



 **ICICI Lombard**
Aapka Plan B

Annual Report 2011-12

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Forward looking statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

Celebrating 10 YEARS of Success



At ICICI Lombard General Insurance Company Limited, as we complete the 10th year of operations, we are re-imagining performance by focusing on growth and zealously striving for underwriting profits, which would be achieved by keeping customer-centricity as its core value.

To embody this philosophy in the organisation, we have redefined and reinvented processes and practices to deliver on the customer's expectations, with a resolute focus on value creation.

Our journey for value creation begins with becoming a deeply customer-centric organisation by identifying the three pillars of customer-centricity. We aim to keep the customer at the core, define and deliver on our promises and implement reliable levels across all customer-facing processes. This will strengthen the foundation for sustainable growth and realisation of the long-term vision of our organisation.

Empowering the Customer

Keeping the spirit of customer-centricity in focus, we have simplified our processes and made them more customer-friendly. While we made insurance purchase an effortless task, we also provided customers the power to intimate and track their claims through a wide array of touch points.

Superior Customer Experience

We have kept the customer in focus and have continuously improved the quality of the experience through assessment of the various customer interaction points. This has helped us achieve high levels of efficiency and consistency of servicedelivery. In line with the spirit of superior customer experience, we constantly solicit feedback from customers to continuously improve the experience.

Delivering the Promise

The moment of truth for any customer is at the time of a claim. As a vital element of the tangible customer-centricity initiative, ICICI Lombard has built up a robust in-house claim settlement mechanism which ensures customer ownership, enabling timely and hassle free processing of claims while ensuring superior customer experience.

Value Creation for over a Decade...

ICICI Lombard General Insurance Company Limited is a 74:26 joint-venture between ICICI Bank, India's second largest bank with an asset base of USD 93 billion and Fairfax Financial Holdings, Canada based USD 30 billion financial services company. Over the years, we have emerged as the market leader amongst private players in the Indian General Insurance industry.

To address customer requirements, we offer a wide range of services across diverse segments. The focus has been to introduce innovative products which match the exact customer needs. We pioneered the concept of Weather Insurance in India. We have also worked closely with the Government of India to implement innovative Mass Health schemes. Our main products across the retail and corporate space include:


- ▶ Motor Insurance
- ▶ Health Insurance
- ▶ Personal Accident Insurance
- ▶ Travel Insurance
- ▶ Home Insurance
- ▶ Liability Insurance
- ▶ Fire Insurance
- ▶ Engineering Insurance
- ▶ Marine Insurance
- ▶ Aviation Insurance

We have been assigned rating of **iAAA** by **ICRA** for a fundamentally strong position and the highest claim paying ability for the fifth consecutive year.


Worldwide Recognitions

- ▶ Frost & Sullivans' 2011 Voice of Customer Choice Award for Overall Best Vehicle Insurance Company
- ▶ The Customer and Brand Loyalty Award at the 5th Loyalty Summit, 2012
- ▶ ASTD BEST 2011 Award by the American Society for Training & Development (ASTD) for ICICI Lombard's efforts and approach towards learning and development
- ▶ Golden Peacock Innovation Award 2011 for Rashtriya Swasthya Bima Yojana
- ▶ Skoch Financial Inclusion Award 2011 in the micro finance category

Quick Facts

 **₹ 53,583 million**
Gross Written Premium (GWP) as on FY 2012

 **7,574,172**
Policies issued in FY 2012

 **4,339,459**
Claims settled in FY 2012

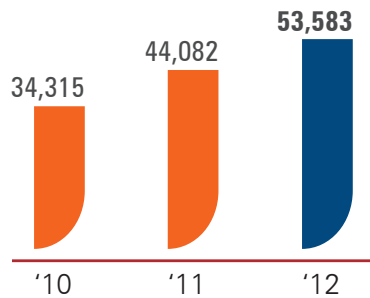
 **7,208**
Head count

 **311**
Pan-India branches as on FY 2012

Financial Highlights

Revenue Growth

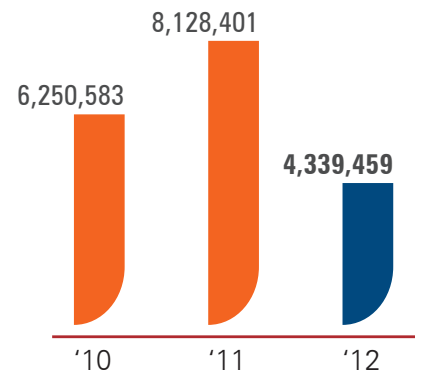
(Gross Written Premium ₹ in million*)



* Excluding Motor TP inward

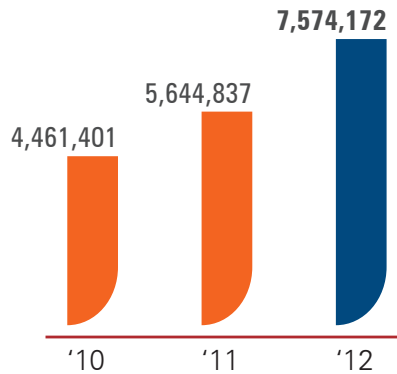
Claims Settled

(Number of Claims Settled)



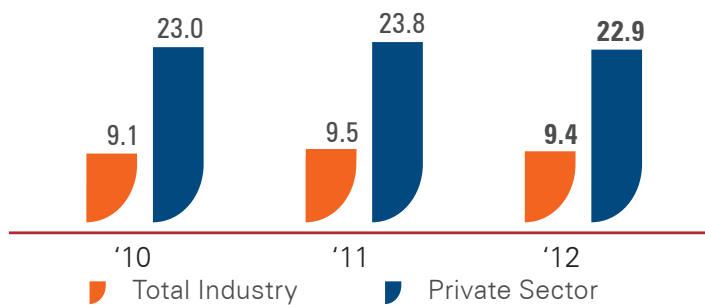
Policy Growth

(Number of Policies Sold)



Market Share

(%)





▶ OUR BEGINNING

Our journey commenced in FY 2001, following the entry of private players in the Indian General Insurance sector in FY 2000. Since then, we have scripted a success story and adapted proactively to the prevailing market conditions.



PRODUCT INNOVATION

To encompass the uncertainties faced by the Indian farmers, we pioneered an index based insurance product - Weather Based Crop Insurance Scheme (WBCIS). This scheme has been successfully adopted in 11 states, covering as many as three million farmers till date.

2002 - 2003



Chairperson's Message

➤ The General Insurance industry globally is expected to grow at a CAGR of 4.3% from FY 2010-2015, compared to a CAGR of 3.7% for FY 2006-2010.



Dear Shareholders,

The global economic scenario continues to be uncertain and volatile. While the United States is showing signs of recovery, other developed markets continue to face significant challenges as they try to balance growth and fiscal sustainability. Emerging markets are becoming increasingly important as drivers of global growth. The Indian economy witnessed a moderation in growth in FY 2012, but continues to be among the fastest growing economies globally. While global and domestic

factors have created some challenges and volatility, India's strong domestic fundamentals driven by its demographic advantage, consumption growth and investment potential would support sustained growth over the medium to long-term.

The General Insurance industry globally is expected to grow at a CAGR of 4.3% from FY 2010-2015, compared to a CAGR of 3.7% for FY 2006-2010. Although there has been a growth in premium income for the industry, it has not reflected in


The Company's gross written premium for FY 2012 was ₹ 53.58 billion, a growth of 22% over the previous year.

enhanced profitability. Investment returns are a significant proportion of global general insurers' profits, and growing this profit stream has been challenging in a sustained low interest rate environment and amid significant volatility in fixed income and equity markets. In addition, natural catastrophes have impacted the performance of the General Insurance sector.

India presents a compelling story of optimism in the General Insurance sector, demonstrating significant growth potential. The current penetration is low, at 0.7% of GDP, compared to 1.3-2.3% in emerging markets and 3-5% in developed markets. Given India's economic growth potential, driven by growing household incomes as well as the need for investment in capacity creation across several sectors, the demand for both retail and corporate products is likely to increase. With the growing focus on financial inclusion and the emphasis on the need to expand access to health insurance and micro-insurance in the semi-urban and rural areas, a large bottom of the pyramid opportunity is also emerging.

Against this backdrop, ICICI Lombard has achieved robust growth and sustained its market leadership in a competitive environment. The Company's gross written premium for FY 2012 was ₹ 53.58 billion, a growth of 22% over the previous year. The Company continues to capitalise on the growth opportunities in the insurance sector, with a focus on transparency and process efficiency to deliver value to customers. The Company leverages technology extensively to enhance efficiency and service quality. The

Company has made significant progress in financial inclusion, providing access to insurance to the disadvantaged sections of the population.

The profitability of the General Insurance industry in India has been significantly impacted by the increase in the mandated loss rates on the motor third party pool by the Insurance Regulatory and Development Authority. The impact of the above on ICICI Lombard was ₹ 6.85 billion. Going forward, the dismantling of the existing pool and the shift to a declined risk pool would enable individual insurers to leverage their own risk management capabilities to undertake this segment of business in a profitable manner.

We have completed a decade-long journey of innovation and entrepreneurship in the General Insurance industry. Our focus has always been to cater to the evolving needs of our customers with diverse products and high quality services. This approach has helped us achieve sustained industry leadership in the private sector. We will continue to invest in robust underwriting, cost-effective distribution and scalable service architecture to further strengthen our franchise. Our vision is to emerge as a globally admired risk solutions organisation, creating sustainable value for all stakeholders.

Chanda Kochhar

Chairperson
ICICI Lombard GIC Limited



Message from the Chairman, Fairfax Asia

Dear Shareholders,

It is my pleasure to convey very best wishes on behalf of Fairfax Financial Holdings Limited and Fairfax Asia Limited to all the members of ICICI Lombard on successful completion of eventful 10 years of operations in the Indian General Insurance industry. In the preceding 10 years, we have been witness to the many challenges faced by the Company and also great opportunities that have arisen which strengthened our partnership with ICICI Lombard and encouraged us to continue the journey together. Let me take this opportunity to share a few perspectives on the Company's operations and the way we see the future unfolding before us.

Emerging economies of the world spearheaded by BRICS countries (Brazil, Russia, India, China and South Africa) are now driving the global economic growth, as the developed economies of the West are seeking new paradigms of economic stability amid a recessionary environment. During FY 2011-12, the developing countries remained the engines of growth and significant economic activity worldwide. The reasons are not difficult to comprehend: considerable sections of the

population (the so-called middle classes) in these countries are now finding opportunities to elevate their quality of life and aspire for products and services, which remained outside their reach even a few years ago.

The Indian economy, in particular, has made rapid strides of economic growth and social well-being by virtue of robust socio-economic policies. Growth in India is becoming more inclusive, more participatory, enhancing business opportunities across multiple sectors, including the insurance industry. Operating in a very competitive business environment, ICICI Lombard has once again been able to maintain its leadership in the private General Insurance sector in India, reaffirming our faith in the organisation.

India's General Insurance industry grew at an impressive rate of 23%, against Emerging Markets as a whole growth rate of about 8.9% and the global average growth rate of about 1.8%. This information reflects one fundamental reality: that the Indian non-life insurance market has considerable vibrancy and potential to grow, and being

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a market leader ICICI Lombard has reasons to cheer. The need of the hour is to be in a position to deliver calibrated response to the emerging needs of the insuring public.

Sustained spending on automobiles in India has increased the demand for motor insurance, coupled with an overall growth in the health, corporate and property insurance. The series of recent natural disasters in Asia have enhanced the risk awareness among people, encouraging them to seek enhanced insurance cover. However, natural catastrophes are also likely to increase the reinsurance rates for property covers. Taking these factors into consideration, the non-life insurance premium in Asia is projected to grow by about 6% in FY 2012.

Over the years, ICICI Lombard has witnessed the Indian market evolve and has attuned itself to the needs of the insuring public, retaining its pivotal position in the Indian General Insurance industry. The Company has not only stood the test of time but has consistently registered growth despite increased competition in the prevailing free market environment.

We are now even more confident that ICICI Lombard is geared and ready to face the future better than ever before, as we see more opportunities emerging in the Indian General Insurance sector. No doubt there will be challenges to overcome, but we know that the Company's priority is to identify possibilities amid challenges, and continue the march with greater efficiency and determination. ICICI Lombard's diversified product mix, cost-effective insurance solutions,

sustained maintenance of asset quality and growing depth of management/technical expertise have helped them in the past and will help them in the future in retaining their frontrunner position in tough times.

Due to the one-off decision pertaining to the Third Party Motor Pool, ICICI Lombard has reported a net loss in FY 2012. We know that such temporary hiccups will not deter the Company from its long-term growth objectives, as the Company can be relied upon to stay true to its overarching vision. That vision is to create service excellence and widen its footprint on the strength of disciplined underwriting practices and judicious investment of their assets.

An organisation is only as good as its people and the values they cherish in their day-to-day lives and also in the course of their business dealings. We know that ICICI Lombard is committed to creating long-term stakeholder value by attuning their response to the evolving market opportunities and unlocking the growth potential of India's vast non-life insurance industry. Our unwavering support and best wishes are with the Company in this endeavour.

Ramaswamy Athappan

Chairman

Fairfax Asia Limited

Message from the Managing Director & CEO



Dear Shareholders,

In our decade-long existence, ICICI Lombard has witnessed and actively participated in the transformation of the Indian General Insurance industry. Our growth story is marked by an entrepreneurial approach that has seen challenges overcome by perseverance, innovation and resilience. Plenty has been accomplished but much more needs to be done. Over the past 10 years, the scope, scale and reach of our business has changed dramatically. In FY 2012, the non-life insurance business in India witnessed a 23% growth in GWP to ₹ 547.62 billion and we expect the momentum to be maintained in the coming years. As we enter a new financial year, the added scale in various lines of business augurs

well and we see tremendous opportunity for ICICI Lombard in the motor, health and speciality insurance segments.

Today, out of 24 operating entities in the Indian General Insurance industry, we lead the private sector with a market share of 9.4%. Leveraging our intrinsic strengths, we are confident of delivering in the face of challenges in the coming year.

We intend to focus on several key differentiators, which have emerged as bulwarks of our growth over the years. Customer-centric product innovation remains an imperative for sustaining growth. Delivering operational excellence within the framework of an efficient business model, along with a deeply penetrative distribution network, has imparted greater momentum for growth. We have relentlessly focussed on our underwriting discipline, and will continue to do so. We have maintained our risk

profile efficiently - our combined ratio (excluding Motor Pool) has improved to 99.9% as against 105.3% in FY 2011. Our transaction volume increased to 7.6 million in FY 2012, compared to 5.6 million in FY 2011, in large measure due to our retail penetration. Leveraging our services on the technology platform, we have been able to bring in significant improvements in cost efficiency in our operations and time efficiency in settling claims. Driving such efficiencies in our system definitely helps us to gear up for economic volatilities, if any, in the coming year.

With strong customer orientation as the very foundation of our Company, we find it essential to re-engineer and constantly evolve our services. We have developed new products for customers, gone in for customer segmentation based on our historical data, and developed products and services targeted at different segments. Our efforts are

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in the right direction. Our conviction has been proved right, as reflected by the fact that we have been able to cross the important milestone of ₹ 50 billion GWP in FY 2012, an increase of 22% over FY 2011.

Financial Inclusion is another focus area for us. We believe that the formal financial sector has a responsibility of making financial services accessible to all the segments of society. We have pioneered the issuance of smart cards in mass health policies, where we have worked closely with the Government of India. We were the first insurance company to commence the Rashtriya Swasthya Bima Yojana in India, partnering with the Government of Haryana. Currently, we manage the scheme in seven states. As on date, we have covered 19.7 million lives under various mass health policies. We constantly seek newer opportunities to structure services and products for the larger populace. To insure the rural population from exposure to natural uncertainties, we have covered 3.7 million farmers and 14.1 million acres of land under Weather Based Crop Insurance. We are also the only company in the country to provide Cashless OPD services

across 29 states through 1,038 outlets.

At this juncture, I would like to highlight the industry wide issue for all General Insurance companies - the third party motor pool. The General Insurance industry has faced considerable challenges because of its implementation. The increase in provisioning requirement for third-party motor claims by IRDA has severely dented insurers' profits. ICICI Lombard had to provision for ₹ 6.85 billion on account of the additional impact of the Motor Third Party Pool. IRDA allowed Insurance companies to recognise the additional liabilities of the Pool in its entirety in FY 2012, or amortise the liability over three years. We decided to absorb the entire liability in the current year itself. Going forward, the Third Party Pool has been dismantled, and the Declined Risk Pool has been formed. This would enable individual Insurers to leverage on their own claims efficiencies.

Our efforts to contribute to the industry have been recognised often. In FY 2012, we achieved The Customer and Brand Loyalty Award for the fourth consecutive year at the 5th Loyalty Summit, 2012 for our customer-centric approach; the Overall Best Vehicle Insurance Company award by Frost & Sullivan; and the Golden Peacock Innovation Award, 2011 for using the best technology in Rashtriya Swastha Bima Yojana amongst the many awards that we received during the year.

The milestones that we have crossed have been due to the untiring, passionate and concerted efforts of the team

at ICICI Lombard. We believe that investment in learning and knowledge enhancement will continue to play an important role in building a sustainable, high performing enterprise. In FY 2012, our efforts and approach towards learning & development have been recognised by the American Society for Training & Development (ASTD) and we were awarded the ASTD BEST 2011 award together with 32 awardees across the world.

Our achievements in the last decade have set a strong foundation for our future growth. We have built significant scale. 27.9 million individual lives were covered and 4.3 million claims were settled in this year. We have set industry benchmarks by bringing in next practices, and launching innovation in products, processes and practices. Moving ahead, we will strive hard to establish ourselves as a solutions provider, rather than just a product provider to the customers.


In the coming years, we will continue Re-imagining Performance through team work, entrepreneurial spirit and next practices. We have already created an organisational DNA that can sustain long-term success. With an unwavering focus on creating value for all our stakeholders, I look forward to your continued support over the next decade of our existence.

Bhargav Dasgupta
 Managing Director & CEO
 ICICI Lombard GIC Limited



DISTRIBUTION TIE UP

With growing retail focus, we explored varied opportunities in the insurance market. We successfully set up our first bancassurance tie-up.

 2003 - 2004



LEADING PRIVATE SECTOR COMPANY

Within a span of three years of commencement of operations, we emerged as India's leading private General Insurer. As the journey unfolds, we are well-positioned to capitalise on the opportunities that come our way.

2004 - 2005



General Insurance Sector Overview

In FY 2012, the Indian General Insurance industry marked the completion of 11 years of its existence, since the sector was opened up to the private players. The year was a significant one for regulatory changes, and marked the fifth year of the de-tariffed regime of flexible pricing for the industry.

