

# 15<sup>th</sup> ANNUAL REPORT

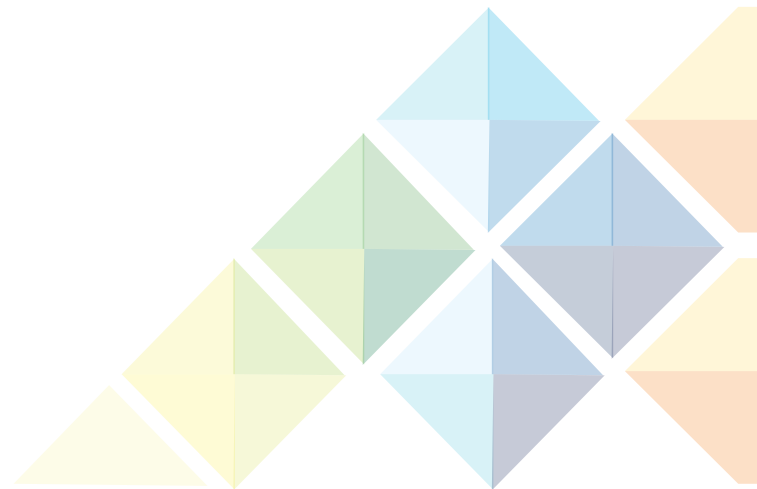
2014-2015





# CONTENTS ||

DIRECTORS' REPORT .....	7-36
AUDITORS' REPORT .....	37-41
ACCOUNTS .....	43-63
ACCOUNTING POLICIES & NOTES ON ACCOUNTS .....	65-82
MANAGEMENT REPORT .....	83-87
AUDITORS' REPORT - CONSOLIDATED .....	89-94
ACCOUNTS - CONSOLIDATED .....	95-115
ACCOUNTING POLICIES & NOTES ON ACCOUNTS - CONSOLIDATED .....	117-130
ACCOUNTS OF SUBSIDIARY COMPANY .....	131-152



## BOARD OF DIRECTORS ||



**K. Srinivasa Gowda**  
Chairman



**Lee King Chi Arthur**  
Vice Chairman



**Balwinder Singh Nakai**  
Director



**Dr. U. S. Awasthi**  
Director



**Rakesh Kapur**  
Director



**Dr. P. S. Gahlaut**  
Director



**Mira Mehrishi**  
Independent Director



**Sudhakar Rao**  
Independent Director



**Ashwani Kumar**  
Independent Director



**S. K. Kanwar**  
Independent Director



**Bahushrut Lugani**  
Independent Director



**Yogesh Lohiya**  
Managing Director &  
Chief Executive Officer



**Ichiro Maeda**  
Director (Operations)



**H. O. Suri**  
Director (Marketing)

#### **BOARD OF DIRECTORS**

K. Srinivasa Gowda  
Lee King Chi Arthur  
Balwinder Singh Nakai  
Dr. U. S. Awasthi  
Rakesh Kapur  
Ravindra Pratap Singh  
Dr. P. S. Gahlaut  
S. K. Kanwar  
Bahushrut Lugani  
Mira Mehrishi  
Sudhakar Rao  
Ashwani Kumar  
Yogesh Lohiya  
Ichiro Maeda  
H. O. Suri

Chairman  
Vice Chairman  
Director  
Director  
Director  
Director (Upto 16<sup>th</sup> October, 2014)  
Director  
Independent Director  
Independent Director  
Independent Director (From 24<sup>th</sup> November, 2014)  
Independent Director ( From 7<sup>th</sup> April, 2015)  
Independent Director (From 7<sup>th</sup> April, 2015)  
Managing Director & CEO  
Director (Operations)  
Director (Marketing)

#### **SENIOR EXECUTIVES**

M. K. Tandon  
Harbhajan Singh  
K. K. Aggarwal  
R. Kannan  
Parag Gupta  
Sanjay Seth  
Sanjeev Chopra  
Ramesh Kumar  
Sumesh Mahendra  
Abhay Kumar  
B. Ravinder  
V. Rajaraman  
Devpal Sisodia  
Gunashekhar Boga  
Abhijeet Chatterjee

Financial Advisor  
Financial Advisor (w.e.f 1<sup>st</sup> May, 2015)  
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  
Executive Vice President  
Executive Vice President  
Executive Vice President

#### **COMPANY SECRETARY**

Amit Jain

#### **STATUTORY AUDITORS**

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

#### **BANKERS**

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

#### **REGISTERED OFFICE**

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

#### **CORPORATE OFFICE**

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

## MANAGEMENT TEAM ||



	A	Yogesh Lohiya	Managing Director & CEO
	B	Ichiro Maeda	Director Operations
	C	H. O. Suri	Director Marketing
	D	M. K. Tandon	Financial Advisor
	E	Harbhajan Singh	Financial Advisor
	F	K. K. Aggarwal	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 & CFO
	K	Ramesh Kumar	Executive Vice President
	L	Sumesh Mahendra	Executive Vice President
	M	Abhay Kumar	Executive Vice President
	N	B. Ravinder	Executive Vice President
	O	V. Rajaraman	Executive Vice President
	P	Gunashekhhar Boga	Executive Vice President
	Q	Abhijeet Chatterjee	Executive Vice President

## NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

### TO THE MEMBERS

NOTICE is hereby given that the **FIFTEENTH ANNUAL GENERAL MEETING** of the Members of **IFFCO TOKIO General Insurance Company Limited** will be held on **Wednesday, the 17<sup>th</sup> June, 2015, at 3:30 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 Financial Statements and Consolidated Financial Statements of the Company as at 31<sup>st</sup> March, 2015 together with Auditors' Report thereon and the Report of the Board of Directors to the Members.
2. To appoint Director in place of Dr. P. S. Gahlaut, who retires by rotation and is eligible for reappointment.
3. 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 Statutory Auditors of the Company for the financial year 2015-16 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, which will be their 5<sup>th</sup> and 2<sup>nd</sup> consecutive year respectively within the period of five years in terms of section 139(1) of the Companies Act, 2013 on a remuneration decided by the Board of Directors."

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Ordinary Resolution(s)

**"RESOLVED THAT** the vacancy caused in the Board of Directors of the Company due to retirement of Mr. S. K. Kanwar shall not be filled up."

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Ordinary Resolution(s)

**"RESOLVED THAT** the vacancy caused in the Board of Directors of the Company due to retirement of Mr. Bahushrut Lugani shall not be filled up."

**Registered Office**  
IFFCO Sadan, C1,  
District Centre, Saket  
New Delhi - 110017.  
Dated: 5<sup>th</sup> May, 2015

By Order of the Board,  
  
**(AMIT JAIN)**  
Company Secretary

## NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint 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 10<sup>th</sup> June, 2015 to 17<sup>th</sup> June, 2015. (both days inclusive)

## **Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business**

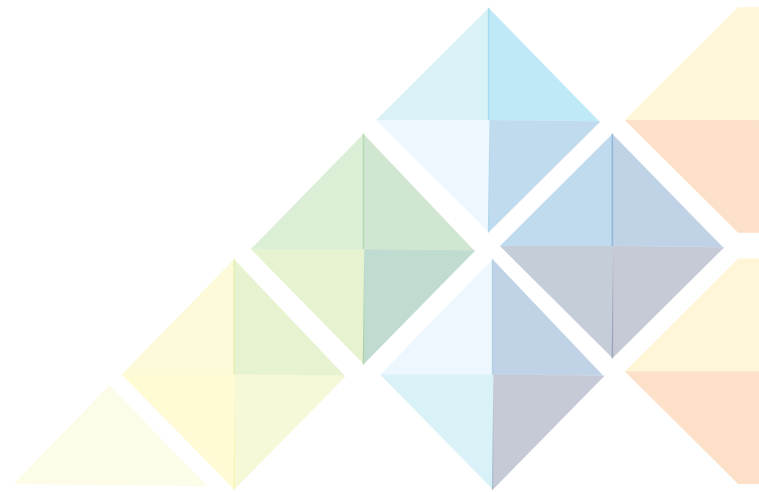
### **Item No. 4 & 5 :**

In order to comply with the required IRDA Guidelines on Corporate Governance, Board of Directors of the Company appointed Mr. S. K. Kanwar and Mr. Bahushrut Lugani as Additional Directors and designated them as Independent Directors with effect from 1<sup>st</sup> April, 2010. Later on, Shareholders of Company had also approved their appointment as Director liable to retire by rotation at the 10<sup>th</sup> AGM of the Company. At the 12<sup>th</sup> AGM of the Company, reappointment of Mr. S. K. Kanwar and Mr. Bahushrut Lugani as Director liable to retire by rotation was again approved by the Shareholders.

The term of Mr. S. K. Kanwar and Mr. Bahushrut Lugani, as Directors liable to retire by rotation is expiring at the ensuing Annual General meeting of the Company. As Mr. S. K. Kanwar and Mr. Bahushrut Lugani have completed tenure of five years spread over two consecutive terms of two and three years as Independent Directors of the Company, it is proposed that the vacancy caused in the Board of Directors of the Company due to retirement of Mr. S. K. Kanwar and Mr. Bahushrut Lugani shall not be filled up in the ensuing Annual General Meeting of the Company. The proposal is recommended accordingly.



# DIRECTORS' REPORT



## Honourable Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report and audited Financial Statements of the Company for the Financial Year 2014-15 along with the Auditors' Report thereon.

### ECONOMIC ENVIRONMENT AND INDUSTRY SCENARIO:

During the year under report, the country has witnessed strengthening of micro-economic prospects and acceleration in economic fundamentals with combined impact of people's mandate for strong and reform oriented Government and RBI's inflation focus support. The new Government has undertaken raft of measures including liberalising foreign direct investment in defence and insurance and opening up railways, auction of coal blocks, ease land acquisition to boost business sentiments and pump prime growth that witnessed decadal low in last two fiscal years. As a result economic activities have been on an upturn - growth has accelerated, inflation has declined and current account deficit has narrowed. The slew of reforms taken by government to give Indian economy global recognition have resulted into India witnessing better growth momentum among BRICS nations. The GDP growth projection for the year 2014-15 has remained at 7.4% as per new method of computing national accounts.

The improvement in economic environment has helped General Insurance Industry improving growth in the second half of the year 2014-15. Overall general insurance industry growth which for the period April-September 2014 was at 10.2% improved to 10.6% at the end of the year. During the year 2014-15, general sentiments in car industry improved, investment cycle restarted and anxieties of investors were significantly lower. During the year sale of automobiles rose after a decline in previous two years. Besides interest rates, fuel rates also come down, reducing the overall cost of ownership of automobiles. Premium growth of Public Sector Companies at 10.1% exceeded the growth of Private Sector Companies (excluding standalone Health Companies) which recorded a growth of 9.9%. The premium growth of your company at 15.7% has been significantly higher than the industry growth (Including standalone Health Companies growth) of 10.6% and was in line with the planned growth. The Company continued to maintain its third position amongst Private Sector Companies with a market share of 4.21% as against 4.02% in the previous year 2013-14.

In the current financial year, the general insurance industry will witness many structural changes, in view of passage of Insurance Law (Amendment) Bill, 2015 which, in addition to increase FDI limit from 26% to 49% has also inserted / amended several provisions in Insurance Act, 1938 to empower IRDA to regulate the sector in line with the emerging environment.

### FINANCIAL PERFORMANCE:

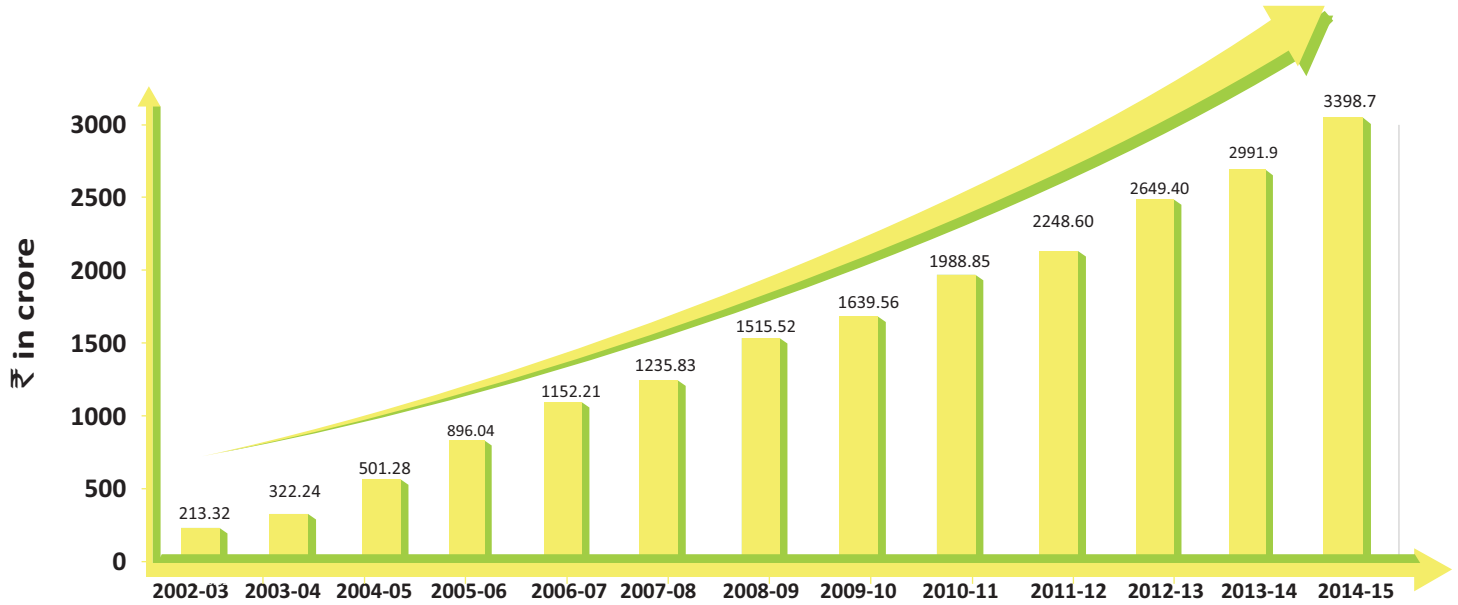
During the year, the Company recorded a Gross Written Premium income of ₹3398.68 crores as against ₹2991.90 crores achieved during Financial Year 2013-14, thus registering a growth of 13.6% over the previous year. The Profit Before Tax (PBT) for the year worked out to ₹302.10 crores compared with ₹322.50 crores earned in the previous year. The Profit After Tax (PAT) for the year works out to ₹206.01 crores against ₹216.08 crores in the FY 2013-14.

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

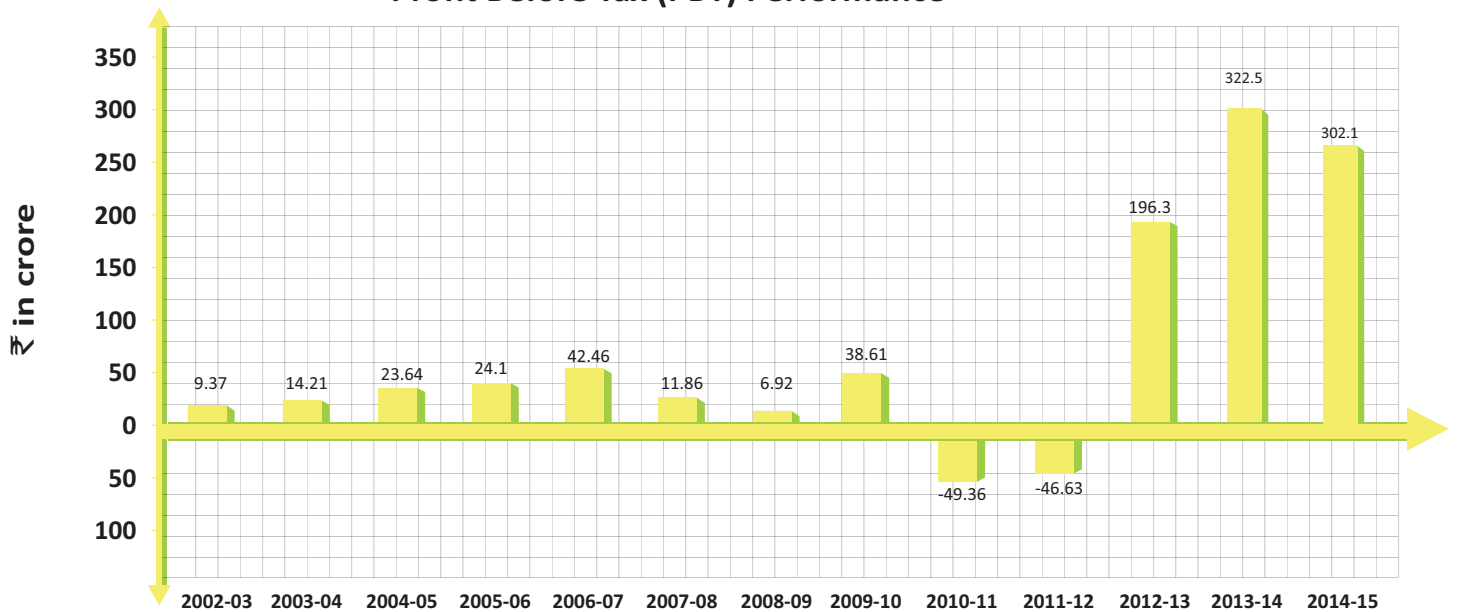
(₹ in Crores)

Particulars	2014-15	2013-14
Gross Written Premium	3398.68	2991.90
Less: Reinsurance Premium	807.18	968.20
Net Premium	2591.50	2023.70
Unexpired Risk Reserve	324.05	70.59
Earned Premium	2267.45	1953.11
<b>Total Underwriting Revenue</b>	<b>2267.45</b>	<b>1953.11</b>
Commission Expenses - Net	37.07	(32.23)
Net Incurred Claims	1681.53	1481.73
Expenses of Management	618.33	502.03
Others	0.13	(0.33)
<b>Total Underwriting Expenses</b>	<b>2337.06</b>	<b>1951.20</b>
<b>Underwriting Loss / (Profit)</b>	<b>69.61</b>	<b>(1.91)</b>
Investment Income	369.39	320.08
Allocated to Revenue Accounts	311.36	262.82
Allocated to P&L Account	58.03	57.26
Others	2.32	0.51
Net Underwriting Surplus	241.75	264.73
<b>Profit / (Loss) before Tax</b>	<b>302.10</b>	<b>322.50</b>

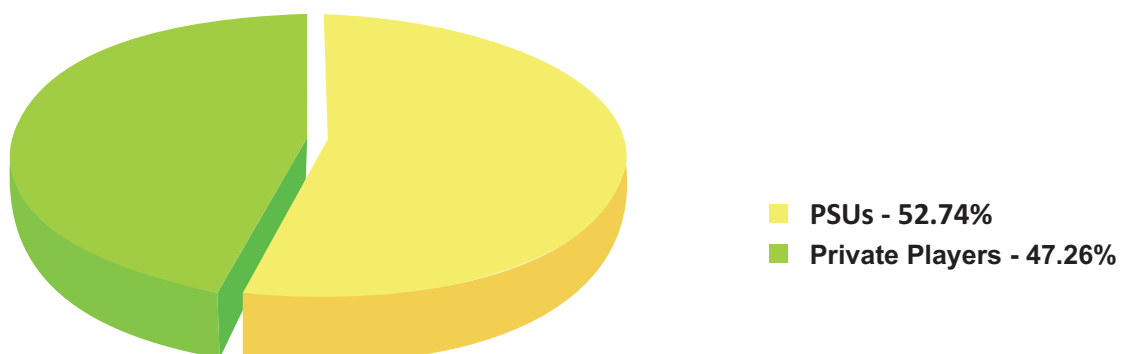
### Gross Written Premium (GWP)



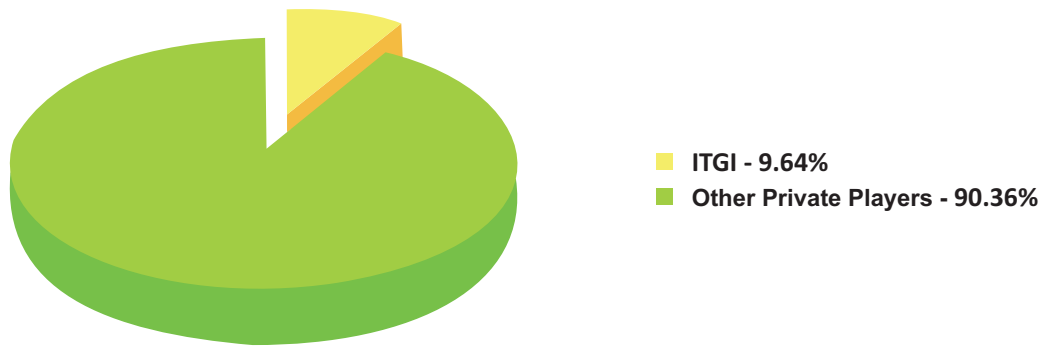
### Profit Before Tax (PBT) Performance



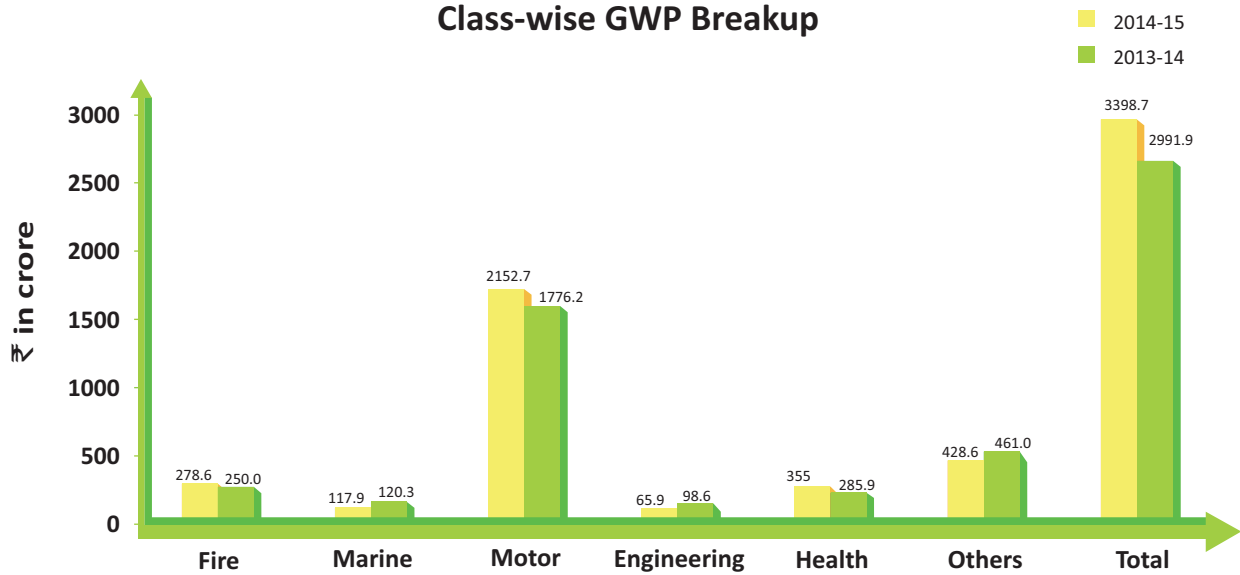
### Market Share of Private Players



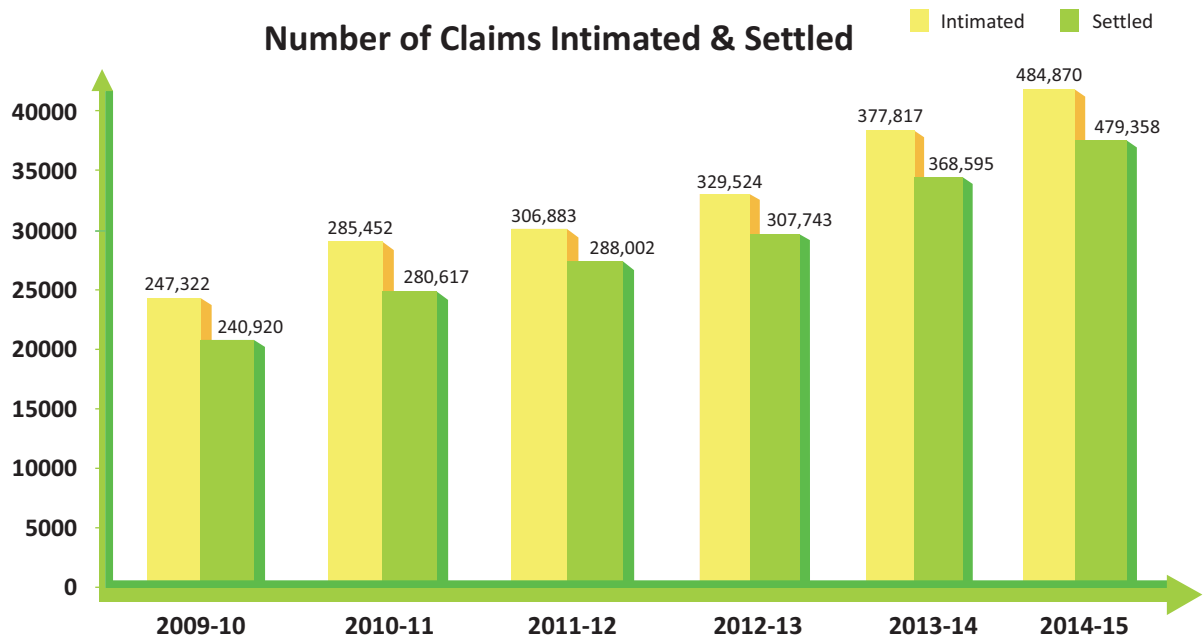
## ITGI Share Among Private Insurers



## Class-wise GWP Breakup



## Number of Claims Intimated & Settled



The profitability of the Company during the year declined marginally due to the rising claims cost arising out of catastrophic events viz. floods in the state of Jammu and Kashmir, cyclone in State of Andhra Pradesh, and increase in expenses of management due to increased man-power cost and geographical expansion of operations. The contribution of retail business during the year increased to 86% as compared to 84% in the previous financial year 2013-14. Your Company continued to pursue efforts to enhance retention of renewal business which has shown marked improvement. During the year, your Company sold over 55.4 lakhs policies.

Members are kindly aware that as per the regulatory requirement of declined motor standalone commercial third party pool, every insurer has to underwrite a minimum premium in accordance with the formula prescribed by IRDA. During the year your Company had underwritten Standalone Commercial Vehicle Third Party premium of ₹84.28 crores as against the requirement of ₹98.18 crores and as a result, the Company had to accept business amounting to ₹10.69 crores from declined motor pool and also make a provision in the accounts of ₹20.59 crores towards anticipated losses against these acceptances.

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

The Solvency ratio of the Company as at 31<sup>st</sup> March, 2015 was 165% as against regulatory requirement of 150%. This improvement had been possible due to change in marketing strategy of underwriting business with balanced product mix and safeguarding viability

The Shareholder's Fund as at 31<sup>st</sup> March, 2015 was ₹1091.74 crores as compared to ₹885.73 crores as at 31<sup>st</sup> March, 2014.

#### **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 payment of any dividend for the financial year 2014-15.

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

The Total investments of the Company as at 31<sup>st</sup> March, 2015 increased to ₹4368.80 crores as

compared to ₹3576.06 crores as at 31<sup>st</sup> March, 2014. The distribution of investments of the Company has been in compliance of limits prescribed in IRDA Investment Regulations and Approved Investment Policy of the Company. The Investment Portfolio of the Company was 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 was ₹369.39 crores with an average investment yield of 9.26% as against ₹320.08 crores and 9.18% respectively in the previous year.

#### **REINSURANCE:**

The Company's reinsurance treaties for the year 2014-15 led by General Insurance Corporation of India were successfully placed with other best rated reinsurers on a 100% basis in line with the guidelines laid down by the IRDA and reinsurance programme approved by the Board. The reinsurance programme has helped the Company in containing the impact of large losses and those arising out of catastrophe events on the bottom line of the Company. The reinsurance treaties for the year 2015-16 have also been placed by the Company before commencement of the financial year.

#### **MARKETING:**

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

On the retail front, your Company had taken a

number of initiatives to push premium growth in the second half of the financial year and the same yielded encouraging results. During the year, Company initiated various measures to increase growth in Agency Channel. Various initiatives for recruitment, retention and recognition of agents yielded encouraging results and performance of the channel enhanced considerably registering the overall YOY growth in agency business from around 7.8% as on 30<sup>th</sup> September 2014 to about 16% as on 31<sup>st</sup> March 2015. There was also good growth in other retail channels in second half. OEM channel grew by 31% as on 31<sup>st</sup> March 2015. YOY Growth in Franchisee channel increased from 2.1% as on 30<sup>th</sup> September 2014 to 8% as on 31<sup>st</sup> March 2015 achieved through developing new franchisees and incremental business from existing franchisees.

