



Fulfilling Commitments.
Delivering Value Sustainably.



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Basis of Reporting

Our approach to the adoption of Integrated Reporting <IR>

Integrated Reporting (<IR>) based on the framework of International Integrated Reporting Council (IIRC) has emerged as a global best practice for corporate reporting. We have aligned ourselves to this trend and FY2020 is our second year of such reporting.

Through <IR>, we intend to provide our stakeholders with an all-inclusive depiction of our value creation process using both qualitative and quantitative information across financial and non-financial resources.

We provide insights into our strategy, matters that are material to us, and the challenges and associated risks in achieving our long-term objectives in context of the external operating environment. Certain <IR> related data in this Report may be management estimates.

Reporting Principle

The financial and statutory data presented in this Report comply to the requirements of the Companies Act, 2013 (and the Rules made thereunder), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards. The Report is guided by the IIRC's framework.

Reporting Period, Scope and Boundary

The Report covers the key statutory financial information and activities of the Company in FY2020. All material events, after March 31, 2020 until the Board approved the Report as on May 2, 2020 have been included. Comparative figures and notable events of past years have been reported to provide a holistic view to stakeholders.

Approach to Materiality

We have identified imminent issues that are material to our operations, along with their possible impact on our value

creation, to enable investors and other stakeholders take informed decisions on their engagement with the Company.

Board Approval

The Board, supported by the leadership team, accepts responsibility for the integrity and completeness of this <IR>. The Board and the executive management in assistance with a dedicated reporting team have put in their collective minds in the preparation, presentation and validation of information of this Report. The Board is of the opinion that this Report provides a fair and balanced view of our performance and prospects within the <IR> framework. We believe this Report shows that we are creating sustainable value and prosperity for our stakeholders.

Feedback

For any questions or feedback regarding this Integrated Annual Report or its content, please write to investors@icicilombard.com

Forward-looking Statements

The report contains statements that relate to the Company's future operations and performance. These statements can be identified by the usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance. These forward-looking statements are dependent on assumptions, data or methods that may be inaccurate or imprecise and hence are not guarantees of future operating, financial and other results. They constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks, and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Fulfilling Commitments. Delivering Value Sustainably.

At ICICI Lombard, no matter what the challenges, we have a way of fulfilling our commitments to all our stakeholders. From customers to employees to channel partners, everyone is under our umbrella of protection, as we continue delivering value sustainably, helping the world rebuild and renew.





The novel Coronavirus contagion has been the greatest challenge faced in recent memory and urgent for the human society. It is no exaggeration to say that COVID-19 has completely redefined the idea of 'risk', both in terms of public health and business continuity. This is where we, at ICICI Lombard, as a leading private non-life insurer, stepped up to fulfil our commitment to protection and risk mitigation.

Not only did we deliver the value expected from us, but we also gained the insight that 'Work from Home (WFH)' is a practice we can continue for a range of benefits: from better work-life balance for our employees to significant productivity and cost efficiency for the organisation. Therefore, even after the lockdown ends, we envision that at least 50% of our employees will continue working from home, equipped with all the technology they need for hurdle-free productivity. During the pandemic, we also kept our commitment to the communities we serve by introducing additional corporate social responsibility (CSR) initiatives under our purview, aimed towards their health and well-being. As we look into the future, we envisage an organisation supported by advanced digitalisation, one that will help us deliver a consistent and resilient business performance, and customer satisfaction.

Overwhelming as it has been, the pandemic has also brought with it very valuable lessons. As human civilisation enters the era of the 'new normal', the triad of Environmental, Social, and Governance (ESG) is set to become an integral part of every business venture that

intends to maintain its commercial and ethical sustainability and leadership. At ICICI Lombard, with the aim of being a positive force in the world, we have begun embedding ESG principles into our strategies and processes to ensure that we deliver on our promises in a sustainable manner.

The turbulence of the contagion would dominate much of 2020. In this ecosystem, our solid and proven foundation of risk assessment, astute management, and ethical governance has put us in a leading position to serve customers in the general insurance sector. All our solutions are backed by efficient and highly professional service, and are delivered through user-friendly technology platforms that harness the latest trends, thereby ensuring that we are well prepared to embrace the 'new normal'.

At ICICI Lombard, we will continue to deliver sustainable and long-term value for all our stakeholders; customers that we service; communities in which we are present; regulatory authorities we comply with; and business partners we work with. Dedicated to the needs of our partners and our shareholders, we will continue to play a role in moving the country's economy forward.

Understanding Us Better

ICICI Lombard General Insurance Company Limited is among India's leading private sector general insurance companies. As a reputed and established player in the industry, not only do we have a wide range of risk management solutions, but we also strive to make those solutions as customer-centric as possible, with a constant focus on value enhancement. Harnessing the power of technology, we offer innovative protection to individuals and businesses of all sizes, in both rural and urban areas.

Our two decades of presence and operations across India have given us a wealth of experience and insight into customer requirements. We have reached a position where we can frequently anticipate needs and surpass expectations. Delivered by teams for whom excellence is central to their functioning, our services are benchmarked to the best international standards.

At the cornerstone of our success are our values and culture. Our unflinching commitment to integrity and transparency spans the entire lifecycle of customer relationship, from policy advisory to policy renewal and claim settlement.

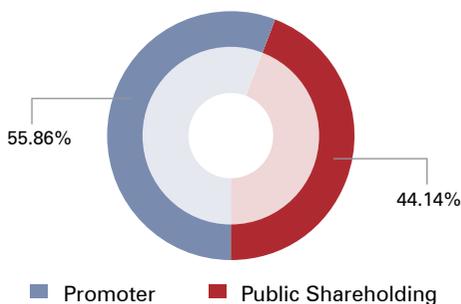


Our Vision

To be the most value-creating and admired risk solutions company in India, with a global footprint.

Ownership Structure

as at March 31, 2020



Gross Written Premium of
₹ 135.92 billion

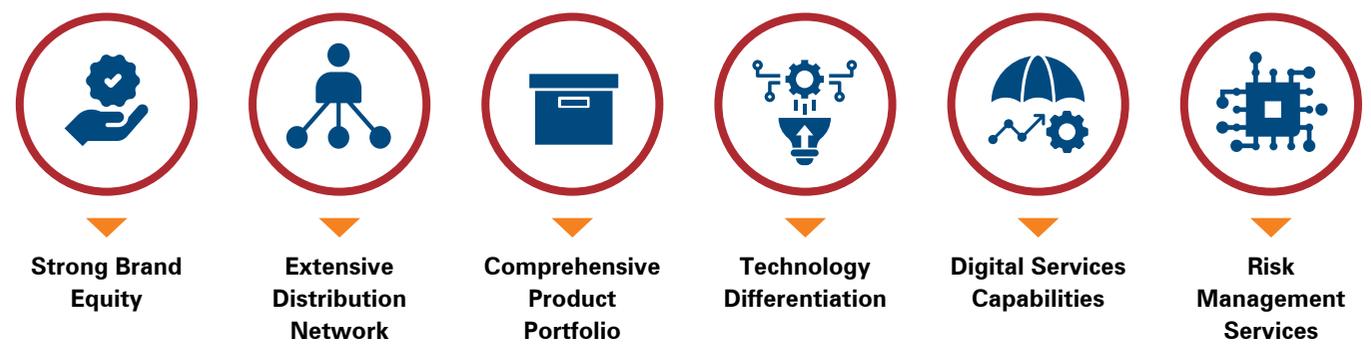
We have issued over
26.2 million policies and settled over **1.8 million** claims

Through a network of
273 branches, **840** virtual offices and
a partner network of **8,800** garages and **6,536** hospitals

Our Business Structure

Corporate Solutions Group	Government Business Group	Retail Group	Shared Services
<p>We provide integrated solutions to body corporates, small, micro and medium enterprises.</p> <p>Insurance Solutions</p> <p>Fire, Marine, Engineering, Liability, Group Health, and Personal Accident.</p>	<p>We provide insurance solutions to state and central governments and rural customers.</p> <p>Insurance Solutions</p> <p>Cattle, Weather, Mass Health, and Personal Accident and Motor.</p>	<p>We provide insurance solutions to individuals and small enterprises through multiple channels such as Agents, Brokers, Bancassurance, Telesales, Direct Alliances, Motor Insurance Service Providers (MISPs) and Online Platforms.</p> <p>Insurance Solutions</p> <p>Health, Home, Motor, Travel, Cyber, and Personal Accident.</p>	<p>Our support functions are leveraged across the organisation to improve customer services and drive business efficiency.</p> <p>Our Services</p> <p>Underwriting and Claims, Customer Relationship, Technology, Operations, Reinsurance, Finance and Accounts, Human Resources, Legal and Compliance, Actuarial, Marketing, Business Analytics, Administration and Fraud Control.</p>

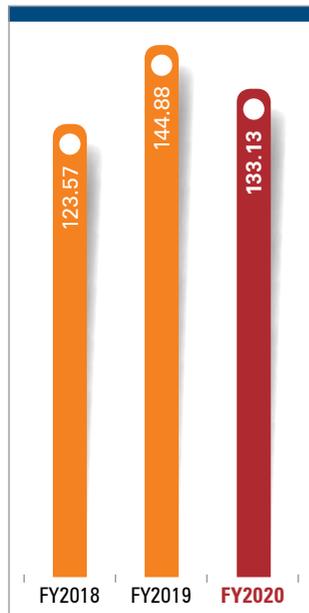
Core Differentiators that Define Our Business



Understanding Us Better

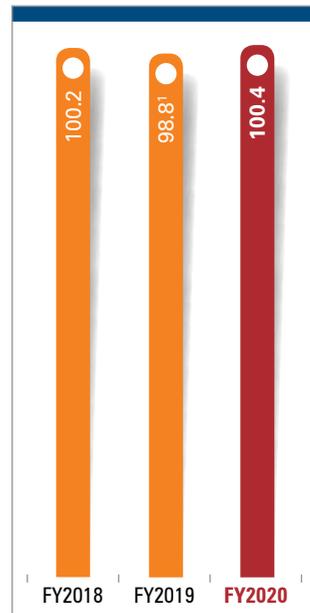
Revenue Growth

(Gross Direct Premium Income [GDPI] in ₹ billion)



Combined Ratio

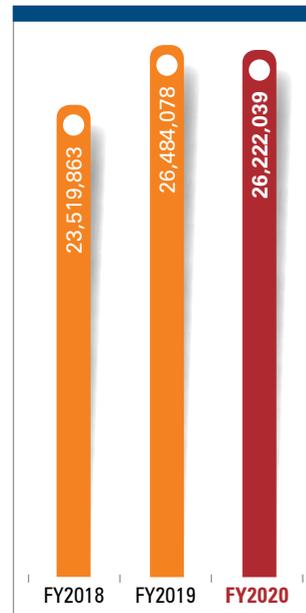
(%)



¹ Basis IRDAI circular dated May 20, 2019, the ratio has been revised from 98.5% in FY2019

Policy Growth

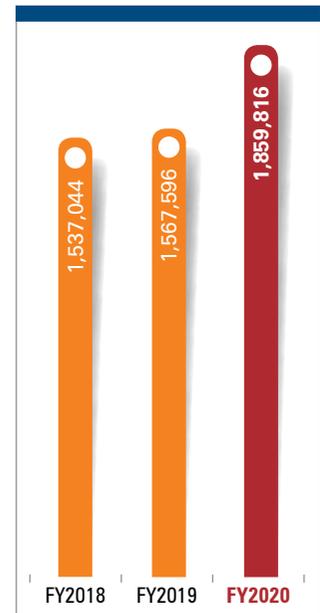
(Number of Policies issued*)



* Gross Direct Premium Income (GDPI basis)

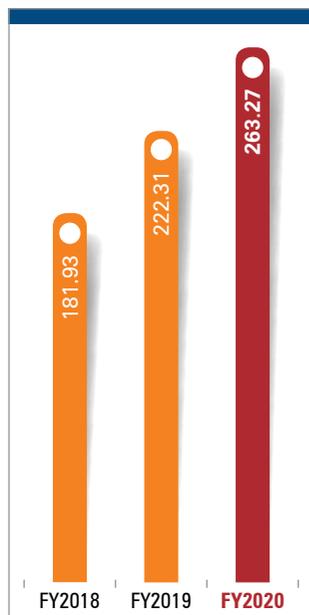
Claims Settled

(Number of Claims settled)



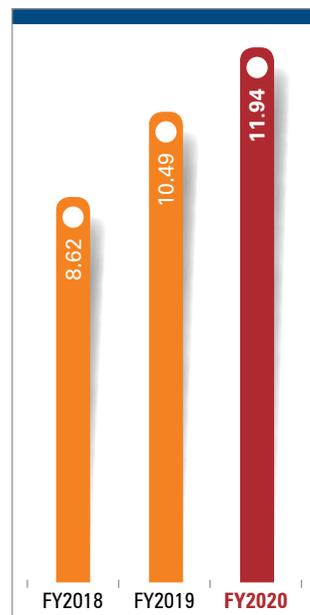
Investment Assets

(in ₹ billion)



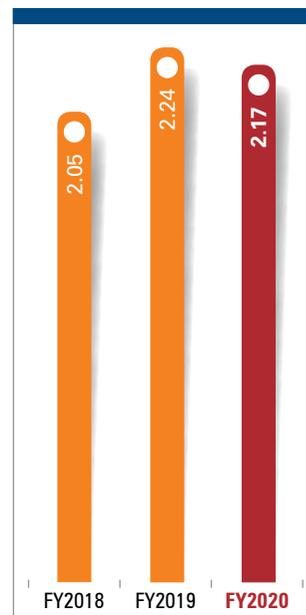
Profit After Tax

(in ₹ billion)



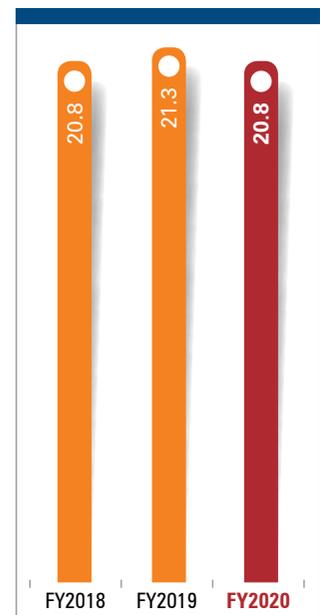
Solvency

(Times)



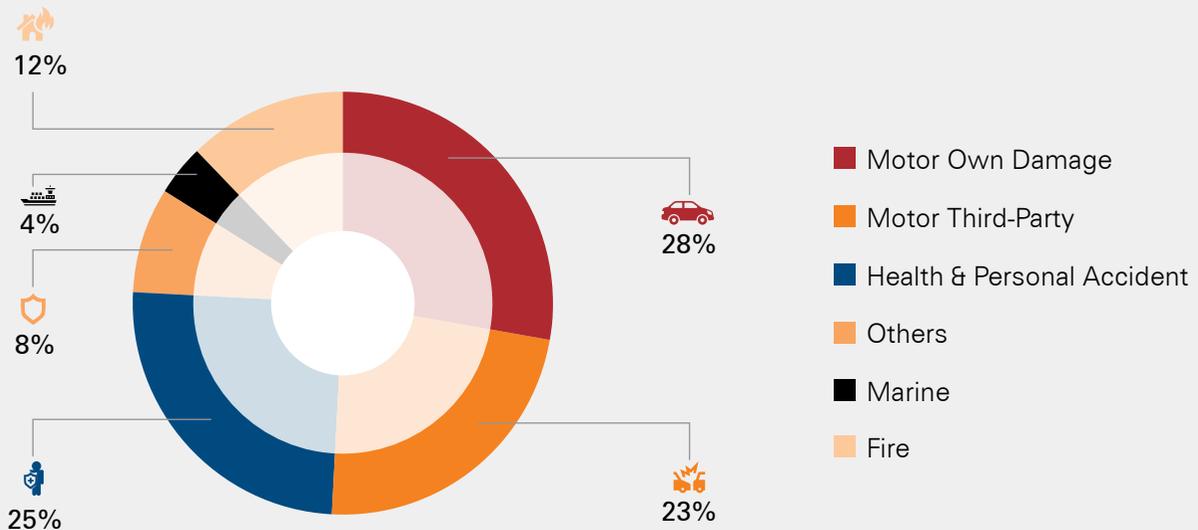
Return on Average Equity

(%)



Key Numbers

Well-Balanced Product Mix (GDPI basis)



47,548

Agents
(including POS)

40,852,747

Lives Covered

10,682

Total Headcount
(including trainees)

Awards and Accolades



CLO Global LearningElite Award

For the second successive year, we won the 'Gold' at the 'LearningElite' awards for our employee-focused learning and development practices. With this, we also have the distinction of being the only Indian insurance company to be awarded Gold twice. The 'LearningElite' programme of CLO (Chief Learning Officer) magazine, United States, honours the best organisations that execute exemplary workforce development strategies, leading to significant business result.



ICAI Award

We won the 'Gold Shield' award for excellence in financial reporting (non-life insurance) category for our Annual Report for FY2019, presented by the Institute of Chartered Accountants of India (ICAI), which functions under the administrative control of the Ministry of Corporate Affairs.



Triple Accolades at FICCI Awards

Our 'AI-enabled vehicle inception facility' won us the FICCI Awards in the 'Most Innovative Insurance Offerings' category. Further, we won the 'Claims Excellence' award for our 'digital motor claims process'. We also received the 'Best CSR initiative' award in the non-life category for our 'Caring Hands' programme.



10th Edition of IPRCCA

We won a 'Bronze' in the 'Continuous Campaign' category for our campaign 'Ride to Safety', a unique CSR initiative to make Indian roads safer for motorcycle riders. The award is hosted by Exchange4media Group and recognises the contribution and success of the public relations and communication industry.



Economic Times Summit & Awards

We were bestowed with the 'Sales Champion Award - Large Category' at the 6th edition of the Economic Times Insurance Summit & 2nd Insurance Awards. The award recognises the star sales champion of the insurance industry.



LACP Awards

We were conferred with the 'Vision Awards' for our Annual Report FY2019. Our Annual Report won the 'Gold' and was included among the top 100 reports worldwide. The awards are organised by the League of American Professionals (LACP), United States, and a premier forum within the public relations industry that facilitates best-in-class communication practices.



Business Today - Money Today Financial Awards

We were conferred with the 'Best General Insurance Provider of the Year' and 'Best Motor Insurer of the Year (Joint)' awards at the Business Today - Money Today Financial Awards.

The recognition came for our sterling performance in the non-life category. These awards were constituted in 2013 to reward the best companies in the Banking, Financial Services, and Insurance (BFSI) sector.



2020 Best Insurers Recognition

We were recognised as one of the '20 Best Insurers in the Asia Pacific Region' for 2020. The accolade is an outcome of IDC Financial Insights' research on identifying insurers who have successfully pursued digital transformation for long-term sustainability.



Dun & Bradstreet BFSI Summit & Awards 2020

We were adjudged 'India's Leading General Insurance Company - Private' at the Dun & Bradstreet BFSI Summit & Awards 2020.

These awards are part of a knowledge forum and an endeavour to recognise leading companies from the Indian BFSI sector.



India Insurance Summit & Awards 2020

We were conferred with the 'Insurance Company of the Year' award. Hosted by the Synnex Group, the award recognises corporate houses for their exemplary work in the insurance industry every year.

Performance Highlights



Financial Capital

It represents the amount of capital available with us and employed in the business to create value for the shareholders.

Revenue
(Gross Direct Premium Income)

₹ **133.13**
billion

Profit After Tax

₹ **11.94**
billion

Return on Average Equity

20.8%

Combined Ratio

100.4%



Manufactured Capital

It represents the physical assets including branches, call centre and equipment that enable us to conduct operations and serve our customers. We are continually investing in it to enhance customer experience while achieving higher operational efficiency.

Number of Branches

273

Number of Call Centre Executives

501

Number of Virtual Office (VO) Branches

840



Intellectual Capital

It represents the collective knowledge of our people and organisation gained through years of experience that we are constantly honing to strengthen our competitive advantage and ensure alignment of our resources to our strategic direction. It also represents our digital capabilities, data and analytics and automation that helps us enhance our operational efficiency, improve customer experience and empower employees. It also includes specialised manpower comprising Inhouse Claims Managers - Motor & Health and Actuarial Team.

New Products Launched

18

Investment in Technology

₹ **6.93**
million*

Specialised Manpower

1,705

* Investment in technology includes Computer Software and Information Technology equipment as on date



Human Capital

It represents the expertise, engagement and motivation of our employees who enable us to better serve our customers and fulfil expectations of our stakeholders. We invest in their competency building, engagement, welfare, and health and safety.

Total Headcount 10,682	Revenue Generated per Headcount ₹ 0.01 billion (GDPI basis)	Workforce Diversity (Women Employees) 17.5%	No. of Hours of Training imparted to Employees 248,104
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Social and Relationship Capital

The quality of relationships that we maintain with our business partners, customers and society by ensuring their collective interests drives our growth, competitiveness and goodwill. It makes us commercially viable and socially relevant.

CSR Spending (Total Spends) ₹ 242.3 million	Net Promoter Score (NPS) 46	Lives Covered 7,460,320	No. of Individual Agents (including POS) 47,548
	Claims Settled 1.8 million	No. of Shareholders 241,934	

Message from the Chairperson



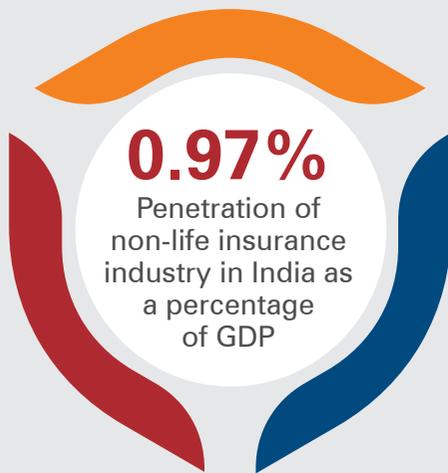
“
The current pandemic is an important reminder that the non-life insurance industry must keep evolving in terms of developing risk mitigation models”

Dear Shareholder,

Today we stand at the brink of a new world order. The implications of the coronavirus outbreak for each one of us are profound and will reverberate for a long time to come. The pandemic has disrupted our lives like never before. Countries across the world are facing multiple issues even as they struggle to curtail the rising number of infections – financial turmoil, unemployment, health hazards, social unrest, etc. Add to this, the geo-political tension between nations that continues to derail global trade. India is facing many of these problems and more. With a huge population to sustain, that gets its livelihood primarily from unorganised sectors, the country must grapple with its own set of unique challenges.

However, it is during moments like these, that our individual and collective efforts can be truly momentous. We have been witnessing acts of dedication and perseverance from many of our frontline personnel. Add to this, are the policy actions taken by our governments, at the central and state levels, as well as proactive measures by regulatory and governing authorities to ensure we, as a nation, stand strong amidst these headwinds.

What has emerged from the pandemic, is that advancements in the technology and forecasting system. It is very difficult to develop any early warning system or accurately predict



a specific risk scenario. Further, the country must traverse the difficult path of limiting the spread of the contagion, while ensuring that we return to economic growth at the earliest – to sustain the aspirations and livelihood of millions constituting India’s working populace.

For the non-life insurance industry, the current pandemic is an important reminder that the risk scenario is ever-changing. It is also clear that the industry must keep evolving in terms of developing risk mitigation models. It needs to introduce solutions that are in sync with the times. Adding to this, the new way of working has brought to the forefront, new

risk situations e.g. cyber-attacks on individuals. This clearly shows the interconnected nature of our world wherein one phenomenon impacts such diverse aspects of our life.

Further, the developments highlight the need for individuals and corporates to embrace risk mitigation solutions against the ever-changing risk events. For a country like India, where non-life insurance penetration remains at a low 0.97% of GDP compared to the global average of 2.8%, the gap to overcome is significant. This is true across segments, be it health, home, motor, or other segments.

At ICICI Lombard, we have been continuously evolving in terms of adopting a robust risk management framework. We have been at the forefront of introducing innovative and relevant insurance solutions. Our endeavour, especially in the recent times has been to provide our customers with a host of convenient tools to meet their insurance needs, enabling them to be served while adopting social distancing norms for their own safety and well-being. As we take further steps in our technology journey, we will continue to enhance our capabilities in areas such as Artificial Intelligence, Machine Learning etc. and deploy our expertise in introducing new-age solutions.

Going beyond business, we have been directing our efforts in the upliftment of the community. We have deployed our resources through ICICI Foundation towards skill development. At the same time, we have been conducting direct initiatives such as eye screening camps for underprivileged school children, under the aegis of ‘Caring Hands’, road safety focused programmes, namely, Ride to Safety, and educating children on safe drinking water under Niranjali. Considering the current scenario, we have initiated free COVID-19 testing for underprivileged sections of the community and provided PPE kits to medical personnel. We have contributed to the PM CARES Fund in line as well.

As we look ahead, we believe that the current pandemic will pass sooner than later. Having said that, at ICICI Lombard, we will continue to pursue a prudent risk management framework to maintain sustainable and efficient business operations. Our robust business franchise and talent pool will strive towards further strengthening our core proposition.

Regards,

Lalita D. Gupte
Chairperson

Message from the Managing Director and CEO

Dear Shareholder,

I am writing to you this year amidst extraordinary circumstances. COVID-19 has impacted individual lives and businesses across the world. Our thoughts and prayers are with everyone affected by the virus.

The current pandemic has redefined the idea of 'risk' – in terms of public health, economic uncertainty and business continuity. At ICICI Lombard, even as we grapple with its effects, we continue to prioritise customers' needs while meeting the requirements of our diverse set of stakeholders, with particular emphasis on employee safety. Since our inception in 2001, we have consistently focused on being a customer-centric organisation and have gone the extra mile to support our policyholders in their hour of need. In these challenging times, we have further increased our efforts to serve our customers, demonstrating our brand ethos of 'Nibhaye Vaade'.

In the current crisis, we took several steps to benefit our customers. We ensured service continuity by harnessing a host of technology solutions, that we have been investing in, for over a decade. Empowered by these digital solutions, our customers could experience the entire insurance process digitally – from purchase to policy servicing, claims and renewal – in a contactless and safe manner. Right at the purchase stage, we offered multiple options to them for transacting through web, mobile apps, etc. Today, about 96.5% of the policies issued by us are in paperless form. For claims settlement, we provided many digital solutions to ensure quick processing. To give an example, we used InstaSpect for contactless, real-time motor own damage claims approval. Since its inception in 2017, we have approved more than 6.5 lakh claims instantly using InstaSpect. During the lockdown, our claim managers conducted damage assessment of 100% of the cases using InstaSpect, while working from home. On the health insurance front, we had introduced an AI-enabled claim settlement engine to authorise some of the health claims. During the lockdown months of April and May, 31% of all our health cashless claims were authorised using this tool.

In order to address customers' health risks in these challenging times, we introduced COVID-19 Protection Cover, a dedicated product that provides 100% of the sum insured on the first diagnosis of the virus infection. Amidst this lockdown, obtaining medical advice became a huge challenge. We introduced a teleconsult feature on our mobile app, IL Take Care, by harnessing our network relationship and technological prowess. With this, our customers could benefit from expert medical advice during lockdown from the safe environment of their homes.

There were other customer-focused initiatives that we took during the year, especially on the risk management front. We further harnessed our technology prowess by embracing Internet of Things (IoT) technology in applications such as fire hydrant systems. We also invested in drone-based surveys for remote risk assessment, which came handy during the lockdown.

While our key emphasis was to fully support our customers during these times, we also ensured the safety and well-being of our employees. We equipped them with the requisite technological tools to work from home. We also utilised this time to upskill them by way of various video and e-learning modules to hone their skills.

In addition, to help them meet their financial obligations on time, we ensured that their salaries were paid before the month ended. At this juncture, I would like to acknowledge and thank our employees for their dedication and commitment in serving our customers during the lockdown.

Our distribution network forms a key component of our competitive strength. Over the years, we have been investing in scaling up our distribution channels and deploying technology solutions to equip them with the right tools to conduct business efficiently. To help them in their efforts during this period, we enhanced some of these capabilities and conducted a number of virtual training sessions. Our first ever acquisition in the form of Unbox Technologies Ltd. during the fiscal year made a significant difference in this regard. The 'Autoninja' platform obtained as part of the deal enabled us to offer automated customer relationship management solutions to our distribution partners during these challenging times.

When it comes to our business performance, our endeavour has always been to create long-term sustainable value. In FY2020, we continued to deliver results in that direction. Our Gross Domestic Premium Income (GDPI) rose to ₹ 133.02 billion (excluding crop insurance), registering a growth of 10.5% over FY2019. If we include crop insurance, our GDPI stood at ₹ 133.13 billion in FY2020 compared to ₹ 144.88 billion in FY2019, a de-growth of 8.1%. The reason we did not underwrite crop insurance in FY2020 was primarily due to changes in reinsurance terms which have adversely impacted the ability to produce consistent and sustainable underwriting performance over the medium term. Our Profit After Tax (PAT) for the year increased to ₹ 11.94 billion, registering a growth of 13.8%. Return on Average Equity (ROE) remained above 20% mark, coming in at 20.8% in FY2020. Solvency ratio was at 2.17x, higher than the minimum regulatory requirement of 1.50x.

Given our focus on customer-centricity, we place a significant emphasis on our customer service standards.

In FY2020, we continued to excel on this front. We serviced 26.2 million policies in FY2020 and honoured over 1.8 million claims. A key measure of an insurer's ability to settle claims efficiently is the claim settlement response time. In FY2020, we settled 99.9% health claims and 93.2% motor claims within 30 days.

Going beyond business, we continue to fulfil our obligations as a responsible corporate citizen. As part of our CSR commitment, we contributed ₹ 50 million to PM CARES Fund. Harnessing our healthcare experience and partnership networks, we introduced free COVID-19 testing for the underprivileged segment and distributed Personal Protection Equipment (PPE) to the medical personnel treating COVID-19 positive cases in highly impacted cities like Mumbai. In addition to these recent efforts focused on COVID-19, we continued with our regular CSR initiatives in FY2020. Through our employee volunteering programme 'Caring Hands', we reached out to over 43,000 underprivileged children by organising eye-screening camps. We also distributed over 7,929 spectacles to those diagnosed with poor vision. Our flagship programme 'Ride to Safety' continued to spread the message of road safety, reaching out to over 40,000 parents and children. We also distributed 33,000 ISI-marked helmets to parents and children, thereby ensuring their safety while riding a two-wheeler.

Our Niranjali initiative, aimed at promoting healthy habits, specifically drinking clean water, benefited over 65,000 children.

As we look ahead, there is no question that the uncertainties associated with the COVID-19 pandemic leave the near-term economic landscape extremely unpredictable and fraught with risks. However, we believe that all the work we have done over the years in building our robust business model, leaves us stronger than many, to withstand the effects of the pandemic. We are confident that we will emerge stronger and well-positioned to disproportionately benefit from the long-term opportunities that our country in general and our sector in particular provide.

In the coming decade, we will continue to stay focused on building a robust business model – one that stands on the solid pillars of prudent risk management, technological prowess, distribution network, passionate employees and above all, the trust of our customers. In everything that we do, our focus would be to create long-term value for our stakeholders.

I thank all our stakeholders, channel partners, employees and customers for their unwavering support.

Regards,

Bhargav Dasgupta
Managing Director & CEO



“
**We are consistently
focused on being
a customer-centric
organisation and
have gone the extra
mile to support
our policyholders
in their hour
of need**”



Board of Directors



Lalita D. Gupte
Chairperson, Non-executive,
Independent Director



Ved Prakash Chaturvedi
Non-executive,
Independent Director



Uday Chitale
Non-executive,
Independent Director



Suresh Kumar
Non-executive,
Independent Director



Ashvin Parekh
Non-executive,
Independent Director



Murali Sivaraman
Additional Non-executive,
Independent Director



Vishakha Mulye
Non-executive,
Non-independent Director



Sandeep Batra
Non-executive,
Non-independent Director



Bhargav Dasgupta
Managing Director & CEO



Alok Kumar Agarwal
Executive Director - Wholesale



Sanjeev Mantri
Executive Director - Retail

Leadership Team



Bhargav Dasgupta
Managing Director & CEO



Alok Kumar Agarwal
Executive Director - Wholesale



Sanjeev Mantri
Executive Director - Retail



Gopal Balachandran
Chief Financial Officer &
Chief Risk Officer



Lokanath Kar
Chief Legal &
Compliance Officer



Jerry Jose
Head - Human Resources



Vinod Mahajan
Chief Investment Officer



Girish Nayak
Chief Customer Service,
Technology & Operations



Sanjay Datta
Chief Underwriting,
Reinsurance & Claim

Corporate Information

BOARD OF DIRECTORS

Lalita D. Gupte

Chairperson

Ved Prakash Chaturvedi

Director

Uday Chitale

Director

Suresh Kumar

Director

Ashvin Parekh

Director

Murali Sivaraman

*Additional Director
(w.e.f. January 17, 2020)*

Vishakha Mulye

Director

Sandeep Batra

Director

Bhargav Dasgupta

Managing Director & CEO

Alok Kumar Agarwal

Executive Director - Wholesale

Sanjeev Mantri

Executive Director - Retail

BOARD NOMINATION & REMUNERATION COMMITTEE

Uday Chitale

Chairman

Lalita D. Gupte

Ashvin Parekh

Vishakha Mulye

AUDIT COMMITTEE

Ashvin Parekh

Chairman

Uday Chitale

Lalita D. Gupte

Murali Sivaraman

Sandeep Batra

INVESTMENT COMMITTEE

Suresh Kumar

Chairman

Sandeep Batra

Bhargav Dasgupta

Vinod Mahajan

Gopal Balachandran

RISK MANAGEMENT COMMITTEE

Lalita D. Gupte

Chairperson

Ved Prakash Chaturvedi

Uday Chitale

Suresh Kumar

Ashvin Parekh

Sandeep Batra

Bhargav Dasgupta

POLICYHOLDERS PROTECTION COMMITTEE

Ashvin Parekh

Chairman

Ved Prakash Chaturvedi

Uday Chitale

Murali Sivaraman

Bhargav Dasgupta

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Uday Chitale

Chairman

Ved Prakash Chaturvedi

Murali Sivaraman

Bhargav Dasgupta

STAKEHOLDERS RELATIONSHIP COMMITTEE

Suresh Kumar

Chairman

Ved Prakash Chaturvedi

Bhargav Dasgupta

Sanjeev Mantri

STRATEGY COMMITTEE

Uday Chitale

Chairman

Ashvin Parekh

Vishakha Mulye

Bhargav Dasgupta

STATUTORY AUDITORS

Chaturvedi & Co.

Chartered Accountants

PKF Sridhar & Santhanam LLP

Chartered Accountants

SECRETARIAL AUDITORS

Dholakia & Associates LLP

COMPANY SECRETARY

Vikas Mehra

Delivering Sustainable Value

We create, sustain and deliver long-term value, drive engagement and compound growth for our stakeholders with a strong belief in sustainable and equitable growth. We create an environment in which our stakeholders can thrive by way of collaboration and recognition.

Creating Value



We create value:

- Through our principal activities
- By maintaining strong and sustainable revenue streams

Sustaining Value



We sustain value through:

- Our Vision, Mission, Ethos and Vishvas philosophy
- Our Governance Framework and Policies
- Our Risk Management & Opportunities
- Stakeholder Engagement
- Strong focus on ESG and Sustainability, Business Responsibility and Corporate Social Responsibility
- Our Employee-friendly practices

Delivering Value



We deliver value:

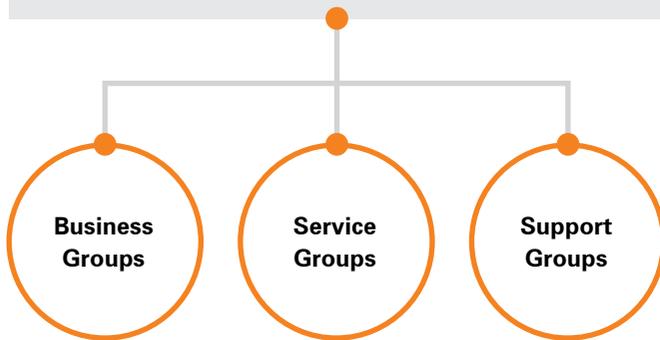
- Through our customised and tech-enabled solutions
- By engaging with customers and going the extra mile to support them in their hour of need
- By ensuring our employees are continuously upskilled and stay motivated
- By recording consistent financial performance and creating long-term wealth for our investors
 - By regularly contributing to the national and state exchequer
 - By making responsible use of the environment and natural resources



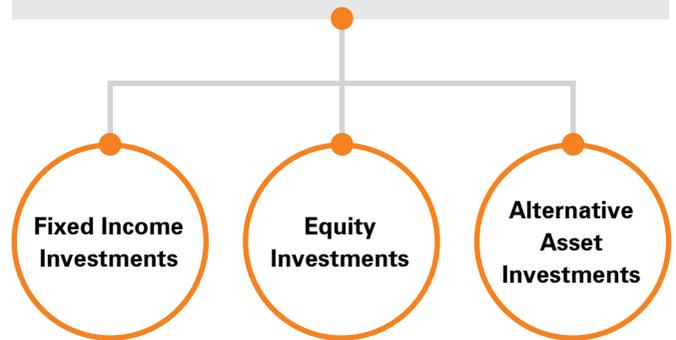
Principal Business Activities
(As a part of General Insurance activities)



Insurance Activities



Investment Activities

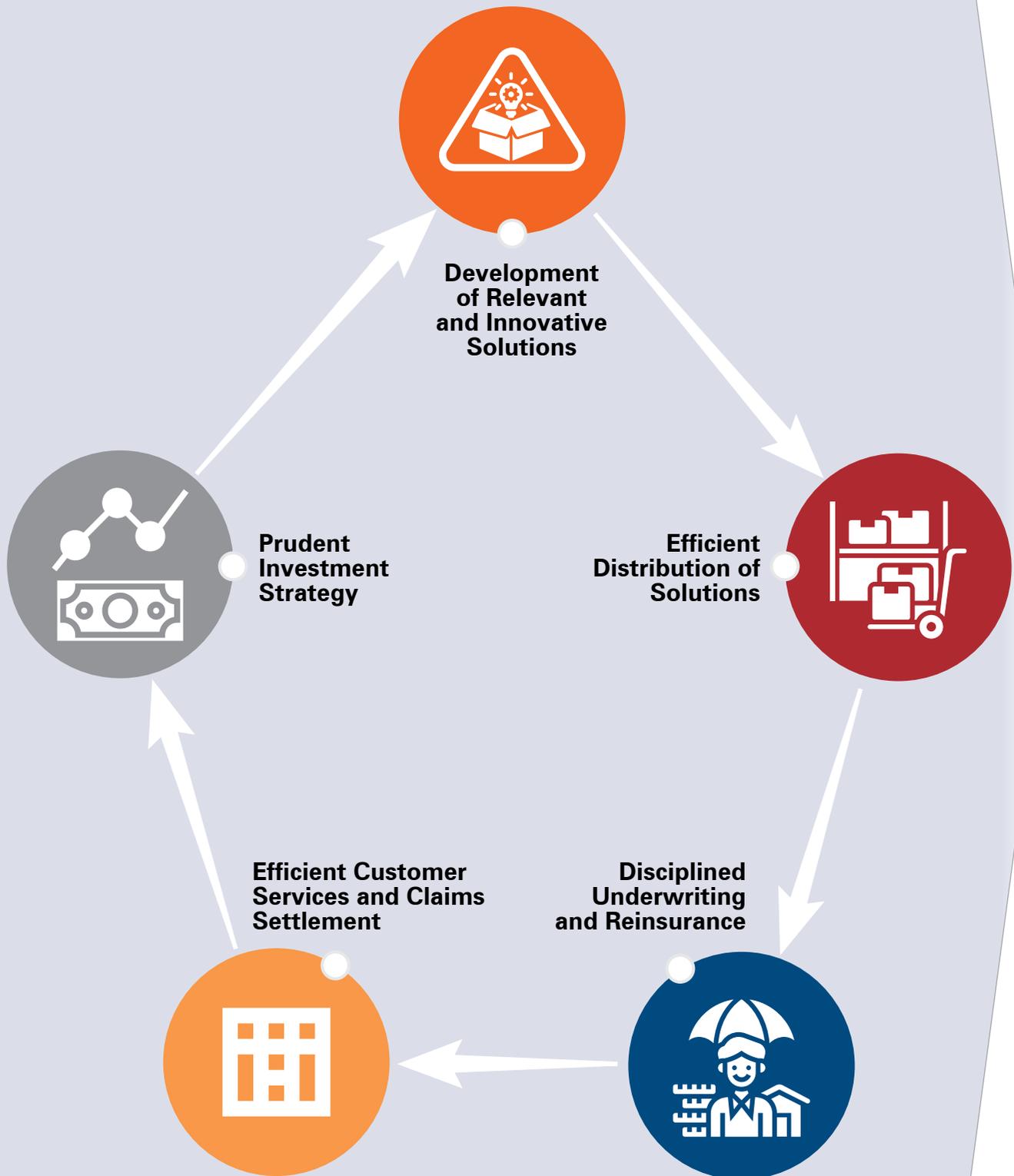


Our Business Model

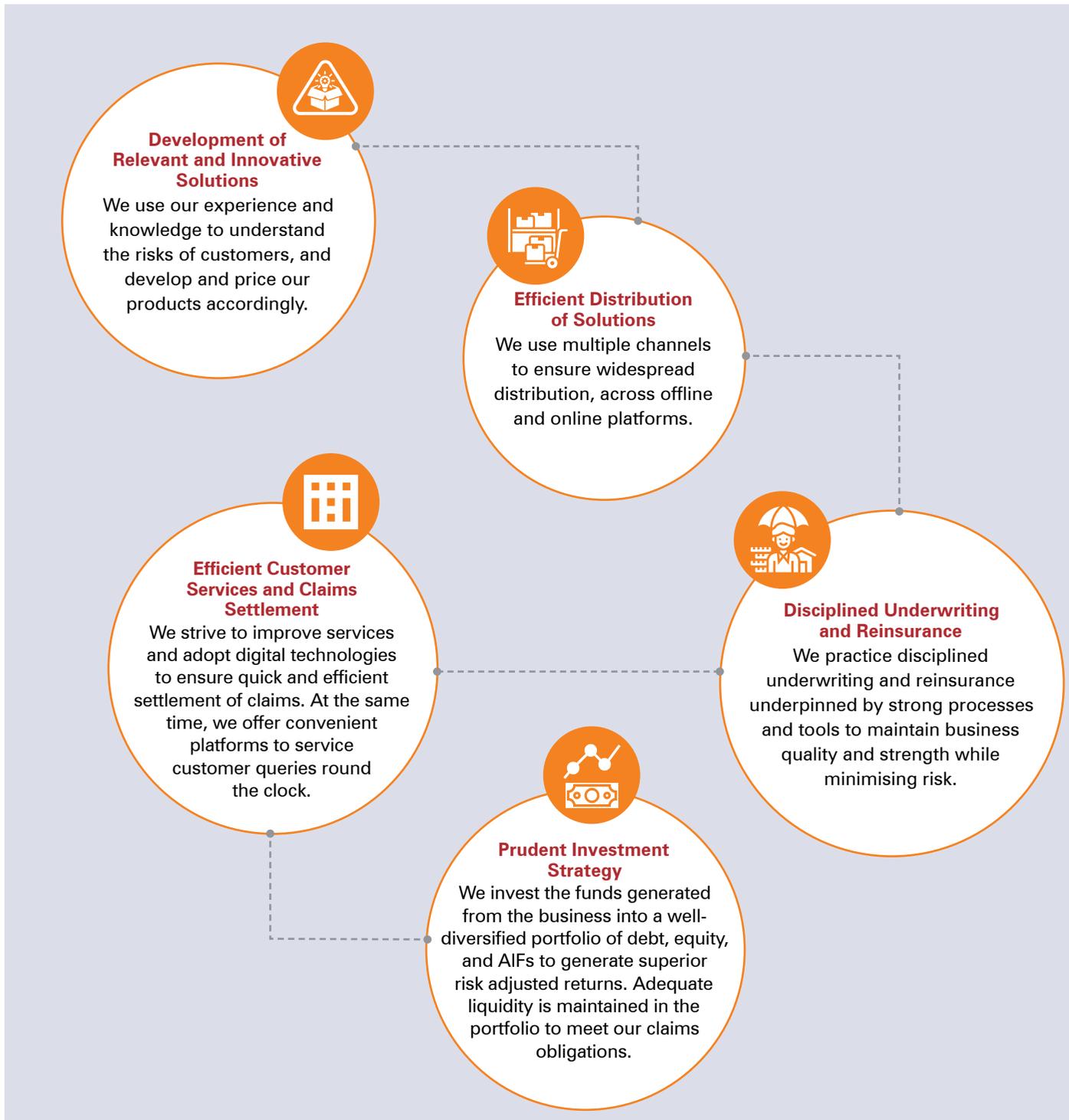
INPUTS	
FY2020	
Financial Capital¹	
Total Capital Employed - Equity (Share Capital + Share Premium)	₹ 20.28 billion
Total Capital Employed - Subordinated Debt	₹ 4.85 billion
Manufactured Capital¹	
Capex for New Offices & Branches	₹ 4.69 billion
Call centre facilities (In Nos.)	2
Call centre executives (Customer relationship managers) (In Nos.)	501
Intellectual Capital¹	
Capex on Technology Infrastructure	₹ 6.93 billion
Specialised Resources (In Nos.)	
- Inhouse claims managers - Motor	756
- Inhouse claims managers - Health	290
- Actuarial Team	22
Human Capital¹	
Functional Diversity (In Nos.)	
- Top Management and Leadership	11
- Business Groups (Retail and Wholesale)	5,397
- Service, Support, Corporate Groups	3,588
Employee Gender Diversity	
- Male (82.5%)	7,419
- Female (17.5%)	1,577
Age Groupwise Bifurcation	
- Below 30 (37.8%)	3,396
- 30 to 45 (60.6%)	5,459
- Above 45 (1.6%)	141
Training, Learning & Development	
Total training in Hours	248,104
Social Capital²	
CSR Spent	
- Direct	₹ 0.08 billion
- Through ICICI Foundation	₹ 0.12 billion
- Through General Insurance Council	₹ 0.04 billion
Social Focus Areas	
- Road safety initiative (No. of schools covered)	200+
- Caring hands (No. of camps for eye screening of underprivileged children)	318
- Wellness camps in schools (No. of schools)	70
- NGO partnerships (In Nos.)	5
Relationship Capital¹	
Individual Agents (including POS) (In Nos.)	47,548
Corporate Agents (In Nos.)	110
Network Hospitals (In Nos.)	6,536
Network Garages (In Nos.)	8,800
Analyst/Investor Meet(s) held (In Nos.)	359

Note: 1. As on March 31, 2020 2. For FY2020

Value Creation Model



Our Business Model



Outputs	FY2020
Policies issued* (In Nos.)	26,222,039
Claims settled (In Nos.)	1,859,816
Investment assets	₹ 263.27 billion

* on GDP basis

OUTCOMES	
FY2020	
Financial Capital	
Gross Direct Premium Income	₹ 133.13 billion
Market Share	
- Overall	7.0%
- Private Sector	14.6%
Combined Ratio	100.4%
Profit After Tax (PAT)	₹ 11.94 billion
EPS (Basic)	₹ 26.27
Return on Average Equity (RoAE)	20.8%
Debt Equity Ratio	0.08 times
Solvency Ratio	2.17 times
Dividend Payout Ratio	32.1%
Investment Leverage	4.21 times
Credit Rating	Rated iAAA by ICRA on the Claims paying ability, AAA/Stable by Crisil and ICRA, for Subordinated Debt
CAGR#	GDPI - 12.3% PAT - 22.7%
Manufactured Capital	
Branches (In Nos.)	273
Virtual Offices (In Nos.)	840
First Call Resolution rate	81.6%
Intellectual Capital	
New Products approved during the year	18
Policies processed electronically	96.5%
In-housing of Motor Claims	89.0%
In-housing of Health Claims	93.8%
No. of Customers receiving VAS	1,881
Net Promoter Score	46
Human Capital	
Revenue generated/headcount (GDPI basis)	₹ 0.01 billion
Code Maroon, Code Maroon+, Code Blue certified employees (In Nos.)	1,364
Social Capital	
Lives impacted with CSR interventions (In Nos.)	
- Children screened	43,687
- Spectacles distributed	7,929
- Ride to safety - helmets distributed	33,000
- Wellness - Water Purifiers installed	70
Rural and Social sector obligations	2.87 million policies covering 7.46 million lives
Relationship Capital	
Total taxes paid to Government (Direct & Indirect)	₹ 24.91 billion
Premium contributions through channel partners	25.2% ³
Shareholders' complaints (In Nos.)	3
Customer complaints (per 10,000 policies)	1.08

Note: 3. % of Total GDPI # FY2008-FY2020

Our Operating Environment

The Insurance sector comprising – life and non-life segments – is governed and regulated by the Insurance Regulatory and Development Authority of India (IRDAI). It is significantly under-penetrated. However, with the liberation and eventual opening to private players in FY2000, the industry has seen rapid evolution and growth.

The non-life insurance provides financial protection from loss due to a risk event. It covers people, property and legal liabilities. The industry offers multiple protection products including for cargo, travel, health, motor vehicles, equipment, homes and buildings, accidents, theft, damages, fire and natural calamities.

Insurers, however, are faced with many challenges emanating from business operations, market and macro-economic condition and emerging trends which is shaping the way customers interact and do business.

In the recent years, the rise of emerging technologies has opened the potential for sophisticated risk management, operational improvements and efficient customer services. It has led to competitive disruption with rise of aggregators who

are enabling consumers to seek the lowest possible price at the click of button. With this, traditional business models are getting challenged and there is growing demand for bespoke propositions and seamless solutions.

The industry players are today increasingly adopting advanced digital technologies like artificial intelligence, machine learning and block chain to enhance risk modelling and deliver value added services with speed, convenience and comfort.

In FY2020, the non-life insurance industry grew by 11.7%, maintaining its impressive growth trend of 16.7% CAGR since FY2001. The growth was largely led by Fire, Motor Third-Party, Retail Health and Group Health insurance segments which grew by 36.1%, 12.1%, 12.0% and 23.3%, respectively.





Private sector account for 48.2% of the market share. The growth to some extent was impacted with the outbreak of COVID-19 as a result of which the Authority announced extended date for premium payment for Motor Third-Party and Health insurance policies.

Despite the rapid growth, the industry remains highly underpenetrated at 0.97% of Gross Domestic Product as against global average of 2.78%*. This provides for significant growth prospects given the country's favourable demographic dividend. The regulator continues to introduce regulatory changes to enhance the market context and ensure welfare of customers. In FY2020, several changes were implemented which have been covered in the Management Discussion and Analysis section of this report.

ICICI Lombard is India's leading private sector non-life insurer having robust portfolio, distribution network and technology platform, placing us favourably to capitalise on the opportunity. Our comprehensive and well-diversified offerings of motor, health, fire, personal accident, marine, engineering and liability insurance enable us to cater to diverse individual, corporate and government customers. Our multiple distribution channels of direct sales, individual/

corporate (banks)/other corporate agents, brokers, MISPs and digital provide unmatched convenience to customers.

In FY2020, we issued 26.2 million policies covering 40.9 million lives. Our gross direct premium income was ₹ 133.13 billion, translating into a market share of 7.0% and 14.6% among all non-life insurers and private-sector non-life insurers in India respectively.

In the private non-life insurer segment, we continued to maintain leadership position across motor own damage (OD), health, fire, engineering, liability and marine segments. GDPI market share in motor OD improved to 13.9% from 12.9% in FY2020. We also grew market share across all the commercial lines of Fire, Engineering, Marine Cargo and Liability. As leaders in the segment, we stand committed to build on trust and value for our stakeholders. We are focused on strengthening our market positioning by continually assessing and managing the external operating context, launching innovative products and services, and investing in better technologies and improving service standards. This will enable us to support the evolving needs of customer and industry going into the future.

*Sigma 03/2019 Swiss Re

Focusing on our Strategies

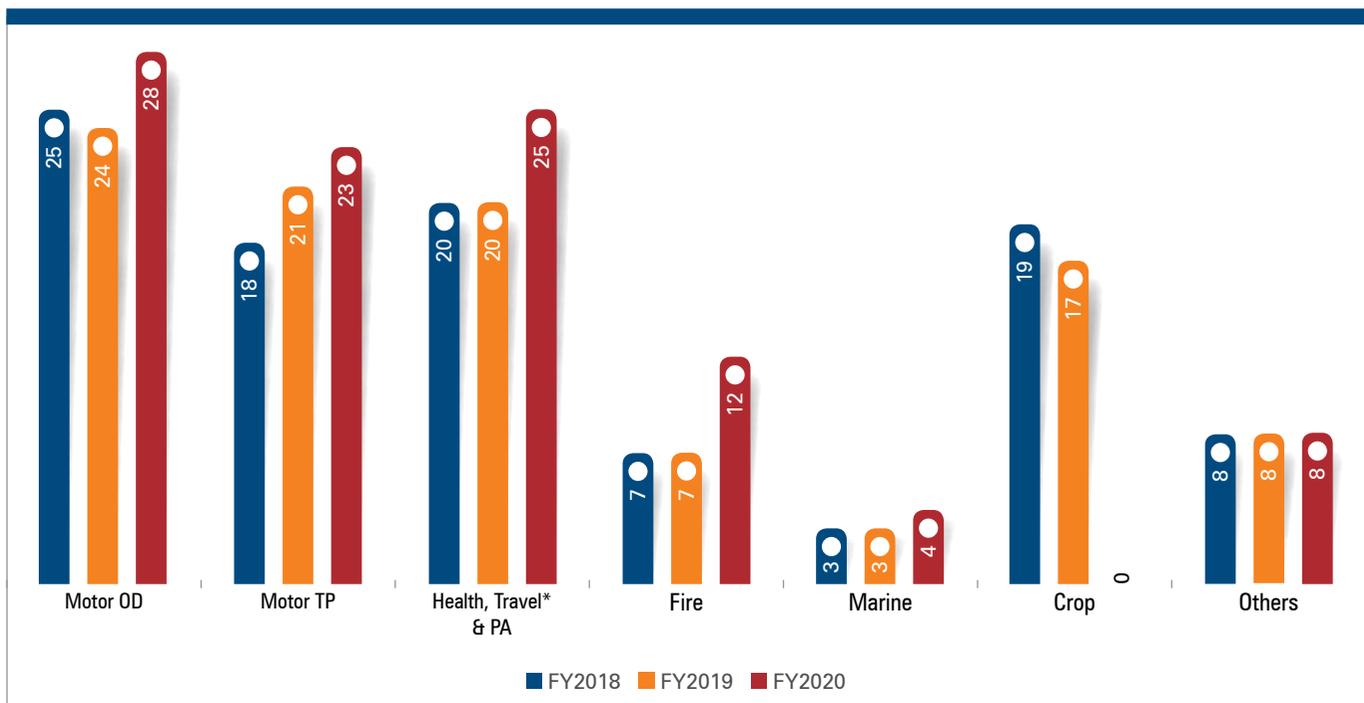
We are constantly evolving our strategies to achieve market leadership and profitable growth, and to further strengthen our position in the non-life insurance segment. Our prime focus, for the next decade, will be towards building a business model that is even more robust, standing on the strong pillars of customer-centricity, prudent risk management, solvency adequacy, technological proficiency, expanding network, and passionate employees.

Strategy 1: Leveraging and Enhancing Market Leadership

We are leveraging our market leadership as India's leading private non-life insurer since 2004, with a 7.0% industry market share. We are further enhancing our leadership by capitalising on our brand value and our competitive advantages in the market. To further this leadership, we aim to keep expanding

our customer base and product offerings and leverage our expanding network of distribution partners. Our well-diversified product mix is one of our competitive advantages, which not only enables us in gaining market share but also in reinforcing our leadership position in the market.

PRODUCT MIX (%)



*Basis IRDAI circular dated May 20, 2019, Travel included as a part of Health

Strategy 2: Delivering Excellence in Customer-Centricity

We place significant emphasis on delivering customer-centricity. Through our tech-driven processes and our customised tech-based solutions, we aim to offer value-added services and maintain our high level of productivity. Our digital arm has been carved out to further improve the speed of our delivery and service excellence, as we continue to settle claims efficiently and within the shortest response time.

The deployment of technology-enabled services is aimed towards providing further convenience to our customers. We aim to leverage robotic processes, artificial intelligence, machine learning techniques and IoT devices throughout the customer lifecycle to enhance customer experience, besides also endowing our employees for exemplary performance.

Ensuring customer-centricity through:

- Continuous communication through e-mails, telecalling, SMS and Social Media platforms undertaken to reassure
 - Renewal of motor and health policies
 - Claims servicing through e-mails and scan documents
- Introducing a dedicated product for COVID-19
- IL Take Care App with 'teleconsult' feature in our mobile app for harnessing health ecosystem

Digital initiatives aimed at efficient customer service

Service Excellence for FY2020

Policy Issuance

- Policies sourced: 26.2 million
- 96.5% Issued electronically

Claims & Servicing

- Claims honoured: 1.8 million
- 24.5%* Motor OD claims through InstaSpect

Employee Productivity

- 12 years CAGR 15.3%
- Employee hackathon

Automation and Scale

Next Gen Solutions

- Cloud deployment
- Micro services architecture

AI and ML Solutions

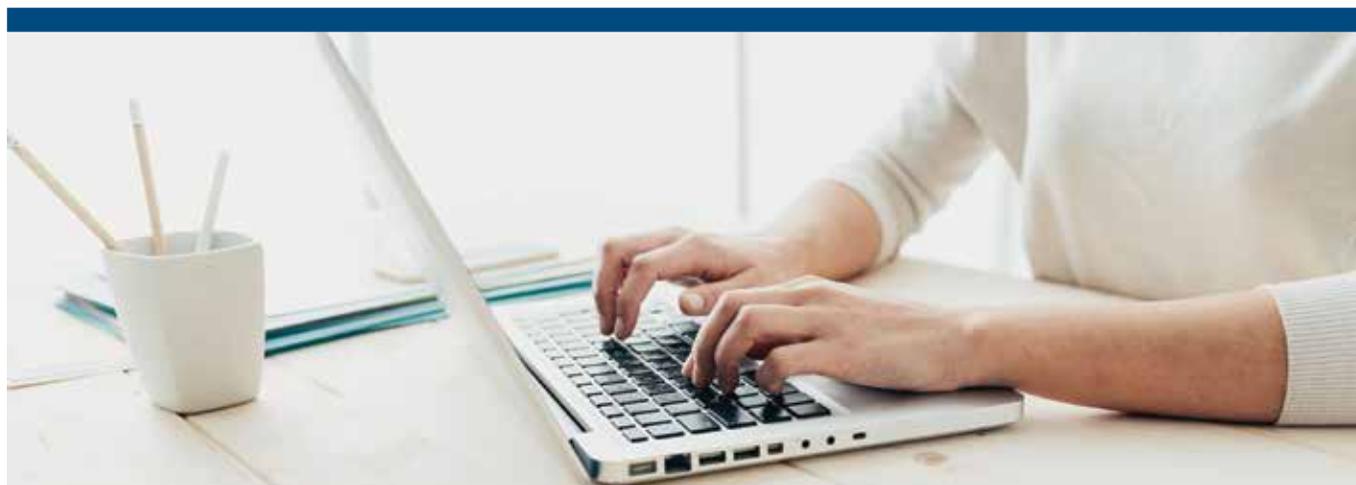
- 31%* cashless authorisation through AI
- 40% STP** of motor break-in from Self Inspection App through AI

Work from Home

- 9K headcount enabled
- Enhanced Data and End-point Security

* Exit rate as at March 2020

** STP - Straight Through Processing



Focusing on our Strategies



Strategy 3: Enhancing Product Offerings and Distribution Channels

Our objective is to achieve a comprehensive and diversified product mix by enhancing our product offerings – motor, health, travel, personal accident, fire, marine and others. We are constantly looking to add new and relevant innovative products.

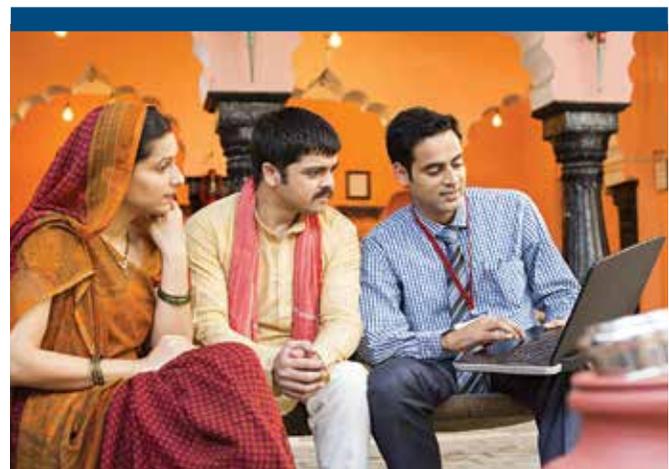
We aim to focus on the fast-growing retail health and SME insurance segments, and to look for opportunities to cross-sell our products to the customers. We are also building on our Agency and SME channels – our new growth levers. Our goal is to equip our channel partners with the right tools, enabling them to conduct business efficiently. We are also targeting at increasing our multi-channel distribution strategy by adding new channel partners and expanding our distribution reach.

Strategy 4: Capturing New Market Opportunities

Our purpose is to capture new market opportunities constantly. To achieve this, we are planning to introduce more and more products that cater to the emerging market risks and facilitate customers in mitigating these risks. We aim to persistently leverage new opportunities by growing presence and increasing penetration in small towns and rural areas, particularly in Tier 3 & 4 cities. We continue to maintain a key focus on cross-selling our existing diverse portfolio of products to existing customers.

Increasing Distribution Reach

- Channel partners were already enabled digitally to acquire, retain and service customers. Adoption rates have seen a significant increase on account of:
 - Technological tools - Robo calling and CRM tools for motor dealer partners to enhance retention
 - On-boarding of POS and agents is continuing digitally
- Online webinars, conducted by our senior leaders for corporates:
 - Virtual risk inspections (VRA) - customer site inspections undertaken via video streaming
 - Knowledge support to agents and channel partners



Strategy 5: Ensuring Robust Risk Selection and Management

At ICICI Lombard, we follow the best practices in prudent underwriting and reinsurance. We aim to achieve profitable growth relentlessly through healthy selection of risks, driven by data analytics. Our objective is to monitor emerging risks

prudently and strategise effective techniques to mitigate them successfully, besides having a diversified exposure across geographies and products.

Risk Management

Underwriting

- Predictive ultimate loss model to improve risk selection
- Diversified exposure across geographies and products
- Historically lower proportion of losses from catastrophic events than overall market share

Reinsurance

- Spread of risk across panel of quality re-insurers
- Current panel of reinsurers* rated 'A-' or above**
- Conservative level of catastrophe (CAT)
 - Net impact of catastrophic losses ₹ 0.61 billion for FY2020 (₹ 0.25 billion for FY2019)

Investments

- Tighter internal exposure norms as against regulatory limits
- Invest high proportion of Debt portfolio 81.7% as on FY2020 in sovereign or AAA rated securities***
 - All debt securities are rated AA and above
- Zero instance of default in debt portfolio since inception

Reserving

- IBNR utilisation trend indicates robustness of reserves
- Disclosing reserving triangles in Annual Report since FY2016

**Except domestic and select coinsurance follower reinsurance placement*

***S&P or equivalent international rating for FY2021*

****Domestic credit rating*

Strategy 6: Improving Operating Performance and Financial Performance

We are targeting to constantly improve our operating and financial performance by implementing customer-centric solutions and technology-enabled service platforms. We plan to maintain the combined ratio using prudent risk selection and by maintaining robust reserves. Our goal is to introduce new-age technologies to further increase our operational efficiency and financial performance.

Engaging with our Stakeholders

At the heart of our responsible strategy is meaningful stakeholder engagement. Our approach to sustainability involves continuous engagement with our stakeholders, both internal and external. We are carrying out productive stakeholder engagement and working on the needs of our stakeholders.

The below table summarises our seven Stakeholders Groups and explains how we engage with them.