Driven by robust domestic consumption, investment demand and growth in insurance needs the gross written premium (GWP) of the General Insurance industry grew from ₹ 445.35 billion to ₹ 547.62 billion on a year-on-year basis for the period of April 2011 – March 2012. The General Insurance industry recorded a growth of 23.0% and capitalising on the opportunity to grow, ICICI Lombard clearly led the private players with a market share of 22.9% in the private sector and an overall market share of 9.4%. During the year, the health Insurance segment contributed to the growth in General Insurance



sector, with retail penetration increasing given the Government's focus on the implementation of mass health schemes across the country. Health insurance business this year grew from ₹ 112.45 billion to ₹ 133.18 billion (including specialised health institutions). Similarly, in the backdrop of increased new car and two-wheeler sales, motor insurance business increased from ₹ 184.18 billion to ₹ 241.55 billion in FY 2012. 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 ₹ 78.31 billion.

During the year, the Insurance Regulatory and Development Authority (IRDA), vide its order dated March 22, 2012, re-estimated the ultimate loss ratios of the Commercial Vehicle Third Party pool for all General Insurance

companies. The loss ratios range from 159% to 213% between FY 2008 to FY 2011 and 145% for FY 2012 (after considering price increase of 68.5% effective April 25, 2011) of the third party motor pool, a multilateral reinsurance arrangement covering third party risk of commercial vehicles. The additional impact of the same on ICICI Lombard was ₹ 6.85 billion. As a result of the additional impact, the Company recorded a loss of ₹ 4.16 billion in FY 2012 as against a loss of ₹ 0.80 billion in FY 2011. IRDA has also ordered dismantling of the existing Indian Motor Third Party Insurance Pool (IMTPIP) with effect from March 31, 2012 and set up a framework for Indian Motor Third Party Declined Risk Insurance Pool (Declined Risk Pool) for Commercial Vehicles. The Declined Risk Pool is effective from April 1, 2012.

➤ ICICI Lombard clearly led the private players with a market share of 22.9% in the private sector and an overall market share of 9.4%.

Organisation Structure



ICICI Lombard's operating structure is designed from the 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 serve the business verticals better. 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) focuses on the General Insurance needs of both private and Government corporate bodies. The business segment includes the following divisions:

Specialised Industry Group (SIG):

Caters to the requirements of large clients in specialised business segments, through knowledge-based approach.

International Business Group (IBG):

This business division provides coverage for international risks of Indian business interests.

Small & Medium Enterprises Group (SMEG):

The prospering small and medium enterprise sector is the primary focus area of this business division.

Financial Institutions Group (FIG):

Continuously, addresses risk management requirements pertaining to the financial services sector.

In FY 2012, the Group invested significant time and effort on process enhancement, which in turn resulted in increasing the size of the portfolios. Effective and engaging employee training modules helped in advancing the knowledge quotient of the sales team. Consolidated and profitable acquisitions further helped to accomplish more than 16% growth of the corporate business.

Operational Overview

The organisation embarked on a prudent strategy to focus on preferred segments in the property portfolio resulting in a better contribution of the segment from 53% in FY 2011 to 58% in FY 2012. A similar strategy was followed by the corporate health business by identifying profitable segments like high asset-based industries, manufacturing and SMEs. The organisation is carving a niche by specially designing wellness programmes for corporate bodies. This acts as a differentiator in today's highly price-sensitive corporate health market. The key initiatives resulted in lowering the loss ratio of corporate health from 100% in FY 2011 to 89% in FY 2012. This would further maintain a profitable growth in the corporate health segment in the coming years.

The Specialised Industry Group (SIG) advanced the Company's penetration in the energy, aviation and construction sectors, by identifying prospective clients. The Company organised special training modules for the employees, continuing the emphasis on knowledge. This enabled the team to understand the technical intricacies of the mentioned industries.

The International Business Group achieved noteworthy growth by developing capabilities around the globe with a sharpened focus on the less volatile markets.

Excellent opportunities were generated by global network partners in property and liability lines of business. In the current fiscal, the Company has grown by 42% with four existing partners. Further tie-ups, product enhancements and exchange of best practices will fuel future strategy to increase ICICI Lombard's pie in this business segment.

The SME Group focused on distribution channels to achieve growth in all quality parameters across all channels and product lines. Enhanced focus on agency initiatives resulted in better agency activation and increased productivity. The launch of i-Partner at the end of FY 2012 further empowered intermediaries to issue quotes and policies for over the counter (OTC) business and improve policy issuance turnaround time. The OTC business of the Company grew by 35% in the year and backed by higher productivity initiatives, the segment is poised for higher growth.

The Financial Institutions Group continued to serve the target segment industry with a focus on employee benefit products which has been its key driver. The group also caters to the needs of the Co-operative Banks and their customers through the Co-operative Banks team. This business segment witnessed a growth of 22%.

➤ The organisation embarked on a prudent strategy to focus on preferred segments in the property portfolio resulting in a better contribution of the segment from 53% in FY 2011 to 58% in FY 2012.

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 Company has been constantly playing a very critical role of insuring

the uncertainties faced by rural India, in areas such as agriculture and healthcare. ICICI Lombard's evolving and scalable models with innovative product design, technology, claim processing and public-private collaboration delivers considerable solutions to the rural mass.

Rashtriya Swasthya Bima Yojana

A shining example of how the Government can help insurance touch lives in the Below Poverty Line (BPL) 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 - including the head of the family, his spouse, up to three children and parents. The biggest USP of the RSBY scheme is the empowerment it provides to the beneficiary, by providing 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.



ICICI Lombard's contribution to the scheme

- ▶ Covered 4.22 million BPL families last year
- ▶ Implemented across 7 States and Union Territories, including 145 districts
- ▶ Empanelled 1,626 hospitals, including 1,278 private and 348 public hospitals

Highlights of the scheme

Smart cards, embedded with biometric technology are issued to each and every beneficiary policy

ICICI Lombard is currently engaged in a pilot project with an aim to providing affordable outpatient insurance benefits that compliment those of RSBY. The pilot project is being run with support from the Ministry of Labour and Employment, ICICI Foundation and International Labour Organisation. It is being implemented in Puri (Odisha) and Mehsana (Gujarat). Despite availability of cover for hospitalisation expenses, BPL families continue spending a lot for outpatient services. Leveraging RSBY's administrative and technology platform, like smart cards and point-of-service devices, the project enrolled beneficiaries while using electronic transfer of member and healthcare provider data. The Company expects the insurance scheme to have a transformative impact on healthcare delivery for the poor and to contribute to achieving inclusive growth.





➔ Percentage of cashless claims paid was highest in FY 2012, constituting 95.21% of the total weaver and artisans claims settled.

Health Insurance Scheme for Handloom Weavers

The handloom sector contributes significantly to the Indian economy, besides being the second largest employment generator in the country after agriculture. The sector is mostly unorganised in India. Weavers and ancillary workers are an important segment of the unorganised sector. The workers engaged in warping, winding, dyeing, printing, finishing, sizing, jhala-making and jacquard cutting are covered under the weaver's scheme. The scheme provides a family coverage for the weavers' comprehensive healthcare and medical assistance including a substantial provision for Outpatient Department (OPD) services. It covers pre-existing as well as new diseases with an annual limit per family of ₹ 15,000.

ICICI Lombard's contribution to the scheme

ICICI Lombard has covered 1.79 million lives last year and has settled over 3 million claims under its health insurance scheme for handloom weavers and ancillary workers.

Highlights of the scheme

ICICI Lombard conducted health camps for weavers, covering pre-existing and new diseases and at March 31, 2012 had organised over 189 health camps treating approximately 68 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.

ICICI Lombard's contribution to the scheme

ICICI Lombard enrolled approximately 0.4 million artisans under the RGSSBY scheme last year.

Highlights of the scheme

- ▶ Covers the artisan, spouse and two children or parents for comprehensive health insurance, including OPD
- ▶ Pre and post annual hospitalisation limit of ₹ 15,000, including OPD limit of ₹ 7,500.

Health Insurance Scheme for Women Sericulturist and Workers

Women health care requirements came under attention in the past few years. 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.

ICICI Lombard's contribution to the scheme

This scheme covers 14 States, namely Andhra Pradesh, Karnataka, Tamil Nadu, Jammu and Kashmir, Himachal Pradesh, Madhya Pradesh, West Bengal, Jharkhand, Odisha, Assam, Tripura, Nagaland and Mizoram. Last year over 109,189 beneficiaries have been enrolled and issued health cards.

Highlights of the scheme

- ▶ Covers the women beneficiaries (as the prime insured), her spouse and two children for comprehensive health care, including provision for OPD services
- ▶ Emergence of Outpatient Department as an effective tool
- ▶ Outpatient Departments have occupied an important space, fulfilling the void of primary health care facilities in rural India. Over the years, it has covered people across genders and various age groups.



- ▶ Establishment of OPDs and cashless networks enhanced the health care awareness, resulting in considerable increase in enrollment of weavers and artisans community. Percentage of cashless claims paid was highest in FY 2012, constituting 95.21% of the total weaver and artisans claims settled. On the other hand, it also improved women health care, as many of the beneficiaries availing OPD service were women in FY 2011.

Swarnajayanti Arogya Bima Yojana: Goa

Swarnajayanti Arogya Bima Yojana (SABY) is the first of its kind scheme launched by the State Government of Goa that provides health insurance cover for the entire resident population of a state. ICICI Lombard implemented this cashless health insurance scheme

that provides coverage for meeting expenses of hospitalisation for medical and /or surgical procedures including maternity benefits, to the enrolled families. This smart card based policy covers pre-existing conditions or diseases from day one.

ICICI Lombard's contribution to the scheme

ICICI Lombard enrolled 138,521 families in Goa and has empanelled 20 hospitals under the SABY scheme last year.

Highlights of the scheme

- ▶ First of its kind policy in Goa that covers all citizens across the state
- ▶ Minimum criteria for the cover is that a citizen has to be domiciled for more than five years
- ▶ Provides coverage of ₹ 60,000 per family

Swarnajayanti Arogya Bima Yojana is the first of its kind scheme launched by the State Government of Goa that provides health insurance cover for the entire resident population of a state.



E CHANNEL LAUNCH

To leverage on the technical advantages, we launched the e-channel in FY 2005. The platform today has enhanced customer delight by enabling them to not only purchase but also view and track all their insurance transactions through the internet on a real time basis.

2005 - 2006





SECURING TRUST

 **F > 1 MN**

Customer service has been an integral part of our growth. Our relentless efforts to create customer values were recognised when we secured the trust of over one million Indians.

 **2006 - 2007**

Weather Insurance

The agricultural sector plays an important role, contributing around 14% of India's GDP and providing employment to two-thirds of the population. It holds critical importance from the perspective of rural development, poverty alleviation and employment generation. India's agriculture is heavily dependent on weather conditions; most of it is rain-fed and prone to unfavourable weather conditions (scarce or excess rainfall) or temperature variations.

Although unpredictable rainfall remains an unresolved issue, weather insurance has emerged as a viable option to address agricultural uncertainties. Weather insurance schemes facilitate immediate compensation, based on objective data obtained from the meteorological department, enabling the farmers to exercise the flexibility and a preference to opt for insurance at critical stages of 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 FY 2003-2004. This scheme has now been successfully adopted in 11 states, encompassing as many as 3 million farmers, both in the loanee and non-loanee segment.

In FY 2012, weather insurance has contributed around 6.2% (₹ 3,175.7 million) of the Company's direct business, and is undoubtedly the market leader amongst private players for Weather Based CIS. For FY 2012, ICICI Lombard enhanced its market penetration to 45 districts from 14 in FY 2010, and received mandates for the implementation of WBCIS in Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Tamil Nadu, Karnataka, Chhattisgarh, Himachal Pradesh, Haryana and Jharkhand.

The Modified National Agricultural Insurance Scheme (MNAIS) has been launched by the Ministry of Agriculture, Government of India on a pilot basis across India's 35 selected districts, as an alternative

to the ongoing National Agricultural Insurance Scheme (NAIS) from the Rabi FY 2011 seasons. For Rabi season in FY 2012, MNAIS is being implemented in approximately 50 districts with ICICI Lombard already being notified in six districts.

MNAIS aims at sustainable agricultural production for food security and crop diversification, while ensuring growth and competitiveness. Besides, it also protects farmers from production risks. With the introduction of the modified scheme, a large number of farmers will be expected to significantly mitigate risks associated with agricultural production. It will help stabilising farm income, particularly at the time of crop failure on account of natural calamities.

In the last financial year, ICICI Lombard focused on setting up dedicated teams to readily cater to the rural beneficiaries, and expand the scope of financial inclusion to the economically challenged sections of the society. The Company worked with various intermediaries including Commercial Banks, Co-operative Banks and Societies to create cost-effective delivery channels for farmers across 11 states.

Robust processes for claims servicing are critical for ICICI Lombard's core customer proposition. To facilitate faster claim processing, the Company collaborated with the National Collateral Management Services Limited, a group member of the 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

The retail segment is one of the most important business segments in the Company's business model. The retail business is carried through multiple channels, including agents, brokers, bancassurance, tele-sales, direct alliances, worksites and internet. ICICI Lombard continues to focus on motor insurance that propelled the growth of the Company during the year.

Motor Insurance

Motor insurance continues to drive the retail business accounting for 41.5% of the Company's GWP. In the General Insurance industry, we have successfully emerged as the leading private player in motor insurance. Our motor insurance segment has grown by 38% over FY 2010-11, having a market share of 8.9%.

In order to enrich our product portfolio, we have launched 'Return to Invoice' as an add-on in motor insurance and continue to innovate our products. Add-on covers like 'Zero Depreciation' and 'Return to Invoice' exhibited positive response from customers of premium vehicles. Cross-selling of products like Accidental Hospitalisation and Personal Accident with motor insurance have been very well accepted by the customers.

Health Insurance

In the health segment, enabling customisation of insurance provides accurate coverage to our clients. Our partners are empowered to select the most suitable plan from a comprehensive list as per their requirements to cater to the end customer's need.

Based on consumer research reports and understanding customers' needs, we have launched a unique personal accident insurance plan 'Personal Protect'. This plan ensures a periodic financial assistance to the family members in the event of unfortunate accidents causing a sad demise or permanent disability of the insured. This product has received an overwhelming response from channel partners as well as customers. Various customer engagement programs were launched leading to a significant increase in customer contractibility and retention.

Technical Advantages

Technology has played a critical role in automating our processes to manage our scale of operations and boost channel responsiveness. Over the years, the Company has undertaken several techno-marketing initiatives to enhance channel serviceability and advance customer connect. One of the key initiatives of the Company is i-Partner, which is a self-service platform for our channel partners. Apart from the retail products, SME business related products were added to this platform. It is designed to be a benchmark in the industry.

With a view to riding on the mobile platform, the Company launched mobile applications for agents as well as customers. In continuance with our customer-centric approach, ICICI Lombard launched the facility of intimating claims by sending SMS on the mobile. We also launched mobile based applications to reduce Turn Around Time (TAT) for inspection of break-in and used vehicles thus helping our survey team, channel partners and our customers.

The organisation launched a new version of its website with a better and user-friendly interface. The key upgrades incorporated have resulted in better customer experience and increase in the number of online quotes generated.

SHARED SERVICES

Reinsurance

The reinsurance program of the Company continued to be a combination 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. In order to protect the net account against single large losses and catastrophe events, the Company continued to buy appropriate risk and catastrophe protection. To ensure the adequacy of catastrophe protection, the Company continued to get its net retained exposures modeled by international agency.

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. During the year ICICI Lombard also initiated a new program in respect of offshore energy business led by leading reinsurers including various Lloyds syndicates.

General Insurance Corporation (GIC) remained the largest reinsurance partner. ICICI Lombard continued its association with Scor, Swiss Re and Hannover Re for its key reinsurance programs.

➔ During the year ICICI Lombard also initiated a new program in respect of offshore energy business led by leading reinsurers including various Lloyds syndicates.

Underwriting

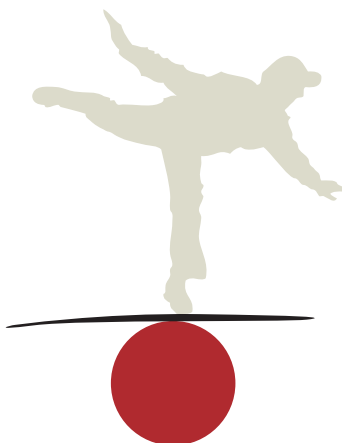
The FY 2012 has clearly been a year of vigilant underwriting for the General Insurance industry. With an increased rigour in underwriting, the Company has shown significant improvement in loss ratios of the motor portfolio (excluding TP pool) as well as for the Group health portfolio. This has been achieved with the use of targeted segmentation strategy resulting in efficient portfolio management controls to achieve the apt product and geography mix, along with the use of evolved pricing techniques with proactive contribution from the actuarial team. The results have been very encouraging - the Company now ranks third in the industry in the gross premiums for own damage cover in Motor portfolio.

This strategy has also warranted that the Company adopts a more cautious approach while underwriting government health insurance schemes like RSBY. With additional players actively pursuing business in this segment, the pricing is competitive and under pressure, hence only proposal which could add to the bottom line of the Company have been considered. ICICI Lombard is sharpening its focus on product and process innovation to ensure

that there is growth in the overall portfolio size, while not losing focus on customer experience.

Specifically, the personal accident portfolio has shown an impressive growth of 47% on this basis. The growing expertise in the specialised lines of business has meant that the Company displays a robust growth in the liability and the aviation businesses. ICICI Lombard has been a leading insurer in the aviation business for the past two years. The organisation is structured to strengthen the underwriting expertise, which is continuously reinforced through formal trainings internally and externally. The team structure continues to be focused around building functional and domain expertise.

The risk and underwriting teams in the property portfolio possess in-depth knowledge of Indian and international standards related to safety and good engineering practices. The teams have been incessantly offering their services to support clients in risk engineering initiatives, including minimising and managing the risk exposures. The Company is advancing ahead with a strong underwriting focus.



Risk Management

ICICI Lombard is exposed to various types of risks including underwriting, reinsurance, operational, market, liquidity, legal, compliance and reputation risk. The primary objective of the risk management framework of the Company is to ensure that various risks are identified, measured, mitigated and the policy, procedures and standards are established to address these risks for systemic response and strict adherence. With a view to mitigate such risks, ICICI Lombard follows an enterprise wide risk management framework.

Risk Committee

The risk committee continuously monitors and reviews risks and their impact on an enterprise wide basis. Consequently, mitigation plans are formulated, the implementation of which is monitored along with the relevant functional heads from time -to-time.

