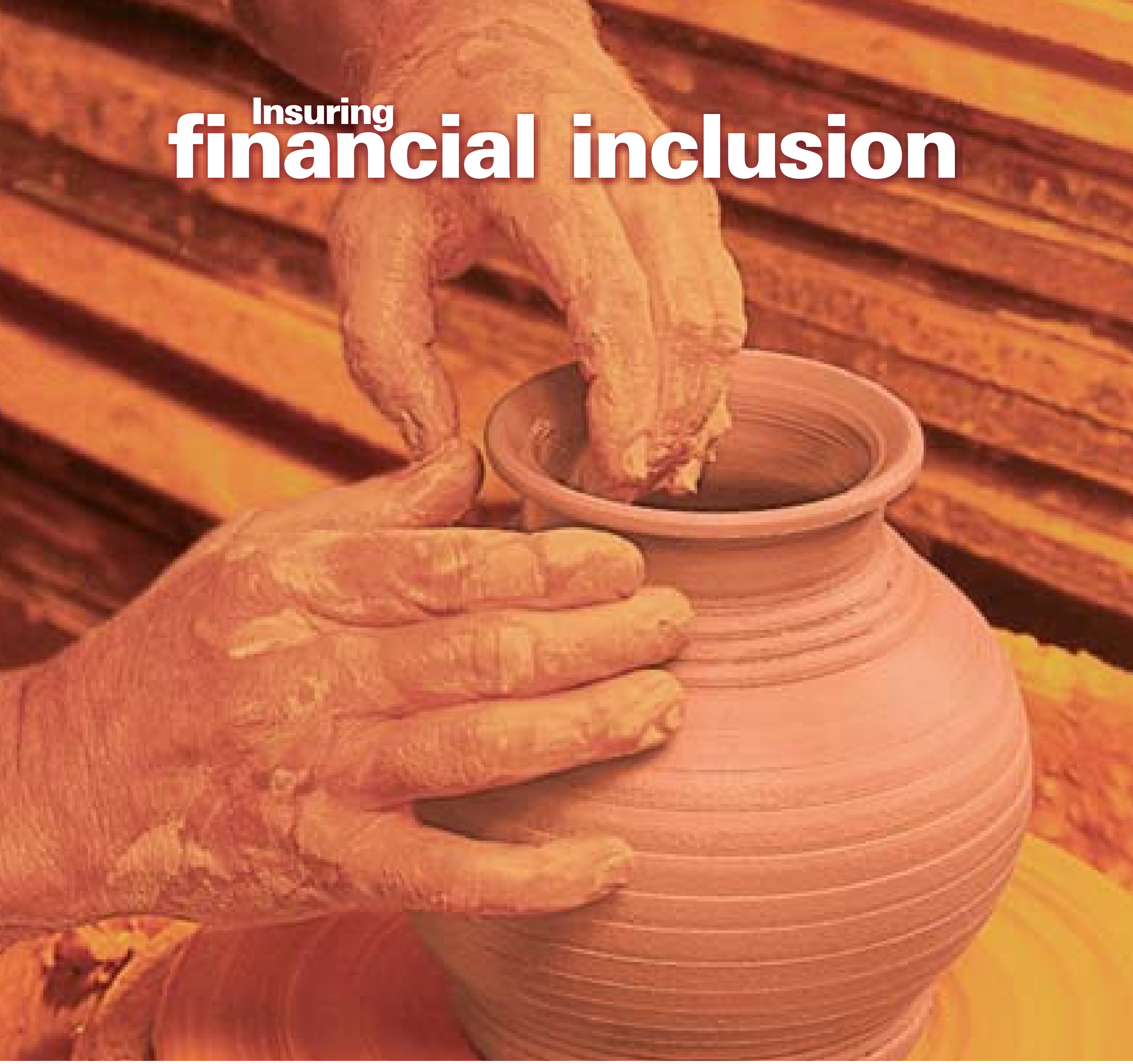
Insuring financial inclusion



ICICI Lombard

GENERAL INSURANCE

WE KEEP YOU GOING

Annual Report 2010-2011

Weather Insurance

'Kisan hamare annadaata hain'. Agriculture plays a key role in our economy while providing employment to a large segment of our population. To mitigate the risk that farmers are exposed to, due to uncertainties of nature, we have introduced a scheme that covers the farmer against the adverse weather conditions affecting the crop.

Health Insurance Scheme for Women Sericulturists and Workers

Women working in grainages and silk reeling units expose themselves to major health hazards. Recognising the need for the welfare of women, the most important family member, we have introduced a scheme providing coverage to the women beneficiaries (as the prime insured), her spouse and two children.

Rajiv Gandhi Shilpi Swasthya Bima Yojana

India is well-known for its artisans and handicraft products all over the world. Aware of the need of the artisans' community to gain access to good healthcare facilities by enabling them financially, we have introduced the first-ever health insurance initiative for artisans in the country called RGSSBY.

Rashtriya Swasthya Bima Yojana

This is one of the largest mass health insurance programmes in the world that provides health cover to five members of every BPL family. The programme for the low-income households across India, has harnessed technology to provide bio-metric smart cards to beneficiaries giving him the freedom to avail the best possible treatment for his family.

Health Insurance Scheme for Handloom Weavers

Weavers and ancillary workers are an important segment of the unorganised sector. This unique scheme has been specially designed for the weavers' community and aims to provide comprehensive healthcare and medical assistance for a wide range of common ailments including OPD services.

Contents

Message from the Chairperson

Fiscal 2011 was a year of revival in the global economy as continued signs of stability were seen across the financial landscape. Global GDP growth rose during 2010 to 3.9% on account of economic development in the emerging markets of Asia and South America, the positive effects of government stimulus programmes and the restocking of industrial inventories. However, developed economies in Europe continued to grapple with higher debt. In the wake of the financial crisis, the process of global rebalancing has accelerated with nations such as India and China leading the global recovery.

In India, the underlying positive momentum resulted in acceleration in GDP growth to above 8%. While emerging challenges like inflation and volatility in capital flows pose short-term risks, the fundamental drivers of demographic dividend and investment potential should enable India to sustain high rates of growth over the medium to long term.

The ICICI Group is committed to providing financial solutions that meet customer needs. Our range of products and services caters to all customer segments from retail to corporate and from rural to government. Within this, general insurance has a key role to play as a risk pooling mechanism that underpins the growth of the wider economy, facilitating the creation of assets as well protecting lifestyles. Natural disasters that occurred in the past year underscored the uncertainties that surround us, re-emphasizing the need for adequate insurance for both individuals and corporate entities. The industry has immense potential in India as general insurance penetration is still well below 1% of GDP compared with the global standards of 3-5% of GDP. We believe that the key to unlocking the latent potential in the sector is to focus on establishing a customer centric business with a sustainable operating model anchored around human capital, technology, innovation and superior risk management.

ICICI Lombard General Insurance Company continued to focus on profitable growth over the last year with our combined ratio (excluding third party motor pool) improving by five percentage points from 110.1% to 105.3% and gross written premiums growing by 29%, faster than the industry. Identification of profitable customer segments and appropriate pricing along with underwriting discipline during customer acquisition helped in building the desired risk portfolio. Innovation coupled with technology investments in process reengineering reduced friction costs while handling the growing scale of operations. The focus on direct channels of distribution expanded reach at lower cost. Regular customer research and satisfaction surveys at the transaction level further strengthened our knowledge of our customers' needs and quality of experience. Regular monitoring of our service levels helped in continuous improvement in our service architecture including our in-house health claims settlement processes, thereby enhancing the customer experience and increasing retention. These initiatives served to deepen the quality of our business model while setting benchmarks that were recognized by the industry.

Though the general insurance business returned to its historical growth rates, the additional provisioning requirement for the Indian Motor Third Party Insurance Pool impacted the profitability of the industry with all insurance companies contributing their share to the pool. On a positive note, the regulator has also increased the premium for third party liability insurance on commercial vehicles, which should help bridge the gap between the actual and the estimated claim ratio.

The year was characterised by a number of changes in the regulatory guidelines that kept in mind the protection of policyholders' interests. Enhanced disclosure requirements will increase the confidence of the customers while driving transparency. Health insurance portability introduced by the regulator would benefit customers while compelling insurers to focus on customer retention through better service standards. Distance marketing guidelines were also a welcome step giving a robust framework to electronic channels of fulfillment, which have significant potential in reaching out customers in a cost effective manner. We view these changes as a positive development for the sustainable growth of the industry and have taken proactive steps to leverage the same through improved underwriting practices, higher levels of customer service, product innovation and investing in the electronic channels of distribution.

The ICICI Group is committed to inclusive growth, with a clear agenda to reach out to individuals at the bottom of the pyramid. There is a need to bring the households in the lowest economic strata into the mainstream by offering them the means to improve their economic circumstances as well as mitigating their risks. Insurance products protect the livelihood of the underprivileged by creating a safety net against uncertainties. There is a need to bring in low cost, easy to purchase risk solutions that cater to the specific needs of this population. ICICI Lombard General Insurance has been working closely with various government and non-government bodies to ensure that such insurance products are rolled out in a sustainable manner. Our investments in technology helped make the distribution of insurance products on a mass platform a cost effective proposition. Innovation and focus on building a viable and scalable operating model are the chief enablers of success in the efforts to explore and grow the business at the bottom of the pyramid.

ICICI Lombard General Insurance continues to be aligned to long-term value creation through its focus on the core building blocks for a sustainable business including customer centricity, deep understanding of risk, operational excellence and nurturing of profitable segments. Success in these areas depends on the quality of our people and we remain committed to attracting, training and retaining our human resources to ensure that our customers get the best experience with us.

The Indian economy is on the path to be amongst the leading economies in the world and we believe that ICICI Lombard General Insurance is well positioned to benefit from this growth. We are confident of our ability to identify and execute relevant strategies in an evolving market.

We solicit the continued support of all our stakeholders on this exciting journey.

Chanda Kochhar

Chairperson

Board of Directors

Board

Chanda Kochhar
Chairperson

R. Athappan
Director

Sandeep Bakhshi
Director (upto July 31, 2010)

B.V. Bhargava
Director

Dileep Choksi
Director

Zarin Daruwala
Director (w.e.f. October 18, 2010)

N.S. Kannan
Director

S. Mukherji
Director

Chandran Ratnaswami
Director

M.K. Sharma
Director

H. N. Sinor
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director (w.e.f. January 19, 2011)

Neelesh Garg
Executive Director (w.e.f. January 19, 2011)

Board Governance Committee

M.K. Sharma
Chairman

Chanda Kochhar

Sandeep Bakhshi
(upto July 31, 2010)

Chandran Ratnaswami

H. N. Sinor

Investment Committee

Chandran Ratnaswami
Chairman

Sandeep Bakhshi
(upto July 31, 2010)

N.S. Kannan
Director

Bhargav Dasgupta

Liyaquat Khan
Appointed Actuary

S. Gopalakrishnan

Rakesh Jain

Audit Committee

Dileep Choksi
Chairman

R. Athappan

S. Mukherji

H. N. Sinor

Risk Management Committee

S. Mukherji
Chairman

R. Athappan

H. N. Sinor

Bhargav Dasgupta

Policyholder Protection Committee

M.K. Sharma
Chairman

S. Mukherji

Chandran Ratnaswami

Bhargav Dasgupta

Auditors

N. M. Raiji & Co.
Chartered Accountants

PKF Sridhar & Santhanam
Chartered Accountants

Message from the Chairman, Fairfax Asia

Fairfax Financial Holdings Limited has been a committed shareholder of ICICI Lombard General Insurance Company for ten years now and at this threshold for the 2nd decade and beyond, I am delighted to share a few thoughts on this robust partnership in India.

The Indian economy has seen steady growth over the years and the middle-class segment of the population has been expanding. This vibrant background and the keenly competitive market environment prevailing in India have encouraged ICICI Lombard to develop highly attuned responses and innovative products to meet the needs of the insuring public. In the non-tariff, free market environment the company's management team has been able to effectively handle the ever increasing competition and maintain its pole position. I am indeed happy to note that ICICI Lombard has once again recorded comfortable growth and consolidated its leadership position across the various business segments and as shareholders it endorses our commitment and faith in the company.

India is witnessing a steady growth of its economy and therefore, it is imperative that people from every strata of the society benefit from the emerging economic landscape of the country. In this context, ICICI Lombard's endeavour to provide cost effective insurance solutions to the people of underprivileged strata in participation with government bodies is exemplary.

In Fiscal 2010-2011, the series of natural catastrophes witnessed worldwide have given rise to a very challenging period for the global insurance industry because of the somewhat unusual spurt in the number as well as the size of the catastrophic events. The unprecedented situation in Japan due to the nature, complexity and scale of the catastrophe has introduced significant uncertainty in the loss estimation process and has adversely impacted the Japanese as well as the global general insurance / reinsurance industry. Such catastrophic events severely test the effectiveness of reinsurance arrangements of the general insurance companies and accentuate the fact that companies which adopt the most prudent underwriting practices and reliable risk analysis/assessment methods are the ones that can hope to show robust results. It is worth noting here that ICICI Lombard has scored well in these areas which is an added source of comfort to us.

This year ICICI Lombard has reported a net loss due to one off incidence of additional contribution to the Third Party Motor Pool. Despite the loss this year, we are of the opinion that the company will continue its momentum of growth by combining disciplined underwriting with the prudent investment of its assets on a total return basis, which we believe will provide above-average returns over the long-term. We have contributed towards the incremental capital of the company and reiterate our trust in the value of its core business. An organisation's success reflects the values of its people and ICICI Lombard's background combines an entrepreneurial passion with a vision to create long-term value for all its stakeholders. We are proud to be part of this still evolving growth story that continues to shape and contribute to the insurance industry landscape in the country.

Thank you

Ramaswamy Athappan
Chairman
Fairfax Asia Limited

Message from the Managing Director & CEO

During the fiscal 2011 the Indian economy sustained its real GDP growth at over 8% with a rebound in agriculture and sustained momentum in consumer spending. The general insurance industry in India shook off the impact of detariffing and grew by 22% in 2010-2011 as compared to 15% the previous year, thereby returning to historical growth rates of two to three times GDP growth. This positive momentum is expected to be sustained in the foreseeable future.

During the year our conscious efforts to pursue profitable growth led to positive results and we maintained our leadership position amongst the private sector general insurers in fiscal 2011. Our sustained efforts in building a long term robust business model underpinned by operational excellence, distribution strength and underwriting discipline enabled us to benefit from the post detariffed environment where we were able to better target the right customer segments having the desired risk profile. During the year our combined ratio (excluding third party motor pool) improved from 110.1% to 105.3%. At the same time our gross written premiums grew by 29%, faster than the market, as a result of which our market share grew from 9.2% in the previous year to 9.6% this fiscal. Our key growth segments included motor, health and weather insurance reflecting the buoyancy of these categories.

Managing scale demands operational efficiencies. In fiscal 2011 our growing retail presence translated into a transaction volume of over half a million policies a month and our focus on mass health schemes offering cashless OPD treatment across rural India resulted in the settling over half a million claims a month. These transaction volumes were 30% higher than the previous year and to service these growth opportunities at a lower cost we reassessed our operating model across every aspect of our business to remove friction and evolve a more efficient and scalable service architecture. Technology played a critical role in automating our processes to manage this scale of operation with lower costs and reduced turn-around time. Reengineering processes for greater front line empowerment also helped increase customer responsiveness. These concerted efforts resulted in a nearly 40% increase in productivity as measured by number of policies per employee and a 30% reduction in average time taken to settle a claim. Our speed in claims settlement was also evident from industry data released by the regulator where ICICI Lombard settled the highest percentage of motor own damage claims within 30 days. We believe that our continued investments in this area are a source of competitive advantage while we seek to expand our footprint and reach out to a wider customer base.

Currently, more than half of India's population remains outside the economic mainstream with limited access to risk management solutions. With robust growth transforming India into one of the leading economies of the world, there is an urgent need to include more and more people into the ambit of insurance. ICICI Lombard remains committed to the mission of building financial inclusion on the bedrock of insurance by ensuring cost effective access to relevant risk solutions across rural India.

ICICI Lombard has successfully implemented Government sponsored health insurance schemes such as Rashtriya Swasthya Bima Yojana (RSBY), being the first insurance company to launch the scheme in India in partnership with the State Government of Haryana. We currently manage the scheme in six states including Maharashtra, Haryana, Punjab, Gujarat, Uttar Pradesh and Bihar. In addition we continue to be the only insurer to offer cashless OPD coverage across 855 clinics in the country to over 24 lakh weaver and artisan families.

Substantial percentage of the rural population is employed in the agriculture sector and subject to the vagaries of weather. ICICI Lombard pioneered the idea of weather-based crop insurance and continued to widen its presence this fiscal covering 2.2 million farmers across 7.6 million acres of land. Weather insurance is a risk management tool which can enhance the risk taking capacity of farmers, banks, micro finance institutions and agro-based industries leading to a boost in the rural economy and strengthening the financial inclusion agenda.

Appropriate deployment of technology is a critical aspect of all financial inclusion efforts. Biometric smart cards used for speedy and instant enrolment allow the identification of insured and provide them with access to cashless medical treatment in network hospitals. As on date ICICI Lombard covers 13.8 million lives under the various mass health schemes that we underwrite. Online connectivity to cashless OPD clinics across the country enable us to efficiently process over 5.0 million claims under the weavers and artisans policy contributing to the success of this unique scheme. Finally weather stations and satellite imagery assist in claims settlement for weather insurance.

The general insurance industry in India continues to evolve and develop with continuing regulatory inputs. The regulatory guidelines were amended during the year with far reaching changes that impacted public disclosure norms for insurers, customer grievance redressal mechanisms, bancassurance partnerships, corporate agency, distance marketing. The most significant impact for the current year however, was the order of the regulator in March 2011, which mandated an additional provision towards the Indian Third Party Commercial Vehicle pool for all general insurance companies, based on the recommendation of the Actuary appointed to review the adequacy of reserves. This additional provisioning, which corrected the imbalance in the pool for the last three years, impacted the profitability of all general insurance companies in India. Taking into account the impact of this provision on our solvency margins, ICICI Lombard's shareholders infused fresh capital bringing the solvency ratio to 156% as at March 31, 2011 in comparison to 130% as required by the regulator.

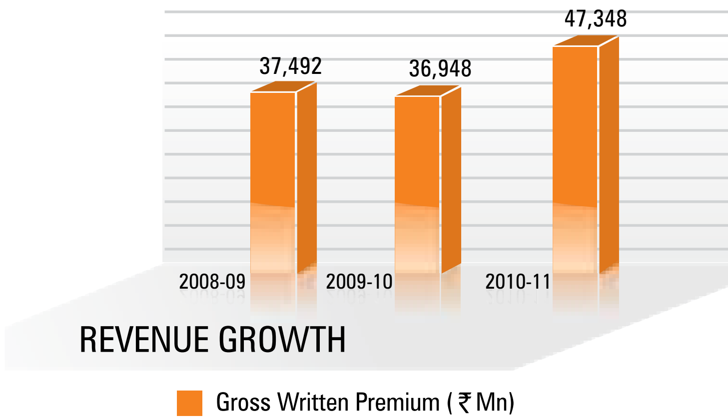
We believe these are demanding yet exciting times for the general insurance industry. Success will depend on being nimble footed with innovative responses to a rapidly evolving environment. Keeping pace with changing customer needs will require the highest levels of customer centricity. Sustained profitability will be a function of cost efficiencies, product and service innovation, premium growth tempered with robust underwriting competencies. We believe that the answer to these challenges lies with our people, their values, skills and competencies. We continue to invest in our human resource and set up a comprehensive people development framework that builds the organisational capacity required to fulfill our growth objectives. As a result the number of interventions per person in training and development went up three fold over the previous year. Our commitment to building an organisation that sets industry benchmarks was also vindicated with recognition that came our way. We were recognised with the 'Most preferred General Insurance Brand' at the CNBC Awaaz Consumer Awards and the NASSCOM – CNBC TV18 IT User Award for 'Best Technology Implementation in the Insurance Sector'. We were also conferred the 'Customer and Brand Loyalty Award' for the third time in a row for our customer centric approach in service delivery in the General Insurance category at the 4th Loyalty Summit. These recognitions encourage us to raise the bar higher as we continue to strengthen the organisational DNA in anticipation of the challenges ahead.

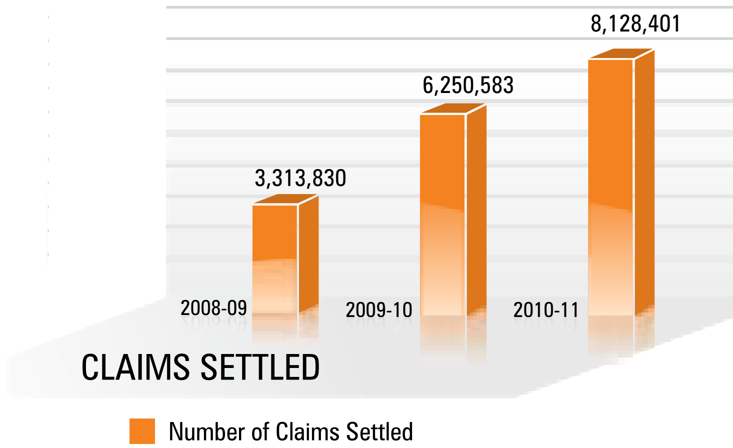
The year gone by heralded a coming of age of the Indian general insurance industry as it came out of the era of detariffing and returned to its growth path. The years ahead will witness the maturing of the industry as all constituents work towards realizing the industry's latent potential. As this journey unfolds, ICICI Lombard is well positioned to capitalize on the opportunities that come our way as we strive to create long term sustainable value for our stakeholders.