On the product front the Motor and Health segments registered a growth of 21% and 39% respectively over the previous year.

The above initiatives have resulted in your Company showing the highest growth amongst its private sector peers and way ahead of industry growth.

#### **RURAL BUSINESS:**

Keeping in view the interest of farmers and rural populace in mind, your Company sold several customised rural centric insurance products like Janta Bima Yojna, Jansuraksha Bima Yojna, Janswastha Bima Yojna, Mahila Suraksha Bima Yojna, Fasal Bima Yojna etc. The Company also participated in Weather Based Crop Insurance Scheme (WBCIS) and Modified National Agriculture Insurance Scheme (MNAIS) of Government of India in 32 notified districts to insure the farmers against losses due to adverse weather conditions. During the year 10.69 lakhs farmers were covered and 3.98 lakhs farmers were benefited under the scheme. Your Company also participated in the Government Sponsored Health Schemes like Rashtriya Swasthya Bima Yojna (RSBY) to extend health insurance to below poverty line (BPL) families. During the year about 17.20 lakhs BPL families were covered under these policies. The Company has started selling insurance products through Government sponsored E-Governance Agency CSC-SPV through their network of Common Service Centre. Presently motor third party policies are being sold through this channel by the Company and the Company is in

the process of adding more insurance products into the channel. This will help the Company in achieving higher penetration into rural markets and bring insurance at the doorstep of the rural populace.

The unique Personal Accident 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 15<sup>th</sup> year. The Sankatharan Bima Yojna has covered approximately 142.09 lakhs farmers. Your Company has disbursed about ₹91.26 crores in claims since its inception in September, 2001.

During the year, the company has underwritten rural business amounting to ₹446.45 crores which is 13.4% of the Gross Direct Premium and covered 73.26 lakhs lives as against the obligation of 7.0% of Gross Direct Premium and 55 thousand lives.

#### **CUSTOMER SERVICE:**

Keeping customer at the centre of mind, the Company has taken various measures to improve pre and post sale service deliveries to customers and introduced 'One Company' concept. Under the concept the Company has planned to initiate projects for uniform delivery of customer service to all customers across the organisation and is in the process of implementation centralised printing and delivery of standardised retail policies. During the year, the company in addition to existing Customer Service Centres in Mumbai, Kolkata, Vadodara, Bangalore, Delhi (NCR), Delhi (North), Chennai and Bhopal also opened 9 satellite centres at Pune, Nasik, Ahmedabad, Secunderabad, Coimbatore, Kochi, Jaipur, Chandigarh and Bhubaneswar for settlement of motor own damage claims. The company settled 485018 claims in 2014-15 and achieved a claim settlement ratio of 100.03% of intimated claims. In house health claims team at corporate office also settled 24922 claims and achieved settlement ratio of 96.87% of intimated claims.

During the year, motor third party claims settlement exceeded the number of intimated claims in succession and as a result number of outstanding motor third party claims as at 31<sup>st</sup> March, 2015 have come down significantly as compared to the number of outstanding claims as at 31<sup>st</sup> March, 2014. 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 claims and other service requests whereas enhanced out bound call centre services have facilitated customers in timely renewal of their existing policies. Integrated Grievances Management System facilitated (IGMS) the policyholders to register and track their complaints online. 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 minimise customer dissatisfaction and grievances.

#### **HUMAN RESOURCE DEVELOPMENT:**

Human resource is an invaluable asset of your organisation. 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. The incentives 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, 65 training programs covering functional and behavioural areas were conducted and total 1159 employees at all levels were exposed to various training programs.

#### **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. During the year various business applications were enhanced to suit the business requirements and growing business volumes. With the focus to render uninterrupted service to our enhancing customers' base, the Company with the support of Tokio Marine Holdings has carried out a study of existing IT structure and business applications through an out sourced IT consulting firm. The study has

suggested a sustainable IT road map in line with and to cope up with future growth plans of the Company which has been accepted by the management and plan for gradual up-gradation of IT system is underway. Simultaneously, the Company is also working on simplification of IT business processes to enhance availability of business applications to its intermediaries and thus improving customer's experience.

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

In line with the performance of the year under report and also current economic and industry scenario, Business Plan 2015-16 of the Company, aims to achieve Gross Written Premium target of ₹3537 crores. The Business Plan is focussed mainly on growth in retail line of Business and mobilising low cost channels like individual agents through, cooperatives etc.

Members are kindly aware that with a modest beginning in 2001, the Company has consistently grown to achieve gross written premium of ₹3398.68 crores in 2014-15 and has planned to continue to grow in future also. To sustain the plans, the company has decided to carry out some structural changes in its organisation structure, upgrade its IT systems and improve business processes. To begin with, the Company w.e.f 1<sup>st</sup> April, 2015 has mapped and aligned marketing resources to business channels across the organisation. This would enable the Company to implement channel specific strategies with clearly defined accountability and responsibilities and also to hire man-power commensurate with the channel targets and capability requirements. The Company has also planned to implement business process innovations for creating ease in doing business with the business intermediaries by eliminating redundant processes, enhancing information sharing and developing enablers to improve services to customers. It is felt that these initiatives will work as catalyst in meeting out long term plans of the Company. In line with the mission of our promoters to protect farmers and rural masses, the company will expand its rural base through its subsidiary, IFFCO TOKIO Insurance Services Ltd. and sell specially customised low price products suitable to their needs.

#### **EXTRACTS OF ANNUAL RETURN:**

Pursuant to the Provisions of Section 92(3) read with Rule 11 of the Companies (Management and

Administration) Rules, 2014 the extract of annual return in the prescribed Form MGT 9 is enclosed as Appendix to the report.

## **CORPORATE GOVERNANCE:**

Your Company believes that good Corporate Governance holds balance between economic and social goals and between individual and commercial goals. It instils essential vision and structures to make decisions that ensure long term 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.

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, Policy Holders Protection Committee, Investment Committee and Audit Committee, Appointment of Independent Directors and conduct of meetings of Board of Directors etc. We had taken appropriate measures and complied with the requirements of IRDA.

A Report on Corporate Governance pursuant to IRDA Guidelines is placed at **Annexure 'A'**.

## **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 1464 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 ₹12,60.10 crores as against ₹13,02.21 crores in 2013-14 and earned a pre-tax profit of ₹0.28 crores as against ₹0.33 crores in 2013-14. As required under section 129 (3) of the Companies

Act, 2013, a separate Statement in prescribed form AOC-1 containing the salient features of the Financial Statements of IFFCO TOKIO Insurance Services Ltd., a Wholly Owned Subsidiary of the Company, is enclosed as Annexure to the Financial Statements of the Company.

## **ENTERPRISING RISK MANAGEMENT:**

Risk Management Committee met regularly during the year to identify business risks to be taken up by the management. The committee pursued those risks through drawing up mitigation plan and monitoring its progress. The committee also continuously reviewed the investment securities, reinsurance securities, loss reserving and solvency ratio to ensure financial stability of the Company.

## **BOARD OF DIRECTORS**

### **Meetings:**

During the year 2014-15, four meetings of Board of Directors of the Company were held on 29<sup>th</sup> April, 2014, 12<sup>th</sup> August, 2014, 24<sup>th</sup> November, 2014 and 26<sup>th</sup> February, 2015.

### **Changes in the Composition of the Board and Declaration by Independent Directors**

During the year, one of the Directors of your Company, Mr. R. P. Singh, resigned from the directorship with effect from 16<sup>th</sup> October, 2014. Your Directors place on record their appreciation for the valuable services rendered by him during his tenure as a Director of the Company.

During the year 2014-15, in pursuance of the provisions of Section 149 of the Companies Act, 2013, your Company has appointed Mrs. Mira Mehrishi as Independent Woman Director on the Board of the Company for a period of three years with effect from 24<sup>th</sup> November, 2014.

On 7<sup>th</sup> April, 2015, Your Company has also appointed Mr. Sudhakar Rao and Mr. Ashwani Kumar as Independent Directors on the Board of the Company for a period of three years.

All the Independent Directors of the Company have provided the declaration that they meet the Criteria of Independence under section 149(6) of the Companies Act, 2013.



### **Retirement by Rotation:**

Mr. S. K. Kanwar and Mr. Bahushrut Lugani, Independent Directors shall retire by rotation at the ensuing Annual General Meeting of the Company. As Mr. S. K. Kanwar and Mr. Bahushrut Lugani have completed the tenure of five years spread over two consecutive terms as Independent Directors of the Company, your Directors have recommended to the Shareholders that the vacancy caused by their retirement shall not be filled up in the ensuing Annual General Meeting of the Company. Your Directors place on record their appreciation for the valuable services rendered by Mr. S. K. Kanwar and Mr. Bahushrut Lugani during their tenure as Independent Directors of the Company.

In accordance with the provisions of the Articles of Association of your Company and applicable relevant provisions of the Companies Act, 2013, Dr. P. S. Gahlaut, Director shall retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

### **AUDITORS & THEIR REPORT**

M/s S. K. Mittal & Co. and M/s S. K. Mehta & Co. were appointed as Joint Statutory Auditors of your Company for the financial year 2014-15 and they will continue in the office till the conclusion of the ensuing Annual General Meeting. The Company has received communications from M/s S. K. Mehta & Co., Chartered Accountants, and M/s S. K. Mittal & Co. confirming their willingness to accept the audit of the Company in the event of their reappointment. 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 fulfil the eligibility criteria specified under Section 141 of the Companies Act and IRDA Regulations for appointment of Statutory Auditors.

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, 2015. There are no specific observations in the Report of the Auditors which require clarification.

### **SECRETARIAL AUDITOR'S REPORT:**

In accordance of the provisions Section 204 of the

Companies Act, 2013 read with Section 134(3) of the Companies Act, 2013, Board had appointed Mr. P. S. R. Murthy as Secretarial Auditor of the Company to conduct the Secretarial Audit for the financial year 2014-15. Secretarial Audit Report in the prescribed form MR 3 is enclosed at **Annexure 'B'**.

### **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 use resources to engage in activities that increase only their profits. Your Directors believe that fulfilment 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 fulfilment of its CSR obligations and constituted a CSR Committee of Directors of the Board. The Company had formulated and implemented the CSR Policy for the first time and had decided to take a long term view of the same so that the efforts of the Company have sustainable impact on the lives of the people it is intending to reach out. On the recommendation of CSR Committee of Directors, Board of Directors had formulated a CSR Policy and allocated a sum of ₹3,14,67,028 (being 2% of average Profits for the last three financial years) towards CSR Plan to be implemented during the year 2014-15. However due to lack of resources related to CSR Planning and execution within the organization, most part of the financial year had gone into the Planning and Institutionalising the modalities for execution and monitoring, and during the year 2014-15 Company could spent only a sum of ₹22,78,360/-. As the Company is committed to discharge its CSR obligations as stipulated under the Companies Act, 2013, the Board of Directors have decided to carry forward the unspent funds viz. ₹2,91,88,668/- out of the current year CSR allocation to the ensuing FY2015-16 to be spent with the CSR Amount to be allocated for the FY 2015-16.

As required under the Companies Act, 2013 and CSR Rules, 2014, CSR Annual Report of the Company containing the brief outline of the CSR

Policy, the details of the specified amount allocated for CSR Activities during the Financial Year, 2014 -15 and the unspent amount including the reasons thereof is enclosed in prescribed format as per **Annexure 'C'**.

#### **NOMINATION & REMUNERATION COMMITTEE:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had constituted the Nomination & Remuneration Committee consisting of 3 Independent Directors and 3 Non-executive Directors. Presently, the Nomination & Remuneration Committee consists of Mr. Sudhakar Rao, Independent Director as Chairman, Mrs. Mira Mehrishi, Mr. Ashwani Kumar, Independent Directors, Mr. K. Srinivasa Gowda, Mr. Lee King Chi Arthur and Dr. U. S. Awasthi, Non-executive Directors as Members of the Committee. The Committee will formulate a policy relating to Directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under section 178(3) of the Companies Act, 2013.

#### **ANNUAL EVALUATION OF BOARD AND DIRECTORS' PERFORMANCE:**

Independent Directors of the Company met on 25<sup>th</sup> February, 2015 and evaluated the performance of Executive and Non Executive Directors. Independent Directors also evaluated the performance of Chairman and the 'Board as a whole' separately. Independent Directors also assessed the quality, quantity and flow of information to the Board.

#### **AUDIT COMMITTEE:**

In order to realign with the new requirements under Section 177 of the Companies Act, 2013, Audit Committee of Directors has been reconstituted and the same comprises of Mr. Ashwani Kumar as Chairman, Mrs. Mira Mehrishi, Mr. Sudhakar Rao, Mr. Rakesh Kapur and Dr. P.S. Gahlaut as Members of the Committee. The terms of reference of the Audit Committee has also been revised to incorporate the scope as envisaged under the new Companies Act, 2013 and IRDA Guidelines on Corporate Governance.

#### **INFORMATION UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is placed at **Annexure 'D'**.

#### **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: ₹4,966.28 lakhs** (Previous year ₹4,264.39 lakhs)

**Outgo: ₹23,931.05 lakhs** (Previous year ₹26,969.09 lakhs)

#### **PUBLIC DEPOSITS:**

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

During the year 2014-15, Company has not given any loan or provided any guarantee under section 186 of the Companies Act, 2013 and all the investments were made in the ordinary course of its business.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013:**

Under Section 188 (1) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 the disclosure of the details of contracts or arrangements entered by the Company with the Related Parties during the Financial Year 2014 -15 in the prescribed Form AOC 2 is enclosed at **Annexure 'E'**.

#### **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 along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied 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 as at March 31, 2015 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, 2013 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.
- v. That the Directors had devised the proper system to ensure Compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **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:** 5<sup>th</sup> May, 2015

## REPORT ON CORPORATE GOVERNANCE

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

### 1.0. Corporate Governance Practices

The Company believes that sound Corporate Governance practices are essential for healthy growth of Business and to repose confidence in all interested parties. The Company 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 2014-15 are as under:

S.No.	Date	Board Strength	No. of Directors present
1	29 <sup>th</sup> April, 2014	12	11
2	12 <sup>th</sup> August, 2014	12	11
3	24 <sup>th</sup> November, 2014	12	11
4	26 <sup>th</sup> February, 2015	12	11

The names of the Directors and their attendance at the Board Meetings held during the financial year 2014-15 are as under:

S. No.	Name of the Director(s)	Qualification	Field of Specialisation	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	3
4	Dr. U. S. Awasthi	Ph.D and Graduate in Chemical Engineering	Management	Director	4	4
5	Mr. Rakesh Kapur	B. Tech (Mechanical)	Finance	Director	4	4
6	Mr. R. P. Singh (*)	MA, LLB	Agriculture	Director	4	1
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	4
9	Mr. S.K. Kanwar	Graduate	Insurance	Independent Director	4	4
10	Mrs. Mira Mehrishi (**)	Master's degree in Business Administration	Management & Director Administration	Independent Director	4	1
11	Mr. Yogesh Lohiya	B.E. (Mech.), A.I.I.I from Insurance Institute of India, Diploma (Business Management) of AIMA	Insurance	Managing Director & CEO	4	4
12	Mr. Ichiro Maeda	Commerce Graduate	Insurance	Director (Operations)	4	4
13	Mr. H. O. Suri	FCA ,B.Com (Hons.)	Marketing	Director (Marketing)	4	4

Note (\*): Mr. R. P. Singh was appointed as Director on 29<sup>th</sup> April, 2014 and resigned from the Directorship of the Company with effect from 16.10.2014

(\*\*): Mrs. Mira Mehrishi was appointed as an Independent Director of the Company with effect from 24<sup>th</sup> November, 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 2014-15 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	29 <sup>th</sup> April, 2014	8	8
2	12 <sup>th</sup> August, 2014	8	8
3	10 <sup>th</sup> November, 2014	8	7
4	25 <sup>th</sup> February, 2015	8	7

The names of the Directors and other Members present at the Investment Committee Meetings held during the financial year 2014-15 and their attendance are as under:

S. No.	Name of the Member(s)	Status of Directorship	No. of Meetings held	No. of Meetings attended
1	Dr. U. S. Awasthi	Chairman	4	4
2	Mr. Rakesh Kapur	Member	4	4
3	Mr. 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	4
7	Mr. Sanjeev Chopra	Chief Finance Officer	4	4
8	Mr. Khushwant Pahwa	Appointed Actuary	4	3

### (B) Audit Committee

The Details of the Meetings of the Audit Committee held during the year 2014-15 are as under:

S. No.	Date	Strength	No. of Directors/Members present
1	28 <sup>th</sup> April, 2014	4	4
2	11 <sup>th</sup> August, 2014	4	4
3	24 <sup>th</sup> November, 2014	4	4
4	25 <sup>th</sup> February, 2015	4	4

The names of the Directors and other Members present at the Audit Committee Meetings held during the financial year 2014-15 and their attendance are as under:

S. No.	Name of the Member(s)	Status of Directorship	No. of Meetings held	No. of Meetings attended
1	Mr. Bahushrut Lugani	Chairman	4	4
2	Dr. P. S. Gahlaut	Member	4	4
3	Mr. Rakesh Kapur	Member	4	4
4	Mr. 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> May, 2014	5	5
2	25 <sup>th</sup> September, 2014	5	5
3	26 <sup>th</sup> December, 2014	5	5
4	11 <sup>th</sup> March, 2015	5	5

The names of the Director and other Members present at the Risk Management Committee Meetings held during the financial year 2014-15 and their attendance are 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. Sanjay Seth	Member	4	4
3	Mr. Sanjeev Chopra	Member	4	4
4	Mr. Parag Gupta	Member	4	4
5	Mr. Amit Jain	Member	4	4

## (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	22 <sup>nd</sup> May, 2014	4	3
2	16 <sup>th</sup> September, 2014	4	4
3	10 <sup>th</sup> November, 2014	4	4
4	10 <sup>th</sup> February, 2015	4	3

The names of the Directors and other Members present at the Policy holders Protection Committee Meetings held during the financial year 2014-15 and their attendance are 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. Parag Gupta	EVP/Head (Claims)	4	4
3	Mr. R. Kannan	EVP/Head (Retail Marketing)	4	3
4.	Mr. Raj K. Bora	VP (Underwriting)	4	3

## (E) CSR Committee

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

S. No.	Date	Strength	No. of Directors/Members present
1	24 <sup>th</sup> November, 2014	3	3
2	24 <sup>th</sup> March, 2015	3	3

The names of the Directors and other Members present at the CSR Committee Meetings held during the financial year 2014-15 and their attendance are as under:

S. No.	Name of the Member(s)	Status	No. of Meetings held	No. of Meetings attended
1	Mr. Bahushrut Lugani	Chairman	2	2
2	Mr. Yogesh Lohiya	Member	2	2
3	Mr. Ichiro Maeda	Member	2	2



## **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 finalisation of Business Plan, Annual Budgets, review of operations, review of performance of personnel, HRD issues, etc. During the financial year 2014-15, Eight Executive Committee Meetings were held by the Company.

### **(b) Selection and Remuneration Committee**

The Board of Directors in order to comply with the requirements of Section 178 of the Companies Act, 2013 had constituted a Nomination and Remuneration Committee comprising of Mr. Sudhakar Rao, Chairman, Mrs. Mira Mehrishi, Mr. Ashwani Kumar, Independent Directors and Mr. K. Srinivasa Gowda, Mr. Lee King Chi Arthur and Dr. U. S. Awasthi, Non-executive Directors as Members of the Committee.

## **7.0 Separate Meeting of Independent Directors**

During the year 2014-15, a separate meeting of Independent Directors was held on 25<sup>th</sup> February, 2015, which was attended by Mrs. Mira Mehrishi, Mr. S. K. Kanwar and Mr. Bahushrut Lugani, Independent Directors. During the meeting, Independent Directors evaluated the performance of Executive Directors, Non-executive Directors and Chairman. Independent Directors also evaluated the performance of Board as a whole and also assessed the quality, quantity and timeliness of the flow of information to the Board.

## **8.0. 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.

## **9.0. 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.

## **10.0 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:** 5<sup>th</sup> May, 2015

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

20<sup>th</sup> April 2015

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2015  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,  
IFFCO-TOKIO General Insurance Company Limited,  
C-1, District Centre, Saket,  
New Delhi – 110017

Dear Sir/Madam

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IFFCO-TOKIO General Insurance Company Limited (hereinafter called the company) CIN No. U74899DL2000PLC107621. M/s IFFCO-TOKIO General Insurance Company Limited is an unlisted Public Limited Company under the Companies Act 1956/2013. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

1. The Companies Act, 2013 and the rules made there under;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
3. Insurance Regulatory & Development Authority Act 1939;
4. Insurance Act 1938;
5. Income Tax Act 1961;
6. Service Tax Act 1994 as amended from time to time;
7. Professional Tax as applicable in some States of Government of India where the Company has operations;
8. Prevention of Money Laundering Act 2002;
9. Information Technology (Amendment) Act 2008;
10. The Indian Stamp Act 1889; and,

11. The Industrial and Labour Laws consisting of :

- a) Contract Labour (Regulation and Abolition) Act 1970
- b) The Minimum Wages Act 1948
- c) Payment of Wages Act 1936
- d) Maternity Benefit Act 1961
- e) Industrial Disputes Act 1947
- f) Workmen Compensation Act 1923
- g) Sexual Harassment of Women at Workplaces (Prevention, Prohibition and Redressal) Act 2013
- h) Shops and Establishment Act as applicable in various places where the Company has operations in various States of India
- l) Employees Provident Fund and Misc. Prov. Act 1952
- j) Payment of Gratuity Act 1972
- k) Payment of Bonus Act 1965

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review and based on the assurances, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) The Company could not utilise fully the funds allocated for CSR programmes under section 135 of the Companies Act 2013 during the year 2014-15 due to unavoidable delay in identification of suitable CSR Implementation Agency and CSR Geographical Area.
- b) The Company is progressively aligning with the applicable Secretarial Standards in respect of Meetings issued by The Institute of Company Secretaries of India.

I/We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company has assured to further enlarge the scope of the quarterly reports/ certificates submitted to the Board so as to make the reports more specific to the Acts/ Laws that are applicable.

I further report that during the audit period, the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: New Delhi  
Date: 20<sup>th</sup> April 2015

(P. S. R. Murthy)  
A-5880  
C.P.No.13090

**IFFCO-TOKIO General Insurance Co. Ltd.**  
**CORPORATE SOCIAL RESPONSIBILITY REPORT**  
**(FY 2014-15)**

**1. Brief Outline of Company's CSR Policy and Overview of the Projects or Programs proposed to be undertaken by the Company:**

IFFCO TOKIO's CSR Policy encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainability development of the Community at large. The CSR Policy of the Company aims at ensuring an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner while recognising the interests of all its stakeholders and to directly or indirectly take up programmes that benefit the communities in & around its area of operations and results, over a period of time, in enhancing the quality of life and economic well being of the local populace.

Under the CSR Policy of the Company, following programs were proposed to be undertaken by the Company during the financial year 2014-15:

- a. Eradication of Hunger, Poverty & Malnutrition and Promotion of Health, Sanitation & Safe Drinking Water.
- b. Promotion of Education including Special Education and Employment Enhancing Vocational/Skill Training and Livelihood Enhancement Projects
- c. Environment Sustainability, Protection of Ecological Balance & Flora & Fauna and Animal Welfare Project
- d. Slum Area Development and Rural Development Project

CSR Policy of the Company can be viewed at  
<http://www.iffcotokio.co.in/sites/default/files/IFFCO-TOKIO-CSR-POLICY.pdf>

**2. Composition of CSR Committee :**

During the FY 2014-15, CSR Committee of the Company comprised of following Directors:

- |    |                   |                                 |
|----|-------------------|---------------------------------|
| a. | Mr. B. Lugani     | Independent Director & Chairman |
| b. | Mr. Ichiro Maeda  | Director (Operations)           |
| c. | Mr. Yogesh Lohiya | Managing Director               |

### 3. Average Net Profit of the Company for the last three financial years

Average Net Profit of the Company for the last three financial years worked out to ₹1,57,33,51,395/- detailed as under:

Particulars	2013 - 14	2012 - 11	2011 - 12
Profit Before Tax	3,22,50,07,498	1,96,28,36,405	-46,62,85,638
Less : Wealth Tax Expense	5,02,134	5,15,319	4,86,628
<b>Profit as per Section 198</b>	<b>3,22,45,05,364</b>	<b>1,96,23,21,086</b>	<b>-46,67,72,266</b>

A. Total Profit of last three years ₹4,72,00,54,184

B. Avg. Profit for CSR [(A)/3] ₹1,57,33,51,395

### 4. Prescribed CSR expenditure for the FY 2014-15

The amount allocated for the CSR for the FY 2014-15 worked out to ₹3,14,67,028 (being 2% of average Profits for the last three financial years).

### 5. Details of CSR amount spent during the FY 2014-15

a. Total amount to be spent for the FY 2014 - 15 : ₹3,14,67,028/-

b. Amount unspent : ₹2,91,88,668/-

c. Actual amount spent on CSR during the FY 2014-15: ₹22,78,360/-

Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs Local area or other Specify the State and district where projects or program was Undertaken	Amount outlay (budget project or programs wise	Amount spent on the projects or programs Subheads: Direct expenditure on projects or programs . (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	IFFCO-TOKIO Safe Drinking Water Project	Eradication of Hunger, Poverty & Malnutrition and Promotion of Health, Sanitation & Safe Drinking Water	Kolhapur State - Maharashtra	₹1 Cr.	₹6,00,000/-	₹6,00,000/-	Bhanusaheb Chougule (shaman) Vividh Karyakari Sahkari Seva Society
2.	IFFCO-TOKIO Health Assistance Program	-do-	Gurgaon State - Haryana		₹2,00,000/-	₹2,00,000/-	Sri Shiv Kalyan Kendra Trust
3.	IFFCO-TOKIO Disaster Assistance Program	-do-	Sri Nagar - State: Jammu & Kashmir		₹14,24,360/-	₹14,24,360/-	Kisan Sewa Trust
			Delhi - NCR	₹54,000/-	₹54,000/-	Direct	

## 6. REASONS FOR NOT SPENDING THE PRESCRIBED CSR AMOUNT DURING THE FINANCIAL YEAR 2014 - 15

The Company had formulated and implemented the CSR Policy for the first time and had decided to take a long term view of the same so that the efforts of the Company have sustainable impact on the lives of the people it is intending to reach out. However, due to lack of resources related to CSR Planning and execution within the organisation, most part of the financial year had gone into the Planning and Institutionalising the modalities for execution and monitoring.

As the Company is committed to discharge its CSR obligations as stipulated under the Companies Act, 2013, the Board of Directors have decided to carry forward the unspent funds viz. ₹2,91,88,668/- out of the current year CSR allocation to the ensuing FY2015-16 to be spent with the CSR Amount to be allocated for the FY 2015-16.

## 7. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

The Company is committed to ensuring that its increasing economic growth must be both inclusive and equitable. The integrated social development approach that Company has adopted towards the obligation of its Corporate Social Responsibility is a response to this initiative.

The CSR Committee hereby declares that the implementation and monitoring of CSR Policy of the Company is in compliance with CSR objectives and Policy of the Company and is in consonance with section 135 of the Companies Act, 2013. We also undertake to follow the objectives of the Company's CSR Policy in letter and spirit.

**Yogesh Lohiya**  
(Managing Director & CEO)

**Bahushrut Lugani**  
(Chairman CSR Committee)

Dated: 1<sup>st</sup> April, 2015

## Annexure 'D'

IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED									
Statement under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31 <sup>st</sup> March 2015									
S. No.	Emp. Code	Name of Employee	Age (Years)	Designation/ Nature of Employment	Remuneration Received (₹in lakhs)	Qualification & Experience	% of equity shares held	Date of Commencement of Employment	Particulars of Previous Employment
1	11687	Mr. Yogesh Lohiya	63	MD & CEO	113.79	B. E (Mechanical), All from the Insurance Institute of India, and Diploma in Business Management from AIIMA Experience 38 Years	NIL Mr. Lohiya is not a relative of any Director of the Company	15.2.2013.	GIC Re.

**Note:** 1. The gross remuneration comprises salary, allowances, monetary value of perquisites and Company's contribution to Provident Fund.



**ANNEXURE – E**

**IFFCO-TOKIO General Insurance Co. Ltd.**

**FORM No. AOC – 2**

*[Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]*

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including arms length transactions under third proviso thereto**

1. **Details of material contracts or arrangement or transactions not at arm's length basis - NIL**

2. **Details of material contracts or arrangement or transactions at arm's length basis**

**(a) Name (s) of the related party and nature of relationship :**

Name of Related Party : IFFCO -TOKIO Insurance Services Ltd.