Key Risk Exposures

The Company has identified 33 enterprise wide risks which are categorised under five broad categories viz. credit risk, market risk, underwriting risk, operational risk and strategic risk. Each of the

above mentioned risks and their areas of evaluation are as follows:

Credit Risk

ICICI Lombard evaluates credit risk on two critical areas which are reinsurance and investment portfolios. These risks are monitored from the following perspective:

- ▶ Default
- ▶ Concentration
- ▶ Sovereign

Market Risk

Majority of the risks faced by the Company stems from its investment book. In addition to the oversight by the investment committee on the risk pertaining to the investments, the risk committee regularly monitors the foreign currency risk on the Company's transactions with overseas entities. The Company monitors the following risks:

- ▶ Equity
- ▶ Interest rate
- ▶ Liquidity
- ▶ Currency
- ▶ Other

Underwriting Risk

The Company's policy and approach towards underwriting is articulated in the underwriting policy. The

underwriting policy encompasses product offering, selection of risks, evaluation of risks, pricing approach and delegation of underwriting authority. The following risks are monitored from an underwriting risk perspective:

- ▶ Underwriting process
- ▶ Pricing
- ▶ Reserving
- ▶ Product design
- ▶ Catastrophe
- ▶ Major single
- ▶ Concentration

Operational Risk

In order to streamline the Company's operations, a set of standard processes are defined for all the functions/departments. IT applications, processes and manuals are in place to ensure adequacy of operations. The following aspects from an operational risk perspective are scrutinised:

- ▶ System
- ▶ System
- ▶ Fraud
- ▶ Compliance
- ▶ Legal
- ▶ Business Continuity and Disaster Management
- ▶ People



AWARDS & RECOGNITION

Our commitment to build an organisation that sets industry benchmarks was supported with recognitions that came our way. In FY 2007, we received the prestigious Asia Insurance Award for our innovative approach.

2007 - 2008



FINANCIAL INCLUSION

We partnered with the Government of India, to reach out to the BPL population through our Rashtriya Swasthya Bima Yojana Scheme. Till date, we have implemented the scheme across 145 districts in seven states and union territories, empanelling 1,278 private and 348 public hospitals.

2008 - 2009





Strategic Risk

Apart from monitoring the day to day business risks of the Company, it is imperative to maintain oversight on key strategic risks that may have an impact on the Company. The key strategic risks comprise:

- ▶ Reputation
- ▶ Regulatory
- ▶ Competition
- ▶ Downgrade
- ▶ Business Planning
- ▶ Economic Environment

Risk Mitigation

The formalised risk framework of the Company is further strengthened through a coordinated centralised function, thereby keeping an

overview at an enterprise wide level. Accordingly, periodic discussions are conducted with individual functional heads and key risks are identified and corresponding mitigation plans are formulated. In addition, the risk team works in coordination with internal audit team, and uses internal audit ratings as a proxy for the purpose of risk management.

Risk Organisation Structure

The risk management framework of the Company is overseen by the Risk Committee of the Board. The Company has a chief risk officer responsible for the implementation and monitoring of the aforesaid framework. The senior management of the

Company is responsible for periodic reviews of the risk management process to ensure that the process initiatives are aligned to achieve the desired objectives. The management reassurance function is responsible for review of risk management processes within the Company.

As a part of the Enterprises Risk Management (ERM) exercise, critical risks along with the detailed mitigation plan have been presented to the risk committee. The risk mitigation plans are monitored regularly by the Company to ensure their timely and appropriate execution. The risk committee is updated on the progress on a quarterly basis.

Risk Control Framework

ICICI Lombard's risk management framework is broadly structured as follows:

- ▶ Risk identification, assessment and mitigation process
- ▶ Risk management and oversight structure
- ▶ Risk monitoring and reporting mechanism towards learning and development

Cost Management

Cost Management Group at ICICI Lombard is responsible for cost planning, co-ordination, control and reporting of the cost aspects of the Company. During the year, ICICI Lombard leveraged on the ICICI Group synergy and achieved cost optimisation in the areas of Travel, Communication, Housekeeping and Bank charges. Cost management team constantly works towards creating awareness amongst employees to save cost through simple and effective tools.

As we grow in our business, we are conscious of deploying resources effectively for maximum value and aim to build cost effective tools to benefit internal and external customers.

Investments

In FY 2012, the Company successfully achieved its investment objective of a superior total return on the investment portfolio, while adhering to the Company's existing investment philosophy and applicable regulations. ICICI Lombard's core value investing principles continue to govern its investments.

➔ The investment portfolio has grown at a compounded annual growth rate (CAGR) of 22.5% over the past five years.



The Company's asset mix is determined by two primary factors: availability of superior investments at the right price and the Company's claim responsibilities. The investment committee oversees the implementation of the investment policies laid down by the Board and directs the asset allocation strategy that ensures financial liquidity, security and diversification. The Company strictly follows commensurate risk management practices with an objective to strengthen the existing business and smoothly manage risks arising out of duration, market, credit, legal and operations.

At March 31, 2012 investments amounted to ₹ 51.85 billion increasing by 33.9% over the previous year. The investment portfolio has grown at a compounded annual growth rate (CAGR) of 22.5% over the past five years. The realised return and total return for the year ended March 31, 2012 was 8.9% and 7.9% respectively. The realised return averaged 11% and total return averaged 10.5% over the last five years. The ratio of year-end investment assets to net worth stood at 3.44 times. Over the last decade the average total return was 10.5% as compared to 8.9% generated by the benchmark composite, resulting in a superior average return of 1.6% over the benchmark.

In addition to the above, during the year the funds representing the third party motor pool were segregated and managed separately. The investments assets of the pool amounted to ₹ 10.78 billion with Yield to Maturity (YTM) of 8.35%. Realised return for FY 2012 from this portfolio was 7.83%.

Operations

During the year, the organisation focused on the four pillars of operating models with an aim to provide enhanced service to the customers while leveraging technology to ensure seamless implementation of the processes. The four pillars of simplified process, centralisation of activity/ decentralisation of powers, automation and co-sharing enables the operations team to provide faster, better, and consistent service ensuring customer delight. The operations team serves customers through a network of over 300 branches in India which helped ICICI Lombard to issue close to 7.6 million policies in the current year.

During the fiscal, the organisation focused on ways and measures to enhance process efficiency, reduce process cycle time, and increase customer delight. In the business solution category, the entire process chain of policy issuance was integrated from quote issuance to policy generation and system approvals were delegated. This helped in significantly reducing the overall policy issuance TAT and further increased customer satisfaction. Moreover, i-Partner was introduced for over the counter products in business solution category which generates an instant policy

thus eliminating the redundant activities. The processing of policies in the business solution category is now centralised which has further helped in reducing TAT, achieve operational synergies and significantly reduce costs. There have been various enhancements for motor products like rate engine, integration of vehicle inspection system with i-Partner and introduction of add-on covers in blaze which has catalysed the reduction of redundant approvals in policy administration system and provider faster policy to customers.

In order to be customer-centric, the integration of policy admin system with SAP accounting has considerably reduced the

turnaround time for making refunds to customers. Focusing on external cost optimisation, negotiations were done with different banks and vendors with respect to banking transaction charges. The primary benefit of this initiative was reduction in costs.

A key long-term strategy of ICICI Lombard is to continuously enhance customer and agent servicing. Keeping in line with the same, commission payment has been automated in the system to improve the accuracy and TAT. The TAT for commission calculation through system and flow to P&L has been reduced to 3 days. Further, IRDA's commission rate has been mapped in the system itself

against each product so that there is no manual intervention. Further, to consolidate the move towards paperless system and ensuring faster service, 96% of commission payment is done by electronic fund transfer and payouts annexure sent through e-mail, i-Partner, and SMS to agents after release of payment. The TAT for agent payments has been reduced to 3 days to ensure agent delight.

Introduction of record management systems resulted in increasing the efficiency in effectively managing the records for all policy, claim and other stored records. This has helped in real-time online monitoring, tracking, reconciliation and retrieval of all storage records.

Achievements at a Glance



300+
branch network of
operations team



Issued **7.6 million**
policies



Introduction of
i-Partner for over
the counter products



Centralised
processing of policies
**reduced turnaround
time and cost**



Integration of policy
admin system with
SAP



Availability of **IRDA's agent
master** into Edison itself,
which allows user a view of
the agent's license status



96% of commission
payment through
electronic fund
transfer



Turn around time
for agent payments
reduced to 3 days

Customer Support and Process Excellence

Over the years, ICICI Lombard's customer support and process excellence have excelled, keeping the basic mantra of Total Quality Management (TQM) and customer-centricity at its core. TQM has been adopted as an integrative philosophy to continuously alleviate the quality of processes and achieve high levels of efficiency.

The organisation aims to keep the customers at its core and relentlessly improve all the processes, thus benefitting the customers. The organisation believes in decentralisation of power so as to serve the customers in a better and timely manner.

The primary focus of the year was to grant easy access to our call centres. This was made possible by streamlining various internal processes and thus guarantying customer servicing at the initial touch points, instead of diverting customer's call to other touch points. One of the many steps taken in this direction was front-end empowerment of call centre agents. This has catalysed ICICI Lombard in achieving the 'on-time resolution of customers' requests and complaints, thereby increasing our quick kills to 70%.

The past year witnessed revamping of the customer support structure, moving towards a more comprehensive department by merging both the back-end and front-end teams. The new structure resulted in a single integrated team handling the concerns of the customers in a hassle-free manner.

The robust complaint handling system resulted in decreasing the number of escalations per policy from 0.32% to 0.27%. The organisation set up a separate back-end team to ensure effective resolutions are delivered on time.

Continuous efforts to strengthen the processes enabled the organisation to focus on the various cases of customer escalation. A dedicated cell was set up to handle such cases on priority. Meanwhile, the backend team analysed the existing process gaps to provide seamless customer service.

The Process Excellence Group's (PEG) objective to efficiently serve customers drove Voice of Customer (VOC), one of the most comprehensive dashboards, capturing major products and their processes for policy issuance and claims servicing. PEG identified the existing gaps in the processes and mentioned

'Idea Manch' – a tool to foster innovation through technology received 2,302 ideas during the FY 2012 and 10% of that has already been implemented.

the same to the process owners. The team proactively conducted various projects on Home, Motor, Health, Restructuring of Service Request Transactions (SRT) and implementation of system architecture.

Aforementioned processes contributed to a 52% increase in home claims delivery within TAT, 40% reduction in total theft complaints, 40% complaint reduction in medicals not done and better customer support analytics. Constant monitoring of the processes resulted in better TAT delivery for both policy issuances as well as for claims servicing across the organisation.

Taking a cue from Customer Connect, the social media program is designed to reach out to online customers. The Customer support team formulated a novel idea of reaching out to the customers via social media. A dedicated team worked on analysing the critical content and posted complaints online through an internet-based console. The team acknowledges posted complaints and communicates with appropriate solutions. In addition to all this, the aforementioned activity has supported the organisation in mitigating its reputation risk by nipping the issue in the bud.

Highlights of the year

70% increase in quick kills

Reduced number of escalations per policy from 0.32% to 0.27%

52% increase in home claims delivery within TAT

40% complaint reduction in total theft

Using social media as a medium to reach out to the customers

SETTLED > 5 MN CLAIMS

In FY 2010, we fulfilled our promises by settling over five million claims. We have successfully maintained our exponential growth in terms of settling the number of claims, thereby enhancing the customer experience. ICRA has recognised our claims paying ability by awarding us the 'iAAA' rating for five consecutive years.

2009 - 2010





\$1 BN COMPANY

Our continuous efforts to be aligned to long-term value creation for a sustainable business is achieved by dedicated teamwork, entrepreneurial spirit and next level practices. This enabled us to become a \$ 1 billion Company in just 10 years of operations.

2010 - 2011





Human Resource

Much has changed in the General Insurance industry in India over the past 10 years. However, the unwavering promise to the customer and various stakeholders including that to our employees hasn't changed over these years.

ICICI Lombard continues to nurture and build a community of empowered employees, by providing challenging roles and assignments, opportunities for personal growth, relevant and timely performance support, learning and an enabling culture. This employee promise has been formalised and articulated clearly to employees in the form of the employee proposition OLC (Opportunity, Leadership and enabling Culture). Central to this proposition has been the promise of learning.

ICICI Lombard believes fostering an environment of learning enables breakthrough improvements in products and services, augments customer-centric orientation, aids in providing risk solutions and brings about radical shifts in thinking. This belief is aptly described by the learning and development brand "Deeksha Learning Centre" (DLC). "Deeksha" in Sanskrit translates as the process of being enlightened with knowledge. The DLC learning ladder is an integrated competency development plan with modules from both functional and leadership programs reiterating the view that both deep domain expertise along



with leadership skills are critical strategic differentiators.

A combination of e-learning and classroom sessions in the learning ladder provides the participant opportunities to 'self-learn' and 'learn with others'. The learning outcomes are monitored through a rigorous certification roadmap. Employees need to progress from Code Orange Certification-threshold knowledge requirements; to advanced certification which is Code Maroon. Code Maroon certification is given to qualifiers after three rounds of rigorous tests to identify organisation wide knowledge champions who would be role models for the Company.

The content, delivery and certification is managed by DLC leader teachers. 'Leaders as Teachers' is the backbone of DLC, wherein nominated high performing leaders volunteer in the learning agenda of the Company to train and coach the next line of leaders. Developing a teachable-

point-of view, our 213 and counting fleet of leader-teachers have not only been able to align employees, creating a unity of purpose, but have also enabled us to become open to learning from external sources. Learning, in fact, is a collaborative agenda.

To institutionalise this collaborative form of learning further this year, Knowledge Management portal- 'Genie' was launched. This enables employees to share, upload and access material related with product, process, channel and system.

This integrated learning philosophy of equipping employees with skills to enable them to perform in their current roles and creating bench has abetted in creating an internal pool of deployable experts. Additionally, it has been instrumental in driving the envisaged transformation in all parts of the enterprise, be it with regards to product to solutions, sensible underwriting or improving service standards.

Awards and Accolades

The Company continues to be recognised for its quality services and unwavering customer focus at various forums. ICICI Lombard was acknowledged for its efforts in customer satisfaction, IT and branding initiatives in FY 2012.

ICICI Lombard was bestowed with **Frost & Sullivan's 2011 India Voice of Customer Award** as the Overall Best Vehicle Insurance Company in the competitive Indian motor insurance market. The prestigious award was presented to the Company for demonstrating excellence in customer service, documentation process, and claim management.

ICICI Lombard's health insurance advertisement campaign was recognised and honoured at the **2nd CMO Asia Awards** function held at Suntec, Singapore. The Company won an award for the **Best Marketing Campaign** of the Year. ICICI Lombard also bagged the award for brand excellence in BFSI. The award acknowledges the marketing campaign in terms of increased brand visibility, customer reach, and the use of diverse media to reach the target audience, which enabled the Company to spread brand awareness.

The Company also received **The Customer and Brand**

Loyalty Award for the fourth consecutive year. Conferred at the **5th Loyalty Summit, 2012**, the award was presented for customer-centric approach in service delivery in the General Insurance Category. Loyalty Summit is one of the largest brand and customer loyalty events in Asia.

ICICI Lombard won the **Golden Peacock Innovation Award, 2011** for **Rashtriya Swasthya Bima Yojana**. Recognising the best use of technology to achieve maximum customer satisfaction at minimal cost, the award was presented to ICICI Lombard for the development of biometric card technology to implement the Yojana. It helped Government of India in rapid execution of the scheme for people living below poverty line in India.

ICICI Lombard's efforts and approach towards learning and development have been recognised by the **American Society for Training & Development (ASTD)**. ASTD, through the **BEST Award**, annually recognises organisations that leverage the learning function as a strategic business imperative and demonstrate commitment to guarantee a learning culture. As the first recipient of this award in the Indian insurance sector, ASTD recognised our two-pronged learning and development approach of building deep capabilities and securing the talent pipeline.



Corporate Social Responsibility

ICICI Lombard is committed to enabling inclusive growth and community empowerment through socio-economic development of the communities belonging to the bottom of the pyramid. The Company aims to integrate the social, ethical and environmental concerns of the society and proactively participate to promote community well-being and growth. The Company clearly understands the responsibilities of being a corporate citizen; ICICI Lombard constantly drives activities in the areas of health, road safety, disaster management, and environment through various CSR campaigns. With the vision and philosophy to take insurance to the marginalised section of the society, ICICI is actively involved in various long-term sustainable social initiatives.

GIVING BEYOND THE WORKPLACE CAMPAIGN



In a move to give back to the society, ICICI Lombard General Insurance Company Limited launched its first ever employee driven CSR campaign - Giving Beyond the Workplace Campaign. With an endeavor to contribute to the weaker sections of society, all ICICI Lombard employees joined hands to protect the health of India's future- the children. Employees across 25 cities came together to participate in the CSR Campaign. As a part of this campaign, free dental and health check-up camps were organised for the under privileged students of Municipal Schools across the country with the help of doctors from reputed hospitals. The Campaign covered 67 municipal schools at 64 locations across 25 cities. Over 12,400 underprivileged children benefited from this employee-driven outreach programme.

HEALTHY LOKSHAKTI

The Company's CSR initiatives contribute in building a sustainable future. Through this initiative, ICICI Lombard extends its focus towards the various healthcare needs of mother and child, in association with the ICICI Foundation. Through this enduring effort, the Company provides healthcare facilities for mother and child up to one year of age. In partnership with National Rural Health Mission (NHRM) and Integrated Child Development Services (ICDS), the program is being launched across two tribal blocks at Nasik in Maharashtra. Implemented by Vachan, an NGO, Healthy Lokshakti seeks to overcome obstacles faced by the mothers and their babies 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. In the past 14 months, the project has extended its services to over 950 mothers and children including institutional deliveries, maternal emergencies and infants needing medical attention.



ELEVATING THE LIVES OF TRUCK DRIVERS

ICICI Lombard along with ICICI Foundation has launched a three-year project for truck drivers, at Transport Nagar in Nigdi, Pune, with a vision to increasing the health-seeking behavior. Aimed at enhancing their knowledge of road safety, the two-pronged project offers health solutions through the newly established Apna Clinic and creates health awareness through counseling and training. Every year, approximately 30,000 truck drivers visit Transport Nagar. Through this project, the Company aims to reach out to 10,000 truck drivers and members of the trucking community in the first year, and thereafter to scale up the project to other locations. Launched in July 2011, the clinic has already reached more than 2,977 truckers through clinical services and more than 10,500 people through outreach activities like street plays, health games, and group sessions in the past nine months.