Customers



Engagement methods	What matters to them
<ul style="list-style-type: none"> • Regular and special engagement at all stages of product lifecycle through multiple direct contact options • Toll-free number, trained customer relationship managers • Sales, service and claims processes on Digital platform/ medium • Regular measurement of customer satisfaction 	<ul style="list-style-type: none"> • Innovative products • Customised solutions • Value-added services • Customer service and experience • Competitive prices • Efficient claim settlement • Simplification of processes

Business Partners



Engagement methods	What matters to them
<ul style="list-style-type: none"> • Channel partner meets, portals, workshops, conferences and forums • One-to-one meetings • Telephonic and email communication 	<ul style="list-style-type: none"> • Partnership/relationship • Quick and efficient reimbursement • Product and value proposition • Speedy response to queries

Employees



Engagement methods	What matters to them
<ul style="list-style-type: none"> • Town hall briefings • Workshops, learning and training interventions • Wellness initiatives • Information platforms e.g. Intranet, Mobile platforms, Employee Satisfaction Survey 	<ul style="list-style-type: none"> • Career development opportunities • Availability of training and mentoring • Work Environment • Enabling culture

Shareholders and Investors



Engagement methods	What matters to them
<ul style="list-style-type: none"> • Quarterly and Annual results • Investor presentations • Annual Reports • Annual General Meeting • Investor/Analyst meet 	<ul style="list-style-type: none"> • Clear and consistent business strategy • Strong governance, ethics and transparency • Long-term business value

Regulators



Engagement methods	What matters to them
<ul style="list-style-type: none"> • One-to-one meetings and industry workshops • Written communication • Presentations • Business associations • Workshops 	<ul style="list-style-type: none"> • Statutory and legal compliance • Transparent and full disclosure of business activities • Effective and efficient management of regulatory change • Responsible development of insurance sector • Insurance inclusion

Rating Agencies



Engagement methods	What matters to them
<ul style="list-style-type: none"> • Written communication • Presentations 	<ul style="list-style-type: none"> • Stable, consistent and conservatively managed balance sheet • Solvency adequacy • Robust risk management and risk mitigation

Communities



Engagement methods	What matters to them
<ul style="list-style-type: none"> • CSR initiatives and awareness workshops • Employee volunteerism towards community welfare 	<ul style="list-style-type: none"> • Proactive engagement • Contribution to community welfare • Safety and health matters

Addressing Material Issues

Through multiple communication channels, we listen to and seek feedback from diverse stakeholders on factors affecting our business. It is their inputs that guide our sustainability strategy and leads us to prioritise the issues.

By way of ongoing engagements and internal assessments, we consciously gather and document the factors that will eventually find a place in our material matters and our long-term strategy.

What Matters to Our Stakeholders

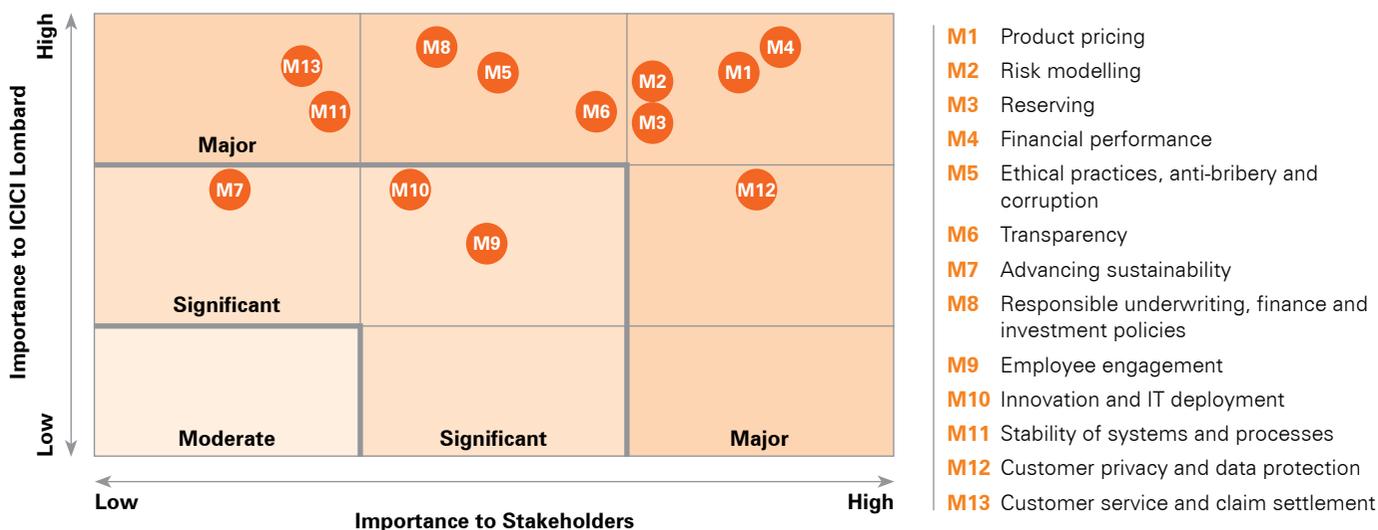
Material matters	Why it matters	How ICICI Lombard is responding to it
Product pricing	With increasing competition, we need to ensure attractive pricing of products to tap more customers drive business growth.	<ul style="list-style-type: none"> Risk-based pricing along with balancing protecting shareholder and policyholder Continuous evaluation performed and relevant changes effected Robust actuarial division
Risk modelling	Enables us to determine the risk levels of policy based on statistical methods and tools and thus better manage them.	<ul style="list-style-type: none"> Prudent underwriting practices along with continuous benchmarking to best practices Use of technology, data and analytics Monitoring emerging risks and strategising mitigation techniques
Reserving	Reserving is important to meet claims. An accurate reserving process enables us to determine the ultimate value of claim and thus facilitate in better planning and underwriting decision. It increases our credibility.	<ul style="list-style-type: none"> Maintaining robust reserves Complying with reserving and solvency guidelines
Financial performance	Shareholders and investors provide us funds in expectation of delivering higher return on investment and maximising value sustainably.	<ul style="list-style-type: none"> Profitable growth using prudent risk selection and data analytics
Ethical practices, anti-bribery and corruption	Responsible practices, high ethical standards and pro-activeness in managing risks and focus on interests of stakeholders helps us in enhancing our market reputation.	<ul style="list-style-type: none"> Robust corporate governance Code of conduct Anti-bribery and corruption policies Keeping abreast with industry rules and regulations Motivating culture of ethics and fair practices among employees
Transparency	Transparent business practices enhance our reputation and drive confidence across stakeholder groups.	<ul style="list-style-type: none"> Best disclosure practice Demonstrated accountability and transparency through reporting standards Initiation of <IR> and ESG reporting Use of technology
Advancing sustainability	Sustainability affects our reputation and financial performance and is an important evaluation criteria for global investors.	<ul style="list-style-type: none"> An overarching policy on Environment management Mapping activities with UN Sustainable Development Goals

Responsible underwriting, finance and investment policies	Enables us to reduce our environmental footprint, enhance reputation and meet sustainability goals.	<ul style="list-style-type: none"> • Use of predictive model to improve risk selection • Diversifying geography and product exposure • Managing Risk Retention through reinsurance • Tighter internal exposure norms as against regulatory limits • Invest high proportion of debt portfolio (81.7% as on March 31, 2020) in sovereign or AAA rated securities*
Employee engagement	Engagement, motivation and effective management of employees enables us to realise strategic objectives and goals.	<ul style="list-style-type: none"> • Training and development programmes • Employee recognition and rewarding excellence • Ensuring employee motivation through appropriate incentive schemes • Improving employee engagement
Innovation and IT deployment	Innovation and technology are a key differentiator for us. We use them to enable operational excellence and deliver better customer experience.	<ul style="list-style-type: none"> • Investment in latest technology including artificial intelligence, machine learning and chatbots • Enhancing knowledge-based resources
Stability of systems and processes	Stability of systems and processes is important to ensure smooth, efficient and uninterrupted operations.	<ul style="list-style-type: none"> • Continuous evaluation and upgradation of internal control systems
Customer privacy and data protection	Our growing digital operations have resulted in a large amount of customer data being saved in Cloud. Inability to protect it may result in litigation issues and loss of reputation.	<ul style="list-style-type: none"> • Robust fraud prevention and cyber security practices • Controls in place for confidentiality, integrity and availability • Information assurance control mechanism
Customer service and claim settlement	It enhances our reputation as a customer-friendly entity that meets their needs at the time of risk.	<ul style="list-style-type: none"> • Value-added service and customised solution • Use of advanced technologies • Employee empowerment • Simplify customer interactions

*Domestic credit rating

Materiality Matrix

The findings of our materiality analysis are presented in the matrix below. This reflects the significance of each topic in terms of stakeholder interest and its potential impact on the business.



Enterprise Risk Management - Framework & Approach

Risk is inherent to the insurance business. Our risk management and internal control systems are designed to ensure that these risks are managed effectively and efficiently, aligned with our overarching objective of creating long-term value for all our stakeholders.

ICICI Lombard was the first company in India to achieve the certificate of compliance to the ISO 31000:2018 standard in April 2018 for Enterprise Risk Management (ERM), which was successfully renewed in April 2019 for FY2020. The Company has once again successfully renewed its ISO certification in ERM for FY2021. The Company has always kept a strong focus on embedding risk management in its strategy and operations.

I. Risk Management Framework

The Company has developed a risk universe consisting of 29 enterprise-wide risk areas, broadly categorised into the 5 distinct groups of Credit Risk, Market Risk, Underwriting Risk, Strategic Risk & Operational Risk.



II. Broad Risk Categorisation

The criteria for measuring each of the risk heads are summarised below:

1. Credit Risk: Credit Risk refers to the risk the Company is exposed on account of its re-insurance placements and investment asset classes. The risk of default is assessed through tracking solvency margin numbers,

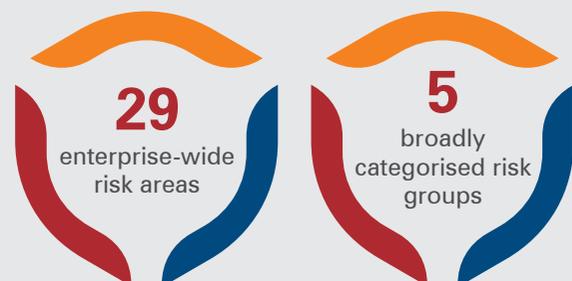
re-insurer downgrades and investment asset classes downgrade, below the defined threshold.

2. Market Risk: Market Risk refers to exposure the Company faces on its assets, liabilities, income and expenditure on account of market movements. The market risks for the Company majorly lie in the investment portfolio of the Company. The investment portfolio is managed by the investment function and monitored by the investment committee at the Board level.

The Company has an internal committee for Market Risk Management to evaluate and identify key market risks with appropriate mitigation plans.

3. Underwriting Risk: Underwriting Risks refers to the risk faced by the Company in terms of selection and retention of risks on its books & products offered by the Company.

The ICICI Lombard Risk Universe



4. Operational Risk: Operational Risk refers to the risk of loss on account of inadequate or failed internal processes, systems and people or from external events.

The Company has a detailed Operational Risk Management Policy which broadly covers within its ambit:

- The Risk and Control Assessment framework
- Incident Management and Reporting
- Operational Loss Appetite Levels
- Operational Risk Capital Charge and
- Strategies/plans/mechanisms for monitoring and mitigation of Operational Risk

The ERM function continually conducts risk and control assessments for all units across the Company. Training is imparted on Operational Risk Management across the organisation to create awareness and ensure sensitisation.

Critical updates with respect to Operational Risk are also presented to the Operational Risk Management Committee (ORMC) of the Company, comprising of the C-Suite executives of the Company.

The Company also has an Outsourcing Committee, wherein the key material risks from an outsourcing perspective are presented to the Committee.



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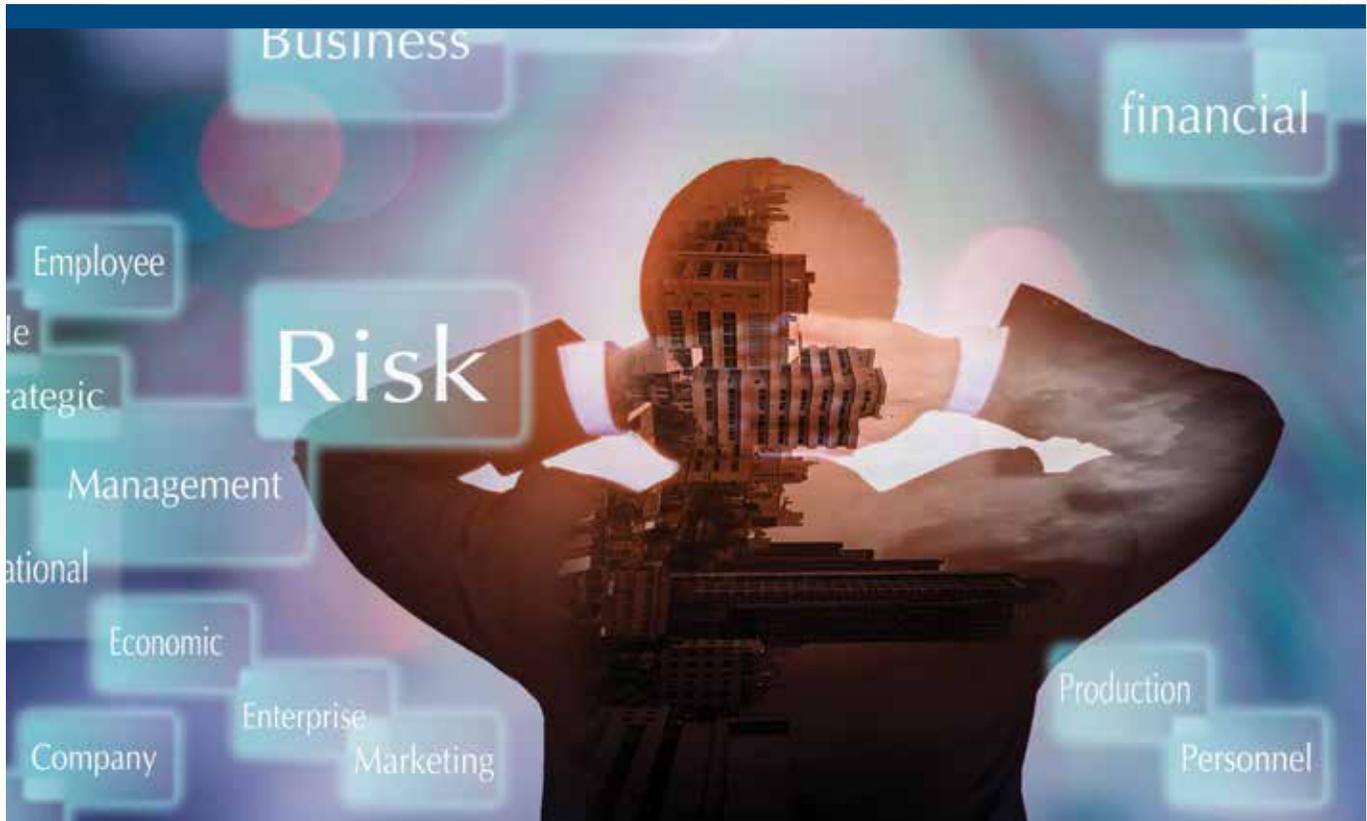
Two other critical components which are of significance to the organisation include Fraud Prevention & Cyber Security.

Fraud Prevention is managed by the IC & LM (Internal Control and Loss Minimisation) function, established in FY2006 with the following objectives:

- To check claims & premium-related leakages
- Prevention, Detection, Correction of internal irregularities & frauds
- Support claims team with loss minimisation efforts



Enterprise Risk Management - Framework & Approach



The approach is to have an objective-driven team with domain experts to manage various risks emanating from different lines of business (LoB's). The ICLM teams are specialised at managing claims across LOB's. In addition, there is a salvage team to bring additional value to the net realisation amount.

The function engages with specialists for its activities, to bring in rigour and quality in its delivery. We have created a talent pool working together to deliver the set goals.

Apart from the traditional approach for fraud detection based on heuristic techniques based either on a checklist or a scoring algorithm, we are utilising advanced technologies and algorithms based on machine learning and artificial intelligence in identifying fraudulent activities faster with increased accuracy. The continuous self-learning approach of these techniques helps us to implement solutions that auto-correct; reducing the time for learning and execution.

Cyber Security has become an universal area of importance in recent times.

Organisations generally, and insurers in particular, remain vulnerable to highly targeted Cyber-attacks aimed at exploiting security weaknesses due to the amount of sensitive information they hold. An important consideration is the various states in which the information resides in a system, namely storage, transmission and processing.

The Company is committed to providing secure services to customers and safeguarding of customer's information. Over a period of time, the Company has introduced various technology-led innovative services to ensure the same by using industry-accepted security practices and controls.

To devise a robust information assurance control mechanism, the Company not only considered the available technology, but also involved human factors and have implemented necessary policies and procedures to detect, mitigate and prevent various Cyber threats.

Controls as below are put in place to address the core parameters of CIA triad i.e. Confidentiality, Integrity, and Availability:-

- Board-approved Information and Cyber Security policy in line with the IRDAI guidelines
- Information Security Committee (ISC) to oversee governance, implementation of the security controls and adherence to the Information and Cyber Security policy
- ISO 27001 compliant Information Security Management System
- Enterprise-wide information security architecture and defense-in-depth principle to address security concerns at various levels
- Risk-based security assessments:
 - o Vulnerability Assessment (VA) of applications
 - o Vulnerability Assessment and Penetration Testing (VAPT) of infrastructure
- Awareness programme for employees such as regular awareness mailers, simulation and tabletop exercises, classroom trainings, etc.

5. Strategic Risk: Strategic Risk refers to the risk associated with the long-term strategy of the Company. The same is tracked and reported to the Risk committee.

III. Approach Adopted to Identify & Manage New and Emerging Risks

The Enterprise Risk Management Function continually engages with stakeholders across the Company to assess and identify new and emerging risks, including continually evaluating changes in systems, processes and procedures. Risks & Controls are identified, measured and updated on a continual basis through risk assessment activities. New products and processes are always approved by the risk management function prior to roll out.



The Enterprise Risk Management Function continually engages with stakeholders across the Company to assess and identify new and emerging risks, including continually evaluating changes in systems, processes and procedures

IV. The Review Process and Feedback Loop

Periodic stakeholder meetings are conducted with respective business heads, as part of the risk assessment activities, for assessing emergence of new risks and reviewing all risks including the risks previously classified as very high, high, medium or low, to assess the latest position of the risks. The review has four important steps:

- 1** Assessing the applicability of current risks
- 2** Evaluating emergence of new risks, if any
- 3** Grading the risks, basis implementation of defined mitigation plans including evaluation of reasons for non-implementation, if any
- 4** Monitoring & verifying the efficacy of mitigation plans, including undertaking controls testing, as applicable

Risk Management for COVID-19

The COVID-19 pandemic outbreak has had far-reaching ramifications in terms of its impact on human lives and business. The pandemic has impacted various organisations across the globe in unprecedented ways, including impacting several critical risk areas.

The Company, anticipating the spread of COVID-19 and the associated risks, commenced preparation for risk mitigation at the beginning of March 2020. The Company already had a Business Continuity Management Policy and Crisis Management Framework in place. The Company activated the Crisis Management Team (CMT) comprising the members of the Management Committee and the Head of Risk Management. The CMT has been regularly reviewing the developing situation to calibrate the Company's response accordingly.

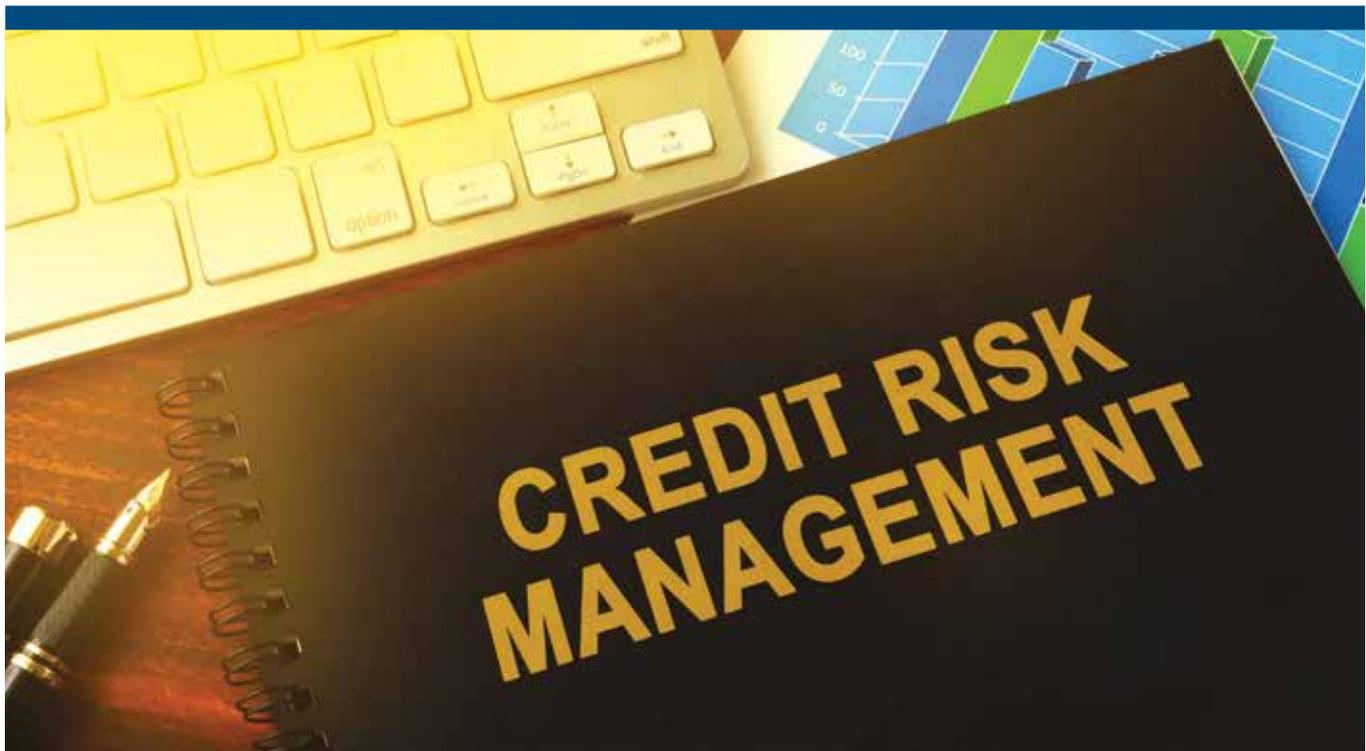
The broad measures undertaken by the Company to handle the crisis arising due to spread of COVID-19, cover the critical areas of employee safety and social distancing, employee engagement and welfare, and business continuity management.

The Company also undertook a thorough risk assessment and evaluation with respect to the impact of the pandemic outbreak on various areas of enterprise risk such as Credit Risk, Market Risk, Underwriting Risk, Operational Risk and Strategic Risk.

Certain key risk assessments undertaken by the Company in the wake of COVID-19 include therein the following:

I. Credit Risk Management

The Company faces Credit Risk, predominantly with respect to its re-insurance and investments portfolio. The Company has a strong panel of reinsurers and during the renewal process FY2021 had further improved the quality and strength of the panel. The top 10 international re-insurers on the panel of the Company are leading





players in the global re-insurance market. At this point in time, the Company believes that the reinsurance risk is adequately managed.

Although there was a decline in the listed equity portfolio as at March 31, 2020 thereby impacting the solvency, the solvency margin at 2.17 as at March 31, 2020 continued to be well over the regulatory minimum of 1.5 times, after taking the impact of the Mark to Market movement.

The Company is continuously monitoring its bond portfolio to evaluate if there is any deterioration in the business fundamentals of the investee company on account of the pandemic environment. In addition, the Company is also assessing the liquidity positions of the investee Companies to gauge their ability to meet their repayment obligations by way of interest and principal.

II. Market Risk Management

The Company closely monitors the market movement in the equity and debt portfolio and the Company risk management philosophy is that if the decline in the portfolio exceeds the risk appetite and risk tolerance thresholds defined in the Risk Management Framework, appropriate measures would be taken by the Company on its investment portfolio to address the same.

The Company has a defined risk threshold for quantum of investment in liquid assets to manage liquidity risk and the Company was within the risk tolerance threshold as on March 31, 2020. The Company has a fair proportion of its total investment assets as at March 31, 2020, in various liquid assets such as liquid mutual funds, commercial paper, commercial deposit, treasury bills, etc.

The Company monitors its foreign currency risk on payment obligations and monetary receipts. It also undertakes certain measures to mitigate its forex risk.

III. Underwriting Risk Management

The Company is leveraging on technology and undertaking Virtual Risk Inspection (VRI) wherein customer site inspections are being undertaken via video streaming. The Company has also prepared detailed risk questionnaires (in cases where virtual inspection is difficult), wherein responses are being sought from customers and accordingly underwriting decisions taken, based on information furnished by the customers. Wherever the Company is required to undertake an inspection in accordance with the formalised Risk Inspection Guidelines of the Company, the required physical inspection of the risk will be undertaken, post the lockdown being lifted.

Risk Management for COVID-19

The Company is required to appoint a surveyor to undertake inspection of sites where a claim has been reported and submit a loss assessment report, prior to settlement of claims. The Company was focused on appointing those surveyors who possess the required technological tools for undertaking virtual surveys for claims assessment.

From a loss mitigation perspective, the Company undertook a classification of risks in the property segment of business. Accordingly, for the high risk business segments, the Company prepared a risk mitigation advisory for its customers with the objective of reducing the probability and severity of losses.

Sensing the need of customers, the Company launched the COVID-19 Protection Cover which is offered in a group construct mode to get the benefits of diversity. The product was distributed equally pan-India to avoid any geographic concentration.

The impact of COVID-19 did not breach the overall risk appetite levels of the Company as at March 31, 2020 and the Company does not foresee the pandemic outbreak

having a material impact on its profitability from a loss ratio perspective at this point in time.

IV. Operational Risk Management

COVID-19 did not impact the Company's emphasis on the control environment, risk assessment, control activities, information and communication and monitoring controls except for a few operational deviations like:

- Relying on electronic document wherever physically signed document was procured earlier for policy booking
- Exhibiting a maker-checker sign off via official technology based approval platforms, which in normal circumstances are taken on hard copies in certain defined cases

The Company kept a close focus on cyber security in a Work from Home (WFH) environment. The cyber security practices were strengthened in view of the external threat environment. WFH best practices including Do's and Don'ts were rolled out to users on a periodic basis





using various digital communication channels in the Company. Security-related educational videos were published to employees to ensure security in a WFH environment.

Processes followed to prepare the financials were effective and no new financial reporting risks were observed. The Company did not observe any deviations in the process of procuring information for preparing the financials. The process of performing reconciliations to match the information in financial systems vis-à-vis the respective feeder systems is being followed in a business as usual environment.

V. Strategic Risk Management

The Company believes that on account of the pandemic outbreak and lockdown orders by the Government, the quantum of business sourced could be below the level of business done had there been no lockdown.

By virtue of industries and offices staying closed, the quantum of new business sourced would be at lower levels and the Company would continue to generate revenue through renewals of its current policies.

Accordingly, in Q1 of FY2021, there is expected to be a negative impact on the top line growth of the Company.

The Company took continual and proactive efforts on a sustained basis for educating policyholders through SMS, e-mails, etc. with respect to utilising digital methods.

Various customer communications with respect to service reassurance and also for educating customers on utilising technology platforms for availing insurance services including digital premium payments, were undertaken by the Company.

With respect to reputational risk management, the Company believes that there have been no untoward incident/s faced, which would have a material impact on the brand reputation of the Company in the period of the lockdown till date.

VI. Enterprise Risk Evaluation and Management

Whilst it is difficult to assess the extent of human and financial cost that the Indian society and the economy will have to incur before things come back close to business as usual, at this point in time from a risk evaluation perspective, the Company estimates that the risks arising out of the pandemic would not significantly impact the organisation. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any changes to the referred estimates, basis future economic conditions. Further, the impact assessment of the risk arising out of the pandemic does not indicate any adverse impact on the ability of the Company to continue as a going concern. The Company would continue to closely watch the developing situation for appropriate risk mitigation and management.

Reserving Disclosures



Insurance Companies are required to establish a liability in their accounts for the unpaid portion of ultimate costs (including loss adjustment expenses) of claims that have been 'incurred but not reported' (IBNR) and 'incurred but not enough reported' (IBNER) as at the end of each reporting period.

There are several possible methods for the determination of this ultimate cost. The method most appropriate in a particular case depends on the nature of the business and the claims development pattern. The provisions for IBNR and IBNER are calculated separately for each year of occurrence and are aggregated to arrive at the total amount to be provided by line of business. The approach taken by ICICI Lombard is consistent with regulatory guidelines, which do not permit discounting of reserves or negative provisions for any particular year of occurrence.

The process of establishing the liability for unpaid losses and loss adjustment expenses is complex, as it takes into consideration many variables that are subject to the outcome of future events. Reserves do not represent an exact calculation of liability. Reserves represent estimates,

generally involving actuarial projections at a given time, of what the Company expects the ultimate settlement of claims will cost. Estimates are based on assessments of known facts and circumstances, assumptions related to the ultimate cost to settle such claims, estimates of future trends in claims severity and frequency, changing judicial pronouncements, and other factors. These variables are affected by both internal and external events, including changes in claims handling procedures, economic inflation, unpredictability of court decisions, risks inherent in major litigation and legislative changes. Many of these items may not be directly quantifiable particularly on a prospective basis. As a result, informed subjective estimates and judgements about ultimate exposure to losses are an integral component of loss reserving process. Significant reporting lags may exist between the occurrence of an insured event and the time it is actually reported. Company adjusts reserve estimates regularly as experience develops and further claims are reported and settled.

A significant proportion of the Company's reserves are for motor third-party liability, which tend to involve longer periods of time for the reporting and settlement of claims.

This may increase the inherent risk and uncertainty associated with loss reserve estimates. One of the significant factors involved in estimating future claims liability is the effect of inflation on claims. The anticipated effect of inflation is implicitly considered when estimating liabilities for unpaid losses and loss adjustment expenses. Estimates of the ultimate value of all unpaid losses are based in part on the development of average paid losses, which reflects inflation. Inflation is also reflected in the case estimates established on reported open claims, which, when combined with paid losses, form another basis for the derivation of estimates of reserves for all unpaid losses. Specific factors that may impact losses, such as changing trends in medical costs, minimum wages and other economic indicators, and changes in legislation and social attitudes that may affect the decision to file a claim or the magnitude of court awards are also taken into consideration. There is no precise method for subsequently evaluating the adequacy of the consideration given to inflation, since claim settlements are affected by many factors.

Development of Insurance Losses, Net of Reinsurance

The development of insurance liabilities determines the Company's ability to estimate the ultimate value of claims. The loss development table which follows shows the estimate of ultimate losses, including loss adjustment expenses, at the end of each accident (occurrence) year, and each accident year's provision for losses and loss adjustment expenses in subsequent years. This information has been provided for 10 years in the table below.

This estimate of losses and their corresponding provision is increased or decreased as more information becomes known about the development of losses for each individual accident year. The increase or decrease is reflected in the operating results during the period in which the estimate is changed. The accident year's outstanding provisions reflect remaining unpaid claims for the Company pertaining to the accident year, but that are yet to be settled. These are a combination of case reserves for reported claims and IBNR provisions.

Incurred Losses and Allocated Expenses (Ultimates movement)

(in ₹ billion)

As at March 31, 2020	Prior*	AY 11	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20
End of First Year	54.99	20.66	22.53	27.97	35.96	34.16	39.13	49.49	52.41	65.27	72.72
One year later	55.11	20.44	21.97	27.02	34.63	33.95	38.58	49.20	51.10	64.10	
Two years later	55.88	20.41	21.74	26.52	34.37	33.53	38.07	48.84	50.08		
Three years later	56.70	20.36	21.85	26.40	34.29	32.91	37.78	48.57			
Four years later	56.85	20.47	21.83	26.46	33.85	32.73	37.25				
Five years later	57.53	20.48	21.81	26.21	33.73	32.16					
Six years later	58.02	20.53	21.83	26.18	33.32						
Seven years later	58.20	20.67	21.83	26.17							
Eight years later	58.40	20.67	21.75								
Nine years later	58.48	20.61									
Ten years later	58.37										
Deficiency/ (Redundancy) (%)	6.2%	-0.2%	-3.5%	-6.5%	-7.3%	-5.9%	-4.8%	-1.9%	-4.4%	-1.8%	0.0%

AY – Accident Year

Reserving Disclosures

Unpaid Losses and Loss Adjustment Expenses

(in ₹ billion)

As at March 31, 2020	Prior*	AY 11	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20
End of First Year	9.16	7.18	7.98	12.01	17.32	17.10	20.44	26.84	32.58	37.37	37.98
One year later	4.50	2.67	3.33	6.11	9.70	11.58	14.06	16.86	18.03	27.01	
Two years later	3.74	2.00	2.46	4.72	7.92	9.61	11.46	13.04	15.00		
Three years later	3.59	1.58	2.12	3.84	6.73	7.80	9.69	10.67			
Four years later	3.02	1.39	1.76	3.39	5.58	6.77	7.93				
Five years later	3.12	1.13	1.47	2.77	4.82	5.49					
Six years later	2.91	1.00	1.28	2.42	3.94						
Seven years later	2.65	0.97	1.08	2.12							
Eight years later	2.43	0.84	0.87								
Nine years later	2.16	0.68									
Ten years later	1.75										

AY – Accident Year

*For AY 10 and prior, End of first year implies valuation of all accident years for AY10 and prior as at March 31, 2010 and so on.

Loss Development Table – For Erstwhile India Motor Third-Party Insurance (Dismantled) Pool

Incurred Losses and Allocated Expenses (Ultimates movement)

(in ₹ billion)

As at March 31, 2020	AY 08	AY 09	AY 10	AY 11	AY 12	AY 13
End of First Year						2.71
One year later					3.85	2.72
Two years later				4.49	3.85	2.73
Three years later			5.81	4.49	3.98	2.73
Four years later		6.16	5.81	4.63	4.12	2.74
Five years later	2.61	6.16	5.85	4.67	4.41	3.16
Six years later	2.61	6.46	5.96	4.99	5.12	3.17
Seven years later	2.86	6.55	6.05	5.45	5.12	3.17
Eight years later	2.95	6.69	6.55	5.45	5.12	
Nine years later	3.00	6.98	6.55	5.45		
Ten years later	3.09	6.98	6.55			
Eleven years later	3.09	6.98				
Twelve years later	3.09					
Deficiency/(Redundancy) (%)	18.4%	13.2%	12.9%	21.3%	32.8%	16.8%

AY – Accident Year

Unpaid Losses and Loss Adjustment Expenses

(in ₹ billion)

As at March 31, 2020	AY 08	AY 09	AY 10	AY 11	AY 12	AY 13
End of First Year						2.67
One year later					3.41	2.30
Two years later				3.14	2.57	1.87
Three years later			3.17	2.38	1.98	1.37
Four years later		2.67	2.51	1.84	1.51	0.98
Five years later	0.86	2.05	2.03	1.32	1.22	1.13
Six years later	0.63	1.89	1.56	1.19	1.63	0.91
Seven years later	0.72	1.50	1.26	1.31	1.29	0.71
Eight years later	0.65	1.23	1.39	1.03	1.02	
Nine years later	0.55	1.19	1.07	0.78		
Ten years later	0.52	0.89	0.78			
Eleven years later	0.43	0.63				
Twelve years later	0.32					

AY – Accident Year

Note: The accident year losses and expenses, as well as the reserves outstanding, for both the above tables do not include the claims on the policies serviced by the Company on the inward received from the Commercial Vehicle Declined Risk Pool arrangement.

Business Segment Review

Corporate Solutions Group

We offer customised insurance solutions spanning a range of varied risks that are relevant to body corporates. Innovations in this space, divided in four divisions, have earned us a leading position in the industry.

Increased Market Share Across All Product Lines



Fire

Our market share went up to 9.8% in FY2020 from 9.3% in FY2019. This was the result of our focus on large and mid-sized accounts and our investment in emerging geographies.



Engineering

Our market share increased to 11.9% in FY2020 from 11.5% in FY2019. We grew by 10.1% in this segment by investing a lot of effort into direct engagement, by harnessing domain expertise, and by tapping the opportunities in the thriving Indian infrastructure space.



Marine

We increased our market share to 14.9% in FY2020 from 13.9% in FY2019 through innovations under our Marine Value Added Services (VAS), such as anti-theft and anti-hijacking programmes, monitoring of temperature-sensitive cargo, supply-chain solutions, and through our proprietary Marine Loss Control Engineering (MLCE).



Liability

Liability share rose to 15.5% in FY2020, from 14.7% in FY2019, because of our competence in anticipating and identifying new-age risks and creating solutions.



Value-added services ranging from wellness promotion to COVID-19 protection and 24x7 virtual access to doctors drive greater client engagement with the Corporate Solutions Group offerings.

Health Value-Added Services

Wellness

Wellness is an active process of becoming aware of and making choices towards a healthy and fulfilling life. With individuals and corporates understanding the long-term benefits of preventive and proactive healthcare, there is considerable potential in this field. We provide wellness programmes to our policyholders, which cover the occupational, emotional, environmental, physical and social aspects of fitness. These programmes incentivise and reward healthy behaviour, thus promoting proactive healthcare and better engagement platforms with our customers.

Women's Health

Women's health programmes are designed to address the physical, mental and social needs of working women. Wellness-related inputs are also derived from corporates while developing our offerings. We deliver diversified wellness activities ranging from health talks to screening camps (breast cancer), maternity health programmes, Yoga, Zumba, dietary sessions, and more. Our programmes

have received favourable response from corporates as well as employees.

Disease Management Programme

This programme is designed to provide the end-user with a well-supervised, holistic healthcare plan for managing chronic diseases like hypertension and diabetes. It offers personalised healthcare management by a health expert using diagnostic and digital tools. The patient is systematically tracked under the guidance of a professional through a stepwise process involving awareness building, screening, expert support and continuous proactive monitoring. The meticulous and methodical patient support improves adherence to medication and brings about lifestyle changes, leading to improvements in laboratory parameters as well as the quality of life. The programme has been delivered with success in corporates and has been approved for launch in the retail segment by IRDA under the Sandbox Project.

Business Segment Review

Corporate Solutions Group

COVID-19 Protection Cover

The coronavirus infection is a pandemic that has hit every aspect of our day-to-day life. The uncertainty about the future and, importantly, the cost burden of coronavirus treatment is a major cause of concern. Keeping in mind the need for a dedicated insurance cover, we introduced a unique product 'COVID-19 Protection Cover'. The new tailored offering not only provides direct cash benefit on contracting the disease but also includes essential support services like teleconsultation, health assistance support, chat with a health expert and emergency ambulance services, on a user-friendly digital platform.

Teleconsultation

Telemedicine is an excellent platform to provide timely access to correct medical information, diagnosis and treatment, resulting in increased physician trust and significant improvement in the quality of healthcare. Especially in India, where in-person healthcare is challenging, given the geographical distance and limited healthcare resources, this is a useful tool for consultation with a qualified doctor, along with a softcopy of the prescription.

Teleconsultation plays a particularly important role in chronic disease management, routine check-ups, medical

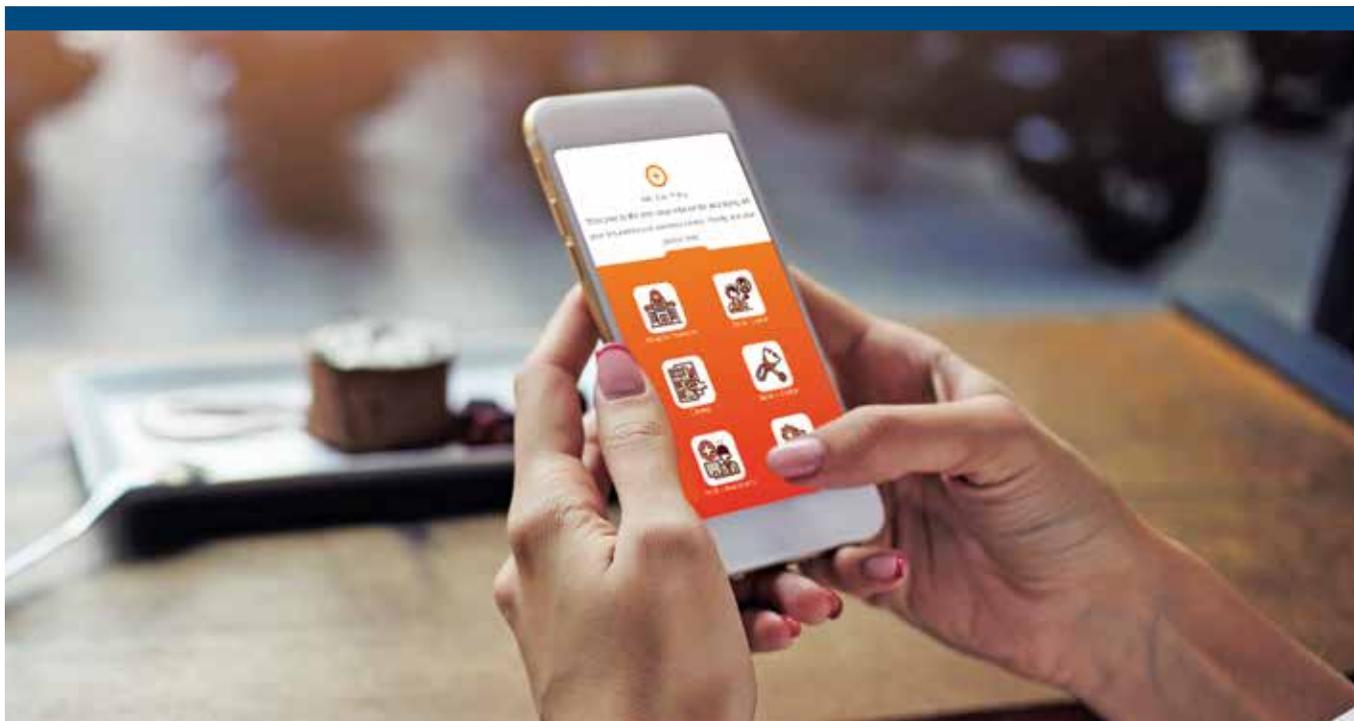
queries, geriatric care, maternity care and post-operative care. It helps reduce the severity of ailment by timely monitoring and guidance by a qualified doctor.

ICICI Lombard has always strived to promote sustainable healthcare solutions, teleconsultation being one of them. We have combined expert care with the digital platform in order to provide consultation over phone through 'Hello Doctor' in the IL Take Care App. The adoption of this service has increased considerably during the coronavirus pandemic. The current push for telemedicine could lead to a wide acceptance of telehealth services in the long-run.

Cashless OPD

Our primary healthcare services are available on a mobile application. The digital platform facilitates easy access and real-time claim approval, making it a truly convenient and cashless experience. This better way of serving is appreciated by our customers and the corporate world. Over the years, we have expanded our presence to Tier 2 and Tier 3 cities and included speciality products tailored to market requirements.





IL Take Care

Our innovative health insurance app integrates health with technology. It not only covers all aspects of preventive, primary and secondary healthcare but also enables holistic health management through various inbuilt monitoring and assessment tools.

Hello Doctor: This tool enables 24x7, all-year-round access to qualified doctors and prescriptions on mail to our customers. The service aims at bridging the gap created by a lack of accessibility to doctors during routine life schedules and empower our customers to take informed decisions on health-related queries.

Chat with Expert: This is an exclusive platform for our customers wherein experts address routine queries on diet, nutrition, physiotherapy and stress management. The chat platform is available on working hours from Monday to Sunday. Through this platform, we encourage our customers to discuss their small yet meaningful concerns which can have a bigger impact on their health in the long run.

Health Vault: This is a dedicated space of 1 GB available for our customers to upload their medical records. Customers can index the records in the manner they deem appropriate.

Health Tracker: This tool tracks various health activities throughout the day, such as steps, walks and water intake, and also gives pill reminders.

COVID-19 Symptom Tracker: This latest inclusion provides a self-assessment for COVID-19 symptoms. Besides, customised blogs and important links as per Government guidelines are also shared for the benefit of our customers.

Blogs: Under this segment, over 100 blogs are shared across lifestyle, diet, stress and disease management categories.

Emergency Ambulance Service

We provide ambulance services to our clients, in collaboration with a global leader operating in 46 countries and having 4,500+ ambulances in its fleet. We also coordinate with healthcare facilities at the time of an emergency and ensure that all concerned members are apprised of the situation. Our emergency ambulance services are available in 39 cities.

Business Segment Review

Corporate Solutions Group

Fire

We launched a new comprehensive package product, named 'Business Shield', for the non-industrial property segment. This product has proved to be a success in the very first year, with 649 policies sold and premium of ₹ 304 million received. Moreover, our underwriters now have a new tool for better decision-making. The 'Underwriting Index Score' is a combination of risk inspection output and policy coverage/exposure, revealing the balance of pros and cons of underwriting a particular policy. By making more accurate data-driven decisions, we are able to offer better insurance coverage and form long-term relationships with customers.

Marine Value-Added Services

Our very positive results in the marine segment are based on the variety of value-added services and customised solutions we provide. Our loss control consulting services enhance our value proposition further. Alongside this, our vast experience in logistics planning and execution of Over Dimensional Consignments (ODC) across India makes us a trusted insurance partner. Our key offerings in the marine segment include anti-hijacking cover (using GPS devices); tracking services to minimise delays and losses due to accidents or any other unforeseen events; cover for ODCs for any journey length; and strategic solutions for project material handling and multi-modal ODC logistics.

During the year, we were able to improve risk coverage for clients by leveraging our integrated insurance and risk

engineering solutions, thereby reducing high-frequency losses. Complex cargo claims were settled promptly and in a hassle-free manner. In addition, based on their detailed analysis, we received a host of recommendations from our logistics specialists.

Property Value-Added Services

Customised and unique solutions drafted by our technical experts for the industries have once again put us at the forefront of risk management in property insurance. We have been continuously expanding our footprint in this segment and providing value-added solutions to multiple corporates through our benchmarking and technology-driven platform.

As we continue to engage with our corporate clients, we are also extending our risk management solutions to a vast number of MSME and SME clients. Solutions have been designed based on their specific needs, keeping in mind the level of awareness and budgetary constraints.

Productivity is positively and indirectly impacted by effective safety and risk management programmes. Safe workplaces tend to be efficient as well. We have taken further strides in our holistic approach towards this, intending to offer business solutions for risk management of clients across the spectrum. We continue to monitor and leverage the latest technology trends to offer industry-specific solutions to our clients.





Real-Time Critical Equipment Monitoring

We are leveraging the IoT technology and working with clients to ensure access to their critical infrastructure during emergency scenarios. We are also providing real-time assistance to several corporate clients in terms of maintenance and monitoring the usage of key components on fire safety.

A real-time dashboard and complete reporting system provide transparency around the performance of the fire-fighting system and ensure its functionality and timely usage in case of any emergency. This monitoring system comes with a unique inbuilt communication module to transfer information to the monitoring platform and advanced diagnostic for swiftly identifying the problem areas.

Renewable Energy – Assessments using Drone

In line with our philosophy to leverage renewable energy in our operations, we also offer advisory services on efficiency improvement of assets for wind power and solar power.

This has been well appreciated by clients because of the accuracy and quick reach of the entire methodology, which would not have been possible through traditional channels. Clients get to know about the low-performing module and ways to improve the same within the entire solar plant within a few hours.

We offer advanced drone-based technology for inspection of wind turbines and solar PV modules. The entire activity of identifying defects is carried out within a few hours, as compared to earlier times when it took several days.

Comprehensive Electrical Risk Assessment (ERA)

Electrical problems continue to be a leading cause for claims across the industry. In keeping with the safety and efficiency approach, we have introduced several targeted services such as harmonics studies, power quality checks and energy efficiency solutions towards this goal.

A low-cost solution incorporating multiple data points and tests have been developed to service the SMEs. This comes in handy for them as they have a dearth of quality audit services due to limited budgetary expenditure in the safety and security aspect. Furthermore, there is also a dearth of quality audit services for SMEs and retail segment due to prohibitive costs. To fill this gap, low-cost solutions have been developed for providing customers access to optimum safety.

All of the above are steps towards our firm focus on solution selling, which has reinforced our corporate relationships and established ICICI Lombard as a Risk Management Solutions provider.

Business Segment Review

Government Business Group





Common Services Centre (CSC)

The Common Services Centre (CSC) Programme is an initiative of the Ministry of Electronics & IT, Government of India. CSCs are physical centres which serve as access points for delivery of various electronic services, such as essential public utility services, social welfare schemes, healthcare, financial, education and agriculture services, to remote areas and villages mainly. Through its bottom-up approach, the CSC-based delivery model aims to eliminate the digital divide that exists between rural and urban India.

In recent times, general insurance has evolved as one of the key services offered by CSC. This has not only helped in generating additional revenue for both CSC and insurance companies but also contributes immensely towards insurance penetration in rural India. ICICI Lombard is one of the empanelled companies to the CSC channel, commencing our partnership in June 2018.

This year, we made several changes in our CSC channel strategy, focusing majorly on technology innovation and operational efficiency. Some of the major developments in technology included one-pager front-end portal, enabled with auto fill of linked fields, building a simple yet fun user experience. We also launched health benefit product Hospifund for CSC customers.

Apart from technology innovation, we house a dedicated team to cater to CSC distribution and provide services at the ground level. Present in all major states, our dedicated team focuses on new activation and retention, clustering of states based on analytics and market potential while allocating the right talent to take care of individual territories. With technology, operation, analytics and right talent coming together in sync, we achieved a market share of 8% as on March 31, 2020, up from 4% in April 2019.

Business Segment Review

Retail Group

We offer a wide range of insurance solutions for our retail customers. These include covers for motor vehicles, individual health, home insurance, travel policies, cyber risks cover and new-age solutions such as mobile insurance covers, extended warranty offerings etc.



Motor Insurance

The motor vehicle segment witnessed significant headwinds in FY2020 as new vehicle sales were difficult to come by. Despite this, we increased our market share in the private car and two-wheeler segments. During the year, we worked on a strategy of profitable growth and chose our mix of geographies and vehicle segments to achieve that. Our leadership position in the motor OD (own damage) line of business was further consolidated in FY2020 with a market share of 13.9%, against 12.9% in the previous financial year.

Travel Insurance

In FY2020, we continued to improve the ways in which we serve our customers. Continuing our focus on domestic travel, we launched a short duration travel product that featured rides in passenger-carrying vehicles. We also enhanced our group offering by introducing a new product 'Voyager' to address the changing needs of the modern traveller.



During the year, we worked on a strategy of profitable growth and chose our mix of geographies and vehicle segments to achieve that



Health Indemnity

In line with our Company's strategy of profitable growth, our indemnity business grew by 16.6% to ₹ 5.64 billion in FY2020 from ₹ 4.84 billion in FY2019. The number of policies grew by 10.1%. An increasing proportion of policies are now being sourced digitally by leveraging our robust mobile application. Additionally, we have also partnered with numerous banks to provide indemnity cover to their customers. This collaboration has received a stupendous response and led to growth in lives insured.

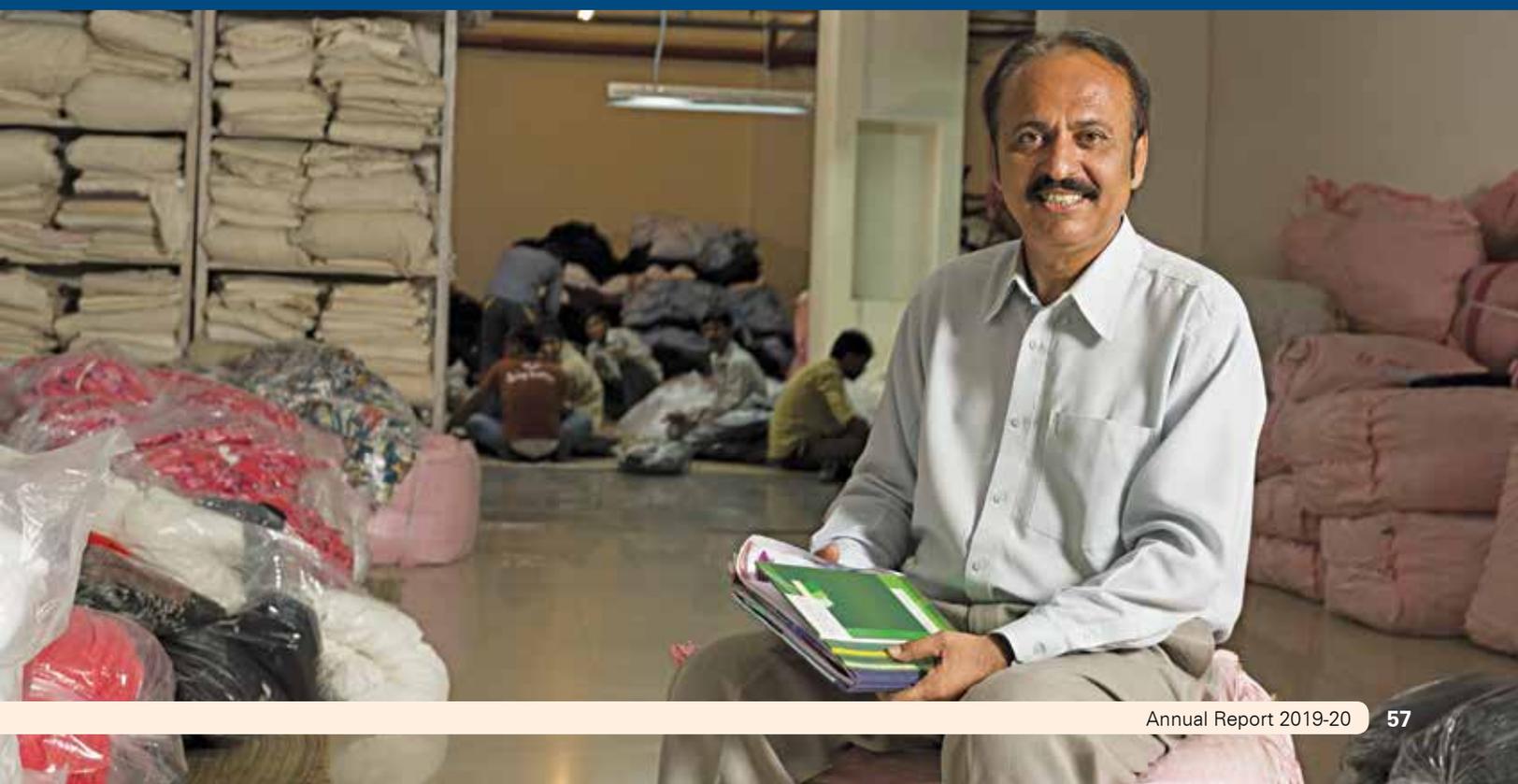
SME

With a CAGR of 27.5% over the past three years, our SME vertical (catering to Small and Medium Enterprises) has grown significantly. This trend was maintained in the current financial year with the vertical recording 29.0% growth in FY2020 and crossing the ₹ 10 billion premium mark. The SME team strives for technological innovation at every touchpoint, from policy booking to enhancing digital payment modes to tracking of renewals. Most of our SME products are available on our digital platforms such as iPartner and MyRA. A key focus for the vertical is 100% profitable customer retention. Along with technologically-enabled solutions, this is being driven by providing customised options at the time of renewals to protect our customers from underinsurance.

New Products

We continue to tap data-driven insights to expand our product suite and create better value for our customers. In the SME space, we introduced sachet products for the smaller sum insured segment and a comprehensive business cover (business shield), new offerings in employee benefits insurance and value additions in fire cover.

In line with our strategy to stay agile, listen to customer needs closely and respond with impact, we rolled out a cover for the COVID-19 pandemic, giving India's B2B segment, including SMEs, and start-ups, relief at this critical time. Marketed as COVID-19 Protection Cover, and placed under the group insurance category, the product offers 100% of the sum insured if the policyholder is diagnosed positive for COVID-19, irrespective of hospitalisation expenses, and provided that the medical test is conducted at a government-run or government-approved lab. With this important move, we demonstrated once again to our partners and customers that ICICI Lombard remains a go-to brand for emergency preparedness.



Business Segment Review

Retail Group

Channel Empowerment

In the last 14 months, we added close to 13,000 distribution workforce to our existing set of channel partners. We aim to capitalise on the opportunities of underserved Tier 3 and Tier 4 markets with our increased footprint. Our ability to quickly on-board personnel, align them with organisational goals and successfully embark them on their roles has already started showing results. We also increased our footprint in SME Virtual Offices across India.

Sandbox Products

Artificial Intelligence (AI) based technology is opening new ways of doing business. For example, our algorithms are evaluating data in real-time through telematics linkage to vehicles. This strength has equipped us to initiate trials and launch innovative insurance products for usage-based cover. Our Company was given a go-ahead by the Insurance Regulatory and Development Authority (IRDAI) to pilot five innovative applications and programmes in its health and motor portfolio under the Sandbox Project in January 2020. We also received approval for one more Sandbox product in the second tranche of approvals.

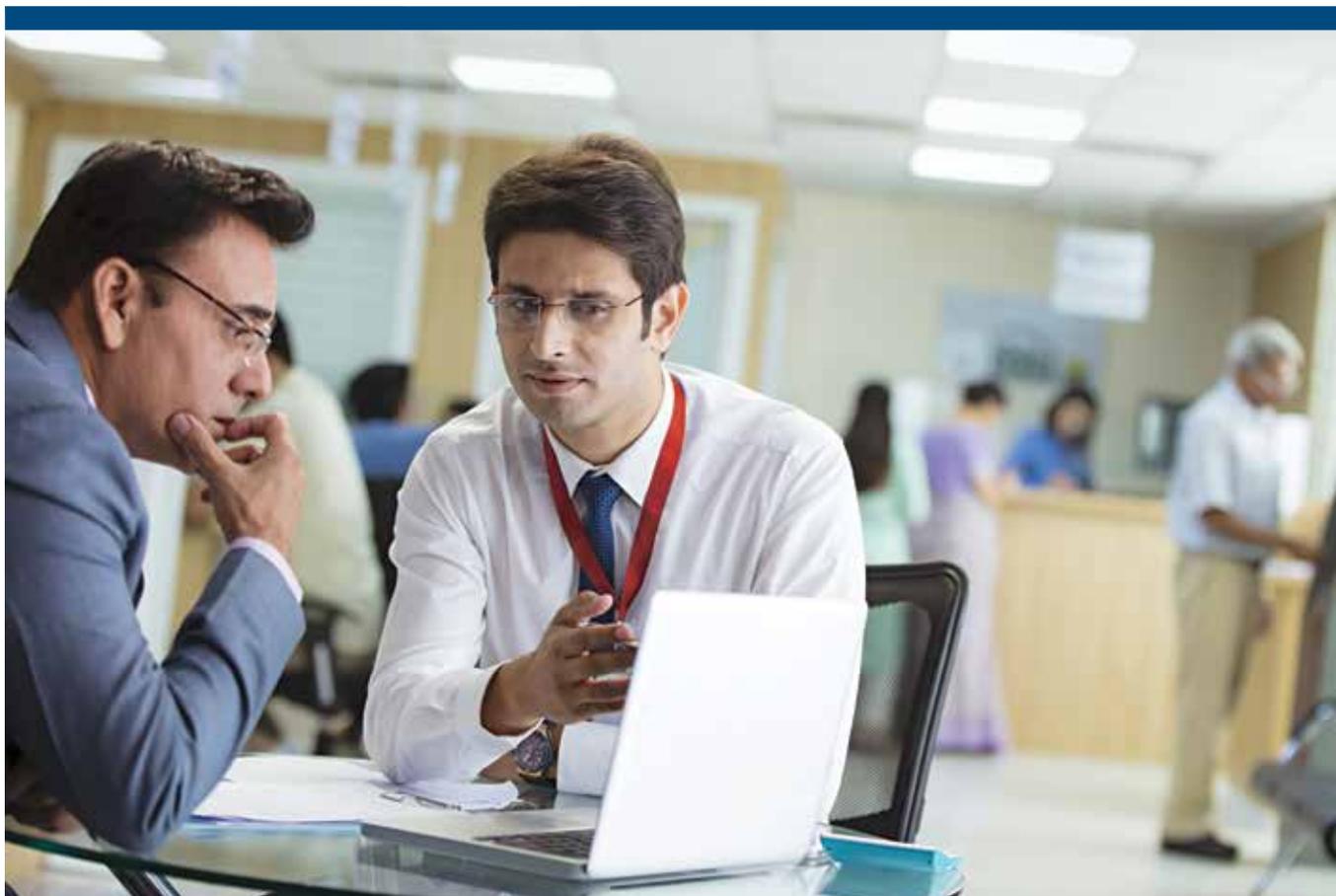
Training Module

Flexible and user-friendly training modules with high-quality study material have been developed to facilitate continued learning. The interactive and engaging content enables agents, in any location with internet access, to complete the training when it best suits them. The modules can be conveniently accessed on desktop, tablet and mobile devices. Our programme "E-Uday" has touched base with almost 1,000 agents spread across 24 sessions. We also run in-house contact programmes and workshops that help channel partners stay abreast of the latest developments.

We continue to tap data-driven insights to expand our product suite and create better value for our customers



Shared Services



Reinsurance

We adhere to the approach of reinsurance to insulate ourselves from the risk of a major claims event. During the year, our reinsurance programme continued to follow the practice of using two main types of treaty reinsurance - proportional and non-proportional - for both conventional and specialty lines of business.

Underpinning our business prudence is a carefully deduced retention limit for each product segment. The retention limit defines the segment's maximum 'per risk' and 'per event' exposure. We continued to buy appropriate risk and catastrophe insurance as a hedge against single large losses and natural disasters. International agencies have evaluated and established our net retained exposures to ensure the adequacy of the limit of catastrophe insurance. We remain associated with leading global reinsurers for our reinsurance programme, with General Insurance Corporation (GIC) being our largest reinsurance partner.

Underwriting

In motor insurance, the valued practice of risk-based pricing continues and has been further strengthened with an appropriate mix of geographies, models and the age of vehicle through selective sourcing. Wherever possible, the risk-based approach is further fine-tuned towards capturing customer and driver-specific information to arrive at more precise pricing of the risk.

Even as the year witnessed an overall downturn in the automobile sector, the Company maintained its market share in the motor insurance business. With the passenger car market witnessing several new entrants during the year, the overall brand level mix of the Company's portfolio stands changed.

As per the guidelines issued by the industry regulator, the Company introduced a Standalone OD product in September 2019 for private cars and two-wheelers. Long-term products introduced during the previous year also witnessed an increase in numbers for long-term package products.

Business Segment Review

Shared Services

In January 2020, the regulator introduced a new concept of Sandbox product on an experimental basis for a period of six months. Under motor insurance, the Company received an approval to launch three such experimental products. Two of these, Pay As You Use and Pay How You Use, are telematics device-based insurance products, while the third one is a floater cover for multiple vehicles owned by the insured. The Company is enhancing these products in the portfolio. It is leveraging these products as a step further towards technologically-focused products providing better value and convenience to a customer. These types of products also help the Company in pricing risk at an individual level.

The liability product line for FY2020 recorded a profitable and robust business growth. The numbers have helped us retain our top position in the industry, far surpassing the overall industry performance and recording the best accretion rate in this segment.

For Cyber Insurance underwriting, we have become more vigilant in writing cyber risk considering the exposure of organisations to cyber-attacks. The underwriting teams have been equipped with various tools to analyse the external threats associated with organisations.

As an risk engagement and knowledge-sharing initiative and enabling corporate customers in identifying and protecting the organisation IT infrastructure, underwriting function have prepared various advisories for various types of cyber-attacks, malicious domains, best practices & recommendations.

Also considering today's exposure of individual customer in the digital world, ICICI Lombard have launched Retail Cyber insurance which would provide complete protection to individuals and their families against cyber frauds that could

result in a financial or reputational loss such as unauthorised transaction, Malware attack, Cyber extortion, Identity theft etc.

Taking forward the momentum of FY2019, the Marine Cargo book for FY2020 again registered double-digit business growth. This has put us in the first place among all the private sector general insurers, with the gap between us and the next competitor increasing noticeably.

We are in the second place at the industry level, and positioned much closer now to the market leader, the biggest public sector general insurer, in terms of market share.

In light of the coronavirus pandemic, we have introduced a specially-designed insurance cover to help our customers in their endeavour. Our COVID-19 protection cover policy will provide financial support to individuals infected with coronavirus. The policy has been launched in a group insurance mode. Amid the contagious pandemic, this policy on the diagnosis of COVID-19 (+ve) will pay 100% of the sum insured irrespective of hospitalisation expenses. The new product is a step forward in ICICI Lombard's endeavour in introducing industry-first initiatives for its customers in line with its ethos of "Nibhaye Vaade" (Keeping Promises).

