

ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

9TH ANNUAL REPORT AND ACCOUNTS 2008-2009

Directors

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

Auditors

N. M. Raiji & Co.
Chartered Accountants

PKF Sridhar & Santhanam
Chartered Accountants

Registered Office

ICICI Bank Towers
 Bandra-Kurla Complex
 Mumbai – 400 051

Pratap Salian
Company Secretary

directors' report

to the members

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

INDUSTRY OVERVIEW

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

FINANCIAL HIGHLIGHTS

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

APPROPRIATIONS

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

OPERATIONAL REVIEW

Company Performance

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

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

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

Underwriting and claims

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

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

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

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

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

Information Technology and Customer Support Services

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

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

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

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

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

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

Reinsurance

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

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

Capital

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

Registration

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

Employees

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

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

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

Social Responsibility

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

PUBLIC DEPOSITS

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

DIRECTORS

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

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

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

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

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

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

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

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

AUDITORS

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

FOREIGN EXCHANGE EARNING AND EXPENDITURE

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

PERSONNEL AND OTHER MATTERS

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

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

AUDIT COMMITTEE

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

EMPLOYEE STOCK OPTION SCHEME

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

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

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

ACKNOWLEDGEMENTS

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

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

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

For and on behalf of the Board

May 7, 2009

CHANDA D. KOCHHAR
Chairperson

management report



to the members

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

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

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

The business underwritten pertains to the various products filed by us with IRDA, as per the file and use procedure: this includes tariff as well as non-tariff products;

While in property lines (Fire) the net retention has not exceeded Rs. 250 million on a PML basis (Previous year: Rs. 250 million) in any single risk, this also gets graded down to between Rs. 5 million to Rs. 250 million (Previous year: between Rs. 5 million to Rs. 250 million) on a case-to-case basis, depending on exposure levels and prudent underwriting standards. The excess of loss treaties protect the accumulation of the net retentions.

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

8. We confirm that there are no operations of the Company outside India.
9. a) For ageing analysis of claims outstanding during the preceding five years, please refer Annexure 1.
b) For average claims settlement time during the preceding five years, please refer Annexure 2.
10. We certify that the Investments made in debt securities have been valued at historical cost subject to amortisation of premium / discount. The same is in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

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

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

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

Investments other than mentioned above are valued at cost.

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

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

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

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

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

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

For and on behalf of the Board

K. V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

S. MUKHERJI
Director

V. VAIDYANATHAN
Director

SANDEEP BAKSHI
Managing Director & CEO

RAKESH JAIN
Director – Corporate Centre & CFO

PRATAP SALIAN
Company Secretary

Mumbai, April 23, 2009

Annexure 1
Details of Claims Outstanding during the preceding five years
As on March 31, 2005

| Product Period | Fire | | Marine Cargo | | Marine Others | | Motor OD | | Motor TP | | Workmen's Compensation | | Public/Product Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Grand Total | |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------|------------------|--------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | Count | Total |
| | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) |
| 30 days | 109 | 83.5 | 231 | 42.8 | 10 | 9.7 | 2,041 | 57.9 | 17 | 15.4 | — | 0.7 | — | — | 134 | 32.5 | 1 | 1.7 | 361 | 27.6 | 1,632 | 55.6 | 116 | 29.6 | 4,652 | 357.6 |
| 30 days to 6 months | 157 | 325.2 | 410 | 61.3 | 26 | 40.4 | 1,233 | 53.3 | 73 | 37.2 | — | — | 3 | 0.2 | 290 | 104.9 | — | — | 557 | 35.5 | 612 | 12.0 | 333 | 40.6 | 3,694 | 710.7 |
| 6 months to 1 year | 50 | 53.6 | 119 | 23.9 | 9 | 23.8 | 154 | 6.9 | 32 | 10.5 | 1 | 0.3 | 1 | 1.7 | 69 | 93.0 | — | — | 97 | 7.9 | 28 | 0.5 | 94 | 8.6 | 654 | 230.8 |
| 1 year to 5 years | 41 | 269.8 | 19 | 12.1 | — | — | 5 | 1.4 | 13 | 6.3 | — | — | — | — | 25 | 10.3 | — | — | 8 | 1.6 | — | — | 28 | 23.0 | 139 | 324.4 |
| 5 years and above | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Grand Total | 357 | 732.1 | 779 | 140.1 | 45 | 73.9 | 3,433 | 119.5 | 135 | 69.4 | 1 | 1.0 | 4 | 2.6 | 518 | 240.7 | 1 | 1.7 | 1,023 | 72.6 | 2,272 | 68.1 | 571 | 101.8 | 9,139 | 1,623.5 |

As on March 31, 2006

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

As on March 31, 2007

| Product Period | Fire | | Marine Cargo | | Marine Others | | Motor OD | | Motor TP | | Workmen's Compensation | | Public/Product Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Grand Total | |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------|------------------|--------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | Count | Total |
| | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) |
| 30 days | 71 | 477.7 | 729 | 49.8 | 3 | 0.5 | 13,623 | 514.6 | 528 | 473.2 | 2 | 0.1 | — | — | 84 | 213.1 | — | — | 890 | 284.7 | 9,832 | 470.3 | 449 | 183.2 | 26,211 | 2,669.4 |
| 30 days to 6 months | 201 | 623.9 | 1,084 | 165.6 | 28 | 33.2 | 6,024 | 371.1 | 3,327 | 626.2 | 19 | 1.0 | 3 | 8.2 | 359 | 201.3 | — | — | 1,291 | 134.7 | 5,444 | 321.0 | 1,262 | 581.7 | 19,042 | 3,074.2 |
| 6 months to 1 year | 161 | 359.9 | 303 | 73.6 | 17 | 161.8 | 369 | 10.5 | 929 | 189.2 | — | — | 1 | 0.3 | 165 | 181.2 | 2 | 3.4 | 17 | 2.4 | 593 | 15.1 | 420 | 93.3 | 2,977 | 1,090.7 |
| 1 year to 5 years | 76 | 946.8 | 73 | 27.8 | 36 | 551.0 | 120 | 4.7 | 551 | 108.6 | — | — | 1 | 0.5 | 98 | 103.9 | 2 | 43.1 | 1 | 0.1 | 140 | 3.1 | 135 | 16.3 | 1,805.9 | |
| 5 years and above | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Grand Total | 509 | 2,408.3 | 2,189 | 316.8 | 84 | 746.5 | 20,136 | 900.9 | 5,335 | 1,403.6 | 21 | 1.1 | 5 | 9.0 | 706 | 699.5 | 4 | 48.7 | 2,199 | 421.9 | 16,009 | 809.5 | 2,266 | 874.5 | 49,463 | 8,640.2 |

