

ANNUAL REPORT

2011



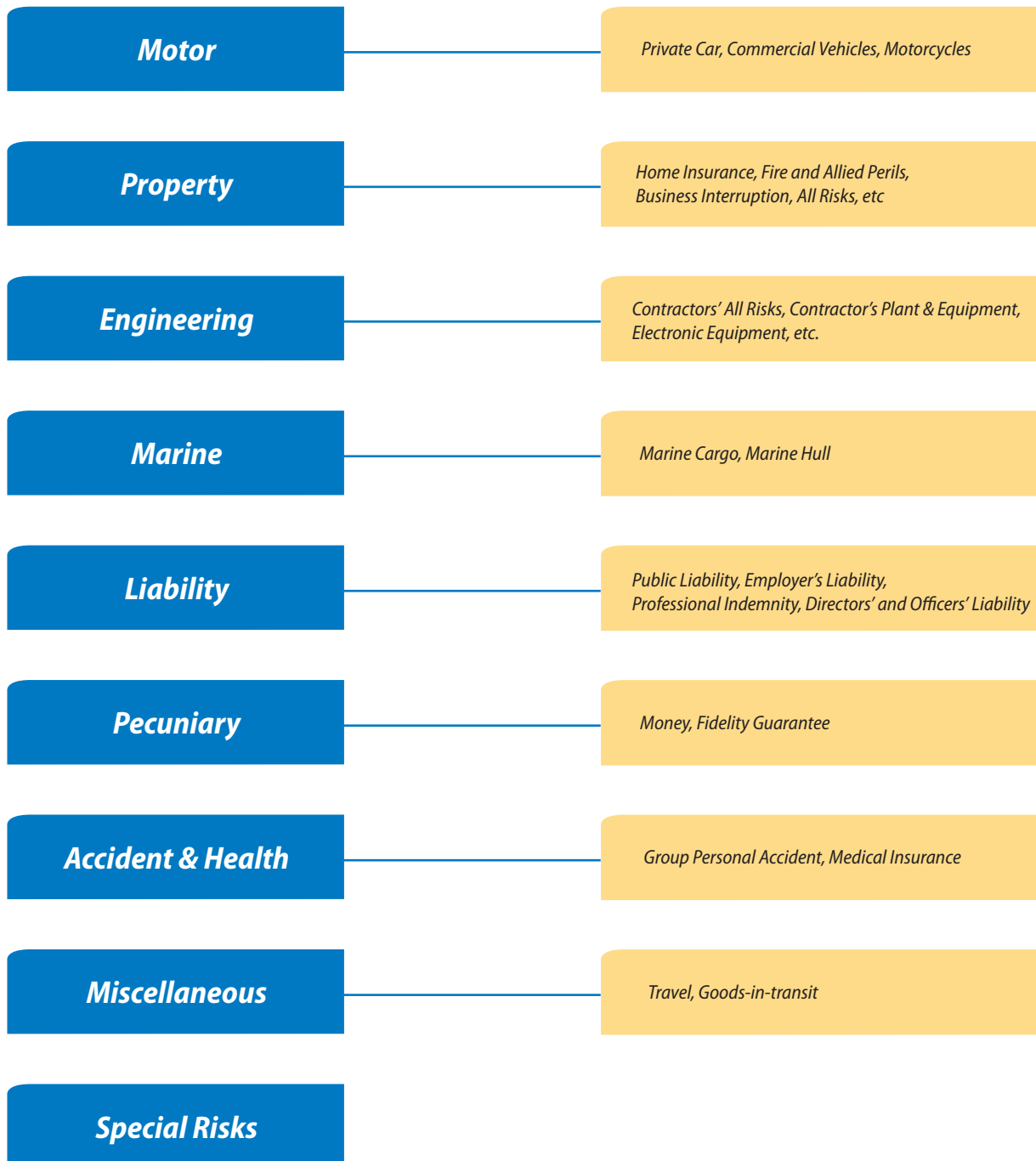
**SICOM GENERAL INSURANCE LTD**  
(Member of State Insurance Company of Mauritius Ltd Group)

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## MAIN BUSINESS LINES



## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

Gopee G	(Acting Chairman)
Bhoojedhur-Obeegadoo K G	(Mrs)
Dhaliah-Utchanah B D	(Mrs)
Dowarkasing M	(Appointed on 26 November 2010 and resigned on 08 August 2011)
Mussai K C	(Appointed on 07 October 2010 and resigned on 17 August 2011)
Purryag D	
Seeyave P S C	(Ms)
Sewpaul A	

### **Company Secretary**

Ramdewar N (Mrs)

Full details of Directors profile have been disclosed in the Annual Report of the State Insurance Company of Mauritius Ltd

## CORPORATE INFORMATION

### MANAGEMENT

#### **Leung Lam Hing Suzanne H Y K (Mrs), ACII - Operations Executive**

Mrs Suzanne Leung Lam Hing joined State Insurance Corporation of Mauritius in 1981 where she worked in the General Insurance Department. She was involved in both underwriting and claims functions. In 1996 she was appointed to the post of Assistant Manager in the Life Department and held this post until 2002, when she was nominated Manager (General Insurance). Following the setting up of SICOM General Insurance Ltd in July 2010, she continued with the responsibility of heading the General Insurance business of the SICOM group in her current position of Operations Executive.

Mrs S Leung Lam Hing is an Associate of the Chartered Insurance Institute, UK and holds Chartered Insurer status. She has followed various professional courses in insurance, reinsurance and management both locally and overseas. Mrs S Leung Lam Hing is a member of the Insurance Institute of Mauritius and has served as Council member of the Institute for many years.

#### **Balgobin Parmanand, ACII - Operations Manager**

Parmanand Balgobin joined the State Insurance Corporation of Mauritius in May 1982. He qualified as an Associate of the Chartered Insurance Institute (UK) in 1987 and obtained Chartered Insurer status in 1996. He is a member of the Insurance Institute of Mauritius (IIM).

He has 29 years work experience in General Insurance and has worked in all the various fields of insurance such as motor, non-motor commercial and industrial sectors as well as reinsurance. He currently holds the post of Operations Manager in SICOM General Insurance Ltd.

He attended several insurance, reinsurance and management related courses both locally and overseas. He has been involved in the Inter-Company Committee set up for the co-ordination and implementation of the Constat a L'amiable project.

## CORPORATE INFORMATION

### **Registered Office**

#### **SICOM Building**

SICOM GENERAL INSURANCE LTD

Sir Celicourt Antelme Street, Port Louis

Telephone : (230) 203 8407

(230) 210 3278

Fax : (230) 213 1821

Email Address: [sicomgin@sicom.intnet.mu](mailto:sicomgin@sicom.intnet.mu)

Website : <http://www.sicomgin.mu>

### **Rodrigues Branch Office**

Cliderlex Building, Port Mathurin, Rodrigues

Telephone : 831-0312

Fax : 831-0313

### **Auditors**

Deloitte

### **Consulting Actuaries**

AON Hewitt Ltd

### **Main Bankers**

State Bank of Mauritius Ltd

SBI International (Mauritius) Ltd

Barclays Bank PLC

Mauritius Post & Cooperative Bank Ltd

## DIRECTORS' REPORT

The Board of Directors of the SICOM General Insurance Ltd is pleased to present the first Annual Report together with the audited financial statements of the Company for the period ended 30 June 2011.