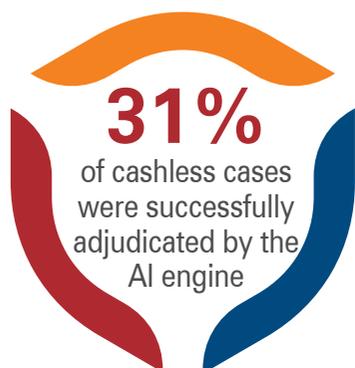
Claims

During the year, we collaborated with Microsoft to develop India's first AI-enabled car inspection feature. This feature is aimed at enabling the customers and our employees to process claims and renew policies in a hassle-free manner and at a faster rate. This will reduce our dependency on human intervention and also enhance the customers' experience. With a key focus on AI-based solutions, more of these initiatives are in the offering. One more such example is the facility to instantly renew an expired or lapsed motor insurance policy.





To further enhance transparency in claims processing, the Company has introduced a one-stop solution on IL Take Care App with replies on all claim-related queries and DIY features. Through this, customers can intimate a claim, upload documents and use 'InstaSpect', our live video streaming feature, to connect with the Claims Manager for instant expert advice. It also enables customers to view the current status of their claims and the tentative number of days required to get the vehicle repaired using the App. This is a step to strengthen our digital transformation, effectively move towards the use of digital channels and to make the customers' claims journey as smooth and interactive as possible.



ICICI Lombard is the first Indian non-life insurance company to pioneer the use of artificial intelligence and machine learning in health claim processing. The deployment of AI technology in the cumbersome process of claim verification has resulted in shrinking cashless claim request approval time to a few minutes as against 60 minutes when done manually. The instantaneous claim processing results in the commencement of treatment without any time-lapse, especially useful in medical emergencies. Also, with our smart algorithms taking over the medical admissibility decisioning previously done by doctors, it frees the doctors' time to focus on more complex jobs. As of March 2020, 31% of cashless cases were successfully adjudicated by the AI engine. In health insurance, we processed over 56,000 health claims during the year using ICR/OCR data extraction, resulting in the faster settlement of claims.

We processed more than 81,000 claims in our property and casualty insurance portfolios, and more than 90% of these claims were settled within three months.

In the frequency-driven marine cargo insurance claims portfolio, we came up with technological innovations to handle the increasing volumes and reduce claim settlement turnaround time. These claims, which can be settled by insurers on desktop review mode, were settled with the help of the I-Claim bot. In the current year, out of 28,000 such reported claims, more than 70% were settled through I-Claim.

Business Segment Review

Shared Services

In accounts with high claims volumes, we have sped up settlements through Optical Character Recognition (OCR) technology, which allows a user to convert information in a scanned document into editable and searchable data. A DIY (Do It Yourself) mode of claim settlement was introduced for small value losses, with the insured party being given the option of making a self-assessment of claim through our portal. The insured party's submission was then instantly verified by the claims manager and a real-time decision was taken on settlement/closure.

Another innovation was related to theft, pilferage and non-delivery (TPND) claims. Here, we solved the problem of too much time taken in obtaining the mandatory 'shortage certificate' by creating a robotic system that can check the delivery status on the transporter's web page in real-time. This led to a quicker turnaround time.

During the year, a few catastrophic events were reported at several locations. These included Cyclone Fani and monsoon-related flooding, which affected several states across the country. While Cyclone Fani was more profound in the state of Odisha, it also affected several parts of West Bengal. Over 650 claims have been reported due to the cyclone, of which the current claims disposal stands at 99.40%. Flooding-related incidents owing to monsoon was reported mainly from Maharashtra, Gujarat, Rajasthan, Karnataka, Kerala and Bihar. Over 2,900 claims were reported due to this catastrophe, of which current claims disposal stands at 99.96%.

Operations

During FY2020, we streamlined and enhanced our operational capabilities to better serve our business units and to be able to manage the requirements of growing our business. The power of digitisation was fully utilised to improve service and speed up transactions and processes, including acquiring new customers. The technological advancements were all aimed at making the end-user feel more comfortable with our interface and to increase customer satisfaction levels. Our work on the digital platform has reduced 'friction' when a customer tries taking out a new policy; it has also reduced the turnaround time after the first online policy application is submitted by the customer. Recognising that today's customers want a variety of online payment options, we have introduced several payment channels on our digital platform.

One segment that we have identified for strategic business development is the small and medium enterprises (SMEs), and we focused on expanding and improving our offerings and services for this segment, especially through our email bot MyRA, which facilitates automated policy issuance, endorsement and renewal across multiple product lines. Moreover, our iPartner platform for agents got a new feature: multiple dashboards that have made it easier for the agents to track cases.

Investments

ICICI Lombard has one of the largest total investment assets amongst the private sector non-life insurance companies in India, as on March 31, 2020. Its total investment assets stood at ₹ 263.27 billion with an investment leverage of 4.21x. The investment policy has been framed with the objective of capital preservation and achieving superior total returns within the identified risk parameters. Since inception, the Company has had no instance of delayed interest payment and default on its debt portfolio. Listed equities made up 8.0% of the Company's total investment assets, by carrying value, as at March 31, 2020. Since 2004, the listed equity portfolio of the Company has returned an annualised total return of 23.2%, as compared to an annualised return of 13.8% on the benchmark S&P NIFTY index.

Process Excellence Group

Our commitment to delivering customer needs with care facilitates us to define our value streams accurately and target digitised and cost-benefiting improvements. To achieve this, we are revamping our Customer Relationship Management (CRM) system to be able to effectively meet the changing expectations of our customers. We are also migrating our business processes to a single repository to gain capabilities in managing complex business entity relationships and inter-dependencies. Besides, we are also reorganising our customer communication processes across the lifecycle of the product. Further, we aim to continually optimise our business processes across the value chain to maintain a strong focus on delivering for our customers.

Another major achievement of the year has been the successful completion of ISO 9001:2015 recertification audits. The key objective of this internationally acclaimed quality management system audit has been to determine the conformity of our management system with the ISO standard. The audit also evaluates the effectiveness of our management system and ensures that the organisation

is capable of achieving specified objectives and in meeting applicable statutory, regulatory and contractual requirements.

The re-certification validates our continuing conformance to this renowned standard for quality management system through alignment of quality with business strategies via enhanced top management involvement, planning and in-depth implementation of risk-based thinking thereby making the whole management system a preventive tool and encouraging continuous improvement. It is also an acknowledgement of the standardisation and uniformity of processes being followed across all BSG branches, enterprise risk and claims functions, processing hubs and corporate office.

Information Technology

Artificial Intelligence & Machine Learning for Health Claims

Artificial intelligence and machine learning has been deployed in health claim processing, which has reduced the cashless claim request approval time to a few minutes, from 60 minutes earlier. This not only enables the treatment to start quickly, but is especially useful during emergency situations. With admissibility decisioning done with the assistance of smart algorithms, it helps doctors to focus on other important jobs. During the year, nearly 31% of our cashless cases have been adjudicated by the AI engine. Nearly 56,000 health claims were processed using ICR/OCR data extraction, leading to faster claim settlement.

Cloud adoption and DIY app for greater flexibility and ease of transactions

Cloud adoption: At ICICI Lombard, we strive to be an early adopter of the latest technologies to add value to our customers and partners, as we recognise the value of emerging technologies in business acquisition, development, and continuity. Hence, we are leveraging the power of the cloud to transform our infotech systems, turning it into a more flexible, responsive, and scalable platform capable of delivering services with a wide range of complexity.

Our entire development and testing have been on the cloud for the past six years. Our productivity suite and HR solutions are hosted on a cloud-based platform. In FY2020, we began the next phase of our cloud journey, which involves moving production workloads to the cloud. This would make us better equipped to analyse customer needs and respond to them through improved products.

The 'IL Take Care' Mobile App is a one-stop shop for all health and motor insurance and wellness needs of a customer. One can carry out transactions related to e-cards, policy updates, policy copies, tax certificates, claims, document upload and tracking and more through the app. It has been enhanced to cater to a variety of customers, including group health policyholders. The app is designed to be a 'DIY' (Do-It-Yourself) tool for users. Our engagement with users has been enhanced by the app, with features such as teleconsult, targeted notifications, customised blog feeds, health risk assessment, chat with health experts,



Business Segment Review

Shared Services

tracking of various and fitness parameters like sleep, steps, etc. The app is available on Google Play and the Apple App stores.

Zero-TAT framework: In order to improve the time to market for our products, we have enabled a zero-turnaround time (TAT) framework for new product development on our core systems. This framework also provides for an out-of-the-box Standard User Interface (SUI), Service-Oriented Architecture (SOA) services and standard policy schedule as a part of the release. This has helped us significantly in reducing the cost of product development and to achieve a faster time to market. Over the past year, we have developed several new products such as Cyber Liability, Hospifund, Income Protect, Group Safeguard, Standalone CPA, Group Take Care, Family Shield, Group Hospi Shield, COVID-19, Group Safeguard Micro Insurance, and PL Doctors, using this innovative framework.

Customer Relations Team (CRT)

Our customers are at the heart of our business, and excellent service and support to them is our constant endeavour. Our Contact Centre, Email Support Team and Chat Team are the primary touchpoints for our customers to reach us. Our trained Customer Relationship Managers (CRMs) assist the customers with utmost sensitivity and care. We also have a Priority Desk and Senior Citizen's Desk at our branches to address urgent matters and the concerns of the elderly in the earliest possible time.

During the year, we continued to challenge ourselves to deliver improved outcomes for our customers. This included the following initiatives:

- a. Email response TAT reduced from 36 hours to 24 hours
- b. Same-day resolution provided by Priority Desk in 90% cases
- c. Zero Branch Diversion, i.e., Complete resolution to customers without diverting to any other touchpoint or branch
- d. SMS/Email updates sent to customers at each stage of their service request registered with us
- e. Focussed approach towards increasing Net Promoter Score (NPS); Increased to 46% by Q4 FY2020 from 42.69% in Q1 FY2020

Disaster Management

We remain dedicated to helping and reassuring our customers at the time of crisis. In the aftermath of the Kerala floods and monsoons in FY2020, we witnessed an increase in claim intimations at the Contact Centre. We were proactive in setting up ad-hoc IVR options to connect these customers directly with our Customer Relationship Managers who were trained to handle the needs of disaster-impacted callers sensitively.

COVID-19 Response

The outbreak of the global pandemic COVID-19 has resulted in unprecedented uncertainty across the world. During this era-defining crisis, we have been predictive and proactive in our decision-making to preserve business continuity, build team resilience and reinforce customer-centricity. Being committed to delivering with care, we have prioritised the following measures during the ongoing pandemic:

1. **Prioritising peoples' safety and continuous engagement** - Ensuring the safety and well-being of our employees at the workplace is essential. Besides addressing their concerns in an open and transparent manner, we engaged with them and reassured them of our business continuity plan. Our team members swiftly moved out in the field to deliver laptops to our employees. With this, we managed to increase the number of employees working from home and ensuring the continuity of our Contact Centre operations.
2. **Reshaping strategy for our customers** - The Customer Relationship Team is available to customers even amidst these difficult times, with an increased focus and priority accorded to Health and Motor policyholders. We redesigned the IVR to provide our customers with an option to directly speak with a Customer Relationship Manager. Our Email Support Team has been effectively catering to all the queries posted by our customers at customersupport@icicilombard.com.

Harnessing Our Employee Potential

Human Capital: An Important Pillar to Achieve Organisational Goals

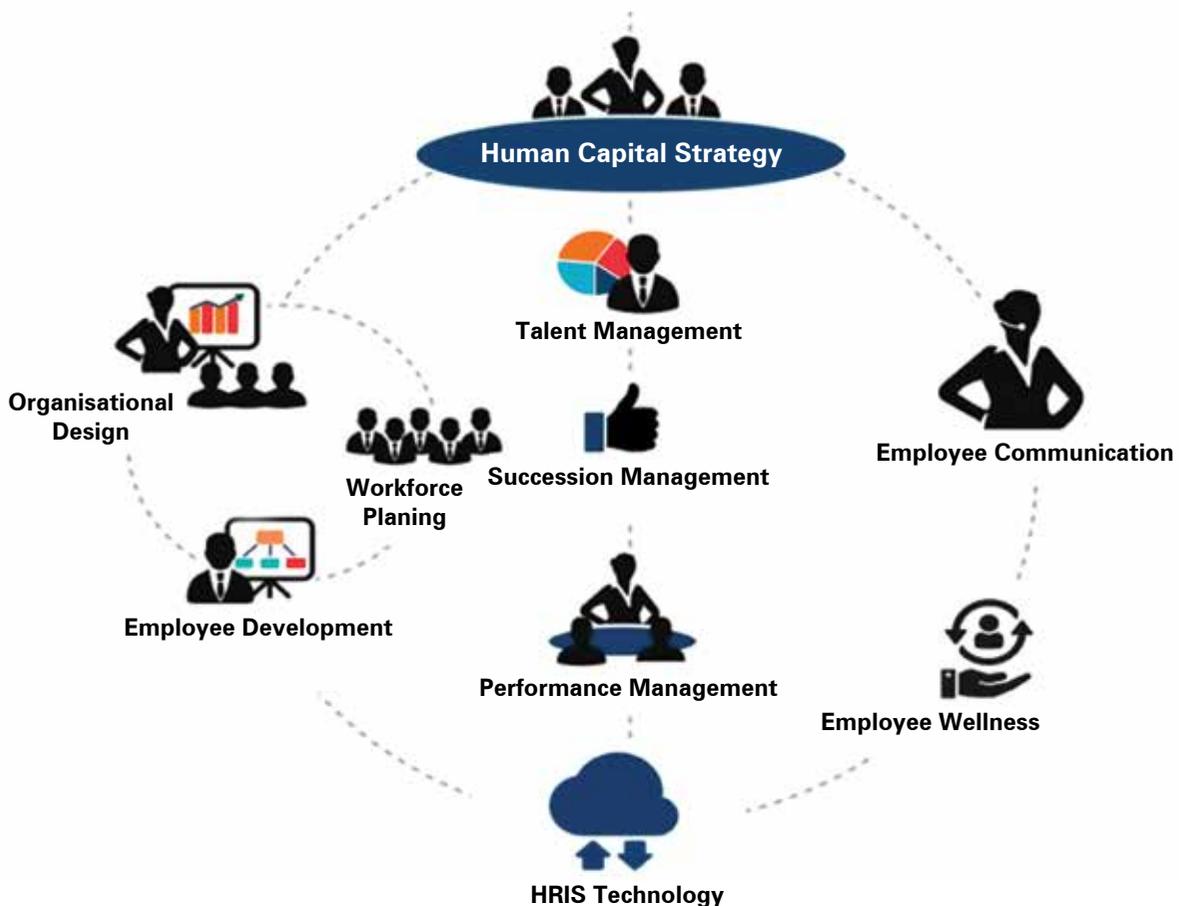
Human capital, which comprises the collective knowledge, skills, experience and abilities of employees working together in the organisation, is an important pillar which supports the accomplishment of our organisational goals.

Human capital is a key driver for organisational performance, and is attracted, groomed, built and deployed effectively through a robust Talent Management Process at ICICI Lombard. This is an on-going process comprising multiple sub-processes and systems. This includes acquisition of talent, building capabilities, and engaging the human capital. This also includes building a collective

mindset to align with stakeholder expectations and deploying them in the right roles to drive high performance.

As an outcome, our talent management process enables employees to realise their full potential, while enabling the organisation to achieve its goals.

Our Human Capital Strategy



Harnessing Our Employee Potential



Organisation Design & Workforce Planning

Each year, the current and future workforce needs of the organisation are reviewed, based on the strategy, plans and objectives. The quantity and quality of workforce in terms of knowledge, skills and experience is also considered to meet these plans and objectives. In addition, the annual productivity studies review efficiency of the workforce and effectiveness of the organisational structure to further strengthen it for success.

Talent Management

Attracting the right talent, focusing on their development, engaging and deploying them for performance, rewarding and recognising them and ensuring career growth is an integral part of the Company's talent management strategy. This focused approach ensures that employees are retained to support the delivery of medium and long-term organisation goals. The talent and skill gaps arising from the annual workforce planning exercise are addressed by acquiring the right talent from within and outside the organisation. The talent strategy also focuses on building a diverse workforce and fostering a work environment which values the differences and promotes respect and acceptance, to ensure that these differences are leveraged for performance. In line with the endeavour, 44.3% of our team members are millennials, 17.5% of the workforce comprises women, and the average age of our workforce is below 32 years.

Talent Development

Our key learning philosophy focuses on grooming and developing employees for better performance on the job and building their readiness for taking on higher responsibilities in the future. Our learning agenda is strongly aligned with our business priorities identified at the beginning of the year and is co-owned and shared by the Business Leaders and 300+ Learning Council members. These members play an active role in participating in learning design and delivery for employees.

The Company's 70-20-10 development approach helps chart the learning journey for our employees with a blended mix of on-the-job training and experiences, peer and social learning, self-paced online learning and structured classroom inputs. Learning is made relevant to the job and is a continuous process; mobile-enabled to support anytime, anywhere access and allows learners to be in control of their learning journey. Structured on-boarding and inductions at the time of joining, job knowledge awareness sessions and certifications, functional domain inputs and people capability certifications equip our employees to meet the expectations and challenges of their roles.

Leadership development interventions also help groom and build a strong pipeline of leaders to take on higher and challenging responsibilities for the future. Ongoing evaluations assess the effectiveness of the learning interventions and ensure course correction to meet the

learning objectives and outcomes. The organisation invested 248,104 learning hours during the year across various employee groups. Our learning and development efforts have been acknowledged by way of consistent recognition over the years through global awards including the ATD Best Awards, and CLO LearningElite Gold Awards, among others.

Performance Management

Employees have defined goals that are aligned to ensure delivery of the overall goals of the organisation. Their progress on delivery is reviewed periodically and assessed objectively every year. This process helps drive superior performance of the employees year-on-year, by continuously raising the bar.

Differentiation in performance and linkage to reward, along with recognition of top performers at national and regional levels helps drive and reinforce our performance culture.

In addition to driving individual performance, development and growth of the employee are other important aspects in this process. "Sarvottam", an initiative for individual capability building, equips them to meet in-year deliverables as well as medium and long-term career goals through an Individual Capability Plan (ICP). Each employee's ICP is crafted every year, in discussion with their Line Managers, who periodically review the progress made on their actions. In addition, performance improvement plans are crafted and rolled out to the employees to enable them to bounce back and get their performance back on track.

Succession Planning

Through pre-defined processes, the organisation identifies the talent pool at the mid and senior levels annually. This is done by way of skip-level talent councils using inputs from 360-degree feedback and also feedback on performance and potential. While the feedback is used for development interventions for the emerging and existing leaders, the identified talent pool is also considered for succession opportunities for higher level roles in the organisation. This talent pool is reviewed annually and the plans arising from the review are deployed in a consistent manner. On the basis of the succession readiness assessment and gaps, decisions are taken to consider and attract external talent, particularly in niche skill areas. Keeping in view long-term talent and succession pipeline needs, the organisation has tied up with select management and engineering colleges to regularly hire resources for addressing these needs, apart from talent hired from the market.

Employee Communication

To ensure transparent and efficient flow of information to employees and engage them, a multi-pronged communication approach has been put in place. Leadership communication forums like Ignite and NEEV are aimed at discussing and updating leaders on the overall business and people strategy and plans, sharing best practices and reviewing the progress made. Employees are kept abreast of the Company's strategic plans, employee initiatives, milestones and action plans on feedback through Townhalls, Ignite Wave sessions and Leader connects. Communication on employee initiatives, benefits, processes, health and wellness and recognition at regular intervals happen through different communication modes including mailers, posters, and audio-visuals, among others.

Building Culture

Vishvas, the organisation's guiding principles, ensure alignment of employees with organisational priorities and the dynamic needs and expectations of key external and internal stakeholders. These principles help build a collective mindset, a key enabler to drive the common organisational goals. Employees demonstrate behavioural standards across the four pillars of Vishvas – Fast and Nimble, Taking Charge, Walking Together and Celebrating Wins – and are recognised periodically, which reinforces these behaviours.

Employee Engagement

Creating the right work environment for all members of the organisation is an ongoing process to enable them to give their best each day, while staying aligned with the organisation's goals and values.

Every year, based on employee feedback, the engagement interventions are reassessed to ensure relevance, effectiveness and alignment with employee and business needs. Ignite, the annual leadership strategic forum, considers action planning on the employee satisfaction survey results, besides working on business strategies. These are then cascaded to the rest of the organisation through forums like Ignite Wave and Town Halls.

Our ongoing "Great Place for All" initiative covers a large number of initiatives and interventions based on the feedback from employee surveys. While some areas like work-life harmony and employee well-being continue to be in focus, newer areas are identified each year. The efforts of the organisation have been duly validated through our

Harnessing Our Employee Potential

internal employee perception survey. These scores have improved consistently over the last several years. As an external validation of the same, the organisation is also accredited as a 'Great Place to Work', second year in a row by the "Great Place to Work Institute", an international certification organisation.

Employee Wellness

The Company has deployed a bouquet of wellness initiatives to help the employees in their physical and psychological well-being. These include annual health check-ups for employees over a certain age, Health Risk Assessments and advice, Medical Insurance covers, Employee Assistance Programme (EAP) helpline, IL Take Care App, and emergency ambulance services. Periodically, the organisation also arranges expert talks and sessions on various topics related to physical and mental health and fitness with regular awareness communication. Further, initiatives like Preferred Working Hours in select locations, Family Fridays, and Leave Donations provide opportunity to build peer-to-peer camaraderie and work-life integration.

HRIS Technology

Through its Human Resource Information System (HRIS), the organisation brings together the entire range of HR

processes and systems under a single roof, offering anytime, anywhere access to leaders and employees for carrying out regular transactions and executing the processes. This system encompasses the employee's entire life-cycle activities such as talent acquisition, employee on-boarding, performance management, succession planning, compensation, learning & development and exit management. Not only does this ensure the availability of information on all employees at a single place at the click of a button, but also brings in uniformity and transparency of information.

Measuring the Progress

Regular monitoring of metrics helps track the progress made and outcomes of the human capital development process. Several tangible outcomes are tracked on a regular basis and corrective actions are taken, wherever necessary. Some of these outcomes include diversity and mix of talent, average tenure of employees, internal talent occupying leadership positions, average experience of leadership team and senior management, employee attrition and retention of key talent, time invested in learning, skill and leadership certification of employees, favourable scores in employee satisfaction and culture surveys, and employee cost.



Towards Inclusive Growth

We remain steadfast in our dedicated efforts to make a difference in the communities where we live and work. Our corporate social responsibility interventions are structured under three focus areas: Preventive Healthcare, Road Safety and Wellness.

We take pride in and truly appreciate the voluntary contributions of our employees towards our community's well-being programmes. We also implement several projects for the benefit of tribal districts in India, in collaboration

with ICICI Foundation. These programmes and strategic partnerships enable us to make a positive contribution to the lives of thousands of individuals beyond the bounds of our direct business and develop strong community bonds.

Our CSR Initiatives



Caring Hands

There are many factors that can make or break the life prospects of underprivileged children. Vision is one of the most important of those factors. To ensure that no child is held back from fulfilling their potential because of their poor eyesight, we have made free eye check-ups the focal point of our preventive healthcare initiative 'Caring Hands', launched in 2011.

Organised annually, the initiative is led by ICICI Lombard employee volunteers. About a month's meticulous planning goes into the organisation of free eye check-up camps, held on one single day at multiple locations across the country. During FY2020, we held our 9th edition of 'Caring Hands' eye check-up camps, and 43,687 underprivileged school children had their eyesight screened at 318 camps at 110 locations, and 7,929 children were found to have poor vision. All the children diagnosed with poor eyesight were provided with free spectacles.

Making an Impact with Caring Hands

318
Number of camps organised

110
Number of locations in India

43,687
Number of children screened

7,929
Number of children identified with poor vision and given free spectacles

“These programmes and strategic partnerships enable us to make a positive contribution to the lives of thousands of individuals beyond the bounds of our direct business and develop strong community bonds”

Towards Inclusive Growth



Ride to Safety

With one of the highest road accident death rates in the world – one road death every 4 minutes* – India could certainly use more awareness and better road safety habits. That is exactly the aim of our nationwide initiative ‘Ride to Safety’, which pays particular attention to two-wheeler riders. As per 2018 data from the Ministry of Road Transport and Highways, this vehicle category accounted for the highest share (35.2%) of the total road accidents in the country. And many of these deaths were preventable; the riders were not wearing safety helmets.

**Source: Ministry of Road Transport and Highways*

“**‘Ride to Safety’ initiative includes annual sensitisation workshops targeting children, making them aware of life-saving road safety rules and the need for motor insurance from a formative age**”

Making an Impact with Ride to Safety

200+
Direct contact
programmes/
workshops
conducted across
7 cities

40,000+
Parents and
children made
aware of road
safety and the
need for children
to wear helmets

33,000
Specially-designed
ISI-marked helmets
distributed to
parents and
children

In 2018, violation of the helmet-wearing rule by two-wheeler riders caused 43,614 deaths, which was 28.8% of that year's total road accident deaths. Since the youngsters of today will become the motorists of tomorrow, and will often have two-wheelers as their first vehicle, the 'Ride to Safety' initiative includes annual sensitisation workshops targeting children, making them aware of life-saving road safety rules and the need for wearing helmets from a formative age. The workshops aim to instil safe habits that will stay with the children all their lives. These workshops also distribute child-specific helmets for those youngsters who ride pillion on two-wheelers.

Since September 2015, over 700 road safety workshops had been held in the metros and other major cities across India, spreading awareness among 140,000+

children and their parents till March 2020. Further, 100,000+ children and their parents had received ISI-marked child-specific helmets. In FY2020, we took the helmet distribution further by giving parents as well as children around 33,000 ISI-marked helmets, so that the entire family would be protected when riding a two-wheeler. During the year, more than 200 direct contact programmes and workshops were conducted across 7 cities, attended by 40,000+ parents and children. We also conducted rallies with parents and children in Nagpur and Pune to create and increase awareness about wearing helmets.

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Towards Inclusive Growth



Niranjali

Water is the very basis of life – access to clean water can mean a healthy childhood. To give India’s children a better chance of a healthy life, our initiative ‘Niranjali’, which promotes awareness on clean drinking water, was initiated in FY2017 and has been well received in schools. In FY2020, around 70,000 children benefited from this initiative.

Raising awareness on clear water and ensuring that children have access to clean water is an urgent need, as suggested by India’s child mortality rate. Clean water can prevent diarrhoea, one of the two top killers of Indian children under the age of 5 years*. Diarrhoea, along with pneumonia, kills an estimated 233,240 Indian children in that age group. India tops the list of 15 countries in which the maximum number of children fall prey to these preventable infections. India has to bring down these deaths by six to nine times to meet United Nations Sustainable Development Goals, which aim at less than 3 deaths per 1,000 live births for pneumonia and less than 1 death per 1,000 live births for diarrhoea by 2025.

Under Niranjali, we install water purifiers in schools where drinking water is scarce. An annual maintenance contract is also drawn up to ensure smooth functioning of the machines. We have installed 70 purifiers at schools in Mumbai and, in FY2020, we conducted awareness programmes on wellness and safe drinking water at 70 schools.

70,000
School children benefited from water purifier installations

**Source - 2019 Pneumonia and Diarrhoea Progress Report Card released by John Hopkins Bloomberg School of Public Health and International Vaccine Access Centre.*

Our Approach to ESG



This ESG section provides a summary of ICICI Lombard's Environmental, Social and Governance (ESG) performance. The contents of this ESG section should be read along with the other elements covered in our Annual Reports of FY2019 and FY2020 and other standalone documents like our Employees Code of Conduct Manual, Environmental Policy, Business Responsibility Report, and other policies available on our website (www.icicilombard.com).

Our Approach to ESG

Scope of the Report

Information included in this Report covers the Company's activities in FY2020 within our Corporate Office at Prabhadevi, Mumbai, and at three other locations at Vashi, Malad and Vikhroli in the Mumbai Metropolitan Region. The scope does not include any other location across the country. We aim to expand the coverage over more locations in the next few years. This Report does not include any of our Supply Chain partners.

Our approach to ESG

As India's leading general insurer offering a variety of general insurance protection products, stewardship is core to what we do. We recognise that to help our customers look to the future of their businesses with confidence, we need to have a long-term view on a wide range of issues that could impact our business and the communities in which we operate. We continually monitor developments in the environment in which we operate, to ensure that the key ESG issues that are important to our stakeholders are understood and managed. We aspire to meet the

expectations of all our stakeholders in a transparent and fair manner. This is underpinned by our ESG identification process, which enables us to address our material ESG issues effectively and constructively.

Content of the Report

Our key ESG issues can be categorised as – service of core product of general insurance, customer service orientation, our technology, business integrity, people, responsible investment, environmental performance and support of our communities. The order in which these topics are presented in this section does not reflect any particular priority. The Company's Corporate Governance architecture has been strengthened through various policies, frameworks and codes adopted by the Company.

For further information on the policies relating to our material governance framework, refer to the Corporate Governance section pages of this Annual Report for FY2020.





Introduction

Insurance creates value for the society by offering people and businesses an opportunity to protect themselves from risks and empowers them to be resilient. The core nature of our business of general insurance is built around the concept of mutual benefit for all the direct stakeholders, society at large, and the natural environment we operate in. We are committed to protection and care by constantly upgrading and evolving our general insurance offerings so that our customer's ability to tide over identified adversities remains robust and intact. We have covered these aspects in the earlier sections of our Annual Report.

We regularly interact with our customers to comprehend their diverse needs and have embraced digitalisation and technology to enable faster turnaround time. Technology plays a pivotal role enabling paperless claims and processing, thus improving our service standards. It is our key differentiator in the marketplace, while enabling us to reduce our carbon footprint.

As a forward-looking organisation, we have initiated reduction of our carbon footprints across various other areas of our own operations to help mitigate climate change, reduce energy consumption and conserve valuable natural resources.

We have long been at the forefront of adopting high standards of governance, ethics, promoting transparency, a culture of respect, trust, integrity, and openness, all aimed at laying a very strong foundation for our business. Within the organisation, effective people management is undertaken. Employee engagement, communication and teamwork, planned training and development, strategic alignment of human resource management policies to its overall business philosophy, empowerment of employees and their review is a continuous process.

With the start of this new decade, we commenced our ESG journey of evaluating opportunities, possibilities, and priorities emerging through good environmental practices. Through this maiden ESG Report, we have at an early stage evaluated different voluntary disclosure frameworks to disclose our sustainability-related policies, practices, and performance data and information. We believe that every step counts and we have taken the first step of transparently documenting our position at this early stage, without following any stringent guidelines or framework. While we are aware that this is a nascent effort, we are fully committed to expanding and strengthening this in the years to come.



Environment

- Environment Policy
- Energy Efficiency
- Waste Management
- Water Saving
- Environment Protection



Social

Creating Value for:

- Consumers
- Employees
- Communities



Governance

Corporate Governance Architecture

- Our Governance Structure
 - Board of Directors and its Committees
 - Performance Evaluation, Compensation Structure
 - Data Privacy

Message from the CFO



The global investor community has been advocating tangible and result-focused sustainability strategies that are also signs of sound corporate governance as well as a Company's preparedness for changing market needs and government policies



Our Valued Stakeholders,

We are operating in changing times where embracing sustainability is imperative for all responsible organisations, globally. Sustainability is a universal responsibility – even though every nation and organisation and every individual must find their own way, the destination is the same. At ICICI Lombard General Insurance Company Limited, we are committed to learning and innovating constantly, to protect the planet, people, and profits, believing that they are inter-connected, and not mutually exclusive.

The global investor community has been advocating tangible and result-focused sustainability strategies that are also signs of sound corporate governance as well as a Company's preparedness for changing market needs and government policies. It has become essential to assess and scale up our overall value creation by integrating ESG principles across our businesses. Insurance also helps to mobilise investment, with the premiums paid from policies reinvested across productive sectors.

Being a general insurer, we are learning more about social needs every day and orienting both product offerings and business practices to meet those needs. More resources are being allocated within the Company for balancing our economic, social and environmental commitments and strategic growth areas.

Our ESG journey has just begun. The road ahead will bring new challenges and new opportunities. Our vision is to be the most value-creating and admired risk solutions company in India, with a global outlook.

We thank all our stakeholders and look forward to their continued support and trust in us.

Thanking you,

Gopal Balachandran
Chief Financial Officer & Chief Risk Officer

Contributing to Sustainable Development Goals



The 17 Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. These SDGs provide a historic opportunity to unite all global stakeholders to end extreme poverty, fight inequality and injustice, and protect our planet. Rooted in these universal principles, we aspire to achieve transformational change by assessing the impact of our operations on these SDGs and comprehensively address some of the barriers to sustainable development facing the society. A strong ESG risk management approach is embedded throughout our underwriting processes. Our ESG referral and assessment

process ensures that ESG risks are identified, assessed and managed.

Understanding SDGs

These Sustainable Development Goals (SDGs) are a set of universal, inter-connecting goals that meet pressing global economic, environmental, political and social challenges. The SDGs are an urgent call to shift the world on to a more sustainable path, and involve everyone in building a more sustainable, safer and prosperous planet for humanity.

Contributing to Sustainable Development Goals

At ICICI Lombard, we are committed to continuously scale up our contribution to SDGs. We plan to strategically develop a robust framework to evaluate our performance against these goals.

Mapping our Focus Areas to UN SDGs

Responsible Business Practices

We take a responsible approach to insurance to be able to achieve long-term success.



Creating Positive Social Impact

We endeavour to be a community partner which understands and caters to needs and shapes long-term relationships.



Environment Sustainability

We intend to reduce the environmental impact of our business.



Responsible Employer

The foundation of our Company and the key to our future is our talented and empowered employees.



Environment



Empowering through technology and reducing paper consumption and energy use are foundational elements of our corporate environmental programme. A key priority area for us is to support the transition to a low-carbon economy.

Environment

We are committed to enabling progress towards a low-carbon and more sustainable future. We have made a beginning by embarking on this journey through our maiden ESG Report, aimed at reducing our carbon footprint and inculcating energy efficiency in our buildings, and branches. For this, we are gathering knowledge and understanding climate change risks across the organisation and advocating behavioural change to promote the conservation of natural resources.



Eco-friendly Work Environment

We are fast moving towards paperless claims processes by promoting digital initiatives such as e-claim form, online claim intimation, document upload, and InstaSpect. This helps us in promoting digital initiatives and thereby reducing carbon footprint. Survey of claims through InstaSpect, a live video survey feature, leads to less travel and reduction in carbon footprint and pollution. Automating the break-in process and completing it using mobile self-inspection removes manual intervention and paper usage from the process.

We also enable our Channel Partners to book policies and intimate claims through a portal, reducing email and offline communication and leading to better processing and eco-friendliness. Further, we always prioritise repairing over the replacement of any office equipment, which reduces wastage of resources and leads to better eco-friendliness.

(You may read more on the above initiatives in our Business Responsibility Report on the company's website)

Environment Policy

As a responsible corporate citizen, we remain committed to environmental sustainability. Through an overarching policy on Environment Management, and through this maiden ESG Report, we intend to communicate our commitment to managing and reducing the direct environmental impact of our operations. The Environment Management Policy also seeks to convey that we are striving to continually improve our direct environmental performance, wherever possible.

(You may read more on the Environment Policy on the Website's ESG section)

We are taking small steps toward environmental protection. These are on beta run currently, and the results will pave the way for a long-term implementation policy, in line with the Company's documented Environment Management Policy.

Key Performance Highlights



Energy Efficiency

With a change to LED fittings at our Corporate Office at Prabhadevi and at the Vashi office, we achieved 30% savings in electricity consumption.

To achieve further energy efficiency and reduce vehicle emissions, we introduced carpooling facility to discourage the use of private cars.

Energy-efficient products were installed at Prabhadevi and Malad offices. Centrally-managed LED fittings were installed to reduce energy consumption, a VRV air-conditioner system was put in place to auto-adjust air-conditioning temperature, and the Building Management Systems (BMS) was deployed to manage the chiller temperature.

Reduce, Reuse, Recycle

We are managing our waste effectively to avoid environmental degradation. During the year (till March 31, 2020), 1,627 kgs of paper were recycled at our offices at Prabhadevi, Vashi, Malad and Vikhroli. About 1,530 notepads

were made from the recycled paper and 4,797 garbage bags were created from the bio-degradable material. We reported a 10% reduction in the quantum of paper used across all our offices in India.

Water-Saving

During the year, we started measuring consumption of water within the organisation at the Prabhadevi office. This was a beta project; it will soon be implemented across different locations in the future. We engaged in rainwater harvesting and groundwater recharging to save water. We were able to reduce the expenditure incurred on water tankers through our water saving initiatives.

We aim to totally cut down procurement of packaged drinking water (250 ML and 500 ML pet bottles) at our offices in Prabhadevi, Vashi, Malad and Vikhroli. As a result of this, expenses incurred on procurement of packaged water witnessed a steep decline by end of the year.

Environment

Environment Protection

Facilitating Water Saving

As a test run, the old RO system was replaced with feasible UV machines at one of our offices (at Vashi), which led to 65% water savings. We plan to evaluate implementing this further at more locations in the future.

Enabling Green Buildings

There is a vertical garden of 685 sq. ft. developed with 1,370 plants at our headquarters (at Prabhadevi) in Mumbai, which is aimed at improving air quality and saving on space. We have taken steps to reduce water consumption by implementing drip irrigation in traditional gardens.

Waste Management

Single-use plastic has been eliminated in food consumption and the organisation has switched to paper and bio-degradable plastic. We have also made it mandatory to get food delivered only in reusable and returnable packaging. We not only control waste generation, but efficiently handle and manage waste.

Management of e-Waste

ICICI Lombard takes the services of authorised vendors to dispose and recycle e-waste as per the pollution control guidelines.

Green Initiative

We ensure that all relevant information, details and documents are made available to the Directors for effective decision-making at the meetings. All Board and Committee Meetings' agenda papers are disseminated electronically on a timely basis, by uploading them on a secured online application specifically designed for this purpose.

We have a large base of shareholders and more than 85% of our shareholders have registered their e-mail IDs. This is aimed towards taking green measures – such as electronic dissemination of Annual Reports and AGM notices and encouraging end-to-end digital solutions for all our business processes.

As a part of the green initiative, we have taken multiple initiatives for our shareholders to register their e-mail ID with the Company/Depository Participant(s). This helps in reducing the printing of Annual Reports and AGM notices. During

FY2019, we printed 20% lesser Annual Reports, as compared to FY2018.

We frequently send reminder to our shareholders through digital mode, requesting them to claim their unclaimed/unpaid dividend. In the said reminder, we also request them to update their bank account details with the Company/Depository Participant(s) to get the electronic credit of dividend, which helps to reduce printing of papers.

Through frequent communication, we request the shareholders holding shares in physical mode to dematerialise their shareholding in the Company. We also strive to continue taking measures to update e-mail IDs and bank account details of all the shareholders.



Social



We work to create value in different ways.

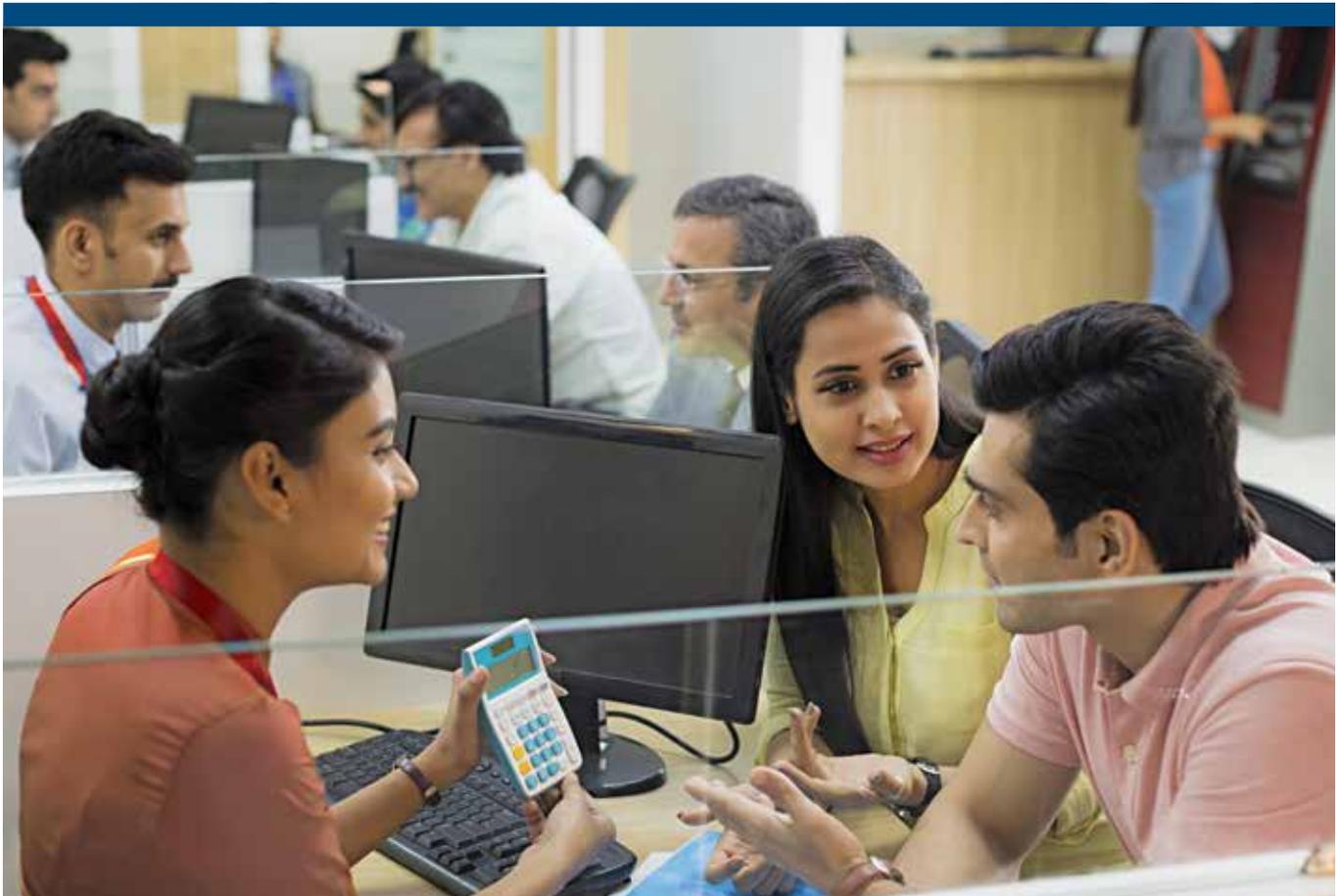
We ensure this by creating a positive social impact embedded into the business.

We remain committed to utilise all our resources and capabilities to address challenges and live our purpose of helping communities prosper.

We remain dedicated to harness people, improve their lives and build communities.

Social

Creating Value for: Our Customers



At ICICI Lombard, we are working towards catalysing social change and social well-being by creating sustainable value for our customers by designing relevant general insurance policies. Keeping in mind the requirements of the contemporary world, besides traditional general insurance products, we also offer innovative policies like mobile phone insurance, business shield and cyber insurance. This wide range of offering enables us to serve the needs of our customers better and penetrate different customer segments.

To ensure selling is transparent and customer experience is best-in-class, we impart detailed knowledge of our products, processes and digital advancement through a series of webinars to Channel Partners. We leverage technological and digital advancement to decentralise our solutions. For

instance, we are using the digital platform for the issuance of quotes and policy. This empowers our customers to decide on the offerings, while reducing operational expenses and saving time in policy issuance at our end.

Technology has played an invaluable role in enhancing speed across various processes. We introduced the general insurance industry's first Artificial Intelligence-based solution to facilitate instant renewals of expired or lapsed motor insurance policies. Some of the other technology-led initiatives include the submission of digital or e-claim forms to eliminate the need for submission of physical papers or actual photographs supporting the claims, thereby ushering speed in claims processing. We also continued with our decentralised approach for underwriting retail health products.

Approach towards Claims Settlement

We service claims through InstaSpect, and have been the first in the industry to launch live video streaming for motor claims, aimed at customer convenience and faster approvals. We have serviced 24% of our Own Damage claims through InstaSpect during the year. We also launched the e-Claims solution to enable motor insurance customers to submit a digital claim form and upload relevant claim-related documents.

Besides, we tied up with 8,800 cashless network garages and created a 24/7 assistance team to answer queries of those insured. We also introduced 'Do-It-Yourself' at different stages such as policy booking, break-in survey, endorsements and vehicle inspection. We harnessed Algorithms using Cognitive Computing, along with Intelligent Character Recognition (ICR) and Optical Character Recognition (OCR) for processing authorisations for cashless health claim approvals. This reduces turnaround time, eliminates human intervention and enables straight through processing (STP) of approvals. As of March 2020, nearly 31% of the total cashless cases for Group Health Policies were successfully adjudicated by the AI engine in the health insurance.

Improved Processes

I-Claim, a robotic process automation initiative along with ICR/OCR, has been introduced specifically for marine cargo portfolio. The automated process is used for monitoring the shipment status of various logistics companies, thereby increasing efficiency. This year, we registered 28,042 self-survey claims. Of this, we processed 19,443 claims, (approximately 70%), through I-Claim. Further, we automated the claim registration process and surveyor deputation is done on an immediate 24/7 basis.

Technology Solutions

The organisation has several other platforms to introduce efficiency. **MyRA Chatbot** is a natural language processing platform that responds to customer queries on a real-time basis and renews policies over an automated chat. With AI-based cashless claims settlement, the complete claim authorisation process has been automated. This ensures error-free operations and self-help options for our customers. We also use AI for assessing claim admissibility and approval amount, as it reduces



Social

turnaround time, eliminates human intervention and enables STP of approvals.

The **IL Take Care App** is a digital platform aimed at customers servicing and engaging. It covers all aspects of preventive, primary and secondary healthcare, including holistic health management, through various inbuilt monitoring and assessment tools harnessing the health ecosystem. Claim intimation, tracking and convenient digital solutions are available to ease the claims process for health and motor products. This includes digital claim forms and

document upload, among other functionalities. Most of our products are available on our digital platforms for channel partners and employees – **iPartner** (portal for agents) and **MyRA** (an e-mail robot facilitating automated policy issuance, endorsement and renewal across multiple product lines). These tech-enabled solutions lead to 90% of policy issuance processes getting completed intra-day, and reducing the TAT. Multiple dashboards is a new feature that has been added to the **iPartner** platform – which makes it easier for agents to track the cases.

Customer Satisfaction Survey: Key Findings



* Resolution Rate - Were we able to resolve your concern? Yes/No

** CRM Satisfaction Rate - Are you satisfied with the person you spoke to? Yes/No

Our Employees

Employees are our key stakeholders. We attract talented employees from different backgrounds and provide equality of opportunity and continuously develop their abilities to deliver exceptional outcomes for our customers. In a flexible and open culture and inclusive work environment, we value different perspectives.

We have in place a robust talent management process which nurtures and builds employees to realise their full potential while meeting the organisation goals and objectives.

Diversity & Inclusion

We hire people from diverse backgrounds and experiences, aim to achieve gender diversity and pay parity, and improve the retention of employees. We promote acceptance, respect, and teamwork, despite differences in race, age, gender, native language, political beliefs, religion, sexual orientation and communication styles among our employees.

Talent Management

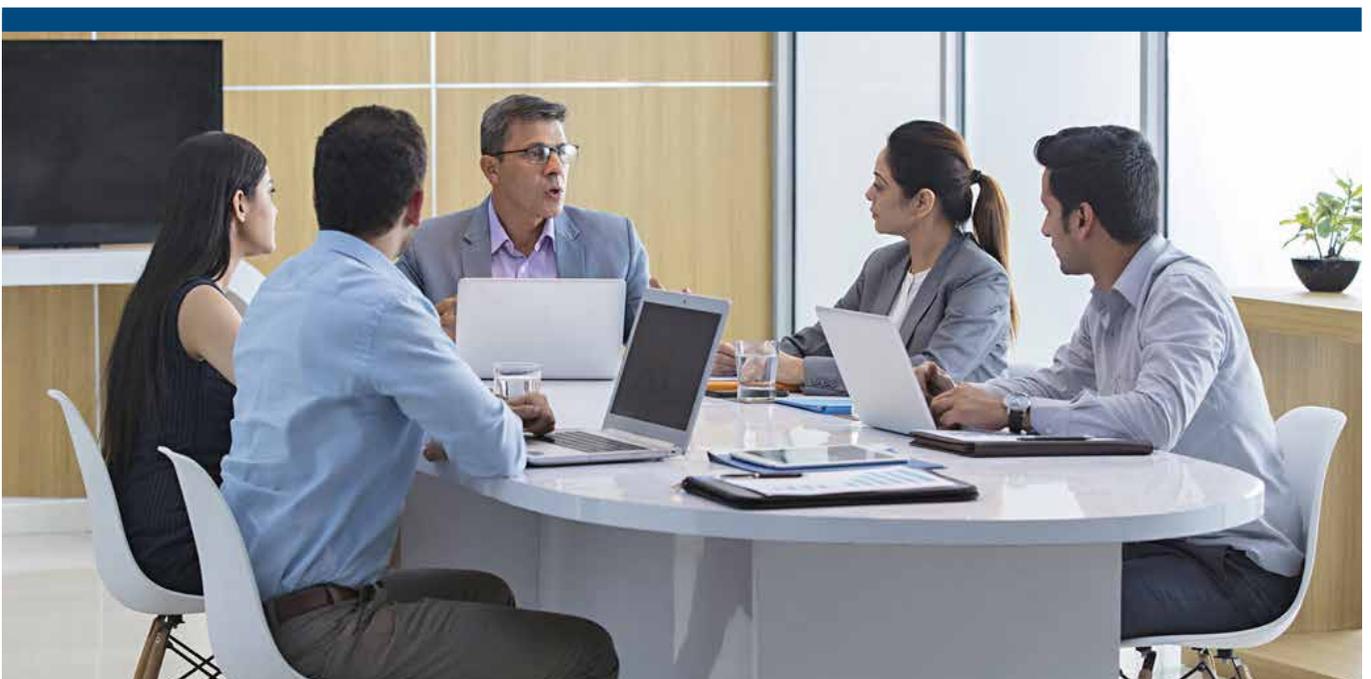
We attract the right talent, build their capabilities, and deploy them in the right roles to drive high performance, thus enabling them to perform and contribute to operational and strategic goals and objectives.

Talent Councils from cross-functional teams review the quality and adequacy of internal talent. Using a 360-degree feedback process, these Councils collectively deliberate on the readiness of talent for critical roles and share appropriate feedback. This feedback enables us to groom and prepare the employees and improve their readiness for higher roles.

Besides attracting new talent, our HR initiatives involve various ongoing developmental and engagement programmes to motivate and retain employees. A key enabler to drive common organisational goals is the alignment of our employees to the organisation's priorities and dynamic needs. We build a collective mindset to align with the expectations of our key external and internal stakeholders.

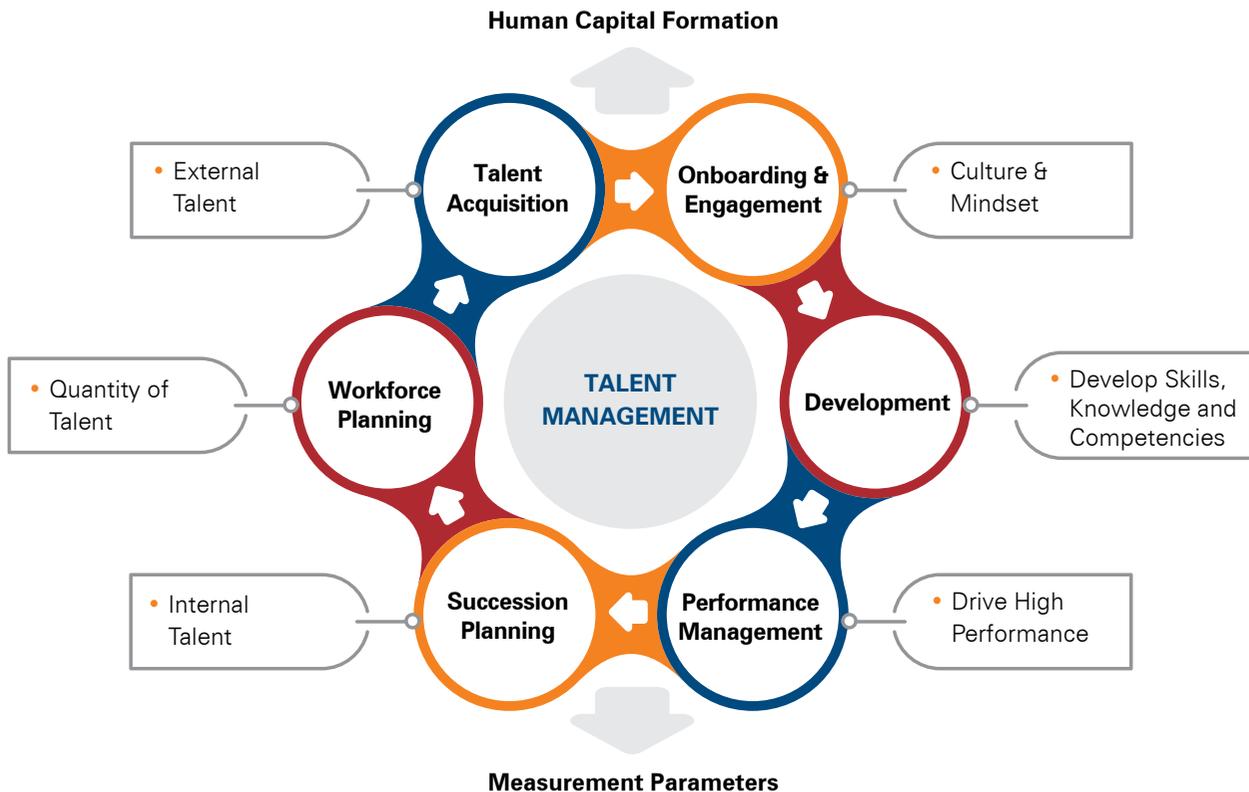
This collective mindset and ethos are reflected in Vishvas, our guiding principles. We bring Vishvas to life and also build a conducive work environment by reaching out to employees, seeking feedback through engagement surveys and using this to carry out detailed planning and implementation to drive initiatives to make the organisation a 'Great Place for All'.

In our effort to build flexibility, we are aspiring to move towards building an organisation where at least 50% of the workforce works from home.



Social

Human Capital Formation Framework



Employee Learning and Development

Employee Capability is built in a structured manner and it addresses every stage of their career and role. Our learning approach involves 70% on-the-job learning, 20% social and peer learning and 10% e-Learning and structured classroom learning. In addition, there are Individual Capability Plans (ICP) drawn up for employees based on discussion with line managers and the progress on the actions are tracked. Some of the learning interventions include:

1. Integrated Knowledge Certification and Behavioural Certification: A three-level knowledge acquisition model that builds domain knowledge.

Code Orange: Involves blended learning via online, classroom sessions and a 90-day mentorship programme.

Code Maroon: Involves clearing three consecutive internal assessments, go beyond immediate scope of work, and build knowledge.

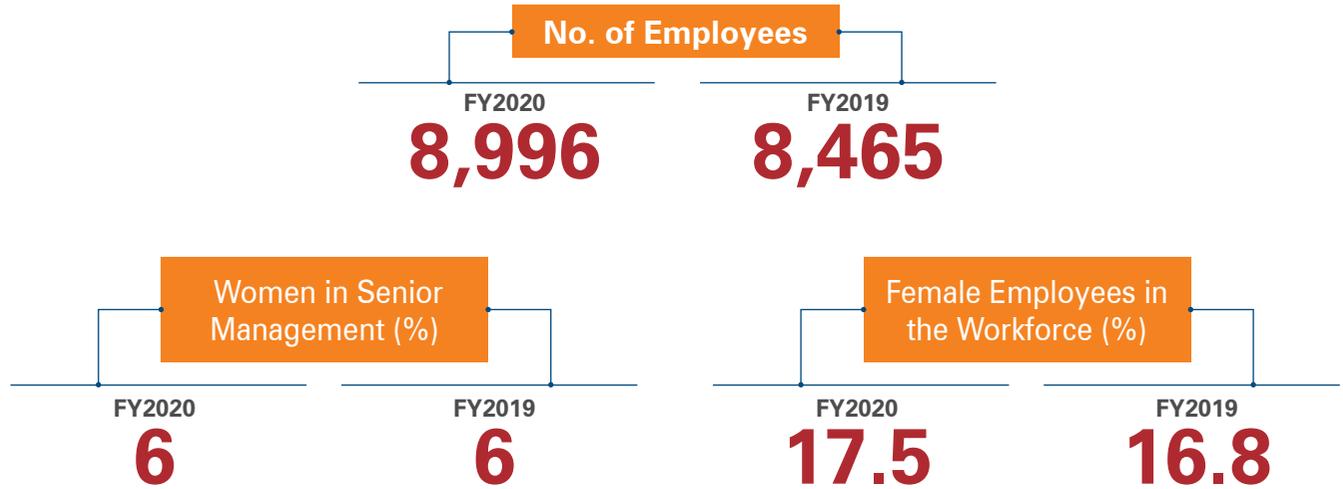
Code Maroon+: An apex level domain/functional certification that offers international exposure and benchmarking.

2. Code Blue: Addresses major transitions in employees' leadership journey and equips them – transition from Individual Contributor to First-Time Manager; from First-Time Manager to Manager's Manager; and then being Emerging Business Leader.

3. Learning Roadmaps: Involves 92 learning roadmaps based on understanding of domain learning needs.

The aggregate learning hours of employees within the organisation stands at 248,104 hours in FY2020, with 30.12 average hours of learning per employee.

Diversity Metrics



Social

Performance Management

Performance management is a continuous process in which annual objectives and goals are driven through key performance indicators (KPIs). Every quarter, the individual KPIs are reviewed, progress is recorded and the way forward is planned through self-evaluation and manager feedback. Employees, Managers and Skip Managers record their comments thus ensuring transparency & fairness and establishing clear communication at all times.

At the end of the year, the overall KPI achievements of the individual and how this ranks in relation to the performance achievement of their peer group, governs their final performance ratings. We believe in fairness and meritocracy where rewards are aligned to performance. Thus rewards are directly linked to the overall company performance and performance ratings of the individual employee.

Succession Planning

We have a robust succession plan in place for senior management positions. The identified talent pool is considered for succession opportunities for higher level roles in the organisation. This talent pool is reviewed annually and the plans arising from the review are deployed in a consistent manner. On the basis of the succession readiness assessment and gaps, decisions are taken to consider and attract external talent, particularly in niche skill areas.

Making a Difference to the Community

Caring Hands is our platform to enable employees to volunteer and participate in social initiatives including health and education. We have effective policies and initiatives for promoting the well-being of our employees, including their safety.



Our Communities

Aiming to contribute to well-being of the community at large, we undertake interventions in preventive healthcare, road safety, and wellness. Our Corporate Social Responsibility projects are underpinned by the voluntary contribution of our people. We successfully

implemented several projects in the tribal districts of India, in coordination with the ICICI Foundation. These programmes demonstrate our commitment to promoting non-profit humanitarian work and bring about a positive change in society.



Social



Our CSR Initiatives

1. Through the **'Caring Hands'** initiative, we organised 318 camps at 110 locations and screened 43,687 children for defects in vision. We identified 7,929 children with poor vision and provided them free spectacles.
2. **'Ride to Safety'** is a nationwide initiative launched to generate awareness on road safety in India. In **'Ride to Safety'** initiative, we conducted more than 200 direct contact programmes across 7 cities to raise awareness on road safety. 33,000 ISI-mark helmets were distributed to the parents and children attending the workshops to facilitate behavioural change on the need to wear helmets and respect and adopt road safety measures.
3. Through our wellness initiative **'Niranjali'**, we educate children on the importance of clean and safe drinking water. During the year, we installed water purifiers in 70 schools. For more details on CSR initiatives, check Page 69 of the Annual Report 2019-20 and BRR of FY2020.

“
Our Corporate Social Responsibility projects are underpinned by the voluntary contribution of our people. We successfully implemented several projects in the tribal districts of India in coordination with the ICICI Foundation
”

Governance



Responsible governance underpins the business and is integral to the Company's vision. We have the right strategy, governance, talent and risk management to create long-term value, and maintain the highest standards of ethical behaviour and transparency. Through our actions, procedures and policies, we remain committed to deliver on our promise of accountability to all our stakeholders.

Governance

We believe that strong governance and integrity form the bedrock of our corporate culture. We remain committed to upholding the highest standards of ethical behaviour and transparency, which create long-term stakeholder value. The Board of Directors is at the helm of our governance structure. It is tasked with the overall management, including the formulation of management policies. It also takes responsibility for the sustainability issues of the Company.

The Board assesses governance practices in line with regulatory expectations and evolving standards to achieve the highest level of ethical behaviour. It has an optimum mix of Executive and Non-Executive Directors, in line with the Board diversity policy. All the Directors possess distinguished expertise in their respective fields and advise the Board on relevant matters.



Governance Framework

A robust governance framework, one compliant with regulatory requirements and ethical practices, is the key to maintaining the trust and confidence of stakeholders and driving business growth. During FY2020, six Board meetings were held to review business performance and strategic initiatives.

Board Diversity

We believe that a Board comprising individuals with diverse perspectives, significant experience, and distinguished skill sets results in improved supervision and better decision-making. The Board's diversity policy is reviewed by the Board Nomination and Remuneration Committee. As per its

diversity policy, the Board has an optimum mix of Executive Directors and Non-executive Directors. As on March 31, 2020, there were 11 Members on the Board, which included three Executive Directors, two Non-executive, Non-independent Directors and six Non-executive, Independent Directors. As a measure to embrace diversity and encourage more cognitive thinking, the Company has two Women Directors on the Board including one woman Independent Director. More than 50% of Directors are Non-executive, Independent Directors.

Board Committees

The Board has constituted eight Committees to discharge its responsibilities effectively. These Committees make recommendations to the Board on the relevant areas and take informed decisions in the Company's best interest. The terms of reference of the Committees are reviewed by the Board periodically to align the same with the business/regulatory requirements.

The details of members of the below-mentioned Committees, meetings held during the year and terms of reference of the Committees are given in Corporate Governance Report forming a part of this Annual Report.



Compensation Structure

The Board Nomination and Remuneration Committee assesses the performance of the organisation and the Whole-time Directors (WTDs). It thereafter makes recommendations to the Board about compensation for WTDs and employees, including senior management, and key management persons. Non-executive, Independent Directors receive remuneration by way of profit-related commission and sitting fees for each financial year, which is decided by the Board within the limits prescribed by IRDAI and the Companies Act, 2013.



Governance

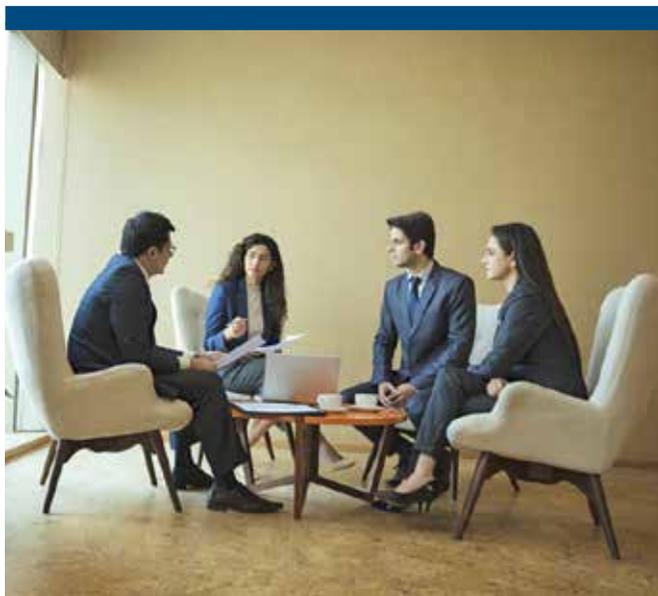
Our Corporate Governance Architectures

- Our philosophy establishes that the Board's independence is essential to bring objectivity and transparency into management and its dealings.
- We are committed to conduct our business with the highest standards of compliance and ethics.
- We have a Employees Code of Conduct ("the Code") to summarise the standards of business conduct that must guide the actions of our employees (including all Directors) at all times.
- The Code aims at observing the highest standards of integrity, honesty, fairness, and ethical conduct, while one works and represents the Company.