As on March 31, 2008

| Product Period | Fire | | Marine Cargo | | Marine Others | | Motor OD | | Motor TP | | Workmen's Compensation | | Public/Product Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Grand Total | |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------|------------------|--------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | Count | Total |
| | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) |
| 30 days | 118 | 327.9 | 588 | 71.2 | 9 | 476.2 | 12,912 | 706.8 | 1,941 | 2,566.7 | 21 | 8.6 | — | — | 171 | 82.0 | 1 | 6.7 | 824 | 189.0 | 15,223 | 685.7 | 439 | 58.2 | 32,247 | 5,169.6 |
| 30 days to 6 months | 295 | 680.2 | 1,035 | 112.7 | 36 | 123.7 | 6,616 | 475.4 | 7,329 | 983.4 | 39 | 4.3 | 1 | 0.1 | 361 | 267.3 | — | — | 1,057 | 156.4 | 14,784 | 267.4 | 1,585 | 161.2 | 33,138 | 3,232.1 |
| 6 months to 1 year | 194 | 250.5 | 529 | 57.6 | 34 | 411.0 | 512 | 48.1 | 4,785 | 919.1 | 5 | 0.6 | — | — | 243 | 243.7 | 2 | 10.5 | 267 | 31.3 | 1,759 | 35.4 | 1,099 | 171.4 | 9,429 | 2,179.2 |
| 1 year to 5 years | 146 | 693.3 | 250 | 121.8 | 54 | 248.7 | 17 | 1.8 | 3,084 | 591.7 | 1 | 0.1 | 4 | 9.0 | 172 | 245.3 | 3 | 44.0 | 91 | 16.0 | 763 | 12.0 | 506 | 116.1 | 5,091 | 2,105.8 |
| 5 years and above | 4 | 5.6 | — | — | — | — | — | — | 1 | 0.1 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 5 | 5.9 |
| Grand Total | 757 | 1,963.7 | 2,402 | 363.3 | 133 | 1,259.6 | 20,057 | 1,232.1 | 17,140 | 5,051.0 | 66 | 13.6 | 5 | 9.7 | 947 | 888.3 | 6 | 61.2 | 2,239 | 392.7 | 32,529 | 1,000.5 | 3,629 | 506.9 | 79,910 | 12,692.6 |

As on March 31, 2009

| Product Period | Fire | | Marine Cargo | | Marine Others | | Motor OD | | Motor TP | | Workmen's Compensation | | Public/Product Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Grand Total | | |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------|------------------|--------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----|
| | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | No. of Claims | Amt. | Count | Total | |
| | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | (Rs. in million) | |
| 30 days | 177 | 1,686.2 | 1,350 | 183.7 | 71 | 580.8 | 14,501 | 815.4 | 2,638 | 5,634.4 | 35 | 18.4 | 190 | 10.1 | 157 | 124.2 | 8 | 23.4 | 745 | 334.9 | 62,155 | 1,034.5 | 695 | 136.0 | 82,722 | 10,592.0 | |
| 30 days to 6 months | 207 | 879.3 | 672 | 182.7 | 32 | 297.5 | 8,715 | 630.0 | 10,433 | 1,721.5 | 70 | 5.5 | 122 | 8.0 | 338 | 435.7 | 2 | 123.4 | 1,276 | 130.5 | 44,082 | 605.4 | 1,506 | 186.6 | 67,465 | 5,206.1 | |
| 6 months to 1 year | 183 | 831.7 | 355 | 89.2 | 52 | 132.1 | 670 | 67.2 | 9,895 | 1,500.5 | 5 | 0.4 | 12 | 2.4 | 232 | 363.3 | 3 | 6.2 | 165 | 31.1 | 3,713 | 110.0 | 864 | 169.8 | 16,149 | 3,303.8 | |
| 1 year to 5 years | 143 | 469.7 | 146 | 115.5 | 82 | 1,299.8 | 181 | 24.4 | 12,154 | 2,085.6 | — | — | 4 | 4.8 | 118 | 246.4 | 6 | 54.2 | 267 | 39.8 | 1,287 | 49.3 | 561 | 252.1 | 14,929 | 4,641.8 | |
| 5 years and above | 5 | 4.9 | — | — | — | — | — | — | — | — | — | — | — | — | 2 | 0.9 | — | — | — | — | — | — | — | 1 | 0.03 | 9 | 5.9 |
| Grand Total | 715 | 3,871.8 | 2,523 | 581.1 | 237 | 2,310.2 | 24,067 | 1,537.0 | 36,121 | 10,942.1 | 110 | 24.3 | 328 | 26.3 | 847 | 1,170.5 | 19 | 207.2 | 2,453 | 596.3 | 111,217 | 1,799.2 | 3,627 | 744.5 | 181,264 | 23,749.6 | |

management report



Continued

Annexure 2

Details of Average Claim Settlement time for the preceding five years

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

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

Annexure 3

List of payments to parties in which Directors are interested

(Rs. in million)

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

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

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

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

auditors' report

to the Members of ICICI Lombard General Insurance Company Limited

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

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

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

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

We report thereon as follows:

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

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

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

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

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

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

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership No. 201402

Mumbai, April 23, 2009

For N M RAJI & COMPANY
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership No. 37924

Auditors' Certificate

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

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

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

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership No. 201402

Mumbai, April 23, 2009

For N M RAJI & COMPANY
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership No. 37924