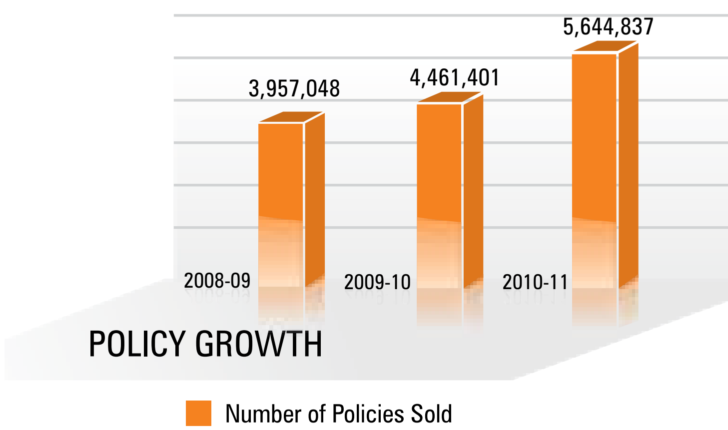
Bhargav Dasgupta

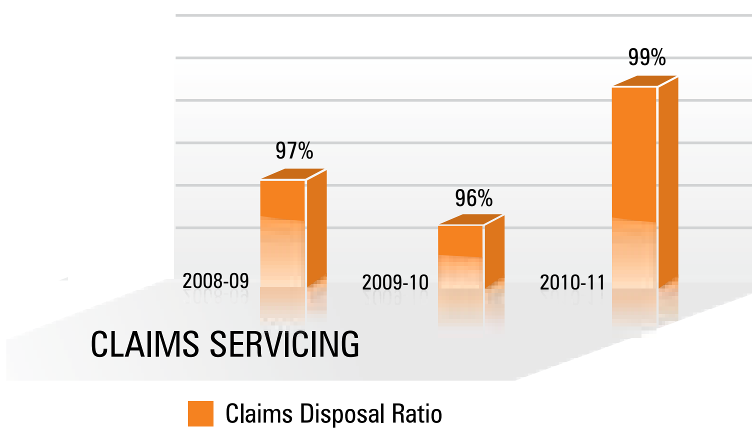
Managing Director & CEO

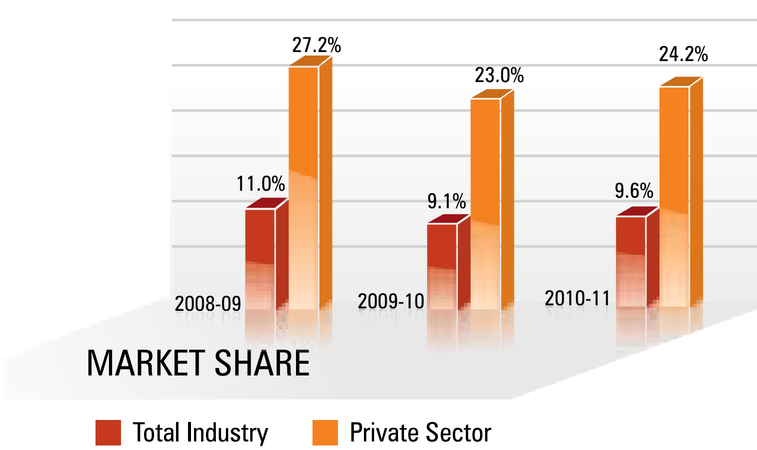
Financial Graphs











General Insurance Sector Overview

The General Insurance industry marked the completion of ten years of its existence since opening up of the sector to private players in fiscal 2011. The year was a defining era for regulatory changes and industry turnaround with the fourth year of the de-tarrifed regime of flexible pricing for the industry. Following the international trend of de-tarrification, price stabilisation trickled in certain segments of the business and the non-life insurance industry commenced recovery, in its fourth year. The year 2010–2011 simultaneously witnessed an economic upswing with an improved world economy and a growing Indian economy in particular. In the backdrop of economic growth coupled with the price correction, the overall Indian insurance industry grew in excess of 20% resurging to the pre-detariffed levels in the last fiscal.

Driven by robust domestic consumption, investment demand and rise in insurance needs the gross written premium (GWP) of the general insurance industry grew from ₹ 360.60 billion to ₹ 441.26 billion on a year-on-year basis for the period of April 2010 – March 2011. The general insurance industry recorded a growth of about 22.4% and capitalising on the opportunity to grow, ICICI Lombard led the private players with a market share of 24.2% in the private sector and an overall market share of 9.6 %.

During the year, the Health Insurance segment propelled growth in general insurance sector with retail penetration increasing with the government's focus on the implementation of mass health schemes across the country adhering to its roadmap for financial inclusion. Health insurance business this year grew from ₹ 83.1 billion to ₹ 111.4 billion (including specialised health institutions) last year. Similarly, in the backdrop of increased new car and two-wheeler sales, Motor Insurance business increased from ₹ 152.28 billion to ₹ 181.6 billion in fiscal 2010. Motor and health insurance segments lead the general insurance market by contributing the largest share, followed by the Corporate segment. Property segments comprising fire and engineering registered GWP of ₹ 65.62 billion.

During the year, the Insurance Regulator IRDA had vide its order dated March 12, 2011 brought about certain regulatory changes the most prominent of which was in the provisioning requirement for the Third Party Commercial Vehicles motor pool at not less than 153% loss ratio, since inception of the pool i.e. FY 2007-08. The results of the pool were shared amongst all companies based on the overall market share of each company. The earlier loss ratio estimated for the reserves was between 122% to 127% for FY 2007-2008 to FY 2009-2010. By virtue of the above order, ICICI Lombard created additional provisions of ₹ 2.72 billion in FY 2010-2011. Further, IRDA in its order has indicated to carry peer review of reserve requirement suggested by an independent consultant actuary, the report of which is likely to be available by Q1 2011-2012. In the meantime, the premium rates for Motor Third Party Liability coverage of commercial vehicles has been increased by IRDA by 68.5% on a prospective basis effective April 25, 2011.

Prominent Regulatory Developments during fiscal 2011

The Insurance Regulator IRDA has issued various circulars and guidelines for Fiscal 2011 some of which are as follows:

Annual on-site inspection of all the Corporate Agents: In June 2010, IRDA issued guidelines for all insurance companies, which required them to conduct an annual onsite inspection of their Corporate Agents and submit the inspection report to IRDA.

Sharing of database: In July 2010, IRDA issued a new regulation namely IRDA (Sharing of database for distribution of Insurance Products) Regulations, 2010. The Regulation prescribes that insurance companies can enter into an agreement for sharing of the database with only those companies which fulfil the criterion laid down under the guidelines.

Credit Insurance: In September 2010, IRDA by its circular directed all general insurance companies to discontinue selling credit insurance policies to Banks and Financial Institutions. This was followed by second circular in November 2010 to discontinue the credit insurance business completely, till detailed guidelines were issued. In December 2010, the Regulator issued guidelines with a view to enhance the underwriting standards, risk mitigation practices and standardisation of credit insurance product. The guidelines define standard terminology and lay down standard procedures to be followed by all insurers in their risk selection and assessment, client servicing, claim management and creation of reserves and reinsurance administration.

Outsourcing: In February 2011, IRDA issued detailed guidelines for insurance companies on outsourcing of activities. These guidelines reiterate that the core activities related to insurance business are performed in-house by insurers and permits outsourcing of non-core activities. The directive is expected to enhance focus on core areas of competence and outsource non-core areas to specialised agencies/entities for effective services.

Portability of Health Insurance Policies: In February 2011, IRDA issued guidelines on portability of health insurance policies. The guidelines require general insurance companies to allow for credit gained by an insured for pre-existing diseases in terms of waiting period, in the event of a customer opting to switch or change plan from one insurer to other. This decision is expected to enhance flexibility of the customers in selecting insurance companies.

Third Party Commercial Vehicle Motor Pool: In March 2011, IRDA directed all the general insurance companies that the Motor Third Party Pool Reserve has to be significantly augmented in order to meet the higher compensation to be paid to the victims of road accidents. The Regulator therefore, requires the general insurance companies to increase their reserves in a phased manner over a period of three (3) years and till the reserves are augmented to a satisfactory level. Augmenting of such reserves will strengthen the insurance companies and will enable them to meet all the claim obligations expeditiously.

ORGANISATION STRUCTURE

ICICI Lombard's operating structure is designed from a customer viewpoint. ICICI Lombard has four segments: Corporate Solutions Group, Financial Inclusion Solutions Group, Retail and Shared Services.

The Corporate Solutions Group concentrates on large conglomerates, small and medium enterprises, state and central governments and government-owned enterprises. Its product portfolio comprises fire, marine, engineering, liability solutions, employee group insurance schemes and large-scale health and personal accident covers. The Financial Inclusion Solutions Group segment provides insurance solutions to rural customers with weather, cattle, health and personal accident covers as its key product segments. The Retail segment caters to individual customers using various channels encompassing agents, brokers, bancassurance, tele-sales, direct alliances, worksites and Internet. Its product portfolio consists primarily of health, home, motor, travel and personal accident. The Shared Services segment pursues opportunities to better serve the business verticals. This group consists of underwriting, customer service, technology, operations, reinsurance, broking, finance and accounts, human resources, legal, marketing, administration and fraud control.

CORPORATE SOLUTIONS GROUP

The Corporate Solutions Group (CSG) caters to the general insurance needs of corporate bodies both in the private and government space. It also provides coverage for international risks of Indian interests through its arm called the International Business Group (IBG). The small and medium enterprise sector, which is a booming segment in the economy, is the prime focus area of the Small and Medium Enterprises Group (SME). The Financial Institutions Group (FIG) continues to meet the typical risk management needs of the Financial Services sector.

Driven by a buoyant economy, the wholesale market grew by a healthy 18% in the Financial Year 2010-2011. ICICI Lombard outpaced the industry with a growth of 19% in the wholesale space. The market share in Corporate Products (which includes Fire, Engineering, Marine Cargo, Aviation, Health, Personal Accident and Liability class of business) grew from 9.5% in FY 2009-2010 to 9.8% in FY 2010-2011.

The growth in business was achieved through strategic portfolio build-up with a zero compromise mindset on quality of the underwriting book. While existing relationships were strengthened, new business development on preferred segments was a key performance indicator. Strong risk management solutions, better turn around times for customers and renewed focus on knowledge management supported the quality growth in the corporate segment.

In the Corporate Health space, the growth has been significant. The conscious effort of building up of a quality book in Corporate Health has led to improved loss ratios. In the loss making large groups, the approach was, and continues to remain selective. The growth came mainly from the small group segments where the loss ratios are significantly lower.

Inclusion builds innovation

Weather Insurance

Agriculture contributes around 24 per cent of the country's GDP, providing employment to two-thirds of its population. However, most of it is rain-fed and prone to unfavourable weather conditions. Given the vagaries of Mother Nature, weather insurance is a ray of hope for farmers to mitigate risks from the uncertain pattern of their crops. Pioneered by ICICI Lombard in India in the year 2003-04, Weather-based Crop Insurance Scheme (WBCIS) is a farmer friendly insurance product successfully adopted in 11 states covering as many as 1.7 million farmers.

The company has increased its market share in Marine Cargo from 6.5% in FY 2009-2010 to 7.2 % in FY 2010-2011. Engineering portfolio witnessed a dip, but in the profitable segment of this portfolio, the position was strengthened. ICICI Lombard increased its presence in the preferred and most preferred segments from 72% to 90% in the current year.

Growth in Aviation business was another major success story of the year. ICICI Lombard is the leader in the aviation policy of the country's national carrier Air India, which is the largest aviation policy in the country. This, combined with the Company's success in getting into the portfolios of all the major airlines carriers has catapulted the company to the top position in the aviation insurance industry with a share of 24%, putting ICICI Lombard above all PSUs as well as private players.

The Company organised structured training modules for the employees in its continued emphasis on knowledge.

The emphasis of the International Business Group was to develop capabilities round the globe with an enhanced focus on less volatile markets. Significant growth was achieved in all markets.

The Small and Medium Enterprises Group grew in all quality parameters across all channels and product lines. Structured focus on Agency initiatives has yielded results in terms of better agency activation and increased productivity.

Enhanced focus on bancassurance relationships, continuous drive of agency initiatives, conscious effort on over the counter (OTC) segment and penetration into the low-end Brokers would result in higher manpower productivity and better product mix.

The Financial Institutions Group's focus on increasing the proportion of Card and Liability business has helped in portfolio diversification.

FINANCIAL INCLUSION SOLUTIONS GROUP

The **Financial Inclusion Solutions Group** (FISG) at ICICI Lombard focuses on providing insurance solutions for government welfare initiatives primarily in the rural areas of the country. FISG works closely with the Government to deliver insurance solutions to economically disadvantaged beneficiaries.

The focus on financial inclusion in India has been tabled over the last few years to address the development of those at the 'bottom of the pyramid'. ICICI Lombard has played a critical role in providing solutions that help rural India manage uncertainties in the field of health and agriculture. ICICI Lombard made significant progress in evolving scalable models and has innovated in product design, technology, claims processing and public-private collaboration to deliver solutions to the rural mass.

A World Bank update in 2002 estimated that one episode of hospitalisation accounts for 58% of per capita annual expenditure pushing 2.2% of the population below the poverty line. Insurance companies partnering various government-funded and community programs, engineer customised products for the rural poor that cover surgeries, critical illness, hospitalisation and personal accidents. The premium payable is very nominal and is subsidised by the state and central Government. Innovations like cashless claims and out-patient department (OPD) reimbursement helps insulate rural beneficiaries from their prevalent challenge of permanent poverty and cycle of indebtedness.

Rashtriya Swasthya Bima Yojana

A shining example of how the government can help insurance touch lives in the poorest of the poor segment is the Rashtriya Swasthya Bima Yojana (RSBY). One of the largest mass health insurance programmes in the world, RSBY provides health insurance to five members of every BPL family. The biggest USP of the RSBY scheme is the empowerment it provides to the beneficiary. By being an RSBY smart card holder, the beneficiary has the freedom to choose from the empanelled private as well public hospitals to avail the best possible treatment for his family. The scheme has been successful in delivering health cover to the economically challenged households across India.

This scheme provides health insurance cover to the head of the household, his spouse and up to three dependent children or parents. As part of this scheme, smart cards embedded with biometric technology are issued to the beneficiary family. The fingerprints and photographs stored on the smart card facilitate accurate beneficiary validation and ensure that they get cashless access to medical care across empanelled public and private hospitals.

The usage of biometric technology guarantees that each beneficiary has a unique identification, enabling validation of the medical claim balance available and foolproof authentication. The smart card reduces hospital and other administrative costs and the need for cumbersome admission procedures at hospitals, thereby providing a sustainable platform for the delivery of cashless health insurance to economically challenged citizens at remote rural locations.

RSBY also has a robust monitoring and evaluation system that can track all transactions happening across the country and provide periodic analytic reports.

ICICI Lombard partnered with the Ministry of Labour and Employment, Government of India and State governments to implement this smart card based health insurance scheme in the states of Maharashtra, Haryana, Uttar Pradesh, Punjab, Gujarat and Bihar. Over 18 districts of Maharashtra, 5 districts of Haryana, 11 districts of Uttar Pradesh, 10 districts of Gujarat, 11 districts of Punjab, and 11 districts of Bihar are covered by ICICI Lombard around 4 million BPL families have been enrolled under this scheme in FY 2010-2011.

The company received **The Golden Peacock Innovation Award, 2011** for the RSBY scheme. ICICI Lombard was recognised for deployment of biometric card technology to implement the scheme, which helped the Government of India to execute the scheme rapidly.

ICICI Lombard was also bestowed with the prestigious **SKOCH Financial Inclusion Award, 2011** for the RSBY scheme in the micro finance category. The award recognised the pioneering efforts made by the company for providing health coverage for the below poverty line through a robust and effective delivery model.

Health Insurance Scheme for Handloom Weavers

Weavers and ancillary workers are an important segment of the unorganised sector. Weaving started as a part-time activity in rural areas and transformed into a flourishing economic activity driven by significant market demand. Handloom weaving sustains millions of weavers spread across the country, contributes significantly to export and is the second largest employment generator after agriculture.

The weavers' scheme covers handloom weavers and ancillary workers like those engaged in warping, winding, dyeing, printing, finishing, sizing, jhala-making and jacquard cutting. The scheme provides the weaver community comprehensive healthcare and medical assistance for a wide range of common ailments including a substantial provision for outpatient department (OPD) services. The scheme provides coverage to the weaver and his family and covers pre-existing as well as new diseases with an annual limit per family of ₹15,000.

ICICI Lombard has covered 16 lakh families last year and has settled over 30 lakh claims under its health insurance scheme for handloom weavers and ancillary workers. The scheme allowed treatment at 1,599 empanelled hospitals and 855 OPD clinics.

Mobile OPDs have been arranged to make doctors and medicines available to everyone along with the required infrastructure. The first project of this kind was piloted in Rani in Kamrup district of Assam on June 10, 2008 where 114 patients were treated. Over the past three years, the scopes of the mobile OPDs have expanded to include specialty consultation and medicine, which helped rural customers avail gynaecological, ophthalmic, cardiac and dental treatments.

ICICI Lombard also conducted health camps for weavers and at March 31, 2011 had organised over 214 health camps treating approximately 93 thousand weavers.

Rajiv Gandhi Shilpi Swasthya Bima Yojana

Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY) is the first-ever health insurance initiative for artisans in the country. The scheme is implemented by the Development Commissioner - Handicraft, Ministry of Textiles along with ICICI Lombard and covers the artisan, spouse and two children for comprehensive health insurance including OPD.

This policy aims to financially enable the artisans' community to help access the best of healthcare facilities in the country. RGSSBY also covers death and disability due to accident to the artisan and his or her family. All craft persons whether male or female, between the age group of 01 day to 80 years are eligible to be covered under RGSSBY.

The scheme provides coverage to the artisan and his family for pre-existing as well as new diseases with an annual limit of ₹15,000 per family. The scheme allows the insured to avail alternative systems of medicine, maternity, childcare and spectacles. ICICI Lombard enrolled approximately 8 lakh artisans and settled 15.2 lakh claims under the RGSSBY scheme last year.

Health Insurance Scheme for Women Sericulturist and Workers:

This Health Insurance Scheme aims at financially enabling the women sericulture farmers, workers in private reeling units and grainages to access healthcare facilities across the country. The scheme provides coverage to the women beneficiaries (as the prime insured), her spouse and two children. The sum insured for this scheme is ₹15,000. Comprehensive healthcare assistance is provided for a wide range of ailments including a substantial provision for outpatient department

Inclusion builds trust

Health Insurance for Women Sericulturists

Women working in the private grainages and silk reeling units expose themselves to health hazards. ICICI Lombard has come up with a scheme for these women beneficiaries in order to provide them with some health security. The scheme provides coverage to the women beneficiaries (as the prime insured), her spouse and two children. Comprehensive healthcare assistance is provided for a wide range of ailments including a substantial provision for outpatient department (OPD) services.

(OPD) services. The scheme allows the insured to avail alternative systems of medicine, maternity care, childcare, and spectacles along with covering pre-existing diseases.

Through this policy, beneficiaries enjoy facility for cashless claims settlement through a network of 1599 empanelled hospitals and 897 OPD clinics across India. A patient can get treatment in any one of the panel hospitals without actually having to pay bills. In case a patient goes to a doctor or a clinic, which is not on the approved list, she is able to submit the prescription and the bills for the medicines to ICICI Lombard and it is ensured that full payment is made within 15 days after receipt of the requisite documents and information.

This scheme covers 13 States namely Andhra Pradesh, Karnataka, Tamil Nadu, Jammu and Kashmir, Himachal Pradesh, Madhya Pradesh, West Bengal, Jharkhand, Orissa, Assam, Tripura, Nagaland and Mizoram. Last year, over 97631 beneficiaries have been enrolled and issued health cards.

Weather Insurance

Agriculture is still the dominant sector in India, contributing around 24 per cent of GDP and providing employment to two-third of its population. However, most of it is rain-fed and prone to unfavourable weather conditions like deficit or excess rainfall and variations in temperature. Though the phenomenon of unpredictable rainfall in India remains an unresolved issue, weather insurance has emerged as a ray of hope for farmers to tackle the uncertain pattern of their crops. Weather insurance schemes facilitate immediate compensation based on objective data obtained from the meteorological department giving farmers the flexibility to take up insurance for a critical stage of crop growth or for the entire crop cycle.

Weather based crop insurance Scheme (WBCIS) is an index based insurance product, which was pioneered by ICICI Lombard in India in the year 2003-2004 and has now been successfully adopted in 11 states covering as many as 2.2 million farmers both in the loanee and non-loanee segment.

In FY 2011, weather has contributed to ₹ 3321.2 million, 7.8% of the company's direct business and is the market leader amongst private insurers for Weather Based CIS. For FY 11, ICICI Lombard increased its market penetration to 41 districts from the earlier 14 in FY 2010 and received mandates for implementation of WBCIS in the states of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Tamil Nadu, Karnataka, Chhattisgarh, Himachal Pradesh, Haryana and Jharkhand. The Company has insured close to 7.6 million acres of land insuring as many as 30 crop varieties. Modified National Agricultural Insurance Scheme (MNAIS) is a scheme launched by the Ministry of Agriculture, Government of India on a pilot basis in 35 selected districts of India as an alternative to the ongoing National Agricultural Insurance Scheme (NAIS) from the Rabi 2010-11 season.

MNAIS aims at sustainable production in agriculture sector, thereby ensuring food security, crop diversification while enhancing growth and competitiveness in the agriculture sector, besides protecting farmers from production risks. ICICI Lombard is the only private insurer to have received a mandate to implement MNAIS in two districts of Uttaranchal and Madhya Pradesh. With the introduction of the modified scheme, it is expected that an increased number of farmers will be able to manage risks in their agriculture production in a better way and will succeed in stabilising farm income particularly at the times of crop failure on account of natural calamities.

In the last financial year, ICICI Lombard also focused on setting up dedicated teams to service the rural beneficiaries and expand the scope of financial inclusion to the economically challenged members of the society. The company worked with various intermediaries like commercial banks, cooperative banks and cooperative societies to create cost-effective delivery channels for farmers across 11 states. Robust processes for claims servicing are a critical part of ICICI Lombard's core customer proposition. In order to facilitate faster claim processing, the company collaborated with National Collateral Management Services Limited, a group company of National Commodities Exchange of India to install automated weather stations at 550 locations across the country. This is supplemented by the latest weather reports received from Indian Meteorological Department.

RETAIL

During Fiscal 2011, the retail segment remained a focus area for the company with Motor insurance business including private cars contributed 75% of the retail business followed by health insurance and other retail insurance segments including travel accounted for the rest.

Motor insurance continues to drive the retail business of the company covering more than 4 million vehicles. Private car and two-wheeler segments accounted for nearly 71% of the motor insurance business. More than 80% of policy issuance was done over-the-counter (OTC) through various point-of-sale applications across all geographies.

ICICI Lombard launched "Zero depreciation" as an add-on cover with Motor Insurance. This add-on provides additional coverage for the depreciation payable by the customer in the event of a claim. With this additional protection, the customer liability is reduced only to the deductible chargeable under motor insurance policy. The product received a very positive response from the car and two wheeler customers. The add-on is offered seamlessly along with the motor insurance policy and is currently available for vehicles up to three years old.

Claims initiatives introduced by ICICI Lombard led to improved service levels. These include e-claim processing whereby select garages were authorised to approve claims up to a certain limit reducing the time gap between vehicles arriving at the garage and the time taken for the vehicle survey. Additionally customers can track their motor claims through the company's website. The widened service provider network, resulted in more than 89% car claims being settled in cashless mode. The company has simplified customer access to its call center through an easy to remember eight-digit toll free number for India (1800-2666) to facilitate customer service, purchase, and policy renewal.

In the Health segment, a new product, "Health Care Plus" was launched which provides the consumer with an enhanced Sum Insured, designed to supplement their existing health insurance coverage. For a considerably lower premium, it takes care of the medical expenses in cases where their present cover has exhausted its sum insured. It was very well received by ICICI Lombard's customers and opened a new stream of revenue for the company. The Health retention business has also moved significantly in Fiscal 2011. In order to provide better customer experience, the Company incorporated the option of electronic clearing and auto renewal service for the health policy holders. This resulted in increase in customer satisfaction and further enhanced retention rate.