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Twelfth Annual Report of ICICI Lombard General Insurance Company Limited (ICICI Lombard) with the audited statement of accounts for the financial year ended March 31, 2012.

INDUSTRY OVERVIEW

The gross premium of the industry for the period April 2011 - March 2012 grew from ₹ 445.35 billion to ₹ 547.62 billion on a year-on-year basis, a growth of about 23%. The market share of private sector General Insurance companies for the corresponding period grew marginally from 40.1% to 41.1%. ICICI Lombard led the private players in General Insurance sector with a market share of 22.9% and an overall industry market share of 9.4% (including specialised health insurance companies).

FINANCIAL HIGHLIGHTS

	Fiscal 2011	Fiscal 2012
No. of Policies	5,644,837	7,574,172 (₹ million)
Gross written premium	44,082.3	53,582.9
Earned premium	28,561.6	35,489.9
Income from Investments	3,937.3	4,084.4
Profit/(Loss) before tax	(823.4)	(3,952.1)
Profit/(Loss) after tax	(803.4)	(4,163.3)

Insurance Regulatory and Development Authority (IRDA) in FY2011 had instructed all General Insurance companies to provisionally provide for pool losses at 153% loss ratio for underwriting years 2008 to 2011, subject to peer review of the report. Accordingly, ICICI Lombard had provided additionally ₹ 2.72 billion in FY2011 towards third party pool reserves and infused capital to maintain the desired solvency ratio.

IRDA had carried out the peer review of the report of consultant actuary to evaluate the liabilities of the third party pool reserves and assess the adequacy of reserves through Government Actuary's Department (GAD), U.K. Based on the report, IRDA vide order dated January 3, 2012 had directed all General Insurance companies to provide reserves based on the ultimate loss ratios at the lower end i.e. 159%, 188%, 200% and 213% respectively for underwriting years 2008 to 2011.

IRDA vide its order dated March 22, 2012 further directed all insurers that liabilities related to the Pool for underwriting years 2008 and 2009 be accounted and recognised in full in FY2012. In respect of the liabilities pertaining to underwriting years 2010 to 2012, IRDA has given a choice to either recognise the liabilities in FY2012 itself or treat it as an expense over a period of three years on straight line basis, beginning FY2012. Further through a separate order issued on same date, IRDA declared the ultimate loss ratio for underwriting year 2012 at 145%.

The Company recognised additional liability of ₹ 6.85 billion pertaining to motor third party pool in FY2012. This includes provision of additional liability for underwriting year 2008 of ₹ 0.98 billion since the actual loss experience has exceeded the ultimate loss ratio prescribed at the lower end of GAD estimate.

Based on above, the Company has reported loss after tax of ₹ 4.16 billion in FY2012. The solvency margin ratio of the Company at March 31, 2012 stood at 136% which is above the requirement of 130% prescribed by IRDA for FY2012.

IRDA had also ordered for dismantling of existing Indian Motor Third Party Insurance Pool (IMTPIP) with effect from March 31, 2012 and set up a framework for Indian Motor Third Party Declined Risk Insurance Pool (Declined Risk Pool) for commercial vehicles. The Declined Risk Pool is effective from April 1, 2012.

IRDA vide its order dated March 27, 2012 also announced an increase in the premium of motor third party liability cover effective April 1, 2012 in order to give effect to the higher loss ratios. The increase in premium rates with annual adjustments is based on the cost inflation index and other parameters such as average claim amount, frequency and expenses involved in servicing motor third party business.

APPROPRIATIONS

Your Directors have not recommended any dividend for FY2012 in view of loss suffered due to additional provision made on account of motor third party pool.

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 FY2013.

CAPITAL

The total capital invested by shareholders till March 31, 2012 including share premium, was ₹ 18.25 billion. The net worth of ICICI Lombard stood at ₹ 15.07 billion at March 31, 2012 as compared to ₹ 19.44 billion at March 31, 2011.

RURAL AND SOCIAL RESPONSIBILITY

ICICI Lombard issued more than 350,000 policies in rural areas and covered more than 150,000 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

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of ICICI Lombard, R. Athappan, S. Mukherji and B. V. Bhargava would retire at the forthcoming Annual General Meeting and are eligible for re-appointment. R. Athappan and S. Mukherji have offered themselves for re-appointment.

ICICI Lombard had adopted norms governing tenure of non-executive independent Directors. In accordance with these norms, maximum tenure of a non-executive independent Director of a Company shall be nine years.

Pursuant to above norm, B. V. Bhargava will not be eligible for re-appointment as a Director. A Resolution is proposed to the Members in the Notice of the current Annual General Meeting to this effect and also not to fill up the vacancy caused by the retirement of B. V. Bhargava at this meeting or any adjourned meeting thereof.

AUDITORS

The Joint Statutory Auditors, PKF Sridhar & Santhanam, Chartered Accountants and Khandelwal Jain & Co., Chartered Accountants will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board, at its Meeting held on April 13, 2012 has proposed the re-appointment of PKF Sridhar & Santhanam, Chartered Accountants (Firm's Registration Number 003990S) and Khandelwal Jain & Co., Chartered Accountants (Firm's Registration Number 105049W), as Joint Statutory Auditors to audit the accounts of the Company for the financial year ending March 31, 2013. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During FY2012, expenditure in foreign currencies amounted to ₹ 3,539.8 million and earning in foreign currencies amounted to ₹ 1,474.3 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 five 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 (net of forfeited/lapsed) 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 grants vesting each year in subsequent four years. Options granted for the year 2011 vest in a graded manner over a two-year period, with 40% and 60% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options can be exercised within ten 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, 2012 are given below:

Options granted	23,572,260
Options vested	18,508,220
Options exercised	3,936,954
Number of shares allotted pursuant to exercise of options	3,891,254
Options forfeited/lapsed	7,186,286
Extinguishment or modification of options	-
Amount realised by exercise of options (₹)	162,487,670
Total number of options in force	12,449,020

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 Auditors' 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.

Corporate Governance

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 shareholders' 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, 2012, 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, Taxation, Corporate Legal, Treasury, Commercial & Investment Banking, Corporate Communications & Corporate Branding.
S. Mukherji	Non- Executive, Nominee of ICICI Bank	B.A. (Eco.), M.Sc Economics (London School of Economics), MMS	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	Corporate Laws, Human Resources, Risk Management and Communication.
H. N. Sinor	Non-Executive, Independent	B.Com, LL.B	Banking and Finance.
Bhargav Dasgupta	Managing Director	PGDM, IIM Bangalore, B.E. (Mechanical)	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 four times in the year under review on April 25, 2011, July 22, 2011, October 20, 2011 and January 20, 2012. The attendance record of the Directors is set out in the following table:

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

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 Chairmen of the respective Committees briefs the Board on deliberations taken place at the Committee meetings in relation to important discussions, noting and approvals. The role and composition of these Committees, alongwith the number of meetings held during FY2012 and the attendance of the members are provided below:

(i) Board Governance Committee

Composition

The Board Governance Committee (the 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 the Committee is given below along with the attendance of the members. The Committee met once in the year under review on April 25, 2011.

Attendance record of the Members:

Name	Number of Meetings attended
M. K. Sharma, Chairman	1
Chanda Kochhar Non-executive Director	1
Chandran Ratnaswami Non-executive Director	1
H. N. Sinor Independent Director	1

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, Head of Corporate Centre 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 25, 2011, July 22, 2011, October 20, 2011 and January 20, 2012.

Attendance record of the Members:

Name	Number of Meetings attended
Chandran Ratnaswami Chairman	4
N. S. Kannan Non-executive Director	2
Liyaquat Khan Appointed Actuary	3
Bhargav Dasgupta Managing Director & CEO	4
S. Gopalakrishnan Head- Investments	4
Rakesh Jain ¹ Director Corporate Centre & CFO	2
Rajive Kumaraswami ² Head Corporate Centre	1
Gopal Balachandran ³ Chief Financial Officer	1

- 1) Ceased to be Member w.e.f. October 20, 2011
- 2) Appointed as Member w.e.f. October 20, 2011
- 3) Appointed as Member w.e.f. October 20, 2011

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.

In addition to above the Committee also supervises the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy. The Committee also oversees the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the Company and reviews the broker empanelment/de-empanelment on an annual basis.

(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 five times in the year under review on April 25, 2011, June 20, 2011, July 22, 2011, October 19, 2011 and January 19, 2012.

Attendance record of the Members:

Name	Number of Meetings attended
Dileep Choksi Chairman	3
R. Athappan Non-executive Director	2
S. Mukherji ¹ Non-executive Director	5
H. N. Sinor Non-executive Director	5

- 1) The meetings of the Committee held on October 19, 2011 and January 19, 2012 were chaired by S. Mukherji in absence of Dileep Choksi, Chairman of the Committee.

Terms of reference

The functions of the Committee included overseeing the Company's financial reporting process under Indian GAAP and US GAAP 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 (IRDA). It comprises of three non-executive Directors and one executive Director. The Chief Financial Officer and other officials at senior management level are invitees to the Committee meetings. 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 Committee was chaired by S. Mukherji, 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 25, 2011, July 22, 2011, October 19, 2011 and January 19, 2012.

Attendance record of the Members:

Name	Number of Meetings attended
S. Mukherji Chairman	4
R. Athappan Non-executive Director	1
H. N. Sinor Non-executive Director	4
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.

(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 25, 2011, July 22, 2011, October 19, 2011 and January 20, 2012.

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	4
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 FY2012:

(i) Wholetime Directors:

The Board based on the recommendation of the Board Governance Committee approved revision in 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' are as under:

Particulars	Fiscal 2011	(₹ in 000's)
		Fiscal 2012
Salaries	19,641	51,467
Contribution to provident fund	1,065	2,211
Perquisites	463	528

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	60,000	-	60,000
Dileep Choksi	60,000	60,000	1,20,000
M. K. Sharma	80,000	1,00,000	1,80,000
H. N. Sinor	80,000	2,00,000	2,80,000

(iii) Non-executive nominee Directors:

Non-executive nominee Directors were not paid any sitting fees during FY2012.

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 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 prioritising, 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	Day, Date	Time	Venue
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
March 31, 2011	Monday, June 20, 2011	11.00 a.m.	ICICI Lombard House, 414, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025

(ii) History of Dividends declared during last five years

Financial year	Dividend type	Percentage
2011-12	-	-
2010-11	Interim Dividend	14%
2009-10	Interim Dividend	16%
2008-09	-	-
2007-08	Interim Dividend	16%

(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.

In accordance with IRDA circular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010, half-yearly financial results of the Company were published in two prominent daily newspapers. The quarterly, half-yearly and annual financial information are available on the website of the Company. 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 11-129408.

(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 financial performance of the Company may be addressed to:

Gopal Balachandran/Vikas Mehra
ICICI Lombard General Insurance Company Limited
 414, Veer Savarkar Marg, Prabhadevi
 Mumbai 400 025
 Tel No. : +91-22-6196 1100
 Fax No. : +91-22-6196 1323

VII. 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, Fairfax Financial Holdings Limited and their group companies.

The Directors express their deep sense of appreciation to 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

Mumbai, April 13, 2012

Chanda Kochhar
 Chairperson

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 Auditors' 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 3, 2001. The Company has obtained renewal of registration certificate from IRDA for the financial year 2012-13 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 other entities carrying on insurance business, interest and dividend accrued, cash and several items specified under other accounts except unlisted equity, venture fund, securitised receipts, debt securities which are stated at cost / amortised cost.
7. The entire gross risk exposure of the portfolio consists 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 (tariff as well as non tariff products) filed by us with IRDA, as per the file and use procedure.

While in property lines (Fire) the net retention has not exceeded ₹ 2,500.0 million on a PML basis (previous year: ₹ 400.0 million) in any single risk, this also gets graded down to between ₹ 5.0 million to ₹ 2,500.0 million (previous year: between ₹ 5.0 million to ₹ 400.0 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 Regulation.

For the purpose of comparison, the fair value of debt securities has 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 those mentioned above are valued at cost.

In accordance with the Regulation, 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, 2012 amount to ₹ 60,336.2 million (Refer schedule 8, previous year: ₹ 46,652.9 million). Income from Investments amounted to ₹ 4,084.4 million (previous year: ₹ 3,937.3 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:

- 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;
- 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 ended;
- 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;
- the management has prepared the financial statements on a going concern basis;
- 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

Dileep Choksi
Director

Alok Kumar Agarwal
Executive Director

Gopal Balachandran
Chief Financial Officer

S. Mukherji
Director

Bhargav Dasgupta
Managing Director & CEO

Neelesh Garg
Executive Director

Vikas Mehra
Company Secretary

Mumbai, April 13, 2012

Details of Claims Outstanding during the preceding five years

Annexure - 1

As at March 31, 2012

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	98	658.6	1,864	266.7	8	23.4	16,861	1,754.7	2,056	31,938.7	55	109.5
30 days to 6 months	209	1,737.6	1,000	337.5	8	48.0	8,984	451.8	8,600	1,764.4	310	46.5
6 months to 1 year	94	165.9	140	64.6	12	34.9	602	104.1	8,605	1,950.5	148	28.5
1 year to 5 years	1,271	1,989.5	631	546.3	144	681.8	362	90.2	39,880	7,912.9	54	7.4
5 years and above	24	21.2	-	0.0	19	90.7	0	0.0	1,284	222.7	-	-
Grand Total	1,696	4,572.8	3,635	1,215.1	191	878.8	26,809	2,400.8	60,425	43,789.2	567	192.0

As at March 31, 2011

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 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	1,096.5	222	1,121.3	24,173	2,048.4	59,882	25,227.4	310	107.8

As at March 31, 2010

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 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	1,925.4	48,609	17,217.3	316	43.5

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		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	No of Claims	Amount
353	18.8	115	154.4	21	146.9	426	376.9	455,408	2,397.8	0	4.7	753	576.7	478,018	38,427.7
510	17.6	208	284.0	27	79.0	1,526	252.1	748,125	553.1	3	1.1	1,432	675.8	770,942	6,248.3
21	1.6	107	436.9	20	59.2	388	49.8	236,938	88.0	2	1.6	685	189.0	247,762	3,174.9
16	9.2	326	468.8	64	132.1	148	22.0	10,376	400.2	66	116.3	1,371	944.9	54,709	13,321.5
3	0.3	20	12.7	2	3.5	-	-	0	0.0	3	-	8	24.4	1,363	375.6
903	47.5	776	1,356.7	134	420.7	2,488	700.8	1,450,847	3,439.1	74	123.7	4,249	2,410.8	1,552,794	61,548.0

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		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	No of Claims	Amount
91	11.6	129	136.4	22	46.5	526	254.0	345,054	1,781.0	35	15.5	831	635.7	365,615	19,850.5
0	0.0	183	275.9	30	54.4	892	95.9	19,186	279.9	5	3.3	1,580	279.8	42,106	4,586.8
0	0.0	99	238.8	9	18.1	424	53.6	20,071	172.5	2	0.2	632	182.8	34,190	4,155.4
15	4.5	330	503.5	26	80.2	463	46.5	8,630	309.1	33	108.5	727	825.5	48,205	12,060.5
1	0.5	16	37.2	-	-	-	-	1	0.2	-	-	2	0.0	207	137.5
107	16.6	757	1,191.8	87	199.2	2,305	450.0	392,942	2,542.7	75	127.5	3,772	1,923.8	490,323	40,790.7

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		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	No of Claims	Amount
52	3.6	126	141.5	1	385.5	484	205.7	208,163	1,367.5	2	-	968	158.4	229,138	13,230.9
2	0.1	262	432.5	3	53.6	1,161	110.4	135,130	446.9	6	-	2,376	231.9	159,955	5,667.4
3	0.1	198	253.9	8	220.0	350	42.7	6,605	108.9	12	-	1,184	500.6	20,365	3,810.6
15	5.0	306	548.5	16	39.0	307	38.6	2,217	182.7	20	0.5	1,140	697.6	29,240	9,468.6
-	-	7	7.5	-	-	-	-	-	-	-	-	1	0.0	61	28.1
72	8.8	899	1,383.9	28	698.1	2,302	397.4	352,115	2,106.0	40	0.5	5,669	1,588.5	438,759	32,205.6

Details of Claims Outstanding during the preceding five years

Annexure - 1

As at March 31, 2009

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 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

As at March 31, 2008

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
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

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		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	No of Claims	Amount
190	10.1	157	124.2	8	23.4	745	334.9	62,155	1,034.5	11	39.1	684	96.9	82,722	10,592.0
122	8.0	338	435.7	2	123.4	1,276	130.5	44,082	605.4	6	47.7	1,500	138.9	67,455	5,206.1
12	2.4	232	363.3	3	6.2	165	31.1	3,713	110.0	9	12.5	855	157.3	16,149	3,303.8
4	4.8	118	246.4	6	54.2	267	39.8	1,267	49.3	9	15.7	552	236.4	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	35	115.0	3,592	629.5	181,264	23,749.6

(₹ in million)

Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		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	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	3	-	1,582	161.2	33,138	3,232.1
-	-	243	243.7	2	10.5	267	31.3	1,759	35.4	4	0.0	1,095	171.4	9,429	2,179.2
4	9.0	172	245.3	3	44.0	91	16.0	763	12.0	8	0.5	498	115.6	5,091	2,105.8
-	-	-	-	-	-	-	-	-	-	-	-	0	-	5	5.9
5	9.7	947	838.3	6	61.2	2,239	392.7	32,529	1,000.5	15	0.5	3,614	506.4	79,910	12,692.6

Details of Average Claims Settlement time for the preceding five years

Annexure - 2

Particulars	For the year ended March 31, 2012		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	
	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	1,326	120	1,436	133	1,552	176	2,089	145	1,636	129
Marine Cargo	22,763	59	16,989	56	13,501	67	12,139	84	12,992	75
Marine Hull	74	728	54	435	105	431	82	350	108	147
Motor	454,501	16	451,362	17	405,163	20	298,161	20	278,240	19
Workmen's Compensation	699	80	577	83	376	107	685	48	389	26
Public/Product Liability	9,784	26	11,877	28	6,261	50	3,142	16	1	1
Engineering	1,606	107	1,563	229	1,551	167	2,667	167	1,755	144
Aviation	52	177	18	99	16	139	10	26	10	73
Personal Accident	9,277	54	7,925	96	12,561	49	39,302	51	15,744	35
Health	3,827,703	15	7,620,495	15	5,795,126	22	2,947,748	26	493,867	26
Credit Insurance	15	165	75	222	24	294	7	138	32	216
Others	11,659	87	16,030	121	14,347	68	7,798	58	7,322	67
Total	4,339,459	16	8,128,401	16	6,250,583	23	3,313,830	26	812,096	26