Responsible Business Practices

The values, principles and norms of our behaviour includes our Code of Conduct, which steers ethical business practices. Appropriate policies have been formulated for:

- Employees Code of Conduct
- Prohibition of insider trading
- Preventing bribery and corruption
- Preventing fraud
- Whistleblower
- Anti-money laundering



Performance Evaluation

We have put in place an evaluation framework for conducting an annual evaluation of the performance of the Board of Directors, its Committees, Chairperson and Individual Directors. The performance of our Board is assessed against its responsibilities and obligations, overseeing the material issues, providing strategic supervision, reviewing the quality and timeliness of the flow of information between the management and the Board for decision-making, among other factors. The detailed process of performance evaluation is provided in our Corporate Governance Report forming a part of this Annual Report.

Customer Grievance Redressal Regulatory Reports

- An analysis of the Complaint Analysis Form (Form 1) showed that 72% of the complaints received were fully resolved in customer's favour, 4% were partially resolved in their favour, while the remaining 24% were rejected.
- In the Monthly Statement on Movement of Complaints (Form 2), 96% of the complaints received were resolved within 15 days, while the remaining 4% were resolved within 15-30 days.
- In the Monthly Statement on Channel-wise Complaints (Form 3), 97% of the complaints received were resolved within 15 days, while the remaining 3% were resolved within 15-30 days.
- In the form on Cause-wise Analysis and Resolution Details of Complaints (Form 5), 43% of the complaints were related to claims, 16% were related to policies, while the remaining 43% were categorised as miscellaneous.
- In the form on Status of Complaints received through Ministry of Personnel, Department of Administrative Reforms and Public Grievances (DARPG) portal, and Prime Minister's Office (PMO) (Form 7), 100% of all complaints received were resolved within 15 days.

Employees Code of Conduct

Our Corporate Governance architecture has been strengthened through various Policies and Codes. Our philosophy establishes that the Board's independence is essential to bring objectivity and transparency in management and dealings. We are committed to conducting our business with the highest standards of compliance and ethics, with a zero tolerance approach towards frauds.

The Company's Employees Code of Conduct ("the Code") helps summarise the standards of business conduct that must guide the actions of the employees (including all Directors) at all times. The Code aims at observing the highest standards of integrity, honesty, fairness, ethical conduct while working for the Company, as well as, while representing the Company. It also includes guidance on the Prohibition of Insider Trading, Prevention of Bribery and Corruption, Preventing Fraud, Whistle-Blower Policy, and Anti-Money Laundering.

It is also important to note that 100% of the employees have signed the Code of Conduct training and the business ethics code. Non-compliance with the Code is subject to disciplinary action including employee termination. The Directors of the Company are equally responsible for the Code. We have also established a framework to encourage the employees and Directors to report any concerns or violations of the Code.

The Company has provided detailed information on the governance practices in the Corporate Governance Report forming part of this Annual Report.



Governance

Data Privacy

ICICI Lombard has a governance framework for cyber & information security with oversight from the Information Security Committee which has senior leadership representatives from key functions within ICICI Lombard. The security strategy is based on the principles of “defence in depth” strategy in order to strengthen the management of IT risk and controls.

Under the governance framework, data privacy is considered as a human rights issue. According to international norms established by the United Nations, privacy is a fundamental right. Our customers place a high level of trust in our ability to safeguard their personal information. With the increasing digitisation of our functions and transactions, data privacy is of paramount importance for detecting, preventing and mitigating cyber security issues. A focused approach to cyber security, with the triad of Confidentiality, Integrity and Availability (CIA) is at the core of our information security framework.

We have a Data Privacy Policy that defines the rules and principles for collecting, processing, and disclosing customer and business data to ensure adequate safeguards. These rules and principles conform to appropriate data protection legislation. All the employees and insurance agents are trained in data handling of our customers and business partners. Privacy controls and systems to meet our data security objectives are regularly tested by our internal audit teams. With Work from Home becoming the new normal, our advanced IT infrastructure accommodates remote working and ensures data privacy and data security even in the WFH environment.



We are committed to protecting customers’ information from cyber-crimes and have invested in a robust security mechanism. In addition, we also conduct trainings and awareness exercises to educate our employees on insulating the organisation from cyber threats



Besides, we are committed to protecting customers’ information from cyber-crimes and have invested in a robust security mechanism. In addition, we also conduct trainings and awareness exercises to educate our employees on insulating the organisation from cyber threats. All new employees joining the organisation have to go through cyber security training. We are also training our employees and distributors in effective data handling. Independent Assurance Audit is carried out by qualified external systems every financial year driven by the Information Security Team.

The task of preventing frauds and strengthening cyber security has been assigned to the Internal Control and Loss Minimisation team, which was established in FY2006. The key objective of the team are – prevention of information leakages during claim processing; prevention, detection, and correction of internal irregularities and frauds; and, providing support to the Claims Team, with the aim of minimising losses.

Data Privacy during WFH

The Company has increased its vigilance on cyber security in the Work from Home (WFH) environment. WFH best practices including Do’s and Don’ts have been rolled out to users on a periodic basis using communication channels such as emails and corporate collaboration tools. The Company is also carrying our activities such as phishing simulation exercises to enhance user awareness.

Risk assessment has been carried out to identify inherent risk of WFH and provisions made accordingly to enable users to WFH. Continuous security testing such as black box and grey box testing and functional testing is being carried out to identify threats and address the same in a timely manner.

We remain focused on embedding robust governance practices in our corporate culture. Our disclosures have also improved over time, thereby resulting in a sustained trend towards greater business transparency and governance standards.

Statutory and Financial Sections

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Company's Twentieth Annual Report on business and operations, along with the audited financial statements for the financial year ended March 31, 2020.

INDUSTRY OVERVIEW

The Gross Direct Premium Income ("GDPI") of the industry grew from ₹ 1,694.48 billion in FY2019 to ₹ 1,893.02 billion in FY2020, a growth of 11.7% (Source: IRDAI). The Company's GDPI decreased from ₹ 144.88 billion in FY2019 to ₹ 133.13 billion in FY2020, de-growth of 8.1% which was due to cautious call taken by the Company to reduce exposure to the underpriced crop segment. Excluding crop segment, GDPI of the Company increased from ₹ 120.36 billion in FY2019 to ₹ 133.02 billion in FY2020, a growth of 10.5%. The Company led the private players (including standalone health insurers) in the general insurance sector with a market share of 12.6% and had an overall industry market share of 7.0%. The Company is the 5th largest player in the general insurance sector as at March 31, 2020 (Source: GI Council Report).

FINANCIAL HIGHLIGHTS

The financial performance for FY2020 is summarised in the following table:

	(₹ billion)	
	FY2019	FY2020
Gross written premium	147.89	135.92
Earned premium	83.75	94.04
Income from Investments	17.55	18.47
Profit before tax	15.98	16.97
Profit after tax	10.49	11.94
EPS- Basic (₹)	23.11	26.27
EPS- Diluted (₹)	23.06	26.19

APPROPRIATIONS

The profit after tax for the year ended March 31, 2020 is ₹ 11.94 billion. The profit available for appropriation is ₹ 44.33 billion after taking into account the balance of profit of ₹ 32.39 billion brought forward from the previous year. During the year, the Company had paid ₹ 3.50 per equity share as a final dividend for FY2019 and ₹ 3.50 per equity share as an interim dividend for FY2020, aggregating to ₹ 3.84 billion including dividend distribution tax.

The Insurance Regulatory and Development Authority of India ("IRDAI") vide its circular dated April 24, 2020 urged all insurers to take a conscious call to refrain from dividend pay-outs from profits pertaining to the financial year ended March 31, 2020 till further instructions. Consequently, the Board of Directors after due consideration of IRDAI circular did not propose any final dividend for the financial year ended March 31, 2020.

SECRETARIAL STANDARDS

During FY2020, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings. The same has also been confirmed by the Secretarial Auditor of the Company. The Company has also devised necessary systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

SHARE CAPITAL

The issued and paid-up equity share capital of the Company as on March 31, 2020 is ₹ 4.54 billion. The net worth of the Company increased from ₹ 53.20 billion as at March 31, 2019 to ₹ 61.34 billion as at March 31, 2020. The solvency margin position of the Company as at March 31, 2020 was 2.17 times as against the minimum solvency margin requirement of 1.50 times as prescribed by IRDAI.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 ("the Act") requiring disclosure in the financial statements of full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable to the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and future operations of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company as at March 31, 2020 consist of eleven Directors, out of which six are Non-executive, Independent Directors, two are Non-executive, Non-independent Directors and remaining three are Whole-time Directors including Managing Director & Chief Executive Officer (“CEO”). Lalita D. Gupte is a Non-executive, Chairperson of the Company.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164(2) of the Act. Further, all the Directors of the Company has confirmed that they fulfill the criteria of ‘Fit and Proper’ as laid down under the Corporate Governance Guidelines of IRDAI.

Changes in composition of the Board of Directors of the Company during the year are as follows:

Name of Director	Resignation/ Appointment	With effect from
Ashvin Parekh [#]	Re-appointment	April 18, 2019
Bhargav Dasgupta [§]	Re-appointment	May 1, 2019
Vishal Mahadevia	Resignation	July 16, 2019
Murali Sivaraman [*]	Appointment	January 17, 2020

[#] Ashvin Parekh (DIN:06559989) was re-appointed as Non-executive, Independent Director of the Company for a second term of five (5) consecutive years upto April 17, 2024.

[§] Bhargav Dasgupta (DIN:00047728) was re-appointed as Managing Director and CEO of the Company for a period of five (5) years upto April 30, 2024.

^{*} Murali Sivaraman (DIN:01461231), basis recommendation of the Board Nomination and Remuneration Committee, was appointed as an Additional Director in the category of Non-executive, Independent Director for a period of five (5) consecutive years upto January 16, 2025. The resolution seeking Members’ approval for his appointment forms part of the Annual General Meeting (“AGM”) Notice.

In the opinion of the Board, Murali Sivaraman has necessary integrity, expertise and experience (including proficiency) required for appointment as an Independent Director of the Company.

Further, the Board of Directors at their Meeting held on January 17, 2020, approved re-appointment of Sanjeev Mantri (DIN:07192264) as a Whole-time Director, designated as Executive Director - Retail of the Company

for a period of five (5) years, effective from May 2, 2020. The said re-appointment was subsequently approved by the Members of the Company on March 15, 2020 by an ordinary resolution passed through Postal Ballot and by IRDAI vide its letter dated April 30, 2020.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (“KMP”) of the Company as on March 31, 2020 are as below:

1. Bhargav Dasgupta, Managing Director & CEO
2. Alok Kumar Agarwal, Whole-time Director designated as Executive Director – Wholesale
3. Sanjeev Mantri, Whole-time Director designated as Executive Director - Retail
4. Gopal Balachandran, Chief Financial Officer & Chief Risk Officer
5. Vikas Mehra, Company Secretary

In accordance with the Corporate Governance Guidelines issued by IRDAI, the Company has following Key Management Persons. The details of Key Management Persons* other than aforementioned are as below:

1. Girish Nayak, Chief – Customer Service, Technology and Operations
2. Sanjay Datta, Chief – Underwriting, Reinsurance and Claims
3. Lokanath Kar, Chief – Legal & Compliance Officer
4. Jerry Jose, Head – Human Resources
5. Vinod Mahajan, Chief – Investment Officer

* J. V. Prasad, Appointed Actuary and a Key Management Person of the Company has resigned from the services of the Company and subsequently relieved on September 12, 2019 based on communication received from IRDAI.

In order to fulfil the requirements prescribed under the IRDAI (Appointed Actuary) Regulations, 2017 as amended from time to time, the Company has engaged the services of R. Arunachalam as Panel Actuary of the Company in accordance with the approval of IRDAI.

Directors' Report (Contd.)

Common Directorships

Section 48A of the Insurance Act, 1938, necessitates an approval of IRDAI for appointment and/or continuation of appointment of common directorship between insurance companies and insurance agent or intermediaries or insurance intermediaries. In view of the same, the Company has following three Directors falling within the criteria of Common Director viz. Ashvin Parekh, Uday Chitale and Vishakha Mulye.

Pursuant to the aforesaid provisions, the Company had made an application to IRDAI seeking continuation of directorships of Ashvin Parekh (due to his re-appointment for a second term of five (5) consecutive years as Non-executive, Independent Director of the Company), having common directorship with ICICI Securities Limited (being corporate agent of the Company) vide its letter dated March 15, 2019, which was approved by IRDAI on May 2, 2019. The Company had already received approval from IRDAI for continuation of appointment of Uday Chitale and Vishakha Mulye as common Directors on the Board of ICICI Bank Limited in the previous year.

Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) & (7) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). All the Independent Directors of the Company have also confirmed that they have complied with Schedule IV of the Act and the Company's Employees Code of Conduct.

Retirement by rotation

In terms of Section 152 of the Act, Alok Kumar Agarwal, Executive Director - Wholesale (DIN: 03434304), would retire by rotation at the forthcoming AGM and being eligible for re-appointment, he has offered himself for re-appointment. A resolution seeking Members' approval for his re-appointment forms part of the AGM Notice.

Performance Evaluation of Board, Committees and Directors

Pursuant to the provisions of the Act, Guidelines for insurance companies issued by IRDAI and Listing Regulations, an annual performance evaluation has been carried out of Board as a whole and that of its committees and of its individual Directors both Executive and Non-executive including Independent Directors and of its Chairperson. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Criteria for appointment of Director and Key Managerial Personnel

The Company has Board approved criteria for appointment of a Director, key managerial personnel and officials who may be appointed in senior management ("Criteria for appointment of senior management personnel") and Policy on appointment and compensation of employees and framework for remuneration to Non-executive Directors of the Company in compliance with the requirements as prescribed under the Act. The Criteria for appointment of senior management personnel is hosted on the website of the Company and can be viewed at:

<https://www.icicilombard.com/docs/default-source/policies-of-the-company/criteria-for-appointment-of-a-director-key-managerial-personnel-and-officials-who-may-be-appointed-in-senior-management.pdf>

Also, the Policy on appointment and compensation of employees and framework for remuneration to non-executive directors of the Company is available on the website of the Company and can be viewed at:

<https://www.icicilombard.com/docs/default-source/policies-of-the-company/policy-on-appointment-and-compensation-of-employees-and-framework-for-remuneration-to-non-executive-directors.pdf>

DEPOSITS

During the year under review, the Company has not accepted any deposits under Section 73 of the Act.

AUDITORS

Statutory Auditors

IRDAI vide its circular dated May 18, 2016, had issued Corporate Governance Guidelines wherein criteria for

appointment of statutory auditors of insurance companies were prescribed which are aligned with the provisions of the Act.

The Members of the Company in the Eighteenth AGM held on July 12, 2018 had approved re-appointment of Chaturvedi & Co., Chartered Accountants as the Joint Statutory Auditors of the Company for a second term of five (5) years till the conclusion of Twenty-third AGM. The Members of the Company in the same AGM also approved re-appointment of PKF Sridhar & Santhanam LLP, Chartered Accountants as the Joint Statutory Auditors of the Company till conclusion of twenty-first AGM i.e. for a balance three (3) years out of first term of five (5) years.

Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on July 12, 2018. Pursuant to the amendments made to Section 139 of the Act by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification by the Members for the appointment of the Statutory Auditors has been withdrawn.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Joint Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Joint Statutory Auditors of the Company.

The remuneration payable to the Joint Statutory Auditors for FY2020, has been determined by the Board of Directors of the Company in their Meeting held on April 18, 2019, based on the recommendation of the Audit Committee of the Company.

Statutory Audit and other fees paid to Joint Statutory Auditors

(₹ in Million)	
Particulars	Amount
Statutory Audit Fees including report on Corporate Governance and Internal control over financial reporting	20.0
Tax Audit Fees	1.4
Other Certification Fees	0.8

Statutory Auditors' Report

There is no qualification, reservation, adverse remark or disclaimer made by the Joint Statutory Auditors' in their report.

Secretarial Auditor

Pursuant to provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Listing Regulations, the Company had appointed Dholakia & Associates LLP, a firm of practising company secretaries, to conduct the secretarial audit of the Company for FY2020. The Secretarial Audit Report forms part of this report as Annexure A. There are no qualifications, reservation or adverse remark or disclaimer made by the secretarial auditor in the report save and except disclaimer made by them in discharge of their professional obligation.

Reporting of Frauds by Auditors

During the year under review, there were no instances of fraud reported by the statutory auditors and secretarial auditor under section 143(12) of the Act to the Audit Committee or the Board of Directors of the Company.

MAINTENANCE OF COST RECORDS

Being an Insurance Company, the Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as Annexure B.

The statement containing particulars of employees as required under Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Pursuant to the provisions of Section 136 of the Act, the Directors' Report is being sent to the Members of the Company excluding the aforesaid statement. Any Member interested in obtaining a copy of the statement may write to the Company Secretary at the registered office of the Company.

Directors' Report (Contd.)

RELATED PARTY TRANSACTIONS

The Company undertakes various transactions with related parties in the ordinary course of business pursuant to the Policy on Related Party Transactions approved by the Board of Directors of the Company.

The transactions entered into by the Company with related parties during FY2020 were in the ordinary course of business and on an arm's length basis as defined under the Act. The details of related party transactions are disclosed under Note No. 5.2.12 of the Notes to Financial Statements for FY2020.

All related party transactions are placed before the Audit Committee on a quarterly basis. The Policy on dealing with related party transactions has been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/policy-on-related-party-transactions.pdf>

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties were in the ordinary course of business and on arm's length basis and there were no material contracts or arrangement or transactions entered with related parties during the FY2020 and accordingly disclosure in Form AOC-2 [pursuant to clause (h) of sub-section (3) of Section 134 of Act and Rule 8(2) of the Companies (Accounts) Rules, 2014] is not applicable.

The above disclosure on material transactions are based on the threshold of 10 percent of turnover, as defined in the Policy on Related Party Transactions of the Company. Related party transactions are benchmarked for arm's length & approved by the Audit Committee. Statutory Auditors have issued an unmodified opinion on the Financial Statements which includes therein related party transactions and related disclosures and the same have also been approved by the Audit Committee.

EXTRACT OF ANNUAL RETURN

Pursuant to the prescribed provisions of Act and the rules framed thereunder, extract of annual return in Form MGT-9 forms part of this report as Annexure C and same has been hosted on the website of the Company and can be

viewed at <https://echannel-wf.icicilombard.com/docs/default-source/policies-of-the-company/mgt9-2020.pdf>.

RISK MANAGEMENT FRAMEWORK

A statement indicating development and implementation of Risk Management Framework including identification therein of elements of risk, if any, which may pose significant risk to the Company has been given in the Corporate Governance Report.

UPDATE ON COVID-19

The Company has provided details of Business Continuity Plan and the Crisis Management Strategy of the Company along with assessment of various risks arising out of the COVID-19 pandemic and the corresponding measures to manage the same in the Corporate Governance Report.

DISCLOSURES AS PER THE SEXUAL HARASSEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a Guidelines against Sexual Harassment at Workplace and a formal process for dealing with complaints of harassment or discrimination. The said Guidelines is in line with relevant Act passed by Parliament in 2013. The Company through its Guidelines ensures that all such complaints are resolved within defined timelines.

Details of complaints are as follows:

Sr. No.	Particulars	No.
a.	Number of complaints pending as on April 1, 2019	2
b.	Number of complaints filed during the financial year	6
c.	Number of complaints disposed of during the financial year	8
d.	Number of complaints pending as on March 31, 2020	0

The Company is in compliance with the provisions relating to the constitution of an Internal Complaints Committee under the Sexual Harassment of Women

at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

RURAL AND SOCIAL RESPONSIBILITY

As per IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015, the Company has issued 2,870,624 policies in rural areas and covered 7,460,320 lives falling within the norms of social responsibility. The Company has complied with the obligations laid down by IRDAI.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

The operations have resulted in a profit after tax of ₹ 11.94 billion for the current year as compared to a profit after tax of ₹10.49 billion for the previous year.

IRDAI vide its circular dated April 24, 2020 stipulated that, in view of the emerging market conditions and to conserve capital with the insurance companies in the interest of Policyholders and of the economy at large, had urged insurers to refrain from dividend pay-out from profits pertaining to the financial year ended March 31, 2020 till further instructions. This position shall be reassessed by IRDAI based on financial results of insurers for the quarter ending September 30, 2020. In view of the same, the Board of Directors of the Company had not proposed any final dividend for FY2020. The Company had declared an interim dividend of ₹ 3.50 in FY2020 which is proposed as final dividend for FY2020. The total dividend paid in FY2020 was ₹ 7.00 per share (i.e. ₹ 3.50 paid as an interim dividend for FY2020 and ₹ 3.50 paid as a final dividend for FY2019) as against ₹ 5.00 per share (i.e. ₹ 2.50 paid as an interim dividend for FY2019 and ₹ 2.50 paid as a final dividend for FY2018) paid in FY2019.

In terms of Regulation 43A of Listing Regulations, the Dividend Distribution Policy of the Company has been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/dividend-distribution-policy.pdf>

UNPAID/UNCLAIMED DIVIDEND

Pursuant to Section 124 & 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company was not required to transfer any unpaid/unclaimed dividend amount to the Investor Education and Protection Fund in FY2020.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility (“CSR”) Committee in accordance with the provisions of the Act. The CSR Committee was constituted comprising of Members of the Board of Directors of the Company. The Committee presently consists of 4 Directors with majority being Non-executive, Independent Directors. The CSR Policy of the Company and initiatives taken by the Company on CSR during the year are in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as given in Annexure D to this report.

Further in March 2020, the Ministry of Corporate Affairs allowed spending of CSR funds towards COVID-19 as a part of company’s CSR activities and also specified that the funds can be spent for various activities related to COVID-19. Considering the impact of spread of COVID-19, World Health Organisation and Government of India declared COVID-19 as pandemic and a notified disaster, respectively.

As a responsible entity, the Board of Directors of the Company approved the proposal to contribute ₹ 0.05 billion towards initiative against COVID-19. Accordingly, the Company partnered with reputed hospitals and funded entire process of testing viz. includes cost of testing kit, sample collection from home, diagnosis, generating test results etc. The Company further contributed ₹ 0.05 billion towards PM Cares Fund for COVID-19. The aforementioned contributions will be part of the CSR activities for FY2021.

CREDIT RATING

During the year, the Company has maintained credit rating of “ICRA AAA/Stable” awarded by ICRA Limited and “CRISIL AAA/Stable” awarded by Crisil Limited for Subordinate Debt raised by the Company. This is the highest rating regarding safety and timely servicing of financial obligations.

Further, the Company has maintained its credit rating of “iAAA” awarded by ICRA Limited for Claims paying ability by the Company. This indicates that the Company has highest claims paying ability and has a fundamentally strong position.

Directors' Report (Contd.)

BUSINESS RESPONSIBILITY REPORTING

In accordance with the Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report ("BRR") has been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/brr.pdf>. Any Member interested in obtaining a copy of the BRR may write to the Company Secretary at the registered office of the Company.

INTEGRATED REPORT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Securities and Exchange Board of India ("SEBI") vide its Circular dated February 6, 2017 had recommended the top 500 listed entities to voluntarily adopt Integrated Report as per principles prescribed by the International Integrated Reporting Council.

The Company has voluntarily adopted the principles and has prepared its second Integrated Report for FY2020 which forms part of this Annual Report.

The Company as a responsible corporate citizen, is committed to environmental sustainability. The Company has adopted a Policy on Environment Management. The same has been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/policy-on-environment-management.pdf>

Further, the Company has provided details of its environmental, social activities and governance framework in the Environmental, Social and Governance Report ("ESG Report") for FY2020 which forms part of this Annual Report.

INVESTOR RELATIONS

The Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors. It believes in adopting the emerging best practices in Investor Relations and building a relationship of mutual understanding with investor/analysts.

The Managing Director & CEO, Executive Directors, Chief Financial Officer & Chief Risk Officer and other Senior Management members participate in structured conference calls and periodic investor/analyst interactions including one-on-one meeting, investor conferences and quarterly earnings calls. The Company conducted 359 meetings with Indian and overseas investors and analysts (excluding quarterly earnings calls) during the financial year.

The Company ensures that financial information of the Company is available to all the stakeholders by uploading it on the Company's website. The financial information includes Financial Statements, Press Releases, Investor Presentations, Earnings call transcripts and Annual Report etc.

EVENTS AFTER BALANCE SHEET DATE

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this report.

CORPORATE GOVERNANCE REPORT

PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is fully committed to follow sound Corporate Governance practices and uphold the highest business standards in conducting business. The Company continues to focus on building trust with shareholders, regulators, policyholders, employees, customers, suppliers, statutory authorities and other stakeholders based on the principles of good corporate governance viz. integrity, environment, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

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.

The Company's Corporate Governance architecture has been strengthened through various policies, frameworks and codes adopted by the Company.

The Corporate Governance philosophy of the Company establishes that the Board's independence is essential to bring objectivity and transparency in the management and in dealings of the Company.

WHISTLE BLOWER POLICY

The Company is committed to high standards of conduct for its employees. The Company has in place Whistle Blower Policy ("the Policy") to provide a formal mechanism to its employees for communicating instances of breach of any statute, actual or suspected fraud on the accounting policies and procedures adopted for any area or item, acts resulting in financial loss or loss of reputation, leakage of information in the nature of Unpublished Price Sensitive Information (UPSI), misuse of office, suspected/actual fraud and criminal offences. The Policy provides for a mechanism to report such concerns to the Chairman of the Audit Committee through specified channels. The framework of the Policy strives to foster responsible and secure whistle blowing. In terms of the Policy of the Company, no employee of the Company has been denied access to the Audit Committee of the Board.

The Whistle Blower Mechanism is reviewed by the Audit Committee of the Board regularly.

The Policy has also been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/whistle-blower-policy.pdf>

CODE OF CONDUCT AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations"), the Company has in place a code of conduct to regulate, monitor and report trading by its Designated Persons ("the Insider Trading Code") to the extent specified in the Insider Trading Code of the Company. The Insider Trading Code of the Company has been revised in line with the amendments in the Insider Trading Regulations, as amended from time to time.

The Company as a part of its training program had conducted a workshop through an external expert for its Directors, cross functional workshops for designated employees and frequent e-mail communications were also sent on various aspects of the Insider Trading Code of the Company to the designated persons of the Company.

The Company also has in place Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/code-for-fair-disclosure.pdf>

Pursuant to above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the Insider Trading Regulations.

EMPLOYEES CODE OF CONDUCT

The Company is committed to conduct its business with highest standards of compliance and ethical conduct. The Company has in place an Employees Code of Conduct ("the Code") to summarise the standards of business conduct which guide the actions of the employees (including all Directors) at all times. The Code aims at observing highest standard of integrity, honesty, fairness and ethical conduct while working for the Company as well as while representing the Company.

Directors' Report (Contd.)

The Code has been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/employees-code-of-conduct.pdf> Pursuant to the Listing Regulations, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and Senior Management forms part of this Annual Report.

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, Certificate from the Statutory Auditors on compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this report as Annexure E

CEO/CFO CERTIFICATION

Pursuant to Regulation 17(8) of the Listing Regulations, Certification by the Managing Director & CEO and the Chief Financial Officer of the Company on the financial statements and the Internal Financial Controls relating to financial reporting for FY2020 has been obtained.

MANAGEMENT STRUCTURE

The Company has a multi-tier management structure, comprising the Board of Directors at the apex followed by personnel/executives at the top management, 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 the 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.

BOARD OF DIRECTORS

The Company has a broad-based Board constituted in compliance with the provisions of the Act and rules made thereunder, Regulation 17 of the Listing Regulations, Corporate Governance Guidelines prescribed for insurance companies by IRDAI, the Articles of Association of the Company and in accordance with good governance practices.

The Company recognises and embraces the benefits of having a diverse Board. The Directors of the Company are eminent personalities having diverse experience and significant expertise in the fields of accountancy, banking, finance, law, strategy, insurance, marketing, brand, channels and economics. The Company's Board comprises of eleven (11) Directors, out of which six (6) are Non-executive, Independent Directors including Chairperson of the Board, two (2) are Non-executive, Non-independent Directors and remaining three (3) are Whole-time Directors including Managing Director & CEO. Amongst the Board of Directors, there are two (2) Non-executive women Directors including one (1) woman Independent Director. Lalita D. Gupte is a Non-executive, Chairperson of the Company.

The Board functions either as an entity per se or through various Committees constituted to oversee specific operational areas. The Company has an optimum mix of Executive and Non-executive Directors to maintain the professionalism, knowledge, skill sets, integrity, expertise, independence and effective decision making. None of the Directors or their relatives are related to any other Director or employee of the Company.

A certificate from Dholakia & Associates LLP, Company Secretaries in Practice has been obtained certifying that none of the Directors on the Board of the Company has

been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020.

During the year under review, the Board of Directors of the Company approved the appointment of Murali Sivaraman as an Additional Director in the capacity of Non-executive, Independent Director for a period of five (5) years effective from January 17, 2020. The resolution seeking Members' approval for his appointment forms part of the AGM Notice. The

Board of Directors of the Company at their Meeting held on January 17, 2020 had also approved and recommended to the Members of the Company, re-appointment of Sanjeev Mantri as a Whole-time Director designated as Executive Director-Retail of the Company. The Members of the Company through postal ballot approved the re-appointment of Sanjeev Mantri as a Whole-time Director designated as Executive Director-Retail of the Company on March 15, 2020, for a period of five (5) years effective from May 2, 2020. Further, IRDAI vide its letter dated April 30, 2020 approved the same.

Composition of the Board of Directors of the Company:

Name of the Director	Category	Qualification	Field of Specialisation/ Existing skills/expertise/ competence
Lalita D. Gupte (DIN: 00043559)	Chairperson, Non-executive, Independent Director	BA (Eco Hons), Master of Management Studies (MMS)	Banking & Finance
Ved Prakash Chaturvedi (DIN: 00030839)	Non-executive, Independent Director	B. E. (Electronics & Power), PGDM- IIM Bangalore	Finance & Investment
Uday Chitale (DIN: 00043268)	Non-executive, Independent Director	B. Com, Fellow Chartered Accountant	Finance, Accounts & Alternate Dispute Resolution (ADR) specialist
Suresh Kumar (DIN: 00494479)	Non-executive, Independent Director	B. Com (Hons.), Post Graduation - Investment Management Programme, Stanford University and London School of Business, Advance Management - Columbia Business School	Banking & Finance
Ashvin Parekh (DIN: 06559989)	Non-executive, Independent Director	Fellow Chartered Accountant, AICWA, AICSA, Exec. MBA-INSEAD	Business strategy, Corporate planning & Business transformation across various industries
Murali Sivaraman ¹ (DIN:01461231)	Additional Non-executive, Independent Director	B. Com, Chartered Accountant, Cost and Work Accountant, PGDM- IIM Ahmedabad	Finance, Management, Strategy, Marketing, Brand & Channels
Vishakha Mulye (DIN: 00203578)	Non-executive, Non-independent Director	B.Com, Chartered Accountant	Banking, Investments & Finance
Sandeep Batra (DIN: 03620913)	Non-executive, Non-independent Director	B.Com, Fellow Chartered Accountant, Associate Company Secretary	Banking, Insurance & Financial Services
Bhargav Dasgupta (DIN:00047728)	Managing Director & CEO	B.E. (Mechanical), PGDBA-IIM Bangalore	Banking & Insurance
Alok Kumar Agarwal (DIN:03434304)	Executive Director – Wholesale	B.E. (Chemical), PGDM-IIM Calcutta	Banking & Insurance
Sanjeev Mantri (DIN:07192264)	Executive Director – Retail	Chartered Accountant, Cost and Work Accountant	Banking & Insurance

1 Appointed as an Additional Director in the category of Non-executive, Independent Director of the Company w.e.f. January 17, 2020.

Directors' Report (Contd.)

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other board businesses. The Board of the Company met six (6) times during the year under review on April 18, 2019, July 19, 2019, October 18, 2019, October 30, 2019, January 4, 2020 and January 17, 2020. The maximum gap between any two Board meetings was less than one hundred and twenty days.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

There were no inter-se relationships between any of the Directors.

The names of the Directors, their attendance at Board Meetings during the year, attendance at the last AGM and the number of other directorships and Board Committee memberships/chairpersonships held by them at March 31, 2020 are set out in the following tables:

Name of the Director	Board meetings attended/ held during the year	Attendance at last AGM held on Thursday, June 27, 2019
Non-executive, Independent Directors		
Lalita D. Gupte, Chairperson	6/6	Present
Ved Prakash Chaturvedi	6/6	Present
Uday Chitale	6/6	Present
Suresh Kumar	5/6	Present
Ashvin Parekh	6/6	Present
Vishal Mahadevia ¹	1/1	Present
Murali Sivaraman ²	NA	NA
Non-executive, Non-independent Directors		
Vishakha Mulye	5/6	Present
Sandeep Batra	6/6	Present
Executive Directors		
Bhargav Dasgupta	6/6	Present
Alok Kumar Agarwal	6/6	Present
Sanjeev Mantri	6/6	Present

1 Pursuant to Section 48A of Insurance Act, 1938, the Company had sought an approval from IRDAI for continuation of appointment of Vishal Mahadevia, a Non-executive, Independent Director of the Company, as common director on the Board of the Company and as a Director in an insurance intermediary. IRDAI vide its letter dated May 2, 2019 had advised Vishal Mahadevia to retain directorship either of the Company or of the insurance intermediary.

The Company had received a letter from Vishal Mahadevia wherein he had communicated his option to continue as a Director on the Board of IDFC First Bank Limited, being an insurance intermediary and had extended his resignation as a Non-executive, Independent Director on the Board of the Company and from Committees on which he served, with effect from close of business hours on July 16, 2019.

Vishal Mahadevia has also confirmed that there were no material reasons other than mentioned above.

2 Appointed as an Additional Director in the category of Non-executive, Independent Director of the Company w.e.f. January 17, 2020.

The details of “Directorships held in other companies” and “Memberships/Chairpersonships of committees in other companies” as on March 31, 2020 are as follows:

Name of the Director	No. of other Directorships		Name of other listed companies where he/she is a Director*		Number of Committees of other companies**	
	Of Indian Public Limited companies	Of other companies#	Company	Category of Directorship	In which a member	In which a Chairperson
Lalita D. Gupte	5	-	Bharat Forge Limited	Non-executive, Independent Director	6	2
			Godrej Properties Limited	Non-executive, Independent Director		
			Vedanta Limited	Non-executive, Independent Director		
			India Infradebt Limited	Chairperson & Independent Director		
			TVS Motor Company Limited	Non-executive, Independent Director		
Ved Prakash Chaturvedi	1	-	-	-	1	1
Uday Chitale	3	1	India Infradebt Limited	Non-executive, Independent Director	4	2
			ICICI Bank Limited	Non-executive, Independent Director		
Suresh Kumar	2	4	Aster DM Healthcare Limited	Non-executive, Independent Director	2	2
Ashvin Parekh	2	-	ICICI Securities Limited	Non-executive, Independent Director	2	2
Murali Sivaraman	2	-	Huhtamaki PPL Limited	Chairman & Independent Director	2	1
			Bharat Forge Limited	Non-executive, Independent Director		
Vishakha Mulye	1	1	ICICI Bank Limited	Executive Director	0	0
Sandeep Batra	3	2	ICICI Prudential Life Insurance Company Limited	Non-executive, Non-independent Director	2	0
Bhargav Dasgupta	-	-	-	-	-	-
Alok Kumar Agarwal	-	-	-	-	-	-
Sanjeev Mantri	-	-	-	-	-	-

Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.

* Includes Directorships held in Debt Listed Company.

** Memberships/Chairpersonships in Audit Committee and Stakeholders Relationship Committee of Indian public limited companies; number of Memberships includes Chairpersonships.

In terms of Listing Regulations, the number of Committees (Audit Committee and Stakeholders Relationship Committee) of public limited companies in which a Director is a member/chairman/chairperson were within the limits prescribed under the Listing Regulations, for all the Directors of the Company. The number of directorships of each Non-executive, Independent Director is also within the limits prescribed under the Listing Regulations as amended from time to time.

Directors' Report (Contd.)

The Board has identified the following skill sets with reference to its business and industry which are available with the Board viz. Finance, Accountancy & Law, Management & Administration, Marketing, Sales & Brand, Corporate Governance, Corporate Planning and Strategy.

The Members of the Board of Directors of the Company has the necessary Skills/Expertise/Competence in the above mentioned areas.

Details of Shareholding of Non-executive, Independent Directors and Non-executive, Non-independent Directors

Equity shares held by the Non-executive Directors as on March 31, 2020 are as follows:

Sr. No.	Name of the Director	No. of Equity Shares
1.	Lalita D. Gupte	1,782
2.	Ved Prakash Chaturvedi	-
3.	Uday Chitale	-
4.	Suresh Kumar	-
5.	Ashvin Parekh	-
6.	Murali Sivaraman	-
7.	Vishakha Mulye	275,000
8.	Sandeep Batra	-

Recommendations of mandatory Committees

During the year under review, all the recommendations made by the Committees of the Board mandatorily required to be constituted by the Company under the Act, Listing Regulations and IRDAI Guidelines were accepted by the Board.

Board Committees

The Board has constituted following Committees:

- (i) Board Nomination and Remuneration Committee
- (ii) Audit Committee
- (iii) Investment Committee
- (iv) Risk Management Committee
- (v) Policyholders Protection Committee
- (vi) Corporate Social Responsibility Committee
- (vii) Stakeholders Relationship Committee
- (viii) Strategy Committee

The Board has constituted various Committees of Directors to monitor the activities in accordance with Board approved terms of reference. The Board Committees focus on specific areas and take informed decisions on the specific businesses assigned to them in the best interest of the Company. The Committees also make specific recommendations to the Board on various matters whenever required. The Chairman/Chairperson of the respective Committees briefs the Board on deliberations taken place at the Committee Meetings in relation to important discussions, notings and approvals.

The terms of reference of the Board Committees are reviewed and determined by the Board from time to time to align the same with the regulatory/business requirements.

The Company has eight (8) Board Committees as on March 31, 2020. The role and composition of these Committees, along with the number of meetings held during FY2020 and the attendance of the members of respective Committees are provided below:

i) Board Nomination and Remuneration Committee

Terms of reference

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To consider and approve employee stock option schemes and to administer and supervise the same.
- Approval of the policy for and quantum of bonus/ long term performance pay (LTPP) payable to the employees.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and formulate a criteria for evaluation of every director's performance.

- To consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To approve the compensation programme and to ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- To ensure that the proposed appointments/re-appointments of key managerial personnel or directors are in conformity with the Board approved policy.
- To recommend re-constitution of Board Constituted Committees to the Board.
- To devise a policy on diversity of the Board.
- To recommend to the Board all remuneration, in whatever form, payable to senior management.
- To carry out any other function, if any, as prescribed in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

In terms of provisions of the Act and Listing Regulations, the Board Nomination and Remuneration Committee comprises of Four (4) Members, out of which three (3) are Non-executive, Independent Directors and one (1) is Non-Executive, Non-independent Director. The Board Nomination and Remuneration Committee is chaired by Uday Chitale, Non-executive, Independent Director of the Company. The composition of the Board Nomination

and Remuneration Committee is given below along with the attendance of the Members. The Board Nomination and Remuneration Committee met four (4) times during the year under review on April 18, 2019, July 19, 2019, January 4, 2020 and January 17, 2020.

Attendance record of the Members:

Name of Member	Number of Meetings held	Number of Meetings attended
Uday Chitale, Chairman	4	4
Lalita D. Gupte	4	4
Ashvin Parekh	4	4
Vishakha Mulye	4	3
Vishal Mahadevia ¹	1	1

¹ Ceased to be a member of the Board Nomination and Remuneration Committee w.e.f. July 16, 2019.

Annual performance evaluation of Board, its Committees and individual Directors

The Company with the approval of its Board Nomination & Remuneration Committee has put in place an evaluation framework for evaluation of the Board, Directors, Chairperson and the Committees. The evaluation for the Directors, the Board, Chairperson of the Board and the Committees is carried out through circulation of different questionnaires, for the Directors, for the Board, for the Chairperson of the Board and the Committees respectively. The performance of the Board is assessed on selected parameters related to roles, responsibilities and obligations of the Board, relevance of Board discussions, attention to strategic issues, performance on key areas, providing feedback to executive management and assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors is based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board. The evaluation criteria for the Chairperson of the Board besides the general criteria adopted for assessment of all Directors, focuses incrementally on leadership abilities, effective management of meetings and preservation of interest of

Directors' Report (Contd.)

stakeholders. The evaluation of the Committees is based on assessment of the clarity with which the mandate of the Committee is defined, effective discharge of terms of reference of the Committees and assessment of effectiveness of contribution of the Committee's deliberation/recommendations to the functioning/decisions of the Board. The overall performance evaluation process for FY2020 was completed and the Board determined that the performance evaluation of Board, Directors, Chairperson and Committees was satisfactory.

Familiarisation Programme for Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of the industry and the business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/familiarisation-programme.pdf>

The Company apprises new Director about the industry/business in which it operates, its business model. It also familiarises new Director about the dynamics of the insurance industry to help them in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, the Company issues a formal letter of appointment to Director which, inter alia, explains role, functions, duties and responsibilities of the Director.

The programme helps the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips Director to effectively fulfill their role.

During the year, Non-executive, Independent Directors attended the two days orientation programme organised by IRDAI in collaboration with National Insurance Academy in Pune on the matters pertaining to the General Insurance Industry.

ii) Audit Committee

Terms of reference

(i) Accounts and Audit:

- Oversee the financial statements, financial reporting process under Indian GAAP and US GAAP, statement of cash flow and disclosure of its financial information, both on an annual and quarterly basis, to ensure that the financial statement is correct, sufficient and credible.
- Recommend the appointment, re-appointment, terms of appointment and, if required, the replacement or removal; remuneration, reviewing (with management) performance, and oversight of the work of the auditors (internal/statutory/concurrent) and to review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Evaluation of internal financial controls and risk management systems.
- Discuss with the statutory auditors before the audit commences, about the nature and scope of audit, as well as, have post-audit discussions to address areas of concern.
- Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.

- Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements to the extent applicable.
 - Approval or any subsequent modification and disclosure of any related party transactions of the Company. Provided that the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval.
 - To the extent applicable, review with the management, the statement of uses/end use/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and related matter, the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - Scrutiny of inter-corporate loans and investments, if any.
 - Valuation of undertakings or assets of the Company, wherever it is necessary.
 - Oversight of the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters

having a bearing on the financial position of the Company, whether raised by the auditors or by any other person.

(ii) Internal Audit

- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Oversee the efficient functioning of the internal audit department and review its reports. The Committee would additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.
- Set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- Discussion with internal auditors of any significant findings and follow up there on.
- Review 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.
- Review with the management, performance of internal auditors, and the adequacy of the internal control systems.
- Look into the reasons for substantial defaults in the payment, if any, to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower/Vigil mechanism.

(iii) Compliance & Ethics:

- Review reports on the above and on proactive compliance activities aimed at increasing the Company's ability to meet its legal and ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other

Directors' Report (Contd.)

measures in place to help detect and address the same.

- Discuss the level of compliance in the Company and any associated risks and to monitor and report to the Board on any significant compliance breaches.
- Supervise and monitor matters reported using the Company's whistle blowing or other confidential mechanisms for employees and others to report ethical and compliance concerns or potential breaches or violations.
- Review of policy on appointment of insurance agents.
- To review and recommend appropriate policy to the Board as may be prescribed by IRDAI from time to time.
- Review key transactions involving conflict of interest.
- Monitor the directives issued/penalties imposed/penal action taken against the Company under various laws and statutes and action taken for corrective measures.
- Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.
- To act as Compliance Committee to discuss level of compliance in the Company including the Company's code of ethics or conduct and any associated risks and to monitor and report to the Board on any significant compliance breaches.
- Review of disclosure under stewardship policy.
- Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 or by any other regulatory authority.

Composition

In terms of provisions of the Act and Listing Regulations, the Audit Committee comprises of five (5) Members, out of which four (4) are Non-executive, Independent Directors and one (1) is Non-executive, Non-independent Director.

The Audit Committee is chaired by Ashvin Parekh, Non-executive, Independent Director of the Company. The composition of the Audit Committee is given below along with the attendance of the members. The Audit Committee met Eight (8) times during the year under review on April 18, 2019, July 8, 2019, July 18, 2019, July 19, 2019, October 17, 2019, October 18, 2019, January 16, 2020 and January 17, 2020.

Attendance record of the Members:

Name of Member	Number of Meetings held	Number of Meetings attended
Ashvin Parekh, Chairman	8	8
Lalita D. Gupte	8	8
Uday Chitale	8	8
Murali Sivaraman ¹	NA	NA
Sandeep Batra	8	8

¹ Inducted as a member of the Audit Committee w.e.f. January 17, 2020

(iii) Investment Committee

Terms of reference

- Overseeing the implementation of the investment policy approved by the Board from time to time.
- Reviewing the investment policy.
- Periodical updation to the Board with regard to investment activities of the Company.
- 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.

- Reviewing counter party/intermediary exposure norms.
- Supervising the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy.
- Overseeing the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the Company.
- Reviewing the stewardship policy of the Company.

Composition

In terms of Corporate Governance Guidelines issued by IRDAI, the Investment Committee comprises of five (5) Members, out of which one (1) is Non-executive, Independent Director, one (1) is Non-executive, Non-independent Director, one (1) is Whole-time Director, the Chief Investment Officer and the Chief Financial Officer & Chief Risk Officer each. The Investment Committee is chaired by Suresh Kumar, Non-executive, Independent Director of the Company.

The composition of the Investment Committee is given below along with the attendance of the members. The Investment Committee met four (4) times during the year under review on April 17, 2019, July 18, 2019, October 17, 2019 and January 16, 2020.

Attendance record of the Members:

Name of Member	Number of Meetings held	Number of Meetings attended
Suresh Kumar, Chairman	4	4
Sandeep Batra	4	4
Bhargav Dasgupta	4	4
Vinod Mahajan	4	4
Gopal Balachandran	4	4
J. V. Prasad ¹	2	2

¹ Ceased to be member of the Investment Committee w.e.f. September 12, 2019

iv) Risk Management Committee

Terms of reference

- Assisting the Board in effective operation of the risk management programme by performing specialised analysis and quality reviews.
- Reporting to the Board details on the risk exposures and the actions taken to manage the exposures.
- Advising to the Board with regard to risk management decisions in relation to strategic and operational matters.
- Review of the Company's risk management and operational risk related policies/frameworks including those relating to cyber security.
- Review of status update on deviation cases under framework on IIB rates.
- To review the Company's risk - reward performance to align with overall policy objectives.
- To review the solvency position of the Company on a regular basis.
- To monitor and review regular updates on business continuity.
- To review and recommend appropriate policy including establishment of effective Risk Management framework, risk management policy and processes, to the Board as may be prescribed by IRDAI from time to time.
- To review the Company's risk management and operational risk related policies/frameworks including fraud monitoring policy & framework and anti-fraud policy & framework and monitoring implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds.
- To maintain a group-wide and aggregated view on the risk profile of the Company in addition to the solo and individual risk profile for all

Directors' Report (Contd.)

categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.

- To carry out any other function, if any, as prescribed in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

In terms of provisions of the Act, Listing Regulations and Corporate Governance Guidelines issued by IRDAI, the Risk Management Committee comprises of seven (7) Members, out of which five (5) are Non-executive, Independent Directors, one (1) is Non-executive, Non-independent Director and one (1) is Whole-time Director. The Risk Management Committee is chaired by Lalita D. Gupte, Non-executive, Independent Director of the Company.

The composition of the Risk Management Committee is given below along with the attendance of the Members. The Risk Management Committee met four (4) times during the year under review on April 17, 2019, July 18, 2019, October 17, 2019 and January 16, 2020.

Attendance record of the Members:

Name of Member	Number of Meetings held	Number of Meetings attended
Lalita D. Gupte, Chairperson	4	4
Ved Prakash Chaturvedi	4	3
Uday Chitale	4	4
Suresh Kumar	4	4
Ashvin Parekh	4	4
Sandeep Batra	4	4
Bhargav Dasgupta	4	4

v) Policyholders Protection Committee

Terms of reference

- 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 periodic intervals.
- Reviewing the status of complaints at periodic intervals.
- Details of grievance at periodic intervals in such formats as may be prescribed by the authority.
- Providing details of insurance ombudsman to the policyholders.
- Monitoring of payments of dues to the policyholders and disclosure of unclaimed amount thereof.
- Review of regulatory reports to be submitted to various authorities.
- To review the standard operating procedures for treating the customer fairly including timeframes for policy and claims servicing parameters and monitoring implementation thereof.
- To review the framework for awards given by Insurance Ombudsman/Consumer Forums. Analyse the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.

- To review all the awards given by Insurance Ombudsman/Consumer Forums remaining un-implemented for more than three (3) months with reasons therefore and report the same to the Board for initiating remedial action, where necessary.
- To review claim report including status of outstanding claims with ageing of outstanding claims.
- To review repudiated claims with analysis of reasons.
- Monitoring of the implementation of the approved proposals under IRDAI Sandbox Regulation.

Composition

In terms of Corporate Governance Guidelines issued by IRDAI, the Policyholders Protection Committee comprises of five (5) Members, out of which four (4) are Non-executive, Independent Directors and one (1) is Whole-time Director. The Policyholders Protection Committee is chaired by Ashvin Parekh, Non-executive, Independent Director of the Company. The composition of the Policyholders Protection Committee is given below along with the attendance of the Members. The Policyholders Protection Committee met four (4) times during the year under review on April 18, 2019, July 19, 2019, October 18, 2019 and January 17, 2020.

Attendance record of the Members:

Name of Member	Number of Meetings held	Number of Meetings attended
Ashvin Parekh, Chairman	4	4
Ved Prakash Chaturvedi	4	3
Uday Chitale	4	4
Murali Sivaraman ¹	NA	NA
Bhargav Dasgupta	4	4

¹ Inducted as a member of the Policyholders Protection Committee w.e.f. January 17, 2020.

vi) Corporate Social Responsibility Committee

Terms of reference

- Formulation of corporate social responsibility policy indicating the activities to be undertaken by the Company.

- Recommend to the Board the amount of expenditure to be incurred on the corporate social responsibility activities.
- Monitor the corporate social responsibility policy of the Company from time to time.

Composition

In terms of provisions of the Act, CSR Committee comprises of four (4) Members, out of which three (3) are Non-executive, Independent Directors and one is (1) Whole-time Director. The CSR Committee is chaired by Uday Chitale, Non-executive, Independent Director of the Company. The composition of CSR Committee is given below along with the attendance of the Members. The CSR Committee met two (2) times during the year under review on April 17, 2019 and July 18, 2019.

Attendance record of the Members:

Name of Member	Number of Meetings held	Number of Meetings attended
Uday Chitale, Chairman	2	2
Ved Prakash Chaturvedi	2	1
Murali Sivaraman ¹	NA	NA
Bhargav Dasgupta	2	2

¹ Inducted as a Member of the CSR Committee w.e.f. January 17, 2020

vii) Stakeholders Relationship Committee

Terms of reference

- Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities.
- Redemption of securities and the listing of securities on stock exchanges.
- Allotment of shares and securities.
- Review of measures taken for effective exercise of voting rights by shareholders.

Directors' Report (Contd.)

- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

Composition

In terms of provisions of the Act and Listing Regulations, the Stakeholders Relationship Committee comprises of Four (4) Members, out of which two (2) are Non-executive, Independent Directors and two (2) are Whole-time Directors. The Stakeholders Relationship Committee is chaired by Suresh Kumar, Non-executive, Independent Director of the Company. The composition of the Stakeholders Relationship Committee is given below along with the attendance of the Members. The Stakeholders Relationship Committee met four (4) times during the year under review on April 17, 2019, July 18, 2019, October 17, 2019 and January 16, 2020.

Attendance record of the Members:

Name of Member	Number of Meetings held	Number of Meetings attended
Suresh Kumar, Chairman	4	4
Ved Prakash Chaturvedi	4	3
Bhargav Dasgupta	4	4
Sanjeev Mantri	4	2

Vikas Mehra, Company Secretary also acts as the Compliance Officer of the Company.

Number of Complaints

During the year, the Company/its Registrar & Share Transfer Agent received the following complaints from SEBI/Stock Exchanges which were resolved within the time frames laid down by SEBI.

Details of Shareholders' Complaints:

Sr No.	Particular	No.
1.	No. of Shareholders' complaints pending as on April 1, 2019	0
2.	No. of Shareholders' complaints received during the year	3
3.	No. of Shareholders' complaints resolved during the year	3
4.	No. of Shareholders' complaints pending as on March 31, 2020	0

During the year under review, the Company has not received any complaints w.r.t. Non-convertible Debentures of the Company.

viii) Strategy Committee

Terms of reference

Evaluation of various strategic opportunities including acquisitions/divestitures and other strategic initiatives for the Company.

Composition

The Strategy Committee comprises of Four (4) Members, out of which two (2) are Non-executive, Independent Directors, one (1) is Non-executive, Non-independent Director and one (1) is Whole-time Director. The Strategy Committee is chaired by Uday Chitale, Non-executive, Independent Director of the Company. The composition of the Strategy Committee is given below along with the attendance of the Members. The Strategy Committee met two (2) times during the year under review on July 19, 2019 and October 30, 2019.

Attendance records of Members:

Name of Member	Number of Meetings held	Number of Meetings attended
Uday Chitale, Chairman	2	2
Ashvin Parekh	2	2
Vishakha Mulye	2	1
Bhargav Dasgupta	2	2
Vishal Mahadevia ¹	NA	NA

1 Ceased to be a Member of the Strategy Committee w.e.f. July 16, 2019.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company with the approval of its Board Nomination and Remuneration Committee has put in place a Policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a Director as well as a Policy on Board Diversity.

The Policy on Board Diversity is hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/board-diversity-policy.pdf>

The remuneration payable to Non-executive, Independent Directors is governed by the provisions of the Act and related rules to the extent applicable and IRDAI guidelines issued in this regard. The remuneration for the Non-executive, Independent Directors of the Company would be sitting fee for attending each meeting of the Board/Committee as approved by the Board from time to time within the limits as provided under the Act and related rules. Further, in compliance with IRDAI guidelines and the Act, Non-executive, Independent Directors of the Company are also paid profit-related commission as approved by the Board of Directors and Members of the Company from time to time.

Further, the Board of Directors at their meeting held on May 2, 2020 had approved payment of profit-related commission for FY2020 to Non-executive, Independent Directors of the Company.

IRDAI vide its circular dated August 30, 2018 has issued Guidelines on appointment of Common/Nominee Director(s) on the Board of Insurance Company, wherein

it is prescribed that no remuneration (except sitting fees to Non-executive Directors) shall be paid without prior approval of IRDAI. Accordingly, during the year the Company had received approval from IRDAI for payment of profit-related commission to common Directors for FY2019.

All the Non-executive, Independent Directors would be entitled to reimbursement of expenses for attending Board/Committee Meetings and official visits. The Policy on Appointment and Compensation of Employees and Framework for Remuneration to Non-executive Directors is hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/policy-on-appointment-and-compensation-of-employees-and-framework-for-remuneration-to-non-executive-directors.pdf>

INDEPENDENT DIRECTORS' MEETING

The code of conduct for Independent Directors prescribed vide Schedule IV of the Act, provides for an evaluation mechanism for the Board, Chairperson, Non-executive Directors, Whole-time Directors which would need to be done at a separate Meeting of Independent Directors, without the attendance of Non-independent Directors and members of the management.

Non-executive, Independent Directors of the Company met on April 18, 2019 without the presence of Whole-time Directors, Non-executive, Non-independent Directors and management personnel to discuss the framework for evaluation of Directors. They also have a separate Meeting every quarter with the Non-executive Chairperson, without any of the Whole-time Directors being present, to discuss issues and concerns, if any. All Independent Directors of the Company were present at this meeting.

DETAILS OF MANAGERIAL REMUNERATION FOR FY2020

i) Whole-time Directors:

The Board at its meeting held on April 18, 2019 based on recommendation of the Board Nomination and Remuneration Committee had approved revision in the remuneration, performance bonus and long term performance pay payable to the Whole-time Directors. Subsequently, Members of the Company had approved the same in the 19th AGM of the Company held on June 27, 2019. Further, IRDAI vide its letter dated December 26, 2019 had approved the same.

Directors' Report (Contd.)

The details of remuneration of Whole-time Directors for FY2020 are as under:

Particulars	Details of Remuneration (₹ in million)		
	Bhargav Dasgupta	Alok Kumar Agarwal	Sanjeev Mantri
Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961			
Salary and Allowances for FY2020	43.95	24.40	26.74
Variable pay paid in FY2020 including deferred variable pay for previous years ¹	22.93	12.88	13.67
Value of perquisites under Section 17(2) of Income-tax Act, 1961²			
Perquisites	0.17	1.16	1.41
Profit in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-
Stock Options – ICICI Lombard General Insurance Company Limited (nos)	192,100	68,300	75,900
Stock Options – ICICI Bank Limited (nos) ³	228,200	69,600	82,000
Sweat Equity	-	-	-
Commission	-	-	-
- as % of profit	-	-	-
- others, specify	-	-	-
Others - Retirals (PF)	2.94	1.35	1.57

Note: For the financial year ended March 31, 2020 the numbers indicated are the amounts paid/options granted during the year FY2020 as per IRDAI approvals.

- The Variable pay includes deferred variable pay of previous years as approved by IRDAI and paid during FY2020.
- Value of perquisites exclude stock options exercised during FY2020 which does not constitute remuneration paid to the Whole-time Directors for FY2020.
- Subject to approval as per IRDAI.

Provisions towards gratuity, leave accrued and long term performance pay 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 and profit-related commission payable to them. As provided in Articles of Association of the Company, the fees payable to the Non-executive, Independent Directors for attending a meeting of the Board or Committee thereof is decided by the Board of Directors from time to time within the limits prescribed by the Act.

The details of sitting fees and profit-related commission paid to Non-executive, Independent Directors of the Company during FY2020 are as follows:

Names of the Director	(₹ in million)	
	Sitting fees	Profit-related Commission ¹
Lalita D. Gupte	1.27	1.00
Ved Prakash Chaturvedi	0.93	1.00
Uday Chitale ²	1.51	1.00
Suresh Kumar	0.89	1.00
Ashvin Parekh ²	1.45	1.00
Vishal Mahadevia ³	0.16	- ⁴
Murali Sivaraman ⁵	NA	0.20

- Profit-related commission for FY2020 will be paid in FY2021.
- Being Common Directors, as per IRDAI guidelines profit-related commission is subject to approval of IRDAI.
- Ceased to be Non-executive, Independent Director of the Company w.e.f. July 16, 2019.
- Pursuant to IRDAI letter.
- Appointed as an Additional Director in the category of Non-executive, Independent Director of the Company w.e.f. January 17, 2020.

(iii) Non-executive, Non-independent Directors:

Non-executive, Non-independent Directors were not eligible for any sitting fees and profit-related commission during FY2020.

Remuneration disclosures pursuant to IRDAI guidelines

Pursuant to IRDAI guidelines on Remuneration of Non-executive Directors and Managing Director/ Chief Executive Officer/Whole-time Directors of Insurers (“IRDAI Guidelines”) issued vide reference no. IRDA/F&A/GDL/LSTD/155/08/2016 dated August 5, 2016 requires the Company to make the following disclosures on remuneration on an annual basis in the Annual Report:

Compensation Policy and Practices

(i) Qualitative Disclosures

A. Information relating to the design and structure of remuneration processes

1. Key features and objectives of Remuneration Policy

The Company has under the guidance of the Board and the Board Nomination and Remuneration Committee (“BNRC/Committee”), follows compensation practices intended to drive meritocracy and fairness.

The twin pillars of performance management and talent management system are closely intertwined with the compensation, benefits and reward mechanism of the Company. While the Company strives to ensure internal and external equity that are consistent with emerging market trends, its business model and affordability based on business performance sets the overarching boundary conditions. This approach has been incorporated in the Compensation Policy, the key elements of which are given below:

a. Effective governance of compensation:

The BNRC has oversight over compensation. The Committee defines Key Performance Indicators (KPIs) for Whole-time Directors and the organisational performance norms for bonus based on the financial and strategic plan

approved by the Board. The KPIs include both quantitative and qualitative aspects. The BNRC assesses organisational performance as well as the individual performance for Whole-time Directors. Based on its assessment, it makes recommendations to the Board regarding compensation for Whole-time Directors and bonus for employees, including senior management and key management persons.

b. Alignment of compensation philosophy with prudent risk taking:

The Company seeks to achieve a prudent mix of fixed and variable pay, with a higher proportion of variable pay at senior levels and no guaranteed bonuses. Compensation is sought to be aligned to both financial and non-financial indicators of performance including aspects like risk management and customer service. In addition, the Company has an employees stock option scheme aimed at aligning compensation to long term performance through stock option grants that vest over a period of time to senior management and Whole-time Directors. Compensation to staff in financial and risk control functions is independent of the business areas they oversee and depends on their performance assessment.

2. Whether the Remuneration Committee reviewed the firm’s remuneration policy during the past year, and if so, an overview of any changes that were made.

The Company’s Remuneration Policy was reviewed by the BNRC and the Board on April 18, 2019. There were no changes made in Remuneration Policy.

3. Discussion of how the Company ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

The compensation of staff engaged in control functions like risk and compliance depends on their performance, which is based on achievement of the key results of their respective functions. Their goal sheets do not include any business targets.

Directors' Report (Contd.)

B. Description of the ways in which current and future risks are taken into account in the remuneration processes

1. Overview of the key risks that the Company takes into account when implementing remuneration measures.

The Board approves the risk framework for the Company and the business activities of the Company are undertaken within this framework to achieve the financial plan. The risk framework includes the Company's risk appetite, limits framework and policies and procedures governing various types of risk. KPIs of Whole-time Directors, as well as employees, incorporate relevant risk management related aspects. For example, in addition to performance targets in areas such as growth and profits, performance indicators include aspects such as Combined Ratio. The BNRC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.

2. Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure.

The annual performance targets and performance evaluation incorporate both qualitative and quantitative aspects including combined ratio, reserving and refinement/improvement of the risk management framework.

3. Discussion of the ways in which these measures affect remuneration.

Every year, the financial plan/targets are formulated in conjunction with a risk framework with limit structures for various areas of risk/lines of business, within which the Company operates to achieve the financial plan. To ensure effective alignment of compensation with prudent risk taking, the BNRC takes into account adherence to the risk framework in conjunction with which the financial plan/targets have been formulated. KPIs of Whole-time Directors, as well as employees, incorporate relevant risk

management related aspects. For example, in addition to performance targets in areas such as growth and profits, performance indicators include aspects such as the combined ratio and reserving. The BNRC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.

4. Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration.

The nature and type of these measures have not changed over the past year and hence, there is no impact on remuneration.

C. Description of the ways in which the Company seeks to link performance during a performance measurement period with levels of remuneration

1. Overview of main performance metrics for the Company, top level business lines and individuals.

The main performance metrics include business growth, market share, profits, strategic goals for future, risk metrics (such as combined ratio), compliance with regulatory norms, refinement of risk management processes and customer service. The specific metrics and weightages for various metrics vary with the role and level of the individual.

2. Discussion of how amounts of individual remuneration are linked to the Company wide and individual performance.

The BNRC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board regarding the level of performance bonus for employees and the performance assessment of Whole-time Directors. The performance assessment of individual employees is undertaken based on achievements vis-à-vis

their goal sheets, which incorporate the various aspects/metrics described earlier.

3. Discussion of the measures the Company will in general implement to adjust remuneration in the event that performance metrics are weak, including the Company's criteria for determining 'weak' performance metrics.

The Company's Compensation Policy outlines the measures which the Company will implement in the event of a reasonable evidence of deterioration in financial performance. Should such an event occur in the manner outlined in the Policy, the BNRC may decide to apply malus/ clawback on none, part or all of the unvested deferred variable compensation.

(ii) Quantitative disclosures (Whole-time Directors including Managing Director & CEO)

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of Whole-time Directors including Managing Director & CEO.

Particulars	At March 31, 2020
Number of Whole-time Directors including Managing Director & CEO having received a variable remuneration award during the financial year	3
Number and total amount of sign-on awards made during the financial year	Nil
Details of guaranteed bonus, if any, paid as joining/sign on bonus	Nil
Breakdown of amount of remuneration awards for the financial year (₹ in million)	
Fixed ¹	107.37
Variable ²	60.41
Deferred	24.16
Non-deferred	36.24
Share-linked instruments²	
ICICI Bank ³	379,800
ICICI Lombard	336,300
Total amount of deferred remuneration paid out during the year (₹ in million)	13.25
Total amount of outstanding deferred remuneration	
Cash (₹ in million)	44.43
Shares (nos.)	NIL
Shares-linked instruments²	
ICICI Bank ^{3,4}	1,225,270
ICICI Lombard	465,310
Other forms	NIL

1. Fixed pay includes basic salary, supplementary allowances, contribution to provident fund and gratuity fund by the Company.
2. For the year ended March 31, 2020, variable pay and share-linked instruments represent amounts paid/options awarded for the year ended March 31, 2020 as per IRDAI approval.
3. Options granted in FY2020 are subject to approval of IRDAI.
4. Pursuant to the issuance of bonus shares by the ICICI Bank Limited under ICICI Bank ESOS scheme on June 24, 2017, the share-linked instruments have been adjusted with increase of one option for every 10 outstanding options.

