit before extraordinary items and tax		33,36,232	26,97,901
VI	Extraordinary items		-	-
VII	<b>Profit before tax</b>		<b>33,36,232</b>	<b>26,97,901</b>
VIII	Tax expense:			
	(1) Current tax		19,00,000	5,90,000
	(2) Deferred tax		(27,30,000)	(12,35,000)
	(3) Tax adjustments for earlier years		18,70,000	17,66,772
IX	<b>Profit/(Loss) for the period</b>		<b>22,96,232</b>	<b>15,76,129</b>
X	Earning per equity share:	15		
	(1) Basic		4.59	3.15
	(2) Diluted		4.59	3.15

**Notes to Accounts**

16

**Notes 1 to 16 form an Integral part of Financial Statements**

As per our report of even date attached

For IFFCO TOKIO Insurance Services Ltd.

**For Raghu Nath Rai & Co.**

Chartered Accountants

FRN No. 000451N

**Sharat Prakash**

Partner

M. No. 96267

Place : New Delhi,

Date : 28<sup>th</sup> April, 2014.

**K. Srinivasa Gowda**

Chairman

**Yogesh Lohiya**

Director

**Ichiro Maeda**

Director

**Joydeep Roy**

CEO

## IFFCO TOKIO INSURANCE SERVICES LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

Notes	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
A.	<b>Cash flow from operating activities</b>		
	Net Profit / (Loss) before extraordinary items and tax	33,36,232	26,97,901
	<u>Adjustment for:</u>		
	Long term provision	1,00,87,567	34,78,814
	Advance Tax	-	(2,91,771)
	Provision for FBT recoverable w/o	-	(22,00,000)
	Provision for Income Tax w/o	(23,45,000)	(11,80,000)
	<u>Less: Non Operating Activities:</u>		
	Interest Income	(13,26,078)	(13,50,661)
	<b>Operating profit / (loss) before working capital changes</b>	<b>97,52,721</b>	<b>11,54,283</b>
	<u>Adjustments for (increase) / decrease in operating assets:</u>		
	Decrease/(Increase) in Trade receivables	(2,15,07,153)	(4,01,90,336)
	Decrease/(Increase) in Short-term loans and advances	(4,28,80,171)	(3,35,77,137)
	Decrease/(Increase) in Other Current Assets	(8,69,473)	(10,30,041)
	(Decrease)/Increase in Provisions	2,29,88,254	4,00,56,100
	(Decrease)/Increase in Other current liabilities	24,09,288	6,49,679
		<b>(3,98,59,255)</b>	<b>(3,40,91,735)</b>
	Cash generated from operations	<b>(3,01,06,534)</b>	<b>(3,29,37,452)</b>
	Net income tax (paid) / refunds	3,25,49,950	3,22,12,380
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>24,43,416</b>	<b>(7,25,072)</b>
B.	<b>Cash flow from investing activities</b>		
	Fixed Deposit created	3,25,00,000	3,25,00,000
	Fixed Deposit matured	(3,25,00,000)	(3,25,00,000)
	Interest Income	13,26,078	13,50,661
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>13,26,078</b>	<b>13,50,661</b>
C.	<b>Cash flow from financing activities</b>		
	<b>Net cash flow from / (used in) financing activities (C)</b>	-	-
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	<b>37,69,494</b>	<b>6,25,589</b>
	Cash and cash equivalents at the beginning of the year	52,29,090	46,03,501
	Cash and cash equivalents at the end of the year	<b>89,98,584</b>	<b>52,29,090</b>
	Cash and cash equivalents at the end of the year comprises		
	(a) Cash on hand	10,73,301	8,55,381
	(c) Balances with banks	79,25,283	43,73,709
		<b>89,98,584</b>	<b>52,29,090</b>

Notes to Accounts

16

Notes 1 to 16 form an Integral part of Financial Statements

For IFFCO TOKIO Insurance Services Ltd.

As per our report of even date attached

**For Raghu Nath Rai & Co.**

Chartered Accountants

FRN No. 000451N

**Sharat Prakash**

Partner

M. No. 96267

Place : New Delhi,

Date : 28<sup>th</sup> April, 2014.