balance sheet

profit and loss account



as at March 31, 2009

for the year ended March 31, 2009

| Schedule | March 31, 2009 | (Rs. in 000's) March 31, 2008 | Schedule | March 31, 2009 | (Rs. in 000's) March 31, 2008 |
|---|----------------|----------------------------------|---|----------------|----------------------------------|
| SOURCES OF FUNDS | | | 1. Operating profit/(loss) | | |
| Share capital | 5 | 4,031,369 | (a) Fire Insurance | (230,096) | 160,455 |
| Reserves and surplus | 6 | 11,995,095 | (b) Marine Insurance | (573,997) | (381,160) |
| Share application money-pending allotment (Refer note 5.1.16) | | 176 | (c) Miscellaneous Insurance | (73,542) | 693,981 |
| Fair value change account | | (743,219) | | | |
| Borrowings | 7 | — | 2. Income from investments | | |
| Total | | 15,283,421 | (a) Interest, Dividend & Rent – Gross | 814,092 | 667,875 |
| | | | (b) Profit on sale/redemption of investments | 645,211 | 225,841 |
| | | | Less : loss on sale/redemption of investments | (127,195) | (13,355) |
| | | | | | |
| APPLICATION OF FUNDS | | | 3. Other income | | |
| Investments | 8 | 30,307,422 | (a) Interest income on tax refund | — | 2,027 |
| Loans | 9 | — | (b) Profit on sale of fixed assets | 98 | 6 |
| Fixed assets | 10 | 1,567,691 | Total (A) | 454,571 | 1,355,670 |
| Deferred tax asset (Refer note 5.2.11) | | 596,650 | | | |
| Current assets | | | 4. Provisions (Other than taxation) | | |
| Cash and bank balances | 11 | 730,475 | (a) For diminution in the value of investments | 435,226 | 47,509 |
| Advances and other assets | 12 | 21,639,788 | (b) For doubtful debts | — | — |
| Sub-Total (A) | | 22,370,263 | (c) Others | — | — |
| | | | | | |
| Current liabilities | 13 | 27,984,456 | 5. Other expenses | | |
| Provisions | 14 | 11,574,149 | (a) Expenses other than those related to Insurance Business | | |
| Sub-Total (B) | | 39,558,605 | (i) Employees' remuneration and welfare benefits | 5,748 | 5,267 |
| | | | (ii) Directors' fees | 480 | 660 |
| | | | (b) Bad debts written off | — | — |
| | | | (c) Loss on sale of fixed assets | 10,372 | — |
| | | | Total (B) | 451,826 | 53,436 |
| Net current assets (C) = (A - B) | | (17,188,342) | | | |
| Miscellaneous expenditure (to the extent not written off or adjusted) | 15 | — | Profit before tax | 2,745 | 1,302,234 |
| Debit balance in profit and loss account | | — | Provision for taxation: | | |
| Total | | 15,283,421 | (a) Current tax | — | 393,000 |
| | | | (b) Deferred tax | (298,500) | (175,000) |
| | | | (c) Fringe benefit tax | 65,000 | 55,500 |
| | | | | (233,500) | 273,500 |
| | | | Profit after tax | 236,245 | 1,028,734 |
| | | | Appropriations | | |
| Significant accounting policies and notes to accounts | 16 | | (a) Interim dividends paid during the year | — | 591,157 |
| | | | (b) Proposed final dividend | — | — |
| | | | (c) Dividend distribution tax | — | 100,467 |
| | | | (d) Transfer to General Reserves | — | 86,328 |
| | | | | — | 777,952 |
| | | | Balance of profit brought forward from last year | 932,370 | 681,588 |
| | | | Balance carried forward to balance sheet | 1,168,615 | 932,370 |
| | | | Basic earnings per share of Rs. 10 face value (refer note 5.2.10) | Rs. 0.60 | Rs. 2.76 |
| | | | Diluted earnings per share of Rs. 10 face value (refer note 5.2.10) | Rs. 0.59 | Rs. 2.74 |

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

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

As per attached report of even date

For and on behalf of the Board

For N. M. RAIJI & CO.
Chartered Accountants

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

K.V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

JAYESH M. GANDHI
Partner
Membership Number: 37924

R. SURIYANARAYANAN
Partner
Membership Number: 201402

S. MUKHERJI
Director

V. VAIDYANATHAN
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAKESH JAIN
Director-Corporate Centre & CFO

PRATAP SALIAN
Company Secretary

Mumbai, April 23, 2009

revenue accounts

for the year ended March 31, 2009

Registration No. 115 dated August 3, 2001

(Rs. in 000's)

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

Significant accounting policies and notes to accounts

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 account, all expenses of management, wherever incurred, whether directly or indirectly, have been fully recognised in the Revenue Accounts as expense.

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

As per attached report of even date

For and on behalf of the Board

For N. M. RAJI & CO.
Chartered Accountants

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

K.V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

JAYESH M. GANDHI
Partner
Membership Number: 37924

R. SURIYANARAYANAN
Partner
Membership Number: 201402

S. MUKHERJI
Director

V. VAIDYANATHAN
Director

SANDEEP BAKHSHI
Managing Director & CEO

RAKESH JAIN
Director-Corporate Centre & CFO

PRATAP SALIAN
Company Secretary

Mumbai, April 23, 2009

schedules

(Rs. in 000's)

| Particulars | Fire | | Marine | | | Miscellaneous | | | | | | | Total | | | | |
|---|------------------|---------|----------------|---------------|----------------|------------------|------------------|-------------------|-------------------------|--------------------------|----------------|---------------|-------------------|------------------|------------------|-------------------|-------------------|
| | 2008-09 | 2007-08 | Marine-Cargo | Marine-Others | Marine-Total | Motor-OD | Motor-TP | Motor-Total | Worksmens' Compensation | Public/Product Liability | Engineering | Aviation | Personal Accident | Health Insurance | Others | Miscellaneous | Total |
| | | | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 |
| Premium from direct business written-net of service tax | 2,830,234 | | 865,040 | 1,299,663 | 2,164,703 | 8,746,918 | 4,466,025 | 13,212,943 | 98,184 | 141,056 | 1,810,101 | 518,782 | 1,125,187 | 9,738,035 | 2,381,127 | 29,025,415 | 34,020,352 |
| Add: Premium on reinsurance accepted | 237,102 | | 16,727 | 61,173 | 77,900 | — | 2,924,480 | 2,924,480 | — | 96 | 125,270 | 27,624 | 5,024 | 72,308 | 1,954 | 3,156,756 | 3,471,758 |
| Less: Premium on reinsurance ceded | 2,110,133 | | 639,123 | 1,319,990 | 1,959,113 | 2,714,706 | 3,388,174 | 6,102,880 | 19,916 | 53,789 | 1,536,723 | 449,442 | 786,934 | 1,960,853 | 1,347,570 | 12,258,107 | 16,327,353 |
| Net premium | 957,203 | | 242,644 | 40,846 | 283,490 | 6,032,212 | 4,002,331 | 10,034,543 | 78,268 | 87,363 | 398,648 | 96,964 | 343,277 | 7,849,490 | 1,035,511 | 19,924,064 | 21,164,757 |
| Adjustment for change in reserve for unexpired risks | (53,167) | | 8,118 | 2,554 | 10,672 | (108,151) | 396,518 | 288,367 | 46 | 17,232 | 1,201 | 8,395 | 127,289 | 1,002,006 | 26,194 | 1,470,730 | 1,428,235 |
| Total premium earned (Net) | 1,010,370 | | 234,526 | 38,292 | 272,818 | 6,140,363 | 3,605,813 | 9,746,176 | 78,222 | 70,131 | 397,447 | 88,569 | 215,988 | 6,847,484 | 1,009,317 | 18,453,334 | 19,736,522 |