### ECONOMIC REVIEW

During the financial period ended 30 June 2011, the Mauritian economy continued its upturn, underpinned by the general healing of the world economy and better performance of some sectors. The local economy expanded by 4.3% in 2010, driven by the relative rebound in the tourism and textile sectors and the good performances of the business and financial services, construction, seafood and ICT industries. The investment rate in 2010 was 24.9% while the saving rate reached 15.6%. During the financial period ended 30 June 2011, the local currency strengthened against the USD, GBP and ZAR while the EUR, AUD and NZD gained vis-à-vis the Mauritian rupee. In spite of the tempering impact of the rupee strength, headline inflation rate maintained its uptrend, prompted by sustained increases in the prices of food and fuel on international markets. The inflation rate for the financial period ended 30 June 2011 was 5.1%. The Bank Rate closed the financial period ended 30 June 2011 at 4.47%, rising by 51 basis points compared to the end of the previous financial year. Gross domestic product is expected to grow by 4.5% in 2011.

### REVIEW OF OPERATIONS

In accordance with the provisions of the Insurance Act requiring insurance companies to have separate legal entities to transact Short Term and Long Term operations, SICOM General Insurance Ltd was incorporated to carry out Short Term operations. SICOM General Insurance Ltd is a fully owned subsidiary of State Insurance Company of Mauritius Ltd and became operational on 01 July 2010.

The review of business operations for the period ended 30 June 2011 therefore covers the first year of operations of the new company. An amount of Rs 611.1 million was achieved as Gross Premium. Soft market conditions continued to prevail during the year, further pulling premium rates downwards. These conditions together with the intensely competitive environment have contributed to limit premium growth. There has also been the adverse impact of the strength of the Mauritian rupee vis-à-vis major foreign currencies under which a number of insurance policies were written.

The first period of operations has been marked by remarkable operational results with an amount of Rs 175.3 million being achieved as underwriting surplus and an amount of Rs 84.8 million as pre-tax profit. These excellent results were derived from the maintenance of sound underwriting criteria, good claims management as well as the absence of cyclones and other catastrophic loss events. The Motor class has performed very well and remains a major source of profitability. Despite the fierce competition in the sector, we have been able to exceed our sales target. There has been further improvement in the loss ratio through careful risk acceptance, proper claims cost control and also a higher rate of claims recovery. The non-motor insurances have also fared well, with all classes of insurance showing a good profitability. During the period ended 30 June 2011, a marked escalation in the degree of competition was noted especially in the Property and Engineering classes, but notwithstanding the difficulties of finding the right balance between the diktats of competition and applying the adequate technical premium, we have been able to generate a satisfactory underwriting surplus in the non-motor insurance classes. Interaction with insurance brokers has been fruitful during the year and we look forward to having a closer and more interactive relationship with the brokers during the forthcoming year.

We have made a complete review of our treaty reinsurance programme and this has resulted in a restructuring, which will enable us to optimise the utilisation of our treaties. We are confident that the new structures applicable as from July 2011 will better equip us to achieve our strategic objectives in the immediate and longer terms.

The past year has seen the launch of Travel Easy, our new travel insurance plans which provide one of the most comprehensive travel insurance coverages in the market. An advertising campaign was made to promote the product. Sales have been in accordance with expectations and outlook for the future is good. The customer remains the focus of our actions and in addition to providing quality products, we have been striving towards delivering excellent customer service. We are fully committed to continue improving our service standards during the year 2011-2012. We have thus embarked in the implementation of a Document Management system, which once fully operational, is expected to lead to shortening of turnaround time to clients and increase in staff efficiency. Customer care skills of the staff will be enhanced through the continued cultivation of the appropriate mindset as well as formal training.

# DIRECTORS' REPORT (continued)

## CORPORATE GOVERNANCE REPORT 2011

### 1. COMPLIANCE STATEMENT

Corporate governance is the framework by which institutions are directed and controlled, that is, it takes into consideration relationships between a company and its different stakeholders. The objective of good corporate governance is to ensure safety, soundness and to enhance the shareholder value of a company.

The Directors have adopted and will continue to adopt international best practices in the governance of the Company. The Directors are fully aware of their responsibilities towards the stakeholders and as such consider the establishment of good governance practices to be a key function of the Board.

### 2. MAJOR SHAREHOLDER

The Company is wholly owned by the State Insurance Company of Mauritius Ltd, which is both its holding and ultimate holding Company.

#### Common Directors

Directors of the Company	Directors of ultimate holding Company
Mrs K G Bhoojedhur-Obeegadoo	*
Mrs B D Dhaliah-Utchanah	*
Mr M Dowarkasing	*
Mr G Gopee	*
Mr K C Mussai	*
Mr D Purryag	*
Ms P Seeyave	*
Mr A Sewpaul	*

### 3. DIVIDEND POLICY

The Company's objective is to provide value to its shareholders through an optimum return on equity. Dividends are proposed and paid after taking into consideration the profit after taxation, projects, technical provisions and appropriations to statutory and other reserves for ongoing operational activities. Dividends are only authorised and paid out if the Company shall, upon the distribution being made, satisfy the Solvency Test.

### 4. THE BOARD OF DIRECTORS

#### (a) Role of the Board

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors of SICOM General Insurance Ltd has the overall responsibility of ensuring that the Company complies with the standards of good corporate governance.

The Board of Directors met two times during the year.

## DIRECTORS' REPORT (continued)

### 4. THE BOARD OF DIRECTORS (cont'd)

#### (b) Election of Directors

The new Company was incorporated in April 2010 and started its operation in July 2010. Henceforth, the Directors of the Company will be elected every year at the Annual Meeting of Shareholders.

#### Directors' Attendance at Board Meetings

Directors	Classification	Board
Mrs K G Bhoojedhur - Obeegadoo	Executive Director	2 of 2
Mrs B D Dhaliyah - Utchanah	Non-Executive Director	2 of 2
Mr M Dowarkasing	Independent Director	2 of 2
Mr G Gopee	Independent Director	2 of 2
Mr K C Mussai	Non-Executive Director	2 of 2
Mr D Purryag	Non-Executive Director	2 of 2
Ms P Seeyave	Non-Executive Director	2 of 2
Mr A Sewpaul	Executive Director	2 of 2

The Executive Directors do not have any fixed term contract and are not approaching retirement.

#### Directors' Remuneration

The remuneration and benefits of Executive Directors and Non-Executive Directors stood at Rs 400,800 and Rs 1,102,362 respectively. The Directors' fees and remuneration have not been disclosed on an individual basis due to the sensitive nature of the information.

#### Shareholder Diary

##### Financial Period 2010 - 2011

Financial period-end	: 30 June 2011
Audited Financial Statements for the period ending 30 June 2011	: Within three months from end of June 2011
Statutory Returns to Financial Services Commission	: September 2011
Annual Meeting	: September 2011
Dividend payment	: October 2011

### 5. REMUNERATION POLICY

We are an equal opportunity employer and we are committed to attracting and retaining the best people. We believe that our people are the source of our success and aim at motivating and compensating them by providing a competitive salary package and related benefits.