**K. Srinivasa Gowda**

Chairman

**Yogesh Lohiya**

Director

**Ichiro Maeda**

Director

**Joydeep Roy**

CEO



## IFFCO TOKIO INSURANCE SERVICES LIMITED NOTES TO BALANCE SHEET

Notes No.	Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
1	<b>SHARE CAPITAL</b>		
	<b>Equity share capital</b>		
	<b>Authorised :</b> 2000000 Equity Shares of Rs.10 each	<b>2,00,00,000</b>	<b>2,00,00,000</b>
	<b>Issued, Subscribed &amp; Paid up:</b> 500000 Equity Shares of Rs.10 each fully paid up (100% shares held by IFFCO TOKIO General Insurance Co. Ltd.)	<b>50,00,000</b>	<b>50,00,000</b>
	<b>Reconciliation of number of shares outstanding at the beginning &amp; at the end of the reporting period</b>		
	<u>Equity Shares</u>		
	Number of Shares at the beginning	5,00,000	5,00,000
	Add: Shares issued during the period	-	-
	Number of Shares at the end	5,00,000	5,00,000
	<b>Shares in the Company held by each Shareholder holding more than 5% shares</b>		
	Name of the Shareholder IFFCO TOKIO General Insurance Co. Ltd.		
	No. of Shares	5,00,000	5,00,000
	% Shareholding	100	100
2	<b>RESERVES AND SURPLUS</b>		
	<b>Surplus in the Statement of Profit &amp; Loss</b>		
	<b>Balance as per Last Financial Statements</b>	91,43,171	75,67,042
	<b>Profit for the Year</b>	22,96,232	15,76,129
	<b>Total</b>	<b>1,14,39,403</b>	<b>91,43,171</b>
3	<b>PROVISIONS</b>		
3 (a)	<b>Non-Current</b>		
	Provision for gratuity	45,47,429	14,35,702
	Provision for leave encashment	2,12,82,884	1,43,07,044
		<b>2,58,30,313</b>	<b>1,57,42,746</b>
3 (b)	<b>Current</b>		
	Provision for leave encashment	55,05,698	35,26,661
	Provision for expenses	11,30,36,838	9,49,04,523
	Provision for income tax	43,60,000	29,35,000
	Provision for leave travel subsidy	1,18,30,720	89,53,818
		13,47,33,256	11,03,20,002
	<b>Total</b>	<b>16,05,63,569</b>	<b>12,60,62,748</b>
4	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory dues	39,28,834	19,76,735
	Amount payable for services	2,65,586	2,86,686
	Other liabilities	26,80,846	22,02,558
	<b>Total</b>	<b>68,75,266</b>	<b>44,65,978</b>
5	<b>LONG TERM LOANS &amp; ADVANCES</b>		
	Inter-Corporate Deposit	76,00,000	76,00,000
	<b>Total</b>	<b>76,00,000</b>	<b>76,00,000</b>

Notes No.	Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
6	<b>TRADE RECEIVABLES</b> Unsecured, considered good unless stated otherwise - Outstanding for a period exceeding six months - Other receivables *  * Includes due from related parties ₹4,21,68,063 (Previous Year: ₹19,77,727)	- 6,36,75,216	- 4,21,68,063
	<b>Total</b>	<b>6,36,75,216</b>	<b>4,21,68,063</b>
7	<b>CASH AND CASH EQUIVALENTS</b> Cash in hand Balance with scheduled banks - In current accounts - In fixed deposits accounts	10,73,301 79,25,283 50,00,000	8,55,381 43,73,709 50,00,000
	<b>Total</b>	<b>1,39,98,584</b>	<b>1,02,29,090</b>
8	<b>SHORT TERM LOANS &amp; ADVANCES</b> <b>Unsecured, considered good</b> Advance recoverable in cash or kind Balances with statutory authorities Prepaid expenses	37,50,740 7,56,84,575 10,42,007	22,20,569 6,69,69,229 9,57,303
	<b>Total</b>	<b>8,04,77,321</b>	<b>7,01,47,100</b>
9	<b>OTHER CURRENT ASSETS</b> Rent deposits Interest accrued but not due on deposits	83,85,150 12,51,968	79,99,244 7,68,401
	<b>Total</b>	<b>96,37,118</b>	<b>87,67,645</b>

## IFFCO TOKIO INSURANCE SERVICES LIMITED NOTES TO PROFIT & LOSS STATEMENT

Notes No.	Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
10	<b>REVENUE FROM OPERATIONS</b> Agency commission Fees for services provided to ITGI	6,71,11,682 57,48,85,000	5,56,89,267 44,54,40,000
	<b>Total</b>	<b>64,19,96,682</b>	<b>50,11,29,267</b>
11	<b>OTHER INCOME</b> Interest income Miscellaneous income	35,97,003 6,92,136	37,50,363 6,71,327
	<b>Total</b>	<b>42,89,139</b>	<b>44,21,690</b>
12	<b>EMPLOYEES BENEFITS EXPENSES</b> Salaries & Other allowances Stipend & Incentives to trainees Contribution to provident fund Staff welfare expenses Other benefits Outsourcing expenses Managerial sitting & traveling fees	33,86,83,509 13,04,56,559 92,28,839 52,53,603 2,72,70,103 2,63,00,446 2,84,800	25,86,90,169 9,19,20,729 66,22,712 44,08,995 1,60,58,734 2,52,37,448 1,17,600
	<b>Total</b>	<b>53,74,77,859</b>	<b>40,30,56,387</b>
13	<b>FINANCE COST</b> Bank charges DD charges	1,17,469 1,30,833	1,12,997 4,28,158
	<b>Total</b>	<b>2,48,302</b>	<b>5,41,155</b>