(Rs. in 000's)

| Particulars | Fire | | Marine | | | Miscellaneous | | | | | | | Total | | | | |
|---|------------------|---------|----------------|---------------|----------------|------------------|------------------|------------------|-------------------------|--------------------------|----------------|---------------|-------------------|------------------|------------------|-------------------|-------------------|
| | 2007-08 | 2007-08 | Marine-Cargo | Marine-Others | Marine-Total | Motor-OD | Motor-TP | Motor-Total | Worksmens' Compensation | Public/Product Liability | Engineering | Aviation | Personal Accident | Health Insurance | Others | Miscellaneous | Total |
| | | | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 |
| Premium from direct business written-net of service tax | 4,173,495 | | 668,279 | 1,498,893 | 2,167,172 | 9,067,810 | 3,732,935 | 12,790,745 | 100,854 | 107,572 | 1,717,593 | 413,061 | 1,081,824 | 8,158,892 | 2,360,002 | 26,730,543 | 33,071,210 |
| Add: Premium on reinsurance accepted | 208,969 | | 4,440 | 73,923 | 78,363 | 6,953 | 2,563,287 | 2,570,240 | 95 | 774 | 77,532 | 186 | — | — | 2,829 | 2,651,656 | 2,938,988 |
| Less: Premium on reinsurance ceded | 3,237,694 | | 495,299 | 1,537,253 | 2,032,552 | 3,192,609 | 2,978,304 | 6,170,913 | 20,392 | 46,130 | 1,411,143 | 358,756 | 921,711 | 2,750,618 | 1,262,617 | 12,942,230 | 18,212,526 |
| Net premium | 1,144,770 | | 177,420 | 35,563 | 212,983 | 5,872,154 | 3,317,918 | 9,190,072 | 80,557 | 62,216 | 383,982 | 54,491 | 160,113 | 5,408,274 | 1,100,214 | 16,439,919 | 17,797,672 |
| Adjustment for change in reserve for unexpired risks | 58,318 | | 21,976 | 7,961 | 29,937 | (617,796) | 1,074,536 | 456,740 | 4,978 | 20,244 | 39,939 | 37,439 | (42,516) | 1,342,043 | 178,702 | 2,037,569 | 2,125,824 |
| Total premium earned (Net) | 1,086,452 | | 155,444 | 27,602 | 183,046 | 6,489,950 | 2,243,382 | 8,733,332 | 75,579 | 41,972 | 344,043 | 17,052 | 202,629 | 4,066,231 | 921,512 | 14,402,350 | 15,671,848 |

schedules

forming part of the financial statements

Continued

SCHEDULE - 2 CLAIMS INCURRED (NET)

(Rs. in 000's)

| Particulars | Fire | | Marine | | | Miscellaneous | | | | | | | Total | | | |
|---|----------------|----------------|----------------|----------------|------------------|------------------|------------------|---------------|-------------------------|--------------------------|------------------|------------------|-------------------|-------------------|-------------------|---------------------|
| | 2008-09 | 2007-08 | Marine-Cargo | Marine-Others | Marine-Total | Motor-OD | Motor-TP | Motor-Total | Worksmens' Compensation | Public/Product Liability | Engineering | Aviation | Personal Accident | Health Insurance | Others | Total Miscellaneous |
| | | | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 | 2008-09 |
| Claims paid - Direct | 2,406,393 | 334,868 | 540,490 | 875,358 | 5,193,411 | 1,764,028 | 6,957,439 | 25,106 | 70,163 | 61,393 | 652,340 | 1,594,901 | 6,523,406 | 773,944 | 16,637,865 | 19,919,616 |
| Add: Re-insurance accepted | 43,003 | 1,197 | 396,739 | 657,340 | 1,770,316 | 182,193 | 2,559,619 | 4,844 | 14,115 | 54,999 | 1,308,677 | 1,234,917 | — | — | 186,882 | 231,062 |
| Less: Re-insurance ceded | 1,808,321 | 144,948 | 260,601 | 219,215 | 3,426,149 | 789,303 | 4,583,067 | 20,262 | 56,048 | 6,394 | 1,308,677 | 1,234,917 | — | — | 6,035,365 | 8,501,026 |
| Net Claims paid | 641,075 | 74,267 | 144,948 | 219,215 | 3,426,149 | 1,156,918 | 4,583,067 | 20,262 | 56,048 | 6,394 | 1,308,677 | 1,234,917 | — | — | 10,789,382 | 11,649,672 |
| Add: Claims Outstanding at the end of the year | 706,911 | 414,900 | 150,156 | 565,056 | 1,136,073 | 7,485,080 | 8,621,153 | 21,952 | 14,819 | 6,470 | 352,654 | 1,401,295 | 1,401,295 | 301,558 | 10,940,913 | 12,212,880 |
| Less: Claims Outstanding at the beginning of the year | 378,194 | 141,877 | 92,148 | 234,025 | 909,575 | 4,100,013 | 5,009,588 | 11,819 | 1,768 | 7,300 | 153,506 | 795,897 | 795,897 | 266,717 | 6,404,971 | 7,017,190 |
| Total claims incurred | 969,792 | 307,290 | 202,956 | 550,246 | 5,652,647 | 4,541,985 | 8,194,632 | 30,395 | 69,099 | 5,564 | 480,502 | 5,893,887 | 451,101 | 15,325,324 | 16,845,362 | |

(Rs. in 000's)

| Particulars | Fire | | Marine | | | Miscellaneous | | | | | | | Total | | | |
|---|----------------|----------------|----------------|----------------|------------------|------------------|------------------|---------------|-------------------------|--------------------------|----------------|----------------|-------------------|------------------|-------------------|---------------------|
| | 2007-08 | 2007-08 | Marine-Cargo | Marine-Others | Marine-Total | Motor-OD | Motor-TP | Motor-Total | Worksmens' Compensation | Public/Product Liability | Engineering | Aviation | Personal Accident | Health Insurance | Others | Total Miscellaneous |
| | | | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 | 2007-08 |
| Claims paid - Direct | 2,549,150 | 332,915 | 611,034 | 943,949 | 4,557,633 | 639,866 | 5,197,499 | 17,880 | 567 | 21,539 | 734,521 | 964,207 | 4,884,418 | 771,259 | 12,591,890 | 16,084,989 |
| Add: Re-insurance accepted | 11,262 | — | — | — | — | — | — | — | — | — | — | — | — | — | 776 | 12,038 |
| Less: Re-insurance ceded | 2,188,422 | 312,381 | 445,956 | 758,337 | 1,572,287 | 186,596 | 1,758,883 | 3,576 | 114 | 18,743 | 604,205 | 822,801 | 1,005,984 | 469,679 | 4,683,985 | 7,630,744 |
| Net Claims paid | 371,990 | 20,534 | 165,078 | 185,612 | 2,985,346 | 453,270 | 3,438,616 | 14,304 | 453 | 2,796 | 130,316 | 142,182 | 3,878,434 | 301,580 | 7,908,681 | 8,465,283 |
| Add: Claims Outstanding at the end of the year | 378,194 | 141,877 | 92,148 | 234,025 | 909,575 | 4,100,013 | 5,009,588 | 11,819 | 1,768 | 7,300 | 153,506 | 158,376 | 795,897 | 266,717 | 6,404,971 | 7,017,190 |
| Less: Claims Outstanding at the beginning of the year | 170,786 | 21,938 | 75,663 | 97,601 | 676,033 | 1,121,688 | 1,797,721 | 276 | 1,066 | 2,719 | 119,317 | 172,197 | 657,381 | 181,205 | 2,931,862 | 3,200,269 |
| Total claims incurred | 579,398 | 140,473 | 181,563 | 322,036 | 3,218,888 | 3,431,595 | 6,650,483 | 25,847 | 1,155 | 7,377 | 164,505 | 128,361 | 4,016,950 | 387,092 | 11,381,770 | 12,283,204 |