Priority in recruitment is given to existing employees within the Company and selection is based on the principle of meritocracy.

We also welcome external candidates for job openings at all levels of the organization, especially when and where specific skills and expertise are being sought.

The individual performance is regularly and objectively measured in line with agreed objectives with the aim of promoting a performance culture while ensuring individual growth and development.

### 6. RELATED PARTY TRANSACTIONS

The related party transactions are disclosed in Note 26 to the Financial Statements.

### 7. SERVICE LEVEL AGREEMENT

There is a Service Level Agreement between the State Insurance Company of Mauritius Ltd and SICOM General Insurance Ltd, whereby support services are provided by SICOM.

### 8. INTERNAL AUDIT

The Internal Audit function has the overall responsibility of providing independent, objective assurance and consulting activity designed to add value and improve the Company's operations. The Internal Audit function is also one of the functions falling under the Service Level Agreement. Audit activities are carried out by the Group Auditor.

The scope of work of the Internal Audit function is to enable the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, control, information systems and governance processes. It encompasses mainly the following functions which are namely to review the effectiveness and adequacy of internal control within the

## DIRECTORS' REPORT (continued)

### 8. INTERNAL AUDIT (cont'd)

Company, to assess the systems relating to all activities of the Company and to make appropriate recommendations and monitor their implementation to the Risk & Audit Committee and Management pursuant to the findings in the course of review and assessment exercises. A risk-based approach to auditing is adopted and it enables resources to be focused towards high-risk areas.

The Internal Auditors have a direct reporting line to the Risk and Audit Committee and maintain an open communication channel with Management. They have unrestricted access to the records, management or employees of the Company.

### 9. RISK MANAGEMENT

The main focus of Company's risk management framework is to establish a culture of risk management throughout the Company to handle the risks associated with growth and a rapidly changing business environment.

The Company's risk management philosophy embraces the overall systematic approach to analyzing risk and implementing risk controls. The objective of the current risk management framework is to identify, analyze and taking the appropriate steps to reduce or eliminate the exposures to loss faced by the Company, including, but not limited to, reputation risk, technology risk, compliance risk, operational risk, business continuity and physical risk which could influence the achievement of the Company's objectives.

The financial risks of the Company are listed in Note 4 to the financial statements.

### 10. SOCIAL RESPONSIBILITY ROLE

The Company is fully conscious of its role as a social partner in the Community. During the year under review, the Company has actively participated in various activities, including safety, health, education and environmental and has sponsored several events.

### 11. HEALTH AND SAFETY POLICY

Our policy is to provide and maintain safe and healthy working conditions, equipment and systems of work for all our employees, and to provide such information, training and supervision as they need for this purpose.

### 12. CODE OF CONDUCT

The Company is committed to ethical practices in the conduct of its business and the Group set out standards of business behaviour for its employees.

### 13. DONATIONS

Donations of Rs 54,114 were effected during the year.

### ACKNOWLEDGEMENT

The Board of Directors would like to place on record the contributions of both Mr M Dowarkasing and Mr K C Mussai to the affairs of the Board and expresses its deep appreciation of the support given to all the stakeholders of the Company by the Government of Mauritius, the Financial Services Commission, Reinsurers, Reinsurance Brokers, Investment Managers, Bankers and Insurance Brokers and Salesmen. The Board of Directors is also thankful to its customers and stakeholders for their loyalty and trust and would like to thank Management and staff for their dedicated effort and commitment to the Company.

For and on behalf of the Board of Directors



Director

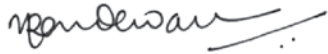


Director

Date : 26 September 2011

## SECRETARY'S CERTIFICATE

I certify to the best of my knowledge and belief that for the period ended 30 June 2011, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001.



**N Ramdewar (Mrs)**

*Company Secretary*

SICOM General Insurance Ltd

Port Louis

Date : 26 September 2011

# AUDITOR'S REPORT

7th floor, Raffles Tower  
19 Cybercity  
Ebène  
Mauritius

## Independent auditor's report to the shareholder of SICOM General Insurance Ltd

This report is made solely to the company's shareholder, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to the shareholder in an auditor's report for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit works, for this report, or for the opinions we have formed.

### Report on the Financial Statements

We have audited the financial statements of SICOM General Insurance Ltd on pages 14 to 43 which comprise the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory information.

### Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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

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

### Opinion

In our opinion, the financial statements on pages 14 to 43 give a true and fair view of the financial position of SICOM General Insurance Ltd as at 30 June 2011, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

### Report in other legal requirements

#### Companies Act 2001

- we have no relationship with, or interests in, the company other than in our capacities as auditors;
- we have obtained all information and explanations that we have required; and
- In our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.

#### Insurance Act 2005

The financial statements have been prepared in the manner and meet the requirements specified by the Financial Services Commission.

#### The Financial Reporting Act 2004


The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.



Deloitte  
Chartered Accountants

Date: 26 September 2011



Sydney Ah Yoong, FCCA  
Licensed by FRC

# *Financial Statements* *Year Ended 30 June 2011*



**SICOM GENERAL INSURANCE LTD**  
(Member of State Insurance Company of Mauritius Ltd Group)

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# Financial Statements

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

	Notes	Rs'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6	417
Intangible assets	7	603
Statutory deposits	8	7,360
Other assets	9	262,935
Fixed deposits	10	118,832
		<u>390,147</u>
<b>CURRENT ASSETS</b>		
Other assets	9	50,022
Accounts receivable	11	216,130
Short-term deposits	12	95,898
Reinsurance assets	13	348,722
Bank and cash balances		110,704
		<u>821,476</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	14	171,754
Taxation	15	14,615
Bank Overdraft		916
		<u>187,285</u>
<b>NET CURRENT ASSETS</b>		
		<u>634,191</u>
		<u>1,024,338</u>
<b>CAPITAL AND RESERVES</b>		
Stated capital	16	25,000
Reserves	17	51,774
Subordinated loan	18	341,625
TOTAL EQUITY		<u>418,399</u>
<b>TECHNICAL PROVISIONS</b>		
Gross outstanding claims	13	317,556
Gross unearned premiums	13	283,606
		<u>601,162</u>
<b>NON-CURRENT LIABILITIES</b>		
Retirement benefit obligations	19	4,079
Deferred taxation	15	698
		<u>4,777</u>
		<u>1,024,338</u>

Approved by the Board of Directors and authorised for issue on 26 September 2011.



