

ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

7TH ANNUAL REPORT AND ACCOUNTS 2006-2007

Directors

K. V. Kamath, *Chairman*
 R. Athappan
 B. V. Bhargava
 Dileep Choksi
 James Dowd
 Kalpana Morparia
 S. Mukherji
 Chandran Ratnaswami
 H. N. Sinor
 V. Vaidyanathan
 Sandeep Bakhshi, *Managing Director & CEO*

Auditors

Lodha & Co.
Chartered Accountants

 N.M. Raiji & Co.
Chartered Accountants

Registered Office

ICICI Bank Towers
 Bandra-Kurla Complex
 Mumbai – 400 051

Rajesh Saxena
Company Secretary

directors' report

to the members

Your Directors have pleasure in presenting the Seventh Annual Report of ICICI Lombard General Insurance Company Limited ("ICICI Lombard") with the audited statement of accounts for the financial year ended March 31, 2007.

INDUSTRY OVERVIEW

The gross written premium of the industry for the eleven months' ended February 28, 2007 was Rs. 226.69 billion compared to Rs. 183.24 billion in the corresponding period of the previous year, showing a growth of 24%. The market share of private sector insurance companies for the corresponding period grew from 27% to 35%. ICICI Lombard led the private players with a market share of 35% in the private sector and an overall industry market share of 12%.

FINANCIAL HIGHLIGHTS

	<i>Fiscal 2006</i>	Fiscal 2007
Number of policies sold	1,461,039	3,136,478
		(Rs. in million)
Gross written premium	15,919.9	30,034.5
Earned premium	5,276.8	10,666.5
Profit before tax	545.3	801.2
Profit after tax	503.1	683.6

APPROPRIATIONS

The profit after tax for the year ended March 31, 2007 is Rs. 683.6 million. The profit available for appropriation is Rs. 1,215.6 million after taking into account the balance of profit of Rs. 532.0 million brought forward from the previous year. The Board has declared three interim dividends aggregating 15% reflecting the sound financial performance during the fiscal and has appropriated the disposable profit as follows:

	<i>Fiscal 2006</i>	Fiscal 2007
		(Rs. in million)
Dividend for the year (interim)		
– On equity shares	232.5	438.4
Dividend distribution tax	32.6	61.5
Transfer to General Reserve	—	34.2
Leaving balance to be carried forward to the next year	532.0	681.5

Your Directors have not recommended any final dividend for the year.

OPERATIONAL REVIEW

Company Performance

ICICI Lombard's gross written premium increased to Rs. 30,034.5 million in fiscal 2007, a growth of 89% over the previous year. The profit after tax increased from Rs. 503.1 million during fiscal 2006 to Rs. 683.6 million in fiscal 2007 while the

number of policies sold increased from 1,461,039 to 3,136,478 respectively, growing by around 115%.

Information Technology

Technology continues to provide the backbone for rapid growth and is a source of sustainable competitive advantage for ICICI Lombard. Over the last few years, ICICI Lombard has strengthened its servicing capabilities across all distribution channels. A web based policy administration system has been implemented for retail products which provides scalability, flexibility and ease of use. Point-of-Sale (POS) solutions that allow transactions even in the off line mode were developed and deployed, thereby reducing the dependency on internet connectivity and enhancing the reach of the organisation.

ICICI Lombard has strengthened its Customer Relationship Management (CRM) tool for obtaining a single screen view of a customer's transaction and interaction history resulting in enhanced customer servicing capabilities. An Enterprise Application Integration initiative has also been undertaken enabling seamless and real time access to information.

The implementation of an image based work flow system enables seamless transaction processing capabilities across various functions and geographies. This helps in creating a paperless work environment giving cost advantage and faster processing capabilities.

ICICI Lombard is focused on developing innovative solutions to deliver value added products and services to its customers. A project has been undertaken to introduce the concept of Pay-per-Mile in Motor Insurance that tracks the usage of the customer's vehicle using GPS and GPRS technology and enables premium calculation based on actual usage. A work flow based Claims Processing System integrated with multiple policy administration systems will allow ICICI Lombard to provide single point claims service to its customers. Data warehousing and business intelligence solutions will enhance the analytics and forecasting capabilities for improved underwriting and risk management resulting in better profitability.

Customer Service

The year gone by witnessed natural catastrophes like the floods in Surat and parts of Rajasthan. ICICI Lombard has built on the experience of similar events as in the Mumbai floods in 2005 and is geared to respond to such catastrophes quickly and efficiently. Key processes such as disaster recovery for business continuity and rapid deployment of surveyors which are critical in such scenarios are firmly in place. ICICI Lombard has set higher standards in terms of response time and providing immediate relief to the insured when it is most required.

ICICI Lombard has set-up a Service Council, comprising senior officials towards its endeavor to set service excellence standards that will stand the rigors of international competition and scrutiny. This initiative spearheads efforts to convert learning into practical action so as to consistently provide exceptional service to customers. The Service Council constantly reviews service requests and

directors' report



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grievances being received by the Company for continuous product and process improvement and also acts as a point of escalation for customers who are not satisfied with the resolution of their request from a service channel.

ICICI Lombard is committed to offer best and prompt service to its valued customers. It handled 642,777 claims during fiscal 2007. Claim disposal ratio went up from 95% during fiscal 2006 to 96% in fiscal 2007 with the corresponding average claim settlement time improving from 25 days to 22 days.

Underwriting

During the last financial year the industry crossed a historical milestone in terms of price de-regulation with the advent of detariffing. The transition to a tariff free regime has led to the creation of a third party motor pool covering third party liability claims in Motor Insurance. The industry premiums would be pooled together with the claim costs and expenses being shared by each insurer in proportion to their total market share.

In an environment characterised by flexible pricing, Insurance companies have taken necessary measures to move to a risk based pricing approach. Increased focus on objective evaluation of the quality of risks through risk inspections and using the same as an input for underwriting will lead to an improvement in risk selection as well as accuracy in risk based pricing.

Micro insurance is one of the key focus areas for ICICI Lombard and there is a constant endeavor to penetrate this market with relevant and cost-effective solutions. Some of the key initiatives undertaken in this area include leveraging of locally available channels for distribution; use of technology enabled delivery models such as smartcards, handhelds and mini deposit machines for collection of premium as well as storage of information. Development of bundled products for this segment will receive additional focus in the coming year to ensure cost effective reach coupled with customer convenience.

Reinsurance

The reinsurance program of ICICI Lombard is formulated in line with the guidelines laid down by the Insurance Regulatory and Development Authority (IRDA), which aims at adequate risk coverage and optimum retention of premium within the country. ICICI Lombard has successfully completed its reinsurance placements for the year 2007-08. ICICI Lombard has increased its gross retentions across property classes this year in line with the increase in its net-worth and thus helped in augmenting the property capacity. 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.

Capital

During the year, capital was raised through private placements aggregating to Rs. 5.5 billion (including a premium of Rs. 4.4 billion, which was subscribed by the promoters - ICICI Bank Limited and Fairfax Financial Holdings Limited).

IRDA has revised the guidelines in connection with computation of solvency margin *vide* circular 045/IRDA/F&A/Mar-06 dated March 31, 2006 which is applicable from fiscal 2007. As per the revised guidelines, ICICI Lombard was in compliance with the solvency margin requirement as at March 31, 2007.

Employees

The employee base has grown significantly to meet resource requirements in line with the growth in business. The number of employees increased from 2,283 in fiscal 2006 to 4,770 in fiscal 2007. Over 95% of the employees are professionally qualified.

Continuous training in products and services is critical to ensure quality of customer service and ICICI Lombard has put in place technology-driven e-learning modules to promote anytime anywhere learning. Further training in processes, products as well as customer service is imparted by specialists at various locations to ensure consistent customer experience across all delivery channels.

Social Responsibility

ICICI Lombard issued more than 4,50,000 policies in rural areas, amounting to over 14% of total policies issued by it during the year and covered over 5.5 million lives under various health insurance schemes across the country. It also covered more than 1,00,000 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

The Board at its Meeting held on April 24, 2006 had approved the re-appointment of Sandeep Bakhshi, Managing Director & CEO, for a period of five years from March 19, 2007 till March 18, 2012. The appointment was subsequently approved by the Members and the IRDA.

Consequent upon retirement of Lalita D. Gupte, as Joint Managing Director of ICICI Bank Limited, with effect from November 1, 2006, she resigned from the Board of ICICI Lombard. The Board placed on record its deep appreciation for the invaluable contribution of Lalita D. Gupte for conceiving and conceptualising the growth path for ICICI Lombard and wished her the best of health and happiness for future. Further, V.Vaidyanathan has been nominated as Director by ICICI Bank Limited in place of Lalita D Gupte.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of ICICI Lombard, S.Mukherji, B. V. Bhargava and Chandran Ratnaswami, would retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

AUDITORS

The Joint Statutory Auditors, Lodha & Co. and N.M. Raiji & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board, at its Meeting held on April 21, 2007, has proposed the re-appointment of Lodha & Co. and N.M. Raiji & Co., Chartered Accountants, Mumbai, as Joint Statutory Auditors to audit the accounts of ICICI Lombard for the financial year ending March 31, 2008. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During fiscal 2007 expenditure in foreign currencies amounted to Rs.1,322.5 million and earnings in foreign currencies amounted to Rs.1,101.5 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.

