

ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

9TH ANNUAL REPORT AND ACCOUNTS 2008-2009

Directors

K. V. Kamath, *Chairman (upto April 23, 2009)*
 Chanda D. Kochhar, *Chairperson (w.e.f. April 23, 2009)*
 R. Athappan
 B.V. Bhargava
 Dileep Choksi
 James Dowd
 N. S. Kannan *(w.e.f. May 1, 2009)*
 S. Mukherji
 Chandran Ratnaswami
 M. K. Sharma
 H. N. Sinor
 Sandeep Bakhshi, *Managing Director & CEO (upto April 30, 2009)*
Director – (w.e.f. May 1, 2009)
 Bhargav Dasgupta, *Managing Director & CEO (w.e.f. May 1, 2009)*

Auditors

N. M. Rajji & Co.
Chartered Accountants

 PKF Sridhar & Santhanam
Chartered Accountants

Registered Office

ICICI Bank Towers
 Bandra-Kurla Complex
 Mumbai – 400 051

Pratap Salian
Company Secretary

directors' report

to the members

Your Directors have pleasure in presenting the Ninth Annual Report of ICICI Lombard General Insurance Company Limited (ICICI Lombard) with the audited statement of accounts for the financial year ended March 31, 2009.

INDUSTRY OVERVIEW

The gross written premium of the industry for the period April 2008 - March 2009 grew from Rs.280.52 billion to Rs.306.01 billion on a year-on-year basis, a growth of about 9%. The market share of private sector insurance companies for the corresponding period grew marginally from 40% to 41%. ICICI Lombard led the private players with a market share of 27.2% in the private sector and an overall industry market share of 11.2%.

FINANCIAL HIGHLIGHTS

	(Rs. in million)	
	Fiscal 2008	Fiscal 2009
Gross written premium - Direct	33,444.2	34,198.4
Earned premium	15,671.9	19,736.5
Profit before tax	1,302.2	2.7
Profit after tax	1,028.7	236.2

APPROPRIATIONS

The profit after tax for the year ended March 31, 2009 is Rs.236.2 million. The profit available for appropriation is Rs.1,168.6 million after taking into account the balance of profit of Rs.932.4 million brought forward from the previous year. Your Directors have not recommended any dividend for the year.

OPERATIONAL REVIEW

Company Performance

The general insurance industry has witnessed complete detariffing of price effective from January 1, 2008 for all products except motor third party. The detariffing of terms & conditions is taking place in stages.

The transition to total tariff price free regime has impacted market growth whereby the industry witnessed downward pressure on pricing of fire, engineering and motor products and upward trend in pricing of health and marine products. ICICI Lombard has responded to the uncertainty created in the market by following a balanced approach between opportunity and risk. ICICI Lombard's approach in terms of client selection and risk based pricing led to negative growth in the fire and engineering portfolio. Further, ICICI Lombard's focus on the non-subsidized approach led to substantial growth in the health and marine portfolio.

During fiscal 2009, ICICI Lombard's gross written premium increased from Rs.33,444.2 million in fiscal 2008 to Rs.34,198.4 million (excluding share of premium from motor third party pool). During fiscal 2009, the number of policies sold increased from 3,526,961 in fiscal 2008 to 3,957,048, a growth of 12%.

Underwriting and claims

The underwriting function was realigned, in line with the mandate of the detariffed regime, to enable efficient functioning of lines such as property, marine, corporate health, aviation as well as hull and energy. This yielded focus on specialized underwriting, claims management and risk management within each of these lines of businesses.

The underwriting approach was reconfigured to focus on class wise profitability management. The underwriting teams are responsible for portfolio management for their respective lines of businesses, which in turn depend on thorough analysis of different business, channels and product segments. Specialized risk management services have become a prerequisite for the writing of different segments of risks followed by thorough 'underwriting' of risks in terms of contract terms and price variables. Claims management further gave specialized treatment to frequency and severity losses separately.

ICICI Lombard is working on collaborative approach alongwith other industry players for better risk based price modelling and fair contract terms in order to cater to new opportunities and capitalise on untapped opportunities.

Claim servicing is the core insurance product offering. During fiscal 2009, ICICI Lombard set up an in-house health claims administration department 'i-health care' to provide service to all ICICI Lombard health customers. The Health Wellness program offers a bouquet of health services and wellness information. A wide variety of value added services are offered on the web platform. Overall health claim registration and settlement process turnaround time (TAT) and disposal ratio exceeded the industry benchmark.

The Motor claim team initiated express claim service in selected cities, which is a one stop claim processing centre. This will improve the overall customer experience with the claim settlement process. Customers can track the status of their claim through the website and SMS.

Information Technology and Customer Support Services

ICICI Lombard's current technology architecture is equipped to cater to the functionality requirements of the business and support growth. ICICI Lombard's portfolio provides for round the clock customer self-service, integration with the partner network to provide bundled services with other organisations and empowering of agents through a portal

directors' report



Continued

to issue policies through an internet based platform. This enables real time service to customers including target rural markets through various product configurations and automation of complex business processes.

With the rapid increase in the distribution footprint spreading to remote locations, the Integrated Service Point-of-Sale (ILPOS) application has reduced the dependency on internet connectivity. These applications allow policies to be issued in the offline mode which are synchronized with the central services. ICICI Lombard also focused on Direct-to-Customer models through e-channel. The channel not only provides for sales, but also electronic fulfilment. The e-channel has enabled savings in commissions and operating cost.

At ICICI Lombard, all customer facing processes are oriented towards providing consistent and reliable service. In fiscal 2009, policy issuance, claims and customer support processes were revisited to enhance customer satisfaction. Web based policy issuance was simplified further to reduce transaction time and enable instant fulfilment. The Web Policy Issuance process is free of paper work and provides multiple payment options. Retail product variants are available on the website, which allows customers to conduct transactions at their convenience. The policy issuance turn around time (TAT) was further reduced due to point of sale mode of policy issuance. The point of sale mode also enabled instant policy issuance across the counter.

ICICI Lombard customers can renew their policies over the phone, web, interactive voice recording (IVR) and mobile in addition to physical channel. The need for customers to visit branch was reduced by providing alternate channels for renewal. The customer grievance redressal cell is created for customers to register their grievances on the website.

ICICI Lombard remains committed to setting higher standards in terms of response time and providing immediate relief to the insured, when it is most required. During fiscal 2009, ICICI Lombard handled 3,313,830 claims as compared to 812,096 during fiscal 2008.

Reinsurance

The Reinsurance program of ICICI Lombard is structured with a view to having adequate risk coverage. In order to mitigate the risk of a single large loss or catastrophe affecting retentions, ICICI Lombard continues to take excess of loss and catastrophe protection with a catastrophe cover limit to protect itself for a 1-in-500 year catastrophe event, based on exposure modelling by international agencies.

ICICI Lombard has over the years increased retentions as well as its automatic capacities thereby having an optimal retention-reinsurance balance. Furthermore, ICICI Lombard deals with a diversified panel of credible reinsurers, thereby mitigating any concentration risk and ensuring adequate spread. ICICI Lombard has robust processes in place to periodically monitor the credit ratings assigned by International Rating agencies. The programme is in compliance with the guidelines laid down by IRDA.

Capital

In order to meet the solvency requirements, capital was raised through private placements aggregating to Rs.5.0 billion including a premium of Rs.4.75 billion, which was subscribed by the promoters - ICICI Bank Limited and Fairfax Financial Holdings Limited.

Registration

The certificate of registration of ICICI Lombard has been renewed by the Insurance Regulatory and Development Authority for the year 2009-10.

Employees

ICICI Lombard continued to optimise employee productivity with a slight increase in employee strength from 5,570 in the previous year to 5,697 as on March 31, 2009. Over 95% of employees are professionally qualified.

ICICI Lombard further strengthened its human resource processes to enable quality staffing at all levels. Employees have relevant opportunities for growth and development in their own function as well through job rotation. ICICI Lombard's value systems have been the biggest contributor to growth over the years and this has also provided an opportunity to recruit experienced resources from diverse industries.

ICICI Lombard's focus on upgrading the skills of employees continued wherein the Company wide training initiative 'Deeksha' which started last year was taken both deeper and wider. Training on processes, soft skills and customer service was imparted at various locations to ensure positive customer experience across delivery channels. Middle and senior managers were nominated for appropriate behavioural and soft skills training to build depth of management leadership. The strong focus of ICICI Lombard on training will enable the Company to be well positioned to leverage the opportunities in the year ahead.

Social Responsibility

ICICI Lombard issued more than 400,000 policies in rural areas, amounting to over 10% of total policies issued by it during the year under review. It also covered more than 2,000,000 lives falling within the norms of social business.

PUBLIC DEPOSITS

During the year under review, ICICI Lombard has not accepted any deposit from the public.

DIRECTORS

During the year under review, Kalpana Morparia, Director of ICICI Lombard nominated by ICICI Bank Limited, resigned effective August 29, 2008 from the Board of ICICI Lombard. The Board placed on record its deep appreciation for the invaluable contribution of Kalpana Morparia as a Director.

Chanda D. Kochhar has been appointed as Nominee Director effective September 1, 2008 by ICICI Bank Limited in place of Kalpana Morparia. Pursuant to Article 131,132 and 145 of Articles of Association of ICICI Lombard, the Nominee Director is not liable to retire by rotation.

Consequent to the appointment of Vishakha Mulye as Managing Director and CEO of ICICI Venture Funds Management Company Limited, Vishakha Mulye has resigned from ICICI Lombard as Executive Director of the Company effective April 20, 2009. The Board places on record its gratitude for the invaluable service rendered by her as Executive Director of ICICI Lombard.

K.V. Kamath, Chairman of the Board of Directors of ICICI Lombard tendered his resignation effective April 23, 2009. The Board places on record its deep appreciation for the invaluable contribution made by K.V. Kamath to the growth and development of the Company during his tenure as the Chairman. The Board appointed Chanda D. Kochhar as the Chairperson of the Board with effect from April 23, 2009.

Sandeep Bakhshi was nominated by ICICI Bank as the Managing Director & CEO of ICICI Lombard effective March 19, 2007 for a period of 5 years. Consequent to the appointment of Sandeep Bakhshi as Deputy Managing Director of ICICI Bank Limited, he has resigned as the Managing Director & CEO of ICICI Lombard effective May 1, 2009. The Board in its Meeting held on April 25, 2009 appointed Bhargav Dasgupta as the Managing Director & CEO for a period of five years effective May 1, 2009, subject to the approval of the Members in the forthcoming Annual General Meeting. Subsequently, the appointment was approved by Insurance Regulatory And Development Authority (IRDA). The Board places on record its appreciation for invaluable contribution made by Sandeep Bakhshi to the growth and development of ICICI Lombard.

Pursuant to Articles 132 of the Articles of Association of ICICI Lombard, the ICICI Bank Limited had withdrawn the nomination of V. Vaidyanathan as Director from the Board of ICICI Lombard effective May 1, 2009. The Board places on record its appreciation for invaluable contribution made by V. Vaidyanathan to the growth and development of ICICI Lombard.

Pursuant to Article 131,132 and 145 of Articles of Association of ICICI Lombard, Sandeep Bakhshi and N.S. Kannan have been appointed as Nominee Directors effective May 1, 2009 by ICICI Bank Limited in place of K.V. Kamath and V. Vaidyanathan and the Nominee Directors are not liable to retire by rotation.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of ICICI Lombard, R. Athappan, James Dowd and S. Mukherji would retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

AUDITORS

The Joint Statutory Auditors, N.M. Rajji & Co., Chartered Accountants and PKF Sridhar & Santhanam, Chartered Accountants, will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board, at its Meeting held on April 23, 2009, has proposed the re-appointment of N.M. Rajji & Co., Chartered Accountants and PKF Sridhar & Santhanam, Chartered Accountants, as Joint Statutory Auditors to audit the accounts of the Company for the financial year ending March 31, 2010. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During fiscal 2009 expenditure in foreign currencies amounted to Rs.2,088.09 million and earnings in foreign currencies amounted to Rs.1,216.56 million.

PERSONNEL AND OTHER MATTERS

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report.

Since ICICI Lombard does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not given.

AUDIT COMMITTEE

The Audit Committee consists of four Directors - S. Mukherji, James Dowd, Dileep Choksi and H.N. Sinor and is chaired by S. Mukherji. There were four meetings of the Committee during the year. The functions of the committee include reviewing the quarterly and annual financial statements, internal control systems and significant accounting policies of ICICI Lombard and discussing the audit findings and recommendations of the internal and statutory auditors of ICICI Lombard.