Director



Director

## Financial Statements (continued)

### STATEMENT OF COMPREHENSIVE INCOME FOR PERIOD ENDED 30 JUNE 2011

	Notes	Rs'000
Underwriting Surplus	20	175,265
Investment and Other Income	21	13,508
		188,773
Administrative and Other Expenses	22	(103,958)
PROFIT BEFORE TAXATION		84,815
Taxation	15	(15,313)
PROFIT FOR THE PERIOD		69,502
Other comprehensive income :		
Net fair value loss on available-for-sale investments		(10,778)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		58,724

### STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 30 JUNE 2011

	Note	Stated Capital	Retained Earnings	Investments Revaluation Reserve	Subordinated Loan	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Transfer from State Insurance Company of Mauritius Ltd		25,000	-	-	341,625	366,625
Profit for the period		-	69,502	-	-	69,502
Other comprehensive loss		-	-	(10,778)	-	(10,778)
Total comprehensive income for the period		-	69,502	(10,778)	-	58,724
Dividend	23	-	(6,950)	-	-	(6,950)
Balance at 30 June 2011		25,000	62,552	(10,778)	341,625	418,399

## Financial Statements (continued)

### STATEMENT OF CASH FLOWS FOR PERIOD ENDED 30 JUNE 2011

	Rs'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit before taxation	84,815
Adjustments for:	
Depreciation on Property, Plant & Equipment	14
Amortisation of intangible assets	136
Provision for impairment losses	1,799
Retirement benefit obligations	4,079
Investment income	(22,157)
Share Capital	25,000
Subordinated Loan	341,625
<b>Operating cash flows before working capital changes</b>	435,311
Increase in accounts receivable	(212,189)
Increase in reinsurance assets	(348,722)
Increase in accounts payable	164,804
Increase in insurance liabilities	601,162
<b>Cash generated from operations</b>	640,366
Interest received	13,740
<b>Net cash generated from operating activities</b>	654,106
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	(431)
Purchase of intangible asset	(739)
Net investment	(447,250)
<b>Net cash used in investing activities</b>	(448,420)
<b>Net increase in cash and cash equivalents</b>	205,686
<b>CASH AND CASH EQUIVALENTS AT 1 JULY 2010</b>	-
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE 2011</b>	205,686
<b>CASH AND CASH EQUIVALENTS</b>	
Bank and cash balances	109,788
Short term deposits	95,898
	205,686

# Notes To The Financial Statements

## For Period Ended 30 June 2011

### 1. GENERAL INFORMATION

SICOM General Insurance Ltd is a Public Limited Company, incorporated in the Republic of Mauritius on 22 April 2010. Its registered office is situated at Sir Celicourt Antelme Street, Port Louis, Mauritius. The principal activity of the Company is to transact General Insurance Business. The Company has started trading as a separate company as from 01 July 2010, when the transfer of assets and liabilities has been finalised.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of financial statements are set out below:

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements are prepared under the historical cost basis, as modified by the revaluation of certain available-for-sale investments. In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2010.

#### APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

##### 2.1 New and revised International Financial Reporting Standards applied with no material effect on the financial statements

The following relevant new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any material impact on the amounts reported for current and prior years but may affect the accounting for future transactions or arrangements.

IAS 1	Presentation of Financial Statements – Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 7	Statement of Cash Flows – Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 32	Financial Instruments: Presentation – Amendments relating to classification of right issues
IAS 36	Impairment of assets – Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 39	Financial Instruments: Recognition and Measurement – Amendments resulting from April 2009 Annual Improvements to IFRSs
IFRIC 19	Extinguishing financial liabilities with equity instruments

##### 2.2 New and revised International Financial Reporting Standards in issue not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issued but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 1 January 2011)
IAS 1	Presentation of Financial Statements – Amendments to revise the way other comprehensive income is presented (effective 1 July 2012)

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont'd)

#### 2.2 New and revised International Financial Reporting Standards in issue not yet effective (cont'd)

IAS 12	Income Taxes – Limited Scope Amendment (Recovery of underlying assets) (effective 1 January 2012)
IAS 19	Employee Benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects (effective 1 January 2013)
IAS 24	Related Party Disclosures – Revised definition of related parties (effective 1 January 2011)
IFRS 7	Financial Instrument: Disclosures – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 1 January 2011)
IFRS 7	Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets (effective 1 July 2011)
IFRS 9	Financial Instruments – Classification and Measurement (effective 1 January 2013)
IFRS 12	Disclosure of Interest in Other Entities (effective 1 January 2013)
IFRS 13	Fair Value Measurement (effective 1 January 2013)
IFRIC 14	IAS 19 – The limit on a Defined Benefit Asset, Minimum funding requirement and their interaction (November 2009 amendment with respect to voluntary prepaid contributions – effective 1 January 2011)

It is anticipated that the adoption of these Standards and Interpretations on the above effective dates in future periods will have no material impact on the financial statements of the company.

#### 2.3 Property, plant and equipment

Assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write off the cost or revalued amount of the assets on a straight line basis over their estimated useful lives as follows: -

Furniture and fittings	-	10%
Office equipment	-	10%
Computer equipment	-	20%

The assets residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting year.

#### 2.4 Revenue recognition

Premium written is accounted for policies incepting in the financial year. Provision for unearned premium has been made in respect of the General Insurance Business and represents the proportion of premium written in the year, which relate to the unexpired terms of policies in force at the reporting date, calculated on the basis of the 365th method.

Investment income comprises of dividend and interest for the year. Dividend is accounted for when declared. Interest is recognised on an accrual basis.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.5 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing at that date. Profits and losses arising on exchange are included in the profit or loss for the year.

### 2.6 Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Except where stated separately, the carrying amount of the Company's financial assets approximate their fair values.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

#### Financial assets at FVTPL

Financial assets are classified at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- It is a part of an identified portfolio of financial instruments that the Company manage together and have a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally in that basis; or

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.7 Financial assets (Cont'd)

- It forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments; Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the other gains and losses line item in the statement of comprehensive income.

#### Held-to-maturity investments

Debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments.

Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

#### Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as Trade receivables. Trade receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### 2.8 Financial liabilities & equity instruments issued by the Company

#### (a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### (b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### (c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at Fair Value Through Profit or Loss (FVTPL)' or 'other financial liabilities'. Financial liabilities are classified as at FVTPL where the financial liability is either held for trading (HFT) or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.8 Financial liabilities & equity instruments issued by the Company (cont'd)

#### (c) Financial liabilities (cont'd)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the other gains and losses line item in the statement of comprehensive income.

#### (d) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### (e) Derecognition of financial liabilities

The Company derecognise financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### 2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### (a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.9 Taxation

#### (b) Deferred tax

Deferred taxation is provided on the comprehensive basis using the liability method. Deferred tax liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is possible that taxable profit will be available against which the deductible temporary differences can be utilised.

The principal temporary difference arises from depreciation on plant and equipment, retirement benefit obligations liability and subsidiary accumulated tax losses.

### 2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short terms deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

### 2.11 Retirement benefit obligations

#### (i) Defined Contribution

Contributions to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to contributions.

#### (ii) Defined Benefit

For defined benefit retirement plans, the cost of providing benefits is determined using the projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Company's defined obligation and the fair value of plan assets as at the end of the prior year are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

#### (iii) State plan and Defined Contribution Plan

Contributions to the National Pension Scheme and defined contribution pension plan are expensed to the profit or loss in the period in which they fall due.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period. Provisions are reviewed at end of reporting period and adjusted to reflect the current best estimate.

### 2.13 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at end of reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counter party; or
- Default or delinquency in interest or principal payments; or
- Becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as account receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and mortgage loans where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognized impairment loss is reversed through statement of comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in statement of comprehensive income are not reversed through statement of comprehensive income.

Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.14 Intangible Assets – Computer Software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost and amortised over its estimated useful lives of 5 years.