This year ICICI Lombard added ING Vyasya Bank to the list of its various bancassurance partners including ICICI Bank and American Express. ICICI Lombard's successful bancassurance model follows an integrated approach and ensures a seamless product delivery to the bank's customers.

Advisors form a core part of ICICI Lombard family. The company realises the importance of well equipping partners to meet the customer's needs. In recent times, several techno-marketing initiatives have been undertaken to delight the customers and enhance serviceability to the partners. One of such initiative is **I-Partner**. Designed to be a benchmark in the industry, I-Partner will enable partners and customers with end-to-end process automation through enhanced IT applications. ICICI Lombard has launched retail products on this portal. Going forward the company also plans to launch products for SME (small and medium enterprises) business segment on this platform. To enhance customer experience at each touch point this portal will enable partners to provide real time policy issuance as well as claim status to their customers, which will add significant value to the business partners.

The company continues to be recognised for its high quality service and customer focus at various forums. This year too the company was recognised for its efforts in customer satisfaction, IT and branding initiatives. CNBC AWAAZ recognises and reward those brands that millions of Indians have chosen to buy, to try, to experience and to own. **CNBC AWAAZ Consumer Awards** awarded ICICI Lombard the **"Most preferred General Insurance Brand"** of the year 2010. The CNBC AWAAZ Consumer Awards are based on an exhaustive study conducted by AC Nielsen Company involving a national survey of 4000 people across 20 cities.

ICICI Lombard also won the award of **"World Business Leader in Insurance category"** presented by World Confederation of Business, which is bestowed on corporate houses for business excellence in recognition for consistently achieving excellence in their chosen fields.

CMO Council awarded **The Master Brand Award 2010** to ICICI Lombard. Master Brand Award is conferred upon those brands, which appeal to a large set of consumers from across categories while constantly keeping in mind a consumer-centric approach. The award recognises the branding initiatives by ICICI Lombard, which have enabled the company to build strong brand equity and acquire greater consumer mindshare.

ICICI Lombard was also conferred **'The Customer and Brand Loyalty Award'** for the third time in a row. **Loyalty Summit** is one of the single largest brand and customer loyalty events in Asia and is a forum that focuses on the latest issues, developments, and solutions that concern customers. ICICI Lombard received this award for its customer centric approach in service delivery in the General Insurance category.

The company's IT initiatives were recognised by **NASSCOM – CNBC,** and were honoured with the **IT user Award 2010 for Best Technology Implementation in the Insurance Sector.** The award recognises the implementation of Rural Point of Service (RPOS), an innovative solution, which has enabled ICICI Lombard to extend health

Inclusion builds responsiveness

Rajiv Gandhi Shilpi Swasthya Bima Yojana

India is a country having a rich heritage of art and craft from time immemorial. For centuries, its creations have fascinated the world. In order to financially enable the artisans' community to gain access to the best healthcare facilities in the country, ICICI Lombard has come up with a health insurance scheme.

Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY) is the first-ever health insurance initiative for artisans in the country.

coverage to a large number of underprivileged families across various states, while achieving service excellence and reduced turnaround time (TAT) and operational cost.

World Brand Congress recently adjudged ICICI Lombard's Save Money Motor Insurance campaign the **Best Marketing Campaign** of the Year 2010. The honour recognises the marketing campaign in terms of increased brand visibility, customer reach and the use of diverse media to reach out to the target audience, which enabled the company to spread brand awareness and capitalise on brand equity.

REINSURANCE

The reinsurance program of the Company continued to be a mixture of proportional and non-proportional treaties. The reinsurance program was structured keeping in mind the Company's philosophy of buying adequate cover in order to protect value-at-risk at all times.

For the year, the Company increased its retention across all product segments. The reinsurance structure was reinforced to protect the net account against single large losses and catastrophic events through appropriate risk and catastrophe protection. The Company continued to have a 1-in-500 year catastrophe protection and its accumulated exposure across various geographies was modeled by an international agency to ensure the adequacy of catastrophe protection. The Company continued to purchase non-proportional protection for its liability and aviation portfolio, thereby maximising retentions and ensuring protection of value at risk. Weather Insurance has emerged as a key portfolio for ICICI Lombard and the reinsurance program structured is a combination of proportional and stop loss reinsurance.

General Insurance Corporation (GIC) remained the largest reinsurance partner. ICICI Lombard continued its association with Scor, Swiss Re and Hannover Re for the weather insurance portfolio. Asia captital Re and Hannover Re led the Liability and the Aviation programs respectively.

UNDERWRITING

The financial year 2011 was a year of growth, both for the general insurance industry and the Company. While the industry grew at 21.7%, the growth of the Company was at 29%. The Company truly imbibed the philosophy of 'underwrite growth' in the year, so while the growth was higher than industry growth levels, it was channelled into segments that are attractive and add to the bottom line of the Company.

The Company made significant investments in strengthening systems and processes to ensure adequate controls exists, while not losing focus on the customer experience. A targeted segmentation strategy, coupled with strong filters based on risk evaluation translated into an improvement in the underwriting performance of the Company. The risk evaluation criteria was strengthened by improvement in risk inspection practices with customisation for each risk depending on its size, hazard grade and covers provided. While due focus is laid on underwriting at risk inception, risk management during the currency of policy is also being emphasised, especially for project insurance covers. A strong investigation mechanism, with well-defined triggers has made a difference to the bottom line. Pricing based on accurate risk evaluation and regular monitoring of rate adequacy through the actuarial techniques helps the Company maintain its competitive edge.

The organisation is structured to help build underwriting expertise, which is regularly reinforced through formal trainings within and outside the organisation. The growing underwriting expertise in specialised line of businesses has also helped build a good book of business for these lines, especially in weather insurance. The Company continues to invest in product innovation with a strong underwriting focus.

RISK MANAGEMENT

The objective of a Risk Management Framework is to ensure that various risks are identified, measured and mitigated policies, procedures and standards are established so as to adequately address these risks through systemic response and strict adherence. The Company has evolved its own Risk Management framework keeping in mind the nature, size and complexity of its business.

The Risk Management framework of ICICI Lombard fosters an operating environment characterised by prudent risk profiling while seizing available market opportunities. The framework has been formulated keeping in mind the learning's from the global insurance companies, guidelines advocated by ratings agencies and the outlook of consulting companies towards Risk Management.

COST MANAGEMENT

ICICI Lombard has a dedicated cost management group which looks after cost planning, co-ordination and control and reporting of cost aspects of the company. The team assists in identifying, developing, improving and optimising the use of company's resource along with automating processes in order to increase efficiency and reduce costs.

In Fiscal 2011, ICICI Lombard kept pace with the evolving market scenario and achieved maximum efficiency for expenses related to travel, communication, office equipment and employee welfare related expenses.

During the year, the company focused on new initiatives to optimise operating costs for electricity and communication. Energy saving gateways, which use intelligent technology, were installed at hub offices to reduce electricity consumption. Various communication initiatives were started like toll free fax and a hotline facility to directly connect customer support desks across branches. The cost management team continues to focus on automation and effective tools for the benefit of internal and external customers.

INVESTMENTS

In fiscal 2011, ICICI Lombard achieved its investment objective of a superior total return on the investment portfolio, while adhering to the company's investment philosophy as well as regulations as applicable.

The company with an experienced team of investment professionals continued to govern its investments by its core value investing principles. ICICI Lombard's asset mix is determined by two key factors: availability of superior investments at the right price and the company's claim obligations. The investment committee oversees the implementation of the investment policies laid down by the board and guides the asset allocation strategy that ensures financial liquidity, security and diversification. The company follows commensurate risk management practices with an objective to strengthen the existing business and manage risks arising out of duration, market, credit, legal and operations.

At March 31, 2011 investments amounted to ₹ 38.72 billion growing by 6.28% over the previous year. The investment portfolio has grown at a compounded annual growth rate (CAGR) of 33.42% over the past five years. The realised return and total return for the year ended March 31, 2011 was 10.47% and 7.69% respectively. The realised return 10.98% and total return averaged 9.55% over the last five years. The ratio of year-end investment assets to net worth stood at 2.07 times. Over the last nine years the average total return was 10.76% as compared to the 8.71% generated by the benchmark composite, resulted in a superior return of 2.05% over the benchmark.

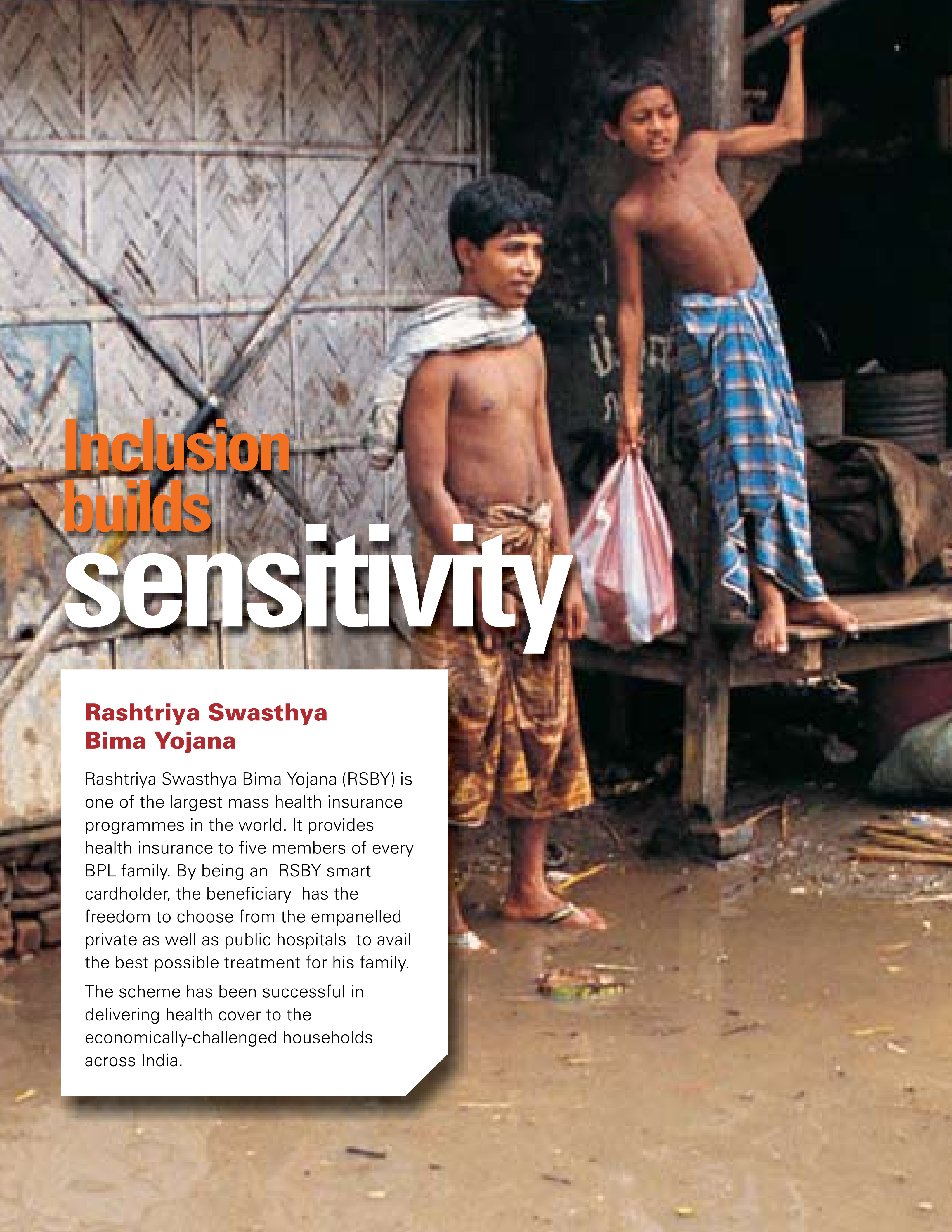
In addition to the above, during the year the funds representing the third party motor pool were transferred to the respective companies. These funds are managed separately and as at March 31, 2011 these investments stood at ₹ 7.20 billion.

OPERATIONS

During fiscal 2011, ICICI Lombard focused on the four pillars of operating models for providing enhanced service to customers and leverage technology ensuring best efficiency and seamless implementation of processes. The four pillars of lean process, centralisation of activity, decentralisation of powers and automation helped ICICI Lombard's operations team to augment the quality of service, lessen time-to-market, and improve customer response time. The operations team serves customers through a network of over 300 branches in India. The company issued close to 5.6 million policies in the current year. The deeper retail penetration of products with expanded distribution reach has made the branch network a key servicing point for customers and intermediaries.

The operations team of the company reduced redundant activities, steered for process automation and rationalised processes for approvals. The 300 plus branch network is the face of ICICI Lombard, which helps speedy delivery of services to the customers and intermediaries. The branch service structure was revamped through the hub-and-scan model that replaced the earlier hub-and-spoke model, leading to improved productivity and faster servicing. The sales team does scanning during the issuance of policy and the parent branch does the processing. At ICICI Lombard, the branch team is trained on motor underwriting and front-end managers are empowered to decide on most underwriting approvals. The customer support desk is empowered to complete most of the servicing without any dependencies, leading to a higher first-time resolution. The internal query system 'Samadhan' facilitates routing and tracking of all process queries.

A key long-term strategy of ICICI Lombard is to continuously improve customer and agent servicing. Automation of payment processing has been a key area of focus to ensure reduction in turn around time (TAT) reduced human intervention and reduced error rate. Hence, payment processing has been automated with the direct integration between payment request system, accounting system and cheque printing system. Integration of payment processing systems has significantly improved process efficiency. Commission payments have been automated through the agency management system and electronic fund transfer for commission payout has been institutionalised. Payment



Inclusion builds sensitivity

Rashtriya Swasthya Bima Yojana

Rashtriya Swasthya Bima Yojana (RSBY) is one of the largest mass health insurance programmes in the world. It provides health insurance to five members of every BPL family. By being an RSBY smart cardholder, the beneficiary has the freedom to choose from the empanelled private as well as public hospitals to avail the best possible treatment for his family.

The scheme has been successful in delivering health cover to the economically-challenged households across India.

through fund transfer instead of cheque provides faster payments to the vendors and reduces the cost of the organisation. Today ICICI Lombard makes 90% of its vendor payments through fund transfer.

The general insurance industry is characterised by operational complexity across products, channels, customer segments and the policy life cycle. The operations team is focused on streamlining the process and extracting maximum efficiencies at all levels. During fiscal 2011, the company had continued emphasis on automation of processes for improved efficiency, accuracy, and cost reduction. To increase point of sales issuance ICICI Lombard launched I-Partner system for agents to decrease the operational costs and improve the operational efficiency. ICICI Lombard focused on educating customers on the self-service transaction platform through its website icicilombard.com. Customers can buy health, motor and travel policies online. They can also renew policies and create service requests through the website.

Focusing on internal cost optimisation and efficient tracking of accommodation booking of employee travel, Yatra system was introduced. The benefit of this initiative was cost reduction, quick reports on travel activities of the employees and better turnaround time tracking.

CUSTOMER SUPPORT AND PROCESS EXCELLENCE

Customer service and process quality have been an integral part of ICICI Lombard's growth in the last financial year. TQM has been adopted as an integrative philosophy of management for continuously improving the quality of processes in order to achieve high levels of efficiency and standardisation.

In Fiscal 2011, the company upgraded to an ISO 9001:2008 certification for process quality. The fiscal also saw the formation of Process Excellence Group (PEG) to focus on simplifying and improving all processes relentlessly and drive innovation. The objective was to keep customers at the core and work upon processes to service them efficiently.

Customer support saw multiple changes to enable easier access to ICICI Lombard's services. The continued focus to increase customer empathy in an otherwise mechanical call handling approach led to a series of process changes like product-wise agent segregation, customer calling on claim repudiation and increase faster customer issue resolution. Dedicated process training and customer handling sessions have led a decrease in call volume by 35%. Prioritising calls based on customer feedback and case history has reduced repeat calls and complaints by 50% and 40% respectively. A number of small but significant customer initiatives including call back on call drop, service request status on SMS, garage and branch locators have contributed tremendously towards customer satisfaction.

A comprehensive 'Voice of Customer (VOC)' Dashboard that captures trends of process efficiency of major processes including policy issuance and claims on a monthly basis was started in April 2010. In addition, 'Process scorecards' are used to track the performance of critical processes in terms of TAT, complaints and escalation. Constant process quality monitoring has led to an improvement of service levels from 70% to 95% over a period of eight months.

Innovation is a powerful management concept that has evolved at ICICI Lombard to fulfill the company's vision of being deeply customer centric. Innovation has been integrated into the system through a robust program that involves innovation projects spearheaded by senior management and idea generation through the 'Idea Manch' tool. 'Fostering innovation through technology to create operational efficiency' is a key strategy employed by the company.

Besides achieving internal quality standards, it is imperative to understand what customers think of the service to revise quality parameters periodically. A customer satisfaction survey is conducted every month on a sample of customers who have bought policies and availed of claim servicing to determine 'Net Promoter score' (NPS). The Net Promoter Score for health and motor cashless claims for March 2011 are at 34 and 36 respectively.

Customer connect, a program designed to reach out to the Company's customers to service them better was launched in May 2010. It was an initiative to help the senior management get closer to the customers, understand their insurance needs, and get feedback on ICICI Lombard's products and services. The program is being as a tool to effectively integrate customer feedback into business process design.

HUMAN RESOURCE

ICICI Lombard believes that strategy is best executed when it's 'Co-Created and Co-Achieved'. With this very spirit the company's vision was co-drafted last year - "We will be the most value creating and admired risk solutions Company in India, with a global footprint"

With the vision a promise was made - a promise to nurture and build a community, where each employee owns the business, optimises one's potential to solve problems and make a difference, where each employee is truly empowered. However, with empowerment comes responsibility - a responsibility to set new benchmarks, to enhance productivity and to do the right thing by the customer, a responsibility to be a true partner in the organisational journey. Based on this premise, ICICI Lombard articulated its employee value proposition which is OLC Opportunity, Leadership and Enabling Culture, which is the foundation of people practices and culture.

The formalisation of the organisation structure across bands (Bands I, II, III, IV and V) reaffirms the promise of building an enabling culture - where individuals understand their role expectations and invest in building their knowledge to contribute meaningfully. Each role has defined Key Performance Indicators (KPIs), which are aligned to organisation's agenda as well as to their individual competencies. Role and competency based learning is implemented through the Deeksha Learning Centre (DLC) –the brand established for formal learning interventions, linking learning to performance and focuses on nurturing and creating a fungible talent pool. The intent of the formal KPIs, integrated with learning is threefold – each individual knows what is expected of them, they have the requisite knowledge and tools to do their job and knowledge of their performance so as to take it to the next level. DLC focuses on skill enhancement and creating functional expertise.

The learning objectives aligned to the Vision augments critical capability pockets like customer centricity, risk management, operational excellence, nurturing talent and managing change. Organisation capabilities across organisation are built by addressing job related competencies and providing learning through progressive certification, (Code Orange and Maroon) linked with career progression. 40 training interventions across both e-learning and face to face interactions focus on building skill and increasing knowledge. The year saw an investment of 3.5 training man-days per employee in order to attain the basic Code Orange level certification. 127 leaders invested over 318 man-days and actively partnered as teachers providing not only contextualised content but also nurtured the culture of sharing learning and best practices.

These changes have led to empowered employees and enabled their transition from mere doers to well-rounded managers who can make effective decisions aligned to the strategy, delegate responsibilities and manage tough situations at work. Today each of the 4,264 employees owns the success of the organisation by taking individual responsibility and is committed in building an empowering organisation who contribute in adding value in their community and building the nation.

CSR INITIATIVES

As a responsible corporate citizen, ICICI Lombard is committed to community empowerment through socio-economic development of those at the bottom of the pyramid. The company strives to offer protection to the lower-income households and the society in the areas of health, road safety, disaster management, and environment. With the vision and philosophy to take insurance to the marginalised section of the society, the company is actively involved in various long-term sustainable social initiatives.

ICICI Lombard's Corporate Social Responsibility (CSR) efforts aspire to contribute in building a sustainable future and is focussed towards mother and childcare. The company with the ICICI Foundation works for the enhancement of healthcare facilities for mother and child up to one year of age, through an initiative called "Healthy Lokshakti". In partnership with National Rural Health Mission (NHRM) and Integrated Child Development Services (ICDS), the program is being piloted across two tribal blocks of Nasik in Maharashtra. Implemented by Vachan, an NGO, with support from Bhavishya Alliance, "Healthy Lokshakti" seeks to overcome obstacles that mothers and their babies face in receiving medical care. To link the communities, grass root health workers and healthcare institutions, a health helpline and transportation facility for emergency care is being set up.

With an aim to help and benefit the accident victims, ICICI Lombard launched a dedicated free ambulance service in association with the Mumbai Traffic Police. The first dedicated ambulance service operates round the clock for the commuters on Mumbai's Eastern Express Highway. ICICI Lombard is committed to make India's economic growth more inclusive, allowing every individual to participate and benefit from the growth process. The company with ICICI Foundation has sustained approach to create a society where everyone has equal opportunity to develop and grow

Inclusion builds integrity

Health Insurance for Handloom Weavers

Weavers and ancillary workers are an important segment of the unorganised sector. The weavers' scheme is designed for the community's comprehensive healthcare and medical assistance for a wide range of common ailments including a substantial provision for outpatient department (OPD) services.

The scheme provides coverage to the weaver and his family and covers pre-existing as well as new diseases with an annual limit per family of ₹15,000.

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Eleventh Annual Report of ICICI Lombard General Insurance Company Limited (ICICI Lombard) with the audited statement of accounts for the financial year ended March 31, 2011.

INDUSTRY OVERVIEW

The gross premium of the industry for the period April 2010 - March 2011 grew from ₹ 360.60 billion to ₹ 441.26 billion on a year-on-year basis, a growth of about 22.4%. The market share of private sector insurance companies during this period has been stable as compared to the corresponding period of the previous year. ICICI Lombard led the private players with a market share of 24.2% in the private sector and an overall industry market share of 9.6%.

FINANCIAL HIGHLIGHTS

	Fiscal 2010	Fiscal 2011
No. of policies	4,461,401	5,644,837
		(₹ million)
Gross written premium	34,315.1	44,082.3
Earned premium	21,928.2	28,561.6
Income from Investments	4,454.3	3,937.3
Profit/(Loss) before tax	1,583.1	(823.4)
Profit/(Loss) after tax	1,439.3	(803.4)

Insurance Regulatory and Development Authority (IRDA) vide its order dated March 12, 2011 had instructed all general insurance companies to provisionally provide for pool losses at 153% loss ratio for FY2008, FY2009, FY2010 and FY2011. Accordingly, ICICI Lombard has provided additionally ₹ 2.72 billion in FY2011 towards third party pool reserves.