EMPLOYEE STOCK OPTION SCHEME

In fiscal 2006, ICICI Lombard instituted an Employee Stock Option Scheme (ESOS) to enable the employees and directors of ICICI Lombard to participate in its future growth and financial success. As per the ESOS, the maximum number of options granted to any employee / director in a year shall not, except with the approval of the Board, exceed 0.10% of ICICI Lombard's issued equity shares at the time of grant and the aggregate of all such options is limited to 5% of ICICI Lombard's issued equity shares on the date of the grant.

Options granted vest in a graded manner over a four-year period, with 20%, 20%, 30% and 30% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later.

Particulars of options granted by ICICI Lombard up to March 31, 2009 are given below:

Options granted *	19,288,560
Options vested	6,144,392
Options exercised	1,641,600
Number of shares allotted pursuant to exercise of options	1,636,940
Options forfeited / lapsed	3,248,798
Extinguishment or modification of options	—
Amount realised by exercise of options (Rs.)	60,837,650
Total number of options in force	14,398,162

* includes 1,312,500 options granted to Sandeep Bakhshi, Managing Director & CEO and 275,000 options granted to Vishakha Mulye, Executive Director.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of ICICI Lombard at the end of the financial year and of the profit or loss of ICICI Lombard for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of ICICI Lombard and for preventing and detecting fraud and other irregularities; and
4. they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

ICICI Lombard is grateful to the Insurance Regulatory and Development Authority, Tariff Advisory Committee, Reserve Bank of India, General Insurance Council and other regulatory authorities for their support and advice. The Directors also place on record their sincere thanks for the support and cooperation extended by the Policyholders, Reinsurers, Bancassurance partners, Insurance Agents and Brokers.

ICICI Lombard would like to express its gratitude for the unstinted support and guidance received from ICICI Bank and its group companies and Fairfax Financial Holdings Limited.

The Directors would also like to place on record their appreciation for the commitment and team effort shown by the employees of ICICI Lombard.

For and on behalf of the Board

May 7, 2009

CHANDA D. KOCHHAR
Chairperson

management report



to the members

In accordance with the provisions of the Insurance Regulatory & Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulation) the following Management Report is submitted:

1. The Certificate of Registration under Section 3 of the Insurance Act, 1938 was granted by IRDA on August 03, 2001. The Company has obtained renewal of registration certificate from IRDA for the financial year 2009-10 as required under Section 3A of the Insurance Act, 1938.
2. We certify that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares are in accordance with statutory and regulatory requirements.
4. The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDA, outside India.
5. We confirm that the required solvency margin has been maintained;
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realisable or market value under several headings – Investments, agents balances, outstanding premiums, amount due from others entities carrying on insurance business, interest and dividend accrued, cash and several items specified under other accounts except unlisted equity, venture fund, securitised receipt's, debt securities which are stated at cost / amortised cost;
7. The entire gross risk exposure of the portfolio is consisting of fire, engineering, hull, aviation, motor, casualty, health, travel, energy, personal accident, rural and credit insurance and other lines of business.

The over all exposure is spread over various sectors including but not limited to power, textiles, heavy and light engineering, paper, services, fast moving consumer goods, auto components etc., across urban and rural segments as well as across demography.

The business underwritten pertains to the various products filed by us with IRDA, as per the file and use procedure: this includes tariff as well as non-tariff products; While in property lines (Fire) the net retention has not exceeded Rs. 250 million on a PML basis (Previous year: Rs. 250 million) in any single risk, this also gets graded down to between Rs. 5 million to Rs. 250 million (Previous year: between Rs. 5 million to Rs. 250 million) on a case-to-case basis, depending on exposure levels and prudent underwriting standards. The excess of loss treaties protect the accumulation of the net retentions.

Further, before underwriting any major property risk, a risk inspection is carried out, and on being satisfied about the acceptability of risk, the same is accepted. In addition various loss prevention / risk-mitigating measures are also suggested to the clients to help improve the risks.
8. We confirm that there are no operations of the Company outside India.
9. a) For ageing analysis of claims outstanding during the preceding five years, please refer Annexure 1.
b) For average claims settlement time during the preceding five years, please refer Annexure 2.
10. We certify that the Investments made in debt securities have been valued at historical cost subject to amortisation of premium / discount. The same is in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

For the purpose of comparison, the fair value of debt securities have been arrived on a Yield to maturity (YTM) basis by using the appropriate discount rates derived from the yield curve data provided by the Fixed Income and Money Market Dealers Association (FIMMDA) in respect of Government Securities and Crisil Bond Valuer in respect of other debt instruments.

Listed equity shares and convertible preference shares as at the balance sheet date are stated at fair value, being the lower of last quoted closing price on the National Stock Exchange or Bombay Stock Exchange Limited.

Mutual fund investments are stated at fair value, being the closing net asset value as at balance sheet date.

Investments other than mentioned above are valued at cost.

In accordance with the Regulations, unrealized gain / loss arising due to changes in fair value of listed equity shares and mutual fund investments are not taken to revenue(s)/profit and loss account but are taken to the Fair value change account. This balance in the fair value change account is not available for distribution, pending realization.

The Company assesses at each balance sheet date whether there is any indication that any investment in equity or units of mutual fund may be impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognized in the revenue(s)/profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

11. Investments as on March 31, 2009 amount to Rs. 30,307.42 million (Previous year: Rs. 23,737.60 million). Income from Investments amounted to Rs. 3,222.21 million (Previous year: Rs. 2,197.27 million).

Investments other than deposits with the banks, loans, units of mutual fund, units of venture fund and security receipts are only in regularly traded instruments in the secondary markets. The company debt investment comprises of government securities, central government guaranteed bonds, AAA and AA/P1+ rated security.

All are performing investments with no arrears of any payments due. Investments are managed in consonance with the investment policy framed from time to time by the board and are within the investment regulation and guidelines of IRDA.

12. We also confirm:
 - (a) in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
 - (b) the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating loss and of the profit of the Company for the year;
 - (c) the management has taken proper and sufficient care for the maintenance of adequate accounts records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) / Companies Act, 1956 (1 of 1956), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (d) the management has prepared the financial statements on a going concern basis;
 - (e) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
13. For payments made to individuals, firms, companies and organisations in which Directors are interested, please refer to Annexure 3.

For and on behalf of the Board

K. V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

S. MUKHERJI
Director

V. VAIDYANATHAN
Director

SANDEEP BAKSHI
Managing Director & CEO

RAKESH JAIN
Director – Corporate Centre & CFO

PRATAP SALIAN
Company Secretary

Mumbai, April 23, 2009

Annexure 1

Details of Claims Outstanding during the preceding five years

As on March 31, 2005

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	Count	Total
30 days	109	83.5	231	42.8	10	9.7	2,041	57.9	17	15.4	—	0.7	—	—	134	32.5	1	1.7	361	27.6	1,632	55.6	116	29.6	4,852	357.6
30 days to 6 months	157	325.2	410	61.3	26	40.4	1,233	53.3	73	37.2	—	—	3	0.2	290	104.9	—	—	557	35.5	612	12.0	333	40.6	3,694	710.7
6 months to 1 year	50	53.6	119	23.9	9	23.8	154	6.9	32	10.5	1	0.3	1	1.7	69	93.0	—	—	97	7.9	28	0.5	94	8.6	854	230.8
1 year to 5 years	41	269.8	19	12.1	—	—	5	1.4	13	6.3	—	—	—	—	25	10.3	—	—	8	1.6	—	—	28	23.0	139	324.4
5 years and above	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Total	357	732.1	779	140.1	45	73.9	3,433	119.5	135	69.4	1	1.0	4	2.6	518	240.7	1	1.7	1,023	72.6	2,272	68.1	571	101.8	9,139	1,623.5

As on March 31, 2006

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	Count	Total
30 days	69	54.9	344	82.3	5	11.9	4,325	141.3	131	179.7	—	1.4	—	—	85	45.1	3	44.4	435	153.2	5,396	175.9	444	44.4	11,237	934.5
30 days to 6 months	192	1,273.4	454	61.5	16	829.0	1,722	125.3	368	116.4	7	0.2	—	—	251	183.7	1	3.4	677	43.7	1,823	33.5	1,015	124.3	6,546	2,794.4
6 months to 1 year	98	422.9	116	15.4	19	145.1	153	15.1	225	67.4	—	—	1	0.5	101	96.9	—	—	113	9.3	167	26.9	299	46.5	1,292	846.0
1 year to 5 years	35	135.6	23	35.6	27	51.4	36	5.4	79	30.1	—	—	—	—	54	35.4	—	—	10	2.0	131	1.8	66	13.9	461	311.2
5 years and above	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Total	394	1,886.8	937	194.8	67	1,037.4	6,236	287.2	823	393.4	7	1.6	1	0.5	491	361.1	4	47.8	1,235	208.2	7,517	238.1	1,824	229.1	19,536	4,886.0

As on March 31, 2007

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	Count	Total
30 days	71	477.7	729	49.8	3	0.5	13,623	514.6	528	473.2	2	0.1	—	—	84	213.1	—	2.2	890	284.7	9,832	470.3	449	183.2	26,211	2,669.4
30 days to 6 months	201	623.9	1,084	165.6	28	33.2	6,024	371.1	3,327	632.6	19	1.0	3	8.2	359	201.3	—	—	1,291	134.7	5,444	321.0	1,262	581.7	19,042	3,074.2
6 months to 1 year	161	359.9	303	73.6	17	161.8	369	10.5	929	189.2	—	—	1	0.3	165	181.2	2	3.4	17	2.4	593	15.1	420	93.3	2,977	1,090.7
1 year to 5 years	76	946.8	73	27.8	36	551.0	120	4.7	551	108.6	—	—	1	0.5	98	103.9	2	43.1	1	0.1	140	3.1	135	16.3	1,233	1,805.9
5 years and above	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Total	509	2,408.3	2,189	316.8	84	746.5	20,136	900.9	5,335	1,403.6	21	1.1	5	9.0	706	699.5	4	48.7	2,199	421.9	16,009	809.5	2,266	874.5	49,463	8,640.2

As on March 31, 2008

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	Count	Total
30 days	118	327.9	588	71.2	9	476.2	12,912	706.8	1,941	2,556.7	21	8.6	—	0.6	171	82.0	1	6.7	824	189.0	15,223	685.7	439	58.2	32,247	5,169.6
30 days to 6 months	295	680.2	1,035	112.7	36	123.7	6,616	475.4	7,329	983.4	39	4.3	1	0.1	361	267.3	—	—	1,057	156.4	14,784	267.4	1,585	161.2	33,138	3,232.1
6 months to 1 year	194	250.5	529	57.6	34	411.0	512	48.1	4,785	919.1	5	0.6	—	—	243	243.7	2	10.5	267	31.3	1,759	35.4	1,099	171.4	9,429	2,179.2
1 year to 5 years	146	699.3	250	121.8	54	248.7	17	1.8	3,084	591.7	1	0.1	4	9.0	172	245.3	3	44.0	91	16.0	763	12.0	506	116.1	5,091	2,105.8
5 years and above	4	5.8	—	—	—	—	—	—	1	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5	5.9
Grand Total	757	1,963.7	2,402	363.3	133	1,259.6	20,057	1,232.1	17,140	5,051.0	66	13.6	5	9.7	947	838.3	6	61.2	2,239	392.7	32,529	1,000.5	3,629	506.9	79,910	12,892.6

As on March 31, 2009

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	Count	Total
30 days	177	1,686.2	1,350	193.7	71	580.8	14,501	815.4	2,638	5,634.4	35	18.4	190	10.1	157	124.2	8	23.4	745	334.9	62,155	1,034.5	695	136.0	82,722	10,592.0
30 days to 6 months	207	879.3	672	182.7	32	297.5	8,715	630.0	10,433	1,721.5	70	5.5	122	8.0	338	435.7	2	123.4	1,276	130.5	44,092	605.4	1,506	186.6	67,455	5,206.1
6 months to 1 year	183	831.7	355	89.2	52	132.1	670	67.2	9,895	1,500.5	5	0.4	12	2.4	232	363.3	3	6.2	165	31.1	3,713	110.0	864	169.8	16,149	3,303.8
1 year to 5 years	143	469.7	146	115.5	82	1,299.8	181	24.4	12,154	2,085.6	—	—	4	4.8	118	246.4	6	54.2	267	39.8	1,267	49.3	561	252.1	14,929	4,641.8
5 years and above	5	4.9	—	—	—	—	—	—	1	0.1	—	—	—	—	2	0.9	—	—	—	—	—	—	1	0.03	9	5.9
Grand Total	715	3,871.8	2,523	581.1	237	2,310.2	24,067	1,537.0	35,121	10,942.1	110	24.3	328	25.3	847	1,170.5	19	207.2	2,453	536.3	111,217	1,799.2	3,627	744.5	181,264	23,749.6

management report



Continued

Annexure 2

Details of Average Claim Settlement time for the preceding five years

Particulars	For the year ended March 31, 2009		For the year ended March 31, 2008		For the year ended March 31, 2007		For the year ended March 31, 2006		For the year ended March 31, 2005	
	No. of claims settled	Average Settlement Time	No. of claims settled	Average Settlement Time	No. of claims settled	Average Settlement Time	No. of claims settled	Average Settlement Time	No. of claims settled	Average Settlement Time
Fire	2,089	145	1,636	129	1,605	111	2,138	92	832	110
Marine Cargo	12,139	84	12,992	75	13,858	53	9,500	51	7,725	51
Marine Hull	82	350	108	147	91	173	74	160	41	82
Motor	298,161	20	278,240	19	211,010	20	81,066	15	11,353	21
Workmen Compensation	685	48	389	26	262	13	338	12	281	9
Public/Product Liability	3,142	16	1	1	9	78	15	117	15	75
Engineering	2,667	167	1,755	144	1,572	119	1,897	112	1,709	94
Aviation	10	26	10	73	7	176	6	11	1	19
Personal Accident	39,302	51	15,744	35	23,949	58	19,359	32	5,533	38
Health	2,947,748	26	493,867	26	353,752	18	121,470	24	51,138	15
Others	7,805	58	7,354	68	7,273	64	7,702	65	6,342	40
Total Amount	3,313,830	26	812,096	26	613,388	22	243,565	25	84,970	25

The above ageing does not include Motor third party claims which have to be settled through MACT and other judicial bodies.