### 2.15 Insurance contracts

#### (i) Insurance contracts – classification

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

Insurance contracts issued by the Company are short term insurance contracts and are classified under the following classes of business: motor, accident & health, engineering, liability, property, transportation, guarantee and miscellaneous. These contracts provide compensation following damage to or loss of property, goods, equipment, losses and expenses incurred, sickness and loss of earnings resulting from the occurrence of the events insured against.

#### (ii) Reinsurance contracts

Reinsurance contracts entered into by the Company are either of proportional or non- proportional type. Under a proportional treaty, the premiums and claims are apportioned between the Company and the reinsurer in agreed proportions. Proportional reinsurance may be either in the form of a quota share whereby the proportion of each risk reinsured is fixed, or in the form of surplus whereby the Company can retain a part of a risk within a fixed limit, and the reinsurer accepts part of the risk as a multiple of the Company's retention.

Under the non- proportional type of reinsurance, the Company uses the Excess of Loss treaty whereby in consideration for a premium, the reinsurer agrees to pay claims in excess of a specified amount (the retention), up to a specified maximum amount.

The Company reinsures either on a treaty basis, with all risks falling within the treaty terms, conditions and limits being reinsured automatically, or on a facultative basis. Under facultative reinsurance, risks are offered to the reinsurer on an individual basis and can be accepted or rejected by the reinsurer.

Short-term balances due from reinsurers are classified within accounts receivable and amounts that are dependent on the expected claims and benefits arising under the related reinsurance contracts are classified under reinsurance assets.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

#### Impairment of reinsurance assets

If reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognises that impairment loss in the profit or loss. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.15 Insurance contracts

#### (iii) Claims expenses and outstanding claims provisions

Outstanding claims provisions are based on the ultimate costs of all claims incurred but not settled at the end of the reporting period, whether reported or not (IBNR). Notified claims are only recognised when the Company considers that it has a contractual liability to settle the claims. Claims expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties.

There are often reporting delays between the occurrence of the insured event and the time it is actually reported to the Company, particularly in respect of liability business, the ultimate cost of which cannot be known with certainty at the end of the reporting period. Following the identification and notification of the insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. Outstanding claims provisions are not discounted and include an allowance for expected future recoveries. Recoveries include non-insurance assets that have been acquired by exercising rights to sell, to salvage or subrogate under the terms of the insurance contracts.

### 2.16 Related Parties

For the purpose of these financial statements, parties that are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

## 3. MANAGEMENT OF RISKS

The Company's activities expose it to a variety of insurance risks. A description of the significant risk factors is given below together with the risk management policies applicable.

### 3.1 Insurance risk

Insurance risk is transferred when an insurer agrees to compensate a policyholder if a specified uncertain future event (other than a change in a financial variable) adversely affects the policyholder. By the very nature of an insurance contract, the risk is random and therefore unpredictable.

The main risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits are greater than estimated

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company have developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered

#### 3.1.1 Insurance liabilities

The frequency and severity of claims can be affected by several factors. The most significant claims result from accident, liability claims awarded by the Court, fire and allied perils and their consequences. Inflation is also a significant factor due to the long period typically required to settle some claims.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 3. MANAGEMENT OF RISKS (cont'd)

The Company's underwriting strategy attempts to ensure that the underwritten risks are well diversified in type, amount of risk and industry. The Company have underwriting limits by type of risks and by industry. Management reviews performance of individual insurance policies and the Company reserve the right not to renew individual policies.

It can impose deductibles and has the right to reject the payment of a fraudulent claim. Where relevant, the Company may pursue third parties for payment of some or all liabilities (subrogation). Claims development and provisioning levels are closely monitored.

The reinsurance arrangements of the Company include proportional, excess of loss and catastrophe coverage and as such, the maximum loss that the Company may suffer in any one year is predetermined.

##### 3.1.2 Concentration of insurance risk

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

##### Outstanding Claims

Class of Business	2011	
	Gross Rs'000	Net Rs'000
Motor	171,528	68,733
Property	13,490	(299)
Transport	10,909	1,108
Engineering	15,842	5,286
Guarantee	-	-
Accident & Health	24,902	4,406
Liability	31,936	11,114
Miscellaneous	11,373	880
Incurred But Not Reported (IBNR)	37,576	37,576
	<u>317,556</u>	<u>128,804</u>

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

##### 3.1.3 Sources of uncertainty

Most claims on short term insurance contracts are payable on a claims-occurrence basis. Under claims occurrence basis, the Company are liable for insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims may be settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

The estimated costs of claims include direct expenses to be incurred in settling claims, net of subrogation and salvage recoveries. The Company ensure that claims provisions are determined using the best information available of claims settlement patterns, court awards and forecast inflation. Estimation techniques also involve obtaining corroborative evidence from as wide a range of sources as possible and combining these to form the best overall estimates. However, given the uncertainty in determining claims provisions, it is likely that the final claim settlement will differ from the original liability estimate.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

### 3. MANAGEMENT OF RISKS (cont'd)

#### 3.1.3 Sources of uncertainty (Cont'd)

##### Unquoted Investments

Determining whether available for sale investments are impaired requires an estimation of the value in use of the investments. In considering the value in use, the directors have taken into account management accounts and forecasts (or net asset value) of these investments. However, the actual results could differ from the estimates.

#### 3.1.4 Claims development table

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

Accident period	Prior 2000	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
		Rs000	Rs000	Rs000	Rs000	Rs000	Rs000	Rs000	Rs000	Rs000	Rs000	Rs000	Rs000	Rs000
At end of loss year		26,831	28,161	29,402	35,302	40,626	62,324	72,851	90,426	145,590	139,997	141,308	90,871	903,689
One year later		2,014	2,316	7,920	6,219	7,151	13,359	12,136	18,700	27,013	34,560	14,906		146,294
Two years later		270	618	825	451	2,102	-287	-138	-787	-2,226	584			1,412
Three years later		1,020	-106	-695	701	293	124	360	872	-1,659				910
Four years later		598	-125	221	1,100	-196	-417	1,168	765					3,114
Five years later		801	-118	576	1,013	407	102	845						3,626
Six years later		631	182	788	3,234	1,987	86							6,908
Seven years later		-502	171	381	2,894	1,722								4,666
Eight years later		532	639	852	-3,043									-1,020
Nine years later		654	964	-69										1,549
Ten years later		1,029	92											1,121
Eleven years later		479												479
Current claims paid to date		34,357	32,794	40,201	47,871	54,092	75,291	87,222	109,976	168,718	175,141	156,214	90,871	1,072,748
IBNR		-	-559	825	2,193	1,648	1,752	6,344	8,798	12,333	6,041	-14,365	12,566	37,576
Outstanding Reported		-154	559	-57	-4,449	1,631	4,026	943	1,827	5,017	12,040	30,139	37,731	89,253
Outstanding claims prior to 2000	1,975													1,975
Net liability	1,975	-154	0	768	-2,256	3,279	5,778	7,287	10,625	17,350	18,081	15,774	50,297	128,804

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 4. FINANCIAL RISKS

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance and investment contracts. The main risks to which the Company is exposed are as follows:

##### 4.1 Foreign currency risk

The Company's financial assets, which are exposed to foreign currency risks, consist mainly of deposits and overseas investment. Management monitors the Company's currency position on a regular basis. The carrying amount of the Company's foreign currency denominated financial assets at the reporting date is as follows:

###### Concentration of assets under:

###### Financial Assets

	Rs'000
MUR	1,126,368
USD	11,483
GBP	69,593
EUR	831
AUD	2,203
	<u>1,210,478</u>

###### Financial Liabilities

MUR	<u>490,226</u>
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Consequently the Company is exposed to risks that the exchange rate relative to these currencies may change in a manner, which has an effect on the reported value of that portion of the Company's assets which is denominated in currencies other than the Mauritian Rupee. The following table details the Company's sensitivity to a 5% and 10% increase/decrease of the Rupee against the USD, GBP, EUR and AUD.