APPROPRIATIONS

The overall operating performance of ICICI Lombard has resulted in loss after tax of ₹ 803.4 million for FY2011. The loss after tax has been adjusted out the balance of profit of ₹ 1,745.0 million brought forward from the previous year leaving a surplus of ₹ 941.6 million towards appropriation of dividends.

The Board has declared and paid three interim dividends aggregating to 14% on equity shares of ₹ 10/- each based on the audited profits of ₹ 2,103.8 million earned upto December 31, 2010. As ICICI Lombard has suffered losses due to additional provision made on account of motor third party pool, the interim divided declared and paid are adjusted out of the brought forward profits of ₹ 1,745.0 million. The summary of appropriated profits is as follows:

(₹ million)

	Fiscal 2010	Fiscal 2011
Balance of profits brought forward	1,168.6	1,745.0
Add: profits/(loss) during the year	1,439.3	(803.4)
Total available profits for appropriations	2,607.9	941.6
Less: Equity Dividend for the year (interim)	645.3	565.9
Dividend distribution tax	109.7	94.0
Transfer to General Reserve	107.9	105.1
Leaving balance to be carried forward	1,745.0	176.6

CORPORATE GOVERNANCE

Pursuant to the corporate governance guidelines for insurance companies issued by the Insurance Regulatory and Development Authority (IRDA) and subsequent amendments thereto, a separate report titled 'Corporate Governance' has been included in this Annual Report.

WHISTLE BLOWER POLICY

ICICI Lombard has a whistle blower policy which is designed to provide its employees, a channel for communicating instances of breach in the code of conduct, legal violation, actual or suspected fraud and other irregularities. The framework of the policy strives to foster responsible and secure whistle blowing.

REGISTRATION

The certificate of registration of ICICI Lombard has been renewed by IRDA for FY2012.

CAPITAL

IRDA had conducted a study of adequacy of reserves maintained by the Indian Motor Third Party Insurance Pool (IMTPIP or "the pool") constituted for the purpose of insuring the third party risks for commercial vehicles. IRDA vide its order dated March 12, 2011 had instructed all general insurance companies to provisionally provide for pool losses at 153% loss ratio for all years beginning from FY2008.

ICICI Lombard required an additional capital infusion of ₹ 3.40 billion by March 31, 2011 in order to maintain minimum solvency ratio of 150% on an overall basis after providing for the said losses at 153%.

ICICI Lombard had raised this capital through private placement aggregating to ₹ 3.40 billion, including premium of ₹ 3.09 billion, which was subscribed by its promoters – ICICI Bank Limited and Fairfax Financial Holdings Limited through their affiliate FAL Corporation.

The total capital invested by shareholders till March 31, 2011 including share premium, was ₹ 18.21 billion. The net worth of ICICI Lombard stood at ₹ 18.71 billion at March 31, 2011 as compared to ₹ 16.73 billion at March 31, 2010. The solvency position of ICICI Lombard at March 31, 2011 was 1.56.

RURAL AND SOCIAL RESPONSIBILITY

ICICI Lombard issued more than 300,000 policies in rural areas and covered more than 250,000 lives falling within the norms of social responsibility.

PUBLIC DEPOSITS

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

DIRECTORS

During the year under review, Sandeep Bakhshi, Director of ICICI Lombard nominated by ICICI Bank Limited resigned effective July 31, 2010 from the Board of ICICI Lombard. The Board placed on record its appreciation for the invaluable contribution of Sandeep Bakhshi as a Director. Zarin Daruwala was appointed as Nominee Director effective October 18, 2010 by ICICI Bank Limited in place of Sandeep Bakhshi.

The Board at its Meeting held on January 19, 2011 approved a proposal for the appointment of Alok Kumar Agarwal and Neelesh Garg as a wholetime Directors (designated as Executive Director) of ICICI Lombard for a period of five years. IRDA vide its letter dated February 3, 2011 approved the appointment of Alok Kumar Agarwal and Neelesh Garg effective January 19, 2011, subject to the approval of the Members in the forthcoming Annual General Meeting.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of ICICI Lombard, Dileep Choksi, N. S. Kannan and H. N. Sinor would retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

AUDITORS

The Joint Statutory Auditors, N. M. Raiji & Co., and PKF Sridhar & Santhanam, Chartered Accountants, will retire at the ensuring Annual General Meeting. N. M. Raiji & Co. would complete their tenure of five years as statutory auditor of ICICI Lombard at the conclusion of the ensuring Annual General Meeting which is the maximum term of appointment of auditors permitted by IRDA. Hence, N. M. Raiji & Co., Chartered Accountants, shall not be eligible for re-appointment. The Audit Committee and the Board of Directors have placed on record their sincere appreciation of the professional services rendered by N. M. Raiji & Co. as statutory auditors.

On the basis of the recommendation of the Audit Committee, the Board, at its Meeting held on April 25, 2011, has proposed the appointment of Khandelwal Jain & Co., Chartered Accountants (in place of N. M. Raiji & Co., Chartered Accountants) and PKF Sridhar & Santhanam, Chartered

Accountants, as Joint Statutory Auditors to audit the accounts of ICICI Lombard for the financial year ending March 31, 2012. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During FY2011, expenditure in foreign currencies amounted to ₹ 3,849.6 million and earning in foreign currencies amounted to ₹ 1,287.7 million.

ADDITIONAL INFORMATION

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 namely, Dileep Choksi, S. Mukherji, H. N. Sinor and R. Athappan. 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 FY2006, ICICI Lombard had 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 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 in the years 2005, 2006, 2007, 2008 and 2010 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 granted for the year 2009 vest in a graded manner over a five year period with no vesting in the first year and 20%, 20%, 30% and 30% of the grant vesting each year in subsequent four years. 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, 2011 are given below:

Options granted	22,849,360
Options vested	14,638,560
Options exercised	3,119,564
Number of shares allotted pursuant to exercise of options	3,067,230
Options forfeited/lapsed	6,085,516
Extinguishment or modification of options	—
Amount realised by exercise of options (₹)	49,760,230
Total number of options in force	13,644,280

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that 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. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and provisions of the Companies Act, 1956 for safeguarding the assets of ICICI Lombard and for preventing and detecting fraud and other irregularities; and

4. that 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 co-operation extended by the Policyholders, Reinsurers, Bancassurance partners, Insurance Agents and Brokers.

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

The Directors express their deep sense of appreciation of all the employees, whose outstanding professionalism, commitment and initiative have made the organisation's growth and success possible and continue to drive its progress. The Directors also wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board

Chanda Kochhar
Chairperson

Mumbai, April 25, 2011

Corporate Governance Report

ICICI Lombard General Insurance Company Limited ("the Company") is fully committed to following sound corporate governance practices and upholding the highest business standards in conducting business. The Company continues to focus on building trust with shareholders, policyholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values. It also aims to increase and sustain its corporate value through growth and innovation.

As a good corporate citizen reflecting its parentage, the Company continues to institutionalise its governance framework. The Company's governance framework encompasses not only regulatory and legal requirements but also several voluntary practices aimed at maximising shareholder value legally, ethically and on a sustainable basis.

I. Management Structure

The Company has a multi-tier management structure, comprising the Board of Directors at the apex and followed by employees at senior management, middle management and junior management positions to ensure that:

- Strategic supervision is provided by the Board;
- Control and implementation of Company's strategy is achieved effectively;
- Operational management remains focused on implementation;
- Information regarding the Company's operations and financial performance is made available to stakeholders;
- Delegation of decision making with accountability is achieved;
- Financial and operating control and integrity are maintained at an optimal level;
- Risk is suitably evaluated and dealt with;
- Compliance with applicable acts and regulations is achieved;
- Corporate culture that recognises and rewards adherence to ethical standards is developed.

This multi-tier management structure besides ensuring greater management accountability and credibility, facilitates increased autonomy of businesses, performance discipline and development of business leaders, leading to enhanced public confidence.

II. Board Structure

At March 31, 2011, the Company's Board of Directors consisted of thirteen members. Out of the thirteen members of the Board, four are nominated by ICICI Bank Limited (ICICI Bank), two are nominated by Fairfax Financial Holdings Limited (Fairfax), four are independent Directors and three are wholetime Directors including Managing Director & CEO. Except the wholetime Directors, all other Directors, including the Chairperson of the Board, are non-executive Directors. The composition of Board of Directors is in compliance with provisions of the Companies Act, 1956 and in accordance with Corporate Governance guidelines prescribed for insurance companies by IRDA. There is a clear segregation of responsibility and authority between the Chairperson and the wholetime Directors. The Board functions either as an entity per se, or through various committees constituted to oversee specific operational areas. There is an appropriate mix of executive, non-executive and independent Directors to maintain the professionalism and independence of the Board. The independent Directors are eminent personalities with significant expertise in the fields of accountancy, banking, finance, law, strategy, insurance and economics. None of the Directors are related to any other Director or employee of the Company.

Composition of the Board of Directors

Name of the Director	Category	Qualification	Field of Specialisation
Chanda Kochhar	Chairperson, Non- Executive, Nominee of ICICI Bank	B.A, MBA, ICWA, MMS (Finance)	Corporate Banking, Retail Banking and Finance.
R. Athappan	Non- Executive, Nominee of Fairfax	B.E. (Electrical), A.I.I.I.	Insurance.
B. V. Bhargava	Non- Executive, Independent	M.Com, LL.B	Banking, Finance and Insurance.
Dileep Choksi	Non- Executive, Independent	F.C.A, LL.B, ICWA.	Accounting, Taxation, Corporate restructuring, Strategies and mergers & acquisitions.
Zarin Daruwala	Non- Executive, Nominee of ICICI Bank	A.C.A, A.C.S	Wholesale Banking.
N. S. Kannan	Non- Executive, Nominee of ICICI Bank	B.E. (Hon), PGDM, IIM, Bangalore, CFA.	Finance, Accounts, Investment and Banking.

Name of the Director	Category	Qualification	Field of Specialisation
S. Mukherji	Non- Executive, Nominee of ICICI Bank	B.A. (Eco.), M.Sc Economics (London School of Economics), MMS	Accounting, Investment Banking and Finance.
Chandran Ratnaswami	Non- Executive, Nominee of Fairfax	B.E. (Civil), MBA.	Investment and Insurance.
M. K. Sharma	Non- Executive, Independent	B.A., LL.B, Diploma in Personnel Management.	Taxation and Law.
H. N. Sinor	Non- Executive, Independent	B.Com, LL.B	Banking and Finance.
Bhargav Dasgupta	Managing Director	PGDM, IIM Bangalore, B.E. (Mechanical)	International Banking and Insurance.
Alok Kumar Agarwal	Executive Director	B.E.(Chemical) PGDM, IIM Calcutta	Banking and Insurance.
Neelesh Garg	Executive Director	PGDM, IIM Bangalore	Banking and Insurance.

The Board met five times in the year under review on April 19, 2010, June 23, 2010, July 23, 2010, October 21, 2010 and January 19, 2011. The attendance record of the Directors is set out in the following table:

Name of the Director	Number of Board Meetings Attended
Chanda Kochhar	5
R. Athappan	1
Sandeep Bakhshi[1]	3
B. V. Bhargava	5
Dileep Choksi	5
Zarin Daruwala [2]	1
N. S. Kannan	5
S. Mukherji	4
Chandran Ratnaswami	5
M. K. Sharma	5
H. N. Sinor	3
Bhargav Dasgupta	5
Alok Kumar Agarwal [3]	1
Neelesh Garg [4]	1

1. Ceased to be Director w.e.f. July 31, 2010
2. Appointed as Additional Director w.e.f. October 18, 2010
3. Appointed as Additional Director w.e.f. January 19, 2011
4. Appointed as Additional Director w.e.f. January 19, 2011

III. Board Committees ('the Committees')

The Board has constituted seven Committees as follows:

(i) Board Governance Committee
(ii) Investment Committee
(iii) Audit Committee
(iv) Risk Management Committee
(v) Policyholder Protection Committee
(vi) Bank Operation Committee
(vii) Share Transfer & Investor Grievance Redressal Committee

The terms of reference of the Committees of the Board are determined by the Board from time to time. Minutes of the Committee meetings are placed before the Board for its information. The role and composition of these Committees, alongwith the number of meetings held during FY2011 and the attendance of the members are provided below:

(i) Board Governance Committee (BGC)

Composition

The Board Governance Committee comprises four non-executive Directors, two of whom are independent Directors. The Committee was chaired by M. K. Sharma, a non-executive independent Director.

The composition of BGC is given below along with the attendance of the members. The Committee met three times in the year under review on April 19, 2010, October 21, 2010 and January 19, 2011.

Attendance record of the Members:

Name	Number of meetings attended
M. K. Sharma Chairman	3
Sandeep Bakhshi[1] Director	1
Chanda Kochhar Non-executive Director	3
Chandran Ratnaswami Non-executive Director	3
H. N. Sinor Independent Director	2

1. Ceased to be Member w.e.f. July 31, 2010

Terms of reference

The functions of this Committee included recommendations of appointments to the Board, evaluation of the performances of the wholetime Directors and Managing Director & CEO on pre-determined parameters, recommendation to the Board of the remuneration (including performance bonus and perquisites) to wholetime Directors and Managing Director & CEO, approval of the policy for and quantum of bonus payable to the members of the staff, framing of guidelines for the Employees Stock Options Scheme and recommendation of the grant of stock options to the employees and wholetime Directors of the Company.

(ii) Investment Committee

Composition

The Investment Committee (the Committee) comprises two non-executive Directors, one executive Director, the Appointed Actuary, the Head of Investments and the Chief Financial Officer. The Committee was chaired by Chandran Ratnaswami, a non-executive nominee Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 19, 2010, July 23, 2010, October 21, 2010 and January 19, 2011.

Attendance record of the Members:

Name	Number of Meetings attended
Chandran Ratnaswami Chairman	4
Sandeep Bakhshi[1] Non-executive Director	-
N. S. Kannan Non-executive Director	3
Liyaquat Khan Appointed Actuary	4
Bhargav Dasgupta Managing Director & CEO	4
S. Gopalakrishnan Head- Investments	4
Rakesh Jain Director Corporate Centre & CFO	4

1. Ceased to be Member w.e.f. July 31, 2010

Terms of reference

The functions of the Committee included overseeing the implementation of the investment policy approved by the Board from time to time, reviewing the said policy, periodical updation to the Board with regard to investment activities of the Company, reviewing the Company's capital and solvency position, reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company, reviewing the broker policy and making suitable amendments from time to time and reviewing counter party/ intermediary exposure norms.

(iii) Audit Committee

Composition

The Audit Committee (the Committee) comprises four non-executive Directors. The Chief Financial Officer, the Head of Internal Audit, Statutory Auditors and their representatives, Compliance Officer and Chief Risk Officer and other officials at senior management level are invitees to the Audit Committee. The Committee was chaired by Dileep Choksi, a non-executive independent Director. All members of the Committee are financially literate and the Chairman has accounting and financial management expertise.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 19, 2010, July 22, 2010, October 20, 2010 and January 18, 2011.

Attendance record of the Members:

Name	Number of Meetings attended
Dileep Choksi Chairman	4
R. Athappan Non-executive Director	-
S. Mukherji Non-executive Director	4
H. N. Sinor Non-executive Director	3

Terms of reference

The functions of the Committee included overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment/removal of external auditor(s), fixation of audit fee and payment for any other services, reviewing with the management the annual financial statements before submission to the Board, reviewing with the management, external auditors and internal auditors, the adequacy of internal control systems, reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit, discussing with internal auditors any significant findings and follow up there on, reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board, discussing with external auditors, before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, review the Company's financial and risk management policies and looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(iv) Risk Management Committee

Composition

The Risk Management Committee (the Committee) has been formed in accordance with the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority. It comprises of three non-executive Directors and one executive Director. The Chief Financial Officer and certain other officials at senior management level are invitees to the Committee Meetings. The Committee was chaired by S. Mukherji, a non-executive nominee Director. The Chief Risk Officer of the Company is appointed by the Board who reports to the Risk Committee and is a permanent invitee at the Committee meetings.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 19, 2010, July 22, 2010, October 20, 2010 and January 18, 2011.

Attendance record of the Members:

Name	Number of Meetings attended
S. Mukherji Chairman	4
R. Athappan Non-executive Director	-
H. N. Sinor Non-executive Director	3
Bhargav Dasgupta Managing Director & CEO	4

Terms of reference

The functions of the Committee included assisting the Board in effective operation of the risk management program by performing specialised analysis and quality reviews, maintaining a group-wide and aggregated view on the risk profile of the insurer in addition to the solo and individual risk profile, reporting to the Board details on the risk exposures and the actions taken to manage the exposures and advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate mergers and acquisitions and related matters.

(v) Policyholder Protection Committee

Composition

The Policyholder Protection Committee (the Committee) has been formed in accordance with the Corporate Governance Guidelines issued by IRDA. It comprises three non-executive Directors and one executive Director. The Committee was chaired by M. K. Sharma, a non-executive independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 19, 2010, July 22, 2010, October 20, 2010 and January 19, 2011.

Attendance record of the Members:

Name	Number of meetings attended
M. K. Sharma Chairman	4
S. Mukherji Non-executive Director	4
Chandran Ratnaswami Non-executive Director	3
Bhargav Dasgupta Managing Director & CEO	4

Terms of reference

The functions of the Committee included putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries, ensuring compliance with the statutory requirements as laid down in the regulatory framework, reviewing the mechanism at periodic intervals, ensuring adequacy of "material information" to the policyholders to comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals, reviewing the status of complaints at periodic intervals to the policyholders, providing the details of grievances at periodic intervals in such formats as may be prescribed by the Authority and providing details of Insurance Ombudsman to the policyholders.

IV. Details of managerial remuneration for FY2011:

(i) Wholetime Directors:

The Board based on the recommendation of the Board Governance Committee approved the remuneration and performance bonus payable to the wholetime Directors. In terms of provisions of Insurance Act, 1938, prior approval of IRDA is obtained to effect the remuneration of wholetime Directors.

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

(₹ in 000's)

Particulars	Fiscal 2011	Fiscal 2010
Salaries	19,641	7,395
Contribution to provident funds	1,065	1,062
Perquisites	463	347

1. Expenses towards gratuity and leave accrued are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

(ii) Non-executive Independent Directors:

Non-executive independent Directors are appointed for their professional expertise in their individual capacity as professionals. Non-executive independent Directors do not have any material pecuniary relationship with the Company other than the sitting fees payable to them.

The details of sitting fees of non-executive independent Directors are as follows-

Names	Sitting fees for Board Meeting	Sitting fees for Committee Meeting	Total (in ₹)
B. V. Bhargava	1,00,000	-	1,00,000
Dileep Choksi	1,00,000	80,000	1,80,000
M. K. Sharma	1,00,000	1,40,000	2,40,000
H. N. Sinor	60,000	1,60,000	2,20,000

(iii) Non-executive nominee Directors:

Non-executive nominee Directors were not paid any sitting fees during FY2011.

V. Internal Control

The Company has adopted the following Frameworks in accordance with the requirements laid down under Corporate Governance guidelines.

(i) Internal Audit Framework

The Company has established an internal audit framework with a risk based approach. The internal audit covers auditing of processes as well as transactions.

The Company has designed its internal control framework to provide reasonable assurance to ensure compliance with internal policies and procedures, regulatory matters and to safeguard reliability of the financial reporting and its disclosures. An annual risk-based internal audit plan is drawn up on the basis of risk profiling of the businesses/departments of the Company which is approved by the Audit Committee. The Board considers that the internal control framework is appropriate to the business.

Internal Audit Department's key audit findings, recommendations and compliance status of the previous key audit findings are reported to the Audit Committee. The Audit Committee actively monitors the implementation of its recommendations. The Chairman of the Audit Committee briefs the Board on deliberations taken place at the Audit Committee meeting in relation to the key audit findings.

In accordance with IRDA directives, the Company carries out a concurrent audit of investment operations through a Chartered Accountant firm on a quarterly basis and reports the findings to the Audit Committee.

(ii) Risk Management Framework

The Company is subject to the impact of changes in the business environment from time to time which necessitates continuous evaluation and management of significant risks faced by it. The Company has established appropriate risk assessment and minimisation procedures. The process for formulating a defined risk assessment framework encompasses, inter alia, a methodology for assessing and identifying risks on an ongoing basis, risk prioritizing, risk mitigation, monitoring plan and comprehensive reporting on management of enterprise wide risks. Accordingly, Risk Committee reviews key risks in the areas such as credit risk, market risk, underwriting risk, operational risk and strategic risk on a regular basis.

The Company has put in place risk register as well as risk scoring methodology to analyse and manage risk effectively. The risk register consist four sub-processes viz., risk identification, risk assessment, risk mitigation & control and risk monitoring.

VI. Other information:

(i) Annual General Meetings

Details of the last three Annual General Meetings are given below:

Financial year ended	Date	Time	Venue
March 31, 2008	Wednesday, July 23, 2008	6.00 p.m	ICICI Bank Towers, Bandra Kurla complex, Mumbai 400 051
March 31, 2009	Tuesday, July 21, 2009	2.00 p.m	ICICI Bank Towers, Bandra Kurla complex, Mumbai 400 051
March 31, 2010	Monday, June 28, 2010	11.30 a.m	Zenith House, Keshavrao Khadye Marg, Opp. Mahalaxmi Race Course, Mumbai 400 034

(ii) History of Dividends declared during last five years

Financial year	Dividend type	Percentage
2010-11	Interim Dividend	14%
2009-10	Interim Dividend	16%
2008-09	-	-
2007-08	Interim Dividend	16%
2006-07	Interim Dividend	15%

(iii) Means of Communication

The Company's website www.icicilombard.com serves as a key awareness platform for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on business segment and financial performance of the Company. The Company periodically publishes its financial performance in print media and also hosts the same on its website.

For the year under review, the financial results for the half-year ended September 30, 2010 were published in two prominent daily newspapers viz. Business Standard & Loksatta. The quarterly, half-yearly and annual results for FY2011 are available on the website of the Company in accordance with circular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010 issued by IRDA. Additionally, the annual reports of the Company are also available on the website.

(iv) Corporate Identity Number (CIN)

The Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is U67200MH2000PLC129408, and the Company registration number is 129408.