Nature of Relationship : Subsidiary of the Company with 100% Voting Rights

**(b) Nature of contracts/arrangements/transactions :**

(i) Receipt of Insurance Premium and Payment of Insurance Claim for Direct Business

(ii) Payment of Commission and Service Charges

(iii) Recovery of Expenses.

**(c) Duration of the contracts / arrangements / transactions : 2014-15**

**(d) Salient terms of the contacts or arrangements or transactions including the value, if any:**

Name of the Related Parties	Nature of Related party relationship	Description of Nature of Transactions	2014 - 15 (₹ in thousand)
IFFCO-TOKIO Insurance Services Ltd	Subsidiary of the Company with 100% Voting Rights	Premium accounted from direct business	3110
		Claims paid on direct basis	(2572)
		Recovery of Expenses	6984
		Payment of Commission	(63619)
		Payment of Service Charges	(549610)

**(e) Date(s) of approval by the Board, if any: Not applicable**

**(f) Amount paid as advances, if any: Not applicable**

**for IFFCO-TOKIO General Insurance Co. Ltd.,**

**K. Srinivasa Gowda  
(Chairman)**

FORM No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : U74899DL2000PLC107621
- ii) Registration Date : 4<sup>th</sup> December, 2000
- iii) Name of the Company: IFFCO-TOKIO General Insurance Co. Ltd.
- iv) Address of the Registered office and contact details : IFFCO SADAN, C-1, District Centre, Saket, New Delhi - 110017
- v) Whether listed Company Yes / No : No
- vi) Name, Address and Contact details of Registrar and Transfer Agent, if any

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the business shall be stated:-

S. No.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to Total Turnover of the Company
1.	Non-life Insurance	65120	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	IFFCO-TOKIO Insurance Services Ltd. IFFCO Sadan, C-1, District Centre, Saket, New Delhi - 110017	U65999DL2003 PLC121571	Subsidiary	100%	Section 2 (87) of the Companies Act, 2013

## I. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

### 1) Category-wise Share Holding

Shareholders Category:	No. of shares held at the beginning of the year				No. of shares held at the end of the year			
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
<b>A. Promoters</b>								
<b>1. Indian</b>								
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	36,62,772	NIL	36,62,772	1.36%	36,62,772	NIL	36,62,772	1.36%
e) Banks/ FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other (Cooperative Society & its nominees)	19,56,35,131	7	19,56,35,131	72.64%	19,56,35,131	7	19,56,35,131	72.64%
<b>Sub-Total (A) (1)</b>	<b>19,92,97,903</b>	<b>7</b>	<b>19,92,97,903</b>	<b>74%</b>	<b>19,92,97,903</b>	<b>7</b>	<b>19,92,97,903</b>	<b>74%</b>
<b>2. Foreign</b>								
a) NRIs- Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corporate	7,00,23,590	NIL	7,00,23,590	26%	7,00,23,590	NIL	7,00,23,590	26%
d) Banks/ FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-Total (A)(2)</b>	<b>7,00,23,590</b>	<b>NIL</b>	<b>7,00,23,590</b>	<b>26%</b>	<b>7,00,23,590</b>	<b>NIL</b>	<b>7,00,23,590</b>	<b>26%</b>
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>26,93,21,500</b>	<b>NIL</b>	<b>26,93,21,500</b>	<b>100%</b>	<b>26,93,21,500</b>	<b>NIL</b>	<b>26,93,21,500</b>	<b>100%</b>
<b>B. Public Shareholding</b>								
<b>1. Institutions</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>2. Non-institutions</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>26,93,21,500</b>	<b>NIL</b>	<b>26,93,21,500</b>	<b>100%</b>	<b>26,93,21,500</b>	<b>NIL</b>	<b>26,93,21,500</b>	<b>100%</b>

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the Company	% shares pledge / encumbered to total shares	No. of shares	% of total shares of the Company	% shares pledge / encumbered to total shares	% change in share holding during the year
1.	IFFCO & its Nominees	19,56,35,138	72.64%	NIL	19,56,35,138	72.64%	NIL	NIL
2.	Indian Potash Limited	36,62,772	1.36%	NIL	36,62,772	1.36%	NIL	NIL
3.	TOKIO Marine Asia Pte. Ltd.	7,00,23,590	26%	NIL	7,00,23,590	26%	NIL	NIL
	<b>TOTAL</b>	<b>26,93,21,500</b>	<b>100%</b>	<b>NIL</b>	<b>26,93,21,500</b>	<b>100%</b>	<b>NIL</b>	<b>NIL</b>

## (iii) Change in Promoters' Shareholding:

There was no change in Promoters' Shareholding during the Year 2014-15.

## (iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

There is no Shareholder other than Promoters and their Nominees.

## (v) Shareholding of Directors and Key Managerial Personnel :

None of the Directors or Key Managerial Personnel holds shares of the Company except as Nominee of Promoters and there was no change in the Shareholding of Promoter's Nominees during the year 2014-15.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
l) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Change in Indebtedness during the financial year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
• Addition				
• Reduction				
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Indebtedness at the end of the financial year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
l) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount in ₹ Lakhs
		Mr. Yogesh Lohiya (MD)	Mr. Ichiro Maeda (Director-Operations)	Mr. H. O. Suri (Director-Marketing)	
1.	<b>Gross Salary</b>				
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	110.20	48.45	51.85	210.50
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.00	0.00	0.00	0.00
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total (A)</b>	<b>110.20</b>	<b>48.45</b>	<b>51.85</b>	<b>2,10.50</b>

### B. Remuneration to other directors :

S. No.	Particulars of Remuneration	Name of Directors							Total Amount in ₹ Lakhs		
		Mr. S. K. Kanwar	Mr. Bahushrut Lugani	Mrs. Mira Mehrishi	Mr. K. Srinivasa Gowda	Mr. Lee King Chi Arthur	Mr. B. S. Nakai	Dr. P. S. Gahlaut		Mr. Rakesh Kapur	Dr. U. S. Awasthi
1.	Independent Directors										
(a)	Fee for attending board/ committee Meetings	5.00	11.00	2.00							18.00
(b)	Commission	0.00	0.00	0.00							0.00
(c)	Others, please specify	0.00	0.00	0.00							0.00
	<b>Total (1)</b>	<b>5.00</b>	<b>11.00</b>	<b>2.00</b>							<b>18.00</b>
2.	Other Non-executive Directors										
(a)	Fee for attending board/ committee Meetings	4.00	3.00	3.00	11.00	20.00	16.00	1.00			58.00
(b)	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
(c)	Others, please specify	5.50	0.00	0.00	0.00	0.00	0.00	0.00			5.50
	<b>Total (2)</b>	<b>9.50</b>	<b>3.00</b>	<b>3.00</b>	<b>11.00</b>	<b>20.00</b>	<b>16.00</b>	<b>1.00</b>			<b>63.50</b>
	<b>Total (B) = (1 + 2)</b>	<b>14.50</b>	<b>14.00</b>	<b>5.00</b>	<b>11.00</b>	<b>20.00</b>	<b>16.00</b>	<b>1.00</b>			<b>81.50</b>

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹ Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sanjeev Chopra CFO	Mr. Amit Jain Company Secretary	Total
1.	<b>Gross Salary</b>			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	38.26	19.36	57.62
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.00	0.22	0.22
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - As % of profit - Others, specify....	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
	<b>Total</b>	<b>38.26</b>	<b>19.58</b>	<b>57.84</b>

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFICES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					

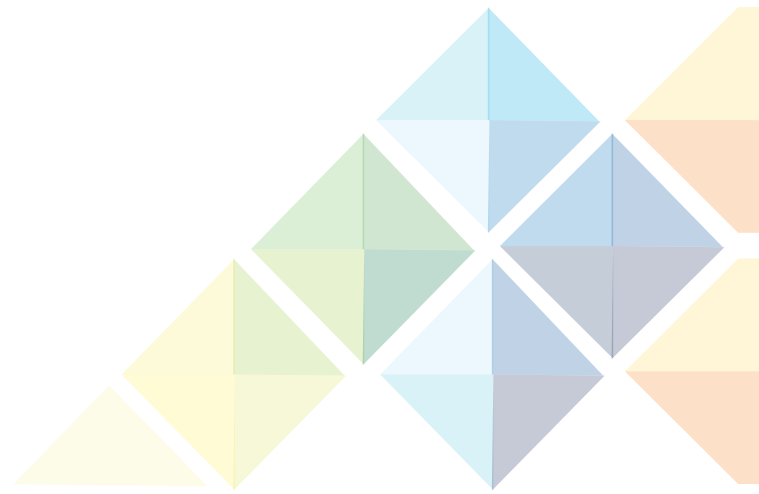
## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is summary of sexual harassment complaints received and disposed off during each calendar year:

- No. of Complaints received : Two
- No. of Complaints disposed off: Two.

# AUDITORS' REPORT



## **TO THE MEMBERS OF IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, 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 Accounts for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 accounting principles generally accepted in India, Insurance Act, 1938, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulations') including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the



aforesaid standalone financial statements give the information required by the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, surplus in revenue accounts, profit and its receipts and payments accounts 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 3 and 4 of the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of sub-section (11) of Section 143 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) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by IRDA.
- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on the notes to the Balance Sheet as at 31<sup>st</sup> March, 2015
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (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 Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 and with the accounting principles prescribed by the Regulations and orders / directions issued by IRDA in this behalf;
  - b) 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;
  - c) The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at March 31<sup>st</sup>, 2015, 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

- (4) Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us during the course of our audit and to the best of our knowledge and belief, we further certify that:

- a) We have reviewed the management report attached to the financial statements for the year ended March 31<sup>st</sup>, 2015 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 S.K. Mehta & Co.**  
Chartered Accountants  
FRN 000478N

**S.K. Mehta**  
Partner  
M.No. 10870

Place: New Delhi  
Date: 05<sup>th</sup> May, 2015

**For S.K. Mittal & Co.**  
Chartered Accountants  
FRN 0001135N

**S.K. Mittal**  
Partner  
M.No. 8506

## AUDITOR'S CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and other records maintained by IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED (the Company) for the year ended March 31<sup>st</sup>, 2015, we certify that:

- (a) We have verified the cash balances and investments of the Company with the dematerialised statement/confirmations received from the custodians as at March 31<sup>st</sup>, 2015, the Company had no secured loans.

- (b) The Company is not a trustee of any trust.

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

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

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

**S.K. Mehta**  
Partner  
M.No. 10870

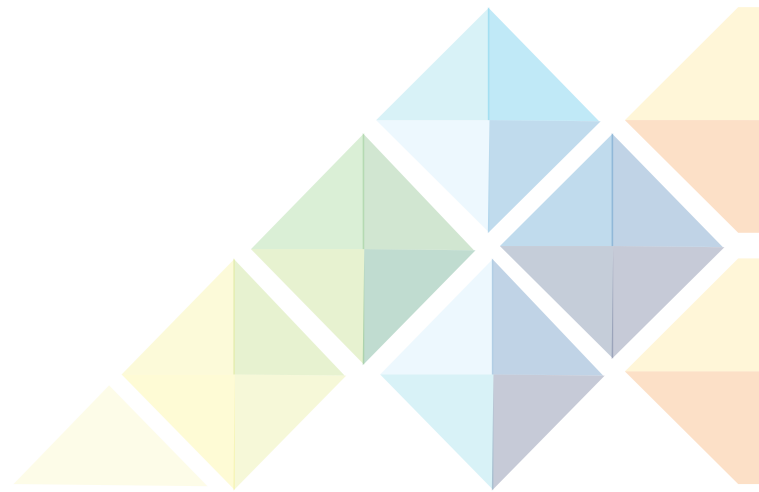
Place: New Delhi  
Date: 05<sup>th</sup> May, 2015

**For S.K. Mittal & Co.**  
Chartered Accountants  
FRN 0001135N

**S.K. Mittal**  
Partner  
M.No. 8506

**IFFCO-TOKIO**

# ACCOUNTS



## BALANCE SHEET AS AT 31<sup>st</sup> March, 2015

(₹ In '000)

S. No.	PARTICULARS	SCHEDULE		As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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		8,224,189	6,164,065
3	FAIR VALUE CHANGE ACCOUNT			(1,011)	-
4	BORROWINGS	7		-	-
	<b>TOTAL</b>			<b>10,916,393</b>	<b>8,857,280</b>
	<b>APPLICATION OF FUNDS</b>				
5	INVESTMENTS	8		27,848,029	21,935,572
6	LOANS	9		-	-
7	FIXED ASSETS	10		214,606	276,673
8	DEFERRED TAX ASSET (NET)			253,200	80,500
9	CURRENT ASSETS :				
	Cash and Bank Balances	11	16,695,839		14,599,437
	Advances and Other Assets	12	4,866,017		4,615,562
	<b>Sub-Total (A)</b>		<b>21,561,856</b>		<b>19,214,999</b>
10	CURRENT LIABILITIES	13	25,362,582		22,350,301
11	PROVISIONS	14	13,598,716		10,300,163
	<b>Sub-Total (B)</b>		<b>38,961,298</b>		<b>32,650,464</b>
12	NET CURRENT ASSETS (C) = (A-B)			(17,399,442)	(13,435,465)
13	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15		-	-
	<b>TOTAL</b>			<b>10,916,393</b>	<b>8,857,280</b>

## CONTINGENT LIABILITIES

(₹ In '000)

S. No.	PARTICULARS		As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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		3,393	10,163
6	Reinsurance obligations to the extent not provided for in the accounts		-	-
7	Others		-	-
	<b>TOTAL</b>		<b>3,393</b>	<b>10,163</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

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

**S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S. K. Mehta**  
Partner  
M.No. 10870

**S. K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**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, 2015**

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	392,025	372,286
2	Profit / (Loss) on Sale/Redemption of Investments		1,012	914
3	Others: Exchange Gain / (Loss)		(1,508)	(1,940)
	Handling Charges		(3,231)	(2,804)
4	Interest, Dividend & Rent - Gross		78,744	71,436
	<b>TOTAL (A)</b>		<b>467,042</b>	<b>439,892</b>
1	Claims Incurred (Net)	2	215,463	278,035
2	Commission	3	(151,304)	(157,675)
3	Operating expenses related to Insurance Business	4	89,793	91,777
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>153,952</b>	<b>212,137</b>
	<b>Operating Profit / (Loss) from Fire Business C = (A-B)</b>		<b>313,090</b>	<b>227,755</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		313,090	227,755
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL (C)</b>		<b>313,090</b>	<b>227,755</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

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

**S. K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
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Partner  
M.No. 10870

**S. K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**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, 2015

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	490,949	429,158
2	Profit / (Loss) on sale / Redemption of Investments		1,035	1,062
3	Others: Exchange Gain / (Loss)		-	(78)
	Handling Charges		536	447
4	Interest, Dividend & Rent - Gross		80,544	82,965
	<b>TOTAL (A)</b>		<b>573,064</b>	<b>513,554</b>
1	Claims Incurred (Net)	2	377,774	401,318
2	Commission	3	(49,040)	(56,060)
3	Operating expenses related to Insurance Business	4	98,653	95,779
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>427,387</b>	<b>441,037</b>
	<b>Operating Profit / (Loss) from Marine Business C = (A-B)</b>		<b>145,677</b>	<b>72,517</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		145,677	72,517
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL (C)</b>		<b>145,677</b>	<b>72,517</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

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

**S. K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
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**S. K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**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, 2015

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums earned (Net)	1	21,791,503	18,729,594
2	Profit / (Loss) on sale / Redemption of Investments		37,470	31,237
3	Others: Transfer & Duplicate Fee		10,126	9,463
	Exchange Gain / (Loss)		(6,199)	(2,284)
	Handling Charges		(1,034)	509
4	Interest, Dividend & Rent - Gross		2,914,776	2,440,608
	<b>TOTAL (A)</b>		<b>24,746,642</b>	<b>21,209,127</b>
1	Claims Incurred (Net)	2	16,222,026	14,137,982
2	Commission	3	571,019	(108,601)
3	Operating expenses related to Insurance Business	4	5,994,882	4,832,785
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>22,787,927</b>	<b>18,862,166</b>
	<b>Operating Profit / (Loss) from Miscellaneous Business C = (A-B)</b>		<b>1,958,715</b>	<b>2,346,961</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		1,958,715	2,346,961
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL (C)</b>		<b>1,958,715</b>	<b>2,346,961</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

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

**S. K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S. K. Mehta**  
Partner  
M.No. 10870

**S. K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**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, 2015

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	<b>OPERATING PROFIT / (LOSS)</b>			
	(a) Fire Insurance		313,090	227,755
	(b) Marine Insurance		145,677	72,517
	(c) Miscellaneous Insurance		1,958,715	2,346,961
2	<b>INCOME FROM INVESTMENTS</b>		2,417,482	2,647,233
	(a) Interest, Dividend & Rent - Gross		572,940	565,405
	(b) Profit on sale of Investments		7,366	7,236
	Less : Loss on Sale of Investments		-	-
3	<b>OTHER INCOME</b>		580,306	572,641
	(a) Miscellaneous Income		33,066	34,156
	(b) Profit on Sale of Fixed Assets		67	-
	<b>TOTAL (A)</b>		<b>3,030,921</b>	<b>3,254,030</b>
4	<b>PROVISIONS (Other than taxation)</b>			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		-	-
	(c) For doubtful Advances		226	-
5	<b>OTHER EXPENSES</b>			
	(a) Expenses other than those related to Insurance business		7,433	7,497
	(b) Bad Debts / Advances written off		-	21,169
	(c) Loss on Sale of Fixed Assets		-	357
	(d) Expenses on Corporate Social Responsibility (CSR)		2,278	-
	<b>TOTAL (B)</b>		<b>9,937</b>	<b>29,023</b>
	<b>Profit Before Tax (A-B)</b>		<b>3,020,984</b>	<b>3,225,007</b>
	Less: Provision for Taxation			
	Current Tax		1,134,962	1,074,600
	Deferred Tax		(175,700)	(11,050)
	Wealth Tax		500	500
	Less: Short / (Excess) provision for taxation for earlier years		-	-
	Current Tax		(1,891)	5,055
	Deferred Tax		3,000	(4,950)
	Wealth Tax		(11)	2
	<b>Profit After Tax</b>		<b>2,060,124</b>	<b>2,160,850</b>
	<b>Balance of Profit brought forward from last year</b>		<b>3,594,110</b>	<b>1,433,260</b>
	<b>Balance available for appropriation</b>		<b>5,654,234</b>	<b>3,594,110</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		-	-
	<b>Balance carried forward to Balance sheet</b>		<b>5,654,234</b>	<b>3,594,110</b>
	<b>Basic &amp; Diluted Earnings per share</b> (Equity shares of face value of ₹10 each)		<b>7.65</b>	<b>8.02</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

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

**S. K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S. K. Mehta**  
Partner  
M.No. 10870

**S. K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**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, 2015

(₹ In '000)

	Current Year		Previous Year	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Premium received from policyholders, including advance receipts	38,356,045		33,202,419	
Other receipts	33,066		34,156	
Receipts from the reinsurers, net of commissions and claims	(4,516,274)		(4,521,124)	
Payments to co-insurers, net of claims recovery	(398,376)		(618,617)	
Payments of claims	(18,047,932)		(16,717,674)	
Payments of commission and brokerage	(1,425,831)		(1,307,024)	
Payments of other operating expenses	(6,254,031)		(5,525,932)	
Preliminary and pre-operative expenses	-		-	
Deposits, advances and staff loans	20,726		127,069	
Income taxes paid (Net)	(1,066,246)		(907,219)	
Service tax paid	(2,116,297)		(1,523,739)	
Other payments	-		-	
Cash Flows before extraordinary items	4,584,851		2,242,315	
Cash Flow from extraordinary operations	-		-	
<b>Net Cash Flow from operating activities</b>		<b>4,584,851</b>		<b>2,242,315</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(60,246)		(99,743)	
Proceeds from sale of fixed assets	298		758	
Purchases of investments	(49,634,728)		(40,813,411)	
Loans disbursed	-		-	
Sales of investments	43,747,883		38,678,765	
Repayments received	-		-	
Rents/Interests/Dividends received	3,465,777		2,453,748	
Investments in money market instruments and in liquid mutual funds (Net)	-		-	
Expenses related to investments	(7,433)		(7,497)	
<b>Net Cash Flow from investing activities</b>		<b>(2,488,448)</b>		<b>212,620</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>2,096,403</b>		<b>2,454,935</b>
<b>Cash equivalents at beginning of Year</b>		<b>14,599,437</b>		<b>12,144,502</b>
<b>Cash equivalents at end of Year</b>		<b>16,695,839</b>		<b>14,599,437</b>

For and on behalf of Board of Directors

As per our Report of even date attached.

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

**S. K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

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Partner  
M.No. 10870

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Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**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	2,324,003	1,139,421	29,836,254	33,299,678	2,134,274	1,174,105	26,000,850	29,309,229
Add : Premium on reinsurance accepted	461,635	39,550	185,915	687,100	365,574	28,449	215,713	609,736
	<b>2,785,638</b>	<b>1,178,971</b>	<b>30,022,169</b>	<b>33,986,778</b>	<b>2,499,848</b>	<b>1,202,554</b>	<b>26,216,563</b>	<b>29,918,965</b>
Less : Premium on reinsurance ceded	2,409,232	765,297	4,897,239	8,071,768	2,129,840	816,275	6,735,905	9,682,020
<b>Net Premium</b>	<b>376,406</b>	<b>413,674</b>	<b>25,124,930</b>	<b>25,915,010</b>	<b>370,008</b>	<b>386,279</b>	<b>19,480,658</b>	<b>20,236,945</b>
Adjustments for changes in Reserve for Unexpired Risks	(15,619)	(77,275)	3,333,427	3,240,533	(2,278)	(42,879)	751,064	705,907
<b>Total Premium Earned (Net)</b>	<b>392,025</b>	<b>490,949</b>	<b>21,791,503</b>	<b>22,674,477</b>	<b>372,286</b>	<b>429,158</b>	<b>18,729,594</b>	<b>19,531,038</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 - 1A

#### 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	1,009,441	129,980	1,139,421	1,045,874	128,231	1,174,105
Add : Premium on reinsurance accepted	38,644	906	39,550	28,315	134	28,449
	<b>1,048,085</b>	<b>130,886</b>	<b>1,178,971</b>	<b>1,074,189</b>	<b>128,365</b>	<b>1,202,554</b>
Less : Premium on reinsurance ceded	660,501	104,796	765,297	717,110	99,165	816,275
<b>Net Premium</b>	<b>387,584</b>	<b>26,090</b>	<b>413,674</b>	<b>357,079</b>	<b>29,200</b>	<b>386,279</b>
Adjustments for changes in Reserve for Unexpired Risks	(78,691)	1,416	(77,275)	(26,111)	(16,768)	(42,879)
<b>Total Premium Earned (Net)</b>	<b>466,275</b>	<b>24,674</b>	<b>490,949</b>	<b>383,190</b>	<b>45,968</b>	<b>429,158</b>

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 1B**

**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	12,370,563	9,049,126	21,419,689	605,779	13,118	224,120	364,284	177,737	3,539,579	3,491,948	29,836,254
Add : Premium on reinsurance accepted	-	106,965	106,965	53,293	(1,484)	-	4,080	4,921	10,119	8,021	185,915
	<b>12,370,563</b>	<b>9,156,091</b>	<b>21,526,654</b>	<b>659,072</b>	<b>11,634</b>	<b>224,120</b>	<b>368,364</b>	<b>182,658</b>	<b>3,549,698</b>	<b>3,499,969</b>	<b>30,022,169</b>
Less : Premium on reinsurance ceded	646,594	475,454	1,122,048	502,412	11,845	13,070	48,548	59,920	542,183	2,597,213	4,897,239
<b>Net Premium</b>	<b>11,723,969</b>	<b>8,680,637</b>	<b>20,404,606</b>	<b>156,660</b>	<b>(211)</b>	<b>211,050</b>	<b>319,816</b>	<b>122,738</b>	<b>3,007,515</b>	<b>902,756</b>	<b>25,124,930</b>
Adjustments for changes in Reserve for Unexpired Risks	1,611,369	1,322,269	2,933,638	6,585	(927)	29,185	34,225	12,486	291,123	27,112	3,333,427
<b>Total Premium Earned (Net)</b>	<b>10,112,600</b>	<b>7,358,368</b>	<b>17,470,968</b>	<b>150,075</b>	<b>716</b>	<b>181,865</b>	<b>285,591</b>	<b>110,252</b>	<b>2,716,392</b>	<b>875,644</b>	<b>21,791,503</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	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 - 2**  
**CLAIMS INCURRED (NET)**

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Claims Paid Direct	825,810	945,330	15,753,335	17,524,475	1,415,184	807,901	13,680,461	15,903,546
Add : Reinsurance accepted	68,569	8,034	251,602	328,205	16,321	20,340	392,803	429,464
Less : Reinsurance ceded	715,197	610,326	3,646,590	4,972,113	1,202,502	455,379	4,381,083	6,038,964
<b>Net Claims Paid</b>	<b>179,182</b>	<b>343,038</b>	<b>12,358,347</b>	<b>12,880,567</b>	<b>229,003</b>	<b>372,862</b>	<b>9,692,181</b>	<b>10,294,046</b>
Add : Claims Outstanding at the end of the year	494,016	537,506	16,258,452	17,289,974	457,735	502,770	12,394,773	13,355,278
Less : Claims Outstanding at the beginning of the year	457,735	502,770	12,394,773	13,355,278	408,703	474,314	7,948,972	8,831,989
<b>Total Claims Incurred</b>	<b>215,463</b>	<b>377,774</b>	<b>16,222,026</b>	<b>16,815,263</b>	<b>278,035</b>	<b>401,318</b>	<b>14,137,982</b>	<b>14,817,335</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	729,780	215,550	945,330	804,749	3,152	807,901
Add : Reinsurance accepted	8,034	-	8,034	20,340	-	20,340
Less : Reinsurance ceded	429,617	180,709	610,326	453,659	1,720	455,379
<b>Net Claims Paid</b>	<b>308,197</b>	<b>34,841</b>	<b>343,038</b>	<b>371,430</b>	<b>1,432</b>	<b>372,862</b>
Add : Claims Outstanding at the end of the year	401,476	136,030	537,506	402,581	100,189	502,770
Less : Claims Outstanding at the beginning of the year	402,581	100,189	502,770	403,364	70,950	474,314
<b>Total Claims Incurred</b>	<b>307,092</b>	<b>70,682</b>	<b>377,774</b>	<b>370,647</b>	<b>30,671</b>	<b>401,318</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	6,846,307	4,554,570	11,400,877	162,723	4,693	34,373	223,840	13,806	2,824,880	1,088,143	15,753,335
Add : Reinsurance accepted	-	205,915	205,915	3,879	26,465	-	6,829	-	2,646	5,868	251,602
Less : Reinsurance ceded	774,749	1,596,415	2,371,164	83,758	4,739	2,458	23,689	2,370	385,663	772,749	3,646,590
<b>Net Claims Paid</b>	<b>6,071,558</b>	<b>3,164,070</b>	<b>9,235,628</b>	<b>82,844</b>	<b>26,419</b>	<b>31,915</b>	<b>206,980</b>	<b>11,436</b>	<b>2,441,863</b>	<b>321,262</b>	<b>12,358,347</b>
Add : Claims Outstanding at the end of the year	1,340,990	12,869,161	14,210,151	328,333	14,656	75,311	136,071	89,497	622,661	781,772	16,258,452
Less : Claims Outstanding at the beginning 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
<b>Total Claims Incurred</b>	<b>6,235,151</b>	<b>6,603,523</b>	<b>12,838,674</b>	<b>73,182</b>	<b>(9,659)</b>	<b>28,094</b>	<b>169,240</b>	<b>(8,310)</b>	<b>2,602,121</b>	<b>528,684</b>	<b>16,222,026</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	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 - 3 COMMISSION

