

Management Report

ANNUAL REPORT 2006-07

Attached to the Financial Statements for the year ending 31st March, 2007

1. The registration granted by the Insurance Regulatory and Development Authority has been renewed from time to time and the same is valid upto 31st March, 2008.
2. It is confirmed that all the dues payable to the statutory authorities upto 31st March, 2007 were duly paid.
3. The shareholding pattern as on 31st March, 2007 was as under which is in accordance with the statutory requirements:

(Rs. in Crores)

Shareholders	Year ended 31 st March, 2007		Year ended 31 st March, 2006	
	Rs in Crores	%	Rs in Crores	%
Indian:				
Indian Farmers Fertilisers Co-op Ltd.	159.80	72.64	159.80	72.64
Indian Potash Ltd	3.00	1.36	3.00	1.36
Sub-Total	162.80	74.00	162.80	74.00
Foreign:				
Tokio Marine Asia Pte., Ltd	57.20	26.00	57.20	26.00
Total	220.00	100.00	220.00	100.00

Note: During the year Millea Asia Pte Ltd changed its name to TOKIO Marine Asia Pte Ltd. The corresponding change in shareholding is in accordance with Statutory and Regulatory requirement.

4. It is confirmed that no part of funds of the Policy holders were directly or indirectly invested outside India during the year. amounts not exceeding their realizable or market value except Debt securities which are valued in accordance with Accounting Policy No 8.1.
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 31st March, 2007 are shown in the aggregate at
7. The company has varied risk exposure in different classes of business depending upon the risk hazard and retention capacity of the company. On overall basis company is exposed to catastrophe risks. The company has a strategy to have an effective control on overall risk exposure by working out accumulations per vessel in marine class of business and on geographical

basis for property business. The Company has filed its reinsurance program with IRDA as required by their regulations. The company also has Excess of Loss and Catastrophic Cover in accordance with the programme filed with IRDA.

8. It is certified that there were no

operations of the company in any other country during the year ended 31st March 2007.

9. The information relating to ageing of claims on gross basis indicating the trend of average claim settlement time upto the financial year ended 31st March, 2007 is as under:

(Amount in Rs.)

Claims O/s for	Year ended 31 st March, 2007			Year ended 31 st March, 2006		
	Fire	Marine	Miscellaneous	Fire	Marine	Miscellaneous
Less than 1 month	279610211	50967022	267769173	62293352	25944747	241999109
>= 1month=< 3 Month	88352921	236392532	308911117	167350285	34495206	219961028
>= 3month=<6 Month	79863332	180890003	29635328	111667959	31500284	201812650
>= 6month=< 1 Year	242922789	102188338	435083896	546005648	27543803	192423711
> 1 year	135198034	34909518	382461642	208768240	39081738	150621660
Total	825947287	605347413	1691161156	1096085484	158565778	1006818157

10. As at 31st March, 2007, 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:

Rs. in Lacs

	Securities	
	Government	Corporate
1. Acquisition Cost of Debt Securities held	29191	18873
2. Amortized value of securities as at (1)	28456	18876
3. Market Value of securities as at (1)	27512	17651
4. Value of (1) as appearing in the balance sheet	28456	18876

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 Rs.57.08 Crores (Previous year Rs. 35.83 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 profit/ loss of the revenue accounts and of profit 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, Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) The management has prepared the financial Statement on a going concern basis.

(e) The management has an Internal Audit system commensurate with the size and nature of its business, which is in effective operation during the year.

13. Payments made to companies and organizations in which directors are interested are as under:

			Rs. in Lacs
Name of the company/organisation	Nature of payment	Year ended 31 st March, 2007	Year ended 31 st March, 2006
Indian Farmers Fertilisers Cooperative Ltd	Rent & other expenses	192.96	228.89
	Salaries to deputed Staff	Nil	Nil
	Insurance Claims	1735.00	1311.72
	Dividend	639.23	Nil
KRIBHCO	Rent & other expenses	0.63	4.66
	Insurance Claims	Nil	87.07
	Dividend	Nil	Nil
Indian Potash Ltd	Rent & other expenses	18.12	12.18
	Insurance Claims	52.65	147.45
	Rent Deposit	Nil	Nil
	Dividend	12	Nil
Karnataka State Cooperative Marketing Federation Ltd	Rent & other expenses	10.81	14.36
	Rent Deposit	7.82	Nil
	Insurance Claims	Nil	Nil
Godavari Chemicals & Fertilizer Ltd	Insurance Claims	Nil	Nil
Fertiliser Association of India Ltd	Rent & other expenses	40.40	37.05
	Rent Deposit	Nil	Nil
	Insurance Claims	Nil	0.03
IFFCO-Tokio Insurance Services Ltd	Commission and Service Charges	1694.84	1293.66
	Insurance Claims	3.64	2.19
National Agri Coop Marketing of India	Rent & other expenses	Nil	12.37
	Insurance Claims	Nil	0.92

For and on behalf of Board of Directors

K. Srinivasa Gowda
Chairman

Rakesh Kapur
Director

Ajit Narain
Managing Director

Masahiro Ogawa
Director (Operations)

M.K. Tandon
Financial Advisor

V.S. Rao
Company Secretary

New Delhi
Dated : 25th April, 2007



IFFCO-TOKIO GENERAL INSURANCE COMPANY LTD.

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

Regd. Folio No. _____

No. of Shares held _____

PROXY FORM

I/we _____

Regd. Folio No. _____ of _____

_____ being a member/members of IFFCO-TOKIO General Insurance Co. Ltd.,

NEW DELHI hereby appoint _____ or _____ failing

him/her _____ of _____ or failing

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

and vote for me/us on my/our behalf at the Seventh Annual General Meeting of the Company to be held on Tuesday, the 5th June 2007 at 3.30 P.M. at IFFCO Sadan, C-1, District Centre, Saket, New Delhi- 110017 and at any adjournment thereof.

Signed this _____ day of _____ 2007.

Signed by the said _____

Affix Rs. 1/-
Revenue
Stamp

Note: The proxy from duly completed must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting. A proxy need not be a member.

IFFCO-TOKIO GENERAL INSURANCE COMPANY LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the Seventh Annual General Meeting of the Company to be held at IFFCO Sadan, C-1, District Centre, Saket, New Delhi on Tuesday, the 5th June 2007 at 3.30 P.M.

Ledger Folio No. _____

No. of Shares _____

Name of Shareholder _____

Signature _____





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