Annexure 3

List of payments to parties in which Directors are interested

(Rs. in million)

Sl. No.	Entity in which Director is interested	Name of Director	Interested as	For the year ended March 31, 2009	For the year ended March 31, 2008
1	3i Infotech Limited	H. N. Sinor	Director	118.6	58.1
		Vishakha Mulye	Director		
2	Bata India Limited	M. K. Sharma	Director	17.4	37.1
3	Bhushan Steel and Scraps Limited	Sandeep Bakhshi	Director	100.8	127.4
4	CMC Limited	Kalpna Morparia *	Director	112.5	41.3
5	CRISIL Limited	B. V. Bhargava	Director	15.5	11.9
		H. N. Sinor	Director		
6	Dr. Reddy Laboratories Company Limited	Kalpna Morparia *	Director	0.7	7.3
7	Excel Crop Care Limited	B. V. Bhargava	Director	0.4	0.2
8	Grasim Industries Limited	B. V. Bhargava	Director	20.5	13.3
9	Gujarat Alkalies and Chemicals Limited	H. N. Sinor	Director	—	1.6
10	ICICI Bank Limited	K. V. Kamath	Director	2,405.0	2,214.2
		M. K. Sharma	Director		
		Chanda D. Kochhar **	Director		
		V. Vaidyanathan	Director		
11	ICICI Home Finance Company Limited	V. Vaidyanathan	Director	301.0	82.7
12	ICICI Prudential Asset Management Company Limited	K. V. Kamath	Director	5.4	5.3
		Kalpna Morparia *	Director		
		Chanda D. Kochhar **	Director		
13	ICICI Prudential Life Insurance Company Limited	K. V. Kamath	Director	134.7	56.8
		Kalpna Morparia	Director		
		Chanda D. Kochhar **	Director		
14	ICICI Securities Limited	K. V. Kamath	Director	99.6	27.6
		Kalpna Morparia *	Director		
		Chanda D. Kochhar ***	Director		
		S. Mukherji	Director		
		V. Vaidyanathan	Director		
15	ICICI Securities Primary Dealership Limited	S. Mukherji	Director	0.8	1.1
		Vishakha Mulye	Director		
16	ICICI Venture Funds Management Co. Limited	H. N. Sinor	Director	4.3	0.5
17	Indian School of Business	K. V. Kamath	Director	—	0.3
18	L & T Infrastructure Finance Company Limited	B. V. Bhargava	Director	0.7	0.6
19	Manipal University	K. V. Kamath	Director	59.7	46.6
20	National Collateral Management Services Limited	H. N. Sinor	Director	9.4	6.7
21	National Commodity & Derivative Exchange Limited	B. V. Bhargava	Director	3.1	2.1
		H. N. Sinor	Director		
22	NSE IT Limited	Dileep Choksi	Director	9.1	2.8
23	Raymond Limited	B. V. Bhargava	Director	0.2	0.3
24	Sanmar Group Of Companies	M. K. Sharma	Director - Advisory Board	1.4	2.0
25	SI Group - India Limited	B. V. Bhargava	Director	—	39.2
26	Supreme Industries Limited	B. V. Bhargava	Director	—	0.5
27	Tata Motors Finance Limited	H. N. Sinor	Director	0.1	—
28	Odyssey Re	James F Dowd	Director	9.8	65.4

* ceased to be Director w.e.f. 29.08.2008

** appointed as Director in ICICI Lombard General Insurance Co. Ltd. w.e.f. 01.09.2008

*** appointed as Director in ICICI Securities Limited w.e.f. 15.10.2008

auditors' report

to the Members of ICICI Lombard General Insurance Company Limited

We have audited the attached balance sheet of ICICI Lombard General Insurance Company Limited ('the Company') as at March 31, 2009, the revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue account'), the profit and loss account and the receipts and payments account, for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The balance sheet, the revenue account, the profit and loss account and receipts and payments account, have been drawn up in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority ('IRDA') (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') read with Section 211 of the Companies Act, 1956 ('the Act').

We report thereon as follows:

- We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
- As the Company's accounts are centralized and maintained at the Corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
- The balance sheet, the revenue account, the profit and loss account and receipts and payments account referred to in this report are in agreement with the books of account;
- The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at March 31, 2009, other than for reinsurance accepted from Indian Motor Third Party Insurance Pool, has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms prescribed by the IRDA and the Actuarial Society of India in concurrence with the IRDA; and
- On the basis of the written representations received from the directors of the Company, as on March 31, 2009 and taken on record by the Board of Directors, no director of the Company is disqualified as on March 31, 2009 from being appointed as director of the Company under clause (g) of sub-section (1) of Section 274 of the Act.

In our opinion and according to the information and explanations given to us, we further report that:

- Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders/directions issued by IRDA in this regard;

- The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub section 3C of Section 211 of the Act and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDA in this regard;
- The balance sheet, the revenue account, the profit and loss account and receipts and payments account referred to in this report comply with the accounting standards referred to under sub section 3C of Section 211 of the Act;
- Proper books of accounts as required by law have been maintained by the Company so far as appears from our examination of those books; and
- The balance sheet, the revenue account, the profit and loss account and receipts and payments account read together with the notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Companies Act, 1956 to the extent applicable, and in a manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:
 - in the case of balance sheet, of the state affairs of the Company as at March 31, 2009;
 - in the case of revenue account, of the deficit, for the year ended on that date;
 - in the case of profit and loss account, of the profit for the year ended on that date; and
 - in the case of receipts and payments account, of the receipts and payments for the year ended on that date.

Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:

- We have reviewed the management report attached to the financial statements for the year ended March 31, 2009 and there are no apparent mistakes or material inconsistency with the financial statements; and
- Based on the information and explanations received during the normal course of our audit and management representation by officers of the Company charged with compliance, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of the registration as stipulated by the IRDA.

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership No. 201402

Mumbai, April 23, 2009

For N M RAIJI & COMPANY
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership No. 37924

Auditors' Certificate

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books and records maintained by ICICI Lombard General Insurance Company Limited ('the Company') for the year ended March 31, 2009, we certify that:

- We have verified the cash balances maintained by the Company. As regards the securities relating to the Company's investments, the same have been verified with the dematerialized statement/confirmations received from the custodian;
- The Company is not the trustee of any trust; and
- No part of the assets of the policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 relating to the application and investment of the policyholders' funds.

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

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership No. 201402

Mumbai, April 23, 2009

For N M RAIJI & COMPANY
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership No. 37924

balance sheet

profit and loss account



as at March 31, 2009

for the year ended March 31, 2009

Schedule	March 31, 2009	(Rs. in 000's) March 31, 2008	Schedule	March 31, 2009	(Rs. in 000's) March 31, 2008
SOURCES OF FUNDS			1. Operating profit/(loss)		
Share capital	5	4,031,369	(a) Fire Insurance	(230,096)	160,455
Reserves and surplus	6	11,995,095	(b) Marine Insurance	(573,997)	(381,160)
Share application money-pending allotment (Refer note 5.1.16)		176	(c) Miscellaneous Insurance	(73,542)	693,981
Fair value change account		(743,219)			
Borrowings	7	—	2. Income from investments		
Total		15,283,421	(a) Interest, Dividend & Rent – Gross	814,092	667,875
			(b) Profit on sale/redemption of investments	645,211	225,841
			Less : loss on sale/redemption of investments	(127,195)	(13,355)
APPLICATION OF FUNDS			3. Other income		
Investments	8	30,307,422	(a) Interest income on tax refund	—	2,027
Loans	9	—	(b) Profit on sale of fixed assets	98	6
Fixed assets	10	1,567,691	Total (A)	454,571	1,355,670
Deferred tax asset (Refer note 5.2.11)		596,650			
Current assets			4. Provisions (Other than taxation)		
Cash and bank balances	11	730,475	(a) For diminution in the value of investments	435,226	47,509
Advances and other assets	12	21,639,788	(b) For doubtful debts	—	—
			(c) Others	—	—
Sub-Total (A)		22,370,263			
			5. Other expenses		
Current liabilities	13	27,984,456	(a) Expenses other than those related to Insurance Business		
Provisions	14	11,574,149	(i) Employees' remuneration and welfare benefits	5,748	5,267
Sub-Total (B)		39,558,605	(ii) Directors' fees	480	660
			(b) Bad debts written off	—	—
Net current assets (C) = (A - B)		(17,188,342)	(c) Loss on sale of fixed assets	10,372	—
Miscellaneous expenditure (to the extent not written off or adjusted)	15	—	Total (B)	451,826	53,436
Debit balance in profit and loss account		—			
Total		15,283,421	Profit before tax	2,745	1,302,234
			Provision for taxation:		
			(a) Current tax	—	393,000
			(b) Deferred tax	(298,500)	(175,000)
			(c) Fringe benefit tax	65,000	55,500
				(233,500)	273,500
			Profit after tax	236,245	1,028,734
			Appropriations		
			(a) Interim dividends paid during the year	—	591,157
			(b) Proposed final dividend	—	—
			(c) Dividend distribution tax	—	100,467
			(d) Transfer to General Reserves	—	86,328
				—	777,952
			Balance of profit brought forward from last year	932,370	681,588
			Balance carried forward to balance sheet	1,168,615	932,370
			Basic earnings per share of Rs. 10 face value (refer note 5.2.10)	Rs. 0.60	Rs. 2.76
			Diluted earnings per share of Rs. 10 face value (refer note 5.2.10)	Rs. 0.59	Rs. 2.74

The schedules referred to above form an integral part of the balance sheet

The schedules referred to above form an integral part of the profit & loss account

As per attached report of even date

For N. M. RAJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership Number: 201402

For and on behalf of the Board

K.V. KAMATH
Chairman

S. MUKHERJI
Director

SANDEEP BAKHSI
Managing Director & CEO

PRATAP SALIAN
Company Secretary

CHANDA D. KOCHHAR
Director

V. VAIDYANATHAN
Director

RAKESH JAIN
Director-Corporate Centre & CFO

Mumbai, April 23, 2009

revenue accounts

for the year ended March 31, 2009

Registration No. 115 dated August 3, 2001

(Rs. in 000's)

Particulars		Schedule	Fire	Marine	Miscellaneous	Total				
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08			
1.	Premium earned (net)	1	1,010,370	1,086,452	272,818	183,046	18,453,334	14,402,350	19,736,522	15,671,848
2.	Profit on sale/redemption of investments		46,875	15,384	31,607	5,322	1,047,797	329,311	1,126,279	350,017
	Less : Loss on sale/redemption of investments		(9,241)	(910)	(6,231)	(315)	(206,560)	(19,474)	(222,032)	(20,699)
3.	Others - Foreign exchange gain/(loss)		127	—	60	(2,293)	3,655	(1,039)	3,842	(3,332)
4.	Interest and dividend on investments – Gross		59,144	45,493	39,880	15,737	1,322,054	973,866	1,421,078	1,035,096
Total (A)			1,107,275	1,146,419	338,134	201,497	20,620,280	15,685,014	22,065,689	17,032,930
1.	Claims Incurred (net)	2	969,792	579,398	550,246	322,036	15,325,324	11,381,770	16,845,362	12,283,204
2.	Commission (net)	3	(273,375)	(362,918)	(132,892)	(133,010)	(349,570)	(869,712)	(755,837)	(1,365,640)
3.	Operating expenses related to insurance business	4	640,954	769,484	426,777	363,131	5,718,068	4,478,975	6,785,799	5,611,590
4.	Premium deficiency		—	—	68,000	30,500	—	—	68,000	30,500
Total (B)			1,337,371	985,964	912,131	582,657	20,693,822	14,991,033	22,943,324	16,559,654
Operating Profit/(Loss) C = (A - B)			(230,096)	160,455	(573,997)	(381,160)	(73,542)	693,981	(877,635)	473,276
APPROPRIATIONS										
Transfer to Shareholders' Account			(230,096)	160,455	(573,997)	(381,160)	(73,542)	693,981	(877,635)	473,276
Transfer to Catastrophe Reserve			—	—	—	—	—	—	—	—
Transfer to Other Reserves			—	—	—	—	—	—	—	—
Total (C)			(230,096)	160,455	(573,997)	(381,160)	(73,542)	693,981	(877,635)	473,276

Significant accounting policies and notes to accounts

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As required by Section 40C(2) of the Insurance Act, 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly, have been fully recognised in the Revenue Accounts as expense.