	Rs'000
Increase/Decrease of 5% in rate of exchange	
Increase/Decrease in net assets	<u>4,206</u>
Increase/Decrease of 10% in rate of exchange	
Increase/Decrease in net assets	<u>8,411</u>

##### 4.2 Interest Rate risk

The Company is exposed to interest rate fluctuations on the international and domestic markets. The Company monitors closely interest rate trends and related impact on investment income for performance evaluation and better management. The interest rate profile of the Company at 30 June 2011 was:

	% Interest rate
Govt Bonds	7.50 - 11.50
Treasury Notes	5.50 - 8.75
MDLS	8.50 - 10.00
<b>Fixed Deposits Local</b>	
Long Term	7.75 - 10.00
Short Term	4.20 - 7.50
<b>Foreign Currency Term Deposits</b>	
US Dollars	2.00
GBP	2.55
EUR	-
AUD	6.20
<b>Foreign Currency Call Deposits</b>	
USD	0.10
GBP	0.15
EUR	0.15
AUD	0.00
<b>Local Call Deposits</b>	
MUR	1.00 - 3.75

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 4. FINANCIAL RISKS (cont'd)

##### 4.2 Interest Rate risk (cont'd)

	Rs'000
<b>Increase/Decrease of 5% in interest rate</b>	
Increase/Decrease in Net assets	48
Increase/Decrease in income	<u>48</u>
<b>Increase/Decrease of 10% in interest rate</b>	
Increase/Decrease in net assets	96
Increase/Decrease in income	<u>96</u>

The increase or decrease in the interest rate sensitivity is due to fluctuations in the interest rates of foreign currency and local currency call deposits at 30 June 2011.

The interest rate sensitivity analysis excludes:-

Government securities, foreign currency term deposits and local currency fixed deposits which have fixed interest rates and will not be affected by fluctuations in the level of interest rates.

##### 4.3 Liquidity risk

The Company is exposed to daily payments of benefits to clients and to repayment of financial liabilities.

The Company's liquidity position is monitored on a regular basis. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial assets.

The table below summarises the Company's trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates at 30 June 2011.

	1 to 3 months Rs'000	3 months to 1 Year Rs'000	Repayable On demand Rs'000	Total Rs'000
<b>Financial Liabilities</b>				
Insurance liabilities	-	-	317,556	317,556
Other Financial liabilities	17,018	150,432	5,220	172,670
<b>Total Liabilities</b>	<u>17,018</u>	<u>150,432</u>	<u>322,776</u>	<u>490,226</u>

##### 4.4 Market price risk

The Company is not exposed to market price risk since there is no investment in quoted securities.

##### 4.5 Reinsurers' default

The Company is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 4. FINANCIAL RISKS (cont'd)

##### 4.6 Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern and also comply with applicable laws and regulations.

The Company is required to maintain a minimum capital requirement under the Insurance Act 2005 and rules made by the Financial Services Commission.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for General Business is the sum of capital required for the statement of financial position as per rule 6, capital required for investment above concentration limit as per rule 7, capital required for policy liabilities as per rule 8, capital required for catastrophes as per Rule 9 and capital required for reinsurance ceded under rule 10.

For the year ended 30 June 2011, the Company has satisfied the minimum capital requirement.

##### 4.7 Categories of Financial Instruments:

	Rs'000
<b>Financial assets</b>	
Held-to-maturity investments	329,871
Loans and receivables	352,097
Available-for-sale financial assets	179,788
Reinsurance assets	348,722
	<u>1,210,478</u>
<b>Financial liabilities</b>	
At amortised cost	172,670
Insurance contract liabilities	317,556
	<u>490,226</u>

##### 4.8 Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale financial assets	-	-	179,788	179,788

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 4.9 Reconciliation of level 3 fair value measurements of financial assets

	Unquoted equities
Transfer from State Insurance Company of Mauritius Ltd	190,566
Fair value adjustments	(10,778)
Closing balance	<u>179,788</u>

#### 5. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES

Estimates, judgments and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### 5.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### 5.2 Insurance contracts

The uncertainty inherent in the financial statements of the Company arises in respect of insurance liabilities, which include liabilities for unearned premiums, outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards to the eventual outcome of claims. As a result, the Company applies estimation techniques to determine the appropriate provisions.

###### Short-term insurance

###### (I) Claims provision

Outstanding claims provision is determined based upon knowledge of events, terms and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases, historical claims payment trends, judicial decisions and economic conditions are also relevant and are taken into consideration.

###### (II) Sensitivity analysis

The Company adopted actuarial techniques to estimate the required levels of provisions, taking into account the characteristics of the business class and risks involved.

##### 5.3 Held-to-maturity investments

The Company applies International Accounting Standard (IAS) 39 - "Recognition and Measurement" on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Company evaluates its intention and ability to hold such investments to maturity.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 5. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES

##### 5.3 Held-to-maturity investments (cont'd)

If the Company fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

##### 5.4 Impairment of available-for-sale financial assets

The Company follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee.

#### 6. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings Rs'000	Office Equipment Rs'000	Computer Equipment Rs'000	Total Rs'000
<b>COST OR VALUATION</b>				
Additions				
At 30 June 2011	21	13	397	431
<b>ACCUMULATED DEPRECIATION</b>				
Charge for year				
At 30 June 2011	1	1	12	14
<b>CARRYING AMOUNT</b>				
At 30 June 2011	20	12	385	417

#### 7. INTANGIBLE ASSETS

	Computer Software Rs'000
<b>COST</b>	
Additions	
At 30 June 2011	739
<b>AMORTISATION</b>	
Charge for the year	
At 30 June 2011	136
<b>CARRYING AMOUNT</b>	<b>603</b>

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 8. STATUTORY DEPOSITS

In compliance with the Insurance Act 2005, statutory deposits represent investments in Mauritius Government Securities earning interest at the rate of 7.50% per annum and have a remaining maturity of 5 years.