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 and its holding company to participate in the future growth and financial success of ICICI Lombard. 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.

On the basis of recommendation of the Board Governance Committee, the Board at its Meeting held on April 21, 2007 approved a grant of 5.63 million options for fiscal 2007 to eligible employees and the Managing Director. Each option confers on the employee a right to apply for one equity share of face value of Rs. 10 at Rs. 50.

directors' report

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Particulars of options granted by ICICI Lombard are given below:

Options granted *	14,238,560
Options vested	2,806,604
Options exercised	707,532
Number of shares allotted pursuant to exercise of options	707,532
Options forfeited / lapsed	515,252
Extinguishment or modification of options	—
Amount realised by exercise of options (Rs.)	24,763,620
Total number of options in force	13,015,776

* includes 1,012,500 options granted to Sandeep Bakhshi, Managing Director & CEO.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;

- 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
- 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.

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

K. V. KAMATH
Chairman

Mumbai, April 21, 2007

management report

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:

- 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 2007-08 as required under Section 3A of the Insurance Act, 1938;
- We certify that all the dues payable to the statutory authorities have been duly paid;
- We confirm that the shareholding pattern and transfer of shares during the year are in accordance with statutory and regulatory requirements;
- The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDA, outside India;
- We confirm that the required solvency margin has been maintained;
- 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 debt securities which are stated at amortised cost;
- The entire gross risk exposure portfolio is a balanced one consisting of fire, engineering, hull, aviation, motor and casualty lines of business;

The exposure is spread over various sectors like power, textiles, heavy and light engineering, paper, services, fast moving consumer goods, auto components to name the major ones;

The business underwritten pertains to the various products filed by us with IRDA, as per the file and use procedure;

While the net retention has not exceeded Rs. 100 million (previous year: Rs. 60 million) in any single risk, this has in fact been graded down to between Rs. 5 million to Rs. 100 million (previous year: between Rs. 5 million to Rs. 60 million) in most cases, on a case-to-case basis. The excess of loss treaties adequately protects the accumulation of the net retentions.

The strategy has been to assess and analyse each risk from all aspects and then underwrite them charging appropriate premium.

Further, before underwriting any major risks, a risk inspection is carried out, and only on being satisfied about the acceptability of risk, the same is accepted. Also, various loss prevention / risk-mitigating measures are suggested to the clients.

- We confirm that there are no operations of the Company outside India;
- a) Ageing analysis for claims outstanding as on

(Rs. in million)

	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007
More than six months	29.8	433.9	555.2	1,157.2	2,896.6
Others	241.0	572.7	1,068.3	3,728.8	5,743.6

b) Average Claims settlement time

Period	No. of Days
2002-03	25 days
2003-04	26 days
2004-05	25 days
2005-06	25 days
2006-07	22 days

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

- 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.

management report



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Listed equity 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 The Stock Exchange, Mumbai.

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

In accordance with the Regulations, unrealised gain / loss arising due to changes in fair value of listed equity shares and mutual fund investments are not taken to 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 realisation.

11. Investments as on March 31, 2007 amount to Rs. 17,104.68 million (previous year: Rs. 9,064.61 million). Income from Investments amounted to Rs. 1,359.00 million (previous year: Rs. 889.21 million). Unrealised gains (loss) on the balance sheet date amounted to (Rs. 380.63) million (previous year: Rs. 466.17 million).

Investments other than deposits with the banks, loans and units of mutual fund are only in regularly traded instruments in the secondary markets. Of the investments held in other than government securities, Rs. 1,988.76 million (previous year: 1,712.52 million) is secured additionally by central government guarantees, 44.31% (previous year 38.39%) is in AAA and equivalent rated securities and 3.74% (previous year 2.74%) is in AA+/P1 rated security and the balance in equity, deposits and Mutual funds.

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, a conservative approach is adopted having regards to low risk tolerance level at the initial stage.

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 profit 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 towards claims, commission paid, expenses and dividend paid, which have been made to individuals, firms, companies and organisations in which Directors of the insurer are interested, please refer to Annexure 1.

For and on behalf of the Board

K.V. KAMATH
Chairman

KALPANA MORPARIA
Director

S. MUKHERJI
Director

V. VAIDYANATHAN
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAKESH JAIN
Head Finance & Accounts

RAJESH SAXENA
Company Secretary
Mumbai, April 21, 2007

Annexure 1

List of payments towards claims, commission paid, expenses and dividend paid to parties in which Directors are interested

The schedule of payments made to parties in which Directors are interested is shown as under: -

Name of the Company	(Rs. in 000's)	
	March 31, 2007	March 31, 2006
ICICI Bank Limited	2,624,877	1,917,399
ICICI Ventures Funds Management Company Limited	1,349	930
ICICI Securities Primary Dealership Limited (Formally ICICI Securities Limited)	2,170	2,575
ICICI Prudential Life Insurance Company Limited	35,955	27,228
ICICI Home Finance Limited	83,720	77,128
ICICI Securities Limited (Formally ICICI Brokerage Services Limited)	2,178	2,150
Prudential ICICI Asset Management Company Limited	1,717	2,644

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, 2007, the revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue accounts'), the profit and loss account and the receipts and payments account, for the year 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 auditing standards 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 accounts, 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 accounts, profit and loss account and the 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) at March 31, 2007 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, 2007 and taken on record by the Board of Directors, no director of the Company is disqualified as on March 31, 2007 from being appointed as Director 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 accounts, the profit and loss account and the receipts and payment 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, revenue accounts, 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 the balance sheet, of the state of affairs of the Company as at March 31, 2007;
 - in the case of revenue accounts, of the surplus or the deficit as the case may be, 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, 2007 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 registration as stipulated by the IRDA.

For LODHA & CO.
Chartered Accountants

R. P. BARADIYA
Partner
Membership Number: 44101
Mumbai, April 21, 2007

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 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, 2007, we certify that:

- At year end no cash balance has been maintained by the Company. As regards the securities relating to the Company's investments, the same have been verified with the dematerialized statement/confirmation 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 many not be suitable for any other purpose.

For LODHA & CO.
Chartered Accountants

R. P. BARADIYA
Partner
Membership Number: 44101
Mumbai, April 21, 2007

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

balance sheet

profit and loss account



as at March 31, 2007

for the year ended March 31, 2007

Registration No. 115 dated August 03, 2001

Registration No. 115 dated August 03, 2001

Schedule	(Rs. in 000's)	March 31, 2006	Schedule	(Rs. in 000's)	March 31, 2006
SOURCES OF FUNDS			1. Operating profit/(loss)		
Share capital	5	3,357,075	(a) Fire Insurance	738,455	481,338
Reserves and Surplus	6	4,569,960	(b) Marine Insurance	(120,373)	(120,393)
Share application money- pending allotment (refer note 5.1.15)		1,500,000	(c) Miscellaneous Insurance	(388,930)	(180,590)
Fair value change account		(124,133)	438,596		
Borrowings	7	—			
Total		9,302,902	2. Income from investments		
		4,167,797	(a) Interest/Dividend - Gross	391,836	146,817
APPLICATION OF FUNDS			(b) Profit on sale/redemption of investments	193,273	225,564
Investments	8	17,104,685	Less : loss on sale/redemption of investments	(9,772)	(3,982)
Loans	9	—			
Fixed assets	10	869,355	472,987		
Deferred Tax Asset (Refer note 5.2.9)		123,150	56,050		
Current assets					
Cash and Bank Balances	11	3,478,998	1,077,919		
Advances and Other Assets	12	7,964,165	5,719,302		
Sub-Total (A)		11,443,163	6,797,221		
Current liabilities	13	12,470,072	8,309,360		
Provisions	14	7,767,379	3,913,710		
Sub-Total (B)		20,237,451	12,223,070		
Net current assets (C) = (A - B)		(8,794,288)	(5,425,849)		
Miscellaneous expenditure (to the extent not written off or adjusted)	15	—	—		
Debit balance in profit and loss account		—	—		
Total		9,302,902	4,167,797		
Significant accounting policies and notes to accounts	16				
The schedules referred to above form an integral part of the balance sheet.			3. Other income		
			(a) Interest income on tax refund	1,976	—
			Total (A)	806,465	548,754
			4. Provisions (Other than taxation)		
			(a) For diminution in the value of investments	—	—
			(b) For doubtful debts	—	—
			(c) Others	—	—
			5. Other expenses		
			(a) Expenses other than those related to Insurance Business		
			(i) Employees' remunerations and welfare benefits	4,828	2,970
			(ii) Directors' fees	400	420
			(b) Bad debts written off	—	—
			(c) Loss on sale of fixed assets (net)	26	96
			Total (B)	5,254	3,486
			Profit Before Tax	801,211	545,268
			Provision for Taxation:		
			(a) Current tax	127,700	36,000
			(b) Deferred tax	(67,100)	(21,800)
			(c) Fringe benefit tax	57,000	28,000
			Profit After Tax	683,611	503,068
			Appropriations		
			(a) Interim dividends paid during the year	438,365	232,500
			(b) Proposed final dividend	—	—
			(c) Dividend distribution tax	61,481	32,608
			(d) Transfer to general reserves	34,178	—
			Balance of Profit brought forward from last year	532,001	294,041
			Balance carried forward to Balance Sheet	681,588	532,001
			Basic earnings per share of Rs. 10 face value (refer note 5.2.8)	Rs. 2.35	Rs. 2.28
			Diluted earnings per share of Rs. 10 face value (refer note 5.2.8)	Rs. 2.15	Rs. 2.27
			Significant accounting policies & notes to accounts	16	

The schedule refer to above form an integral part of profit & loss account.