(v) Registrar and Transfer Agents

The Registrar and Transfer Agent of the Company is 3i Infotech Limited. Investor services related queries/requests/complaints may be directed at the address as under:

3i Infotech Limited
International Infotech Park Tower 5, 3rd Floor
Vashi Railway Station Complex, Vashi, Navi Mumbai 400 703
Maharashtra, India
Tel No. : +91-22-6792 8000
Fax No. : +91-22-6792 8099

(vi) Correspondence Address

Correspondence relating to the operational and financial performance of the Company may be addressed to:
Gopal Balachandran/Vikas Mehra
ICICI Lombard General Insurance Company Limited
Zenith House, Keshavrao Khadye Marg, Opp. Mahalaxmi Race Course
Mumbai 400 034
Tel No. : +91-22-2490 6999
Fax No. : +91-22-2492 7624

For and on behalf of the Board
Chanda Kochhar
Chairperson

Mumbai, April 25, 2011

Certificate for compliance of the Corporate Governance Guidelines

I, Vikas Mehra, hereby certify that the Company has complied with the corporate governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Vikas Mehra
Company Secretary

Management Report

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

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 2011-12 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 ₹ 400.0 million on a PML basis (Previous year: ₹ 300.0 million) in any single risk, this also gets graded down to between ₹ 5.0 million to ₹ 400.0 million (Previous year: between ₹ 5.0 million to ₹ 300.0 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, unrealised 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 realisation.

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 recognised 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, 2011 amount to ₹ 46,652.9 million (Refer note 6 of schedule 8, Previous year: ₹ 37,605.7 million). Income from Investments amounted to ₹ 3,937.3 million (Previous year: ₹ 4,454.3 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 largely 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 for the year ended and of the operating loss and of the loss 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 4

For and on behalf of the Board

	Chanda Kochhar Chairperson	**S. Mukherji** Director
	Dileep Choksi Director	**Bhargav Dasgupta** Managing Director & CEO
	Alok Kumar Agarwal Executive Director	**Neelesh Garg** Executive Director
Mumbai, April 25, 2011	**Rakesh Jain** Director Corporate Centre & CFO	**Vikas Mehra** Company Secretary

Details of Claims Outstanding during the preceding five years

Annexure -1

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
As on March 31,2007												
30 days	71	477.7	729	49.8	3	0.5	13,623	514.6	528	473.2	2	0.1
30 days to 6 months	201	623.9	1,084	165.6	28	33.2	6,024	371.1	3,327	632.6	19	1.0
6 months to 1 year	161	359.9	303	73.6	17	161.8	369	10.5	929	189.2	-	-
1 year to 5 years	76	946.8	73	27.8	36	551.0	120	4.7	551	108.6	-	-
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**

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
As on March 31,2008												
30 days	118	327.9	588	71.2	9	476.2	12,912	706.8	1,941	2,556.7	21	8.6
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
6 months to 1 year	194	250.5	529	57.6	34	411.0	512	48.1	4,785	919.1	5	0.6
1 year to 5 years	146	699.3	250	121.8	54	248.7	17	1.8	3,084	591.7	1	0.1
5 years and above	4	5.8	-	-	-	-	-	-	1	0.1	-	-
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**

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
As on March 31,2009												
30 days	177	1,686.2	1,350	193.7	71	580.8	14,501	815.4	2,638	5,634.4	35	18.4
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
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
1 year to 5 years	143	469.7	146	115.5	82	1,299.8	181	24.4	12,154	2,085.6	-	-
5 years and above	5	4.9	-	-	-	-	-	-	1	0.1	-	-
Grand Total	**715**	**3,871.8**	**2,523**	**581.1**	**237**	**2,310.2**	**24,067**	**1,537.0**	**35,121**	**10,942.1**	**110**	**24.3**

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
-	-	84	213.1	-	2.2	890	284.7	9,832	470.3	449	183.2	26,211	2,669.4
3	8.2	359	201.3	-	-	1,291	134.7	5,444	321.0	1,262	581.7	19,042	3,074.2
1	0.3	165	181.2	2	3.4	17	2.4	593	15.1	420	93.3	2,977	1,090.7
1	0.5	98	103.9	2	43.1	1	0.1	140	3.1	135	16.3	1,233	1,805.9
-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
-	0.6	171	82.0	1	6.7	824	189.0	15,223	685.7	439	58.2	32,247	5,169.6
1	0.1	361	267.3	-	-	1,057	156.4	14,784	267.4	1,585	161.2	33,138	3,232.1
-	-	243	243.7	2	10.5	267	31.3	1,759	35.4	1,099	171.4	9,429	2,179.2
4	9.0	172	245.3	3	44.0	91	16.0	763	12.0	506	116.1	5,091	2,105.8
-	-	-	-	-	-	-	-	-	-	-	-	5	5.9
5	**9.7**	**947**	**838.3**	**6**	**61.2**	**2,239**	**392.7**	**32,529**	**1,000.5**	**3,629**	**506.9**	**79,910**	**12,692.6**

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
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
122	8.0	338	435.7	2	123.4	1,276	130.5	44,082	605.4	1,506	186.6	67,455	5,206.1
12	2.4	232	363.3	3	6.2	165	31.1	3,713	110.0	864	169.8	16,149	3,303.8
4	4.8	118	246.4	6	54.2	267	39.8	1,267	49.3	561	252.1	14,929	4,641.8
-	-	2	0.9	-	-	-	-	-	-	1	-	9	5.9
328	**25.3**	**847**	**1,170.5**	**19**	**207.2**	**2,453**	**536.3**	**111,217**	**1,799.2**	**3,627**	**744.5**	**181,264**	**23,749.6**

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
As on March 31,2010												
30 days	619	731.4	713	112.0	12	9.0	15,100	1,167.2	2,854	8,929.5	44	19.8
30 days to 6 months	286	1,539.9	885	204.0	18	8.1	8,767	543.4	10,835	2,077.7	224	19.0
6 months to 1 year	150	353.6	193	146.0	18	78.0	1,124	168.1	10,474	1,934.4	46	4.2
1 year to 5 years	176	2,319.9	241	206.1	139	1,110.5	227	46.7	24,434	4,272.9	2	0.5
5 years and above	9	2.7	19	6.1	13	9.0	-	-	12	2.8	-	-
Grand Total	**1,240**	**4,947.5**	**2,051**	**674.2**	**200**	**1,214.6**	**25,218**	**1,925.5**	**48,609**	**17,217.2**	**316**	**43.5**

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
As on March 31,2011												
30 days	263	921.4	1,975	229.5	21	49.7	14,246	1,323.3	2,390	14,378.6	32	67.4
30 days to 6 months	222	790.8	1,174	292.1	15	9.9	8,443	475.8	10,260	2,006.2	116	22.8
6 months to 1 year	187	793.7	532	350.4	17	44.4	1,005	143.1	11,144	2,148.3	68	9.5
1 year to 5 years	890	2,202.5	428	224.1	151	977.1	479	106.2	35,939	6,664.7	94	8.1
5 years and above	17	29.4	3	0.4	18	40.2	-	-	149	29.6	-	-
Grand Total	**1,579**	**4,737.8**	**4,112**	**1,096.6**	**222**	**1,121.2**	**24,173**	**2,048.4**	**59,882**	**25,227.5**	**310**	**107.8**

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
52	3.6	126	141.5	1	385.5	484	205.7	208,163	1,367.5	970	158.4	229,138	13,230.9
2	0.1	262	432.5	3	53.6	1,161	110.4	135,130	446.9	2,382	231.9	159,955	5,667.4
3	0.1	198	253.9	8	220.0	350	42.7	6,605	108.9	1,196	500.6	20,365	3,810.6
15	5.0	306	548.5	16	39.0	307	38.6	2,217	182.7	1,160	698.1	29,240	9,468.6
-	-	7	7.5	-	-	-	-	-	-	1	-	61	28.1
72	**8.8**	**899**	**1,384.0**	**28**	**698.1**	**2,302**	**397.4**	**352,115**	**2,105.9**	**5,709**	**1,589.0**	**438,759**	**32,205.6**

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
91	11.6	129	136.4	22	46.5	526	254.0	345,054	1,781.0	866	651.2	365,615	19,850.5
-	-	183	275.9	30	54.4	892	95.9	19,186	279.9	1,585	283.1	42,106	4,586.8
-	-	99	238.8	9	18.1	424	53.6	20,071	172.5	634	183.0	34,190	4,155.4
15	4.5	330	503.5	26	80.2	463	46.5	8,630	309.1	760	934.0	48,205	12,060.6
1	0.5	16	37.2	-	-	-	-	1	0.2	2	0.0	207	137.5
107	**16.5**	**757**	**1,191.8**	**87**	**199.2**	**2,305**	**449.9**	**392,942**	**2,542.6**	**3,847**	**2,051.3**	**490,323**	**40,790.7**

Details of Average Claim Settlement time for the preceding five years

Annexure -2

Particulars	For the year ended March 31, 2011		For the year ended March 31, 2010		For the year ended March 31, 2009		For the year ended March 31, 2008		For the year ended March 31, 2007	
	No of claims settled	Average Settlement Time (Days)	No of claims settled	Average Settlement Time (Days)	No of claims settled	Average Settlement Time (Days)	No of claims settled	Average Settlement Time (Days)	No of claims settled	Average Settlement Time (Days)
Fire	1,436	133	1,552	176	2,089	145	1,636	129	1,605	111
Marine Cargo	16,989	56	13,501	67	12,139	84	12,992	75	13,858	53
Marine Hull	54	435	105	431	82	350	108	147	91	173
Motor	451,362	17	405,163	20	298,161	20	278,240	19	211,010	20
Workmen Compensation	577	83	376	107	685	48	389	26	262	13
Public/Product Liability	11,877	28	6,261	50	3,142	16	1	1	9	78
Engineering	1,563	229	1,551	167	2,667	167	1,755	144	1,572	119
Aviation	18	99	16	139	10	26	10	73	7	176
Personal Accident	7,925	96	12,561	49	39,302	51	15,744	35	23,949	58
Health	7,620,495	15	5,795,126	22	2,947,748	26	493,867	26	353,752	18
Others	16,105	121	14,371	68	7,805	58	7,354	68	7,273	64
Total	**8,128,401**	**16**	**6,250,583**	**23**	**3,313,830**	**26**	**812,096**	**26**	**613,388**	**22**

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

Details of claim intimated

Annexure 3

Product	For the year ended March 31, 2011		For the year ended March 31, 2010	
	Claims intimated	Amount (₹ in million)	Claims intimated	Amount (₹ in million)
Fire	1,775	3,540.6	2,034	3,338.6
Marine Cargo	19,050	1,384.6	9,657	726.7
Marine Hull	76	8,258.6	62	350.0
Motor OD	450,317	7,634.0	406,314	9,524.8
Motor TP	29,328	5,110.2	32,165	5,124.2
Workmen Compensation	571	104.7	604	67.3
Public/Product Liability	11,912	369.5	7,334	225.5
Engineering	1,421	862.7	1,529	1,070.8
Aviation	77	251.0	24	737.9
Personal Accident	7,928	1,081.9	14,222	1,349.1
Health	7,661,322	13,134.2	5,603,395	9,114.6
Others	14,243	1,792.3	16,245	1,469.1
Grand Total	**8,198,020**	**43,524.4**	**6,093,585**	**33,098.5**

List of payments to parties in which Directors are interested

Annexure 4

(₹ in million)

Sl.No.	Entity in which Director is interested	Name of Director	Interested as	For the year ended March 31, 2011	For the year ended March 31, 2010
1	3i Infotech Limited	H.N. Sinor	Director	24.4	101.3
		Dileep Choksi	Director		
		Vishakha Mulye ^	Director		
2	Avaya Global Connect Limited	H.N. Sinor	Director	-	0.1
3	Bata India Limited	M.K. Sharma ``	Director	1.0	8.3
4	Bhushan Steel and Scrips Limited	Sandeep Bakhshi	Director	-	17.2
5	Confederation Of Indian Industry	Chanda Kochhar	Member	0.2	0.8
6	Cosmo Films Limited	H. N. Sinor ^ ^	Member	-	0.2
7	Cricket Club Of India	Chanda Kochhar	Member	-	0.1
		Dileep Choksi	Member		
8	CRISIL Limited	B.V.Bhargava	Director	0.9	7.6
		H.N. Sinor	Director		
9	First Capital Insurance Limited	Chandran Ratnaswami	Director	1.2	4.3
		R.Athappan	Director		
10	Governing Council of the Institute for Financial Management and Research (IFMR Trust)	H. N. Sinor	Member	-	0.9
11	Grasim Industries Limited	B.V.Bhargava	Director	0.1	10.3
12	ICICI Bank Limited	K.V. Kamath@	Director	1,320.7	1,273.5
		M.K. Sharma	Director		
		Chanda Kochhar	Director		
		V. Vaidyanathan $	Director		
		N. S. Kannan #	Director		
		Sandeep Bakhshi $$	Director		
		Zarin Daruwala %	Director		
13	ICICI Foundation For Inclusive Growth	Chanda Kochhar	Trustee	10.8	2.4
14	ICICI Home Finance Company Limited	V. Vaidyanathan $	Director	70.1	63.1
		Dileep Choksi €	Director		
15	ICICI Prudential Asset Management Company Limited	K.V. Kamath@	Director	-	3.5
		Chanda Kochhar	Director		
		N. S. Kannan #	Director		
16	ICICI Prudential Life Insurance Company Limited	K.V. Kamath@	Director	12.3	71.7
		Chanda Kochhar	Director		
		Mr. N. S. Kannan #	Director		
17	ICICI Securities Limited	K.V. Kamath@	Director	76.4	70.3
		Chanda Kochhar	Director		
		V. Vaidyanathan $	Director		
18	ICICI Securities Primary Dealership Limited	Vishakha Mulye ^	Director	0.6	0.6
		N. S. Kannan #	Director		
19	ICICI Venture Funds Management Co. Limited	H.N. Sinor	Director	-	3.4

20	Indian Institute Of Management, Lucknow	Chanda Kochhar	Director	0.3	-
21	JSW Steel Limited	Zarin Daruwala %	Director	5.1	3.5
22	Lakshmi Precision Screws Ltd	B.V.Bhargava	Director	-	0.1
23	L & T Infrastructure Finance Company Limited	B.V.Bhargava	Director	-	16.3
24	Manipal University	K.V. Kamath @	Director	-	19.4
25	Mckinsey And Company Inc	H.N. Sinor	Member	-	0.1
26	National Collateral Management Services Limited	H.N. Sinor ##	Director	-	12.8
27	National Commodity & Derivative Exchange Limited	B.V.Bhargava"	Director	-	0.9
28	NSE IT Limited	Dileep Choksi	Director	2.4	5.9
29	Raymond Limited	B.V.Bhargava ~	Director	-	0.1
30	Sanmar Group of Companies	M.K. Sharma	Director - Advisory board	-	0.1
31	Schrader Duncan Limited	M.K. Sharma	Director	0.1	-
32	Singapore Reinsurance Corp Limited	R.Athappan	Director	5.5	29.9
33	TechProcess Solutions Limited	Bhargav Dasgupta #	Director	-	51.4
34	Tata Motors Finance Limited	H.N. Sinor	Director	-	0.1
35	Odyssey Re	James F Dowd .	Director	-	1.0
36	The Malabar Club Limited	Dileep Choksi	Director	0.1	-
37	Others***				
	J. K. Lakshmi Cement Limited	B.V.Bhargava	Director		
	Nm Rothschild And Sons India Pvt Limited	H. N. Sinor	Member		
	Sahara India Financial Corporation Limited	H. N. Sinor	Director		
	Thomas Cook (India) Limited	M.K. Sharma	Director		
	Tata Capital Ltd	H.N. Sinor	Director		
	Total others			0.1	-
38	Others****				
	Grasim Bhiwani Textile Limited	B.V.Bhargava	Director		
	National Sports Club of India	Sandeep Bakhshi	Director		
	Tata Capital Limited	H.N. Sinor	Director		
	Total others			-	0.1

^ ceased to be Director in ICICI Lombard w.e.f. 20.04.2009
^ ^ appointed as member in cosmo films w.e.f. 04.06.2010
@ ceased to be Director in ICICI Lombard w.e.f. 23.04.2009
$ ceased to be Director in ICICI Lombard w.e.f. 01.05.2009
` ` ceased to be Director in Bata India Ltd w.e.f. 01.07.2010
appointed as Director in ICICI Lombard w.e.f. 01.05.2009
~ ceased to be Director in Raymond Limited w.e.f.11.06.2009
% appointed as director in ICICI Lombard w.e.f. 18.10.2010
. ceased to be Director in Odyssey Re w.e.f.01.07.2009
ceased to be Director in National Collateral Management Services Limited

€ appointed as Director in ICICI Home Finance w.e.f. 25.09.2009
$$ appointed as Director in ICICI Bank w.e.f. 01.05.2009 and ceased to be director in ICICI Lombard w.e.f. 31.07.2010
" ceased to be Director in National Commodity & Derivative Exchange Limited w.e.f. 23.03.2010
*** Individual payments to parties during the year and aggregate payments during the previous are less than ₹ 0.1 million
**** Pertaining to previous year where Individual payments during the year are less than ₹ 0.1 million

Auditors' Report

To the Members of

ICICI Lombard General Insurance Company Limited

1. We have audited the attached balance sheet of ICICI Lombard General Insurance Company Limited ('the Company') as at March 31, 2011, 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.
2. 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.
3. 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.
4. 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').
5. We report thereon as follows:
   a. 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;
   b. 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;
   c. 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;
   d. 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, 2011, other than for reinsurance accepted from Indian Motor Third Party Insurance Pool ('IMTPIP'), 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. In respect of reinsurance accepted from IMTPIP, IBNR / IBNER has been created based on actuarial estimates received from the IMTPIP; and
   e. On the basis of the written representations received from the directors of the Company, as on March 31, 2011 and taken on record by the Board of Directors, no director of the Company is disqualified as on March 31, 2011 from being appointed as director of the Company under clause (g) of sub-section (1) of Section 274 of the Act.
6. In our opinion and according to the information and explanations given to us, we further report that:
   a. 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;
   b. 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;
   c. 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;
   d. 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
   e. 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:

i. in the case of balance sheet, of the state affairs of the Company as at March 31, 2011;

ii. in the case of revenue account, of the deficit, for the year ended on that date;

iii. in the case of profit and loss account, of the loss for the year ended on that date; and

iv. in the case of receipts and payments account, of the receipts and payments for the year ended on that date.

7. 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:

   a. We have reviewed the management report attached to the financial statements for the year ended March 31, 2011 and there are no apparent mistakes or material inconsistency with the financial statements; and

   b. 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 N.M.Raiji & Company
Chartered Accountants

Jayesh M.Gandhi
Partner
Membership No.37924
Firm's Registration No. 108296W
Place : Mumbai,
Date : April 25, 2011

For PKF Sridhar & Santhanam
Chartered Accountants

R.Suriyanarayanan
Partner
Membership No. 201402
Firm's Registration No. 003990S

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, 2011, 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 N.M.Raiji & Company
Chartered Accountants
Jayesh M. Gandhi
Partner
Membership No. 37924
Firm's Registration No. 108296W

Place : Mumbai,
Date : April 25, 2011

For PKF Sridhar & Santhanam
Chartered Accountants
R. Suriyanarayanan
Partner
Membership No. 201402
Firm's Registration No. 003990S

Balance sheet at March 31, 2011

Registration No. 115 dated August 3, 2001 (₹ in 000's)

Particulars	Schedule	At March 31, 2011	At March 31, 2010
Sources of funds			
Share capital	5	4,045,672	4,036,327
Reserves and Surplus	6	11,262,593	12,694,906
Share application money-pending allotment (Refer note 5.1.16)		3,402,304	1,870
Fair value change account		729,314	1,191,293
Borrowings	7	-	-
Total		**19,439,883**	**17,924,396**
Application of funds			
Investments	8	46,652,974	37,605,728
Loans	9	-	-
Fixed assets	10	3,881,266	1,433,378
Deferred Tax Asset (Refer note 5.2.13)		472,868	452,876
Current assets			
Cash and Bank Balances	11	3,900,055	503,447
Advances and Other assets (Refer note 5.2.3)	12	27,379,702	27,324,739
Sub-Total (A)		**31,279,757**	**27,828,186**
Current liabilities (Refer note 5.2.3)	13	48,415,503	36,736,380
Provisions	14	14,431,479	12,659,392
Sub-Total (B)		**62,846,982**	**49,395,772**
Net current assets (C) = (A - B)		**(31,567,225)**	**(21,567,586)**
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		-	-
Total		**19,439,883**	**17,924,396**
Significant accounting policies and notes to accounts	16		

The schedules referred to above & notes to accounts form an integral part of the Financial Statements.

As per our attached report of even date

For N. M. Raiji & Co.
Chartered Accountants

Jayesh M. Gandhi
Partner
Membership No. 37924

For PKF Sridhar & Santhanam
Chartered Accountants

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai,
April 25, 2011

For and on behalf of the Board

Chanda Kochhar
Chairperson

S. Mukherji
Director

Dileep Choksi
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Rakesh Jain
Director Corporate Centre & CFO

Vikas Mehra
Company Secretary

Profit & Loss Account for the year ended March 31, 2011

Registration No. 115 dated August 3, 2001 (₹ in 000's)

Particulars	Schedule	Year ended March 31, 2011		Year ended March 31, 2010
1. Operating profit/(loss)				
(a) Fire Insurance		(270,698)		51,145
(b) Marine Insurance		(222,018)		52,525
(c) Miscellaneous Insurance		(1,313,590)		47,850
2. Income from investments				
(a) Interest /Dividend & Rent – Gross (Refer note 5.2.2)		915,583		783,696
(b) Profit on sale/redemption of investments		452,785		858,855
Less : loss on sale/redemption of investments		(20,401)		(95,566)
3. Other income				
(a) Interest income on tax refund		13,410		-
(b) Profit on sale/discard of fixed assets		11,399		2,422
Total (A)		**(433,530)**		**1,700,927**
4. Provisions (Other than taxation)				
(a) For diminution in the value of investments		-		-
(b) For doubtful debts		270,369		30,670
(c) Others		-		-
5. Other expenses				
(a) Expenses other than those related to Insurance Business				
(i) Employees' remuneration and benefits		11,615		6,345
(ii) Managerial remuneration (Refer note 5.1.15)		1,206		-
(iii) Directors' fees		740		640
(b) Bad debts written off		25,000		-
(c) Loss on sale/discard of fixed assets		80,960		80,219
Total (B)		**389,890**		**117,874**
Profit / (Loss) before tax		(823,420)		1,583,053
Provision for taxation:				
(a) Current tax /MAT payable	-		227,180	
Tax for earlier year- MAT	-		28,794	
Less : MAT credit entitlement (Refer note 4.13)	-		(255,974)	
(b) Deferred tax (Income) / Expense	(19,992)		143,774	
(c) Fringe benefit tax	-	(19,992)	-	143,774
Profit / (Loss) after tax		(803,428)		1,439,279
Appropriations				
(a) Interim dividends paid during the year	565,889		645,248	
(b) Proposed final dividend	-		-	
(c) Dividend distribution tax	93,994		109,660	
(d) Transfer to General Reserves	105,190	765,073	107,946	862,854
Balance of Profit / (Loss) brought forward from last year		1,745,040		1,168,615
Balance carried forward to Balance sheet		176,539		1,745,040
Basic earnings per share of ₹ 10 face value		₹ (1.99)		₹ 3.57
Diluted earnings per share of ₹ 10 face value		₹ (1.99)		₹ 3.51
Significant accounting policies & notes to accounts	16			

The schedules referred to above & notes to accounts form an integral part of the Financial Statements.