#### 9. OTHER ASSETS

	Rs'000
<b>Non current</b>	
Investment in securities	262,935
	<u>262,935</u>
<b>Current</b>	
Investment in securities	50,022
	<u><u>312,957</u></u>

Analysed as follows:

##### Non - current

##### Investment in securities

	Loans and receivables Rs'000	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000
Transfer from State Insurance Company of Mauritius Ltd	25,194	93,182	190,566	308,942
Additions	-	11,395	-	11,395
Transfer to statutory Deposit	-	2,440	-	2,440
Transfer to Current Assets	(18,733)	(30,375)	-	(49,108)
Interest/Gain receivable adjustment	(412)	456	-	44
Decrease in fair value	-	-	(10,778)	(10,778)
	<u>6,049</u>	<u>77,098</u>	<u>179,788</u>	<u>262,935</u>

##### Current

##### Investment in securities

	Loans and receivables Rs'000	Held-to-maturity Rs'000	Total Rs'000
Transfer from State Insurance Company of Mauritius Ltd	29,716	3,014	32,730
Disposals/Redemptions	(28,912)	(2,740)	(31,652)
Transfer from Non Current Assets	18,733	30,375	49,108
Interest/Gain receivable adjustment	(198)	34	(164)
	<u>19,339</u>	<u>30,683</u>	<u>50,022</u>

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 9. OTHER ASSETS (cont'd)

- (a) Loans and receivables comprise of Treasury Notes with interest of 5.50% - 8.75% per annum and maturity dates varying between 2011-2013.
- (b) Held-to-maturity investments comprise of Mauritius Government Securities with interest rates ranging from 7.50% - 11.50% per annum and maturity dates varying between 2011-2025.
- (c) Available-for-sale securities for the Company comprise of unquoted securities.

#### 10. FIXED DEPOSITS

##### Maturing

	Rs'000
- in the second year	18,000
- in the third year	11,016
- in the fourth year	32,414
- in the fifth year	57,402
	<u>118,832</u>

The deposits earn interest at rates varying between 7.75% -10% per annum.

#### 11. ACCOUNTS RECEIVABLE

	Rs'000
Premium	193,516
Provision for impairment losses	(22,931)
	<u>170,585</u>
Amount due from reinsurers	18,674
Other receivables and prepayments	26,871
	<u>216,130</u>

Reconciliation of changes in the impairment account resulting from unpaid premium during the year is as follows:

	Rs'000
Transfer from State Insurance Company of Mauritius Ltd	21,132
Movement during the year	1,799
Balance at 30 June 2011	<u>22,931</u>

Analysis of the age of premiums that are past due but not impaired

	Rs'000
< 3 months	160,532
>3months<6 months	7,386
>6 months<1 year	1,037
> 1year	1,630
	<u>170,585</u>

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 11. ACCOUNTS RECEIVABLE (cont'd)

The credit period on premium receivable is determined with regards to the status of clients and amount of premium involved monthly.

Allowance for doubtful debts is normally determined by the Company as premium due for more than one year. No interest is charged on the trade receivables.

Before accepting any new customer, the technical department assesses the credit quality of the customer and defines the terms and credit limits accordingly.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, it is believed that there is no further credit provision required in excess of the allowance for doubtful debts.

The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

#### 12. SHORT-TERM DEPOSITS

Short-term deposits comprise of fixed deposits and overseas call deposits with banks with interest rates ranging from 0.10% - 7.50% per annum. The fixed deposits have maturity dates varying from 2011 – 2012.

The foreign currency deposits are held in a basket of major currencies traded.

#### 13. INSURANCE LIABILITIES AND REINSURANCE ASSETS

	Rs'000
<b>Short term insurance</b>	
Gross	
Claims reported	279,980
Claims incurred but not reported (IBNR)	37,576
Outstanding claims	317,556
Unearned premiums	283,606
Total gross insurance liabilities	601,162
<b>Recoverable from reinsurers</b>	
Claims reported	188,752
Unearned premiums	159,970
Total Reinsurers' Share of insurance liabilities	348,722
<b>Net</b>	
Claims reported	91,228
Claims incurred but not reported (IBNR)	37,576
Unearned premiums	128,804
Total net insurance liabilities	252,440

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 14. ACCOUNTS PAYABLE

	Rs'000
Amount due to reinsurers	113,984
Other payables and accruals	46,468
Dividend	6,950
Amount due to holding company	4,352
	<u>171,754</u>

The above amounts payable are interest free, unsecured and repayable on demand.

#### 15. TAXATION

##### Income Tax

Income tax is calculated at the rate of 15% on the profit for the year as adjusted for income tax purposes.

<b>Statement of Financial Position</b>	<b>Rs'000</b>
<u>Current tax liabilities</u>	<u>14,615</u>
<b>Statement of Comprehensive Income</b>	<b>Rs'000</b>
<u>General Insurance</u>	
- Current tax expense	14,615
- Deferred tax charge	698
	<u>15,313</u>
Tax expense	<b>Rs'000</b>
Tax charge for the year	15,313
At 30 June	<u>15,313</u>
<b>Tax Reconciliation</b>	<b>Rs'000</b>
Profit before taxation	<u>84,815</u>
	<b>%</b>
Tax at 15%	15
Tax effect of:	
-Exempt income	(0.04)
-Expenses not deductible for tax purposes	2.16
-Movement in unexpired risks	0.93
Effective tax rate	<u>18.05</u>
<b>Deferred Taxation</b>	<b>Rs'000</b>
-Deferred tax expense	698
At 30 June	<u>698</u>
<b>Deferred Tax Liabilities</b>	
Accelerated tax depreciation	86
Retirement benefit obligations	612
Deferred Tax Liabilities	<u>698</u>

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 16. STATED CAPITAL

	<u>Rs'000</u>
<b>Issued and fully paid</b>	
250,000 ordinary shares at No par value each	<u>25,000</u>

Pursuant to section 8 "Restriction on Composite Insurance Business" of the Insurance Act 2005, the Shareholders of State Insurance Company of Mauritius Ltd, by a resolution dated 13th of April 2010, resolved to incorporate a wholly-owned subsidiary Company, SICOM General Insurance Ltd, to transact Short Term Business only. The Company has one class of ordinary no par value shares, which carries a right to vote and a right to dividend.

#### 17. RESERVES

	<u>Rs'000</u>
Retained earnings	62,552
Investments revaluation reserve	<u>(10,778)</u>
	<u>51,774</u>

##### 17.1 Retained Earnings

	<u>Rs'000</u>
Profit	69,502
Dividends	<u>(6,950)</u>
Balance at 30 June 2011	<u>62,552</u>

##### 17.2 Investments Revaluation Reserve

	<u>Rs'000</u>
Net loss arising on revaluation of available- for-sale financial assets	<u>(10,778)</u>
Balance at 30 June 2011	<u>(10,778)</u>

The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to statement of comprehensive income when those assets have been disposed of.

#### 18. SUBORDINATED LOAN

The loan from shareholder is unsecured, interest free with no fixed repayment terms and will not be recalled in the foreseeable future. The loans are considered as quasi-equity.