As per attached report of even date

For LODHA & CO.
Chartered Accountants

R. P. BARADIYA
Partner
Membership Number: 44101

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For and on behalf of the Board

K.V. KAMATH
Chairman

S. MUKHERJI
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAJESH SAXENA
Company Secretary

KALPANA MORPARIA
Director

V. VAIDYANATHAN
Director

RAKESH JAIN
Head Finance & Accounts

Mumbai, April 21, 2007

revenue accounts

for the year ended March 31, 2007

Registration No. 115 dated August 03, 2001

(Rs. in 000's)

Particulars	Schedule	Fire		Marine		Miscellaneous		Total	
		2006-07	<i>2005-06</i>	2006-07	<i>2005-06</i>	2006-07	<i>2005-06</i>	2006-07	<i>2005-06</i>
1. Premiums earned (net)	1	698,236	<i>348,006</i>	122,366	<i>116,376</i>	9,845,858	<i>4,812,408</i>	10,666,460	<i>5,276,790</i>
2. Profit on sale/redemption of investments		15,977	<i>36,457</i>	3,381	<i>12,369</i>	243,900	<i>270,056</i>	263,258	<i>318,882</i>
Less : Loss on sale/redemption of investments		(808)	<i>(644)</i>	(171)	<i>(218)</i>	(12,332)	<i>(4,768)</i>	(13,311)	<i>(5,630)</i>
3. Others – Foreign exchange gain/(loss)		—	<i>—</i>	—	<i>—</i>	(4)	<i>726</i>	(4)	<i>726</i>
4. Interest & Dividend on Investment - Gross		32,392	<i>23,729</i>	6,854	<i>8,051</i>	494,474	<i>175,777</i>	533,720	<i>207,557</i>
Total (A)		745,797	<i>407,548</i>	132,430	<i>136,578</i>	10,571,896	<i>5,254,199</i>	11,450,123	<i>5,798,325</i>
1. Claims Incurred (net)	2	247,356	<i>170,146</i>	115,589	<i>201,876</i>	7,775,449	<i>3,520,475</i>	81,38,394	<i>3,892,497</i>
2. Commission (net)	3	(933,864)	<i>(834,278)</i>	(119,264)	<i>(105,536)</i>	(851,623)	<i>(317,450)</i>	(1,904,751)	<i>(1,257,264)</i>
3. Operating Expenses related to Insurance Business	4	693,850	<i>590,342</i>	256,478	<i>160,631</i>	4,037,000	<i>2,231,764</i>	4,987,328	<i>2,982,737</i>
4. Premium Deficiency		—	<i>—</i>	—	<i>—</i>	—	<i>—</i>	—	<i>—</i>
Total (B)		7,342	<i>(73,790)</i>	252,803	<i>256,971</i>	10,960,826	<i>5,434,789</i>	11,220,971	<i>5,617,970</i>
Operating Profit/(Loss) C = (A - B)		738,455	<i>481,338</i>	(120,373)	<i>(120,393)</i>	(388,930)	<i>(180,590)</i>	229,152	<i>180,355</i>
APPROPRIATIONS									
Transfer to Shareholders' Account		738,455	<i>481,338</i>	(120,373)	<i>(120,393)</i>	(388,930)	<i>(180,590)</i>	229,152	<i>180,355</i>
Transfer to Catastrophe Reserve		—	<i>—</i>	—	<i>—</i>	—	<i>—</i>	—	<i>—</i>
Transfer to Other Reserves		—	<i>—</i>	—	<i>—</i>	—	<i>—</i>	—	<i>—</i>
Total (C)		738,455	<i>481,338</i>	(120,373)	<i>(120,393)</i>	(388,930)	<i>(180,590)</i>	229,152	<i>180,355</i>

Significant accounting policies and notes to accounts

16

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 accounts, 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 LODHA & CO.
Chartered Accountants

R. P. BARADIYA
Partner
Membership Number: 44101

For N. M. RAJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For and on behalf of the Board

K.V. KAMATH
Chairman

S. MUKHERJI
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAJESH SAXENA
Company Secretary

KALPANA MORPARIA
Director

V. VAIDYANATHAN
Director

RAKESH JAIN
Head Finance & Accounts

Mumbai, April 21, 2007

schedules



forming part of the financial statements

(Rs. in 000's)

Particulars	Fire		Marine			Miscellaneous								Total
	Marine-Cargo	Marine-Others	Marine-Total	Motor	Workmen Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous		
2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07
Premium from direct business written-net of service tax	3,938,319	562,199	990,160	11,425,481	82,652	82,121	1,735,206	320,690	1,133,667	6,649,724	2,970,455	24,399,996	29,890,674	
Add: Premium on reinsurance accepted	92,142	125	125	7,868	—	—	40,232	—	3,438	—	—	51,538	143,805	
Less: Premium on reinsurance ceded	3,379,209	432,443	957,750	3,777,326	16,754	63,044	1,440,237	326,541	945,372	2,395,961	1,792,127	10,757,362	15,526,764	
Net premium	651,252	129,881	32,410	7,656,023	65,898	19,077	335,201	(5,851)	191,733	4,253,763	1,178,328	13,694,172	14,507,715	
Adjustment for change in reserve for unexpired risks	(46,984)	29,542	10,383	2,145,511	12,300	24,038	58,429	(6,501)	8,365	1,194,505	411,667	3,848,314	3,841,255	
Total premium earned (Net)	698,236	100,339	22,027	5,510,512	53,598	(4,961)	276,772	650	183,368	3,059,258	766,661	9,845,858	10,666,460	

(Rs. in 000's)

Particulars	Fire		Marine			Miscellaneous									Total	
	Marine-Cargo	Marine-Others	Marine-Total	Motor	Workmen Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous	Total			
2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06		
Premium from direct business written-net of service tax	3,084,709	421,359	435,714	4,544,437	42,524	176,314	854,474	165,983	754,028	2,246,455	3,102,583	11,886,798	15,828,580			
Add: Premium on reinsurance accepted	33,996	—	—	43,577	—	—	5,358	—	8,447	—	—	57,382	91,378			
Less: Premium on reinsurance ceded	2,762,004	351,795	425,656	965,784	9,037	195,437	694,218	166,239	504,691	449,291	2,057,085	5,041,782	8,581,237			
Net premium	356,701	69,564	10,058	3,622,230	33,487	(19,123)	165,614	(256)	257,784	1,797,164	1,045,498	6,902,398	7,338,721			
Adjustment for change in reserve for unexpired risks	8,695	(34,013)	(36,754)	1,396,947	660	(17,664)	(1,101)	5,697	34,868	409,909	260,674	2,089,990	2,061,931			
Total premium earned (Net)	348,006	103,577	12,799	2,225,283	32,827	(1,459)	166,715	(5,953)	222,916	1,387,255	764,824	4,812,408	5,276,790			

schedules

forming part of the financial statements

Continued

SCHEDULE - 2
CLAIMS INCURRED (NET)

(Rs. in 000's)