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

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Claims intimated	Amount (₹ in million)	Claims intimated	Amount (₹ in million)
Fire	1,443	3,311.2	1,775	3,540.6
Marine Cargo	22,286	1,631.5	19,050	1,384.6
Marine Hull	43	108.1	76	8,258.6
Motor OD	457,137	7,770.4	450,317	7,634.0
Motor TP	26,043	5,201.6	29,328	5,110.2
Workmen's Compensation	956	183.7	571	104.7
Public/Product Liability	10,580	352.5	11,912	369.5
Engineering	1,625	1,322.8	1,421	862.7
Aviation	99	409.6	77	251.0
Personal Accident	9,460	1,259.6	7,928	1,081.9
Health	4,885,608	13,077.6	7,661,322	13,134.2
Credit insurance	14	29.3	47	20.3
Others	12,136	3,630.4	14,196	1,772.0
Grand Total	5,427,430	38,288.3	8,198,020	43,524.3

List of payments to parties in which Directors are interested

Annexure - 4

Sl. No.	Entity in which Director is interested	Name of Director	Interested as	₹ in million	
				For the year ended March 31, 2012	For the year ended March 31, 2011
1	3i Infotech Limited	H. N. Sinor	Director	14.4	24.4
		Dileep Choksi	Director		
2	Bata India Limited	M.K. Sharma ¹	Director	-	1.0
3	Confederation of Indian Industry	Chanda Kochhar	Member	1.3	0.2
4	Cricket Club of India	Chanda Kochhar	Member	0.2	-
		Dileep Choksi	Member		
		N. S. Kannan	Member		
5	CRISIL Limited	B.V.Bhargava	Director	0.8	0.9
		H.N. Sinor	Director		
6	First Capital Insurance Limited	Chandran Ratnaswami	Director	-	1.2
		R.Athappan	Director		
7	Excel Crop Care Limited	B.V.Bhargava	Director	0.1	-
8	Grasim Industries Limited	B.V.Bhargava	Director	5.1	0.1
9	ICICI Bank Limited	Chanda Kochhar	Director	989.9	1,320.7
		N. S. Kannan	Director		
		Sandeep Bakhshi ³	Director		
10	ICICI Foundation for Inclusive Growth	Chanda Kochhar	Trustee	-	10.8
		N. S. Kannan	Member		
11	ICICI Home Finance Company Limited	Dileep Choksi	Director	35.2	70.1
12	ICICI Prudential Asset Management Company Limited	Chanda Kochhar	Director	0.1	-
		N. S. Kannan	Director		
		Dileep Choksi	Director		
13	ICICI Prudential Life Insurance Company Limited	Chanda Kochhar	Director	17.3	12.3
		N. S. Kannan	Director		
14	ICICI Securities Limited	Chanda Kochhar	Director	122.9	76.4
		Zarin Daruwala ²	Director		
15	ICICI Securities Primary Dealership Limited	N. S. Kannan	Chairman	1.7	0.6
16	ICICI Ventures Fund Management Company Limited	H. N. Sinor	Director	0.4	-
		S. Mukherji	Director		
17	Indian Institute of Management, Lucknow	Chanda Kochhar	Member	0.1	0.3
18	JSW Steel Limited	Zarin Daruwala ²	Director	27.7	5.1
19	Lakshmi Precision Screws Limited	B.V.Bhargava	Director	0.4	-
20	NSE IT Limited	Dileep Choksi	Director	1.8	2.4
21	Singapore Reinsurance Corp Limited	R.Athappan	Director	-	5.5
22	Schrader Duncan Limited	M.K.Sharma	Director	0.1	0.1
23	The Malabar Club Limited	Dileep Choksi	Member	-	0.1
24	Others ⁴				
	Birla Corporation Limited	M.K.Sharma	Director		
	Bombay Gymkhana Limited	Chanda Kochhar	Member		
		Dileep Choksi	Member		
	J. K. Lakshmi Cement Limited	B.V.Bhargava	Director		
	National Sports Club of India	Chanda Kochhar	Member		
		Zarin Daruwala ²	Member		
	The Supreme Industries Limited	B.V.Bhargava	Director		
	Thomas Cook India Limited	M.K.Sharma	Chairman		
	Total others			0.1	
25	Others ⁵				
	Nm Rothschild And Sons India Private Ltd	H. N. Sinor	Member		
	Sahara India Financial Corporation Ltd	H. N. Sinor	Director		
	Tata Capital Limited	H. N. Sinor	Director		
	Total others				0.1

1. ceased to be Director in Bata India Ltd w.e.f. July 1, 2010

2. appointed as Director in ICICI Lombard w.e.f. October 18, 2010

3. ceased to be Director in ICICI Lombard w.e.f. July 31, 2010

4. individual payments to parties during the year and aggregate payments during the previous year are less than ₹ 0.1 million

5. pertaining to previous year where individual payments 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, 2012, 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 Auditors' 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 centralised 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, 2012, 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; and
 - e. On the basis of the written representations received from the Directors of the Company, as on March 31, 2012 and taken on record by the Board of Directors, no Director of the Company is disqualified as on March 31, 2012 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, 2012;
 - 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:
- We have reviewed the management report attached to the financial statements for the year ended March 31, 2012 and there are no apparent mistakes or material inconsistency with the financial statements; and
 - Based on the information and explanations received during the 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 **Khandelwal Jain & Co.**

Chartered Accountants
Firm Regn No.: 105049W

Narendra Jain

Partner
Membership No:048725

For **PKF Sridhar & Santhanam**

Chartered Accountants
Firm Regn No.: 003990S

R. Suriyanarayanan

Partner
Membership No: 201402

Mumbai, April 13, 2012

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, 2012, 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 dematerialised 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 Auditors' 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 **Khandelwal Jain & Co.**

Chartered Accountants
Firm Regn No.: 105049W

Narendra Jain

Partner
Membership No:048725

For **PKF Sridhar & Santhanam**

Chartered Accountants
Firm Regn No.: 003990S

R. Suriyanarayanan

Partner
Membership No: 201402

Mumbai, April 13, 2012

BALANCE SHEET

AT MARCH 31, 2012

Registration No. 115 dated August 3, 2001		(₹ in 000's)	
Particulars	Schedule	At March 31, 2012	At March 31, 2011
SOURCES OF FUNDS			
Share capital	5	4,365,839	4,045,672
Reserves and Surplus	6	14,201,514	11,262,593
Share application money-pending allotment		1,882	3,402,304
Fair value change account		495,909	729,314
Borrowings	7	-	-
TOTAL		19,065,144	19,439,883
APPLICATION OF FUNDS			
Investments	8	60,336,193	46,652,974
Loans	9	-	-
Fixed assets	10	3,995,973	3,881,266
Deferred tax asset (Refer note 5.2.13)		261,721	472,868
Current assets			
Cash and bank balances	11	4,257,374	3,900,055
Advances and other assets	12	36,400,293	27,381,955
SUB-TOTAL (A)		40,657,667	31,282,010
Current liabilities	13	70,129,635	48,417,756
Provisions	14	20,043,528	14,431,479
SUB-TOTAL (B)		90,173,163	62,849,235
NET CURRENT ASSETS (C) = (A - B)		(49,515,496)	(31,567,225)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		3,986,753	-
TOTAL		19,065,144	19,439,883
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 and on behalf of the Board	
For Khandelwal Jain & Co. Chartered Accountants Firm Regn No.: 105049W	For PKF Sridhar & Santhanam Chartered Accountants Firm Regn No.: 003990S	Chanda Kochhar Chairperson	S. Mukherji Director
Narendra Jain Partner Membership No:048725	R. Suriyanarayanan Partner Membership No: 201402	Dileep Choksi Director	Bhargav Dasgupta Managing Director & CEO
Mumbai, April 13, 2012		Alok Kumar Agarwal Executive Director	Neelesh Garg Executive Director
		Gopal Balachandran Chief Financial Officer	Vikas Mehra Company Secretary

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2012

Registration No. 115 dated August 3, 2001		(₹ in 000's)	
Particulars	Schedule	Year ended March 31, 2012	Year ended March 31, 2011
1. Operating profit/(loss)			
(a) Fire Insurance		(236,023)	(270,994)
(b) Marine Insurance		(209,368)	(222,163)
(c) Miscellaneous Insurance		(4,223,486)	(1,308,940)
2. Income from investments			
(a) Interest /Dividend & Rent – Gross		872,639	912,861
(b) Profit on sale/redemption of investments		179,494	451,297
Less : loss on sale/redemption of investments		(50,551)	(20,401)
3. Other income			
(a) Interest income on tax refund		32,381	13,410
(b) Profit on sale/discard of fixed assets		15,467	11,399
TOTAL (A)		(3,619,447)	(433,531)
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		279,591	270,369
(c) Others		-	-
5. Other expenses			
(a) Expenses other than those related to Insurance Business			
(i) Employees' remuneration and other expenses		10,098	11,614
(ii) Managerial remuneration		9,206	1,206
(iii) Directors' fees		660	740
(b) Bad debts written off		735	25,000
(c) Loss on sale/discard of fixed assets		32,408	80,960
TOTAL (B)		332,698	389,889
PROFIT / (LOSS) BEFORE TAX		(3,952,145)	(823,420)
Provision for taxation:			
(a) Current tax /MAT payable		-	-
Less : MAT credit entitlement (Refer note 4.14)		-	-
(b) Deferred tax (Income) / Expense	211,147	211,147	(19,992)
PROFIT / (LOSS) AFTER TAX		(4,163,292)	(803,428)
Appropriations			
(a) Interim dividends paid during the year		-	565,889
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	93,994
(d) Transfer to General Reserves		-	105,190
Balance of Profit / (Loss) brought forward from last year		176,539	1,745,040
Balance carried forward to Balance sheet		(3,986,753)	176,539
Basic earnings per share of ₹ 10 face value		₹ (9.56)	₹ (1.99)
Diluted earnings per share of ₹ 10 face value		₹ (9.56)	₹ (1.99)
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 and on behalf of the Board

For **Khandelwal Jain & Co.**
Chartered Accountants
Firm Regn No.: 105049W

For **PKF Sridhar & Santhanam**
Chartered Accountants
Firm Regn No.: 003990S

Chanda Kochhar
Chairperson

S. Mukherji
Director

Narendra Jain
Partner
Membership No:048725

R. Suriyanarayanan
Partner
Membership No: 201402

Dileep Choksi
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Gopal Balachandran
Chief Financial Officer

Vikas Mehra
Company Secretary

Mumbai, April 13, 2012

REVENUE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2012

Registration No. 115 dated August 3, 2001

Particulars	Schedule	Fire	
		2011-12	2010-11
1. Premium earned (net)	1	1,145,919	1,128,721
2. Profit on sale/redemption of investments		15,918	31,242
Less : Loss on sale/redemption of investments		(4,483)	(1,408)
3. Others -			
Foreign exchange gain / (loss)		17,139	(9,172)
Investment income from pool (Terrorism and Motor)		10,221	125,809
4. Interest, Dividend & Rent – Gross		67,860	54,581
TOTAL (A)		1,252,574	1,329,773
1. Claims Incurred (net)	2	904,947	1,122,084
2. Commission (net)	3	59,205	20,412
3. Operating expenses related to insurance business	4	524,445	458,271
4. Premium deficiency		-	-
TOTAL (B)		1,488,597	1,600,767
OPERATING PROFIT / (LOSS) C = (A - B)		(236,023)	(270,994)
APPROPRIATIONS			
Transfer to Shareholders' Account		(236,023)	(270,994)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		(236,023)	(270,994)
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 an expense.

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 **Khandelwal Jain & Co.**
Chartered Accountants
Firm Regn No.: 105049W

Narendra Jain
Partner
Membership No: 048725

For **PKF Sridhar & Santhanam**
Chartered Accountants
Firm Regn No.: 003990S

R. Suriyanarayanan
Partner
Membership No: 201402

Mumbai, April 13, 2012

(₹ in 000's)

Marine		Miscellaneous		Total	
2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
538,931	424,785	33,805,148	27,008,141	35,489,998	28,561,647
8,511	15,197	594,429	913,440	618,858	959,879
(2,397)	(685)	(167,408)	(41,156)	(174,288)	(43,249)
1,838	(13,623)	4,057	(879)	23,034	(23,674)
-	-	848,273	520,354	858,494	646,163
36,285	26,549	2,534,118	1,595,809	2,638,263	1,676,939
583,168	452,223	37,618,617	29,995,709	39,454,359	31,777,705
515,712	472,226	34,588,395	25,712,119	36,009,054	27,306,429
(59,104)	(82,180)	(613,639)	(481,239)	(613,538)	(543,007)
337,128	265,840	7,867,347	6,073,769	8,728,920	6,797,880
(1,200)	18,500	-	-	(1,200)	18,500
792,536	674,386	41,842,103	31,304,649	44,123,236	33,579,802
(209,368)	(222,163)	(4,223,486)	(1,308,940)	(4,668,877)	(1,802,097)
(209,368)	(222,163)	(4,223,486)	(1,308,940)	(4,668,877)	(1,802,097)
-	-	-	-	-	-
-	-	-	-	-	-
(209,368)	(222,163)	(4,223,486)	(1,308,940)	(4,668,877)	(1,802,097)

For and on behalf of the Board

Chanda Kochhar
Chairperson

Dileep Choksi
Director

Alok Kumar Agarwal
Executive Director

Gopal Balachandran
Chief Financial Officer

S. Mukherji
Director

Bhargav Dasgupta
Managing Director & CEO

Neelesh Garg
Executive Director

Vikas Mehra
Company Secretary

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 1 Premium Earned (net)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total			
	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12
Premium from direct business written-net of service tax	3,083,635	1,281,978	707,158	1,989,136	15,022,624	6,365,732	21,388,356
Add: Premium on reinsurance accepted	1,266,790	113,709	14,455	128,164	(1,168)	6,560,495	6,559,327
Less: Premium on reinsurance ceded	3,045,627	838,102	694,235	1,532,337	1,522,051	3,787,067	5,309,118
Net premium	1,304,798	557,585	27,378	584,963	13,499,405	9,139,160	22,638,565
Adjustment for change in reserve for unexpired risks	158,879	34,273	11,759	46,032	1,748,374	1,871,663	3,620,037
Total premium earned (net)	1,145,919	523,312	15,619	538,931	11,751,031	7,267,497	19,018,528

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total			
	2010-11	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	15,449,568
Add: Premium on reinsurance accepted	942,945	71,748	267,210	338,958	6,610	3,266,717	3,273,327
Less: Premium on reinsurance ceded	2,640,229	756,058	782,821	1,538,879	1,157,485	2,165,200	3,322,685
Net premium	1,137,362	415,763	48,045	463,808	10,214,662	5,185,548	15,400,210
Adjustment for change in reserve for unexpired risks	8,641	47,006	(7,983)	39,023	747,181	352,631	1,099,812
Total premium earned (net)	1,128,721	368,757	56,028	424,785	9,467,481	4,832,917	14,300,398

Miscellaneous									(₹ in 000's)
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total Miscellaneous	Total
2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12
278,635	383,771	1,788,060	1,183,360	1,387,332	14,358,351	198,495	5,462,255	46,428,615	51,501,386
281	624	189,710	351,373	2,534	122,258	-	21,771	7,247,878	8,642,832
28,253	247,537	1,554,219	1,170,520	451,615	2,113,390	183,029	3,421,179	14,478,860	19,056,824
250,663	136,858	423,551	364,213	938,251	12,367,219	15,466	2,062,847	39,197,633	41,087,394
22,309	(61,992)	89,411	105,624	301,610	1,375,760	2,946	(63,220)	5,392,485	5,597,396
228,354	198,850	334,140	258,589	636,641	10,991,459	12,520	2,126,067	33,805,148	35,489,998

Miscellaneous									(₹ in 000's)
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total Miscellaneous	Total
2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
200,849	444,345	1,490,439	1,011,028	943,455	12,813,009	215,095	5,452,585	38,020,373	42,518,748
-	492	180,674	119,193	2,044	(32,899)	-	5,501	3,548,332	4,830,235
20,270	75,139	1,314,546	987,696	354,766	2,798,249	197,351	3,767,339	12,838,041	17,017,149
180,579	369,698	356,567	142,525	590,733	9,981,861	17,744	1,690,747	28,730,664	30,331,834
39,401	63,558	30,831	17,236	139,322	40,406	(2,570)	294,527	1,722,523	1,770,187
141,178	306,140	325,736	125,289	451,411	9,941,455	20,314	1,396,220	27,008,141	28,561,647

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 2 Claims Incurred (net)

Particulars	Fire		Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total				
	2011-12	2011-12	2011-12	2011-12	2011-12			
Claims paid- Direct	2,124,621	1,228,992	212,230	1,441,222	7,554,417	4,769,299	12,323,716	
Add: Re-insurance accepted	1,042,978	1,186	-	1,186	3,946	1,972,310	1,976,256	
Less: Re-insurance ceded	1,980,157	766,726	180,736	947,462	786,169	3,449,888	4,236,057	
Net Claims paid	1,187,442	463,452	31,494	494,946	6,772,194	3,291,721	10,063,915	
Add: Claims outstanding at the end of the period	757,164	383,014	92,042	475,056	2,295,472	28,965,186	31,260,658	
Less: Claims outstanding at the beginning of the year	1,039,659	317,386	136,904	454,290	1,930,974	16,937,099	18,868,073	
Total claims incurred	904,947	529,080	(13,368)	515,712	7,136,692	15,319,808	22,456,500	

Particulars	Fire		Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total				
	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	10,283,777	
Add: Re-insurance accepted	668,652	392	8,118,882	8,119,274	-	1,917,493	1,917,493	
Less: Re-insurance ceded	2,054,909	515,012	8,286,092	8,801,104	821,296	2,327,848	3,149,144	
Net Claims paid	722,749	278,145	43,823	321,968	6,297,206	2,754,920	9,052,126	
Add: Claims outstanding at the end of the period	1,039,659	317,386	136,904	454,290	1,930,974	16,937,099	18,868,073	
Less: Claims outstanding at the beginning of the year	640,324	168,946	135,086	304,032	1,698,332	11,285,209	12,983,541	
Total claims incurred	1,122,084	426,585	45,641	472,226	6,529,848	8,406,810	14,936,658	