The schedules referred to above form an integral part of the revenue accounts

As per attached report of even date

For and on behalf of the Board

For N. M. RAJI & CO.
Chartered Accountants

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

K.V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

JAYESH M. GANDHI
Partner
Membership Number: 37924

R. SURIYANARAYANAN
Partner
Membership Number: 201402

S. MUKHERJI
Director

V. VAIDYANATHAN
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAKESH JAIN
Director-Corporate Centre & CFO

PRATAP SALIAN
Company Secretary

Mumbai, April 23, 2009

schedules



forming part of the financial statements

SCHEDULE - 1 PREMIUM

(Rs. in 000 ₹)

Particulars	Fire		Marine			Miscellaneous										Total	
	2008-09	2008-09	Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous	2008-09
Premium from direct business written-net of service tax	2,830,234		865,040	1,299,663	2,164,703	8,746,918	4,466,025	13,212,943	98,184	141,056	1,810,101	518,782	1,125,187	9,738,035	2,381,127	29,025,415	34,020,352
Add: Premium on reinsurance accepted	237,102		16,727	61,173	77,900	—	2,924,480	2,924,480	—	96	125,270	27,624	5,024	72,308	1,954	3,156,756	3,471,758
Less: Premium on reinsurance ceded	2,110,133		639,123	1,319,990	1,959,113	2,714,706	3,388,174	6,102,880	19,916	53,789	1,536,723	449,442	786,934	1,960,853	1,347,570	12,258,107	16,327,353
Net premium	957,203		242,644	40,846	283,490	6,032,212	4,002,331	10,034,543	78,268	87,363	398,648	96,964	343,277	7,849,490	1,035,511	19,924,064	21,164,757
Adjustment for change in reserve for unexpired risks	(53,167)		8,118	2,554	10,672	(108,151)	396,518	288,367	46	17,232	1,201	8,395	127,289	1,002,006	26,194	1,470,730	1,428,235
Total premium earned (Net)	1,010,370		234,526	38,292	272,818	6,140,363	3,605,813	9,746,176	78,222	70,131	397,447	88,569	215,988	6,847,484	1,009,317	18,453,334	19,736,522

(Rs. in 000 ₹)

Particulars	Fire	Marine			Miscellaneous								Total		
	2007-08	Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous
Premium from direct business written-net of service tax	4,173,495	668,279	1,498,893	2,167,172	9,057,810	3,732,935	12,790,745	100,854	107,572	1,717,593	413,061	1,081,824	8,158,892	2,360,002	26,730,543
Add: Premium on reinsurance accepted	208,969	4,440	73,923	78,363	6,953	2,563,287	2,570,240	95	774	77,532	186	—	—	2,829	2,651,656
Less: Premium on reinsurance ceded	3,237,694	495,299	1,537,253	2,032,552	3,192,609	2,978,304	6,170,913	20,392	46,130	1,411,143	358,756	921,711	2,750,618	1,262,617	12,942,280
Net premium	1,144,770	177,420	35,563	212,983	5,872,154	3,317,918	9,190,072	80,557	62,216	383,982	54,491	160,113	5,408,274	1,100,214	16,439,919
Adjustment for change in reserve for unexpired risks	59,318	21,976	7,961	29,937	(617,796)	1,074,536	456,740	4,978	20,244	39,939	37,439	(42,516)	1,342,043	178,702	2,037,569
Total premium earned (Net)	1,086,452	155,444	27,602	183,046	6,489,950	2,243,382	8,733,332	75,579	41,972	344,043	17,052	202,629	4,066,231	921,512	14,402,350
															15,671,848

SCHEDULE - 2 CLAIMS INCURRED (NET)

Particulars	Fire		Marine			Miscellaneous								Total		
			Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous
	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09
Claims paid – Direct	2,406,393	540,490	334,868	875,358	5,193,411	1,764,028	6,957,439	25,106	70,163	631,513	61,393	1,594,901	6,523,406	773,944	16,637,865	19,919,616
Add Re-insurance accepted	43,003	1,197	–	1,197	3,054	182,193	185,247	–	–	1,635	–	–	–	–	186,882	231,082
Less: Re-insurance ceded	1,808,321	396,739	260,601	657,340	1,770,316	789,303	2,559,619	4,844	14,115	500,510	54,999	1,308,677	1,234,917	357,684	6,035,365	8,501,026
Net Claims paid	641,075	144,948	74,267	219,215	3,426,149	1,156,918	4,583,067	20,262	56,048	132,638	6,394	286,224	5,288,489	416,260	10,789,382	11,649,672
Add Claims Outstanding at the end of the year	706,911	150,156	414,900	565,056	1,136,073	7,485,080	8,621,153	21,952	14,819	221,012	6,470	352,654	1,401,295	301,558	10,940,913	12,212,880
Less: Claims Outstanding at the beginning of the year	378,194	92,148	141,877	234,025	909,575	4,100,013	5,009,588	11,819	1,768	153,506	7,300	158,376	795,897	266,717	6,404,971	7,017,190
Total claims incurred	969,792	202,956	347,290	550,246	3,652,647	4,541,985	8,194,632	30,395	69,099	200,144	5,564	480,502	5,893,887	451,101	15,325,324	16,845,362

Particulars	Fire	Marine			Miscellaneous									Total		
		Marine-Cargo	Marine-Others	Marine-Total	Moto-OD	Moto-TP	Motor-Total	Worksmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance		Others	Total Miscellaneous
		2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08		2007-08	2007-08
Claims paid- Direct	2,549,150	611,034	332,915	943,949	4,557,633	639,866	5,197,499	17,880	567	734,521	21,539	964,207	4,884,418	771,259	12,591,890	16,084,989
Add: Re-insurance accepted	11,262	—	—	—	—	—	—	—	—	—	—	776	—	—	776	12,038
Less: Re-insurance ceded	2,188,422	445,956	312,381	758,337	1,572,287	186,596	1,758,883	3,576	114	604,205	18,743	822,801	1,005,984	469,679	4,683,985	7,630,744
Net Claims paid	371,990	165,078	20,534	185,612	2,985,346	453,270	3,438,616	14,304	453	130,316	2,796	142,182	3,878,434	301,580	7,908,681	8,466,283
Add: Claims Outstanding at the end of the year	378,194	92,148	141,877	234,025	909,575	4,100,013	5,009,588	11,819	1,768	153,506	7,300	158,376	795,897	266,717	6,404,971	7,017,190
Less: Claims Outstanding at the beginning of the year	170,786	75,663	21,938	97,601	676,033	1,121,688	1,797,721	276	1,066	119,317	2,719	172,197	657,381	181,205	2,931,882	3,200,269
Total claims incurred	579,398	181,563	140,473	322,036	3,218,888	3,431,595	6,650,483	25,847	1,155	164,505	7,377	128,361	4,016,950	387,092	11,381,770	12,283,204

SCHEDULE – 3 COMMISSION

(Rs. in 000's)

Particulars	Fire	Marine		Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	Total
		Marine-Cargo	Marine-Others												
	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09
Commission paid – Direct	114,075	56,615	21,808	775,788	—	779,788	8,303	9,801	98,730	14,130	104,618	795,871	232,240	2,043,541	2,236,039
Add: Commission on Re-insurance accepted	8,403	669	387	—	292,448	292,448	—	—	10,545	3,844	—	—	125	306,962	316,421
Less: Commission on Re-insurance ceded	395,853	128,747	83,824	845,960	433,542	1,279,502	3,959	3,292	399,364	2,945	104,914	738,803	167,294	2,700,073	3,308,297
Net Commission	(273,375)	(71,463)	(61,429)	(66,172)	(141,094)	(207,266)	4,344	6,509	(290,089)	15,089	(296)	57,068	65,071	(349,570)	(755,837)

(Rs. in 000's)

Particulars	Fire	Marine		Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	Total
		Marine-Cargo	Marine-Others												
	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08
Commission paid – Direct	328,228	83,486	18,848	795,780	—	795,780	8,472	7,485	145,300	12,241	78,557	710,380	347,623	2,105,838	2,536,500
Add: Commission on Re-insurance accepted	9,544	844	56	975	256,329	257,304	—	—	3,598	9	—	—	240	261,151	271,595
Less: Commission on Re-insurance ceded	700,790	112,703	123,541	948,518	376,770	1,325,288	3,851	6,370	389,331	14,291	167,656	1,148,910	181,004	3,236,701	4,173,735
Net Commission	(362,918)	(28,373)	(104,637)	(151,763)	(120,441)	(272,204)	4,621	1,115	(240,439)	(2,041)	(89,099)	(438,530)	166,859	(869,712)	(1,365,640)

SCHEDULE – 3 A COMMISSION PAID – DIRECT

(Rs. in 000's)

Particulars	2008-09	2007-08
Agents	451,675	380,664
Brokers	465,762	423,062
Corporate Agency	730,832	768,782
Referral	587,770	963,992
Total (B)	2,236,039	2,536,500

SCHEDULE - 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Fire		Marine		Miscellaneous										Total	
	Marine-Cargo	Marine-Others	Marine-Total	Motor- OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous	Total	
	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	
Employees' remuneration & welfare benefits	302,031	138,695	231,008	933,434	476,596	1,410,030	10,478	15,053	193,166	55,362	120,075	1,039,203	254,104	3,097,471	3,630,510	
Travel, conveyance and vehicle running expenses	31,567	14,496	24,144	97,560	49,812	147,372	1,095	1,573	20,189	5,786	12,550	108,614	26,558	323,737	379,448	
Training expenses	3,736	1,715	2,857	11,945	5,895	17,440	130	186	2,389	685	1,485	12,853	3,143	38,311	44,904	
Rents, rates & taxes	38,249	17,564	29,255	118,210	60,356	178,566	1,327	1,906	24,463	7,011	15,206	131,605	32,180	392,264	459,768	
Repairs & Maintenance	27,653	12,698	21,150	85,462	43,636	129,098	959	1,378	17,686	5,069	10,994	95,146	23,264	283,594	332,397	
Printing & stationery	11,446	3,498	5,256	8,754	35,374	18,062	53,436	397	570	7,320	4,551	37,320	9,632	117,387	137,587	
Communication	41,351	18,989	31,628	127,798	65,251	193,049	1,435	2,061	26,447	7,580	16,440	142,279	34,790	424,081	497,060	
Legal & professional charges	114,036	14,268	23,765	96,025	49,029	145,054	1,078	1,549	19,872	5,695	12,352	106,906	26,141	316,647	456,448	
Auditors' fees, expenses etc.																
(a) as auditor	266	81	122	823	420	1,243	10	13	170	49	106	916	224	2,731	3,200	
(b) as adviser or in any other capacity, in respect of																
(i) Taxation matters																
(ii) Insurance matters																
(iii) Management services; and																
(c) in any other capacity																
Advertisement and publicity	12,754	3,988	9,755	39,417	20,125	59,542	442	636	8,157	2,338	5,070	43,883	10,732	130,800	153,309	
Interest & Bank Charges	6,614	2,022	5,059	20,442	10,438	30,880	229	330	4,230	1,212	2,630	22,759	5,565	67,935	79,508	
Others																
(a) Miscellaneous expenses	14,183	4,335	10,848	43,832	22,380	66,212	492	707	9,071	2,600	5,639	48,799	7,539	141,059	166,090	
(b) Business & Sales Promotion	15,074	4,607	11,529	46,588	23,787	70,375	523	751	9,641	2,763	5,993	51,867	12,683	154,596	181,199	
Depreciation	21,994	6,722	16,822	67,972	34,705	102,677	763	1,096	14,066	4,031	8,744	75,674	18,504	226,555	264,371	
Service tax on premium account																
Total	640,954	170,545	256,232	1,724,482	880,492	2,604,974	19,358	27,809	356,867	102,279	221,835	1,919,887	465,059	5,718,068	6,785,799	