schedules

**SCHEDULE – 3
COMMISSION**

(Rs. in 000's)

| Particulars | Fire | | Marine | | | Miscellaneous | | | | | | | Total | | | |
|--|------------------|------------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|-------------------------|--------------------------|------------------|---------------|--------------|-------------------|------------------|------------------|
| | 2008-09 | 2007-08 | Marine-Cargo | Marine-Others | Marine-Total | Motor-OD | Motor-TP | Motor-Total | Worksmen's Compensation | Public/Product Liability | Engineering | Aviation | | Personal Accident | Health Insurance | Others |
| Commission paid – Direct | 114,075 | 2008-09 | 56,615 | 21,808 | 78,423 | 779,788 | — | 779,788 | 8,303 | 9,801 | 98,730 | 14,190 | 104,618 | 795,871 | 232,240 | 2,043,541 |
| Add: Commission on Re-insurance accepted | 8,403 | 2008-09 | 669 | 387 | 1,056 | — | 292,448 | 292,448 | — | — | 10,545 | 3,844 | — | — | 125 | 306,962 |
| Less: Commission on Re-insurance ceded | 395,853 | 2008-09 | 128,747 | 89,624 | 212,371 | 845,960 | 433,542 | 1,279,502 | 3,959 | 3,292 | 399,364 | 2,945 | 104,914 | 738,803 | 167,294 | 2,700,073 |
| Net Commission | (278,375) | (132,892) | (71,463) | (61,429) | (132,892) | (66,172) | (141,094) | (207,266) | 4,344 | 6,509 | (290,089) | 15,089 | (296) | 57,068 | 65,071 | (755,837) |

(Rs. in 000's)

| Particulars | Fire | | Marine | | | Miscellaneous | | | | | | | Total | | | |
|--|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-------------------------|--------------------------|------------------|----------------|-----------------|-------------------|------------------|------------------|
| | 2007-08 | 2007-08 | Marine-Cargo | Marine-Others | Marine-Total | Motor-OD | Motor-TP | Motor-Total | Worksmen's Compensation | Public/Product Liability | Engineering | Aviation | | Personal Accident | Health Insurance | Others |
| Commission paid – Direct | 328,228 | 2007-08 | 83,486 | 18,848 | 102,334 | 795,780 | — | 795,780 | 8,472 | 7,485 | 145,300 | 12,241 | 78,557 | 710,380 | 347,623 | 2,105,838 |
| Add: Commission on Re-insurance accepted | 9,544 | 2007-08 | 844 | 56 | 900 | 975 | 256,329 | 257,304 | — | — | 3,598 | 9 | — | — | 240 | 261,151 |
| Less: Commission on Re-insurance ceded | 700,790 | 2007-08 | 112,703 | 123,541 | 236,244 | 948,518 | 376,770 | 1,325,288 | 3,851 | 6,370 | 389,337 | 14,291 | 167,656 | 1,148,910 | 181,004 | 3,236,701 |
| Net Commission | (362,918) | (104,637) | (28,373) | (104,637) | (133,010) | (151,763) | (120,441) | (272,204) | 4,621 | 1,115 | (240,433) | (2,041) | (89,099) | (438,530) | 166,859 | (869,712) |

**SCHEDULE – 3 A
COMMISSION PAID – DIRECT**

(Rs. in 000's)

| Particulars | 2008-09 | 2007-08 |
|------------------|------------------|------------------|
| Agents | 451,675 | 380,664 |
| Brokers | 465,762 | 423,062 |
| Corporate Agency | 730,832 | 788,782 |
| Referral | 587,770 | 963,992 |
| Total (B) | 2,236,039 | 2,536,500 |

**SCHEDULE - 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

| Particulars | Fire | | Marine | | Miscellaneous | | | | | | | Total | | | |
|--|----------------|----------------|----------------|------------------|----------------|------------------|-------------------------|--------------------------|----------------|----------------|-------------------|------------------|----------------|------------------|------------------|
| | 2008-09 | | 2008-09 | | 2008-09 | | 2008-09 | | 2008-09 | | 2008-09 | | 2008-09 | | |
| | Marine-Cargo | Marine-Others | Marine-Total | Motor-OD | Motor-TP | Motor-Total | Worksmens' Compensation | Public/Product Liability | Engineering | Aviation | Personal Accident | Health Insurance | Others | Miscellaneous | Total |
| Employees' remuneration & welfare benefits | 92,313 | 138,695 | 231,008 | 933,434 | 476,596 | 1,410,030 | 10,478 | 15,053 | 193,166 | 55,362 | 120,075 | 1,039,203 | 254,104 | 3,097,471 | 3,630,510 |
| Travel, conveyance and vehicle running expenses | 9,848 | 14,496 | 24,144 | 97,560 | 49,812 | 147,372 | 1,095 | 1,573 | 20,189 | 5,786 | 12,550 | 108,614 | 26,558 | 323,737 | 379,448 |
| Training expenses | 1,142 | 1,715 | 2,857 | 11,545 | 5,895 | 17,440 | 130 | 186 | 2,389 | 685 | 1,485 | 12,853 | 3,143 | 38,311 | 44,904 |
| Rents, rates & taxes | 11,691 | 17,564 | 29,255 | 118,210 | 60,356 | 178,566 | 1,327 | 1,906 | 24,463 | 7,011 | 15,206 | 131,605 | 32,180 | 392,264 | 459,768 |
| Repairs & Maintenance | 8,462 | 12,698 | 21,150 | 85,462 | 43,636 | 129,098 | 959 | 1,378 | 17,686 | 5,069 | 10,994 | 95,146 | 23,264 | 283,594 | 332,397 |
| Printing & stationery | 3,498 | 5,256 | 8,754 | 35,374 | 18,062 | 53,436 | 397 | 570 | 7,320 | 2,098 | 4,551 | 39,383 | 9,632 | 117,387 | 137,587 |
| Communication | 41,351 | 18,989 | 31,628 | 127,798 | 65,251 | 193,049 | 1,435 | 2,061 | 26,447 | 7,580 | 16,440 | 142,279 | 34,790 | 424,081 | 497,060 |
| Legal & professional charges | 9,497 | 14,268 | 23,765 | 96,025 | 49,029 | 145,054 | 1,078 | 1,549 | 19,872 | 5,895 | 12,352 | 106,906 | 26,141 | 318,647 | 456,448 |
| Auditors' fees, expenses etc. | 81 | 122 | 203 | 823 | 420 | 1,243 | 10 | 13 | 170 | 49 | 106 | 916 | 224 | 2,731 | 3,200 |
| (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 | 12,754 | 3,988 | 9,755 | 39,417 | 20,125 | 59,542 | 442 | 636 | 8,157 | 2,338 | 5,070 | 43,883 | 10,732 | 130,800 | 153,309 |
| Interest & Bank Charges | 6,614 | 2,022 | 5,059 | 20,442 | 10,438 | 30,880 | 229 | 330 | 4,230 | 1,212 | 2,630 | 22,759 | 5,565 | 67,835 | 79,508 |
| Others | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (a) Miscellaneous expenses | 14,183 | 4,335 | 10,848 | 43,832 | 22,380 | 66,212 | 492 | 707 | 9,071 | 2,600 | 5,639 | 48,799 | 7,539 | 141,059 | 166,090 |
| (b) Business & Sales Promotion | 15,074 | 4,607 | 11,529 | 46,588 | 23,787 | 70,375 | 523 | 751 | 9,641 | 2,763 | 5,993 | 51,867 | 12,683 | 154,596 | 181,199 |
| Depreciation | 21,994 | 6,222 | 10,100 | 67,972 | 34,705 | 102,677 | 763 | 1,096 | 14,066 | 4,031 | 8,744 | 75,674 | 18,504 | 225,555 | 264,371 |
| Service tax on premium account | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total | 640,954 | 170,545 | 426,777 | 1,724,482 | 880,492 | 2,604,974 | 19,358 | 27,809 | 356,867 | 102,279 | 221,835 | 1,919,887 | 465,059 | 5,718,068 | 6,785,799 |