Particulars	Fire		Marine			Miscellaneous									Total	
	Marine- Cargo	Marine- Others	Marine- Total	Motor	Workmen Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous	Total			
2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07			
Claims paid – Direct	1,653,376	527,851	454,610	982,461	3,053,739	8,337	190	429,969	50,842	783,865	3,975,522	727,643	9,030,107	11,665,944		
Add: Re-insurance accepted	13,929	—	—	10,368	—	—	—	—	—	6,555	—	—	16,923	30,852		
Less: Re-insurance Ceded	1,522,798	407,297	443,763	851,060	947,300	1,667	154	371,301	48,992	587,016	794,737	388,851	3,140,018	5,513,876		
Net Claims paid	144,507	120,554	10,847	131,401	2,116,807	6,670	36	58,668	1,850	203,404	3,180,785	338,792	5,907,012	6,182,920		
Add: Claims Outstanding at the end of the year	170,786	75,663	21,938	97,601	1,797,721	276	1,066	119,317	2,719	172,197	657,381	181,205	2,931,882	3,200,269		
Less: Claims Outstanding at the beginning of the year	67,937	88,654	24,759	113,413	568,269	1,564	386	45,253	534	134,743	206,826	105,870	1,063,445	1,244,795		
Total claims incurred	247,356	107,563	8,026	115,589	3,346,259	5,382	716	132,732	4,035	240,858	3,631,340	414,127	7,775,449	8,138,394		

(Rs. in 000's)

Particulars	Fire		Marine		Miscellaneous										Total	
	Marine-Cargo	Marine-Others	Marine-Total	Motor	Workmen Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	Total			
Claims paid – Direct Add: Re-insurance accepted Less: Re-insurance Ceded	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06			
	2,594,180	590,288	662,643	1,163,278	6,102	1,963	392,609	5,547	659,572	1,714,183	483,157	4,426,411	7,683,234			
	98	—	—	11,134	—	—	—	—	10,253	—	—	21,387	21,485			
	2,446,836	423,128	492,109	278,789	1,221	1,796	315,711	5,344	467,251	341,982	219,044	1,631,138	4,570,083			
Net Claims paid	147,442	167,160	170,534	895,623	4,881	167	76,898	203	202,574	1,372,201	264,113	2,816,660	3,134,636			
Add: Claims Outstanding at the end of the year	67,937	88,654	113,413	568,269	1,564	386	45,253	534	134,743	206,826	105,870	1,063,445	1,244,795			
Less: Claims Outstanding at the beginning of the year	45,233	69,551	82,071	145,363	925	1,214	61,532	208	31,759	67,593	51,036	359,630	486,934			
Total claims incurred	170,146	186,263	201,976	1,318,529	5,520	(661)	60,619	529	305,558	1,511,434	318,947	3,520,475	3,892,497			

(Rs. in 000's)

Particulars	Fire		Marine		Miscellaneous									Total	
	2006-07	2006-07	Marine-Cargo	Marine-Others	Marine-Total	Motor	Workmen Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	2006-07
Commission paid-Direct	153,467		53,591	27,883	81,474	1,032,260	6,590	7,883	76,102	1,653	58,725	603,585	334,146	2,120,944	2,355,885
Add: Commission on Re-Insurance Accepted	9,814		16	—	16	2,360	—	—	3,781	—	371	—	—	6,512	16,342
Less: Commission on Re-Insurance Ceded	1,097,145		104,227	96,527	200,754	952,006	3,305	9,264	349,489	11,007	234,172	992,629	427,207	2,979,079	4,276,978
Net Commission	(933,864)		(50,620)	(68,644)	(119,264)	82,614	3,285	(1,381)	(269,606)	(9,354)	(175,076)	(389,044)	(93,061)	(851,623)	(1,904,751)

(Rs. in 000's)

Particulars	Fire		Marine		Miscellaneous								Total		
	2005-06	2005-06	Marine-Cargo	Marine- Others	Marine- Total	Motor	Workmen Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	2005-06
Commission paid- Direct	105,534		36,979	13,990	50,969	373,090	2,904	6,716	44,468	2,013	72,321	177,635	323,385	1,002,532	1,159,035
Add: Commission on Re-Insurance Accepted	2,234		—	—	—	13,073	—	—	335	—	1,056	—	—	14,464	16,698
Less: Commission on Re-Insurance Ceded	942,046		90,424	66,081	156,505	181,777	1,701	30,665	203,374	9,712	129,183	112,323	685,711	1,334,446	2,432,997
Net Commission	(834,278)		(53,445)	(52,091)	(105,536)	204,386	1,203	(23,949)	(158,571)	(7,699)	(55,806)	65,312	(342,326)	(317,450)	(1,257,264)

(Rs. in 000's)

SCHEDULE - 3 A COMMISSION PAID - DIRECT		2006-07	2005-06
Particulars			
Agents	263,164	212,127	
Brokers	389,991	290,674	
Corporate Agency	613,012	58,144	
Referrals	1,089,718	598,090	
Total (B)	2,355,885	1,159,035	

SCHEDULE - 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs. in 000's)

Particulars	Fire		Marine		Miscellaneous									Total	
	Marine-Cargo	Marine-Others	Marine-Total	Motor	Workmen Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous	Total		
	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07	2006-07		
Employees' remuneration & welfare benefits	44,821	78,940	123,761	910,896	6,589	6,547	138,339	25,567	90,382	530,149	236,819	1,945,288	2,383,031		
Travel, conveyance and vehicle running expenses	5,125	9,026	14,151	104,153	753	749	15,818	2,923	10,334	60,618	27,078	222,426	272,478		
Training expenses	796	1,403	2,199	16,184	117	116	2,458	454	1,606	9,419	4,208	34,562	42,340		
Rents, rates & taxes	13,242	23,322	36,564	269,116	1,947	1,934	40,871	7,554	26,702	156,628	69,966	574,718	704,045		
Repairs & Maintenance	2,495	4,395	6,890	50,712	367	364	7,702	1,423	5,032	29,515	13,184	108,299	132,669		
Printing & stationery	2,239	3,944	6,183	45,508	329	327	6,911	1,277	4,515	26,486	11,831	97,184	119,053		
Communication	431,76	17,018	10,855	125,259	906	900	19,023	3,516	12,429	72,902	32,565	267,500	327,694		
Legal & professional charges	92,617	12,432	19,491	149,127	1,038	1,031	21,786	4,026	14,234	83,491	37,296	312,029	424,137		
Auditors' fees, expenses etc															
(a) as auditor	264	66	104	764	6	5	116	21	76	445	199	1,632	2,000		
(b) as adviser or in any other capacity, in respect of															
(i) Taxation matters	25	7	11	76	1	1	12	2	8	44	20	164	200		
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—	—	—	—		
(iii) Management services; and	59	15	23	172	1	2	26	5	17	100	45	368	450		
(c) in any other capacity	7,712	—	3,040	22,373	162	161	3,398	628	2,220	13,021	5,817	47,780	58,532		
Advertisement and publicity	5,562	1,499	2,350	17,297	125	124	2,627	485	1,716	10,067	4,497	36,938	45,250		
Interest & Bank Charges															
Others															
(a) Miscellaneous expenses	6,379	911	2,515	18,506	134	133	2,811	519	1,836	10,771	4,811	39,521	48,415		
(b) Business & Sales Promotion	36,632	9,210	14,439	106,274	769	764	16,140	2,983	10,545	61,852	27,630	226,957	278,028		
Depreciation	19,633	4,936	7,739	56,956	412	409	8,650	1,599	5,651	33,149	14,808	121,634	149,006		
Service tax on premium account	—	—	—	—	—	—	—	—	—	—	—	—	—		
Total	693,850	92,885	163,593	1,893,373	13,656	13,567	286,688	52,982	187,303	1,098,657	490,774	4,037,000	4,987,328		

(Rs. in 000's)

Particulars	Fire		Marine		Miscellaneous									Total	
	Marine-Cargo	Marine-Total	Marine-Total	Motor	Workmen Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Miscellaneous	Total		
	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06		
Employees' remuneration & welfare benefits Travel, conveyance and vehicle running expenses Training expenses Rents, rates & taxes Repairs & Maintenance Printing & stationery Communication Legal & professional charges Auditors' fees, expenses etc (a) as auditor (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 Interest & Bank Charges Others (a) Miscellaneous expenses (b) Business & Sales Promotion Depreciation Service tax on premium account	233,980	31,962	33,050	65,012	344,702	3,226	13,374	64,813	12,590	57,194	170,397	235,336	901,632	1,200,624	
	30,130	4,116	4,256	8,372	44,387	415	1,722	8,346	1,621	7,365	21,942	30,304	116,102	154,604	
	1,899	247	255	502	2,665	25	103	501	97	442	1,317	1,819	6,969	9,280	
	117,124	15,999	16,544	32,543	172,549	1,615	6,695	32,444	6,302	28,630	85,236	117,803	451,334	601,001	
	12,412	1,695	1,753	3,448	18,286	171	709	3,438	668	3,034	9,039	12,484	47,829	63,689	
	12,844	1,754	1,814	3,568	18,921	177	734	3,558	691	3,140	9,353	12,918	49,492	65,904	
	31,076	4,245	4,390	8,635	45,782	428	1,776	8,608	1,672	7,586	22,632	31,256	119,750	159,461	
	92,219	10,580	10,940	21,520	118,123	1,068	4,427	21,454	4,168	18,932	56,404	77,900	302,476	416,215	
	312	43	44	87	459	4	18	86	17	76	227	314	1,201	1,600	
	29	4	4	8	43	—	2	8	2	7	21	29	112	149	
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	55	7	8	15	80	1	3	15	3	13	40	55	210	280	
	10,078	1,377	1,424	2,801	14,847	139	576	2,792	542	2,464	7,340	10,137	38,837	51,716	
	3,695	505	522	1,027	5,444	51	211	1,024	199	903	2,691	3,716	14,239	18,961	
	2,004	621	642	1,263	6,698	63	260	1,259	245	1,111	3,311	4,573	17,520	20,787	
	24,332	3,324	3,437	6,761	35,846	335	1,391	6,740	1,309	5,948	17,720	24,473	93,762	124,855	
	18,243	2,492	2,577	5,069	26,876	251	1,043	5,053	982	4,459	13,266	18,349	70,299	93,611	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total	590,342	78,971	81,660	160,631	855,708	7,969	33,044	160,139	31,108	141,314	421,016	581,466	2,231,764	2,982,737	