Particulars	Fire		Marine		Miscellaneous										Total	
	Marine-Cargo	Marine-Others	Marine-Total	Motor- OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous	Total	
	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	2007-08	
Employees' remuneration & welfare benefits	61,058	136,947	198,005	827,570	341,061	1,168,631	9,215	9,828	156,929	37,739	98,841	745,440	215,623	2,442,246	3,021,564	
Travel, conveyance and vehicle running expenses	7,159	16,056	23,215	97,028	39,987	137,015	1,080	1,152	18,399	4,425	11,589	87,398	25,280	286,338	354,260	
Training expenses	364	816	1,180	4,932	2,032	6,964	55	59	935	225	589	4,442	1,285	14,554	18,006	
Rents, rates & taxes	9,890	22,182	32,072	134,047	55,244	189,291	1,493	1,592	25,419	6,113	16,010	120,744	34,926	395,598	489,424	
Repairs & Maintenance	5,620	12,605	18,225	76,170	31,391	107,561	848	905	14,444	3,474	9,097	68,611	19,846	224,786	278,107	
Printing & stationery	2,786	6,248	9,034	37,757	15,560	53,317	420	448	7,160	1,722	4,570	34,070	9,838	137,856	137,856	
Communication	17,397	8,119	26,329	110,041	45,351	155,392	1,225	1,307	20,867	5,018	13,143	99,121	28,671	324,744	401,776	
Legal & professional charges	99,294	4,663	10,458	63,201	26,046	89,247	704	751	11,984	2,882	7,548	56,929	16,467	186,512	300,927	
Auditors' fees, expenses etc.																
(a) as auditor	290	104	150	630	260	890	7	7	120	29	75	568	164	1,860	2,300	
(b) as adviser or in any other capacity, in respect of																
(i) Taxation matters	4	9	13	55	22	77	1	1	10	2	7	50	14	162	200	
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
(iii) Management services; and	5	12	17	72	30	102	1	1	14	3	9	65	19	214	264	
(c) in any other capacity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Advertisement and publicity	2,065	4,631	6,696	27,988	11,534	39,522	312	332	5,307	1,276	3,343	25,210	7,292	82,594	102,186	
Interest & Bank Charges	1,515	3,399	4,914	20,540	8,465	29,005	229	244	3,895	937	2,453	18,502	5,352	60,617	74,995	
Others																
(a) Miscellaneous expenses	1,733	3,887	5,620	23,491	9,681	33,172	262	279	4,454	1,071	2,806	21,159	6,120	69,323	85,767	
(b) Business & Sales Promotion	16,767	6,022	8,707	36,397	14,997	51,388	405	432	6,901	1,660	4,346	32,779	9,481	107,392	132,866	
Depreciation	4,266	9,567	13,833	57,816	23,827	81,643	643	687	10,963	2,637	6,905	52,078	15,064	170,620	211,092	
Service tax on premium account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total	111,978	251,153	363,131	1,517,729	625,488	2,143,217	16,900	18,025	287,801	69,213	181,271	1,367,106	395,442	4,478,975	5,611,590	

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SCHEDULE – 5 SHARE CAPITAL

Particulars	(Rs. in 000's)	
	As at March 31, 2009	As at March 31, 2008
Authorised Capital		
450,000,000 (previous year : 450,000,000) Equity Shares of Rs. 10 each	4,500,000	4,500,000
Issued Capital		
403,136,940 (previous year : 377,357,772) Equity Shares of Rs. 10 each	4,031,369	3,773,578
Subscribed Capital		
403,136,940 (previous year : 377,357,772) Equity Shares of Rs. 10 each	4,031,369	3,773,578
Called up Capital		
403,136,940 (previous year : 377,357,772) Equity Shares of Rs. 10 each	4,031,369	3,773,578
Less : Calls unpaid	—	—
Add : Equity Shares forfeited (Amount originally paid up)	—	—
Less : Par value of Equity Shares bought back	—	—
Less : (i) Preliminary Expenses to the extent not written off	—	—
(ii) Expenses including commission or brokerage on underwriting or subscription of shares	—	—
Total	4,031,369	3,773,578

Note:
Of the above, 297,552,950 shares are held by the holding company, ICICI Bank Limited (previous year : 278,610,000 shares)

SCHEDULE – 5A SHARE CAPITAL

Pattern of shareholding [As certified by the management]

Shareholder	As at March 31, 2009		As at March 31, 2008	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	297,552,950	73.80%	278,610,000	73.83%
- Foreign	104,392,936	25.90%	97,890,000	25.94%
Others - Employees	1,191,054	0.30%	857,772	0.23%
Total	403,136,940	100.00%	377,357,772	100.00%

SCHEDULE – 6 RESERVES AND SURPLUS

Particulars	(Rs. in 000's)	
	As at March 31, 2009	As at March 31, 2008
1. Capital Reserve	—	—
2. Capital Redemption Reserve	—	—
3. Share Premium (refer note 4.14)		
Opening balance	5,933,135	3,854,194
Additions during the year	4,772,839	2,078,941
Deductions during the period- share issue expenses	—	—
Closing balance	10,705,974	5,933,135
4. General Reserves		
Opening balance	120,506	34,178
Additions during the year	—	86,328
Deductions during the year	—	—
Closing balance	120,506	120,506
Less: Debit balance in Profit and Loss Account	—	—
Less: Amount utilized for Buy-back	—	—
5. Catastrophe Reserve	—	—
6. Other Reserves	—	—
7. Balance of Profit in Profit and Loss Account	1,168,615	932,370
Total	11,995,095	6,986,011

SCHEDULE – 7 BORROWINGS

Particulars	(Rs. in 000's)	
	As at March 31, 2009	As at March 31, 2008
Debentures/Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	—	—

SCHEDULE – 8 INVESTMENTS

Particulars	(Rs. in 000's)	
	As at March 31, 2009	As at March 31, 2008
Long term investments		
Government securities and Government guaranteed bonds including Treasury Bills (note 3)	9,392,066	6,436,861
Other Approved Securities	—	1,174,154
Other Investments		
(a) Shares		
(aa) Equity	4,327,311	4,027,224
(bb) Preference	—	2,774
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	3,992,507	1,939,573
(e) Other Securities	—	—
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	6,795,345	6,002,274
Other than Approved Investments (note 4)	758,389	138,143
Short term investments		
Government securities and Government guaranteed bonds including Treasury Bills	2,089,868	948,928
Other Approved Securities	—	198,078
Other Investments		
(a) Shares		
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Fund units	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	811,234	792,417
(e) Other Securities	—	—
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	198,721	450,339
Other than Approved Investments (note 4 & 5)	1,941,981	1,626,838
Total investments	30,307,422	23,737,603

- Notes:**
- Aggregate book value of investments (other than listed equities) is Rs. 25,734,871 thousand (previous year: Rs. 19,195,336 thousand).
 - Aggregate market value of investments (other than listed equities) is Rs. 25,755,271 thousand (previous year: Rs. 19,152,405 thousand).
 - Includes investment of FRB GOI 2014 of Rs. 100,000 thousand under Section 7 of Insurance Act, 1938 (previous year: FRB GOI 2014 of Rs. 100,000 thousand).
 - Investments in Venture funds & other than approved equities have been reclassified and regrouped to long term investment.
 - Includes investment in mutual fund.

SCHEDULE – 9 LOANS

Particulars	(Rs. in 000's)	
	As at March 31, 2009	As at March 31, 2008
Security wise classification		
Secured		
(a) On mortgage of property		
(aa) In India	—	—
(bb) Outside India	—	—
(b) On Shares, Bonds, Govt. Securities	—	—
(c) Others	—	—
Unsecured	—	—
Total	—	—
Borrower wise classification		
(a) Central and State Governments	—	—
(b) Banks and Financial Institutions	—	—
(c) Subsidiaries	—	—
(d) Industrial Undertakings	—	—
(e) Others	—	—
Total	—	—
Performance wise classification		
(a) Loans classified as standard		
(aa) In India	—	—
(bb) Outside India	—	—
(b) Non-performing loans less provisions		
(aa) In India	—	—
(bb) Outside India	—	—
Total	—	—
Maturity wise classification		
(a) Short Term	—	—
(b) Long Term	—	—
Total	—	—

Note:- There are no loans subject to restructuring (previous year : Rs. Nil).

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SCHEDULE – 10 FIXED ASSETS

Particulars	Cost/Gross Block				Depreciation				Net Block	
	April 1, 2008	Additions	Deductions	March 31, 2009	April 1, 2008	For the year ended	On Sales/ Adjustments	March 31, 2009	March 31, 2009	March 31, 2008
Goodwill	—	—	—	—	—	—	—	—	—	—
Intangibles – Computer Software	390,041	261,685	—	651,726	164,558	92,482	—	257,040	394,686	225,483
Land – Freehold	—	—	—	—	—	—	—	—	—	—
Leasehold Property	—	—	—	—	—	—	—	—	—	—
Buildings	4,271	—	—	4,271	378	70	—	448	3,823	3,893
Furniture & Fittings	562,860	253,170	10,664	805,366	96,098	56,507	3,105	149,500	655,866	466,762
Information Technology Equipment	444,595	70,702	3,763	511,534	247,091	97,933	3,300	341,724	169,810	197,504
Vehicles	4,166	3,235	—	7,401	977	556	—	1,533	5,868	3,189
Office Equipment	256,588	103,487	7,853	352,222	36,009	16,823	2,676	50,156	302,066	220,579
Others	—	—	—	—	—	—	—	—	—	—
Total	1,662,521	692,279	22,280	2,332,520	545,111	264,371	9,081	800,401	1,532,119	1,117,410
Work-in-Progress	—	—	—	—	—	—	—	—	35,572	135,678
Grand total	1,662,521	692,279	22,280	2,332,520	545,111	264,371	9,081	800,401	1,567,691	1,253,088
Previous year	1,154,620	508,302	401	1,662,521	334,420	211,092	401	545,111	1,253,088	

SCHEDULE – 11 CASH AND BANK BALANCES

Particulars	As at March 31, 2009	(Rs. in 000's) As at March 31, 2008
Cash (including cheques, drafts and stamps)	37,820	115,112
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	601,150	1,023,086
(bb) Others	—	—
(b) Current Accounts	91,505	225,119
(c) Others	—	—
Money at Call and Short Notice		
(a) With Banks	—	—
(b) With other institutions	—	—
Others	—	—
Total	730,475	1,363,317

SCHEDULE – 12 ADVANCES AND OTHER ASSETS

Particulars	As at March 31, 2009	(Rs. in 000's) As at March 31, 2008
Advances		
Reserve deposits with ceding companies	—	—
Application money for investments	—	—
Prepayments	111,734	72,585
Advances to Directors/Officers	—	—
Advance tax paid and taxes deducted at source (net of provision for tax)	394,085	170,821
Others		
– Sundry Deposits	180,099	161,690
	180,099	161,690
Total (A)	685,918	405,096
Other assets		
Income accrued on investments/deposits	606,156	529,129
Outstanding Premiums	9,778	4,571
Agents' Balances	—	—
Foreign Agencies' Balances	—	—
Due from other Entities carrying on Insurance business (net) (including reinsurers)	19,822,296	10,057,352
Due from subsidiaries/holding	—	—
Deposit with Reserve Bank of India [Pursuant to Section 7 of Insurance Act, 1938]	—	—
Others		
– Inter Corporate Deposit	—	56,500
– Service Tax unutilised credit	386,893	225,649
– Service Tax paid in advance	—	270
– Other receivables	128,747	11,395
	515,640	293,544
Total (B)	20,953,870	10,884,596
Total (A+B)	21,639,788	11,289,692

SCHEDULE – 13 CURRENT LIABILITIES

Particulars	As at March 31, 2009	(Rs. in 000's) As at March 31, 2008
Agents' Balances	48,116	58,327
Balances due to other insurance companies (net)	533,396	344,601
Deposits held on re-insurance ceded	33,128	—
Premiums received in advance	263,952	1,331,553
Unallocated Premium	359,717	435,015
Sundry Creditors	1,367,441	1,288,390
Due to holding company	70,196	41,481
Claims Outstanding (gross)	23,749,581	12,692,757
Due to Officers/Directors	—	—
Others		
– Statutory Dues	81,083	124,690
– Salary Payable	558	2,492
– Collections –		
Environment Relief fund	166	50,565
– Book Overdraft	1,403,902	992,340
– Employee rewards	73,220	—
– Service Tax Liability	—	—
	1,558,929	1,170,087
Total	27,984,456	17,362,211

SCHEDULE – 14 PROVISIONS

Particulars	As at March 31, 2009	(Rs. in 000's) As at March 31, 2008
Reserve for unexpired risk	11,285,873	9,857,638
Reserve for premium deficiency	98,500	30,500
For taxation (less advance tax paid and taxes deducted at source)	—	—
For proposed dividends	—	—
For dividend distribution tax	—	—
Others		
– Gratuity	70,938	23,676
– Leaves accrued	118,838	86,951
	189,776	110,627
Total	11,574,149	9,998,765

SCHEDULE – 15 MISCELLANEOUS EXPENDITURE

Particulars	As at March 31, 2009	(Rs. in 000's) As at March 31, 2008
Discount Allowed in issue of shares/debentures	—	—
Others	—	—
Total	—	—

SCHEDULE – 16

Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2009

1 Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000 and is a 74:26 joint venture between ICICI Bank Limited and Fairfax Financial Holdings Limited. The Company obtained regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority ('IRDA') and has also obtained its certificate of renewal of registration.