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Commission Paid Direct	64,973	59,987	1,161,839	1,286,799	61,203	57,755	1,044,523	1,163,481
<b>TOTAL (A)</b>	<b>64,973</b>	<b>59,987</b>	<b>1,161,839</b>	<b>1,286,799</b>	<b>61,203</b>	<b>57,755</b>	<b>1,044,523</b>	<b>1,163,481</b>
Add : Commission on reinsurance accepted	38,994	3,160	5,660	47,814	25,836	3,672	4,694	34,202
Less : Commission on reinsurance ceded	255,271	112,187	596,480	963,938	244,714	117,487	1,157,818	1,520,019
<b>Net Commission</b>	<b>(151,304)</b>	<b>(49,040)</b>	<b>571,019</b>	<b>370,675</b>	<b>(157,675)</b>	<b>(56,060)</b>	<b>(108,601)</b>	<b>(322,336)</b>
<b>Breakup of the expenses (Gross) incurred to procure business:</b>								
Agents	32,815	22,805	536,395	592,015	30,211	23,699	522,102	576,012
Brokers	27,912	35,620	524,904	588,436	24,546	32,731	429,366	486,643
Corporate Agency	4,246	1,562	100,540	106,348	6,446	1,325	93,055	100,826
Others	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>64,973</b>	<b>59,987</b>	<b>1,161,839</b>	<b>1,286,799</b>	<b>61,203</b>	<b>57,755</b>	<b>1,044,523</b>	<b>1,163,481</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	52,368	7,619	59,987	50,022	7,733	57,755
<b>TOTAL (A)</b>	<b>52,368</b>	<b>7,619</b>	<b>59,987</b>	<b>50,022</b>	<b>7,733</b>	<b>57,755</b>
Add : Commission on reinsurance accepted	3,151	9	3,160	3,654	18	3,672
Less : Commission on reinsurance ceded	103,972	8,215	112,187	109,437	8,050	117,487
<b>Net Commission</b>	<b>(48,453)</b>	<b>(587)</b>	<b>(49,040)</b>	<b>(55,761)</b>	<b>(299)</b>	<b>(56,060)</b>
<b>Breakup of the expenses (Gross) incurred to procure business :</b>						
Agents	19,907	2,898	22,805	21,124	2,575	23,699
Brokers	30,942	4,678	35,620	27,580	5,151	32,731
Corporate Agency	1,519	43	1,562	1,318	7	1,325
Others	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>52,368</b>	<b>7,619</b>	<b>59,987</b>	<b>50,022</b>	<b>7,733</b>	<b>57,755</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	729,952	7,879	737,831	30,858	609	20,421	23,856	22,860	189,042	136,362	1,161,839
<b>Total (A)</b>	<b>729,952</b>	<b>7,879</b>	<b>737,831</b>	<b>30,858</b>	<b>609</b>	<b>20,421</b>	<b>23,856</b>	<b>22,860</b>	<b>189,042</b>	<b>136,362</b>	<b>1,161,839</b>
Add : Commission on reinsurance accepted	-	-	-	3,720	472	-	41	394	503	530	5,660
Less : Commission on reinsurance ceded	94,059	23,122	117,181	66,992	626	1,822	6,921	5,727	48,482	348,729	596,480
<b>Net Commission</b>	<b>635,893</b>	<b>(15,243)</b>	<b>620,650</b>	<b>(32,414)</b>	<b>455</b>	<b>18,599</b>	<b>16,976</b>	<b>17,527</b>	<b>141,063</b>	<b>(211,837)</b>	<b>571,019</b>
<b>Breakup of the expenses (Gross) incurred to procure business:</b>											
Agents	366,473	6,343	372,816	12,491	(6)	12,419	11,003	2,778	83,701	41,193	536,395
Brokers	317,779	1,171	318,950	16,532	615	6,367	9,646	19,798	87,769	65,227	524,904
Corporate Agency	45,700	365	46,065	1,835	-	1,635	3,207	284	17,572	29,942	100,540
Others	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>729,952</b>	<b>7,879</b>	<b>737,831</b>	<b>30,858</b>	<b>609</b>	<b>20,421</b>	<b>23,856</b>	<b>22,860</b>	<b>189,042</b>	<b>136,362</b>	<b>1,161,839</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	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 reinsurance accepted	-	-	-	4,285	270	-	35	1	50	53	4,694
Less : Commission on reinsurance 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 - 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	14,597	16,042	974,329	1,004,968	16,214	16,927	853,651	886,792
2	Travel, conveyance and vehicle running expenses	4,819	5,296	321,650	331,765	5,176	5,403	272,506	283,085
3	Training expenses	46	50	3,039	3,135	146	153	7,711	8,010
4	Rent, rates and taxes	4,353	4,784	290,568	299,705	5,304	5,537	279,251	290,092
5	Repairs	1,434	1,577	95,754	98,765	1,631	1,703	85,886	89,220
6	Printing and stationery	917	1,007	61,178	63,102	983	1,026	51,763	53,772
7	Communication	996	1,096	66,509	68,601	1,170	1,221	61,573	63,964
8	Legal and professional charges	17,766	19,523	1,185,796	1,223,085	19,135	19,976	1,007,434	1,046,545
9	Auditor's fees, expenses etc.	-	-	-	-	-	-	-	-
	(a) As Auditor	43	48	2,909	3,000	57	57	2,886	3,000
	(b) As Advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-
	(i) Taxation matters	6	6	388	400	6	5	289	300
	(ii) Insurance matters	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-
10	Advertisement and publicity	1,927	2,118	128,629	132,674	1,940	2,026	102,179	106,145
11	Marketing & support services	34,587	38,010	2,308,609	2,381,206	30,109	31,434	1,585,247	1,646,790
12	Interest and bank charges	970	1,066	64,761	66,797	1,016	1,061	53,509	55,586
13	Others :	-	-	-	-	-	-	-	-
	Policy stamps	28	-	3,074	3,102	33	-	2,511	2,544
	Information & technology expenses	2,668	2,933	178,131	183,732	3,484	3,637	183,410	190,531
	Electricity & water charges	730	803	48,737	50,270	844	882	44,443	46,169
	Courtesies & entertainment	679	746	45,330	46,755	478	500	25,182	26,160
	Others	764	841	51,060	52,665	1,110	1,159	58,433	60,702
14	Depreciation	1,845	2,028	123,180	127,053	1,769	1,849	93,227	96,845
15	Service tax expense	618	679	41,251	42,548	1,172	1,223	61,694	64,089
	<b>TOTAL</b>	<b>89,793</b>	<b>98,653</b>	<b>5,994,882</b>	<b>6,183,328</b>	<b>91,777</b>	<b>95,779</b>	<b>4,832,785</b>	<b>5,020,341</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	15,030	1,012	16,042	15,647	1,280	16,927
2	Travel, conveyance and vehicle running expenses	4,962	334	5,296	4,995	408	5,403
3	Training expenses	47	3	50	141	12	153
4	Rent, rates and taxes	4,482	302	4,784	5,119	418	5,537
5	Repairs	1,478	99	1,577	1,574	129	1,703
6	Printing and stationery	944	63	1,007	948	78	1,026
7	Communication	1,026	70	1,096	1,129	92	1,221
8	Legal and professional charges	18,292	1,231	19,523	18,466	1,510	19,976
9	Auditor's fees, expenses etc.	-	-	-	-	-	-
	(a) As Auditor	45	3	48	53	4	57
	(b) As Advisor or in any other capacity in respect of	-	-	-	-	-	-
	(i) Taxation matters	6	-	6	5	-	5
	(ii) Insurance matters	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-
10	Advertisement and publicity	1,984	134	2,118	1,873	153	2,026
11	Marketing & support services	35,613	2,397	38,010	29,058	2,376	31,434
12	Interest and bank charges	999	67	1,066	981	80	1,061
13	Others:	-	-	-	-	-	-
	Policy stamps	-	-	-	-	-	-
	Information & technology expenses	2,748	185	2,933	3,362	275	3,637
	Electricity & water charges	752	51	803	815	67	882
	Courtesies & entertainment	699	47	746	462	38	500
	Others	788	53	841	1,071	88	1,159
14	Depreciation	1,900	128	2,028	1,709	140	1,849
15	Service tax expense	636	43	679	1,131	92	1,223
	<b>TOTAL</b>	<b>92,431</b>	<b>6,222</b>	<b>98,653</b>	<b>88,539</b>	<b>7,240</b>	<b>95,779</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	454,648	336,630	791,278	6,075	(8)	8,184	12,402	4,760	116,630	35,008	974,329
2	Travel, conveyance and vehicle running expenses	150,091	111,130	261,221	2,006	(3)	2,702	4,094	1,571	38,502	11,557	321,650
3	Training expenses	1,417	1,050	2,467	19	-	26	39	15	364	109	3,039
4	Rent, rates and taxes	135,587	100,390	235,977	1,812	(2)	2,441	3,699	1,419	34,782	10,440	290,568
5	Repairs	44,681	33,083	77,764	597	(1)	805	1,219	468	11,462	3,440	95,754
6	Printing and stationery	28,547	21,137	49,684	381	(1)	514	780	299	7,323	2,198	61,178
7	Communication	31,035	22,979	54,014	414	(1)	559	847	325	7,961	2,390	66,509
8	Legal and professional charges	553,324	409,691	963,015	7,394	(10)	9,961	15,094	5,793	141,943	42,606	1,185,796
9	Auditor's fees, expenses etc.											
	(a) As Auditor	1,357	1,005	2,362	18	-	24	37	15	348	105	2,909
	(b) As Advisor or in any other capacity in respect of	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	181	134	315	2	-	3	5	2	46	15	388
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	60,022	44,441	104,463	802	(1)	1,080	1,637	628	15,397	4,623	128,629
11	Marketing & support services	1,077,259	797,622	1,874,881	14,395	(19)	19,392	29,386	11,278	276,346	82,950	2,308,609
12	Interest and bank charges	30,219	22,375	52,594	404	(1)	544	824	316	7,752	2,328	64,761
13	Others:											
	Policy stamps	1,310	970	2,280	4	-	117	11	-	75	587	3,074
	Information & technology expenses	83,121	61,544	144,665	1,111	(1)	1,496	2,267	870	21,323	6,400	178,131
	Electricity & water charges	22,742	16,839	39,581	304	-	409	620	238	5,834	1,751	48,737
	Courtesies & entertainment	21,153	15,662	36,815	283	-	381	577	221	5,426	1,627	45,330
	Others	23,826	17,641	41,467	318	-	429	650	249	6,112	1,835	51,060
14	Depreciation	57,479	42,558	100,037	768	(1)	1,035	1,568	602	14,745	4,426	123,180
15	Service tax expense	19,249	14,252	33,501	257	-	346	525	202	4,938	1,482	41,251
	<b>TOTAL</b>	<b>2,797,248</b>	<b>2,071,133</b>	<b>4,868,381</b>	<b>37,364</b>	<b>(49)</b>	<b>50,448</b>	<b>76,281</b>	<b>29,271</b>	<b>717,309</b>	<b>215,877</b>	<b>5,994,882</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	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 - 5

#### SHARE CAPITAL

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
1	Authorised Capital 400000000 Equity Shares of ₹10 each (Previous Year 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, 2015		As at 31 <sup>st</sup> March, 2014	
		Number of Shares	% of Holding	Number of Shares	% of Holding
	<b>Promoters</b>				
	a Indian	199297910	74	199297910	74
	b Foreign	70023590	26	70023590	26
	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, 2015	As at 31 <sup>st</sup> March, 2014
(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	-	-
7	Balance of Profit in Profit and Loss Account	5,654,234	3,594,110
	<b>TOTAL</b>	<b>8,224,189</b>	<b>6,164,065</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 7

#### BORROWINGS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
	<b>LONG TERM INVESTMENTS</b>		
1	Govt. Securities, Govt. guaranteed Bonds incl. Treasury Bills	13,154,565	11,410,644
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	16,800	-
	Preference Shares	-	-
	Mutual Funds	-	-
	Derivative Instruments	-	-
	Debenture / Bonds (Housing)	4,513,424	3,563,952
	Non-Convertible Debenture / Bonds	1,300,000	900,000
	Other Securities	-	-
	Subsidiaries	5,000	5,000
	Investment Properties - Real Estate	-	-
4	Investment In Infrastructure and social sector	6,966,953	5,231,931
5	Other than approved investments	-	-
	<b>SHORT TERM INVESTMENTS</b>		
1	Govt. Securities, Govt. guaranteed Bonds incl. Treasury Bills	655,974	101,662
2	Other Approved Securities	-	-
3	<u>Other Investments</u>		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	500,313	-
	Derivative Instruments	-	-
	Debentures & Bonds ( Housing)	400,000	300,000
	Non-Convertible Debenture/ Bonds	-	100,000
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investments in Infrastructure & Social Sector	335,000	322,383
5	Other than approved investments	-	-
	<b>TOTAL</b>	<b>27,848,029</b>	<b>21,935,572</b>

**Note:** Aggregate amount of company's investment other than listed equity securities and derivative instruments is ₹27,831,229 thousand (Previous year ₹21,935,572 thousand)

Market value of such investments as at 31.03.2015 is ₹28,667,512 thousand (Previous year ₹21,711,251 thousand)

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 9

#### LOANS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
<b>1</b>	<b>Security-wise Classification Secured</b>		
	(a) On mortgage of property		
	(i) In India	-	-
	(ii) Outside India	-	-
	(b) On shares, Bonds, Govt Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	<b>Total</b>	-	-
<b>2</b>	<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>	-	-
<b>3</b>	<b>Performance-wise Classification</b>		
	(a) Loans classified as standard		
	(i) in India	-	-
	(ii) outside India	-	-
	(b) Non performing loans less provisions		
	(i) in India	-	-
	(ii) outside India	-	-
	<b>Total</b>	-	-
<b>4</b>	<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, 2014	Additions during the year	Sales/ Adjustments during the year	As at 31 <sup>st</sup> March, 2015	Upto 31 <sup>st</sup> March, 2014	For the Year	On Sales/ Adjustments	Upto 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles:										
- Computer Software	202,814	3,964	-	206,778	154,644	29,163	-	183,806	22,972	48,170
Land - Freehold	37,849	-	-	37,849	-	-	-	-	37,849	37,849
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	12,251	-	-	12,251	803	202	-	1,004	11,247	11,448
Furniture & Fittings	263,179	16,411	5,262	274,328	203,021	18,976	5,262	216,735	57,593	60,158
Information Technology Equipment	460,305	38,783	1,414	497,674	405,637	38,938	1,371	443,204	54,470	54,669
Vehicles	5,319	-	-	5,319	1,430	811	-	2,241	3,078	3,889
Office Equipment	79,793	4,993	941	83,845	24,536	38,963	752	62,747	21,098	55,257
Others	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,061,510</b>	<b>64,151</b>	<b>7,617</b>	<b>1,118,044</b>	<b>790,071</b>	<b>127,053</b>	<b>7,385</b>	<b>909,737</b>	<b>208,307</b>	<b>271,440</b>
<b>Capital Work In Progress</b>	<b>5,233</b>	<b>6,299</b>	<b>5,233</b>	<b>6,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,299</b>	<b>5,233</b>
<b>Grand Total</b>	<b>1,066,743</b>	<b>70,450</b>	<b>12,850</b>	<b>1,124,343</b>	<b>790,071</b>	<b>127,053</b>	<b>7,385</b>	<b>909,737</b>	<b>214,606</b>	<b>276,673</b>
<b>Previous Year 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>	

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 11

#### CASH AND BANK BALANCES

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
1	Cash (including cheques, drafts and stamps)	52,252	13,935
2	Bank Balances		
	(a) Deposit Accounts		
	(i) Short term (due within 12 months)	13,650,000	11,615,000
	(ii) Others	2,190,000	2,210,000
	(b) Current Accounts	803,587	760,502
	(c) Others	-	-
3	Money at call & short notice		
	With Banks	-	-
	With Other Institutions	-	-
4	Others	-	-
	<b>TOTAL</b>	<b>16,695,839</b>	<b>14,599,437</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, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
	<b>ADVANCES</b>		
1	Reserve Deposit with Ceding Companies	-	-
2	Application Money for Investments	-	-
3	Pre-payments	143,103	350,648
4	Advance to Directors / Officers	-	-
5	Advance Tax Paid and Tax Deducted at source (Net of provision for taxation)	-	9,293
6	Deposit towards Rent	54,121	52,274
7	Service Tax Recoverable	-	52,433
8	Others	13,313	40,565
	<b>TOTAL (A)</b>	<b>210,537</b>	<b>505,213</b>
	<b>OTHER ASSETS</b>		
1	Income accrued on Investments / FDRs	1,972,321	1,860,538
2	Outstanding Premiums	1,299,518	983,607
3	Agents' Balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from entities carrying on insurance business (including reinsurers)	1,383,641	1,266,204
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>4,655,480</b>	<b>4,110,349</b>
	<b>TOTAL (A+B)</b>	<b>4,866,017</b>	<b>4,615,562</b>



## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 13

#### CURRENT LIABILITIES

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
1	Agents Balances	162,624	128,541
2	Balances due to other insurance companies (including reinsurers)	1,044,031	1,598,123
3	Deposits held on reinsurances ceded	-	-
4	Premiums received in advance	875,664	219,896
5	Unallocated premium	-	-
6	Sundry Creditors	456,571	401,050
7	Due to subsidiaries/holding company	59,222	63,675
8	Claims outstanding *	22,194,039	19,462,688
9	Due to Officers / Directors	-	-
10	Deposit Premium	156,563	163,314
11	Service Tax Payable	40,156	-
12	Employee Benefit	144,340	115,547
13	Unclaimed Amount of Policyholders	229,372	197,467
	<b>TOTAL</b>	<b>25,362,582</b>	<b>22,350,301</b>

\* Claims Outstanding Includes ₹4,904,065 thousand (Previous Year ₹6,107,410 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, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
1	Reserve for Unexpired Risk	13,540,696	10,300,163
2	For Taxation (less advance tax paid and taxes deducted at source)	58,020	-
3	For Proposed Dividends	-	-
4	For Dividend Distribution Tax	-	-
5	For Premium Deficiency	-	-
	<b>TOTAL</b>	<b>13,598,716</b>	<b>10,300,163</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### SCHEDULE - 15

#### MISCELLANEOUS EXPENDITURE

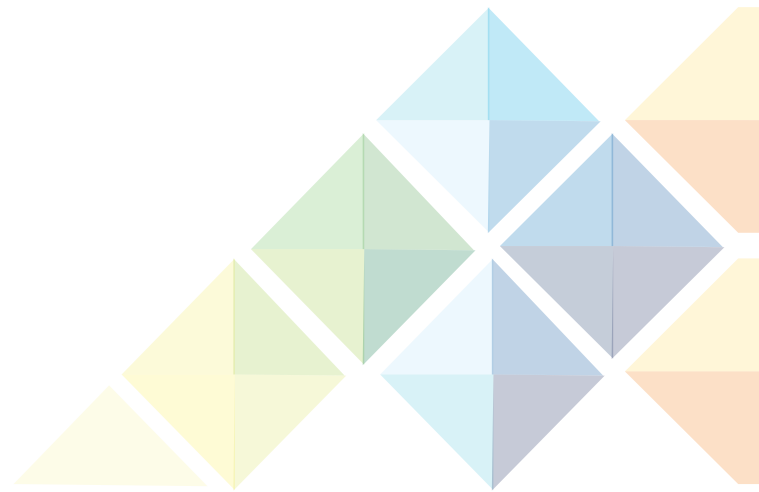
(To the extent not written off or adjusted)

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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 recognised prospectively in the period in which the results are known/materialised.

#### 3. Revenue Recognition:

- 3.1 Premium and cession thereof are recognised 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 recognised 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 recognised 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 recognised as income in the period in which the premium is ceded. Profit commission under reinsurance treaties, wherever applicable, is recognised on the determination of profit for the period.
- 3.6 Interest income is recognised on accrual basis.
- 3.7 Dividend income is recognised 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 recognised on trade date and includes effects of accumulated fair value changes, previously recognised, for specific investments sold/redeemed during the year. In determining realised gain/loss, cost of securities is arrived at on 'Weighted average cost' basis and sale consideration for the purpose of realised 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/advice, 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 realisation.

## 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 amortisation 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)

(iii) Equity securities listed and actively traded are stated at fair value, being the last quoted closing price on the National Stock Exchange (NSE). However, in case of any stock not being listed at NSE, the same valued based on the last quoted closing price on Bombay Stock Exchange (BSE).

(iv) Any unrealised gain/loss arising due to change in fair value of mutual fund investments and listed equity shares is accounted in 'Fair Value Change Account' and carried forward in the Balance Sheet and is not available for distribution.

(v) 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/amortisation.

Capital Work in Progress is stated at cost.

## 10. Depreciation/Amortisation:

10.1 Depreciation on Fixed Assets is provided on straight line method based on useful life as provided in Schedule II of the Companies Act, 2013 except:

- (i) Fixtures in rented premises are depreciated proportionately over the residual lease period wherever the lease period is less than the use life specified in Schedule II.
- (ii) Information Technology Equipments – Servers & Networks are depreciated over their useful life of three years on straight line method.
- (iii) Fixed Assets having value up to ₹5000 are fully depreciated in the year of acquisition.

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

#### **11. Pre-paid Expenses:**

Expenditure up to ₹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 recognised and carried only to the extent that there is a reasonable/virtual certainty that the asset will be realised 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 recognised 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 recognised wherever the carrying amount of the asset exceeds its recoverable amount. Any such impairment loss is recognised by charging it to the profit and loss account. A previously recognised 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 recognised 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

- 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.
- Commitments made and outstanding for loans and investments are Nil (Previous Year-Nil).
  - The company has committed ₹10,963 thousand (Previous Year ₹6,327 thousand) for the purchase of fixed assets.
- 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 31.3.2015	Year ended 31.3.2014	Year ended 31.3.2015	Year ended 31.3.2014
Fire	179,182	220,397	-	8,606
Marine	343,038	372,862	-	-
Miscellaneous	12,338,275	9,689,918	20,072	2,263

- Age-wise breakup of claims outstanding on Gross basis under various class of business as at 31<sup>st</sup> March, 2015 is as under:

(₹ in '000)

Class of Business	Outstanding for more than 6 months		Other Claims	
	As at 31.3.2015	As at 31.3.2014	As at 31.3.2015	As at 31.3.2014
Fire	2,556,526	2,219,826	542,921	542,735
Marine	568,755	730,234	669,872	163,504
Miscellaneous	10,576,101	9,579,445	2,526,056	2,083,190

- Claims settled and remaining unpaid for a period of more than six months as at 31<sup>st</sup> March, 2015 is Nil (Previous Year Nil).
- (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 31.3.2015	Year ended 31.3.2014	Year ended 31.3.2015	Year ended 31.3.2014
Fire	373,152	369,869	3,254	139
Marine	413,674	386,279	-	-
Miscellaneous	25,125,708	19,471,739	(778)	8,919

(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 31.3.2015	Year ended 31.3.2014	Year ended 31.3.2015	Year ended 31.3.2014
Fire	13.51%	14.80%	86.49%	85.20%
Marine	35.09%	32.12%	64.91%	67.88%
Miscellaneous	83.69%	74.31%	16.31%	25.69%

(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, 2015 and 31<sup>st</sup> March, 2014 are performing investments.
8. Value of contracts in relation to investments for :

(₹ in '000)

	As at 31.3.2015	As at 31.3.2014
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 31.3.2015	As at 31.3.2014
Book Value as on date of deposit of security	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 2015 is ₹500,313 (previous year ₹ Nil) and historical cost of the same is ₹500,000 (Previous year ₹ Nil).

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

	Year ended 31.3.2015	Year ended 31.3.2014
Urban Areas	86.59%	83.60%
Rural Areas	13.41%	16.40%
Social Sector	3.97%	9.15%
Gross Premium	₹1,323,118 thousand	₹2,681,750 thousand
Number of Policies Issued	444 thousand	447 thousand
Number of Lives Covered (Estimated)	₹7,236 thousand	₹7,711 thousand

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

(₹ in '000)

	Year ended 31.3.2015		Year ended 31.3.2014	
	Managing Director	Whole-time Directors	Managing Director	Whole-time Directors
Salaries and Allowances	11,019	10,030	9,577	8,967
Contribution to Provident Fund	359	383	346	367
<b>Total *</b>	<b>11,378</b>	<b>10,413</b>	<b>9,923</b>	<b>9,334</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 Lacs)

S. No.	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
	<b>OPERATING RESULTS</b>					
1.	Gross Direct Premiums	332,996.78	293,092.29	256,503.08	197,524.38	178,317.67
2	Net Premium	259,150.10	202,369.45	185,920.93	142,329.78	125,228.91
3	Income from Investments	31,135.81	26,282.22	22,344.75	16,157.94	11,604.09
4	Other Income	(13.10)	33.13	147.8	(5.04)	12.49
<b>5</b>	<b>Total Income</b>	<b>290,272.81</b>	<b>228,684.80</b>	<b>208,413.48</b>	<b>158,482.68</b>	<b>136,845.49</b>
6	Commission (Net) Including Brokerage	3,706.75	(3,223.36)	(468.27)	(1,199.53)	1,510.68
7	Operating Expenses	61,833.28	50,203.41	44,519.92	35,257.34	31,921.12
8	Net Incurred Claims	168,152.63	148,173.35	124,544.77	123,366.51	99,046.49
9	Increase in Unexpired Risk Reserve	32,405.33	7,059.07	23,512.57	9061.63	11,738.39
	<b>Total Expenses</b>	<b>266,097.98</b>	<b>202,212.47</b>	<b>192,108.99</b>	<b>166,485.95</b>	<b>144,216.68</b>
<b>10</b>	<b>Operating Profit/(Loss)</b>	<b>24,174.82</b>	<b>26,472.33</b>	<b>16,304.49</b>	<b>(8,003.27)</b>	<b>(7,371.19)</b>
	<b>NON OPERATING RESULT</b>					
11	Total Income under Shareholders Account	6,035.02	5,777.74	3,323.87	3,340.42	2,414.68
12	Profit/(Loss) before Tax	30,209.84	32,250.07	19,628.36	(4,662.85)	(4,936.76)
13	Provision for Tax	9,608.60	10,641.57	6,149.15	(1,483.13)	(1,666.76)
14	Profit/(Loss) after Tax	20,601.24	21,608.50	13,479.21	(3,179.72)	(3,270.00)
	<b>MISCELLANEOUS</b>					
	Policy Holder Account:					
15	Total Funds	436,880.29	357,605.72	311,744.00	232,850.00	181,799.00
	Total Investments	436,880.29	357,605.72	311,744.00	232,850.00	181,799.00
	Yields on Investments	9.26%	9.18%	9.26%	9.11%	8.02%
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	26,932.15	24,700.00
18	Net Worth	109,174.04	88,572.80	66,964.30	53,485.09	44,166.07
19	Total Assets	498,776.91	415,077.44	357,054.10	285,189.50	214,986.92
20	Yield on Total Investments	9.26%	9.18%	9.26%	9.11%	8.02%
21	Earnings Per Share (In ₹)	7.65	8.02	5.00	(1.29)	(1.32)
22	Book Value Per Share (In ₹)	40.54	32.89	24.86	19.86	17.88
23	Total Dividend	-	-	-	-	-
24	Dividend Per Share (In ₹)	-	-	-	-	-

## 14. Performance Ratios:

S. No.	Particular	2014-2015	2013-2014
1	Gross Direct Premium Growth Rate #	13.61%	14.26%
	FIRE	8.89%	23.25%
	MARINE	-2.95%	15.40%
	MISCELLANEOUS	14.75%	13.54%
2	Gross Direct Premium to Net Worth Ratio (In Times)	3.05	3.31
3	Growth rate of Net Worth	23.25%	32.27%
4	Net Retention Ratio #	76.25%	67.64%
	FIRE	13.51%	14.80%
	MARINE	35.09%	32.12%
	MISCELLANEOUS	83.69%	74.31%
5	Net Commission Ratio #	1.43%	-1.59%
	FIRE	-40.20%	-42.61%
	MARINE	-11.85%	-14.51%
	MISCELLANEOUS	2.27%	-0.56%
6	Expense of Management to Gross Direct Premium Ratio	22.43%	21.09%
7	Expense of Management to Net Written Premium Ratio	28.83%	30.56%
8	Net Incurred Claims to Net Earned Premium	74.16%	75.87%
9	Combined Ratio #	99.45%	99.08%
10	Technical Reserves to Net Premium Ratio (In Times)	1.38	1.47
11	Underwriting Balance Ratio	-3.06%	0.08%
	FIRE	60.73%	43.02%
	MARINE	12.95%	-2.77%
	MISCELLANEOUS	-4.57%	-0.71%
12	Operating Profit Ratio	10.67%	13.54%
13	Liquid Assets to Liabilities Ratio	0.52	0.51
14	Net Earning Ratio	7.95%	10.68%
15	Return on Net worth Ratio	18.87%	24.40%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio (In Times)	1.65	1.67
17	NPA Ratio		
	Gross NPA Ratio	-	-
	Net NPA Ratio	-	-

S. No.	Equity Holding Pattern for Non-Life Insurers	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
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 (₹)	7.65	8.02
5	Basic and Diluted EPS after extraordinary items (net of tax expense) for the year (₹)	7.65	8.02
6	Book Value Per Share (₹)	40.54	32.89

# 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	2014-15	2013-14
Outsourcing Expenses (Manpower)	127,331	121,963
Business Development	613,229	645,951
Marketing and Support Services	2,381,206	1,646,790

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	Nil	Nil	Nil
2.	Service Tax Authorities	None	Nil	Nil	Nil
3.	Income Tax Authorities	None	Nil	Nil	Nil
4.	Any other Authorities	None			
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 2014-15								
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 / policyholders	-	-	-	-	-	-	-
B	Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-
C	Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	19,571	192	2,110	1,480	1,232	842	13,715
D	Cheques issued but not encashed by the policyholder/ insured	201,383	20,035	32,728	13,157	15,335	16,608	103,520

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.