schedules



forming part of the financial statements

Continued

SCHEDULE – 5 SHARE CAPITAL

Particulars	(Rs. in 000's)	
	As at March 31, 2007	As at March 31, 2006
Authorised Capital		
450,000,000 (previous year: 260,000,000) Equity Shares of Rs. 10 each	4,500,000	2,600,000
Issued Capital		
335,707,532 (previous year: 245,000,000) Equity Shares of Rs. 10 each	3,357,075	2,450,000
Subscribed Capital		
335,707,532 (previous year: 245,000,000) Equity Shares of Rs. 10 each	3,357,075	2,450,000
Called up Capital		
335,707,532 (previous year: 245,000,000) Equity Shares of Rs. 10 each	3,357,075	2,450,000
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	3,357,075	2,450,000

Note:

Of the above, 247,900,000 shares are held by the holding company, ICICI Bank Limited (previous year : 181,300,000 shares were held by the holding company, ICICI Bank Limited and its nominees)

SCHEDULE – 5A

SHARE CAPITAL

Pattern of shareholding

[As certified by the management]

Shareholder	As at March 31, 2007		As at March 31, 2006	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	247,900,000	73.84%	181,300,000	74.00%
- Foreign	87,100,000	25.95%	63,700,000	26.00%
Others - Employees	707,532	0.21%	—	—
Total	335,707,532	100.00%	245,000,000	100.00%

SCHEDULE – 6

RESERVES AND SURPLUS

Particulars	(Rs. in 000's)	
	As at March 31, 2007	As at March 31, 2006
1. Capital Reserve	—	—
2. Capital Redemption Reserve	—	—
3. Share Premium (refer note - 4.14)		
Opening balance	747,200	—
Additions during the year	3,117,688	750,000
Deductions during the year - share issue expenses	10,694	2,800
Closing balance	3,854,194	747,200
4. General Reserves		
Opening balance	—	—
Additions during the year	34,178	—
Deductions during the year	—	—
Closing balance	34,178	—
Less: Debit balance in Profit and Loss Account	—	—
Less: Amount utilised for Buy-back	—	—
5. Catastrophe Reserve	—	—
6. Other Reserves	—	—
7. Balance of Profit in Profit and Loss Account	681,588	532,001
Total	4,569,960	1,279,201

SCHEDULE – 7

BORROWINGS

Particulars	(Rs. in 000's)	
	As at March 31, 2007	As at March 31, 2006
Debentures/ Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	—	—

SCHEDULE – 8

INVESTMENTS

Particulars	(Rs. in 000's)	
	As at March 31, 2007	As at March 31, 2006
Long term investments		
Government securities and Government guaranteed bonds including Treasury Bills (note 3 below)	5,418,476	2,475,115
Other Approved Securities	—	—
Other Investments		
(a) Shares		
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/ Bonds (note 4 below)	2,471,515	846,709
(e) Other Securities	—	—
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	2,608,816	802,191
Other than Approved Investments	125,628	33,255
Short term investments		
Government securities and Government guaranteed bonds including Treasury Bills	798,930	1,372,283
Other Approved Securities	—	—
Other Investments		
(a) Shares		
(aa) Equity	2,034,364	1,948,080
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/ Bonds	1,641,137	690,332
(e) Other Securities	—	—
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	1,491,209	502,764
Other than Approved Investments	514,610	393,880
Total investments	17,104,685	9,064,609

- Notes:**
- Aggregate book value of investments (other than listed equities) is Rs. 14,741,211 thousand (previous year: Rs. 7,026,236 thousand).
 - Aggregate market value of investments (other than listed equities) is Rs. 14,484,711 thousand (previous year: Rs. 7,053,815 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).
 - Includes investment at cost in ICICI Bank Limited, the holding company of Rs. 99,900 thousand (previous year : Rs. NIL).

SCHEDULE – 9

LOANS

Particulars	(Rs. in 000's)	
	As at March 31, 2007	As at March 31, 2006
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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forming part of the financial statements

Continued

SCHEDULE – 10

FIXED ASSETS

(Rs. in 000's)

Particulars	Cost/ Gross Block				Depreciation				Net Block	
	April 1, 2006	Additions	Deductions	March 31, 2007	April 1, 2006	For the year ended	On Sales/ Adjust- ments	March 31, 2007	March 31, 2007	March 31, 2006
Goodwill	—	—	—	—	—	—	—	—	—	—
Intangibles – Computer Software	153,385	118,890	—	272,275	60,411	46,425	—	106,836	165,439	92,974
Land – Freehold	—	—	—	—	—	—	—	—	—	—
Leasehold Property	—	—	—	—	—	—	—	—	—	—
Buildings	4,271	—	—	4,271	239	70	—	309	3,962	4,032
Furniture & Fittings	203,956	150,129	27	354,058	30,351	26,107	18	56,440	297,618	173,605
Information Technology Equipment	206,470	148,921	70	355,321	81,450	68,930	22	150,358	204,963	125,020
Vehicles	2,158	874	—	3,032	409	244	—	653	2,379	1,749
Office Equipment	79,630	86,099	66	165,663	12,616	7,230	22	19,824	145,839	67,014
Others	—	—	—	—	—	—	—	—	—	—
Total	649,870	504,913	163	1,154,620	185,476	149,006	62	334,420	820,200	464,394
Work in Progress	—	—	—	—	—	—	—	—	49,155	8,593
Grand Total	649,870	504,913	163	1,154,620	185,476	149,006	62	334,420	869,355	472,987
previous year	422,042	231,056	3,228	649,870	92,974	93,611	1,109	185,476	472,987	—

SCHEDULE – 11

CASH AND BANK BALANCES

Particulars	As at March 31, 2007	(Rs. in 000's) As at March 31, 2006
Cash (including cheques, drafts and stamps)	659,445	331,931
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	2,385,218	539,194
(bb) Others	—	—
(b) Current Accounts	434,335	206,794
(c) Others	—	—
Money at Call and Short Notice		
(a) With Banks	—	—
(b) With other institutions	—	—
Others	—	—
Total	3,478,998	1,077,919

SCHEDULE – 12

ADVANCES AND OTHER ASSETS

Particulars	As at March 31, 2007	(Rs. in 000's) As at March 31, 2006
Advances		
Reserve deposits with ceding companies	—	23,043
Application money for investments	14,626	—
Prepayments	116,648	24,590
Advances to Directors / Officers	—	—
Advance tax paid and taxes deducted at source (net of provisions for tax)	41,907	44,781
Others		
– Sundry Deposits	131,285	87,472
– Advance to Employees	—	948
	131,285	88,420
Total (A)	304,466	180,834
Other assets		
Income accrued on investments/deposits	422,694	170,425
Outstanding Premiums	5,784	14,267
Agents' Balances	—	—
Foreign Agencies' Balances	—	—
Due from other Entities carrying on Insurance business (net) (including reinsurers)	6,892,847	5,088,465
Due from subsidiaries/ holding	—	—
Deposit with Reserve Bank of India	—	—
[Pursuant to section 7 of Insurance Act, 1938]		
Others		
– Inter Corporate Deposits	40,000	60,000
– Deposit with IRDA	—	231
– Service Tax unutilised credit	298,374	—
– Service Tax paid in advance	—	67,201
– Other receivables	—	137,879
	338,374	265,311
Total (B)	7,659,699	5,538,468
Total (A+B)	7,964,165	5,719,302

SCHEDULE – 13

CURRENT LIABILITIES

Particulars	As at March 31, 2007	(Rs. in 000's) As at March 31, 2006
Agents' Balances	—	—
Balances due to other insurance companies (net)	45,813	163,284
Deposits held on re-insurance ceded	—	63,579
Premiums received in advance	1,043,131	1,210,455
Unallocated Premium	592,391	609,032
Sundry Creditors	1,110,413	856,337
Due to holding company	143,182	174,701
Claims Outstanding	8,640,180	4,885,982
Due to Officers/ Directors	—	—
Others-		
a. Statutory Dues	109,687	86,605
b. Salary Payable	1,028	222
c. Collections –		
Environment Relief Fund	39,291	27,787
d. Book Overdraft	744,956	231,338
e. Service Tax Liability	—	—
f. Miscellaneous	—	38
	894,962	345,990
Total	12,470,072	8,309,360

SCHEDULE – 14

Provisions

Particulars	As at March 31, 2007	(Rs. in 000's) As at March 31, 2006
Reserve for unexpired risk	7,731,815	3,890,560
Reserve for premium deficiency	—	—
For taxation (less advance tax paid and taxes deducted at source)	—	—
For proposed dividends	—	—
For dividend distribution tax	23,533	17,181
Others		
(a) Gratuity	12,031	5,969
	12,031	5,969
Total	7,767,379	3,913,710

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

Particulars	As at March 31, 2007	(Rs. in 000's) As at March 31, 2006
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, 2007

1 Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000. 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 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 of the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised 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 recognised 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 recognised over the remaining period of risk or contract period.