2 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India ('ICAI'), and in accordance with the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the IRDA in this behalf, the Companies Act, 1956 to the extent applicable in the manner so required and current practices prevailing within the insurance industry in India.

3 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date, reported amounts of revenues and expenses for the year ended and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively.

4 Significant accounting policies

4.1 Revenue recognition

Premium income

Premium is recorded for the policy period at the commencement of risk and for installment cases, it is recorded on installment due dates. Premium earned is recognized as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis net of service tax. Any subsequent revision to premium is recognized over the remaining period of risk or contract period.

Adjustments to premium income arising on cancellation of policies are recognized in the period in which it is cancelled.

Income from reinsurance ceded

Commission on reinsurance ceded is recognized as income in the period of ceding the risk.

Profit commission under reinsurance treaties, wherever applicable, is recognized as income in the year of final determination of profits and combined with commission on reinsurance ceded.

Income earned on investments

Interest income on investments is recognized on an accrual basis. Accretion of discount and amortization of premium relating to debt securities and non convertible preference shares is recognized over the holding/maturity period on a straight-line basis.

Dividend income is recognized when the right to receive dividend is established.

Realised gain/loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company is recognized on the trade date. In determining the realised gain/loss, cost of securities is arrived at on 'Weighted average cost' basis. Further, in case of listed equity shares and mutual fund units the profit or loss on sale also includes the accumulated changes in the fair value previously recognized in the fair value change account under the equity.

Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

4.2 Premium received in advance

This represents premium received during the period, where the risk commences subsequent to the balance sheet date.

4.3 Reinsurance premium

Insurance premium on ceding of the risk is recognized in the period in which the risk commences. Any subsequent revision to premium ceded is recognized in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which it is cancelled.

4.4

Reserve for unexpired risk (refer note 5.2.2 and 5.2.3)

Reserve for unexpired risk is recognized net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the aggregate premium, written on policies during the twelve months preceding the balance sheet date for fire, marine cargo and miscellaneous business and 100% for marine hull business, on all unexpired policies at balance sheet date, in accordance with section 64 V(1)(ii)(b) of the Insurance Act, 1938.

4.5

Claims

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey / legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognized on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

Estimated liability for outstanding claims at Balance Sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation. Estimated liability for outstanding claims is determined by management on the basis of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revaluated on availability of further information.

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on an actuarial estimate duly certified by the appointed actuary of the Company. IBNR/IBNER has been created on re-insurance accepted from Indian Motor Third Party Insurance Pool (IMTPIP) based on actuarial estimates received from the IMTPIP (refer note 5.2.1).

4.6

Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts viz. commission, policy issue expenses, etc. These costs are expensed in the period in which they are incurred.

4.7

Premium deficiency

Premium deficiency is recognized when the sum of expected claim costs and related expenses exceed the reserve for unexpired risks and is computed at a business segment level.

4.8

Investments

Investments are recorded at cost on trade date and include brokerage, transfer charges, stamps etc, if any, and excludes interest accrued up to the date of purchase.

Classification

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months are classified as 'short term investments'.

Investments other than 'short term investments' are classified as 'long term investments'.

Valuation

Investments are valued as follows:

Debt securities and Non – convertible preference shares

All debt securities including government securities and non convertible preference shares are considered as 'held to maturity' and accordingly stated at historical cost subject to amortization of premium or accretion of discount on a straight line basis over the holding/maturity period.

Equity shares and Convertible preference shares

Listed equities and convertible preference shares as at the balance sheet date are stated at fair value, being the lowest of last quoted closing price on the National Stock Exchange or Bombay Stock Exchange Limited.

Mutual fund units (Other than venture capital fund)

Mutual fund investments are stated at fair value, being the closing net asset value as at balance sheet date.

In accordance with the Regulations, unrealized gain / loss arising due to changes in fair value of listed equity shares and mutual fund investments are taken to the fair value change account. This balance in the fair value change account is not available for distribution, pending realization.

Investments other than mentioned above are valued at cost.

Impairment of Investments

The Company assesses at each balance sheet date whether there is any indication that any investment in equity or units of mutual fund may be impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognized in the revenue(s)/profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

4.9 Employee Stock Option Scheme ("ESOS")

The Company follows the intrinsic method for computing the compensation cost, for options granted under the scheme(s). The difference if any, between the intrinsic value and the grant price, being the compensation cost is amortized over the vesting period of the options.

4.10 Fixed assets, Intangibles and Impairments

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use.

Depreciation on assets purchased/disposed off during the year is provided on pro rata basis with reference to the month of additions / deductions.

Depreciation is provided on a straight-line basis, pro-rata for the period of use at the rates prescribed in Schedule XIV to the Companies Act, 1956 except in the case of IT equipment where depreciation is provided at a rate of 25% which is higher than that prescribed under Schedule XIV to the Companies Act, 1956.

Leases

Lease payments for assets taken on operating lease are recognised as an expense in the revenue(s) and profit and loss account over the lease term.

Intangibles

Intangible assets comprising computer software are stated at cost less amortization. Computer software including improvements are amortized over a period of 5 years, being the management's estimate of the useful life of such intangibles.

All assets including intangibles individually costing less than Rs. 5,000 are fully depreciated/amortized in the year in which acquired.

Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

4.11 Employee benefits

Provident fund

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority is provided on the basis of specified percentage of salary and is charged to profit and loss account and revenue account(s).

Gratuity

Gratuity, which is a defined benefit scheme is provided on the basis of actuarial valuation at period end and is recognized in the profit and loss account and revenue account(s).

Accrued leave

Compensated absences are provided based on actuarial valuation as at balance sheet date and is recognized in the profit and loss account and revenue account(s).

4.12 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of the transaction. Foreign exchange denominated monetary assets and liabilities, are re-stated at the rates prevalent at the date of the balance sheet. The gains/losses on account of restatement and settlement are recognized in the profit and loss account and revenue account(s).

4.13 Taxation

Current tax

The Company provides for income tax on the basis of taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the accounting income as per the Company's financial statements and the taxable income for the year.

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is

unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

Fringe benefit tax

Provision for fringe benefit tax is made on the basis of expenses incurred on employees/other expenses as prescribed under the Income Tax Act, 1961.

4.14 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.15 Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

5 Notes to accounts

5.1 Statutory disclosures as required by IRDA

5.1.1 Contingent liabilities

(Rs. in 000's)

Particulars	As at March 31, 2009	As at March 31, 2008
Partly-paid up investments	NIL	NIL
Claims, other than those under policies, not acknowledged as debt	NIL	NIL
Underwriting commitments outstanding	NIL	NIL
Guarantees given by or on behalf of the Company	NIL	NIL
Statutory demands/liabilities in dispute, not provided for (see note below)	295,870	62,740
Reinsurance obligations to the extent not provided for in accounts	NIL	NIL
Others	NIL	NIL

Note: The Company has disputed the demand raised by Income Tax Department for assessments completed of past years and the appeals are pending before the appropriate authorities.

5.1.2 The assets of the Company are free from all encumbrances.

5.1.3 Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is Rs. 39,296 thousand (previous year : Rs. 124,036 thousand).

5.1.4 Commitment in respect of loans and investments is Rs. 76,080 thousand (previous year : Rs. 5,000 thousand).

5.1.5 Claims

Claims, less reinsurance paid to claimants in / outside India are as under:

(Rs. in 000's)

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
In India	11,413,131	8,455,188
Outside India	236,541	11,095

The Company does not have any liability relating to claims where the claim payment period exceeds four years.

Ageing of claims is set out in the table below:

(Rs. in 000's)

Particulars	As at March 31, 2009	As at March 31, 2008
More than six months	7,951,484	4,290,994
Others	15,798,097	8,401,763

Claims settled and remaining unpaid for more than six months is Rs. NIL (previous year: Rs. NIL).

schedules

5.1.6 Premium

Premium, less reinsurance, written from business in/outside India is given below:

(Rs. in 000's)

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
In India	21,151,607	17,779,006
Outside India	13,150	18,666

5.1.7 The Company has recognized 0.5 percent (previous year: 0.6 percent) of the total premium earned from Miscellaneous - Engineering class of business based on varying risk pattern. The risk pattern is determined based on underwriting estimates, which are in turn based on project related information received from the customers, and these are relied upon by the Company.

5.1.8 Sector wise details of the policies issued/outstanding are given below:

Sector	For the year ended March 31, 2009				For the year ended March 31, 2008			
	GWP Rs. in 000's	No. of policies	No. of lives	% of GWP	GWP Rs. in 000's	No. of policies	No. of lives	% of GWP
Rural	3,900,173	401,174	—	10.40	2,447,805	438,816	—	6.80
Social	178,455	3	1,616,838	0.48	25,667	2	403,843	0.07
Urban	33,413,482	3,555,871	—	89.12	33,536,726	3,088,143	—	93.13
Total	37,492,110	3,957,048		100.00	36,010,198	3,526,961		100.00

5.1.9 Extent of risks retained and reinsured is set out below (excluding excess of loss and catastrophe reinsurance)

Particulars	Basis	As at March 31, 2009		As at March 31, 2008	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	33%	67%	28%	72%
Marine – Cargo	Value at risk	30%	70%	29%	71%
Marine – Hull	Value at risk	3%	97%	2%	98%
Miscellaneous					
– Engineering	Total sum insured	23%	77%	23%	77%
– Motor (refer note 5.2.2)	Total sum insured	54%	46%	60%	40%
– Workmen Compensation	Value at risk	80%	20%	80%	20%
– Public Liability	Value at risk	72%	28%	69%	31%
– Personal Accident	Value at risk	35%	65%	16%	84%
– Health	Value at risk	80%	20%	66%	34%
– Others	Value at risk	45%	55%	44%	56%

5.1.10 In accordance with regulatory guidelines, there is no premium deficiency on an overall basis in the miscellaneous segment.

5.1.11 Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending Rs. 367 thousand (previous year: Rs. NIL); and
- Sales where payments are overdue Rs. NIL (previous year: Rs. NIL).

Historical cost of investments that are valued on fair value basis is Rs. 7,688,507 thousand (previous year: Rs. 5,341,103 thousand).

All investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) Regulations, 2000 and are performing investments.

Allocation of investment

- Investments that are earmarked, are allocated separately to policy holders or share holders, as applicable;
- Other investments have not been allocated into policy holders and share holders as the same are not earmarked separately.

The Company does not have any investment in property as at March 31, 2009 (previous year: Rs. NIL).

5.1.12 Employee Benefit Plans

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits of the Company is given below:

(Rs. in 000's)

Reconciliation of Benefit Obligations and Plan Assets	For the year ended March 31, 2009	For the year ended March 31, 2008
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	67,800	35,479
Current Service Cost	27,024	18,801
Interest Cost	7,115	2,784
Actuarial Losses / (Gain)	43,758	11,130
Liabilities assumed on Acquisition	5,250	—
Benefits Paid	(9,134)	(394)
Closing Defined Benefit Obligation	141,813	67,800
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	44,124	23,448
Expected Return on Plan Assets	3,556	1,933
Actuarial Gains / (Losses)	(6,597)	13,887
Contributions by Employer	33,676	5,250
Assets acquired on acquisition	5,250	—
Benefits paid	(9,134)	(394)
Closing Fair Value of Plan Assets	70,875	44,124
Expected Employer's contribution Next Year	40,000	9,000

(Rs. in 000's)

Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	As at March 31, 2009	As at March 31, 2008
Fair Value of Plan Assets at the end of the year	(70,875)	(44,124)
Present Value of the defined obligations at the end of the year	141,813	67,800
Liability recognised in the balance sheet	70,938	23,676
Investment details of Plan Assets		
100% Insurer Managed Funds	70,875	44,124
Assumptions		
Discount Rate	7.10% p.a.	7.60% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	8.50% p.a.
Salary Escalation Rate	8.00% p.a.	8.00% p.a.