| Particulars | Fire | | Marine | | Miscellaneous | | | | | | | Total | | | |
|--|----------------|----------------|----------------|------------------|----------------|------------------|-------------------------|--------------------------|----------------|---------------|-------------------|------------------|----------------|------------------|------------------|
| | 2007-08 | | 2007-08 | | 2007-08 | | 2007-08 | | 2007-08 | | 2007-08 | | 2007-08 | | |
| | Marine-Cargo | Marine-Others | Marine-Total | Motor-OD | Motor-TP | Motor-Total | Worksmens' Compensation | Public/Product Liability | Engineering | Aviation | Personal Accident | Health Insurance | Others | Miscellaneous | Total |
| Employees' remuneration & welfare benefits | 381,313 | 136,947 | 198,005 | 827,570 | 341,061 | 1,169,631 | 9,215 | 9,828 | 156,929 | 37,739 | 98,841 | 745,440 | 215,023 | 2,442,246 | 3,021,564 |
| Travel, conveyance and vehicle running expenses | 44,707 | 16,056 | 23,215 | 97,028 | 39,987 | 137,015 | 1,080 | 1,152 | 18,399 | 4,425 | 11,589 | 87,398 | 25,280 | 286,338 | 354,260 |
| Training expenses | 2,272 | 3,64 | 1,180 | 4,932 | 2,032 | 6,964 | 55 | 59 | 935 | 4,225 | 589 | 4,442 | 1,285 | 14,554 | 18,006 |
| Rents, rates & taxes | 61,764 | 9,890 | 32,072 | 134,047 | 55,244 | 189,291 | 1,493 | 1,592 | 25,419 | 6,113 | 16,010 | 120,744 | 34,926 | 395,588 | 489,424 |
| Repairs & Maintenance | 35,096 | 5,620 | 18,225 | 76,170 | 31,391 | 107,561 | 848 | 905 | 14,444 | 3,474 | 9,097 | 68,611 | 19,846 | 224,786 | 278,107 |
| Printing & stationery | 17,397 | 2,786 | 8,248 | 37,757 | 15,560 | 53,317 | 420 | 488 | 7,160 | 1,722 | 4,510 | 34,010 | 9,838 | 137,856 | 171,425 |
| Communication | 50,703 | 8,119 | 26,329 | 110,041 | 45,351 | 155,392 | 1,225 | 1,307 | 20,867 | 5,018 | 13,143 | 99,121 | 28,671 | 324,744 | 401,776 |
| Legal & professional charges | 99,294 | 4,663 | 15,121 | 63,201 | 26,046 | 89,247 | 704 | 751 | 11,984 | 2,892 | 7,548 | 56,929 | 16,467 | 186,512 | 300,927 |
| Auditors' fees, expenses etc. | 290 | 46 | 150 | 630 | 260 | 890 | 7 | 7 | 120 | 29 | 75 | 568 | 164 | 1,860 | 2,300 |
| (a) as auditor | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (b) as adviser or in any other capacity, in respect of | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (i) Taxation matters | 25 | 4 | 73 | 55 | 22 | 77 | 1 | 1 | 10 | 2 | 7 | 50 | 14 | 162 | 200 |
| (ii) Insurance matters | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (iii) Management services; and | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (c) in any other capacity | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Advertisement and publicity | 12,896 | 2,065 | 6,696 | 27,988 | 11,534 | 39,522 | 312 | 332 | 5,307 | 1,276 | 3,343 | 25,210 | 7,292 | 82,594 | 102,166 |
| Interest & Bank Charges | 9,464 | 1,515 | 4,914 | 20,540 | 8,465 | 29,005 | 229 | 244 | 3,895 | 937 | 2,453 | 18,502 | 5,352 | 60,617 | 74,995 |
| Others | 10,824 | 1,733 | 5,620 | 23,491 | 9,681 | 33,172 | 262 | 279 | 4,454 | 1,071 | 2,806 | 21,159 | 6,120 | 69,323 | 85,767 |
| (a) Miscellaneous expenses | 16,767 | 2,686 | 8,707 | 36,391 | 14,997 | 51,388 | 405 | 432 | 6,901 | 1,680 | 4,346 | 32,779 | 9,481 | 107,382 | 132,866 |
| (b) Business & Sales Promotion | 26,639 | 4,266 | 13,833 | 57,816 | 23,827 | 81,643 | 643 | 687 | 10,963 | 2,637 | 6,905 | 52,078 | 15,064 | 170,620 | 211,092 |
| Depreciation | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Service tax on premium account | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total | 769,484 | 111,978 | 363,131 | 1,517,729 | 625,488 | 2,143,217 | 16,900 | 18,025 | 287,801 | 69,213 | 181,271 | 1,367,106 | 395,442 | 4,478,975 | 5,611,590 |

schedules



forming part of the financial statements

Continued

SCHEDULE – 5 SHARE CAPITAL

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

Note:

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

SCHEDULE – 5A SHARE CAPITAL

Pattern of shareholding [As certified by the management]