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

Income from reinsurance business

Commission on reinsurance business is recognised as income in the year of ceding the risk.

Profit commission under reinsurance treaties, wherever applicable, is recognised 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 recognised on an accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a straight-line basis.

Dividend income is recognised 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 recognised 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 recognised in the fair value change account under the equity in respect of the security on the trade date.

Sale consideration for the purpose of realised 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 year, where the risk commences subsequent to the balance sheet date.

4.3 Reinsurance premium

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

4.4 Reserve for unexpired risk

Reserve for unexpired risk is recognised 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 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 year end, 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 recognised 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 in the respective revenue accounts, 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 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. IBNR/ER liabilities are based on an actuarial estimate duly certified by the Appointed Actuary of the Company. The assumption used by the Appointed Actuary are disclosed in note 5.2.4.

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 year in which they are incurred.

4.7 Premium deficiency

Premium deficiency is recognised 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

All debt securities including government securities 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

Listed equity 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 The Stock Exchange, Mumbai.

Mutual fund units

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

In accordance with the Regulations, unrealised 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 realisation.

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 amortised over the vesting period of the options.

4.10 Fixed assets and Intangibles

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 set out below where depreciation is provided at a rate higher than those prescribed under Schedule XIV to the Companies Act, 1956.

Depreciation on information technology equipment is provided @ 25 percent.

Intangibles

Intangible assets comprising computer software are stated at cost less amortisation. Computer software including improvements are amortised 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/amortised 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 recognised 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 effect.

4.11 Retirement 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 year end and is recognised 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 current assets and liabilities, are translated at the rates prevalent at the date of the balance sheet. The resultant gains/ losses are recognised 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 estimated 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 Contingencies

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

Particulars	(Rs. in 000's)	
	As at March 31, 2007	As at March 31, 2006
Partly-paid up investments	15,600	NIL
Claims, other than those under policies, not acknowledged as debts	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)	62,700	NIL
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 for the Assessment Year 2002-03 & 2004-05. The matter is subjudice and pending with Commissioner of Income Tax (Appeals).

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

5.1.3 Estimated amount of commitments pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is Rs. 36,830 thousand (previous year Rs. 31,382 thousand).

5.1.4 Commitment in respect of loans and investments is Rs. 50,000 thousand (previous year Rs. NIL).

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, 2007	For the year ended March 31, 2006
In India	6,182,920	3,134,636
Outside India	NIL	NIL

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, 2007	As at March 31, 2006
More than six months	2,896,628	1,157,147
Others	5,743,552	3,728,835

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

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, 2007	For the year ended, March 31, 2006
In India	14,498,576	7,337,734
Outside India	9,139	987

5.1.7 The Company has recognised 0.8 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, 2007				For the year ended March 31, 2006			
	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	2,055,033	454,098	—	6.84	1,311,903	223,582	—	8.24
Social	3,165	6	142,762	0.01	2,437	11	171,302	0.02
Urban	27,976,281	2,682,374	—	93.15	14,605,618	1,237,446	—	91.74
Total	30,034,479	3,136,478	142,762	100.00	15,919,958	1,461,039	171,302	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, 2007		As at March 31, 2006	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	18%	82%	13%	87%
Marine – Cargo	Value at risk	25%	75%	19%	81%
Marine – Hull	Value at risk	4%	96%	3%	97%
Miscellaneous – Engineering	Total sum insured	21%	79%	21%	79%
– Motor	Total sum insured	67%	33%	80%	20%
– Workmen Compensation	Value at risk	80%	20%	80%	20%
– Public Liability	Value at risk	40%	60%	(11%)	111%
– Personal Accident	Value at risk	18%	82%	36%	64%
– Health	Value at risk	64%	36%	80%	20%
– Others	Value at risk	37%	63%	34%	66%

5.1.10 In accordance with regulatory guidelines, there is no premium deficiency on an overall basis in the miscellaneous segment, although there is a premium deficiency of Rs. 306,000 thousand (previous year: Rs. 70,000 thousand) under the health sub segment and Rs. 35,000 thousand (previous year: Rs. 45,000 thousand) under the personal accident sub segment within the miscellaneous segment.

5.1.11 Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending Rs. 4,779 thousand (previous year Rs. 61,256 thousand); 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. 2,673,107 thousand (previous year Rs. 1,903,366 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 property as at March 31, 2007 (previous year: Rs. NIL).

5.1.12 Employee Benefit Plans

The Company has adopted (early compliance) of the revised AS-15 on "Employee Benefits" w.e.f. April 1, 2006. The opening transitional credit worked out in accordance with the revised Standard being insignificant, has not been credited to the revenue reserves. The status of the gratuity plan as required under AS-15 is set out in the following table :

(Rs. in 000's)

Reconciliation of Benefit Obligations and Plan Assets	
	For the year ended March 31, 2007
Change in Defined Benefit Obligation	
Opening Defined Benefit Obligation	21,188
Current Service Cost	11,793
Interest Cost	1,571
Actuarial Losses / (Gain)	1,217
Benefits Paid	(290)
Closing Defined Benefit Obligation	35,479

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Change in the Fair Value of Assets

Opening Fair Value of Plan Assets	16,313
Expected Return on Plan Assets	1,580
Actuarial Gains / (Losses)	(107)
Contributions by Employer	5,952
Benefits paid	(290)
Closing Fair Value of Plan Assets	23,448

Reconciliation of present Value of the obligation and the Fair value of the plan Assets

Fair Value of plan assets at the end of the period	(23,448)
Present value of the defined obligations at the end of the period	35,479
Liability recognised in the balance sheet	12,031

Investment details of plan assets

100% Insurer Managed Funds	23,448
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Assumptions

Discount Rate	8.0% p.a.
Expected Rate of Return on Plan Assets	7.5% p.a.
Salary Escalation Rate	7.0% p.a.

5.1.13 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 year and at the end of the year.

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.

5.1.14 Details of managerial remuneration paid as per the terms of appointment are as under:

(Rs. in 000's)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Salaries and allowances	13,520	11,197
Contribution to provident and other funds	504	389
Perquisites	1,355	1,434

Expenses towards gratuity are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information. Stock options granted to the Managing Director under ESOS are set out in note 5.1.18

5.1.15 Share Application

As at the close of the year, the Company had received share application money of Rs. 1,500,000 thousand (previous year: Rs. NIL) towards preferential issue of equity, which has since been allotted.