Experience adjustments of last four years is given below

(Rs. in 000's)

	Year Ended			
	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009
Defined Benefit Obligation	21,188	35,479	67,800	141,813
Plan assets	16,313	23,448	44,124	70,875
Surplus / (Deficit)	(4,875)	(12,031)	(23,676)	(70,938)
Exp. Adj on Plan Liabilities	—	8,021	672	26,355
Exp. Adj on Plan Assets	—	(107)	13,887	(6,597)

schedules

forming part of the financial statements

Continued

5.1.13 Employees' remuneration & welfare benefits in Schedule 4 includes Rs. 135,712 thousand pertaining to bonus for earlier year, crystallized during the year.

5.1.14 Allocation of income and expenses

Allocation of investment income

Investment income has been allocated between revenue account(s) and profit and loss account on the basis of the ratio of average policyholders funds to average shareholders funds respectively; average being the balance at the beginning of the period and at the end of the period.

Further, investment income across segments within the revenue account(s) has also been allocated on the basis of segment-wise policyholders funds.

Allocation of expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

- Expenses that are directly identifiable to a business class are allocated on actuals;
- Other expenses, that are not directly identifiable, are broadly allocated on the basis of gross written premium in each business class; and
- Depreciation expenditure has been allocated on the assessment that the use of assets is proportionate to gross written premium of the respective segments.

5.1.15 Managerial remuneration

The details of remuneration of Wholtime Directors' as per the terms of appointment are as under:

(Rs in 000's)

Particulars (see note below)	For the year ended March 31, 2009	For the year ended March 31, 2008
Salaries and allowances	28,401	17,696
Contribution to provident and other funds	2,501	951
Perquisites	1,569	1,165

Note: Expenses towards gratuity and leave accrued are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure. Stock options granted to the Wholtime Directors' under ESOS are set out in note 5.1.20.

5.1.16 Share Application

As at March 31, 2009 the Company had received share application money of Rs. 176 thousand (previous year: NIL) against which shares are yet to be allotted.

5.1.17 Outsourcing, business development and marketing support expenses

Expenses relating to outsourcing, business development and marketing support are :

(Rs. in 000's)

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
Outsourcing expenses	1,407,027	1,212,572
Business development	181,197	132,866
Marketing support	153,309	102,186

5.1.18 Summary of Financial Statements for the last five years:

(Rs. in 000's)

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
Operating Result					
Gross premium written	37,492,110	36,010,198	30,034,479	15,919,959	8,851,671
Net premium income #	21,164,757	17,797,672	14,507,715	7,338,721	3,208,892
Income from Investments (net)@	2,325,325	1,364,414	783,667	520,809	237,597
Other income	3,842	(3,332)	(4)	726	(223)
Total income	23,493,924	19,158,754	15,291,378	7,860,256	3,446,266
Commissions (net of reinsurance commission)	(755,837)	(1,365,640)	(1,904,751)	(1,257,264)	(892,716)
Brokerage	—	—	—	—	—
Operating expenses	6,785,799	5,611,590	4,987,328	2,982,737	1,509,398
Claims, increase in Unexpired Risk Reserve & other outgoes	18,341,597	14,439,528	11,979,649	5,954,428	2,565,266
Operating Profit / (loss)	(877,635)	473,276	229,152	180,355	264,318
Non - Operating Result					
Total income under shareholder's account (net of expenses)	880,380	828,958	572,059	364,913	274,401
Profit / (loss) before tax	2,745	1,302,234	801,211	545,268	538,719
Provision for tax	(233,500)	273,500	117,600	42,200	55,250
Profit / (loss) after tax	236,245	1,028,734	683,611	503,068	483,469

(Contd.)

Miscellaneous

Policy holder's account:

Total funds	23,498,753	16,874,828	10,933,687	5,135,354	2,405,407
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Total investments

Yield on Investments

Shareholder's account:

Total funds	12,369,209	8,514,813	8,068,030	2,839,993	1,980,292
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Total investments

Yield on Investments

Paid up equity capital

Net worth *

Total assets

Yield on total Investments

(annualized)

Earnings per share (Rs.)

Book value per share (Rs.)

Total dividend (excluding dividend tax)

Dividend per share (Rs.)

	4,031,369	3,773,578	3,357,075	2,450,000	2,200,000
	16,026,640	10,759,589	9,427,035	3,729,201	2,494,041
	54,842,026	37,941,850	29,540,353	16,390,867	7,689,222
	14%	11%	10%	13%	13%
	0.60	2.76	2.35	2.28	2.20
	39.75	28.51	28.08	15.22	11.34
	—	591,157	438,365	232,500	220,000
	—	1.60	1.50	1.00	1.00

Net of Reinsurance

@ Net of Losses

* Excluding Fair Value Change Account

5.1.19 Ratio Analysis:

Performance Ratio	Ratios as at March 31, 2009				Ratios as at March 31, 2008			
	Total	Fire	Marine	Misc.	Total	Fire	Marine	Misc.
Gross Premium Growth Rate	4%	(30%)	0%	10%	20%	9%	45%	20%
Gross Premium to average Shareholders Fund ratio	280%				357%			
Growth rate of Shareholders Funds	49%				14%			
Net Retention Ratio (net of XOL)	56%	31%	13%	62%	49%	26%	9%	56%
Net Commission Ratio	4%	29%	47%	2%	8%	32%	62%	5%
Expense ratio to Gross direct premium	20%				17%			
Combined ratio	71%				60%			
Technical ratio	166%				127%			
Underwriting balance ratio	(15%)	(34%)	(202%)	(11%)	(5%)	14%	(173%)	(3%)
Operating profit ratio	0%				7%			
Liquid asset to liability ratio	3%				8%			
Net earning ratio	1%				6%			
Return on Net worth	1%				10%			
Reinsurance Ratio	44%				51%			

5.1.20 Employee Stock Option Scheme (ESOS)

The Company has granted Stock options to employees in compliance with the Securities and Exchange board of India (Employee stock option scheme and employee stock purchase scheme) guidelines, 1999 based on an independent valuer's report. The salient features of the Scheme which are stated below:

Founder ESOPs:

Scheme	Others	Managing Director
Date of grant	April 26, 2005	April 26, 2005
No. of Options granted (in 000's)	854	63
Grant Price	Rs. 35	Rs. 35
Graded Vesting Period		
1st Year	50% of option	50% of option
2nd Year	50% of option	50% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting	
Mode of settlement	Equity	

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Continued

Performance ESOPs (2005, 2006, 2007 & 2008):

Scheme	Others	Wholetime Director
Date of grant 2005	April 26, 2005	April 26, 2005
2006	April 24, 2006	April 24, 2006
2007	April 21, 2007	April 21, 2007
2008	April 24, 2008	April 24, 2008
No. of Options granted (in 000's)	16,847	1,525
Grant Price	Rs. 35-Rs. 200	
Graded Vesting Period		
1st Year	20% of option	20% of option
2nd Year	20% of option	20% of option
3rd Year	30% of option	30% of option
4th Year	30% of option	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting	
Mode of settlement	Equity	

The estimated fair value computed on the basis of Black Scholes pricing model, of each stock option granted for Founder ESOPs and Performance ESOPs is within the range of Rs. 7.72 to Rs. 73.62 per option. Accordingly, compensation cost for the year ended March 31, 2009 would have been higher by Rs. 171,999 thousand and proforma profit after tax would have been Rs. 122,708 thousand. On proforma basis the Company's basic and diluted earnings per share would have been Rs. 0.31 and Rs. 0.30 respectively. The key assumptions used to estimate the fair value of options are:

Risk-free interest rate	6.39%	-	8.17% p.a.
Expected life	3	-	7 years
Expected volatility*	17.00%	-	29.00% p.a.
Expected dividend yield	0.80%	-	2.85% p.a.

*Expected volatility is based on estimates of management in the absence of data on historical volatility as at the year end.

A summary of status of Company's Employee Stock Option Scheme in terms of option granted, forfeited and exercised by the employees and Wholetime Directors is given below:

(Rs. in 000's)

Particulars	Other than Wholetime Director		Wholetime Director	
	As at March 31, 2009	As at March 31, 2008	As at March 31, 2009	As at March 31, 2008
Outstanding at the beginning of the year	11,438	6,900	942	492
Add: Granted during the year	4,475	5,175	575	450
Less: Forfeited / lapsed during the year	2,247	487	NIL	NIL
Less: Exercised during the year	784	150	NIL	NIL
Outstanding at the end of the year	12,882	11,438	1,517	942
Exercisable at the end of the year	909	1,276	341	203

5.2 Other disclosures

5.2.1 Basis used by the Actuary for determining provision required for IBNR/IBNER

Liability for IBNR including IBNER (excluding on IMTPIP) for the year ending March 31, 2009 has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDA vide circular no. 11/IRDA/ACTL/BNR/2005-06 and applicable provisions of the Guidance Note 21 issued by the Actuarial Society of India.

The Appointed Actuary has adopted the Chain Ladder Method to those lines of business where claims development in the past years are thought to be representative for the future claims development and adopted Bornheutter Ferguson method to those lines of business where claims development in the past years are not thought to be representative for the future claims development.

In the previous year for Health line of business, the Appointed Actuary had arrived at the estimate for IBNR/IBNER based on Chain Ladder Method.

However, this year the Company has shifted from Chain Ladder method to Bornheutter-Ferguson for the aforesaid line of business. Had the Company continued to provide liability for IBNR/IBNER using the earlier method, the transfer to shareholder's account, operating profit before tax would have been higher by Rs. 121,836 thousand and the liability for IBNR/IBNER and claims outstanding would have been lower by Rs. 121,836 thousand.

5.2.2 Contribution to terrorism pool

The Company in accordance with the requirements of IRDA has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee ('TAC') are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of Rs. 6 billion.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on monthly intimation/confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool has been recorded only upto December 31, 2008 (previous year: December 31, 2007) as per the last confirmation received and which has been carried forward to the subsequent accounting period as Unexpired Risk Reserve for subsequent risks, if any.

5.2.3 Contribution to Motor third party pool

In accordance with the directions of IRDA, effective April 1, 2007 the Company, together with other insurance companies has participated in the Indian Motor Third Party Insurance Pool (IMTPIP), a multilateral reinsurance arrangement, administered by the General Insurance Corporation of India ('GIC'). The IMTPIP covers reinsurance of third party risks of commercial vehicles.

The Company has ceded 100% of the third party premium collected to the pool and has recorded its share of results in the pool on the basis of unaudited result received from pool for the period from March, 2008 upto February, 2009.

5.2.4 Contribution to solatium fund

In accordance with the requirements of the IRDA circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company has provided 0.10% of gross written premium on all motor policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the solatium fund.

5.2.5 Environment Relief Fund

An amount of Rs. 166 thousand (previous year: Rs. 50,565 thousand) collected towards Environment Relief fund (ERF) under Public Liability policies has been disclosed under current liabilities and the same will be remitted to the fund manager (United India Insurance Co. Ltd.)

During the year, ERF amount collected along with interest till February 2009 has been transferred to the designated fund manager (United India Insurance Co. Ltd.) in accordance with Ministry of Environment & Forests vide notification number F.NO.18-13/91-PL-HSMD (Part I) Dated November 12, 2008.

5.2.6 Leases

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

Non Cancelable operating lease

The detail of future rentals payable are given below:

(Rs. in 000's)

	As at March 31, 2009	As at March 31, 2008
a. not later than one year	4,610	609
b. later than one year and not later than five year	2,058	1,828
c. later than five years	NIL	NIL

An amount of Rs. 4,498 thousand (previous year: Rs. 609 thousand) towards lease payments has been recognised in the statement of revenue account.

5.2.7 Micro and Small scale business entities

There is no Micro, Small & Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2009. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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5.2.8 Segmental reporting

Primary reportable segments

The Company's primary reportable segments are business segments, which have been identified in accordance with AS 17 – Segment Reporting read with the Regulations. The income and expenses attributable to the business segments are allocated as mentioned in paragraph 5.1.14 above.

Segmental Assets & Liabilities

Segment	Year	(Rs. in 000's)		
		Current Liabilities		Current Assets
		Claims Outstanding	Unallocated Premium	Outstanding Premium
Fire	2008-09	3,871,758	—	2,105
	2007-08	1,963,736	—	2,049
Engineering	2008-09	1,170,541	—	2,353
	2007-08	838,273	—	1,413
Marine Cargo	2008-09	580,992	—	2,821
	2007-08	363,280	—	1,041
Marine Hull	2008-09	2,310,229	—	2,331
	2007-08	1,259,619	—	—
Motor OD	2008-09	1,536,984	—	—
	2007-08	1,232,085	—	—
Motor TP	2008-09	10,942,081	—	—
	2007-08	5,050,982	—	—
Workmen Compensation	2008-09	24,399	—	—
	2007-08	13,667	—	—
Public/Product Liability	2008-09	25,325	—	—
	2007-08	9,720	—	—
Personal Accident	2008-09	536,266	—	—
	2007-08	392,719	—	—
Aviation	2008-09	207,200	—	—
	2007-08	61,216	—	—
Health	2008-09	1,799,223	—	125
	2007-08	1,000,510	—	59
Others	2008-09	744,583	—	43
	2007-08	506,950	—	9
Total Amount	2008-09	23,749,581	—	9,778
	2007-08	12,692,757	—	4,571

Fixed assets, investments and other current assets and liabilities to the extent identifiable have been allocated to business segments. Unallocated premium and advance premium is not identifiable to any business segment.