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

SCHEDULE – 6 RESERVES AND SURPLUS

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

SCHEDULE – 7 BORROWINGS

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

SCHEDULE – 8 INVESTMENTS

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

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

SCHEDULE – 9 LOANS

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

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

schedules

forming part of the financial statements

Continued

SCHEDULE – 10 FIXED ASSETS

(Rs. in 000's)

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

SCHEDULE – 11 CASH AND BANK BALANCES

(Rs. in 000's)

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

SCHEDULE – 12 ADVANCES AND OTHER ASSETS

(Rs. in 000's)

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

SCHEDULE – 13 CURRENT LIABILITIES

(Rs. in 000's)

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

SCHEDULE – 14 PROVISIONS

(Rs. in 000's)

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

SCHEDULE – 15 MISCELLANEOUS EXPENDITURE

(Rs. in 000's)

| Particulars | As at March 31, 2009 | As at March 31, 2008 |
|--|----------------------|----------------------|
| Discount Allowed in issue of shares/debentures | — | — |
| Others | — | — |
| Total | — | — |

SCHEDULE – 16

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

1 Background

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

2 Basis of preparation of financial statements

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

3 Use of estimates

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

4 Significant accounting policies

4.1 Revenue recognition

Premium income

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

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

Income from reinsurance ceded

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

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

Income earned on investments

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

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

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

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

4.2 Premium received in advance

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

4.3 Reinsurance premium

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

4.4 Reserve for unexpired risk (refer note 5.2.2 and 5.2.3)

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

4.5 Claims

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

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

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

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

4.6 Acquisition costs

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

4.7 Premium deficiency

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

4.8 Investments

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

Classification

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

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

Valuation

Investments are valued as follows:

Debt securities and Non – convertible preference shares

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

Equity shares and Convertible preference shares

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

Mutual fund units (Other than venture capital fund)

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

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

Investments other than mentioned above are valued at cost.

Impairment of Investments

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

4.9 Employee Stock Option Scheme ("ESOS")

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

4.10 Fixed assets, Intangibles and Impairments

Fixed assets and depreciation

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

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

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

Leases

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

Intangibles

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

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

Impairment of assets

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

4.11 Employee benefits

Provident fund

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

Gratuity

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

Accrued leave

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

4.12 Foreign currency transactions

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

4.13 Taxation

Current tax

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

Deferred tax

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

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

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

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

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

Fringe benefit tax

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

4.14 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.15 Provisions and Contingencies

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

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

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

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

5 Notes to accounts

5.1 Statutory disclosures as required by IRDA

5.1.1 Contingent liabilities

(Rs. in 000's)

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

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

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

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

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

5.1.5 Claims

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

(Rs. in 000's)

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

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

Ageing of claims is set out in the table below:

(Rs. in 000's)

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

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

schedules

5.1.6 Premium

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

(Rs. in 000's)

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

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

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

| Sector | For the year ended March 31, 2009 | | | | For the year ended March 31, 2008 | | | |
|--------------|-----------------------------------|------------------|--------------|---------------|-----------------------------------|------------------|--------------|---------------|
| | GWP Rs. in 000's | No. of policies | No. of lives | % of GWP | GWP Rs. in 000's | No. of policies | No. of lives | % of GWP |
| Rural | 3,900,173 | 401,174 | — | 10.40 | 2,447,805 | 438,816 | — | 6.80 |
| Social | 178,455 | 3 | 1,616,838 | 0.48 | 25,667 | 2 | 403,843 | 0.07 |
| Urban | 33,413,482 | 3,555,871 | — | 89.12 | 33,536,726 | 3,088,143 | — | 93.13 |
| Total | 37,492,110 | 3,957,048 | | 100.00 | 36,010,193 | 3,526,961 | | 100.00 |

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

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

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

5.1.11 Investments

Value of contracts in relation to investments for:

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

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

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

Allocation of investment

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

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

5.1.12 Employee Benefit Plans

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

(Rs. in 000's)

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

(Rs. in 000's)

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

Experience adjustments of last four years is given below

(Rs. in 000's)

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

schedules

forming part of the financial statements

Continued

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

5.1.14 Allocation of income and expenses

Allocation of investment income

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

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

Allocation of expenses

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

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

5.1.15 Managerial remuneration

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

(Rs in 000's)

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

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

5.1.16 Share Application

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

5.1.17 Outsourcing, business development and marketing support expenses

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

(Rs. in 000's)

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

5.1.18 Summary of Financial Statements for the last five years:

(Rs. in 000's)

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

(Contd.)

Miscellaneous

Policy holder's account:

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

Total investments

Not applicable as investments are not earmarked

Yield on Investments

Shareholder's account:

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

Total investments

Not applicable as investments are not earmarked

Yield on Investments

Paid up equity capital

| | | | | |
|-----------|-----------|-----------|-----------|-----------|
| 4,031,369 | 3,773,578 | 3,357,075 | 2,450,000 | 2,200,000 |
|-----------|-----------|-----------|-----------|-----------|

Net worth *

| | | | | |
|------------|------------|-----------|-----------|-----------|
| 16,026,640 | 10,759,589 | 9,427,035 | 3,729,201 | 2,494,041 |
|------------|------------|-----------|-----------|-----------|

Total assets

| | | | | |
|------------|------------|------------|------------|-----------|
| 54,842,026 | 37,941,850 | 29,540,353 | 16,390,867 | 7,689,222 |
|------------|------------|------------|------------|-----------|

Yield on total Investments (annualized)

| | | | | |
|-----|-----|-----|-----|-----|
| 14% | 11% | 10% | 13% | 13% |
|-----|-----|-----|-----|-----|

Earnings per share (Rs.)

| | | | | |
|------|------|------|------|------|
| 0.60 | 2.76 | 2.35 | 2.28 | 2.20 |
|------|------|------|------|------|

Book value per share (Rs.)

| | | | | |
|-------|-------|-------|-------|-------|
| 39.75 | 28.51 | 28.08 | 15.22 | 11.34 |
|-------|-------|-------|-------|-------|

Total dividend (excluding dividend tax)

| | | | | |
|---|---------|---------|---------|---------|
| — | 591,157 | 438,365 | 232,500 | 220,000 |
|---|---------|---------|---------|---------|

Dividend per share (Rs.)

| | | | | |
|---|------|------|------|------|
| — | 1.60 | 1.50 | 1.00 | 1.00 |
|---|------|------|------|------|

Net of Reinsurance

@ Net of Losses

* Excluding Fair Value Change Account

5.1.19 Ratio Analysis:

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

5.1.20 Employee Stock Option Scheme (ESOS)

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

Founder ESOPs:

| Scheme | Others | Managing Director |
|-----------------------------------|--|-------------------|
| Date of grant | April 26, 2005 | April 26, 2005 |
| No. of Options granted (in 000's) | 854 | 63 |
| Grant Price | Rs. 35 | Rs. 35 |
| Granted 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 | |

schedules

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

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

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

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

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

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

(Rs. in 000's)

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

5.2 Other disclosures

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

Liability for IBNR including IBNER (excluding on IMTPIP) for the year ending March 31, 2009 has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDA vide circular no. 11/IRDA/ACTL/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 Bornheutter Ferguson method to those lines of business where claims development in the past years are not thought to be representative for the future claims development.