5.1.16 Summary of Financial Statements for the last five years:

(Rs. in 000's)

Particulars	2006-07	2005-06	2004-05	2003-04	2002-03
Gross premium written	30,034,479	15,919,959	8,851,671	4,912,240	2,070,357
Net premium income #	14,507,715	7,338,721	3,208,892	1,298,166	445,286
Income from Investments (net) @	783,667	520,809	237,597	88,374	32,842
Other income	(4)	726	(223)	1,104	1,519
Total income	15,291,378	7,860,256	3,446,266	1,387,644	479,647
Commissions (net of reinsurance commission)	(1,904,751)	(1,257,264)	(892,716)	(1,016,437)	(172,108)
Brokerage	—	—	—	—	—
Operating expenses	4,987,328	2,982,737	1,509,398	894,136	419,490
Claims, increase in Unexpired Risk	—	—	—	—	—
Reserve & other outgoes	11,979,649	5,954,428	2,565,266	1,240,067	302,680
Operating Profit / loss	229,152	180,355	264,318	269,878	(70,415)
Non - Operating Result					
Total income under shareholder's account (net of expenses)	572,059	364,913	274,401	152,560	112,268
Profit / (loss) before tax	801,211	545,268	538,719	422,438	41,853
Provision for tax	117,600	42,200	55,250	104,600	8,873
Profit / (loss) after tax	683,611	503,068	483,469	317,838	32,980
Miscellaneous					
Policy holder's account:					
Total funds	10,933,687	5,135,354	2,405,407	1,242,299	375,130
Total investments	Not applicable as investments are not earmarked				
Yield on Investments					
Shareholder's account:					
Total funds	8,068,030	2,839,993	1,980,292	2,004,793	887,244
Total investments	Not applicable as investments are not earmarked				
Yield on Investments					
Paid up equity capital	3,357,075	2,450,000	2,200,000	2,200,000	1,100,000
Net worth *	9,427,035	3,729,201	2,494,041	2,259,324	1,036,160
Total assets	29,540,353	16,390,867	7,689,222	5,491,484	2,797,007
Yield on total Investments	10%	13%	13%	9%	13%
Earnings per share (Rs.)	2.35	2.28	2.20	1.82	0.30
Book value per share (Rs.)	28.08	15.22	11.34	10.27	9.42
Total dividend	438,365	232,500	220,000	176,120	—
Dividend per share (Rs.)	1.5	1.0	1.0	1.0	—

Net of Reinsurance

@ Net of Losses

* Excluding Fair Value Change Account

5.1.17 Ratio Analysis:

Performance Ratio	Ratios as at March 31, 2007				Ratios as at March 31, 2006			
	Total	Fire	Marine	Misc.	Total	Fire	Marine	Misc.
Gross Premium Growth Rate	89%	29%	81%	105%	80%	10%	4%	130%
Gross Premium to average Shareholders Fund ratio	515%				512%			
Growth rate of Shareholders Funds:	113%				50%			
Net Retention Ratio	48%	16%	10%	56%	46%	11%	9%	58%
Net Commission Ratio	13%	143%	73%	6%	17%	234%	133%	5%
Expense ratio to GWP	17%				19%			
Combined ratio	55%				67%			
Technical ratio	113%				120%			
Underwriting balance ratio	(4%)	99%	(80%)	(8%)	(5%)	121%	(177%)	(8%)
Operating profit ratio	6%				7%			
Liquid asset to liability ratio	32%				21%			
Net earning ratio	5%				7%			
Return on Net worth	9%				13%			
Reinsurance Ratio	52%				54%			

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5.1.18 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	

Performance ESOPs: (2005)

Scheme	Others	Managing Director
Date of grant	April 26, 2005	April 26, 2005
No. of Options granted (in 000's)	3,200	200
Grant Price	Rs. 35	Rs. 35
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	

Performance ESOPs: (2006)

Scheme	Others	Managing Director
Date of grant	April 24, 2006	April 24, 2006
No. of Options granted (in 000's)	3,997	300
Grant Price	Rs. 40	Rs. 40
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. 9.27 to Rs. 15.73 per option. Accordingly, compensation cost for the year ended March 31, 2007 would have been higher by Rs. 39,298 thousand and proforma profit after tax would have been Rs. 657,541 thousand. On proforma basis the Company's basic and diluted earnings per share would have been Rs. 2.26 and Rs. 2.06, respectively. The key assumptions used to estimate the fair value of options are:

Risk-free interest rate	8.14% — 8.17% p.a.
Expected life	4 — 7 years
Expected volatility*	17% — 20% p.a.
Expected dividend yield	1% 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 to employees (other than Managing Director) is given below:

Particulars	As at March 31, 2007	As at March 31, 2006
Outstanding at the beginning of the year	3,830	NIL
Add: Granted during the year	3,997	4,054
Less: Forfeited / lapsed during the year	291	224
Less: Exercised during the year	636	NIL
Outstanding at the end of the year	6,900	3,830
Exercisable at the end of the year	304	NIL

A summary of status of Company's Employee Stock Option Scheme in terms of option granted, forfeited and exercised pertaining to Managing Director is given below:

Particulars	As at March 31, 2007	As at March 31, 2006
Outstanding at the beginning of the year	263	NIL
Add: Granted during the year	300	263
Less: Forfeited during the year	NIL	NIL
Less: Exercised during the year	71	NIL
Outstanding at the end of the year	492	263
Exercisable at the end of the year	NIL	NIL

5.2 Other disclosures

5.2.1 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 quarterly intimation/confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool has been recorded only upto June 30, 2006 (previous year June 30, 2005) 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.

5.2.2 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 towards contribution to the solatium fund.

5.2.3 Environment Relief Fund

An amount of Rs. 39,291 thousand (previous year: Rs. 27,787 thousand) collected towards Environment Relief fund under Public Liability policies has been disclosed under current liabilities and the same is invested in Government Securities.

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

The liability for IBNR including IBNER for the year ending March 31, 2007 has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDA vide circular no. 11/IRDA/ACTL/IBNR/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

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forming part of the financial statements

Continued

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 & Personal Accident lines of business, the Appointed Actuary had arrived at the estimate for IBNR/IBNER based on Bornheutter–Ferguson method. However, this year the Company has shifted from Bornheutter–Ferguson method to Chain Ladder Method for the aforesaid lines of business. Had the Company continued to provide liability for IBNR/IBNER using the earlier method, the transfer to shareholders' account, operating profit and profit before tax would have been higher by Rs. 77,463 thousand and the liability for IBNR/IBNER and claims outstanding would have been lower by Rs. 77,463 thousand.

5.2.5 Leases

In respect of premises taken on operating lease, the lease agreements are generally mutually renewable/cancellable 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, 2007	As at March 31, 2006
a. not later than one year	609	NIL
b. later than one year and not later than five year	2,437	NIL
c. later than five years	NIL	NIL

An amount of Rs. 120 thousand (previous year: Rs. NIL) towards lease payments has been recognised in the statement of revenue account.

5.2.6 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 5.1.13 above.

Segmental Assets & Liabilities

		(Rs. in '000s)			
Segment	Year	Current Liabilities			Current Assets
		Claims Outstanding	Unallocated Premium	Advance Premium	Outstanding Premium
Fire	2006-07	2,408,215	—	—	—
	2005-06	1,886,759	—	—	12,868
Engineering	2006-07	699,547	—	—	4,776
	2005-06	361,066	—	—	—
Marine Cargo	2006-07	316,771	—	—	—
	2005-06	194,787	—	—	1,326
Marine Hull	2006-07	746,474	—	—	1,008
	2005-06	1,037,381	—	—	59
Motor	2006-07	2,304,589	—	—	—
	2005-06	680,559	—	—	1
Workmen Compensation	2006-07	1,056	—	—	—
	2005-06	1,613	—	—	—
Public/Product Liability	2006-07	8,987	—	—	—
	2005-06	465	—	—	—
Personal Accident	2006-07	421,865	—	—	—
	2005-06	208,258	—	—	—
Aviation	2006-07	48,701	—	—	—
	2005-06	47,807	—	—	—
Health	2006-07	809,529	—	—	—
	2005-06	238,120	—	—	8
Others	2006-07	874,446	—	—	—
	2005-06	229,167	—	—	5
Total Amount	2006-07	8,640,180	—	—	5,784
	2005-06	4,885,982	—	—	14,267

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.

5.2.7 Related party

Related parties, nature of relationship and description of transactions.

Name of the related party	Nature of relationship
ICICI Bank Ltd.	Holding Company
ICICI Venture Funds Management Company Ltd.	Fellow Subsidiary
ICICI Securities Primary Dealership Ltd. (Formally ICICI Securities Ltd.)	Fellow Subsidiary
ICICI Prudential Life Insurance Company Ltd.	Fellow Subsidiary
ICICI Home Finance Company Ltd.	Fellow Subsidiary
ICICI Securities Ltd. (Formally ICICI Brokerage Services Ltd.)	Fellow Subsidiary
Prudential ICICI Asset Management Company Ltd.	Fellow Subsidiary
ICICI Bank U K Ltd.	Fellow Subsidiary
Key Management Personnel (with whom transactions have taken place)	K.V. Kamath, Chairman Sandeep Bakhshi, Managing Director & CEO

Details of transactions with related parties for the year ended March 31, 2007 are given below:

(Rs. in 000's)						
Particulars	With Holding company	With ICICI Home Finance Co Ltd (Fellow subsidiary)	With ICICI Securities Primary Dealership Ltd. (Formally ICICI Securities Co. Ltd. (Fellow subsidiary)	With ICICI Prudential Life Insurance Company Ltd (Fellow subsidiary)	With other fellow subsidiaries	With Key Management Personnel
Premium income	1,159,896 (702,354)	44,501 (40,354)	3,190 (2,256)	11,778 (26,433)	18,306 (14,523)	157 (156)
Income from interest & dividend	77,389 (9,390)	— (—)	5,810 (—)	— (—)	— (—)	— (—)
Issue of Share Capital including premium	2,960,000 (740,000)	— (—)	— (—)	— (—)	— (—)	2,494 (—)
Application Money received	1,110,000 (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Purchase of fixed assets	900 (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Sale of fixed assets	— (1,900)	— (—)	— (—)	— (—)	— (—)	— (—)
Claim payments	722,021 (601,389)	83,720 (77,128)	2,170 (2,575)	20,823 (15,647)	3,596 (3,880)	— (—)
Commission / Brokerage payouts	999,326 (585,136)	— (—)	— (—)	— (—)	1,648 (1,845)	— (—)
Investment	—	—	—	—	—	—
– Purchases	1,241,041 (303,511)	— (—)	1,664,697 (1,366,831)	657,111 (100,088)	— (—)	— (—)
– Sales	— (—)	— (—)	100,132 (398,623)	252,266 (—)	— (—)	— (—)
Salary to deputed staff	— (1,561)	— (—)	— (—)	— (—)	— (—)	— (—)
Premium Paid	— (—)	— (—)	— (—)	15,132 (5,515)	— (—)	— (—)
Establishment & other expenditure	579,081 (557,263)	— (—)	— (—)	— (—)	— (—)	15,379 (13,020)
Dividend paid	323,750 (172,050)	— (—)	— (—)	— (—)	— (—)	107 (—)

Figures in brackets represent previous year figures.

schedules



forming part of the financial statements

Continued

Balances with related parties at March 31, 2007, are as under:

(Rs. in 000's)

Particulars	With Holding company	With ICICI Home Finance Co. Ltd (Fellow subsidiary)	With ICICI Securities Primary Dealership Ltd. (Formally ICICI Securities Co. Ltd. (Fellow subsidiary))	With ICICI Prudential Life Insurance Co. Ltd. (Fellow subsidiary)	With other fellow sub-sidiaries	With Key Management Personnel
Assets						
Cash & Bank Balances	737,312 (273,919)	— (—)	— (—)	— (—)	— (—)	— (—)
Fixed assets	99,900 (—)	— (—)	100,000 (—)	— (—)	— (—)	— (—)
Income accrued on investments	22,737 (1,251)	— (—)	5,810 (—)	— (—)	— (—)	— (—)
Liabilities						
Capital	2,479,000 (1,813,000)	— (—)	— (—)	— (—)	— (—)	713 (—)
Application Money received	1,110,000 (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Premium received in advance	216,006 (172,651)	— (—)	64 (—)	24,844 (2,381)	— (6,380)	— (—)
Others liabilities/ Payables	208,601 (209,876)	51,621 (10,534)	222 (55)	5,866 (1,306)	692 (1,711)	4,200 (3,240)

Figures in brackets represent previous year figures

5.2.9 Deferred taxes

The major components of temporary differences that account for deferred tax assets are as under:

(Rs. in 000's)

Particulars	Deferred tax asset as at March 31, 2007	Deferred tax asset as at March 31, 2006
Timing differences on account of:		
Reserve for Unexpired Risks	123,150	56,050
Total	123,150	56,050
Net deferred tax asset/(liability)	123,150	56,050
Deferred tax expense/(income) recognised in the Profit and loss account	(67,100)	(21,800)

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

For and on behalf of the Board

K.V. KAMATH
Chairman

KALPANA MORPARIA
Director

S. MUKHERJI
Director

V. VAIDYANATHAN
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAKESH JAIN
Head Finance & Accounts

RAJESH SAXENA
Company Secretary

Mumbai, April 21, 2007

5.2.8 Details of earning per share for the year ended March 31, 2007

(in 000's)

Particulars	As at March 31, 2007	As at March 31, 2006
Profit available to equity shareholders	683,611	503,068
Weighted average number of equity shares		
Number of shares at the beginning of the year	245,000	220,000
Share issued during the year	90,708	25,000
Total number of equity shares outstanding at the end of the year	335,708	245,000
Weighted average number of equity shares outstanding during the year	290,567	220,479
Add : Effect of dilutive issues of options and share application pending allotment	27,721	487
Diluted weighted average number of equity shares outstanding during the year	318,288	220,966
Nominal value of equity share – Rs.	10	10
Basic earning per share – Rs.	2.35	2.28
Diluted earning per share – Rs.	2.15	2.27

receipts & payment account

for the year ended March 31, 2007

		March 31, 2007	(Rs. in 000's) March 31, 2006
CASH FLOW FROM OPERATING ACTIVITIES			
– Premium received from policyholders, including advance receipts	33,342,603		18,693,304
– Premium received from coinsurer	1,916,183		1,798,891
– Other receipts	13,480		—
– Payment to re-insurers, net of commissions & claims	(5,578,586)		(2,705,723)
– Payment to co-insurers, net of claims recovery	(3,385,224)		(1,096,306)
– Payments of Claims	(11,757,648)		(8,328,760)
– Payments of Commission and brokerage	(2,292,550)		(1,092,566)
– Payments of other operating expenses	(4,895,437)		(2,811,466)
– Preliminary and pre-operative expenses	—		—
– Deposits, advances & staff loans	634,786		506,762
– Income tax paid (Net)	(181,826)		(84,415)
– Service Taxes Paid	(2,455,392)		(1,417,057)
– Other payments	—		—
– Cash flows before extraordinary items		5,360,389	3,462,664
– Cash flows from extraordinary operations		—	—
Net cash flow from operating activities		5,360,389	3,462,664
CASH FLOW FROM INVESTING ACTIVITIES			
– Purchase of fixed assets (including Capital Advances)	(545,475)		(232,086)
– Proceeds from sale of fixed assets	75	(545,400)	2,025
			(230,061)
– Purchases of investments	(13,931,374)		(7,720,345)
– Loans disbursed	—		—
– Sales of investments	5,066,802		4,957,516
– Repayments received	—		—
– Rent/Interest/Dividends received	702,926		269,303
– Investments in money market instruments and liquid Mutual fund (Net)	731,987		(893,158)
– Expenses related to Investments	(4,828)	(7,434,487)	(2,954)
			(3,389,638)
Net cash flow from investing activities		(7,979,887)	(3,619,699)
CASH FLOW FROM FINANCING ACTIVITIES			
– Proceeds from issuance of Share Capital (net of share issue expenses)	5,514,070		997,200
– Proceeds from borrowing	—		—
– Repayments of borrowing	—		—
– Interest/Dividends paid (including dividend tax)	(493,493)		(262,303)
Net cash flow from financing activities		5,020,577	734,897
Effect of foreign exchange rates on cash and cash equivalents, net		—	—
Net increase/(decrease) in cash and cash equivalents		2,401,079	577,862
Cash and cash equivalents at the beginning of the year		1,077,919	500,057
Cash and cash equivalents at end of the year*		3,478,998	1,077,919

* Cash and cash equivalents at end of the period includes short term deposits of Rs.2,385,218 thousand (previous year: Rs. 539,194 thousand), balances with banks in current account Rs. 434,335 thousand (previous year: Rs. 206,794 thousand) and cheques in hand Rs. 659,445 thousand (previous year: Rs. 331,931 thousand)

As per our attached report of even date

For LODHA & CO.
Chartered Accountants

R. P. BARADIYA
Partner
Membership Number: 44101

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For and on behalf of the Board

K.V. KAMATH
Chairman

S. MUKHERJI
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAJESH SAXENA
Company Secretary

KALPANA MORPARIA
Director

V. VAIDYANATHAN
Director

RAKESH JAIN
Head Finance & Accounts

Mumbai, April 21, 2007

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
---	---

0	3
---	---

2	0	0	7
---	---	---	---

Date Month Year

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

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Private Placement

			9	0	7	0	7	5
--	--	--	---	---	---	---	---	---

III. Position of mobilisation and deployment of funds

(Amount in Rs. Thousand)

Total Liabilities

--	--	--	--	--	--	--	--	--

 Total Assets

--	--	--	--	--	--	--	--	--

Sources of funds

Paid-up Capital

		3	3	5	7	0	7	5
--	--	---	---	---	---	---	---	---

 Reserves and Surplus

--	--	--	--	--	--	--	--	--

Secured Loans

--	--	--	--	--	--	--	--	--

 Unsecured Loans

--	--	--	--	--	--	--	--	--

Application of funds

Net Fixed Assets & WIP

--	--	--	--	--	--	--	--	--

 Investments

--	--	--	--	--	--	--	--	--

Net Current Assets

--	--	--	--	--	--	--	--	--

 Miscellaneous Expenditure

--	--	--	--	--	--	--	--	--

Accumulated Losses

--	--	--	--	--	--	--	--	--

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

Turnover

--	--	--	--	--	--	--	--	--

 Total Expenditure

--	--	--	--	--	--	--	--	--

Profit/Loss Before Tax

--	--	--	--	--	--	--	--	--

 Profit/Loss After Tax

--	--	--	--	--	--	--	--	--

Earning Per Share in Rs.

--	--	--	--	--	--	--	--	--

 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.