## II. Disclosures required under Accounting Standards

1. The company has revised the Accounting Policy for depreciation for fixed assets in alignment with Schedule II of the Companies Act, 2013, which has become applicable w.e.f. 01.04.2014. Consequently Profit before tax for the year and Fixed Assets are lower by ₹ 43,172 thousand.

### 2. 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 ₹36,613 thousand (previous year ₹32,324 thousand) has been recognised 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 recognised in Profit & Loss Account

(₹ in '000)

	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Current Service Cost	10,420	8,066	5,731	5,773	6,343	20,198	15,224	10,765	10,017	10,534
Interest cost on benefit obligation	5,090	3,285	3,056	3,447	1,878	8,559	5,626	4,925	4,925	3,876
Expected return on plan assets	(3,539)	(3,925)	(3,739)	(2,912)	(1,908)	-	-	-	-	-
Net actuarial (Gain)/ loss recognised in the year	7,808	12,909	(4,283)	(9,827)	6,454	18,129	26,756	7,757	(6,680)	7,095
Expenses recognised in the Profit & Loss Account	19,780	20,335	765	(3,518)	12,767	46,886	47,606	23,447	8,262	21,505

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

(₹ in '000)

	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of obligation at end of year (i)	74,802	58,174	39,823	37,046	41,777	124,559	97,818	68,190	59,695	59,697
Fair Value of Plan assets at end of year (ii)	55,022	40,446	42,430	40,419	29,017	-	-	-	-	-
Difference (ii-i) i.e. Assets/ (Liabilities)	(19,780)	(17,728)	2,607	3,373	(12,760)	(124,559)	(97,818)	(68,190)	(59,695)	(59,697)
Net Asset/ (liability) recognised in the Balance Sheet	(19,780)	(17,728)	2,607	3,373	(12,760)	(124,559)	(97,818)	(68,190)	(59,695)	(59,697)

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

(₹ in '000)

	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of obligation at beginning of year	58,174	39,823	37,046	41,777	28,902	97,818	68,190	59,695	59,697	45,240
Interest Cost	5,090	3,285	3,056	3,447	1,878	8,559	5,626	4,925	4,925	3,876
Current Service Cost	10,420	8,066	5,731	5,773	6,343	20,198	15,224	10,765	10,017	10,534
Benefit Paid	(7,044)	(5,695)	(5,339)	(1,357)	(1,800)	(20,146)	(17,978)	(14,952)	(8,264)	(7,048)
Net actuarial (Gain)/Loss on obligation	8,161	12,695	(671)	(12,594)	6,454	18,129	26,756	7,757	(6,680)	7,095
Present value of the defined benefit as at end of year	74,802	58,174	39,823	37,046	41,777	124,559	97,818	68,190	59,695	59,697

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

(₹ in '000)

	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Fair value of plan assets at beginning of year	40,446	42,430	40,419	29,017	23,164	-	-	-	-	-
Expected return on plan assets	3,539	3,925	3,739	2,912	1,908	-	-	-	-	-
Contributions by employer	17,727	-	-	12,615	5,731	-	-	-	-	-
Benefits Paid	(7,044)	(5,695)	(5,339)	(1,357)	(1,800)	-	-	-	-	-
Actuarial Gain/(Loss) on plan assets	353	(214)	3,611	(2,767)	14	-	-	-	-	-
Fair value of plan assets at end of year *	55,022	40,446	42,430	40,419	29,017	-	-	-	-	-

\*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)				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Method used	Projected Unit Credit Method									
Discount rate	7.75%	8.75%	8.25%	8.25%	8.00%	7.75%	8.75%	8.25%	8.25%	8.50%
Future salary escalation	6.00%	6.00%	5.00%	5.00%	6.00%	6.00%	6.00%	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%
Expected rate of return on plan assets	8.75%	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.

### 3. 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 is provided as under:

#### a) Business Segments

(₹ in '000)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>SEGMENT REVENUE:</b>		
Fire Insurance	2,865,395	2,572,198
Marine Insurance	1,260,549	1,286,580
Motor Insurance - OD	13,017,961	11,716,380
Motor Insurance - TP	11,096,490	8,227,067
Engineering Insurance	700,204	1,027,377
Workmen Compensation Insurance	238,899	172,604
Personal Accident Insurance	400,730	339,861
Product Liability Insurance	197,835	143,515
Health Insurance	3,688,766	2,951,235
Trade Credit	692,751	526,492
Other Insurance	2,940,779	3,583,878
Investment	580,305	572,641
<b>Total</b>	<b>37,680,664</b>	<b>33,119,828</b>
<b>SEGMENT RESULT: Profit / (Loss)</b>		
Fire Insurance	313,090	227,755
Marine Insurance	145,677	72,517
Motor Insurance - OD	1,101,830	2,787,748
Motor Insurance - TP	639,355	(760,306)
Engineering Insurance	112,040	49,478
Workmen Compensation Insurance	99,503	69,839
Personal Accident Insurance	55,461	37,246
Product Liability Insurance	86,943	37,385
Health Insurance	(605,032)	(343,696)
Trade Credit	64,626	(12,155)
Other Insurance	403,991	481,421
Investments	572,873	565,144
Unallocable	30,629	12,632
<b>Total Profit before Tax</b>	<b>3,020,984</b>	<b>3,225,007</b>
Less: Provision for Taxation	960,860	1,064,157
Profit After Tax	2,060,124	2,160,850
<b>SEGMENT ASSETS:</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</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	43,688,029	35,760,572
<b>Total:</b>	<b>43,688,029</b>	<b>35,760,572</b>
Add: Unallocable Assets	6,189,662	5,747,172
<b>Total</b>	<b>49,877,691</b>	<b>41,507,744</b>

(₹ in '000)

<b>SEGMENT LIABILITIES:</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
Fire Insurance	834,708	814,046
Marine Insurance	722,849	765,387
Motor Insurance - OD	7,492,866	5,717,904
Motor Insurance - TP	22,486,790	18,928,412
Engineering Insurance	420,277	423,354
Workmen Compensation Insurance	159,335	133,971
Personal Accident Insurance	298,932	302,447
Product Liability Insurance	140,140	147,399
Health Insurance	1,777,925	1,326,544
Trade Credit	22,435	22,451
Other Insurance	1,378,479	1,180,936
Investments	-	-
<b>Total:</b>	<b>35,734,735</b>	<b>29,762,851</b>
Add: Unallocable Liabilities	3,226,564	2,887,613
<b>Total</b>	<b>38,961,298</b>	<b>32,650,464</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	65,217	108,660
<b>Total</b>	<b>65,217</b>	<b>108,660</b>
<b>Amount of expenses included in segment result for depreciation and amortisation in respect of assets:</b>		
	<b>Year ending 31<sup>st</sup> March, 2015</b>	<b>Year ending 31<sup>st</sup> March, 2014</b>
Fire Insurance	1,845	1,769
Marine Insurance	2,028	1,849
Motor Insurance - OD	57,479	41,913
Motor Insurance - TP	42,558	31,566
Engineering Insurance	768	829
Workmen Compensation Insurance	1,035	723
Personal Accident Insurance	1,568	1,292
Product Liability Insurance	602	439
Health Insurance	14,745	11,764
Trade Credit	178	692
Other Insurance	4,247	4,009
Investments	-	-
<b>Total:</b>	<b>127,053</b>	<b>96,845</b>
Add: Unallocable Expenses	-	-
<b>Total</b>	<b>127,053</b>	<b>96,845</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.

4. 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	2014-15	2013-14
Indian Farmers Fertilizers Coop. Ltd	Promoters with more than 20% Voting rights	Premium accounted from direct business	654,651	671,808
		Claims paid on direct basis	207,664	267,890
		Payment of Rent and other expenses	223,367	220,545
		Deposit of Insurance Premium	2,500	2,500
		Amount Payable / (Receivable) at the Balance Sheet Date	-	-
Indian Potash Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	83,674	44,302
		Claim paid on direct basis	113,917	26,892
		Payment of Rent and other expenses	Nil	537
		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 Professional Fee	5,939	2,149
		Claim/Reimbursement of Expenses	1,136	743
		Payment of Fee	1,313	-
Tokio Marine & Nichido Fire Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	393,246	382,997
		Commission Earned on Premium Ceded	85,671	80,215
		Losses Recovered from Reinsurer	158,723	204,410
		Claim/Reimbursement of Expenses	169	236
		Amount Payable / (Receivable) at the Balance Sheet Date	42,951	(69,054)
Tokio Marine Claim Service Asia Pte. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Professional Fee	-	786
		Claim/Reimbursement of Expenses	-	317
		Payment of Fee	-	184
Tokio Marine Global Re Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	-	55,070
		Commission Earned on Premium Ceded	-	10,359
		Losses Recovered from Reinsurer	-	48,891
		Amount Payable / (Receivable) at the Balance Sheet Date	-	2,263
Tokio Marine Insurance Singapore Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	111,617	-
		Commission Earned on Premium Ceded	18,274	-
		Losses Recovered from Reinsurer	48,150	-
		Amount Payable / (Receivable) at the Balance Sheet Date	20,450	-
		Claim/Reimbursement of Expenses	36	-
		Payment of Fee	55	-
Tokio Marine Europe Insurance Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	179	-
		Commission Earned on Premium Ceded	62	-
		Amount Payable / (Receivable) at the Balance Sheet Date	116	-
Tokio Marine Kiln Regional Underwriting Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Reinsurance Premium	1,098	-
		Commission Earned on Premium Ceded	82	-
		Amount Payable / (Receivable) at the Balance Sheet Date	-	-
Tokio Marine & Nichido Risk Consulting Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	287	-
Tokio Marine Insurance (Malaysia) Behard	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	59	21
		Payment of Fee	425	223

Tokio Marine Newa Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	-	60
		Payment of Fee	-	66
Tokio Marine Services Europe Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	9,343	2,080
		Payment of Fee	1,572	1,904
TM Claim Services Inc.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	8,400	4,704
		Payment of Fee	2,619	1,466
Tokio Marine Management Australasia Pty. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	2,294	-
		Payment of Fee	1,269	6
The Tokio Marine Claim Services Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	-	151
		Payment of Fee	-	259
TM Management Services Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	-	10
		Payment of Fee	577	571
Tokio Marine Insurance (Thailand) Public Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	441	169
IFFCO Kisan Sanchar Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	2,163	-
		Claims paid on direct basis	1,134	-
K. Srinivasa Gowda	Chairman	Payment of Rent on office Building	4,800	4,480
IFFCO-TOKIO Insurance Services Ltd.	Subsidiary of the Company with 100% Voting Rights	Premium accounted from direct business	3,110	3,535
		Claims paid on direct basis	2,572	2,100
		Recovery of Expenses	6,984	5,713
		Payment of - Commission	63,619	67,112
		Payment of Service Charges	549,610	574,885
		Amount Payable / (Receivable) at the Balance Sheet Date	59,222	63,675

Note: Amount for remuneration to Key Management Personnel viz. Managing Director and other Whole Time Directors is disclosed in Note No. B.I (12).

5. 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 ₹298,903 thousand (Previous year ₹292,818 thousand).
- (ii) Amount recovered/recoverable and appearing in the revenue account in regard to sub-leases is ₹2,595 thousand. (Previous year ₹ 2,726 thousand)

6. Accounting Standard -20 'Earnings Per Share'

	2014-15	2013-14
a) Net Profit available for Equity Shareholders (₹ '000)	2,060,124	2,160,850
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)	7.65	8.02

7. 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 31.03.2015		As at 31.03.2014	
	Liabilities	Assets	Liabilities	Assets
Depreciation	-	24,450	-	11,160
Expenditure accrued but not deductible for tax purposes, allowable on actual payment	-	43,200	-	33,245
Unexpired Risk reserve provided in excess of limit specified in Income Tax Act.	-	185,550	-	36,095
<b>Total</b>	-	<b>253,200</b>	-	<b>80,500</b>
Net Deferred tax asset	-	253,200	-	80,500

Net increase in Deferred Tax asset for the year ₹172,700 thousand has been recognised in the Profit & Loss Account (previous year increase of ₹16,000 thousand).

### III. Other Notes

1. Information Technology Equipments- Servers & Networks are depreciated over their useful life of three years on straight line method as technically assessed by the Management. Depreciation charge would have been lower by ₹17,543 thousand in case company has adopted useful life of six years as prescribed in Schedule II of the Companies Act, 2013.
2. On the basis of information received from

'enterprises' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 there is no Micro, Small and Medium Enterprises to which the Company owes dues, which are outstanding for more than 45 days during the year ended 31.03.2015 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

As per our Report of even date attached.

For and on behalf of Board of Directors

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

**For S. K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S. K. Mehta**  
Partner  
M.No. 10870

**S. K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

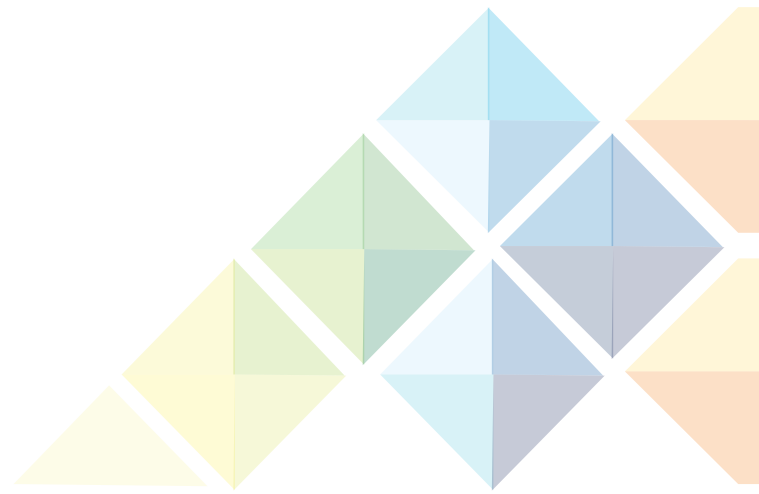
Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**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, 2015

1. It is confirmed that the registration granted to the Company by the IRDA in terms of Section 3A of the Insurance Act, 1938 as amended by the Insurance Law (Amendment) Act, 2015 is effective till 31<sup>st</sup> March 2016.
2. It is confirmed that all the dues payable to the statutory authorities upto 31<sup>st</sup> March, 2015 were duly paid.
3. The shareholding pattern as on 31<sup>st</sup> March, 2015 was as under which is in accordance with the statutory requirements:

Shareholders	Year ended 31 <sup>st</sup> March, 2015		Year ended 31 <sup>st</sup> March, 2014	
	₹ 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, 2015 are shown in the aggregate at amounts not exceeding their realisable or market value.
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, 2015.

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, 2015 is as under:

(₹ In '000)

Claims Outstanding	Year ending 31 <sup>st</sup> March, 2015						Year ending 31 <sup>st</sup> March, 2014					
	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	60,184	482,737	591,664	1,767,404	197,458	3,099,447	168,815	373,920	621,677	1,404,013	194,135	2,762,561
Marine Cargo	527,180	130,985	77,840	217,181	101,859	1,055,044	60,301	101,328	78,443	317,348	50,039	607,458
Marine Hull	800	10,907	73,519	39,592	58,765	183,584	485	1,390	34,642	205,630	44,134	286,280
Motor - OD	241,658	472,279	194,369	91,063	3,946	1,003,316	240,958	492,797	220,810	89,570	12,059	1,056,194
Motor - TP	9,594	178,737	636,424	4,416,499	1,376,709	6,617,963	19,602	144,435	712,235	4,398,685	1,221,347	6,496,305
Engineering	11,443	90,431	78,548	718,221	141,485	1,040,128	27,114	105,810	363,912	506,435	27,879	1,031,150
Aviation	196	1,486	-	251,270	33,896	286,848	5,654	-	-	294,799	4,206	304,660
Workmen Compensation	3,251	11,066	6,169	18,048	3,153	41,687	921	11,323	10,741	14,495	2,925	40,404
Personal Accident	4,510	26,599	23,891	36,351	1,008	92,359	9,907	36,103	32,920	30,594	1,231	110,754
Product/Public Liability	1,100	910	170	51,280	10,461	63,921	-	3,301	18,887	100,089	9,486	131,763
Health	138,448	144,231	34,127	85,113	1,578	403,497	135,784	166,769	16,378	14,635	2,355	335,921
Other Misc.	755,979	434,137	520,049	1,300,052	542,221	3,552,438	208,214	474,499	702,243	751,536	18,992	2,155,485
<b>Total</b>	<b>1,754,343</b>	<b>1,984,506</b>	<b>2,236,768</b>	<b>8,992,074</b>	<b>2,472,541</b>	<b>17,440,232</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>

No. of Claims Outstanding	Year ending 31 <sup>st</sup> March, 2015						Year ending 31 <sup>st</sup> March, 2014					
	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	15	88	162	759	165	1,189	50	113	183	711	97	1,154
Marine Cargo	126	552	196	153	218	1,245	138	374	121	203	204	1,040
Marine Hull	1	7	7	23	34	72	2	5	10	43	20	80
Motor - OD	6,505	6,921	1,686	660	76	15,848	7,047	6,434	1,525	669	84	15,759
Motor - TP	8	766	2,748	20,086	9,090	32,698	3	714	3,254	21,469	8,133	33,573
Engineering	16	119	66	655	173	1,029	20	125	156	726	85	1,112
Aviation	4	5	-	34	17	60				79	4	83
Workmen Compensation	30	136	44	71	25	306	18	108	58	60	23	267
Personal Accident	82	484	357	367	108	1,398	68	551	536	239	129	1,523
Product/Public Liability	1	5	1	28	16	51	-	8	9	47	27	91
Health	2,443	3,166	809	762	15	7,195	777	864	238	213	17	2,109
Other Misc.	125	386	221	344	65	1,141	94	262	213	218	52	839
<b>Total</b>	<b>9,356</b>	<b>12,635</b>	<b>6,297</b>	<b>23,942</b>	<b>10,002</b>	<b>62,232</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>

10. As at 31<sup>st</sup> March, 2015, 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 amortisation. The market value of these investments has been ascertained on the basis of the guidelines issued by IRDA and the information is as under:

(₹ in Lacs)

		<b>Government Securities</b>	<b>Bonds</b>	<b>Mutual Fund</b>
1.	Acquisition Cost of Securities held	140,003	135,301	5,000
2.	Amortised value of Securities as at (1)	138,105	135,154	5,000
3.	Market Value of Securities as at (1)	139,461	142,211	5,003
4	Value of (1) as appearing in the balance sheet	138,105	135,154	5,003

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 ₹369.39 Crores (Previous year ₹320.09 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 organisations 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, 2015	Year ended 31 <sup>st</sup> March, 2014
1	Dr. U.S. Awasthi Mr. Rakesh Kapur	Indian Farmers Fertilisers Cooperative Ltd.	Managing Director Jt. Managing Director	431,031	488,435
2	Dr. P.S. Gahlaut	Indian Potash Ltd.	Managing Director	113,917	27,429
3	Mr. Rakesh Kapur	IFFCO Kisan Sanchar Ltd.	Managing Director	1,134	-

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

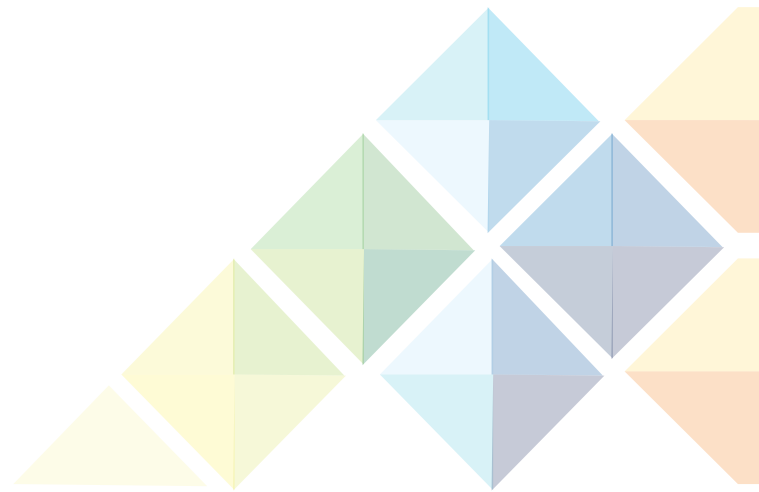
**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

Place: New Delhi,  
Date: 05<sup>th</sup> May, 2015

**IFFCO-TOKIO**

# AUDITORS' **REPORT** ON THE CONSOLIDATED FINANCIAL STATEMENTS



## **TO THE MEMBERS OF IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Revenue Accounts of Fire, Marine and Miscellaneous Insurance (collectively known as the 'Consolidated Revenue Accounts'), the Consolidated Profit and Loss Account, the Consolidated Receipts and Payments Account for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated receipts and payments of the Group in accordance with the accounting principles generally accepted in India, Insurance Act, 1938, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulations') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the Consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2015, surplus in the Consolidated Revenue Accounts, the Consolidated Profit and the Consolidated Receipts and Payments Account for the year ended on that date.

### Other Matters

(a) We did not audit the financial statements/ financial information of subsidiary, whose financial statements/financial information reflect total assets of ₹15.14 crore as at 31<sup>st</sup> March, 2015, total revenues of ₹61.91 crore and net cash receipts amounting to ₹0.61 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory

### Requirements

1. The Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable to the Holding Company being an Insurance Company. Based on the comments in the Auditor's reports of subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
  - (c) The Consolidated Balance Sheet, the Consolidated Revenue Accounts, the Consolidated Profit and Loss Account and the Consolidated Receipts and Payments Account dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2015 from

being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The consolidated financial statements disclose the impact of pending litigations on the notes to consolidated financial position of the Group.

- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

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

**S.K. Mehta**  
Partner  
M.No. 10870

Place: New Delhi  
Date: 05<sup>th</sup> May, 2015

**For S.K. Mittal & Co.**  
Chartered Accountants  
FRN 0001135N

**S.K. Mittal**  
Partner  
M.No. 8506

**The Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of IFFCO-TOKIO General Insurance Company Limited on the consolidated accounts of the Group for the year ended 31<sup>st</sup> March, 2015.**

**We report that:**

1. a) The Subsidiary 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.
2. The Subsidiary Company does not have any inventory. Therefore, the clause 3 (ii) of CARO is not applicable to the Subsidiary Company.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Subsidiary Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses (iii)(a), (iii)(b) of the Order are not applicable to the Subsidiary 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 Subsidiary Company and the nature of its business, for the purchase of fixed assets and payment for expenses and for sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. The Subsidiary Company has not accepted any deposit. Therefore, the clause 3(v) of CARO is not applicable to the Subsidiary Company.
6. Clause 3(vi) of CARO is not applicable as the Subsidiary Company is not doing any production.
7. a) According to the records of the Subsidiary 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, 2015 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, Duty of Customs, Duty of Excise, Value Added Tax, cess and any other statutory dues which have not been deposited on account of any disputes.
  - c) According to the information and explanations given to us, there is no amount required to be transferred to investor education and protection fund.
8. The Subsidiary Company does not have any accumulated loss and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. Based on our audit procedures and on the information given by the management, we report that the Subsidiary Company has not raised any term loans during the year. Therefore, the clause 3(ix) of CARO is not applicable to the Subsidiary Company.
10. According to the information and explanations given to us, the Subsidiary Company has not given any guarantee for loans taken by others from a bank or financial institution.

11. Clause 3(xi) is not applicable as the Subsidiary Company has not taken any term loan during the financial year ending on 31<sup>st</sup> March, 2015.
12. Based on the audit procedures performed and

the information and explanations given to us, we report that no fraud on or by the Subsidiary Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

**S.K. Mehta**  
Partner  
M.No. 10870

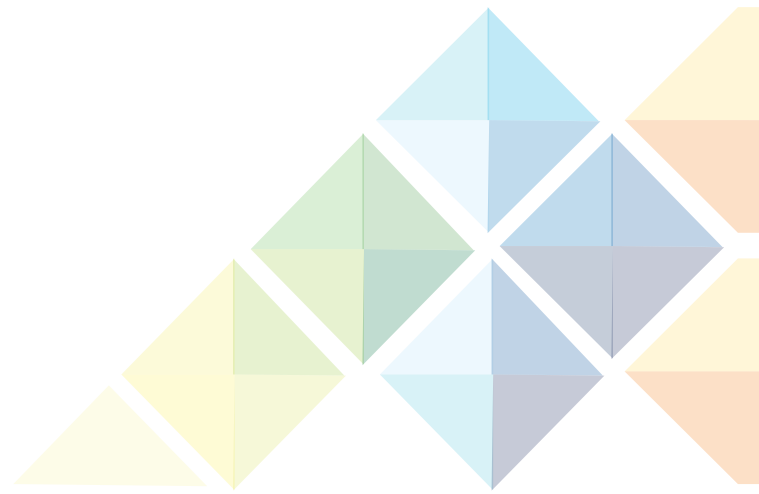
Place: New Delhi  
Date: 05<sup>th</sup> May, 2015

**For S.K. Mittal & Co.**  
Chartered Accountants  
FRN 0001135N

**S.K. Mittal**  
Partner  
M.No. 8506



# CONSOLIDATED **ACCOUNTS**



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> March, 2015

(₹ In '000)

S. No.	PARTICULARS	SCHEDULE		As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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		8,236,731	6,175,504
3	FAIR VALUE CHANGE ACCOUNT			(1,011)	-
4	BORROWINGS	7		-	-
	<b>TOTAL</b>			<b>10,928,935</b>	<b>8,868,719</b>
	<b>APPLICATION OF FUNDS</b>				
5	INVESTMENTS	8		27,843,029	21,930,572
6	LOANS	9		-	-
7	FIXED ASSETS	10		214,606	276,673
8	DEFERRED TAX ASSET (NET)			270,470	88,990
9	CURRENT ASSETS :				
	Cash and Bank Balances	11	16,703,773		14,613,435
	Advances and Other Assets	12	4,891,428		4,707,884
	<b>Sub-Total (A)</b>		<b>21,595,201</b>		<b>19,321,319</b>
10	CURRENT LIABILITIES	13	25,436,362		22,449,389
11	PROVISIONS	14	13,558,009		10,299,446
	<b>Sub-Total (B)</b>		<b>38,994,371</b>		<b>32,748,835</b>
12	NET CURRENT ASSETS (C) = (A-B)			(17,399,170)	(13,427,516)
13	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15		-	-
	<b>TOTAL</b>			<b>10,928,935</b>	<b>8,868,719</b>

## CONTINGENT LIABILITIES

(₹ In '000)

S. No.	PARTICULARS		As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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		3,393	10,163
6	Reinsurance obligations to the extent not provided for in the accounts		-	-
7	Others		-	-
	<b>TOTAL</b>		<b>3,393</b>	<b>10,163</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

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

**S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S.K. Mehta**  
Partner  
M.No. 10870

**S.K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi  
Dated: 05<sup>th</sup> May, 2015

**M.K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

## CONSOLIDATED FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2015

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums Earned (Net)	1	392,025	372,286
2	Profit / (Loss) on Sale / Redemption of Investments		1,012	914
3	Others: Exchange Gain / (Loss)		(1,508)	(1,940)
	Handling Charges		(3,231)	(2,804)
4	Interest, Dividend & Rent - Gross		78,744	71,436
	<b>TOTAL (A)</b>		<b>467,042</b>	<b>439,892</b>
1	Claims Incurred (Net)	2	215,463	278,035
2	Commission	3	(154,000)	(159,965)
3	Operating expenses related to Insurance Business	4	90,728	92,982
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>152,191</b>	<b>211,052</b>
	<b>Operating Profit / (Loss) from Fire Business C = (A-B)</b>		<b>314,851</b>	<b>228,840</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		314,851	228,840
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL ( C )</b>		<b>314,851</b>	<b>228,840</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

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

**S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S.K. Mehta**  
Partner  
M.No. 10870

**S.K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi  
Dated: 05<sup>th</sup> May, 2015

**M.K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

## CONSOLIDATED MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2015

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums Earned (Net)	1	490,949	429,158
2	Profit / (Loss) on Sale / Redemption of Investments		1,035	1,062
3	Others: Exchange Gain / (Loss)		-	(78)
	Handling Charges		536	447
4	Interest, Dividend & Rent - Gross		80,544	82,965
	<b>TOTAL (A)</b>		<b>573,064</b>	<b>513,554</b>
1	Claims Incurred (Net)	2	377,774	401,318
2	Commission	3	(50,558)	(57,341)
3	Operating expenses related to Insurance Business	4	99,680	97,037
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>426,896</b>	<b>441,013</b>
	<b>Operating Profit / (Loss) from Marine Business C = (A-B)</b>		<b>146,168</b>	<b>72,541</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		146,168	72,541
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL ( C )</b>		<b>146,168</b>	<b>72,541</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