Directors' Report (Contd.)

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 an established internal audit framework approved by the Board, which is based on a risk based approach. 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 key audit findings, the recommendations and compliance mechanism are reported to the Audit Committee every quarter. The Audit Committee actively monitors the implementation of its recommendations. The Chairman of the Audit Committee briefs the Board on deliberations at the Audit Committee Meeting in relation to the key audit findings.

In accordance with IRDAI 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. Internal Controls over Financial Reporting

The Company has in place adequate internal financial controls commensurate with size, scale and complexity of its operations. The effectiveness of internal controls over financial reporting are exhibited through controls testing with samples and have not reported any deficiencies. The Company has in place entity level controls which broadly covers corporate governance, core committees, core policies and risk and fraud control framework and have found no deficiencies in its annual evaluation for FY2020.

The COVID-19 pandemic outbreak has had far reaching impact on several critical risk areas of the business. The Company, on assessment of the associated risks, commenced preparation for risk mitigation at the beginning of March 2020. The Company activated the Crisis Management Team ("CMT") that has been regularly reviewing the developing situation to calibrate the Company's response. The CMT conceptualised and formulated

the business continuity plans for the Company prioritizing the dual objectives of employee safety and delivering customer commitments. From an entity level risk evaluation perspective, the Company believes that the risks arising out of the pandemic are presently at manageable levels for the Company. Processes and controls followed to prepare the financials were also found to hold good and no new financial reporting risks were observed on account of COVID- 19. The Company is closely watching the developing situation for appropriate risk mitigation and management.

Risk Management Framework

The objective of the Risk Management Framework of the Company is to ensure that various risks are identified, measured, mitigated and that policies, procedures and standards are established to address these risks for systemic response and adherence. The Company has identified enterprise wide risks, which are categorised under five broad risk groups namely Credit Risk, Market Risk, Underwriting Risk, Operational Risk and Strategic Risk. The broad structure of Risk Management Framework is as follows:

- Risk Identification, Assessment and Mitigation process;
- Risk Management and Oversight structure; and
- Risk Monitoring and Reporting Mechanism.

As part of the Enterprise Risk Management ("ERM") exercise, critical risks along with the detailed mitigation plan are presented to the Risk Management Committee on a quarterly basis. The risk mitigation plans are monitored regularly by the Company to ensure their timely and appropriate execution. The Company further measures each of its risk items against a set of predefined tolerance levels. These levels and the subsequent tolerance scores are classified as high, medium and low risk respectively.

The risks are further monitored on a quarterly basis by using a heat map based on probability and severity. A Risk register is maintained to capture inventory of risks that the Company is exposed to along with mitigation and corrective action plans. The Risk Management Committee is updated on the progress on a quarterly basis.

The ERM function of the Company undertakes a comprehensive Risk and Control Self-Assessment (R & CSA) activity for all units forming part of the risk universe of the Company, to manage the existing and emerging risk areas for the Company.

The senior management of the Company is responsible for a periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives.

The Company has an Operational Risk Management Committee, a Market Risk Management Committee and an Outsourcing Committee. The referred Committees are internal governance Committees comprising of various functional heads of the Company, to monitor the levels of risk and their effective management in different focused areas of ERM.

The Internal Audit Department is responsible for reviewing the adherence to various risk management processes within the Company and for the review of self-assessments of risk management activities. Further, compliance testing is done on a periodic basis and the Audit Committee is kept apprised of the outcome of the same.

The Reinsurance Program of the Company defines the retention limit for various classes of products. Further, the Company has in place a risk retention reinsurance philosophy, which defines the product-wise retention limits on a per-risk basis as well as a retention limit on a per-event basis. The Underwriting Policy defines product-wise approval limits for various underwriters. The Investment Policy lays down the asset allocation strategy to ensure financial liquidity, security and diversification. The Company also has in place a Capital Adequacy and Liquidity Management Framework and an Asset Liability Management Policy. These policies ensure maintenance of adequate level of capital at all times to meet diverse risks related to the market and the Company's operation. The Operational Risk Management Policy defines the tolerance limits and lays down the framework for monitoring, supervision, reporting and management of operational risks of the Company. The Company has also adopted the Information Security Policy and Cyber Security Policy in line with the Group Information

Security Policy and the Guidelines issued by IRDAI on Information & Cyber Security. The Company also has an Information Security Committee which reviews the key risks and mitigations plans with respect to information security.

Stress testing is conducted to identify and quantify the overall impact of different stress scenarios on the Company's financial position.

The Company was the first Indian Company to be certified by the British Standard Institution (BSI) for its ERM Framework being compliant with ISO 31000:2018 standard.

The Risk Management Framework of the Company is overseen by the Risk Management Committee of the Board. The Company has a Chief Risk Officer who is responsible for the implementation and monitoring of the framework.

Cyber Security

Digital transformations have been making waves across all industries and there are multiple areas that are creating disruptions in technology. Such rapid digitisation of businesses has made cyber security increasingly important. Focus on cyber security is also increasing rapidly due to many highly innovative and disruptive security breaches threatening financial services industry.

The Company has a governance framework for cyber & information security with oversight from the Information Security Committee which has executive level representatives from all functions within the Company. The security strategy is based on the principles of "defence in depth" strategy in order to strengthen the management of IT risk and controls.

The Company has established a Board approved Information & Cyber Security Policy which also incorporates a cyber crisis management plan. Implementation of the Information & Cyber Security Policy & plan ensures all information assets are safeguarded by establishing comprehensive management processes throughout the Company. The Company's cyber security approach covers all aspects of prevention, detection and response to cyber threats. Some of the implemented controls include Distributed Denial of Service

Directors' Report (Contd.)

(DDoS), Advanced Threat Prevention (Anti-APT), Next Generation Firewall with integrated Intrusion Prevention System (IPS), Threat Intelligence and Simulation services etc.

As part of our Information Security framework based on ISO 27001:2013 standard, independent auditors periodically review, validate and certify the controls implemented by the Company.

RISK MANAGEMENT ASSESMENT ON COVID-19

The COVID-19 pandemic outbreak has had far reaching ramifications in terms of its impact on human lives and business. The pandemic has impacted various organisations across the globe in unprecedented ways, including impacting several critical risk areas.

The Company, anticipating the spread of COVID-19 and the associated risks, commenced preparation for risk mitigation at the beginning of March 2020. The Company already had a Business Continuity Management Policy and Crisis Management Framework in place. The Company activated the CMT comprising the members of the Management Committee and Head of Risk Management. The CMT has been regularly reviewing the developing situation to calibrate the Company's response accordingly.

The broad measures undertaken taken by the Company to handle the crisis arising due to spread of COVID-19, covers the critical areas of employee safety and social distancing, employee engagement and welfare, key initiatives with respect to re-alignment and review of internal processes, transactions, reporting and ensuring minimum business continuity objective.

The Company also undertook a thorough risk assessment and evaluation with respect to the impact of the pandemic outbreak on various areas of enterprise risk such as credit risk, market risk, underwriting risk, operational risk and strategic risk.

Certain key risk assessments undertaken by the Company in the wake of COVID -19 include therein the following:

I. Credit Risk Management

The Company faces a credit risk, predominantly with respect to its re-insurance and investments portfolio. AM Best in the first week on April 2020 issued a

'stable' outlook for the global reinsurance industry. The Company has a strong panel of reinsurers and during the renewal process had further improved the quality and strength of the panel. The top 10 international re-insurers on the panel of the Company are leading players in the global re-insurance market. At this point in time, the Company believes that the reinsurance risk is adequately managed.

Although there was a decline in the listed equity portfolio as at March 31, 2020, thereby impacting the solvency, the solvency margin continued to be well over the regulatory prescribed limit of 1.50 times, after taking the impact of the Mark to Market movement.

The Company is continually monitoring the credit ratings of investee companies, and if a reasonable decline in credit worthiness of investee companies is observed, remedial action will be undertaken, if the decline in rating is assessed as a sustained feature going in the long term horizon.

II. Market Risk Management

The Company closely monitors the market movement in the equity and debt portfolio and the Company's risk management philosophy is that if the decline in the portfolio exceeds the risk appetite and risk tolerance thresholds defined in the Risk Management Framework, appropriate call would be taken by the Company on its investment portfolio to address the same.

The Company has a defined risk threshold for quantum of investment in liquid assets to manage liquidity risk and the Company was within the risk tolerance threshold as on March 31, 2020. The Company has a fair proportion of its total investment assets as at March 31, 2020, in various liquid assets such as liquid mutual funds, commercial paper, commercial deposit, treasury bills, etc.

The Company monitors its foreign currency risk on payment obligations and monetary receipts. It also undertakes certain measures to mitigate its forex risk.

III. Underwriting Risk Management

The Company is leveraging on technology and undertaking virtual risk inspections (VRA) wherein

customer site inspections are being undertaken via video streaming. The Company has also prepared detailed risk questionnaires (in cases where virtual inspection is difficult), wherein responses are being sought from customers and accordingly underwriting decisions are being taken, based on information furnished by the customers. Wherever the Company is required to undertake an inspection in accordance with the formalised Risk Inspection Guidelines of the Company, the required physical inspection of the risk will be undertaken, post the lockdown being lifted.

The Company is required to appoint a surveyor to undertake inspection of sites where a claim has been reported and submit a loss assessment report, prior to settlement of claims. The Company was focused on appointing those surveyors who possess the required technological tools for undertaking virtual surveys for claims assessment.

From a loss mitigation perspective, the Company undertook a classification of risks in the property segment of business. Accordingly for the high risk business segments, the Company prepared a risk mitigation advisory for its customers, with the objective of reducing the probability and severity of losses.

Sensing the need of customers, the Company launched the COVID-19 Protection Cover which is offered in a group construct mode to get the benefits of diversity.

The impact of COVID-19 did not breach the overall risk appetite levels of the Company as at March 31, 2020 and the Company does not foresee the pandemic outbreak having a material impact on its profitability from a loss ratio perspective at this point in time.

IV. Operational Risk Management

COVID-19 did not impact the Company's emphasis on the control environment, risk assessment, control activities, information and communication and monitoring controls except for a few operational deviations like:

- Relying on electronic document wherever physically signed document was procured earlier for policy booking.

- Exhibiting a maker-checker sign off via technology based approval platforms, which in normal circumstances are taken on hard copies in certain defined cases.

The Company kept a close focus on cyber security in a Work From Home ("WFH") environment. The cyber security practices were strengthened in view of the external threat environment. WFH best practices including Do's and Don'ts were rolled out to users on a periodic basis using various digital communication channels in the Company. Security related educational videos were published to employees to ensure security in a WFH environment.

Processes followed to prepare the financials were effective and no new financial reporting risks were observed. The Company did not observe any deviations in the process of procuring information for preparing the financials. The process of performing reconciliations to match the information in financial systems vis-a-vis the respective feeder systems is being followed in a business as usual environment.

V. Strategic Risk Management

The Company believes that on account of the pandemic outbreak and lockdown orders by the Government, the quantum of business sourced could be below the level of business done had there been no lockdown.

By virtue of industries and offices staying closed, the quantum of new business sourced would be at lower levels and the Company would continue to generate revenue through renewals of its current policies.

The Company took continual and proactive efforts on a sustained basis for educating policyholders through SMS, e-mails, etc. with respect to utilising digital methods.

Various customer communications with respect to service reassurance and also for educating customers on utilising technology platforms for availing insurance services including digital premium payments, were undertaken by the Company.

Directors' Report (Contd.)

With respect to reputational risk management, the Company believes that there have been no untoward incident(s) faced, which would have a material impact on the brand reputation of the Company in the period of the lockdown till date.

VI. Enterprise Risk Evaluation and Management

Whilst it is difficult to assess the extent of human and financial cost that the Indian Society and the

economy will have to incur before things come back close to business as usual, at this point in time from a risk evaluation perspective, the Company believes that the risks arising out of the pandemic are at manageable levels for the Company. The Company would continue to closely watch the developing situation for appropriate risk mitigation and management.

GENERAL BODY MEETINGS:

i) Annual General Meetings

The details of the AGMs held in the last three financial years are given below:

Annual General Meeting	Day, Date	Time	Venue
Nineteenth Annual General Meeting	Thursday, June 27, 2019	11.30 a.m.	Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025
Eighteenth Annual General Meeting	Thursday, July 12, 2018	2.30 p.m.	Swatantrya Veer Savarkar Auditorium, 252, Shivaji Park, Dadar (West), Mumbai 400 028
Seventeenth Annual General Meeting	Monday, July 10, 2017	3.30 p.m.	ICICI Bank Limited, ICICI Bank Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

The details of the Special Resolutions passed in the AGMs held in previous three financial years are given below:-

General Body Meeting	Day and Date	Special Resolution
Nineteenth Annual General Meeting	Thursday, June 27, 2019	No special resolution was passed
Eighteenth Annual General Meeting	Thursday, July 12, 2018	<ol style="list-style-type: none"> Approval and ratification of ICICI Lombard General Insurance Company Limited-Employee Stock Option Scheme-2005. Approval to Grant of Employee Stock Option to the Employees/Directors of Holding and Subsidiary Company(ies) (Present & Future) under the Revised Scheme.
Seventeenth Annual General Meeting	Monday, July 10, 2017	<ol style="list-style-type: none"> Amendment to Articles of Association of the Company. Revision of ICICI Lombard General Insurance Company Limited Employee Stock Option Scheme-2005. To permit foreign portfolio investors registered with SEBI to acquire and hold equity shares of the Company under the foreign portfolio investment scheme or any other permissible mode under FEMA up to an aggregate limit of 49% of the paid-up equity share capital of the Company.

Extraordinary General Meeting (EGM)

No Extraordinary General Meeting was held during the financial year under review.

Postal Ballot

During FY2020, the Members of the Company had passed following resolutions through Postal Ballot on March 15, 2020:

- Re-appointment of Sanjeev Mantri (DIN: 07192264) as a Whole-time Director designated as Executive Director-Retail of the Company-Ordinary resolution.
- Amendment to the ICICI Lombard Employees Stock Option Scheme-2005- Special resolution.

Procedure

The Company follows the procedure as prescribed under Section 108 and Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard-2 on General Meetings and Regulation 44 of Listing Regulations, as amended from time to time. The Members were provided the facility to cast their votes through electronic voting (“e-voting”) or through physical postal ballot form. The Board of Directors of the Company, appointed P. N. Parikh (FCS 327) of Parikh & Associates, Practicing Company Secretaries as the Scrutiniser for conducting the postal ballot process. The Scrutiniser submitted his report after the completion of the scrutiny of the postal ballots (including e-voting). Considering the combined results of the Postal Ballot via postal ballot forms and e-voting facility, the resolutions were passed on March 15, 2020. The results were declared on March 16, 2020 and communicated to the stock exchanges and displayed on the Company’s website at www.icicilombard.com. The details of the voting pattern is given below:

Amendment to the ICICI Lombard Employees Stock Option Scheme-2005 - Special Resolution

Total No. of shareholders	246,532	
Total No. of equity shares	454,435,954	
Particulars	Number of Votes	% of votes
Total No. of equity shares	454,435,954	
No. of Votes - in favour	339,361,704	91.94
No. of Votes - against	29,733,920	8.06

DETAILS OF THE ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS DURING THE YEAR

The Company in its ordinary course of business receive orders from Regulators/Courts/Tribunals. There are no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

MEANS OF COMMUNICATION

It is the Company’s belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future

potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company’s website (www.icicilombard.com) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company’s strategy, financial performance, operational performance and the latest press releases.

The Company’s investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. All information which could have a material bearing on the Company’s share price is released through as per regulatory requirements. The information is also disseminated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) from time to time.

The financial and other information and the various compliances as required/prescribed under the SEBI Regulations are filed electronically with NSE and BSE through NSE Electronic Application Processing System (NEAPS) and through BSE Listing Centre and are also available on their respective websites in addition to the Company’s website. Additionally information is also disseminated to NSE and BSE wherever required by e-mail.

The Company’s quarterly financial results are published in the Financial Express (Mumbai, Pune, Ahmedabad, Lucknow, Delhi, Calcutta, Chandigarh, Chennai, Bangalore, Hyderabad, Cochin edition) and Loksatta (Mumbai edition). The financial results, official news releases, analyst call transcripts and presentations are also available on the Company’s website and can be viewed at <https://www.icicilombard.com/investor-relations>

To resolve the queries of shareholders relating to securities, dividend, annual report and other aspects relating to shareholders of the Company, the Company has hosted Investor’s Frequently Asked Questions (“Investor FAQs”). Investor FAQs can be viewed at <https://www.icicilombard.com/investor-relations>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the financial year under review, is presented in a separate section, forming part of this Annual Report.

Directors' Report (Contd.)

GENERAL SHAREHOLDER INFORMATION

Registration No.	129408
Corporate Identification Number (CIN)	L67200MH2000PLC129408
Financial Year	2019-20
Board meeting for adoption of Audited Financial Accounts	Saturday, May 2, 2020
Day, Date and Time of 20 th Annual General Meeting	Thursday, August 13, 2020 at 2.00 p.m.
Venue	Through Audio - Video Conference
Financial Year	April 1- March 31
Book Closure	NA
Date of Dividend Payment	NA
Company's Website	www.icicilombard.com

ii) Dividend History along with its date of transfer to Investor Education and Protection Fund (IEPF):

FY2019-20

Dividend Type	Percentage	Date of Declaration	Date of Transfer to IEPF
Interim	35.0%	October 18, 2019	November 18, 2026

FY2018-19

Dividend Type	Percentage	Date of Declaration	Date of Transfer to IEPF
Final	35.0%	June 27, 2019	August 5, 2026
Interim	25.0%	October 20, 2018	November 19, 2025

FY2017-18

Dividend Type	Percentage	Date of Declaration	Date of Transfer to IEPF
Final	25.0%	July 12, 2018	August 13, 2025
Interim	7.5%	October 17, 2017	November 16, 2024
Interim	7.5%	June 23, 2017	July 29, 2024

FY2016-17

Dividend Type	Percentage	Date of Declaration	Date of Transfer to IEPF
Interim	10.0%	March 25, 2017	April 30, 2024
Interim	10.0%	December 23, 2016	January 29, 2024
Interim	8.0%	September 26, 2016	November 1, 2023
Interim	7.0%	June 27, 2016	August 2, 2023

FY2015-16

Dividend Type	Percentage	Date of Declaration	Date of Transfer to IEPF
Interim	7.5%	March 28, 2016	April 27, 2023
Interim	7.5%	December 24, 2015	January 29, 2023
Interim	7.5%	September 28, 2015	October 30, 2022
Interim	7.5%	June 23, 2015	July 29, 2022

FY2014-15

Dividend Type	Percentage	Date of Declaration	Date of Transfer to IEPF
Interim	5.0%	March 26, 2015	May 1, 2022
Interim	5.0%	December 29, 2014	February 3, 2022
Interim	7.5%	September 24, 2014	October 28, 2021
Interim	2.5%	June 26, 2014	August 1, 2021

Members who have not claimed their dividend so far in respect of aforesaid periods, are requested to make their claims by sending an e-mail to einward@kfintech.com or investors@icicilombard.com before the same are due for transfer to IEPF.

Further, pursuant to the provisions of Section 124 of the Act, read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to IEPF.

During the year under review, the Company at multiple occasions sent letters to the shareholders requesting them to claim their unpaid/unclaimed dividend. The letters were sent through various modes such as e-mail, physical letters through post and SMS on their registered numbers. The Company also provided necessary assistance to the shareholders to claim their unpaid/unclaimed dividend. The Company has also hosted the details of unclaimed dividend on the website of the Company and can be viewed at <https://www.icicilombard.com/investor-relations>

The Company has appointed Nodal Officer and Deputy Nodal Officer for the purpose of co-ordinating with IEPF authorities. The details of Nodal Officer and Deputy Nodal Officer are hosted on the website

v) Market Price Information

The reported high and low closing prices and volume of equity shares of the Company traded on BSE and NSE during the period from April 1, 2019 to March 31, 2020:

Month	BSE			NSE			Total Volume on BSE & NSE
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume	
2019							
April	1,110.20	995.00	1,103,234	1,112.45	994.45	8,838,321	9,941,555
May	1,243.00	1,031.40	544,364	1,283.40	1,010.00	32,697,003	33,241,367
June	1,264.50	1,081.35	991,842	1,264.80	1,081.10	28,759,856	29,751,698
July	1,222.90	1,011.95	556,890	1,224.00	1,011.15	9,319,492	9,876,382
August	1,261.75	1,121.80	465,283	1,260.00	1,116.20	7,949,391	8,414,674
September	1,285.35	1,101.20	25,530,607	1,284.55	1,101.00	33,069,258	58,599,865
October	1,400.00	1,145.85	1,615,815	1,399.00	1,146.35	41,445,390	43,061,205
November	1,399.45	1,283.00	473,456	1,399.75	1,282.50	14,465,535	14,938,991
December	1,439.90	1,316.85	533,418	1,440.40	1,315.90	9,768,817	10,302,235
2020							
January	1,435.00	1,305.55	401,455	1,435.15	1,304.05	8,202,108	8,603,563
February	1,398.45	1,195.00	842,193	1,398.00	1,192.35	7,487,047	8,329,240
March	1,278.00	805.60	991,008	1,279.80	805.00	18,775,644	19,766,652

of the Company and can be viewed at <https://www.icicilombard.com/investor-relations>

iii) Disclosures with respect to demat suspense account/unclaimed suspense account

There were no shares lying in the unclaimed suspense account for FY2020.

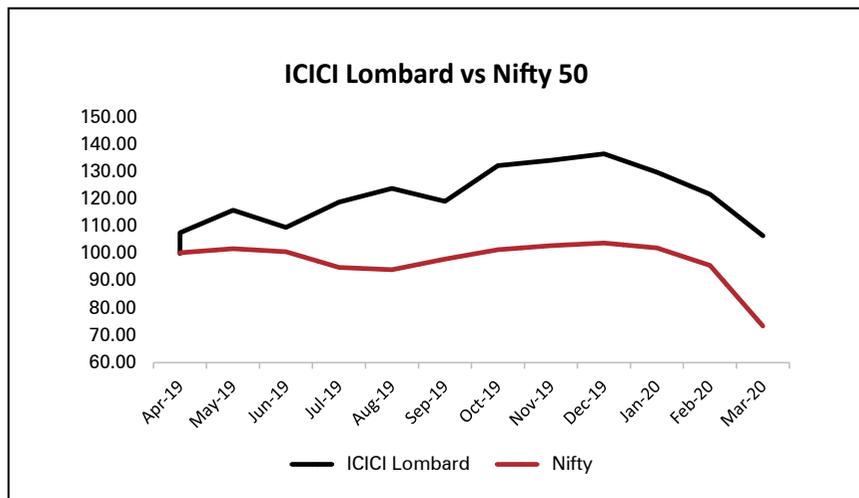
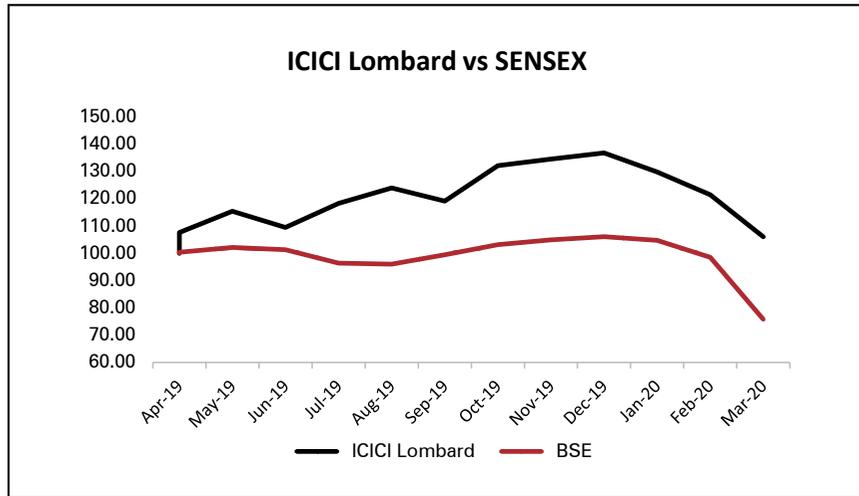
iv) Listing of Equity Shares and Non-Convertible Debentures on Stock Exchanges

Currently, the Equity Shares and Non-convertible Debentures issued by the Company are listed at:

Stock Exchange	Code for the Company's Securities	
	Equity	Non-Convertible Debentures
BSE Limited (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001.	540716	954492
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot C/1 , G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	ICICIGI	ILGI26

The Company has paid annual listing fees for the relevant period to NSE and BSE, where its Equity Shares and Non-Convertible Debentures are listed.

Directors' Report (Contd.)



Note: Share price and Index Price are rebased to 100 for closing price as on April 1, 2019.

vi) Inclusion in Morgan Stanley Capital International ("MSCI") Index

MSCI a leading provider in research-based indices and analytics in its Semi-Annual Index Review included ICICI Lombard General Insurance Company Limited in the MSCI India Domestic Index w.e.f. May 29, 2019. In Indian Capital markets the MSCI index acts as an indicator that helps assess stability and volatility in price of shares and hence essentially tracked by Foreign Institutional Investors (FIIs). The index is reviewed quarterly with the objective of reflecting a change in the underlying equity markets in a timely manner, while limiting undue index turnover. The weightage of Company in MSCI index may vary depending on basis of turnover, market

capitalisation, dividend return etc. As on March 31, 2020, along with MSCI India Domestic Index, the Company is a part of MSCI India Domestic Midcap Index, MSCI India Midcap Index and MSCI India SMID Cap Index.

vii) Share Transfer System

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, request for effecting transfer of securities in physical form (except in case of transmission or transposition of securities) is restricted w.e.f. April 1, 2019. In case of shares in electronic form, the transfers are processed

by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued. Therefore, Members holding shares in physical form are requested to take action to dematerialise the Equity Shares of the Company, promptly.

The Members can contact the Company or Company's RTA i.e. KFin Technologies Private Limited for assistance in this regard. Members may also refer to Investor FAQs hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/investor-relations>.

viii) Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.99% of the Company's equity share capital are dematerialised as on March 31, 2020. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE765G01017.

ix) Registrar and Share Transfer Agents

Karvy Fintech Private Limited, the Registrar and Share Transfer Agent ("RTA") of the Company for its equity shares, had changed its name to KFin Technologies Private Limited w.e.f. December 5, 2019.

RTA of the Company is Link Intime India Private Limited for Non-convertible Debentures issued by the Company.

Investor services related queries/requests/complaints may be directed at the address as under:

Equity Shares

KFin Technologies Private Limited
 Selenium Tower B, Plot 31-32 Gachibowli,
 Financial District, Nanakramguda,
 Hyderabad 500 032
 Tel: +91-40-6716 2222, Fax: +91-40-2343 1551
 E-mail: einward.ris@kfintech.com

Non-convertible Debentures

Link Intime India Private Limited
 247, Lal Bahadur Shastri Marg,
 Surya Nagar, Gandhi Nagar,
 Vikhroli West, Mumbai 400 083
 Tel: +91-22-2596 3838, Fax: +91-22-2594 6979
 E-mail: debtca@linkintime.co.in

x) Information on Shareholding:

a. Shareholding pattern of the Company as on March 31, 2020:

Sl. No.	Category/Name of Shareholder	Number of shares on March 31, 2020	% total
1.	ICICI Bank Limited (Promoter)	253,843,806	55.86
2.	Foreign Institutional Investors/Foreign Portfolio Investors	106,300,687	23.39
3.	Domestic Mutual Funds	47,562,236	10.47
4.	Retail Shareholders	25,737,779	5.67
5.	Alternative Investment Funds	8,636,940	1.90
6.	Bodies Corporates	4,762,210	1.05
7.	Qualified Institutional Buyers	3,146,848	0.69
8.	Directors	1,276,798	0.28
9.	Non-Resident Indian (Non-Repatriation)	878,989	0.19
10.	HUF	609,724	0.13
11.	Domestic Banks/Financial Institutions	561,741	0.12
12.	Non-Resident Indian	487,328	0.11
13.	Clearing Members	371,351	0.08
14.	NBFCs	192,095	0.04
15.	Trusts	97,035	0.02
16.	Foreign Nationals	697	0.00
	Total	454,466,264	100.00

Directors' Report (Contd.)

b. Shareholders of the Company with more than 1% holding as on March 31, 2020

(other than promoter of the Company):

Sr. No.	Name	No. of shares	% of total Number of shares
1.	SBI Mutual Fund through its various schemes	13,233,555	2.91
2.	Aditya Birla Mutual Fund through its various schemes	6,796,301	1.50
3.	Kotak Mahindra Mutual Fund through its various schemes	5,902,048	1.30

As on March 31, 2020, no shareholder of the Company held more than 5% shareholding of the Company other than Promoter of the Company.

c. Distribution of shareholding of the Company as on March 31, 2020:

Sr. No.	Category	Distribution Schedule			
		No. of cases	%	Amount (₹)	%
1.	1-5000	237,210	98.05	106,778,710	2.35
2.	5001-10000	2,201	0.91	14,717,190	0.32
3.	10001-20000	962	0.40	13,606,270	0.30
4.	20001-30000	304	0.13	7,458,020	0.16
5.	30001-40000	183	0.08	6,384,480	0.14
6.	40001-50000	103	0.04	4,758,810	0.10
7.	50001-100000	255	0.11	18,390,000	0.40
8.	100001 & Above	716	0.30	4,372,569,160	96.21
Total		241,934	100.00	4,544,662,640	100.00

xi) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

This is not applicable to the Company, since the Company has not issued Global Depository Receipts or American Depository Receipts or any convertible instruments.

xii) Commodity price risk or foreign exchange risk and hedging activities

This is not applicable to the Company, since the Company does not have any derivatives or liabilities denominated in foreign currency.

xiii) Details of utilisation of funds

During the year under review, the Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Listing Regulations and the Act.

xiv) Plant Locations

This is not applicable to the Company, since the Company is not a manufacturing entity.

xv) Correspondence Address

Correspondence relating to the financial performance of the Company may be addressed to:

Sarvesh Agrawal/Vikas Mehra

ICICI Lombard General Insurance Company Limited
ICICI Lombard House, 414, Veer Savarkar Marg,
Near Siddhivinayak Temple,
Prabhadevi, Mumbai 400 025
Tel No.: +91-22-6196 1100
Fax No.: +91-22-6196 1323
E-mail: investors@icicilombard.com

xvi) Debenture Trustee

Axis Trustee Services Limited

2nd Floor, Wadia International Center, Pandurang
Budhkar Marg, Worli, Mumbai 400 025
Contact No.: +91-22-6226 0075
E-mail: response@axistrustee.com
Website: www.axistrustee.com

xvii) Credit Ratings

Rating Agency	Rating	Outlook
Non-convertible Debentures		
Crisil Limited	CRISIL AAA/ Stable	Stable
ICRA Limited	ICRA AAA	Stable
Claims Paying Ability		
ICRA Limited	iAAA	Position: Strong

DISCLOSURES

Related party transactions

There are no materially significant related party transactions that may have potential conflict with the interest of the Company.

Details of Non - Compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or SEBI or any statutory authority on any matter related to capital markets

No penalties or strictures have been imposed on the Company by the stock exchange, or SEBI or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.

ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of Listing Regulations.

The Company has complied with the non-mandatory requirement of reporting of Internal Auditor directly to the Audit Committee of the Company. The Internal Auditor presents the key audit findings of internal audit department of the Company to the Audit Committee on a quarterly basis along with compliance status of previous Audit Committee. Also, Internal Auditor of the Company presents Risk Based Audit Plan to the Audit Committee.

WEBLINK WHERE POLICY FOR DETERMINING MATERIAL SUBSIDIARIES IS DISCLOSED

This is not applicable to the Company, since the Company doesn't have any subsidiary Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

i. Energy & Technology Absorption:

The details of energy and technology absorption is provided in ESG report forming part of this Annual Report.

ii. Foreign Exchange Earnings and Outgo:

During FY2020, expenditures in foreign currencies amounted to ₹ 3.59 billion and earnings in foreign currencies amounted to ₹ 2.36 billion.

EMPLOYEE STOCK OPTION SCHEME

In FY2006, the Company had instituted an Employee Stock Option Scheme ("ESOS") to enable the employees and Directors of the Company 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 Company'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 Company's issued equity shares on the date of the grant.

The Board at its Meeting held on January 14, 2015 and the Members at the Extra-Ordinary General Meeting held on March 4, 2015 had approved the amendment in the Employee Stock Option Scheme, 2005 to extend the exercise period by three more years in respect of options granted in the years 2005, 2006 and 2007.

Options granted in the years 2005, 2006, 2007, 2008 and 2010 vest in a graded manner over a four year period, with 20%, 20%, 30% and 30% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options granted for the year 2009 vest in a graded manner over a five year period with no vesting in the first year and 20%, 20%, 30% and 30% of the grant vesting each year in subsequent four years. Options granted for the year 2011 vest in a gradual 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

Directors' Report (Contd.)

can be exercised within a period of 13 years in respect of options granted in 2005, 2006 and 2007. Option other than those years can be exercised over a period of 10 years from the date of grant or five years from the date of vesting.

Post listing of equity shares, of the Company, revised Employee Stock Options Scheme has been approved by the Members of the Company and new Options were granted to the eligible employees under normal and special grant in year 2018. Options granted under normal grant for the year 2018 & 2019 would vest in a graded manner over a three year period with 30%, 30% and 40%. Options granted under Special grant would have a lock-in period of 36 months from the date of grant with 50% of the options vesting on July 31, 2021 and the remaining 50% vesting on July 31, 2022. Exercise Period for both the grants of year 2018 would commence from the date of vesting and will expire on completion of five years from the date of vesting of stock options.

The Company had granted 19,343,798 Stock Options to the eligible employees from time to time aggregating to 4.26% of the issued equity share capital of the Company. In line with Remuneration Policy of the Company and benefits of stock options granted as a compensation tool, the Board of Directors at their Meeting held on January 17, 2020 based on the recommendation of the Board Nomination and Remuneration Committee approved the increase in the exiting ESOS pool, that can be granted to the "Eligible Employees" as defined under the revised Scheme, from current 5% to 7% of the aggregate of the number of issued shares of the Company from time to time, on the date(s) of grant of option(s) and decided to seek the approval of the Members of the Company through Postal Ballot. Subsequently, the Members of the Company on March 15, 2020 had approved the same through Postal Ballot.

Particulars of options granted by Company up to March 31, 2020 are given below:

Options granted	28,447,860
Options vested	18,488,118
Options exercised	14,684,408
Number of shares allotted pursuant to exercise of options	14,681,408
Options forfeited/lapsed	9,139,412
Extinguishment or modification of options*	Nil
Amount realised by exercise of options (₹ in billion)	1.20
Total number of options in force	4,624,040

* The exercise period for stock options granted between 2005 to 2007 has been modified from tenth anniversary to thirteenth anniversary.

The details as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is hosted on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/esos-disclosure-2020.pdf>

ANALYSIS OF CUSTOMER COMPLAINTS

a) Customer complaints during FY2020:

No. of complaints pending at the beginning of the year	71
No. of complaints received during the year	2617
No. of complaints redressed during the year	2653
No. of complaints pending at the end of the year	35

b) Awards passed by the Insurance Ombudsman during FY2020:

No. of unimplemented awards at the beginning of the year	0
No. of awards passed by Insurance Ombudsman during the year	156
No. of awards implemented during the year	156
No. of unimplemented awards at the end of the year	0

The Company had not challenged the ombudsman order in higher forums. The Company has complied with the Insurance Ombudsman orders as on March 31, 2020.

FIT AND PROPER CRITERIA FOR INVESTORS AND CONTINUOUS MONITORING REQUIREMENT

IRDAI guidelines for Listed Indian Insurance Companies prescribes the following:

1. Self-certification of "Fit and proper person" criteria by a person holding/intending to acquire equity shares of 1% or more of paid-up equity share capital.
2. Prior permission of IRDAI for holding shares beyond 5% of the paid-up equity share capital.

Further information on detailed procedure and format for self-certification is hosted on the Company's website and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/fit-proper-criteria-for-investors-and-continuous-monitoring-requirement.pdf>

During the year, the Company has obtained Fit & Proper declarations in compliance with IRDAI guidelines for Listed Indian Insurance Companies.

GREEN INITIATIVES IN CORPORATE GOVERNANCE

In line with the 'Green Initiative', the Company has effected electronic delivery of Notice of AGM and Annual Report to those Members whose e-mail IDs were registered with the respective Depository Participants and downloaded from the depositories viz. National Securities Depository Limited/Central Depository Services (India) Limited. The Act and the underlying rules as well as Regulation 36 of the Listing Regulations, permit the dissemination of financial statements and Annual Report in electronic mode to the Members. Your Directors are thankful to the Members for actively participating in the Green Initiative and seek your continued support for implementation of the Green Initiative.

As a part of green initiative of Ministry of Corporate Affairs, the Company is continuously encouraging its shareholders via communications to register their e-mail IDs with their Depository Participant(s).

We believe and endorse the 'Green Initiative' as it would not only rationalise the use of paper but also ensure prompt communication, avoid loss in transit and have reference value of the communication.

UPDATE ON INDIAN ACCOUNTING STANDARDS IMPLEMENTATION

IRDAI vide its circular dated March 1, 2016 had advised all Insurers to follow the Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by IRDAI. Insurance Companies are required to comply with Ind AS for financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the period ending March 31, 2019 and subsequently IRDAI vide its circular dated June 28, 2017 deferred the implementation of Ind AS in the Insurance Sector in India for a period of two years and the effective period of implementation of Ind AS in insurance sector was deferred to FY2021. However the requirement of submitting proforma Ind AS financial statement on a quarterly basis continue to be governed as directed by IRDAI vide its circular dated December 30, 2016.

In compliance with the regulatory requirements, the Company has constituted a Steering Committee headed by Sanjeev Mantri, Executive Director to oversee the implementation of Ind AS. The scope of the Steering Committee includes evaluating the impact on the following areas:

- a) Ind AS technical requirements
- b) Systems and processes
- c) Business impact
- d) People
- e) Project management

The Company was presenting a status of implementation of Ind AS to its Audit Committee on a quarterly basis and post that also submitting the same to IRDAI.

During FY2020, IRDAI vide its circular dated January 21, 2020 deferred the implementation of Ind AS. The effective date of implementation shall be decided after the finalisation of International Financial Reporting Standards ("IFRS") 17 by International Accounting Standard Board ("IASB"). IASB has proposed deferral in adoption of IFRS 17 and IFRS 9 to January 1, 2022. IRDAI has also dispensed with the requirement of preparing and submitting proforma Ind AS to the Audit Committee and to IRDAI.

Directors' Report (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3)(c) of the Act and the Corporate Governance Guidelines, the Board of Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
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 the Company at the end of the financial year and of the profit of the Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that they have prepared the annual accounts on a going concern basis;
5. that they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively and;
6. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Company is grateful to the Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, Government of India, Reserve Bank of India, Securities and Exchange Board of India for their continued co-operation, support and guidance. The Company wishes to thank its investors, rating agencies, depositories, Registrar & Share transfer agent & Stock Exchanges for their support.

The Company would like to express its gratitude for the continued support and guidance received from ICICI Bank Limited and its group companies.

The Company would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation to all the employees, whose outstanding professionalism, commitment and initiative have made the Company's growth and success possible and continue to drive its progress. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board

May 2, 2020
Mumbai

Lalita D. Gupte
Chairperson
DIN: 00043559

CERTIFICATE FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Vikas Mehra, hereby certify that the Company has, for the financial year ended March 31, 2020 complied with the corporate governance guidelines as prescribed by Insurance Regulatory and Development Authority of India as amended from time to time and nothing has been concealed or suppressed.

May 2, 2020
Mumbai

Vikas Mehra
Company Secretary
ACS No.: 12117

COMPLIANCE WITH EMPLOYEES CODE OF CONDUCT

I confirm that all Directors and members of the senior management have affirmed compliance with Employees Code of Conduct for the financial year ended March 31, 2020.

May 2, 2020
Mumbai

Bhargav Dasgupta
Managing Director & CEO
DIN: 00047728

Annexure A

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Issued in Pursuance to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
ICICI Lombard General Insurance Company Limited
ICICI Lombard House, 414, Veer Savarkar Marg,
Near Siddhi Vinayak Temple, Prabhadevi,
Mumbai- 400025

We have conducted the secretarial audit through periodical visits of our authorised person and electronic platform after the lock down of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ICICI Lombard General Insurance Company Limited (CIN L67200MH2000PLC129408)** (hereinafter called 'the Company') for the financial year ended March 31, 2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. This Company is governed mainly under the provisions of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999 ('Insurance Laws') and under the Companies Act, 2013 and rules framed thereunder where there is no inconsistency with the Insurance Laws.

- A. In expressing our opinion, it must be noted that-
- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
 - iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
 - iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
 - v. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
 - vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the

statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:

- C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:
- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. A. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - V. B. The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit: -
 - a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - VI. And the Company being in the business of Insurance other than Life Insurance, the Special Act as applicable to it is the Insurance Act, 1938 and extant Rules & Regulation framed under Insurance Regulatory and Development Authority Act, 1999 (IRDA).

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards in respect of Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as amended from time to time issued by The Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 to the extent applicable for listing of its Equity Shares and Non-Convertible Debentures;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Annexure A (Contd.)

D. We further report that–

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013;
- II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- III. Majority decision is carried through and there was no instance of any director expressing any dissenting views.

E. We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

F. We further report that during the audit period none of the following events has taken place-

- I. Public/Rights/Preferential Issue of Shares/Debentures etc.
- II. Redemption/buy-back of securities.
- III. Major decision taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- IV. Merger/Amalgamation/Reconstruction, etc.
- V. Foreign Technical Collaborations.

For **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place: Mumbai
Date: May 2, 2020
UDIN: F000977B000196326

Annexure B

Disclosures required with respect to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

Bhargav Dasgupta, Managing Director & CEO	98:1
Alok Kumar Agarwal, Executive Director	56:1
Sanjeev Mantri, Executive Director	61:1

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager;

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary ranged between 5% and 10%.

(iii) The percentage increase in the median remuneration of employees in the financial year;

The percentage increase in the median remuneration of employee in the last financial year was 5%.

(iv) The number of permanent employees on the rolls of Company;

The number of permanent employees on the rolls of Company as on March 31, 2020 were 8996.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentile increase in the salaries of employees other than the Key Managerial Personnel in the last financial year was 8%, while the average percentile increase in the salaries of the Key Managerial Personnel in the last financial year was in the range of 5% to 10%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company

Yes

Mumbai
May 2, 2020

Lalita D. Gupte
Chairperson
DIN: 00043559

Annexure C

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2020

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. REGISTRATION AND OTHER DETAILS:

CIN	L67200MH2000PLC129408
Registration Date	October 30, 2000
Name of the Company	ICICI Lombard General Insurance Company Limited
Category/Sub-Category of the Company	Company Limited by Share/Indian non-government Company
Address of the registered office and contact details	ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai - 400 025 Tel: +91 - 22 6196 1100 Email: investors@icicilombard.com Website: www.icicilombard.com
Whether listed company Yes/No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	<p>1. Equity Shares KFin Technologies Private Limited Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Contact Person: Shobha Anand Deputy General Manager Tel No. : +91 - 40 - 6716 2222 Fax No.: +91 - 40 - 2300 1153 Email: shobha.anand@kfintech.com</p> <p>2. Debentures Link Intime India Private Limited 247, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai - 400 083, Contact Person: Ganesh Jadhav Tel No. : +91 - 22 - 4918 6000 Fax No.: +91 - 22 - 4918 6060 Email: debtca@linkintime.co.in</p>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products/service	NIC Code of the Product/Service	% to the total turnover of the Company
General Insurance	6512	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
ICICI Bank Limited ICICI Bank Towers, Bandra-Kurla Complex, Mumbai - 400 051	L65190GJ1994PLC021012	Holding Company	55.86	2(46)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoters									
(1)	Indian									
(a)	Individual/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks/Financial Institution	253,843,806	-	253,843,806	55.87	253,843,806	-	253,843,806	55.86	(0.01)
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	253,843,806	-	253,843,806	55.87	253,843,806	-	253,843,806	55.86	(0.01)
(2)	Foreign									
(a)	NRI-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	253,843,806	-	253,843,806	55.87	253,843,806	-	253,843,806	55.86	(0.01)
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	27,003,053	-	27,003,053	5.94	47,562,236	-	47,562,236	10.47	4.53
(b)	Banks/Financial Institutions	60,536	-	60,536	0.01	561,741	-	561,741	0.12	0.11
(c)	Alternative Investment Fund	9,033,345	-	9,033,345	1.99	8,636,940	-	8,636,940	1.90	(0.09)
(d)	Foreign Portfolio Investors	60,162,436	-	60,162,436	13.24	106,300,687	-	106,300,687	23.39	10.15
(e)	Central Govt	-	-	-	-	-	-	-	-	-
	State Govt(s)	-	-	-	-	-	-	-	-	-
(f)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	FIs	-	-	-	-	-	-	-	-	-
(i)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Annexure C (Contd.)

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(j)	Others (specify) - Qualified Institutional Buyer	-	-	-	-	3,146,848	-	3,146,848	0.69	0.69
	Sub-Total B(1) :	96,259,370	-	96,259,370	21.19	166,208,452	-	166,208,452	36.57	15.38
(2)	Non-Institutions									
(a)	Bodies Corp.									
(i)	Indian	4,626,520	-	4,626,520	1.02	4,762,210	-	4,762,210	1.05	0.03
(ii)	Overseas	71,589,740	-	71,589,740	15.76	-	-	-	-	(15.76)
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 lac	12,783,716	34,697	12,818,413	2.82	14,159,115	11,897	14,171,012	3.12	0.30
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lac	11,636,794	-	11,636,794	2.56	11,566,767	-	11,566,767	2.55	(0.01)
(c)	Others (specify)									
(i)	Trust	101,375	-	101,375	0.02	97,035	-	97,035	0.02	0.00
(ii)	Directors & their Relatives (Resident)	1,220,798	-	1,220,798	0.27	1,276,798	-	1,276,798	0.28	0.01
(iii)	Non-Resident Indian Directors	-	-	-	-	-	-	-	-	-
(iv)	Non-Resident Indians (include NRI Non-Repatriable)	1,142,740	-	1,142,740	0.25	1,366,317	-	1,366,317	0.30	0.05
(v)	Clearing Member	341,576	-	341,576	0.08	371,351	-	371,351	0.08	0.00
(vi)	Hindu Undivided Families	530,679	-	530,679	0.12	609,724	-	609,724	0.13	0.01
(vii)	Foreign Companies	-	-	-	-	-	-	-	-	-
(viii)	Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
(ix)	NRI-DR	-	-	-	-	-	-	-	-	-
(x)	NBFC registered with RBI	198,133	-	198,133	0.04	192,095	-	192,095	0.04	0.00
(xi)	Foreign Nationals	-	-	-	-	697	-	697	0.00	0.00
	Sub-Total B(2) :	104,172,071	34,697	104,206,768	22.94	34,402,109	11,897	34,414,006	7.57	(15.37)
	Total B=B(1)+B(2):	200,431,441	34,697	200,466,138	44.13	200,610,561	11,897	200,622,458	44.14	0.02
	Total (A+B) :	454,275,247	34,697	454,309,944	100.00	454,454,367	11,897	454,466,264	100.00	0.00
(C)	Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	454,275,247	34,697	454,309,944	100.00	454,454,367	11,897	454,466,264	100.00	-

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2019			Shareholding at the end of the year March 31, 2020			% change in shareholding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	ICICI Bank Limited	253,843,806	55.87	-	253,843,806	55.86	-	(0.01)
		253,843,806	55.87	-	253,843,806	55.86	-	(0.01)

(iii) Change in Promoters Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	ICICI Bank Limited	253,843,806	55.87	-	-	-	253,843,806	55.86
		253,843,806	55.87	At the End of the year			253,843,806	55.86

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the top 10 Shareholders**	Shareholding at the beginning of the year April 1, 2019		Shareholding at the end of the year March 31, 2020	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SBI Mutual Fund through various Schemes	2,483,618	0.55	13,233,555	2.91
2	Aditya Birla Mutual Fund through various Schemes	210,503	0.05	6,796,301	1.50
3	Kotak Mutual Fund through various Schemes	4,811,292	1.06	5,902,048	1.30
4	Amansa Holdings Private Limited	4,380,432	0.96	4,367,724	0.96
5	ICICI Prudential Mutual Fund through various Schemes	2,968,377	0.65	4,217,687	0.93
6	Abu Dhabi Investment Authority	389,959	0.09	3,803,144	0.84
7	Motilal Oswal Mutual Fund through various Schemes	4,139,462	0.91	3,769,464	0.83
8	Vanguard Total International Stock Index Fund	2,445,835	0.54	3,248,771	0.71
9	St. James's Place Emerging Markets Equity Unit Trust	3,751,323	0.83	3,213,048	0.71
10	Azim Hasham Premji	2,798,774	0.62	2,798,774	0.62

* The shares of the Company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholders.

Top 10 shareholders are as on March 31, 2020.

Annexure C (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel*:

Sr. No.	For Each of the Directors and KMP Name of the Director/KMP	Shareholding at the beginning of the year April 1, 2019		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			Shareholding at the end of the year March 31, 2020		Cummulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Bhargav Dasgupta	375,508	0.08	-	-	-	375,508	0.08	375,508	0.08
2	Alok Kumar Agarwal	568,000	0.13	-	-	-	-	-	568,000	0.12
		-	-	24-Apr-2019	16,721	Sale	-	-	551,279	0.12
		-	-	25-Apr-2019	24,279	Sale	-	-	527,000	0.12
		-	-	12-May-2019	97,000	ESOS	624,000	0.14	624,000	0.14
3	Sanjeev Mantri	508	0.00	-	-	-	508	0.00	508	0.00
4	Lalita D. Gupte	1,782	0.00	-	-	-	1,782	0.00	1,782	0.00
5	Vishakha Mulye	275,000	0.06	-	-	-	275,000	0.06	275,000	0.06
6	Gopal Balachandran	253,250	0.06	-	-	-	253,250	0.06	253,250	0.06
7	Vikas Mehra	10,610	0.00	-	-	-	10,610	0.00	10,610	0.00

* Key Managerial Personnel as defined under the Companies Act, 2013.

V. INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
(₹ in lacs)				
Indebtedness at the beginning of the financial year				
i) Principal amount	-	48,500	-	48,500
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,686	-	2,686
Total (i+ii+iii)	-	51,186	-	51,186
Change in Indebtedness during the financial year				
- Addition	-	4,004	-	4,004
- Reduction	-	(3,990)	-	(3,990)
Net Change	-	14	-	14
Indebtedness at the end of the financial year				
i) Principal amount	-	48,500	-	48,500
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,700	-	2,700
Total (i+ii+iii)	-	51,200	-	51,200

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Bhargav Dasgupta, Managing Director & CEO	Alok Kumar Agarwal, Executive Director- Wholesale	Sanjeev Mantri, Executive Director-Retail	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	668.89	372.81	404.09	1,445.79
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	1.68	11.56	14.11	27.35
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Options [#]	-	929.35	-	929.35
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others - Retirals (PF)	29.36	13.53	15.66	58.55
	Total (A)	699.92	1,327.26	433.87	2,461.05

[#] Perquisite value of the stock options exercised

Provisions towards gratuity leave accrued and long term performance pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

B. Remuneration to other Directors :

1. Non-executive, Independent Directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Director						Murali Sivaraman [#]
		Lalita D. Gupte	Ved Prakash Chaturvedi	Uday Chitale [@]	Suresh Kumar	Vishal Mahadevia [*]	Ashvin Parekh [@]	
1	Fee for attending Board/ Committee Meetings	12.70	9.30	15.10	8.90	1.60	14.50	-
2	Commission ^{\$}	10.00	10.00	10.00	10.00	-	10.00	2.05
3	Others, please specify	-	-	-	-	-	-	-
	Total B (1)	22.70	19.30	25.10	18.90	1.60	24.50	2.05

^{*} Ceased to be Non-executive, Independent Director of the Company w.e.f. July 16, 2019

[#] Appointed as an Additional Director in the category of Non-executive, Independent Director of the Company w.e.f. January 17, 2020

^{\$} Profit-related Commission for FY2020 will be paid in FY2021.

[@] Being Common Directors, as per IRDAI guidelines profit-related commission is subject to approval of IRDAI.

Annexure C (Contd.)

2. Non-executive, Non-independent Directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	No sitting fees for attending Board/Committee meetings or profit related commission is being paid to Non-executive, Non-independent Directors						
1	Fee for attending Board/ Committee Meetings							
2	Commission							
3	Others, please specify							
	Total B (2)							
	Total B = B(1) + B(2)	22.70	19.30	25.10	18.90	1.60	24.50	2.05

C Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Gopal Balachandran, Chief Financial Officer & Chief Risk Officer	Vikas Mehra, Company Secretary	Other Key Management Persons (KMPs)*	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	250.07	95.30	1,498.61	1,843.97
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.29	1.29	29.11	30.69
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Options#	-	-	104.79	104.79
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, Retirals (PF)	7.87	2.89	46.53	57.28
	Total (C)	258.22	99.47	1,679.03	2,036.73

* Other KMPs as defined under Corporate Governance Guidelines issued by IRDAI.

Perquisite value of the stock options exercised.

Provisions towards gratuity leave accrued and long term performance pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

(₹ in lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]
		NIL		

May 2, 2020
Mumbai

Lalita D. Gupte
Chairperson
DIN: 00043559

Annexure D

ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR has been a long-standing commitment at the Company and forms an integral part of its activities. The Company's objective is to pro-actively support meaningful socio-economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life.

In line with its objectives, the following areas have been shortlisted for the CSR roadmap which includes healthcare, road safety, education, skill development and sustainable livelihoods, support employee volunteering in CSR activities and other areas such as disaster relief.

The CSR policy was approved by the Board of Directors in the Meeting held on October 15, 2014, and subsequently was put up on the Company's website. The CSR policy is available on the website of the Company and can be viewed at <https://www.icicilombard.com/docs/default-source/policies-of-the-company/corporate-social-responsibility-policy.pdf>.

2. The Composition of the CSR Committee

The CSR Committee comprises of four (4) Members, out of which three (3) are Non-executive, Independent Directors and the Managing Director & CEO of the Company, and is chaired by an Non-executive, Independent Director. The composition of the Committee is set out below:

Uday Chitale, Chairman (Non-executive, Independent Director)

Ved Prakash Chaturvedi (Non-executive, Independent Director)

Murali Sivaraman (Additional Non-executive, Independent Director)

Bhargav Dasgupta (Managing Director & CEO)

The functions of the Committee include review of CSR initiatives undertaken by the Company, formulation and recommendation to the Board of the CSR Policy indicating the activities to be undertaken by the Company and recommendation of the amount of expenditure to be incurred on such activities, review and recommend the annual CSR plan to the Board, making recommendations to the Board with respect to the CSR initiatives, monitor the CSR activities, implementation and compliance with the CSR Policy and to review and implement, if required, any other matter related to CSR initiatives as recommended/suggested by the Act.

3. Average net profit of the Company for last three financial years

The average net profit of the Company for the last three financial years calculated as specified by the Act was ₹ 11,999.6 million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The prescribed CSR expenditure requirement for FY2020 was ₹ 240.0 million.

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year;

Total amount spent towards CSR during FY2020 was ₹ 242.3 million.

(b) Amount unspent, if any: Nil

Annexure D (Contd.)

(c) Manner in which the amount spent during the financial year is detailed below:

Sr No	Projects/Activities	Sector	Location Districts (State)	Amount outlay (budget) project or programme wise (₹ million)	Amount spent on the projects or programmes (₹ million)	Cumulative Expenditure upto the reporting Period (₹ million)	Amount spent: Direct or through implementing agency
1	Ride to Safety – Unique initiative to spread awareness about road safety. Make Indian Roads safer for children through direct contact programme and distribution of helmets. Under ride to safety an unique initiative was taken to file a petition to Unicode (global body that certifies emoji additions in the keyboards – mobile and social media) to make motor bike helmet an emoji	Promoting road safety education Unicode – sign the petition and make motor bike helmet an emoji – nearly 1 lac petitions were signed	Mumbai, Delhi, Pune, Ahmedabad, Chennai, Nagpur and Bangalore Unicode – pan India	51.7	59.6	156.5	Through NGO partners
2	Eye check-up camps for under-privileged school kids led by employees. 43,687 children covered. 7,929 cases of poor vision provided with spectacles.	Promoting healthcare	Conducted at 318 schools across 110 locations	20.5	18.6	61.8	Direct
3	Awareness programmes on wellness and safe drinking water habits for children. Water purifiers were installed in schools, thereby ensuring basic facilities aimed at children's wellness.	Promoting wellness and healthcare	Mumbai	5.9	5.3	9.8	Through NGO partners
4	Projects of IICI Foundation for Inclusive Growth	Promoting education, enhancing vocational skills and livelihood enhancement projects	Pan India	123.0	123.0	529.8	Amount spent through IICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR
5	Industry awareness campaign – General Insurance Council	Awareness	-	35.8	35.8	35.8	Contribution to General Insurance Council

6. In case the company has failed to spend the 2% of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report

The amount spent in FY2020 is higher than the budget of 2% of the average net profits of the last three financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

Bhargav Dasgupta

Managing Director & CEO
DIN: 00047728

Uday Chitale

CSR Committee Chairman
DIN: 00043268

May 2, 2020
Mumbai

Annexure E

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Board of Directors of
ICICI Lombard General Insurance Company Limited,

- 1 This Certificate is issued in accordance with the terms of our engagement letter dated 15 June 2019.
- 2 We have examined the compliance of conditions of Corporate Governance by ICICI Lombard General Insurance Company Limited ('the Company') for the period 1st April, 2019 to 31st March, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

- 3 The compliance of Corporate Governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Auditor's Responsibility

- 4 Pursuant to the requirements of the Listing Regulations, our responsibility is to express an opinion as to whether the company has complied with the conditions of Corporate Governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 5 We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI') and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

- 6 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

Opinion

- 7 Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Listing Regulations.
- 8 We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

- 9 This certificate is provided to Board of Directors of the Company solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration
No. 302137E

S. N. Chaturvedi
Partner
Membership No. 040479
UDIN: 20040479AAAACB2633

Place: Mumbai
Date: May 2, 2020

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration
No. 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN: 20201402AAAAAP5716

Management's Discussion and Analysis

I. MACRO ECONOMIC ENVIRONMENT AND NON-LIFE INSURANCE INDUSTRY DEVELOPMENTS

Fiscal 2020 witnessed growth pressures led by subdued investment activity and weakness in the industrial sector. Agriculture sector growth improved as compared to previous fiscal led by normal monsoons.

GST collection for the fiscal 2020 stood at ₹ 12.20 trillion¹ witnessing a slower growth of 3.8% over the collection of ₹ 11.75 trillion¹ in the previous fiscal. Weak GST collection is attributable to the slowdown in the economic activity. GST collection in the month of March 2020 fell close to ₹ 0.97 trillion¹ due to the impact of COVID-19 across all the sectors. GST collections for first quarter of the fiscal 2021 is expected to decline sharply due to lockdown in the Country.

The second advance estimates of the National Statistics Office have estimated a GDP growth of 4.9%² for the fiscal year 2020 as compared to the GDP growth of 6.1% for the fiscal year 2019 which is the weakest estimate since 2008-09. The slump in the GDP growth was mainly driven by a contraction in the investment and weak consumption growth. The growth is also expected to be impacted in the fiscal 2021 due to the COVID-19 pandemic. CRISIL has also slashed the growth forecast for fiscal 2021 to 3.5%³ from the earlier forecast of 5.2%. Standard & Poor's Global has projected growth rate of 1.8% for India during the calendar year 2020 with a rebound in growth to 7.5% for the calendar year 2021.

Several countries across the world have resorted to the fiscal as well as monetary stimulus in order to mitigate impact of COVID-19 on global trade and their economies. In such an environment of weak growth, inflation is expected to remain subdued.

With growth expected to fall sharply for fiscal 2021 and an overall risk off environment globally, emerging markets including India have witnessed

large outflows of foreign capital. The benchmark indices BSE⁴ Sensex and Nifty⁴ corrected by 23.8% and 26.0% respectively in fiscal 2020.

Non-Life Insurance Industry developments

(A) Regulatory developments:

The Indian non-life insurance industry has come a long way in the last two decades since the industry was opened for private participation in fiscal 2000. Liberalisation was the first big change in the sector. Subsequently, in fiscal 2008, the industry witnessed another major change when most of the segments were de-tariffed.

Fiscal 2020 saw a spate of regulatory changes, which, inter-alia, included the following:

The Authority issued a circular effective September 1, 2019 wherein the insurers shall make available standalone annual own damage covers. This circular is applicable for both old and new cars and two-wheelers, provided the Motor Third Party cover is already in existence or taken simultaneously.

Effective January 1, 2020, General Insurance Corporation of India (GIC Re) has increased the prescribed minimum rates for most occupancies under the Fire segment. Since GIC Re is the leading reinsurer in India, this development is expected to bring a positive impact on the growth of Fire segment over the long-term for the GI industry and the company.

Introduction of "Regulatory sandbox" to allow a conducive environment for insurtech and fintech companies to carry innovations in the insurance space. Under the regulations, the Authority approved 33 products on January 14, 2020. In the second tranche, Authority further approved 16 products on March 31, 2020. The Company in the first tranche received approval for five products and in the second tranche received approval for one product.

¹ Ministry of Finance Department of Revenue monthly press release on GST collection

² Ministry of Statistics and Programme Implementation - Second Advance Estimate released on February 28, 2020

³ CRISIL press release dated March 26, 2020 titled 'Slashing India's growth by 170 bps'

⁴ Bombay Stock Exchange and National Stock Exchange

Management's Discussion and Analysis

The Authority has notified on March 27, 2020 that the insurance companies shall continue to charge the prevailing rates for Motor Third Party Liability Insurance Cover from April 1, 2020 onwards until further order is issued. This could impact the Loss ratio of the industry adversely.

The Authority announced the launch of standardised health insurance policy called "Arogya Sanjeevani Policy" w.e.f. April 1, 2020. This standardised offering should further help in expanding the penetration of health insurance.

In the aftermath of COVID-19 break-out, considering the prevailing situation, on April 16, 2020 the Authority announced further relaxation for payment of premium on renewals for Motor Third Party and Health insurance policies till May 15, 2020.

The Authority instructed insurers to expeditiously settle hospitalisation claims related to coronavirus disease under health policies. It also advised the insurance companies to come out with policies to cover treatment costs for coronavirus infection, which has impacted millions of people worldwide. In response ICICI Lombard launched a benefit product which offers a particular sum insured on detection of the said virus, subject to terms and conditions of the product.

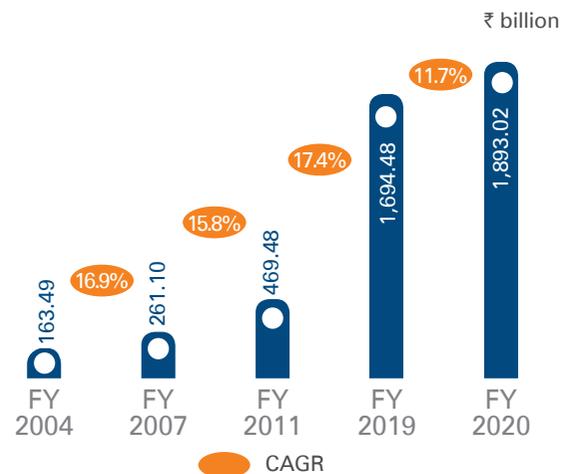
The Authority, vide its circular dated April 24, 2020, stipulated that, in view of the emerging market conditions and to conserve capital with the insurance companies in the interest of Policyholders and of the economy at large, urged all insurers to take conscious call to refrain from dividend payout from profits pertaining to the financial year ended March 31, 2020 till further instructions. This position shall be reassessed by the authority based on financial results of insurers for the quarter ending September 30, 2020.