Miscellaneous									(₹ in 000's)
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total Miscellaneous	Total
2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12
69,130	228,777	742,486	126,403	657,772	8,964,346	21,792	3,057,492	26,191,914	29,757,757
-	-	21,882	132,010	3,960	35,468	-	108	2,169,684	3,213,848
8,205	82,994	592,885	122,283	311,923	294,580	19,962	2,039,213	7,708,102	10,635,721
60,925	145,783	171,483	136,130	349,809	8,705,234	1,830	1,018,387	20,653,496	22,335,884
182,134	26,443	246,759	124,582	565,490	2,886,275	12,346	817,578	36,122,265	37,354,485
101,539	6,630	208,584	22,935	346,947	2,117,592	8,913	506,153	22,187,366	23,681,315
141,520	165,596	209,658	237,777	568,352	9,473,917	5,263	1,329,812	34,588,395	36,009,054

Miscellaneous									(₹ in 000's)
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total Miscellaneous	Total
2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
35,725	267,524	617,335	574,554	672,695	10,750,326	(8,112)	1,605,812	24,799,636	27,912,440
-	-	12,637	131,291	-	12,289	-	-	2,073,710	10,861,636
5,484	29,829	467,593	628,642	451,345	1,971,111	(8,365)	1,044,601	7,739,384	18,595,397
30,241	237,695	162,379	77,203	221,350	8,791,504	253	561,211	19,133,962	20,178,679
101,539	6,630	208,584	22,935	346,947	2,117,592	8,913	506,153	22,187,366	23,681,315
38,706	5,002	253,223	9,330	204,597	1,722,019	7,399	385,392	15,609,209	16,553,565
93,074	239,323	117,740	90,808	363,700	9,187,077	1,767	681,972	25,712,119	27,306,429

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 3 Commission

Particulars	Fire		Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total				
	2011-12	2011-12	2011-12	2011-12	2011-12			
Commission paid								
- Direct	74,148	88,102	5,426	93,528	584,202	-	584,202	
Add: Commission on re-insurance accepted	216,939	6,549	1,598	8,147	64	-	64	
Less: Commission on re-insurance ceded	231,882	145,132	15,647	160,779	227,423	(2,972)	224,451	
Net Commission	59,205	(50,481)	(8,623)	(59,104)	356,843	2,972	359,815	

Particulars	Fire		Marine			Motor-OD	Motor-TP	Motor-Total
		Marine-Cargo	Marine-Others	Marine-Total				
	2010-11	2010-11	2010-11	2010-11	2010-11			
Commission paid								
- Direct	87,835	87,368	7,646	95,014	735,487	-	735,487	
Add: Commission on Re-insurance Accepted	176,561	3,991	5,610	9,601	-	28,559	28,559	
Less: Commission on Re-Insurance Ceded	243,984	149,438	37,357	186,795	228,046	3,070	231,116	
Net Commission	20,412	(58,079)	(24,101)	(82,180)	507,441	25,489	532,930	

Schedule - 3A Commission Paid - Direct

Particulars	FY 2011-12		FY 2010-11	
			(₹ in 000's)	
Agents	597,672		473,184	
Brokers	662,384		593,174	
Corporate agency	644,814		814,339	
Referral	-		90,670	
TOTAL	1,904,870		1,971,367	

Miscellaneous									(₹ in 000's)
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total Miscellaneous	Total
2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12
22,940	5,880	93,489	7,959	113,684	691,522	9,328	208,190	1,737,194	1,904,870
14	32	16,379	54,217	100	14,090	-	1,795	86,691	311,777
4,181	9,708	343,096	26,411	199,485	966,200	18,176	645,816	2,437,524	2,830,185
18,773	(3,796)	(233,228)	35,765	(85,701)	(260,588)	(8,848)	(435,831)	(613,639)	(613,538)

Miscellaneous									(₹ in 000's)
Workmen's Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total Miscellaneous	Total
2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
17,521	5,734	78,053	14,814	82,934	666,474	9,193	178,308	1,788,518	1,971,367
-	12	11,800	19,171	87	101	-	77	59,807	245,969
3,037	9,266	307,768	21,389	130,696	741,409	(21,195)	906,078	2,329,564	2,760,343
14,484	(3,520)	(217,915)	12,596	(47,675)	(74,834)	30,388	(727,693)	(481,239)	(543,007)

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 4 Operating expenses related to insurance business

Particulars	Fire			Marine		Motor-OD	Motor-TP	Motor-Total
		Marine- Cargo	Marine- Others	Marine- Total				
	2011-12	2011-12	2011-12	2011-12	2011-12			
Employees' remuneration & welfare benefits	155,074	64,470	35,563	100,033	755,480	320,129	1,075,609	
Travel, conveyance and vehicle running expenses	16,289	6,772	3,736	10,508	79,356	33,627	112,983	
Training expenses	2,115	879	485	1,364	10,306	4,367	14,673	
Rents, rates & taxes*	22,059	9,171	5,059	14,230	107,464	45,537	153,001	
Repairs & maintenance	13,202	5,489	3,028	8,517	64,316	27,254	91,570	
Printing & stationery	3,458	1,438	793	2,231	16,846	7,138	23,984	
Communication	19,221	7,991	4,408	12,399	93,640	39,680	133,320	
Legal & professional charges	50,833	20,376	11,240	31,616	238,772	101,178	339,950	
Auditors' fees, expenses etc								
(a) as auditor	295	122	68	190	1,435	608	2,043	
(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	46	19	10	29	222	94	316	
Advertisement and publicity	35,058	14,575	8,040	22,615	170,792	72,372	243,164	
Interest & Bank charges	4,332	1,801	993	2,794	21,105	8,943	30,048	
Others								
(a) Miscellaneous expenses	148,058	61,553	33,954	95,507	720,238	305,196	1,025,434	
(b) Business & Sales promotion	27,714	11,522	6,356	17,878	135,015	57,211	192,226	
Depreciation	26,691	11,096	6,121	17,217	130,029	55,099	185,128	
Service tax on premium account	-	-	-	-	-	-	-	
Total	524,445	217,274	119,854	337,128	2,545,016	1,078,433	3,623,449	

* Rent expense is net off rental income of ₹ 74,158 thousand (previous year ₹ 103,064 thousand)

Particulars	Fire			Marine		Motor-OD	Motor-TP	Motor-Total
		Marine- Cargo	Marine- Others	Marine- Total				
	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	947,957	
Travel, conveyance and vehicle running expenses	15,382	5,970	3,059	9,029	61,676	22,162	83,838	
Training expenses	1,678	651	334	985	6,728	2,418	9,146	
Rents, rates & taxes *	20,653	8,015	4,107	12,122	82,810	29,757	112,567	
Repairs & Maintenance	14,418	5,595	2,867	8,462	57,810	20,773	78,583	
Printing & stationery	3,973	1,542	790	2,332	15,928	5,724	21,652	
Communication	18,706	7,259	3,720	10,979	75,001	26,951	101,952	
Legal & professional charges	45,890	15,737	8,063	23,800	162,591	58,424	221,015	
Auditors' fees, expenses etc								
(a) as auditor	256	99	51	150	1,026	369	1,395	
(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	33	13	7	20	134	48	182	
Advertisement and publicity	25,283	9,812	5,028	14,840	101,375	36,427	137,802	
Interest & Bank charges	6,544	2,540	1,301	3,841	26,240	9,429	35,669	
Others								
(a) Miscellaneous expenses	79,602	30,892	15,829	46,721	318,196	114,339	432,535	
(b) Business & Sales promotion	18,813	7,301	3,741	11,042	75,432	27,105	102,537	
Depreciation	33,111	12,850	6,584	19,434	132,758	47,705	180,463	
Service tax on premium account	-	-	-	-	-	-	-	
Total	458,271	175,774	90,066	265,840	1,815,073	652,220	2,467,293	

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

Miscellaneous									(₹ in 000's) Total
Workmen's Compensa- tion 2011-12	Public/ Product Liability 2011-12	Engineering 2011-12	Aviation 2011-12	Personal Accident 2011-12	Health Insurance 2011-12	Credit Insurance 2011-12	Others 2011-12	Total Miscel- laneous 2011-12	2011-12
14,012	19,300	89,921	59,511	69,768	722,074	9,982	274,693	2,334,870	2,589,977
1,472	2,027	9,445	6,251	7,329	75,847	1,049	28,854	245,257	272,054
191	263	1,227	812	952	9,850	136	3,749	31,853	35,332
1,993	2,745	12,791	8,465	9,924	102,712	1,420	39,075	332,126	368,415
1,193	1,643	7,655	5,066	5,940	61,472	850	23,384	198,773	220,492
312	430	2,005	1,327	1,556	16,101	223	6,125	52,063	57,752
1,737	2,392	11,145	7,376	8,648	89,500	1,237	34,048	289,403	321,023
4,429	6,100	28,420	18,809	22,050	228,214	3,155	86,817	737,944	820,393
27	37	171	113	133	1,372	19	520	4,435	4,920
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4	6	26	17	20	212	3	81	685	760
3,168	4,363	20,328	13,454	15,773	163,240	2,257	62,099	527,846	585,519
391	539	2,512	1,662	1,949	20,172	279	7,675	65,227	72,353
13,379	18,426	85,852	56,819	66,612	689,407	9,531	262,267	2,227,727	2,471,292
2,504	3,449	16,070	10,635	12,469	129,045	1,784	49,091	417,273	462,865
2,412	3,322	15,477	10,243	12,008	124,280	1,718	47,277	401,865	445,773
-	-	-	-	-	-	-	-	-	-
47,224	65,042	303,045	200,560	235,131	2,433,498	33,643	925,755	7,867,347	8,728,920

Miscellaneous									(₹ in 000's) Total
Workmen's Compensa- tion 2010-11	Public/ Product Liability 2010-11	Engineering 2010-11	Aviation 2010-11	Personal Accident 2010-11	Health Insurance 2010-11	Credit Insurance 2010-11	Others 2010-11	Total Miscel- laneous 2010-11	2010-11
12,324	27,264	91,451	62,035	57,889	786,183	13,198	334,561	2,332,862	2,608,874
1,090	2,411	8,088	5,486	5,120	69,530	1,167	29,589	206,319	230,730
119	263	882	599	559	7,586	127	3,228	22,509	25,172
1,463	3,238	10,859	7,366	6,874	93,356	1,567	39,728	277,018	309,793
1,022	2,260	7,581	5,143	4,799	65,172	1,094	27,734	193,388	216,268
281	623	2,089	1,417	1,322	17,957	301	7,641	53,283	59,588
1,325	2,932	9,835	6,672	6,226	84,554	1,419	35,982	250,897	280,582
2,873	6,357	21,322	14,463	13,497	183,297	3,077	78,003	543,904	613,594
18	40	135	91	85	1,157	19	492	3,432	3,838
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2	5	18	12	11	151	3	64	448	501
1,791	3,963	13,294	9,018	8,415	114,285	1,919	48,634	339,121	379,244
464	1,026	3,441	2,334	2,178	29,582	497	12,588	87,779	98,164
5,641	12,478	41,854	28,391	26,493	359,813	6,040	153,118	1,066,363	1,192,686
1,333	2,949	9,892	6,710	6,262	85,039	1,428	36,188	252,338	282,193
2,346	5,190	17,410	11,810	11,020	149,666	2,512	63,691	444,108	496,653
-	-	-	-	-	-	-	-	-	-
32,092	70,999	238,151	161,547	150,750	2,047,328	34,368	871,241	6,073,769	6,797,880

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 5 Share Capital

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
Authorised Capital		
450,000,000 (previous year : 450,000,000) Equity Shares of ₹ 10 each	4,500,000	4,500,000
Issued Capital		
436,583,913 (previous year : 404,567,230) Equity Shares of ₹ 10 each	4,365,839	4,045,672
Subscribed Capital		
436,583,913 (previous year : 404,567,230) Equity Shares of ₹ 10 each	4,365,839	4,045,672
Called up Capital		
436,583,913 (previous year : 404,567,230) Equity Shares of ₹ 10 each	4,365,839	4,045,672
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	4,365,839	4,045,672

Note: Of the above, 320,635,518 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	(₹ in 000's)			
	At March 31, 2012		At March 31, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	320,635,518	73.44%	297,552,950	73.55%
- Foreign	112,655,031	25.80%	104,544,940	25.84%
Others-(Employees/others)	3,293,364	0.76%	2,469,340	0.61%
TOTAL	436,583,913	100.00%	404,567,230	100.00%

SCHEDULES

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Schedule - 6 Reserves and Surplus

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium (refer note 4.15)		
Opening balance	10,752,412	10,721,414
Additions during the period	3,118,860	30,998
Deductions during the period- share issue expenses	3,400	-
Closing balance	13,867,872	10,752,412
4. General Reserves		
Opening balance	333,642	228,452
Additions during the period	-	105,190
Deductions during the period	-	-
Closing balance	333,642	333,642
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilised for Buy-back	-	-
5. Catastrophe Reserve	-	-
6. Other Reserves	-	-
7. Balance of Profit in Profit and Loss Account	-	176,539
TOTAL	14,201,514	11,262,593

Schedule - 7 Borrowings

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
TOTAL	-	-

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 8 Investments

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills (note 3 below)	22,319,329	14,423,310
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity (note 5 below)	5,196,697	2,775,985
(bb) Preference	10,649	21,377
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	9,934,264	11,544,069
(e) Other Securities (note 7 below)	3,000,000	2,003,601
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	5,969,142	5,255,121
Other than Approved Investments	905,953	1,613,018
TOTAL LONG TERM INVESTMENTS	47,336,034	37,636,481
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	-	99,338
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	1,901,160	-
(e) Other Securities (note 8 below)	9,546,536	7,702,294
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	453,030	200,000
Other than Approved Investments (note 4 below)	1,099,433	1,014,861
TOTAL SHORT TERM INVESTMENTS	13,000,159	9,016,493
TOTAL INVESTMENTS	60,336,193	46,652,974

- Notes:**
- Aggregate book value of investments (other than listed equities) is ₹ 54,675,721 thousand (previous year ₹ 42,828,867 thousand).
 - Aggregate market value of investments (other than listed equities) is ₹ 53,552,897 thousand (previous year ₹ 42,075,430 thousand).
 - 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).
 - Includes investment in mutual fund amounting to ₹ 1,099,433 thousand (previous year ₹ 1,014,861 thousand).
 - Includes investments qualifying for infrastructure and social sector investments of ₹ 549,886 thousand (previous year ₹ 168,761 thousand).
 - Includes funds of motor TP pool invested in various asset classes aggregating to ₹ 10,836,041 thousand (previous year ₹ 7,206,563 thousand).
 - Long term other securities includes fixed deposit amounting to ₹ 3,000,000 thousand (previous year ₹ 2,000,000 thousand of Fixed deposits and ₹ 3,601 thousand of Pass through certificates).
 - Short term other securities includes certificate of deposits amounting to ₹ 9,546,203 thousand and Pass through certificate amounting to ₹ 333 thousand (previous year ₹ 7,702,294 thousand of certificate of deposits).

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 9 Loans

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
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).

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 10 Fixed Assets

Particulars	Cost/ Gross Block			
	April 1, 2011	Additions	Deductions	March 31, 2012
Goodwill	-	-	-	-
Intangibles - Computer Software	1,023,596	518,122	21,612	1,520,106
Land-Freehold	2,410,852	-	-	2,410,852
Leasehold Property	-	-	-	-
Buildings	230,933	-	-	230,933
Furniture & Fittings	645,469	146,096	32,066	759,499
Information Technology Equipment	408,654	31,838	39,276	401,216
Vehicles	3,659	-	366	3,293
Office Equipment	301,306	69,106	22,833	347,579
Others	-	-	-	-
Total	5,024,469	765,162	116,153	5,673,478
Work in Progress				
Grand total	5,024,469	765,162	116,153	5,673,478
Previous year	2,321,378	2,890,978	187,887	5,024,469

Schedule - 11 Cash and Bank Balances

Particulars	At March 31, 2012		(₹ in 000's)
	At March 31, 2012	At March 31, 2011	At March 31, 2011
Cash (including cheques, drafts and stamps)	605,621		408,555
Balances with scheduled banks :			
(a) Deposit Accounts			
(aa) Short-term (due within 12 months)	2,910,160		3,400,173
(bb) Others	-		-
(b) Current Accounts	741,593		91,327
(c) Others	-		-
Money at Call and Short Notice			
(a) With Banks	-		-
(b) With other institutions	-		-
Others	-		-
TOTAL	4,257,374		3,900,055

				(₹ in 000's)	
Depreciation				Net Block	
April 1, 2011	For the year ended	On Sales/ Adjustments	March 31, 2012	March 31, 2012	March 31, 2011
-	-	-	-	-	-
570,173	250,562	9,680	811,055	709,051	453,423
-	-	-	-	2,410,852	2,410,852
-	-	-	-	-	-
3,026	3,765	-	6,791	224,142	227,907
313,975	132,590	17,613	428,952	330,547	331,494
393,358	17,217	38,545	372,030	29,186	15,296
1,081	671	237	1,515	1,778	2,578
92,217	41,020	8,748	124,489	223,090	209,089
-	-	-	-	-	-
1,373,830	445,825	74,823	1,744,832	3,928,646	3,650,639
				67,327	230,627
1,373,830	445,825	74,823	1,744,832	3,995,973	3,881,266
973,759	496,766	96,695	1,373,830	3,881,266	

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 12 Advances and Other Assets

Particulars			(₹ in 000's)	
	At March 31, 2012		At March 31, 2011	
ADVANCES				
Reserve deposits with ceding companies		-		-
Application money for investments		-		-
Prepayments		93,983		83,520
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (net of provision for tax)		1,363,668		936,608
MAT credit entitlement		255,974		255,974
Others				
- Sundry Deposits	167,458		134,797	
- Surplus in Gratuity fund	8,654		19,717	
- Advance to Employees against expenses	64	176,176	136	154,650
TOTAL (A)		1,889,801		1,430,752
OTHER ASSETS				
Income accrued on investments/deposits		1,351,306		868,754
Outstanding Premiums		1,863,897		2,271,479
Agents' Balances		-		-
Foreign Agencies' Balances		-		-
Due from other Entities carrying on Insurance business (net) (including reinsurers)	31,825,796		22,900,880	
Less : Provisions for doubtful debts	580,630	31,245,166	301,039	22,599,841
Due from subsidiaries / holding company		-		-
Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]		-		-
Others				
- Service Tax unutilised credit	-		39,388	
- Service Tax paid in advance	-		541	
- Other receivables	50,123	50,123	171,200	211,129
TOTAL (B)		34,510,492		25,951,203
TOTAL (A+B)		36,400,293		27,381,955

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 13 Current Liabilities

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
Agents' Balances	76,189	49,384
Balances due to other insurance companies (net)	1,520,526	1,494,994
Deposits held on re-insurance ceded	28,240	42,360
Premiums received in advance	558,339	861,008
Unallocated Premium	966,391	507,979
Sundry Creditors	1,841,090	1,801,418
Due to subsidiaries/ holding company	41,173	45,552
Claims Outstanding (gross)	61,548,048	40,790,675
Due to Officers/ Directors	-	-
Others		
- Statutory Dues	151,730	136,388
- Salary Payable	11,243	5,896
- Collections- Environment Relief fund	87	62
- Unclaimed amount of policyholders	1,559,921	1,045,315
- Book Overdraft	1,429,498	1,216,725
- Employee rewards	397,000	420,000
- Service Tax Liability	160	-
	3,549,639	2,824,386
TOTAL	70,129,635	48,417,756

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 14 Provisions

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
Reserve for unexpired risk	19,866,094	14,268,697
Reserve for premium deficiency (refer note no. 5.1.10)	17,300	18,500
For taxation (less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others		
- Gratuity	-	-
- Accrued leave	160,134	144,282
TOTAL	20,043,528	14,431,479

Schedule - 15 Miscellaneous expenditure

(To the extent not written off or adjusted)

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
Discount allowed on issue of shares/ debentures	-	-
Others	-	-
TOTAL	-	-

SCHEDULES

FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 16

Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2012

1. Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000 and is a 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 with validity until March 31, 2013.