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

**S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S.K. Mehta**  
Partner  
M.No. 10870

**S.K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**M.K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

**CONSOLIDATED MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2015**

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	Premiums Earned (Net)	1	21,788,447	18,726,695
2	Profit / (Loss) on Sale / Redemption of Investments		37,470	31,237
3	Others: Transfer & Duplicate Fee		10,126	9,463
	Exchange Gain / (Loss)		(6,199)	(2,284)
	Handling Charges		(1,034)	509
4	Interest, Dividend & Rent - Gross		2,914,776	2,440,608
	<b>TOTAL (A)</b>		<b>24,743,586</b>	<b>21,206,228</b>
1	Claims Incurred (Net)	2	16,222,026	14,137,982
2	Commission	3	511,614	(172,142)
3	Operating expenses related to Insurance Business	4	6,056,517	4,895,488
4	Premium Deficiency		-	-
	<b>TOTAL (B)</b>		<b>22,790,157</b>	<b>18,861,328</b>
	<b>Operating Profit / (Loss) from Miscellaneous Business C = (A-B)</b>		<b>1,953,429</b>	<b>2,344,900</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Shareholders' Account		1,953,429	2,344,900
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves			
	<b>TOTAL (C)</b>		<b>1,953,429</b>	<b>2,344,900</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

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

**S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S.K. Mehta**  
Partner  
M.No. 10870

**S.K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi  
Dated: 05<sup>th</sup> May, 2015

**M.K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2015

(₹ In '000)

S. No.	PARTICULARS	Schedule	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)
1	<b>OPERATING PROFIT / (LOSS)</b>			
	(a) Fire Insurance		314,851	228,840
	(b) Marine Insurance		146,168	72,541
	(c) Miscellaneous Insurance		1,953,429	2,344,900
			2,414,448	2,646,280
2	<b>INCOME FROM INVESTMENTS</b>			
	(a) Interest(Gross)		578,198	569,002
	(b) Profit on sale of Investments		7,366	7,236
	Less : Loss on Sale of Investments		-	-
			585,564	576,238
3	<b>OTHERS</b>			
	a) Miscellaneous Income		33,664	34,848
	b) Profit on Sale of Fixed Assets		67	-
	<b>TOTAL (A)</b>		<b>3,033,743</b>	<b>3,257,366</b>
4	<b>PROVISIONS (Other than taxation)</b>			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		-	-
	(c) For doubtful Advances		226	-
5	<b>OTHER EXPENSES</b>			
	(a) Expenses other than those related to Insurance business		7,433	7,497
	(b) Bad Debts / Advances written off		-	21,169
	(c) Loss on Sale / Scraping of Fixed Assets		-	357
	(d) Expenses on Corporate Social Responsibility (CSR)		2,278	-
	<b>TOTAL (B)</b>		<b>9,937</b>	<b>29,023</b>
	<b>Profit Before Tax</b>		<b>3,023,806</b>	<b>3,228,343</b>
	Less: Provision for Taxation			
	Current Tax		1,135,502	1,076,500
	Deferred Tax		(184,480)	(13,780)
	Wealth Tax		500	500
	Add: Credit for Mat Entitlement		540	-
	Less: Short / Excess provision for taxation for earlier years		-	-
	Current Tax		8,608	6,925
	Deferred Tax		3,000	(4,950)
	Wealth Tax		(11)	2
	<b>Profit After Tax</b>		<b>2,061,227</b>	<b>2,163,146</b>
	<b>Balance of Profit brought forward from last year</b>		<b>3,605,549</b>	<b>1,442,403</b>
	Balance available for appropriation		5,666,776	3,605,549
	<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		-	-
	<b>Balance carried forward to Balance sheet</b>		<b>5,666,776</b>	<b>3,605,549</b>
	<b>Basic &amp; Diluted Earnings per share</b>			
	(Equity shares of face value of ₹10 each)		7.65	8.03

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

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

**S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S.K. Mehta**  
Partner  
M.No. 10870

**S.K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi  
Dated: 05<sup>th</sup> May, 2015

**M.K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

**CONSOLIDATED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2015**

(₹ In '000)

	Current Year		Previous Year	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Premium received from policy-holders, including advance receipts	38,352,930		33,199,520	
Other receipts	33,664		34,848	
Receipts from the re-insurers, net of commissions and claims	(4,516,275)		(4,521,124)	
Payments to co-insurers, net of claims recovery	(398,376)		(618,617)	
Payments of claims	(18,047,932)		(16,717,674)	
Payments of commission and brokerage	(1,362,212)		(1,239,912)	
Payments of other operating expenses	(6,347,725)		(5,579,121)	
Preliminary and pre-operative expenses	-		-	
Deposits, advances and staff loans	20,657		127,069	
Income taxes paid (Net)	(1,045,896)		(918,279)	
Service tax paid	(2,116,297)		(1,523,739)	
Other payments	-		-	
Cash Flows before extraordinary items	4,572,538		2,242,971	
Cash Flow from extraordinary operations	-		-	
<b>Net Cash Flow from operating activities</b>		<b>4,572,538</b>		<b>2,242,971</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(60,245)		(99,743)	
Proceeds from sale of fixed assets	298		758	
Purchases of investments	(49,634,728)		(40,813,411)	
Loans disbursed	-		-	
Sales of investments	43,747,883		38,678,765	
Repayments received	-		-	
Rents/Interests/Dividends received	3,472,025		2,456,861	
Investments in money market instruments and in liquid mutual funds (Net)	-		-	
Expenses related to investments	(7,433)		(7,497)	
<b>Net Cash Flow from investing activities</b>		<b>(2,482,201)</b>		<b>215,733</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>2,090,338</b>		<b>2,458,704</b>
<b>Cash equivalents at beginning of Year</b>		<b>14,613,435</b>		<b>12,154,731</b>
<b>Cash equivalents at end of Year</b>		<b>16,703,773</b>		<b>14,613,435</b>

For and on behalf of Board of Directors

As per our Report of even date attached.

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

**S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S.K. Mehta**  
Partner  
M.No. 10870

**S.K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

Place: New Delhi  
Dated: 05<sup>th</sup> May, 2015

**M.K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

## SCHEDULES FORMING PART OF CONSOLIDATED 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	2,324,003	1,139,421	29,833,143	33,296,567	2,134,274	1,174,105	25,997,946	29,306,325
Add : Premium on reinsurance accepted	461,635	39,550	185,915	687,100	365,574	28,449	215,713	609,736
	<b>2,785,638</b>	<b>1,178,971</b>	<b>30,019,058</b>	<b>33,983,667</b>	<b>2,499,848</b>	<b>1,202,554</b>	<b>26,213,659</b>	<b>29,916,061</b>
Less : Premium on reinsurance ceded	2,409,232	765,297	4,897,239	8,071,768	2,129,840	816,275	6,735,905	9,682,020
<b>Net Premium</b>	<b>376,406</b>	<b>413,674</b>	<b>25,121,819</b>	<b>25,911,899</b>	<b>370,008</b>	<b>386,279</b>	<b>19,477,754</b>	<b>20,234,041</b>
Adjustments for changes in Reserve for Unexpired Risks	(15,619)	(77,275)	3,333,372	3,240,478	(2,278)	(42,879)	751,059	705,902
<b>Total Premium Earned (Net)</b>	<b>392,025</b>	<b>490,949</b>	<b>21,788,447</b>	<b>22,671,421</b>	<b>372,286</b>	<b>429,158</b>	<b>18,726,695</b>	<b>19,528,139</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 CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 1A

#### 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	1,009,441	129,980	1,139,421	1,045,874	128,231	1,174,105
Add : Premium on reinsurance accepted	38,644	906	39,550	28,315	134	28,449
	<b>1,048,085</b>	<b>130,886</b>	<b>1,178,971</b>	<b>1,074,189</b>	<b>128,365</b>	<b>1,202,554</b>
Less : Premium on reinsurance ceded	660,501	104,796	765,297	717,110	99,165	816,275
<b>Net Premium</b>	<b>387,584</b>	<b>26,090</b>	<b>413,674</b>	<b>357,079</b>	<b>29,200</b>	<b>386,279</b>
Adjustments for changes in Reserve for Unexpired Risks	(78,691)	1,416	(77,275)	(26,111)	(16,768)	(42,879)
<b>Total Premium Earned (Net)</b>	<b>466,275</b>	<b>24,674</b>	<b>490,949</b>	<b>383,190</b>	<b>45,968</b>	<b>429,158</b>



**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 1B**

**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	12,370,563	9,049,126	21,419,689	605,779	13,118	224,120	364,169	177,737	3,536,583	3,491,948	29,833,143
Add : Premium on reinsurance accepted	-	106,965	106,965	53,293	(1,484)	-	4,080	4,921	10,119	8,021	185,915
	<b>12,370,563</b>	<b>9,156,091</b>	<b>21,526,654</b>	<b>659,072</b>	<b>11,634</b>	<b>224,120</b>	<b>368,249</b>	<b>182,658</b>	<b>3,546,702</b>	<b>3,499,969</b>	<b>30,019,058</b>
Less : Premium on reinsurance ceded	646,594	475,454	1,122,048	502,412	11,845	13,070	48,548	59,920	542,183	2,597,213	4,897,239
<b>Net Premium</b>	<b>11,723,969</b>	<b>8,680,637</b>	<b>20,404,606</b>	<b>156,660</b>	<b>(211)</b>	<b>211,050</b>	<b>319,701</b>	<b>122,738</b>	<b>3,004,519</b>	<b>902,756</b>	<b>25,121,819</b>
Adjustments for changes in Reserve for Unexpired Risks	1,611,369	1,322,269	2,933,638	6,585	(927)	29,185	34,230	12,486	291,063	27,112	3,333,372
<b>Total Premium Earned (Net)</b>	<b>10,112,600</b>	<b>7,358,368</b>	<b>17,470,968</b>	<b>150,075</b>	<b>716</b>	<b>181,865</b>	<b>285,471</b>	<b>110,252</b>	<b>2,713,456</b>	<b>875,644</b>	<b>21,788,447</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 1B**

**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	10,425,433	7,191,832	17,617,265	934,670	36,012	160,563	307,371	130,425	2,850,791	3,960,849	25,997,946
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>310,913</b>	<b>130,536</b>	<b>2,855,734</b>	<b>3,964,643</b>	<b>26,213,659</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>269,818</b>	<b>91,686</b>	<b>2,455,471</b>	<b>973,277</b>	<b>19,477,754</b>
Adjustments for changes in Reserve for Unexpired Risks	(288,822)	441,516	152,694	(14,302)	(5,155)	13,552	(3,927)	17,606	484,112	106,479	751,059
<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>273,745</b>	<b>74,080</b>	<b>1,971,359</b>	<b>866,798</b>	<b>18,726,695</b>

## SCHEDULES FORMING PART OF CONSOLIDATED 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	825,810	945,330	15,753,335	17,524,475	1,415,184	807,901	13,680,461	15,903,546
Add : Reinsurance accepted	68,569	8,034	251,602	328,205	16,321	20,340	392,803	429,464
Less : Reinsurance ceded	715,197	610,326	3,646,590	4,972,113	1,202,502	455,379	4,381,083	6,038,964
<b>Net Claims Paid</b>	<b>179,182</b>	<b>343,038</b>	<b>12,358,347</b>	<b>12,880,567</b>	<b>229,003</b>	<b>372,862</b>	<b>9,692,181</b>	<b>10,294,046</b>
Add : Claims Outstanding at the end of the year	494,016	537,506	16,258,452	17,289,974	457,735	502,770	12,394,773	13,355,278
Less : Claims Outstanding at the beginning of the year	457,735	502,770	12,394,773	13,355,278	408,703	474,314	7,948,972	8,831,989
<b>Total Claims Incurred</b>	<b>215,463</b>	<b>377,774</b>	<b>16,222,026</b>	<b>16,815,263</b>	<b>278,035</b>	<b>401,318</b>	<b>14,137,982</b>	<b>14,817,335</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 CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 2A

#### CLAIMS INCURRED (NET)

(₹ In '000)

Particulars	Current Year			Previous Year		
	Marine Cargo	Marine Hull	Total	Marine Cargo	Marine Hull	Total
Claims Paid Direct	729,780	215,550	945,330	804,749	3,152	807,901
Add : Reinsurance accepted	8,034	-	8,034	20,340	-	20,340
Less : Reinsurance ceded	429,617	180,709	610,326	453,659	1,720	455,379
<b>Net Claims Paid</b>	<b>308,197</b>	<b>34,841</b>	<b>343,038</b>	<b>371,430</b>	<b>1,432</b>	<b>372,862</b>
Add : Claims Outstanding at the end of the year	401,476	136,030	537,506	402,581	100,189	502,770
Less : Claims Outstanding at the beginning of the year	402,581	100,189	502,770	403,364	70,950	474,314
<b>Total Claims Incurred</b>	<b>307,092</b>	<b>70,682</b>	<b>377,774</b>	<b>370,647</b>	<b>30,671</b>	<b>401,318</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 2B**

**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	6,846,307	4,554,570	11,400,877	162,723	4,693	34,373	223,840	13,806	2,824,880	1,088,143	15,753,335
Add: Reinsurance accepted	-	205,915	205,915	3,879	26,465	-	6,829	-	2,646	5,868	251,602
Less: Reinsurance ceded	774,749	1,596,415	2,371,164	83,758	4,739	2,458	23,689	2,370	385,663	772,749	3,646,590
<b>Net Claims Paid</b>	<b>6,071,558</b>	<b>3,164,070</b>	<b>9,235,628</b>	<b>82,844</b>	<b>26,419</b>	<b>31,915</b>	<b>206,980</b>	<b>11,436</b>	<b>2,441,863</b>	<b>321,262</b>	<b>12,358,347</b>
Add : Claims Outstanding at the end of the year	1,340,990	12,869,161	14,210,151	328,333	14,656	75,311	136,071	89,497	622,661	781,772	16,258,452
Less : Claims Outstanding at the beginning 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
<b>Total Claims Incurred</b>	<b>6,235,151</b>	<b>6,603,523</b>	<b>12,838,674</b>	<b>73,182</b>	<b>(9,659)</b>	<b>28,094</b>	<b>169,240</b>	<b>(8,310)</b>	<b>2,602,121</b>	<b>528,684</b>	<b>16,222,026</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 2B**

**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	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 CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 3

#### COMMISSION

(₹ In '000)

Particulars	Current Year				Previous Year			
	FIRE	*MARINE	**MISCELLANEOUS	Total	FIRE	*MARINE	**MISCELLANEOUS	Total
Commission Paid Direct	62,277	58,469	1,102,434	1,223,180	58,913	56,474	980,982	1,096,369
<b>TOTAL (A)</b>	<b>62,277</b>	<b>58,469</b>	<b>1,102,434</b>	<b>1,223,180</b>	<b>58,913</b>	<b>56,474</b>	<b>980,982</b>	<b>1,096,369</b>
Add : Commission on Re-insurance accepted	38,994	3,160	5,660	47,814	25,836	3,672	4,694	34,202
Less : Commission on Re-insurance ceded	255,271	112,187	596,480	963,938	244,714	117,487	1,157,818	1,520,019
<b>Net Commission</b>	<b>(154,000)</b>	<b>(50,558)</b>	<b>511,614</b>	<b>307,056</b>	<b>(159,965)</b>	<b>(57,341)</b>	<b>(172,142)</b>	<b>(389,448)</b>
<b>Breakup of the expenses (Gross ) incurred to procure business:</b>								
Agents	32,815	22,805	536,395	592,015	30,211	23,699	522,102	576,012
Brokers	27,912	35,620	524,904	588,436	24,546	32,731	429,366	486,643
Corporate Agency	1,550	44	41,135	42,729	4,156	44	29,514	33,714
Others	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>62,277</b>	<b>58,469</b>	<b>1,102,434</b>	<b>1,223,180</b>	<b>58,913</b>	<b>56,474</b>	<b>980,982</b>	<b>1,096,369</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 CONSOLIDATED 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	50,850	7,619	58,469	48,741	7,733	56,474
<b>TOTAL (A)</b>	<b>50,850</b>	<b>7,619</b>	<b>58,469</b>	<b>48,741</b>	<b>7,733</b>	<b>56,474</b>
Add : Commission on Re-insurance Accepted	3,151	9	3,160	3,654	18	3,672
Less : Commission on Re-insurance ceded	103,972	8,215	112,187	109,437	8,050	117,487
<b>Net Commission</b>	<b>(49,971)</b>	<b>(587)</b>	<b>(50,558)</b>	<b>(57,042)</b>	<b>(299)</b>	<b>(57,341)</b>
<b>Breakup of the expenses (Gross) incurred to procure business :</b>						
Agents	19,907	2,898	22,805	21,124	2,575	23,699
Brokers	30,942	4,678	35,620	27,580	5,151	32,731
Corporate Agency	1	43	44	37	7	44
Others	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>50,850</b>	<b>7,619</b>	<b>58,469</b>	<b>48,741</b>	<b>7,733</b>	<b>56,474</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 3B**

**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	692,445	7,879	700,324	29,206	609	18,801	21,849	22,860	177,769	131,016	1,102,434
<b>Total (A)</b>	<b>692,445</b>	<b>7,879</b>	<b>700,324</b>	<b>29,206</b>	<b>609</b>	<b>18,801</b>	<b>21,849</b>	<b>22,860</b>	<b>177,769</b>	<b>131,016</b>	<b>1,102,434</b>
Add : Commission on Re-insurance accepted	-	-	-	3,720	472	-	41	394	503	530	5,660
Less : Commission on Re-insurance ceded	94,059	23,122	117,181	66,992	626	1,822	6,921	5,727	48,482	348,729	596,480
<b>Net Commission</b>	<b>598,386</b>	<b>(15,243)</b>	<b>583,143</b>	<b>(34,066)</b>	<b>455</b>	<b>16,979</b>	<b>14,969</b>	<b>17,527</b>	<b>129,790</b>	<b>(217,183)</b>	<b>511,614</b>
<b>Breakup of the expenses (Gross) incurred to procure business:</b>											
Agents	366,473	6,343	372,816	12,491	(6)	12,419	11,003	2,778	83,701	41,193	536,395
Brokers	317,779	1,171	318,950	16,532	615	6,367	9,646	19,798	87,769	65,227	524,904
Corporate Agency	8,193	365	8,558	183	-	15	1,200	284	6,299	24,596	41,135
Others	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>692,445</b>	<b>7,879</b>	<b>700,324</b>	<b>29,206</b>	<b>609</b>	<b>18,801</b>	<b>21,849</b>	<b>22,860</b>	<b>177,769</b>	<b>131,016</b>	<b>1,102,434</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 3B**

**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	641,703	25,698	667,401	26,970	1,867	13,108	18,960	15,822	110,062	126,793	980,982
<b>Total (A)</b>	<b>641,703</b>	<b>25,698</b>	<b>667,401</b>	<b>26,970</b>	<b>1,867</b>	<b>13,108</b>	<b>18,960</b>	<b>15,822</b>	<b>110,062</b>	<b>126,793</b>	<b>980,982</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>305,850</b>	<b>(59,041)</b>	<b>246,809</b>	<b>(69,694)</b>	<b>1,017</b>	<b>11,772</b>	<b>13,187</b>	<b>12,551</b>	<b>70,938</b>	<b>(458,721)</b>	<b>(172,142)</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	10,002	611	10,613	178	-	30	1,795	348	5,071	11,480	29,514
Others	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>641,703</b>	<b>25,698</b>	<b>667,401</b>	<b>26,970</b>	<b>1,867</b>	<b>13,108</b>	<b>18,960</b>	<b>15,822</b>	<b>110,062</b>	<b>126,793</b>	<b>980,982</b>

## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 4

#### OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

(₹ In '000)

S. No.	Particulars	Current Year				Previous Year			
		FIRE	*MARINE	** MISCELLANEOUS	Total	FIRE	*MARINE	** MISCELLANEOUS	Total
1	Employees remuneration and welfare benefits	21,399	23,518	1,428,217	1,473,134	25,468	26,588	1,340,660	1,392,716
2	Travel, conveyance and vehicle running expenses	5,100	5,605	340,391	351,096	5,540	5,784	291,660	302,984
3	Training expenses	168	185	11,213	11,566	254	265	13,383	13,903
4	Rent, rates and taxes	4,869	5,351	324,947	335,167	5,854	6,112	308,183	320,149
5	Repairs	1,582	1,738	105,562	108,882	1,789	1,868	94,185	97,842
6	Printing and Stationery	1,041	1,145	69,508	71,694	1,148	1,198	60,421	62,767
7	Communication	1,156	1,271	77,171	79,598	1,374	1,434	72,317	75,125
8	Legal and professional charges	10,282	11,300	686,228	707,810	9,202	9,606	484,384	503,192
9	Auditor's fees, expenses etc.								
	(a) As Auditor	46	50	3,054	3,150	58	60	3,032	3,150
	(b) As Advisor or in any other capacity in respect of								
	(i) Taxation matters	6	6	388	400	5	6	289	300
	(ii) Insurance matters	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-
10	Advertisement and publicity	1,927	2,118	128,633	132,678	1,941	2,026	102,178	106,145
11	Marketing & Support Services	34,590	38,015	2,308,601	2,381,206	30,114	31,438	1,585,238	1,646,790
12	Interest and Bank charges	973	1,069	64,942	66,984	1,021	1,066	53,747	55,834
13	Others:								
	Policy Stamps	28	-	3,074	3,102	33	-	2,511	2,544
	Information & Technology Expenses	2,669	2,933	178,130	183,732	3,484	3,637	183,410	190,531
	Electricity & Water Charges	847	931	56,523	58,301	992	1,036	52,217	54,245
	Courtesies & Entertainment	764	840	51,010	52,614	574	600	30,239	31,414
	Others	817	897	54,496	56,210	1,188	1,240	62,514	64,941
14	Depreciation	1,846	2,028	123,179	127,053	1,771	1,849	93,225	96,845
15	Service Tax Expense	618	679	41,251	42,548	1,172	1,223	61,694	64,089
	<b>TOTAL</b>	<b>90,728</b>	<b>99,680</b>	<b>6,056,517</b>	<b>6,246,925</b>	<b>92,982</b>	<b>97,037</b>	<b>4,895,488</b>	<b>5,085,506</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 CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 4A

#### 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	22,035	1,483	23,518	24,578	2,010	26,588
2	Travel, conveyance and vehicle running expenses	5,252	354	5,605	5,347	437	5,784
3	Training expenses	173	12	185	245	20	265
4	Rent, rates and taxes	5,013	337	5,351	5,650	462	6,112
5	Repairs	1,629	110	1,738	1,727	141	1,868
6	Printing and Stationery	1,072	72	1,145	1,108	91	1,198
7	Communication	1,191	80	1,271	1,326	108	1,434
8	Legal and professional charges	10,587	713	11,300	8,880	726	9,606
9	Auditor's fees, expenses etc.						
	(a) As Auditor	47	3	50	56	5	60
	(b) As Advisor or in any other capacity in respect of						
	(i) Taxation matters	6	0	6	5	0	6
	(ii) Insurance matters	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-
10	Advertisement and publicity	1,985	134	2,118	1,873	153	2,026
11	Marketing & Support Services	35,618	2,398	38,015	29,062	2,377	31,438
12	Interest and Bank charges	1,002	67	1,069	985	81	1,066
13	Others:						
	Policy Stamps	-	-	-	-	-	-
	Information & Technology Expenses	2,748	185	2,933	3,362	275	3,637
	Electricity & Water Charges	872	59	931	957	78	1,036
	Courtesies & Entertainment	787	53	840	554	45	600
	Others	841	57	897	1,146	94	1,240
14	Depreciation	1,900	128	2,028	1,709	140	1,849
15	Service Tax Expense	636	43	679	1,131	92	1,223
	<b>Total</b>	<b>93,394</b>	<b>6,287</b>	<b>99,680</b>	<b>89,701</b>	<b>7,335</b>	<b>97,037</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 4B**

**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	666,527	493,508	1,160,035	8,906	(12)	11,999	18,176	6,978	170,812	51,323	1,428,217
2	Travel, Conveyance and vehicle running expenses	158,855	117,619	276,474	2,123	(3)	2,860	4,332	1,663	40,710	12,232	340,391
3	Training expenses	5,233	3,875	9,108	70	(0)	94	143	55	1,341	403	11,213
4	Rent, rates and taxes	151,648	112,283	263,931	2,026	(3)	2,730	4,135	1,588	38,863	11,677	324,947
5	Repairs	49,264	36,476	85,740	658	(1)	887	1,343	516	12,625	3,793	105,562
6	Printing and Stationery	32,438	24,018	56,456	433	(1)	584	885	340	8,313	2,498	69,508
7	Communication	36,015	26,666	62,680	481	(1)	648	982	377	9,229	2,773	77,171
8	Legal and professional charges	320,252	237,120	557,373	4,279	(6)	5,765	8,733	3,353	82,072	24,660	686,228
9	Auditor's fees, expenses etc.											
	(a) As Auditor	1,425	1,055	2,481	19	(0)	26	39	15	365	110	3,054
	(b) As Advisor or in any other capacity in respect of											
	(i) Taxation matters	181	134	315	2	(0)	3	5	2	46	14	388
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	60,031	44,448	104,479	802	(1)	1,081	1,637	628	15,384	4,622	128,633
11	Marketing & Support Services	1,077,389	797,718	1,875,106	14,396	(19)	19,395	29,379	11,279	276,104	82,960	2,308,601
12	Interest and Bank charges	30,307	22,440	52,747	405	(1)	546	826	317	7,767	2,334	64,942
13	Others:											
	Policy Stamps	1,310	970	2,280	4	-	117	11	-	75	587	3,074
	Information & Technology Expenses	83,130	61,551	144,682	1,111	(1)	1,496	2,267	870	21,304	6,401	178,130
	Electricity & Water Charges	26,379	19,531	45,910	352	(0)	475	719	276	6,760	2,031	56,523
	Courtesies & Entertainment	23,805	17,626	41,431	318	(0)	429	649	249	6,101	1,833	51,010
	Others	25,432	18,831	44,263	340	(0)	458	694	266	6,518	1,958	54,496
14	Depreciation	57,486	42,563	100,049	768	(1)	1,035	1,568	602	14,732	4,426	123,179
15	Service Tax Expense	19,251	14,254	33,505	257	(0)	347	525	202	4,933	1,482	41,251
	<b>Total</b>	<b>2,826,359</b>	<b>2,092,687</b>	<b>4,919,046</b>	<b>37,753</b>	<b>(51)</b>	<b>50,972</b>	<b>77,047</b>	<b>29,575</b>	<b>724,055</b>	<b>218,118</b>	<b>6,056,517</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 4B**

**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	602,827	454,010	1,056,837	11,923	623	10,393	18,572	6,311	169,011	66,991	1,340,660
2	Travel, Conveyance and vehicle running expenses	131,145	98,770	229,914	2,594	136	2,261	4,040	1,373	36,768	14,574	291,660
3	Training expenses	6,018	4,532	10,550	119	6	104	185	63	1,687	669	13,383
4	Rent, rates and taxes	138,574	104,365	242,939	2,741	143	2,389	4,269	1,451	38,851	15,399	308,183
5	Repairs	42,350	31,895	74,246	838	44	730	1,305	443	11,873	4,706	94,185
6	Printing and Stationery	27,168	20,461	47,629	537	28	468	837	284	7,617	3,019	60,421
7	Communication	32,517	24,490	57,007	643	34	561	1,002	340	9,117	3,614	72,317
8	Legal and professional charges	217,803	164,035	381,838	4,308	225	3,755	6,710	2,280	61,064	24,204	484,384
9	Auditor's fees, expenses etc.											
	(a) As Auditor	1,363	1,027	2,390	27	1	24	42	14	382	152	3,032
	(b) As Advisor or in any other capacity in respect of											
	(i) Taxation matters	130	98	228	3	0	2	4	1	36	14	289
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services	-	-	-	-	-	-	-	-	-	-	-
	(c) In any other capacity	-	-	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	45,944	34,602	80,546	909	48	792	1,415	481	12,881	5,106	102,178
11	Marketing & Support Services	712,801	536,835	1,249,636	14,098	737	12,288	21,960	7,462	199,844	79,212	1,585,238
12	Interest and Bank charges	24,167	18,201	42,369	478	25	417	745	253	6,776	2,686	53,747
13	Others:											
	Policy Stamps	1,075	809	1,884	3	-	85	13	-	72	454	2,511
	Information & Technology Expenses	82,470	62,111	144,581	1,631	85	1,422	2,541	863	23,122	9,165	183,410
	Electricity & Water Charges	23,480	17,683	41,163	464	24	405	723	246	6,583	2,609	52,217
	Courtesies & Entertainment	13,597	10,240	23,838	269	14	234	419	142	3,812	1,511	30,239
	Others	28,109	21,170	49,279	556	29	485	866	294	7,881	3,124	62,514
14	Depreciation	41,919	31,570	73,489	829	43	723	1,291	439	11,752	4,658	93,225
15	Service Tax Expense	27,740	20,892	48,633	549	29	478	855	290	7,777	3,083	61,694
	<b>Total</b>	<b>2,201,199</b>	<b>1,657,798</b>	<b>3,858,997</b>	<b>43,519</b>	<b>2,275</b>	<b>38,014</b>	<b>67,794</b>	<b>23,032</b>	<b>616,907</b>	<b>244,949</b>	<b>4,895,488</b>

## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 5

#### SHARE CAPITAL

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
1	Authorised Capital 400000000 Equity Shares of ₹10 each (Previous Year 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 CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 5A

#### SHARE CAPITAL

#### PATTERN OF SHAREHOLDING

(As certified by the Management)

S. No.		As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
		Number of Shares	% of Holding	Number of Shares	% of Holding
	<b>Promoters</b>				
	a) Indian	199297910	74	199297910	74
	b) Foreign	70023590	26	70023590	26
	Others	-	-	-	-
	<b>TOTAL</b>	<b>269321500</b>	<b>100</b>	<b>269321500</b>	<b>100</b>

## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 6

#### RESERVES AND SURPLUS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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	-	-
7	Balance of Profit in Profit and Loss Account	5,666,776	3,605,549
	<b>TOTAL</b>	<b>8,236,731</b>	<b>6,175,504</b>



## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 7

#### BORROWINGS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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 CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 8

#### INVESTMENTS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
	<b>LONG TERM INVESTMENTS</b>		
1	Govt. Securities, Govt. guaranteed Bonds including Treasury Bills	13,154,565	11,410,644
2	Other Approved Securities	-	-
3	Other Investments		
	Equity Shares	16,800	-
	Preference Shares	-	-
	Mutual Funds	-	-
	Derivative Instruments	-	-
	Debenture /Bonds (Housing)	4,513,424	3,563,952
	Non Convertible Debenture/ Bonds	1,300,000	900,000
	Other Securities	-	-
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investment In Infrastructure and social sector	6,966,953	5,231,931
5	Other than approved investments	-	-
	<b>SHORT TERM INVESTMENTS</b>		
1	Govt Securities, Govt guaranteed Bonds incl. Treasury Bills	655,974	101,662
2	Other Approved Securities	-	-
3	Other Investments		
	Equity Shares	-	-
	Preference Shares	-	-
	Mutual Funds	500,313	-
	Derivative Instruments	-	-
	Debentures & Bonds ( Housing)	400,000	300,000
	Non Convertible Debenture/ Bonds	-	100,000
	Subsidiaries	-	-
	Investment Properties - Real Estate	-	-
4	Investments in Infrastructure & Social Sector	335,000	322,383
5	Other than approved investments	-	-
	<b>TOTAL</b>	<b>27,843,029</b>	<b>21,930,572</b>

**Note:** Aggregate amount of company's investment other than listed equity securities and derivative instruments is ₹27,826,229 thousand (Previous year ₹21,930,572 thousand)

Market value of such investments as at 31.03.2015 is ₹28,662,512 thousand (Previous year ₹21,706,251 thousand)

## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 9

#### LOANS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
<b>1</b>	<b>Security wise Classification Secured</b>		
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On shares, Bonds, Govt. Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	<b>Total</b>	-	-
<b>2</b>	<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>	-	-
<b>3</b>	<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>	-	-
<b>4</b>	<b>Maturitywise Classification</b>		
	(a) Short Term	-	-
	(b) Long Term	-	-
	<b>TOTAL</b>	-	-

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

(₹ in '000)

Particulars	Gross Block			Depreciation			Net Block			
	As at 1 <sup>st</sup> April, 2014	Additions during the year	Sales/ Adjustments during the year	As at 31 <sup>st</sup> March, 2015	Upto 31 <sup>st</sup> March, 2014	For the Year	On Sales/ Adjustments	Upto 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles:										
- Computer Software	202,814	3,964	-	206,778	154,644	29,163	-	183,806	22,972	48,170
Land - Freehold	37,849	-	-	37,849	-	-	-	-	37,849	37,849
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	12,251	-	-	12,251	803	202	-	1,004	11,247	11,448
Furniture & Fittings	263,179	16,411	5,262	274,328	203,021	18,976	5,262	216,735	57,593	60,158
Information Technology										
Equipment	460,305	38,783	1,414	497,674	405,637	38,938	1,371	443,204	54,470	54,669
Vehicles	5,319	-	-	5,319	1,430	811	-	2,241	3,078	3,889
Office Equipment	80,379	4,993	941	84,431	25,122	38,963	752	63,333	21,098	55,257
Others	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,062,096</b>	<b>64,151</b>	<b>7,617</b>	<b>1,118,630</b>	<b>790,657</b>	<b>127,053</b>	<b>7,385</b>	<b>910,323</b>	<b>208,307</b>	<b>271,440</b>
<b>Capital Work In Progress</b>	<b>5,233</b>	<b>6,299</b>	<b>5,233</b>	<b>6,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,299</b>	<b>5,233</b>
<b>Grand Total</b>	<b>1,067,329</b>	<b>70,450</b>	<b>12,850</b>	<b>1,124,929</b>	<b>790,657</b>	<b>127,053</b>	<b>7,385</b>	<b>910,323</b>	<b>214,606</b>	<b>276,673</b>
<b>Previous Year Total</b>	<b>1,000,952</b>	<b>108,660</b>	<b>42,284</b>	<b>1,067,329</b>	<b>726,674</b>	<b>96,845</b>	<b>32,864</b>	<b>790,657</b>	<b>276,673</b>	

## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 11

#### CASH AND BANK BALANCES

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
1	Cash (including cheques, drafts and stamps)	53,314	15,008
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short Term (due within 12 months)	13,650,000	11,615,000
	(bb) Others	2,195,000	2,215,000
	(b) Current Accounts	805,459	768,427
	(c) Others	-	-
3	Money at call & short notice		
	With Banks	-	-
	With Other Institutions	-	-
4	Others	-	-
	<b>TOTAL</b>	<b>16,703,773</b>	<b>14,613,435</b>
	Balances with non-scheduled banks included in 2 and 3 above	-	-

## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### SCHEDULE - 12

#### ADVANCES AND OTHER ASSETS

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
	<b>ADVANCES</b>		
1	Reserve Deposit with ceding Companies	-	-
2	Application Money for Investments	-	-
3	Prepayments	143,769	350,973
4	Advance to Directors / Officers	-	-
5	Advance Tax Paid and Tax Deducted at source (Net of provision for taxation)	-	80,618
6	MAT Credit Entitlement	540	-
7	Deposit towards Rent	63,207	60,659
8	Service Tax Recoverable	-	52,433
9	Others	28,169	51,600
	<b>TOTAL (A)</b>	<b>235,685</b>	<b>596,283</b>
	<b>OTHER ASSETS</b>		
1	Income accrued on Investments / FDRs	1,972,584	1,861,790
2	Outstanding Premiums	1,299,518	983,607
3	Agents' Balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from entities carrying on insurance business (including reinsurers)	1,383,641	1,266,204
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>4,655,743</b>	<b>4,111,601</b>
	<b>TOTAL (A+B)</b>	<b>4,891,428</b>	<b>4,707,884</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 13**

**CURRENT LIABILITIES**

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
1	Agents Balances	162,624	128,541
2	Balances due to other insurance companies (including reinsurers)	1,044,031	1,598,123
3	Deposits held on re-insurances ceded	-	-
4	Premiums received in advance	875,664	219,896
5	Unallocated premium	-	-
6	Sundry Creditors	549,729	532,793
7	Due to Subsidiaries / Holding Company	-	-
8	Claims outstanding *	22,194,039	19,462,688
9	Due to Officers / Directors	-	-
10	Deposit Premium	156,243	162,998
11	Service Tax Payable	40,156	-
12	Employee Benefit	184,504	146,883
13	Policyholder Dues	229,372	197,467
	<b>TOTAL</b>	<b>25,436,362</b>	<b>22,449,389</b>

\* Claims Outstanding Includes ₹4,904,065 thousand (Previous Year ₹6,107,410 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 CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 14**

**PROVISIONS**

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(1)	(2)	(3)	(4)
1	Reserve for Unexpired Risk	13,539,924	10,299,446
2	For Taxation (less advance tax paid and taxes deducted at source)	18,085	-
3	For Proposed Dividends	-	-
4	For Dividend Distribution Tax	-	-
5	Premium Defficiency	-	-
	<b>TOTAL</b>	<b>13,558,009</b>	<b>10,299,446</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE - 15**

**MISCELLANEOUS EXPENDITURE**

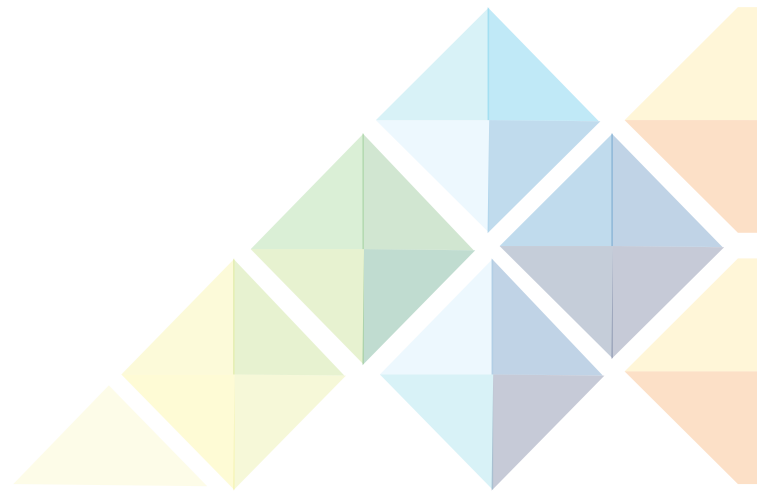
(To the extent not written off or adjusted)

(₹ In '000)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(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**  
CONSOLIDATED



## SCHEDULE 16: NOTES TO ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

#### 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 prospectively in the period in which the results are known/materialised.

#### 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 recognised 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 recognised 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 recognised as income in the period in which the premium is ceded. Profit commission under reinsurance treaties, wherever applicable, is recognised on the determination of profit for the period.

3.6 Interest Income is recognised on accrual basis.

3.7 Dividend Income is recognised 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 recognised on trade date and includes effects of accumulated fair value changes, previously recognised, for specific investments sold/redeemed during the year. In determining realised gain/loss, cost of securities is arrived at on 'Weighted Average Cost' basis and sale consideration for the purpose of realised 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/advice, 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 realisation.

**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)
- (iii) Equity securities listed and actively traded are stated at fair value, being the last quoted closing price on the National Stock Exchange (NSE). However, in case of any stock not being listed at NSE, the same valued based on the last quoted closing price on Bombay Stock Exchange (BSE).
- (iv) Any unrealized gain/loss arising due to change in fair value of mutual fund investments and listed equity shares is accounted in 'Fair Value Change Account' and carried forward in the Balance Sheet and is not available for distribution.
- (v) 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/ amortisation.

Capital Work in Progress is stated at cost.

## 10. Depreciation/Amortisation

10.1 Depreciation on Fixed Assets is provided on straight line method based on useful life as provided in Schedule II of the Companies Act, 2013 except

- (i) Fixtures in rented premises are depreciated proportionately over the residual lease period wherever the lease period is less than the useful life specified in Schedule II.
- (ii) Information Technology Equipments – Servers & Networks are depreciated over their useful life of three years on straight line method.
- (iii) Fixed Assets having value up to ₹5000 are fully depreciated in the year of acquisition.

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

## 11. Pre-Paid Expenses

Expenditure up to ₹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 recognised and carried only to the extent that there is a reasonable/virtual certainty that the asset will be realised 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 recognised 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 recognised wherever the carrying amount of the asset exceeds its recoverable amount. Any such impairment loss is recognised by charging it to the profit and loss account. A previously recognised 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 recognised 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. BASIS OF CONSOLIDATION

The Consolidated financial statements relate to IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED and its wholly-owned subsidiary IFFCO-TOKIO INSURANCE SERVICES LIMITED.

#### a) Basis of Accounting :

- i. The financial statement of the subsidiary company in the consolidation is drawn up to the same reporting date as of the company.
- ii. The Consolidated financial statement have been prepared in accordance with Accounting Standard (AS) 21- 'Consolidated Financial Statement' notified under the Companies Act, 2013 and generally accepted accounting principles.

#### b) Principles of Consolidation:

The consolidated financial statements have been prepared as per following principles:

- i. The financial statements of the company and its subsidiary are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra- group balances, intra- group transactions, unrealised profits or losses.
- ii. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the notes to accounts.

#### c) Additional Information required under part II of the schedule III of the Companies Act, 2013 is as under:

(₹ in '000)

Name of Entity	Net Assets (Total assets minus Total liability)		Share in Profit or loss (Profit after tax)	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount
IFFCO-TOKIO INSURANCE SERVICES LIMITED	0.16%	17,542	0.05%	1,103

### II. Disclosures required under Accounting Standards

1. The company has revised the Accounting Policy for depreciation for fixed assets in alignment with Schedule II of the Companies Act, 2013, which has become applicable w.e.f. 01.04.2014. Consequently Profit before tax for the year and Fixed Assets are lower by ₹ 43,172 thousands.
2. Accounting Standard-15 "Employee Benefits"
  - a. General description of defined contribution plan

<b>Provident Fund</b>	The company makes contributions at a specified percentage of payroll cost towards Employee Provident Fund (EPF) for qualifying employees. The company recognized ₹9,336 thousand (previous year ₹8,209 thousand) for provident fund contribution in the profit & loss account.
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## B. 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 ₹36,613 thousand (previous year ₹32,324 thousand) has been recognised as expense in the accounts.

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

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

(₹ in '000)

	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Current Service Cost	13,432	10,185	7,637	7,457	7,567	29,660	20,905	15,838	14,335	15,076
Interest cost on benefit obligation	6,013	4,003	3,668	3,931	2,153	10,855	7,430	6,407	6,095	4,824
Expected return on plan assets	(4,258)	(4,436)	(4,172)	(3,192)	(2,048)	-	-	-	-	-
Net actuarial (Gain)/ loss recognised in the year	8,891	14,193	(4,932)	(10,669)	6,162	17,999	30,150	7,184	(7,519)	5,322
Expenses recognised in the Profit & Loss Account	24,078	23,946	2,201	(2,473)	13,834	58,514	58,485	29,428	12,910	25,222

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

(₹ in '000)

	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of obligation at end of year (i)	89,581	68,939	46,956	42,509	45,961	160,424	124,607	86,024	73,398	70,358
Fair Value of Plan assets at end of year (ii)	65,503	46,664	48,128	44,835	32,133	-	-	-	-	-
Difference (ii-I) i.e. Assets/ (Liabilities)	(24,078)	(22,275)	1,171	2,326	(13,829)	(160,424)	(124,607)	(86,024)	(73,398)	(70,358)
Net Asset/(Liability) recognised in the Balance Sheet	(24,078)	(22,275)	1,171	2,326	(13,829)	(160,424)	(124,607)	(86,024)	(73,398)	(70,358)

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

(₹ in '000)

	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of obligation at beginning of year	68,939	46,956	42,509	45,961	31,888	124,607	86,024	73,398	70,358	53,686
Interest Cost	6,013	4,003	3,668	3,931	2,153	10,855	7,430	6,407	6,095	4,824
Current Service Cost	13,432	10,185	7,637	7,457	7,567	29,660	20,905	15,838	14,335	15,076
Benefit Paid	(8,060)	(6,244)	(5,591)	(1,551)	(1,879)	(22,697)	(19,902)	(16,802)	(9,870)	(8,550)
Net actuarial (Gain)/Loss on obligation	9,257	14,039	(1,266)	(13,289)	6,232	17,999	30,150	7,184	(7,519)	5,322
Present value of the defined benefit as at end of year	89,581	68,939	46,956	42,509	45,961	160,424	124,607	86,024	73,398	70,358

iv. Changes in the fair value of plan assets:

(₹ in '000)

	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Fair value of plan assets at beginning of year	46,664	48,128	44,835	32,133	24,922	-	-	-	-	-
Expected return on plan assets	4,258	4,436	4,172	3,192	2,048	-	-	-	-	-
Contributions by employer	22,275	499	1,047	13,683	6,957	-	-	-	-	-
Benefits Paid	(8,060)	(6,244)	(5,591)	(1,551)	(1,879)	-	-	-	-	-
Actuarial Gain/(Loss) on plan assets	366	(154)	3,665	(2,621)	84	-	-	-	-	-
Fair value of plan assets at end of year *	65,503	46,664	48,128	44,836	32,133	-	-	-	-	-

\* 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 of parent company are:

	Gratuity (Funded)					Leave Encashment (Non-Funded)				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Method used	Projected Unit Credit Method									
Discount Rate	7.75%	8.25%	8.25%	8.00%	8.00%	7.75%	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 Expected	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	8.75%	9.25%	9.25%	9.25%	9.25%	-	-	-	-	-

Principal assumptions used for actuarial valuation of Subsidiary company are:

	Gratuity (Funded)					Leave Encashment (Non-Funded)				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Discount rate	7.75%	9.00%	8.00%	8.30%	8.25%	7.75%	9.00%	8.00%	8.30%	8.25%
Salary Escalation	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

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.

### 3. 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 is provided as under:

a) Business Segments (₹ in '000)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>SEGMENT REVENUE:</b>		
Fire Insurance	2,865,394	2,572,198
Marine Insurance	1,260,550	1,286,580
Motor Insurance-OD	13,017,961	11,716,379
Motor Insurance-TP	11,096,490	8,227,067
Engineering Insurance	700,204	1,027,378
Workmen Compensation Insurance	238,899	172,605
Personal Accident Insurance	400,615	339,727
Product Liability Insurance	197,835	143,515
Health Insurance	3,685,770	2,948,465
Trade Credit	692,751	526,492
Other Insurance	2,940,779	3,583,877
Investment	585,564	576,238
<b>Total</b>	<b>37,682,812</b>	<b>33,120,521</b>
<b>SEGMENT RESULT: Profit / (Loss)</b>		
Fire Insurance	314,851	228,840
Marine Insurance	146,167	72,540
Motor Insurance-OD	1,110,228	2,797,214
Motor Insurance-TP	617,800	(781,784)
Engineering Insurance	113,304	50,825
Workmen Compensation Insurance	100,599	71,016
Personal Accident Insurance	56,580	38,701
Product Liability Insurance	86,637	37,087
Health Insurance	(603,441)	(344,653)
Trade Credit	64,626	(12,155)
Other Insurance	407,098	488,647
Investments	578,131	568,741
Unallocable	31,227	13,322
<b>Total Profit before Tax</b>	<b>3,023,806</b>	<b>3,228,343</b>
Less: Provision for Taxation	962,579	1,065,197
<b>Profit After Tax</b>	<b>2,061,227</b>	<b>2,163,146</b>
<b>SEGMENT ASSETS:</b>		
	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</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	43,688,029	35,760,572
<b>Total:</b>	<b>43,688,029</b>	<b>35,760,572</b>
Add: Unallocable Assets	6,235,277	5,856,982
<b>Total</b>	<b>49,923,306</b>	<b>41,617,554</b>

(₹ in '000)

<b>SEGMENT LIABILITIES:</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
Fire Insurance	834,708	814,046
Marine Insurance	722,849	765,388
Motor Insurance-OD	7,492,866	5,717,904
Motor Insurance-TP	22,486,790	18,928,413
Engineering Insurance	420,278	423,354
Workmen Compensation Insurance	159,335	133,971
Personal Accident Insurance	298,904	302,414
Product Liability Insurance	140,139	147,400
Health Insurance	1,777,181	1,325,860
Trade Credit	22,435	22,451
Other Insurance	1,378,478	1,180,932
Investments	-	-
<b>Total:</b>	<b>35,733,963</b>	<b>29,762,133</b>
Add: Unallocable Liabilities	3,260,408	2,986,702
<b>Total</b>	<b>38,994,371</b>	<b>32,748,835</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	65,217	108,660
<b>Total</b>	<b>65,217</b>	<b>108,660</b>
<b>Amount of expenses included in segment result for depreciation and amortisation in respect of assets:</b>		
	<b>Year ending 31<sup>st</sup> March, 2015</b>	<b>Year ending 31<sup>st</sup> March, 2014</b>
Fire Insurance	1,846	1,771
Marine Insurance	2,028	1,849
Motor Insurance-OD	57,486	41,919
Motor Insurance-TP	42,563	31,570
Engineering Insurance	768	829
Workmen Compensation Insurance	1,035	723
Personal Accident Insurance	1,568	1,291
Product Liability Insurance	602	439
Health Insurance	14,732	11,752
Trade Credit	178	692
Other Insurance	4,247	4,010
Investments	-	-
<b>Total:</b>	<b>127,053</b>	<b>96,845</b>
Add: Unallocable Expenses	-	-
<b>Total</b>	<b>127,053</b>	<b>96,845</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.

## 4. 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	2014-15	2013-14
Indian Farmers Fertilizers Coop. Ltd	Promoters with more than 20% Voting rights	Premium accounted from direct business	654,651	671,808
		Claims paid on direct basis	207,664	267,890
		Payment of Rent and other expenses	223,664	220,755
		Deposit of Insurance Premium	2,500	2,500
		Interest earned on Fixed Deposit receipts	721	722
		Fixed Deposits held	7,600	7,600
		Amount Payable / (Receivable) at the Balance Sheet Date	-	-
Indian Potash Limited	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	83,674	44,302
		Claim paid on direct basis	113,917	26,892
		Payment of Rent and other expenses	-	537
		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 Professional Fee	5,939	2,149
		Claim/Reimbursement of Expenses	1,136	743
		Payment of Fee	1,313	-
Tokio Marine & Nichido Fire Insurance Co Ltd	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	393,246	382,997
		Commission Earned on Premium Ceded	85,671	80,215
		Losses Recovered from Re-insurer	158,723	204,410
		Claim/Reimbursement of Expenses	169	236
Tokio Marine Claim Service Asia Pte Ltd.	Associate of Promoters with more than 20% Voting rights	Amount Payable/(Receivable) at the Balance Sheet Date	42,951	(69,054)
		Payment of Professional Fee	-	786
		Claim/Reimbursement of Expenses	-	317
		Payment of Fee	-	184
Tokio Marine Global Re Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	-	55,070
		Commission Earned on Premium Ceded	-	10,359
		Losses Recovered from Re-insurer	-	48,891
		Amount Payable/(Receivable) at the Balance Sheet Date	-	2,263
Tokio Marine Insurance Singapore Ltd	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	111,617	-
		Commission Earned on Premium Ceded	18,274	-
		Losses Recovered from Re-insurer	48,150	-
		Amount Payable/(Receivable) at the Balance Sheet Date	20,450	-
		Claim/Reimbursement of Expenses	36	-
		Payment of Fee	55	-
Tokio Marine Europe Insurance Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	179	-
		Commission Earned on Premium Ceded	62	-
		Amount Payable/(Receivable) at the Balance Sheet Date	116	-
Tokio Marine Kiln Regional Underwriting Ltd.	Associate of Promoters with more than 20% Voting rights	Premium on Cession of Re-insurance Premium	1,098	-
		Commission Earned on Premium Ceded	82	-
		Amount Payable/(Receivable) at the Balance Sheet Date	-	-
Tokio Marine & Nichido Risk Consulting Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Payment of Fee	287	-
Tokio Marine Insurance (Malaysia) Behard	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	59	21
		Payment of Fee	425	223



Tokio Marine Newa Insurance Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	-	60
		Payment of Fee	-	66
Tokio Marine Services Europe Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	9,343	2,080
		Payment of Fee	1,572	1,904
TM Claim Services Inc.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	8,400	4,704
		Payment of Fee	2,619	1,466
Tokio Marine Management Australasia Pty Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	2,294	-
		Payment of Fee	1,269	6
The Tokio Marine Claim Services Co. Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	-	151
		Payment of Fee	-	259
TM Management Services Ltd.	Associate of Promoters with more than 20% Voting rights	Claim/Reimbursement of Expenses	-	10
		Payment of Fee	577	571
Tokio Marine Insurance (Thailand) Public Co. Ltd	Associate of Promoters with more than 20% Voting rights	Payment of Fee	441	169
IFFCO Kisan Sanchar Ltd.	Associate of Promoters with more than 20% Voting rights	Premium accounted from direct business	2,163	-
		Claims paid on direct basis	1,134	-
K. Srinivasa Gowda	Chairman	Payment of Rent on office Building	4,800	4,480
Key Management Personnel	CEO of Subsidiary Company	Employee Remuneration	4,389	3,288

Note: Amount for remuneration to Key Management Personnel viz. Managing Director and other Whole Time Directors is disclosed in Note No B (3).

#### 5. 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 ₹334,365 thousand (Previous year ₹322,875 thousand).

## 6. Accounting Standard -20 "Earnings Per Share"

	2014-15	2013-14
a) Net Profit/(Loss) available for Equity Shareholders (₹ '000)	2,061,227	2,163,146
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)	7.65	8.03

## 7. Accounting Standard -22 "Accounting for taxes on income"

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

(₹ in '000)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Liabilities	Assets	Liabilities	Assets
Depreciation	-	24,628	-	11,370
Expenditure accrued but not deductible for tax purposes, allowable on actual payment	-	54,283	-	41,525
Unexpired Risk reserve provided in excess of limit specified in Income Tax Act.	-	185,550	-	36,095
Carried forward business loss as per Income Tax Act	-	6,009	-	-
<b>Total</b>	<b>-</b>	<b>270,470</b>	<b>-</b>	<b>88,990</b>
Net Deferred tax asset	-	270,470	-	88,990

Net increase in Deferred Tax asset for the year ₹181,480 thousand has been recognised in the Profit & Loss Account (previous year credit of ₹18,730 thousand).

### III. Other Notes

- The company has committed ₹10,963 Thousand (Previous Year ₹6,327 Thousand) for the purchase of fixed assets.
- Managerial remuneration paid during the year is as under:

(₹ in '000)

	Year ended 31.3.2015		Year ended 31.3.2014	
	Managing Director	Whole-time Directors	Managing Director	Whole-time Directors
Salaries and Allowances	11,019	10,030	9,577	8,967
Contribution to Provident Fund	359	383	346	367
<b>Total *</b>	<b>11,378</b>	<b>10,413</b>	<b>9,923</b>	<b>9,334</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.

3. The investments as at the yearend have not been allocated into Policy Holders funds and Shareholders funds as the same are not specifically earmarked separately.
4. No depreciation is allocable to the Profit and Loss Account based on the 'use' of the asset.
5. 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).
6. As certified by Appointed Actuary, there is no requirement of providing Premium Deficiency in the accounts.
7. Information Technology Equipments- Servers & Networks are depreciated over their useful life of three years on straight line method as technically assessed by the Management. Depreciation charge would have been lower by ₹17,543 thousand in case company has adopted useful life of six years as prescribed in Schedule II of the Companies Act, 2013.
8. 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 31.03.2015 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.
9. Additional statutory information disclosed in the separate financial statements of the Insurance company and its subsidiary having no material bearing on the true and fair view of consolidated financial statement and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

For and on behalf of Board of Directors

As per our Report of even date attached.

**S.K.Mehta & Co.**

Chartered Accountants  
Firm Regn. No. 000478N

**S.K. Mittal & Co.**

Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**

Chairman

**Yogesh Lohiya**

Managing Director

**S.K. Mehta**

Partner  
M.No. 10870

**S.K. Mittal**

Partner  
M.No. 8506

**Rakesh Kapur**

Director

**Ichiro Maeda**

Director

**M.K. Tandon**

Financial Advisor

**Sanjeev Chopra**

Chief Financial Officer

**Amit Jain**

Company Secretary

Place: New Delhi

Dated: 05<sup>th</sup> May, 2015

## Form AOC – 1

(Pursuant to first provision to sub-section (3)  
of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part “A”: Subsidiaries

(Amount In ₹)

1	Name of the subsidiary:	IFFCO TOKIO INSURANCE SERVICE LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A.
4	Share Capital	5,000,000
5	Reserve & Surplus	12,541,941
6	Total Assets	151,404,586
7	Total Liabilities	133,862,645
8	Investments	-
9	Turnover	613,229,241
10	Profit before taxation	2,822,272
11	Provision for taxation	1,719,734
12	Profit after taxation	1,102,538
13	Proposed Dividend	-
14	% of shareholding	100%

Note: Company has only one subsidiary, information of which is given above.