⁵ Source: IRDAI and GI Council

⁶ Source: Sigma 3 / 2019 Swiss Re

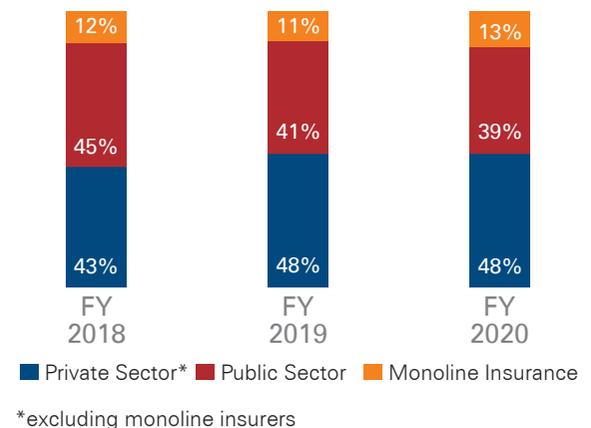
(B) Financial performance:

The non-life insurance industry registered growth of 11.7%⁵ in fiscal 2020. The industry has grown at a CAGR of approximately 16.7% since fiscal 2001. Despite this, non-life insurance penetration in India continues to be around 0.97%⁶ of Gross Domestic Product against world average of 2.78%⁶ and given India's demographic dividend, the sector is poised to reach newer heights in the coming years.

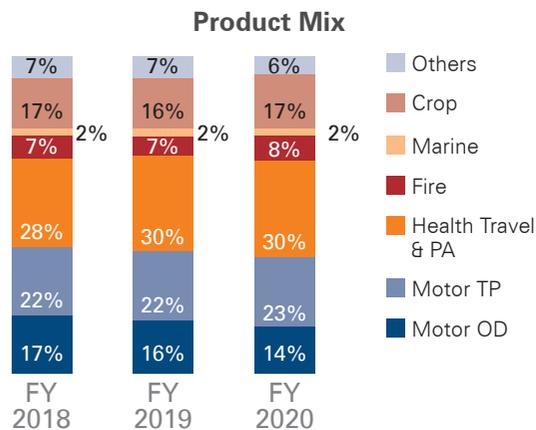


The private multi product players contribute to approximately 48.2% of the market for fiscal 2020.

Market share of Industry Players



The industry growth is driven by growth in Fire, Motor Third Party, Retail Health and Group Health insurance segments. Fire, Motor Third Party, Retail Health, and Group Health grew by approximately 36.1%, 12.1%, 12.0% and 23.3% in fiscal 2020.



Source: GI Council

II. DISCUSSION ON FINANCIAL PERFORMANCE AND ANALYSIS OF FINANCIAL STATEMENTS

a. Overview of our business

We are the largest⁷ private-sector non-life insurer in India based on gross direct premium income in fiscal 2020. We offer our customers a comprehensive and well-diversified range of products, including Fire, Motor, Health, Travel and Personal Accident, Marine, Engineering and Liability insurance, through multiple distribution channels.

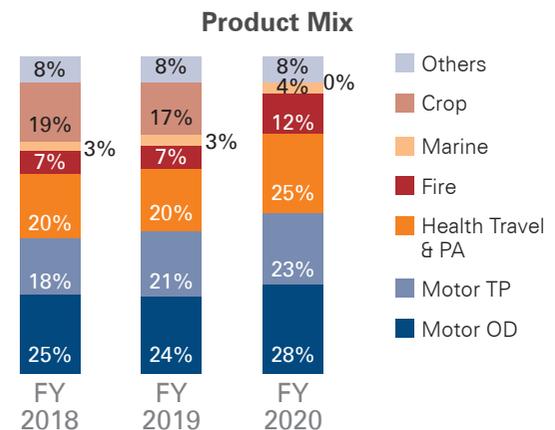
For fiscal 2020, we issued 26.2 million policies and covered 40.9 million lives and our gross direct premium income was ₹ 133.13 billion, translating into a market share⁷ of 7.0% among all non-life insurers in India and 14.6% among multi-line private-sector non-life insurers in India. Our key distribution channels are direct sales, individual agents, corporate agents - banks, other corporate agents, Motor Insurance Service Providers (MISPs), brokers and digital, through which we service our individual, corporate and government customers.

⁷ GI Council Report

⁸ CAGR (FY2008-FY2020)

⁹ Standard & Poor

Our proportion of Crop segment to overall GDPI is negligible for fiscal 2020 which was consistent with our cautious approach in underwriting this underpriced segment. Further the company did not win any new tender in crop business during the year under review. The graph below depicts the product portfolio mix.



We have maintained leadership position among the private sector non-life insurers in India across Motor Own Damage, Health, Fire, Engineering, Liability and Marine segments in fiscal 2020. Our GDPI market share in Motor Own Damage segment improved to 13.9% in fiscal 2020 from 12.9% in fiscal 2019. The company witnessed accretion in market share across all the commercial lines such as Fire, Engineering, Marine Cargo and Liability.

As of March 31, 2020, we had ₹ 263.27 billion in total investment assets with an investment leverage (net of borrowings) of 4.21x. Our investment policy is designed with an objective of capital preservation and achieving superior total returns within identified risk parameters. Our philosophy of generating superior risk adjusted returns along with protection of capital has resulted in an annualised portfolio return of 10.2%⁸. Listed equities made up of 8.0% of our total investment assets, by carrying value, as at March 31, 2020. Since fiscal 2004, our listed equity portfolio has returned an annualised total return of 23.2%, as compared to an annualised return of 13.8% on the benchmark S&P⁹ NIFTY index.

Management's Discussion and Analysis

b. Competitive Strengths

Our strategic objective is to build a sustainable organisation that remains relevant to the agenda of our stakeholders. We believe in providing value to our clients, while creating growth opportunities for our employees and generating profitable returns for our investors.

The following competitive strengths which contribute to our success and positioned us well for future growth:

Consistent Market Leadership and profitable growth: Our industry leadership has been reinforced by our comprehensive and diverse portfolio of insurance products that we continuously adapt to evolving needs of customers and changing industry dynamics. We have maintained leadership position among private sector non-life insurers in India across Motor Own Damage, Health, Fire, Engineering, Liability and Marine segments in fiscal 2020.

Diverse product line with multi-channel distribution network: We continue to offer products and solutions that address the untapped and evolving needs of customers and we have established ourselves as a reliable one-stop insurer for diverse customer requirements. Further, we have been expanding our distribution network so as to increase penetration in tier 3 and tier 4 cities. Our Virtual offices network stood at 840 as on March 31, 2020. Our individual agents (including POS Agents) increased to 47,548 as on March 31, 2020.

Excellence in Customer Service and Technology: Our customer-centric approach to delivering value focuses on providing convenience and customised solutions. The number of policies written stood at 26.2 million for fiscal 2020. We have been at the forefront of leveraging technology in the Indian non-life insurance industry. We leverage technologies such as Artificial Intelligence, Machine Learning, Advanced analytics, Internet of Things etc.

¹⁰ Domestic credit ratings

from issuance of policies to settlement of claims and fraud detection. Our investment in capability building is focussed on building a culture of data-enabled decision making and enabling employees to deliver customer-centric solutions. As on March 31, 2020 the headcount of the company was 10,682.

Robust risk selection and management framework: We take a holistic approach to risk management, which includes a data-driven risk selection framework, conservative reserving and quality reinsurance. The company has historically witnessed lower proportion of losses from catastrophic events than overall market share. As per IRDAI guidelines, non-life insurers in India are not allowed to discount their reserves. We test our reserves regularly based on claim experience, claim inflation and other factors. We have been disclosing aggregate reserving triangles as part of our annual reports since fiscal 2016. When it comes to investment management, the company has tighter internal exposure norms as against regulatory limits. The company has invested in high proportion of Debt portfolio and has 81.7% in sovereign and AAA¹⁰ rated securities. All the Bonds and Debentures are AA rated & above. The company has zero instance of default in Debt portfolio since inception.

Strong investment returns on diversified portfolio: Our total investments assets increased to ₹ 263.27 billion as on March 31, 2020 with an investment leverage of 4.21x. We have achieved an annualised realised return on total portfolio of 7.9% for fiscal 2020 after considering the impairment of ₹ 1.20 billion on investment in equity assets as per policy.

c. Strategy and Future Outlook

In fiscal 2020, the company continued to focus on its strategic priorities of sustainable profitability with diversification of product portfolio. With regards to improving profitability, the company focused on prudent risk selection whilst leveraging on technology and distribution

network. The company maintained a strong capital position with the solvency ratio well above the minimum regulatory requirement.

Going forward, the company will continue to focus on underwriting profitable segments while maintaining cautious approach in underwriting lumpy tender driven segments. Through its customer-centric approach and digital initiatives, the company is geared to remain customer's preferred choice. The core strategy of the company for the ensuing fiscals will be to strive for increase in return on equity without compromising profitability and sustaining combined ratio at optimal levels.

d. Basis of preparation and presentation of our financial statements

The financial statements have been prepared and presented on a going concern basis in accordance with Generally Accepted Accounting Principles followed in India under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards specified in section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority of India Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable)(the "Act") in the manner so required and current practices prevailing within the insurance industry in India.

The management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis. The Financial Statements are presented in Indian rupees rounded off to the nearest thousand.

i. Revenue Account and Profit and Loss Account

The revenue account contains income and expenses relating to policyholders, and the surplus or deficit generated in this account is appropriated to the profit and loss account every fiscal.

The statement below summarises the Revenue account

(₹ billion)		
Particulars	Fiscal 2020	Fiscal 2019
Premium earned (net)	94.04	83.75
Income from Investments (net)	15.43	13.36
Contribution from Shareholders Funds towards excess EOM*	0.75	0.24
Other income	0.32	0.41
Total (A)	110.54	97.76
Claims Incurred (net)	68.52	63.08
Commission paid (net)	3.64	2.23
Operating expenses related to insurance business	22.94	20.14
Total (B)	95.10	85.45
Operating Profit / (Loss) (C) = (A)-(B)	15.44	12.31

*Basis IRDAI circular dated May 20, 2019

The profit and loss account contain the income and expenses pertaining to shareholders.

The statement below summarises the Profit and Loss account.

(₹ billion)		
Particulars	Fiscal 2020	Fiscal 2019
Operating profit / (loss)	15.44	12.31
Income from investments (net)	4.64	4.60
Other income	0.16	0.14
Total (A)	20.24	17.05
Provision (other than taxation)	1.68	(0.41)
Other expenses	1.59	1.48
Total (B)	3.27	1.07
Profit before tax	16.97	15.98
Provision for taxation	5.03	5.49
Profit after tax	11.94	10.49

Management's Discussion and Analysis

Premium earned (net) (NEP)

Particulars	₹ billion	
	Fiscal 2020	Fiscal 2019
Premium from direct business written - net of GST or service tax (GDPI)	133.13	144.88
Premium on reinsurance accepted	2.79	3.01
Gross Written Premium (GWP)	135.92	147.89
Less: Premium on reinsurance ceded	39.52	52.51
Net Written Premium (NWP)	96.40	95.38
Less: Adjustment for change in reserve for unexpired risks	2.36	11.63
Premium earned (net) (NEP)	94.04	83.75

Premium from direct business written-net of GST or service tax, which we refer to as GDPI, is the total premium received by us before taking into account reinsurance assumed and ceded. This is calculated net of GST or service tax on such premiums.

Our GDPI de-grew to ₹ 133.13 billion for fiscal 2020 from ₹ 144.88 billion for fiscal 2019, de-growth of 8.1%. The de-growth was due to cautious call taken by the company to reduce exposure to the underpriced Crop segment. Ex-crop the GDPI of the company grew to ₹ 133.02 billion for fiscal 2020 from ₹ 120.36 billion for fiscal 2019, growth of 10.5%. The increase in GDPI ex-crop were primarily due to Motor, Health and corporate segments such as Fire, Marine Cargo, Engineering and Liability.

The increase in our GDPI from Motor segment can be attributed to change in product mix within sub-segments of Motor aided by rate hike in Motor Third Party segment and increased volume of policies. The composition of private car, two wheeler and commercial vehicle within Motor segment was 56.7%, 28.5% and 14.8% respectively in fiscal 2020 as against 50.0%, 27.2% & 22.8% respectively in fiscal 2019. The increase was also driven by

enhancement in capital sum insured to ₹ 1.5 million for Compulsory Personal Accident (CPA) cover for owner driver liability. The increase in GDPI in Health insurance segment was contributed by Group Health segment and relatively higher growth from New Retail Health Indemnity business. Fiscal 2020 continued to witness relatively slower growth on the Benefit Health insurance segment in view of muted loan disbursements by Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs). Individual, Group –Others, Group – Employer-Employee and Mass contributed to 24.9%, 37.3%, 37.7%, and 0.1% respectively of Health, Travel¹¹ & Personal Accident GDPI for fiscal 2020 and 27.2%, 34.3%, 38.0% and 0.5% respectively for fiscal 2019.

The Company continued to take a cautious approach in underwriting lumpy tender driven businesses viz. Crop/Weather and Mass Health segments during the fiscal. The contribution of Crop/Weather segment to overall GDPI of the company remained negligible. Further the company did not win any new crop tender during FY2020.

Premium on reinsurance accepted is the premium received by us due to risks that we reinsure, which we also refer to as "reinsurance inward". Premium on reinsurance accepted stood at ₹ 2.79 billion for fiscal 2020 from ₹ 3.01 billion for fiscal 2019, a de-growth of 7.5%. Fire, Motor Own Damage, Engineering, Health and Marine segments primarily contributed to premium on reinsurance accepted.

Consequently, our GWP stood at ₹ 135.92 billion for fiscal 2020 as compared to ₹ 147.89 billion for fiscal 2019, a de-growth of 8.1%

Premium on reinsurance ceded is the premium in relation to the risk that we cede to our reinsurers. In the case of non-proportional reinsurance, like risk, excess-of-loss or catastrophic excess-of-loss, this amount is the premium that we pay to our reinsurers. In the case of proportional reinsurance, this amount is calculated based on the premium we receive for insuring a particular risk and the proportion of such risk ceded to our reinsurers.

¹¹ Basis IRDAI circular dated May 20, 2019, Travel included as part of Health.

The premium on reinsurance ceded stood at ₹ 39.52 billion for fiscal 2020 from ₹ 52.51 billion for fiscal 2019, a de-growth of 24.7%. This decrease in premium on reinsurance ceded was higher than the GWP de-growth of 8.1% as the GWP de-growth was primarily driven with our cautious approach in underwriting Crop segment where the reinsurance ceding is higher.

Consequently, our NWP increased to ₹ 96.40 billion for fiscal 2020 from ₹ 95.38 billion for fiscal 2019, registering a growth of 1.1%

Our NEP increased to ₹ 94.04 billion for fiscal 2020 from ₹ 83.75 billion for fiscal 2019, an increase of 12.3%. The increase was primarily due to increase in NEP from Motor and Health segments.

Our segmental NEP is shown in the table below:

	(₹ billion)	
Particulars	Fiscal 2020	Fiscal 2019
Motor:		
Motor - Own Damage	31.01	27.14
Motor - Third Party	30.19	23.22
Motor - Total	61.20	50.36
Health Insurance	18.30	16.58
Crop / Weather	0.02	5.68
Marine:		
Marine - Cargo	2.53	2.31
Marine - Other than Cargo	0.04	0.06
Marine - Total	2.57	2.37
Personal Accident	4.32	3.16
Fire	2.74	1.58
Engineering	1.01	0.87
Aviation	0.18	0.10
Workmen's Compensation	0.56	0.49
Public / Product Liability	0.20	0.15
Credit Insurance	0.03	0.03
Others	2.91	2.38
Total	94.04	83.75

Our NEP from Motor segment increased to ₹ 61.20 billion for fiscal 2020 from ₹ 50.36 billion for fiscal 2019, an increase of 21.5%. The increase in NEP is primarily due to growth in our GDPI from Motor segment which can be attributed to change in product mix within sub-segments of Motor aided by rate hike in Motor Third Party segment and increased volume of policies.

Our NEP from Health, Travel¹² and Personal Accident insurance increased to ₹ 22.62 billion for fiscal 2020 from ₹ 19.74 billion for fiscal 2019, an increase of 14.6%. The increase in NEP is primarily due to growth in GDPI in Health insurance segment.

Our NEP from Marine segment grew to ₹ 2.57 billion for fiscal 2020 from ₹ 2.37 billion for fiscal 2019, an increase of 8.7%. This growth was largely contributed by Marine Cargo segment.

Our NEP from Crop/Weather insurance stood at ₹ 0.02 billion for fiscal 2020 as compared to ₹ 5.68 billion for fiscal 2019. This was consistent with our cautious approach in underwriting this segment.

Income from investments (net) (revenue account)

Income from investments (net) (revenue account) consists of net profit on sale and redemption of investments and gross interest, dividend and rent received from our investment assets. The table below summarises the Income from investments (revenue account).

	(₹ billion)	
Particulars	Fiscal 2020	Fiscal 2019
Net Profit on sale and redemption of investments	2.45	3.19
Interest, Dividend and Rent - Gross	12.98	10.16
Income from Investments (net) (revenue account)	15.43	13.35

Income from investments (revenue account) increased to ₹ 15.43 billion for fiscal 2020 from ₹ 13.35 billion for fiscal 2019, an increase of 15.6%.

¹² Basis IRDAI circular dated May 20, 2019 Travel included in Health .

Management's Discussion and Analysis

The increase in gross interest, dividend and rent (revenue account) to ₹ 12.98 billion in fiscal 2020 from ₹ 10.16 billion in fiscal 2019 was due to increase in total investment assets attributable to the revenue account. The increase in total investment assets was primarily due to improved cash inflows from efficiency in operations, realised investment income and inflows from introduction of long term policies in Motor insurance segment effective September 1, 2018.

Other income (revenue account)

Other income (revenue account) consists of foreign exchange gain or loss, investment income from the pools, contribution from Shareholder Funds towards excess Expenses of Management (EOM) and miscellaneous income. The table below summarises the Other income (revenue account).

(₹ billion)		
Particulars	Fiscal 2020	Fiscal 2019
Foreign exchange gain / (Loss)	0.03	0.07
Investments income from pools (terrorism & nuclear)	0.25	0.30
Contribution from Shareholder Funds towards excess EOM*	0.75	0.24
Miscellaneous income	0.04	0.04
Other income (revenue account)	1.07	0.65

*Basis IRDAI circular dated May 20, 2019

Other income (revenue account) stood at ₹ 1.07 billion for fiscal 2020 as compared to ₹ 0.65 billion for fiscal 2019, an increase of 65.4%. For fiscal 2020, there was a foreign exchange gain of ₹ 0.03 billion as compared to foreign exchange gain of ₹ 0.07 billion for fiscal 2019. Additionally, the investment income from pools (terrorism and nuclear) was ₹ 0.25 billion for fiscal 2020 as compared to ₹ 0.30 billion for fiscal 2019. The Contribution from Shareholders Funds in excess of expenses of management have increased

to ₹ 0.75 in fiscal 2020 from ₹ 0.24 for fiscal 2019. The miscellaneous income stood at ₹ 0.04 billion for fiscal 2020 as compared to ₹ 0.04 billion for fiscal 2019.

Claims Incurred (net)

Claims incurred (net) are the total claims incurred by us during a given period, both paid and outstanding including IBNR/IBNER reserves, net of claims recovered from reinsurance ceded. Under guidance issued by the IRDAI, IBNR and IBNER reserves, which also constitute claims outstanding, are not discounted. The statement below summarises the Claims Incurred (net).

(₹ billion)		
Particulars	Fiscal 2020	Fiscal 2019
Claims paid - Direct	73.39	85.51
Claims paid on reinsurance accepted	1.41	1.92
Gross claims paid	74.80	87.44
Less claims recovered from reinsurance ceded	23.51	38.89
Net claims paid	51.29	48.55
Add: Increase / (decrease) in claims outstanding (net)	17.23	14.53
Claims incurred (net)	68.52	63.08

Claims incurred (net) increased to ₹ 68.52 billion for fiscal 2020 from ₹ 63.08 billion for fiscal 2019, an increase of 8.6%. This increase was lower than our increase in NEP of 12.3% for the same period. There was an improvement in our overall Loss ratio to 72.9% for fiscal 2020 from 75.3% for fiscal 2019. Net claims paid increased to ₹ 51.29 billion for fiscal 2020 from ₹ 48.55 billion for fiscal 2019. The increase in claims outstanding (net) to ₹ 17.23 billion in fiscal 2020 from ₹ 14.53 billion in fiscal 2019 is mainly on account of Motor Third Party where the claim settlement happens through MACT (Motor Accident Court Tribunal) that takes longer time to settle the claims. The table below summarises the segmental Loss ratios.

(₹ billion)

Particulars	Fiscal 2020	Fiscal 2019
Motor:		
Motor - Own Damage	68.9%	59.2%
Motor - Third Party	84.4%	90.8%
Motor - Total	76.5%	73.8%
Health Insurance	80.5%	80.7%
Crop / Weather	110.6%	106.5%
Marine:		
Marine - Cargo	67.2%	85.3%
Marine - Other than Cargo	-69.8%	32.8%
Marine - Total	65.3%	84.0%
Personal Accident	24.9%	35.8%
Fire	64.0%	83.2%
Engineering	40.7%	37.1%
Aviation	79.4%	167.0%
Workmen's Compensation	59.6%	47.8%
Public/Product Liability	82.5%	73.6%
Credit Insurance	91.8%	48.7%
Others	46.1%	51.1%
Total	72.9%	75.3%

Commission paid (net)

Commission paid (net) comprises of Commission paid – Direct, Commission paid on reinsurance accepted deducted by commission received from reinsurance ceded.

Commission on reinsurance ceded refers to the commissions on reinsurance arrangements received by us. This commission is generally computed as a percentage of the premium on reinsurance ceded. In the case of certain proportional reinsurance contracts where the premium rates are defined, the difference between the premium we receive for insuring a particular risk and the premium rate so defined in the reinsurance contract is considered as commission on reinsurance ceded.

(₹ billion)

Particulars	Fiscal 2020	Fiscal 2019
Commission paid - Direct	12.47	11.09
Commission paid on reinsurance accepted	0.35	0.26
Gross Commission paid	12.82	11.35
Less: Commission received from reinsurance ceded	9.18	9.12
Commission paid (net)	3.64	2.23

Commission paid - Direct increased to ₹ 12.47 billion for fiscal 2020 from ₹ 11.09 billion for fiscal 2019, an increase of 12.4%. The increase was due to increase in retail line of business such as Motor, Health & commercial line of business such as Fire, Engineering etc.

Commission paid on reinsurance accepted increased to ₹ 0.35 billion for fiscal 2020 as compared to ₹ 0.26 billion for fiscal 2019, an increase of 31.0%. The increase is primarily due to higher commission payout on premium on reinsurance accepted under Health segment.

Commission received from reinsurance ceded increased to ₹ 9.18 billion for fiscal 2020 from ₹ 9.12 billion for fiscal 2019 primarily due to increase in premium rates under fire line of business leading to higher premiums ceded to reinsurers & consequently to increase in commission received from reinsurance.

Operating expenses related to insurance business

Operating expenses related to insurance business includes employees' remuneration, rents, rates and taxes, advertisement, sales promotion, business support service and others.

Management's Discussion and Analysis

Operating expenses related to insurance business increased to ₹ 22.93 billion for fiscal 2020 from ₹ 20.14 billion for fiscal 2019, an increase of 13.9%. The increase was primarily due to increase in employee remuneration & welfare benefits, fixed costs in the form of depreciation and other operating expenses on account of acquisition of CRM platform from Unbox Technologies and sales & promotion expenses.

Operating profit

Based on the above, operating profit increased to ₹ 15.44 billion for fiscal 2020 from ₹ 12.31 billion for fiscal 2019, an increase of 25.4%. Fire insurance contributed 6.2% and 4.7%, Marine insurance contributed 2.3% and (2.9)%, and miscellaneous insurance (including Motor insurance, Health insurance and other lines of insurance) contributed 91.5% and 98.2% of our operating profit for fiscal 2020 and fiscal 2019, respectively. The increase in operating profit is largely driven by improvement in Loss ratios across certain lines of business.

Income from investments (net) (profit and loss account)

Income from investments (profit and loss account) consists of interest, dividend and rent, and net profit on the sale and redemption of investments. The table below summarises the Income from investments (profit and loss account).

(₹ billion)		
Particulars	Fiscal 2020	Fiscal 2019
Net Profit on sale and redemption of investments	0.75	1.07
Interest, Dividend and Rent - Gross	3.89	3.53
Income from Investments (net) (revenue account)	4.64	4.60

Income from investments (profit and loss account) increased to ₹ 4.64 billion for fiscal 2020 from ₹ 4.60 billion for fiscal 2019, an increase of 1.0%. The increase in gross interest, dividend and rent (profit and loss account) to ₹ 3.89 billion for fiscal 2020 from ₹ 3.53 billion for fiscal 2019 was primarily due

to an increase in total investment assets attributable to the profit and loss account. The increase in total investment assets was primarily due to improved inflows from efficiency in operations, realised investment income and inflows from introduction of long-term policies in Motor insurance segment effective September 1, 2018.

Other income (profit and loss account)

Other income (profit and loss account) consists of interest income on tax refund, profit on sale/discard of fixed assets and recovery of bad debts written off.

(₹ billion)		
Particulars	Fiscal 2020	Fiscal 2019
Interest income on tax refund	0.15	0.14
Profit on sale/discard of fixed assets	0.00	0.00
Recovery of bad debts written off	-	-
Other Income (profit and loss account)	0.15	0.14

Other income (profit and loss account) increased to ₹ 0.15 billion for fiscal 2020 from ₹ 0.14 billion for fiscal 2019, an increase of 1.9%. Also, interest income on tax refund increased to ₹ 0.15 billion for fiscal 2020 as against ₹ 0.14 billion for fiscal 2019.

Provisions (other than taxation)

Provisions (other than taxation) consists of provisions for diminution in the value of investments, doubtful debts, future recoverable under reinsurance contracts, and other provisions.

(₹ billion)		
Particulars	Fiscal 2020	Fiscal 2019
For diminution in the value of investments	1.20	0.01
For doubtful debts	0.47	(0.39)
For future recoverable under reinsurance contracts	-	(0.03)
Others	-	-
Provision other than taxation (profit and loss account)	1.67	(0.41)

Provisions (other than taxation) increased to ₹ 1.67 billion for fiscal 2020 from ₹ (0.41) billion for fiscal 2019 on account of impairment of investment on equity assets as per policy. The provision for doubtful debts of ₹ (0.39) billion for fiscal 2019 includes recovery of amount pertaining to reinsurance balances.

Other expenses (profit and loss account)

Other expenses consist of expenses other than those related to insurance business, which include certain employees' remuneration and other expenses, managerial remuneration, directors' fees and CSR expenditure, charges on issuance of the Debentures, expenses related to investment property and operating expenses borne by shareholders. Other expenses also covers, bad debts written off, loss on sale/discard of fixed assets and penalty.

Other expenses increased to ₹ 1.60 billion for fiscal 2020 from ₹ 1.48 billion for fiscal 2019, an increase of 8.0%. Other expenses for fiscal 2020 includes CSR expenditure, loss on sale of fixed assets and penalty. Other expenses in fiscal 2020 included ₹ 0.75 billion debited in profit and loss account being excess of IRDAI prescribed segmental limits pertaining to the Health Retail segment that are required to be borne by shareholders in accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016.

Profit

As a result of the above, profit before tax increased to ₹ 16.97 billion for fiscal 2020 from ₹ 15.98 billion for fiscal 2019, an increase of 6.2%. Profit before tax includes impact of impairment on investment in equity assets provided in fiscal 2020 as per policy.

Provision for taxation decreased to ₹ 5.03 billion for fiscal 2020 from ₹ 5.49 billion for fiscal 2019, a decrease of 8.4%. Provision of taxation includes effect of lower effective tax rate resulting from change in income tax regulations as announced under Taxation Laws (amendment) ordinance, 2019 which provides domestic companies with an option

to opt for lower tax rates, provided they do not claim certain deductions. The Company has elected to exercise the option and has accordingly recognized Provision for Income Tax for the year ended March 31, 2020 and re-measured Deferred Tax Assets at the lower tax rate prescribed in the said section.

Profit after tax increased to ₹ 11.94 billion for fiscal 2020 from ₹ 10.49 billion for fiscal 2019, an increase of 13.8%.

ii. Financial Position: Balance Sheet

The following table sets forth, at the dates indicated, our summary balance sheet, which is based on our financial statements.

Particulars	(₹ billion)	
	At March 31, 2020	At March 31, 2019
Share Capital	4.54	4.54
Reserves and Surplus	56.80	48.66
Share application money - pending allotment	0.00	-
Total Equity	61.34	53.20
Current Liabilities	249.80	216.23
Provisions	58.73	56.37
Fair value change account	(4.29)	3.38
Borrowings	4.85	4.85
Total liabilities	309.09	280.83
Total equity and liabilities	370.43	334.03
Total investments	263.27	222.31
Fixed assests:		
- Cost / gross block	11.77	9.09
- Net block	6.77	4.65
Deferred tax asset	3.06	3.01
Cash and bank balances	0.33	4.02
Advances and other assets	97.00	100.04
Total Assets	370.43	334.03

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Total assets increased to ₹ 370.43 billion at March 31, 2020 from ₹ 334.03 billion at March 31, 2019, an increase of 10.9%. This increase was primarily due to an increase in total investments assets to ₹ 263.27 billion for fiscal 2020 from ₹ 222.31 billion for fiscal 2019. This increase in total investments assets was contributed by upfront premium received in the form of advance premium on long term motor policies, higher inflows from efficiency in operations and realised investment incomes. Advances and other assets decreased to ₹ 97.00 billion at March 31, 2020 from ₹ 100.04 billion at March 31, 2019, a decrease of 3.0%. The outstanding premium (net of provision for doubtful debts) decreased to ₹ 17.56 billion at March 31, 2020 from ₹ 22.07 billion at March 31, 2019, a decrease of 20.4%. This decrease was mainly on account of reduction in receivables from government on Crop insurance segment. Advance tax paid and taxes deducted at source (net of provision for tax) decreased to ₹ 1.37 billion for fiscal 2020 from ₹ 1.50 billion for fiscal 2019 primarily due to lower effective tax rate resulting from change in Income Tax Regulations.

Total liabilities increased to ₹ 309.09 billion at March 31, 2020 from ₹ 280.83 billion at March 31, 2019, an increase of 10.1%. This was primarily due to increase in premiums received in advance of ₹ 30.51 billion as at March 31, 2020 from ₹ 13.44 billion as at March 31, 2019, on account of long-term motor policies wherein the premium is received upfront and would get recognised in the future years. Further the claim outstanding (gross) increased to ₹ 180.07 billion as at March 31, 2020 from ₹ 164.26 billion as at March 31, 2019 due to increase in Motor TP claim outstanding (gross). The increase in Motor TP claim outstanding is contributed by increase in Motor TP Gross Written Premium.

Fair value change account–Shareholder funds decreased to ₹ (0.95) billion at March 31, 2020 from ₹ 0.80 billion at March 31, 2019, a decrease of 218.7%. This decrease was primarily due to the decrease in the market value of our equity portfolio compared to its cost price. Fair value change–Policyholder funds decreased to ₹ (3.34) billion at

March 31, 2020 from ₹ 2.59 billion at March 31, 2019, a decrease of 229.1%. This decrease was primarily due to the decrease in the market value of our equity portfolio compared to its cost price.

Investments – Shareholders increased to ₹ 58.60 billion at March 31, 2020 from ₹ 53.43 billion at March 31, 2019, an increase of 9.7%. Investments–Policyholders increased to ₹ 204.67 billion at March 31, 2020 from ₹ 168.88 billion at March 31, 2019, an increase of 21.2%. This increase was primarily due to an overall increase in the investment book size.

Further, regulatory changes prescribed by IRDAI affecting the notional allocation of investments into Shareholder and Policyholder funds based on the ratio of their respective liabilities and assets also contributed to an increase in the Policyholders fund ratio.

iii. Liquidity and Capital Resources

The following table sets forth, for the periods indicated, a summary of cash flows from our restated summary statement of receipts and payments account.

Particulars	₹ billion	
	Fiscal 2020	Fiscal 2019
Net cash flow from (used in) operating activities (A)	34.33	29.76
Net cash flow from (used in) investing activities (B)	(33.82)	(28.56)
Net cash flow from (used in) financing activities (C)	(4.20)	(3.10)
Net increase / decrease in cash and cash equivalents (A)+(B)+(C)	(3.69)	(1.90)
Cash and cash equivalents at the beginning of the year	4.02	5.92
Cash and cash equivalents at the end of the year	0.33	4.02

Cash flows from operating activities

Net cash flows from operating activities increased to ₹ 34.33 billion for fiscal 2020 from ₹ 29.76 billion for fiscal 2019. This increase was primarily due to an increase in premiums received from policyholders and also on account of upfront premium received from long term motor policies, partially offset by an increase in the payment of claims, commissions and taxes.

Cash flows from investing activities

Net cash flows (used in) investing activities increased to ₹ (33.82) billion for fiscal 2020 from ₹ (28.56) billion for fiscal 2019. This was primarily due to an increase in net investments in money market instruments and liquid mutual funds, mainly from funds generated from operating activities.

Cash flows from financing activities

Net cash flows (used in) financing activities increased to ₹ (4.20) billion for fiscal 2020 from ₹ (3.10) billion for fiscal 2019. This was primarily due to payment of interim dividend for fiscal 2020.

iv. Contingent Liabilities

The Statement of contingent liabilities is provided below.

Particulars	₹ billion)	
	Fiscal 2020	Fiscal 2019
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	4.57	4.31
Reinsurance obligations to the extent not provided for in accounts	-	-
Others	0.05	0.00

v. Borrowings

As of March 31, 2020, we had long term borrowings of ₹ 4.85 billion, total net worth of ₹ 61.34 billion and a total debt to net worth ratio of 0.08 times.

Disclosure of key changes in financial indicators:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 01 April 2019, following details have been provided:

(a) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios, alongwith detailed explanations thereof:

Sr. No.	Ratio	FY2019	FY2020	Change (FY2019 vs FY2020)	Reasons, if any
1	Gross Direct Premium Growth Rate	17%	-8%	-147%	Refer Note 1
2	Gross Direct Premium to Net Worth Ratio	2.72	2.17	-20%	Not Applicable
3	Growth rate of Net Worth	17%	15%	-11%	Not Applicable
4	Net Retention Ratio	64%	71%	10%	Not Applicable
5	Net Commission Ratio	2%	4%	62%	Refer Note 2
6	Expenses of Management to Gross Direct Premium Ratio	22%	27%	23%	Not Applicable
7	Expenses of Management to Net Written Premium Ratio	33%	37%	12%	Not Applicable
8	Net Incurred Claims to Net Earned Premium	75%	73%	-3%	Not Applicable
9	Combined Ratio	99%	100%	2%	Not Applicable
10	Technical Reserves to Net Premium Ratio	2.31	2.47	7%	Not Applicable
11	Underwriting balance ratio	(0.02)	(0.01)	-36%	Refer Note 3
12	Operating profit ratio	15%	16%	12%	Not Applicable
13	Liquid Assets to Liabilities Ratio	10%	12%	24%	Not Applicable
14	Net Earnings Ratio	13%	13%	1%	Not Applicable
15	Solvency Ratio	2.24	2.17	-3%	Not Applicable

Note1: Gross Direct Premium growth is derived by growth in GDPI in comparison with the previous year. The reduction was due to cautious approach taken by the company to underwrite the Crop segment. Ex-crop the company reported a growth of 10.5% in fiscal 2020.

Management's Discussion and Analysis

Note 2: Net Commission ratio is derived by dividing Commission paid (net) by NWP. Commission paid (net) comprises of Commission paid – Direct, Commission paid on reinsurance accepted less commission received from reinsurance ceded. Commission paid - Direct increased to ₹ 12.47 billion for fiscal 2020 from ₹ 11.09 billion for fiscal 2019, an increase of 12.4%. The increase was due to increase in retail line of business such as Motor, Health & commercial line of business such as Fire, Engineering etc.

Note 3: Underwriting balance ratio is derived by dividing the underwriting result (Underwriting result = NEP – Net Claims Incurred – Net Commission Paid – Operating expenses related to insurance business) by NEP. The underwriting result for fiscal 2020 has improved on account of improvement in Loss ratio to 72.9% for fiscal 2020 from 75.3% for fiscal 2019. Accordingly, the underwriting balance ratio for fiscal 2020 is better than the ratio in fiscal 2019.

(b) Details of change in Return on Net Worth as compared to the immediately previous financial year alongwith detailed explanation thereof:

Return on Net Worth (RONW) is computed dividing the PAT by Net Worth (Share Capital + Reserves & Surplus + Share application money received pending allotment). RONW stood at 19.5% for fiscal 2020 from 19.7% for fiscal 2019. The increase in RONW was largely driven by increase of 13.8% in PAT for fiscal 2020.

III. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal controls of the Company are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, safeguarding of resources, prevention and detection of frauds and errors, ensuring, operating effectiveness, reliability of financial reporting and compliance with applicable regulations. In addition, internal audits are undertaken to review significant operational areas regularly. The audit reports submitted by internal auditors are reviewed by audit committee and corrective actions are initiated to strengthen the controls and enhance the effectiveness of the existing systems. Statutory and Internal auditors are also invited to the Audit Committee meetings to ascertain their views on the adequacy of internal control systems.

The management believes that strengthening of internal controls is a continuous process and it will therefore continue its efforts to keep pace with changing business needs and environment.

IV. COVID-19 IMPACT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The COVID-19 pandemic outbreak has had far reaching impact on several critical risk areas of the business. The Company, on assessment of the associated risks, commenced preparation for risk mitigation at the beginning of March 2020. The Company activated the Crisis Management Team (CMT) that has been regularly reviewing the developing situation to calibrate the company's response. The CMT conceptualised and formulated the business continuity plans for the Company prioritising the dual objectives of employee safety and delivering customer commitments. The Company also undertook a comprehensive risk assessment activity to evaluate the impact of COVID-19 on all the key risk areas of the Company's Enterprise Risk Management framework namely credit risk, market risk, underwriting risk, operational risk and strategic risk (including therein reputation risk). From an entity level risk evaluation perspective, the Company believes that the risks arising out of the pandemic are presently at manageable levels for the organisation. Processes and controls followed to prepare the financials were also found to hold good and no new financial reporting risks were observed on account of COVID-19. The Company is closely watching the developing situation for appropriate risk mitigation and management.

Management Report

In accordance with the provisions of the Insurance Regulatory & Development Authority of India ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('Regulation') the following Management Report for the year ended March 31, 2020 is submitted:

1. The Company obtained Regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.
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 through electronic mode 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 IRDAI, 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 and investment properties which are stated at cost/amortised cost.
7. The entire gross risk exposure of the portfolio consists of fire, engineering, marine cargo, hull, aviation, motor, casualty, health, travel, energy, personal accident, rural, crop, credit insurance and other lines of business.

The overall exposure is spread over various sectors including but not limited to power, textiles,

heavy and light engineering, paper, services, fast moving consumer goods, auto components, etc. across urban and rural segments as well as across demography.

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

While in property lines (Fire) the net retention has increased to ₹ 4,130.0 million on a PML basis (₹ 3,500.0 million for First net & Second net and additional ₹ 630.0 Million with 10% participation on proportional treaty program, Net for Previous year: ₹ 2,500.0 million) in any single risk, this also gets graded down to between ₹ 30.0 million to ₹ 4,130.0 million (Previous year: between ₹ 30.0 million to ₹ 2,500.0 million) on a case-to-case basis, depending on exposure levels and hazard grade of the risk. The excess of loss treaties protect the accumulation of the net retentions.

In Engineering lines of business the net retention has increased to ₹ 3,900.0 million on a PML basis (₹ 500.0 million for First net & Second net ₹ 3,000.0 million and additional ₹ 400.0 Million with 10% participation on proportional treaty program, Net for Previous year: ₹ 2,500.0 million) in any single risk, this also gets graded down to between ₹ 30.0 million to ₹ 3900.0 million (Previous year: between ₹ 30.0 million to ₹ 2,500.0 million) on a case-to-case basis, depending on exposure levels and hazard grade of the risk. 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.

Management' Report (Contd.)

- b) For average claims settlement time during the preceding five years,
Please refer Annexure 2.
- c) For details of claims intimated,
Please refer Annexure 3.
10. We certify that the Investments made in debt securities (including Additional Tier I Bonds) have been valued at historical cost subject to amortisation of premium/discount. The same is in accordance with the Insurance Regulatory and Development Authority of India ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulation, 2002 ('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's Security Level Valuation (SLV) in respect of other debt instruments.

Listed equity securities and convertible preference shares as at the balance sheet date are stated at fair value being the last quoted closing price on NSE. However, in case of any stock not being traded on NSE, the Company has valued them based on the last quoted closing price on BSE.

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

Investment Properties - Real Estate is stated at historical cost less accumulated depreciation.

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, convertible preference 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.

The Company assesses at each balance sheet date whether any impairment has occurred in respect of investment in equity and units of mutual fund. The impairment loss, if any, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit and loss account and the investment is restated to that extent.

Impairment for Investment properties is assessed at each balance sheet date. The impairment loss, if any is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value.

11. Investments as at March 31, 2020 amount to ₹ 263,267.3 million Refer schedule 8 & 8A (previous year: ₹ 222,308.2 million). Income from Investments amounted ₹ 20,069.5 million (previous period: ₹ 17,955.3 million).

Investments other than deposits with the banks, units of mutual fund, units of venture fund and security receipts are only in regularly traded instruments in the secondary markets. The Company's debt investment comprises largely of government securities, 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 IRDAI.

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 as at March 31, 2020 and of the operating profit and of the profits of the Company for the year ended March 31, 2020; (refer Note No. 4.1 under Revenue Recognition – Premium Income as contained in the Notes to Accounts for the period ended March 31, 2020)

- (c) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Companies Act, 1956 and Companies Act, 2013 to the extent applicable, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the management has prepared the financial statements on a going concern basis;

(e) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

13. For payments made to individuals, firms, companies and organisations in which Directors are interested, please refer to Annexure 4.

For and on behalf of the Board

Lalita D. Gupte
Chairperson

Ashvin Parekh
Director

Alok Kumar Agarwal
Executive Director

Vikas Mehra
Company Secretary

Mumbai, May 2, 2020

Sandeep Batra
Director

Bhargav Dasgupta
Managing Director & CEO

Sanjeev Mantri
Executive Director

Gopal Balachandran
Chief Financial Officer

Management' Report (Contd.)

Details of Claims Outstanding during the preceding five years

ANNEXURE 1

As at March 31, 2020

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	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
0-30 days	184	50,180.5	2,090	13,963.3	10	12,959.6	52,549	65,715.5	1,482	622,532.3	625	6,743.5	315	2,609.4
30 days to 6 months	1,265	21,933.0	2,212	5,563.3	8	4,015.6	13,689	11,686.1	7,890	68,736.9	799	1,065.4	588	606.7
6 Months to 1 Year	230	23,374.0	261	1,344.8	17	744.5	329	1,167.9	5,755	54,112.5	339	256.2	591	329.7
1 Year to 5 Years	1,333	88,793.0	2,756	5,506.8	76	10,727.5	21	172.2	20,875	174,441.0	15	19.8	1,467	1,238.8
More than 5 Years	805	10,308.6	140	789.3	90	3,375.7	-	-	15,369	56,826.3	-	-	7	168.7
Grand Total	3,817	194,589.1	7,459	27,167.5	201	31,822.9	66,588	78,741.7	51,371	976,649.0	1,778	8,084.9	2,968	4,953.3

As at March 31, 2019

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	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
0-30 days	180	35,538.3	3,568	13,690.6	6	12,377.7	47,364	62,215.6	1,350	512,807.4	883	6,418.4	300	2,594.3
30 days to 6 months	408	17,491.7	3,249	5,905.8	13	400.8	11,482	10,594.4	6,551	49,726.9	541	516.1	553	528.8
6 Months to 1 Year	175	21,953.0	939	3,143.4	13	3,507.7	142	271.2	5,881	48,764.2	228	245.3	514	330.0
1 Year to 5 Years	1,436	91,769.2	1,743	4,077.8	60	9,553.7	10	68.7	23,379	152,512.7	36	44.6	936	853.0
More than 5 Years	541	6,819.6	83	570.3	85	3,041.5	-	-	16,126	51,764.4	-	-	4	3.5
Grand Total	2,740	173,571.8	9,582	27,387.9	177	28,881.4	58,998	73,149.9	53,287	815,575.6	1,688	7,224.4	2,307	4,309.6

As at March 31, 2018

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	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
0-30 days	174	32,286.9	3,099	12,610.9	7	11,936.9	36,444	60,531.9	1,582	420,852.6	648	5,817.7	276	1,788.0
30 days to 6 months	174	54,668.1	1,526	3,566.0	5	725.7	9,964	7,277.9	6,569	39,183.4	304	499.9	579	140.9
6 Months to 1 Year	318	26,357.7	838	1,504.4	10	1,427.1	217	737.2	6,473	42,671.0	199	305.7	596	392.7
1 Year to 5 Years	1,420	36,430.0	673	4,133.6	62	8,168.4	16	80.0	25,507	127,818.1	19	21.8	35	1,134.1
More than 5 Years	351	3,964.3	65	444.9	71	1,412.9	-	-	17,069	50,234.1	-	-	-	1.2
Grand Total	2,437	153,707.0	6,201	22,259.8	155	23,671.0	46,641	68,627.0	57,200	680,759.2	1,170	6,645.1	1,486	3,456.9

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health*		Credit Insurance		Crop/Weather 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
175	17,891.2	7	7,359.9	5,515	37,293.8	47,781	59,989.9	5	3,769.0	665	239,169.8	1,639	35,158.5	113,042	1,175,336.2
201	3,695.1	60	1,600.5	1,181	1,628.3	1,264	2,585.2	11	747.4	504	472.1	2,702	3,294.1	32,374	127,629.7
142	8,330.4	64	542.0	29	38.9	900	968.2	4	611.5	1,286	504.8	218	2,274.3	10,165	94,599.7
452	7,478.7	618	4,745.3	54	87.7	2,457	3,431.0	13	112.5	1,114	2,256.7	544	10,957.4	31,795	309,968.4
348	3,269.8	148	3,131.4	-	-	-	-	41	333.5	305	10,491.2	156	4,509.1	17,409	93,203.6
1,318	40,665.2	897	17,379.1	6,779	39,048.7	52,402	66,974.3	74	5,573.9	3,874	252,894.6	5,259	56,193.4	204,785	1,800,737.6

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health*		Credit Insurance		Crop/Weather 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
215	19,380.5	14	8,585.4	4,881	39,045.1	50,507	55,156.1	24	4,187.1	948	288,456.7	1,857	30,184.2	112,097	1,090,637.4
126	3,112.7	70	216.7	117	524.2	973	1,241.6	13	438.8	1,209	3,285.2	787	3,595.2	26,092	97,579.0
104	2,801.6	137	627.9	37	103.8	712	817.2	1	-	56	80.5	151	2,227.8	9,090	84,873.6
575	5,343.1	663	4,958.8	80	124.7	1,934	2,750.1	14	101.3	297	6,193.5	326	11,068.4	31,489	289,419.6
182	2,957.4	112	2,999.3	-	-	-	-	39	323.8	242	7,210.5	140	4,360.2	17,554	80,050.5
1,202	33,595.3	996	17,388.1	5,115	39,797.8	54,126	59,965.0	91	5,051.0	2,752	305,226.4	3,261	51,435.8	196,322	1,642,560.1

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health		Credit Insurance		Crop/Weather 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
270	16,722.4	45	9,659.6	4,416	34,211.7	36,142	39,710.9	8	4,815.8	19	430,710.9	4,288	38,528.0	87,418	1,120,184.2
117	2,470.4	226	954.1	176	715.9	632	1,406.6	1	2.8	142	6,957.8	1,407	1,595.4	21,822	120,164.9
183	2,689.0	223	568.4	51	98.5	543	916.6	2	4.7	89	179.7	156	1,283.5	9,898	79,136.2
465	6,199.5	573	6,331.8	25	38.3	1,468	2,048.9	16	121.7	512	13,582.2	215	2,724.7	31,006	208,833.1
152	2,404.7	60	498.3	-	-	-	-	34	170.5	31	77.1	52	4,076.9	17,885	63,284.9
1,187	30,486.0	1,127	18,012.2	4,668	34,666.8	38,785	44,083.0	61	5,115.5	793	451,507.7	6,118	48,208.5	168,029	1,591,603.3

Management' Report (Contd.)

Details of Claims Outstanding during the preceding five years

ANNEXURE 1

As at March 31, 2017

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	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
0-30 days	419	32,172.0	2,378	17,961.1	7	6,798.0	38,695	56,567.9	1,968	334,861.8	348	3,691.8	207	745.1
30 days to 6 months	512	26,464.9	1,645	6,266.9	10	6,993.6	10,496	6,825.2	7,438	29,124.1	362	622.9	345	294.2
6 Months to 1 Year	354	12,405.2	276	2,245.5	13	1,752.9	194	728.8	7,352	31,791.8	270	421.2	104	178.2
1 Year to 5 Years	1,010	23,798.7	294	2,470.6	48	4,174.7	12	71.7	25,931	104,734.6	3	13.9	18	709.7
More than 5 Years	232	2,604.8	47	379.0	69	1,227.2	-	-	18,023	51,422.7	-	-	1	2.1
Grand Total	2,527	97,445.6	4,640	29,323.1	147	20,946.4	49,397	64,193.6	60,712	551,935.0	983	4,749.8	675	1,929.3

As at March 31, 2016

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability	
	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
0-30 days	538	18,832.8	1,116	7,610.3	7	1,275.5	42,298	43,533.5	2,028	279,256.1	208	2,965.0	1	637.6
30 days to 6 months	203	20,200.1	1,528	6,180.6	9	292.5	12,686	8,049.7	8,096	26,923.6	384	642.1	5	4.7
6 Months to 1 Year	224	5,100.9	579	3,341.8	10	664.5	388	921.5	7,438	25,562.4	170	292.9	4	24.0
1 Year to 5 Years	886	19,425.8	268	3,727.2	40	2,905.3	80	316.7	27,587	87,496.1	-	-	20	615.3
More than 5 Years	219	2,533.5	51	1,205.2	64	924.6	-	-	16,832	38,572.8	-	-	1	1.9
Grand Total	2,070	66,093.1	3,542	22,065.1	130	6,062.4	55,452	52,821.4	61,981	457,811.0	762	3,900.0	31	1,283.5

* Claims occurring on Travel policies have been re-classified from the Others Category into the Health Category. The numbers for the financial year ended March 31, 2019 have also been re-classified accordingly.

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health		Credit Insurance		Crop/Weather 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
323	19,882.7	14	8,982.8	3,846	40,586.9	79,238	43,307.7	33	5,641.6	116	208,016.7	2,426	25,794.0	130,018	805,010.1
150	3,871.0	81	2,082.3	599	1,058.4	1,494	2,228.5	5	20.2	83	475.0	991	1,836.4	24,211	88,163.6
77	2,759.6	55	914.8	15	21.90	691	981.6	-	-	179	1,013.2	80	1,244.8	9,660	56,459.5
395	9,449.2	397	5,360.3	-	-	1,129	1,587.7	14	118.7	496	13,798.6	164	2,154.5	29,911	168,442.9
135	2,268.5	28	280.3	-	-	-	-	8	63.7	23	92.0	59	4,090.2	18,625	62,430.5
1,080	38,231.0	575	17,620.5	4,460	41,667.2	82,552	48,105.5	60	5,844.2	897	223,395.5	3,720	35,119.9	212,425	1,180,506.6

(₹ in lacs)

Engineering		Aviation		Personal Accident		Health		Credit Insurance		Crop/Weather 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
281	8,831.8	5	3,705.0	3,411	21,520.3	45,606	33,909.2	32	565.0	105	3,459.1	2,059	14,521.7	97,695	440,622.9
182	3,481.3	48	1,865.8	604	1,362.8	1,914	3,688.5	4	50.3	387	2,892.7	1,482	2,436.3	27,532	78,071.0
95	4,292.8	53	672.3	-	-	389	662.6	5	46.9	27	365.4	91	530.9	9,473	42,478.9
325	7,734.7	322	6,097.1	-	-	644	797.7	29	158.4	468	13,580.0	155	4,539.2	30,824	147,393.5
122	1,173.3	18	284.8	-	-	-	-	8	108.2	21	71.0	67	630.7	17,403	45,506.0
1,005	25,513.9	446	12,625.0	4,015	22,883.1	48,553	39,058.0	78	928.8	1,008	20,368.2	3,854	22,658.8	182,927	754,072.3

Management' Report (Contd.)

Details of Average Claim Settlement time for the preceding five years

ANNEXURE 2

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019		For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	
	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	6,730	68	3,328	41	3,998	33	2,625	30	3,499	124
Marine Cargo	70,911	24	67,277	16	52,344	18	38,978	11	31,817	31
Marine Hull	15	1,217	14	515	18	757	16	479	33	785
Motor*	1,268,271	9	1,098,316	9	979,357	11	1,029,947	11	911,306	11
Workmen's Compensation	3,888	6	2,541	5	2,212	5	1,446	73	1,275	155
Public/Product Liability	1,301	468	683	295	1,262	194	342	110	110	180
Engineering	3,590	61	3,766	31	2,146	31	1,627	70	2,278	78
Aviation	597	364	809	506	375	269	345	819	199	192
Personal Accident	24,999	7	7,725	6	6,590	7	5,786	35	5,541	52
Health**	414,272	5	351,616	5	443,790	5	1,040,618	8	611,066	6
Credit Insurance	154	62	158	33	69	20	84	107	93	122
Crop/Weather Insurance	18,694	33	7,312	21	3,985	35	2,096	97	2,549	38
Others**	46,394	24	24,051	27	40,898	15	25,623	33	20,727	54
Total	1,859,816	10	1,567,596	9	1,537,044	10	2,149,533	10	1,590,493	10

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

** Claims occurring on Travel policies have been re-classified from the Others Category into the Health Category. The numbers for the financial year ended March 31, 2019 have also been re-classified accordingly.

Details of Claims Intimated

ANNEXURE 3

Product	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Claims Intimated	Amount (₹ in lacs)*	Claims Intimated	Amount (₹ in lacs)*
Fire	7,807	83,412.5	3,631	68,410.3
Marine Cargo	68,788	30,578.1	70,658	28,445.7
Marine Hull	39	5,043.8	36	7,505.1
Motor OD	1,275,861	272,001.5	1,110,673	208,396.0
Motor TP	23,905	182,444.1	20,903	154,180.3
Workmen's Compensation	3,978	4,235.9	3,059	3,298.0
Public/Product Liability	1,962	2,655.6	1,504	2,188.8
Engineering	3,706	20,521.7	3,781	15,293.0
Aviation	498	4,126.0	678	4,571.2
Personal Accident	26,663	22,189.2	8,172	19,345.7
Health**	412,548	194,581.4	363,900	163,067.1
Credit Insurance	137	3,101.9	188	3,096.9
Crop Insurance	19,816	141,591.8	9,271	342,322.1
Others**	48,392	34,021.1	24,251	28,550.5
Grand Total	1,894,100	1,000,504.6	1,620,705	1,048,670.7

* Amount of claims intimated includes change in reserve

** Claims occurring on Travel policies have been re-classified from the Others Category into the Health Category. The numbers for the financial year ended March 31, 2019 have also been re-classified accordingly.

Management' Report (Contd.)

List of Payments to Parties in which Directors are Interested

ANNEXURE 4

(₹ in lacs)

Sr. No.	Entity in which Director is interested	Name of Director	Interested as	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Aster DM Healthcare Limited	Mr. Suresh Muthukrishna Kumar ¹	Director	382.6	201.0
2	Bharat Forge Limited	Mrs. Lalita D. Gupte ⁵	Director	0.0	0.4
3	ICICI Bank Limited	Mr. Murali Sivaraman ¹²	Director	106,443.9	29,265.5
		Ms. Chanda Kochhar ⁸	Director		
		Mr. N.S. Kannan ²	Director		
		Mr. Sandeep Bakhshi ⁴	Director		
4	ICICI Foundation for Inclusive Growth	Ms. Vishakha Mulye ¹⁰	Director	1,230.0	1,361.0
		Ms. Chanda Kochhar ⁸	Trustee		
		Mr. Bhargav Dasgupta	Trustee		
5	ICICI Prudential Life Insurance Company Limited	Mr. N.S. Kannan ²	Chairperson	551.7	146.3
		Ms. Chanda Kochhar ⁸	Director		
		Mr. Sandeep Bakhshi ⁴	Director		
		Mr. Sandeep Batra ⁹	Director		
6	ICICI Prudential Asset Management Company Limited	Ms. Chanda Kochhar ⁸	Chairperson	0.5	0.7
		Mr. N.S. Kannan ²	Director		
		Mr. Ved Prakash Chaturvedi ³	Director		
		Mr. Suresh Muthukrishna Kumar ¹	Director		
		Mr. Sandeep Batra ⁹	Director		
7	ICICI Securities Limited	Ms. Chanda Kochhar ⁸	Chairperson	465.4	585.8
		Mr. Uday Chitale ⁵	Director		
8	ICICI Securities Primary Dealership Limited	Mr. N.S. Kannan ²	Chairman	64,035.1	8.8
		Mr. Ashvin Parekh ¹¹	Director		
9	Vedanta Limited	Mrs. Lalita D. Gupte ⁶	Director	1,110.7	3.4
10	TVS Motor Company Limited	Mrs. Lalita D. Gupte ⁶	Director	430.8	147.3
11	IDFC Bank Limited	Mr. Vishal Mahadevia ⁷	Director	86.7	34.2
12	The Willingdon Sports Club	Mr. Bhargav Dasgupta	Member	0.02	448.4
13	ICICI Venture Funds Management Company Limited	Mr. Sandeep Batra ⁹	Director	2.0	-
14	Godrej Properties Limited	Mrs. Lalita D. Gupte ⁶	Director	14.4	-
15	Bombay Gymkhana Limited	Ms. Chanda Kochhar ⁸	Member	0.0	0.4

- 1 Mr. Suresh Muthukrishna Kumar appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. June 01, 2016.
- 2 Mr. N.S. Kannan ceased to be Director in ICICI Lombard General Insurance Company Limited w.e.f. June 19, 2018.
- 3 Mr. Ved Prakash Chaturvedi appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. July 13, 2016.
- 4 Mr. Sandeep Bakhshi appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. June 26, 2018 & has ceased to be a director w.e.f. October 5, 2018.
- 5 Mr. Uday Chitale appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. April 19, 2016.
- 6 Mrs. Lalita D. Gupte appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. October 18, 2016.
- 7 Mr. Vishal Mahadevia appointed as Director in ICICI Lombard General Insurance Company Limited w.e.f. April 25, 2018 & has ceased to be a director w.e.f. July 17, 2019.
- 8 Ms. Chanda Kochhar ceased to be Director in ICICI Lombard General Insurance Company Limited w.e.f. October 5, 2018.
- 9 Mr. Sandeep Batra appointed as a Director in ICICI Lombard General Insurance Company Limited w.e.f. October 17, 2018.
- 10 Ms. Vishakha Mulye appointed as a Director in ICICI Lombard General Insurance Company Limited w.e.f. October 17, 2018.
- 11 Mr. Ashvin Parekh appointed as a Director in ICICI Lombard General Insurance Company Limited w.e.f. April 18, 2014.
- 12 Mr. Murali Sivaraman appointed as a Director in ICICI Lombard General Insurance Company Limited w.e.f. January 17, 2020.

Independent Auditors' Report

ON FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2020 OF ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

**To the Members of
ICICI Lombard General Insurance Company Limited**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue accounts'), the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed there to, a summary of the significant accounting policies and other explanatory notes thereon.

In our opinion and to the best of our information and according to the explanations given to us, we report that the aforesaid financial statements prepared in accordance with the requirements of Accounting Standards as specified under Section 133 of the Companies Act, 2013 (the 'Act'), including relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority of India Act, 1999 (the "IRDAI Act") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of these financial statements and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI" / "Authority"), to the extent applicable, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

- a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2020;
- b. in the case of Revenue Accounts, of the operating profit in Fire, Marine and Miscellaneous business for year ended on that date;
- c. in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- d. in case of Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that is relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr No.	Key Audit Matters	Our Responses
1.	<p>Acquisition of proprietary software, platforms and underlying intellectual property assets developed by Unbox Technologies Private Limited (Refer Note 5.2.27)</p> <p>On 30th October, 2019, the Company entered into a business transfer agreement to acquire proprietary software, platforms and underlying intellectual property assets developed by Unbox Technologies Private Limited along with ancillary movable assets for housing the Software and employees for operations, maintenance and development of the Software for an aggregate consideration of ₹ 2,248,500 thousands on a slump sale basis being managements estimate of fair value of the identifiable assets. The valuation was performed as part of the Purchase Price Allocation (PPA). The Company appointed independent professional valuers (experts) to perform the valuation for the purpose of PPA.</p> <p>Significant assumptions and estimates were used in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction and thus we consider this area to be a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Review of the compliance with applicable regulations and examination of various legal and professional advices received by the company. • Checking various approvals given by Those Charged With Governance. • Tracing the value of the consideration transferred with reference to the agreed terms of the transaction. • Review of the PPA reports including the work done by the experts to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date. • Confirming that the valuation techniques used are consistent with generally accepted norms. • Confirming that identifiable assets acquired and liabilities assumed were appropriately valued, in all material respects. • Assessing the management’s determination of the fair value of the proprietary software. • Consideration of the accounting treatment and the adequacy of disclosure in the financial statements relating to this transaction. <p>Based on our procedures, we found that the key assumptions and methodologies used were within a reasonable range for fair value determination.</p>
2.	<p>Investments (Refer Schedule 8 and 8A)</p> <p>The Company’s investments represent 71% of the assets as at March 31, 2020 which are to be valued in accordance with accounting policy framed as per the extant regulatory guidelines.</p> <p>The valuation of all investments should be as per the investment policy framed by the Company which in turn should be in line with IRDAI Investment Regulations and Preparation of Financial Statement Regulations. The valuation methodology specified in the regulation is to be used for each class of investment.</p>	<p>Our audit procedures on Investment included the following:</p> <ul style="list-style-type: none"> • Understood Management’s process and controls to ensure proper classification and valuation of Investment. • Verified and obtained appropriate external confirmation for availability and ownership rights related to these investments. • Tested the design, implementation, management oversight and operating effectiveness of key controls over the classification and valuation process of investments.

Independent Auditors' Report (Contd.)

Sr No.	Key Audit Matters	Our Responses
	<p>The Company has a policy framework for Valuation and impairment of Investments. The Company performs an impairment review of its investments periodically and recognises impairment charge when the investments meet the trigger/s for impairment provision as per the criteria set out in the investment policy of the Company. Further, the assessment of impairment involves significant management judgement.</p> <p>The classification and valuation of these investments was considered one of the matters of material significance in the financial statements due to the materiality of the total value of investments to the financial statements and further due to the market volatility impact caused due to global pandemic COVID-19 on the value of investments.</p>	<ul style="list-style-type: none"> • Test-checked valuation of different class of investments to assess appropriateness of the valuation methodologies with reference to IRDAI Investment Regulations along with Company's own investment policy. • Examining the rating downgrades by credit rating agencies and assessing the risk of impairments to various investments. • Reviewed the Company's impairment policy and assessed the adequacy of its impairment charge on investments outstanding at the year end. <p>Based on procedures above, we found the company's impairment, valuation and classification of investments in its financial statements in all material respects to be fair.</p>
<p>3.</p>	<p>Assessing the impact of Pandemic COVID 19 on the financial statements and internal control processes of the Company (Refer Note 5.2.28)</p> <p>The pandemic has created huge uncertainties on the operations of many established businesses and exposed them to several new risks. Due to this, organisations have had to make significant changes to their normal processes to adapt to this sudden and unexpected turn of situation. These changes could impact the measurement of assets and liabilities on varying degree.</p> <p>Due to COVID-19, the Company is also exposed to various risks such as assessment of counter parties risks for receivables, receipt of timely data from parties including reinsurers/ coinsurers, operational controls, compliance and several other risks.</p> <p>In view of the estimation uncertainties involved this was considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We looked at the company's exhaustive risk identification and mitigation analysis using its well established enterprise risk management framework to understand the implications, assessment process and the company's current mitigation plans. • Assessment of risks of counter party defaults by examining external credit rating movements, if any and the process of identification of risky receivables and making suitable provisions in the financial statements. • Assessment of the temporary changes made to the internal control framework over financial reporting and carrying suitable tests for the effectiveness of key controls on the balance sheet date. • Evaluating the overall presentation of the financial statements and ensuring the appropriateness and adequacy of the disclosures. • Checking the compliance against the various regulatory prescriptions applicable to the company to the extent those are relevant in the preparation of financial statement. <p>On the basis of our procedures, we consider the Company's assessment of impact on financial statements due to COVID-19 to be appropriate.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Directors are responsible for the preparation of other information. The other information comprises Directors Report, Business Responsibility Report, Management Discussion & Analysis, Management Report and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We confirm that we have nothing material to report, add or draw attention to in this regard.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, underwriting results, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act, the Insurance Act, the IRDAI Act, the Regulations and orders / directions prescribed by the Insurance Regulatory and Development Authority of India ('IRDAI') in this behalf and current practices prevailing within the insurance industry in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, that could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

Independent Auditors' Report (Contd.)