As per our attached report of even date

For N. M. Raiji & Co.
Chartered Accountants

Jayesh M. Gandhi
Partner
Membership No. 37924

For PKF Sridhar & Santhanam
Chartered Accountants

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai,
April 25, 2011

For and on behalf of the Board

Chanda Kochhar
Chairperson

S. Mukherji
Director

Dileep Choksi
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Rakesh Jain
Director Corporate Centre & CFO

Vikas Mehra
Company Secretary

Revenue Accounts for the year ended March 31, 2011

Registration No. 115 dated August 3, 2001

Particulars	Schedule	Fire	
		2010-11	2009-10
1. Premium earned (net)	1	1,128,721	899,321
2. Profit on sale/redemption of investments		31,352	55,658
Less : Loss on sale/redemption of investments		(1,413)	(6,193)
3. Others -			
Foreign exchange gain / (loss)		(9,172)	(1,290)
Investment income from pool (Terrorism and Motor) (Refer note 5.2.2 and 5.2.3)		125,809	68,095
4. Interest, Dividend & Rent – Gross (Refer note 5.2.2)		54,772	50,772
Total (A)		**1,330,069**	**1,066,363**
1. Claims Incurred (net) (Refer note 5.2.3)	2	1,122,084	658,121
2. Commission (net)	3	20,412	(111,751)
3. Operating expenses related to insurance business	4	458,271	468,848
4. Premium deficiency		-	-
Total (B)		**1,600,767**	**1,015,218**
Operating Profit / (Loss) C = (A - B)		(270,698)	51,145
APPROPRIATIONS			
Transfer to Shareholders' Account		(270,698)	51,145
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		**(270,698)**	**51,145**
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

As per our attached report of even date

For N. M. Raiji & Co.
Chartered Accountants

Jayesh M. Gandhi
Partner
Membership No. 37924

For PKF Sridhar & Santhanam
Chartered Accountants

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai
April 25, 2011

(₹ in 000's)

Marine		Miscellaneous		Total	
2010-11	**2009-10**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
424,785	322,834	27,008,141	20,706,091	28,561,647	21,928,246
15,250	36,102	911,718	1,478,586	958,320	1,570,346
(687)	(4,017)	(41,078)	(164,524)	(43,178)	(174,734)
(13,623)	808	(879)	6,189	(23,674)	5,707
-	-	520,354	468,619	646,163	536,714
26,643	32,933	1,592,802	1,348,795	1,674,217	1,432,500
452,368	**388,660**	**29,991,058**	**23,843,756**	**31,773,495**	**25,298,779**
472,226	266,805	25,712,119	18,558,917	27,306,429	19,483,843
(82,180)	(78,990)	(481,239)	401,298	(543,007)	210,557
265,840	246,820	6,073,768	4,835,691	6,797,879	5,551,359
18,500	(98,500)	-	-	18,500	(98,500)
674,386	**336,135**	**31,304,648**	**23,795,906**	**33,579,801**	**25,147,259**
(222,018)	52,525	(1,313,590)	47,850	(1,806,306)	151,520
(222,018)	52,525	(1,313,590)	47,850	(1,806,306)	151,520
-	-	-	-	-	-
-	-	-	-	-	-
(222,018)	**52,525**	**(1,313,590)**	**47,850**	**(1,806,306)**	**151,520**

For and on behalf of the Board

Chanda Kochhar
Chairperson

Dileep Choksi
Director

Alok Kumar Agarwal
Executive Director

Rakesh Jain
Director Corporate Centre & CFO

S. Mukherji
Director

Bhargav Dasgupta
Managing Director & CEO

Neelesh Garg
Executive Director

Vikas Mehra
Company Secretary

Schedule – 1
Premium

Particulars	Fire	Marine				
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP
	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
Premium from direct business written-net of service tax	2,834,646	1,100,073	563,656	1,663,729	11,365,537	4,084,031
Add: Premium on reinsurance accepted	942,945	71,748	267,210	338,958	6,610	3,266,717
Less: Premium on reinsurance ceded	2,640,229	756,058	782,821	1,538,879	1,157,485	2,165,200
Net premium	**1,137,362**	**415,763**	**48,045**	**463,808**	**10,214,662**	**5,185,548**
Adjustment for change in reserve for unexpired risks	8,641	47,006	(7,983)	39,023	747,181	352,631
Total premium earned (Net)	**1,128,721**	**368,757**	**56,028**	**424,785**	**9,467,481**	**4,832,917**

Particulars	Fire	Marine				
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Premium from direct business written-net of service tax	2,700,618	815,873	649,785	1,465,658	9,572,205	4,219,362
Add: Premium on reinsurance accepted	697,034	69,674	339,988	409,662	6,184	2,633,087
Less: Premium on reinsurance ceded	2,538,923	586,859	949,831	1,536,690	997,029	2,535,496
Net premium	**858,729**	**298,688**	**39,942**	**338,630**	**8,581,360**	**4,316,953**
Adjustment for change in reserve for unexpired risks	(40,592)	27,776	(11,980)	15,796	1,552,507	221,480
Total premium earned (Net)	**899,321**	**270,912**	**51,922**	**322,834**	**7,028,853**	**4,095,473**

(₹ in 000's)

Miscellaneous									Total
Motor Total	Workmens' Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
15,449,568	200,849	444,345	1,490,439	1,011,028	943,455	12,813,009	5,667,680	38,020,373	42,518,748
3,273,327	-	492	180,674	119,193	2,044	(32,899)	5,501	3,548,332	4,830,235
3,322,685	20,270	75,139	1,314,546	987,696	354,766	2,798,249	3,964,690	12,838,041	17,017,149
15,400,210	**180,579**	**369,698**	**356,567**	**142,525**	**590,733**	**9,981,861**	**1,708,491**	**28,730,664**	**30,331,834**
1,099,812	39,401	63,558	30,831	17,236	139,322	40,406	291,957	1,722,523	1,770,187
14,300,398	**141,178**	**306,140**	**325,736**	**125,289**	**451,411**	**9,941,455**	**1,416,534**	**27,008,141**	**28,561,647**

(₹ in 000's)

Miscellaneous									Total
Motor Total	Workmens' Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
13,791,567	113,976	241,358	1,528,274	573,213	796,908	8,567,613	3,171,431	28,784,340	32,950,616
2,639,271	(281)	116	134,609	72,617	-	36,067	8,110	2,890,509	3,997,205
3,532,525	17,844	66,499	1,342,312	536,928	500,465	1,705,225	2,029,527	9,731,325	13,806,938
12,898,313	**95,851**	**174,975**	**320,571**	**108,902**	**296,443**	**6,898,455**	**1,150,014**	**21,943,524**	**23,140,883**
1,773,987	10,568	60,126	(45,281)	5,728	29,276	(618,175)	21,204	1,237,433	1,212,637
11,124,326	**85,283**	**114,849**	**365,852**	**103,174**	**267,167**	**7,516,630**	**1,128,810**	**20,706,091**	**21,928,246**

Schedule – 2
Claims Incurred (net)

Particulars	Fire	Marine				
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP
	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
Claims paid- Direct	2,109,006	792,765	211,033	1,003,798	7,118,502	3,165,275
Add: Re-insurance accepted	668,652	392	8,118,882	8,119,274	-	1,917,493
Less: Re-insurance ceded	2,054,909	515,012	8,286,092	8,801,104	821,296	2,327,848
Net Claims paid	**722,749**	**278,145**	**43,823**	**321,968**	**6,297,206**	**2,754,920**
Add: Claims Outstanding at the end of the year	1,039,659	317,386	136,904	454,290	1,930,974	16,598,017
Less: Claims Outstanding at the beginning of the year (Refer note 5.2.3)	640,324	168,946	135,086	304,032	1,698,332	10,946,127
Total claims incurred	**1,122,084**	**426,585**	**45,641**	**472,226**	**6,529,848**	**8,406,810**

Particulars	Fire	Marine				
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Claims paid- Direct	1,654,912	550,176	948,362	1,498,538	6,429,371	2,684,984
Add: Re-insurance accepted	191,314	10,352	-	10,352	4,127	917,181
Less: Re-insurance ceded	1,121,518	397,016	584,045	981,061	1,507,023	1,812,817
Net Claims paid	**724,708**	**163,512**	**364,317**	**527,829**	**4,926,475**	**1,789,348**
Add: Claims Outstanding at the end of the year (Refer note 5.2.3)	640,324	168,946	135,086	304,032	1,698,332	10,946,127
Less: Claims Outstanding at the beginning of the year	706,911	150,156	414,900	565,056	1,136,073	7,485,080
Total claims incurred	**658,121**	**182,302**	**84,503**	**266,805**	**5,488,734**	**5,250,395**

(₹ in 000's)

Miscellaneous									Total
Motor Total 2010-11	Workmens' Compensation 2010-11	Public/ Product Liability 2010-11	Engineering 2010-11	Aviation 2010-11	Personal Accident 2010-11	Health Insurance 2010-11	Others 2010-11	Total-Miscella-neous 2010-11	2010-11
10,283,777	35,725	267,524	617,335	574,554	672,695	10,750,326	1,597,700	24,799,636	27,912,440
1,917,493	-	-	12,637	131,291	-	12,289	-	2,073,710	10,861,636
3,149,144	5,484	29,829	467,593	628,642	451,345	1,971,111	1,036,236	7,739,384	18,595,397
9,052,126	**30,241**	**237,695**	**162,379**	**77,203**	**221,350**	**8,791,504**	**561,464**	**19,133,962**	**20,178,679**
18,528,991	101,539	6,630	208,584	22,935	346,947	2,117,592	515,066	21,848,284	23,342,233
12,644,459	38,706	5,002	253,223	9,330	204,597	1,722,019	392,791	15,270,127	16,214,483
14,936,658	**93,074**	**239,323**	**117,740**	**90,808**	**363,700**	**9,187,077**	**683,739**	**25,712,119**	**27,306,429**

(₹ in 000's)

Miscellaneous									Total
Motor Total 2009-10	Workmens' Compensation 2009-10	Public/ Product Liability 2009-10	Engineering 2009-10	Aviation 2009-10	Personal Accident 2009-10	Health Insurance 2009-10	Others 2009-10	Total-Miscella-neous 2009-10	2009-10
9,114,355	33,851	130,439	528,648	243,748	1,129,041	7,652,249	1,014,902	19,847,233	23,000,683
921,308	-	-	28,011	-	13,122	53,671	-	1,016,112	1,217,778
3,319,840	6,409	19,539	411,007	234,105	831,879	1,257,298	553,565	6,633,642	8,736,221
6,715,823	**27,442**	**110,900**	**145,652**	**9,643**	**310,284**	**6,448,622**	**461,337**	**14,229,703**	**15,482,240**
12,646,459	38,706	5,002	253,223	9,330	204,597	1,722,019	392,791	15,270,127	16,214,483
8,621,153	21,952	14,819	221,012	6,470	352,654	1,401,295	301,558	10,940,913	12,212,880
10,739,129	**44,196**	**101,083**	**177,863**	**12,503**	**162,227**	**6,769,346**	**552,570**	**18,558,917**	**19,483,843**

Schedule- 3
Commission

Particulars	Fire	Marine				
		Marine-Cargo	Marine-others	Marine-Total	Motor-OD	Motor-TP
	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
Commission paid						
- Direct	87,835	87,368	7,646	95,014	735,487	-
Add: Commission on Re-insurance accepted	176,561	3,991	5,610	9,601	-	28,559
Less: Commission on Re-Insurance ceded	243,984	149,438	37,357	186,795	228,046	3,070
Net Commission	**20,412**	**(58,079)**	**(24,101)**	**(82,180)**	**507,441**	**25,489**

Particulars	Fire	Marine				
		Marine-Cargo	Marine-others	Marine-Total	Motor-OD	Motor-TP
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Commission paid						
- Direct	59,181	50,567	9,223	59,790	924,458	-
Add: Commission on Re-insurance accepted	130,866	3,727	3,361	7,088	162	263,253
Less: Commission on Re-Insurance ceded	301,798	113,178	32,690	145,868	187,348	245,345
Net Commission	**(111,751)**	**(58,884)**	**(20,106)**	**(78,990)**	**737,272**	**17,908**

Schedule- 3 A
Commission Paid - Direct

(₹ in 000's)

Particulars	2010-11	2009-10
Agents	473,184	371,062
Brokers	593,174	380,666
Corporate Agency	814,339	748,860
Referral	90,670	390,909
Total (B)	**1,971,367**	**1,891,497**

(₹ in 000's)

Miscellaneous									Total
Motor Total	Workmens' Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total-Miscellaneous	
2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
735,487	17,521	5,734	78,053	14,814	82,934	666,474	187,501	1,788,518	1,971,367
28,559	-	12	11,800	19,171	87	101	77	59,807	245,969
231,116	3,037	9,266	307,768	21,389	130,696	741,409	884,883	2,329,564	2,760,343
532,930	**14,484**	**(3,520)**	**(217,915)**	**12,596**	**(47,675)**	**(74,834)**	**(697,305)**	**(481,239)**	**(543,007)**

(₹ in 000's)

Miscellaneous									Total
Motor Total	Workmens' Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total-Miscellaneous	
2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
924,458	8,977	9,238	61,745	7,554	59,566	457,220	243,768	1,772,526	1,891,497
263,415	(14)	3	7,679	11,376	-	-	809	283,268	421,222
432,693	3,475	3,587	285,282	8,521	75,232	503,000	342,706	1,654,496	2,102,162
755,180	**5,488**	**5,654**	**(215,858)**	**10,409**	**(15,666)**	**(45,780)**	**(98,129)**	**401,298**	**210,557**

Schedule – 4

Operating expenses related to insurance business

Particulars	Fire	Marine				
		Marine-Cargo	Marine-Others	Marine-Total	Motor OD	Motor TP
	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
Employees' remuneration & welfare benefits	173,929	67,498	34,585	102,083	697,368	250,589
Travel, conveyance and vehicle running expenses	15,382	5,970	3,059	9,029	61,676	22,162
Training expenses	1,678	651	334	985	6,728	2,418
Rents, rates & taxes*	20,653	8,015	4,107	12,122	82,810	29,757
Repairs & maintenance	14,418	5,595	2,867	8,462	57,810	20,773
Printing & stationery	3,973	1,542	790	2,332	15,928	5,724
Communication	18,706	7,259	3,720	10,979	75,001	26,951
Legal & professional charges	45,893	15,738	8,064	23,802	162,603	58,429
Auditors' fees, expenses etc						
(a) as auditor	286	111	57	168	1,148	412
(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	25,283	9,812	5,028	14,840	101,375	36,427
Interest & Bank charges	6,544	2,540	1,301	3,841	26,240	9,429
Others						
(a) Miscellaneous expenses	79,602	30,892	15,829	46,721	318,196	114,339
(b) Business & Sales Promotion	18,813	7,301	3,741	11,042	75,432	27,105
Depreciation	33,111	12,850	6,584	19,434	132,758	47,705
Service tax on premium account	-	-	-	-	-	-
Total	**458,271**	**175,774**	**90,066**	**265,840**	**1,815,073**	**652,220**

* Rent expense is net off rental income of ₹ 103,064 thousand (previous year ₹ Nil)

(₹ in 000's)

Miscellaneous									Total
Motor Total	Workmens' Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total- Miscellaneous	
2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
947,957	12,324	27,264	91,451	62,035	57,889	786,183	347,759	2,332,862	2,608,874
83,838	1,090	2,411	8,088	5,486	5,120	69,530	30,756	206,319	230,730
9,146	119	263	882	599	559	7,586	3,355	22,509	25,172
112,567	1,463	3,238	10,859	7,366	6,874	93,356	41,295	277,018	309,793
78,583	1,022	2,260	7,581	5,143	4,799	65,172	28,828	193,388	216,268
21,652	281	623	2,089	1,417	1,322	17,957	7,943	53,284	59,589
101,952	1,325	2,932	9,835	6,672	6,226	84,554	37,401	250,897	280,582
221,032	2,873	6,357	21,323	14,464	13,498	183,311	81,086	543,944	613,639
1,560	20	45	150	102	95	1,293	572	3,837	4,291
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
137,802	1,791	3,963	13,294	9,018	8,415	114,285	50,553	339,121	379,244
35,669	464	1,026	3,441	2,334	2,178	29,582	13,085	87,779	98,164
432,535	5,641	12,478	41,854	28,391	26,493	359,813	159,159	1,066,364	1,192,687
102,537	1,333	2,949	9,892	6,710	6,262	85,039	37,616	252,338	282,193
180,463	2,346	5,190	17,410	11,810	11,020	149,666	66,203	444,108	496,653
-	-	-	-	-	-	-	-	-	-
2,467,293	**32,092**	**70,999**	**238,149**	**161,547**	**150,750**	**2,047,327**	**905,611**	**6,073,768**	**6,797,879**

Schedule – 4 (Contd.)

Operating expenses related to insurance business

Particulars	Fire	Marine				
		Marine-Cargo	Marine-Others	Marine-Total	Motor OD	Motor TP
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Employees' remuneration & welfare benefits	227,089	68,605	54,639	123,244	804,907	354,798
Travel, conveyance and vehicle running expenses	18,542	5,602	4,461	10,063	65,720	28,969
Training expenses	1,348	407	324	731	4,779	2,107
Rents, rates & taxes	39,431	11,912	9,487	21,399	139,762	61,606
Repairs & maintenance	20,575	6,216	4,950	11,166	72,927	32,145
Printing & stationery	5,765	1,742	1,387	3,129	20,433	9,007
Communication	32,049	9,682	7,711	17,393	113,595	50,072
Legal & professional charges	39,377	7,649	6,092	13,741	89,738	39,556
Auditors' fees, expenses etc						
(a) as auditor	316	96	76	172	1,122	494
(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	15,286	4,618	3,678	8,296	54,181	23,883
Interest & Bank charges	6,108	1,845	1,470	3,315	21,651	9,543
Others						
(a) Miscellaneous expenses	28,012	8,463	6,740	15,203	99,288	43,765
(b) Business & Sales Promotion	12,236	3,697	2,944	6,641	43,371	19,117
Depreciation	22,714	6,862	5,465	12,327	80,508	35,488
Service tax on premium account	-	-	-	-	-	-
Total	**468,848**	**137,396**	**109,424**	**246,820**	**1,611,982**	**710,550**

(₹ in 000's)

Miscellaneous									Total
Motor Total	Workmens' Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total- Miscellaneous	
2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
1,159,705	9,584	20,295	128,509	48,200	67,010	720,433	266,679	2,420,415	2,770,748
94,689	783	1,657	10,493	3,936	5,471	58,823	21,774	197,626	226,231
6,886	57	121	763	286	398	4,278	1,584	14,373	16,452
201,368	1,664	3,524	22,314	8,369	11,636	125,094	46,306	420,275	481,105
105,072	868	1,839	11,643	4,367	6,071	65,273	24,162	219,295	251,036
29,440	243	515	3,262	1,224	1,701	18,289	6,770	61,444	70,338
163,667	1,353	2,864	18,136	6,802	9,457	101,673	37,636	341,588	391,030
129,294	1,069	2,263	14,327	5,374	7,471	80,320	29,732	269,850	322,968
1,616	13	28	179	67	93	1,004	372	3,372	3,860
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
78,064	645	1,366	8,650	3,245	4,511	48,495	17,951	162,927	186,509
31,194	258	546	3,457	1,296	1,802	19,378	7,173	65,104	74,527
143,053	1,182	2,503	15,852	5,946	8,266	88,868	21,238	286,908	330,123
62,488	516	1,094	6,924	2,597	3,611	38,819	14,369	130,418	149,295
115,996	959	2,030	12,854	4,821	6,703	72,059	26,674	242,096	277,137
-	-	-	-	-	-	-	-	-	-
2,322,532	**19,194**	**40,645**	**257,363**	**96,530**	**134,201**	**1,442,806**	**522,420**	**4,835,691**	**5,551,359**

Schedule – 5
Share capital

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
Authorised Capital		
450,000,000 (previous year : 450,000,000) Equity Shares of ₹ 10 each	4,500,000	4,500,000
Issued Capital		
404,567,230 (previous year : 403,632,746) Equity Shares of ₹ 10 each	4,045,672	4,036,327
Subscribed Capital		
404,567,230 (previous year : 403,632,746) Equity Shares of ₹ 10 each	4,045,672	4,036,327
Called up Capital		
404,567,230 (previous year : 403,632,746) Equity Shares of ₹ 10 each	4,045,672	4,036,327
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	**4,045,672**	**4,036,327**

Note:

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

Schedule – 5A
Share Capital

Pattern of shareholding

[As certified by the management]

Shareholder	At March 31, 2011		At March 31, 2010	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	297,552,950	73.55%	297,552,950	73.72%
- Foreign	104,544,940	25.84%	104,544,940	25.90%
Others - Employees	2,469,340	0.61%	1,534,856	0.38%
Total	**404,567,230**	**100.00%**	**403,632,746**	**100.00%**

Schedule – 6
Reserves and Surplus

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium (Refer note 4.14)		
Opening balance	10,721,414	10,705,974
Additions during the year	30,998	15,440
Deductions during the period- share issue expenses	-	-
Closing balance	10,752,412	10,721,414
4. General Reserves		
Opening balance	228,452	120,506
Additions during the year	105,190	107,946
Deductions during the year	-	-
Closing balance	333,642	228,452
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	176,539	1,745,040
Total	**11,262,593**	**12,694,906**

Schedule- 7
Borrowings

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	**-**	**-**

Schedule- 8
Investments

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
Long term investments		
Government securities and Government guaranteed bonds including Treasury Bills (note 3 & 6)	14,423,310	9,706,763
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity (note 5 & 6)	2,775,985	3,368,408
(bb) Preference	21,377	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds (note 6)	11,544,069	9,296,002
(e) Other Securities	2,003,601	8,253
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	5,255,121	7,009,419
Other than Approved Investments	1,613,018	1,147,905
Total Long Term Investments	**37,636,481**	**30,536,750**
Short term investments		
Government securities and Government guaranteed bonds including Treasury Bills	99,338	1,592,580
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	-	250,000
(e) Other Securities (note 6 & 7)	7,702,294	2,374,265
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector (note 6)	200,000	650,188
Other than Approved Investments (note 4 & 6)	1,014,861	2,201,945
Total Short Term Investments	**9,016,493**	**7,068,978**
Total investments	**46,652,974**	**37,605,728**

Notes: 1. Aggregate book value of investments (other than listed equities) is ₹ 42,828,867 thousand (previous year: ₹ 33,665,923 thousand).