Notes No.	Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
14	<b>OTHER EXPENSES</b>		
	Advertisement	412	1,54,746
	Books & Periodicals	2,22,740	1,05,366
	Campaign expenses	31,51,400	5,86,710
	Communication expenses	1,11,61,212	1,13,36,505
	Rent	3,00,57,240	3,10,01,300
	Repair & Maintenance	86,21,931	71,67,690
	Training expenses	58,92,788	32,86,494
	Travelling and conveyance	1,98,99,461	2,21,37,880
	Printing and stationery	89,94,559	82,82,373
	Legal & Professional expenses	52,31,726	44,36,653
	Insurance charges	36,86,029	34,51,335
	Electricity & Water charges	80,75,885	69,42,945
	Miscellaneous expenses	75,680	2,09,839
	<u>Payment to Auditors</u>		
	Audit fee	1,20,000	1,20,000
	Tax audit fees	30,000	30,000
	Others	-	10,000
	<b>Total</b>	<b>10,52,21,064</b>	<b>9,92,59,836</b>
15	<b>EARNING PER SHARE</b>		
	I) Net Profit as per Profit and Loss account available for Equity Shareholders	22,96,232	15,76,129
	II) Weighted average number of equity share for Earning Per Share computation		
	(a) For Basic Earning Per Share of ₹ 10 each No's	5,00,000	5,00,000
	(b) For Diluted Earnings Per Share of ₹ 10 each No's		
	III) EPS (Weighted Average)		
	Basic (Rupees)	4.59	3.15
	Diluted (Rupees)	4.59	3.15

## NOTE - 16

### NOTES FORMING PART OF ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### a) Accounting Convention

The Financial Statements are prepared under Historical Cost Convention and on the accrual basis of accounting in accordance with the General Accepted Accounting Principles in India, and confirm to the statutory requirements prescribed under the Companies Act, 1956 including Accounting Standards notified there under.

##### b) Use of Estimates

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

##### c) Revenue Recognition

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

##### d) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on Fixed Assets is provided on Written Down Value 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 ₹82,08,703 (Previous year ₹58,89,944) for provident fund contribution in the profit loss account.

#### b) Defined Benefit Plans

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

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

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Discount Rate (Per Annum)	9.00%	8.00%	9.00%	8.00%
Rate of Increase in compensation level*	10.00%	10.00%	10.00%	10.00%

- Considered taking into account inflation, seniority, promotion and other relevant factors. Summarized position of employee benefits to be recognized in Balance Sheet and Profit & Loss Account as required in accordance with Accounting Standard 15 (Revised) are as under:

#### I. Change in present value of obligation

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences (Unfunded)		Gratuity (Funded)	
	2013-14	2012-13	2013-14	2012-13
Projected Benefit obligation at beginning of year	1,78,33,705	1,37,02,838	71,33,375	54,62,562
Current Service Cost	56,80,977	50,72,659	21,18,943	19,06,256
Interest Cost	18,04,202	14,81,572	7,18,223	6,11,612
Actuarial Loss / (Gain) due to change in assumptions	33,94,013	(5,72,907)	13,44,013	(5,94,738)
Benefit Paid	(19,24,315)	(18,50,457)	(5,49,073)	(2,52,317)
Past service cost	-	-	-	-
Projected Benefit Obligation at End of year	2,67,88,582	1,78,33,705	1,07,65,481	71,33,375

## II. Amount to be recognized in the Balance Sheet

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Projected Benefit Obligation at End of the year	2,67,88,582	1,78,33,705	1,07,65,481	71,33,375
Ending Assets	-	-	62,18,052	56,97,673
Funded Status assets / (Liability)	(2,67,88,581)	(1,78,33,705)	45,47,429	14,35,702
Liability (-) / Assets (+) recognized in Balance sheet	(2,67,88,582)	(1,78,33,705)	45,47,429	14,35,702