Secondary reportable segments

There are no reportable geographical segments since the Company provides services to customers in the Indian market only and does not distinguish any reportable regions within India.

5.2.9 Related party

Related parties, nature of relationship and description of transactions.

Name of the related Party	Nature of relationship
ICICI Bank Limited	Holding Company
ICICI Venture Funds Management Company Limited	Fellow Subsidiary
ICICI Securities Primary Dealership Limited	Fellow Subsidiary
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary
ICICI Home Finance Company Limited	Fellow Subsidiary
ICICI Equity Fund	Fellow Subsidiary
ICICI Wealth Management Inc.	Fellow Subsidiary
ICICI Securities Inc.	Fellow Subsidiary
ICICI Prudential Trust Limited	Fellow Subsidiary
TCW/ICICI Investment Partners LLC	Fellow Subsidiary
ICICI Kinfra Limited	Fellow Subsidiary
ICICI West Bengal Infrastructure Development Corporation Limited	Fellow Subsidiary
Loyalty Solutions & Research Limited	Fellow Subsidiary
ICICI Securities Limited	Fellow Subsidiary
ICICI Bank Canada	Fellow Subsidiary
ICICI Eco-net Internet and Technology Fund	Fellow Subsidiary
ICICI Emerging Sectors Fund	Fellow Subsidiary

Name of the related Party	Nature of relationship
ICICI Strategic Investments Fund	Fellow Subsidiary
ICICI Securities Holdings Inc.	Fellow Subsidiary
ICICI Investment Management Company Limited	Fellow Subsidiary
ICICI International Limited	Fellow Subsidiary
ICICI Bank Eurasia LLC.	Fellow Subsidiary
ICICI Prudential Asset Management Company Limited	Fellow Subsidiary
ICICI Trusteeship Services Limited	Fellow Subsidiary
ICICI Bank UK PLC	Fellow Subsidiary
Fairfax Financial holdings Limited	Associate
ICICI Foundation for Inclusive Growth	Associate
K V Kamath, Chairman	Key Management
Sandeep Bakhshi, Managing Director & CEO	Personnel (with whom transactions have taken place)
Vishakha Mulye, Executive Director	

Relatives of Key Management Personnel (with whom transactions have taken place)

Mohan Kamath	Brother of K.V.Kamath
Ajay Kamath	Son of K.V.Kamath
Mona Bakhshi	Wife of Sandeep Bakhshi
Aarti Kochhar	Daughter of Chanda D. Kochhar
Rajlakshmi V. Kamath	Wife of K.V.Kamath
Gauresh Palekar	Brother of Vishakha Mulye

Details of transactions with related parties for the year ended March 31, 2009 are given below:

Particulars	Holding Company	ICICI Home Finance Co. Ltd.	ICICI Securities Primary Dealership Ltd.	ICICI Prudential Life Insurance Co. Ltd.	Other Fellow subsidiaries	Associates	With Key Management Personnel & their relatives
Premium income	1,039,878 (974,825)	136,689 (105,892)	545 (3,225)	139,526 (128,875)	98,867 (71,182)	— (—)	175 (144)
Income from interest & dividend	94,330 (50,396)	18,195 (—)	3,310 (8,800)	— (—)	— (416)	— (—)	— (—)
Other income	— (—)	— (—)	— (—)	— (—)	3,646 (—)	— (—)	— (—)
Issue of Share Capital including premium	3,704,430 (1,842,600)	— (—)	— (—)	— (—)	— (—)	1,300,000 (647,400)	— (—)
Purchase of fixed assets	1,338 (28,304)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Claim payments	924,091 (688,916)	90,608 (81,969)	964 (1,132)	117,779 (48,806)	81,873 (27,283)	— (—)	— (—)
Commission/ Brokerage payouts	552,829 (911,656)	94,912 (744)	— (—)	— (—)	20,211 (5,745)	— (—)	— (—)
Investment - Purchases	6,090,552 (471,446)	250,000 (—)	4,022,251 (703,379)	— (249,487)	143,600 (750,323)	— (—)	— (—)
- Sales	6,108,174 (—)	— (—)	1,118,409 (—)	862,206 (100,991)	143,600 (—)	— (—)	— (—)
Premium Paid	— (—)	— (—)	— (—)	8,322 (7,985)	— (—)	— (—)	— (—)
Establishment & other expenditure	272,565 (263,662)	1,562 (—)	— (—)	— (—)	733 (—)	— (—)	28,401 (19,812)
Donation	— (—)	— (—)	— (—)	— (—)	— (—)	17,213 (—)	— (—)
Dividend paid	— (436,619)	— (—)	— (—)	— (—)	— (—)	— (153,407)	— (114)

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Balances with related parties as at March 31, 2009, are as under:

(Rs. in 000's)							
Particulars	Holding Company	ICICI Home Finance Co. Ltd. (Fellow subsidiaries)	ICICI Securities Primary Dealership Ltd.	ICICI Prudential Life Insurance Co. Ltd. (Fellow subsidiaries)	Other Fellow subsidiaries	Associates	With Key Management Personnel & their relatives
Assets							
Cash, Bank Balances & Deposits	(740,994) (222,270)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Investments	— (—)	250,000 (—)	— (100,000)	— (—)	— (—)	— (—)	— (—)
Income accrued on investments	995 (4,283)	18,038 (—)	— (5,810)	— (—)	3,646 (—)	— (—)	— (—)
SAP Asset License Fee	60 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Liabilities							
Capital	2,975,530 (2,786,100)	— (—)	— (—)	— (—)	— (—)	1,043,929 (978,900)	713 (713)
Application Money received	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Premium received in advance	17,236 (100,215)	16,870 (16,370)	211 (259)	2,551 (3,791)	39,270 (3,875)	— (—)	— (—)
Others liabilities/ Payables	295,765 (270,329)	46,092 (60,030)	50 (300)	17,910 (14,414)	16,122 (4,355)	— (—)	— (—)

Figures in brackets represent previous year figures.

5.2.11 Deferred taxes

The major components of temporary differences resulting into deferred tax assets are as under:

(Rs. in 000's)		
Particulars	Deferred tax asset as at March 31, 2009	Deferred tax asset as at March 31, 2008
Timing differences on account of:		
Reserve for Unexpired Risks	206,142	268,600
Leaves accrued	37,389	29,550
Carry forward losses*	353,119	—
Total	596,650	298,150
Net deferred tax asset/(liability)	596,650	298,150
Deferred tax expense/(income) recognised in the Profit and Loss A/c.	(298,500)	(175,000)

* Created after considering substantial reduction in operating expenses achieved and revision in reinsurance arrangement concluded by the Company.

5.2.12 Prior year figures have been regrouped, reclassified wherever necessary to conform to current year classifications.

5.2.10 Details of earning per share for the year ended March 31, 2009:

(Rs. in 000's)		
Particulars	As at March 31, 2009	As at March 31, 2008
Profit available to equity shareholders	236,245	1,028,734
Weighted average number of equity shares		
Number of shares at the beginning of the year	377,358	335,708
Share issued during the year	25,779	41,650
Total number of equity share outstanding at the end of the year	403,137	377,358
Weighted average number of equity shares outstanding during the year	395,351	372,358
Add : Effect of dilutive issues of employee options and share application pending allotment	7,617	2,480
Diluted weighted average number of equity shares outstanding during the year	402,968	374,838
Nominal value of equity shares – Rs.	10	10
Basic earning per share – Rs.	0.60	2.76
Diluted earning per share – Rs.	0.59	2.74

For and on behalf of the Board

K.V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

S. MUKHERJI
Director

V. VAIDYANATHAN
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAKESH JAIN
Director-Corporate Centre & CFO

PRATAP SALIAN
Company Secretary

Mumbai, April 23, 2009

receipts & payment account

for the year ended March 31, 2009

		March 31, 2009	(Rs. in 000's) March 31, 2008
CASH FLOW FROM OPERATING ACTIVITIES			
- Premium received from policyholders, including advance receipt	39,872,197		38,973,581
- Premium received from co-insurer	2,130,673		3,716,516
- Other receipts (Collection-Environment Relief Fund)	4,559		13,300
- Payment to re-insurer net of commissions & claims	(8,698,935)		(9,874,105)
- Payment to co-insurer net of claims recovery	(3,390,738)		(3,006,696)
- Payments of Claims (Net of salvage)	(19,238,956)		(16,212,014)
- Payments of Commission and brokerage	(2,812,150)		(3,035,051)
- Payments of other operating expenses	(6,300,888)		(5,462,541)
- Preliminary and pre-operative expenses	—		—
- Deposits, advances & staff loans	486,251		459,230
- Income tax paid (Net)	(287,995)		(576,741)
- Service Taxes Paid	(2,610,032)		(2,277,157)
- Other payments (environment relief fund)	(50,566)		—
- Cash flows before extraordinary items		(896,580)	2,718,322
- Cash flows from extraordinary items		—	—
Net cash from operating activities		(896,580)	2,718,322
CASH FLOW FROM INVESTING ACTIVITIES			
- Purchase of fixed assets (including Capital Advances)	(592,172)		(594,845)
- Proceeds from sale of fixed assets	2,926	(589,246)	24
- Purchase of investments	(39,577,324)		(16,730,508)
- Loans disbursed	—		—
- Sale of investments	37,387,458		10,168,421
- Repayments received	—		—
- Rent/Interest/Dividends received	1,243,947		1,360,911
- Investments in money market instruments and liquid Mutual fund (Net)	(3,226,155)		686,974
- Expenses related to Investments	(5,748)	(4,177,822)	(5,267)
Net cash from investing activities		(4,767,068)	(5,114,290)
CASH FLOW FROM FINANCING ACTIVITIES			
- Proceeds from Issuance of Share Capital (including share premium & net of share issue expenses)	5,030,806		995,443
- Proceeds from Borrowing	—		—
- Interest/Dividend Paid (including dividend tax)	—		(715,157)
Net cash flow from financing activities		5,030,806	280,286
Effect of foreign exchange rates on cash and cash equivalents, net		—	—
Net increase/(decrease) in cash and cash equivalents		(632,842)	(2,115,682)
Cash and cash equivalents at the beginning of the year		1,363,317	3,478,998
* Cash and cash equivalents at end of the year		730,475	1,363,317
* Cash and cash equivalent at the end of the period includes short term deposits of Rs. 601,150 thousand (previous year: Rs. 1,023,086 thousand), balances with banks in current accounts Rs. 91,505 thousand (previous year: Rs. 225,119 thousand) and cash including cheques and stamps in hand amounting to Rs. 37,820 thousand (previous year: 115,112 thousand)			

As per attached report of even date

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership Number: 201402

For and on behalf of the Board

K.V. KAMATH
Chairman

S. MUKHERJI
Director

SANDEEP BAKHSI
Managing Director & CEO

PRATAP SALIAN
Company Secretary

CHANDA D. KOCHHAR
Director

V. VAIDYANATHAN
Director

RAKESH JAIN
Director-Corporate Centre & CFO

Mumbai, April 23, 2009

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration Number

1 1 - 1 2 9 4 0 8

State Code

1 1

Balance Sheet Date

3 1

Date

0 3

Month

2 0 0 9

Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

N I L

Bonus Issue

N I L

Rights Issue

N I L

Private Placement

2 5 0 0 0 0

III. Position of mobilisation and deployment of funds

(Amount in Rs. Thousand)

Total Liabilities

Sources of funds

Paid-up Capital

4 0 3 1 3 6 9

Secured Loans

Application of funds

Net Fixed Assets & WIP

Net Current Assets

Accumulated Losses

Total Assets

Reserves and Surplus

Unsecured Loans

Investments

Miscellaneous Expenditure

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

Profit/Loss Before Tax

Earning Per Share in Rs.

Total Expenditure

Profit/Loss After Tax

Dividend Rate %

V. Generic names of principal products/services of the Company

(as per monetary terms)

Product Description

G E N E R A L I N S U R A N C E

Item Code No.

N. A.

Note:

The Company being a general insurance company, the accounts of the Company are not required to be made in accordance with Schedule VI. Further, the Insurance Act, 1938, requires the accounts of the Company to be split between policyholders' & shareholders' funds. In view of the above, it is not possible to give the information required in Para III and Para IV of the above statement.