#### Part “B” Associates and Joint Ventures

N.A

For and on behalf of Board of Directors

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

**S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn. No. 001135N

**K. Srinivasa Gowda**  
Chairman

**Yogesh Lohiya**  
Managing Director

**S.K. Mehta**  
Partner  
M.No. 10870

**S.K. Mittal**  
Partner  
M.No. 8506

**Rakesh Kapur**  
Director

**Ichiro Maeda**  
Director

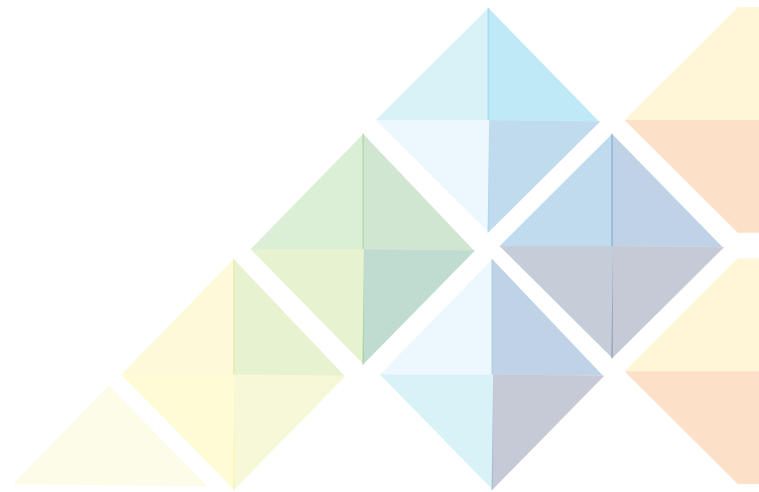
Place : New Delhi  
Dated : 05<sup>th</sup> May, 2015

**M.K. Tandon**  
Financial Advisor

**Sanjeev Chopra**  
Chief Financial Officer

**Amit Jain**  
Company Secretary

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



## BOARD OF DIRECTORS

Nand Kishore Kedia	Chairman (w.e.f 11 <sup>th</sup> August, 2014)
Veer Pratap Singh	Vice Chairman (w.e.f 11 <sup>th</sup> August, 2014)
Dr. Santimoy Dey	Director (w.e.f 11 <sup>th</sup> August, 2014)
Sunil Khatri	Director (w.e.f 11 <sup>th</sup> August, 2014)
P. Periasamy	Director (w.e.f 11 <sup>th</sup> August, 2014)
Hideyuki Ishii	Director (w.e.f 11 <sup>th</sup> August, 2014)
K. Srinivasa Gowda	Chairman (upto 31 <sup>st</sup> July, 2014)
Dr. P. S. Gahlaut	Director (upto 31 <sup>st</sup> July, 2014)
Rakesh Kapur	Director (upto 31 <sup>st</sup> July, 2014)
Yogesh Lohiya	Director (upto 31 <sup>st</sup> July, 2014)
Ichiro Maeda	Director (upto 31 <sup>st</sup> July, 2014)

## SENIOR EXECUTIVES

Joydeep Roy	Chief Executive Officer (upto 15 <sup>th</sup> July, 2014)
Srikanth Charan Mudigonda	Chief Executive Officer (w.e.f 11 <sup>th</sup> August, 2014)

## AUDITORS

M/s Raghu Nath Rai & Co.  
Chartered Accountants

## BANKERS

Deutsche Bank, New Delhi.  
HDFC Bank, New Delhi

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## NOTICE OF 12TH ANNUAL GENERAL MEETING

### TO THE MEMBERS

NOTICE is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the Members of **IFFCO-TOKIO Insurance Services Limited** will be held on **Wednesday, the 17<sup>th</sup> June, 2015 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, 2015 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. Nand Kishore Kedia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. Santimoy Dey 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 17<sup>th</sup> Annual General Meeting of the Company subject to ratification by the members at every Annual General Meeting held during the intervening period."

"RESOLVED FURTHER THAT the remuneration payable to M/s Raghunath Rai & Co for the financial 2014-15 be and is hereby fixed at ₹1.40 lakhs towards audit fee plus service tax as may be applicable plus reimbursement of out of pocket expenses as may be incurred by the auditors in connection with the audit."

### Regd. Office:

IFFCO Sadan, C-1  
District Centre, Saket,  
New Delhi- 110017  
Dated: 21<sup>st</sup> April, 2015

By order of the Board  
**(SRIKANTH CHARAN MUDIGONDA)**  
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 Twelfth Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2015 along with the Auditors' Report thereon.

Members will be glad to note that your Company has successfully completed the Eleventh 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 ₹2.82 Millions against a budgeted estimate of ₹4.20 Millions. During the financial year ended 31<sup>st</sup> March 2015, your Company had generated a gross written premium of ₹1426.26 Millions for ITGI. Furthermore, your Company serviced a premium valuing ₹11174.78 Millions. The breakup of premium serviced through Individual Agency Model, Cooperative Channels, National Tie ups and Others is detailed below:-

Procurement	GWP (₹in Millions)
Direct Channel	1426.26

MODEL	GWP (₹in Millions)
Individual Agency Model	5453.27
Cooperative Channels	1514.33
National Tie ups	2294.95
Others (PA/Various Dealers)	1912.23
<b>TOTAL</b>	<b>11174.78</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 737 employees on its permanent rolls as on 31<sup>st</sup> March 2015. In addition to the employees on permanent rolls the Company also has 398 Sr. Marketing Executives and Marketing Executives as on 31<sup>st</sup> March 2015. Your Company has utilised the services of 572 Relationship Executives and Customer Care Associates for servicing ITGI customers and tie up arrangements.

**4.1** The training of manpower has been conducted 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 848 persons were trained in the class mode.



## **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. 19 New LSCs and 93 new Bima Kendra's have been opened during the year to take benefit of the lateral expansion. The performance of Bima Kendra's is monitored regularly and non performing Bima Kendra's are closed from time to time to ensure viability. The total number of LSCs as of 31<sup>st</sup> March 2015 is 129 and the total no. of Bima Kendra's is 318. 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 ₹8785.79 Millions for ITGI at an average expense ratio of 4.80%.
- 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 375 employees and 311 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.

## **6.0 Corporate Governance**

The Management is responsible for finalisation of business plan, annual budgets, review of operations, review of performance of personnel and HR matters. During the period, five 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 2014 to 31<sup>st</sup> March 2015. 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 2015-16 as per the direction provided by ITGI. The Company has drawn up plans to strengthen the Agency Channel through appointment of Agency Development Managers at various locations. The 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 utilisation. Your company envisages achieving a healthy portfolio mix. Hence emphasis is being laid on line channel matrix for targets.

## **9.0 Information under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Information as per the provisions contained under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is NIL.

## 10.0 Directors' Responsibility Statement.

The Board of Directors of your Company confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at March 31, 2015 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;
4. That the annual accounts has been prepared on a going concern basis;
5. Those proper systems are there to ensure the compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 11.0 Appointment of Auditors

As per the provisions contained in section 139 of the Companies Act, 2013, your Company has received a communication from M/s. Raghunath Rai & Co. (Chartered Accountant) that if they are reappointed they are well within the criteria prescribed under section 141 of the Companies Act 2013. 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 2015-16 to hold the office from the conclusion of 12<sup>th</sup> AGM until the conclusion of 17<sup>th</sup> AGM subject to ratification by the Members in each intervening AGM.

## 12.0 Board of Directors & Key Managerial Personnel

During the Year, Mr. K. Srinivasa Gowda, Mr. Rakesh Kapur, Mr. P. S. Gahlaut, Mr. Yogesh Lohiya and Mr. Ichiro Maeda Directors resigned from the Directorship of the Company with effect from 31<sup>st</sup> July, 2014.

Later on, Shareholders of the Company at its Extra Ordinary General Meeting held on 11<sup>th</sup> August, 2014 appointed Mr. Santimoy Dey, Mr. P. Periasami, Mr. Sunil Khatri and Mr. Hideyuki Ishii as Directors on the Board of the Company.

Mr. N. K. Kedia had also resigned from the office of Manager with effect from 4<sup>th</sup> August, 2014.

Board of Directors of the Company at its meeting held on 11<sup>th</sup> August, 2014 elected Mr. Nand Kishore Kedia and Mr. Veer Pratap Singh as Chairman and Vice Chairman of the Board.

During the year, consequent upon resignation by Mr. Joydeep Roy, Mr. M. Srikanth Charan Joined the Company as CEO with effect from 11<sup>th</sup> August, 2014.

Pursuant to Article 78 of the Article of Association of your Company, Mr. N. K. Kedia and Mr. Santimoy Dey, Directors retire by rotation at this Annual General Meeting and being eligible to offer themselves for re-appointment.

**13.0 Extracts of the Annual Return:**

In pursuance to Section 134(3) (a), extracts of the Annual Return of the Company are enclosed in Form MGT-9 as Annexure to the Board Report.

**14.0 Related Party Transactions:**

During the Year Company has entered various transactions with its holding Company M/s IFFCO-TOKIO General Insurance Co. Limited in the ordinary course of business and on arms length basis. Details of the same are enclosed in Form AOC -2 as Annexure to the Board's Report.

**15.0 Acknowledgement**

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

For and on behalf of the Board of Directors

Place: Gurgaon,  
Date: 21.04.2015

**(Nand Kishore Kedia)**  
Chairman

## INDEPENDENT AUDITOR'S REPORT

### To the Members OF IFFCO-TOKIO INSURANCE SERVICES LIMITED

We have audited the accompanying financial statements of IFFCO-TOKIO Insurance Services Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules

made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and there as on reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure

a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the afore said financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the

directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Sharat Prakash**  
Partner  
Membership No. 96267

Place: New Delhi,

Date: 21.04.2015

**The Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of 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, 2015.**

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.
2. The Company does not have any inventory. Therefore, the clause 3 (ii) of CARO is not applicable to the Company.
3. 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 covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses (iii)(a), (iii)(b) of the Order 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. The Company has not accepted any deposit. Therefore, the clause 3(v) of CARO is not applicable to the Company.
6. Clause 3(vi) of CARO is not applicable as the Company is not doing any production.
7. (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, 2015 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, Duty of Customs, Duty of Excise, Value Added Tax, cess and any other statutory dues which have not been deposited on account of any disputes.  
  
(c) According to the information and explanations given to us, there is no amount required to be transferred to investor education and protection fund.
8. The Company does not have any accumulated loss and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. 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. Therefore, the clause 3(ix) of CARO is not applicable to the Company.

10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from a bank or financial institution.
11. Clause 3(xi) is not applicable as the Company has not taken any term loan during the financial year ending on 31<sup>st</sup> March, 2015.

12. 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

Place: New Delhi,  
Date: 21.04.2015

**Sharat Prakash**  
Partner  
Membership No. 96267

**IFFCO-TOKIO INSURANCE SERVICES LIMITED**  
**C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017**  
**CIN - U65999DL2003PLC121571**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015**

S. No.	Particulars	Notes No.	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholder's funds</b>			
	a) Share capital	1	5,000,000	5,000,000
	b) Reserves and Surplus	2	12,541,941	11,439,403
	c) Money received against share warrants		-	-
<b>(2)</b>	<b>Share application money pending allotment</b>	-	-	-
<b>(3)</b>	<b>Non current liabilities</b>			
	a) Long-term borrowings		-	-
	b) Deferred tax liabilities (Net)		-	-
	c) Other long term liabilities		-	-
	d) Long-term provisions	3 (a)	28,675,931	21,282,884
<b>(4)</b>	<b>Current liabilities</b>			
	a) Short-term borrowings		-	-
	b) Trade payables		-	-
	c) Other current liabilities	4	8,244,227	6,875,266
	d) Short term provisions	3 (b)	96,942,487	139,280,685
	<b>TOTAL</b>		<b>151,404,586</b>	<b>183,878,238</b>
<b>II.</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non current assets</b>			
	a) Tangible fixed assets			
	Gross block		585,813	585,813
	Less : Accumulated depreciation		(585,813)	(585,813)
	Net block		-	-
	b) Non current investments		-	-
	c) Deferred tax assets (Net)		17,270,000	8,490,000
	d) Long term loans & advances	5	48,477,922	88,909,920
	e) Other non current assets		-	-
<b>(2)</b>	<b>Current assets</b>			
	a) Trade receivables	6	59,222,125	63,675,216
	b) Cash and cash equivalents	7	7,933,771	13,998,584
	c) Short term loans and advances	8	11,375,084	6,292,747
	d) Other current assets	9	7,125,684	2,511,773
	<b>TOTAL</b>		<b>151,404,586</b>	<b>183,878,238</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 : 21.04.2015

For IFFCO-TOKIO Insurance Services Ltd.

**Mr. N.K. Kedia**

Chairman

DIN:00050917

**Mr. Veer Pratap Singh**

Director

DIN:00051787

**Mr. H. Ishii**

Director

DIN:0691406

**Mr. Srikanth Charan Mudigunda**

CEO



**IFFCO-TOKIO INSURANCE SERVICES LIMITED**  
**C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017**  
**CIN - U65999DL2003PLC121571**

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

S. No.	Particulars	Notes No.	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
	<b>Revenue</b>			
I	Revenue from operations	10	613,229,241	641,996,682
	Other income	11	5,856,038	4,289,139
	<b>Total Revenue</b>		<b>619,085,279</b>	<b>646,285,821</b>
II	Expenses:			
	Employees benefits expenses	12	503,582,646	537,477,859
	Finance costs	13	186,739	248,302
	Other expenses	14	112,493,622	105,223,428
	<b>Total Expenses</b>		<b>616,263,007</b>	<b>642,949,589</b>
III	Profit before exceptional and extraordinary items and tax		2,822,272	3,336,232
IV.	Exceptional items		-	-
V	Profit before extraordinary items and tax		2,822,272	3,336,232
VI	Extraordinary items		-	-
VII	<b>Profit before tax</b>		<b>2,822,272</b>	<b>3,336,232</b>
VIII	Tax expense:			
	(1) Current tax		540,000	1,900,000
	(2) Deferred tax		(8,780,000)	(2,730,000)
	(3) Tax adjustments for earlier years		10,499,735	1,870,000
	(4) Credit for MAT entitlement		(540,000)	-
IX.	Profit/(Loss) for the period		1,102,538	2,296,232
X.	Earning per equity share:	15		
	(1) Basic		2.21	4.59
	(2) Diluted		2.21	4.59

**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 : 21.04.2015

**Mr. N.K. Kedia**  
Chairman  
DIN:00050917

**Mr. Veer Pratap Singh**  
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DIN:00051787

**Mr. H. Ishii**  
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**IFFCO-TOKIO INSURANCE SERVICES LIMITED**  
**C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017**  
**CIN - U65999DL2003PLC121571**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

	Particulars	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
<b>A.</b>	<b>Cash flows from operating activities</b>		
	Cash receipts from customers	621,987,047	623,452,591
	Cash paid to suppliers and employees	(650,942,282)	(609,465,261)
	Cash generated from operations	(28,955,235)	13,987,330
	Interest paid	-	-
	Dividends paid	-	-
	Income taxes (paid)/refund	20,349,685	(11,060,346)
	<b>Net cash from operating activities</b>	<b>(8,605,550)</b>	<b>2,926,984</b>
<b>B</b>	<b>Cash flows from investing activities</b>		
	Fixed deposit created	71,000,000	32,500,000
	Fixed deposit matured	(71,000,000)	(32,500,000)
	Interest income	2,540,737	842,511
	<b>Net cash from investing activities</b>	<b>2,540,737</b>	<b>842,511</b>
<b>C</b>	<b>Cash flows from financing activities</b>		
	Proceeds from issue of share capital	-	-
	Proceeds from long-term borrowings	-	-
	<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(6,064,813)</b>	<b>3,769,494</b>
	Cash and cash equivalents at beginning of period	8,998,584	5,229,090
	<b>Cash and cash equivalents at end of period</b>	<b>2,933,771</b>	<b>8,998,584</b>
	Cash and cash equivalents at the end of the year comprises:		
	(a) Cash on hand	1,061,541	1,073,301
	(c) Balances with banks	1,872,230	7,925,283
		<b>2,933,771</b>	<b>8,998,584</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: 21.04.2015

For IFFCO-TOKIO Insurance Services Ltd.

**Mr. N.K. Kedia**

Chairman

DIN:00050917

**Mr. Veer Pratap Singh**

Director

DIN:00051787

**Mr. H. Ishii**

Director

DIN:0691406

**Mr. Srikanth Charan Mudigunda**

CEO

**IFFCO TOKIO INSURANCE SERVICES LIMITED**  
**C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017**  
**CIN - U65999DL2003PLC121571**

**NOTES TO BALANCE SHEET**

Notes No.	Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
1	<b>SHARE CAPITAL</b>		
	<b>Equity share capital</b>		
	<b>Authorised :</b> 2000000 Equity Shares of ₹10 each	20,000,000	20,000,000
	<b>Issued, Subscribed &amp; Paid up:</b> 500000 Equity Shares of ₹10 each fully paid up (100% shares held by IFFCO Tokio General Insurance Co. Ltd.)	5,000,000	5,000,000
	<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	500,000	500,000
	Add: Shares issued during the period	-	-
	Number of Shares at the end	500,000	500,000
	<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	500,000	500,000
	% Shareholding	100	100
2	<b>RESERVES AND SURPLUS</b>		
	<b>Surplus in the Statement of Profit &amp; Loss</b>		
	Balance as per Last Financial Statements	11,439,403	9,143,171
	Profit for the year	1,102,538	2,296,232
	<b>Total</b>	<b>12,541,941</b>	<b>11,439,403</b>
3	<b>PROVISIONS</b>		
3 (a)	<b>Non-Current</b>		
	Provision for leave encashment	28,675,931	21,282,884
3 (b)	<b>Current</b>		
	Provision for leave encashment	7,188,829	5,505,698
	Provision for gratuity	4,298,769	4,547,429
	Provision for expenses	71,411,484	113,036,838
	Provision for income tax	540,000	4,360,000
	Provision for leave travel subsidy	13,503,405	11,830,720
		96,942,487	139,280,685
	<b>Total</b>	<b>125,618,418</b>	<b>160,563,569</b>
4	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory dues	4,014,923	3,928,834
	Amount payable for services	285,000	265,586
	Other liabilities	3,944,304	2,680,846
	<b>Total</b>	<b>8,244,227</b>	<b>6,875,266</b>
5	<b>LONG TERM LOANS &amp; ADVANCES</b>		
	Inter-Corporate Deposit	1,500,000	6,100,000
	Rent Deposits	5,962,767	7,125,345
	MAT Credit Entitlement	540,000	-
	Balance with Statutory Authorities	40,475,155	75,684,575
	<b>Total</b>	<b>48,477,922</b>	<b>88,909,920</b>

Notes No.	Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
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 ₹5,92,22,125/- (Previous Year: ₹6,36,75,216)"	- 59,222,125	- 63,675,216
	<b>Total</b>	<b>59,222,125</b>	<b>63,675,216</b>
7	<b>CASH AND CASH EQUIVALENTS</b> Cash in hand Balance with scheduled banks - In current accounts - In fixed deposits accounts	1,061,541 1,872,230 5,000,000	1,073,301 7,925,283 5,000,000
	<b>Total</b>	<b>7,933,771</b>	<b>13,998,584</b>
8	<b>SHORT TERM LOANS &amp; ADVANCES</b> Unsecured, considered good Advances recoverable in cash or kind Inter-Corporate Deposit Prepaid expenses	3,837,481 6,100,000 1,437,603	3,750,740 1,500,000 1,042,007
	<b>Total</b>	<b>11,375,084</b>	<b>6,292,747</b>
9	<b>OTHER CURRENT ASSETS</b> Rent deposits Interest accrued but not due on deposits Interest accrued but not received on deposits Other Assets	3,123,671 14,819 247,734 3,739,460	1,259,805 963,959 288,009 -
	<b>Total</b>	<b>7,125,684</b>	<b>2,511,773</b>

**IFFCO-TOKIO INSURANCE SERVICES LIMITED**  
**C - 1, IFFCO SADAN, DISTRICT CENTRE SAKET, NEW DELHI - 110017**  
**CIN - U65999DL2003PLC121571**

**NOTES TO PROFIT & LOSS STATEMENT**

Notes No.	Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
10	<b>REVENUE FROM OPERATIONS</b> Agency commission Fees for services provided to ITGI	63,619,241 549,610,000	67,111,682 574,885,000
	<b>Total</b>	<b>613,229,241</b>	<b>641,996,682</b>
11	<b>OTHER INCOME</b> Interest income Miscellaneous income	5,257,624 598,414	3,597,003 692,136
	<b>Total</b>	<b>5,856,038</b>	<b>4,289,139</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 & travelling fees	289,058,440 136,951,745 10,568,297 5,859,027 31,175,631 29,557,645 411,861	338,683,509 130,456,559 9,228,839 5,253,603 27,270,103 26,300,446 284,800
	<b>Total</b>	<b>503,582,646</b>	<b>537,477,859</b>
13	<b>FINANCE COST</b> Bank charges DD charges	90,548 96,191	117,469 130,833
	<b>Total</b>	<b>186,739</b>	<b>248,302</b>

Notes No.	Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>14</b>	<b>OTHER EXPENSES</b>		
	Advertisement	4,135	412
	Books & Periodicals	238,649	222,740
	Campaign expenses	2,099,117	3,151,400
	Communication expenses	10,997,357	11,161,212
	Rent	35,462,097	30,057,240
	Repair & Maintenance	10,117,091	8,621,931
	Training expenses	8,431,477	5,892,788
	Travelling and conveyance	19,330,577	19,899,461
	Printing and stationery	8,592,249	8,994,559
	Legal & Professional expenses	4,777,123	5,231,726
	Insurance charges	4,120,636	3,686,029
	Electricity & Water charges	8,031,173	8,075,885
	Miscellaneous expenses	141,941	78,044
	<u>Payment to Auditors</u>		
	Audit fee	120,000	120,000
	Tax audit fees	30,000	30,000
	Others	-	-
	<b>Total</b>	<b>112,493,622</b>	<b>105,223,428</b>
<b>15</b>	<b>EARNING PER SHARE</b>		
	I) Net Profit as per Profit and Loss account available for Equity Shareholders	1,102,538	2,296,232
	II) Weighted average number of equity share for Earning Per Share computation		
	(a) For Basic Earning Per Share of ₹10 each No's	500,000	500,000
	(b) For Diluted Earnings Per Share of ₹10 each No's		
	III) EPS (Weighted Average)		
	Basic (Rupees)	2.21	4.59
	Diluted (Rupees)	2.21	4.59

## 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, 2013 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 recognised in the period in which the results materialize.

##### c) Revenue Recognition

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

##### d) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on Fixed Assets is provided on straight Line Method at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

##### 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 recognised 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 recognised 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 recognised in the Profit & Loss account in the period of occurrence of such gains and losses. Past services cost is recognised 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 recognised 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 ₹93,36,531/- (Previous year ₹82,08,703/-) 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	
	2014-15	2013-14	2014-15	2013-14
Discount Rate (Per Annum)	7.75%	9.00%	7.75%	9.00%
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 recognised 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)	
	2014-15	2013-14	2014-15	2013-14
Projected Benefit obligation at beginning of year	2,67,88,582	1,78,33,705	1,07,65,481	71,33,375
Current Service Cost	94,61,526	56,80,977	30,10,793	21,18,943
Interest Cost	22,96,164	18,04,202	9,23,227	7,18,223
Actuarial Loss/(Gain) due to change in assumptions	(1,30,206)	33,94,013	10,94,888	13,44,013
Benefit Paid	(25,51,306)	(19,24,315)	(1,014,807)	(5,49,073)
Past service cost	-	-	-	-
Projected Benefit Obligation at End of year	3,58,64,760	2,67,88,582	1,47,79,582	1,07,65,481

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

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2014-15	2013-14	2014-15	2013-14
Projected Benefit Obligation at End of the year	3,58,64,760	2,67,88,582	1,47,79,582	1,07,65,481
Ending Assets	-	-	1,04,80,813	62,18,052
Funded Status assets/(Liability)	(3,58,64,760)	(2,67,88,581)	(42,98,769)	(45,47,429)
Liability (-) / Assets (+) recognised in Balance sheet	(3,58,64,760)	(2,67,88,582)	(42,98,769)	(45,47,429)

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

(Amount in ₹)

Particulars	Leave Encashment / Compensated Absences		Gratuity	
	2014-15	2013-14	2014-15	2013-14
Current Service Cost	94,61,526	56,80,977	30,10,793	21,18,943
Interest Cost	22,96,164	18,04,202	9,23,227	7,18,223
Expected Return on Plan Asset	-	-	(7,18,593)	(5,10,538)
Net actuarial (gain)/loss to be recognised in year	(1,30,206)	33,94,013	10,83,342	12,84,109
Past Service Cost	-	-	-	-
Income (-)/ Expenses (+) recognised in the statement of Profit & Loss	1,16,27,484	1,08,79,192	42,98,769	36,10,737

## IV. Plan Assets (at Fair Value)

(Amount in ₹)

Particulars	Gratuity	
	2014-15	2013-14
Plan Assets at the beginning of the year	62,18,052	56,97,673
Expected Return on Plan Assets	7,18,593	5,10,538
Employer's Contribution	45,47,429	4,99,010
Benefit Payments	(10,14,807)	(5,49,073)
Asset Gain / (Loss)	11,546	59,904
Plan Assets at the end of the year	1,04,80,813	62,18,052

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 ₹3,54,62,097/- (Previous year ₹3,00,57,240/-).



C. In the opinion of management current assets & loans & advances have value on realisation 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	2014-15	2013-14
Net Profit/(Loss) as per Profit and Loss Account	11,02,538	22,96,232
Number of Equity Shares	5,00,000	5,00,000
Earnings per Share (Basic & Diluted)	2.21	4.59
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	
	2014-15	2013-14	2014-15	2013-14
Difference in book depreciation and tax depreciation	-	-	1,78,000	2,10,000
Expenditure Incurred but allowable under Income Tax Act on payment basis	-	-	1,10,83,000	82,80,000
Carried forward business loss as per Income Tax Act	-	-	60,09,000	-
<b>Total</b>	-	-	<b>1,72,70,000</b>	<b>84,90,000</b>

Net Deferred Tax Asset ₹1,72,70,000 (Previous year ₹84,90,000/-) in accordance with Accounting Standard 22 "Accounting for Taxes on Income" the credit of deferred tax amounting ₹87,80,000 (Previous Year ₹27,30,000) is recognised 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:

**Name of the Related Party**

IFFCO-TOKIO General Insurance Co Ltd	Holding Company
Indian Farmers Fertilizers Cooperative Ltd	Promoter of Holding Co.
Sh Joydeep Roy (CEO upto 15.07.2014)	Key Management Personnel
Sh Srikanth Charan Mudigonda (CEO w.e.f 11.08.2014)	Key Management Personnel

(Amount in ₹)

Nature of Relation	Holding Company		Promoter of Holding Company		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Receipt of commission and service charges	61,32,29,241	64,19,96,682	-	-	-	-
2. Reimbursement of expenses	69,83,535	57,13,536	2,96,667	2,10,000	-	-
3. Employee Remuneration	-	-	-	-	43,88,561	32,87,640
4. Insurance Premium Paid (excluding service tax)	31,10,270	35,35,000	-	-	-	-
5. Insurance Claims Recd	25,71,925	21,00,455	-	-	-	-
6. Interest earned on fixed deposit receipts	-	-	7,20,850	7,22,001	-	-
7. Amount payable / (recoverable) at the balance sheet date	(5,92,22,125)	(6,36,75,216)	-	-	-	-
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 2015.

**J.** Earning and expenditure in foreign currency - Nil

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

As per our report of even date attached.

**For Raghu Nath Rai & Co.**

Chartered Accountants  
FRN No. 000451N

**Sharat Prakash**

Partner  
M.No: 96267

Place: New Delhi,  
Date: 21.04.2015

**For IFFCO-TOKIO Insurance Services Ltd.**

**Mr. N.K. Kedia**  
Chairman  
DIN:00050917

**Mr. Veer Pratap Singh**  
Director  
DIN:00051787

**Mr. H. Ishii**  
Director  
DIN:0691406

**Mr. Srikanth Charan Mudigonda**  
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

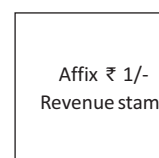
Name of the Member (s):.....  
Registered Address: .....  
E-mail Id:.....  
Folio No/Client Id:.....  
DP Id: .....

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 for me/us on my/ our behalf at the Fifteenth Annual General Meeting of the Company to be held on Wednesday, the 17<sup>th</sup> June, 2015 at 3.30 PM. at IFFCO Sadan, C1, Distt. 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 \_\_\_\_\_ day of \_\_\_\_\_ 2015



Signature of Shareholder .....

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

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

## IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED

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

### ATTENDANCE SLIP

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

I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 17<sup>th</sup> June, 2015 at IFFCO Sadan, C-I, Distt. Centre, Saket, New Delhi 110017

Name of Shareholder:

Signature.....

# Notes

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**IFFCO-TOKIO General Insurance Company Limited**

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

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

**[www.iffcotokio.co.in](http://www.iffcotokio.co.in)**

**U74899DL2000PLC107621**