2. Aggregate market value of investments (other than listed equities) is ₹ 42,075,430 thousand (previous year: ₹ 33,632,826 thousand).
3. Includes investment of FRB GOI 2014 of ₹ 100,000 thousand under Section 7 of Insurance Act, 1938 (previous year: FRB GOI 2014 of ₹ 100,000 thousand)
4. Includes investment in mutual fund amounting to ₹ 1,014,861 thousand (previous year ₹ 2,200,524 thousand).
5. Includes investments qualifying for infrastructure and social sector investments of ₹ 168,761 thousand (previous year ₹ Nil).
6. Includes investment of funds pertaining to Motor TP pool amounting to ₹ 7,206,563 thousand (previous year ₹ Nil).
7. Investments in Certificate Of Deposits (CODs) of previous year ₹ 2,359,151 thousand has been reclassified from "Short-term (due within 12 months)" in schedule 11 to "Long term - Other Securities" in schedule 8. Income accrued on CODs of previous year of ₹ 15,114 thousand has been reclassified from " Income accrued on investments/deposits " in schedule 12 to " Long term - Other Securities " in schedule 8."

Schedule- 9
Loans

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
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 : ₹ NIL).

Schedule - 10
Fixed assets

Particulars	Cost/ Gross Block			
	April 1, 2010	Additions	Deductions	March 31, 2011
Goodwill	-	-	-	-
Intangibles - Computer Software	805,534	242,902	24,840	1,023,596
Land-Freehold	-	2,410,852	-	2,410,852
Leasehold Property	-	-	-	-
Buildings	4,271	226,662	-	230,933
Furniture & Fittings	710,203	169	64,903	645,469
Information Technology Equipment	458,890	7,576	57,812	408,654
Vehicles	4,475	2,419	3,235	3,659
Office Equipment	338,005	398	37,097	301,306
Others	-	-	-	-
Total	2,321,378	2,890,978	187,887	5,024,469
Work in Progress				
Grand total	**2,321,378**	**2,890,978**	**187,887**	**5,024,469**
Previous year	2,332,520	189,656	200,798	2,321,378

*Refer note no. 5.1.11

Schedule - 11
Cash and bank balances

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
Cash (including cheques, drafts and stamps)	408,555	438,494
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	3,400,173	-
(bb) Others	-	-
(b) Current Accounts	91,327	64,953
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other institutions	-	-
Others	-	-
Total	**3,900,055**	**503,447**

(₹ in 000's)

Depreciation				Net Block	
April 1, 2010	For the year ended*	On Sales/ Adjustments	March 31, 2011	March 31, 2011	March 31, 2010
-	-	-	-	-	-
365,625	220,752	16,204	570,173	453,423	439,909
-	-	-	-	2,410,852	-
-	-	-	-	-	-
517	2,509	-	3,026	227,907	3,754
170,828	160,194	17,047	313,975	331,494	539,375
372,371	75,195	54,208	393,358	15,296	86,519
862	797	578	1,081	2,578	3,613
63,556	37,319	8,658	92,217	209,089	274,449
-	-	-	-	-	-
973,759	496,766	96,695	1,373,830	3,650,639	1,347,619
				230,627	85,759
973,759	**496,766**	**96,695**	**1,373,830**	**3,881,266**	**1,433,378**
800,401	277,137	103,779	973,759	1,433,378	

Schedule - 12
Advances and other assets

(₹ in 000's)

Particulars		At March 31, 2011		At March 31, 2010
Advances				
Reserve deposits with ceding companies		-		-
Application money for investments		-		-
Prepayments		83,520		168,432
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (net of provision for tax)		936,608		491,446
MAT credit entitlement		255,974		255,974
Others				
- Sundry Deposits	134,797		146,820	
- Surplus in Gratuity fund	19,717		4,693	
- Advance to Employees against expenses	136	154,650	-	151,513
Total (A)		**1,430,752**		**1,067,365**
Other Assets				
Income accrued on investments/deposits (Refer note 7 in schedule 8)		868,754		744,436
Outstanding Premiums		2,271,479		85,514
Agents' Balances		-		-
Foreign Agencies' Balances		-		-
Due from other Entities carrying on Insurance business (net) (including reinsurers) (Refer note 5.2.3)	22,900,880		25,388,489	
Less : Provisions for doubtful debts	301,039	22,599,841	30,670	25,357,819
Due from subsidiaries / holding company		-		-
Deposit with Reserve Bank of India		-		-
[Pursuant to section 7 of Insurance Act, 1938]				
Others				
- Service Tax unutilised credit	37,135		64,128	
- Service Tax paid in advance	541		534	
- Other receivables	171,200	208,876	4,943	69,605
Total (B)		**25,948,950**		**26,257,374**
Total (A+B)		**27,379,702**		**27,324,739**

Schedule - 13
Current liabilities

(₹ in 000's)

Particulars		At March 31,2011		At March 31,2010
Agents' Balances		49,384		35,680
Balances due to other insurance companies (net)		1,494,994		259,224
Deposits held on re-insurance ceded		42,360		-
Premiums received in advance		861,008		195,362
Unallocated Premium		507,979		472,497
Sundry Creditors		1,801,418		1,423,852
Due to holding company		45,552		47,712
Claims Outstanding (Gross) (Refer note no. 5.2.3 and 5.2.9)		40,790,675		32,205,659
Due to Officers/ Directors		-		-
Others-				
Statutory Dues	134,135		118,749	
Salary Payable	5,896		1,400	
Collections- Environment Relief Fund	62		-	
Unclaimed amount of policyholders (Refer note no. 5.2.11)	1,045,315		816,887	
Book Overdraft	1,216,725		843,192	
Employee rewards	420,000		316,166	
Service Tax Liability	-		-	
		2,822,133		2,096,394
Total		**48,415,503**		**36,736,380**

Schedule - 14
Provisions

(₹ in 000's)

Particulars		At March 31, 2011		At March 31, 2010
Reserve for unexpired risk		14,268,697		12,498,510
Reserve for premium deficiency (Refer note no. 5.1.10)		18,500		-
For taxation (less advance tax paid and taxes deducted at ource)		-		-
For proposed dividends		-		-
For dividend distribution tax		-		27,439
Others				
- Gratuity	-		-	
- Accrued leave	144,282		133,443	
		144,282		133,443
Total		**14,431,479**		**12,659,392**

Schedule - 15
Miscellaneous expenditure

(To the extent not written off or adjusted)

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
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, 2011

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, unless otherwise specifically stated, 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 recognised prospectively.

4. Significant accounting policies

4.1 Revenue recognition

Premium income

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

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

Income from reinsurance ceded

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

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

Income earned on investments

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

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

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

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

4,2 Premium received in advance

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

4.3 Reinsurance premium

Insurance premium on ceding of the risk is recognised in the period in which the risk commences. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised 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 recognised net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the 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 recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

Estimated liability for outstanding claims at balance sheet date is recorded 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 revalidated 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 actuarial estimate duly certified by the appointed actuary of the Company (refer note 5.2.1). 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

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

4.8 Investments

Investments are recorded at cost on trade date and include brokerage; transfer charges, stamps etc, if any, and exclude 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 amortized cost determined after amortisation 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 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 funds (Other than venture capital fund)

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

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

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 recognised 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 amortised 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 on fixed assets is provided using higher of the rates based on economic useful lives of assets as estimated by the management and the straight-line method specified as per schedule XIV of the Companies Act, 1956 as below,

In case of following categories of fixed assets, the management's estimate of the useful lives is lower than prescribed in Schedule XIV of the Companies Act, 1956.

Nature of Fixed Assets	Management Estimate of Useful Life in years	Useful life as per the rates prescribed in Schedule XIV of the Companies Act, 1956 in Years
Information Technology equipment	3.00	6.17
Furniture & Fittings	6.67	15.80
Office Equipment	10.00	21.05
Vehicles	5.00	10.53

Leases

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

Intangibles

Intangible assets comprising computer software are stated at cost less amortisation. Computer software including improvements are amortized over a period of 4 years, being the management's estimate of the useful life of such intangibles.

All assets including intangibles individually costing up to ₹ 5,000 are fully depreciated/amortised in the year in which acquired.

Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognised in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that 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 including actuarial gains/losses at balance sheet date and is recognised in the profit and loss account and revenue account(s).

Accrued leave

Compensated absences are provided based on actuarial valuation; including actuarial gains/losses 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 restated at the rates prevalent at the date of the balance sheet. The gains/losses on account of restatement and settlement are recognised in the profit and loss account and revenue account(s).

4.13 Taxation

Current tax

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

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternate Tax (MAT) credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

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 at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

4.14 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.15 Provisions and Contingencies

A provision is recognised 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

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
Partly-paid up investments	—	—
Claims, other than those under policies, not acknowledged as debt	—	—
Underwriting commitments outstanding	NA	NA
Guarantees given by or on behalf of the Company	—	—
Statutory demands/liabilities in dispute, not provided for (see note below)	392,421	612,149
Reinsurance obligations to the extent not provided for in accounts	—	—
Others	—	—

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 ₹ 147,391 thousand (previous year: ₹ 29,519 thousand).

5.1.4 Commitment in respect of loans and investments is ₹ 90,900 thousand (previous year: ₹ 105,900 thousand).

5.1.5 Claims

Claims, less reinsurance paid to claimants in/outside India are as under: (₹ in 000's)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
In India	20,130,877	15,481,724
Outside India	47,802	516

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: (₹ in 000's)

Particulars	As at March 31, 2011	As at March 31, 2010
More than six months	16,353,430	13,307,258
Others	24,437,245	18,898,401

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

5.1.6 Premium

Premium, less reinsurance, written from business in/outside India is given below : (₹ in 000's)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
In India	30,298,949	23,121,591
Outside India	32,885	19,292

5.1.7 The Company has recognised 1.36 percent (previous year: 1.5 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, 2011				For the year ended March 31, 2010			
	GWP (₹ in 000's)	No. of policies	No. of lives	% of GWP	GWP (₹ in 000's)	No. of policies	No. of lives	% of GWP
Rural	5,310,376	350,841	—	11.22	3,469,972	323,707	—	9.39
Social	74,965	60	253,053	0.16	14,896	2	93,729	0.04
Urban	41,963,642	5,293,936	—	88.62	33,462,953	4,137,692	—	90.57
Total	**47,348,983**	**5,644,837**		**100.00**	**36,947,821**	**4,461,401**		**100.00**

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

Particulars	Basis	At March 31, 2011		At March 31, 2010	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	33%	67%	28%	72%
Marine – Cargo	Value at risk	38%	62%	36%	64%
Marine – Hull	Value at risk	6%	94%	4%	96%
Miscellaneous					
– Engineering	Total sum insured	26%	74%	23%	77%
– Motor (refer note 5.2.3)	Total sum insured	79%	21%	75%	25%
– Workmen Compensation	Value at risk	90%	10%	84%	16%
– Public Liability	Value at risk	87%	13%	80%	20%
– Personal					
Accident	Value at risk	65%	35%	44%	56%
– Health	Value at risk	78%	22%	80%	20%
– Others	Value at risk	31%	69%	36%	64%

5.1.10 In accordance with regulatory guidelines, there is no premium deficiency on an overall basis in miscellaneous segment; however there is premium deficiency in respect of sub – segments within miscellaneous segment as under:

(₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
Motor TP (other than IMTPIP)	35,265	263,399
Motor TP pool Inward (IMTPIP)*	851,833	—

Further, there is no premium deficiency in respect of any reportable segment which contributes 10% or more to the premium underwritten other than those which are provided for in accordance with the Regulation.

*As per minutes of the General Insurance Council's meeting held on April 7, 2011 as regards premium deficiency on IMTPIP it was decided that, member insurers shall determine the premium deficiency, if any, in accordance with IRDA circular no. F&A/CIR/017/MAY-04 dated May 18, 2004 and in arriving at such computation shall consider 53% of their respective share of the closing reserve for Unexpired Risk of IMTPIP at February 28, 2011. Accordingly, for the purpose of computing premium deficiency the company has considered 53% of the outstanding URR of Motor TP Inward.

5.1.11 Depreciation

Accounting Standard 6 on Depreciation Accounting requires a company to carry out periodic review of the useful life of its assets. Upon revision of the useful life of an asset, the unamortised depreciable amount should be charged over the remaining useful life.

The company has revised its estimate of useful life of fixed assets with effect from April 1, 2010. This change in estimate has resulted in additional charge of ₹ 223,845 thousand for the year ended March 31, 2011.

5.1.12 Investments

Value of contracts in relation to investments for:

-Purchases where deliveries are pending ₹ 4,236 thousand (previous year: ₹ NIL); and

-Sales where payments are overdue ₹ NIL (previous year: ₹ NIL).

Historical cost of investments that are valued on fair value basis (General Portfolio) is ₹ 3,883,127 thousand (previous year: ₹ 4,948,510 thousand).

Historical cost of investments that are valued on fair value basis (Motor Pool Portfolio) is ₹ 239,786 thousand (previous year: ₹ NIL).

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 at March 31, 2011 (previous year: ₹ NIL).

5.1.13 Employee Benefit Plans

(A) Defined contribution plan

(₹ in 000's)

Expenses on defined contribution plan	For the year ended March 31, 2011	For the year ended March 31, 2010
Contribution to staff provident fund	88,700	92,087

(B) Defined benefit plan

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

(₹ in 000's)

Reconciliation of Benefit Obligations and Plan Assets	For the year ended March 31, 2011	For the year ended March 31, 2010
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	145,128	141,813
Current Service Cost	35,830	43,498
Interest Cost	14,498	13,004
Actuarial Losses / (Gain)	1,807	(44,682)
Liabilities assumed on Acquisition	25	7,650
Benefits Paid	(7,621)	(16,155)
Closing Defined Benefit Obligation	189,667	145,128
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	149,821	70,875
Expected Return on Plan Assets	11,928	6,653
Actuarial Gains / (Losses)	231	9,860
Contributions by Employer	55,000	70,938
Assets acquired on acquisition	25	7,650
Benefits paid	(7,621)	(16,155)
Closing Fair Value of Plan Assets	209,384	149,821
Expected Employer's contribution Next Year	10,000	25,000

(₹ in 000's)

Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	At March 31, 2011	At March 31, 2010
Fair Value of Plan Assets at the end of the year	(209,384)	(149,821)
Present Value of the defined obligations at the end of the year	189,667	145,128
Liability recognised in the balance sheet	—	—
Asset recognised in the balance sheet	19,717	4,693
Investment details of plan assets		
100% Insurer Managed Funds	209,384	149,821
Assumptions		
Discount Rate	8.20% p.a.	8.16% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	8.00% p.a.	8.00% p.a.

(₹ in 000's)

Expenses to be recognised in statement of Profit and Loss Account	For the year ended March 31, 2011	For the year ended March 31, 2010
Current Service Cost	35,830	43,498
Interest on Defined Benefit Obligation	14,499	13,004
Expected return on Plan Assets	(11,928)	(6,654)
Net Actuarial Losses/(Gains) recognised in year	1,575	(54,541)
Past Service Cost	—	—
Losses/(Gains) on "Curtailments & Settlements"	—	—
Losses/(Gains) on "Acquisition/ Divestiture"	—	—
Effect of limit in Para 59 (b)	—	—
Total included in Employee Benefit Expense	**39,976**	**(4,693)**

Experience adjustments of five years is given below (₹ in 000's)

	Year Ended				
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Defined Benefit Obligation	189,667	145,128	141,813	67,800	35,479
Plan assets	209,384	149,821	70,875	44,124	23,448
Surplus / (Deficit)	19,717	4,693	(70,938)	(23,676)	(12,031)
Exp.Adj on Plan Liabilites	2,943	(18,518)	26,355	672	8,021
Exp. Adj on Plan Assets	231	9,860	(6,597)	13,887	(107)

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 year and at the end of the year.

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

Allocation of expenses

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

— Expenses that are directly identifiable to a business class are allocated on actuals;

— Other expenses, that are not directly identifiable, are broadly allocated on the basis of gross direct premium in each business class; and

— Depreciation expenditure has been allocated on the assessment that the use of assets is proportionate to gross direct premium of the respective segments.

5.1.15 Managerial remuneration

The details of remuneration of MD & CEO (for FY2011) and two Wholetime Directors' (with effect from January 19, 2011) as per the terms of appointment are as under: (₹ in 000's)

Particulars (see note below)	For the year ended March 31, 2011	For the year ended March 31, 2010
Salaries and allowances	19,641	7,395
Contribution to provident and other funds	1,065	1,062
Perquisites	463	347

Note: Expenses towards gratuity and leave accrued are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

Managerial remuneration in excess of ₹ 15,000 thousand, for each Managerial personnel has been charged to profit and loss account.

5.1.16 Share Application

At March 31, 2011 the Company had received share application money of ₹ 3,402,304 thousand (previous year: ₹ 1,870 thousand) 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:

(₹ in 000's)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Outsourcing expenses	1,120,287	925,968
Business development	282,193	149,296
Marketing support	379,244	186,509

5.1.18 Details of penal actions taken by various Govt. authorities during year ended March 31, 2011 :

(₹ in 000's)

Authority	Non-Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	— (—)	— (—)	— (—)	— (—)
Service Tax Authorities	— (—)	— (—)	— (—)	— (—)
Income Tax Authorities	— (—)	— (—)	— (—)	— (—)
Any other Tax Authorities	— (—)	— (—)	— (—)	— (—)
Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	— (—)	— (—)	— (—)	— (—)
Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	— (—)	— (—)	— (—)	— (—)
Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	— (—)	— (—)	— (—)	— (—)
Securities and Exchange Board of India	NA (NA)	NA (NA)	NA (NA)	NA (NA)
Competition Commission of India	— (—)	— (—)	— (—)	— (—)
Any other Central/State/Local Govt / Statutory Authority (Tariff Advisory Committee)	166,981 (—)	2,053 (—)	2,053 (—)	164,928 (—)

Figures in brackets represent previous year figures.

5.1.19 Summary of Financial Statements for the last five years:

(₹ in 000's)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Operating Result					
Gross premium written	47,348,983	36,947,821	37,492,110	36,010,198	30,034,479
Net premium income #	30,331,834	23,140,883	21,164,757	17,797,672	14,507,715
Income from investments (net)@	2,589,359	2,828,112	2,325,325	1,364,414	783,667
Other income	622,489	5,42,421	3,842	(3,332)	(4)
Total income	33,543,682	26,511,416	23,493,924	19,158,754	15,291,378
Commissions (net of reinsurance commission)	(543,007)	210,557	(755,837)	(1,365,640)	(1,904,751)
Brokerage	-	-	-	-	-
Operating expenses	6,797,879	5,551,359	6,785,799	5,611,590	4,987,328
Claims, increase in Unexpired Risk Reserve & other outgoes	29,095,116	20,597,980	18,341,597	14,439,528	11,979,649
Operating Profit/(Loss)	(1,806,306)	151,520	(877,635)	473,276	229,152
Non - Operating Result					
Total income under shareholder's account(net of expenses)	982,886	1,431,533	880,380	828,958	572,059
Profit/(Loss) before tax	(823,420)	1,583,053	2,745	1,302,234	801,211
Provision for tax	(19,992)	143,774	(233,500)	273,500	117,600
Profit/(Loss) after tax	(803,428)	1,439,279	236,245	1,028,734	683,611
Miscellaneous					
Policy holder's account:					
Total funds	37,610,930	28,712,993	23,498,753	16,874,828	10,933,687
Total investments	Not applicable as investments are not earmarked				
Yield on investments					
Shareholder's account:					
Total funds *	19,439,883	17,924,396	12,369,209	8,514,813	8,068,030
Total investments	Not applicable as investments are not earmarked				
Yield on investments					
Paid up equity capital	4,045,672	4,036,327	4,031,369	3,773,578	3,357,075
Net worth **	19,439,883	17,924,396	16,026,640	10,759,589	9,427,035
Total assets	82,286,865	67,320,168	54,842,026	37,941,850	29,540,353
Yield on total investments (annualized)	9%	13%	14%	11%	10%
Earnings per share (₹)	(1.99)	3.57	0.60	2.76	2.35
Book value per share (₹)	48.05	44.41	39.75	28.51	28.08
Total dividend (excluding dividend tax)	565,889	645,248	-	591,157	438,365
Dividend per share (₹)	1.40	1.60	-	1.60	1.50

\# Net of Reinsurance @ Net of Losses * Shareholders fund excluding fair value & investment income ** Net worth is excluding fair value change account for FY 2006-07 to FY 2008-09

5.1.20 Ratio Analysis:

(A) For ratios at March 31, 2011 refer Annexure 1a and 1b and for March 31, 2010 refer Annexure 2a and 2b

(B) Solvency Margin

	At March 31, 2011	At March 31, 2010
Required solvency margin under IRDA Regulations (A)	10,473,090	7,336,094
Available solvency margin (B)	16,301,400	15,156,060
Solvency ratio actual (times) (B/A)	1.56	2.07
Solvency ratio prescribed by Regulation	1.30	1.50

5.1.21 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 is stated below:

Founder ESOPs:

Scheme	Others
Date of grant	April 26, 2005
No. of Options granted (in 000's)	917
Grant Price	₹ 35
Graded Vesting Period	
1st Year	50% of option
2nd Year	50% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

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

Scheme	Others
Date of grant	
2005	April 26, 2005
2006	April 24, 2006
2007	April 21, 2007
2008	April 24, 2008
No. of Options granted (in 000's)	18,372
Grant Price	₹ 35–₹ 200
Graded Vesting Period	
1st Year	20% of option
2nd Year	20% of option
3rd Year	30% of option
4th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

Performance ESOPs (2009):

Scheme	Others
Date of grant	
2009	July 21, 2009
No. of Options granted (in 000's)	1,249
Grant Price	₹ 91
Graded Vesting Period	
1st Year	20% of option
2nd Year	20% of option
3rd Year	30% of option
4th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

Performance ESOPs (2010):

Scheme	Others
Date of grant	
2010	April 19, 2010
No. of Options granted (in 000's)	2,312
Grant Price	₹ 114
Graded Vesting Period	
1st Year	20% of option
2nd Year	20% of option
3rd Year	30% of option
4th Year	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 ₹ 7.72 to ₹ 73.62 per option. Accordingly, the compensation cost and charge to the profit and Loss account for the year ended March 31, 2011 would have been higher by ₹ 67,514 thousand. On proforma basis the Company's basic and diluted earnings per share would have been ₹ (2.04). The key assumptions used to estimate the fair value of options are:

Risk-free interest rate	5.79% - 8.17% p.a.
Expected life	3 – 7 years
Expected volatility*	17.00% - 84.89% 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 at the period 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:

(₹ in 000's)

Particulars	Other than Wholetime Director		Wholetime Director	
	At March 31, 2011	At March 31, 2010	At March 31, 2011	At March 31, 2010
Outstanding at the beginning of the year	13,346	14,399	—	—
Add: Granted during the year	1,762	1,249	550	—
Less: Forfeited / lapsed during the year	1,132	1,705	—	—
Less: Exercised during the year	881	597	—	—
Outstanding at the end of the year	13,095	13,346	550	—
Exercisable at the end of the year	7,577	6,737	—	—

5.2 Other disclosures

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

The liability for IBNR claims including IBNER (excluding IMTPIP) for the year ending March 31, 2011 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 for lines of business where claims development in the past years is considered to be representative of the future claims development. Where this method is not found suitable the Bornheutter-Ferguson method has been used.