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

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

5.2.2 Contribution to terrorism pool

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

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

5.2.3 Contribution to Motor third party pool

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

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

5.2.4 Contribution to solatium fund

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

5.2.5 Environment Relief Fund

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

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

5.2.6 Leases

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

Non Cancelable operating lease

The detail of future rentals payable are given below:

(Rs. in 000's)

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

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

5.2.7 Micro and Small scale business entities

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

schedules

forming part of the financial statements

Continued

5.2.8 Segmental reporting

Primary reportable segments

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

Segmental Assets & Liabilities

(Rs. in 000's)

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

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

Secondary reportable segments

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

5.2.9 Related party

Related parties, nature of relationship and description of transactions.

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

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

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

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

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

(Rs. in 000's)

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

schedules



forming part of the financial statements

Continued

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

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

Figures in brackets represent previous year figures.

5.2.11 Deferred taxes

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

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

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

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

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

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

For and on behalf of the Board

K.V. KAMATH
Chairman

S. MUKHERJI
Director

SANDEEP BAKHSHI
Managing Director & CEO

PRATAP SALIAN
Company Secretary

Mumbai, April 23, 2009

CHANDA D. KOCHHAR
Director

V. VAIDYANATHAN
Director

RAKESH JAIN
Director-Corporate Centre & CFO

receipts & payment account

for the year ended March 31, 2009

| | March 31, 2009 | March 31, 2008 | (Rs. in 000's) |
|---|--------------------|--------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| - Premium received from policyholders, including advance receipt | 39,872,197 | 38,973,581 | |
| - Premium received from co-insurer | 2,130,673 | 3,716,516 | |
| - Other receipts (Collection-Environment Relief Fund) | 4,559 | 13,300 | |
| - Payment to re-insurer net of commissions & claims | (8,698,935) | (9,874,105) | |
| - Payment to co-insurer net of claims recovery | (3,390,738) | (3,006,696) | |
| - Payments of Claims (Net of salvage) | (19,238,956) | (16,212,014) | |
| - Payments of Commission and brokerage | (2,812,150) | (3,035,051) | |
| - Payments of other operating expenses | (6,300,888) | (5,462,541) | |
| - Preliminary and pre-operative expenses | — | — | |
| - Deposits, advances & staff loans | 486,251 | 459,230 | |
| - Income tax paid (Net) | (287,995) | (576,741) | |
| - Service Taxes Paid | (2,610,032) | (2,277,157) | |
| - Other payments (environment relief fund) | (50,566) | — | |
| - Cash flows before extraordinary items | (896,580) | — | 2,718,322 |
| - Cash flows from extraordinary items | — | — | — |
| Net cash from operating activities | (896,580) | (896,580) | 2,718,322 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| - Purchase of fixed assets (including Capital Advances) | (592,172) | (594,845) | |
| - Proceeds from sale of fixed assets | 2,926 | 24 | (594,821) |
| - Purchase of investments | (39,577,324) | (16,730,508) | |
| - Loans disbursed | — | — | |
| - Sale of investments | 37,387,458 | 10,168,421 | |
| - Repayments received | — | — | |
| - Rent/Interest/Dividends received | 1,243,947 | 1,360,911 | |
| - Investments in money market instruments and liquid Mutual fund (Net) | (3,226,155) | 686,974 | |
| - Expenses related to Investments | (5,748) | (5,267) | (4,519,469) |
| Net cash from investing activities | (4,767,068) | (4,767,068) | (5,114,290) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| - Proceeds from Issuance of Share Capital (including share premium & net of share issue expenses) | 5,030,806 | 995,443 | |
| - Proceeds from Borrowing | — | — | |
| - Interest/Dividend Paid (including dividend tax) | — | (715,157) | |
| Net cash flow from financing activities | 5,030,806 | 5,030,806 | 280,286 |
| Effect of foreign exchange rates on cash and cash equivalents, net | — | — | — |
| Net increase/(decrease) in cash and cash equivalents | (632,842) | (632,842) | (2,115,682) |
| Cash and cash equivalents at the beginning of the year | 1,363,317 | 1,363,317 | 3,478,998 |
| * Cash and cash equivalents at end of the year | 730,475 | 730,475 | 1,363,317 |

* Cash and cash equivalent at the end of the period includes short term deposits of Rs. 601,150 thousand (previous year: Rs. 1,023,086 thousand), balances with banks in current accounts Rs. 91,505 thousand (previous year: Rs. 225,119 thousand) and cash including cheques and stamps in hand amounting to Rs. 37,820 thousand (previous year: 115,112 thousand)

As per attached report of even date

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership Number: 201402

For and on behalf of the Board

K.V. KAMATH
Chairman

S. MUKHERJI
Director

SANDEEP BAKHSHI
Managing Director & CEO

PRATAP SALIAN
Company Secretary

CHANDA D. KOCHHAR
Director

V. VAIDYANATHAN
Director

RAKESH JAIN
Director-Corporate Centre & CFO

Mumbai, April 23, 2009

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

I. Registration details

Registration Number

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1 | 1 | - | 1 | 2 | 9 | 4 | 0 | 8 |
|---|---|---|---|---|---|---|---|---|

 State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | |
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| 3 | 1 |
|---|---|

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|---|---|
| 0 | 3 |
|---|---|

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| | | | |
|---|---|---|---|
| 2 | 0 | 0 | 9 |
|---|---|---|---|

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

| | | | | | | | | | |
|--|--|--|--|---|---|---|---|---|---|
| | | | | 2 | 5 | 0 | 0 | 0 | 0 |
|--|--|--|--|---|---|---|---|---|---|

III. Position of mobilisation and deployment of funds

(Amount in Rs. Thousand)

Total Liabilities

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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 Total Assets

| | | | | | | | | | | | | | | | | | | | |
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Sources of funds

Paid-up Capital

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|---|---|
| | | | 4 | 0 | 3 | 1 | 3 | 6 | 9 |
|--|--|--|---|---|---|---|---|---|---|

 Reserves and Surplus

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Secured Loans

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

 Unsecured Loans

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Application of funds

Net Fixed Assets & WIP

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

 Investments

| | | | | | | | | | | | | | | | | | | | |
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Net Current Assets

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

 Miscellaneous Expenditure

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Accumulated Losses

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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

Turnover

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

 Total Expenditure

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Profit/Loss Before Tax

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

 Profit/Loss After Tax

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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.