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 notified under the Companies Accounting Standard Rules, 2006, 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 Auditors' 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 in current and future periods.

4. Significant accounting policies

4.1 Revenue recognition

Premium income

Premium including reinsurance accepted is recorded for the policy period at the commencement of risk and for installment cases, it is recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Premium earned including reinstatement premium and re-insurance accepted 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 revisions to premium as and when they occur are 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.

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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.

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 in accordance with reinsurance arrangements with the reinsurers. 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 they are cancelled.

4.4 Reserve for unexpired risk (also refer note 5.2.2)

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 account(s).

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 the management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revalidated on availability of further information.

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IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the Company. The actuarial estimate is derived in accordance with relevant IRDA regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India. (also refer note 5.2.1).

4.6 Acquisition costs

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

4.7 Premium deficiency

Premium deficiency is recognised when the sum of expected claim costs and related expenses and maintenance costs exceed the reserve for unexpired risks and is computed based on actuarially determined ultimate loss ratios 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 amortised 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.

Fair Value Change Account

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 profit and loss account. If at the

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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 date 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

Intangibles Assets

Intangible assets comprising computer software are stated at cost less amortisation. Computer softwares including improvements are amortised 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 they are 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.

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4.11 Operating Lease

Operating Lease payments of 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.

4.12 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 prescribed percentage of salary and is charged to revenue account(s) and profit and loss account.

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 revenue accounts and profit and loss account.

Accrued leave

Compensated absences are provided based on actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue accounts and profit and loss account.

4.13 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).

4.14 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 thereon 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.

4.15 Share issue expenses

Share issue expenses are adjusted against share premium account.

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4.16 Earnings per share

The basic earnings per share is calculated by dividing the Net profit after tax by weighted average number of equity shares outstanding during the reporting period.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic Earnings per share and also weighted average number equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

4.17 Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event and 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

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
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)	728,615	392,421
Reinsurance obligations to the extent not provided for in accounts	-	-
Others	-	-

Note: The Company has disputed the demand raised by Income Tax authorities of ₹ 655,071 thousand and Service Tax authorities of ₹ 73,544 thousand (previous year: Income tax of ₹ 392,421 thousand), the appeals of which 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 ₹ 61,262 thousand (previous year: ₹ 147,391 thousand).

5.1.4 Commitment in respect of loans and investments is ₹ 50,100 thousand (previous year: ₹ 90,900 thousand).

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5.1.5 Claims

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

Particulars	(₹ in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
In India	22,260,191	20,130,877
Outside India	75,693	47,802

Claims where the claim payment period exceeds four years:

As per circular F&A/CIR/017/May-04, the Appointed Actuary has to certify the valuation of claims paid for longer than four years. In this context, the following claims have been valued on the basis of a contractually defined benefit amount payable in monthly installments over a period of 60 months. As per instructions in circular no 11/IRDA/ACTL/IBNR/2005-06, the outstanding claim amount has not been discounted and the value has been determined in full.

Product Name: Personal protect

Particulars	(₹ in 000's)			
	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Count	Amount	Count	Amount
Intimated	7	15,200	-	-
Paid	-	-	-	-
Outstanding	7	15,200	-	-

Ageing of gross claims outstanding is set out in the table below:

Particulars	(₹ in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
More than six months	16,871,983	16,353,430
Others	44,676,065	24,437,245

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 :

Particulars	(₹ in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
In India	40,827,862	30,298,949
Outside India	259,532	32,885

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5.1.7 The Company has recognised 1.08 percent (previous year: 1.36 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 are given below:

Sector	For the year ended March 31, 2012				For the year ended March 31, 2011			
	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	8,041,568	380,325	-	13.37	5,310,376	350,841	-	11.22
Social	28,432	10	186,694	0.05	74,965	60	253,053	0.16
Urban	52,074,218	7,193,837	-	86.58	41,963,642	5,293,936	-	88.62
Total	60,144,218	7,574,172		100.00	47,348,983	5,644,837		100.00

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

Particulars	Basis	For the year ended March 31, 2012		For the year ended March 31, 2011	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	37%	63%	33%	67%
Marine – Cargo	Value at risk	42%	58%	38%	62%
Marine – Hull	Value at risk	6%	94%	6%	94%
Miscellaneous					
- Engineering	Total sum insured	29%	71%	26%	74%
- Motor (refer note 5.2.3)	Total sum insured	75%	25%	79%	21%
- Workmen's Compensation	Value at risk	90%	10%	90%	10%
- Public Liability	Value at risk	40%	60%	87%	13%
- Personal Accident	Value at risk	69%	31%	65%	35%
- Health	Value at risk	85%	15%	78%	22%
- Credit Insurance	Value at risk	8%	92%	8%	92%
- Others	Value at risk	40%	60%	32%	68%

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:

Particulars	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
Motor TP (other than IMTPIP)	-	35,265
Motor TP pool Inward (IMTPIP)*	1,408,900	851,833

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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.

* Calculated as per actuarially determined ultimate loss ratio as prescribed by IRDA vide circular no. IRDA/NL/ORD/MPL/72/03/2012 dated March 22, 2012.

During the year the Company has changed the basis of determining premium deficiency from incurred loss ratio to actuarially determined ultimate loss ratio for better estimates. The impact of the change on the current results is estimated to be not material.

5.1.11 Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending ₹ 41,535 thousand (previous year: ₹ 4,236 thousand); and
- Sales where payments are overdue ₹ NIL (previous year: ₹ Nil).

Historical cost of investments that are valued on fair value basis (General Portfolio) is ₹ 5,601,995 thousand (previous year: ₹ 3,883,127 thousand).

Historical cost of investments that are valued on fair value basis (Motor Pool Portfolio) is ₹ 668,378 thousand (previous year: ₹ 239,786 thousand).

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

Allocation of investment

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

The Company does not have any investment in property at March 31, 2012 (previous year: ₹ Nil).

5.1.12 Employee Benefit Plans

(A) Defined contribution plan

	For the year ended March 31, 2012	(₹ in 000's) For the year ended March 31, 2011
Expenses on defined contribution plan		
Contribution to staff provident fund	94,513	88,700

(B) Defined benefit plan

Gratuity

The Company has a defined gratuity benefit plan payable to every employee on separation from employment. The Company makes the contribution to an approved gratuity fund which is maintained and managed by ICICI Prudential Life Insurance Company Limited.

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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)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Reconciliation of Benefit Obligations and Plan Assets		
CHANGE IN DEFINED BENEFIT OBLIGATION		
Opening Defined Benefit Obligation	189,667	145,128
Current Service Cost	39,852	35,830
Interest Cost	18,366	14,498
Actuarial Losses/(Gain)	3,235	1,807
Liabilities assumed on Acquisition	-	25
Benefits Paid	(22,763)	(7,621)
Closing Defined Benefit Obligation	228,357	189,667
CHANGE IN THE FAIR VALUE OF ASSETS		
Opening Fair Value of Plan Assets	209,384	149,821
Expected Return on Plan Assets	15,664	11,928
Actuarial Gains/(Losses)	(290)	231
Contributions by Employer	35,016	55,000
Assets acquired on acquisition	-	25
Benefits paid	(22,763)	(7,621)
Closing Fair Value of Plan Assets	237,011	209,384
Expected Employer's contribution Next Year	-	10,000

	(₹ in 000's)	
	At March 31, 2012	At March 31, 2011
Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets		
Fair Value of Plan Assets at the end of the year	(237,011)	(209,384)
Present Value of the defined obligations at the end of the year	228,357	189,667
Liability recognised in the balance sheet	-	-
Asset recognised in the balance sheet	8,654	19,717
INVESTMENT DETAILS OF PLAN ASSETS		
100% Insurer Managed Funds	237,011	209,384
ASSUMPTIONS		
Discount Rate	8.40% p.a.	8.20% 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.

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Expenses to be recognised in statement of Profit and Loss Account	(₹ in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Current Service Cost	39,836	35,830
Interest on Defined Benefit Obligation	18,366	14,499
Expected return on Plan Assets	(15,664)	(11,928)
Net Actuarial Losses/(Gains) recognised in year	3,525	1,575
Past Service Cost	-	-
Losses/(Gains) on "Curtailements & Settlements"	-	-
Losses/(Gains) on "Acquisition/ Divestiture"	-	-
Effect of limit in Para 59 (b)	-	-
TOTAL INCLUDED IN EMPLOYEE BENEFIT EXPENSE	46,063	39,976

Experience adjustments of five years is given below:

	(₹ in 000's)				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined Benefit Obligation	228,341	189,667	145,128	141,813	67,800
Plan assets	237,011	209,384	149,821	70,875	44,124
Surplus / (Deficit)	8,670	19,717	4,693	(70,938)	(23,676)
Exp.Adj on Plan Liabilities	10,137	2,943	(18,518)	26,355	672
Exp.Adj on Plan Assets	(290)	231	9,860	(6,597)	13,887

Accrued Leave

The Company has a scheme for accrual of leave for employees, the liability for which is determined on the basis of Actuarial Valuation carried out at the year end. Assumption stated above is applicable for accrued leaves also.

Particulars	(₹ in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Opening Balance	144,282	133,443
Add: Provision made during the year	15,852	10,839
Closing balance	160,134	144,282

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5.1.13 Allocation of income and expenses

Allocation of investment income

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

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

Allocation of expenses

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

- Expenses that are directly identifiable to a business class are allocated on actuals;
- Other expenses, that are not directly identifiable, are broadly allocated on the basis of gross 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.

5.1.14 Managerial remuneration

The details of remuneration of MD & CEO (for FY2012) and two Wholetime Directors' (with effect from January 19, 2011) as per the terms of appointment are as under:

Particulars (see note below)	(₹ in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries and allowances	51,467	19,641
Contribution to provident and other funds	2,211	1,065
Perquisites	528	463

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.

5.1.15 (A) Share Capital

During the year the Company (i) has completed the allotment of shares issued under preferential issue of 31,192,659 equity shares of ₹ 10/- each at a premium of ₹ 99/- per share to the promoters raising ₹ 3,400,000 thousand. (ii) has allotted 824,024 equity shares under the Employee Stock Option Scheme.

(B) Share Application

At March 31, 2012 the Company had received share application money of ₹ 1,882 thousand (previous year: ₹ 3,402,304 thousand) against which shares are yet to be allotted.

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5.1.16 Outsourcing, business development and marketing support expenses

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

Particulars	(₹ in 000's)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Outsourcing expenses	1,353,413	1,120,287
Business development	462,865	282,193
Marketing support	585,519	379,244

5.1.17 Details of penal actions taken by various Govt. authorities during year ended March 31, 2012 :

Sl No.	Authority	(₹ in 000's)			
		Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	500 (-)	500 (-)	500 (-)	- (-)
2	Service Tax Authorities	- (-)	- (-)	- (-)	- (-)
3	Income Tax Authorities	- (-)	- (-)	- (-)	- (-)
4	Any other Tax Authorities	- (-)	- (-)	- (-)	- (-)
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	- (-)	- (-)	- (-)	- (-)
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	- (-)	- (-)	- (-)	- (-)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	- (-)	- (-)	- (-)	- (-)
8	Securities and Exchange Board of India	NA (NA)	NA (NA)	NA (NA)	NA (NA)
9	Competition Commission of India	- (-)	- (-)	- (-)	- (-)
10	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.

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5.1.18 Summary of Financial Statements for five years:

(₹ in 000's)					
Particulars	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09	FY 2007-08
OPERATING RESULT					
Gross premium written	60,144,218	47,348,983	36,947,821	37,492,110	36,010,198
Net premium income #	41,087,394	30,331,834	23,140,883	21,164,757	17,797,672
Income from investments (net)@	3,082,833	2,589,359	2,828,112	2,325,325	1,364,414
Other income	881,528	622,489	542,421	3,842	(3,332)
Total income	45,051,755	33,543,682	26,511,416	23,493,924	19,158,754
Commissions (net of reinsurance commission)	(613,538)	(543,007)	210,557	(755,837)	(1,365,640)
Brokerage	-	-	-	-	-
Operating expenses	8,728,920	6,797,879	5,551,359	6,785,799	5,611,590
Claims, increase in Unexpired Risk Reserve & other outgoes	41,605,250	29,095,116	20,597,980	18,341,597	14,439,528
Operating Profit/(Loss)	(4,668,878)	(1,806,306)	151,520	(877,635)	473,276
NON - OPERATING RESULT					
Total income under shareholder's account(net of expenses)	716,732	982,886	1,431,533	880,380	828,958
Profit/(Loss) before tax	(3,952,145)	(823,420)	1,583,053	2,745	1,302,234
Provision for tax	(211,147)	(19,992)	143,774	(233,500)	273,500
Profit/(Loss) after tax	(4,163,292)	(803,428)	1,439,279	236,245	1,028,734
MISCELLANEOUS					
Policy holder's account:					
Total funds	60,322,530	40,382,814	28,712,993	23,498,753	16,874,828
Total investments	Not applicable as investments are not earmarked				
Yield on investments					
Shareholder's account:					
Total funds	15,078,391	19,439,883	17,924,396	12,369,209	8,514,813
Total investments	Not applicable as investments are not earmarked				
Yield on investments					
Paid up equity capital	4,365,839	4,045,672	4,036,327	4,031,369	3,773,578
Net worth **	15,078,391	19,439,883	17,924,396	16,026,640	10,759,589
Total assets	105,251,554	82,286,865	67,320,168	54,842,026	37,941,850
Yield on total investments (annualised)	8%	9%	13%	14%	11%
Earnings per share (₹)	(9.56)	(1.99)	3.57	0.60	2.76
Book value per share (₹)	34.54	48.05	44.41	39.75	28.51
Total dividend (excluding dividend tax)	-	565,889	645,248	-	591,157
Dividend per share (₹)	-	1.40	1.60	-	1.60

Net of Reinsurance

@ Net of Losses

** Shareholders funds and Net worth is excluding fair value change account for financial year 2007-08 and 2008-09

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5.1.19 Ratio Analysis:

- (A) For ratios at March 31, 2012 refer Annexure-1a and 1b and for March 31, 2011 refer Annexure-2a and 2b
 (B) Solvency Margin

	At March 31, 2012	At March 31, 2011
		(₹ in 000's)
Required solvency margin under IRDA Regulations (A)	9,408,540	10,473,090
Available solvency margin (B)	12,826,136	16,301,400
Solvency ratio actual (times) (B/A)	1.36	1.56
Solvency ratio prescribed by Regulation	1.30	1.30

5.1.20 Employee Stock Option Scheme (ESOS)

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

Founder ESOPs:

Scheme	
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	
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

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Performance ESOPs (2009):

Scheme	
Date of grant 2009	July 21, 2009
No. of Options granted (in 000's)	1,249
Grant Price	₹ 91
Graded Vesting Period	
1st Year	0% of option
2nd Year	20% of option
3rd Year	20% of option
4th Year	30% of option
5th 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	
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

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Performance ESOPs (2011):

Scheme	
Date of grant 2011	April 25, 2011
No. of Options granted (in 000's)	723
Grant Price	₹ 109
Graded Vesting Period	
1st Year	40% of option
2nd Year	60% 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, 2012 would have been higher by ₹ 167,203 thousand had the Company followed the fair valuation method for accounting the options issued. On proforma basis the Company's basic and diluted earnings per share would have been ₹ (9.56). The key assumptions used to estimate the fair value of options granted during the year ended March 31, 2012 are given below:

Risk-free interest rate	7.96% - 8.41% p.a.
Expected life	5.8 years
Expected volatility*	38.62% p.a.
Expected dividend yield	1.28% 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:

Particulars	(in 000's)			
	Other than Wholetime Directors		Wholetime Directors	
	At March 31, 2012	At March 31, 2011	At March 31, 2012	At March 31, 2011
Outstanding at the beginning of the year*	11,945	13,346	1,700	-
Add: Granted during the year	478	1,762	245	550
Less: Forfeited / lapsed during the year	1,101	1,132	-	-
Less: Exercised during the year	817	881	-	-
Outstanding at the end of the year	10,505	13,095	1,945	550
Exercisable at the end of the year	7,709	7,577	1,005	-

*Previous years balances are reclassified.

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5.2 Other disclosures

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

The liability for IBNR including IBNER (excluding IMTPIP) for the year ending March 31, 2012 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 IRDA/NL/CIR/Cre/205/12/2010 and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

The Appointed Actuary has adopted the Loss Ratio method for credit insurance where enough claim development data is not available and Chain Ladder Method for other 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 Bornhuetter-Ferguson method has been used.

5.2.2 Contribution to terrorism pool

The Company in accordance with the requirements of IRDA has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee ('TAC') are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹ 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, 2011 (previous year: September 30, 2010) as per the last confirmation received and which has been carried forward to the subsequent accounting period as Unexpired Risk Reserve appropriately.

5.2.3 Contribution to Motor third party pool

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

The Company has ceded 100% of the third party premium collected to the pool and has recorded its share of results in the pool based of unaudited statement received from pool for the period from March 2011 up to February 2012 ('pool statements') and on management's estimate for March 2012. In accordance with regulations, the pool follows a policy of providing for Unexpired Risk Reserve at a minimum of 50% of the pooled business. Accordingly company has carried forward 50% of current year premiums from IMTPIP as Unexpired Risk Reserve.