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of

our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The actuarial valuation of liabilities in respect of Incurred But Not Reported (the "IBNR"), Incurred But Not Enough Reported (the "IBNER") and Premium Deficiency Reserve (the "PDR") is the responsibility of the Company's Panel Actuary (the "Panel Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at March 31, 2020 has been duly certified by the Panel Actuary and in his opinion, the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Panel Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claims reserves and the PDR contained in the financial statements of the Company.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate

dated 02 May 2020 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statement Regulations.

2. As required by the paragraph 2 of Schedule C to the IRDAI Financial Statement Regulations and Section 143(3) of the Act, in our opinion and according to the information and explanations given to us, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 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) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- d) The Balance sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account dealt with by this report are in agreement with the books of account.
- e) The aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDAI in this regard.
- f) Investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders/directions issued by IRDAI in this regard.
- g) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) With respect to the adequacy of the internal financial controls with reference to the financial

reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 5.2.20 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long term derivative contracts – Refer Note no. 5.2.21 to the financial statements;
- iii. During the year there were no amount required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note no. 5.2.22 to the financial statements.

3. With respect to the other matters to be included in the Auditor's report, in terms of the requirements of Section 197(16) of the Act, we report that managerial remuneration payable to the Company's Directors is governed by the provisions of Section 34A of the Insurance Act, 1938 and requires approval of IRDAI. Accordingly, the managerial remuneration limits specified under Section 197 of the Act do not apply.

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No.
302137E)

S N Chaturvedi
Partner
Membership No. 040479
UDIN: 20040479AAAABZ5431

Place : Mumbai
Date : May 2, 2020

For PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm Registration No.
003990S/S200018)

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN: 20201402AAAAAO1342

Place : Mumbai
Date : May 2, 2020

Annexure A

Referred to in paragraph '2 (h)' of Section 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of ICICI Lombard General Insurance Company Limited ("the Company") on the financial statements as of and for the year ended March 31, 2020.

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

We have audited the internal financial controls with reference to the aforesaid financial statements of **ICICI Lombard General Insurance Company Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial reporting and such internal financial controls with certain changes for remote work environment were operating effectively as at March 31, 2020, based on "the internal control with reference to the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the "internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely

preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial reporting included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL REPORTING

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial

reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial reporting to future periods are subject to the risk that the internal financial control with reference to the financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

The actuarial valuation of liabilities in respect of Incurred But Not Reported (the "IBNR"), Incurred But Not Enough Reported (the "IBNER") and Premium Deficiency Reserve (the "PDR") is the responsibility of the Company's Panel Actuary (the "Panel Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at March 31, 2020 has been duly certified by the Panel Actuary and in his opinion, the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. The said actuarial valuations of liabilities for outstanding claims reserves and the PDR have been relied upon by us as mentioned in Other Matters paragraph in our Audit Report on the financial statements for the year ended 31st March 2020. Accordingly, our opinion on the internal financial controls with reference to financial reporting does not include reporting on the adequacy and operating effectiveness of the internal controls over the valuation and accuracy of the aforesaid actuarial liabilities.

For Chaturvedi & Co.
 Chartered Accountants
 (Firm Registration No. 302137E)

S N Chaturvedi
 Partner
 Membership No. 040479
 UDIN: 20040479AAAABZ5431

Place : Mumbai
 Date : May 2, 2020

For PKF Sridhar & Santhanam LLP
 Chartered Accountants
 (Firm Registration No. 003990S/S200018)

R. Suriyanarayanan
 Partner
 Membership No. 201402
 UDIN: 20201402AAAAAO1342

Place : Mumbai
 Date : May 2, 2020

Independent Auditors' Certificate

Related to certain matters stated in Schedule C of the IRDAI Financial Statement Regulations

To,
The Board of Directors,

Dear Sirs,

(Referred to in paragraph 1 of our Independent Auditors' Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated May 2, 2020)

This certificate is issued in accordance with the terms of our engagement letter dated June 15, 2019 with **ICICI Lombard General Insurance Company Limited** (the "Company"), wherein we are requested to issue certificate for compliance with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "IRDAI Financial Statement Regulations") read with regulation 3 of the Regulations.

MANAGEMENT'S RESPONSIBILITY

The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act 2015) (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

AUDITORS' RESPONSIBILITY

Pursuant to the requirements, it is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C, read with Regulation 3, to the IRDAI Financial Statement Regulations.

We have audited the financial statements of the Company as of and for the financial year ended 31st March 2020 on

which we have issued an unmodified audit opinion vide our report dated May 2, 2020. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the ICAI, which include the concepts of test checks and materiality.

The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

OPINION

In accordance with information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by the Company for the year ended 31st March 2020, we certify that:

1. We have reviewed the Management Report attached to the financial statements for year ended 31st March 2020, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention that causes

us to believe that the Company has not complied with the terms and conditions of registration as stipulated by the IRDAI;

3. We have verified the cash balances, to the extent considered necessary and securities relating to the Company's loans and investments as at 31st March 2020, by actual inspection or on the basis of certificates / confirmations received from the Custodian and/ or Depository Participants appointed by the Company, as the case may be;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act relating to the application and investments of the Policyholders' Funds.

RESTRICTION TO USE

This certificate is addressed to and provided to the Board of Directors of the Company, solely for inclusion in the annual accounts of the Company as per the Regulations

and should not be used by any other person or for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No.
302137E)

S N Chaturvedi
Partner
Membership No. 040479
UDIN: 20040479AAAACC1985

Place : Mumbai
Date : May 2, 2020

For PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm Registration No.
003990S/S200018)

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN: 20201402AAAAAQ6335

Place : Mumbai
Date : May 2, 2020

Balance Sheet

As at March 31, 2020

FORM B - BS

IRDAI Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	At March 31, 2020	At March 31, 2019
Sources of funds			
Share capital	5	4,544,663	4,543,099
Reserves and Surplus	6	56,795,679	48,661,507
Share application money-pending allotment		2,145	-
Fair value change account			
Shareholders funds		(948,118)	798,984
Policyholders funds		(3,338,180)	2,585,229
Borrowings	7	4,850,000	4,850,000
Total		61,906,189	61,438,819
Application of funds			
Investments - Shareholders	8	58,595,714	53,430,757
Investments - Policyholders	8A	204,671,553	168,877,458
Loans	9	-	-
Fixed assets	10	6,765,814	4,652,318
Deferred tax asset (Refer note 5.2.15)		3,063,067	3,012,597
Current assets			
Cash and bank balances	11	326,362	4,016,466
Advances and other assets	12	96,998,375	100,036,611
Sub-Total (A)		97,324,737	104,053,077
Current liabilities	13	249,798,046	216,228,356
Provisions	14	58,716,650	56,359,032
Sub-Total (B)		308,514,696	272,587,388
Net current assets (C) = (A - B)		(211,189,959)	(168,534,311)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		-	-
Total		61,906,189	61,438,819
Significant accounting policies and notes to the financial statements	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 **Chaturvedi & Co.**
Chartered Accountants
Firm Regn No.: 302137E

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Regn No.: 003990S/S200018

Lalita D. Gupte
Chairperson

Sandeep Batra
Director

SN Chaturvedi
Partner
Membership No.: 040479
ICAI UDIN: 20040479AAAAABZ5431

R. Suriyanarayanan
Partner
Membership No.: 201402
ICAI UDIN: 20201402AAAAAO1342

Ashvin Parekh
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Sanjeev Mantri
Executive Director

Mumbai, May 2, 2020

Vikas Mehra
Company Secretary

Gopal Balachandran
Chief Financial Officer

Profit and Loss Account

For the year ended March 31, 2020

FORM B - PL

IRDAI Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	Year ended March 31, 2020	Year ended March 31, 2019
1. Operating Profit/(Loss)			
(a) Fire Insurance		951,423	577,829
(b) Marine Insurance		354,672	(356,462)
(c) Miscellaneous Insurance		14,134,757	12,092,807
2. Income from Investments			
(a) Interest, Dividend & Rent – Gross (Refer note 5.2.5)		3,894,712	3,534,712
(b) Profit on sale / redemption of investments		1,113,490	1,211,076
Less : loss on sale/redemption of investments		(363,755)	(145,726)
3. Other income			
(a) Interest income on tax refund		150,946	139,069
(b) Profit on sale / discard of fixed assets		4,742	3,944
(c) Recovery of bad debts written off		-	-
Total (A)		20,240,987	17,057,249
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		1,201,518	7,729
(b) For doubtful debts		474,533	(382,880)
(c) For future recoverable under reinsurance contracts		-	(30,068)
(d) Others		-	-
5. Other expenses			
(a) Expenses other than those related to Insurance Business			
(i) Employees' remuneration and other expenses		39,133	32,226
(ii) Managerial remuneration		108,170	91,570
(iii) Directors' fees and profit commission		16,445	9,318
(iv) CSR Expenditure (Refer note 5.2.17)		242,421	183,691
(v) Interest on Non-convertible Debentures		400,482	400,125
(vi) Expense related to Investment property		9,698	13,215
(vii) Listing fees / other charges		1,509	1,537
(viii) Contribution to Policyholders Funds towards Excess EOM (refer note 5.1.10)		750,773	241,920
(b) Bad debts written off		7,438	466,828
(c) Loss on sale / discard of fixed assets		9,930	19,660
(d) Penalty (Refer note 5.1.15)		10,071	18,214
Total (B)		3,272,121	1,073,085
Profit before tax		16,968,866	15,984,164
Provision for taxation:			
(a) Current tax / MAT payable		5,081,766	6,390,007
(b) Deferred tax (Income) / Expense (Refer note 5.2.15)		(50,470)	(898,469)
Profit after tax		11,937,570	10,492,626
Appropriations			
(a) Interim dividends paid during the period		1,590,533	1,135,186
(b) Final dividend paid		1,590,460	1,134,918
(c) Dividend distribution tax		653,862	466,626
(d) Debenture redemption reserve		34,643	138,572
(e) Transfer to general reserves		-	2,875,302
Balance of Profit / (Loss) brought forward from last year		32,385,018	24,767,694
Balance carried forward to Balance sheet		40,453,090	32,385,018
Basic earnings per share of ₹ 10 face value (Refer note 5.2.14)		₹ 26.27	₹ 23.11
Diluted earnings per share of ₹ 10 face value (Refer note 5.2.14)		₹ 26.19	₹ 23.06
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 **Chaturvedi & Co.**
Chartered Accountants
Firm Regn No.: 302137E

SN Chaturvedi
Partner
Membership No.: 040479
ICAI UDIN: 20040479AAAAABZ5431

Mumbai, May 2, 2020

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Regn No.: 003990S/S200018

R. Suriyanarayanan
Partner
Membership No.: 201402
ICAI UDIN: 20201402AAAAAO1342

For and on behalf of the Board

Lalita D. Gupte
Chairperson

Ashvin Parekh
Director

Alok Kumar Agarwal
Executive Director

Vikas Mehra
Company Secretary

Sandeep Batra
Director

Bhargav Dasgupta
Managing Director & CEO

Sanjeev Mantri
Executive Director

Gopal Balachandran
Chief Financial Officer

Revenue Account

For the year ended March 31, 2020

FORM B - RA

IRDAI Registration No. 115 dated August 3, 2001

Particulars	Schedule	Fire	
		2019-20	2018-19
1. Premiums earned (net)	1	2,735,818	1,578,840
2. Profit on sale / redemption of investments		90,831	78,052
Less : Loss on sale/redemption of investments		(29,112)	(9,444)
3. Others -			
Foreign exchange gain / (loss)		(8,700)	(26,812)
Investment income from pool (Terrorism and Nuclear)		185,057	203,832
Contribution from Shareholders Funds towards excess EOM		-	-
Miscellaneous Income		1,496	853
4. Interest, Dividend & Rent – Gross (Refer note 5.2.5)		327,560	218,592
Total (A)		3,302,950	2,043,913
1. Claims Incurred (net)	2	1,751,576	1,313,631
2. Commission (net)	3	(285,721)	(259,122)
3. Operating expenses related to insurance business	4	885,672	411,575
4. Premium deficiency		-	-
Total (B)		2,351,527	1,466,084
Operating Profit / (Loss) C = (A - B)		951,423	577,829
APPROPRIATIONS			
Transfer to Shareholders' Account		951,423	577,829
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		951,423	577,829
Significant accounting policies and notes to accounts	16		

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 recognised in the Revenue Accounts as an expense in accordance with Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016.

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 **Chaturvedi & Co.**
Chartered Accountants
Firm Regn No.: 302137E

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Regn No.: 003990S/S200018

SN Chaturvedi
Partner
Membership No.: 040479
ICAI UDIN: 20040479AAAAABZ5431

R. Suriyanarayanan
Partner
Membership No.: 201402
ICAI UDIN: 20201402AAAAAO1342

Mumbai, May 2, 2020

(₹ in 000's)

Marine		Miscellaneous		Total	
2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
2,563,182	2,367,293	88,736,170	79,807,345	94,035,170	83,753,478
51,374	57,878	3,456,921	3,493,590	3,599,126	3,629,520
(16,466)	(7,003)	(1,107,970)	(422,723)	(1,153,548)	(439,170)
703	11,091	38,190	89,392	30,193	73,671
-	-	62,660	93,430	247,717	297,262
-	-	750,773	241,920	750,773	241,920
1,032	1,096	36,138	40,634	38,666	42,583
185,268	162,094	12,466,650	9,784,154	12,979,478	10,164,840
2,785,093	2,592,449	104,439,532	93,127,742	110,527,575	97,764,104
1,672,704	1,988,567	65,091,489	59,778,978	68,515,769	63,081,176
325,893	317,876	3,599,763	2,170,298	3,639,935	2,229,052
431,824	642,468	21,613,523	19,085,659	22,931,019	20,139,702
-	-	-	-	-	-
2,430,421	2,948,911	90,304,775	81,034,935	95,086,723	85,449,930
354,672	(356,462)	14,134,757	12,092,807	15,440,852	12,314,174
354,672	(356,462)	14,134,757	12,092,807	15,440,852	12,314,174
-	-	-	-	-	-
-	-	-	-	-	-
354,672	(356,462)	14,134,757	12,092,807	15,440,852	12,314,174

For and on behalf of the Board

Lalita D. Gupta
Chairperson

Ashvin Parekh
Director

Alok Kumar Agarwal
Executive Director

Vikas Mehra
Company Secretary

Sandeep Batra
Director

Bhargav Dasgupta
Managing Director & CEO

Sanjeev Mantri
Executive Director

Gopal Balachandran
Chief Financial Officer

Schedules

forming part of the financial statements

SCHEDULE – 1

Premium Earned (net)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
Premium from direct business written-net of GST	15,501,798	3,964,267	881,617	4,845,884	36,887,772	30,988,546	67,876,318	726,161
Add: Premium on reinsurance accepted	711,292	141,589	14,265	155,854	219,681	-	219,681	-
Less: Premium on reinsurance ceded	12,484,281	1,560,589	866,850	2,427,439	5,566,464	1,640,251	7,206,715	120,393
Net premium	3,728,809	2,545,267	29,032	2,574,299	31,540,989	29,348,295	60,889,284	605,768
Adjustment for change in reserve for unexpired risks	992,991	19,234	(8,117)	11,117	534,182	(842,906)	(308,724)	42,236
Total premium earned (net)	2,735,818	2,526,033	37,149	2,563,182	31,006,807	30,191,201	61,198,008	563,532

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
Premium from direct business written-net of GST	10,845,870	3,366,671	1,070,162	4,436,833	34,077,737	30,157,565	64,235,302	600,813
Add: Premium on reinsurance accepted	667,183	146,011	22,601	168,612	10,966	-	10,966	-
Less: Premium on reinsurance ceded	9,603,349	1,097,023	1,052,754	2,149,777	5,059,355	1,622,229	6,681,584	94,590
Net premium	1,909,704	2,415,659	40,009	2,455,668	29,029,348	28,535,336	57,564,684	506,223
Adjustment for change in reserve for unexpired risks	330,864	107,066	(18,691)	88,375	1,893,414	5,314,782	7,208,196	21,112
Total premium earned (net)	1,578,840	2,308,593	58,700	2,367,293	27,135,934	23,220,554	50,356,488	485,111

(₹ in 000's)

Public/ Product Liability	Miscellaneous								Total
	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total - Miscellaneous	
2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
530,626	3,136,056	854,476	5,017,099	28,302,877	477,622	107,115	5,752,401	112,780,751	133,128,433
-	376,280	123,095	10,684	1,068,130	-	-	130,300	1,928,170	2,795,316
292,077	2,349,561	752,267	782,298	9,117,413	447,832	89,812	3,446,736	24,605,104	39,516,824
238,549	1,162,775	225,304	4,245,485	20,253,594	29,790	17,303	2,435,965	90,103,817	96,406,925
37,893	148,737	48,083	(75,812)	1,953,007	752	-	(478,525)	1,367,647	2,371,755
200,656	1,014,038	177,221	4,321,297	18,300,587	29,038	17,303	2,914,490	88,736,170	94,035,170

(₹ in 000's)

Public/ Product Liability	Miscellaneous								Total
	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total - Miscellaneous	
2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
357,308	2,849,291	712,876	5,291,546	24,398,036	411,349	24,517,532	6,225,519	129,599,572	144,882,275
4,594	321,135	41,281	26,698	1,656,708	-	24	112,629	2,174,035	3,009,830
202,175	2,225,695	660,558	975,839	7,561,825	377,949	18,836,273	3,136,923	40,753,411	52,506,537
159,727	944,731	93,599	4,342,405	18,492,919	33,400	5,681,283	3,201,225	91,020,196	95,385,568
7,928	71,639	(3,320)	1,178,945	1,908,186	(1,332)	(4)	821,501	11,212,851	11,632,090
151,799	873,092	96,919	3,163,460	16,584,733	34,732	5,681,287	2,379,724	79,807,345	83,753,478

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 2

Claims Incurred (net)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
Claims paid- Direct	6,883,069	2,532,839	428,524	2,961,363	24,524,634	10,648,651	35,173,285	271,244
Add: Re-insurance accepted	133,958	49,013	1,610	50,623	-	-	-	-
Less: Re-insurance ceded	5,847,384	670,931	359,136	1,030,067	3,621,611	2,217,409	5,839,020	14,216
Net Claims paid	1,169,643	1,910,921	70,998	1,981,919	20,903,023	8,431,242	29,334,265	257,028
Add: Claims outstanding at the end of the year (net of reinsurance)	2,766,845	1,428,390	163,147	1,591,537	6,174,654	92,581,361	98,756,015	730,767
Less: Claims outstanding at the beginning of the year (net of reinsurance)	2,184,912	1,640,686	260,066	1,900,752	5,719,231	75,535,263	81,254,494	651,737
Total claims incurred (Net)	1,751,576	1,698,625	(25,921)	1,672,704	21,358,446	25,477,340	46,835,786	336,058

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Worksmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
Claims paid- Direct	5,011,088	2,046,781	223,055	2,269,836	18,280,310	8,888,434	27,168,744	198,847
Add: Re-insurance accepted	57,786	38,233	2,500	40,733	-	-	-	-
Less: Re-insurance ceded	4,143,688	485,029	213,205	698,234	2,720,755	2,300,327	5,021,082	10,314
Net Claims paid	925,186	1,599,985	12,350	1,612,335	15,559,555	6,588,107	22,147,662	188,533
Add: Claims outstanding at the end of the year (net of reinsurance)	2,184,912	1,640,686	260,066	1,900,752	5,719,231	75,535,263	81,254,494	651,737
Less: Claims outstanding at the beginning of the year (net of reinsurance)	1,796,467	1,271,360	253,160	1,524,520	5,209,443	61,037,924	66,247,367	608,224
Total claims incurred (Net)	1,313,631	1,969,311	19,256	1,988,567	16,069,343	21,085,446	37,154,789	232,046

(₹ in 000's)

Public/ Product Liability	Miscellaneous								Total
	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total - Miscellaneous	
2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
216,141	1,046,801	126,677	1,293,240	15,941,188	213,282	6,592,466	2,675,831	63,550,155	73,394,587
-	38,866	116,397	755	1,064,374	-	92	-	1,220,484	1,405,065
75,990	722,154	136,227	206,475	2,182,898	188,944	5,893,994	1,370,601	16,630,519	23,507,970
140,151	363,513	106,847	1,087,520	14,822,664	24,338	698,564	1,305,230	48,140,120	51,291,682
243,040	808,369	662,625	2,289,382	4,389,379	43,854	6,071,286	2,166,003	116,160,720	120,519,102
217,650	758,844	628,794	2,301,020	4,476,142	41,547	6,750,707	2,128,416	99,209,351	103,295,015
165,541	413,038	140,678	1,075,882	14,735,901	26,645	19,143	1,342,817	65,091,489	68,515,769

(₹ in 000's)

Public/ Product Liability	Miscellaneous								Total
	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total - Miscellaneous	
2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
194,270	877,074	158,049	1,049,435	13,120,192	222,075	33,723,574	1,521,802	78,234,062	85,514,986
-	34,575	306,454	-	1,485,012	-	193	2	1,826,236	1,924,755
131,113	599,792	130,429	200,965	1,552,618	201,498	25,531,492	671,922	34,051,225	38,893,147
63,157	311,857	334,074	848,470	13,052,586	20,577	8,192,275	849,882	46,009,073	48,546,594
217,650	758,844	628,794	2,301,020	4,476,142	41,547	6,750,707	2,128,416	99,209,351	103,295,015
169,107	746,629	800,975	2,018,374	4,148,574	45,222	8,892,597	1,762,377	85,439,446	88,760,433
111,700	324,072	161,893	1,131,116	13,380,154	16,902	6,050,385	1,215,921	59,778,978	63,081,176

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 3

Commission (net)

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
Commission paid								
-Direct	839,470	362,889	13,363	376,252	7,020,328	270,548	7,290,876	97,050
Add: Commission on re-insurance accepted	76,098	22,149	1,999	24,148	35,007	-	35,007	-
Less: Commission on re-insurance ceded	1,201,289	52,938	21,569	74,507	1,520,064	90,308	1,610,372	19,750
Net Commission	(285,721)	332,100	(6,207)	325,893	5,535,271	180,240	5,715,511	77,300

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
Commission paid								
-Direct	555,306	326,254	19,466	345,720	6,532,081	273,377	6,805,458	62,106
Add: Commission on re-insurance accepted	63,994	27,951	4,733	32,684	36	-	36	-
Less: Commission on re-insurance ceded	878,422	48,377	12,151	60,528	1,520,535	109,133	1,629,668	15,510
Net Commission	(259,122)	305,828	12,048	317,876	5,011,582	164,244	5,175,826	46,596

SCHEDULE – 3A

Commission Paid - Direct

(₹ in 000's)

Particulars	2019-20	2018-19
Agents	1,771,656	1,408,665
Brokers	7,217,466	6,547,267
Corporate agency	2,680,192	2,412,556
Motor Insurance Service Providers	503,504	549,315
Point of Sale	268,682	160,502
Insurance Marketing Firm	1,040	1,127
Web Aggregator	16,370	15,181
Micro Insurance Commission	615	-
Common Service Center	7,050	-
Referral	-	-
Total	12,466,575	11,094,613

(₹ in 000's)

Public/ Product Liability	Miscellaneous								Total
	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total - Miscellaneous	
	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	
25,770	259,431	15,482	482,853	2,580,632	43,134	(1,793)	457,418	11,250,853	12,466,575
-	59,454	8,132	2,051	130,329	-	-	11,399	246,372	346,618
33,590	382,790	11,064	397,980	4,908,333	67,276	(25,906)	492,213	7,897,462	9,173,258
(7,820)	(63,905)	12,550	86,924	(2,197,372)	(24,142)	24,113	(23,396)	3,599,763	3,639,935

(₹ in 000's)

Public/ Product Liability	Miscellaneous								Total
	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/ Weather Insurance	Others	Total - Miscellaneous	
	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	
16,653	191,087	9,387	545,445	1,959,948	40,494	6,880	556,129	10,193,587	11,094,613
1,864	78,090	8,868	5,641	65,489	-	5	7,871	167,864	264,542
12,957	462,496	11,964	515,584	4,657,157	57,845	574,158	253,814	8,191,153	9,130,103
5,560	(193,319)	6,291	35,502	(2,631,720)	(17,351)	(567,273)	310,186	2,170,298	2,229,052

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 4

Operating expenses related to insurance business

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
Employees' remuneration & welfare benefits	399,831	203,508	1,978	205,486	1,604,143	1,675,161	3,279,304	69,181
Travel, conveyance and vehicle running expenses	36,410	16,222	157	16,379	142,951	162,621	305,572	7,224
Training expenses	5,566	3,212	38	3,250	29,142	27,705	56,847	788
Rents, rates & taxes*	39,153	25,570	287	25,857	328,078	292,796	620,874	6,424
Repairs & maintenance	20,657	9,946	98	10,044	146,580	146,374	292,954	3,936
Printing & stationery	3,913	2,594	28	2,622	35,941	34,448	70,389	658
Communication	17,326	8,201	84	8,285	102,713	101,776	204,489	2,691
Legal & professional charges	96,385	35,761	460	36,221	402,596	407,312	809,908	8,138
Auditors' fees, expenses etc								
(a) as auditor	876	598	7	605	7,410	6,876	14,286	143
(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	53	37	1	38	134	133	267	4
Advertisement and publicity	49,001	23,599	273	23,872	436,120	485,692	921,812	5,991
Interest & bank charges	7,209	4,692	50	4,742	147,756	161,868	309,624	1,355
Others								
(a) Business support services	4,650	2,252	23	2,275	23,591	22,868	46,459	705
(b) Sales promotion	173,986	71,232	232	71,464	3,064,167	2,829,171	5,893,338	51,921
(c) Miscellaneous expenses	2,766	1,749	24	1,773	17,610	17,618	35,228	321
Depreciation / Amortisation	27,890	18,698	213	18,911	333,895	311,754	645,649	4,306
GST on premium account	-	-	-	-	-	-	-	-
Total	885,672	427,871	3,953	431,824	6,822,827	6,684,173	13,507,000	163,786

* Rent expense is net of rental income of ₹ 3,038 thousand (previous period ₹ 19,624 thousand)

(₹ in 000's)

Public/Product Liability	Engineering	Aviation	Miscellaneous					Total - Miscellaneous	Total
			Personal Accident	Health Insurance	Credit Insurance	Crop/Weather Insurance	Others		
			2019-20	2019-20	2019-20	2019-20	2019-20		
25,240	126,278	12,633	434,703	2,012,293	11,795	5,364	214,782	6,191,573	6,796,890
2,674	11,380	1,131	33,527	158,135	949	1,707	32,181	554,480	607,269
357	1,794	259	5,573	29,077	36	14	3,006	97,751	106,567
2,646	12,205	2,242	47,374	230,033	340	(2,578)	(5,125)	914,435	979,445
1,457	6,402	1,189	31,443	133,064	217	275	15,235	486,172	516,873
264	1,202	226	5,939	28,027	48	79	3,151	109,983	116,518
1,038	5,230	789	65,310	107,414	302	179	14,530	401,972	427,583
4,294	27,116	3,159	65,526	352,194	25,897	1,923	75,537	1,373,692	1,506,298
59	273	53	997	4,756	7	4	567	21,145	22,626
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4	14	4	27	198	1	1	42	562	653
3,341	12,224	1,929	172,933	498,941	256	215	46,729	1,664,371	1,737,244
553	2,316	359	22,533	78,675	50	22	5,355	420,842	432,793
229	1,409	169	7,360	23,395	33	61	3,425	83,245	90,170
10,409	57,821	1,568	939,471	1,258,444	407	936	165,315	8,379,630	8,625,080
180	778	166	4,283	15,275	22	182	3,738	60,173	64,712
1,801	8,785	1,521	29,427	144,122	235	162	17,489	853,497	900,298
-	-	-	-	-	-	-	-	-	-
54,546	275,227	27,397	1,866,426	5,074,043	40,595	8,546	595,957	21,613,523	22,931,019

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 4

Operating expenses related to insurance business

Particulars	Fire	Marine			Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation
		Marine-Cargo	Marine-Others	Marine-Total				
	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
Employees' remuneration & welfare benefits	139,222	365,686	5,945	371,631	1,169,026	1,434,154	2,603,180	33,695
Travel, conveyance and vehicle running expenses	12,992	40,462	700	41,162	88,106	124,898	213,004	3,311
Training expenses	2,202	3,845	52	3,897	23,276	24,631	47,907	509
Rents, rates & taxes*	14,091	18,559	308	18,867	221,739	229,453	451,192	3,699
Repairs & maintenance	12,752	11,073	242	11,315	138,029	159,564	297,593	3,305
Printing & stationery	2,206	2,441	41	2,482	30,525	32,787	63,312	556
Communication	7,877	8,656	162	8,818	75,201	85,163	160,364	1,550
Legal & professional charges	45,065	37,747	637	38,384	272,809	305,124	577,933	4,531
Auditors' fees, expenses etc								
(a) as auditor	411	520	9	529	6,249	6,140	12,389	109
(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	41	59	3	62	181	181	362	5
Advertisement and publicity	19,255	12,603	127	12,730	525,277	718,441	1,243,718	3,540
Interest & bank charges	2,377	2,406	28	2,434	91,848	99,703	191,551	751
Others								
(a) Business support services	3,153	3,521	41	3,562	22,473	47,200	69,673	1,381
(b) Sales promotion	134,977	103,413	484	103,897	2,000,763	2,104,909	4,105,672	53,133
(c) Miscellaneous expenses	2,859	4,348	53	4,401	5,919	6,723	12,642	271
Depreciation / Amortisation	12,095	18,000	297	18,297	178,098	177,727	355,825	3,099
GST on premium account	-	-	-	-	-	-	-	-
Total	411,575	633,339	9,129	642,468	4,849,519	5,556,798	10,406,317	113,445

* Rent expense is net of rental income of ₹ 19,624 thousand (previous period ₹ 20,155 thousand)

(₹ in 000's)

Public/Product Liability	Miscellaneous								Total
	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop/Weather Insurance	Others	Total - Miscellaneous	
	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	
45,104	56,622	6,945	568,147	1,489,050	11,235	190,376	260,340	5,264,694	5,775,547
7,354	5,522	590	42,311	109,742	1,397	51,778	24,218	459,227	513,381
163	958	155	5,743	23,264	43	4,041	3,784	86,567	92,666
1,437	6,804	637	46,217	156,604	280	254,851	25,019	946,740	979,698
2,030	6,057	837	42,490	126,980	379	29,086	22,067	530,824	554,891
279	1,058	123	8,627	29,362	62	5,903	3,769	113,051	117,739
1,143	3,442	345	65,290	106,301	228	13,864	33,065	385,592	402,287
2,526	21,862	1,289	81,812	303,549	34,196	337,367	108,553	1,473,618	1,557,067
34	203	20	935	3,980	7	1,223	688	19,588	20,528
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
11	30	10	35	238	1	26	47	765	868
765	5,663	269	88,389	461,481	168	875	55,552	1,860,420	1,892,405
129	1,128	66	17,743	68,379	30	2,744	7,571	290,092	294,903
249	1,750	100	9,045	27,765	43	6,330	5,610	121,946	128,661
7,793	64,589	1,500	787,157	1,425,453	778	25,524	443,287	6,914,886	7,153,760
143	954	50	2,418	25,819	84	1,700	4,042	48,123	55,383
1,142	5,949	585	27,740	120,562	212	33,844	20,568	569,526	599,918
-	-	-	-	-	-	-	-	-	-
70,302	182,591	13,521	1,794,099	4,478,529	49,143	959,532	1,018,180	19,085,659	20,139,702

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 5

Share Capital

(₹ in 000's)

Particulars	At	At
	March 31, 2020	March 31, 2019
Authorised Capital		
475,000,000 (previous year : 475,000,000) Equity Shares of ₹ 10 each	4,750,000	4,750,000
Issued Capital		
454,466,264 (previous year : 454,309,944) Equity Shares of ₹ 10 each	4,544,663	4,543,099
Subscribed Capital		
454,466,264 (previous year : 454,309,944) Equity Shares of ₹ 10 each	4,544,663	4,543,099
Called up Capital		
454,466,264 (previous year : 454,309,944) Equity Shares of ₹ 10 each	4,544,663	4,543,099
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	4,544,663	4,543,099

Note: Of the above, 253,843,806 shares are held by the holding company, ICICI Bank Limited (previous year : 253,843,806 shares)

SCHEDULE – 5A

Share Capital

Pattern of shareholding [As certified by the management]

Particulars	At March 31, 2020		At March 31, 2019	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian (ICICI Bank Limited)	253,843,806	55.85%	253,843,806	55.87%
Others				
- Indian	93,833,746	20.65%	68,231,813	15.02%
- Foreign	106,788,712	23.50%	132,234,325	29.11%
Total	454,466,264	100.00%	454,309,944	100.00%

SCHEDULE – 6

Reserves and Surplus

(₹ in 000's)

Particulars	At	At
	March 31, 2020	March 31, 2019
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium (refer note 4.16)		
Opening balance	15,700,346	15,666,881
Additions during the period	31,457	33,465
Deductions during the period- share issue expenses	-	-
Closing balance	15,731,803	15,700,346
4. General Reserves		
Opening balance	333,642	333,642
Additions during the period	-	-
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		
Debenture Redemption Reserve		
Opening balance	242,501	103,929
Additions during the period	34,643	138,572
Deductions during the period	-	-
Closing balance	277,144	242,501
7. Balance of Profit in Profit and Loss Account	40,453,090	32,385,018
Total	56,795,679	48,661,507

SCHEDULE – 7

Borrowings

(₹ in 000's)

Particulars	At	At
	March 31, 2020	March 31, 2019
Debentures/Bonds (refer note 5.2.18)	4,850,000	4,850,000
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	4,850,000	4,850,000

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 8

Investments - Shareholders

(₹ in 000's)

Particulars	At March 31, 2020	At March 31, 2019
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	17,460,636	15,399,197
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity (note 3 below)	4,309,416	5,014,781
(ii) Preference	78,741	86,774
(b) Mutual Funds	-	-
(c) Debentures/ Bonds (note 4 below)	12,740,842	11,970,366
(d) Investment Properties-Real Estate (note 5 below)	236,056	257,896
(e) Other Securities	3,371,203	1,696,484
4. Investments in Infrastructure and Housing	13,968,776	14,906,807
Total Long Term Investments	52,165,670	49,332,305
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	1,741,043	517,618
2. Other Approved Securities (note 6 below)	2,193,888	2,124,105
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	1,720,359	247,649
(c) Debentures/ Bonds	221,364	424,942
(d) Other Securities	-	-
4. Investments in Infrastructure and Housing	553,390	784,138
Total Short Term Investments	6,430,044	4,098,452
Total Investments	58,595,714	53,430,757

Notes:

1. Aggregate book value of investments (other than listed equities) is ₹ 53,950,215 thousand (previous year: ₹ 47,758,816 thousand).
2. Aggregate market value of investments (other than listed equities) is ₹ 55,234,842 thousand (previous year: ₹ 47,551,020 thousand).
3. Includes investments qualifying for Infrastructure and Housing investments of ₹ 234,789 thousand (previous year ₹ 556,518 thousand) and investment of ₹ 22,136 thousand in the pre-IPO placement of a company; the IPO has been pending as of March 31, 2020 on account of the COVID-19 lockdown.
4. Includes investments in Perpetual Bonds of ₹ 3,589,957 thousand (previous year ₹ 3,825,955 thousand).
5. Investment Properties-Real Estate is shown at cost less accumulated depreciation of ₹ 27,418 thousand (previous year: ₹ 23,114 thousand). The fair value of Real Estate is ₹ 287,763 thousand (previous year: ₹ 306,915 thousand) which is based on a valuation report.
6. Short term other approved securities includes Certificate of Deposits amounting to ₹ 1,168,513 thousand, Fixed deposits amounting to ₹ 752,610 thousand, Commercial Paper amounting to ₹ 217,428 and TREPS amounting to ₹ 55,337 thousand (previous year: Certificate of Deposits amounting to ₹ 446,664 thousand, Fixed deposits amounting to ₹ 129,849 thousand, Commercial Paper amounting to ₹ 235,765 thousand and TREPS amounting to ₹ 1,311,829 thousand).
7. Investment assets have been allocated in the ratio of policyholders and shareholders funds (refer note 4.8 in Schedule 16).

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 8A

Investments - Policyholders

(₹ in 000's)

Particulars	At	At
	March 31, 2020	March 31, 2019
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	61,419,698	49,827,179
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity (note 3 below)	15,158,841	16,226,327
(ii) Preference	276,981	280,774
(b) Mutual Funds	-	-
(c) Debentures/ Bonds (note 4 below)	44,817,307	35,496,809
(d) Investment Properties-Real Estate (note 5 below)	830,355	834,476
(e) Other Securities	11,058,319	4,753,191
4. Investments in Infrastructure and Housing	49,136,700	48,233,951
Total Long Term Investments	182,698,201	155,652,707
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	6,124,309	1,674,855
2. Other Approved Securities (note 6 below)	7,717,241	6,872,968
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	5,406,520	764,710
(c) Debentures/ Bonds	778,672	1,374,985
(d) Other Securities	-	-
4. Investments in Infrastructure and Housing	1,946,610	2,537,233
Total Short Term Investments	21,973,352	13,224,751
Total Investments	204,671,553	168,877,458

Notes:

- Aggregate book value of investments (other than listed equities) is ₹ 188,333,565 thousand (previous year: ₹ 150,524,802 thousand).
- Aggregate market value of investments (other than listed equities) is ₹ 192,849,313 thousand (previous year: ₹ 150,071,298 thousand).
- Includes investments qualifying for Infrastructure and Housing investments of ₹ 825,898 thousand (previous year ₹ 1,800,726 thousand) and investment of ₹ 77,866 thousand in the pre-IPO placement of a company; the IPO has been pending as of March 31, 2020 on account of the COVID-19 lockdown.
- Includes investments in Perpetual Bonds of ₹ 12,628,065 thousand (previous year ₹ 12,379,640 thousand).
- Investment Properties-Real Estate is shown at cost less accumulated depreciation of ₹ 96,446 thousand (previous year ₹ 74,789 thousand). The fair value of Real Estate is ₹ 1,012,237 thousand (previous year ₹ 993,085 thousand) which is based on a valuation report.
- Short term other approved securities includes Certificate of Deposits amounting to ₹ 4,110,372 thousand, Fixed deposits amounting to ₹ 2,647,390 thousand, Commercial Paper amounting to ₹ 764,827 thousand and TREPS amounting to ₹ 194,652 thousand (previous year Certificate of Deposits amounting to ₹ 1,445,266 thousand, Fixed deposits amounting to ₹ 420,151 thousand, Commercial Paper amounting to ₹ 762,865 thousand and TREPS amounting to ₹ 4,244,684 thousand).
- Investment assets have been allocated in the ratio of policyholders and shareholders funds (refer note 4.8 in Schedule 16).

SCHEDULE – 9

Loans

(₹ in 000's)

Particulars	At March 31, 2020	At March 31, 2019
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 (Contd.)

forming part of the financial statements

SCHEDULE – 10

Fixed Assets

Particulars	Cost/ Gross Block			March 31, 2020
	April 01, 2019	Additions	Deductions	
Goodwill	-	-	-	-
Intangibles - Computer Software	3,793,987	2,516,143	9,273	6,300,857
Land-Freehold	2,411,770	-	-	2,411,770
Leasehold Property	-	-	-	-
Buildings	498,235	-	-	498,235
Furniture & Fittings	920,625	227,719	134,279	1,014,065
Information Technology Equipment	665,270	104,598	144,928	624,940
Vehicles	150,144	15,100	7,386	157,858
Office Equipment	647,375	192,401	76,374	763,402
Others	-	-	-	-
Total	9,087,406	3,055,961	372,240	11,771,127
Capital Work in Progress (including advances) (Refer note 1 below)				
Grand total	9,087,406	3,055,961	372,240	11,771,127
Previous year	7,910,428	1,426,567	249,589	9,087,406

Note: 1. Net of provision for doubtful advances of ₹ 2,983 thousand (Previous year : ₹ 1,475 thousand)

SCHEDULE – 11

Cash and Bank Balances

(₹ in 000's)

Particulars	At March 31, 2020	At March 31, 2019
Cash (including cheques, drafts and stamps)	21,702	430,522
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)*	1,590	1,941,828
(bb) Others	-	-
(b) Current Accounts	303,070	1,644,116
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other institutions	-	-
Others	-	-
Total	326,362	4,016,466

* Other than Fixed Deposits forming part of Investment assets which is reflected under Schedule 8 and Schedule 8A - Investments.

* Includes Fixed Deposit of ₹ NIL (previous year ₹ 540,100 thousand) placed with BSE Ltd as a part of listing obligation and ₹ 1,500 thousand (previous year ₹ 1000 thousand) placed with SBI bank for issuance of bank guarantee (refer note 5.1.2).

* Includes unpaid dividend accounts of ₹ 1,765 thousands.

(₹ in 000's)

April 01, 2019	Depreciation / Amortisation		Net Block		
	For the year ended	On Sales/ Adjustments	March 31, 2020	March 31, 2020	March 31, 2019
-	-	-	-	-	-
3,172,059	549,383	9,273	3,712,169	2,588,688	621,928
-	-	-	-	2,411,770	2,411,770
-	-	-	-	-	-
85,623	19,204	-	104,827	393,408	412,612
551,303	117,328	133,207	535,424	478,641	369,322
488,554	92,210	144,514	436,250	188,690	176,716
41,908	30,786	3,121	69,573	88,285	108,236
267,345	71,361	68,073	270,633	492,769	380,030
-	-	-	-	-	-
4,606,792	880,272	358,188	5,128,876	6,642,251	4,480,614
				123,563	171,704
4,606,792	880,272	358,188	5,128,876	6,765,814	4,652,318
4,234,928	573,261	201,397	4,606,792	4,652,318	

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 12

Advances and Other Assets

(₹ in 000's)

Particulars	At March 31, 2020		At March 31, 2019	
Advances				
Reserve deposits with ceding companies		-		1,473
Application money for investments		-		-
Prepayments		149,956		144,343
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (net of provision for tax)		1,367,205		1,501,312
Others				
- Sundry Advances & Deposits	901,851		1,126,101	
- Provision for doubtful debts	(7,291)		(9,199)	
- Advance to employees against expenses	5	894,565	113	1,117,015
Total (A)		2,411,726		2,764,143
Other Assets				
Income accrued on investments/deposits		6,876,566		5,989,124
Outstanding premiums	18,826,033		23,147,596	
Less : Provisions for doubtful debts	1,263,428	17,562,605	1,081,876	22,065,720
Agents' balances		-		-
Foreign Agencies' balances		-		-
Due from other entities carrying on Insurance business (net) (including reinsurers)	67,948,858		67,668,687	
Less : Provisions for doubtful debts	696,939	67,251,919	423,265	67,245,422
Due from subsidiaries / holding company		-		-
Assets held for unclaimed amount of policyholders	2,365,177		1,625,595	
Add: Investment income accruing on unclaimed amount	371,164	2,736,341	281,425	1,907,020
Others				
- GST paid in advance / unutilised credit (net of liability)	115,446		-	
- Margin deposit	41,300		41,200	
- Sundry receivable	22,179		23,982	
Less: Provision for doubtful debts	(19,707)	159,218	-	65,182
Total (B)		94,586,649		97,272,468
Total (A+B)		96,998,375		100,036,611

SCHEDULE – 13

Current Liabilities

(₹ in 000's)

Particulars	At March 31, 2020		At March 31, 2019	
Agents' Balances		43,709		141,308
Balances due to other insurance companies (net)		19,283,318		17,347,674
Deposits held on re-insurance ceded		175,208		192,748
Premiums received in advance		30,511,459		13,438,460
Unallocated premium		9,838,942		8,283,352
Sundry creditors		4,264,684		6,250,006
Due to subsidiaries/ holding company		77,383		87,794
Claims outstanding (gross)		180,073,743		164,255,969
Due to Officers / Directors		-		-
Unclaimed amount of policyholders (refer note no. 5.2.13)	2,329,177		1,938,704	
Add: Investment income accruing on unclaimed amount	371,164	2,700,341	281,425	2,220,129
Others:				
- Statutory Dues	426,077		308,643	
- Salary Payable	26,178		9,275	
- Collections - Environment Relief fund (refer note no. 5.2.8)	278		221	
- Book Overdraft	999,441		1,101,286	
- Employee rewards	1,047,370		1,064,504	
- Deposits	58,120		54,560	
- Dividends payable	1,765		1,108	
- Interest accrued but not due on Borrowings	270,030		268,577	
- GST Liability	-	2,829,259	1,202,742	4,010,916
Total		249,798,046		216,228,356

Schedules (Contd.)

forming part of the financial statements

SCHEDULE – 14

Provisions

(₹ in 000's)

Particulars	At March 31, 2020		At March 31, 2019	
	Reserve for unexpired risk	58,381,587		56,009,832
Less: Unabsorbed enrollment costs - Government Schemes	-	58,381,587	-	56,009,832
Reserve for premium deficiency		-		-
For taxation (less advance tax paid and taxes deducted at source)		-		-
For proposed dividends		-		-
For dividend distribution tax		-		-
Others				
- Gratuity	80,597		31,548	
- Long term performance pay	127,773		224,847	
- Accrued leave	126,693		92,805	
- For future recoverable under reinsurance contracts	-	335,063	-	349,200
Total		58,716,650		56,359,032

SCHEDULE – 15

Miscellaneous expenditure (To the extent not written off or adjusted)

(₹ in 000's)

Particulars	At	At
	March 31, 2020	March 31, 2019
Discount allowed on issue of shares/ debentures	-	-
Others	-	-
Total	-	-

SCHEDULE – 16

Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2020

1 BACKGROUND

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000. The Company obtained Regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.

The equity shares of the Company are listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') from September 27, 2017.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared and presented on a going concern basis in accordance with Generally Accepted Accounting Principles followed in India under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards specified in section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority of India Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) (the "Act") in the manner so required and current practices prevailing within the insurance industry in India.

The management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis. The Financial Statements are presented in Indian rupees rounded off to the nearest thousand.

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 period 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 (net of Goods & Service Tax) other than for Long term (with term more than one year) motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 is recorded on receipt of complete information, for the policy period at the commencement of risk. For Crop insurance, the premium is accounted based on management

Schedules (Contd.)

forming part of the financial statements

estimates that are progressively actualised on receipt of information. For installment cases, premium 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 policy period based on 1/365 method whichever is appropriate on a gross basis, other than instalment premiums received for group health policies, wherein, the instalment premiums are recognised over the balance policy period. Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or policy period, as applicable.

In case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018, premium received (net of Goods & Service Tax) for third party liability coverage is recognised equally over the policy period at the commencement of risk on 1/n basis where 'n' denotes the term of the policy in years and premium received for Own damage coverage is recognised in accordance with the movement of Insured Declared Value (IDV) over the period of risk, on receipt of complete information. Reinstatement premium is recorded as and when such premiums are recovered. Premium allocated for the year is recognised as income earned based on 1/365 method, on a gross basis. Reinstatement premium is allocated on the same basis as the original premium over the balance term of the policy. Any subsequent revisions to premium as and when they occur are recognised on the same basis as the original premium, over the balance term of the policy.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which it is cancelled. Adjustments to premium income for corrections to area covered under Crop insurance are recognised in the period in which the information is confirmed by the concerned Government/nodal agency.

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 as confirmed by reinsurers and combined with commission on reinsurance ceded.

Sliding scale commission under reinsurance treaties, wherever applicable, is recognised as income as per the reinsurance treaty conditions as confirmed by reinsurers and combined with commission on reinsurance ceded.

Income earned on investments

Interest and rental income on investments are 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 constant yield basis.

Dividend income is recognised when the right to receive dividend is established. Dividend income in respect of listed equity shares is recognised on ex-dividend date.

Realised gain/loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company, is recognised on the trade date. In determining the

realised gain/loss, cost of securities is arrived at on 'Weighted average cost' basis. Further, in case of listed equity shares and mutual fund units, the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the fair value change account.

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 and in case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 premium allocated to subsequent periods.

4.3 Reinsurance premium

Insurance premium on ceding of the risk other than for long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 is recognised simultaneously along with the insurance premium in accordance with reinsurance arrangements with the reinsurers.

In case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018, Reinsurance premium is recognised on the insurance premium allocated for the year simultaneously along with the recognition of the insurance premium in accordance with the 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. Adjustments to reinsurance premium for corrections to area covered under Crop insurance are recognised simultaneously along with related premium income.

4.4 Reserve for unexpired risk

Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable to, and is to be allocated to succeeding accounting periods. For Fire, Marine Cargo and Miscellaneous business it is calculated on a daily pro-rata basis except in the case of Marine Hull business it is computed at 100% of net premium written on all unexpired policies on the balance sheet date.

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 internal management estimates or 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 and includes provision for solatium fund. Salvaged stock is recognised at estimated net realisable value based on independent valuer's report.

Schedules (Contd.)

forming part of the financial statements

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.

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 / Panel Actuary of the Company. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India.

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 except for commission on long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018.

In case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 commission is expensed at the applicable rates on the premium allocated for the year.

4.7 Premium deficiency

Premium deficiency is recognised at segmental revenue account level when the sum of expected claim costs and related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed / Panel Actuary.

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.

(A) 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'.

Investments that are earmarked, are allocated separately to policyholder's or shareholder's, as applicable; balance investments are segregated at Shareholder's level and Policyholder's level notionally based on policyholder's funds and shareholder's funds at the end of period as prescribed by IRDAI.

(B) Valuation

Investments are valued as follows:

Debt securities and Non – convertible preference shares

All debt securities including government securities, non-convertible and redeemable preference shares and Additional Tier 1 perpetual bonds are considered as 'held to maturity' and accordingly stated at amortised cost determined after amortisation of premium or accretion of discount on a constant yield basis over the holding period/maturity.

Equity shares and Convertible preference shares

Listed equities and convertible preference shares at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange and in case these are not listed on National Stock Exchange, then based on the last quoted closing price on the Bombay Stock Exchange.

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.

Investment Properties – Real Estate

Investment Properties- Real Estate are stated at historical cost less accumulated depreciation (calculated at the same rate as applicable for Fixed Assets- Buildings).

Investments other than those mentioned above are valued at cost.

(C) Fair Value Change Account

In accordance with the Regulations, unrealised gain/loss arising due to changes in fair value of listed equity shares, convertible preference 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.

(D) Impairment of Investments

The Company assesses at each Balance Sheet date whether any impairment has occurred in respect of investment in equity, units of mutual fund, investment in venture fund/alternative investment fund (AIF) and investment properties. The impairment loss, other than considered temporary, if any, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit & loss account and the investment is restated to that extent.

4.9 Fixed assets, Intangibles and Impairments

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price, purchase tax (other than those recoverable from tax authorities) and any cost directly attributable to bringing the asset to its working condition for its intended use.

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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 on straight-line method using the rates based on the economic useful life of assets as estimated by the management/limits specified in Schedule II of the Companies Act, 2013 as below:

Nature of Fixed Assets	Management Estimate of Useful Life in years	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013 in years
Building	60.00	60.00
Information Technology equipment – Servers & Networks	3.00	6.00
Information Technology equipment – Others	3.00	3.00
Furniture & Fittings	6.67	10.00
Office Equipment	10.00	5.00
Vehicles	5.00	8.00

In case of Office Equipment, the management estimate of the useful life is higher and for Information Technology equipment (Servers & Networks), Furniture & Fitting and Vehicles, the management estimate of the useful life is lower than that prescribed in Schedule II of the Companies Act, 2013. This is based on the consistent practices followed, past experience and is duly supported by technical advice.

Depreciation on Furniture & Fittings and Office Equipment in leased premises is recognised on a straight-line basis over the primary period of lease or useful life as determined by management, whichever is lower.

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

Management reviews its estimate of useful life at each Balance sheet date.

Capital work in progress

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

Intangibles Assets

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

Management reviews its estimate of useful life at each Balance sheet date.

Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its

recoverable amount and the impairment loss is recognised in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

4.10 Operating Lease

Payments made towards assets/premises taken on operating lease are recognised as an expense in the revenue account(s) and profit and loss account over the lease term on straight-line basis. Initial direct costs incurred specifically for an operating lease are charged to the revenue account(s) and profit and loss account.

4.11 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries, bonus, and compensated absences.

Long term employee benefits

Provident fund

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority are provided on the basis of prescribed percentage of salary and are 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 account(s) and profit and loss account. The actuarial valuation has been carried out using the Projected Unit Credit Method.

Accrued leave

Compensated absences are provided based on actuarial valuation including actuarial gains/losses at balance sheet date and are recognised in the revenue account(s) and profit and loss account. The actuarial valuation has been carried out using the Projected Accrued Benefit Method which is same as the Projected Unit Credit Method in respect of past service.

Long Term Performance Pay

Long Term Performance Pay is provided based on actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account. The actuarial valuation has been carried out using the Projected Unit Credit Method.

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 being the fair market price and the grant price, is the compensation cost which is amortised over the vesting period of the options.

The fair market price is the latest closing price, immediately prior to the grant date, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then, the stock exchange where there is highest trading volume on the said date is considered.

Schedules (Contd.)

forming part of the financial statements

4.12 Foreign currency transactions

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

The premium or discount arising at the inception of a forward exchange contract, not intended for trading or speculation purpose, is amortised as expense or income as the case may be over the life of the contract. Exchange difference on account of change in rates of underlying currency at the expiry of the contract period is recognised in the revenue account(s) and profit and loss account. Any profit or loss arising on cancellation or roll-over of such a forward exchange contract is recognised as income or expense for the contract period.

4.13 Borrowings

Borrowing costs are charged to the Profit and Loss account in the period in which they are incurred.

4.14 Grants

The Company recognises grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Grants related to assets are presented in the balance sheet by showing the grant as a deduction from the gross value of the assets concerned in arriving at their book value. Grants related to revenue are recognised over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Such grants are deducted in reporting the related expense.

Unspent balances of grants are carried forward to the subsequent years under the head "Current Liabilities" for adjustment against expenses in those years.

A grant that becomes refundable is treated as an extraordinary item. The amount of such refundable grant related to revenue is applied first against any unamortised deferred credit remaining in respect of the grant. To the extent that the amount refundable exceeds any such deferred credit, or where no deferred credit exists, the amount is charged immediately to the profit and loss account.

The amount refundable related to a specific fixed asset is recorded by increasing the book value of the asset. Where the book value of the asset is increased, depreciation on the revised book value is provided.

4.15 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 if applicable is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

Deferred tax

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

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

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

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

Goods and Service Tax

Goods and Service Tax ("GST") collected (net of refunds) is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority. Unutilised GST credits, if any, are carried forward under "Other Assets" and disclosed in Schedule 12 for adjustment in subsequent periods. At the end of every reporting period, the company assesses whether the unutilised GST credits are eligible for carrying forward as per the related legal provisions. Any ineligible GST credit is expensed on such determination. GST liability to be remitted to the appropriate authority is disclosed under "Others - GST Liability" in Schedule 13.

GST on capital assets is included in the acquisition cost of such assets.

4.16 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.17 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. Dilutive potential equity shares are deemed to be converted as at the beginning of the period unless issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value, being average of closing rate quoted on the last day of each week during the last six months period at BSE Limited. Dilutive potential equity shares are determined independently for each period presented.

Schedules (Contd.)

forming part of the financial statements

4.18 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.

Show Cause Notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

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.

Contingent asset are neither recognised nor disclosed in the financial statements.

4.19 Cash and cash equivalents

Cash & cash equivalent include cash and cheques in hand, bank balances and other investments (fixed deposits) with original maturity of three months or less which are subject to insignificant risk of changes in values.

5. NOTES TO ACCOUNTS

5.1 Statutory disclosures as required by IRDAI

5.1.1 Contingent liabilities

(₹ in 000's)

Particulars	At	At
	March 31, 2020	March 31, 2019
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 (Refer note-1 & 2 below)	4,569,652	4,305,776
Reinsurance obligations to the extent not provided for in accounts	-	-
Others : (Refer note-3 below)	48,180	1,884

Note: (1) The Company has disputed the demand raised by Income Tax Authorities of ₹ 290,327 thousand (previous year: ₹ 227,099 thousand), the appeals of which are pending before the appropriate Authorities. This excludes Income Tax demand related to Assessment Year 2003-04, 2005-06, 2006-07 & 2008-09 in respect of which the Company has received favorable appellate order, which is pending for effect to be given by the Assessing Authority.

(2) Includes disputed refund / demand (including interest and penalty) of ₹ 4,279,325 thousand (previous year: ₹ 4,078,677 thousand) from Service Tax Authorities / Goods & Service Tax Authorities, the appeals of which are pending before the appropriate Authorities. Further, ₹ 100,000 thousand has been paid at the time of filing CESTAT appeal as per the provisions of the Finance Act.

(3) Others include:

(₹ in 000's)

Particulars	At	At
	March 31, 2020	March 31, 2019
Relating to refund of premium on policies issued under the RSBY scheme (net of claims outstanding).	1,884	1,884
Relating to penalty / penal interest towards non-meeting operational guidelines (OG) of Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme.	13,100	NIL
Relating to property tax (including interest).	33,196	NIL

5.1.2 The assets of the Company are free from all encumbrances except for fixed deposits of ₹ 1,500 thousand (previous year: ₹ 541,100 thousand) (Included in short term deposit account in Schedule – 11) for issuing bank guarantees.

Schedules (Contd.)

forming part of the financial statements

5.1.3 Capital Commitments

Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹ 455,421 thousand (previous year: ₹ 306,972 thousand).

5.1.4 Commitment in respect of loans is ₹ NIL (previous year: ₹ NIL) and investments is ₹ 973,076 thousand (previous year: ₹ 6,932,036 thousand).

5.1.5 Claims

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

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In India	73,441,237	86,220,995
Outside India	1,358,415	1,218,746

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

(₹ in 000's)

Particulars	As at March 31, 2020	As at March 31, 2019
More than six months	49,777,161	45,434,370
Others	130,296,582	118,821,599

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

Claims where the claim payment period exceeds four years:

As per circular F&A/CIR/017/May-04, the claims made in respect of contracts where claims payment period exceeds four years, are required to be recognised on actuarial basis. Accordingly, the Panel Actuary has certified the fairness of the liability assessment, assuming 'NIL' discount rate.

In this context, the following claims have been valued on the basis of a contractually defined benefit amount payable in monthly installments.

Product Name: Personal Protect

(₹ in 000's)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Count	Amount	Count	Amount
Intimated	307	301,655	255	322,545
Paid	3,583	110,791	792	25,030
Outstanding	379	414,213	330	354,900

5.1.6 Premium

(A) All premiums net of Re-insurance are written and received in India.

(B) No premium income is recognised on varying risk pattern.

5.1.7 Sector wise details of the policies issued are given below:

Sector	For the year ended March 31, 2020					For the year ended March 31, 2019				
	GDPI ₹ in 000's	No. of Policies (in nos)	% of Policy	No. of Lives (in nos)	% of GDPI	GDPI ₹ in 000's	No. of Policies (in nos)	% of Policy	No. of Lives (in nos)	% of GDPI
Rural	9,405,553	2,870,624	10.95	-	7.07	28,608,945	761,664	2.88	-	19.75
Social	17,316	0	0.00	7,460,320	0.01	75,257	0	0.00	10,408,643	0.05
Urban	123,705,564	23,351,415	89.05	-	92.92	116,198,073	25,722,414	97.12	-	80.20
Total	133,128,433	26,222,039	100.00		100.00	144,882,275	26,484,078	100.00		100.00

5.1.8 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, 2020		For the year ended March 31, 2019	
		Retention	Ceded	Retention	Ceded
Fire	Value at risk	28%	72%	21%	79%
Marine – Cargo	Value at risk	66%	34%	72%	28%
Marine – Hull	Value at risk	6%	94%	7%	93%
Miscellaneous					
- Engineering	Value at risk	38%	62%	34%	66%
- Motor	Value at risk	90%	10%	90%	10%
- Workmen's Compensation	Value at risk	85%	15%	85%	15%
- Public Liability	Value at risk	52%	48%	48%	52%
- Personal Accident	Value at risk	85%	15%	82%	18%
- Aviation	Value at risk	31%	69%	21%	79%
- Health	Value at risk	68%	32%	70%	30%
- Credit Insurance	Value at risk	6%	94%	8%	92%
- Crop / Weather Insurance	Value at risk	27%	73%	26%	74%
- Others	Value at risk	56%	44%	64%	36%

5.1.9 (A) Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending ₹ NIL (previous year: ₹ 81,944 thousand); and
- Sales where payments are overdue ₹ NIL (previous year: ₹ NIL).

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Historical cost of investments that are valued on fair value basis is ₹ 32,382,285 thousand (previous year: ₹ 21,651,683 thousand).

(₹ in 000's)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares	25,269,785	20,640,383
Mutual Funds	7,112,500	1,011,300
Total	32,382,285	21,651,683

All investments are made in accordance with Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 and are performing investments.

(B) Allocation of investment income

Investment income which is directly identifiable is allocated on actuals to revenue account(s) and profit and loss account as applicable. Investment income which is not directly identifiable has been allocated on the basis of the ratio of average policyholder's investments to average shareholder's investments, average being the balance at the beginning of the year and at the end of the reporting year.

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

5.1.10 Allocation of expenses

Allocation / apportionment of Operating Expenses is based on the Organisational Structure of the Company comprising of Business, Service and Support Groups. Business comprises of Wholesale Business Group, Retail Business Group (including Sub Groups) and Government Business Group. Expenses incurred by Business Group are direct in nature. Service Group comprises of Customer Service Group which consists of Underwriting and Claims Group, created based on product segments. Support Group consists of Investments, Operations, Legal, Finance and Accounts, Reinsurance, Technology etc. Expenses incurred by Service and Support Groups are indirect in nature.

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

- Direct expenses pertaining to Business Group that are directly identifiable to a product segment are allocated on actuals and other direct expenses are apportioned in proportion to the net written premium of the product within the Business Group. However, in case of retail business group, the other expenses of its sub group are apportioned based on the net written premium contributed by the respective sub group;
- Expenses pertaining to Service Group are apportioned directly to the product to which it pertains. In case of multiple products, expenses are apportioned in proportion to the net written premium of the multiple products;
- Expenses pertaining to Support Group and any other expenses, which are not directly allocable, are apportioned on the basis of net written premium in each business class.

In accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, operating expenses in excess of segmental limits of ₹ 744,013 thousand in Health - Retail Segment and ₹ 6,760 thousand in Health-Government Segment (previous year: ₹ 241,920 thousand in Miscellaneous - Retail segment) are reduced proportionately from each expenditure head and are borne by the shareholders.

5.1.11 Employee Benefit Plans

(A) Defined contribution plan

(₹ in 000's)

Expenses on defined contribution plan	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to staff provident fund	276,860	197,850

(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.

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

(₹ in 000's)

Reconciliation of Benefit Obligations and Plan Assets	For the year ended March 31, 2020	For the year ended March 31, 2019
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	730,679	607,582
Current Service Cost	93,723	77,296
Interest Cost	53,418	47,103
Actuarial Losses / (Gain)	72,350	65,887
Liabilities assumed on Acquisition	3,074	-
Benefits Paid	(37,526)	(67,189)
Closing Defined Benefit Obligation	915,718	730,679
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	699,131	523,527
Expected Return on Plan Assets	50,464	37,943
Actuarial Gains / (Losses)	(31,446)	5,699
Contributions by Employer	154,498	199,151
Assets acquired on acquisition	-	-
Benefits paid	(37,526)	(67,189)
Closing Fair Value of Plan Assets	835,121	699,131
Expected Employer's contribution Next Year	100,000	70,000

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(₹ in 000's)

Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	At March 31, 2020	At March 31, 2019
Fair Value of Plan Assets at the end of the year	(835,121)	(699,131)
Present Value of the defined obligations at the end of the year	915,718	730,679
Liability recognised in the balance sheet	80,597	31,548
Asset recognised in the balance sheet	-	-
Assumptions		
Discount Rate	5.90% p.a.	7.00% p.a.
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement Age	58.00	58.00
Attrition Rate	10% - 26%	10% - 26%
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	9.00% p.a.	9.00% p.a.