#### 19. RETIREMENT BENEFIT OBLIGATIONS

##### (a) Defined Benefit Plan

The Pension Plan is a final salary defined benefit plan for employees. The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 19. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

	<u>Rs'000</u>
<b>Amounts recognised in the Statement of Financial Position</b>	
Present value of funded obligations	59,505
(Fair value of plan assets)	<u>(55,426)</u>
	4,079
Unrecognised actuarial (gain)/ loss	-
Unrecognised past service cost	-
Liability recognised in the Statement of Financial Position	<u><u>4,079</u></u>
<b>Reconciliation of the present value of defined benefit obligation</b>	
	<b>2011</b>
	<u>Rs'000</u>
Present value of obligation at start of year	-
Current service cost	1,825
Employee contributions	1,229
Interest cost	2,653
Past service cost	4,254
Curtailement or settlement loss/(gain)	-
Benefits paid	49,544
Exchange differences	-
Effect of business combination	-
Liability (gain)/loss	-
Present value of obligation at end of year	<u>59,505</u>
<b>Reconciliation of fair value of plan assets</b>	
	<u>Rs'000</u>
Fair value of plan assets at start of year	-
Expected return on plan assets	2,653
Employer contributions	2,000
Employee contributions	1,229
Benefits paid	49,544
Exchange differences	-
Effect of business combination	-
Asset (loss)/gain	-
Fair value of plan assets at end of year	<u>55,426</u>

The major categories of plan assets, and the expected rate of return at the reporting date for each category, are as follows:

	<u>%</u>
<b>Distribution of plan assets at end of period</b>	
Equities - Overseas	14
Equities - Local	25
Fixed interest securities - Overseas	-
Fixed interest securities - Local	36
Property	1
Loans & Fixed deposits	20
Cash & other	<u>4</u>
Total	<u>100</u>

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 19. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

The overall expected rate of return on plan assets is determined by reference to market yields on bonds and expected yields differences on other types of assets held based on historical return trends.

The actual returns on plan assets for the Company was Rs 2,653,000.

The breakdown of the assets above corresponds to the actual allocation of the monies managed by State Insurance Company of Mauritius Ltd.

The history of experience adjustments is as follows:

	<u>Rs'000</u>
Fair value of plan assets	55,426
(Present value of defined benefit obligation)	<u>(59,505)</u>
Surplus/(deficit)	<u>(4,079)</u>

SICOM General Insurance Ltd is expected to contribute Rs 2,710,058 to the defined benefit plan during the next financial year.

#### Amounts recognised in the Statement of Comprehensive Income:

	<u>Rs'000</u>
Current service cost	1,825
Interest cost	2,653
(Expected return on plan assets)	(2,653)
Actuarial loss/(gain) recognised	-
Past service cost recognised	4,254
Transition effect of adopting IAS 19	-
Adjustment for limit on net asset	-
Curtailment or settlement loss/(gain)	-
Total included in staff costs	<u>6,079</u>

#### Movements in the liabilities recognised in the statement of financial position:

	<u>Rs'000</u>
Total expenses as above	6,079
Contributions paid	<u>(2,000)</u>
At 30 June	<u>4,079</u>

#### Principal actuarial assumptions used:

	<u>%</u>
Discount rate	10
Expected rate of return on plan assets	10
Future salary increases	8
Future pension increases	4

#### (b) Defined contribution plan

	<u>Rs'000</u>
National pension scheme contributions charged for employees on a contractual basis	<u>42</u>

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 20. GENERAL BUSINESS REVENUE ACCOUNT

	Rs'000
Gross insurance premiums	611,052
Premium ceded to reinsurers	(311,108)
Movement in unearned premium	(16,457)
Net earned premiums	<u>283,487</u>
Gross claims paid	301,928
Claims settled from reinsurers	(164,753)
Movement in outstanding claims	(5,180)
Net claims incurred	<u>131,995</u>
Commissions receivable from reinsurers	46,458
Commissions paid to agents and brokerage fees	(22,685)
	<u>23,773</u>
Underwriting surplus	<u>175,265</u>

#### 21. INVESTMENT AND OTHER INCOME

	Rs'000
Loans & receivables	3,315
Held-to-maturity	8,292
Available for sale	-
Deposits	10,538
Exchange loss	(10,104)
Other income	1,467
	<u>13,508</u>

#### 22. ADMINISTRATIVE AND OTHER EXPENSES

	Rs'000
Staff costs	41,654
Depreciation	14
Amortisation	136
Support service cost (refer to note below)	43,185
Others	18,969
	<u>103,958</u>

As regards to services required by SICOM General Insurance Ltd in respect of Information Technology, Finance and Investment, Legal and Compliance, Actuarial and General Administration, these are provided by State Insurance Company of Mauritius Ltd and the cost involved are allocated to SICOM General Insurance Ltd.

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 23. DIVIDEND

A dividend of 10% on Profit after tax amounting to Rs 6,950,239 in respect of current year was declared by the Directors on 30 June 2011.

#### 24. COMMITMENTS

##### Capital Commitments

Capital expenditure contracted for at reporting date, but not yet incurred is as follows:

	<u>Rs'000</u>
Property, plant and equipment	<u>422</u>

#### 25. HOLDING COMPANY

The Directors regard the State Insurance Company of Mauritius Ltd, a Company incorporated in Mauritius, as the Holding Company.

#### 26. RELATED PARTY TRANSACTIONS

##### (a) Transactions with related parties

	<u>Rs'000</u>
<b>(i) Shareholders</b>	
• Subordinated loan payable	341,625
• Pension contribution payable	3,229
• Rent payable	4,701
• Other contributions payable	1,156
• Management fees payable	4,252
• Support charges payable	43,185
• Dividend payable	6,950
• Premium receivable	7,776
• Deposits renewed	38,000
• Interest receivable	2,373
<b>(ii) Key management personnel (including directors) of the Company</b>	
• Premium receivable	112
• Compensation :	
Salaries and other short term benefits	6,391
Post-employment benefits	1,088
<b>(iii) Key management personnel (including directors) of the Parent</b>	
Premium receivable	257

## Notes To The Financial Statements (cont'd)

### For Period Ended 30 June 2011

#### 26. RELATED PARTY TRANSACTIONS (cont'd)

##### (b) Outstanding balances with related parties

	<u>Rs'000</u>
(i) Shareholders	
• Subordinated loan	341,625
• Rent due from shareholder	13
• Management fees due from shareholder	237
• Support charges	4,417
• Dividend	6,950
• Premium	748
• Deposits	38,000
• Interest due	1,812
• Bank balances	18,430
(ii) Key management personnel (including Directors) of the Company	
Premium due	4
(iii) Key management personnel (including Directors) of the Parent	
Premium due	65

## Statutory Disclosures for the Period ended 30 June 2011 (Pursuant to section 221 of the companies act 2001)

### Principal Activities

The Company is mainly engaged in General Insurance business.

### Directors

The Directors of SICOM General Insurance Ltd as at 30th June 2011 are as follows:

- Bhoojedhur-Obeegadoo K G (Mrs)
- Dhaliah-Utchanah B D (Mrs)
- Dowarkasing M (Appointed on 26 November 2010 and resigned on 08 August 2011)
- Gopee G
- Mussai K C (Appointed on 07 October 2010 and resigned on 17 August 2011)
- Purryag D
- Seeyave P S C (Ms)
- Sewpaul A

### Directors' Service Contracts

There are no service contracts between the Company and the Directors.

### Directors' Emoluments

The remuneration and benefits of Directors are set out in the table below:

	<b>Rs'000</b>
Full-Time	401
Part-Time	1,102

### Audit Fees

External auditor's remuneration is as follows:

	<b>Rs'000</b>
Audit Fees	311
Taxation Fees	46

### Donations

	<b>Rs'000</b>
Donations	54

For and on behalf of the Board of Directors



Director



Director

Date : 26 September 2011