For the current year the Appointed Actuary has worked out liability for IBNR/IBNER claims for the marine hull line of business using Bornheutter-Ferguson method, which was hitherto estimated using Chain Ladder method. The Appointed Actuary has changed the method of estimation from Chain Ladder to Bornheutter-Ferguson method for better estimates and to avoid undue influence of large losses on the estimation.

The impact of charge on the loss is not estimated to be material.

5.2.2 (A) 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 ₹ 7.5 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 intimation/confirmation received from GIC. Accordingly, reinsurance accepted on account of the terrorism pool has been recorded only up to September 30, 2010 (previous year: September 30, 2009) as per the last confirmation received and which has been carried forward to the subsequent accounting period as Unexpired Risk Reserve appropriately.

(B) Reclassification

Investment income from terrorism pool of previous year ₹ 79,185 thousand has been reclassified from "Interest, Dividend & Rent-Gross" in "Revenue Accounts and Profit & Loss account" to "Others –investment income from pool" in "Revenue Accounts"

5.2.3 (A) 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 based of unaudited statement received from pool for the period from March 2010 up to February 2011.

Based on the statements received from the Pool, liability for IBNR claim for third party motor pool was provided in the past. During the current year, the IRDA carried out independent assessment of the provision required and vide its order IRDA/NL/ORD/MPL/046/03/2011 dated March 12, 2011 directed all general insurance companies to make a provision of not less than 153% for each of the four years from the inception of the pool (i.e. from 2007-08). Due to this, additional provision of ₹ 2,720,000 thousand has been created during the current year.

IRDA has also indicated that there will be peer review of the provisions requirement by independent actuary and further provisions if any will be made once the review is completed. The impact of the same in the financial statements is presently not determinable.

In view of above developments, the Authority has allowed increase in rate of premium applicable to Motor Third Party Liability insurance business by 68.5% with effect from April 25, 2011

(B) Reclassification

Investment income from motor pool of previous year ₹ 457,530 thousand has been re-classified from "Claims outstanding at the end of the year" in "Schedule 2 " to "Others-Investment income from pool" in Revenue Accounts.

Investment income receivable from motor pool of previous year ₹ 457,530 thousand has been reclassified from "Claims outstanding" in Schedule 13 to "Due from other entities including reinsures" in Schedule 12.

5.2.4 Re-insurance inward

The results of reinsurance inward are accounted as per last available statement of accounts/confirmation from reinsurers.

5.2.5 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 0.1% 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.

5.2.6 Environment Relief Fund

There is ₹ 62 thousand outstanding (Previous year ₹ NIL) towards Environment Relief fund (ERF) under Public Liability policies.

5.2.7 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

(₹ in 000's)

	At March 31, 2011	At March 31, 2010
a. not later than one year	777	1,281
b. later than one year and not later than five years	-	777
c. later than five years	-	-

An amount of ₹ 1,281 thousand (previous year: ₹ 4,610 thousand) towards said lease payments has been recognized in the statement of revenue account.

5.2.8 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, 2011. 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.

5.2.9 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 to the extent identifiable to business segment

(₹ in 000's)

Segment	Year	Current Liabilties Claims Outstanding	Current Assets Outstanding Premium
Fire	2010-11	4,737,759	4,732
	2009-10	4,947,450	4,985
Engineering	2010-11	1,191,808	90
	2009-10	1,383,962	676
Marine Cargo	2010-11	1,096,582	3,081
	2009-10	674,242	3,026
Marine Hull	2010-11	1,121,238	-
	2009-10	1,214,609	8
Motor OD	2010-11	2,048,369	182
	2009-10	1,925,499	-
Motor TP	2010-11	25,227,461	51
	2009-10	17,217,193	-
Workmen Compensation	2010-11	107,807	-
	2009-10	43,492	-
Public/Product Liability	2010-11	16,559	-
	2009-10	8,759	-
Personal Accident	2010-11	449,887	27
	2009-10	397,414	-
Aviation	2010-11	199,231	-
	2009-10	698,080	-
Health	2010-11	2,542,646	1,247,141
	2009-10	2,105,943	34
Others	2010-11	2,051,328	1,016,175
	2009-10	1,589,016	76,785
Total Amount	2010-11	40,790,675	2,271,479
	2009-10	32,205,659	85,514

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.

5.2.10 Related party

Party where control exists

ICICI Bank Limited (Holding Company)

Other related parties with whom transactions have taken place during the year:

Fellow Subsidiaries / Associates / Other related entities:

Name of related party
ICICI Bank UK PLC
ICICI Home Finance Company Limited
ICICI Prudential Asset Management Company Limited
ICICI Prudential Life Insurance Company Limited
ICICI Securities Limited
ICICI Securities Primary Dealership Limited
ICICI Venture Funds Management Company Limited
FAL Corporation (Affiliate of Fairfax Financial Holdings Limited)
ICICI Foundation for Inclusive Growth
Loyalty Solutions & Research Limited (upto March 31, 2010)
Transafe Services Limited (upto June 30, 2009)

Key Management Personnel (KMP):
Sandeep Bakhshi, Managing Director & CEO (upto April 30,2009)
Bhargav Dasgupta, Managing Director & CEO
Vishakha Mulye, Executive Director (upto April 20,2009)
Neelesh Garg, Executive Director (w.e.f. January 19, 2011)
Alok Kumar Agarwal, Executive Director (w.e.f. January 19, 2011)

Relatives of KMP with whom transactions have taken place:
Ranjana Dasgupta : Spouse of Bhargav Dasgupta
Meghna Dasgupta : Daughter of Bhargav Dasgupta
Malini Dasgupta : Daughter of Bhargav Dasgupta

Details of transaction with related parties for the year ended March 31, 2011 are given below:

(₹ in 000's)

Particulars	ICICI Bank Limited	With ICICI Home Finance Co Limited	With ICICI Securities Primary Dealership Limited	With ICICI Prudential Life Insurance Co Limited	With ICICI Venture Funds Management Co Limited	With Others	Associate	With KMP & their relatives
	Holding company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Premium income	1,380,755 (1,057,272)	13,833 (119,812)	1,740 (3,873)	117,336 (145,668)	6,695 (5,918)	119,205 (103,883)	939 (487)	25 (29)
Income from interest & dividend	51,177 (54,005)	10,587 (28,625)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Application money received	2,516,000 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	884,000 (—)	— (—)
Claim payments	906,531 (822,994)	71,570 (70,636)	563 (558)	6,544 (64,459)	40 (2,250)	57,089 (62,082)	53 (—)	— (—)
Sale of fixed assets	— (—)	— (—)	— (—)	— (—)	— (1,279)	— (—)	— (—)	— (—)
Purchase of Fixed Asset	— (—)	— (—)	— (—)	— (1,748)	— (—)	— (—)	— (—)	— (—)
Commission/ Brokerage payouts	325,624 (344,673)	632 (63,617)	— (—)	— (—)	— (—)	24,832 (16,383)	— (—)	— (—)
Investment								
- Purchases	5,266,533 (4,874,193)	— (—)	879,583 (1,688,060)	250,188 (432,001)	— (—)	— (—)	— (—)	— (—)
- Sales	4,510,971 (4,772,755)	278,625 (—)	200,404 (—)	656,336 (909,718)	— (—)	— (—)	— (—)	— (—)
Premium Paid	— (—)	— (—)	— (—)	6,374 (8,435)	— (—)	— (—)	— (—)	— (—)
Establishment & other expenditure	232,154 (231,280)	— (—)	— (—)	-1,717 (100)	— (—)	-1,215 (1,279)	— (—)	20,780 (8,804)
Dividend paid	416,574 (476,085)	— (—)	— (—)	— (—)	— (—)	— (—)	146,363 (167,272)	— (—)
Donation	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (14,000	(—) (—)

Figures in brackets represent previous year figures

Balances with related parties at March 31, 2011, are as under: (₹ in 000's)

Particulars	ICICI Bank Limited	With ICICI Home Finance Co Limited	With ICICI Securities Primary Dealership Limited	With ICICI Prudential Life Insurance Co Limited	With ICICI Venture Funds Management Co Limited	With others	Associate	With KMP & their relatives
	Holding company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Assets								
Cash, Bank Balances & Deposits	-1,063,989 (-447,082)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Investments	455,508 (—)	— (250,000)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Income accrued on investments	5,835 (1,053)	— (18,038)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Liabilities								
Capital	2,975,530 (2,975,530)	— (—)	— (—)	— (—)	— (—)	— (—)	1,045,449 (1,045,449)	150 (—)
Application money	2,516,000 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	884,000 (—)	— (—)
Premium received in advance	22,606 (58,632)	2,834 (14,595)	— (201)	890 (3,945)	92 (224)	1,924 (1,359)	10 (72)	— (—)
Others liabilities/ Payables	240,919 (154,401)	54,787 (38,720)	415 (57)	11,830 (8,772)	314 (403)	17,968 (5,987)	250 (—)	— (—)

Figures in brackets represent previous year figures

5.2.11 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31, 2011

At March 31, 2011 the Company has not appropriated / written back the unclaimed amount of policyholders. (Reference IRDA circular no IRDA/F&I/CIR/CMP/174/11/2011 dated 4th November, 2010)

(₹ in 000's)

Particulars	Total Amount	1-6 months	7-12 months	13-18 months	19–24 months	25–30 months	31–36 months	Beyond 36 months
Claims settled but not paid to the policyholders/ insured's due to any reasons except under litigation from the insured/ policyholders	—	—	—	—	—	—	—	—
Sum due to the insured/ policyholders on maturity or otherwise	—	—	—	—	—	—	—	—
Any excess collection of the premium/ tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	158,606	9,758	4,177	7,027	5,608	10,646	16,778	104,612
Cheques issued but not encashed by the policyholder/ insured	886,709	417,505	111,884	76,603	37,097	35,975	57,045	150,600
Total	1,045,315	427,263	116,061	83,630	42,705	46,621	73,823	255,212

5.2.12 Details of earning per share for the year ended March 31, 2011 (₹ in 000's)

Particulars	At March 31, 2011	At March 31, 2010
Profit available to equity shareholders - ₹	(803,428)	1,439,279
Weighted average number of equity shares		
Number of shares at the beginning of the year	403,633	403,137
Share issued during the year	934	496
Total number of equity share outstanding at the end of the year	404,567	403,633
Weighted average number of equity shares outstanding during the year	404,170	403,220
Add : Effect of dilutive issues of employee options and share application pending allotment	6,721	7,036
Diluted weighted average number of equity shares outstanding during the year	410,891	410,256
Nominal value of equity shares – ₹	10	10
Basic earning per share – ₹	(1.99)	3.57
Diluted earning per share – ₹	(1.99)	3.51

5.2.13 Deferred taxes

The major components of deferred tax are as under: (₹ in 000's)

Particulars	Deferred tax asset at March 31, 2011	Deferred tax asset at March 31, 2010
Timing differences on account of:		
Reserve for Unexpired Risks / Premium deficiency	—	373,093
Provision for escalation in lease rentals	22,590	25,264
Leaves accrued	46,812	44,329
Provision for doubtful debts	97,672	10,190
Carry forward losses*	305,794	—
Total	**472,868**	**452,876**
Net deferred tax asset/(liability)	472,868	452,876
Deferred tax expense/(income) recognised in the Profit and Loss A/c.	(19,992)	143,774

* Restricted to estimated taxable profit, considering current insurance contract renewal rate of the company, one-time loss of the IMTPIP, regulatory revision in the administered third party premium rates and the estimated income from existing investments and on additional capital infusion into the Company.

5.2.14 Prior year figures have been regrouped, reclassified in the respective schedule and notes wherever necessary, to conform to current period classifications.

For and on behalf of the Board

Chanda Kochhar
Chairperson

S. Mukherji
Director

Dileep Choksi
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Rakesh Jain
Director Corporate Centre and CFO

Vikas Mehra
Company Secretary

Mumbai,
April 25 , 2011

Annexure-1 a Analytical Ratios as at March 31, 2011

Particular	Total	Fire	Marine						
			Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation
Gross Premium Growth Rate	29%	5%	35%	(13%)	14%	19%	(3%)	12%	76%
Gross Premium to shareholders' fund ratio	219%								
Growth rate of shareholders'fund	8%								
Net Retention Ratio	71%	40%	38%	9%	28%	90%	127%	100%	90%
Net Commission Ratio	5%	3%	8%	1%	6%	6%	0%	5%	9%
Expense of Management to Gross Direct Premium Ratio	21%								
Combined Ratio	86%								
Technical Reserves to net premium ratio	182%								
Underwriting balance ratio	(17%)	(42%)			(54%)				
Operating Profit Ratio	(3%)								
Liquid Assets to liabilities ratio	23%								
Net earning ratio	(3%)								
Return on net worth ratio	(4%)								
Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.56								
NPA Ratio									
Gross NPA Ratio	—								
Net NPA Ratio	—								

Notes :

Ratios are computed as per definitions laid down by IRDA cicular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010

1. GDPI = Premium from direct business written
2. Shareholders' funds/ Net worth = Share capital + Reserve & Surplus + Share application money-pending allotment + Fair value change account
3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business
4. Liquid asset= Short term investments + Cash and bank balances
5. Policyholders liabilities = Claim outstanding (gross) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission + Premium deficiency

Miscellaneous							Basis of calculations
Public/ Product Liability	Engineering	Aviation	PA	Health	Others	Total Miscellaneous	
84%	(2%)	76%	18%	50%	79%	32%	(GDPI current year- GDPI previous year)/ GDPI previous year
							GDPI/ Shareholders' funds
							(Shareholders' funds current year- Shareholders' funds previous year) / Shareholders' funds previous year
83%	24%	14%	63%	78%	30%	76%	Net premium/ GDPI
1%	5%	1%	9%	5%	3%	5%	Gross commission paid/ GDPI
							Expenses of management/ GDPI
							(Claims paid + Expenses of management + Commission paid-direct)/ Gross driect premium
							(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ Net premium
						(15%)	(Underwriting profit/loss) / Net premium
							(Underwriting profit/loss + Investment income) / Net premium
							Liquid assets/ Policyholders liabilities
							Profit after tax/ Net premium
							Profit after tax/ Net worth

Annexure-1b — Equity Holding Pattern at March 31, 2011

Equity Holding Pattern

1. (a) No. of shares	404,567,230
2. (b) Percentage of shareholding (Indian / Foreign)	74.2%/ 25.8%
3. (c) %of Government holding (in case of public sector insurance companies)	—
4. (a) Basic and diluted EPS before extraordinary items (net of tax expense) for the period	₹ (1.99) and ₹ (1.99)
5. (b) Basic and diluted EPS after extraordinary items (net of tax expense) for the period	₹ (1.99) and ₹ (1.99)
6. (iv) Book value per share (₹)	48.05

Annexure - 2 a Analytical Ratios as at March 31, 2010

Particular	Total	Fire	Marine						
			Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation
Gross Premium Growth Rate	(3%)	(5%)	(6%)	(50%)	(32%)	9%	(6%)	4%	16%
Gross Premium to shareholders' fund ratio	184%								
Growth rate of shareholders'fund	17%								
Net Retention Ratio	70%	32%	37%	6%	23%	90%	102%	94%	84%
Net Commission Ratio	6%	2%	6%	1%	4%	10%	0%	7%	8%
Expense of Management to Gross Direct Premium Ratio	23%								
Combined Ratio	92%								
Technical Reserves to net premium ratio	193%								
Underwriting balance ratio	(14%)	(13%)			(4%)				
Operating Profit Ratio	7%								
Liquid Assets to liabilities ratio	17%								
Net earning ratio	6%								
Return on net worth ratio	8%								
Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	2.07								
NPA Ratio									
Gross NPA Ratio	—								
Net NPA Ratio	—								

Notes :

Ratios are computed as per definitions laid down by IRDA cicular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010

1. GDPI = Premium from direct business written
2. Shareholders' funds/ Net worth = Share capital + Reserve & Surplus + Share application money-pending allotment + Fair value change account
3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business
4. Liquid asset= Short term investments + Cash and bank balances
5. Policyholders liabilities = Claim outstanding (gross) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission + Premium deficiency

Miscellaneous							Basis of calculations
Public/ Product Liability	Engineering	Aviation	PA	Health	Others	Total Miscellaneous	
71%	(16%)	10%	(29%)	(12%)	33%	(1%)	(GDPI current year- GDPI previous year)/ GDPI previous year
							GDPI/ Shareholders' funds
							(Shareholders' funds current year- Shareholders' funds previous year) / Shareholders' funds previous year
72%	21%	19%	37%	81%	36%	76%	Net premium/ GDPI
4%	4%	1%	7%	5%	8%	6%	Gross commission paid/ GDPI
							Expenses of management/ GDPI
							(Claims paid + Expenses of management + Commission paid-direct)/ Gross driect premium
							(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ Net premium
						(14%)	(Underwriting profit/loss) / Net premium
							(Underwriting profit/loss + Investment income) / Net premium
							Liquid assets/ Policyholders liabilities
							Profit after tax/ Net premium
							Profit after tax/ Net worth

Annexure-2b — Equity Holding Pattern at March 31, 2010

Equity Holding Pattern

1. (a) No. of shares	403,632,746
2. (b) Percentage of shareholding (Indian / Foreign)	74.1%/ 25.9%
3. (c) %of Government holding (in case of public sector insurance companies)	—
4. (a) Basic and diluted EPS before extraordinary items (net of tax expense) for the period	₹ 3.57 and ₹ 3.51
5. (b) Basic and diluted EPS after extraordinary items (net of tax expense) for the period	₹ 3.57 and ₹ 3.51
6. (iv) Book value per share (₹)	44.41

Receipts & Payment Account for the year ended March 31, 2011

(₹ in 000's)

	Year ended March 31, 2011		Year ended March 31, 2010	
Cash flow from operating activities				
- Premium received from policyholders, including advance receipt	50,899,854		41,542,210	
- Premium received from co-insurer	1,029,138		507,587	
- Other receipts (including-environment relief fund & Motor TP pool and Terrorism Pool)	719,085		548,207	
- Receipt / (payment) from/to re-insurer net of commissions & claims recovery	9,889,143		(4,801,257)	
- Payment to co-insurer net of claims recovery	(2,549,759)		(2,751,743)	
- Payments of claims (net of salvage)	(39,287,030)		(23,940,903)	
- Payments of commission and brokerage	(1,889,287)		(2,421,585)	
- Payments of other operating expenses	(6,509,426)		(6,065,999)	
- Preliminary and pre-operative expenses	-		-	
- Deposits, advances & staff loans	647,365		883,497	
- Income tax paid (net)	(433,610)		(352,583)	
- Service taxes paid	(3,138,718)		(1,418,791)	
- Other payments	-		-	
- Cash flows before extrordinary items		9,376,755		1,728,640
- Cash flows from extrordinary operations		-		-
Net cash from operating activities		**9,376,755**		**1,728,640**
Cash flow from investing activities				
- Purchase of fixed assets (including capital advances)	(3,035,846)		(239,843)	
- Proceeds from sale of fixed assets	21,631	(3,014,215)	19,221	(220,622)
- Purchase of investments	(22,058,474)		(24,286,759)	
- Loans disbursed	-		-	
- Sale of investments	16,483,562		23,118,243	
- Repayments received	-		-	
- Rent/interest/dividends received	2,130,519		1,951,176	
- Investments in money mkt instruments and liquid mutual fund (net)	(2,263,378)		(1,204,834)	
-Expenses related to investments	(11,615)	(5,719,386)	(6,345)	(428,519)
Net cash from investing activities		**(8,733,601)**		**(649,141)**

	Year ended March 31, 2011		Year ended March 31, 2010	
Cash flow from financing activities				
- Proceeds from issuance of share capital (including share premium & net of share issue expenses)	3,440,777		22,092	
- Proceeds from borrowing	-		-	
- Repayments of borrowing	-		-	
- Dividends paid (including dividend tax)	(687,323)		(727,469)	
Net cash from financing activities		**2,753,454**		**(705,377)**
Effect of foreign exchange rates on cash and cash equivalents, net		-		-
Net increase/(decrease) in cash and cash equivalents		**3,396,608**		**374,122**
Cash and cash equivalents at the beginning of the year		**503,447**		**129,325**
Cash and cash equivalents at end of the year*		**3,900,055**		**503,447**

*Cash and cash equivalent at the end of the year includes short term deposits of ₹ 3,400,173 thousand (previous year: Nil), balances with banks in current accounts ₹ 91,327 thousand (previous year: ₹ 64,953 thousand) and cash including cheques and stamps in hand amounting to ₹ 408,555 thousand (previous year: ₹ 438,494 thousand)

As per our attached report of even date

For N. M. Raiji & Co.
Chartered Accountants

Jayesh M. Gandhi
Partner
Membership No. 37924

For PKF Sridhar & Santhanam
Chartered Accountants

R. Suriyanarayanan
Partner
Membership No. 201402

Mumbai,
April 25, 2011

For and on behalf of the Board

Chanda Kochhar
Chairperson

S. Mukherji
Director

Dileep Choksi
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Rakesh Jain
Director Corporate Centre and CFO

Vikas Mehra
Company Secretary

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: 11-129408

State Code: 11

Balance Sheet date: 31 (Date) 03 (Month) 2011 (Year)

II. Capital Raised During the Year (Amount in ₹ Thousand)

Public Issue: NIL	Rights Issue: NIL
Bonus Issue: NIL	Private Placement: 311926

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities:	Total Assets:

Sources of Funds

Paid-up capital: 4045672	Reserves and Surplus:
Secured Loans:	Unsecured Loans:

Application of Funds

Net Fixed Assets & WIP:	Investments:
Net Current Assets:	Miscellaneous Expenditure:
Accumulated Losses:	

IV. Performance of Company (Amount in ₹ Thousand)

Turnover:	Total Expenditure:
Profit/Loss Before Tax:	Profit/Loss After Tax:
Earning per Share in Rs.:	Divided Rate %:

V. Generic Names of Principal Products/ Services of the Company (as per monetary terms)

Product Description: GENERAL INSURANCE

Item Code No.: N-A

Note :

The Company being a general insurance company, the accounts of the company are not requireed to be made in accordance with Schedule VI. Further, the Insurance Act, 1938, requires the accounts of the company to be split between policyholder's & 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.

GENERAL INSURANCE

Registered Office:
ICICI Lombard General Insurance Company Limited
ICICI Bank Towers, Bandra Kurla Complex, Mumbai 400 051.

Mailing Address:
ICICI Lombard General Insurance Company Limited
ICICI Lombard House, 414, Veer Savarkar Marg, Prabhadevi, Mumbai 400025

email: customersupport@icicilombard.com
Visit us at www.icicilombard.com