Investment Pattern of Gratuity Funds:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount (₹ in 000's)	%	Amount (₹ in 000's)	%
Group Balanced Fund	624,895	74.83	511,069	73.10
Group Debt Fund	88	0.01	14	0.00
Group Short Term Debt Fund	210,138	25.16	188,048	26.90
Total Funds*	835,121	100.00	699,131	100.00

* The funds are maintained and managed by ICICI Prudential Life Insurance Company Limited.

(₹ in 000's)

Expenses to be recognised in statement of Profit and Loss Account	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	93,723	77,296
Interest on Defined Benefit Obligation	53,418	47,104
Expected return on Plan Assets	(50,464)	(37,943)
Net Actuarial Losses / (Gains) recognised in year	103,796	60,188
Past Service Cost	-	-
Losses / (Gains) on "Curtailements & Settlements"	-	-
Losses / (Gains) on "Acquisition/ Divestiture"	-	-
Effect of limit	-	-
Total included in Employee Benefit Expense	200,473	146,645

Experience adjustments of five years is given below:

(₹ in 000's)

Particulars	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Defined Benefit Obligation	915,718	730,679	607,582	540,390	417,465
Plan assets	835,121	699,131	523,527	542,670	421,344
Surplus / (Deficit)	(80,597)	(31,548)	(84,055)	2,280	3,879
Exp. Adj on Plan Liabilities	19,853	48,064	28,632	44,699	(32,494)
Exp. Adj on Plan Assets	(31,446)	5,699	(5,063)	18,732	(11,373)

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. Assumptions stated above are applicable for accrued leaves also.

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	92,805	73,639
Add: Liabilities assumed on Acquisition	2,926	-
Add / (Less): Provision for the year	30,962	19,166
Closing balance	126,693	92,805
Assumptions		
Discount Rate	5.90% p.a.	7.00% p.a.

Long Term Performance Pay

The Company has schemes for Long Term Performance incentive plan. The plan is a discretionary deferred compensation plan with a vesting period of three years. The Company has determined the liability on the basis of Actuarial valuation.

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	224,847	218,447
Less: Amount paid	(124,975)	(110,776)
Add / (Less): Provision for the year	27,901	117,176
Closing balance	127,773	224,847
Assumptions		
Discount Rate	4.90% p.a.	6.65% p.a.

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5.1.12 Remuneration to Managerial and Key Management Persons

- (A) The details of remuneration paid to MD & CEO and two Wholetime Directors' as per the terms of appointment are as under:

(₹ in 000's)

Particulars (see note below)	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and allowances	144,579	129,479
Contribution to provident and other funds	5,855	5,550
Perquisites	2,735	1,541

Managerial remuneration in excess of ₹ 15,000 thousand, for each Managerial personnel has been charged to profit and loss account. Additionally, the Directors are granted options pursuant to Company's Employees Stock Option Scheme and ICICI Bank's Employees Stock Option Scheme.

- (B) The details of remuneration paid to Key Management Persons as per guidelines issued by IRDAI vide Ref. no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016 and as per the terms of appointment of Company are as under:

(₹ in 000's)

Particulars (see note below)	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and allowances	184,397	199,2741
Contribution to provident and other funds	5,728	6,100
Perquisites	3,069	1,592

Note: Provision towards gratuity, leave accrued and Long Term Performance Pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosures. Additionally, the KMP's based on entitlements are granted options pursuant to Company's Employees Stock Option Scheme and ICICI Bank's Employees Stock Option Scheme.

5.1.13 (A) Share Capital

During the year the Company has allotted 156,320 equity shares (previous year: 361,640 equity shares) under ESOS raising ₹ 33,020 thousand (previous year: ₹ 37,081 thousand).

During the year the Company has not made any preferential allotment (previous year: ₹ NIL).

(B) Share Application

At March 31, 2020 the Company has received share application money under ESOS of ₹ 2,145 thousand (previous year: ₹ NIL) against which shares are yet to be allotted.

5.1.14 Outsourcing, business development and marketing support expenses

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

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Outsourcing expenses	1,973,229	2,156,219
Business development		
- Sales promotion	8,625,080	7,153,760
- Business support services	90,170	128,661
Marketing support	1,737,244	1,892,405

5.1.15 Details of penal actions taken by various Govt. authorities during year ended March 31, 2020:

(₹ in 000's)

SI No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	-	10,000	10,000	-
		(-)	(-)	(-)	(-)
2	Service Tax Authorities	-	-	-	-
		(18,214)	(18,214)	(18,214)	(-)
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, 2013	-	-	-	-
		(-)	(-)	(-)	(-)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
		(-)	(-)	(-)	(-)
8	Securities and Exchange Board of India	-	-	-	-
		(-)	(-)	(-)	(-)
9	Competition Commission of India	-	-	-	-
		(-)	(-)	(-)	(-)
10	Any other Central/State/Local Govt / Statutory Authority (Tariff Advisory Committee)	-	71	71	-
		(-)	(-)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2019

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5.1.16 Summary of Financial Statements for five years:

(₹ in 000's)

Particulars	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Operating Result					
Gross direct premium	133,128,433	144,882,275	123,568,546	107,251,960	80,907,071
Net premium income [#]	96,406,925	95,385,568	78,447,557	65,947,994	54,348,919
Income from investments (net) [@]	15,425,056	13,355,190	11,267,503	10,012,329	9,299,869
Other income	1,067,349	655,436	278,607	446,568	400,599
Total income	112,899,330	109,396,194	89,993,667	76,406,891	64,049,387
Commissions (net) (including brokerage)	3,639,935	2,229,052	(2,839,545)	(4,341,303)	(3,279,732)
Operating expenses	22,931,019	20,139,702	21,118,673	19,820,372	17,112,042
Net incurred claims & other outgoes	68,515,769	63,081,176	53,147,238	49,543,315	39,282,142
Change in unexpired risk reserve	2,371,755	11,632,090	9,330,209	4,311,952	6,132,746
Operating Profit/(Loss)	15,440,852	12,314,174	9,237,092	7,072,555	4,802,189
Non - Operating Result					
Total income under shareholder's account (net of expenses)	1,528,014	3,669,990	2,725,239	2,028,459	2,274,739
Profit/(Loss) before tax	16,968,866	15,984,164	11,962,331	9,101,014	7,076,928
Provision for tax	5,031,296	5,491,538	3,344,574	2,082,175	2,002,461
Profit/(Loss) after tax	11,937,570	10,492,626	8,617,757	7,018,839	5,074,467
Miscellaneous					
Policy holder's account:					
Total funds	215,778,910	172,154,124	134,006,827	107,240,107	88,920,306
Total investments					
Yield on investments		Not applicable as investments are not earmarked			
Shareholder's account:					
Total funds	61,340,342	53,204,606	45,411,629	37,252,943	31,756,464
Total investments					
Yield on investments		Not applicable as investments are not earmarked			
Paid up equity capital	4,544,663	4,543,099	4,539,483	4,511,507	4,475,384
Net worth**	61,340,342	53,204,606	45,411,629	37,252,943	31,756,464
Total assets	370,420,885	334,026,207	297,496,589	233,508,755	156,758,044
Yield on total investments (annualised)	8%	9%	9%	10% ^z	11%
Earnings per share (₹)	26.27	23.11	19.01	15.66	11.35
Book value per share (₹)	134.97	117.11	100.04	82.57	70.96
Total dividend (excluding dividend tax)	3,180,993	2,270,104	679,988	1,571,008	1,341,696
Dividend per share (₹)	7.00 [^]	5.00	1.50	3.50	3.00

[#] Net of Reinsurance

[@] Includes Profit Net of Losses on sale / redemption of investments and at gross Interest, Dividend & Rent

^{**} Shareholders funds / Net worth = (Share capital + Reserve & Surplus) – (Miscellaneous Expenditure + Debit balance in profit & loss account)

[^] This includes Final dividend of ₹ 3.50 per share for FY 2018-19 paid during FY 2019-20 and Interim dividend of ₹ 3.50 per share for FY 2019-20. The Board of directors have not declared any final dividend for the FY 2019-20. (Refer Note 5.2.23)

5.1.17 Ratio Analysis:

(A) For ratios at March 31, 2020 refer Annexure 1a and 1b and for March 31, 2019 refer Annexure 2a and 2b.

(B) Solvency Margin:

(₹ in 000's)

Solvency Margin	At March 31, 2020	At March 31, 2019
Required solvency margin under IRDAI Regulations (A)	25,721,100	23,446,500
Available solvency margin (B)	55,747,200	52,576,200
Solvency ratio actual (times) (B/A)	2.17	2.24
Solvency ratio prescribed by Regulation	1.50	1.50

5.1.18 Employee Stock Option Scheme (ESOS)

The Company instituted the ESOS Scheme pursuant to the resolutions passed by our Board and Shareholders on April 26, 2005 and July 22, 2005, respectively. The Company had 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. Pursuant to the ESOS Scheme, no eligible employee could, in aggregate be granted in a financial year, options greater than 0.1% of the issued equity share capital of the Company and the aggregate of options granted to the eligible employees under the ESOS Scheme was capped at 5% of the issued capital of our Company as on the date of such grants. ESOS Scheme was further amended pursuant to the resolutions passed by the Board and Shareholders on June 9, 2017 and July 10, 2017, respectively, to approve the amendment in the ESOS Scheme for, inter alia, aligning it with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Further, the exercise price was finalised by the Board Nomination and Remuneration Committee in concurrence with the Board based on an independent valuer's report. During the year ended March 31, 2019 and March 31, 2020, the Company has granted options under the ESOS scheme in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is set out below.

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The salient features of the scheme are stated below:

Scheme	Performance ESOPs (2005, 2006 & 2007)	Performance ESOPs (2009):	Performance ESOPs (2010):	Performance ESOPs (2011):	Performance ESOPs (2018):	Special ESOPs (2018)	Performance ESOPs (2019):
Date of Grant	2005: April 26, 2005 2006: April 24, 2006 2007: April 21, 2007	July 21, 2009	April 19, 2010	April 25, 2011	July 17, 2018	July 17, 2018	April 18, 2019
No. of Options granted (in 000's)	13,322	1,249	2,312	723	947	1,583	2,346
Grant Price (In ₹)	35 – 60	91	114	109	715.15	715.15	1,086.85
Graded Vesting Period							
1 st Year	20% of the option	0% of the option	20% of the option	40% of the option	30% of the option	0% of the option	30% of the option
2 nd Year	20% of the option	20% of the option	20% of the option	60% of the option	30% of the option	0% of the option	30% of the option
3 rd Year	30% of the option	20% of the option	30% of the option	-	40% of the option	50% of the option	40% of the option
4 th Year	30% of the option	30% of the option	30% of the option	-	-	50% of the option	-
5 th Year	-	30% of the option	-	-	-	-	-
Maximum term of option granted	Later of the thirteenth anniversary of the date of grant of options or fifth anniversary of the date of vesting	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting			5 years from the date of grant		5 years from the date of vesting
Mode of settlement	Equity						

The estimated fair value is computed on the basis of Black-Scholes option for Performance ESOP (2019) issued during the year ended March 31, 2020. 284,010 options are vested during the year ended March 31, 2020 and ₹ 33,020 thousand (previous year: ₹ 37,081 thousand) was realised by exercise of options.

The company follows intrinsic value method and hence there was no charge in the Revenue Accounts and Profit and Loss Account. Had the Company followed the fair value method for valuing its options for the year ended, the charge to the Revenue Accounts and Profit and Loss Account would have been higher by ₹ 597,308 thousand (previous year ₹ 176,244 thousand) and profit after tax would have been lower by ₹ 446,978 thousand (previous year ₹ 115,686 thousand). Consequently, the Company's basic and diluted earnings per share would have been ₹ 25.29 and ₹ 25.21 respectively.

The weighted average price of options exercised during the year ended March 31, 2020 is ₹ 220.7 (previous year: ₹ 102.5).

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

(in 000's)

Particulars	Other than Wholetime Directors'		Wholetime Directors'	
	At March 31, 2020	At March 31, 2019	At March 31, 2020	At March 31, 2019
Outstanding at the beginning of the year	2,408	255	236	240
Add: Granted during the year	2,010	2,345	336	184
Less: Forfeited / lapsed during the year	(208)	(18)	-	-
Less: Exercised during the year	(62)	(174)	(96)	(188)
Outstanding at the end of the year	4,148	2,408	476	236
Exercisable at the end of the year	208	81	10	52

The weighted average remaining contractual life of options outstanding at the end of the year is as follows:

Exercise Price (in ₹)	At March 31, 2020		At March 31, 2019	
	Option Outstanding (in 000's)	Weighted avg remaining contractual life (in years)	Option Outstanding (in 000's)	Weighted avg remaining contractual life (in years)
60	-	-	16	1.1
114	4	0.1	57	1.1
109	-	-	60	2.1
715.15	876	3.3	933	4.3
715.15	1,492	3.3	1,578	4.3
1,086.85	2,252	4.1	-	-
Total	4,624	3.7	2,644	4.2

5.2 Other disclosures

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

IBNR (including IBNER) liability as at March 31, 2020 for all lines of business has been estimated by the Panel Actuary in compliance with the guidelines issued by IRDAI from time to time and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

Pursuant to IRDAI regulation of Asset, Liabilities, and Solvency margin of General Insurance Business Regulations 2016 (IRDAI/Reg/7/119/2016 dated April 7, 2016); claim reserves are determined as the aggregate amount of Outstanding Claim Reserve and Incurred but Not Reported (IBNR) claim reserve for 28 stipulated lines of business.

Pursuant to Actuarial Practice Standard (APS) 33 issued by Institute of Actuaries of India (IAI) which is mandatory and effective from December 1, 2017, the peer review of statutory valuation of liabilities for March 31, 2020 has been carried out by an independent actuary.

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5.2.2 Provision for Free Look period

The provision for Free Look period ₹ 205 thousand (previous year: ₹ 336 thousand) is duly certified by the Panel Actuary.

5.2.3 Contribution to Terrorism Pool

The Company in accordance with the requirements of IRDAI 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 are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹ 20 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 December 31, 2019 (previous year: December 31, 2018) as per the last statement of account received.

5.2.4 India Nuclear Insurance Pool

In view of the passage of the Civil Liability for Nuclear Damage Act, 2010, GIC Re as Indian Reinsurer initiated the formation of the India Nuclear Insurance Pool (INIP) along with other domestic non-life insurance companies by pooling the capacity to provide insurance covers for nuclear risks. INIP is an unregistered reinsurance arrangement among its members i.e. capacity providers without any legal entity. GIC Re and 11 other non-life insurance companies are Founder Members with their collective capacity of ₹ 15,000,000 thousand. GIC Re is also appointed as the Pool Manager of the INIP. The business underwritten by the INIP will be retroceded to all the Member Companies including GIC Re in proportion of their capacity collated. Out of the total capacity of ₹ 15,000,000 thousand of the INIP, the capacity provided by the Company is ₹ 1,000,000 thousand. The Company has recorded its share of the premium retrocession, commission and interest income upto September 30, 2019 as per the latest available statements. The share of income for the quarter ended March 31, 2020 (previous year: March 31, 2019) has been recognised on an estimate basis.

5.2.5 Interest, Rent and Dividend income

Interest, Dividend & Rent income is net of interest expense of ₹ 1,277 thousand (previous year: ₹ NIL) on account of REPO transactions.

5.2.6 Re-insurance inward

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

5.2.7 Contribution to Solatium fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at General Insurance Council meeting held on February 4, 2005 and as per letter no. HO/MTD/Solatium Fund/2010/482 dated July 26, 2010 from The New India Assurance Co. Ltd. (Scheme administrator), the Company has provided 0.1% of the total Motor TP premium of the Company towards solatium fund.

5.2.8 Environment Relief Fund

During the year, an amount of ₹ 5,458 thousand (previous year ₹ 3,871 thousand) was collected towards Environment Relief Fund for public liability policies and an amount of ₹ 5,401 thousand (previous year

₹ 4,915 thousand) has been transferred to “United India Insurance Company Limited, Environment Fund Account” as per Notification of Environment Relief Fund (ERF) scheme under the public liability Insurance Act, 1991 as amended. The balance amount of ₹ 278 thousand (previous year ₹ 221 thousand) has been disclosed under the head current liabilities in schedule 13.

5.2.9 Leases

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

Non Cancelable operating lease

The detail of future rentals payable are given below:

(₹ in 000's)

Particulars	At March 31, 2020	At March 31, 2019
a. not later than one year	308	1,817
b. later than one year and not later than five years	-	308
c. later than five years	-	-

An amount of ₹ 3,162 thousand (previous year: ₹ 1,770 thousand) towards said lease payments has been recognised in the statement of revenue account.

5.2.10 Micro and Small scale business entities

As per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) the Micro and Small Enterprises have been identified by the Company from the available information. Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows:

(₹ in 000's)

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
i.	The principal amount remaining unpaid to any supplier as at the end of the year	23,828	-
ii.	Interest due on the above amount	-	-
iii.	The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	Amounts of the payment made to the supplier beyond the appointed day during the year.	6,724	-
v.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
vi.	Amount of interest accrued and remaining unpaid at the end of the year	147	-
vii.	Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

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5.2.11 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 5.1.9 & 5.1.10 above. Segment revenue & results have been disclosed in the Revenue accounts.

Segmental Assets & Liabilities to the extent identifiable to business segment:

(₹ in 000's)

Segment	Year	Current Assets	Current Liabilities		Provisions
		Outstanding Premium	Claims Outstanding	Premium Received in Advance	Reserve for Unexpired risk
Fire	FY 2019-20	23,446	19,458,908	4,497	2,194,838
	FY 2018-19	10,296	17,357,168	2,953	1,201,847
Engineering	FY 2019-20	20,723	4,066,521	1,429	728,147
	FY 2018-19	-	3,359,540	2,676	579,410
Marine Cargo	FY 2019-20	-	2,716,754	1,127	559,339
	FY 2018-19	27,353	2,738,789	10,166	540,139
Marine Hull	FY 2019-20	-	3,182,291	-	47,753
	FY 2018-19	-	2,888,146	-	55,870
Motor OD	FY 2019-20	-	7,874,168	5,438,032	16,323,971
	FY 2018-19	7,058	7,314,990	2,110,256	15,789,790
Motor TP	FY 2019-20	-	97,664,895	25,010,384	15,619,896
	FY 2018-19	4,680	81,557,545	11,275,329	16,462,800
Workmen Compensation	FY 2019-20	-	808,502	5,553	249,183
	FY 2018-19	-	722,435	2,432	206,947
Public/Product Liability	FY 2019-20	-	495,362	137	116,593
	FY 2018-19	-	430,961	116	78,700
Personal Accident	FY 2019-20	5,135	3,904,868	459	5,684,847
	FY 2018-19	-	3,979,787	358	5,762,017
Aviation	FY 2019-20	-	1,737,914	-	100,638
	FY 2018-19	-	1,738,809	-	52,555
Health	FY 2019-20	269,175	6,697,430	47,535	12,145,393
	FY 2018-19	500,850	5,996,502	31,701	10,191,029
Credit Insurance	FY 2019-20	-	557,381	1,200	7,494
	FY 2018-19	-	505,082	1,200	6,742
Crop/Weather Insurance	FY 2019-20	17,244,126	25,289,446	-	-
	FY 2018-19	21,506,678	30,522,632	-	-
Others	FY 2019-20	-	5,619,303	1,106	4,603,495
	FY 2018-19	8,805	5,143,583	1,273	5,081,986
Total Amount	FY 2019-20	17,562,605	180,073,743	30,511,459	58,381,587
	FY 2018-19	22,065,720	164,255,969	13,438,460	56,009,832

Secondary reportable segments

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

5.2.12 Related party

Party where control exists

Holding Company:

ICICI Bank Limited

Other related parties

Fellow Subsidiaries / Associates / Other related entities:

Name of the Related Party	Relationship
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary
ICICI Securities Limited	Fellow Subsidiary
ICICI Home Finance Company Limited	Fellow Subsidiary
ICICI Venture Funds Management Company Limited	Fellow Subsidiary
ICICI Prudential Asset Management Company Limited	Fellow Subsidiary
ICICI Securities Primary Dealership Limited	Fellow Subsidiary
ICICI Strategic Investments Fund	Fellow Subsidiary
ICICI Bank UK PLC	Fellow Subsidiary
ICICI Equity Fund	Fellow Subsidiary
ICICI Securities Inc.	Fellow Subsidiary
ICICI Securities Holdings Inc.	Fellow Subsidiary
ICICI Trusteeship Services Limited	Fellow Subsidiary
ICICI Investment Management Company Limited	Fellow Subsidiary
ICICI International Limited	Fellow Subsidiary
ICICI Bank Canada	Fellow Subsidiary
ICICI Prudential Trust Limited	Fellow Subsidiary
ICICI Prudential Pension Funds Management Company Limited	Fellow Subsidiary

Key Management Personnel (KMP):

Bhargav Dasgupta, Managing Director & CEO

Alok Kumar Agarwal, Executive Director

Sanjeev Mantri, Executive Director

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

Ansuman Dasgupta : Father of Bhargav Dasgupta

Brij Mohan Gupta : Brother of Alok Kumar Agarwal

Vibha Mantri : Spouse of Sanjeev Mantri

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Details of transaction with related parties for the year ended March 31, 2020 are given below:

(₹ in 000's)

Particulars	ICICI Bank Ltd	ICICI Home Finance Co Ltd	ICICI Securities Primary Dealership Ltd	ICICI Prudential Life Insurance Co Ltd	ICICI Securities Ltd	Others	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary		
Premium income	2,113,420 (1,902,487)	38,058 (24,977)	3,331 (4,087)	219,944 (207,272)	97,564 (87,552)	64,288 (66,363)	97 (158)
Income from interest & dividend	- (-)	42,342 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Claim payments net of claims received	95,598 (50,932)	- (-)	1,737 (881)	-7,915 (-2,880)	35,845 (36,122)	257 (392)	- (-)
Commission/ Brokerage payout	1,652,297 (1,273,345)	76,565 (24,192)	- (-)	- (-)	4,371 (5,015)	- (-)	- (-)
Investment							
- Purchases	6,595,830 (2,016,945)	- (-)	6,401,778 (2,998,049)	- (1,053,200)	- (-)	- (-)	- (-)
- Sales	- (-)	- (-)	2,227,470 (-)	466,145 (952,784)	- (-)	- (-)	- (-)
Issue of Share capital	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	970 (1,880)
Receipt of Share premium	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	9,788 (17,827)
Premium paid	- (-)	- (-)	- (-)	11,560 (14,187)	- (-)	- (-)	- (-)
Establishment & other expenditure	372,628 (357,338)	-1,871 (-17,663)	- (-)	27,728 (-)	3,844 (4,097)	- (-)	153,170 (136,570)
IPO Expenses Recovered	566 (4,530)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Royalty expenses	104,926 (86,178)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Dividend paid	1,776,907 (1,269,219)	- (-)	- (-)	- (-)	- (-)	- (-)	7,000 (4,280)
Fixed Assets							
- Sales	- (-)	- (-)	- (-)	- (23)	- (-)	- (-)	- (-)

Figures in brackets are for the year ended March 31, 2019

Above amounts are excluding GST wherever applicable.

Balances with related parties at March 31, 2020, are given below:

Particulars	(₹ in 000's)						
	ICICI Bank Ltd	ICICI Home Finance Co Ltd	ICICI Securities Primary Dealership Ltd	ICICI Prudential Life Insurance Co Ltd	ICICI Securities Ltd	Others	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary		
Assets							
Cash, Bank Balances & Deposits	-801,814	-	-	-	-	-	-
	(150,962)	(-)	(-)	(-)	(-)	(-)	(-)
Other assets/receivables	-	2,150,235	-	11,954	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Liabilities							
Capital	2,538,438	-	-	-	-	-	11,600
	(2,538,438)	(-)	(-)	(-)	(-)	(-)	(10,630)
Share premium	10,872,192	-	-	-	-	-	111,615
	(10,872,192)	(-)	(-)	(-)	(-)	(-)	(101,827)
Debentures	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Premium received in advance / Cash deposits	102,640	239	8,049	6,572	383	66,540	-
	(694,948)	(442)	(4,280)	(7,877)	(1,032)	(44,290)	(-)
Others liabilities/ Payables	684,020	28,529	-	-	747	4	-
	(665,549)	(9,872)	(-)	(6,822)	(438)	(-)	(-)

Figures in brackets are as at March 31, 2019

Above amounts are excluding GST wherever applicable.

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5.2.13 (a) Details of age-wise analysis of the unclaimed amount of the policyholders (excluding Income from Investment) for the year ended March 31, 2020

(₹ in 000's)

Particulars	Total Amount	Age-wise analysis						
		0-6 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	1,348,820 (891,602)	2,916 (1,976)	390,133 (265,331)	280,092 (215,718)	169,100 (109,620)	173,579 (62,656)	90,264 (30,885)	242,736 (205,416)
Cheques issued but not encashed by the policyholder/insured	980,357 (1,047,102)	216,445 (290,899)	92,770 (70,423)	66,365 (39,757)	21,777 (19,292)	25,650 (49,887)	18,151 (24,432)	539,199 (552,412)
Total	2,329,177 (1,938,704)	219,361 (292,875)	482,903 (335,754)	346,457 (255,475)	190,877 (128,912)	199,229 (112,543)	108,415 (55,317)	781,935 (757,828)

Figure in brackets pertain to year ended March 31, 2019

Movement in unclaimed amount of policy holders due:

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance	2,220,129	1,260,941
Add: Amount transferred to unclaimed amount during the year	1,703,377	2,150,473
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders	15,416	7,182
Add: Investment income	120,078	164,551
Less: Amount paid during the year	1,218,520	1,243,791
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred)	140,139	119,227
Closing balance	2,700,341	2,200,129

- (b) Premium refundable to beneficiaries/government in the case of Crop/Weather Insurance is considered for transfer to 'Unclaimed Amount of Policyholders Account' only on final determination of sown insured area and the consequential refund computation is duly confirmed by concerned government agencies.

5.2.14 Details of earning per share for the year ended March 31, 2020:

(₹ in 000's)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) available to equity shareholders ₹	11,937,570	10,492,626
Weighted average number of equity shares		
Number of shares at the beginning of the year	454,310	453,948
Share issued during the year	156	362
Total number of equity share outstanding at the end of the year	454,466	454,310
Weighted average number of equity shares outstanding during the year	454,415	454,051
Add : Effect of dilutive issues of options and share application pending allotment	1,437	893
Diluted weighted average number of equity shares outstanding during the year	455,852	454,943
Nominal value of equity shares ₹	10	10
Basic earnings per share ₹	26.27	23.11
Diluted earnings per share ₹	26.19	23.06

5.2.15 Deferred taxes

The major components of deferred tax are as under:

(₹ in 000's)

Particulars	As at March 31, 2020	As at March 31, 2019
Timing differences on account of:		
Reserve for Unexpired Risks	2,180,396	2,407,757
Provision for escalation in lease rentals	50,142	44,878
Provision for Diminution in value of Investments	302,398	-
Leaves accrued	31,886	32,430
Provision for doubtful debts	498,245	527,532
Total	3,063,067	3,012,597
Net deferred tax asset / (liability)	3,063,067	3,012,597
Deferred tax expense / (income) recognised in the Profit and Loss A/c	(50,470)	(898,469)

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5.2.16 REPO / Reverse repo / TREPS Lending / Borrowing transactions

REPO / Reverse repo transaction:

(₹ in 000's)

Particulars	For the year ended March 31, 2020			
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding at March 31, 2020
Securities sold under repo (At cost)				
Government Securities	207,024 (-)	1,045,797 (-)	670,335 (-)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under reverse repo (At cost)				
Government Securities	49,921 (49,939)	49,921 (499,944)	49,921 (294,231)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2019

TREPS Lending / Borrowing transaction:

(₹ in 000's)

Particulars	For the year ended March 31, 2020			
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding at March 31, 2020
Securities sold under TREPS (At cost)				
Government Securities	249,967 (2,999,462)	1,999,945 (5,998,944)	788,454 (3,998,590)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under TREPS (At cost)				
Government Securities	6,499 (31,994)	8,826,386 (12,393,836)	1,556,706 (3,684,109)	249,984 (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2019

5.2.17 CSR Expenditure

During the year ended March 31, 2020 the Company has incurred expenditure towards CSR activities which are as below:

- (a) Gross amount required to be spent by the company during the year was ₹ 239,518 thousand (previous year: ₹ 181,534 thousand).
- (b) Amount spent during the year is ₹ 242,421 thousand (previous year: ₹ 183,691 thousand).

(₹ in 000's)				
Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	242,421	-	242,421
		(183,691)	(-)	(183,691)
(a)	Contribution to ICICI Foundation projects (Skill development & sustainable livelihoods; elementary education & healthcare)	123,000	-	123,000
		(136,100)	(-)	(136,100)
(b)	Ride to safety (helmet distribution to children)	59,645	-	59,645
		(28,815)	(-)	(28,815)
(c)	Access to Healthcare: Sanitation and Healthcare (Preventive and Curative)	5,357	-	5,357
		(3,048)	(-)	(3,048)
(d)	Eye check-up camps for under privileged school children led by employees	18,589	-	18,589
		(15,728)	(-)	(15,728)
(e)	Contribution to GIC	35,830	-	35,830
		(-)	(-)	(-)
(f)	Contribution to Disaster Relief fund	-	-	-
		(-)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2019

5.2.18 Terms of Borrowings

- (A) **Gist of the terms of issue are as follows:**

Series	1/2016-2017
Type, Nature and Seniority of Instrument	Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures
Face Value (per security)	₹ 1,000,000
Issue Size	₹ 4,850,000 thousand
Issue Date / Date of Allotment	July 28, 2016
Redemption Date	July 28, 2026
Call option Date	July 28, 2021
Coupon Rate	8.25% per annum
Credit Rating	"AAA" by CRISIL and "AAA" by ICRA
Listing	Listed on WDM segment of NSE and BSE
Frequency of the Interest Payment	Annual

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(B) Maturity Pattern from the date of issue:		(₹ in 000's)
Maturity buckets		Borrowings
1 to 5 years		-
Above 5 years		4,850,000
Total		4,850,000

(C) Debenture Redemption Reserve:

The Company has been creating Debenture Redemption Reserve (DRR) on a straight-line basis. Pursuant to amendment vide Ministry of Corporate Affairs notification no. G.S.R. 574(E) dated August 16, 2019 of Companies (Share Capital and Debenture) Rules, 2014, the Company is not required to create any additional DRR. Accordingly the Company continues to hold the existing DRR of ₹ 277,144 thousand.

5.2.19 Outstanding Forward Exchange Contracts

As at March 31, 2020 there are no (previous year: ₹ NIL) outstanding forward exchange contracts.

5.2.20 Pending Litigations

The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (Refer Note no. 5.1.1 for details on contingent liabilities)

5.2.21 (A) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law / accounting standard.

(B) As at March 31, 2020, the Company did not have any outstanding long term derivative contracts (previous year: ₹ NIL).

5.2.22 Investor Education & Protection Fund

For the year ended March 31, 2020, the company has transferred ₹ Nil (previous year: ₹ 1 thousand) to the Investor Education & Protection Fund.

5.2.23 Dividend

Interim dividend appropriation for the year ended March 31, 2020 amounted to ₹ 1,917,472 thousand (previous year ₹ 1,368,526 thousand) including dividend distribution tax of ₹ 326,939 thousand (previous year ₹ 233,340 thousand).

The IRDAI, vide its circular IRDA/F&A/CIR/MISC/099/04/2020 dated April 24, 2020, stipulated that, in view of the emerging market conditions and to conserve capital with the insurance companies in the interest of Policyholders and of the economy at large, has urged insurers to take conscious call to refrain from dividend payout from profits pertaining to the financial year ended March 31, 2020 till further instructions This position shall be reassessed by the authority based on financial results of insurers for the quarter ending September 30, 2020. Accordingly, the Board of Directors has not declared any final dividend for the financial year ended March 31, 2020 (The Board of Directors had recommended a final dividend of ₹ 3.50 per equity share for the year ended March 31, 2019). Total dividend declared for financial year 2019-20 is ₹ 3.50 per share (Total dividend for the financial year 2018-19 is ₹ 6.00 per share).

5.2.24 In the previous year, the Company has made recovery of ₹ 566,826 thousand consequent to final settlement with one of the foreign reinsurers and the balance dues amounting to ₹ 460,738 thousand has been written off and the related provision has been reversed.

5.2.25 The Company has during the period, changed the annual premium allocation for Long Term Motor Own Damage policies issued on or after September 01, 2018 up to March 31, 2019 for new cars and new two wheelers in line with IRDAI's letter no. IRDA/NL/MISC/32/2019-20 dated May 21, 2019. This change has the impact of decreasing the operating profit / profit before tax by ₹ 10,425 thousand for FY 2019.

5.2.26 Amendment in Taxation Laws

The Taxation Laws Amendment Act, 2019 has amended the Income Tax Act, 1961 and the Finance (No. 2) Act, 2019 by inserting section 115BAA which provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. The Company has elected to exercise the option and has accordingly recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured the opening balance of Deferred Tax Assets as at April 01, 2019 at the lower tax rate prescribed in the said section.

The impact of this change which has been recognised in the Profit & Loss for the current period is set out below:

(₹ in 000s)	
Particulars	Amount
Reduction in tax due to lower rate	1,627,314
Impact of one-time reversal of Deferred tax asset as on April 01, 2019	(842,810)
Net Impact during the period	784,504

5.2.27 Business Transfer Agreement

The Company had entered into a business transfer agreement on October 30, 2019, to acquire proprietary software, platforms and underlying intellectual property assets developed by Unbox Technologies Private Limited along with ancillary movable assets for housing the Software and employees for operation, maintenance and development of the Software for an aggregate consideration of ₹ 2,244,000 thousand on a slump sale basis.

5.2.28 The COVID-19 has been declared a pandemic by the World Health Organisation on March 11, 2020. The pandemic has led to a significant impact on the Indian Financial markets and an overall decline in the economic activities all across the world. On March 24, 2020, the Union Government of India has announced a 21-day lockdown, which was further extended by 19 days, across the country for containment of the pandemic.

The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the pandemic on the Financial Statements. However, due to the uncertainties associated with the pandemic, the actual impact of the pandemic may not be in with the current estimates. The Company will continue to closely monitor any changes to the estimates basis future economic conditions. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

5.2.29 Impairment on Investments

The Company has assessed and provided for impairment on investment in equity assets and venture funds of ₹ 1,201,518 thousand (previous year ₹ 7,729 thousand) as per its policy.

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5.2.30 In accordance with the IRDAI circular no. IRDAI/NL/CIR/MOT/079/04/2020 dated April 02, 2020 and IRDAI/NL/CIR/MOT/ 090 /04/2020 dated April 16, 2020, the Policyholders whose motor vehicle third party insurance policies fell due for renewal during the period on and from March 25, 2020 up to May 03, 2020 and who are unable to make payment of their renewal premium on time in view of the prevailing situation in the country as a result of COVID 19 are allowed to make premium payment for renewal of policies to their insurers on or before May 15, 2020 to ensure continuity of the statutory motor vehicle third party insurance cover from the date on which the policy fell due for renewal so that any valid claim triggered during the grace period can be paid.

The Authority had further vide Circular dated April 3, 2020 responded that premiums for renewals in Motor Third Party policies that fell due between March 25, 2020 and March 31, 2020 shall be recognised as income during FY 2019-20 and correspondingly liabilities on such premium such as UPR, Claims provisioning shall also be provided in FY 2019-20.

In accordance with the IRDAI circular and the subsequent intimation by the authority, the Company is making a disclosure in connection with Motor third party policies as under:

Particulars	
Count of policies due for renewal between March 25, 2020 to March 31, 2020 (Nos)	212,043
Value of premium with respect to above cases (Amount in ₹ 000)	1,104,185
Count of policies which were renewed before March 31, 2020 (Nos)	44,345
Value of premium with respect to above cases (Amount in ₹ 000)	167,870
Count of policies which has been renewed between April 1, 2020 to April 29, 2020 (Nos)	9,263
Value of premium received in connection with such renewals (Amount in ₹ 000)	62,394

Impact of above on profits for the year ended March 31, 2020 is not material.

5.2.31 Previous year figures have been regrouped in the respective schedule and notes wherever necessary, to conform to current year groupings. The details of changes are as under:

Sr. No.	Regrouped from	Regrouped to	Period ended	Amount (in ₹ 000's)	Reason
1	Schedule 1 Premium Earned - Miscellaneous (Others)	Schedule 1 Premium Earned - Miscellaneous (Health)	March 2019	1,478,318	
2	Schedule 2 Claims Incurred - Miscellaneous (Others)	Schedule 2 Claims Incurred - Miscellaneous (Health)	March 2019	543,261	As per IRDAI Master Circular on Preparation of Financial Statements (IRDA/F&A/CIR/MISC/081/05/2019 dated May 20, 2019); Travel Insurance to be clubbed with Miscellaneous (Health) Segment from Miscellaneous (Others) Segment.
3	Schedule 3 Commission - Miscellaneous (Others)	Schedule 3 Commission - Miscellaneous (Health)	March 2019	53,149	
4	Schedule 4 Operating expenses - Miscellaneous (Others)	Schedule 4 Operating expenses - Miscellaneous (Health)	March 2019	584,332	

Sr. No.	Regrouped from	Regrouped to	Period ended	Amount (in ₹ 000's)	Reason
5	Schedule 4 Operating expenses	Form B- RA Revenue Account -Others	March 2019	241,920	As per IRDAI Master Circular on Preparation of Financial Statements (IRDA/F&A/CIR/MISC/081/05/2019 dated May 20, 2019) the excess of allowable expenses to be reported as income under Revenue Account under separate sub line item as "Contribution from Shareholders Funds towards Excess EoM" in the line item "Others" and the excess of allowable expenses to be reported as expenses under Profit & Loss account under separate sub line item, "Contribution to policyholders Funds towards Excess EoM" in line item "Other Expenses".
6	Form B- RA Revenue Account - Profit on sale/redemption of investments	Form B- RA Revenue Account - Profit on sale/redemption of investments	March 2019	Fire - 2,913 Marine - 1,670 Miscellaneous - (4,583)	Reapportionment of the investment income within revenue account done for FY 2019-20 in line with current year considering total segmental liabilities less segmental assets. Last year only segmental liabilities were considered for the same.
7	Form B- RA Revenue Account - Loss on sale/redemption of investments	Form B- RA Revenue Account - Loss on sale/redemption of investments	March 2019	Fire - (352) Marine - (202) Miscellaneous - 554	
8	Form B- RA Revenue Account - Interest, Dividend & Rent (Gross)	Form B- RA Revenue Account - Interest, Dividend & Rent (Gross)	March 2019	Fire - 8,158 Marine - 4,679 Miscellaneous - (12,837)	

For and on behalf of the Board

Lalita D. Gupte
Chairperson

Sandeep Batra
Director

Ashvin Parekh
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Sanjeev Mantri
Executive Director

Vikas Mehra
Company Secretary

Gopal Balachandran
Chief Financial Officer

Mumbai, May 2, 2020

Annexure-1A Analytical Ratios

as at March 31, 2020

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation
1	Gross Direct Premium Growth Rate	-8%	43%	18%	-18%	9%	8%	3%	6%	21%
2	Gross Direct Premium to Net Worth Ratio	2.17								
3	Growth rate of Net Worth	15%								
4	Net Retention Ratio	71%	23%	62%	3%	51%	85%	95%	89%	83%
5	Net Commission Ratio	4%	-8%	13%	-21%	13%	18%	1%	9%	13%
6	Expense of Management to Gross Direct Premium Ratio	27%								
7	Expense of Management to Net Written Premium Ratio	37%								
8	Net Incurred Claims to Net Earned Premium	73%								
9	Combined Ratio	100%								
10	Technical Reserves to Net Premium Ratio	2.47								
11	Underwriting balance Ratio	-0.01	0.14			0.05				
12	Operating Profit Ratio	16%								
13	Liquid Assets to liabilities Ratio	12%								
14	Net earnings Ratio	13%								
15	Return on Net Worth Ratio	19%								
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	2.17								
17	NPA Ratio									
	Gross NPA Ratio	-								
	Net NPA Ratio	-								

Notes :

Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

1. GDPI = Premium from direct business written, NWP = Net written premium
2. Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure + Debit balance in profit & loss 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 (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission - Operating expense

Public/ Product Liability	Engineering	Aviation	PA	Health	Credit	Crop	Others	Total miscellaneous	Basis of calculations
49%	10%	20%	-5%	16%	16%	-100%	-8%	-13%	(GDPI current year- GDPI previous year)/ GDPI previous year
									GDPI/ Net worth
									(Net worth current year- Net worth previous year) / Net worth previous year
45%	33%	23%	84%	69%	6%	16%	41%	79%	NWP / (GDPI + RI accepted)
-3%	-5%	6%	2%	-11%	-81%	139%	-1%	4%	Net commission / NWP
									Expenses of management/ GDPI
									Expenses of management/ NWP
									Net Incurred Claims / Net Earned Premium
									((Net Incurred Claims / Net Earned Premium) + ((Net Commission + Operating Expenses) /NWP))
									(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ NWP
								-0.02	(Underwriting profit/loss) / Net Earned Premium
									(Underwriting profit/loss + Investment income + Contribution from Shareholders Funds towards excess EOM) / Net Earned Premium
									Liquid Assets/ Policyholders liabilities
									Profit after tax/ Net Earned Premium
									Profit after tax/ Net Worth

Annexure-1B Equity Holding Pattern

as at March 31, 2020

1	Number of shares	454,466,264
2	Percentage of shareholding (Indian / Foreign)	76.5% / 23.5%
3	%of Government holding (in case of public sector insurance companies)	-
4	Basic and diluted EPS before extraordinary items (net of tax expense) for the period	₹ 26.27 & ₹ 26.19
5	Basic and diluted EPS after extraordinary items (net of tax expense) for the period	₹ 26.27 & ₹ 26.19
6	Book value per share (₹)	134.97



Annexure-2A Analytical Ratios

as at March 31, 2019

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation
1	Gross Direct Premium Growth Rate	17%	18%	17%	37%	21%	11%	38%	22%	11%
2	Gross Direct Premium to Net Worth Ratio	2.72								
3	Growth rate of Net Worth	17%								
4	Net Retention Ratio	64%	17%	69%	4%	53%	85%	95%	90%	84%
5	Net Commission Ratio	2%	-14%	13%	30%	13%	17%	1%	9%	9%
6	Expense of Management to Gross Direct Premium Ratio	22%								
7	Expense of Management to Net Written Premium Ratio	33%								
8	Net Incurred Claims to Net Earned Premium	75%								
9	Combined Ratio	99%								
10	Technical Reserves to Net Premium Ratio	2.31								
11	Underwriting balance Ratio	-0.02	0.07			-0.25				
12	Operating Profit Ratio	15%								
13	Liquid Assets to liabilities Ratio	10%								
14	Net earnings Ratio	13%								
15	Return on Net Worth Ratio	20%								
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	2.24								
17	NPA Ratio									
	Gross NPA Ratio	-								
	Net NPA Ratio	-								

Notes :

Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

1. GDPI = Premium from direct business written, NWP = Net written premium
2. Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure + Debit balance in profit & loss 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 (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission - Operating expense

Public/ Product Liability	Engineering	Aviation	PA	Health	Credit	Crop	Others	Total miscellaneous	Basis of calculations
16%	15%	6%	17%	23%	-7%	3%	12%	17%	(GDPI current year- GDPI previous year)/ GDPI previous year
									GDPI/ Net worth
									(Net worth current year- Net worth previous year) / Net worth previous year
44%	30%	12%	82%	70%	8%	23%	59%	69%	NWP / (GDPI + RI accepted)
3%	-20%	7%	1%	-16%	-52%	-10%	8%	2%	Net commission / NWP
									Expenses of management/ GDPI
									Expenses of management/ NWP
									Net Incurred Claims / Net Earned Premium
									((Net Incurred Claims / Net Earned Premium) + ((Net Commission + Operating Expenses) /NWP))
									(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ NWP
								-0.01	(Underwriting profit/loss) / Net Earned Premium
									(Underwriting profit/loss + Investment income + Contribution from Shareholders Funds towards excess EOM) / Net Earned Premium
									Liquid Assets/ Policyholders liabilities
									Profit after tax/ Net Earned Premium
									Profit after tax/ Net Worth

Annexure-2B Equity Holding Pattern

as at March 31, 2019

1	Number of shares	454,309,944
2	Percentage of shareholding (Indian / Foreign)	70.9% / 29.1%
3	%of Government holding (in case of public sector insurance companies)	-
4	Basic and diluted EPS before extraordinary items (net of tax expense) for the period	₹ 23.11 & ₹ 23.06
5	Basic and diluted EPS after extraordinary items (net of tax expense) for the period	₹ 23.11 & ₹ 23.06
6	Book value per share (₹)	117.11

Receipts & Payment Account (Cashflow) Direct basis

For the year ended March 31, 2020

IRDAI Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A CASH FLOW FROM OPERATING ACTIVITIES				
1 Premium received from policyholders, including advance receipt	177,902,148		174,278,981	
2 Other receipts (including-environment relief fund & Terrorism Pool)	442,944		499,204	
3 Receipt / (payment) from/to re-insurer net of commissions & claims recovery	(9,568,035)		(7,439,666)	
4 Receipt / (payment) from / to co-insurer net of claims recovery	4,176,184		4,090,044	
5 Payments of claims (net of salvage)	(77,169,691)		(88,542,074)	
6 Payments of commission and brokerage	(14,538,587)		(12,885,778)	
7 Payments of other operating expenses* ²	(27,153,102)		(20,171,608)	
8 Preliminary and preoperative expenses	-		-	
9 Deposits, advances & staff loans (net)	338,066		(139,399)	
10 Income tax paid (net)	(4,947,659)		(7,231,737)	
11 Goods and service tax paid	(15,153,828)		(12,694,645)	
12 Cash flows before extraordinary items	34,328,440		29,763,322	
13 Cash flows from extraordinary operations	-		-	
14 Net cash from operating activities	34,328,440		29,763,322	
B CASH FLOW FROM INVESTING ACTIVITIES				
1 Purchase of fixed assets (including capital advances)	(3,032,485)		(1,168,415)	
2 Proceeds from sale of fixed assets	8,864	(3,023,621)	6,470	(1,161,945)
3 Purchase of investments	130,571,070)		(100,976,121)	
4 Loans disbursed	-		-	
5 Sale of investments	93,134,437		63,849,080	
6 Repayments received	-		-	
7 Rent/interest/dividends received	15,215,505		12,067,451	
8 Investments in money market instruments & mutual fund (net)	(8,535,851)		(2,319,374)	
9 Other payments (Interest on IMTPIP)	-		-	
10 Other payments (Advance payment for purchase of real estate)	-		-	
11 Expenses related to investments	(39,133)		(32,226)	
12 Other (Deposit received on leasing of premises)	(750)	(30,796,862)	9,150	(27,402,040)
13 Net cash from investing activities	(33,820,483)		(28,563,985)	

(₹ in 000's)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C CASH FLOW FROM FINANCING ACTIVITIES		
1 Proceeds from issuance of share capital / application money (including share premium & net of share issue expenses)	35,166	37,083
2 Proceeds from borrowing	-	-
3 Repayments of borrowing	-	-
4 Brokerage and other expenses on borrowings	-	-
5 Interest / Dividends paid	(4,233,227)	(3,138,118)
6 Net cash from financing activities	(4,198,061)	(3,101,035)
D Effect of foreign exchange rates on cash and cash equivalents, net	-	-
E Net increase/(decrease) in cash and cash equivalents	(3,690,104)	(1,901,698)
1 Cash and cash equivalents at the beginning of the year	4,016,466	5,918,164
2 Cash and cash equivalents at end of the period*1	326,362	4,016,466

*1 Cash and cash equivalent at the end of the period includes short term deposits of ₹ 1,590 thousand (previous period: ₹ 1,941,828 thousand) balances with banks in current accounts ₹ 303,070 thousand (previous period: ₹ 1,644,116 thousand) and cash including cheques and stamps in hand amounting to ₹ 21,702 thousand (previous period: ₹ 430,522 thousand)

*2 Includes payments towards Corporate Social Responsibility of ₹ 242,421 thousand (previous period: ₹ 183,691 thousand)

As per our attached report of even date

For **Chaturvedi & Co.**
Chartered Accountants
Firm Regn No.: 302137E

SN Chaturvedi
Partner
Membership No.: 040479
ICAI UDIN: 20040479AAAAABZ5431

Mumbai, May 2, 2020

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Regn No.: 003990S/S200018

R. Suriyanarayanan
Partner
Membership No.: 201402
ICAI UDIN: 20201402AAAAAO1342

For and on behalf of the Board

Lalita D. Gupte
Chairperson

Ashvin Parekh
Director

Alok Kumar Agarwal
Executive Director

Vikas Mehra
Company Secretary

Sandeep Batra
Director

Bhargav Dasgupta
Managing Director & CEO

Sanjeev Mantri
Executive Director

Gopal Balachandran
Chief Financial Officer

Glossary

TECHNICAL TERMS/ABBREVIATIONS

Term	Description
Accident Year/AY	AY is the fiscal year in which a claim event occurred (regardless of when the claim was reported or the loss was recorded)
Accretion of discount/amortisation of premium	Premium/ discount refers to the price paid for a bond as against the par value of the bond. This discount or premium is spread over the remaining life of the bond and is called accretion or amortisation, respectively
Acquisition Cost	Costs that vary with, and are primarily related to, the acquisition of new, and renewal of insurance contracts. These include, amongst others, commissions and policy issue expenses
Adjuster/Surveyor	An independent professional appointed by an insurer which seeks to determine the extent of its liability with respect to a claim that is submitted
Agent tied to an insurance company	An agent of an insurance company who receives or agrees to receive payment by way of commission or other remuneration in consideration of his soliciting or procuring insurance business related to the issuance, continuance, renewal or revival of insurance policies
All risk insurance policy	A type of insurance policy that covers a broad range of risks, including risks that are not explicitly excluded in the policy contract
Allocated Loss Adjustment Expenses/ALAE	Claim-related expenses that are directly attributable to a specific claim
Available Solvency Margin/ASM	Available solvency margin means the excess of value of assets of an insurance company over the value of its liabilities, with certain further prescribed adjustments by the IRDAI
Broker	A licensed person/firm who arranges insurance contracts with insurance companies and/ or reinsurance companies on behalf of his clients for remuneration
Cashless facility	A facility extended by an insurance company to the insured where the payments of the costs of treatment/repair availed by the insured in accordance with the policy terms and conditions are directly made to the network provider by the insurance company
Certificate of registration	Certificate granted by the IRDAI under the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, registering an insurance company to transact the classes of business specified therein
Claim Incurred (net)	Claim incurred (net) are gross incurred claims less all claims recovered from reinsurers related to those gross incurred claims. The gross claims incurred comprise of claims paid, settlement costs, wherever applicable and change in the outstanding provision for claims at the period end
Claim Reserves	The reserves in respect of the claims which have already occurred. It is determined as the aggregate of outstanding claim reserves and incurred but not reported claim reserves

Term	Description
Combined ratio	The combined ratio is a measure of profitability of a nonlife insurance company's underwriting business. The combined ratio is the sum of the loss ratio and the net expense ratio
Corporate agent	Any entity, as prescribed by the IRDAI, that holds a valid certificate of registration for solicitation and servicing any of life, general and health insurance business
Cover	An insurance contract whether in the form of a policy or a cover note or a certificate of insurance or any other form as approved by IRDAI to evidence the existence of an insurance contract
Crop cutting experiment/CCE	A crop cutting experiment is a physical harvest of sampled plots to estimate the crop yields of a location. The sampled plots are identified by the agricultural statistics department of a state using a stratified random survey method
Directors and Officers Liability	Directors and Officers liability coverage protects directors or officers of a corporation from liability arising out of the performance of their professional duties on behalf of the corporation
Dividend Cover	A measure of the ability of an insurance company to pay its dividend. It is calculated as operating profit after tax divided by the total dividend paid for a particular financial year
Dividend Payout Ratio/DPR	The DPR is the ratio of Dividend paid to Profit after tax for the period.
Excess of loss reinsurance (also known as nonproportional reinsurance)	A type of reinsurance transaction pursuant to which the reinsurer, subject to a specified limit, indemnifies the ceding insurer against the amount of loss in excess of a specified retention amount
Expenses of Management	All expenses in the nature of operating expenses including commission, brokerage and remuneration to the insurance agents, intermediaries and insurance intermediaries which are charged to the revenue account, but does not include the charges against profits such as income tax and wealth tax and other taxes like service tax borne by the insurer and other charges which are levied against the profit, as defined in the Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting life insurance business) Regulations, 2016
Expenses ratio	Expenses ratio means operating expenses related to insurance business divided by NWP
Facultative Reinsurance	Reinsurance transacted and negotiated on an individual risk basis. The ceding insurer has the option to offer the individual risk to the reinsurer and the reinsurer retains the right to accept or reject the risk
Fair value change account	Unrealised gains/ losses arising due to changes in the fair value of listed equity shares and mutual funds
FIMMDA	Fixed Income Money Market and Derivatives Association of India

Glossary (Contd.)

Technical Terms/Abbreviations

Term	Description
First notice of loss/FNOL	The initial report made to an insurer following a loss, theft, or damage of an insured asset. The FNOL is normally the first step in the processing of a claim
Gross Direct Premium Income/GDPI	GDPI is the total premium received before taking into account reinsurance assumed and ceded
Gross Written Premium/GWP	GWP is the sum of GDPI and reinsurance inward premium accepted
Headcount	Headcount includes employees of ICICI Lombard and trainees
Incurred but not enough reported/ IBNER	IBNER is a reserve reflecting expected changes (increases and decreases) in the estimates of reported claims as on the accounting date
Incurred But Not Reported Claim Reserves/ IBNR	Includes IBNER, estimate for reopened claims, provision for incurred but not reported claims, provision for claims in transit as on the accounting date and ALAE
Indian Motor Third Party Insurance Pool/ IMTPIP	The IMTPIP was a multilateral arrangement for insurance set up by the IRDAI in respect of third-party claims against commercial vehicles, the losses or gains from which were shared by all Indian non-life insurance companies in proportion to their overall market share. The IMTPIP was effective from April 1, 2007 to March 31, 2012
Indian Motor Third-party Declined Risk Pool/ IMTPDRP	The IMTPDRP was an arrangement for insurance, set up by the IRDAI, in respect of standalone third-party claims against commercial vehicles that insurers "declined" to keep on their books. The losses or gains from such pool were shared by Indian non-life insurance companies that failed to meet a certain quota of third-party insurance policies underwritten. The IMTPDRP was effective from April 1, 2012 to March 31, 2016
Inland Marine	Coverage for property that may be in transit, held by a bailee, at a fixed location, or a movable good that is often at different locations
Insurance underwriting	The process by which an insurance company examines risk and determines whether the insurer will accept the risk or not, classifies those accepted and determines the appropriate rate for coverage provided
Intermediary	Entities like insurance brokers, re-insurance brokers, insurance consultants, individual/corporate agents, third-party administrators, surveyors, loss assessors and any other entities as may be specified by the IRDAI for undertaking insurance related activities
Investment Income	Investment income will include, income taken to revenue account and profit and loss account (interest, profit/loss on sale, accretion of discount, amortisation of premium, dividend earned during the period) and taken to financial statements pertaining to all the securities held under that category during that period

Term	Description
Investment leverage	Investment leverage is the ratio of total investment assets (net of borrowings) to net worth
I-Partner	An information technology platform extended to intermediaries, more specifically agents for booking insurance policies
Kharif	Kharif refers to the season which lasts from April to October and the crops that are cultivated and harvested in such season
Loss ratio	Loss ratio is the ratio of claims incurred (net) to NEP
Loss Reserves	Loss reserves are the reserves (or provision) for outstanding claims, IBNR and IBNER
Modified National Agricultural Insurance Scheme/MNAIS	The MNAIS was functioning as a component of National Crop Insurance Programme (NCIP). This scheme provides insurance coverage and financial support to the farmers in the event of failure of crops and subsequent low crop yield
Monoline insurer	A monoline insurer is a non-life insurer having a license to carry out a specific line of business. Eg: health insurance including travel and personal accident insurance or agriculture/crop insurance
Net earned premiums/NEP	Net written premium adjusted by the change in URR for the period
Net expense ratio	Net expense ratio is the ratio of the sum of operating expenses related to insurance business and commission paid (net) to the NWP
Net Promoter Score/NPS	<p>The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's overall satisfaction with a company's product or service and customer's loyalty to the brand. Surveyed customers are asked to rate the company on a scale of 0-10 in terms of how likely they are to recommend the company to others. Respondents are grouped as follows:</p> <p>Promoters – Those who give a rating of 9-10 Passives – Those who give a rating of 7-8 Detractors - Those who give a rating of 0-6 NPS = % Promoters - % Detractors</p>
Net worth	Net worth represents the shareholders' funds and is computed as sum of share capital, reserves and surplus, net of miscellaneous expenditure and debit balance in the profit and loss account
Net written premium/NWP	GWP less premium on reinsurance ceded
Net Promoter Score	Net Promoter Score is a tool that is used to gauge the loyalty of a firm's customer relationships. It serves as an alternative to traditional customer satisfaction research and is claimed to be correlated with revenue growth. It's calculated by subtracting percentage of detractors from percentage of promoters.

Glossary (Contd.)

Technical Terms/Abbreviations

Term	Description
Non-Life insurance density	The ratio of overall GDPI in the non-life insurance industry to the population of a country
Non-Life Insurance Penetration	Non-life insurance penetration measures the level of development of the non-life insurance sector in the country. It indicates the overall Gross Direct Premium Income of non-life insurance industry as a percentage of Gross Direct Product of the country.
Obligatory cession	The portion of risk that Indian non-life insurance companies are required by law to cede to General Insurance Corporation of India (GIC Re)
Outstanding Claim Reserves/OS Reserves	The provision made in respect of all outstanding reported claims as on the accounting date. OS Reserves include ALAE
Over-the-counter (OTC) products	Pre-defined products with standardised price, terms and conditions offered to customers
Place of Business	A regional office, a zonal office, a divisional office, branch office or any subordinate office or any other office by whatever name called set up within India or a 'representative or a liaison office of Indian insurers' or a 'foreign branch office of Indian insurer' set up outside India by the insurers registered in India
Policyholders' Funds	The policyholders funds shall be the sum of (a) estimated liability for outstanding claims including IBNR and IBNER (b) unexpired risk reserve ("URR") (c) catastrophe reserve (d) premium deficiency (e) other liabilities net off other assets. "Other liabilities" comprise of (i) premium received in advance (ii) unallocated premium (iii) balance due to other insurance companies (iv) due to others members of third party pool ("IMTPIP"), if applicable and (v) Sundry creditors (due to policyholders). Other assets comprise of (i) outstanding premium (ii) due from other entities carrying on insurance business including re-insurers (iii) balance with terrorism pool (if applicable) and (iv) balance with motor third party pool, if any (if applicable)
Portability	The right accorded to an individual health insurance policyholder (including family cover), to transfer the credit gained for pre-existing conditions and time bound exclusions, from one insurer to another or from one plan to another plan of the same insurer
Pradhan Mantri Fasal Bima Yojana/PMFBY	A Government of India programme under which the central and state governments subsidise the purchase of yield-based crop insurance for farmers. The PMFBY was launched in April 2016 and covers food crops, oilseeds and commercial and horticultural crops
Premium Deficiency Reserve	The reserve held in excess of the UPR, which allows for any expectation that the unearned premium reserve will be insufficient to cover the cost of claims and related expenses incurred during the period of unexpired risk

Term	Description
Premium ceded	Premium on reinsurance ceded is the premium in relation to the risk that we cede to our reinsurers
Probable Maximum Loss/PML	The maximum loss that an insurer would be expected to incur on a policy. The probable maximum loss represents an internal determination of the worst-case scenario for an insurer
Proportional reinsurance	A type of reinsurance transaction pursuant to which the reinsurer and the ceding insurer share a defined percentage of the premiums and liabilities of certain underlying insurance. The reinsurer also typically pays the ceding reinsurer a commission
Rabi	Rabi refers to the season which typically lasts from mid-November to April/May and the crops that are cultivated and harvested in such season
Rashtriya Swasthya Bima Yojana/RSBY	A Government of India programme under which the central and state governments provide health insurance to low income households and certain defined categories of unorganised workers
Reinstatement premium	A prorated insurance or reinsurance premium charged for the reinstatement of the amount of a primary policy or reinsurance coverage limit that has been reduced or exhausted by loss payments under such coverages
Reinsurance	Reinsurance is a transaction whereby one company, the reinsurer, agrees to indemnify another insurance company, the reinsured against all or part of the loss that the latter sustains under a policy or policies that it has issued, in return for a premium
Reinsurance ceded/accepted	Reinsurance means an insurance contract between one insurance company (cedant) and another insurance company (reinsurer) to indemnify against losses on one or more contracts issued by the cedant in exchange for consideration. The consideration paid/received is termed as reinsurance ceded/accepted. The intent of reinsurance is for an insurance company to reduce the risks associated with underwritten policies by spreading risks across alternative institutions
Reserving Triangle	A table showing development of estimated ultimate loss amount and the corresponding outstanding reserves foreach AY over the subsequent periodic valuations
Retained risk	The amount of liability for which an insurance company will remain responsible after accounting for its reinsurance arrangements
Retention limit	The maximum amount of risk retained by an insurer, beyond which the insurer cedes the risk to reinsurers
Retrocession	Retrocession is the ceding of reinsurance accepted to another reinsurer

Glossary (Contd.)

Technical Terms/Abbreviations

Term	Description
Rider	The add-on benefits which are in addition to the benefits under a basic policy
Required Solvency Margin/RSM	Shall be the higher of the amounts of RSM 1 and RSM 2 for each line of business ("LOB") separately. RSM 1 means required solvency margin based on net premiums, and shall be determined as 20% of the amount which is the higher of (a) the gross premiums multiplied by a factor specified for each LOB and (b) the net premiums. RSM 2 means required solvency margin based on net incurred claims and shall be determined as 30% of the amount which is the higher of (a) the gross incurred claims multiplied by a factor specified for each LOB and (b) the net incurred claims
Salvage	Value recoverable from sale of scrap/recovered material arising from claim
Senior Citizen Welfare Fund/SCWF	As part of the Finance Act 2015, the government has brought in the Senior Citizens' Welfare Fund Act, 2015 (SCWF). This mandates the transfer of unclaimed amounts of policyholders to the fund (SCWF) after a period of 10 years
Shareholders' Funds	Shareholders' funds comprise of share capital plus all reserves and surplus (except revaluation reserve and fair value change account) net of accumulated losses and Miscellaneous expenditure to the extent not written off as at the balance sheet date
Solatium fund	In 'Hit & Run' cases, accident victims are eligible for compensation through a Special Fund constituted in terms of Section 163 of the Motor Vehicles Act, 1988 called Solatium Fund
Solvency Ratio (Solvency)	The ratio of ASM to the RSM
Technical reserves	Technical reserves means reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims (including IBNR and IBNER)
Third Party Administrators/TPA	A company registered with IRDAI, and engaged by an insurer, for a fee or remuneration, by whatever name called and as may be mentioned in the agreement, for providing health services as mentioned under the Insurance Regulatory and Development Authority of India (Third Party Administrators - Health Services) Regulations, 2016
Third-party loss / TP loss	A loss suffered by a person(s) other than the insured or insurer who has incurred losses or is entitled to receive payment due to acts or omissions of the insured
Treaty	A reinsurance contract in which a reinsurance company agrees to accept all of a particular type of risk from the ceding insurance company. Reinsurers in a treaty contract are obliged to accept all risks outlined in the contract

Term	Description
Underwriting Balance Ratio	Computed as underwriting profit or loss divided by net premium for the respective class of business
Underwriting Results	Underwriting profit or loss which is computed as net premium earned less net claims incurred less net commission less operating expenses related to insurance business
Unearned Premium Reserve/UPR	An amount representing that part of the premium written which is attributable and to be allocated to the succeeding accounting periods
Unexpired Risk Reserve/URR	Reserves in respect of the liabilities for unexpired risks and determined as the aggregate of unearned premium reserve and premium deficiency reserve
Weather Based Crop Insurance Scheme/ WBCIS	WBCIS is an index based insurance cover which aims to mitigate the hardship of the insured farmers against the likelihood of financial loss by providing protection against variation in specified weather indices such as rainfall, humidity, temperature etc. or a combination of these factors



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