## III. Expenses recognized in the Profit & Loss Account

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	56,80,977	50,72,659	21,18,943	19,06,256
Interest Cost	18,04,202	14,81,572	7,18,223	6,11,612
Expected Return on Plan Asset			(5,10,538)	(4,33,173)
Net actuarial (gain)/loss to be recognized in year	33,94,013	(5,72,907)	12,84,109	(6,48,993)
Past Service Cost			-	-
Income (-) / Expenses (+) recognized in the statement of Profit & Loss	1,08,79,192	59,81,324	36,10,737	14,35,702

## IV. Plan Assets (at Fair Value)

(Amount in ₹)

Particulars	Gratuity	
	2013-14	2012-13
Plan Assets at the beginning of the year	56,97,673	44,15,819
Expected Return on Plan Assets	5,10,538	4,33,173
Employer's Contribution	4,99,010	10,46,743
Benefit Payments	(5,49,073)	(2,52,317)
Asset Gain / (Loss)	59,904	54,255
Plan Assets at the end of the year	62,18,052	56,97,673

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

## B. Operating Leases

The Company's significant leasing agreements are in respect of operating leases of premises for the offices of the company. These leasing arrangements are usually renewable on mutually agreed terms but are cancellable. Amount charged to revenue accounts for cancellable operating lease is ₹3,00,57,240 (Previous year ₹3,10,01,300).

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	2013-14	2012-13
Net Profit/(Loss) as per Profit and Loss Account	22,96,232	15,76,129
Number of Equity Shares	5,00,000	5,00,000
Earnings per Share (Basic & Diluted)	4.59	3.15
Face Value per share	10	10

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

(Amount in ₹)

Particulars	Liabilities		Assets	
	2013-14	2012-13	2013-14	2012-13
Difference in book depreciation and tax depreciation	-	-	2,10,000	2,50,000
Expenditure Incurred but allowable under Income Tax Act on payment basis	-	-	82,80,000	55,10,000
Carried forward business loss as per Income Tax Act	-	-	-	-
<b>Total</b>	-	-	<b>84,90,000</b>	<b>57,60,000</b>

Net Deferred Tax Asset ₹84,90,000 (Previous year ₹57,60,000) in accordance with Accounting Standard 22 "Accounting for Taxes on Income" the credit of deferred tax amounting ₹27,30,000 (Previous Year ₹12,35,000) 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	64,19,96,682	50,11,29,267	-	-	-	-
2. Reimbursement of expenses	57,13,536	68,07,007	2,10,000	1,20,000	-	-
3. Employee Remuneration	-	-	-	-	32,87,640	25,15,342
4. Insurance Premium Paid	35,35,000	30,63,562	-	-	-	-
5. Insurance Claims Recd	21,00,455	22,84,407	-	-	-	-
6. Interest earned on fixed deposit receipts	-	-	7,22,001	7,22,001	-	-
7. Amount (payable) recoverable / at the balance sheet date	(6,36,75,216)	(4,21,68,063)	-	-	-	-
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 31<sup>st</sup> March, 2014.

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.  
**Services Ltd.**

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

**Sharat Prakash**  
Partner  
M.No: 96267

Place: New Delhi  
Date : 28<sup>th</sup> April, 2014

**For IFFCO TOKIO Insurance**

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Director

**Ichiro Maeda**  
Director

**Joydeep Roy**  
CEO



## Form No. MGT-11 PROXY FORM

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

### IFFCO TOKIO GENERAL INSURANCE CO. LTD.

Regd. Office: IFFCO Sadan, C1, Distt. Centre, Saket, New Delhi-110017  
CIN: U74899DL2000PLC107621

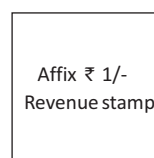
Name of the Member (s):.....  
 Registered Address: .....  
 E-mail Id:.....  
 Folio No/ Client Id:.....  
 DP Id: .....

I / We, being the member (s) of ..... shares of IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED, NEW DELHI, hereby appoint ..... of..... failing him/her .....of ..... or failing him/her ..... of .....as my/our proxy to attend and vote (on a poll) for me/us on my/ our behalf at the Fourteenth Annual General Meeting of the Company to be held on Wednesday, the 21<sup>st</sup> May, 2014 at 4.30 P.M. at IFFCO Sadan, C1, District Centre, Saket, New Delhi 110017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

Signed this the \_\_\_\_\_ day of \_\_\_\_\_ 2014



Signature of shareholder .....

Signature of Proxy holder(s) .....

**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)

Client ID/Ledger Folio No.:..... DP Id:..... No. of Shares:.....

I hereby record my presence at the 14<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 21<sup>st</sup> May, 2014 at 4.30 P.M. at IFFCO Sadan, C1, District Centre, Saket, New Delhi 110017.

Name of Shareholder:

Signature.....

# Notes

A series of horizontal dashed lines for writing notes.