IRDA vide Orders IRDA / NL / ORD / MPL / 276/12/2011 dated December 23, 2011, IRDA / NL/ORD/MPL/003/01/2012 dated January 3, 2012 and IRDA/F&A/ORD/MTPIP/070/03-2012 dated March 22, 2012 had directed the dismantling of Indian Motor Third Party Insurance Pool (IMTPIP) on a clean cut basis and advised recognition of revised actuarially estimated liabilities (estimated by GAD UK "GAD Estimates") relating to retroceded business from IMTPIP and own book earlier ceded to IMTPIP, for all underwriting years commencing from the year ended March 31, 2008 to year ended March 31, 2012 on the following basis:

- (a) Recognise additional IMTPIP liabilities for underwriting years 2007-08 & 2008-09 in full and
- (b) Recognise additional IMTPIP liabilities for underwriting years 2009-10 to 2011-12 either in full or amortise it on a straight line basis over upto three years beginning with the financial year ending March 31, 2012.

The Company has decided to recognise the additional liabilities of IMTPIP for all the years in the current year itself. Accordingly the current year claims incurred, outstanding claims, operating loss and loss for the year includes ₹ 6,849,645 thousand (including ₹ 1,408,690 thousand relating to the current year) as exceptional loss of the pool.

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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 ₹ 87 thousand outstanding (Previous year ₹ 62 thousand) 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 :

	At March 31, 2012	At March 31, 2011
		(₹ in 000's)
a. not later than one year	1,483	777
b. later than one year and not later than five years	4,506	-
c. later than five years	-	-

An amount of ₹ 1,381 thousand (previous year: ₹ 1,281 thousand) towards said lease payments has been recognised 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 as at March 31, 2012. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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5.2.9 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

Segment	Current liabilities		Current Assets
	Year	Claims Outstanding	Outstanding Premium
Fire	2011-12	4,572,678	17,862
	2010-11	4,737,759	4,732
Engineering	2011-12	1,356,748	5,691
	2010-11	1,191,808	90
Marine Cargo	2011-12	1,215,133	5,601
	2010-11	1,096,582	3,081
Marine Hull	2011-12	878,790	-
	2010-11	1,121,238	-
Motor OD	2011-12	2,400,845	48
	2010-11	2,048,369	182
Motor TP	2011-12	43,789,152	-
	2010-11	25,227,461	51
Workmen's Compensation	2011-12	192,002	-
	2010-11	107,807	-
Public/Product Liability	2011-12	47,535	-
	2010-11	16,559	-
Personal Accident	2011-12	700,831	40
	2010-11	449,887	27
Aviation	2011-12	420,686	-
	2010-11	199,231	-
Health	2011-12	3,439,122	1,327,377
	2010-11	2,542,646	1,247,141
Credit Insurance	2011-12	123,699	-
	2010-11	127,535	-
Others	2011-12	2,410,827	507,278
	2010-11	1,923,793	1,016,175
Total Amount	2011-12	61,548,048	1,863,897
	2010-11	40,790,675	2,271,479

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.

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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	Relationship
ICICI Bank UK PLC	Fellow Subsidiary
ICICI Eco-net Internet & Technology Fund	Fellow Subsidiary
ICICI Emerging Sectors Fund	Fellow Subsidiary
ICICI Equity Fund	Fellow Subsidiary
ICICI Home Finance Company Limited	Fellow Subsidiary
ICICI Prudential Asset Management Company Limited	Fellow Subsidiary
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary
ICICI Securities Limited	Fellow Subsidiary
ICICI Securities Primary Dealership Limited	Fellow Subsidiary
ICICI Strategic Investments Fund	Fellow Subsidiary
ICICI Venture Funds Management Company Limited	Fellow Subsidiary
FAL Corporation (Affiliate of Fairfax Financial Holdings Limited)	Venturer in Joint Venture

Key Management Personnel (KMP):

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)

Relatives of KMP with whom transactions have taken place during the year:

Shubhra Sharma : Spouse of Neelesh Garg
 Dhruv Garg : Son of Neelesh Garg

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Details of transaction with related parties for the year ended March 31, 2012 are given below:

Particulars	(₹ in 000's)							
	ICICI Bank Limited	With ICICI Home Finance Co Limited	With ICICI Securities Primary Dealership Limited	With ICICI Prudential Life Insurance Co Limited	With ICICI Securities Limited	With Others	Venturer in Joint Venture	With KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Premium income	775,824 (1,380,755)	9,689 (13,833)	2,527 (1,740)	133,963 (117,336)	97,939 (98,868)	33,072 (27,032)	- (-)	33 (25)
Income from interest & dividend	41,963 (51,177)	- (10,587)	6,930 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Issue of share capital	230,826 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	81,101 (-)	- (-)
Share premium on share issued	2,285,174 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	802,899 (-)	- (-)
Claim payments	392,053 (906,531)	33,177 (71,570)	1,474 (563)	9,659 (6,544)	78,926 (57,065)	444 (64)	- (-)	- (-)
Commission/ Brokerage payouts	369,950 (325,624)	-841 (632)	- (-)	- (-)	15,716 (24,832)	- (-)	- (-)	- (-)
Investment								
- Purchases	6,540,326 (5,266,533)	- (-)	5,151,165 (879,583)	713,039 (250,188)	- (-)	- (-)	- (-)	- (-)
- Sales	5,137,516 (4,510,971)	- (278,625)	1,121,594 (200,404)	2,426,103 (656,336)	- (-)	- (-)	- (-)	- (-)
Purchase of Fixed asset	2,678 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sale of fixed assets	4,616 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Premium paid	- (-)	- (-)	- (-)	6,293 (6,374)	- (-)	- (-)	- (-)	- (-)
Establishment & other expenditure	184,623 (232,154)	-3,365 (-)	- (-)	-1,478 (-1,717)	-386 (-2586)	- (-)	- (-)	54,206 (20,780)
Dividend paid	- (416,574)	- (-)	- (-)	- (-)	- (-)	- (-)	- (146,363)	- (-)

Figures in brackets represent previous year figures

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Balances with related parties at March 31, 2012, are as under:

Particulars	(₹ in 000's)							
	ICICI Bank Limited	With ICICI Home Finance Co Limited	With ICICI Securities Primary Dealership Limited	With ICICI Prudential Life Insurance Co Limited	With ICICI Securities Limited	With others	Venturer in Joint Venture	With KMP & their relatives
	Holding company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
ASSETS								
Cash, Bank Balances & Deposits	-1,397,931 (-1,063,989)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Investments	454,339 (455,508)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Income accrued on investments	6,005 (5,835)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
LIABILITIES								
Capital	3,206,355 (2,975,530)	- (-)	- (-)	- (-)	- (-)	- (-)	1,126,550 (1,045,449)	150 (150)
Share premium	10,184,674 (7,899,500)	- (-)	- (-)	- (-)	- (-)	- (-)	3,578,399 (2,775,500)	375 (375)
Application money	- (2,516,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (884,000)	- (-)
Premium received in advance / Cash deposits	358,453 (22,606)	2,835 (2,834)	- (-)	339 (890)	2,317 (1,339)	1,325 (677)	- (-)	- (-)
Others liabilities/ Payables	300,830 (240,919)	-4,553 (54,787)	66 (415)	23,669 (11,830)	9,378 (15,678)	1,864 (2605)	- (-)	- (-)

Figures in brackets represent previous year figures

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52.11 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31, 2012

At March 31, 2012 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 November 4, 2010)

Particulars	(₹ in 000's)							
	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	170,107 (158,606)	8,909 (9,758)	6,095 (4,177)	15,342 (7,027)	3,559 (5,608)	4,849 (10,646)	5,442 (16,778)	125,911 (104,612)
Cheques issued but not encashed by the policyholder/ insured	1,389,814 (886,709)	674,199 (417,505)	260,420 (111,884)	89,789 (76,603)	50,572 (37,097)	55,200 (35,975)	30,384 (57,045)	229,250 (150,600)
Total	1,559,921 (1,045,315)	683,108 (427,263)	266,515 (116,061)	105,131 (83,630)	54,131 (42,705)	60,049 (46,621)	35,826 (73,823)	355,161 (255,212)

Figure in brackets represent previous year figures

52.12 Details of earning per share for the year ended March 31, 2012

Particulars	(in 000's)	
	At March 31, 2012	At March 31, 2011
Profit/(loss) available to equity shareholders ₹	(4,163,292)	(803,428)
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES		
Number of shares at the beginning of the year	404,567	403,633
Share issued during the year	32,017	934
Total number of equity share outstanding at the end of the year	436,584	404,567
Weighted average number of equity shares outstanding during the year	435,280	404,170
Add : Effect of dilutive issues of options and share application pending allotment	6,265	6,721
Diluted weighted average number of equity shares outstanding during the year	441,545	410,891
Nominal value of equity shares ₹	10	10
Basic earning per share ₹	(9.56)	(1.99)
Diluted earning per share ₹	(9.56)	(1.99)

As the Company has incurred loss during the year, potential equity shares are not resulting into dilution of EPS.

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5.2.13 Deferred taxes

The major components of deferred tax are as under:

Particulars	(₹ in 000's)	
	Deferred tax asset at March 31, 2012	Deferred tax asset at March 31, 2011
Timing differences on account of:		
Reserve for Unexpired Risks / Premium deficiency	-	-
Provision for escalation in lease rentals	21,380	22,590
Leaves accrued	51,956	46,812
Provision for doubtful debts	188,385	97,672
Carry forward losses*	-	305,794
TOTAL	261,721	472,868
Net deferred tax asset/(liability)	261,721	472,868
Deferred tax expense/(income) recognised in the Profit and Loss A/c	211,147	(19,992)

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

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

For and on behalf of the Board

Chanda Kochhar
Chairperson

Dileep Choksi
Director

Alok Kumar Agarwal
Executive Director

Gopal Balachandran
Chief Financial Officer

S. Mukherji
Director

Bhargav Dasgupta
Managing Director & CEO

Neelesh Garg
Executive Director

Vikas Mehra
Company Secretary

Mumbai, April 13, 2012

Annexure - 1a Analytical Ratios as at March 31, 2012

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen's compensation	Public/Product Liability	Engineering
1	Gross Premium Growth Rate	21%	9%	17%	25%	20%	32%	56%	38%	39%	-14%	20%
2	Gross Premium to shareholders' fund ratio	342%										
3	Growth rate of shareholders' fund	-22%										
4	Net Retention Ratio	80%	42%	43%	4%	29%	90%	144%	106%	90%	36%	24%
5	Net Commission Ratio	4%	2%	7%	1%	5%	4%	0%	3%	8%	2%	5%
6	Expense of Management to Gross Direct Premium Ratio	21%										
7	Combined Ratio	78%										
8	Technical Reserves to net premium ratio	198%										
9	Underwriting balance ratio	-21%	-26%			-43%						
10	Operating Profit Ratio	-10%										
11	Liquid Assets to liabilities ratio	21%										
12	Net earning ratio	-10%										
13	Return on net worth ratio	-28%										
14	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.36										
15	NPA Ratio											
	Gross NPA Ratio	-										
	Net NPA Ratio	-										

Notes :

Ratios are computed as per definitions laid down by IRDA circular 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

Aviation	PA	Health	Credit	Others	Total miscellaneous	Basis of calculations
17%	47%	12%	-8%	0%	22%	(GDPI current year- GDPI previous year)/ GDPI previous year
						GDPI/ Shareholders' funds
						(Shareholders' funds current year- Shareholders' funds previous year)/ Shareholders' funds previous year
31%	68%	86%	8%	38%	84%	Net premium/ GDPI
1%	8%	5%	5%	4%	4%	Gross commission paid/ GDPI
						Expenses of management/ GDPI
						(Claims paid + Expenses of management + Commission paid-direct)/ Gross direct premium
						(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ Net premium
					-21%	(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, 2012

Equity Holding Pattern

1	(a) No. of shares	436,583,913
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	₹ (9.56) and ₹ (9.56)
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the period	₹ (9.56) and ₹ (9.56)
6	(iv) Book value per share (₹)	34.54

Annexure - 2a Analytical Ratios as at March 31, 2011

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen's compensation	Public/Product Liability	Engineering
1	Gross Premium Growth Rate	29%	5%	35%	-13%	14%	19%	-3%	12%	76%	84%	-2%
2	Gross Premium to shareholders' fund ratio	219%										
3	Growth rate of shareholders' fund	8%										
4	Net Retention Ratio	71%	40%	38%	9%	28%	90%	127%	100%	90%	83%	24%
5	Net Commission Ratio	5%	3%	8%	1%	6%	6%	0%	5%	9%	1%	5%
6	Expense of Management to Gross Direct Premium Ratio	21%										
7	Combined Ratio	86%										
8	Technical Reserves to net premium ratio	182%										
9	Underwriting balance ratio	-17%	-42%			-54%						
10	Operating Profit Ratio	-3%										
11	Liquid Assets to liabilities ratio	23%										
12	Net earning ratio	-3%										
13	Return on net worth ratio	-4%										
14	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.56										
15	NPA Ratio											
	Gross NPA Ratio	-										
	Net NPA Ratio	-										

Notes :

Ratios are computed as per definitions laid down by IRDA circular 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

Aviation	PA	Health	Credit	Others	Total miscellaneous	Basis of calculations
76%	18%	50%	-25%	89%	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
14%	63%	78%	8%	31%	76%	Net premium/ GDPI
1%	9%	5%	4%	3%	5%	Gross commission paid/ GDPI
						Expenses of management/ GDPI
						(Claims paid + Expenses of management + Commission paid-direct)/ Gross direct 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 - 2b 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

RECEIPTS & PAYMENT ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2012

	Year ended March 31, 2012		Year ended March 31, 2011	
			(₹ in 000's)	
CASH FLOW FROM OPERATING ACTIVITIES				
- Premium received from policyholders, including advance receipt	56,951,264		50,899,854	
- Premium received from co-insurer	2,289,886		1,029,138	
- Other receipts (including-environment relief fund & Motor TP pool and Terrorism Pool)	2,501,807		719,085	
- Receipt / (payment) from/to re-insurer net of commissions & claims recovery	(1,815,404)		9,889,143	
- Receipt / (payment) from / to co-insurer net of claims recovery	231,005		(2,549,759)	
- Payments of claims (net of salvage)	(34,464,546)		(39,287,030)	
- Payments of commission and brokerage	(2,115,060)		(1,889,287)	
- Payments of other operating expenses	(8,681,173)		(6,509,426)	
- Deposits, advances & staff loans	(213,789)		647,365	
- Income tax paid (net)	(427,060)		(433,610)	
- Service taxes paid	(3,981,524)		(3,138,718)	
- Cash flows before extraordinary items		10,275,406		9,376,755
- Cash flows from extraordinary operations		-		-
NET CASH FROM OPERATING ACTIVITIES		10,275,406		9,376,755
CASH FLOW FROM INVESTING ACTIVITIES				
- Purchase of fixed assets (including capital advances)	(488,705)		(3,035,846)	
- Proceeds from sale of fixed assets	24,386	(464,319)	21,631	(3,014,215)
- Purchase of investments	(73,194,470)		(22,058,474)	
- Loans disbursed	-		-	
- Sale of investments	61,593,657		16,483,562	
- Repayments received	-		-	
- Rent/interest/dividends received	2,848,241		2,130,519	
- Investments in money market instruments and liquid mutual fund (net)	(726,302)		(2,263,378)	
- Expenses related to investments	(10,099)	(9,488,973)	(11,615)	(5,719,386)
NET CASH FROM INVESTING ACTIVITIES		(9,953,292)		(8,733,601)

	(₹ in 000's)	
	Year ended March 31, 2012	Year ended March 31, 2011
CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from issuance of share capital (including share premium & net of share issue expenses)	35,205	3,440,777
- Proceeds from borrowing	-	
- Repayments of borrowing	-	
- Dividends paid (including dividend tax)	-	(687,323)
NET CASH FROM FINANCING ACTIVITIES	35,205	2,753,454
EFFECT OF FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS, NET	-	-
Net increase/(decrease) in cash and cash equivalents	357,319	3,396,608
Cash and cash equivalents at the beginning of the year	3,900,055	503,447
Cash and cash equivalents at end of the year *	4,257,374	3,900,055

*Cash and cash equivalent at the end of the year includes short term deposits of ₹ 2,910,160 thousand (previous year: ₹ 3,400,173 thousand), balances with banks in current accounts ₹ 741,593 thousand (previous year: ₹ 91,327 thousand) and cash including cheques and stamps in hand amounting to ₹ 605,621 thousand (previous year: ₹ 408,555 thousand)

As per our attached report of even date		For and on behalf of the Board	
For Khandelwal Jain & Co. Chartered Accountants Firm Regn No.: 105049W	For PKF Sridhar & Santhanam Chartered Accountants Firm Regn No.: 003990S	Chanda Kochhar Chairperson	S. Mukherji Director
Narendra Jain Partner Membership No:048725	R. Suriyanarayanan Partner Membership No: 201402	Dileep Choksi Director	Bhargav Dasgupta Managing Director & CEO
		Alok Kumar Agarwal Executive Director	Neelesh Garg Executive Director
Mumbai, April 13, 2012		Gopal Balachandran Chief Financial Officer	Vikas Mehra Company Secretary

Awards Over the Years



The Customer and Brand Loyalty Award, 2011



NASSCOM - CNBC TV 18 IT User Award, 2010



CNBC Awaaz Consumer Awards, 2010



The BIZZ World Business Leader Award, 2010



3rd Loyalty Summit Award Insurance Sector - Non Life Carlson Marketing, 2010



J. D. Power Asia Pacific India Auto Insurance Customer Satisfaction Index (AIS) Study, 2009



Customer and Brand Loyalty award Insurance Sector - Non - Life 2nd Loyalty Awards, 2009



Golden Peacock Eco Innovation Award, 2009



The General Insurance Company of the Year 2007 Across Asia Asia Insurance Industry Awards, 2007

Board of Directors

Board

Chanda Kochhar
Chairperson

R. Athappan
Director

B. V. Bhargava
Director

Dileep Choksi
Director

Zarin Daruwala
Director

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

Neelesh Garg
Executive Director

Board Governance Committee

M. K. Sharma
Chairman

Chanda Kochhar

Chandran Ratnaswami

H. N. Sinor

Investment Committee

Chandran Ratnaswami
Chairman

N. S. Kannan

Bhargav Dasgupta

Liyaquat Khan
Appointed Actuary

S. Gopalakrishnan

Rakesh Jain
(upto October 20, 2011)

Rajive Kumaraswami
(upto April 13, 2012)

Gopal Balachandran
(w.e.f. October 20, 2011)

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

PKF Sridhar & Santhanam
Chartered Accountants

Khandelwal Jain & Co.
Chartered Accountants



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 400 025.

email: customersupport@icicilombard.com

Visit us at www.icicilombard.com

Insurance is the subject matter of solicitation.